1. S. Congress.

# Congressional Record

### PROCEEDINGS AND DEBATES

OF THE

## SECOND SESSION OF THE SEVENTY-THIRD CONGRESS

OF

THE UNITED STATES
OF AMERICA

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## Congressional Record

#### SEVENTY-THIRD CONGRESS, SECOND SESSION

#### SENATE

THURSDAY, JUNE 14, 1934

(Legislative day of Wednesday, June 6, 1934)

The Senate met in executive session at 11 o'clock a.m., on the expiration of the recess.

On motion of Mr. Robinson of Arkansas, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day, Wednesday, June 13, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON of Arkansas. I suggest the absence of a

The VICE PRESIDENT. The clerk will call the roll. The legislative clerk called the roll, and the following Senators answered to their names:

Reynolds Robinson, Ark. Robinson, Ind. Adams Costigan Ashurst Couzens Kean Austin Bachman King La Follette Cutting Davis Dickinson Russel Bailey Bankhead Lewis Dieterich Logan Lonergan Sheppard Shipstead Barbour Duffy Long McCarran Smith Black Erickson Stephens Thomas, Okla. Thomas, Utah Bone Borah Fess Fletcher McGill McKellar McNary Metcalf Brown Frazier George Gibson Thompson Townsend Murphy Bulow Neely Norbeck Tydings Vandenberg Goldsborough Byrnes Gore Wagner Walcott Capper Caraway Hale Norris Nye O'Mahoney Harrison Carey Hastings Wheeler Hatch Hatfield Overton Patterson White Connally Hayden Hebert Pittman Copeland Pope

Mr. LEWIS. I announce the absence of the Senator from California [Mr. McADOO], occasioned by continued illness; the absence of the Senator from Florida [Mr. TRAMMELL], the Senator from Indiana [Mr. Van Nuys], and the Senator from Virginia [Mr. GLASS], who are necessarily detained from the Senate; and the absence of the Senator from Massachusetts [Mr. Walsh], who is detained in attendance on the Democratic pre-primary convention in Massachusetts.

Mr. HEBERT. I wish to announce that the Senator from Pennsylvania [Mr. Reed] is absent because of illness, and that the Senator from New Hampshire [Mr. KEYES] is necessarily detained from the Senate.

The VICE PRESIDENT. Eighty-nine Senators have answered to their names. A quorum is present.

INVITATION TO ATTEND COMMEMORATIVE EXERCISES IN HONOR OF JAMES MADISON

As in legislative session,

The VICE PRESIDENT laid before the Senate a letter from Hon. HARRY FLOOD BYRD, chairman, and Hon. Grosvenor Dawe, secretary, etc., Volunteer Committee of Arrangements, Madison Memorial Day Exercises, Montpelier, Va., which was ordered to lie on the table and to be printed in the RECORD, as follows:

MADISON MEMORIAL DAY, Montpelier, Va., June 12, 1934.

Hon. JOHN N. GARNER.

Vice President of the United States,

The Capitol, Washington, D.C.

DEAR MR. GARNER: June 28 is the yearly anniversary date of the death of James Madison, fourth President of the United States, and named with historic justice "the Father of the Constitution."

At Montpelier, Va., by the consent and invitation of Mr. and Mrs. Thomas H. Somerville, owners of the Madison lands—and with the cooperation of the William Byrd Chapter of the D.A.R. simple and informal commemorative exercises will be held at 2 p.m. on the afternoon of June 28.

While we are aware that the Seventy-third Congress may have adjourned before June 28, we desire to invite those Congressmen who may happen to be in Washington on that date to join in honoring the memory of one of America's devoted statesmen and

Will you be pleased to lay this general invitation before the membership of the Senate, with the request that all who can attend should notify us of their intention, so that proper preparations for seating and transportation may be completed in advance.

Very respectfully,

Volunteer Committee of Arrangements.

Harry Flood Byrd, Chairman.

Grosvenor Dawe, Secretary.

#### REXFORD G. TUGWELL

The Senate resumed the consideration of the nomination of Rexford G. Tugwell to be Under Secretary of Agriculture.

Mr. NORRIS. Mr. President, on the 24th day of April the President of the United States sent to the Senate the name of Dr. Tugwell as Under Secretary of the Agricultural Department

On that day, the 24th of April, the Senate referred the nomination to the Agricultural Committee. Last Monday was the first time the nomination was laid before the Committee on Agriculture and Forestry. That was done undoubtedly because the Senate had passed a resolution directing the Agricultural Committee to take action and report its action upon the nomination not later than 12 o'clock last Tuesday.

At 10 o'clock, as a member of the committee, I went to the committee room. I found on the door of the committee room a notice that the hearing on Dr. Tugwell's nomination would take place in a different room, the number of which I think was 18, a larger room.

I went to that room and had some difficulty in getting into the room. While it was a large room-the largest, perhaps, of any hearing room in the Capitol or in the House or Senate Office Buildings-I found the room crowded almost to suffocation. Every seat was occupied, and the aisles were crowded with people standing. The hall running out of the room into the main hall was crowded with people trying in vain to secure admission into the room.

When I got inside I found a table to seat the committee, with the chairman sitting in his proper place, two tables on either side for newspapermen and others, and, in the middle, a small table where the doctor was seated. He was surrounded on all sides by a surging crowd. Opposite him, seated at the committee table, was the Chairman of the Committee on Agriculture and Forestry. There was a broadcasting outfit in one corner of the room and a moving-picture outfit in another corner of the room, and dozens and dozens of cameramen snapping their cameras in diffferent parts of the room. It seemed to me that the only thing it lacked, to have the right kind of a setting, was the presence of the Marine Band to furnish music for the occasion [laughter], although it would have been an impossibility, at the particular time I entered the room, for the Marine Band to have gotten inside.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. NORRIS. I yield. Mr. CLARK. The Senator does not mean to suggest that there was anything unusual in this procedure of allowing the newspaper photographers and an interested gallery to be present, does he? I agree entirely with the Senator that it is inappropriate, but it has been my observation since I have been in the Senate that that takes place at any committee meeting which happens to be of popular interest.

Mr. NORRIS. I never saw the like of it since I have been in the Senate or in the House. It was a complete show, with nothing lacking but the music.

The witness, Dr. Tugwell, was facing the chairman of the committee, and with the chairman looking at him as he only can, with his fierce and piercing eyes; I wondered why the witness did not faint away. [Laughter.] I wondered how he could withstand those terrible surroundings and not get faint-hearted. I do not doubt now that he was thoroughly imbued with the importance of the occasion. I do not doubt now that he realized then that that was an occasion where 100-percent patriotism surrounded and took in everything.

After the chairman had examined Dr. Tugwell for a while, the Chair called the Senator from Virginia [Mr. Byrd] to the chair. The Senator from Virginia is not a member of the committee; but after the witness had been sufficiently impressed with the surroundings and with the atmosphere, the Senator from Virginia was placed in the chairman's chair, and the chairman gracefully withdrew-temporarily, it is true. I have the record here. The chairman said, "Now, Senator Byrd, you can take my seat temporarily"; and the Senator from Virginia took the chairman's seat, and the chairman got out of it, and the committee had a new chairman. The Senator from Virginia with great courtesy acknowledged the honor, however, and said in reply, "I first want to express my appreciation to the chairman and the committee for the privilege of propounding some questions to Dr. Tugwell." As a matter of fact, up to this point the committee had not been consulted; so the thanks that the Senator from Virginia gave to the committee. I suppose, were duly appreciated, even though the committee had no voice in the matter.

Mr. BYRD. Mr. President, I am very glad to accept the appreciation of the committee.

Mr. NORRIS. I was not fishing for any thanks, Mr. President, but I accept them just as gracefully as I know how.

The Senator from Virginia took the witness in hand, and looked clear through him. I have no doubt that in his vision the Senator from Virginia saw what was going on on the other side of the witness, and I have no doubt that it duly impressed the witness. The Senator from Virginia propounded to the witness the questions that he wanted to propound, and after he had continued for some time the atmosphere cooled off just a little bit. In preparation for the next inquisitor who was to take the chairmanship, the Senator from Virginia, I presume realizing that the temperature had dropped several degrees, raised it up to more than 200 percent patriotism by rising in his place and making a stump speech. He made a good speech. He did not talk to the committee. He talked over their heads. He talked to the crowd; and there was the crowd ready to help elevate the atmosphere and make a sufficient impression upon the poor victim who was there in the shape of Dr. Tugwell.

The Senator from Virginia was applauded. The crowd cheered and clapped their hands and yelled. It went away beyond almost any crowd that I have ever heard, on the street corner or anywhere else. The Senator worked up the crowd into a fervor of patriotism. He did not talk about Dr. Tugwell, it is true, but undoubtedly it impressed Dr. Tugwell. What he said, as I understood it, had nothing more to do with Dr. Tugwell's nomination than the starlings do that roost in the rafters of the Capitol [laughter]; but it raised the temperature. It duly impressed the witness. It seemed to me almost that he was like a lamb led to the slaughter, where grave and reverend Senators were going to propound all kinds of questions to him.

After that occurrence the Senator from Virginia very gracefully withdrew and surrendered the chair, and the chairman called out, and that time he said, "If there is no objection from the committee, we will have the Senator from North Carolina [Mr. Balley], take the chair temporarily."

In the midst of the excitement which had been worked up by this eloquent speech of the Senator from Virginia, the Senator from North Carolina [Mr. Balley] took the witness.

I have seen some witnesses examined in court; I have read some of the things that go on in police courts; but I think this equalled anything I ever read, or ever saw, or ever heard.

The Senator from North Carolina very learnedly started to read extracts from a lecture that the doctor had delivered in 1931 to a convention of economists, and he picked out a clause here and a clause there and asked the doctor whether those were his sentiments, whether he believed in them now. As he asked the questions he pounded the desk, and I wondered how the desk could stand the terrible pounding that was given it. I do not know whether or not it was made for the occasion, but it was an extraordinarily strong table, or it never would have stood up. [Laughter.]

The doctor sometimes refused to admit that these quotations were his sentiments and insisted that he was discussing before a scientific body a scientific question; that he was discussing questions that he condemned; that even over in Russia, where they had planning on a great scale, he had discussed it and he had said that if that kind of planning was adopted it meant the disregard of Constitution and statutes, but those were not his sentiments. Those would follow, in his judgment, from the adoption of that kind of a system of planning, in which he did not believe.

This show did not turn out just as I really expected it would, because modestly, courteously, and rather calmly, the doctor answered as best he could the questions propounded to him.

Mr. President, I thought the atmosphere cooled a little bit during the examination by the Senator from North Carolina, but it never was allowed to subside entirely. When it got a little cooler, another stump speech was made. The chairman made a couple of very fine speeches, defiant speeches, with the very fire of enthusiasm coming out of his eyes as he eyed the witness sitting there in silence before him.

During these speeches, in which the speakers did not discuss Dr. Tugwell to any extent, the temperature gradually went up again, the crowd yelled, they clapped their hands, and some of them became almost hysterical in the fervor of patriotism, which was increased up to a thousand percent.

Dr. Tugwell was still there. As the questioner would pound the table after he had read a sentence picked out of this speech, he would point his finger at Dr. Tugwell and say, "Is not that your language?" After the doctor had been questioned not only by the Senator from Virginia [Mr. Byrd] but by the Senator from North Carolina [Mr. Balley] 4, 5, and sometimes 6 times upon the same point, they let him go. After the Senator from North Carolina [Mr. Balley] had quit, for the first time the chairman announced very courteously, that if any member of the committee had any question to ask he might ask it.

Well, Mr. President, the next day at 10 o'clock the committee met.

Mr. CUTTING. Mr. President, will the Senator yield to me?

Mr. NORRIS. I yield.

Mr. CUTTING. I was about to suggest to the Senator that perhaps one of the reasons why the members of the committee did not ask more questions was on account of the attitude of the hearing. It would have taken a good deal of courage for any member of the committee to ask many questions in that audience. If the Senator will recall, a mere suggestion from the Senator from Alabama [Mr. Bankhead] that the proceedings be conducted in a more orderly manner was greeted with catcalls, and hisses, and hoots, and boos from the audience.

Mr. LONG. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. LONG. I was at the hearing, and it seemed a rather good-natured meeting, with about half the committee acting as witnesses and the other half acting as interrogators.

Mr. LOGAN. Mr. President, if the Senator from Nebraska will yield. I just wondered whether the Senator from Lou-

isiana would consider that a rowdy meeting, because I have | agree with everything he stands for. held some committee meetings in New Orleans, and I know what they are down there. [Laughter.]

Mr. NORRIS. Mr. President, we need make no argument when the Senator from Louisiana characterizes this meeting as he has. If he felt that way about it, God only knows how the rest of us felt about it.

What the Senator from New Mexico has said is true. The committee were awed into silence. I did not have the courage to participate very often, and when, with his hand pointed at the witness, the questioner listened to about half the answer and then interrupted with another question, once or twice some of us did interrupt and say, modestly, that we thought the witness ought to be allowed to answer one question before another was propounded. But that was about the way the show proceeded.

Mr. CLARK. Mr. President, will the Senator yield to me?

Mr. NORRIS. I yield. Mr. CLARK. I merely desire to say to the Senator that if the Senator from Nebraska and the Senator from Montana were in anywise intimidated by any part of the proceedings or if they were not practically acting not only as counsel for Dr. Tugwell but as witnesses for him, then the Senator from Nebraska and the Senator from Montana have been grossly libeled by the stenographers who officially reported the hearings.

Mr. NORRIS. The stenographers may have a different idea of it from what I had, but I would like to say to the Senator myself that it took a great deal of courage for me to interrupt the proceedings. I did not have the courage to do it. I was frightened. [Laughter.] I wondered what the witness thought if a Senator, who had attended other meetings and listened to several other hearings in his lifetime, was scared or lacked courage to interrupt; I wondered what the poor witness, who never had had a similar experience, must have been thinking.

It is said here now on the floor that one of the things against Dr. Tugwell is that he did not stand up during that examination and say, "Yes; I believe so-and-so", that he was taking water. Probably he was: I do not know. If he was human, he was. He was frightened, and perhaps he was apologetic sometimes, and he would be justified in being so, I thought, from my experience with human nature.

Now the charge is made against him that when these extracts were read he did not say, "Yes; those are my sentiments." It is said here on the floor that if he had said so, it would have been better than if he had said, "They are not my sentiments." So Dr. Tugwell, so far as his interrogators were concerned, was going to be damned no matter what he did. If he had said, "Yes; those are my senti-ments", they would have said, "He is a Bolshevik." If he had said, "No; those are not my sentiments; I do not believe in that. I am not a party to the Bolshevik idea. I believe in our Constitution. I believe in our statutes", as he said repeatedly and repeatedly and repeatedly. Now he is condemned for saying that.

They can take either horn of the dilemma they please, but they have to condemn him, no matter which way they go, because they wanted him to say he was a Bolshevik, they wanted him to say that he believed in the Russian form of government, that he did not believe in our Constitution, that he did not believe in our statutes; and he did not say thathe denied it.

Mr. President, there has been a propaganda all over this country against Dr. Tugwell as great, almost, as any propaganda I have seen since I have been here. Millions of farmers and millions of other citizens of the United States have been misled as to Dr. Tugwell.

A man called me out Monday afternoon after I had come to the Senate, following the hearing, and tried to persuade me to be against Dr. Tugwell's nomination. Two men representing farm organizations came from my State and called me out and said, "We are here to protest against Dr. Tug-

I said, "Why? I am for him. I think he is a fine man, I think he will make a wonderfully fine Under Secretary." And that does not mean that I would necessarily have to

One of these farmers had been over at the meeting. saw him standing up in the audience. He said to me, "Why. the charge against Dr. Tugwell is that he believes in the nationalization of farms."

I said, "You heard him testify. You heard that question propounded to him, and you heard him emphatically deny it—say that he did not believe in it."

"Yes", he said, "I heard that, but they are saying out over the country that he believes in it, nevertheless.'

Mr. President, who is Dr. Tugwell? He was born on a farm in the State of New York, raised on a farm, went to school in the wintertime and worked on the farm in the summertime. After his graduation he had charge of his father's farm. He engaged in farming.

Before that came out in the evidence I was for a time a little frightened about it, because from what I had heard from some Senators as to the qualifications of an Under Secretary, I thought he came sometimes very near disqualifying himself.

It developed that Dr. Tugwell was educated, that he could even read and write. I thought then that might go against him with some people who think that the Under Secretary ought to be uneducated.

But what are his views? He has some advanced views. I think he is a liberal, although he calls himself a conservative. I myself would have thought more of him had he said he was a liberal, but he is entitled to give his own definition of what he thinks he is. I myself would not like to be called a conservative. I would not apologize for the fact that I was not one.

Some of Dr. Tugwell's articles show, and in fact his testimony shows, that when he graduated and after he left the farm he made a study of two things in political economy; it was his life's work; it is his life's work now-the farmer and the laboring man. Those are the two classes of our citizens he stood up for. Because it is his judgment that those two classes have not always received justice he stands condemned today by the special interests.

Those who have been opposing him, outside the Senate, of course, have been following Samuel Insull in their opposition. Senators know that when Samuel Insull was in his glory and had men hired everywhere, and was electing men to the Senate and to the House and to the judgeships and to commissions where they had something to do with electric-light rates, he had a manager who prepared speeches for candidates for Congress, and one of the interesting things which was developed several years ago was that that manager, in writing to another Insull manager in another State, telling him how to do his work and telling him how to get the right kind of men into office, said, "To prepare the candidate right do not discuss the issues." That was pretty good advice, coming from the Insull camp. "Do not discuss the issues, but hang the Bolshevik idea on the man you are opposing."

That is what some people have been trying to do in the case of Dr. Tugwell. They have not done it because they believed it, but they have made many honest men believe that it is true. Letters and resolutions coming from all over the country show that this propaganda has had its effect. They have come to me; they have come to all of us; and as they said to me I presume they said to other Senators, "He believes in the nationalization of the farmer."

Mr. President, he does not believe in anything of the kind. He has devoted his life to the interests of labor and agriculture. That has been his specialty.

When he was a young man he attended the first conference that was ever called by any President-it was called by President Harding-to consider the agricultural question. That conference was the beginning of the discussion of the agricultural question. There were called from all over the United States by the President prominent men-Governors, and so forth-to meet in conference. Dr. Tugwell was not invited, but he was there. He listened to the evidence.

Mr. MURPHY. Mr. President, will the Senator yield? Mr. NORRIS. I yield

Mr. MURPHY. Was the Senator from Nebraska invited?

Mr. NORRIS. No; I was not invited. Dr. Tugwell listened to the evidence, and he was there at his own expense. He listened to it and he heard all the debate, because he was educating himself on the farm question. He wanted to hear what the leaders had to say. It was part of his education. He heard it all.

I learned from the hearing before the Committee on Agriculture that Dr. Tugwell favored the McNary-Haugen bill, which we passed through the Senate four or five different times on roll calls. I voted for it every time, but always had doubt about it. I have doubt about it yet, but I would vote for it again if the conditions were the same as they were then. It was defeated. Dr. Tugwell wrote something about it. In the hearings Senators will find one of the things he said about it in one of his writings; and I thought then, "He is treading on dangerous ground", as many Senators and many Members of the House and many eminent men over the country honestly believed that it was unconstitutional.

Mr. President, Dr. Tugwell might be condemned for that; some people would condemn him for it. I have been condemned, as other Senators have been, many times by honest men for favoring that kind of legislation. We were, as I believed then and as I believe now, in desperate condition. Some of us said, "If first we relieve agriculture, the cornerstone of our Nation, we shall relieve everyone, because, after all, we all depend upon agriculture." Dr. Tugwell was in favor of the McNary-Haugen bill, and he said so. He said in one of his articles that the more he read about it the more enthusiastic he became about it. He wanted the bill passed. That incurred the animosity and the hatred of big business and special interests. And although I favored it—I want to say I might have been wrong and Dr. Tugwell may have been wrong—it was never tried.

There has never been anything in the man's life to indicate that at any time, so far as I have ever heard of him, he has not been actuated by the sincerest and most honest of motives. He has now but one great ambition in his heart, and that is to help farming and to help labor. He learned about farming when he was between the plow handles. He learned about it when he scraped the mud off his boots when he went in at night. He may be wrong about some of the principles he advocates; but I do not think that is any reason why he should be condemned.

If Dr. Tugwell can be passed off and discarded it will be one of the greatest victories the special interests have ever obtained. They are on his trail. They have gone all over the United States with their false and misleading propaganda. They have deceived millions by their arguments. But the Insull racket ought to be too old now to be repeated.

The same class of people that are condemning him are now apologizing for Samuel Insull since he came back. The same propagandists who are trying to down Dr. Tugwell are now trying to build up a sentiment of sympathy around Insull. This propaganda is the Insull idea—the most dangerous of any that we have to contend with here—"Hang the Bolshevik idea on him." And people honestly believe some of these reports which have gone out.

One might take a sentence here and there out of the Holy Bible and condemn it. There would not be any difficulty in doing that if we resorted to the Insull methods.

Mr. President, I do not question any man's motives on this vote. I do not want to look into any man's heart and see why he casts a vote this way or that way. He is and he should be the master of his own conscience and his own vote. But after we have seen these kinds of propaganda which have gone over the country for various things we should not here and now be moved again and caught in the same trap that has been made to work hundreds of times in the past.

I have not heard a scintilla of evidence which questions the ability of this man, which questions his sincerity. I have never but once heard his courage questioned, and that

was here on the floor of the Senate. I would not have been surprised and I would not have condemned him if on the examination before the committee he had withered to the floor, when that howling crowd was worked up to a frenzy on various ideas that did not have anything to do with Dr. Tugwell, and then suddenly the scene was changed and Dr. Tugwell was subjected to inquisition, surrounded by men of great ability who were questioning him and questioning his standing. It would not have been a thing to wonder at had he collapsed under the ordeal which he was compelled to endure.

And then when we came to vote in that committee we found that the committee was in favor of Dr. Tugwell 16 to 2. If we had omitted the chairman and just taken the vote of the committee it would have been a repetition of the famous ratio of 16 to 1.

Mr. President, to my mind that which is most requisite for a public official is honesty and sincerity. He ought to have courage, he ought to have wisdom. But if he will act honestly then there is hardly an office in this country of which he should not be allowed to have charge. I think Dr. Tugwell possesses these qualifications. He may not agree with me on some things; he may not agree with other Senators. There are no two of us who can agree. We are confronted, especially in agriculture and in labor, with a predicament that never before confronted mortal man. It is required of this administration to solve problems that have never before been presented. The old order has failed. I may blame the failure on one cause and other Senators may blame it on another, but we cannot deny that it has failed; that old remedies do not work. No man living can tell in advance just exactly what a new remedy or a new method will bring about.

We must either go forward with the light that God gives us, and do the best we can, or we must sit silently by and do nothing, and in the latter case we know that our country and our civilization will both fail. I think those in charge of our ship of state at this time ought to have the prayerful help of all our people, regardless of party. There is no place in this dilemma for a man with a mallet and chisel to come along trying to get some party advantage. If those on this side of the Chamber think they can get a party advantage in this case, I want to say to them that when the truth shall finally percolate down, as it will in time, they will be condemned for an opposition that is based upon such narrow-mindedness and such a lack of patriotism.

The opposition to Dr. Tugwell, as I see it—and I still say, in parenthesis, that I am not questioning any man who opposes him for any reason that he may think is proper—will crumble and decay when it shall have been properly investigated, and, when the truth shall be known, at least, his opponents will have to give him the credit of being honest and doing the very best he could under the most difficult circumstances possible.

Dr. Tugwell has not any politics, as I take it; I never heard anything said about his politics until he was questioned on the stand the other day. I do not know now whether he gives allegiance to any political party; or if he does, to which political party; but he did say he had written something on the farm question, at the request of friends of Governor Smith when he was a candidate for the Presidency. He also said that, so far as he knew, nothing that he had written had been utilized. Dr. Tugwell was, of course, if he favored the McNary-Haugen bill, opposed to some of the policies at least of the Coolidge and Hoover administrations. So far as I know, he took no part in any of those political contests. He advocated what he believed to be right for the farmer and laborer, without regard to the consideration of any political party. I take it there will be no partisan advantage here in the confirmation of his nomination. His administration, if he shall control it, will be as pure and as high above partisan activity as one can possibly imagine, for he has but one idea in his heart, and that is efficiency, righteousness, and to help save the farmer and the laboring man from the present terrible conditions which surround them.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 9410) providing that permanent appropriations be subject to annual consideration and appropriation by Congress, and for other purposes, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Griffin, Mr. McMillan, Mr. Parks, Mr. Cary, Mr. Goss, and Mr. Wigglesworth were appointed managers on the part of the House at the conference.

The message also announced that the House had severally agreed to the amendments of the Senate to each of the following bills of the House:

H.R. 6462. An act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration; to provide for their orderly use, improvement, and development; to stabilize the livestock industry dependent upon the public range; and for other purposes;

H.R. 9526. An act authorizing the city of Port Arthur, Tex., or the commission hereby created, and its successors, to construct, maintain, and operate a bridge over Lake Sabine at or near Port Arthur, Tex.; and

H.R. 9745. An act to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 9741. An act to provide for the taxation of manufacturers, importers, and dealers in certain firearms and machine guns, to tax the sale or other disposal of such weapons, and to restrict importation and regulate interstate transportation thereof; and

H.R. 9904. An act to amend section 5 of Public Act No. 2 of the Seventy-second Congress, as amended.

#### ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 2347. An act to amend the Inland Waterways Corporation Act, approved June 3, 1924, as amended;

H.R. 7982. An act to establish a national military park at the battlefield of Monocacy, Md.;

H.R. 8525. An act to amend the District of Columbia Alcoholic Beverage Control Act to permit the issuance of retailers' licenses of class B in residential districts;

H.R. 9002. An act to provide relief to Government contractors whose costs of performance were increased as a result of compliance with the act approved June 16, 1933, and for other purposes: and

H.R. 9745. An act to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes.

#### REXFORD G. TUGWELL

The Senate resumed the consideration of the nomination of Rexford G. Tugwell to be Under Secretary of Agriculture.

Mr. BYRD. Mr. President, I have enjoyed, as I know the other Members of the Senate have, the satire of the distinguished Senator from Nebraska. He pictures the meeting of the Agricultural Committee and the persecuted witness, Dr. Tugwell, and myself, a new Member of the Senate of the United States, very humble in everything I have tried to do here as intimidating the Senator from Nebraska. I am especially pleased, and I want to thank the Senator from Nebraska for the high compliment he has paid me with respect to my oratory. I am a plain, blunt business man. Until the Senator made his speech this morning I had never believed I possessed any capacity whatever as an orator-I, of course, know the Senator was being facetious; but I feel that I have failed in my oratory, because I have not as yet been able to make the Senator from Nebraska understand why I am opposed to the nomination of Dr. Tugwell; and, with his attention, I will endeavor to make myself clear.

Mr. President, I have been especially impressed with the wide tolerance and liberality shown by the Senator from Nebraska in the speech he has just concluded. He classes those of us who oppose the nomination of Dr. Tugwell as advocates of special interests in this country, even to the extent of following the teachings of Samuel Insull. I want to say, Mr. President, that I do not take to myself any attitude of self-righteousness; I do not give myself a certificate of character whenever I speak on the floor of the Senate; but I have just as keen a conscience in the discharge of my public duty in this or any other matter before the Senate as has the Senator from Nebraska or as has any other Member of this august body.

Mr. President, referring to the suggestions of the persecution of Dr. Tugwell, when the examination was held before a committee that voted 16 in favor of his nomination to 2 against, anyone who can read that record can see he not only had able counsel there to protect him and suggest what he would say in reply to his questioners, he not only had the Senator from Nebraska [Mr. Norris] as his defender, but he had the Senator from Montana [Mr. WHEELER]; and the question was, at times, who was the witness being examined, whether it was the Senator from Montana, or the Senator from Nebraska, or whether it was Dr. Tugwell. It is only necessary to read the record of that meeting of the Committee on Agriculture and Forestry, to demonstrate, and it is not necessary for me to say to the Members of the Senate, that Dr. Tugwell could not have been persecuted in that presence; that the Senator from Nebraska would have prevented it, as would have the Senator from Montana and the other 14 advocates Dr. Tugwell had on the committee.

But, Mr. President, I am not here to reply to the satire of the distinguished Senator from Nebraska, much as I enjoyed it. I am here to state, as clearly and concisely as I can, my reasons for opposing the nomination of Dr. Tugwell; and they are just as sincere reasons as are those held by any other Member of this body.

I wish to say that I have no animosity and no hostility of any character against Dr. Tugwell. I would not for my right arm do him an injustice on the floor of the Senate. The few times it has been my pleasure to meet him I have been greatly impressed with his very charming personality. I further desire to say, Mr. President, that I deeply regret the necessity I am under to oppose a nomination sent to the Senate by the leader of my party, the President of the United States. I am a regular Democrat, who believes in party organization. My record in the Senate will show that I have supported the recommendations of the President of the United States in the large majority, and unless I had some strong conviction to the contrary. I stood up as one of 27 Senators and was counted for him when his veto was overridden by Congress. I further believe in the greatest possible latitude being given to the Chief Executive of this country in the appointment of those subordinates who serve under him; and, for that reason, it is with great difficulty that I have made the decision to cast my vote, for the reasons which I now give, against confirming the nomination of Dr. Tugwell.

In reply to the Senator from Nebraska, let me say that I am not voting against Dr. Tugwell because of disappointment that he did not admit he was a Bolshevik, that he did not admit he believed in the Soviet system of Russia. I am voting against him entirely for other reasons, which I will endeavor to make clear as I proceed.

It had been my purpose to vote for the confirmation of this nomination. My attention was attracted to an interview given by Dr. Tugwell in a Washington newspaper in which he said, to quote him exactly—

Certain amendments to the Agricultural Adjustment Act now pending in the Senate will permit us to continue to do what we have already been doing. If we should get a set-back in court, we would have to stop doing certain things under present circumstances.

Mr. LOGAN. Mr. President, will the Senator yield there? Mr. BYRD. Yes, sir.

Mr. LOGAN. Will the Senator from Virginia tell me what difference there is between the position of Dr. Tugwell

as expressed in that statement and the position of the President himself when he closed the banks soon after he came into office and then asked Congress for authority to validate what he had already done? Or what difference there is between the statement of Dr. Tugwell and the position of Mr. Hoover when he extended the time of payment of the war debts due the United States and afterwards asked Congress to validate what he had done?

Mr. BYRD. Mr. President, let me say to the Senator from Kentucky that there is a vast difference in what the President of the United States may do in a great emergency and what an official of the Government may do in usurping the authority of Congress and in taking to himself authority which has not been delegated to him by the legislative branch.

I wrote a letter to Dr. Tugwell and asked whether or not he was correctly quoted in the interview to which I have referred. I received in reply a letter which is now a part of the record of the Senate. In that letter Dr. Tugwell admitted that substantially what was said in the interview was correct. One sentence of it said:

It was also in that connection-

Referring to certain activities of his Department—that I stated that certain of the amendments simply permitted us to do what we are already doing.

I do not question the beneficial effect of what the Department of Agriculture is doing. I do not say whether this authority which has been exceeded is wise or unwise for the farmers of the country. But I stand as one who believes the time has come for the Congress of the United States to say to the bureaus here in Washington that they must not exercise authority unless such authority is first given them by the legislative branch of the Government.

I stand as one who believes the time has come to let the people of the country know and the bureaus and the departments of the Government know that there are still three branches of our Government, each independent and as a check upon the other, the legislative, the executive, and the judicial branches.

Mr. BANKHEAD. Mr. President, will the Senator yield? The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Alabama?

Mr. BYRD. I yield.

Mr. BANKHEAD. Will the Senator kindly state some specific act which he charges Dr. Tugwell with having done in violation of law?

Mr. BYRD. Mr. President, I have no specific act to charge except to say that by his own admission he has admitted that he has exceeded the authority granted him by Congress and that he wants us to validate the illegal acts which have been performed by his Department.

Mr. BANKHEAD. I heard every word Dr. Tugwell said, and I think if the Senator will review the record, he will find it is an extreme construction which he has drawn from the testimony.

Mr. BYRD. I am quoting from a letter written to me which is a part of the Congressional Record, in which Dr. Tugwell said:

It was also in that connection that I stated that certain of the amendments simply permitted us to do what we are already doing.

Why should the Congress permit the Department of Agriculture to do what they are already doing if they have the law authorizing them to do it? If they have a legal right to do it, then it is not necessary for Congress to permit them to do what they are already doing.

Mr. BANKHEAD. I assume the Senator wants to present a fair record. Let me ask the Senator if it is not fair at this point to state that Dr. Tugwell said they believed that what they had done was authorized by law, but that certain protestants and recalcitrants had challenged their authority and gone into court even to the extent of five cases; that although the courts had ruled with them in all five cases, yet on account of arguments and objections presented the Department thought it best to clear up the grounds of objection which had been presented; that there was no admission

as expressed in that statement and the position of the President himself when he closed the banks soon after he came into office and then asked Congress for authority to lated the authority of law.

I will ask the Senator if it is not fair to state that Dr. Tugwell did say they believed they had the authority and that thus far the courts had sustained their belief?

Mr. BYRD. Mr. President, it is true, as the Senator from Alabama has said, that there are certain amendments pending here in the Senate to the Agricultural Adjustment Act which the people of the country have been told, and inaccurately told, are merely clarifying amendments to the act, when as a matter of fact they vest great additional authority in the Secretary of Agriculture. We are likewise told that the adoption of the amendments is necessary to permit the Department of Agriculture to continue what they are already doing.

I am one of those, Mr. President, who believe that the proper agency of the Government to clarify the laws enacted by Congress is the judiciary, the courts. I do not believe Congress is the proper authority to clarify what it once attempted to do. I believe the courts should clarify it through litigation already in progress.

Secretary Wallace said he thinks it was the intention of Congress to give the authority to the Department of Agriculture which is given by the pending amendments. I voted for the Agricultural Adjustment Act, and I am one who would not have voted for that measure if the pending amendments had been incorporated in the original act. Speaking for myself, it was not my intention to give this greatly increased authority to the Department of Agriculture as covered and proposed by the pending amendments.

But that is my own view. Other Members of the Senate may form their own conclusions. It is my firm conviction that Dr. Tugwell and the Department of Agriculture have willfully exceeded the authority given them by Congress. It is my firm conviction that they have admitted they have exceeded that authority and are now asking us to validate their illegal acts. I may be wrong, but that is my opinion.

Mr. President, let me proceed a little further. I have said I intend to vote against the confirmation of Dr. Tugwell because I am going to cast a vote in protest against any bureau chief, against any department head of the Government, who deliberately exceeds his authority, so that we may preserve and call attention again to the fundamental institutions of our Government. I will admit, with utmost frankness and candor, that if I had not already determined to cast my vote against Dr. Tugwell, I would have decided to do so after I heard his testimony before the Committee on Agriculture and Forestry last Monday.

Mr. President, Dr. Tugwell was then questioned in the graphic manner described by the Senator from Nebraska [Mr. Norris]. I only wish it had been as exciting as so eloquently described to the Senate by him. Dr. Tugwell was questioned in regard to his speech made in 1931, a speech which was made in an affirmative sense, a speech in which he made arguments to sustain the things which he said. Dr. Tugwell said on last Monday that he did not mean what he said in 1931. He said he was speaking then as a reporter and as a scientist. But there is nothing whatever in the speech, not one single line, to show he was speaking as a reporter and that he was not giving his own views in making the speech.

Mr. President, I should like to know what special dispensation a scientist has not to be held strictly accountable for the things he says and the things he writes. If there is any special immunity to be given to a scientist, I hope it may be extended to us politicians because it would be very convenient to us at times to be able to disclaim responsibility for those things that we say and those things that we write.

Mr. NORRIS. Mr. President-

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Nebraska?

Mr. BYRD. I yield.

Mr. NORRIS. I am asking the Senator for information. The letter of the Senator to Dr. Tugwell about an article in the paper was inserted in the Congressional Record. I

heard read the Senator's letter to Dr. Tugwell. The reply of Dr. Tugwell was not read but was printed; consequently I did not hear it read and I have not read it. Will the Senator tell me where I may find it in the RECORD?

Mr. BYRD. It is in the Congressional Record of last

Mr. NORRIS. I mean at what page of the committee

Mr. BYRD. I do not know that it is in the committee hearings. It was printed in the Congressional Record of last Saturday.

Mr. NORRIS. Very well.

Mr. BYRD. Mr. President, I should have today much more respect for Dr. Tugwell if he had come before the Committee on Agriculture and Forestry and said courageously and frankly: "Yes; I wrote that speech in 1931. Yes; I believed what I said then, but I said it under conditions existing at that time. I said it after 12 years of Republican misrule when many thought the Government of this country was on the verge of collapse. I said it to contribute something to the political thought of that day." But no; Dr. Tugwell came before the committee and completely repudiated what he said in his speech in 1931.

Mr. President, I am going to attempt to show the Senate that subsequent utterances of Dr. Tugwell confirm me in the belief-and I make this statement with the utmost regret—that when he made that speech in 1931 he believed in the principles he then enunciated. I am not going to take the time of the Senate to call attention to the numerous speeches Dr. Tugwell has made since that time. I am going to call attention to one speech, a speech he made on December 29, 1933, in Philadelphia, entitled "The Place of Government in a National Land Program", a speech which he made not as a scientist, and hence he has no cloak of immunity, because he made the speech as Assistant Secretary of Agriculture and as a responsible official of the Government. He said in that speech:

We are now engaged in a drastic program of controlling the output of agricultural products for the emergency. This in itself means that we are trying to control the entire utilization of all our agricultural land.

And then he says:

Private control has failed to use wisely its control of land. The post-war decade of low farm incomes, and the subsequent period of industrial collapse, now makes us realize that the use which is made of the land is of immediate and vital interest

For the first time the Government is thinking of land as a whole. For the first time we are preparing to build a land program which will control the use of that greatest of all natural resources, not merely for the benefit of those who happen to hold title to it, but for the greater welfare of all the citizens of the

Now, remember, Mr. President, that speech, made in 1931, spoke of a planned economy—a planned economy whereby the Government would take control of all private business, whereby he says business will be abolished, and even the Constitution of the United States will be destroyed; yet in this speech, made as a responsible official of this Government, he says:

Private control has failed to use wisely its control of land. For the first time, the Government is thinking of land as a whole.

What could that mean except that he still believes in the system of planned economy and national planning enunciated in his speech of 1931?

Now I want to ask, who gave Dr. Tugwell the authority to speak at that time in behalf of the Government of the United States? Who is the Government of the United States? The Congress is the Government with respect to all legislative matters; and, so far as I know, there has been no bill presented to Congress, no law even suggested, whereby the Government could take control of all the land in this country, as indicated by Dr. Tugwell in this speech.

Mr. President, he was speaking at that time as Assistant Secretary of Agriculture, speaking as a man who is supposed to preserve the interests of the farmers; yet what does he say? He says:

We are preparing to build a land program which will control the use of that greatest of all natural resources, not merely for the benefit of those who happen to hold title to it, but for the greater welfare of all the citizens of the country.

Not merely for the benefit of the farmers, the people that we are trying to help in this great emergency that confronts us, but for the greater benefit of all the people of this country.

I ask in all sincerity, let the Members of the Senate read that speech in connection with the speech of 1931 which Dr. Tugwell has now repudiated.

Mr. President, I am convinced in my own mind that Dr. Tugwell meant not in detail but meant in principle those things he said in 1931. I do not want to convince any other Member of the Senate, even if I could, because this is a matter that each of us must decide for himself. I am further convinced that he meant that when I read his last book entitled "Our Economic Society and Its Problems."

Let me read one clause in that book; and again, Mr. President, this is not written as a scientist. It is not written as a reporter. It is written, as shown by the title page, as Assistant Secretary of Agriculture, as a responsible official of this Government. He says in this book:

The challenge of Russia to America does not lie in the merits of the Soviet system, although they may prove to be considerable. The challenge lies rather in the idea of planning—

Still talking about the planning that he suggested in 1931: Of purposeful, intelligent control over economic affairs.

This, it seems, we must accept as a guide to our economic life to replace the decadent notions of a laissez faire philosophy.

Again, he considers in this book the different plans that have been suggested as a solution of the governmental problems of this country. He considers the Soule plan, and says in regard to that plan:

The doubtful point is whether business organized internally on a basis of profit making is the type of business that can best serve social ends. Is national planning consistent with individu-alistic businesses? \* \* \* Before the laws could be changed, public sentiment would have to surrender its laissez faire philosophy and espouse the principles of social control.

Then he discusses what is known as the "Beard plan" still talking about the planning that he first brought forth in 1931; and his criticism of the Beard plan is:

A special feature of the plan is its insistence throughout that only staple articles are to be brought under the national economic council. \* \* This provision seeks to avoid a supposed evil of socialism; that is, that socialism tends to excessive standardization and is, therefore, detrimental to cultural development. However, under a completely planned economy the ultimate decision as to what goods are luxuries and what luxuries ought to be tolerated in the productive system rests with the public will as expressed through the agencies of planning.

Again referring to the planned economy that I assume he set forth in 1931.

Then he criticizes certain features of the Swope plan, and

They barely touch the problem of economic planning in the public interest.

He dismisses that plan with these words.

Then he discusses the plan submitted by the distinguished Senator from Wisconsin [Mr. La Follettel, for whom I have the highest respect. He says in regard to that plan:

The whole question of economic planning has been obscured by the whole question of economic planning has been obscured by the attention devoted to this sort of organizational scheme. An advisory council might guess, but it could not plan; and the dif-ference between guessing and planning is the difference between laissez faire and social control.

Then he speaks of the National Industrial Act, which has been placed on the statute books at the recommendation of the President of the United States; and as to that he says

But for the evil that the most economical utilization of industrial capacities for the welfare of the people as a whole is inconsistent with private profit-seeking, the act attempts no remedy. Successful economic planning involves the encouragement of industrial development along socially useful lines, based on the recognition that the social utility of an industry cannot always be determined by its ability to yield private profits. Thus plan-

ning involves public participation through government in the distribution of capital among industries, by means of taxation, regulation of profits, and in various other ways.

Then, Mr. President, 3 years after the speech he made in 1931 and which he now repudiates, he has a chapter headed "Need for Economic Planning." Although he said before the committee, as the record will show, that he did not approve of national planning, that he did not approve of planned economy except such planning as has already been adopted by this administration, yet here is a chapter in this book in which he makes an argument for the need for economic planning. He says:

The objectives are clear. The methods to follow are not so apparent. But we cannot sit and wait. We must act, and we cannot act without planning. To act in the public interest, we must plan on a national scale. To put national plans into effect, we set up social controls—

And so forth.

For many years the technical task of devising plans for regulating our complex economic interests was too difficult to attempt. But today we know that this is no longer true, for Russia has shown that planning is practicable. \* \* \* For many years the Government has handled the mails efficiently, and there is no reason to suppose that other enterprises would be more difficult.

Remember, Senators, that the speech of 1931 spoke of a planned economy which would mean the abolition of business and the destruction of the Constitution, by the very language of that speech; and now he is still making an argument for that particular plan, known as "planned economy."

Mr. LOGAN. Mr. President, does the Senator yield? Mr. BYRD. I yield.

Mr. LOGAN. I know very well that the Senator would not intentionally misquote Dr. Tugwell; but since I observe that he and the Senator from North Carolina both said that Dr. Tugwell advocated a doctrine which meant the destruction of all business, I desire to call his attention to the fact that Dr. Tugwell did not say that. He said it meant the destruction of laissez faire industry, which is quite a different thing from the destruction of all business.

Mr. BAILEY. Mr. President, to that remark by the Senator from Kentucky should be added the statement that Dr. Tugwell himself said that all existing business in America was the creation of the laissez faire philosophy.

Mr. LOGAN. That is true, and it will all have to be destroyed, if we are to maintain the national life and existence. Dr. Tugwell is absolutely right about that. There is no way for us to go on. I thought all of us admitted that under the old laissez faire doctrine, as we have built it up over 40 years, business got to the point where it just exploded. Now we shall have to try to do something else.

Mr. ROBINSON of Indiana. Mr. President, will the Senator yield for an observation?

Mr. BYRD. I yield.

Mr. ROBINSON of Indiana. In connection with what the Senator from Kentucky has just said, I have here what purports to be a direct quotation from Dr. Tugwell on that subject. I read it for the benefit of anybody who might not have had an opportunity to hear it before:

Most of us who say so easily that this is our way out do not, I am convinced, understand that fundamental changes of attitude, new disciplines, revised legal structures, unaccustomed limitations on activity, are all necessary if we are to plan. This amounts, in fact, to the abandonment, finally, of laissez faire. It amounts practically to the abolition of "business."

Then he is quoted still further as follows:

The next series of changes will have to do with industry itself. It has already been suggested that business will logically be required to disappear. This is not an overstatement for the sake of emphasis; it is literally meant.

Mr. LOGAN. Mr. President, if the Senator from Virginia will allow me to ask the Senator from Indiana just one question, I should be glad to; that is, does the Senator from Indiana believe in the old laissez faire doctrine as announced by Adam Smith?

Mr. ROBINSON of Indiana. Mr. President, I do not care to go into the laissez faire question at all. We are merely

discussing what Dr. Tugwell said, and I have just quoted what are reported to be his exact words, saying that business must disappear. It is not a question of laissez faire at all. It is not a question of the laissez faire doctrine. The question is as to business. He says business must disappear.

Mr. BLACK. Mr. President, will the Senator yield to me to ask the Senator from Indiana from what he is reading?

Mr. ROBINSON of Indiana. I am reading from the statement of Dr. Tugwell, which I understand he now repudiates, the statement made in 1931 before the Forty-fourth Annual Meeting of the American Economics Association.

Mr. BLACK. May I ask whether that is taken from the circular issued by the Pennsylvania Manufacturers Association about Dr. Tugwell?

Mr. ROBINSON of Indiana. Not at all. I have the same thing to which the Senator refers, but this is not taken from that

Mr. BYRD. Mr. President, for the information of the Senator from Alabama, I will say that Dr. Tugwell has been correctly quoted, and that the quotation can be secured from the Congressional Record of June 8, from the speech which was inserted at the request of the Senator from Oklahoma.

Mr. President, to proceed with my argument, that I claim that by subsequent developments, by the activities of Dr. Tugwell, he has shown that he believed in the things he wrote in 1931, let me call the attention of the Senate to another section of the book he has just written; and, by the way, this book, I understand, is to be used in the public schools of this country. He says:

Obstacles to the Experimental Attitude.

One of the purposes of the book is to bring about an experimental attitude, as stated in one of the paragraphs of the book. Here is what he says as to the obstacles to the experimental attitude:

An illustration of such feeling is the unreasoning, almost hysterical, attachment of certain Americans to the Constitution.

Although he said in his testimony before the committee that he favored the Constitution, and, when I asked him if he favored any amendments to the Constitution, he said he did not know of any amendments to the Constitution he did favor, yet he says that one of the "obstacles to the experimental attitude" which he is trying to bring about in this book, which is one of the announced purposes of it, is the "hysterical attachment of certain Americans to the Constitution."

He goes on to say that in the same way many people are unreasonably attached to the protective tariff, to the gold standard, to labor unions, and to individual bargainings between employers and employees.

I thank God, Mr. President, that there is an hysterical attachment to the Constitution still existing in this American land, notwithstanding Dr. Tugwell.

He goes on to say:

The chief handicap to overcome is our allegiance to ideals that belong to an earlier industrial setting. In place of adhering to blind traditionalism, we should develop an open-minded experimental attitude toward social and economic institutions and problems.

Mr. TYDINGS. Mr. President-

The PRESIDING OFFICER (Mr. Sheppard in the chair). Does the Senator from Virginia yield to the Senator from Maryland?

Mr. BYRD. I yield.

Mr. TYDINGS. Assuming that Dr. Tugwell should not be confirmed, I take it he would still be Assistant Secretary of Agriculture. Does the Senator agree with that?

Mr. BYRD. I do.

Mr. TYDINGS. So that really there will be no change in the direction of the Department of Agriculture, I take it. The one thing before us is whether we should confer on him a new title and allow him to proceed with the same duties he is now performing.

Mr. BYRD. Mr. President, I am a new Member of the Senate, and I may not completely understand the obligations of a Senator, but there is another, much broader,

question, and that is as to whether we, as Members of the Senate, should give a vote of confidence to a man such as I have described. It is very much more important to me than as to whether he shall get \$2,500 more or \$2,500 less. or whether he shall have the title of Assistant Secretary or the title of Under Secretary.

Mr. TYDINGS. Mr. President, will the Senator yield further?

Mr. BYRD. I yield.

Mr. TYDINGS. I am not taking issue with the Senator;

I am simply asking for my own information.

After all, one of the things which gives me considerable difficulty is that the act which Mr. Tugwell is carrying out in many characteristics is an act which Congress itself has passed. I do not like some features of the act, and the Senator and I, I believe, are in accord on that, and also as to some proposed legislation. But if Congress passes that kind of legislation, I do not think it would be fair to blame Mr. Tugwell for carrying it out, because I think the fault then is with the Congress rather than with Mr. Tugwell's policy, since we are giving him the power to do things and then blaming him because he does them.

I understand, however, that it is claimed that on certain occasions he exceeded that authority, and, of course, that is not what I am attempting to bring out here. If he exceeded the authority, that is a different matter. But the radical policies which are being put into effect in the Department of Agriculture are to a large extent the policies which Congress itself has adopted. Therefore, in fairness to Mr. Tugwell, if he is doing only what the Congress asked him to do, I do not want to condemn him for that, regard-

less of what his views may be.

Mr. BYRD. Mr. President, I trust the Senator from Maryland was absent from the Chamber when I made my speech, because if I have so confused the mind of the Senator as to my real objection to Dr. Tugwell I feel that I have been very neglectful of clear expression in this debate.

Mr. GORE. Mr. President, will the Senator yield to me? Mr. BYRD. I yield.

Mr. GORE. The Senator from Maryland has observed that Congress passed the act and that we are criticizing Dr. Tugwell for carrying it into effect; and he makes the point, and I think properly, that the real responsibility rests upon the Congress. That is true with reference to the legislation to which he refers.

If we confirm Dr. Tugwell, we make the Senate responsible for what he has said and endorse his principles, his doctrines, and his philosophy that industry and the Constitution ought to be destroyed. If we confirm him, I think the Senator from Maryland will agree, then the Senate takes the responsibility; and that is the point, I think, involved in this matter of confirming or rejecting Dr. Tugwell, whether or not the Senate will accept that responsibility.

Mr. TYDINGS. Mr. President, I think there is a great deal in what the Senator from Oklahoma has said. There is no reflection on Dr. Tugwell as a man; there is no reflection on his character or integrity; there is a reflection on his views. But if those views coincide with the acts of Congress, then I think Congress ought to be blamed, and not Dr. Tugwell, for projecting those views into legislation.

Mr. GORE. Undoubtedly.

Mr. TYDINGS. I am going to stand with the Senator from Virginia in opposing the agricultural licensing bill, which Dr. Tugwell, I believe, advocates. I do not think I have voted for a great many of these revolutionary measures, particularly in reference to agriculture; but inasmuch as Congress has seen fit to pass them anyway, I do not want to blame Dr. Tugwell, even though he agrees with them, for doing no more than carrying out the will of Congress.

Mr. GORE. Mr. President, if the Senator from Maryland thinks that the legislation heretofore passed by the Congress goes as far as these addresses and these quotations, and involves those principles and involves those consequences, then I think his point is well taken. I think the Senator from Virginia is demonstrating that Dr. Tugwell's philosophy goes even further than Congress has yet gone.

Mr. TYDINGS. Mr. President-

Mr. BYRD. Mr. President, I should like to be permitted to conclude. I shall consume only about 10 minutes more.

Mr. GORE. I beg the Senator's pardon. I did not know the Senator was speaking under the limitation of time.

Mr. TYDINGS. Mr. President, I do not mean to say that I shall vote for Dr. Tugwell's confirmation, because, frankly, I do not yet know how I shall vote. What I mean to say is that I do not think Dr. Tugwell can properly do any more than Congress authorized him to do, and the difficulty we are up against is that Dr. Tugwell is doing probably better than we had hoped the things Congress has asked him to do. I think the fault is with Congress, and not with Dr. Tugwell. If, on the other hand, Dr. Tugwell has exceeded his authority, or done something which Congress has not told him to do, then that would be properly open to criticism.

Mr. WHEELER. Mr. President, if the Senator will yield. I want to make just one observation. Let me say to the Senator from Maryland that the charge was made that Dr. Tugwell had exceeded his authority. The statement has been made, I think on the floor of the Senate by some Senator, I do not recall by whom, that he exceeded his authority.

It was brought out at the hearing that, as a matter of fact, what Dr. Tugwell had done, or what the Department had done, rather, under some of the acts of Congress, had been questioned in the courts, and I think the record shows that in five instances out of six the courts upheld the Department, and held that what they were doing was perfectly proper. In other words, five courts held one way as against one court.

Mr. BYRD. Mr. President, I must decline to be interrupted further until I conclude.

I wish to disabuse the mind of the Senator from Maryland of the idea that I am voting against the confirmation of Dr. Tugwell because of what he has done in administering the authority given him by Congress. That would be a foolish position for any Senator to take, to say that we are voting against the confirmation of a man because he has done what Congress authorized him to do. To the contrary, I voted for the Agricultural Adjustment Act. I believed in the original principles of that act. I believed that there must be a temporary reduction of crop production in this country, brought about by a voluntary agreement with the farmers of the country. My opposition to Dr. Tugwell has nothing whatever to do with those things he was lawfully required to do as Assistant Secretary of Agriculture.

I contend here, as I have already said, that he has exceeded his authority, and that he is asking us to ratify illegal acts.

Mr. BANKHEAD. Mr. President-Mr. BYRD. I refuse to yield further.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. BYRD. Mr. President, I contend that he has committed illegal acts which he is asking the Congress of the United States to ratify. That is my opinion. Other Senators may have other opinions which I respect, and I assume that they respect the opinion I have. But, Mr. President, I have tried to make it clear that my opposition to Dr. Tugwell is even deeper than that. My opposition to him is because I believe that an important official of this Government should have the attributes of complete courage, of frankness, and of complete honesty in dealing with the committees of Congress and with the Congress and with the people of the United States.

When Dr. Tugwell says that he did not believe in those things which he wrote in 1931 I say on my responsibility as a Senator that I think he did believe in them, and I have attempted to show here on the floor of the Senate by subsequent utterances and speeches which he has made, that he has referred back time and time again to those very things in his speech of 1931 which he repudiated.

It is inconceivable to me that a man can make a speech in which he says certain affirmative things and then say, "I did not mean what I said." I talked today to a man who heard him speak, and he said he believed that Dr. Tugwell

was advocating these particular policies of government | omy which has been announced and which has been argued which he enunciated in this address.

Mr. President, I am not voting against Dr. Tugwell because I believe him to be a dangerous leader of radical ideas in this country. Any man who has repudiated his ideas can never be a dangerous leader of any radical movement or any other movement in this land. I am voting against him-to emphasize it again-because I do not think he has that zealous regard for not exceeding the authority of the Department of Agriculture which I fully explained in my remarks here today. I am voting against him also because I do not think that he possesses that candor, that frankness which I think should be an attribute of any man who holds important office in this land.

In conclusion, Mr. President, I desire to read just one part of this famous speech of 1931. In it he says, speaking of this planned economy—this planned economy which he says means the abolition of business and the destruction of the Constitution of the United States:

We shall not, we never do, proceed to the changes here suggested all at once. Little by little, however, we may be driven the whole length of this road; once the first step is taken, which we seem about to take, that road will begin to suggest itself as the way to a civilized industry. For it will become more and more clear, as thinking and discussion centers on industrial and economic rather than business problems, that not very much is to be gained until the last step has been taken.

The last step being the abolition of business and the control of all property in the hands of the Government.

What seems to be indicated now is years of gradual modification, accompanied by agonies and recriminations, without much visible gain; then, suddenly, as it was with the serialization of machines, the last link will almost imperceptibly find its place and suddenly we shall discover that we have a new world, as, some years ago, we suddenly discovered that we had unconsciously created a new

Mr. President, if Dr. Tugwell had admitted to the Committee on Agriculture that he held these views in 1931 I would not have voted against him for that reason. If he had admitted to the Committee on Agriculture that he believed in the soviet system of Russia, provided he would bring about the changes of our Government in a constitutional way, I would not vote against him for that reason. because I think that in this land of freedom every man should have the right to his own views and opinions. One of the reasons why I am voting against him is because he denied what he said then, because he has not the sincerity that I think a man should have who holds a high public office.

Mr. President, this new world of abolition of all business and destruction of the Constitution that Dr. Tugwell has spoken about is not coming in this American Republic. It is not coming so long as Franklin D. Roosevelt is President of this country. It is not coming so long as the Democratic Party is in control of the affairs of this Nation. It is not coming so long as the American people believe in justice and believe in freedom and still have regard for those fundamental principles of government bequeathed to us as a precious heritage through the blood and labors of those great men who gave us the form of government we have.

Mr. BLACK. Mr. President, I desire to state at the outset that, so far as I am concerned, I have no criticism to make of any Senator who opposes a Presidential nomination by reason of the fact that he is sincerely and honestly against the man who is nominated. I fully agree with the statement made by some of those who have talked with reference to Dr. Tugwell that it is the duty of a Senator to exercise his own judgment upon a confirmation; to vote for or against the man who is nominated upon his own judgment. That is what I intend to do.

It is my intention to vote for Dr. Tugwell because I am for him. I am for the views he has expressed, as I understand those views to be written in his books. I am for him because I believe that here is one man who is not content with looking backward, who for every thought he has in his mind is not bound down by slavish precedents. I am for him because he dared to express his unbelief in some of the theories which have been announced by theorists of the past, and who does not accept a principle of political econ-

and which has been accepted in the past merely because it has been accepted in the past.

I agree fully with the statement made by the Senator from North Carolina [Mr. BAILEY] as to the manifestation of the remarkable intellect of Dr. Tugwell. It has been shown in every public utterance since he first delivered the address to which reference was made by the Senator from North Carolina.

It is a genuine pleasure to me to find that here is one man with brains who has gone forth from the little village in which he was born and with those brains has dared to follow his own course, when anyone who has come in contact with the so-called "financial barons" of this country, as many of us have in committees in the last year, would know that if Dr. Tugwell had concluded to use his brain in the business world instead of to utilize his brains to advance the progress of the peoples of the world, he would have been an outstanding figure in the business firmament of this Nation.

It has become customary, or it had become customary up to a few years ago, to point to the successful men as those who had accumulated the most money, and had manipulated the most stocks, and had served special privilege to such an extent that they could serve on anywhere from 10 to 100 directorships of business enterprises. When such a gentleman returned to the little village from which he went he was heralded as a great, outstanding figure.

Here is a man who has used his brain for the public good. I admit that it has not been customary to have brains to any great extent in the Government. I can fully understand the loud clamor of criticism which came from the small remnants of that discarded group which brought this country to the abyss in which it found itself in 1929, as they charged from time to time that the Government had committed the unpardonable offense of securing men with brains to serve in its departments. It is a new precedent. It is a strange and unusual thing. Therefore I can understand how the Senator from Iowa [Mr. Dickinson] and the Senator from Indiana [Mr. Robinson], and various others, have from time to time charged the present administration with bringing brains into the United States Government's

Mr. President, I desire to approach this matter from an entirely different angle than that from which it has been approached up to this time. I can readily dismiss the statement that Dr. Tugwell should not be confirmed because he does not have the necessary experience. He has shown that he has had sufficient experience. If it is required that a man shall have raised a prize calf, or had mud on his boots. he is shown to have had that experience. He is shown to have had experience on a farm.

I am not particularly interested in the statement which is made by those who are opposing Dr. Tugwell today and who apparently were opposing Dr. Tugwell before he went before the committee, that the chief ground of attack is because of insincerity. Those who opposed Dr. Tugwell last week in this body oppose him yet, I think very naturally; I think it is a natural result of two different schools of economic thought in America. It will be noted, if one will go back over the record of votes in the Senate since President Roosevelt came into power, that there have been two distinct schools of thought. There have been some who adhere to the idea that we must not depart to the slightest extent-

Mr. BYRD. Mr. President, does the Senator from Alabama refer to the Senator from Virginia?

Mr. BLACK. Yes; in part. Mr. BYRD. The Senator from Virginia has supported 90 percent of the recommendations of President Roosevelt.

Mr. BLACK. Mr. President, I shall not go over a list of measures which have come up, and which constituted a departure, I admit, from our custom; but I recall very vividly when I had reached the conclusion that it was no longer possible for industry ever to absorb the unemployed who were walking the streets and highways of this Nation

and presented a measure to relieve that situation, the same arguments and the same group were opposing that measure that are opposing Dr. Tugwell. I make no charge about that; I think it was a perfectly natural opposition. I make no attack on the sincerity of those who hold those views. There have always been men of various views, and there always will be, and there have always been some who have clung to the idea that whatever had been was right and whatever was proposed, if it was a change, must be wrong. I think there is very clearly set forth the line of demarcation which exists in the statement that was read from the opinion of the Supreme Court by Dr. Tugwell in the hearing. I will read a part of it because, in my judgment, it constitutes the real basis for difference. I take my position with those who believe in progress, with those who believe that it is not necessary that we cling to every dim and musty tradition of the past if experience has demonstrated that those traditions have brought us to disaster or to disorder.

Let us see what the Supreme Court said, and which, I believe, is the basis for the difference between the conflicting views with reference to Dr. Tugwell. This is no longer the question of an individual; it has risen far above that. It is a question of two conflicting schools of thought. Mr. Justice Story said in 1816:

The Constitution unavoidably deals in general language. not suit the purposes of the people, in framing this great charter of our liberties, to provide for minute specifications of its powers or to declare the means by which those powers should be carried into execution. It was foreseen that this would be perilous and difficult, if not an impracticable, task. The instrument was not difficult, if not an impracticable, task. The instrument was not intended to provide merely for the exigencies of a few years, but was to endure through a long lapse of ages, the events of which were locked up in the inscrutable purposes of Providence. It could not be foreseen what new changes and modifications of power might be indispensable to effectuate the general objects of the charter; and restrictions and specifications, which at the present might seem salutary might in the end prove the overthrow of the system itself.

In other words, the idea of a flexibility of constitutional law to meet new conditions as new conditions arise from day to day, from month to month, from year to year, and from century to century.

What were the objects they had in mind? There can be no better place to ascertain that fact than from the reasons assigned by the Declaration of Independence which was written by those who said that they would not any longer remain subjects of Great Britain. They said it was to secure life, liberty, and the pursuit of happiness; to guarantee those rights; and that if the Government failed so to organize its powers-that is the language, "failed so to organize its powers"- as to carry out the safety and the happiness of the people it gave the right on the part of those who failed to receive the safety and happiness to shake off the shackles of the despotic government. That was one of the reasons given for the original beginning of the life of this Nation.

Who, looking back to 1929, will dare, in this presence or any other presence, to assert that the Government had so organized its powers as to effectuate the safety and the security and happiness of the individual citizen? It had not done so. There have been some, like Dr. Tugwell, who, in published statements, in spoken words and in written books, have been calling attention to the fact that the Government was not effectuating that purpose.

Mr. BYRD. Mr. President-

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Virginia?

Mr. BLACK. I yield to the Senator. Mr. BYRD. Does the Senator from Alabama agree with the speech which Dr. Tugwell made before the Economic Conference which we have been discussing?

Mr. BLACK. I shall be delighted to answer the question of the Senator. As I interpret the speech made by Dr. Tugwell, and as I interpreted it when I asked the Senator from Oklahoma [Mr. Gore] to place it in the RECORD, I agree with it 100 percent.

Mr. BYRD. Does the Senator favor the abolition of business and the destruction of the Constitution?

Mr. BLACK. No, and neither does Dr. Tugwell; and I deny that any man has a legitimate right to draw such a conclusion from the speech. I do not question the fact that the Senator has drawn that conclusion. I recall that Dr. Tugwell said to the Senator that he hoped he had explained what he had said so that the Senator from Virginia could understand him, and the Senator from Virginia said he could not understand him. Therefore I would not attempt further to explain it to the Senator. [Laughter.]

Mr. BYRD. Mr. President, will the Senator yield for one moment further?

Mr. BLACK. I shall be very glad to yield and let the Senator read to me some more of the inquiries he read to Dr. Tugwell at the inquisition.

Mr. BYRD. Here is a sentence about which I asked Dr. Tugwell a question, and I should like to ask the Senator to explain the sentence to me.

Mr. BLACK. I think, if the Senator is going to ask me to testify, that he ought to give me the benefit of what he had when he had the radio over which to talk to the country and a big audience with the wit and brilliance and beauty of the old discredited view there to applaud his remarks.

Mr. BYRD. I appreciate the Senator saying that I am discredited.

Mr. BLACK. I was not talking of that; I was talking about those with ectasy in their eyes as they came to that hearing with the idea that here was an opportunity to jab something into the new deal.

Mr. BYRD. Mr. President, the Senator has left the impression that I am somewhat obtuse.

Mr. BLACK. No, sir; I did not intend to leave such an impression.

Mr. BYRD. The Senator said I could not understand.

Mr. BLACK. I said that Dr. Tugwell said so.

Mr. BYRD. Here is a sentence about which I asked Dr. Tugwell a question:

Chance has substituted itself for the anthropomorphic interpretation of history as a causal sequence.

I will ask the Senator if he understands that?

Mr. BLACK. I thoroughly understand it, but I would not attempt to explain it to the Senator from Virginia. [Laughter in the galleries.] That effort has already been made in

The PRESIDING OFFICER. The occupants of the galleries will maintain order.

Mr. BLACK. Mr. President, I have listened with great interest to each word spoken, I think, by the Senator from Virginia [Mr. Byrd] and the Senator from North Carolina [Mr. Balley]. I do not intend to attempt to go into detail as to the references made by the Senator from North Carolina to the questions propounded to Dr. Tugwell; it would take too long and be too tedious. It is evident, however, that there was a decided difference in interpretation between gentlemen, Members of this body, for whose judgment I have high respect, both of them, in my opinion, being absolutely honest in the interpretation which they place upon the remarks. That being true, why should we go into details with reference to each statement made by Dr. Tugwell? If we are going to do that, why not take this book [exhibiting]; why not add this book [exhibiting] to it; why not take the other two books written by Dr. Tugwell and take out a statement here and there and then try him on each separate word? That is not the way to determine his beliefs or the objective of a philosophic conception.

I will, however, call attention to one statement. I desire to call attention to a speech made in Philadelphia by Dr. Tugwell as to which the plain statement is made here that Dr. Tugwell in that address advocated the complete abolition of all private ownership of land. I do not deny that some may have interpreted it in that way. How they could possibly do so is beyond my comprehension. I want to read what he said; I read the statement upon which that assertion

The Federal Government will, I believe, perform two functions with respect to our land in the future. It will directly hold and

administer public forests, parks, game preserves, grazing ranges, recreation centers, and the like, all areas which cannot at the time be effectively operated by private ownership.

Is there anything so strange or new or novel or startling about that statement as to justify any such assertions as have been made with respect to it? Let me read further:

And it will control the private use of the areas held by individuals to whatever extent it is found necessary for maintaining continuous productivity. Not only is it necessary for us to conserve our natural resources for the welfare of posterity—

I admit there are some who do not believe that-

it is also necessary to regulate the use of land resources for the welfare of the living generation.

I believe in that principle. I believe if we had begun sooner a system of conservation of our natural resources the country would have preserved for the use of the individual citizenship the great wealth which nature has bestowed upon us with such bounteous and generous hands.

Let us see as we go along what that means. In not a single statement does he limit his words to ownership. He mentions control. He said:

We have depended too long on the hope that private ownership and control would operate somehow for the benefit of society as a whole.

Is there anything strange or new or novel about that doctrine? Let someone go next door to the home of the Senator from Virginia [Mr. Byrd] and attempt to establish a soap factory, and it will not take the Senator long to go into the courts in order to abate a nuisance which interferes with his peace, comfort, and happiness. Is he, as the owner of that particular property, entitled to any more protection than the millions of American men and women in the Nation if he operates his business in such way as to interfere with their peace and their happiness?

Let anything of that kind happen and we would find a man going directly to the courts. Does he have the complete control of that land which he owns? If that were true, would there have been any zoning laws upheld? If a man had the complete and unrestricted right to the unrestricted control of the land to which he happens to have title in his name, does that mean that he may use that land in such way as to interfere with public happiness or to destroy the hope on the part of his Government to so organize its affairs that it will effectuate the happiness and safety of the people?

What Dr. Tugwell said was "ownership and control." If he had intended that he wanted to do away completely with private ownership of land—and there cannot be a word found in anything he ever wrote so far as I have been able to discover to indicate that he did so desire—I imagine that language would be presented here; but it is not. He denies it.

Mr. BAILEY. Mr. President-

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from North Carolina?

Mr. BLACK. I yield.

Mr. BAILEY. I invite the Senator's attention to this sentence. The Senator said the language would be here. Let us see if it is not here.

It will control-

"It" refers to the Federal Government.

It will control the private use of the areas held by individuals to whatever extent is found necessary for maintaining continuous productivity.

Mr. BLACK. The Senator is correct.

Mr. BAILEY. I am not through. That is one sentence. In the same address he said:

The area of land in production would be sufficiently limited-

Mark those words "sufficiently limited" to so many acres, of course by the Government—

so that it could be operated at its utmost efficiency without flooding markets and destroying exchangeability. Such a system would envisage a commercial agriculture made up of the most efficient farmers operating the best of our lands; with the remain-

ing lands being used in other ways, and the remaining farmers devoting their time to other occupations.

That is the control about which I am talking.

Mr. BLACK. I am perfectly willing to have the Senator talk about that control.

Mr. BAILEY. The Senator said if Mr. Tugwell used the language which gives this interpretation, the language should be here. Let me read finally and then I shall take my seat. In the same speech he said:

Private control has failed to use wisely its control of land. The post-war decade of low farm incomes, and the subsequent period of the industrial collapse, now makes us realize that the use which is made of the land is of immediate and vital interest to us all.

There are the three statements, each one of which repudiates private control, private use; each one of which states the policy of limitation; and one of which goes so far as to say that the Government proposes to divide the farmers of the country according to its judgment into efficient and inefficient, and that the inefficient will be driven from the land.

I should like to have the Senator subscribe to that and say those are his sentiments. He is endorsing everything Dr. Tugwell said. Let him endorse that.

Mr. BLACK. I am endorsing what Dr. Tugwell said, not what the Senator from North Carolina said.

Mr. BAILEY. I am asking the Senator from Alabama to endorse what I read from Dr. Tugwell's own statements.

Mr. BLACK. I am not endorsing the Senator's interpretation of what Dr. Tugwell said. Insofar as the statements which I have read and which he read are concerned, I endorse them. I am endorsing the idea that the Government as a government has undertaken to establish subsistence homesteads over the country. There is no statement made here that the Government is going to do away with the idea of private ownership of land. It is my judgment that not even by the wildest stretch of the imagination nor even the fancies of the most skillful logician, would anyone be entitled to reach such a conclusion, though the Senator from North Carolina does. I do not. That is where we disagree and where, in my judgment, most of those who will read Dr. Tugwell's speech with care, reading it all-I could take only a part of it and reach my conclusion, but reading it all and reading the system of philosophy expounded by Dr. Tugwell-will ascertain that he has never yet advocated that which Henry George advocated and which they accuse him of advocating, doing away with private ownership of land.

Dr. Tugwell does call attention in this very speech to Henry George, but he does not approve the conclusion reached by Henry George. I desire to say here and now that if that man, who contributed so much with the eloquence of his pen toward presenting to the people of the Nation the paradox of increasing poverty in the midst of increasing wealth, could be here subject to confirmation today, it is my judgment that the same division would occur, because it would be a division of those who believe on the one side in the conceptions of government, and those who believe on the other side.

I am going to show in a few moments, from what Dr. Tugwell has actually said, why in my judgment the Pennssylvania Manufacturers Association and the other associations of the country, which have waxed fat off the wealth which has been produced by people other than themselves, are opposed to Dr. Tugwell and to anyone who dares to believe as Dr. Tugwell believes.

Mr. BANKHEAD. Mr. President, may I ask the Senator if he refers to the Grundy organization?

Mr. BLACK. It is my understanding that is the Grundyized organization of Pennsylvania. There is nothing surprising in their opposition to Dr. Tugwell. Why should there be? In everything he has spoken, in every word he has uttered we find him striking sledge-hammer blows against inordinate profits, against excessive dividends, against watered stocks, against low wages, against long hours, against sweatshops, against working children in factories. There is nothing surprising that those who believe in the old doctrine of "Let well enough alone", supported mainly | by those who are not suffering from the system, should lead in this Nation a fight against every individual, either in high place or low place, who stands for the principle of economic justice.

This man Tugwell has brains. He has been charged with it. He has not devoted those brains to the service of corrupt privilege and corrupt business, and therefore he is dangerous. It is such men as Dr. Tugwell who are dangerous-dangerous to what? Dangerous to child labor, to excessive profits, to concentrated wealth in the hands of people who did not earn it, to special privilege. He has dared to stand out not only for these things, but he has actually written a book, which the Senator from Iowa called to the attention of the Senate a short time ago, standing as he naturally would stand on the side of the old conceptions of government-a book which may go into the schools and which stands for the idea of social security.

He has dared to raise his voice in favor of old-age pensions. He has dared to announce that where we have more people than we can absorb in our industrial system, the old man tottering on the brink of the grave shall, instead of being cast out into the poorhouse or to become an object of charity, be taken care of with an old-age pension. Treason! Treason! Let him be taken to the stake! Let the inquisition be turned upon him!

Not only that; Dr. Tugwell has dared to assert in this book that he does not believe people should work any longer hours than is necessary for the purpose of producing the wealth which they need. Treason again!

He has dared to assert in this book that he believes in unemployment insurance. Terrible treason! How much better it would be, his critics think, if we could continue to feed the people on charity, to undermine their morale, to weaken their strength of character, rather than to provide a scientific system of giving them unemployment insurance at a time when they face destitution and poverty. Why, this man is an enemy to the existing system. He has actually dared to assert in this book-which the Senator from Iowa [Mr. Dickinson] is afraid might be seen by a school boy or a school girl, some of whom perhaps even in the Senator's own State are undernourished and underfed, many of whom, according to the statement in this book. taken from Government statistics of a Republican administration, are living on less than half the annual income which is necessary to take them out of the borderline of the lowest and most abject destitution and poverty-this man has dared to assert in this book that those farmers' children ought to have more. He has dared to assert in this book that people who are sick ought to have medical treatment. Treason! High treason! Treason against the Constitution! And because, forsooth, in addition to that crime, he waited 3 days before writing a letter to a Senator. he has added another item of guilt, and for that he must

Those are the reasons. All we have to do is to read this book. I do not want to be misunderstood, however. There are two groups, in my judgment, who are opposed to Dr. Tugwell. I do not mean to say that all of those-

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from North Carolina?

Mr. BLACK. I do. Mr. BAILEY. Does the Senator, realizing that there are two groups, recognize that each of the groups is sincere?

Mr. BLACK. I had just started to state that. If the Senator will wait, I will complete the sentence, and then I do not think he will want to ask me the question.

There are two groups fighting Dr. Tugwell, in my judgment. One is the group represented by the type of the Pennsylvania Manufacturers Association.

Mr. BAILEY. May I ask the Senator whether he in-

Mr. BLACK. I desire to finish. Let me finish my statement. I do not yield until I finish my answer to the Senator's question.

Mr. BAILEY. Very well.

Mr. BLACK. There is another group who cannot brook change. They are fearful of it. They represent the type which has always believed that that which has been working fairly well will continue to work. They believe in what the Senator has called, in the controversy with the Senator from Nebraska, the "laissez faire doctrine." They believe now, as they believed in the past, that if we do not leave each individual to work out his own salvation individually. 100 percent free from any kind of Government protection, we are doing wrong, and that the man who would seek to change that system is not a friend of the great masses of the American people.

In my judgment, the members of this group are equally sincere with those who take the other viewpoint-that if a system as it has operated has proven that it brings in its wake hunger, destitution, misery, poverty, undernourishment, illness, suicide, mental undernourishment, destitution, and death, it calls for changes, bold changes; not revolutionary changes, but bold changes, and, in this Government, within the Constitution, which the Supreme Court has declared to be sufficiently flexible to meet the various developments of an economic society.

Those, in my judgment, are the groups represented in the opposition to Dr. Tugwell.

Mr. BAILEY. Mr. President, may I now interrupt the Senator from Alabama?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from North Carolina?

Mr. BLACK. I shall be very glad to yield. Mr. BAILEY. Does it occur to the Senator that he has taken a great deal upon himself in undertaking to divide those who may differ from him into groups and to classify them?

Mr. BLACK. I did not anticipate there would be any objection. If the Senator objects-

Mr. BAILEY. No; I did not object. I just asked the Senator if that ever occurred to him.

Mr. BLACK. The Senator had not suggested it before. Since he has suggested it, I will state that I see nothing whatever improper in it. I think it is perfectly right, because I think there are different groups opposing Dr. Tugwell, opposing the general idea which Dr. Tugwell represents.

Mr. BAILEY. And the Senator thinks he is competent to classify this opposition into groups to suit himself and to characterize it?

Mr. BLACK. I may not be as competent as the Senator from North Carolina. I will admit that I am not.

Mr. BAILEY. The Senator from North Carolina, at any rate, has not undertaken it.

Mr. BLACK. The Senator from North Carolina, at any rate, undertook to characterize Dr. Tugwell in a way which in my plain and honest judgment was not justified by the facts; but I have no criticism to make of the Senator, because I think he believes it was justified.

Mr. BAILEY. Is there any analogy whatever between the classification of Dr. Tugwell and undertaking to state his views and the present effort to place the opposition to Dr. Tugwell in groups according to the Senator's conception and state their characteristics?

Mr. BLACK. If the Senator objects to that, and thinks that he is placed in either group, I am perfectly willing to admit that he belongs to neither; but I desire to go on now with my argument, because there has been too much diversion in this matter from the real point at issue.

Mr. BAILEY. Mr. President—
Mr. BLACK. The point at issue, as I see it, is this, insofar as Dr. Tugwell is concerned:

Dr. Tugwell as an individual is not of great importance in this discussion. Dr. Tugwell, in my judgment, is a symbol. He is a symbol representing a specific idea of thought and political philosophy. He is a symbol which many believe to represent a philosophy of government which is de-

Mr. DIETERICH. Mr. President, will the Senator yield? The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Illinois?

Mr. BLACK. I yield to the Senator.

Mr. DIETERICH. Does the Senator mean that a vote on this nomination would indicate whether or not a Senator embraced all the ideas of Dr. Tugwell or is he simply using him for illustration?

Mr. BLACK. No; I do not embrace all his ideas.

Mr. DIETERICH. The Senator stated the matter about that strongly, however.

Mr. BLACK. I do not embrace all his ideas. There are some things he has written in his books that I do not

Mr. BORAH. Mr. President, does the Senator think that a vote for Dr. Tugwell necessarily endorses any of his views?

Mr. ELACK. No; I do not. I state that so far as I am concerned I am in perfect harmony with the general objective which I gather Dr. Tugwell has in mind from the books of his that I have read; but that is not necessarily an endorsement, and I could vote for him if that were not the case. I think Dr. Tugwell represents an inquiring mind. We need more of them. I think this Government would be in far better condition if we had more in the various departments.

Mr. WHEELER. Mr. President-

Mr. BLACK. I yield to the Senator from Montana.

Mr. WHEELER. Let me say to the Senator that the opposition to Dr. Tugwell before the committee was based almost entirely upon statements which he made in 1931, with reference not only to what he said his views were but the interpretation of those views as expressed by those who were cross-examining him.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BLACK. I yield. Mr. LONG. I think where the Senator from Montana, and I might almost include the Senator from Nebraska and the Doctor himself, fail to make their case stronger, is in not saying that he is a genuine, 100-percent liberal, and dissatisfled with the way things are getting along, and not equivocating or apologizing for it. Come right down and hit it on the head

Mr. WHEELER. I think he made it pretty plain that he was dissatisfied with things as they existed in 1931.

Mr. LONG. Why 1931? What is the difference between 1931 and 1934?

Mr. WHEELER. In my judgment there is considerable difference between 1931 and 1934. The Senator may disagree with that, but I think we have made considerable progress since 1931; but Dr. Tugwell was speaking in his book of the conditions that existed in 1931. I do not think there is a Member on the floor of the Senate at the present time but who, looking back to 1931, must come to the conclusion that we were at that time right on the brink of destruction, not only of the economic system but there was a question in the minds of a great many people as to whether or not this Government of ours could stand up under the existing conditions.

Mr. WAGNER. Mr. President, will the Senator from Alabama yield to me?

Mr. BLACK. I yield.

Mr. WAGNER. I wonder whether the Senator will permit me to read, right at this point, because it is in line with what the Senator is saying, an extract from one whom I believe to be the greatest constitutional lawyer since John Marshall's time, Mr. Justice Holmes, in answer to the suggestion that those who preach some change in our economic system are necessarily revolutionists, are for the abolition of government, and are not faithful to the Constitution, or our constitutional form of government. He said, in the case of Lochner v. New York (198 U.S. 45):

But a constitution is not intended to embody a particular ecobut a constitution is not intended to embody a particular economic theory, whether of paternalism and the organic relation of the citizen to the State or of laissez faire. It is made for people of fundamentally differing views, and the accident of our finding certain opinions natural and familiar or novel and even shocking ought not to conclude our judgment upon the question whether the statutes embodying them conflict with the Constitution of the Inited States United States.

I thank the Senator.

Mr. BAILEY. Mr. President, will the Senator from Alabama yield to me?

Mr. BLACK. I yield.

Mr. BAILEY. I regret to trouble the Senator. I will be content to say that I deny the right of the Senator from Alabama to classify me in any way whatsoever. That is beyond his capacity, and if it were within his capacity it would be beyond his right. I belong to neither of the groups in question, and I wish that to go into the RECORD, and I will ask the Senator whether he undertakes to put me in any group.

Mr. BLACK. Mr. President, I am perfectly willing to admit that the Senator stands alone, with no group on earth; has in the past, and will hereafter; that he is an individualist, who is never with any group.

Mr. BAILEY. Mr. President, I wonder if the Senator thinks that is a candid and straightforward answer to the question I asked him, which was whether he undertook to maintain the right to put me in a group and if he were now trying to do so.

Mr. BLACK. Mr. President, it is my judgment that attempting to bring out the maintenance of a right here is as far beside the question with reference to Dr. Tugwell and his confirmation as were many of the questions which were asked before the committee.

Mr. BAILEY. I agree to that. Mr. BLACK. I am maintaining here that, in my judgment, Dr. Tugwell should be confirmed. I believe that he should be. I do not subscribe to the idea that anything he has said or done should prevent his confirmation.

The question was asked as to whether or not Dr. Tugwell believed in certain things. A great deal has been said about Dr. Tugwell's discussion of the N.R.A. In order to show that Dr. Tugwell is no conformist with reference to everything that is done or proposed I desire to read a paragraph from his book published in 1934. This is another one of the statements made by Dr. Tugwell with which I agree, and my vote will so show.

He said:

The partial suspension of the antitrust laws is not unlikely to promote the further concentration of the control of wealth. It remains to be seen whether governmental supervision of the type provided for in the N.I.R.A. will make for more equitable sharing of the gains which may result from intensifying cooperation among business men.

I call attention to that paragraph for this reason: It is exactly in line with the complete philosophy as expressed by Dr. Tugwell from the beginning to the end of each one of his books-that what he desires is to bring about those improvements in the operation of our governmental system which will reduce the inordinate and excessive profits of monopoly and greed and will increase the part of the national income that goes to the farmers and to the laborers in the mines and the factories all over this Nation.

Mr. President, I state that in my judgment the widespread hue and cry which has been heard in this country for the past 3 or 4 months against the so-called "brain trust" is because Dr. Tugwell is a symbol of a line of honest, constructive, inquiring thought which will tend to prevent that which has been happening in the past, namely, the concentration of the wealth produced by all of the people of this Nation, and the prevention of the distribution of that wealth into the hands of those who necessarily must have it in order to maintain the purchasing power of our economic system. Dr. Tugwell's whole life, his writings, his books, have been along that line.

I do not expect that those who entertain the old idea that we must continue as we were would approve of Dr. Tugwell's ideas. I recall very vividly when the Senator from Iowa [Mr. Dickinson] rose on the floor and took up this book of Dr. Tugwell's in order to charge him with all the heinous crimes which were being flouted around in the public press. If it were not Dr. Tugwell they were after, it would be someone else entertaining exactly the same ideas. I refer now to those who have been insistently and persistently and publicly attacking the so-called "brain trust." That group does not want a man with brains in the Government service if he has a place of responsibility | where he can aid in directing affairs in such a way as to benefit the average man.

This is not the first time that people have clung to outworn ideals. They have followed that course in the history

of every country in every age of the earth.

There was a time when it was considered heathenish in a certain country to take a bath. In that very country it was a crime for a man to have a bath tub in his house. It was a crime in the same country to attempt to cure the dreadful disease of smallpox, and those who dared, with inquiring minds, to find out whether or not smallpox could be cured, were treated as public enemies.

Mr. President, in that same country there was a terrible odor in the streets of the city of Madrid, and an effort was made to bring about a sentiment that would result in the removal of the odor. Those who believed in adhering to the old traditions and ideals said, "Our ancestors lived through this odor. It would be sacrilegious to them to attempt to change it." Then they submitted the question to the medical profession of the city of Madrid, and they very promptly returned a report that there was no use trying to improve the odor, that their ancestors had lived satisfactorily through it; and, besides, it showed that the air was heavy, and if the air was heavy to carry, perhaps there would not be so much of it carried to injure the people if it had the odor in it.

Mr. President, there was a time in this country when the same type of mind which has been attacking the so-called "brain trust" said that it was contrary to the Christian religion to hold a meeting in a church with the idea of carrying to the people the thought that trains could run at the tremendous rate of 12 miles an hour. Nothing was said about it in the Bible, they contended, and if it had ever been intended that man should travel at the tremendous rate of 12 miles an hour, it would have been mentioned in the Holy Book. So they denied people the use of the church to spread that idea.

The same type of mind that has been attacking the socalled "brain trust", using Tugwell simply as a symbol, and beating their breasts about patriotism, have patriotism for privilege. They do not want a single movement made that would take away the ill-gotten gains from a manipulator or manager.

Therefore, they talk to us about the old economic concept of the niggardliness of nature; that we are trying to defy economic law because an economist a long time ago said the whole thing was built up on the idea of the niggardliness of nature-in a country where we have indicted the producers for producing so much, and people have been left hungry and cold and without shelter.

Mr. President, as I view this matter, it is simply a part of the age-old problem of progress and reaction. A system has been permitted in this country which was lauded to the skies by those who were in control of the machinery of government, which was starving the people slowly to death. And now there are a few men with ideas, such as Tugwell and others, who dare to point out that something must be done if we want to preserve the system of government under which we live. I believe that the men who desire to correct these abuses are the real, genuine friends of our governmental system.

I do not find a single word in any of his books which to me indicates that he desires to do away with the American system of government. I do find that he desires to make it useful to all the people, instead of concentrating its benefits into the hands of a small minority of people. I do find in his books that he takes the position that so long as we have plenty, so long as we produce enough to feed the people of this Nation, this Government is failing in its highest function of government if it fails to make such corrections of existing abuses as will bring a better degree of happiness, security, comfort, and life to the millions of people who have been undernourished under the old system championed by those who have been so bitter in their attacks upon the so-called "brain trust."

I do find that this man has looked into the faces of the people and has seen in them the gaunt look of fear. He has witnessed the dread specter of insecurity of life following them from the cradle to the grave. I do find that he has seen, and that in a country teeming with all the bounties of nature, men and women compelled to walk through life knowing that under the present system the chances were nine out of ten that it would be impossible for them to accumulate enough to take care of themselves in the declining years of their life. I see that. And when I see that, I also see that a man has been selected to perform a public service, who stands for the millions and millions of men, women, and children in this country in the factory, on the farm, in the mines, wherever men and women toil, and who desires, and dares to express the desire, that the system of Government shall be operated so that not only a few may have the luxuries of life, but that the great wealth produced by labor combined with the bounty of nature shall be paid as a reward to those who produce it, that the gaunt specter of insecurity shall be taken from them.

Mr. LONG. Mr. President-

The PRESIDING OFFICER (Mr. Pope in the chair). Does the Senator from Alabama yield to the Senator from Louisiana?

Mr. BLACK. I yield. Mr. LONG. I do not rise to disagree with the Senator. I agree with everything he says. That is why I asked the question a minute ago about the Senator from Montana. I agree with everything the Senator has said, and if Mr. Tugwell's inclination is toward that direction the more glory to him. But the point I have been trying to make is that we have more wealth concentrated now than we had in 1931. We have more income in the hands of the big men, proportionately speaking, according to Mr. Sterns' statistics, than we had in 1931. I was hoping that instead of apologizing on the ground that the whole thing was over

Mr. BLACK. He did not say that. He distinctly said the whole thing was not over. He distinctly declined to repudiate his speech. I have not previously said anything about that. But read the evidence and it will be found what he said. Time after time he said "No; I do not repudiate a single word." He did not repudiate it.

Mr. BAILEY. May I interrupt for the sake of having the RECORD correct?

Mr. BLACK. I yield.

Mr. BAILEY. He did say that he did not repudiate the speech, but at the same time he stated the speech did not state his views in any respect whatever, but was merely the observations of the reporter. That was a repudiation so far as those were concerned who thought the speech expressed his views. He simply stopped on one side of it and said, "Why, that is not what I meant at all. I was talking about what other people were saying."

Mr. BLACK. Time after time the Senator asked him the question, "Is this your belief?", and he said "Yes." He stated time after time that a part of what the Senator read to him was his belief.

Mr. BAILEY. The Senator will not deny that he began, in answer to the question by Senator Byrn, by saying that the speech did not express his views at all; and that he did admit, in response to my examination, that notwithstanding that denial it did express his views. That was the contention I made yesterday.

Mr. BLACK. Mr. President, I stated in the beginning that I declined to go into the details of the various questions which were asked, except to say that I believe a fair reading of the record will show that Dr. Tugwell did not repudiate the views I have stated. On the contrary, the record is filled with statements which bear out that what he said in his books represented his viewpoint. He called attention several times to those books and said that they represented his viewpoint. In response to a question he stated that there were some parts of the speech which were academic discussion. There is nothing wrong with its being an acaevery man's life. It is exactly the same as being called upon to discuss one side of a controversial issue in a debating society. Does that always mean that every argument a man puts forth represents his view? Dr. Tugwell was making a speech at a meeting of an economic society. So far as I am concerned. I do not intend to be led into any vain discussion of whether he said he believed in this sentence and he did not believe in the other sentence.

It is enough for me to know that what he stated, that what he had in this book, represented his views-the very book that the Senator from Iowa [Mr. Dickinson] has condemned him for because he said it would go into the public schools. I find on each page of it the reason why the Manufacturers' Association of Pennsylvania, the Grundyized association of that State, ought to fight Dr. Tugwell, as it is doing in the propaganda which the Senator from Indiana of the accuracy of the RECORD?

Mr. BAILEY. May I interrupt the Senator for the sake of the accuracy of the RECORD?

Mr. BLACK. I shall be glad to have the Senator insert anything he desires in the RECORD.

Mr. BAILEY. This is precisely responsive to the statement that the Senator made that Dr. Tugwell did not repudiate his speech in the sense of saying he did not mean it, that it was not his language. Let us read the record:

Senator Byrn. \* \* Dr. Tugwell, I will frame my question so as to suit the Senator from Nebraska, I hope. It is this: In my judgment no man can read your speech that you made to this economic society without believing that you believe in the things that you then said; and I ask you now: Do you believe in the policies of government as you outlined them and enunciated

them in that address?

Mr. Tugwell. I would like to make it perfectly clear to Senator Byrd, if I can, that I did not enunciate any principles of government in that speech in which I believed. I was trying to analyze the situation as I saw it.

There is the point. The Senator from Alabama now is endorsing the speech and adopting its principles, and with that I have no quarrel, and I respect him for his candor and his courage. But that is precisely what Dr. Tugwell did not do.

Mr. BLACK. Mr. President, there has been a great deal of discussion of that. I will simply call attention and say that if Senators will look on pages 146 and 147 of the record they will find several of the numerous instances in which Dr. Tugwell said that that did represent his views. It is true that he did state that the part with reference to the Russian plan, the theory they had, did not represent his view, and there is nothing in it which indicates to my mind that it did.

I have Dr. Tugwell's book before me. Let us see whose friend he is. Let us refer to a few of the subjects in the book. This book was published in 1934. We find in it arguments on the bad condition of physical life brought about by unwholesome food. We find the figures from Government statistics of those who are undernourished on the farm. We find what a low income they are receiving in comparison with that to which they are entitled as a matter of right. We find his discussion of the terrible effects of inadequate clothing. We find his discussion of the terrible effects of inadequate housing. We find his discussion of the terrible effects of unwholesome food on men, women, and children. We find his discussion of the terrible effect of unsanitary conditions. We find his discussion on page 56 of the terrible effect of inadequate medical treatment. We find on pages 57 and 58 his discussion of the terrible effect of overwork on women of the farm. We find his discussion of the terrible effect of the poverty that exists.

It is all right, Mr. President, for those who have not felt and do not feel the sting of poverty and who do not endure the pangs of hunger and who have had a good shelter over their heads to complain about a man who dares to raise his voice for those who suffer from hunger and want. Here is a man whom the Senator from Iowa has condemned and proclaims as a public enemy, because he has written a book setting out the terrible effects of poverty brought about unsuited for governmental position.

demic discussion. Such things happen at various times in | by an unbalanced economic situation in America. What did he do further?

> Mr. WAGNER. Mr. President, will the Senator yield? The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from New York?

Mr. BLACK. I yield.

Mr. WAGNER. I suppose that the opponents of Dr. Tugwell and some of the economic theories which he advocates might also include many of the State legislatures and the Governors of States that have in the past enacted laws particularly to shorten the hours of labor of women who work in factories and to prohibit their working at night at all?

Mr. BLACK. Of course, those legislatures and Governors

ought to be condemned, too.

Mr. WAGNER. And those who have fought to prevent child labor I should say ought also equally to be condemned?

Mr. BLACK. Oh, yes; if Dr. Tugwell is to be condemned by reason for standing for old-age pensions, it is necessary to condemn the voters of the several States who voted last year to inaugurate such a system.

Mr. WHEELER. Mr. President-

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Montana?

Mr. BLACK. I yield.

Mr. WHEELER. Let me say to the Senator that the State of Iowa, from which comes the distinguished senior Senator [Mr. Dickinson] who complains about Dr. Tugwell, is suffering at the present time probably as much as any State in the Union by reason of the very economic ideas which Dr. Tugwell condemns.

Mr. BLACK. Yes. Here is another thing that the senior Senator from Iowa does not want to get to the school children of Iowa-the regulation of hours, and so forth, found on page 214:

We have already referred to monotonous or unpleasant working conditions in city occupations that make necessary some limitation of the hours required. Short hours are needed in factories where noise, motion, and monotonous effort abound, and especially those with poorly lighted and poorly ventilated rooms.

That is a terrible thing to tell the children of the State of Iowa; it ought never to be known that here is a man who dares to favor short hours in factories in order to relieve the monotony of factory life.

The "effect of depressions on hours of work": he tells about that. That is a terrible thing to get to the school

On page 216 he tells of the evil of child labor. That is a terrible thing to send out to the school children of the State of Iowa. Why, here is a man who dares to express views to the people of the State of the Senator from Iowa in opposition to child labor in factories and to state that he is in favor of short hours for people who toil from morning until night as they eke out in the factories of this Nation a bare existence under this old, discredited system.

Here is another statement that it is terrible to get to the school children:

The welfare of the worker is the most important index of the success of the productive process.

That is an awful charge to make. Here is a man who puts the happiness of the worker first. Is that treason? He puts the happiness of the worker upon the same divine basis as heretofore has been put the happiness of those who had profits, more profits, more profits, and more profits. He dares to assert that human rights are entitled to consideration the same as property rights. A terrible man! An awful doctrine to send to the children of the State of Iowa.

Here is an argument against fraudulent promotion schemes. A terrible thing that! The State of Iowa evidently has never had any fraud committed against its citizens; evidently nobody ever sold them any bad stock out in the State of the senior Senator from Iowa; and he does not want them to find out that there is a man who dares to assert that such things ought to be stopped, and who even dares to say that the manipulation of the stock exchange must be curbed. A terrible crime that! He is wholly

He says we need relief measures immediately. He declares in this book, and declared before the committee, that the complaint which he was making back in 1931 was with reference to relief measures. On that occasion he immediately followed Mr. Harriman with a speech. By the way, I also have Mr. Harriman's speech. It seems that the president of the National Chamber of Commerce actually—think of it; holding that exalted position, high above those who act as representatives of the working people-dared to say something with reference to planning-I mention it with a whisper-just before Dr. Tugwell spoke; and then Dr. Tugwell came along and said that some relief measures are necessary; and he said in the hearings before the committee that what he saw back there was millions of people starving and the Government doing nothing for their relief. Another terrible crime.

Here is a chapter which ought to delight the heart of the Senator from Louisiana [Mr. Long]. It is on pages 402 and 403, and the title of it is, "What Governments Do to Distribute Incomes Wisely." He actually dares to intimate here—he treads on such sacred ground as to indicate that some of the people have entirely too much, while others have entirely too little. That is another thing that it would never do to have get to the school children of the State of Iowa.

Mr. LONG rose.

Mr. BLACK. Perhaps the Senator from Louisiana would be willing to have it go to the school children of Louisiana?

Mr. LONG. Mr. President—

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Louisiana?

Mr. BLACK. I yield.

Mr. LONG. I just want to say, "amen." [Laughter.]

Mr. MURPHY. Mr. President-

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Iowa?

Mr. BLACK. I yield.

Mr. MURPHY. In reference to the State of Iowa-

Mr. BLACK. I was not referring to the junior Senator from Iowa; I was referring to the speech made recently by the senior Senator from Iowa [Mr. Dickinson] with reference to Dr. Tugwell.

Mr. MURPHY. I understood the Senator to have made that reference. I assure the Senator that there are other outlets than the senior Senator from Iowa for the school children of Iowa. They have the benefit of all the views that the children of any other State have, and the people of Iowa have had opportunity for a free decision on the merits of this controversy as to the confirmation of Dr. Tugwell.

Mr. BLACK. The Senator is absolutely right. The fact that they voted as they did in 1932 shows that they were not satisfied with the old conditions which they would not restore. They did not express their approval of the system that was undernourishing the children of the State of Iowa and the children of other sections of the country.

Mr. MURPHY. Mr. President, will the Senator yield further?

The PRESIDING OFFICER. Does the Senator from Alabama yield further to the Senator from Iowa?

Mr. BLACK. I yield.

Mr. MURPHY. I will state further that at a primary election held a week ago Monday in Iowa the issue was clearly presented between a progressive candidate for the Republican nomination for Governor and a so-called "conservative" or "reactionary" candidate, as alleged by the progressive candidate. The progressive candidate for the Republican nomination for Governor and a so-called "conhe advocated, and having done that, he said, "Now, I will tell you some of the things I am against—I am against the Mellon-Hoover-Mills control of the Republican Party."

Mr. BLACK. Did he mention the Senator from Iowa?

Mr. MURPHY. He mentioned the Senator from Iowa.

Mr. BLACK. Does the Senator mean the senior Senator from Iowa [Mr. Dickinson]?

Mr. MURPHY. I do.

Mr. BLACK. He did that in the Republican primary?

Mr. ROBINSON of Arkansas. What! Does the junior Senator from Iowa mean to say that the Republican nominee for Governor this year repudiated the Republican Senator from Iowa [Mr. Dickinson] and said that he was against him and hoped to accomplish his defeat?

Mr. MURPHY. He condemned the senior Senator from Iowa as expressing the school of thought of Mellon-Hoover-

Mills.

Mr. ROBINSON of Arkansas. Perhaps the Senator from Iowa will not be so bitter in his condemnation of Mr. Tugwell. [Laughter.]

Mr. DICKINSON. Mr. President, will the Senator yield?
The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Iowa?

Mr. BLACK. I yield.

Mr. DICKINSON. If the Senator from Alabama will quit before 3 o'clock, I hope to be able to express myself on this subject.

Mr. BLACK. We want to give the Senator that privilege; it ought never to be missed.

Mr. ROBINSON of Arkansas. The more he expresses himself the more the Republican nominee for Governor of Iowa will condemn him. [Laughter.]

Mr. MURPHY. Mr. President, will the Senator yield? Mr. BLACK. I yield to the junior Senator from Iowa.

Mr. MURPHY. The issue so presented between those candidates was decided by the Republican electorate, which nominated the progressive candidate for Governor for the Republican Party. I think the progressive candidate so nominated by the Republican Party in Iowa would unhesitatingly endorse Dr. Tugwell.

Mr. BLACK. Now I read the last lines of Dr. Tugwell's

In place of adhering to blind traditionalism we should develop an open-minded experimental attitude toward social and economic institutions and problems.

That is the crime he has committed, if it is a crime. He has dared to say that he is willing to shake off musty and outworn dogmas, coming from the minds of political theorists of the past, and to look boldly into the future. He has dared to do that on behalf of the millions of undernourished boys and girls of this Nation and the underprivileged men and women of this Nation, under a system of letting everything go exactly as it was, which, never daring to move forward into the visions of the future, was starving to death mentally, spiritually, and physically the people of this Nation.

In 1932 the people spoke. They declared themselves in favor of the new and bold political philosophy announced by this man. I have read his evidence. I see no repudiation there. If I could see repudiation there, I am frank to state that I would lose my sympathy for the cause which he has so boldly advocated, but I do not. I see him there as he fences with these gentlemen who were against him when they went there, and he states time after time, "I repudiate nothing." It is true he said that he did not intend to approve planning as adopted by the Russian Government, but he did not deny that he wanted this Government to look forward to the future and chart a way to relieve destitution and to ameliorate the hard conditions of the povertystricken people of this Nation. That man stands for that for which the present administration is fighting, and, as a result, he has been attacked in the press of this country as a part of the "brain trust."

We cannot be deluded and we cannot be deceived. We know while there are some against him because of other reasons; there are those who are against him by reason of the fact that they think he stands for the principles enunciated by the administration, the principle of taking care of those who most need care.

Mr. President, I am glad to have this privilege of stating that I am not for Dr. Tugwell simply because the President appointed him. I am for him because I believe he represents a school of political thought of which the country has long been sorely in need. I believe he stands for a school of

political thought which will not deify money and property to the extent of adding to the destitution and human misery of the men, women, and children of the United States who produce the wealth which the people themselves are entitled to have. I believe Dr. Tugwell stands as the representative of the new American thought; that thought which places not property above anything and everything, but places first the happiness and safety and security of the people of America.

I am for him for another reason, because he stated he favored the message to us sent last week by the President of the United States; that great, new document wherein the President declares that in the next session of Congress he desires to present a program for social adjustment and for social assurance which will take away the gaunt specter of hunger and want from the hearts and consciences of those people who have long suffered from this dread condition.

Mr. President, with such thoughts uppermost in the minds of the people, with such principles advocated by those who have to do with making the policies of the Government, it is my belief that we are marching forward to a new era in which we shall not be compelled to indict the producers of foodstuffs and of clothing for producing too much, but where we may see that a proper distribution brings happiness and comfort and wealth to the people of the Nation.

For these reasons, Mr. President, I stand here favoring the confirmation of Dr. Tugwell.

ANNUAL CONSIDERATION OF PERMANENT APPROPRIATIONS

As in legislative session,

The PRESIDING OFFICER (Mr. Sheppard in the chair) laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H.R. 9410) providing that permanent appropriations be subject to annual consideration and appropriation by Congress, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. HAYDEN. I move that the Senate insist upon its amendments, agree to the conference asked by the House on the disagreeing votes of the two Houses thereon, and that the chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Hayden, Mr. Overton, and Mr. Steiwer conferees on the part of the Senate.

#### REXFORD G. TUGWELL

The Senate resumed the consideration of the nomination of Rexford G. Tugwell to be Under Secretary of Agriculture.

Mr. DICKINSON. Mr. President, in the light of the results of the primary election in Iowa I simply want to suggest that the customary margin of 3 Republican votes for every Democratic vote was cast. Regardless of the little differences there may be among the Republican candidates, I invite the Senator from Alabama [Mr. Black] and the junior Senator from Iowa [Mr. Murphy] to look at the election returns next November and see what consolation they can get out of them. We will go along together out there regardless of whatever differences may have arisen among Republicans over matters of policy. [Laughter.]

Mr. President, the Senator from Alabama [Mr. Black] has taken considerable time to discuss Dr. Tugwell's book and has referred to me on account of my reference to the book. But the Senator from Alabama very shrewdly omitted reference to chapter XXVIII of the book and of its contents from there to the summary wherein the author discussed economic planning in the Soviet Socialist Republic, and wherein he discusses the Soviet Union, then discusses seriously the cause of the socialistic platform, then talks about communism, then talks about social planning, then talks about the various remedies which he thinks, I presume, are applicable to the conditions which he has described.

Merely because I am opposing Dr. Tugwell does not mean that I am not as anxious as Dr. Tugwell himself about relieving the conditions described in the previous chapters of his book. It is a matter of difference in remedy, not a difference in complaint. It is a difference of whether or not

the remedy suggested by Dr. Tugwell will bring about the cure of the conditions he has described. It is a question of whether or not the remedy is going to be helpful rather than hurtful.

I believe in being progressive enough for advancement, and, on the other hand, I believe in being conservative enough for safety. In other words, most of the social reforms which have been brought about by men of the Tugwell type have proven failures when it came to taking account of the real benefits which they have brought to society. That is the phase of the question which has interested me.

Most of the cures suggested here have been tried out in times gone by. They are not new at all. I go back to the time when the King of Sparta attempted to find a way by which government regulation would solve all the problems of society in Sparta. He substituted iron money for gold and silver. He gathered all the silver and gold into the public coffers and then said he was going to issue iron money which was so heavy that nobody could carry it around, and see if he could not do away with the ambition of man for money. The scheme did not work. He divided the lands in an effort to redistribute wealth. He established public tables at which all the people should be fed. Yet his experiments failed. It is only a question of difference in view of remedy. It is not a confirmation or approval of the condition. It is a question of what is the cure that is involved here.

Senators may weep big tears. So far as the people of Iowa are concerned, I will compare the people of Iowa and the strata of society there with the people of Alabama any time. We can take care of our own people in Iowa. We do not need the advice of Mr. Tugwell or anybody else as to what we shall teach in our schools or how we shall conduct our society or how we shall feed our farmers or how we shall care for the sick, nor any of those phases of life.

I believe in the States having those rights, and I am wondering where in the world the advocates of the old State rights of the South have gone. Someone ought to page them around here and see whether or not any of them exist any more. State rights were established long ago in our history. But let us go a little further and see where the remedy may be.

Diocletian in Rome, in 300 A.D., issued his decree boldly fixing the maximum price of all commodities in common use, systematically attempting to regulate trade. He redivided his provinces, classified his people, and the end was complete collapse of the social standards of his day.

It is the remedy I am discussing. It is not the condition. Let me suggest that representatives of the present administration are at all times saying we are going back to the conditions of the ideal year of 1926. What economic theory was in control of the Government at that time? It was exactly the same theory that was in control in 1929. It was the abuse of the system, the fact that the people did not confine themselves to a reasonable use of their privileges of the day that caused the collapse. When we talk about returning to the normal conditions of 1926, it is proposed to return to the very economic theories that are condemned by those who say they want to remedy the conditions existing in 1929.

I go a little further, and this is in line with the theory of Dr. Tugwell. In France in 1848, Louis Blanc, labor commissioner, assumed that the Government must guarantee the existence of the workman by means of labor. The Government engaged itself to guarantee labor to every citizen. National workshops were established by decree. The authority was placed in a central board of management.

Does not that make one think of Reedsville, W.Va.? Does not that make one think of the almost numberless bureaus and boards which are being set up here now? Does not that make one think of the fact that we are now saying the Government must assume responsibility for everything that everybody is doing?

The authority was vested in a central board of management. Centralized control? Every phase of the program is along that line, and all to what end? It was to the end that

In other words, it is a question not so much of conditions. When we admit certain conditions exist, then the next question is whether or not the remedy is sufficient, and it is the remedy which is being suggested that I am attacking.

Personally, I know nothing about Mr. Tugwell. I have met him once, socially. I think he is a highly educated man. I know nothing about his background. I believe he lived on a 40-acre farm in New York. I believe he raised one Holstein calf, and I think that calf took a premium at a State fair. But that is not material to me.

I care nothing about that phase of the matter. The thing that is material to me is the question of the economic policies into which we are gradually being directed by the management not only of Mr. Tugwell but of several other men in key positions in the Government service, who are having to do with the direction of the agricultural policies of this country, which to me are extremely offensive.

The man who can get up here and weep big tears on the floor of the Senate about the problems of the poor and the problems of the farmer is not always the farmer's best friend. It is the man who knows the conditions well enough to tell what is practical and what will be helpful, and tell what is impractical and what will be harmful, who is really the friend of the farmer. I desire to suggest that I think we are interested now in the trend that we are taking, and it is that trend which I wish to discuss with the Members of the Senate for a little while today.

Mr. MURPHY. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield. Mr. MURPHY. Will the Senator say, in his judgment, whether or not the present Secretary of Agriculture answers the test imposed?

Mr. DICKINSON. I think the present Secretary of Agriculture is a theorist. I think he is impractical in his views. I think he is doing a number of things that will be adverse to the interests of the farmers of Iowa, and I think the farmers of Iowa will bear me out in that contention as time

I will say that this is the first time I have ever said a word in any way criticizing the efforts of the Secretary of Agriculture. The Senator from Iowa, who belongs to his organization, has asked me the question. I have given him my answer. It is my sincere belief. Mr. Wallace is honest; he is capable in many ways, but he is a theorist. He is looking over at the end of the rainbow, and he never sees what is in front of his feet. He is falling into pitfalls, not only with reference to the killing of 6,000,000 little pigs, but with reference to crop control and a lot of other policies that are being adopted by the present Department of Agriculture.

I do not concur in those views. I will say further that I voted for the Agricultural Adjustment Act-why? Not because of the allotment plan; in that I did not believe; not because of the inflation part of the bill, title III, but because of title II of the bill, which was for the purpose of refinancing farm loans. That is the only reason why I did vote for the bill.

Now I desire to take up for a few minutes some reasons why I believe that Dr. Tugwell is not sufficiently grounded in his various views with reference to economically sound remedies to occupy this position; and it is not to Dr. Tugwell alone that my criticism attaches. It is to the group of men who are in control of various affairs down in the Department of Agriculture.

Dr. Tugwell's characteristics are best shown by a little poem that he wrote in 1915. Rexford G. Tugwell is the author of this poem. He said:

We begin to see richness as poorness; we begin to dignify toil; I have dreamed my great dreams of their passing, I have gathered my tools and my charts; My plans are fashioned and practical; I shall roll up my sleeves—make America over!

That is a big program for a young man who was 24 years of age. Let me read it again:

within 3 months' time from the time the system was | We begin to see richness as poorness; we begin to dignify toil; initiated it had to be completely abandoned.

In other words, it is a question not so much of conditions. My plans are fashioned and practical;

I shall roll up my sleeves-make America over!

I have no objection to that young man having that ambi-

Mr. McKELLAR. Mr. President, was that just after Mr. Hoover's administration, or about the time of Mr. Hoover's administration?

Mr. DICKINSON. This was in 1924, when the Republican candidate for President had the greatest majority that a candidate had had for many, many years, when Calvin Coolidge was reelected President of the United States; and I will say to the Senator that I deeply regret that we have not a Calvin Coolidge in the White House now.

Mr. McKELLAR. Evidently he was a prophet as well, because he saw just what was coming under the Hoover administration.

Mr. DICKINSON. Well, I am wondering, now. Let us look this over. Nineteen hundred and twenty-six is the great, ideal year that the Democratic administration is trying to adopt as a normal year. All of its charts, all of its programs, the entire effort to have price parity is to bring up prices to the average prices of 1926, 2 years after Mr. Tugwell made this prediction, and after a Republican was elected President of the United States.

I think Mr. Tugwell is a conscientious young man; and what I am saying is not any criticism of him individually. I believe he has the right to support the theories that he has supported. I think those who are associated with him have the same right. I am not criticizing them for that, but I do not agree with the theories; and I do not like to see men in key positions who have control over the interests that are of greatest influence in my State, subordinate to a man in whose economic balance I have not confidence.

Representative Fish made an investigation which reflects somewhat on the character of Mr. Tugwell, as I see it, and his former associates. I am not saying this in criticism. If they want to belong to these organizations, it is their privilege: but I am suggesting this by reason of the fact that my attack here is not on Mr. Tugwell as an individual, but on the trend of the economic theories of today. In this respect, which was made by a House committee authorized to investigate the matter, I find-

Mr. Roger N. Baldwin, its guiding spirit, makes no attempt to hide his friendship for the Communists and their principles. He was formerly a member of the I.W.W., and served a term in prison as a draft dodger during the war.

The first 12 have been actually associated with or are members

of the American Civil Liberties Union.

The first man named is Mr. Tugwell.

I do not believe Mr. Tugwell believes in communism. I am only suggesting this by reason of the fact that he is associated with men with whose views I disagree, and with whose views I should like him much better if he would disagree.

I find in this list of names Mr. Jerome N. Frank. I find in this list of names Dr. Frederic C. Howe. I find in this list of names Clarence Darrow. I am simply saying that while those men have the right to belong to any organization they wish, I do not believe in the theories that are advocated by that group of men.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. ROBINSON of Arkansas. The plain implication of the Senator's statement is that he does not favor the confirmation of any man for a public office whose views the Senator does not approve.

Mr. DICKINSON. Oh, no.

Mr. ROBINSON of Arkansas. What is the point, then, in saying that the Senator does not agree with the views expressed by Mr. Tugwell? What is the point in saying that he does not agree with the views expressed by the gentlemen who belong to the organization he describes?

Mr. DICKINSON. I will say to the Senator from Arkansas ! that I do not believe in voting for a man who has a tendency toward views which, in my judgment, are leading us on a wrong economic course which is an implied socialism, if not actual socialism.

Mr. ROBINSON of Arkansas. The Senator has made it plain that he will not vote for the confirmation of any

man whose economic views he does not approve.

Mr. DICKINSON. Oh, no; that is not my statement at all. I said I will not vote for the confirmation of a man whose views I think are dangerous and in the wrong trend. I might disagree with a man, but I might not think his views were dangerous. In fact, I disagree with the Senator from Arkansas.

Mr. ROBINSON of Arkansas. Yes; but no more than the Senator from Arkansas disagrees with the Senator from

Iowa. [Laughter.]
Mr. DICKINSON. Absolutely, and it is mutual and harmonious; but I want to say to the Senator that I should consider the Senator from Arkansas a safe man along economic lines, because his views do not run on a trend that I think dangerous.

Mr. ROBINSON of Arkansas. Mr. President, that makes me a little suspicious of myself. [Laughter.]

Mr. DICKINSON. In order that we may understand who Mr. Howe is, I am going to quote the Senator from Utah [Mr. King], who just came into the Chamber, and the Senator from Arizona [Mr. Ashurst]. There was an investigation of Mr. Howe, who is listed here, and who is one of the assistant administrators of the A.A.A. If I remember correctly, he is drawing \$9,000 a year. I find that he was investigated when he was Commissioner of Immigration of the port of New York. I find that the Senator from Utah [Mr. King] said-p. 2024, Congressional Record of June 27, 1919:

While I am upon that point, Mr. President, I want to state that in a recent meeting held in New York City under the auspices of the Russian Soviet, an official of the United States, Mr. Frederic C. Howe, the Commissioner of Immigration at the port of New York, presided as chairman. In my opinion, any person who would preside over a meeting of this character and sit with these people and listen to denunciations of our form of government and to the speeches there made without protest is not fit to hold a position under the United States.

The Senator from Arizona [Mr. Ashurst] replied:

Mr. President, do I understand that Mr. Howe presided at such meeting? If that is true, does not the Senator from Utah intend to introduce an amendment here to provide that no money whatever shall be paid out of the Federal Treasury to Mr. Howe? If what the Senator says be true, it is the duty of every Senator here to vote for that amendment. Offer an amendment. Let us stop talking and do something. Offer an amendment that no money in the Federal Treasury shall be paid to that man if he did that.

Mr. King. He did preside over the meeting. Martens, a Bolshevik, and other radicals spoke. It was a meeting ostensibly to present the truth respecting Russia, but it was a meeting in the interest of radicalism, in the interest of the Russian Soviet, in the interest of class government, in the interest of those who are seeking the overthrow of organized government, including the Parametric of the United States.

seeking the overthrow of organized government, including the Republic of the United States.

Mr. Sherman (Illinois). I will ask the Senator from Utah if this same official is also not the author of a book which is known as "Socialistic Germany", which is a textbook for every violent red who does not want to go the limit of anarchy and bloodshed?

Mr. King. He is the author of five books to my knowledge, all of which I now have in my office and all of which I have examined.

Mr. Sherman (Illinois). I regard it as a seditious and dangerous book

Mr. King. Mr. Howe ought to be removed from office by the President of the United States or whoever has authority to remove

I have here the notice in the New York Times showing that Mr. Howe presided.

Mr. ROBINSON of Arkansas. Mr. President, what has Mr. Howe to do with this controversy?

Mr. DICKINSON. He is in the same group which is directing the course of the economic trends of the present administration, which affect every man, woman, and child in my State and in the State of the Senator from Arkansas

Mr. ROBINSON of Arkansas. Mr. President, I am utterly unable to understand why the Senator opposes the nomina-

tion of Mr. Tugwell on the ground that Mr. Howe's views are objectionable to him.

Mr. DICKINSON. On the ground that Mr. Tugwell, Mr. Howe, and Mr. Jerome Frank, and others are all in the same group, all doing the same thing and, in my judgment, directing the agricultural interests of this country in a course that is detrimental to the interests of agriculture.

Mr. President, if any more evidence with reference to Mr. Tugwell is desired, let me suggest this. There is what is known as "the people's lobby." Everybody around Washington, D.C., knows Ben Marsh. He is here, I think, occupying space for the purpose of keeping it from being a vacuum. [Laughter.] I know of no other good reason for his being here.

I find that there is a people's lobby here, and that they had a council. In March 1933 I find, among those who were on the council, the name of Rexford G. Tugwell. The president of the council is John Dewey. Mr. Dewey is entitled to his views, Mr. Marsh is entitled to his views, and the rest of these gentlemen are entitled to their views, but I do not agree with their views, and I want to say that among their proposals we find the following:

Public ownership of banking, coal, gas, oil, water power, transportation, and communications, paying owners only for their values created. A Government marketing corporation.

Mr. President, with reference to the qualifications of Mr. Tugwell, and the present tendencies, I now want to read a paragraph from Mr. Frank R. Kent, in his column in the Baltimore Sun of this morning, headed "The Great Game of Politics ":

Or, if additional evidence were needed of his conservatism, there or, it additional evidence were needed of his conservatism, there is the professor's name as an editorial staff member at the masthead of that great conservative journal of opinion, the New Republic. Certainly no one can think that a paper like the New Republic, with its unswerving devotion to the vested interests, or Senators like Mr. Wheeler, sponsor this session of the old and conservative Bryan 16-to-1 free silver bill, or Mr. Norris, with his reactionary tendency toward national ownership—no one can think that a periodical like this or Senators like these would claim Mr. as their own if he were not conservative in every fiber of his highly educated system. The idea is absurd.

I read another paragraph from the same column:

Seriously speaking, while superficially Professor Tugwell came off very well at his committee test the other day, it was only superficially. Actually, this impression was due to the ineptitude of his senatorial cross-examination and the lack of dignity and of his senatorial cross-examination and the lack of dignity and decorum of his senatorial questioners. Actually, he did nothing to increase respect for him among discriminating people. Instead of standing up for his quite well-known, openly and often expressed convictions, he tried to convey the idea that they were not his convictions at all; that he was only "reporting." Instead of sticking by his standards, he dropped them. Instead of flying his own colors, he ran up another flag. Instead of exhibiting the independence and firmness one expects from the truly deep thinker, the professor side-stepped with the agility of a matador, sought refuge behind the Roosevelt skirts, knowing very well the senatorial bulls would not pursue him there. Instead of being senatorial bulls would not pursue him there. Instead of being straightforward, he was smooth and shifty. Certainly, far more clever than the Senators, he seemed to be shrewd, resourceful, alert, with a keen eye for covering up, and all the sincerity of the well-known china egg.

As a matter of fact, I think there is a growing tendency in this country now, not only among farm people, but among others, with reference to the uncertainty and instability of the entire economic program. In support of that I should like to insert certain excerpts from the book from which the Senator from Alabama has just quoted, Our Economic Society and Its Problems, by Tugwell and Hill.

The PRESIDING OFFICER (Mr. HATCH in the chair). Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

EXCERPTS FROM THE PRINCIPLE OF PLANNING AND THE INSTITUTION OF LAISSEZ FAIRE

#### By Rexford G. Tugwell

The disasters of recent years have caused us to ask again how the ancient paradox of business—conflict to produce order—can be resolved; the interest of the liberals among us in the institutions of the new Russia of the Soviets, spreading gradually among puzzled business men, has created wide popular interest in "planning" as a possible refuge from persistent insecurity; by many people it is now regarded as a kind of economic Geneva

It is my belief that practically all of this represents an unconsidered adherence to a slogan, or perhaps a withdrawal from the hard lessons of depression years, and that it remains unrelated to a vast background of revision and reorganization among our institutions which would condition its functioning. Most of those who say so easily that this is our way out do not, I am convinced, understand that fundamental changes of attitude, new disciplines, revised legal structures, unaccustomed limitations on activity, are all necessary if we are to plan. This amounts, in fact, to the abandonment, finally, of laissez faire. It amounts, practically, to the abolition of "business" (p. 76).

Those who talk most about this sort of change are not contemplating sacrifices; they are expecting gains. But it would certainly be one of the characteristics of any planned economy that the few who fare so well as things are now would be required to give up nearly all the exclusive perquisites they have come to consider theirs of right and that these should be in some sense socialized (p. 76).

We might have had some such form of organization as the German cartel system if we had not set out so determinedly 40 years and more ago to enforce competition (p. 77).

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. . Profits, in the sense in which we use the term, belongs to a speculative age, one in which huge gambles are taken, and in which the rewards for success may be outstanding. When we speak of them as motives, we do not mean that the hope of which the rewards for success may be outstanding. When we speak of them as motives, we do not mean that the hope of making 4 percent induces us to undertake an operation; we mean that we hope for some fabulous storybook success. These vast gambling operations are closer to the spirit of American business even yet, with all the hard lessons we have had, than are the contrasting ideas which have to do with constructive restraint and social control (p. 80).

There is no doubt that the hope of great gains induces enterprise of a sort; and if these are disestablished, a certain kind of enterprise will disappear. The question is whether we cannot well afford to dispense with it. It seems credible that we can. Industries now mature can be seen to operate without it; and new ones might be created and might grow from sheer workmanlike proclivities and without the hope of speculative gains (p. 81).

The universal confidence in profits, still unshaken in the West-ern World, is quite likely to hinder measurably the advance of

planning.

A central group of experts charged with the duty of planning the country's economic life, but existing as a suggestive or consultative body only, without power, has been advocated by numerous persons and organizations (p. 82).

The deadliest and most subtle enemy of speculative profit-making which could be devised would be an implemented scheme for planning production. For such a scheme would quiet conflict and inject into economic affairs an order and regularity which no large speculation could survive (p. 83).

Strange as it may seem—directly antithetical to the interests of business and unlikely to be allowed freedom of speech, to say nothing of action—it seems altogether likely that we shall set up, and soon, such a consultative body. When the Chamber of Commerce of the United States is brought to consent, realization cannot be far off. It seems to me quite possible to argue that, in spite of its innocuous nature, the day on which it comes into existence will be a dangerous one for business, just as the founding day of the League of Nations was a dangerous one for nationalism. There may be a long and lingering death, but it must be regarded as inevitable (p. 84).

\* \* Planning is a process of predicting and making it come true, not merely a matter of advising voluntary groups (p. 85).

It is necessary to realize quite finally that everything will be changed if the linking of industry can finally be brought to completion in a "plan." It was a reluctant and half-blind step which led one executive after another to complete the serialization of his machines. And even then he was sometimes astonished at the results. This new undertaking is vaster; it requires a new and complicated technology which is not yet wholly invented; and it follows not from one executive's decision, but from a thousand preliminary consents, abdications, and acceptances of responsibility (p. 88). bility (p. 88).

The setting up of even an emasculated and ineffective central coordinating body in Washington will form a focus about which recognition may gradually gather (p. 88).

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For we have a century and more of development to undo. The institutions of laissez faire have become so much a part of the fabric of modern life that the untangling and removing of their tissues will be almost like dispensing with civilization itself. We

where all sorts of compromises may be had and where peace and prosperity may be insured (p. 75).

It is my belief that practically all of this represents an unconsidered adherence to a slogan, or perhaps a withdrawal from the hard lessons of depression years, and that it remains unrelated to

The first series of changes will have to do with statutes, with constitutions, and with government. The intention of eighteenth-and nineteenth-century law was to install and protect the principle of conflict; this, if we begin to plan, we shall be changing once for all, and it will require the laying of rough, unholy hands on many a sacred precedent, doubtless calling on an enlarged and nationalized police power for enforcement. We shall also have to give up a distinction of great consequence and very dear to many a legalistic heart, but economically quite absurd, between private and public or quasi-public employments. There is no private business, if by that we mean one of no consequence to anyone but its proprietors; and so none exempt from compulsion to serve a planned if by that we mean one of no consequence to anyone but its proprietors; and so none exempt from compulsion to serve a planned public interest. Furthermore, we shall have to progress sufficiently far in elementary realism to recognize that only the Federal area, and often not even that, is large enough to be coextensive with modern industry; and that consequently the States are wholly ineffective instruments for control. All three of these wholesale changes are required by even a limited acceptance of the planning idea (np. 88 and 89). idea (pp. 88 and 89). .

It is equally true that planning in any social sense cannot leave out of its calculations any industry or group of industries and still remain planning.

It will be required, furthermore, in any successful attempt to plan, that the agency which imposes its disinterested will on industry, must equal, in the area of its jurisdiction, the spread of the industry. Planning will necessarily become a function of the Federal Government; either that or the planning agency will supersede that Government, which is why, of course, such a scheme will eventually be assimilated to the State, rather than

scheme will eventually be assimilated to the State, rather than possess some of its powers without its responsibilities.

The next series of changes will have to do with industry itself. It has already been suggested that business will logically be required to disappear. This is not an overstatement for the sake of emphasis; it is literally meant. The essence of business is its free venture for profits in an unregulated economy. Planning implies guidance of capital uses; this would limit entrance into or expansion of operations. Planning also implies adjustment of production to consumption; and there is no way of accomplishing this except through a control of prices and of profit margins (p. 89). 89).

The traditional incentives, hope of money-making and fear of money loss, will be weakened, and a kind of civil-service loyalty and fervor will need to grow gradually into acceptance. New industries will not just happen, as the automobile industry did; they will have to be foreseen, to be argued for, to seem probably desirable features of the whole economy before they can be entered upon (p. 90).

We shall not, we never do, proceed to the changes here suggested all at once. Little by little, however, we may be driven the whole length of this road; once the first step is taken, which we seem about to take, that road will begin to suggest itself as the way to a civilized industry. For it will become more and more clear, as thinking and discussion centers on industrial and economic rather than business problems, that not very much is to be gained until the last step has been taken. What seems to be indicated now is years of gradual modification, accompanied by agonies and recriminations, without much visible gain; then suddenly, as it was with the serialization of machines, the last link will almost imperceptibly find its place and suddenly we shall discover that we have a new world, as, some years ago, we suddenly discovered that we had unconsciously created a new industry (p. 90). dustry (p. 90).

It has been by a series of seeming miracles that we have acquired the technique of control and the industrial basis for economic planning. The still further, perhaps greater, miracle of discipline is needed (p. 91). .

It is, in other words, a logical impossibility to have a planned economy and to have business operating its industries, just as it is also impossible to have one within our present constitutional and statutory structure. Modifications in both, so serious as to mean destruction and rebeginning, are required (p. 92).

Consequently, we begin with small unnoticed changes and end by not being able to resist vast and spectacular ones—at which time our systems of theory tumble unwept into the grave along with the outworn techniques they accompanied. When this kind of thing follows a relatively unimpeded course there is rapid industrial change, such as once happened in England; when politicians, theorists, and vested interests resist too strenuously, there is a revolution on the French model. How rapidly the pressures rise to explosive proportions depends both upon the visibility of a better future and upon the hardships of the present.

There is no denying that the contemporary situation in the United States has explosive possibilities. The future is becoming visible in Russia; the present is bitterly in contrast; politicians, theorists, and vested interests seem to conspire ideally for the provocation to violence of a long-patient people. No one can pretend to know how the release of this pressure is likely to protected to know how the release of this pressure is likely to come. Perhaps our statesmen will give way or be more or less gently removed from duty; perhaps our Constitution and statutes will be revised; perhaps our vested interests will submit to control without too violent resistance. It is difficult to believe that any of these will happen; it seems just as incredible that we may have a revolution. Yet the new kind of economic machinery we have in prespect cannot function in our present economy. The have in prospect cannot function in our present economy. The contemporary situation is one in which all the choices are hard; yet one of them has to be made (p. 92).

The prospect of a planned economy is so congenial to every hope and belief that I have.

Mr. MURPHY. Mr. President, will the Senator yield to me?

Mr. DICKINSON. I yield to my colleague.

Mr. MURPHY. I was wondering whether the Senator had found Tugwell's name among those listed as members of the board of governors of the New York Stock Exchange, the National Electric Light Association, the Hamilton Club, the Union League Club, the Securities Exchange.

Mr. DICKINSON. I might say to the junior Senator from Iowa that I have no access to those lists, and they have not been furnished me. I am not on the public-utilities list. I have no connection with the public utilities. I never have had any connection with the public utilities, and the theory that any one who is opposed to Tugwell is hooked up with some interest is only an unwarranted insinuation. As a matter of fact, there can be a conscientious conviction here as to whither our Government is trending. I think that conviction is one which is now being studied by the sane and thinking people of the United States. I believe that the trend is in the wrong direction, so far as the particular group of men I have discussed are concerned, and Tugwell is among them. I believe he is one of the most influential of them, and therefore I do not believe that he should be confirmed.

Mr. MURPHY. Mr. President, I would not wish to impute to the Senator any association with those interests, but I should like to point out the significance of the fact that Mr. Tugwell's association is not with them.

Mr. DICKINSON. Mr. President, I would not want to be compelled to make a recital of all of the things in the United States to which he does not belong. He is well known, of course, and popular, but I think his membership and listing are probably limited.

Mr. McKELLAR. Mr. President, will the Senator yield to me?

Mr. DICKINSON. I yield. Mr. McKELLAR. Is the Senator a member of the Committee on Agriculture and Forestry of the Senate?

Mr. DICKINSON. I am not.

Mr. McKELLAR. Does the Senator understand that Mr. Tugwell went before that committee, composed of both Democrats and Republicans, and that after the committee heard him, and after they heard the testimony brought in, and after they heard the arguments, only 2 members of the 19 on that committee voted against Mr. Tugwell's confirmation?

Mr. DICKINSON. I understand that very thoroughly. Mr. McKELLAR. Does the Senator understand that six out of the seven Republicans on the committee impliedly gave their approval to his confirmation?

Mr. DICKINSON. I understand that very thoroughly, and that does not change my views at all. The members of the Committee on Agriculture and Forestry are entitled to their views. I reserve the right to have my own views, and I expect to express them. It is my privilege as a Senator from Iowa to do that.

I find that Mr. Tugwell claims that he is a great friend of the farmer, and that before the Women's National Democratic Club, in the March meeting in 1931, he showed himself to be the absolute friend of the farmer. Let me quote from him:

Such an abundant life implies the enjoyment of the good things of life in security and contentment, and the cultivation, through such enjoyment, of the good things of the spirit; reflection, philosophy, conversation, and leisure.

I am frank to admit that I am partial to the European tradition of open-air cafes and beer gardens, where decent men and women can drink quietly in the open air under the eyes of their neighbors and where the two sexes can exert on each other the discipline of each other's presence.

He goes on to say that he is a believer in the old philosophy of wine, women, and song. The paragraph which I particularly desire to quote, however, is as follows:

My interest in the subject, is partly due to the fact that wine and beer are made from agricultural produce and that their consumption cannot only serve the broader purposes of the new deal in making for a calmer and happier type of existence, but will help the American farmer to find a better market for his produce

There is absolute evidence of the sincerity of Mr. Tugwell to the farming interests of this country.

Now I wish to quote from his book, Industry's Coming of Age. Professor Tugwell shows clearly that he is in favor of the control of capital, expenditure, and also of price control. He says especially in this volume:

There are two obvious functions which some public body will always have to perform if social results are to be got. One is the matter of capital dispersal and allocation; the other is that of price control.

Perhaps it can be made to seem wrong to squander wealth, and perhaps it can be made to seem supremely important to produce it. But neither in our popular morality, with its roots in a past age and its controls devised for a medieval economy; in religion, which clings to outworn ethics, irrelevant for the present; nor in public-school education, which is dominated by the two, does there seem to be a sufficient promise. But it is through some social agencies as these that controls will have to come.

In other words, there is a direct indication that he not only believed that the Government must control industry, but he also believed that it must control the crafts. So it is not only agriculture which must be controlled; it is also industry.

I am not critical of Dr. Tugwell for changing his mind: I am not critical of Dr. Tugwell for adjusting his views to meet the situation of the time, but I am convinced that in 1931 Dr. Tugwell was of the same opinion that many other people were—that the Constitution was a barrier to many of the reforms he was supporting and advocating. Since that time we have had a change in conditions.

I believe that he, at least, partially had forgotten the fact that he said in this book that the N.R.A. and the A.A.A. did not meet with his view of social and economic planning. But when he came before the committee, with the development from the time that he wrote this book, which was probably in 1933, because it was copyrighted early in 1934, he had seen this adjustment, and therefore I am not critical of his views. I am critical of him wherever he attempted absolutely to reverse his program, and in that way change the principle for which he had previously stood.

I desire to read an editorial appearing in the Washington Post on the question of constitutionality, and a comment on his testimony:

On the subject of the Constitution, Dr. Tugwell now points out that he has taken the oath to uphold it without any mental reservation.

No one expects Dr. Tugwell or any of those who hold the type of view I have been discussing here, to repudiate the Constitution. I do not believe that as yet they have advanced to that stage. In other words, he has to take an oath that he will support the Constitution, and therefore his answer was as I would expect his answer to be when he was asked if he believed in the Constitution.

Earlier he wrote that one illustration of "an emotional attachment to the instruments of social life" is "the unreasoning, almost hysterical, attachments of certain Americans to the Constitution."

Personally, I believe that the Constitution protects our liberty. I do not believe that it is an abridgment of our liberty under any circumstances whatsoever. It will be

found, according to the statement of John Marshall, that | when we go out beyond the scope that has heretofore been considered within the limits of the Constitution we always tread on dangerous ground. I believe we are now treading on dangerous ground.

I read further from the Washington Post editorial:

If Dr. Tugwell has today no reservations on the subject of the general adequacy of the Constitution, how can he sincerely call implicit acceptance of this instrument by others unreasoning to

the point of hysteria?

the point of hysteria?

On the subject of economic planning, Dr. Tugwell tells the Senate that "I believe in the kind of planning we are doing now, but not in a planned economy, which is best defined by reference to the Russian system." Elsewhere he writes that "the experiments commenced in 1933 in the United States are worth-while beginnings. They are not economic planning, but they afford new opportunities for working out plans."

What is marrier a desirable heginning to this official on one day

What is merely a desirable beginning to this official on one day is glibly made to appear the ultimate goal on another occasion.

On the subject of the consistency of constitutional provisions with the ideal of planning, Dr. Tugwell says on the stand that there would be such inconsistency "if we are going to have a planned economy. \* \* But I don't favor it." At another place and time his view was that: "The challenge of Russia to America does not lie in the merits of the Soviet system, although they may prove to be considerable. The challenge lies rather in the idea of planning, of purposeful, intelligent control over economic affairs. This, it seems, we must accept as a guide to our economic life to replace the decadent notions of a laissez faire philosophy.

I desire to refer to another editorial, one from the Kansas City Star of June 4, 1934:

The report in Kansas City last week of certain aspects of the Soviet industrial system from an American engineer, Zara Witkin, who has returned from his work in Russia, may not give the whole of the picture. Indeed, the Soviet Union is so vast a country that no individual's view of conditions there can be taken as conclusive. But it is illuminating to find Mr. Witkin's criticisms have to do with the general scheme of a national economy planned by a central government.

That is the phase of it that I want to bring to the attention of the Senate.

Mr. Witkin speaks of "unparalleled mismanagement and disturbing lack of initiative" in the Soviet Union. One trouble, he says, is that "government is so centralized that every engineer is afraid to make any decision on a matter of construction until he hears from someone above him. The countless delays that arise hears from someone above him. The countless delays that arise from such a situation make any sustained cooperative effort impossible."

These are among the necessary defects of a system under which a central authority tries to conduct a nation's business.

To my mind the indictment of the N.R.A., the indictment of the A.A.A., the indictment of practically every phase of the new-deal legislation we have had here, is the fact that we have a centralized bureaucracy in Washington, D.C., with our interests hundreds and thousands of miles away, with no possibility of having a determination of a crucial matter in time to save the situation.

I wish to refer to the hog-and-corn contracts in Iowa. We have had a tremendous drought. In many fields the oats were dried and blown out, and under ordinary circumstances when a field reached the point where it could not produce the farmer would be in there with his plow and he would be ploughing it up to put in corn, but we find that he contracted with the Government to reduce his corn acreage and he was already planting the limit. Therefore he either had to ignore his contract or get permission from Washington to avoid his contract. In other words, in my opinion, with 120,000,000 people, with our diversity of agriculture and diversity in industry, it is not possible to have business controlled by one central bureau in Washington and to have it work efficiently. Not only that, but the interests of one section may be adverse to the interests of another. That is the criticism and the reason why the N.R.A. cannot succeed.

To quote further from this editorial:

The same difficulties are indicated by one of the most sympathetic of American observers of the Soviet Union, Sherwood Eddy. In his latest book he classifies a paralyzing and ineffective bureaucracy as one of the major evils of the Russian system. "It falls like a blight on initiative everywhere." The main cause is the "overcentralized power of the state and party" which is essential to national planning.

to national planning.

Certainly the break-down in agricultural planning and in the transportation facilities last year that resulted in several million

deaths from starvation in Russia—the estimates run from three to six million—would indicate that national planning has its drawbacks.

Isn't it just possible that Prof. Rexford G. Tugwell spoke too soon when he wrote in his latest book: "For many years the technical task of devising plans to regulate our complex economic interests was too difficult to attempt. But today we know that this is no longer true, for Russia has shown that planning is practicable."

I am of the opinion that we will have exactly the same experience as Soviet Russia if we attempt to carry this program into effect.

In the Dry Goods Merchants Trade Journal I find this quotation, talking about young people going to school:

These young people are headed for some awful headaches and heartaches if they have drilled into them the theories of many such professors—that while we are reasonably sure to have a return to the boom times of 1929 between now and the early 1940's, yet the period just after that is, so it is said, threatening in the extreme, due in no small measure to the teachings of the Tugwell type of professor, instilled into the minds of young men and women who attended college during the years 1921 to 1932; that by 1942-44 these young people will be running our affairs and the theories of the radical types of these professors will be tried out by the generation then in control, the generation taught by these theorists. by these theorists

Here I wish again to refer to the land theory. I was interested in the Philadelphia speech delivered by Mr. Tugwell, and I find that in the land theory promulgated by him we first start in to rent land-that is now admitted-and then we start in to purchase marginal land—that is in the offing then the next theory of land control is always to have the Government own and control all land. That means absolute production control all along the line. I do not believe that the Government ought to go into those phases of land control. I quote from Mr. Tugwell's speech as follows:

We are now engaged in a drastic program of controlling the output of agricultural products for the emergency. This in itself means that we are trying to control the entire utilization of all our agricultural land.

Mr. TYDINGS. Mr. President, will the Senator yield? The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Maryland?

Mr. DICKINSON. I yield.

Mr. TYDINGS. Would the Senator be in favor of relief being borne entirely by the States and local communities rather than by the Federal Government?

Mr. DICKINSON. Insofar as they are able to provide relief. I would.

Mr. TYDINGS. Suppose they are not able to do so?

Mr. DICKINSON. Then I think the only thing for the Government to do is to contribute to the State, through its chief authority, the Governor of the State, such amount as may be necessary and leave the matter of distribution both in counties and other localities entirely in the hands of the State authorities. I am still more in favor of State rights than many of my good Democratic friends.

Mr. TYDINGS. The Senator is not opposed to bureaucracy to relieve distress where bureaucracy is necessary?

Mr. DICKINSON. There is no bureaucracy in what I

Mr. TYDINGS. Well, the centralization of power in the Federal Government is what I am talking about.

Mr. DICKINSON. Not at all. My suggestion is merely for a contribution out of the Federal Treasury; there is no bureaucratic control about it at all.

Mr. TYDINGS. I cannot see the distinction between the Federal Government overriding the State laws and the States being controlled from Washington.

Mr. DICKINSON. Mr. President, I hope the Senator will not take my time. It is almost exhausted. Continuing the

There are other methods already in use by which governmental agencies control the use of lands for other purposes—police regulations in towns, and zoning ordinances or laws in cities and suburbs, and even local or regional planning boards.

One way to control agricultural output is to restrict directly the use of the land.

That is exactly what we are doing. That is the cotton bill; it is going to be the corn bill. The effort all along the line is to restrict the use of land, and, in my judgment, we will never cultivate in the farming population of this country either a desire or a capacity to take care of themselves if we adopt such a theory.

Continuing the quotation:

Either of these involves maintaining more men and more land than are really needed. What is done is merely to keep a part of each field or each farm out of use. It seems to me obvious that this cannot be the characteristic feature of a permanent policy. There is no recognition in it of the basic conditions which ought to determine the use of the land. It adjusts supply to the moment's market, but it neither conserves the land nor makes provision for permanently bettering farmers' lives.

In other words, he is of the opinion that we must not only control the land but we must go in and supervise the use of the land. If Senators desire a real exhibit of 100 percent socialization of land, I call attention to the testimony of Dr. Morgan, of the Tennessee Valley Authority, which was given before the committee just a few days ago and which will shortly be in print, where, in my judgment, he shows that they must not only go in and determine the usage of land but they must go in and absolutely control society in its occupancy of the land, including education, social conditions, the church, every phase all along the line.

There is another man connected with this Department who says that profits must be eliminated. I now quote from a statement of Jerome N. Frank, of December 1933. On page 2 he says:

The majority of the American people are still devoted to the profit system. They still believe that there is substantial worth in using the desire for individual profit as one of the important incentives in getting done the necessary work of the world. Although the profit system, as it has worked recently, seems to have worked poorly, most Americans believe that, properly controlled, it can work well. As long as the majority of the American people continue to cherish that system, it would be impossible, even if it were considered desirable, to abandon it completely in favor of another system. To do so would be to fly in the face of our current folk ways. The course of the wise statesman today is clear, if he wishes to avert complete break-down. He will seek, so clear, if he wishes to avert complete break-down. He will seek, so far as possible, to eliminate the evil aspects of the profit system. He will give that system a fair trial.

In other words, it appears from his statement that, sooner or later, we are to reach the point where we are no longer to have anything to do with the profit system.

Recently Byron Price, a Washington correspondent, in an article of June 12, 1934, had this to say with reference to the present trend about which I have been talking:

Directly or by implication, the professors are indicted on several counts:

1. Radicalism, destructive of American institutions.
2. Ignorance, leading, to experiments which experience has shown worthless.

Extravagance, involving reckless spending of public funds.
 Tyranny, directed at curtailment of individual liberty, private initiative, freedom of speech.

I think he has summed up in those four points the actual criticism of present-day trends that is well worth while for all of us to keep in mind.

Under date of June 24, 1933, Mr. Tugwell made a speech at Rochester, N.Y., from which I quote as follows:

Upon general social and economic problems, upon fit relations of government to industry, upon the respective functions of the several divisions of government in connection with these relationships, it is the line of least resistance for most of us to affect the attitude of the theorist. And this is true whether to affect the attitude of the theorist. And this is true whether or not the consequences appear to be promising for or threatening to our social and economic existence. It is merely a usual process of thought. Our loyalties and affections are apt to attach themselves to instruments rather than to functions. In this instance we are apt to regard a form or a document more highly than the values such a thing produces. We become adulating and uncritical. Only crises calls in question our attribution of virtues. We then see suddenly that values attach to these things because they are valuable and not because they simply exist.

In other words, he says that it takes a crisis to cause us to rise up against the conditions which exist or against such an instrument as the Constitution or against a custom or a habit. To me that is at least an insinuation that he believes in such reform as is not permitted under our system but which he thinks is imperative in order to work out the present-day problems. I continue the quotation:

The new administration is compelled to reckon with these attitudes of people. In this connection I shall refer to and shall dwell upon two major lines of action which have been taken. I shall attempt to evaluate their constitutional and economic validity; I shall attempt to sustain them against more orthodox theories of government, laws, and economics. What I can say here theories of government, laws, and economics. What I can say here and now must be merely the sketch for something which ought to have been longer considered, made more revealing by the inclusion of ramifying implications. There has not been time yet for that. If, however, I can furnish some clues to the rebuilding of a theoretical structure, I may have done something toward closing the gap between theory and reality. There will be sufficient ingenuity, and above all, adequate time, for other minds to follow these directions.

In other words, he believes that it is his job to work out some program and that is the reason why he wrote this book [indicating]. I will say that those chapters in the fore part of the book set forth a condition which does exist, and no one attempts to deny it, but when it comes to the remedies at the end of the book, then I think they do not fit the disease

I ask that a further quotation from the speech be inserted in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

[From Dr. Tugwell's speech at Rochester, June 24, 1933]

And certainly the Constitution was never designed to impose upon one era the obsolete economic dogma which may have been glorified under it in an earlier one. Today and for tomorrow our problem is that of our national economic maintenance for the public welfare by governmental intervention—any theory of government, law, or economics to the contrary notwithstanding. Hence the National Recovery Act and the Agricultural Adjustment Act of the administration.

I shall not turn to a consideration of the measures enacted in the last special session of the Congress vesting in the President broad powers for the administration and execution of laws enacted by the Congress. Reference may be made for illustrative purposes to the powers granted to the President under the Economy Act and under the appendage to the Agricultural Act which is popularly known as the "inflation amendment." Of what may even the theorist of government law or economics complain? Has the theory of a republican form of government explicit in the Constitution been violated by the new Democratic President and Congress? \* \* These questions naturally arise; they command respect for they concern our faith in the organization and function of our National Government. But must faiths, political more than economic, be preserved at all events—that is, in disregard of the obviously necessary requirements of the public welfare? May our faiths in checks and balances yield to necessity, or even to expediency? If these faiths and this necessity for more expeditious governmental action are to clash, must we sacrifice efficiency or shall we establish a new faith?

Mr. DICKINSON. Now as to the question of the neces-I shall not turn to a consideration of the measures enacted in

Mr. DICKINSON. Now, as to the question of the necessity of this program and as to whether we are proceeding in the best way, I want to quote again from the Dry Goods Merchants' Trade Journal, of June 1934:

\* \* that latest figures from England are very interesting, pointing the way to our early trend probabilities. Without alphabetical and theoretical stimulation(?) England's business is forging ahead rapidly; their business index is almost back to the 1929 level; employment index back almost to 1929; their stock market is within a few points of the 1929 highs; wholesale prices are about to the highest level of 1931 but far below the price levels of 1929—a very favorable situation. Let us hope that President Roosevelt is watching the above trends in England and clamps down on the numerous theorists and petty politicians in his official and semiofficial family of advisers.

Mr. President, in conclusion, I ask permission to insert in the RECORD an editorial entitled "So this is 'Progress'" from the Murphysboro Independent of Murphysboro, Ill.

The PRESIDING OFFICER. Without objection, it is so

The editorial referred to is as follows:

[Murphysboro (III.) Independent] SO THIS IS PROGRESS

How Joseph and Pharaoh handled a crop surplus:

"Let Pharaoh do this and let him appoint officers over the land.

"And let them gather all the food of those good years that come and lay up corn under the hand of Pharaoh, and let them keep food in the cities.

"And that food shall be for store to the land against the 7 years of famine which shall be in the land of Egypt; that the land perish not through the famine.

not through the famine. "And the 7 years of dearth began to come according as Joseph had said; and the dearth was in all lands but in all the land of Egypt there was bread."

How the "brain trust" handles a crop surplus:

"And let us get rid of this oppressive surplus of wealth so that all may be richer. Let us plow under one row of cotton in three. Let us pay the farmers of the fields for the wheat they do not cultivate or plant. Let us pay them for the hogs they do not raise. Let us kill the young pigs and the young calves. Let us plow the growing wheat under, and let the fields lie fallow, for truly we have more food supplies than we need and they have lost their value.

their value.
"And so it was done. And the 'brain trust' sent men out into And so it was done. And the 'brain trust' sent men out into the land and told the farmers how much cotton they could plant. And they killed the young pigs and they plowed the wheat under in the fields. And they paid the farmers for being idle instead of for working, for with a surplus of food supplies idleness became a virtue instead of a virtue, and thrift and industry became a vice instead of a virtue. And they levied a tax to pay for all this and collected it from the farmers and others.

"And they wheat even I were the smallest it had been within

"And the wheat crop 1 year was the smallest it had been within

the memory of that generation.
"And the next year came the drought and the hot winds and the dust storms.

And there was famine in the land.

"And there was famine in the land.

"And the people turned to the 'brain trust' and said: 'Where is the good wheat you made us plow under? Where is the good pork you made us throw on the refuse heaps?' And the 'brain trust' said unto the people: 'You are but guinea pigs on whom we experiment in the cause of progress. What matters if you starve provided we learn something about social experiments? If you have no bread, then eat cake.'

"And the people were wroth and turned upon the 'brain trust' and drove them from the city, but there was famine in the land."

and drove them from the city, but there was famine in the land.'

#### GO LEFT!

Mr. LONG. Mr. President, I had not expected to say a word about this nomination, and what I shall say will probably be as much amiss as was in some respects the investigation conducted regarding it. I simply wish to say, however, that whenever this administration has gone to the left I have voted with it, and whenever it has gone to the right I have voted against it.

I voted against the administration's plan for the banks when it left the little banks out; that is, I voted to include the little banks.

I voted against the administration when it advocated the economy bill, because it was a trend toward conservatism and away from liberalism.

I voted against the N.R.A. because I believed it would be operated for monopoly, as it contained a provision that brushed aside the antitrust laws.

I voted against the administration when I supported the remonetizing of silver.

I voted against the administration when I supported higher income taxes and higher inheritance taxes than were advocated by its measures.

I voted against the administration when I supported the plank to guarantee to farmers the cost of production.

I likewise voted against the administration when I supported the 30-hour week; and I likewise voted against the administration's recommendations to mellow those provi-

On the contrary, when the administration has gone liberal. or toward the left, I have just as consistently voted with it.

I voted with the administration for expanding the currency; that is, for a bill which gave the President power to do that.

I voted with the administration for the home loan bill.

I voted with the administration for farm relief.

I voted with the administration for the guaranteeing of bank deposits. In fact, I was one of the few who made the fight until the administration forces were brought around to that view.

I voted with the administration to submit to the people the repeal of the eighteenth amendment.

I voted with the administration for the control of crime.

I voted for the Johnson bill to prohibit injunctions against State commissions in connection with public-utility orders.

I voted with the administration for the Muscle Shoals bill, for the truth in securities bill, and for the bill to regulate stock exchanges.

I cite some 10 examples in which I have gone against the administration's reactionary endorsements and 10 instances in which I have voted with the administration's liberal pronouncements.

In the matter of the confirmation of appointments and in my expressions with regard to those advising the administration I have taken an identical view. I was grieved when Eugene Meyer was retained by the administration to head the Federal Reserve for a short while. On the contrary, I was indeed happy to see a liberal man like the late Senator Blaine put on the Reconstruction Finance Corporation.

I regretted that Mr. Ballantine was allowed to linger around the Treasury Department, because he was distinctly of the reactionary type and to the right, but I was very happy when a man representing contrary views like Mr. J. F. T. O'Connor was made Comptroller of the Currency.

Likewise, I was not in sympathy with men of such reactionary tendencies as Mr. Woodin, Mr. Aitchison, and Mr. Baruch, all of whom I opposed; but on the contrary, looking to the left, I was happy for the naming such men as Brookhart, Moley, Governor Black, and members of the Federal Deposit Insurance Corporation, whom I felt to represent distinctly a more liberal view.

The record which I have made in voting along these lines apparently has been pretty well regarded as satisfactory to those holding the liberal views. All the veterans' and soldiers' organizations regard my record as 100 percent perfect, so far as I have learned. All the farm organizations regard my record as 100 percent perfect, so far as I have learned. All the labor organizations regard my record as 100 percent satisfactory, so far as I have learned. All the little banks of the United States regard my record as 100 percent satisfactory, so far as I have learned. So do all liberal leaders of whom I have knowledge.

We have come now to an appointment which is not being discussed entirely upon the merits of the appointee. There has been invoked, whether it has been done purposely or whether it has crept in by its own moving force, quite a discussion as to whether the liberal or radical views of the appointee qualify him or tend to make him unfit to sit in the Cabinet or to occupy a position somewhat similar to

I am very sorry Mr. Tugwell did not explain his views, as he might have expressed them in a very few words-that he meant what he said then, that his words applied in 1931 and that they applied in 1934.

This is where I have some misgivings: I hate to have it assumed that we have corrected the condition which was the cause of the political revolution of 1932. Our candidate for President of the United States, when he was a candidate, said this, and I quote from his speech of September 23, 1932.

Just as freedom to farm has ceased, so also the opportunity in usiness has narrowed. \* \* \* Recently a careful study was business has narrowed. made of the concentration of business in the United States.

It showed that our economic life was dominated by six hundred and odd corporations, who controlled two-thirds of American industry. Ten million small business men divided the

More striking still, it appeared that, if the process of concentration goes on at the same rate, at the end of another century we shall have all American industry controlled by a dozen corporations and run by perhaps a hundred men.

Put plainly, we are steering a steady course toward economic oligarchy if we are not there already.

Our President pledged his party by a declaration for the redistribution of wealth. That was followed by Mr. Tugwell's declaration for the redistribution of wealth, and by suggestions by such men as Dr. Moley, who said he favored the redistribution of wealth. Secretary of the Interior Ickes, in a signed magazine article published in the New York Times less than 2 weeks ago, stated that the administration is steering a course for the redistribution of wealth. But, unfortunately, we are not steering straight along that course. I quote from an article by Mr. Lawrence Dennis, published in the American Mercury of May 1934, in which he said:

I am reliably informed by an economist who keeps tab on the latest corporate developments that the concentration of control in some 200 large corporations has increased from 45 percent of all industrial capital in 1930 to 55 percent in 1933.

Taken alone those figures might be somewhat disputed, but I have in my hand an extract from an article which appeared in the Philadelphia Record, this study made by an administration organ, in which it was said:

The rich get richer—President's program stumbling because there has been no redistribution of wealth.

This is from the Philadelphia Record, and, in part, reads as follows:

The rich are getting richer and the poor are getting poorer. That was the case in the boom days of Coolidge. It also was the case of the depression days of Hoover.

And it still is the case in the recovery days of Roosevelt.

Let those shuddering Tories who moan about administration radicalism observe these figures from the Treasury.

Taxes paid by corporations increased from \$62,801,192 for the March payment of 1933 to \$92,200,858 for the March payment this

Taxes paid by persons with incomes of more than \$5,000 jumped from \$88,599,235 last year to \$109,766,752 this year.

And taxes on incomes under \$5,000 dropped from \$14,974,689 to \$12,936,734.

Concentration of wealth goes on at a more rapid pace under the "new deal" than before.

So, Mr. President, my regret is that the views which have been expressed by Dr. Tugwell and Mr. Moley and those expressed by Mr. Roosevelt and by Mr. Ickes have not been carried out, due to the fact that one day they have gone toward the left and the next day they have gone toward the right. I applaud the statements of the administration when they say to the banks, "Lend your money to the people", and then again I grieve over the instructions given by the bank examiners that homes and farms are not sound collateral upon which the banks may make loans.

I do not have any particular fault to find with someone who is arguing that the Constitution has to be changed.

If it takes a change in the Constitution of the United States, but I do not think it does, to break down this condition by which 1 percent of the people own more of the wealth of the country than the other 99 percent of the people put together, then I am in favor of that change in the Constitution of the United States. So was Jefferson, so was Samuel Adams, and so were the men who drafted that immortal document. It is carried out in the express Declaration of the Independence that whenever the Government fails to provide life, liberty, and happiness, or at least the pursuit of happiness, then it has failed and the Constitution should be changed in such a way as may be necessary to carry out the purpose of government.

Dr. Tugwell's appointment is generally regarded as being toward the left. I would not administer the purposes he has expressed as he has done. I believe that I have advocated a more certain and direct way. Neither would I administer the purposes the President has in mind as he is doing. But so long as the trend is toward the left-for the decentralization of wealth, for the spreading of the blessings of life among the masses—so long as the trend is toward the liberal and away from the right and the reactionary I shall have to vote for any confirmation or legislation.

Mr. ROBINSON of Indiana. Mr. President, I never like to object to the confirmation of nominations sent here by the Chief Executive, regardless of the party to which he may belong. His party is responsible for the conduct of the Government, and he is given the authority, as well as the responsibility, by the people of the country. Because of that fact I believe he ought to have counsellors and advisers around him in whom he has confidence.

The record will show, therefore, that very rarely have I opposed the confirmation of those nominated by the Chief Executive, and only when I felt that I had good cause for taking such action. This is one of those cases.

I am not even personally acquainted with Professor Tugwell. So far as I know, he is a very estimable young man. He is well educated, and I see no objection to that. I should think it would be to his advantage. I am, however, tremendously influenced by the views he himself has expressed with reference to the system of government under which we live, and the direction in which he would turn the Government from the course we have followed for more than a century.

Mr. President, I understand Dr. Tugwell has since repudiated some of the statements he made originally less than 3 years ago; but at that time he frankly stated that constitutions would have to go. I should like to read just what he said before the American Economic Association in December 1931 along that line:

We have a century and more of development to undo. stitutions of laissez faire have become so much a part of the fabric of modern life that the untangling and removing of their tissues will be almost like dispensing with civilization itself. We shall all of us be made unhappy in one way or another; for things we love, as well as things that are only privileges, will have to go. But we shall have to see, no doubt, a wholesale sacrifice of such things, like it as little as we may.

The first series of changes will have to do with statutes, with The first series of changes will have to do with statutes, with constitutions, and with government. We shall be changing once for all, and it will require the laying of rough, unboly hands on many a sacred precedent, doubtless calling on an enlarged and nationalized police power for enforcement.

The next series of changes will have to do with industry itself. It has already been suggested that business will logically be required to disappear. This is not an overstatement for the sake of emphasis; it is literally meant.

Furthermore we shall have to progress sufficiently for in ele-

Furthermore, we shall have to progress sufficiently far in elementary realism to recognize that only the Federal area, and often not even that, is large enough to be coextensive with modern industry; and that consequently the States are wholly ineffective instruments for control.

Mr. President, those are the words of Professor Tugwell himself. If they mean anything at all, they mean that Professor Tugwell would abolish the Constitution of the United States. He says a century and more of development must be undone. Those means by which we have become great, notwithstanding the sackcloth and ashes in which we find ourselves today, nevertheless we are still the greatest nation on the face of the earth-all these instruments of development must be done away with, says Dr. Tugwell. Constitutions must go. That, of course, means the Constitution of the United States as well as the constitutions of the various States. State lines must be obliterated entirely, completely effaced. The State will become merely a memory.

If Dr. Tugwell's words mean anything, they mean just

Mr. President, Dr. Tugwell unquestionably occupies a commanding influence in this administration. Many people believe he is the closest adviser of the President. Many people believe he has greater influence with the Chief Executive than any other single man or even group of men. If that be true, it seems to me if the Senate of the United States believes in the traditions that have brought us to our present greatness, if the Senate of the United States believes in the Constitution of the United States, if the Senate of the United States believes in the things in which the American people believe with their whole heart and soul, then the Senate of the United States ought not to give a vote of confidence to this man to give him even more influence with the Government than he has at the present time.

Suppose he had his way, and he could abolish the Constitution of the United States; what, then, would be the situation in this country, Mr. President? I may say that this is not an idle dream, in the minds of many people. Great numbers of Americans today believe the Constitution is in a fair way to be abolished. Liberties have been taken with it that no administration ever undertook before, and the Congress of the United States really has aided and abetted it. In any event, it has sat by and permitted the inroads on the Constitution to take place.

If Mr. Tugwell has his way, and the Constitution is finally abolished, then what is our status? Then we have a complete dictatorship. Eliminate the Constitution of the

United States from our system of government, and we have an executive dictatorship. There is no other plan; and this administration then would be forced to seize the powers of dictatorship, whether it desired to do so or not, in order that there might be law and order in the country.

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. ROBINSON of Indiana. No: I cannot yield to the Senator now. I have only 15 minutes. I should like very much to yield.

The PRESIDING OFFICER (Mr. McGill in the chair). The Senator declines to yield.

Mr. ROBINSON of Indiana. So, Mr. President, that is the end that Dr. Tugwell would reach—the elimination of the Constitution of the United States. It must go; and when it is gone, we have no balance; we have nothing but chaos. There must be a system of government; there must be a system of law and order, all of which is prescribed today by the Constitution. Abolish the Constitution, and what have we left? Someone must exercise authority. Whom would it be? A dictator—an executive dictator. There is no other way out.

Mr. President, the history of dictatorships all over the world has been that the average man suffers most and the man farthest down. It is not the man with money; it is not the man of great wealth. A million dollars can always take care of itself, whether we have a dictatorship, an oligarchy, a republic, or a monarchy. But the man farthest down, the average man, who needs protection on the part of his government, is the man who invariably suffers most when a dictator rules.

Consequently, Mr. President, I think I would be derelict in my duty, indeed, utterly negligent, if I did not vote against the confirmation of a man for an office of greater power, higher title, whose views are in the direction of the abolishment of constitutions, which could only mean the erection of dictatorships.

Dr. Tugwell made other statements at the time to which I have referred. He said:

There is no private business, if by that we mean one of no consequence to anyone but its proprietors; and so none exempt from compulsion to serve a planned public interest.

The essence of business is its free venture for profits in an unregulated economy. Planning implies guidance of capital uses; this would limit entrance into or expansion of operations. Planning also implies adjustment of production to consumption; and there is no way of accomplishing this except through a control of prices and of profit margins.

#### Again:

It is, in other words, a logical impossibility to have a planned economy and to have businesses operating its industries, just as it is also impossible to have one within our present constitutional and statutory structure. Modifications in both, so serious as to mean destruction and rebeginning, are required.

Then he referred again to the abolishing of business, and said:

This amounts, in fact, to the abandonment, finally, of laissez faire. It amounts, practically, to the abolition of "business." .

The next series of changes will have to do with industry itself. It has already been suggested that business will logically be required to disappear. This is not an overstatement for the sake of emphasis; it is literally meant.

So Dr. Tugwell would eliminate business and the business man. In other words, he subscribes thoroughly to the Russian system. That is Russian communism, and to that system I am convinced the great majority of the American people are opposed. I think that if it were left to the people of the country today, so thoroughly do they distrust Dr. Tugwell that there would be no question in the world about his confirmation. It would certainly be refused.

Not only that, but, from his own statement, he would eliminate the farmer. Let me read from an article published in Labor, a national weekly newspaper published in Washington, D.C., the issue of January 9, 1934:

"'We are preparing', Tugwell declared, 'a land program not merely for the benefit of those who hold title to it, but for the greater welfare of all the citizens of the country."

The Government, Tugwell insists, cannot go on forever paying

The Government, Tugwell insists, cannot go on forever paying farmers not to plant, and the alternative, he says, is to buy excess land and retire it until there is demand for its cultivation.

One of the startling statements by Tugwell is that we can raise all the food we need with half of our present farmers, or only about 12½ percent of our working population.

""We envisage', says Tugwell, 'a commercial agriculture made up of the most efficient farmers operating the best of our lands, with the remaining land being put to other uses and the unneeded farmers devoting their time to other occupations."

In other words, by his own statement, he would take farms away from the owners, he would undertake to say, himself, which are efficient farmers and which are inefficient, and all those placed in the category of inefficiency would be deprived of their farms. That is his own statement The unneeded farmers, said he, would have to devote their time to other occupations.

Mr. President, with 12,000,000 men walking the streets looking for jobs, what other occupations would Mr. Tugwell place farmers in? Where is he to get jobs for the farmers from whom he proposes to take their land?

These, it seems to me, are vital reasons why a man of this sort should not aspire to higher position in the Government, and it is rather surprising to some who think, at any rate as I do, that the President of the United States would even seek to give this man greater authority and greater

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

Mr. CUTTING. Mr. President, I am sure that the Senator from Indiana would not willingly misquote anyone, and therefore I think it rather unfortunate that he should base his opposition to the confirmation of Dr. Tugwell on a speech which he evidently has not read in its entirety, because if the Senator from Indiana had done so, it would be perfectly apparent to him that, according to Mr. Tugwell, the abandonment of constitutions and statutes and the other terrible things mentioned would happen only in case a country should adopt the system of national planning which Mr. Tugwell, in the first part of his speech, had adequately defined, a system of national planning along the lines of the Russian system.

I am perfectly willing to concede that terms like "national planning" and "planned economy" are rather vague terms, and, from passages quoted from various speeches and various books, it is apparent that Mr. Tugwell has at times used identical words with a somewhat different meaning. That is perhaps an inconsistency; but if so, it is purely a verbal one and does not, in my judgment, affect the merits of the question before us.

In the hearing, if we can dignify the proceeding of Monday by such a term, Mr. Tugwell was subjected to a crossexamination on particular words and particular sentences drawn from various speeches, which I do not believe anyone could possibly have gone through without involving himself in occasional technical inconsistencies. That, to my mind, is all that can be said against the position he took on Monday before the committee.

The only other argument that has been presented to us is the argument of the Senator from Virginia [Mr. Byrn], who is opposed to certain amendments to the Agricultural Adjustment Act which, after considerable discussion, were reported favorably by the Committee on Agriculture and

According to the Senator from Virginia, Mr. Tugwell admitted in a letter to him that he had previously violated the law and that these amendments were necessary in order to enable the Department of Agriculture to do what they had previously been doing without warrant of law.

Under the limitation of 15 minutes, I have not sufficient time to read the letter in full, but I shall quote a few sentences from it to show that it means exactly the reverse of the interpretation given it by the Senator from Virginia. Said Dr. Tugwell in the letter:

We have worked out marketing agreements which are benefiting producers of fluid milk, rice, peanuts, tree fruits, oranges, tobacco, and many other products. The progress of these operations is always subject to attack in the courts, and there have been several occasions when they were delayed for considerable periods pending the outcome of the court decisions. The orange-control work was the outcome of the court decisions. The orange-control work was the one to date which has been most seriously held up. The decisions of the courts, when finally obtained, have been generally favorable in all cases so far, so that it appears that what we are doing is in conformity with the policy laid down by Congress as set forth by the law and is so generally understood by the courts. If, however, Congress were to definitely spell out the powers under the act, as suggested in the amendments already proposed, that would give farmers still greater confidence in the successful carry-

ing through of the operations which we have already undertaken. It was with that idea in mind that I stated at the press conference that we regarded the amendments not as widening our powers but rather as clarifying what the act already authorized us to do. It was also in that connection that I stated that certain of the amendments simply permitted us to do what we are already

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. CUTTING. I vield.

Mr. ROBINSON of Arkansas. With the indulgence of the Senator for a moment, I may say that I have made an analysis of the amendments to the Agricultural Adjustment Act, to which reference has been made by the Senator from New Mexico and the Senator from Virginia, as they were reported by the Senator from South Carolina, and I find that in almost every instance the Senator from South Carolina in his report on the bill justifies the proposed amendments on the ground that they make clear the authority of the Secretary under the existing law and make clear the meaning of certain provisions of the law.

In other words, the criticism which has been made by the Senator from Virginia [Mr. Byrn] and other Senators of Mr. Tugwell's statement that they were largely clarifying amendments, is not supported by the report of the committee, which is that with the exception of certain of the amendments plainly constituting helpful changes in existing law they are to make clear the present provisions.

Mr. CUTTING. Mr. President, I am glad to have that contribution from the distinguished Senator from Arkansas [Mr. ROBINSON].

I should not wish, however, to take any position myself as to whether those amendments are properly described by the word "clarifying." I am inclined to think that perhaps the word was used in rather a broad sense, and that these amendments do add to the powers contained in the original act. But that is simply a question of opinion on which any two Senators might differ, and it is certainly fair to say that the contention which Mr. Tugwell has made about these amendments is in exact conformity with the statements made by his chief, the Secretary of Agriculture.

I think there is no doubt in the mind of anyone here that that interpretation is also held by the President of the United States, and that Dr. Tugwell, whether as Under Secretary or as Assistant Secretary, is not in a position where he could possibly take any stand with regard to questions of policy without the consent and approval of his superior officers.

It certainly is not an objection to the confirmation of a man that he is carrying out to the best of his ability the policy laid down for him by those whom he is serving, and that it seems to me is all that can be made out of the argument of the Senator from Virginia [Mr. Byrd].

I want it clearly understood for my own part, Mr. President, that my support of this nomination does not necessarily imply any agreement with the views of Dr. Tugwell on those amendments or on any other subject. I reserve the right to vote against those amendments or other proposals of the Department of Agriculture whenever I feel that my duty leads me that way. Nor do I wish to endorse all the policies which Dr. Tugwell has laid down. I specifically disagree with the policy of crop reduction, and insofar as that represents the views of Dr. Tugwell I am in opposition to him.

But those are not the questions with which we have to deal when we come to the confirmation of an appointee. There is no question in the world about Dr. Tugwell's ability, about his character, or his honesty of purpose, or his capacity, and insofar as opposition is based on the policies which he is advocating, that opposition in my judgment would be much more effective and much more creditable to the opponents if they would proceed to attribute those policies to those truly responsible, to persons higher up, whom they are actually attacking under cover of Dr. Tugwell. Of course, Mr. President, we all of us have a right to oppose any policy laid down by anybody, no matter how highly

placed, but I think that as Senators it is more in consonance with the dignity of our position to make the attack openly and state our position plainly, and not to make it under cover of a vote against the nomination of a subordinate official whose personal character we are unable to criticize.

Mr. FESS. Mr. President, before the hearings were conducted by the Committee on Agriculture and Forestry I had planned to go rather extensively into the philosophy of the nominee. For 2 weeks I have been endeavoring, as time permitted me, to reread his utterances. I read them carefully and intended to point out and comment upon the items with which I do not agree. But last night when I had the opportunity to speak it was so late, and every one was so tired, that I preferred not to go on, and I yielded to the limitation of debate because of the desire to have expedition. I recognize that such action would forbid my giving an analysis of the theories of Dr. Tugwell as he has expressed them in several publications.

The best thing he was written is The Industrial Discipline, and if anyone will read the chapter on the subject. Government and Industry he will get a very concise view of Dr. Tugwell's philosophy, with which I do not agree.

In that particular treatise he deals extensively with the social will; then with regulation and control-meaning Government control; then the Government's responsibility in the matter of industry. I especially wish that every thoughtful Senator—and they are all thoughtful—would read his discussion of the allocation of capital; how much capital should be permitted to go into industry, how much should be permitted in this particular branch of industry and in that particular branch, and just where the responsibility is to permit capital to go into industry.

Then the discussion continues with regard to the movement toward integration, leading to a gradual elimination of State lines and the country becoming gradually one unit. He discusses the objections to that, which will have to be overcome. He says that those who favor the old philosophy of laissez faire, those who defend State lines and, lastly, the vested interests, will make it difficult to integrate the whole United States.

Then follows a rather exhaustive discussion of price control, and so on.

It is not necessary, Mr. President, now that committee hearings have been had, to make any comment upon this new theory. There are two reasons why I do not want to do so. One is that the subject has been fairly well covered by other Senators who have spoken, and it is not at all of any value to repeat what they have stated. The other reason, and certainly that is a commanding reason, is the statement of Dr. Tugwell, that what was said to be his statement was merely the statement of the reporter; that it did not represent his views. It matters not, Mr. President, how much his apologists here on the floor try to make out that there is no contradiction between what he wrote and what he now says he did not believe; nevertheless, there can be one conclusion on that matter.

Mr. President, if Dr. Tugwell believes what he stated here I would not in a time of crisis vote to give him administrative authority. After he has stated what he did, the fact that he says now that he did not mean it, that it is not so, and it does not represent his views, would indicate that there is such a lack of mental integrity that I could not support the confirmation of his nomination.

So far as I know, no nominee has come up for nomination whose nomination I have not supported, because it is my theory, and it is my practice to follow that theory, that the President ought to be supported in the execution of the laws with which he is entrusted and I do not think it is either wise or commendable, unless there is some distinctly good reason for it, to refuse to confirm someone whom the President would like to appoint to administer the law. So it has been my unbroken practice not to contest the confirmation of Presidential nominations. However, after the hearings in this case, which I have taken all yesterday and last night and some time this morning to read, there is sufficient objection in my mind to prevent my going along with those who will vote for the confirmation of Dr. Tugwell's nomination.

I am not going to be influenced in any way by any utterances on this floor by anyone as to what my motive is in voting for or against this nomination. Those who charge that there is purely a political motive would certainly not make such a charge against certain Senators who have spoken and who will vote against the nominee, and the statement that we are trying to attak someone above under the guise of attacking someone below has no foundation, so far as I am concerned.

Mr. President, if the people were as well acquainted with the general attitude of college professors as I am they would not be surprised at the ease with which statements made on occasions to public audiences may be retracted when the responsibility comes of putting into operation the philosophy enunciated.

A college professor is in the business of teaching. His business is not to give information. His business is to discipline the mind of his pupils. That is the field of his activity. Therefore the greatest opportunity for instilling that discipline is afforded by the inexact sciences and not by the exact sciences. We do not find dreamers teaching mathematics; we find them teaching sociology, ethics, and sciences, sciences that admit of possibilities in various directions. The chief means of strengthening the minds of young men and women is to have them engage in a line of investigation to which there is no end, to which there is no fixed limit. It is not necessary that it should be an investigation where finality may be achieved. It is the continual deferring of finality which affords the greater opportunity, in that the strengthening process comes from pursuit rather than possession. The college professor is not instructing his pupils in order that they may attain finality. He instructs them in order to give them power to think, and ability to think comes from the exercise of the thinking processes. Consequently, all kinds of theories, good and bad, are announced. There is no responsibility as to whether or not they are sound. That is not even a first consideration. A principle that is unsound in the classroom offers just as much opportunity to strengthen the mind by pursuit as one that is sound, and even more so, because the distance to which the mind goes is greater than in the case of a fixed principle.

That is the reason, Mr. President, why so few of the professional men in the universities ever keep their feet on the ground. There is no criticism to be indulged against these promoters of theories so long as the theories are being used merely as bases for the development of power to think. So long as those who enunciate them are kept at their own lasts within the limit of the classrooms they will be rendering a splendid service, because they are not teaching dogma; they are not in the attitude of doctrinaires, and are not attempting to produce the conviction. Universities are not for that purpose; universities are seminaries of ideas.

The ideas may be sound or they may be unsound, but that is not of concern; so long as the theory is limited in its influence upon those who are being taught, no particular harm follows; but when an individual whose mind is filled with vagaries, who has no certainty but only theory, is called to a position of responsibility where he may inaugurate some of his theoretical ideas and put them into actual practice, then the possibilities become very serious. That is our problem here.

I recognize that when the President of the United States announced the new deal, without specifying what it would be, it was quite natural for him to bring to his aid those in whom he had confidence. In order that he might be informed on money and financial matters, he brought one group of experts; and so we have the Warrens and the Rogerses. In connection with the consideration of agriculture, he brought another group, and so we have the Tugwells and others; and in the consideration of questions involving what ought to be done toward the rehabilitation and regimentation of industry, he brought another group of

young men. The President is not to be faulted for that; but when bringing a college professor to indicate what ought to be done as to agriculture, there ought to have been a sharp differentiation between the mere theorist whose function was teaching, without reference to whether what he taught as a theory was true or not—his function being to train the mind of the pupil—and the man who stands upon principles which are well accepted and which have been worked out in actual practice.

Mr. President, at a time such as this we are apt to seize upon theories that are untried. Depressions are not the time to try experiments, although they afford a fertile opportunity for every sort of nostrum that can be offered. As in the case of socialism, so long as there is prosperity within our midst, socialism cannot grow, but as soon as depression comes, socialism finds its field. That is what we now see.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

#### MESSAGE FROM THE HOUSE

As in legislative session,

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed the following bill and joint resolution, in which it requested the concurrence of the Senate:

H.R. 9620. An act to improve housing conditions; to provide employment; to provide for the insurance of mortgages; to insure the savings in savings and loan associations and similar institutions; to amend the Federal Home Loan Bank Act, Home Owners' Loan Act of 1933, the Federal Reserve Act, and the Farm Credit Act of 1933; and for other purposes; and

H.J.Res. 365. Joint resolution to amend the Settlement of War Claims Act of 1928, as amended.

#### REXFORD G. TUGWELL

The Senate resumed the consideration of the nomination of Rexford G. Tugwell to be Under Secretary of Agriculture.

Mr. BANKHEAD. Mr. President, I do not hope to make any substantial contribution to this debate. The question has been well covered, and I think every Member of the Senate probably has decided how his vote will be cast. Senators are anxious to vote and to proceed with the transaction of other business. I think everyone familiar with the situation here understands that when the votes shall be counted Dr. Tugwell will have from 20 to 30 majority and his nomination will be confirmed. It is likely that nothing which may now be said will change a single vote. I am therefore reluctant to take any time.

However, there is one phase of the situation as to which, as a member of the Committee on Agriculture and Forestry, I believe I should make a statement in fairness and in justice both to Dr. Tugwell and to other representatives of the Department of Agriculture.

The Senator from Virginia [Mr. Byrn] has repeatedly stated—he has stated it on the floor and in public speeches—that one of his objections to the confirmation of Dr. Tugwell was a public statement by him in which he designated proposed amendments to the Agricultural Adjustment Act as "clarifying amendments." The implication has been drawn that by reason of the use of the word "clarifying" Dr. Tugwell has sought to impose upon members of the Committee on Agriculture and upon the Members of Congress, because, under the construction of the Senator from Virginia, the amendments are more than "clarifying."

That seems to be a most technical and narrow construction of the English language and a hypercritical criticism of the use of terms, and while frankly I think there is more in the proposed amendments than mere clarification, it seems to me indeed strange that a Member of the Senate should base his criticism and his objection to the confirmation of a nomination to high office upon that ground.

Mr. BYRD. Mr. President-

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Virginia?

Mr. BANKHEAD. I yield.

Mr. BYRD. I know the Senator from Alabama does not ! want to do me an injustice.

Mr. BANKHEAD. I certainly do not. Mr. BYRD. All I said was that Dr. Tugwell had given out a public interview in which he stated that-

The amendments would permit us to continue to do what we are already doing, and if we should get a setback in court we would have to stop doing certain things under certain circum-

Mr. BANKHEAD. Of course the Senator said that, but that is not all he said.

Mr. BYRD. I said that the officials of the Department of Agriculture had said the amendments were clarifying, and in the interview of Dr. Tugwell to which I referred he had said that the amendments "would permit us to do what we are already doing." I say if that is true, then he is exceeding the authority given him by Congress.

Mr. BANKHEAD. The Senator has made no charge against Dr. Tugwell for the use of the word "clarifying." Is that correct?

Mr. BYRD. If the Senator will read the RECORD of last Saturday, he will see that I said then that by reason of Dr. Tugwell's reply to my letter, in which he said "we are merely continuing to do what we have already done", he was exceeding his authority, and therefore I could not vote for his confirmation.

Mr. BANKHEAD. That is one ground the Senator has interposed, but I have asked directly if he made any charge against him for using the word "clarifying" in a misleading

Mr. BYRD. I say that not only Dr. Tugwell but Chester Davis, and other officials of the Department, have stated the amendments are merely clarifying, when as a matter of fact they are not clarifying.

Mr. BANKHEAD. That is what I wanted brought out. The Senator admits it.

Mr. BYRD. I cannot permit the Senator from Alabama to place me in a false position before the Senate.

Mr. BANKHEAD. I have no desire to do so.

Mr. BYRD. My statement with respect to the matter is in the RECORD of last Saturday when I published the reply of Dr. Tugwell to the letter I had written him.

Mr. BANKHEAD. There is no occasion on earth to draw any implications of deception or misleading conduct against Dr. Tugwell on account of the use of the word "clarifying." If my memory serves me aright, such an implication has been drawn. The word "clarifying" was brought into the case by Secretary Wallace in his first statement before the committee, in which he said:

The amendments propose to clarify and make more explicit the powers already exercised in behalf of the farmers under this act.

The same statement was made by Mr. Chester Davis and the same statement was made by the attorney for the Department long before Dr. Tugwell made any declaration upon the subject as carried in the newspapers, which since that time has been the basis of the criticism against Dr. Tugwell.

Mr. CUTTING. Mr. President-

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from New Mexico?

Mr. BANKHEAD. I yield.

Mr. CUTTING. In order to substantiate what the Senator has said, may I invite his attention to the following quotation from what the Senator from Virginia [Mr. Byrd] said on Friday last:

This question that I am discussing involves the good faith of Dr. Tugwell and the Secretary of Agriculture in saying to the people of this land that they are asking for clarifying amend-ments, when in fact these amendments confer great additional authority upon the Secretary of Agriculture.

Mr. BANKHEAD. I thank the Senator.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. BANKHEAD. I cannot yield. My time is so limited.

Mr. BYRD. Will the Senator from New Mexico read what I said subsequent to that statement?

Mr. BANKHEAD. I decline to yield further.

The PRESIDING OFFICER. The Senator from Alabama declines to yield.

Mr. BANKHEAD. Mr. President, the suggestion having been made that someone connected with the Department has misused the word and misinformed or misled Members of Congress is not justified by the conduct of the officials of the Department of Agriculture. Secretary Wallace, Mr. Davis, and the attorney for the Department came before the committee. The committee held open public hearings for 4 days. We then went into executive session, and my recollection is we were in executive session 2 days more, with officials of the Department attending the meetings, explaining from time to time when called upon for information about the reasons for particular amendments. Every word in the proposed amendments was given careful attention by the committee, and full deliberation and full discussion was had, with perfect frankness on the part of the officials of the Department of Agriculture.

Mr. HATCH. Mr. President-

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from New Mexico?

Mr. BANKHEAD. I yield.

Mr. HATCH. The Senator from Alabama will recall that the committee first prepared an amendment to the Agricultural Adjustment Act. The amendment which the committee had prepared was discussed with Mr. Davis and the attorney from the Department. They explained to us the full purport of the amendment which they had prepared, and what would be the effect of the amendment we offered. which was limited. No one in the committee was misled at all.

Mr. BANKHEAD. Not in any sense of the word.

Mr. HATCH. After that explanation the committee dropped further consideration of the amendment which the committee had drafted, and adopted the amendment which had been prepared by the Department of Agriculture.

Mr. BANKHEAD. That is correct, and that was done after full explanation and discussion with the representatives of the Department.

Mr. President, in the first place, Dr. Tugwell never came before the committee. I do not know why the matter has been brought into the discussion. So far as the committee is concerned, he had nothing to do with the preparation or advocacy of the proposed Agricultural Adjustment Act amendments. How that matter got into the discussion of the case I am unable to understand, upon any basis of fairness or justice to Dr. Tugwell, even from the standpoint of those who are critical of the proposed amendments.

It has been said that one ground of objection to Dr. Tugwell is the fact that he proposed to continue doing things under the Agricultural Adjustment Act which he knew the Department was not justified in doing under that act. I deny any such statement. Dr. Tugwell made no such statement. There is nothing in the record in this case upon which such an inference can fairly be based.

On the contrary, when charged by the Senator from Virginia [Mr. Byrn] with proposing to continue doing such things which the Department was not authorized under the law to do, Dr. Tugwell, in the open hearing, as shown by the printed record of the hearing, said they believed they were justified in doing everything that had been done; that they believed the Congress so understood when the original act was passed, and that the chief reason now for desiring the amendments was because certain lawyers had raised questions which involved the power of the Department to do things which they had done. But Dr. Tugwell proceeded to point out that in the five cases which had gone to the courts and which had been fully argued by counsel and decided by the courts, every one of the five decisions was favorable to the exercise of the power which the Department of Agriculture had sought to exercise.

Mr. President, I submit it is a far-fetched conclusion to assert that because questions had been raised and because, out of an abundance of caution and prudence, the Department desired to eliminate with certainty the arguments and objections which had been made against the

exercise of these powers. I submit that does not justify any reasonable or fair ground for voting against the confirmation of Dr. Tugwell. If Secretary Wallace or Mr. Davis or the attorney for the Department came here for confirmation, the confirmation of his nomination might well be opposed because forsooth he was acting under advice that his actions were justified under the law.

Here is the same man whom the Senate confirmed a little more than a year ago by unanimous vote to perform the same duties he will perform if confirmed upon this occasion.

Mr. CLARK. Mr. President-

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Missouri?

Mr. BANKHEAD. I yield.

Mr. CLARK. The Senator has just admitted tacitly that the only purpose in the creation of this office is to increase Dr. Tugwell's salary.

Mr. BANKHEAD. I have made no such admission, none whatever, directly or tacitly, and the Senator ought to know it.

Mr. CLARK. The Senator said Dr. Tugwell, if confirmed, would perform exactly the same functions he is now performing. Therefore, the only difference that can possibly be found in the situation is that the purpose is to bring about an increase of salary for Dr. Tugwell, and that, too, in these times when the compensation of World War veterans—

Mr. BANKHEAD. Mr. President, my time is so limited that I cannot have it taken up with an argument like that, which does not need an answer. It answers itself.

Mr. CLARK. Of course, the Senator cannot answer it. That is the reason why he will not yield.

Mr. BANKHEAD. If the Senator will give me 2 minutes more time, I will answer it.

Mr. CLARK. I shall be glad to take the floor at the conclusion of the Senator's remarks and yield him 2 minutes.

Mr. BANKHEAD. All right; I thank the Senator. I will do it then. I shall be glad to do it.

Mr. President, in the first place, I am glad Dr. Tugwell is to get a promotion and an increase in his salary, because I believe his faithful, conscientious, efficient services in the Department of Agriculture, giving his time, giving his talents. giving the benefit of his long training and study in agricultural questions, deserve consideration of that character where it is consistent with the public interest and within reasonableness to do what is proposed to be done. But, Mr. President, since the inauguration of Mr. Roosevelt the activities of the Department of Agriculture have been increased probably more than those of any other department of the Government. True and faithful to his declarations and his philosophy that our recovery must be based upon the rescue of agriculture in this country, President Roosevelt has, by the legislation proposed by him and enacted by Congress, set on foot numerous agencies to endeavor, at least, to bring benefits and advantages to all classes of agriculture in this

The PRESIDING OFFICER. The time of the Senator from Alabama has expired.

Mr. BANKHEAD. Give me 2 minutes.

Mr. CLARK. Mr. President, of course the Senator from Alabama did not comply with the terms of my request by yielding to me to finish my statement; but I shall be very glad to yield to him to conclude this very eloquent defense of Dr. Tugwell in my time.

The PRESIDING OFFICER. The Senator from Missouri is recognized in his own right.

Mr. CLARK. I yield to the Senator from Alabama.

Mr. BANKHEAD. I am proceeding now, I will say, in good faith to answer the Senator's question as to why this office was created.

Mr. CLARK. The Senator did not permit me to conclude my question, but cut me off by a refusal to yield further. Now, if the Senator wishes to conclude his eloquent defense I shall be glad to permit him to do so in my time.

Mr. BANKHEAD. I thank my good friend from Missouri very much.

Mr. President, while it is entirely immaterial, since it is now written into the law, I am proceeding to explain the reasons for the creation of this office. Dr. Tugwell stated that he was not consulted about it. Dr. Tugwell stated that he was not even informed that he was to be appointed; but the Secretary of Agriculture came before the committee and pointed out what I was describing when my time expired, namely, the very great increase in the activities of the Department of Agriculture.

I am not now discussing whether the expansion of the Department's activities was wise or unwise. I am dealing with the facts, with the administration of the agencies that have been set up, and under which a bona fide effort is being made, at least, to benefit agriculture in this country. It was pointed out that every other department of the Government had more Assistants than the great Department of Agriculture, with more employees, with more activities, with more far-flung responsibilities than almost all the other departments combined. Even the Department of Labor had more than two Assistant Secretaries, I believe. Some departments have three and four, and perhaps five. Here was this great Department standing as it stood back in the early days, when agriculture was given no substantial recognition in this country, with one assistant alone, with only two persons-the Secretary and the Assistant Secretary-authorized to sign official papers relative to the activities of that great Department.

Mr. CLARK. Mr. President, I think the Senator has used the 2 minutes which I promised to give him.

Mr. BANKHEAD. I do not blame the Senator for wanting to cut me off.

Mr. CLARK. The Senator did not permit me to state my question. The Senator, I think, has unwittingly not only answered my question but corroborated my remarks with which I interrupted his speech.

The only purpose of this species of legislation, as it appears from the Senator's own statement, is to increase the salary of Dr. Tugwell. If it had been necessary for the Department of Agriculture to have further Assistant Secretaries, a proposition to that effect might have been sent in in ordinary course, and might have been acted on in the usual way by the Congress. That was not done, because that would not have increased the salary of Dr. Tugwell. The creation of the offices of additional Assistant Secretaries of Agriculture would have left Dr. Tugwell drawing exactly the same salary he was already drawing as Assistant Secretary of Agriculture.

A recommendation for the creation of the office of Under Secretary was made and referred, under the rules of the Senate, to the proper committee having jurisdiction over it—the committee of which the Senator from Alabama [Mr. Bankhead] is a distinguished member, and the Senator from Nebraska [Mr. Norris], and the Senator from New Mexico [Mr. Cutting], and other Senators who have spoken today on behalf of this nominee. Before the committee had even had a chance to act on the matter, surreptitiously, and in violation of the rules of the Senate, it was brought in here and slipped over when it was known that if any notice had been given, if even a reference to the subject had been made to the chairman of the committee having jurisdiction of the subject matter, a point of order would have been made against the amendment.

Mr. RUSSELL. Mr. President-

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Georgia?

Mr. CLARK. I gladly yield to the Senator from Georgia.
Mr. RUSSELL. The Senator from Missouri states that
the amendment was brought in here surreptitiously and in
violation of the rules of the Senate. The Senator from
Missouri is a very able parliamentarian. For a long time
he served as the distinguished Parliamentarian of the House
of Representatives. Does the Senator from Missouri think

this amendment was adopted in violation of the rules of | also sufficiently involved and sufficiently erudite that it the Senate?

Mr. CLARK. I say that when the Committee on Appropriations go outside their jurisdiction, and by committee action authorize the chairman of the subcommittee to offer an amendment in this body which is known to every member of the committee to be subject to a point of order, they are violating the rules of the Senate unless they make public announcement of the fact before the amendment is offered. I not only say that but I adhere to it.

Mr. RUSSELL. But there was no violation of the rules of the Senate. Under the rules of the Senate, any amendment can be offered to an appropriation bill; but it is subject to a point of order, which can be made by any in-

dividual Member of the Senate.

Mr. CLARK. Of course, that is perfectly true. I say to the Senator, however, that in my judgment, it is exceedingly bad practice for the Committee on Appropriations to transgress on the legislative jurisdiction of other committees, and to bring in propositions and offer them here as committee amendments without notice to the Senate.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. CLARK. I yield to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. The Senator from Georgia [Mr. Russell] on another occasion explained fully the history of the amendment creating the office of Under Secretary of Agriculture. In my judgment there is no justification for the implication and the assertion which the Senator from Missouri has made that the amendment was brought in here and "slipped over." It was proposed by the Senator from Georgia. No objection was made to it. It was voted in by the Senate just as hundreds, aye, thousands of other amendments have been adopted to various general appropriation bills.

We pass measures here every day by unanimous consent. Yesterday we passed 330 bills and resolutions by unanimous consent. Any Senator could have objected to the consideration of any bill that was passed; and I think it is an injustice to the committee to have the statement made that anything was "slipped over."

Mr. CLARK. Mr. President, I cannot permit the Senator to make a speech in my time. My time is very limited.
Mr. ROBINSON of Arkansas. I thank the Senator for

Mr. CLARK. I am just as familiar as the Senator from Arkansas is with the fact that anything can be done in the Senate by unanimous consent. On the other hand, I submit that bringing in a substantive proposition of this sort, which raped the jurisdiction of the Committee on Agriculture and Forestry, and putting it on an appropriation bill without any notice, was, I think, a violation of correct parliamentary practice.

Mr. CONNALLY. Mr. President-

Mr. CLARK. Now I desire to make some remarks. I shall be glad to yield to the Senator if I have time before my time expires.

I simply desire to say that when the roll is called I intend to vote against the confirmation of Dr. Tugwell. I intend to do that not because of any examination of the numerous published books, magazine articles, syndicated newspaper articles, or other authorized interviews with Dr. Tugwell. because, unlike the Senator from North Carolina [Mr. BAILEY] and the Senator from Virginia [Mr. BYRD], I have not taken the trouble to read through them. As a matter of fact, the only one of Dr. Tugwell's published articles or speeches that I have taken the trouble to read through was the one inserted in the RECORD the other day at the suggestion of the Senator from Oklahoma [Mr. Gore]; and I am perfectly frank to say that that speech was so involved that when I got through reading it I did not know what he was talking about. [Laughter.] It is entirely possible that that speech may have meant what he apparently said he meant. It may have meant what the Senator from North Carolina thought he meant, what the Senator from Virginia thought he meant, what I thought he meant; but it was to enter into fixing this rate, which involved their business

might possibly honestly be subject to the construction which Dr. Tugwell later put on it in his testimony before the Committee on Agriculture and Forestry, which on its surface appeared to be a recanting of the doctrine expressed in his speech.

I intend to vote against Dr. Tugwell's confirmation, Mr. President, on an entirely different ground.

I agree with what has been said here by the Senator from Nebraska [Mr. Norris] and other Senators to the effect that in the Senate's action on nominations by the President the President must necessarily and properly be given a very wide latitude. I adhere entirely to that proposition. On the other hand, I also adhere to the view that when the framers of the Constitution included in the Constitution the provision that nominations for certain offices should be made by and with the advice and consent of the Senate, they did not intend that to be a meaningless phrase; they meant that the Senate, in proper cases, should exercise some independent view of the matter.

Therefore, Mr. President, I adhere to the view that where a man is proposed for a most important office whose expressed policies and indicated course of action are such that a Senator sworn on his own oath believes them to be dangerous or inimical to the welfare of the United States, it is his duty under his oath of office to oppose him.

That was the view taken by the Senator from Nebraska [Mr. Norris], the Senator from New Mexico [Mr. Cutting], and the other Senators when they opposed the confirmation of Mr. Chief Justice Hughes for the Chief Justiceship of the Supreme Court of the United States. In that case, as in this, no question was raised as to the character of the nominee; no question was raised as to the ability of the nominee; and no question was raised as to the good faith of the nominee. Senators did not believe that the course of conduct which the nominee had theretofore indicated was such as to justify them in voting for his confirmation, and they therefore voted against it.

Such is my position as to Dr. Tugwell. I have no personal animus whatever against Dr. Tugwell. I have said frankly that I have not read the numerous books and magazine articles for which he is being criticized, but I did have a personal experience with Dr. Tugwell, not as a matter of theory, when he was expressing himself before a scientific body or an economic body of some sort, but, in the exercise of his official duty as Assistant Secretary of Agriculture, I heard Dr. Tugwell enunciate a doctrine which, to my mind, under our present Constitution and under our present laws, showed him to be a dangerous public official.

I had occasion, a few days after the present administration came into office, to escort to the Department of Agriculture a group of constituents of mine who were protesting against a rate which had been put into effect 2 days before the late Secretary Hyde left office, a rate having to do with charges to be made by a stockyard in the Middle West; a rate which men whom I had known and in whom I had confidence for more than 30 years alleged to be confiscatory; a rate which, it was alleged, had been put into effect by Secretary Hyde 2 days before he left office out of pure revenge for certain action these people had taken in the course of the last political campaign.

It was not my business to try the case for my constituents. I may say that the complainants involved not only the old-line members of the livestock exchange at East St. Louis but also the largest farm cooperative in my State, one of the largest farm cooperatives in the United States. As I have said, it was not part of my business to try the case for them. It was part of my business to see that they got a day in court if it was possible for them to have it.

I took them to the Department. That was the first time I ever met Dr. Tugwell, and it was the only time I ever had any conversation with him. In the course of the proceeding the attorney for the protestants remarked that in the whole course of the hearing it had been absolutely impossible for them to find out even the elements which were

try to develop, by proper questions, even the elements that were to go into fixing the rate, a bureaucratic solicitor from the Department of Agriculture would object, and an examiner appointed by the Department of Agriculture would sustain the objection on the ground that it involved a Department secret. That seemed, to my view, a very severe attack on the whole proceeding, and, to my utter amazement, Dr. Tugwell said-and, as I say, this was the first and last conversation I ever had with him-

I cannot see that in a system of national planning either the capital investment or the cost of operation has anything to do with fixing a rate.

Mr. Secretary, it seems to me that if you were engaged in any sort of business, particularly a business like this, whether as an old-line operator or as the representative of a cooperative, the amount it was necessary for you to invest to carry on the business and the necessary cost of the operation of rendering the service which you were supposed to render would have a great deal to do with the price at which you could afford to perform this service.

He said:

I still cannot see that in a system of national planning either the capital investment or the cost of operation has anything to do with it.

Mr. President, in the case of a man who is invested with this tremendous power, under our system, I hold that to be subversive of the Constitution of the United States and of the statute under which he is operating. Therefore I shall vote against the confirmation.

Mr. RUSSELL obtained the floor.

Mr. LONG. Mr. President, inasmuch as at least 10 minutes of the time of the Senator from Missouri was taken up by other Senators, I ask unanimous consent that the Senator from Missouri be given at least 5 more minutes.

Mr. CLARK. Mr. President, I have concluded my remarks. I have nothing further to say.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 852. An act to amend section 24 of the Trading with the Enemy Act, as amended;

S. 1735. An act to amend an act approved May 14, 1926 (44 Stat. 555), entitled "An act authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims'

S. 3147. An act to amend the act approved June 28, 1932 (47 Stat.L. 337); and

S. 3723. An act to amend the Mineral Lands Leasing Act of 1920 with reference to oil- or gas-prospecting permits and leases.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H.R. 8912) to amend section 35 of the Criminal Code of the United States.

The message further announced that the House had passed the bill (S. 2248) to protect trade and commerce against interference by violence, threats, coercion, or intimidation, with amendments, in which it requested the concurrence of the Senate.

#### REXFORD G. TUGWELL

The Senate resumed the consideration of the nomination of Rexford G. Tugwell to be Under Secretary of Agriculture.

Mr. RUSSELL. Mr. President, the Senator from Missouri charges upon the floor of the Senate that the amendment creating the office of Under Secretary of Agriculture, the nominee for which is now under consideration, was enacted into law through surreptitious means. That statement, and the implications therein contained, are wholly without foundation and wholly untrue, as will be borne out by the records of the Senate, which are printed not only for the benefit of the Members of the Senate but for the benefit of the people of the United States generally.

The Congressional Record for March 14 of this year will show that this amendment was offered on the floor of the

and financial life. They said that every time they would | Senate when the Senate was regularly convened in session. The Members of the Senate not engaged in other duties were present in their places, and the amendment was adopted, and no point was raised against it.

Mr. President, it comes with ill grace for one who is a boasted parliamentarian to come in at this late date, 2 or 3 months after this action of the Senate, and complain that he had no notice as to the amendment, when he boasts of his parliamentary prowess and rises continually on the floor of the Senate to urge points of order.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. CLARK. The Senator from Missouri asserts that he has never uttered any boast, either publicly or privately, of being a dictator or a parliamentary expert.

Mr. RUSSELL. The Senator has offered more parliamentary points of order since he has been a Member of this body than all of the other Senators combined.

Mr. CLARK. Mr. President, that is not true; but I will say that I could offer a parliamentary point of order at this time if I cared to do so.

Mr. RUSSELL. Yes. The Senator from Missouri was not in his place, where he belonged, to offer a point of order at the time the amendment was pending, but he comes in 3 months later and says he did not know what the other Members of the Senate were doing, and did not find out about it until the name of Dr. Tugwell came before the Senate.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. CLARK. I am perfectly willing to submit to the judgment of the Members of this body as to whether I have not been in my place three times as much as has the Senator from Georgia.

Mr. RUSSELL. The Senator from Georgia does not come in and whine when he cannot vote on matters. If I have been compelled to go to the various Departments of the Government to present the views of my constituents or to handle matters for them when matters have been voted on here on which I desired to register my views, I did not blame the Senate for not standing still and waiting for me to get here.

The Senator from Missouri contends that he had no notice that this amendment would be offered. Does the Senator think that the Committee on Appropriations should have sent him an engraved or embossed notice that it was going to have the Senate vote on March 14 on an amend-

Mr. CLARK. Does the Senator contend that the Committee on Appropriations had any jurisdiction of this subject matter?

Mr. RUSSELL. I contend that the Committee on Appropriations as well as the Senate took jurisdiction of it.

Mr. CLARK. And raped the Committee on Agriculture and Forestry. That is exactly my contention.

Mr. RUSSELL. Mr. President, the amendment was adopted, and appeared in the Congressional Record. I realize that perhaps the Senator from Missouri could not have been in his place; but the Senator from Missouri knows, and knows far better than I do, that under the rules of the Senate at any time within 2 days thereafter a motion could have been made to reconsider the vote by which the amendment was agreed to.

There is no question but that Members of the Senate who cannot be here have the RECORDS of this body available for their information. We have one copy of the Congressional RECORD placed upon our desks, which we find when we arrive in the Senate. We find one at our front doors in the morning, and still another in our offices; and if the Senator from Missouri was not on the floor, he could have read the RECORD, and he would have found printed the amendment; and had he raised any question as to the fact that he could not be present and had been deprived of being heard upon the amendment, he could have made a motion for reconsideration of the vote. As the Senator in charge of the bill, I would have interposed no objection.

offered. The Senator says he had no notice. This was a farm bill, providing funds for the Department of Agriculture. The Senator from Missouri comes from a great agricultural State. The hearings before the Senate committee were printed and available for his information, full from end to end of discussion relative to the creation of this new office in the Department of Agriculture, available to any Member of the Senate: and if the Senator had desired to read the hearings, he could have seen that the matter was fully discussed by the Secretary of Agriculture and by other witnesses.

I have absolutely no apologies to make for the amendment. It was adopted under the rules of the Senate by the Senate itself, and I was no more enthusiastic about it than were some Members who now complain.

The hearings will show that I had pointed out to the subcommittee, and also to the Secretary of Agriculture, that the amendment was subject to a point of order, that any member of the Senate who desired to kill it could do so by one single objection, and that after that was pointed out to the subcommittee, they recommended it to the full committee, the full committee instructed me to offer the amendment on the floor, I did so, and it was agreed to.

Then the Senator from Missouri comes in and attempts to take the untenable position that he opposes the nomination of Dr. Tugwell because of the manner in which that

amendment was adopted.

Mr. President, I hold no brief for Dr. Tugwell, but I do say that any opposition to the confirmation of any man appointed by the President of the United States should be based upon more tenable ground than the manner in which the amendment was adopted by the Senate. Surely Dr. Tugwell was not here to cast a spell over the Senate and the Senator from Missouri when the amendment was adopted.

Mr. President, on the subcommittee dealing with this question was the Senator from Alabama [Mr. BANKHEAD], who was a member of the Committee on Agriculture: the distinguished senior Senator from Montana [Mr. WHEELER] was a member of that committee by virtue of his rank upon the Committee on Agriculture and Forestry; the minority leader, the Senator from Oregon [Mr. McNary], a former Chairman of the Committee on Agriculture and Forestry was also a member of the subcommittee as was the distinguished Senator from South Carolina [Mr. SMITH]. Therefore the Committee on Agriculture had the representation of at least four members on the subcommittee and two members on the conference committee which worked out details of the bill with the Members of the House. I do not think Senators should come in here 2 or 3 months later and say "I did not have the vaguest idea that this office was to be created", when we find in the CONGRESSIONAL RECORD, on page 577, that the matter was debated at great length on the floor of the House, and that the leader of the minority in the House, the Representative from New York, objected to the Senate amendment there because he said Dr. Tugwell would be appointed. It was still not too late then, if anyone followed the proceedings of Congress. to have used the proper parliamentary methods and brought the matter back before the Senate.

Therefore, Mr. President, I resent the statement that there was anything surreptitious or underhanded or out of order about it. As chairman of the subcommittee which handled this matter, which reported this amendment, I refuse to assume responsibility for the negligence of the Senator from Missouri when he comes in 3 months later and discovers what the body of which he is a Member has done in the creation of this office.

So much for that. On the pending question I shall vote for the confirmation of Dr. Tugwell. I do so, Mr. President, because in my judgment no reason has been presented here which would debar him from discharging the duties of Under Secretary of Agriculture. His name was submitted by the President of the United States. If any of these dire predictions which the Senators have made upon this floor no governmental interference with commercial, industrial,

I cared nothing about the amendment when it was | should come to pass I have enough confidence in the President of the United States to believe that Dr. Tugwell's position with the Government would be terminated immediately and that another would be appointed to fill his place.

Mr. HATFIELD. Mr. President, it is not my purpose to detain the Senate for long. On May 30, 1933, soon after the publication of the book by Dr. Tugwell, The Industrial Discipline and the Governmental Arts, I discussed the subject matter of that text in a speech on the floor of the Senate. I made certain forecasts at that time. I supplemented those remarks several days later on June 10, and from what has transpired since that time down to the present justifies my observations, Mr. President, that our Government, from the point of view of continued delegation of absolute authority to a chief executive, has been placed on a parity with the Governments of Germany, Italy, or even

Mr. President, if we are to compare the transformation that has taken place in our Government since March 9, 1933, resulting in the overthrow of the democracy that was enthroned under the principles of Thomas Jefferson, it would compare favorably, so far as dictatorial control is concerned, with the Hitler form of government in Germany. the Mussolini government in Italy, or, still better, the Russian form of government by Lenin.

We have all but been completely Russianized. We are at the present time in the Mensheviki period of the "revolu-

tion" with Dr. Tugwell as the prophet.

Under the authority already granted or usurped, the stage has been set for the reign of the Bolsheviks. No further act of Congress would be needed to be completely on a par with the Soviets, excepting the federalizing of all our schools and the closing of the churches.

When I cast my vote upon this nomination, after 5 years of service in this body, it will be, with one exception, the first negative vote I have cast against the confirmation of any nomination sent to the Senate by either the former President or the present Chief Executive.

Mr. President, I stayed in the hearings of the committee only for a brief period of time, due to the crowded condition of the room and because of the many Senators on the committee and Senators who were not members of the committee who desired to interrogate Dr. Tugwell. I did not undertake to ask him any questions.

How chameleon-like was the transformation of the witness, Dr. Tugwell, in his devotion to the fundamental laws of our land as compared with Dr. Tugwell, the author, in dealing with our Constitution. The position that he took as a witness as compared with the position that he took in his texts, together with what has taken place in this Government in conformity with his ideas and principles, justifies the position that I took a year ago and that I take today, and when my name is called I must vote "nay' against the confirmation of his appointment.

Mr. NEELY. Mr. President, if the doctrine preached by some of those who oppose Dr. Tugwell's confirmation should generally prevail in this Chamber, only a crawfish or a lightning bug could ever hope for senatorial approval. The first is a simon-pure reactionary which travels backward habitually, heedless of necessity and regardless of destination. The second systematically illuminates that which is past and revels in the darkness of the future. It is aptly described in the following doggerel:

> The lightning bug is a wondrous sight, But you'd think it has no mind, It pumps around in the darkest night With its headlight on behind.

Mr. President, fortunately for the country the Senate has not adopted and will never apply the crawfish or lightningbug standard of qualification to a Roosevelt appointee.

We have today learned that Dr. Tugwell has committed the unpardonable sins of denouncing the doctrine of laissez faire and declaring that business which is founded upon that reactionary doctrine should be modified or destroyed. Because Dr. Tugwell opposes the theory that there shall be

or financial affairs, he is denounced as a dangerous radical who would tear the Constitution to tatters. Once more we hear the familiar cry of the worshippers of the past that the Bolshevik wolf is coming and that poor old Uncle Sam is about to be devoured. But false alarms have ceased to terrify the Senate. And who is here so benighted as to declare that he is in favor of the business practices of the wicked days of old, the practices that impoverished a province to enrich a prince; that glorified a single master by making a thousand slaves; that enthroned plutocracy and made millions as poor as Lazarus?

Who is here that will say by his vote this afternoon that he wants to go back to the dark days of the Hoover disaster and the laissez faire theories which prevailed throughout this country during that most blighting period in the history of the Nation? If such be present, he should vote against Dr. Tugwell, who is not only a great humanitarian but an outstanding artificer of the new deal, the deal which under the direction of one of the greatest of Presidents has in 15 months banished starvation, employed millions of the idle, rehabilitated business, and restored happiness and confidence to a distressed and discouraged people.

Those who vote against Dr. Tugwell because he discards the old formulas of disaster and believes in experimentation in behalf of progress and preaches a new gospel of success will but supply an additional but wholly unnecessary proof of the fact that history repeats itself as certainly as the day follows the night. Four hundred years before Christ, Socrates preached a new gospel for humanity, and his ignorant envious neighbors poisoned him and thus rewarded him for his inestimable service to the world.

Later, the greatest of all political philosophers appeared on earth, taught the doctrine of service and sacrifice, demonstrated the virtue of our doing unto others as we would have others do unto us, and pointed the way to happiness on Earth below and endless bliss in Heaven above. For His service He was nailed to the cross and a spear was thrust into His side.

More than fourteen hundred years later a great Italian decided that he ought to discover a new world. Columbus braved all the dangers of uncharted seas and all the horrors of superstition and gave us the greatest country beneath the stars. As a result of his discovery we have the United States of America. But Columbus, as a reward for his service, was confined in a dungeon and loaded with chains.

Mr. CONNALLY. Will the Senator yield?

Mr. NEELY. Certainly.

Mr. CONNALLY. I think the Senator ought to include old Galileo because he made it possible for Columbus to safely sail over the sea.

Mr. NEELY. Mr. President, Galileo and hosts of other great discoverers and inventors, from the twilight hour of creation's morning to the present moment, have been crucified for helping to make the world a better place in which to live. The man who accumulates hundreds of millions rides in a yacht, maintains mansions in both hemispheres, and dodges his taxes is exalted, while the benefactor is humiliated and persecuted, and the unfortunate who steals a loaf of bread to satisfy his hunger is sent to jail. The people of the United States are tired of that kind of government. Thank God, Dr. Tugwell does not endorse it.

Mr. President, in reaction, and retreat, and not in experimentation, in an awful crisis like that which has jeopardized the civilization of the world for the last 4 years, is the real menace to mankind and human happiness. From the Garden of Eden to the Garden of Gethsemane, from Calvary's crimsoned cross to the bloody banks of the Somme and the Marne, not reaction, not retreat, not cowardice, but progress and courage clothed with the sunlight and armed with the sword of truth have fascinated the eyes, charmed the ears, and delighted the hearts of the children of men.

Mr. President, I refuse to vote for another crucifixion. I refuse to participate in compelling one of the President's most useful friends to drink a bowl of hemlock. I refuse to help bind a Columbus of the new deal with chains.

I shall vote against the crucifixion, against the hemlock and the chains, and for Dr. Tugwell's confirmation. My act in so doing will be to me in future years—

A rainbow to the storms of life! The evening beam that smiles the clouds away, And tints tomorrow with prophetic ray.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Rexford Guy Tugwell to be Under Secretary of Agriculture?

Mr. ROBINSON of Arkansas. Let us have the yeas and navs.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BYRD (when Mr. GLASS' name was called). My colleague the senior Senator from Virginia [Mr. GLASS] is unavoidably detained from the Chamber. I am authorized to say that were he present he would vote in the negative.

Mr. FESS (when Mr. McNary's name was called). The senior Senator from Oregon [Mr. McNary] is unavoidably detained from the Senate. He has a general pair with the junior Senator from Nevada [Mr. McCarran]. I am not advised how either of these Senators would vote were they present.

Mr. METCALF (when his name was called). I have a general pair with the senior Senator from Maryland [Mr. Tydings]. As he is not present, I must withhold my vote. Were I allowed to vote, I should vote "nay." I am advised that if present the Senator from Maryland [Mr. Tydings] would vote "yea."

Mr. REYNOLDS (when his name was called). I have a special pair with the senior Senator from Virginia [Mr. Glass], who is necessarily absent. I am informed that if he were present he would vote in the negative. Were I permitted to vote, I should vote in the affirmative.

Mr. ROBINSON of Arkansas (when his name was called). I have a general pair with the senior Senator from Pennsylvania [Mr. Reed] who is detained by illness. I transfer that pair to the junior Senator from Florida [Mr. Trammell] and vote "yea." I am advised that if present the Senator from Pennsylvania [Mr. Reed] would vote "nay."

Mr. WALCOTT (when his name was called). I have a pair with the junior Senator from California [Mr. McAdoo] who is detained by illness. Not knowing how he would vote, I withhold my vote. If permitted to vote, I should vote "nay."

The roll call was concluded.

Mr. LEWIS. I announce that I am informed and authorized to state to the Senate that the Senator from Indiana [Mr. Van Nuys] has a general pair with the Senator from New Hampshire [Mr. Keyes]. I am not advised how either of these Senators would vote.

I am authorized likewise to announce the pair between the Senator from Massachusetts [Mr. Walsh] and the Senator from Vermont [Mr. Austin]. I am authorized to add that were the Senator from Massachusetts [Mr. Walsh] present he would vote "yea", and were the Senator from Vermont present he would vote "nay."

I announce that the Senator from Maryland [Mr. Tydings] was suddenly called from the Chamber on official business; that the Senator from Nevada [Mr. McCarran] is detained on public business; that the Senator from Florida [Mr. Trammell] is necessarily detained from the Chamber; that the Senator from Oklahoma [Mr. Thomas] was called to the department on official business; that the Senator from Massachusetts [Mr. Coolidge] is necessarily detained.

Mr. ROBINSON of Arkansas. Mr. President, I am advised that if present the Senator from Oklahoma [Mr. Thomas] would vote "yea." I also desire to announce that the Senator from Massachusetts [Mr. Walsh] is absent attending the Democratic preprimary convention in Massachusetts.

Mr. HEBERT. The senior Senator from Pennsylvania [Mr. Reed] is absent from the Senate on account of illness. His pair has been stated. If the Senator from Pennsylvania were present he would vote "nay."

	YE	AS-53	
Adams Ashurst Bachman Bankhead Barkley Black Bone Brown Bulkley Bulow Byrnes Capper Connally Copeland	Costigan Couzens Cutting Dieterich Duffy Erickson Fletcher Frazier George Harrison Hatch Hayden Johnson King	La Follette Lewis Logan Lonergan Long McGill McKellar Murphy Neely Norbeck Norris Nye O'Mahoney Overton	Pittman Pope Robinson, Ark. Russell Sheppard Shipstead Stephens Thomas, Utah Thompson Wagner Wheeler
	NA	YS-24	
Bailey Barbour Byrd Carey Clark Dickinson	Dill Fess Gibson Goldsborough Gore Hale	Hastings Hatfield Hebert Kean Patterson Robinson, Ind.	Schall Smith Steiwer Townsend Vandenberg White
	NOT V	OTING-19	
Austin Borah Caraway Coolidge Davis	Glass Keyes McAdoo McCarran McNary	Metcalf Reed Reynolds Thomas, Okla. Trammell	Tydings Van Nuys Walcott Walsh

So, the nomination of Rexford G. Tugwell was confirmed. Mr. ROBINSON of Arkansas. Mr. President, in view of the delay that has occurred in disposing of the nomination of Mr. Tugwell, I ask unanimous consent that the President be notified of the action of the Senate.

The PRESIDING OFFICER. Without objection, that order will be made.

## EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry

Mr. ASHURST, from the Committee on the Judiciary, reported favorably the nomination of Felthan Watson, of Missouri, to be district attorney, United States Court for China, to succeed George Sellett.

Mr. LOGAN, from the Committee on the Judiciary, reported favorably the nomination of Edwin G. Moon, of Iowa, to be United States attorney, southern district of Iowa, to succeed Robert W. Colflesh, resigned.

Mr. McCARRAN, from the Committee on the Judiciary, reported favorably the nomination of Charles H. Cox, of Georgia, to be United States marshal, northern district of Georgia, to succeed Louis H. Crawford, whose term will expire June 24, 1934.

The PRESIDING OFFICER (Mr. McGill in the chair). The reports will be placed on the calendar.

Mr. ROBINSON of Arkansas. I now ask that the Senate proceed with the call of the Executive Calendar.

# TREATIES

The Chief Clerk proceeded to read Executive D, Seventythird Congress, second session, a treaty of friendship, commerce, and consular rights between the United States and the Republic of Finland, signed at Washington, February 13, 1934.

Mr. ROBINSON of Arkansas. Mr. President, there are a number of treaties on the calendar, and it is desired by the Senator from Nevada [Mr. PITTMAN], the Chairman of the Committee on Foreign Relations, and other members of the committee, that an arrangement be effected for their consideration.

I ask unanimous consent that when the Senate concludes its labors today it take a recess until 10 o'clock tomorrow, and that the Senate then proceed to the consideration of the treaties in open executive session.

Mr. FESS. Mr. President, I talked with the Senator from Arkansas about this matter a little earlier in the day. I have just been reminded that the Republicans are to have a conference at 10 o'clock tomorrow on a matter which the Senator knows about, and which I had overlooked.

Mr. ROBINSON of Arkansas. In view of the statement of the Senator from Ohio, I will modify the request so that the rendered notable service.

The result was announced—yeas 53, nays 24, as follows: | Senate shall meet at 11 instead of 10 o'clock, and make no other change in the proposal.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Arkansas as modified? The Chair hears none, and the agreement is entered into.

### DIPLOMATIC AND FOREIGN SERVICE

The Chief Clerk read the nomination of Clinton E. MacEachran, of Massachusetts, to be Foreign Service officer of class 4, a consul, and a secretary in the Diplomatic Service.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

### POST OFFICE DEPARTMENT-SMITH W. PURDUM

The Chief Clerk read the nomination of Smith W. Purdum, of Maryland, to be Fourth Assistant Postmaster General.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. O'MAHONEY. Mr. President, in connection with the confirmation of the nomination of Smith W. Purdum to be Fourth Assistant Postmaster General, I desire to make the observation that this is only the seventh time in a period of 50 years in which a man who has grown up in the Postal Service has been honored by a nomination to a distinguished position of this character.

It has seemed to me that the fact is at least worthy of mention on this floor, because the Post Office Service throughout the history of the Government, has spanned this country and has enlisted the work and services of thousands of loyal men and women. I think it only a proper recognition of the work they have been doing that the Postmaster General and the President have accorded Mr. Purdum this honor.

It may be of interest to make note of the instances in which this has been done in the past.

In 1925, Mr. Robert S. Regar was promoted from the position of Chief Clerk of the Department to that of Third Assistant Postmaster General.

In 1916 Mr. John C. Koons was promoted from the position of chief inspector to that of First Assistant Postmaster

In 1908 Mr. Joseph Stewart was promoted from a position as head of the railway-adjustment division to the position of Second Assistant Postmaster General.

In the same year Mr. Charles P. Grandfield, then chief clerk to the First Assistant Postmaster General, was himself made the First Assistant Postmaster General.

In 1889 Mr. Edwin C. Madden was made Third Assistant Postmaster General.

In 1883 Mr. Henry Lyman, then chief clerk in the office of the Second Assistant Postmaster General, was made Second Assistant Postmaster General.

Mr. Purdum was one of the four inspectors in the Postal Service who, at the outset of this administration, were made deputies to the four Assistant Postmasters General.

Mr. Vincent C. Burke was made deputy to the first assistant, Mr. Jesse M. Donaldson was made deputy to the second assistant, Mr. Roy M. North was made deputy to the third assistant, and Mr. Purdum was appointed deputy to the fourth assistant.

Each of these four gentlemen, cooperating with his chief and with the Postmaster General, and with Mr. K. P. Aldrich as Chief Inspector, has given the Post Office Department a most excellent administration, and it seemed to me only proper that some recognition of that fact should be made here upon the floor.

Mr. Purdum has made a remarkable record in the Post Office service.

Beginning as railway mail clerk at the age of 21, he has progressed steadily through the various grades in the Department. During the World War he was post-office inspector, in charge of the Washington, D.C., division and

The bureau of which he now becomes the head has changed the entire Post Office plant. In the past, curiously enough, post-office buildings were always under the care of the Treasury Department. It was not until President Roosevelt, by Executive order, made the transfer that the Post Office Department took over the custody of its own buildings. That work is under the jurisdiction of the Fourth Assistant.

I wish to congratulate the President and the Postmaster General on the elevation of Mr. Purdum. It is an example which I hope will be followed many times in the future. It affords me pleasure and gratification to give testimony here to the high regard I have for the experts of the Postal Service.

## THE JUDICIARY

The Chief Clerk read the nomination of George Murray Hulbert to be United States district judge, southern district

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Harlan W. Rippey to be United States district judge, western district of New York.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. WAGNER. Mr. President, I ask unanimous consent that the President be notified at once of the confirmation of Mr. Hulbert and Mr. Rippey.

The PRESIDING OFFICER. Without objection, that order will be entered, and the President will be immediately notified.

## HAWAII

The Chief Clerk read the nomination of James L. Coke, of Hawaii, to be chief justice of the Supreme Court, Territory of Hawaii.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of James J. Banks, of Hawaii, to be associate justice of the Supreme Court, Territory of Hawaii.

The PRESIDING OFFICER. Without objection, the

nomination is confirmed.

The Chief Clerk read the nomination of Harold E. Stafford, of Hawaii, to be circuit judge, first circuit, Territory of Hawaii.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of James Wesley Thompson, of Hawaii, to be circuit judge, third circuit, Territory of Hawaii.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Delbert E. Metzger, of Hawaii, to be circuit judge, fourth circuit, Territory of Hawaii.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Miss Carrick H. Buck to be circuit judge, fifth circuit, Territory of Hawaii.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Seba C. Huber to be United States district judge, district of Hawaii.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Otto F. Heine to be United States marshal, district of Hawaii.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

# POSTMASTERS

The Chief Clerk read sundry nominations of postmasters. Mr. McKELLAR. I ask that the postmaster nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the postmaster nominations are confirmed en bloc.

### THE ARMY

The Chief Clerk read sundry nominations for appointments and promotions in the Army.

Mr. SHEPPARD. I ask unanimous consent that the Army nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the Army nominations are confirmed en bloc.

Mr. ROBINSON of Arkansas. Mr. President, I move that the Senate resume the consideration of legislative business. The motion was agreed to.

## PHILIPPINE INDEPENDENCE

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of War, transmitting copy of a resolution adopted by the Municipal Council of Piddig, Province of Ilocos Norte, P.I., expressing its gratitude for enactment of Public Law No. 127, Seventy-third Congress, known as the "New Philippine Independence Act", which, with the accompanying paper, was ordered to lie on the table.

CLAIM OF WESTERN UNION TELEGRAPH CO. AGAINST UNITED STATES

The VICE PRESIDENT laid before the Senate a letter from the Comptroller General of the United States, transmitting, pursuant to law, his report and recommendation concerning the claim of Western Union Telegraph Co. against the United States, which, with the accompanying report, was referred to the Committee on Claims.

## PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate resolutions adopted by the General Court of the Commonwealth of Massachusetts, favoring the passage of Senate bill 3231, providing a retirement system for railroad employees, which were ordered to lie on the table.

(See resolutions printed in full when presented by Mr. Walsh on the 13th instant, p. 11252, Congressional Record.)

The VICE PRESIDENT also laid before the Senate numerous telegrams in the nature of petitions from sundry citizens and organizations of the States of Colorado, Kansas, Nebraska, and North Dakota, praying for the prompt passage of Senate bill 3231, providing a retirement system for railroad employees, which were ordered to lie on the table.

He also laid before the Senate a telegram in the nature of a petition from the Tax and Rent Payers Association. Charles L. Fluck, chairman, of Philadelphia, Pa., praying that "Congress shall not adjourn until the Wagner billthe original bill, not amended-shall be enacted into law, 'if it takes all summer'", which was ordered to lie on the

He also laid before the Senate a telegram in the nature of a memorial from the board of directors of the Radio Manufacturers' Association, Chicago, Ill., remonstrating against the passage of Senate bill 2926, the so-called "labor disputes bill", which was ordered to lie on the table.

He also laid before the Senate letters in the nature of memorials from Frank Springer and officers of the Ferd Staffel Co., Alamo Bag & Burlap Co., and Southwestern Jacket Manufacturing Co., all of San Antonio, Tex., remonstrating against the passage of Senate bill 2926, the so-called labor disputes bill", and also proposed amendment of the Agricultural Adjustment Act, which were ordered to lie on the table.

Mr. COPELAND presented the memorial of Betsy Ross Council, No. 88, Daughters of America, Woodside, Long Island, N.Y., remonstrating against the passage of legislation loosening immigration restrictions, especially with reference to the immigration of German Jews, which was referred to the Committee on Immigration.

He also presented a resolution adopted by the Parliament of the Community Councils of the city of New York, N.Y., favoring Government ownership of the manufacture of armaments, or, as an alternative, governmental control of the manufacture thereof, which was referred to the Special Committee on Investigation of the Munitions Industry.

He also presented a resolution adopted by the Master Plumbers, Gas and Steam Fitters and Sheet Metal Workers

Association, of Newburgh, N.Y., favoring the prompt enactment of legislation providing for home construction and repair, which was ordered to lie on the table.

REGULATION OF TRAFFIC IN FOOD AND DRUGS

Mr. BARBOUR. Mr. President. I ask unanimous consent to have printed in full in the RECORD and to lie on the table a resolution adopted by the Associated Manufacturers of Toilet Articles with reference to Senate bill 2800.

There being no objection, the resolution was ordered to lie on the table and to be printed in the RECORD, as follows:

Whereas the Senate Committee on Commerce has reported S. 2800, which is a bill relating to the regulation of food, drugs, and cosmetics and is now on the Senate Calendar; and
Whereas said bill in section 4 states that a drug shall be deemed to be adulterated (a) "If it is dangerous to health under the conditions of use prescribed in the labeling thereof"; and
Whereas said bill, in section 5, provides that a cosmetic shall be deemed to be adulterated (a) "If it bears or contains any poisonous or deleterious substance in such quantity as may render it injurious to the user under the conditions of use prescribed in the labeling thereof, or under such conditions of use as are in the labeling thereof, or under such conditions of use as are customary or usual"; and

Whereas every legitimate purpose of the bill will be served by protecting the public from dangerous cosmetics through provision that they shall be deemed to be adulterated if dangerous

to health; and

Whereas the proposed definition in section 5 may be construed to prohibit as adulterated any cosmetic which when applied to the skin may in some circumstances in the case of some people hypersensitive to the ingredients result in irritation or injury no matter

how innocuous the substance may be; and
Whereas the reported definition would inevitably give rise to
large numbers of civil claims and administrative complaints absolutely without foundation, based on the definition and its inter-pretation by claims attorneys to the effect that any user who can possibly assert a casual relation between some alleged injury and the use of a particular cosmetic is entitled, not only to maintain a civil action for damages, but to cause as well criminal proceeda civil action for damages, but to cause as well criminal proceedings to be instituted against the manufacturer, and make demand upon the Secretary of Agriculture that the product be suppressed; thus opening up a field where the possibilities of blackmail and nuisance actions would be unlimited and legitimate industries exposed to wholly needless and unjustified expense and litigation; and

Whereas cosmetics, since they are used only externally, do not require a more drastic definition of what is adulterated as is the case with drugs which are used both externally and internally,

and

whereas the definition of an adulterated cosmetic as drafted is unjust and unnecessary to the protection of health, and places in the hands of the administrative authority the arbitrary bureaucratic power of prohibiting the manufacture and sale in interstate commerce of cosmetics which are in fact in no way dangerous or injurious: Therefore be it

Resolved, That the Associated Manufacturers of Toilet Articles respectfully petitions the Senate of the United States to substi-tute for the definition of an adulterated cosmetic, the same language as that used in defining what constitutes an adulterated drug, and that for the further protection of the public, section 5 of said act be amended to read as follows:

"A cosmetic shall be deemed to be adulterated: (a) If it is dangerous to health under the conditions of use prescribed in the labeling thereof, or if no conditions of use are thus prescribed,

then under such conditions of use as are customary or usual."

And that the secretary of this association be directed to take steps to bring this resolution to the attention of the United States Senate and have it presented to that honorable body as a petition and memorial.

A. W. WELSH, Secretary.

# REPORTS OF COMMITTEES

Mr. BLACK, from the Committee on the Judiciary, to which was referred the bill (H.R. 5668) authorizing the relief of the McNeill-Allman Construction Co., Inc., of W. E. McNeill, Lee Allman, and John Allman, stockholders of the McNeill-Allman Construction Co., Inc., and W. E. McNeill, dissolution agent of McNeill-Allman Construction Co., to sue in the United States Court of Claims, reported it without amendment and submitted a report (No. 1419) thereon,

Mr. HEBERT, from the Committee on the Judiciary, to which was referred the bill (H.R. 9547) to amend section 766 of the Revised Statutes, as amended, reported it without amendment and submitted a report (No. 1426) thereon.

Mr. ASHURST, from the Committee on the Judiciary, to which was referred the bill (H.R. 9476) to empower certain members of the Division of Investigation of the Department of Justice to make arrests in certain cases, and for other purposes, reported it with an amendment and submitted a report (No. 1434) thereon.

Mr. REYNOLDS, from the Committee on the District of Columbia, to which was referred the bill (H.R. 7906) to license race tracks in the District of Columbia and provide for their regulation, reported it with amendments and submitted a report (No. 1425) thereon.

Mr. KING, from the Committee on the District of Columbia, to which was referred the bill (H.R. 9178) to regulate the business of life insurance in the District of Columbia, reported it without amendment and submitted

a report (No. 1420) thereon.

He also, from the Committee on Indian Affairs, to which was referred the bill (S. 3582) to reserve 80 acres on the public domain for the use and benefit of the Kanosh Band of Indians in the State of Utah, reported it without amendment and submitted a report (No. 1424) thereon.

Mr. WHEELER, from the Committee on Indian Affairs, to which were referred the following bills, reported them without amendment and submitted reports severally thereon:

S. 3033. An act to reserve certain public-domain lands in Nevada and Oregon as a grazing reserve for Indians of Fort McDermitt, Nev. (Rept. No. 1429);

S. 3587. An act to provide funds for cooperation with public-school districts in Glacier County, Mont., in the improvement and extension of school buildings to be available to both Indian and white children (Rept. No. 1421);

S. 3728. An act for the relief of the heirs of Louise Cullooyah and Michel Kizer, deceased (Rept. No. 1430);

S. 3758. An act for the relief of Robert D. Baldwin (Rept. No. 1431); and

S. 3759. An act for the relief of Charles E. Dagenett (Rept. No. 1432).

Mr. WHEELER also, from the Committee on Indian Affairs, to which was referred the bill (S. 3351) to authorize the Secretary of the Interior to turn over to a water-users' association or unit thereof, or other proper organization, the operation of the several units of the irrigation project on the Blackfeet Indian Reservation, Mont., and for other purposes, reported it with an amendment and submitted a report (No. 1422) thereon.

He also, from the same committee, to which was referred the bill (S. 2978) to amend the act of March 3, 1927, amending section 1 of the act of May 26, 1926, entitled "An act to amend sections 1, 5, 6, 8, and 18 of an act approved June 4, 1920, entitled 'An act to provide for the allotment of lands of the Crow Tribe, for the distribution of tribal funds, and for other purposes'", reported it with amendments and submitted a report (No. 1433) thereon.

Mr. BULOW, from the Committee on Indian Affairs, to which was referred the bill (H.R. 8662) to modify the operation of the Indian liquor laws on lands which were formerly Indian lands, reported it without amendment and submitted a report (No. 1423) thereon.

Mr. HATCH, from the Committee on Indian Affairs, to which was referred the bill (S. 3694) to permit relinquishments and reconveyances of privately owned and State school lands for the benefit of the Indians of the Acoma Pueblo, N.Mex., reported it without amendment and submitted a report (No. 1435) thereon.

Mr. SHEPPARD, from the Committee on Commerce, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 3647. An act authorizing the Sistersville Bridge board of trustees to construct, maintain, and operate a toll bridge across the Ohio River at Sistersville, Tyler County, W.Va. (Rept. No. 1427); and

S. 3756. An act authorizing the Brookewell Bridge Co. to construct, maintain, and operate a toll bridge across the Ohio River at or near Wellsburg, W.Va. (Rept. No. 1428).

Mr. FLETCHER, from the Committee on Banking and Currency, to which was referred the bill (S. 3785) to amend the Reconstruction Finance Corporation Act so as to extend the provisions thereof to private corporations to aid in constructing and maintaining facilities for the marketing, storing, warehousing, and/or processing of forest products, reported it without amendment.

PRINTING OF RECONNAISSANCE SURVEY OF INTER-AMERICAN HIGHWAY

Mr. HAYDEN. From the Committee on Printing I report an original resolution, for which I ask present con-

There being no objection, the resolution (S.Res. 271) was considered and agreed to, as follows:

Resolved, That the Report by the Bureau of Public Roads, United States Department of Agriculture, of a Reconnaissance Survey of the Proposed Inter-American Highway from the Republic of Panama to the United States be printed as a public document with illustrations.

# ENROLLED BILLS AND JOINT RESOLUTIONS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on today, June 14, 1934, that committee presented to the President of the United States the following enrolled bills and joint resolutions:

S. 2138. An act for the relief of Charles J. Webb Sons Co., Inc.:

S. 3025. An act to amend section 12B of the Federal Reserve Act so as to extend for 1 year the temporary plan for deposit insurance, and for other purposes;

S. 3285. An act to provide for the regulation of interstate and foreign communications by wire or radio, and for other

S. 3443. An act to provide for the creation of the Pioneer National Monument in the State of Kentucky, and for other

S.J.Res. 93. Joint resolution authorizing the creation of a Federal memorial commission to consider and formulate plans for the construction, on the western bank of the Mississippi River, at or near the site of old St. Louis, Mo., of a permanent memorial to the men who made possible the territorial expansion of the United States, particularly President Thomas Jefferson and his aids, Livingston and Monroe, who negotiated the Louisiana Purchase, and to the great explorers, Lewis and Clark, and the hardy hunters, trappers, frontiersmen, and pioneers, and others who contributed to the territorial expansion and development of the United States of America: and

S.J.Res. 121. Joint resolution authorizing the President to return the mace of the Parliament of Upper Canada to the Canadian Government.

# BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. TYDINGS:

A bill (S. 3791) to authorize the Governor of the Territory of Hawaii to remove certain officers and members of boards without the advice and consent of the Senate of said Territory; to the Committee on Territories and Insular Affairs; and

By Mr. DILL:

A bill (S. 3792) for the relief of Rumsey & Co., Inc.; to the Committee on Claims.

By Mr. COPELAND:

A bill (S. 3793) to amend the act entitled "An act to provide for the appointment of an additional judge of the District Court of the United States for the Western District of New York", approved March 3, 1927; to the Committee on the Judiciary.

(Mr. FLETCHER introduced Senate bill no. 3794, which appears under a separate heading.)

By Mr. COPELAND, Mr. VANDENBERG, and Mr. MURPHY:

A bill (S. 3795) to regulate commerce in firearms; to the Committee on Commerce.

By Mr. HARRISON:

A joint resolution (S.J.Res. 141) to protect the revenue by requiring information concerning the disposition of substances used in the manufacture of distilled spirits; to the Committee on Finance.

# FINANCING OF HOME CONSTRUCTION AND REPAIR

Mr. FLETCHER introduced a bill (S. 3794) to encourage improvement in housing standards and conditions, to provide a system of mutual mortgage insurance, and for other purposes, which was read twice by its title and referred to the Committee on Banking and Currency.

Mr. FLETCHER, subsequently, from the Committee on Banking and Currency, to which was referred the bill (S. 3794) to encourage improvement in housing standards and conditions, to provide a system of mutual mortgage insurance, and for other purposes, reported it without amend-

## HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated below:

H.R. 9741. An act to provide for the taxation of manufacturers, importers, and dealers in certain firearms and machine guns, to tax the sale or other disposal of such weapons, and to restrict importation and regulate interstate transportation thereof; to the Committee on Finance.

H.R. 9904. An act to amend section 5 of Public Act No. 2, of the Seventy-second Congress, as amended; to the Committee on Banking and Currency.

## RAILROAD EMPLOYEES' RETIREMENT SYSTEM-AMENDMENT

Mr. McCARRAN submitted an amendment intended to be proposed by him to the bill (S. 3231) to provide a retirement system for railroad employees, to provide unemployment relief, and for other purposes, which was ordered to lie on the table and to be printed.

# AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT-AMENDMENT

Mr. BANKHEAD submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (S. 3326) to amend the Agricultural Adjustment Act, and for other purposes, which was ordered to lie on the table and to be printed.

# AMENDMENTS TO DEFICIENCY AND EMERGENCY APPROPRIATION BILL

Mr. LA FOLLETTE submitted an amendment intended to be proposed by him to House bill 9830, the deficiency and emergency appropriation bill, which was ordered to lie on the table and to be printed, as follows:

On page 103, after line 4, to insert the following:

SEC. 2. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$8,625,000,000, in addition to other sums appropriated by this act, for the purpose of carrying forward the program of public works inaugurated under the provisions of the National Industrial Recovery Act, approved June 16, 1933. Such sum shall be allocated within the following limitations:

the following limitations:
(1) Not less than \$1,250,000,000 of such amount shall be allo-

cated for the elimination of hazards to highway traffic under the provisions of section 204 (a) (1) of such act.

(2) Not less than \$1,500,000,000 of such amount shall be allocated for new building construction; of which not to exceed \$100,000,000 shall be allocated for construction of Federal buildings and for such purposes sections 305 and 306 of the Emergency Relief and Construction Act of 1932, as amended, shall apply; and not less than \$825,000,000 shall be allocated for loans and grants to finance building construction as provided in section 202 of the National Industrial Recovery Act, as amended.

(3) Not less than \$20,000,000 of such amount shall be allo-

cated for coast and geodetic and geological surveys as provided in section 202 (b) of the National Industrial Recovery Act, as

amended.

(4) Not less than \$4,855,000,000 of such amount shall be allocated and made available for expenditure on non-Federal projects, exclusive of projects included under the foregoing allocations.

(5) Not less than \$1,000,000,000 of such amount shall be allo-

and made available for expenditure by the Emergency

cated and made available for expenditure by the Emergency Housing Corporation.

SEC. 3. Section 201 (d) of the National Industrial Recovery Act is amended by striking out "two years" and inserting in lieu thereof "three years."

SEC. 4. (a) Clause (a) of section 202 of the National Industrial Recovery Act is amended by adding at the end thereof a comma and the following: "and school buildings when included within plans and surveys made or approved by the United States Commissioner of Education."

(b) Clause (b) of section 202 of such act is amended by insert-

(b) Clause (b) of section 202 of such act is amended by inserting after "(b)" the following: "coast and geodetic and geological

surveys,

(c) So much of section 202 of such act as reads "the construction of naval vessels within the terms and/or limits established by the London Naval Treaty of 1930 and of aircraft required therefor" is repealed.

(d) So much of clause (2) of section 203 (a) of such act as reads "but no such grant shall be in excess of 30 percent of the cost of the labor and materials employed upon such project" is repealed.

(e) Section 203 of such act is amended by adding at the end

thereof the following new subsection:

"(e) It is hereby declared to be the policy of the Congress that this title shall be liberally construed, insofar as the requirements of security for loans made is concerned, to the end that the public-works program contemplated hereby shall be expedited to the full left entert program.

(f) Section 204 (a) (1) of such act is amended by inserting after the words "relocation of highways to eliminate railroad crossings" a comma and the following: "track elevation and depression through cities."

depression through cities."

SEC. 5. The amendments made by section 4 of this title to the National Industrial Recovery Act shall not be construed to limit the expenditure of funds heretofore obligated under such act.

SEC. 6. The provisions of section 210 of the National Industrial Recovery Act shall apply with respect to the amounts herein authorized for additional expenditures under such act.

SEC. 7. The Emergency Housing Corporation is authorized to proceed with the acquisition of property, by eminent domain or otherwise, and the construction, reconstruction, alteration, or repair of low-cost housing and slum-clearance projects, as authorized under the National Industrial Recovery Act, as amended. On page 103, line 5, strike out the figure "2" and insert in line thereof the figure "8."

Mr. HAYDEN submitted an amendment intended to be proposed by him to House bill 9830, the deficiency and emergency appropriation bill, which was ordered to lie on the table and to be printed, as follows:

On page 91, to strike out the proviso in lines 13 to 20, inclusive, and in lieu thereof to insert the following: "and which sum is a part of \$200,000,000 authorized to be appropriated by section 1 of H.R. 8781 as finally enacted by the Senate and House of Representatives."

RECEIVERS APPOINTED BY COURTS-RECONSIDERATION AND PASSAGE OF A BILL

Mr. GORE. Mr. President, yesterday I lodged a motion to reconsider Order of Business 1464, being House bill 8544, making receivers appointed by any United States courts and authorized to conduct any business or conducting any business subject to taxes levied by the State the same as if such business were conducted by private individuals or corporations. I desire to offer the amendment, which I send to the desk, when the motion to reconsider is considered by the Senate. I have conferred with the Chairman of the Judiciary Committee and both members of the subcommittee who considered the bill, and the amendment is acceptable to them. They are for it.

The VICE PRESIDENT. Does the Senator desire to have the motion to reconsider brought up at this time?

Mr. GORE. Yes, sir. I lodged the motion yesterday.

The VICE PRESIDENT. Without objection, the vote whereby the bill was ordered to a third reading and passed will be reconsidered.

Mr. BLACK. What is the bill? Mr. GORE. It relates to the taxation of property in the hands of a Federal receiver.

Mr. BLACK. Very well.

Mr. GORE. I now ask that the bill may be considered so that I may offer the amendment.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the bill.

The VICE PRESIDENT. The amendment offered by the Senator from Oklahoma will be stated.

The LEGISLATIVE CLERK. On page 2, line 2, after the word "corporation", it is proposed to insert a colon and the following proviso:

Provided, however, That nothing in this act contained shall be construed to prohibit or prejudice the collection of any such taxes which accrued prior to the approval of this act, in the event that the United States court having final jurisdiction of the subject matter under existing law should adjudge and decide that the imposition of such taxes was a valid exercise of the taxing power

certain sections of the Banking Act of 1933 and the Federal Reserve Act, and for other purposes, and to have it printed and lie on the table.

In connection with that I ask unanimous consent to have printed in the Congressional Record a letter from the Secretary of the Treasury to the Speaker of the House of Representatives pertaining to the amendment.

The VICE PRESIDENT. Without objection, the amendment will be printed and lie on the table, and the publication will be made as requested by the Senator.

The letter referred to is as follows:

APRIL 27, 1934.

Hon. Henry T. Rainey,

The Speaker House of Representatives.

My Dear Mr. Speaker: I have the honor to forward herewith a

my Dear Mr. Speaker: I have the honor to forward herewith a draft of a bill to amend section 5153 of the Revised Statutes, designed to clarify the situation with respect to the giving of security by national banks for deposits of public moneys.

This matter has been the subject of an exhaustive study, and the enactment of the proposed legislation is recommended by the Comptroller of the Currency. I am forwarding herewith a copy of excerpts from a memorandum forwarded to me by him. If you deem it advisable, it will be appreciated if these proposals can be submitted for consideration through the appropriate

channels.

Respectfully yours,

H. MORGENTHAU, Jr., Secretary of the Treasury.

Attached hereto is text of proposed amendment to section 5153 of the Revised Statutes, as amended (U.S.C., title 12, sec. 90), which amendment relates to the designation of depositaries of public money by the Secretary of the Treasury and the giving of security by national banking associations for deposits of public money of the United States and for various other types of deposits made by public officials, consisting of money for which they are accountable under the law by virtue of their official capacity. The essential respects in which this amendment changes the present law is in that it eliminates doubt under recent decisions as to the power of national banks to give security for the protection of deposits of public money belonging to various Government agencies or of money deposited thereby where they are accountable for such money by reason of the official capacity in which held. which held.

The amendment operates with similar effect as to deposits by officers, agents, or employees of the States, Territories, or insular possessions or any public instrumentality or agency thereof, where the depositing official is charged with the custody of and is accountable for such money by virtue of his official position. Provision is made that security heretofore given for the various types of deposits referred to shall be deemed validly given except where heretofore determined to be in relation of the second true. where heretofore determined to be in violation of the act of June 25, 1930.

There is urgent necessity for the prompt enactment of the legis-lation, due to recent decisions of the Supreme Court of the United lation, due to recent decisions of the Supreme Court of the United States, particularly two decisions rendered February 5, 1934, in City of Marion, Ill., v. Sneeden, Receiver, and Texas & Pacific Railway Co. v. Pottorff, Receiver, in which the Court took the position that national banks have no implied power to give security for deposits of public money, notwithstanding the fact that for more than 60 years national banks have been giving such security with the approval of the Comptroller of the Currency, in conformance to the views expressed by the Attorney General of the United States in 30 Ops. Atty. Gen. 341, to the effect that the section being amended "is more reasonably construed as a recognition of the existence of the power on the part of national banks to give security for deposits than as a grant by implication or authority to give security for Government deposits alone." A large number of national banks have been placed in the hands of receivers in the past 3 years. Almost all of these banks held deposits of public money for which security had been pledged. Millions of dollars in such deposits belonging to the Phillippine Islands, the United States Housing Corporation, and similar entities poration, United States Housing Corporation, and similar entitles were on deposit in these banks under a contract, whereby the bank had pledged collateral security therefor. These pledges were considered valid by this office and these agencies permitted to avoid loss of such deposits through realization upon the collateral held. Unless curative legislation is enacted to cover this situation, it may be the duty of this office as a matter of law to require matter under existing law should adjudge and decide that the imposition of such taxes was a valid exercise of the taxing power by the State or States, or by the civil subdivisions of the State or States imposing the same.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

SECURITY FOR DEPOSITS OF PUBLIC MONEYS

Mr. DIETERICH. Mr. President, I ask unanimous consent to present an amendment to the bill (S. 3748) to amend The same situation exists with respect to deposits of funds by the States and their various agencies. Generally speaking, there has been a preference given national banks by the depositing officials thereof. The State Treasurer of Illinois within the past 10 days has indicated he feels that he must withdraw approximately days has indicated he feels that he must withdraw approximately \$54,000,000 from the national banks in Illinois, \$26,000,000 of which is in two Chicago banks. The legal representatives of various drainage and irrigation districts in California have indicated that unless the law is clarified, they must withdraw some \$50,000,000 from national banks in California. When one considers the total amount of such deposits in national banks all over the United States which may thus be suddenly withdrawn, and the consequent forced liquidation of assets which may be required of such banks in order to meet such withdrawals with resulting ill effect upon market conditions, it becomes imperative to avoid such result by having appropriate legislation promptly enacted eliminating the difficulty.

nating the difficulty.

I accordingly recommend that appropriate action be taken to have this amendment enacted into law.

PUBLIC WORKS ADMINISTRATION LOANS TO THE DISTRICT

Mr. KING. Mr. President, a few days ago the Senate passed the bill (S. 3404) authorizing leans from the Federal Emergency Administration of Public Works for the construction of certain municipal buildings in the District of Columbia, and for other purposes.

The bill provides for certain public works within the District of Columbia. The measure went to the House of Representatives. In the House a number of amendments were submitted to the bill, the principal amendment being to reduce the appropriation from \$20,000,000 to \$10,000,000 plus. I ask the Chair to lay before the Senate the amendments of the House.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 3404) authorizing loans from the Federal Emergency Administration of Public Works for the construction of certain municipal buildings in the District of Columbia, and for other purposes, which were, on page 1, line 8, to strike out "\$20,-000,000" and insert "\$10,750,000"; on page 1, line 9, to strike out "heretofore"; on page 2, line 2, to strike out all after "plant," down to and including "1408))," in line 6; on page 2, line 8, to strike out all after "Virginia," down to and including "schools," in line 12; on pages 2 and 3, to strike out all of section 2; on page 3, line 3, to strike out "3" and insert "2"; on page 3, line 4, to strike out all after "thereof" down to and including "2)," in line 5; on page 3, line 24, to strike out "4" and insert "3"; on page 5, line 5, after "1936." to insert "Until 70 percent or so much of said sum authorized by section 1 of this act as may be expended as therein provided shall be reimbursed to the Federal Emergency Administration of Public Works, with interest as provided in this section, 10 cents of the tax levied and collected upon each \$100 of the assessed valuation of all real and tangible personal property subject to taxation in the District of Columbia shall be deposited in the Treasury of the United States to the credit of a special account for such reimbursement to the Federal Emergency Administration of Public Works and shall not be available for any other purpose. The Commissioners may, in their discretion, anticipate from said special account the payments required by this act."; and on page 5, line 6, to strike out "5" and insert " 4 ".

Mr. KING. Mr. President, as it passed the Senate the bill was meritorious and entirely just. It would have enabled the District of Columbia to inaugurate certain improvements which are indispensable, among them being the removal of pollution from the Potomac River, the construction of certain schoolhouses, a tubercular hospital, and so forth. I regret to say that the House felt disinclined to approve the bill as it passed the Senate. After considerable debate the Rules Committee finally submitted a special rule under the terms of which the appropriation was limited to \$10,000,000 plus. With that amendment and in that manner the bill passed the House.

I have conferred with the District Commissioners, with Members of the House, with the Park and Planning Commission, and under all the circumstances it is felt by those concerned that there is no value in prolonging the discussion of the controversy. Therefore, I am instructed by the

Committee on the District of Columbia of the Senate to move that the Senate concur in the amendments of the House.

The VICE PRESIDENT. The question is on the motion of the Senator from Utah that the Senate concur in the amendments of the House.

The motion was agreed to.

REPORT OF COMMITTEE ON CRIME INVESTIGATION

Mr. COPELAND. Mr. President, I ask unanimous consent to insert in the RECORD the report of the committee investigating crime conditions in the United States.

There being no objections, the report (No. 1440) was ordered to be printed in the RECORD, as follows:

JUNE 14, 1934.

Mr. President, it will be recalled that on January 11, 1934, as chairman of the subcommittee of the Committee on Commerce, popularly known as the "committee on racketeering", I introduced for the committee some 13 bills for consideration by Congress. The activities of this subcommittee were continued by Senate Resolution 196, which passed the Senate on April 20, 1934. This resolution somewhat changed the activities of the committee, authorizing it to investigate criminal practices and crimes, so that it is now known as the "committee on crime and criminal practices."

Since my report on January 11, there have been introduced some 29 additional bills all designed to close gaps in existing Federal laws and to render more difficult the activities of predatory criminal gangs of the Kelly and Dillinger types. Of these bills 11 have become law. I regret that others have not been passed, but for one reason or another on the eve of adjournment some remain pigeonholed in the several committees of the Senate or the House, hile a few remain on the calendar of Senate or House. The following are the bills that have become laws:

[PUBLIC, NO. 230, 73D CONG.]

An act (S. 2080) to provide punishment for killing or assaulting Federal officers

Be it enacted, etc., That whoever shall kill, as defined in sections 273 and 274 of the Criminal Code, any United States marshal or deputy United States marshal, special agent of the Division of Investigation of the Department of Justice, post-office inspector, Secret Service operative, any officer or enlisted man of the Coast Guard, any employee of any United States penal or correctional institution, any officer of the customs or of the internal revenue,

institution, any officer of the customs or of the internal revenue, any immigrant inspector or any immigration-patrol inspector, while engaged in the performance of his official duties, or on account of the performance of his official duties, shall be punished as provided under section 275 of the Criminal Code.

Sec. 2. Whoever shall forcibly resist, oppose, impede, intimidate, or interfere with any person designated in section 1 hereof while engaged in the performance of his official duties, or shall assault him on account of the performance of his official duties, shall be fined not more than \$5,000, or imprisoned not more than 3 years, or both; and whoever, in the commission of any of the acts described in this section, shall use a deadly or dangerous weapon shall be fined not more than \$10,000, or imprisoned not more than shall be fined not more than \$10,000, or imprisoned not more than 10 years, or both.

Approved, May 18, 1934.

S 2248

An act to protect trade and commerce against interference by violence, threats, coercion, or intimidation

Be it enacted, etc., That the term "trade and commerce", as used herein, shall include trade or commerce between any States, with foreign nations, in the District of Columbia, in any Territory of the United States, between any such Territory or the District of Columbia and any State or other Territory, and all other trade or commerce over which the United States has constitutional jurisdiction. jurisdiction.

"That the term 'trade or commerce', as used herein, is defined to mean trade or commerce between any States, with foreign nations, in the District of Columbia, in any Territory of the United States, between any such Territory or the District of Columbia and any State or other Territory, and all other trade or commerce over which the United States has constitutional typicalisation." jurisdiction.

"Sec. 2. Any person who, in connection with or in relation to any act in any way or in any degree affecting trade or commerce or any article or commodity moving or about to move in trade

or any article or commonty moving or about to move in trade or commerce—

"(a) Obtains or attempts to obtain, by the use of or attempt to use or threat to use force, violence, or coercion, the payment of money or other valuable considerations, or the purchase or rental of property or protective services, not including, however, the payment of wages by a bona fide employer to a bona fide employee; or

"(b) Obtains the property of another, with his consent, induced by wrongful use of force or fear, or under color of official right; or "(c) Commits or threatens to commit an act of physical vio-

lence or physical injury to a person or property in furtherance of a plan or purpose to violate sections (b) or (c) herein; or "(d) Conspires or acts concertedly with any other person or persons to commit any of the foregoing acts; shall, upon con-

viction thereof, be guilty of a felony and shall be punished by imprisonment of from 1 to 10 years, or by a fine of \$10,000, or both.

"Sec. 3. (a) As used in this act the term 'wrongful' means in violation of the criminal laws of the United States or of any

State or Territory.

"(b) The terms 'property', 'money', or 'valuable considerations' used herein shall not be deemed to include wages paid by a bona fide employer to a bona fide employee.

"SEC. 4. Prosecutions under this act shall be commenced only upon the express direction of the Attorney General of the United

"Sec. 5. If any provisions of this act or the application thereof to any person or circumstances is held invalid, the remainder of the act, and the application of such provision to other persons

the act, and the application of such provision to other persons or circumstances shall not be affected thereby.

"Sec. 6. Any person charged with violating this act may be "Sec. 6. Any person charged with violating this act may be prosecuted in any district in which any part of the offense has been committed by him or by his actual associates participating with him in the offense or by his fellow conspirators: Provided, That no court of the United States shall construe or apply any of the provisions of this act in such manner as to impair, diminish, or in any manner affect the rights of bona fide labor organizations in lawfully carrying out the legitimate objects thereof, as such rights are expressed in existing statutes of the United States." United States."

## [PUBLIC, NO. 231, 73D CONG.]

[FUBLIC, NO. 231, 73D CONG.]

An act (S. 2249) applying the powers of the Federal Government, under the commerce clause of the Constitution, to extortion by means of telephone, telegraph, radio, oral message, or otherwise Be it enacted, etc., That whoever, with intent to extort from any person, firm, association, or corporation any money or other thing of value, shall transmit in interstate commerce, by any means whatsoever, any threat (1) to injure the person, property, or reputation of any person, or the reputation of a deceased person, or (2) to kidnap any person, or (3) to accuse any person of a crime, or (4) containing any demand or request for a ransom or reward for the release of any kidnaped person, shall upon conviction be fined not more than \$5,000 or imprisoned not more than 20 years, or both: Provided, That the term "interstate commerce" shall include communication from one State, Territory, merce" shall include communication from one State, Territory, or the District of Columbia, to another State, Territory, or the District of Columbia: Provided further, That nothing herein shall amend or repeal section 338a, title 18, United States Code (47 Stat. 649).

Approved, May 18, 1934.

[PUBLIC, NO. 232, 73D CONG.]

An act (S. 2252) to amend the act forbidding the transportation of kidnaped persons in interstate commerce

Be it enacted, etc., That the act of June 22, 1932 (U.S.C., ch. 271, title 18, sec. 408a), be, and the same is hereby, amended to read as follows:

"Whoever shall knowingly transport or cause to be transported, or aid or abet in transporting, in interstate or foreign commerce, any person who shall have been unlawfully seized, confined, inveigled, decoyed, kidnaped, abducted, or carried away by any means whatsoever and held for ransom or reward or otherwise, except, in the case of a minor, by a parent thereof, shall, upon conviction, be punished (1) by death if the verdict of the jury shall so recommend, provided that the sentence of death shall not be imposed by the court if, prior to its imposition, the kidnaped person has been liberated unharmed, or (2) if the death penalty shall not apply nor be imposed the convicted person shall be punished by imprisonment in the penitentiary for such term of years as the court in its discretion shall determine: Provided, That the failure to release such person within 7 days after he shall have been unlawfully seized, confined, inveigled, decoyed, kidnaped, abducted, or carried away shall create a presumption that such person has been transported in interstate or foreign commerce, but such presumption shall not be conclusive.

"Sec. 2. The term 'interstate or foreign commerce', as used Whoever shall knowingly transport or cause to be transported,

but such presumption shall not be conclusive.

"SEC. 2. The term 'interstate or foreign commerce', as used herein, shall include transportation from one State, Territory, or the District of Columbia to another State, Territory, or the District of Columbia, or to a foreign country, or from a foreign country to any State, Territory, or the District of Columbia.

"SEC. 3. If two or more persons enter into an agreement, confederation, or conspiracy to violate the provisions of the foregoing act and do any overt act toward carrying out such unlawful agreement, confederation, or conspiracy, such person or persons shall be punished in like manner as hereinbefore provided by this act."

Approved, May 18, 1934.

[PUBLIC, NO. 233, 73D CONG.]

An act (S. 2253) making it unlawful for any person to flee from one State to another for the purpose of avoiding prosecution or

one State to another for the purpose of avoiding prosecution or the giving of testimony in certain cases

Be it enacted, etc., That it shall be unlawful for any person to move or travel in interstate or foreign commerce from any State, Territory, or possession of the United States, or the District of Columbia, with intent either (1) to avoid prosecution for murder, kidnaping, burglary, robbery, mayhem, rape, assault with a dangerous weapon, or extortion accompanied by threats of violence, or attempt to commit any of the foregoing, under the laws of the place from which he flees, or (2) to avoid giving testimony in any criminal proceedings in such place in which the commission of a felony is charged. Any person who violates the provision of this act shall, upon conviction thereof, be punished by a fine of not

more than \$5,000 or by imprisonment for not longer than 5 years, or by both such fine and imprisonment. Violations of this act may be prosecuted only in the Federal judicial district in which the original crime was alleged to have been committed.

Approved, May 18, 1934.

[PUBLIC, NO. 217, 73D CONG.]

An act (S. 2460) to limit the operation of statutes of limitations in certain cases

Be it enacted, etc., That whenever an indictment is found defective or insufficient for any cause, after the period prescribed by the applicable statute of limitations has expired, a new indictment may be returned at any time during the next succeeding term of court following such finding, during which a grand jury thereof

of court following such finding, during which a grand jury thereof shall be in session.

SEC. 2. Whenever an indictment is found defective or insufficient for any cause, before the period prescribed by the applicable statute of limitations has expired, and such period will expire before the end of the next regular term of the court to which such indictment was returned, a new indictment may be returned not later than the end of the next succeeding term of such court, regular or special, following the term at which such indictment was found defective or insufficient, during which a grand jury thereof shall be in session.

SEC. 3. In the event of reindictment under the provisions of this

SEC. 3. In the event of reindictment under the provisions of this act the defense of the statute of limitations shall not prevail against the new indictment, any provision of law to the contrary

notwithstanding.

SEC. 4. The provisions of this act shall not apply to any indictment against which the statute of limitations has run at the date of approval hereof.

Approved, May 10, 1934.

[PUBLIC, NO. 234, 73D CONG.]

An act (S.2575) to define certain crimes against the United States

An act (S.2575) to define certain crimes against the United States in connection with the administration of Federal penal and correctional institutions and to fix the punishment therefor Be it enacted, etc., That any person employed at any Federal penal or correctional institution as an officer or employee of the United States, or any other person who instigates, connives at, willfully attempts to cause, assist in, or who conspires with any other person or persons to cause any mutiny, riot, or escape at such penal or correctional institution; or any such officer or employee or any other person who, without the knowledge or consent of the warden or superintendent of such institution, conveys or causes to be conveyed into such institution, or from place to place within such institution, or aids or assists therein, or who therein, any tool, device, or substance designed to cut, abrade, or destroy the materials, or any part thereof, of which any building or buildings of such institution are constructed, or any other substance or thing designed to injure or destroy any building or buildings, or any part thereof, of such institution; or who conveys or causes to be conveyed into such institution, or from place to place within such institutions, or aids or assists therein, or who conspires with any other person or persons to convey or cause to be to place within such institutions, or aids or assists therein, or who conspires with any other person or persons to convey or cause to be conveyed into such institution, or from place to place within such institution, any firearm, weapon, explosive, or any lethal or poisonous gas, or any other substance or thing designed to kill, injure, or disable any officer, agent, employee, or inmate thereof, shall be punished by imprisonment for a period of not more than

10 years.

SEC. 2. All acts and parts of acts in conflict herewith are hereby repealed.

Approved, May 18, 1934.

[PUBLIC, NO. 235, 73D CONG.]

An act (S. 2841) to provide punishment for certain offenses committed against banks organized or operating under laws of the United States or any member of the Federal Reserve

Be it enacted, etc., That as used in this act the term "bank" includes any member bank of the Federal Reserve System, and any bank, banking association, trust company, savings bank, or other banking institution organized or operating under the laws of the United States.

SEC. 2. (a) Whoever, by force and violence, or by putting in fear, feloniously takes, or feloniously attempts to take, from the person or presence of another any property or money or any other thing of value belonging to, or in the care, custody, control, management, or possession of, any bank shall be fined not more than \$5,000 or imprisoned not more than 20 years, or both.

(b) Whoever, in committing, or in attempting to commit, any offense defined in subsection (a) of this section, assaults any person, or puts in jeopardy the life of any person by the use of a dangerous weapon or device, shall be fined not less than \$1,000

a dangerous weapon or device, shall be fined not less than \$1,000 nor more than \$10,000 or imprisoned not less than 5 years nor more than 25 years, or both.

SEC. 3. Whoever, in committing any offense defined in this act, or in avoiding or attempting to avoid apprehension for the commission of such offense, or in freeing himself or attempting to free himself from arrest or confinement for such offense, kills any person, or forces any person to accompany him without the consent of such person, shall be punished by imprisonment for not less than 10 years, or by death if the verdict of the jury shall so direct. shall so direct.

Sec. 4. Jurisdiction over any offense defined by this act shall not be reserved exclusively to courts of the United States.

Approved, May 18, 1934.

[PUBLIC, NO. 246, 73D CONG.]

An act (S. 2845) to extend the provisions of the National Motor Vehicle Theft Act to other stolen property

Be it enacted, etc., That this act may be cited as the "National Stolen Property Act."

SEC. 2. That when used in this act—

SEC. 2. That when used in this act—

(a) The term "interstate or foreign commerce" shall mean transportation from one State, Territory, or the District of Columbia to another State, Territory, or the District of Columbia, or to a foreign country, or from a foreign country to any State, Territory, or the District of Columbia.

(b) The term "securities" shall include any note, stock certificate, bond, debenture, check, draft, warrant, traveler's check, letter of credit, warehouse receipt, negotiable bill of lading, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate; certificate of interest in property, tangible or intangible; instrument or document or writing evidencing

tificate or subscription, transferable share, investment contract, voting-trust certificate; certificate of interest in property, tangible or intangible; instrument or document or writing evidencing ownership of goods, wares, and merchandise; or transferring or assigning any right, title, or interest in or to goods, wares, and merchandise, or, in general, any instrument commonly known as a "security", or any certificate of interest or participation in, temporary or interim certificate for, receipt for, warrant, or right to subscribe to or purchase any of the foregoing, or any forged, counterfeited, or spurious representation of any of the foregoing.

(c) The term "money" shall mean the legal tender of the United States or of any foreign country, or any counterfeit thereof.

Sec. 3. Whoever shall transport or cause to be transported in interstate or foreign commerce any goods, wares, or merchandise, securities, or money, of the value of \$5,000 or more theretofore stolen or taken feloniously by fraud or with intent to steal or purloin, knowing the same to have been so stolen or taken, shall be punished by a fine of not more than \$10,000 or by imprisonment for not more than 10 years, or both.

Sec. 4. Whoever shall receive, conceal, store, barter, sell, or dispose of any goods, wares, or merchandise, securities, or money, of the value of \$5,000 or more, or whoever shall pledge or accept as security for a loan any goods, wares, or merchandise, or securities of the value of \$5,000 or more, or whoever shall pledge or accept as security for a loan any goods, wares, or merchandise, or securities of the value of \$5,000 or more which, while moving in or constituting a part of interstate or foreign commerce, has been stolen or taken feloniously by fraud or with intent to steal or purloin, knowing the same to have been stolen or taken, shall be punished by a fine of not more than \$10,000 or by imprisonment of not more than 10 years, or both.

Sec. 5. In the event that a defendant is charged in the same indictment with two

SEC. 5. In the event that a defendant is charged in the same SEC. 5. In the event that a defendant is charged in the same indictment with two or more violations of this act, then the aggregate value of all goods, wares, and merchandise, securities, and money referred to in such indictment shall constitute the value thereof for the purposes of sections 3 and 4 hereof.

SEC. 6. Any person violating this act may be punished in any district into or through which such goods, wares, or merchandise, or such securities or money, have been transported or removed.

SEC. 7. Nothing herein shall be construed to repeal, modify, or amend any part of the act of October 29, 1919 (ch. 89), cited as the "National Motor Vehicle Theft Act."

Approved, May 22, 1934.

[PUBLIC, NO. 324, 73D CONG.]

A bill (S. 3041) to effectuate the purpose of certain statutes concerning rates of pay for labor, by making it unlawful to prevent anyone from receiving the compensation contracted for there-

under, and for other purposes

Be it enacted, etc., That whoever shall induce any person em-Be it enacted, etc., That whoever shall induce any person employed in the construction, prosecution, or completion of any public building, public work, or building or work financed in whole or in part by loans or grants from the United States, or in the repair thereof to give up any part of the compensation to which he is entitled under his contract of employment, by force, intimidation, threat of procuring dismissal from such employment, or by any other manner whatsoever, shall be fined not more than \$5,000, or imprisoned not more than 5 years, or both.

SEC. 2. To aid in the enforcement of the above section, the Secretary of the Treasury and the Secretary of the Interior jointly shall make reasonable regulations for contractors or subcontractors on any such building or work, including a provision that each contractor and subcontractor shall furnish weekly a sworn affidavit with respect to the wages paid each employee during the preceding

with respect to the wages paid each employee during the preceding

Approved, June 13, 1934.

[PUBLIC, NO. 293, 73D CONG.]

An act (H.R. 7353) granting the consent of Congress to any two or more States to enter into agreements or compacts for cooper-ative effort and mutual assistance in the prevention of crime, and for other purposes

Be it enacted, etc., That the consent of Congress is hereby given to any two or more States to enter into agreements or compacts for cooperative effort and mutual assistance in the prevention of crime and in the enforcement of their respective criminal laws and policies, and to establish such agencies, joint or otherwise, as they may deem desirable for making effective such agreements and compacts.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.
Approved, June 6, 1934.

Below are given the short title and the status of the pending bills:

S. 1978 (Rept. No. 710). A bill to assure to persons within the jurisdiction of every State the equal protection of the laws, and

This bill, as indicated by the short title, is intended in the main to prevent lynching and mob violence. It is pending on the Senate Calendar, No. 750.

S. 2246. A bill to amend the Packers and Stockyards Act. Passed

the Senate on June 13, 1934.

This bill is intended to add title V to the Packers and Stockyards Act, to regulate the handling of live poultry. The type of racketeering that this bill would prevent is one of the most prevalent, and in many instances has increased the price of poultry to the consumer as much as 8 cents a pound. It is pending before the House Committee on Agriculture the House Committee on Agriculture.
S. 2254. A bill to amend section 1014 of the Revised Statutes of

the United States.

This bill is designed to abolish the writ of habeas corpus in cases where the writ has been granted to test the validity of a warrant of removal or detention thereunder and after a complete hearing the petitioner has been remanded to custody for removal on said warrant. This is considered to be a very desirable and

on said warrant. This is considered to be a very desirable and far-reaching piece of legislation. The bill is pending before the Senate Committee on the Judiciary.

S. 2255. A bill to regulate the defense of alibi in criminal cases. This bill makes it discretionary for the court on the interposition of the defense of alibi to grant a recess in order to enable the prosecution to inquire into the merits of the alibi defense. It has passed the Senate and is now pending before the House Committee on the Judiciary.

S. 2357. A bill to authorize the consolidation of investigation.

S. 2257. A bill to authorize the consolidation of investigative agencies

agencies.

This bill authorizes the President, by Executive order, to consolidate the several penal and investigative agencies of the Federal Government. This matter has been discussed for a number of years, and it is believed that some consolidation of these investigative agencies should be made. It is pending before the Senate Committee on the Judiciary.

S. 2782. A bill to protect and preserve fingerprint records in the possession of bureaus of identification or investigation.

The purposes of this legislation are as indicated in the short title. It is pending before the Senate Committee on the Judicial of the Senate Committee on the Senate Co

title. It is pending before the Senate Committee on the Judiciary.

clary.

S. 2338. A bill to establish a confidential relationship between guidance workers and pupils or patients.

One of the major problems resulting from the investigation of this committee is to correct juvenile delinquency. This bill is intended to make records kept in the schools regarding antisocial conduct of pupils privileged and to grant the educational personnel who keep these records the privileged status which is now enjoyed by doctors, lawyers, and clergymen. Legislation which, in the opinion of the committee, should be passed. It is pending

enjoyed by doctors, lawyers, and clergymen. Legislation which, in the opinion of the committee, should be passed. It is pending before the Senate Committee on the Judiciary.

S. 2840. A bill to provide for the taxation of manufacturers, importers, and dealers in small firearms and machine guns.

This bill is designed to regulate and restrict the use of firearms by the imposition of an excise tax levied on manufacturers, importers, and dealers. The bill is pending before the Senate Committee on the Judiciary.

porters, and dealers. The bill is pending before the Senate Committee on the Judiciary.

S. 2842. A bill to make husband or wife of defendant a competent witness in all criminal prosecutions.

This bill is designed, as indicated in the short title, to make husband or wife competent to testify to any statement made during the existence of the marriage relationship admitted confidential at common law. The bill is pending before the Senate Committee on the Judiciary. Committee on the Judiciary. S. 2844. A bill to tax the sale or other disposal of firearms and

machine guns by importers, manufacturers, and others, and to restrain the importation thereof.

Designed to regulate the transportation in interstate and for-eign commerce of firearms, including machine guns, by internal-revenue tax. The bill is pending before the Senate Committee on the Judiciary.

S. 3068. A bill to provide deportation of aliens upon conviction of a felony.

This bill is intended to make mandatory the deportation of

aliens upon conviction of a crime involving punishment of imprisonment for a term exceeding 1 year. This is a far-reaching piece of legislation and should be passed. The bill is pending before the Senate in modified form, S. 3771, as reported by the Committee on Immigration.

S. 3069. A bill relative to coercion of witnesses.

This bill provides a penalty for making the testimony of any person unavailable in any court or before any jury by writing or using any other means of coercion or intimidation. The bill is pending before the Senate Committee on the Judiciary.

S. 3070. A bill making it a felony to willfully fail to appear after having been admitted to bail.

This bill makes it a felony for any person who has been admitted to bail in connection with a charge of an offense punishable by death or imprisonment for a term exceeding 1 year to willfully fail to appear. The bill is pending before the Senate Committee on the Judiciary.

S. 3071. A bill to prevent the promotion of frauds through

interstate communication.

This bill provides fine or imprisonment for any person who shall communicate or attempt to communicate any message by any method whatsoever for the purpose of promoting fraud. It is pending before the Senate Committee on the Judiciary.

S. 3073 and 3074. Bills to amend sections 1015 and 1016 of the

Revised Statutes.

These bills make it mandatory on the judge or other persons authorized to take bail to inquire into the source of money or security offered for such bail, and if it shall appear that any money or security so offered shall be the proceeds of certain crimes of violence to refuse to grant such bail. They are pending before

of violence to refuse to grant such ball. They are pending before
the Senate Committee on the Judiciary.
S. 3075. A bill to permit the appointment of special agents of the
Division of Investigation as State officers. Report No. 1123.
This legislation is intended to increase Federal jurisdiction
within the several States by the appointment of special agents in
the Division of Investigation on the nomination of the Governors
of the covered States. Such special grants so pended to also possess of the several States. Such special agents so named to also possess the police power of the State from which they are nominated on the employment of the Attorney General. These particular special agents would have jurisdiction both Federal and State. The unsuccessful attempts to secure the arrest of Dillinger is evidence

unsuccessful attempts to secure the arrest of Dillinger is evidence of the desirability of such legislation. It passed the Senate on June 13, 1934; now pending before the House Judiciary Committee. S. 3076. A bill to prohibit the transportation in interstate or foreign commerce and carriage through the mails of certain gambling devices, and for other purposes.

This bill is intended to make it unlawful to transport within the limits of the jurisdiction of the United States certain gambling devices, including slot machines. The committee in its investigation obtained a catalog of 80 pages known as the "Secret Blue Book." Every device offered for sale in this catalog is controlled in some mechanical or electrical way giving the innocent victim no chance whatever and making gambling a sure thing for the professional gambler. This piece of legislation should be enacted. The bill is pending before the Senate Committee on Interstate Commerce. Commerce.

S. 3476. A bill to prohibit the making, passing, or negotiation of spurious checks or other financial paper purporting to be payable

by institutions in other States.

This bill is aimed at the transportation and negotiation of spurious paper in interstate and foreign commerce. Spurious paper is drawn on both real and fictitious banks. It is usually negotiated in a widely separated locality from the place in which it is drawn. The unfortunate thing in this type of fraud is the fact that the banks are not the losers but the innocent merchant who receives and cashes the spurious paper is the victim when the same is presented to his bank in the nature of a deposit. The bill is pending before the Senate Committee on the Judiciary.

S. 3556. A bill prohibiting the transportation in interstate or foreign commerce of plates, dies, forms, or tools intended to be used in the reproduction of any security or financial paper.

used in the reproduction of any security or financial paper.

This bill is designed to stop the transportation in interstate or foreign commerce of plates, dies, forms, or tools intended to be used in the making of counterfeit securities or financial paper. The hearings of this committee indicated that professionals engaged in the transportation of spurious money, stocks, and securities carry with them plates or dies which are of small bulk and readily transported. Printing presses are available now in almost any community, and it is frequently more convenient and advisable to transport the means of producing counterfeits rather than to transport a large bulk of counterfeit paper. The methods of reproduction and engraving adopted by the modern counterfeiter have followed the development of the legitimate printer's art. It is believed that this legislation is meritorious and should be passed. The bill is pending before the Senate Committee on the Judiciary. Judiciary.

S. 3623. A bill authorizing the introduction in evidence in criminal cases of testimony taken at a preliminary hearing, and for

other purposes.

In many criminal cases when brought to trial the testimony of important witnesses is not available owing to the fact that the witnesses are dead, have become intimidated, or are kept away from the trial by the willful acts of the accused. This bill is believed to be a substantial reinstatement of the common law and believed to be a substantial reinstatement of the common law and it is believed that as such it will be held not to contravene the Constitution. It is the common practice of gangsters who are indicted and held for trial to kill or intimidate witnesses intended to be used by the prosecution. It this legislation is enacted it will have a far-reaching effect in criminal trials, particularly where the accused is tried for crimes of violence. It is believed that this legislation should be passed. The bill is pending before the Senate Committee on the Judiciary.

S. 3680. A bill to provide for the taxation of manufacturers, importers, and dealers in small firearms and machine guns, to tax the sale or other disposal of such weapons, and to restrict importa-tion and regulate interstate transportation thereof.

The purposes of this legislation are as indicated in the short tle. It is pending before the Senate Committee on Commerce. To the same end, a new and revised firearms bill was introduced

today. It is known as "S. 3795."

One of the achievements of this committee, I think, is what we have accomplished in the study of juvenile delinquency. Anyhow, we are convinced that this is America's most pressing social problem.

Extensive hearings were held, and educators, social workers, penologists, and police officials contributed richly to the symposium. At the proper time the committee will describe the individual activities of various persons who have contributed to our efforts.

a result of our work the Congress has written into the District of Columbia appropriation bill provisions for character education in the schools in Washington. Plans for that activity are being formulated, and we hope that out of this experiment will be found another means of guarding against juvenile delinquency and adult crime. We expect to make another report covering this particular subject.

covering this particular subject.

It is the feeling of the committee that our hearings are well worth study. We call particular attention to the digest of the hearings, which has been widely distributed because of the calls made for it.

Made for it.

Needless to say, our work is far from complete. We have other measures under contemplation, and the program of legislation which we have already proposed has not yet been enacted into law. It is our expectation that our hearings will continue at the beginning of the next session. Further efforts will be made to deal with crimes of violence, kidnaping, racketeering, so far as they may be reached through legal procedure.

## G.A.R. ENCAMPMENT, ROCHESTER, N.Y.

Mr. REYNOLDS. Mr. President, I wish to enter a motion to reconsider the vote by which the bill (H.R. 9145) to authorize the attendance of the Marine Band at the National Encampment of the Grand Army of the Republic to be held at Rochester, N.Y., August 14, 15, and 16, 1934, and at the National Convention of the Disabled American Veterans of the World War, to be held at Colorado Springs, Colo., during the first week in July, was passed yesterday during my absence from the city. It relates to an appropriation of \$3,700 for the expenses of the Marine Band to go to Rochester, N.Y., to the annual convention of the Union soldiers.

I wish, with reference to that particular matter, to attach an amendment authorizing a like appropriation of \$3,700 to pay the expenses of the Marine Band from Washington to my home city of Asheville, N.C., for the purpose of attending the annual convention of the Thirtieth Division, an overseas outfit composed of men from my State of North Carolina and her sister States of South Carolina and Tennessee.

I might add in that connection that Asheville is located almost in the heart of the Great Smoky Mountain National Park which will soon be opened generally to the public. For various and sundry reasons the people of North Carolina are particularly interested in having with them on that occasion the Marine Band.

Mr. NORRIS. Mr. President, the Senator does not intend to seek action on the motion now, does he?

Mr. REYNOLDS. No; I should like merely an opportunity to enter the motion.

The VICE PRESIDENT. The Chair will suggest to the Senator from North Carolina, in view of the situation, that he ask as in legislative session that he may enter the motion to reconsider the vote by which the bill was passed, and then call up the motion at some future time.

Mr. REYNOLDS. Very well; I submit that request.

The VICE PRESIDENT. Is there objection to the request of the Senator from North Carolina, as in legislative session, that he may enter a motion to reconsider the vote by which House bill 9145 was passed? The Chair hears none, and the motion is entered.

# ECONOMIC CONDITIONS-ADDRESS BY BAINBRIDGE COLBY

Mr. BYRD. Mr. President. I ask unanimous consent to have printed in the RECORD an address on economic conditions delivered by the Honorable Bainbridge Colby, former Secretary of State, before the Economic Club in New York City on May 24, 1934.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is not surprising that Mr. Mills should see in much of current legislation and administration a retrogressive tendency, a reverting to the past, even the remote past, and to viewpoints long regarded as definitely left behind in the evolution of the

There is a very respectable body of philosophical thinking which does not regard the inherent tendency of life as upward and onward—in other words, as progressive.

On the contrary, this school of thought holds that the proclivity of the race toward deterioration is constant, and that the

most important responsibility of the progressive forces in society

It is to arrest and halt the ever active tendencies to deterioration.

This is not a sanguine philosophy, and yet it justifies those who insist upon a careful scrutiny of radical proposals before their adoption, lest it be found that in our enthusiasm for change we have sacrificed more than we have won, and the net result is loss

The first effort of progress must therefore be to retain the progress already made. The fruits of hard-won victories in the past are not lightly to be relinquished. The points of departure for new social advances should be the front of the line and not the back areas of the human struggle from which it has taken

us years to emerge.

Mr. Mills has given what may prove a very profitable direction to our thought. It has often happened in the past that attempts to introduce new benefits are seen on closer inspection to be attempts to resuscitate past evils. If the new deal is to any, or to a considerable extent, an old mistake, it behooves us all to know it. In the field of government, and in dealing with the great forces that make up the Nation's life, we cannot afford to go it blind. The determination as to whether we are going forward or back, it seems to me, lies at the very threshold of all other decisions. Ardor, no matter how impatient, must pause while that decision is being made. So important a fork in the road requires that the signposts be carefully scanned.

The "great issues of the contemporary world", as we hear the problems of the hour described, are probably neither so great nor so unexampled as, for instance, Mr. Tugwell and Mr. Richberg think them.

The talk of revolution, and even the use of the word, seems Mr. Mills has given what may prove a very profitable direction

The talk of revolution, and even the use of the word, seems confined to the members of the "brain trust", who flash it upon us as the dread and solitary alternative to their unpalatable designs upon our liberties. They remind me of a well-known author who strove to crowd his novels with excitement. A critic observed that, as you turned his pages, "the suspense of the author was almost unbearable."

With the exception of the rostrum in Union Square, where

there is no closed season for Communists and other advocates of violence and class upheaval, the talk of revolution seems to extend no further than the intimate intellectual circle which has gained the attention-to what genuine extent, I cannot say-of the

President.

The great mass of Americans have little interest and less patience for such talk. They know they are passing through a storm. They are confident they can weather it. It might be much worse. Their faith remains unshaken in the saving grace ultimately of industry, integrity, and prudence—in other words, sobriety and common sense—to effect an adjustment of their lives to the march of social and industrial evolution.

march of social and industrial evolution.

There is a feeling, ready to be called forth, against any attempt of the law to control individuals in things in which they have not been accustomed to be controlled. Nevertheless, the tendency of all the changes taking place in the world is to strengthen society and dimnish the power of the individual. Between these two tendencies, the struggle is not new. It is going on now—before our eyes. The question is in what spirit we shall survey it and at what point make a stand for individual freedom against intolerable encroachment, whatever guise the latter wears and from whatever quarter it proceeds.

latter wears and from whatever quarter it proceeds.

In the first place we must be fair. The times are too serious for criticism vitiated by partisanship, conscious distortion of fact, or exaggeration, whether of claims on behalf of the new

measures or apprehended consequences.

We should not allow ourselves to forget that when Mr. Roosevelt took office, the country was weighed down by the cumulative effects of many policies and practices now seen to have been tractically matches. tragically mistaken.

Our strength had been wasted and consumed by extravagance in every field of expenditure, improvident foreign loans amount, riotous speculation, reckless borrowing by States, municipalities, and even counties and townships. An insane belief

nicipalities, and even counties and townships. An insane belief prevailed that social and industrial anarchy could continue indefinitely, and that stimulants were as nourishing as food.

These vanities of thought and conduct were bound to come home to roost. Our troubles of a year ago were due to the fact that they came home to roost all at once. The country was as near prostration as it could come and still avoid collapse when Mr. Roosevelt brought his fresh energy and his inspiriting self-confidence to the work of rescue.

confidence to the work of rescue. He has done many things that had to be done and were difficult to do. That he has justifiably resorted to experimentation in many fields where solutions were not at hand nor their nature clearly discerned is the opinion held by most thoughtful Ameri-

Action was imperatively required. The adverse currents in the Nation's life had to be arrested and reversed, however hazardous the expedients resorted to. Not all could succeed—that some must fail was clearly perceived. The venture was demanded by the country's plight. The dangers of incaution were far less than the dangers of inaction.

Despite the preserve

Despite the pressure and urgency of his task, the President has steadfastly and conscientiously recognized the fact that practical supremacy under our Constitution resides in the representatives of the people. This truth he has never lost sight of, although it is an open question what actual function, what precise part in the machinery of government shall be directly performed by the representative body.

Great variations in this respect are compatible with the essence of representative government, provided the functions are such as secure the representative body in the control of everything in the last resort

And we must not forget that there is a radical distinction be-

And we must not forget that there is a radical distinction between controlling the business of government and actually doing it. The same body may be able to control everything but cannot possibly do everything; and in many cases its control over everything will be more perfect the less it personally attempts to do.

Instead of the function of governing, for which it is radically unfitted, the proper office of a representative assembly is to watch and control the government; to throw the light of publicity on its acts; to compel the full exposition and justification of all of them which anyone considers questionable; to censure them if found deserving of censure; and if the men who compose the government abuse their trust or treat it in a manner which conflicts with the deliberate sense of the nation, to expel them from flicts with the deliberate sense of the nation, to expel them from

"This", says John Stuart Mill, from whom I am quoting, "is surely ample power and security enough for the liberty of the nation."

Truly the cry of usurpation cannot be raised against a President

so conscious of the source from which governmental power springs, and so observant of the constitutional channels of its flow.

The present administration has now held office for nearly a third of its elected term. If it is too early to pass judgment it is not too soon to include in opinion, and opinion is not necessarily

hostile because it is discriminating.

Criticism is one of truth's implements. It need not be constructive only, to be valuable and patriotic—much that we hear

structive only, to be valuable and patriotic—much that we hear to the contrary notwithstanding.

"Negative logic" is the phrase used by John Stuart Mill in describing criticism which points out weaknesses in theory, or errors in practice, without establishing positive truths. He remarked the fashion of all times to disparage such criticism but added that, as a means of attaining any positive knowledge or conviction worthy of the name, it could not be appraised too highly. Until people are systematically trained to it, said he, there will be a low general average of intellect.

From day to day we are told that the regimentation of American life is steadily proceeding. We are sternly admonished that "America must choose"—choose between our inherited and deeply ingrained faith in freedom and individual liberty, endeared to

America must choose "—choose between our inherited and deeply ingrained faith in freedom and individual liberty, endeared to us by time and the triumphs we have won under their banners, and this un-American alternative called "regimentation", or as it is sometimes described, "planned direction" of all our actions to which the new control can be applied.

As a Democrat, I propose to take the time necessary to get my bearings. Belonging to a party which throughout our bitters.

As a Democrat, I propose to take the time necessary to get my bearings. Belonging to a party which, throughout our history, has jealously resisted every undue extension of governmental function at the expense of the individual's liberty. I feel entitled to ascertain what has happened to my party, that its present leaders should be so intent upon crushing every sentiment and garroting every principle, regarded heretofore as characterizing the Democratic Party.

I recall a remark President Wilson made to me one day during the height of the war. Said he:

"I have come to conclusion that one of the chief duties resting upon the President of the United States is to keep his shirt on."

Here is an admonition to be put alongside the somewhat tem-pestuous warning that "America must choose."

The years teach much which the days never know,

We are not unaccustomed to interventions by the State in the siness and relationships of the individual. With the progress business and relationships of the individual. With the progress of society and the growing complexity and interdependence of all relationships, there has been not only in this country but in all civilized countries, an increasing disposition to look to the State for needed initiative and protective intervention which society could not otherwise provide.

There has always been a willingness on the part of our countrymen to tolerate strong leadership on the part of the Executive. It goes beyond tolerance. It is, in fact, an expectation of the people that the President shall indicate the way to be traveled, particularly in times of difficulty or crisis, to which the slower pace of customary or established procedure is unsuited.

But there is a very definite condition or implication attached to this tolerance, and it is this: That the mold of our constitutional government shall not be broken and that whatever of innovation is attempted shall be conformable to the spirit of America and to the principles upon which the Nation has been builded. Furthermore, the right of the State to intervene in any situation presupposes that it can do so with sufficient equipment of impartiality and knowledge, which is supported and validated by experience.

When a man for instance who stands high in the President's

When a man, for instance, who stands high in the President's confidence, holding an important official position in the administration, and frequently put forward as its spokesman, is disclosed as referring to our popular morality as having its roots in a past age; to our religion as clinging to outworn ethics and being irrelevant for the present; to our public-school education as dominated by the two, both thoroughly outmoded; and when, with such opinions to start with, this official voice speaks of the present trends as destined to completely remake American economic life, the reaction in the mind of the average American is, How do you get thet way? get that way?

It is clear that an administration harboring such thinking will have to meet America at the cross-roads and sustain a vast amount

of criticism which by no stretch of the imagination could be

called constructive.

In fact, the hope of the country, its fate and ultimate happiness, may depend on the capacity of the present generation of Americans for bold and searching criticism. By that I do not mean the expression of mere dislike for the innovations we are called to unhesitatingly accept, nor mere denunciation of the alien and un-American philosophy which we are disturbed to find coiled and hidden under the astute phrasing of the new

I mean criticism which will pluck off masks, face unpleasant facts and uncover them, reach down to the vitals of covert design and unavowed purpose, and exhibit to the people in clear outline and intelligible terms the changes sought to be impressed

upon their Government.

Consider for a moment what has taken place in a little over a twelvementh.

The Federal Government has been empowered to control the production and distribution of all agricultural products.

To control the production and distribution of substantially all

other articles moving in commerce.

To regulate the business of banking to the exclusion of the

To regulate and control the issuance, distribution, and sale of all securities.

To fix the civil rights and liabilities of persons engaged in the sale of all articles moving in interstate commerce or whose sale is solicited by means of interstate communication or through the

mails.

At a single session of Congress there has been passed a body of laws which in effect transfers to the Federal Government the entire police power of the States.

A vast bureaucracy has been called into being and fastened upon us without our realizing it, much less authorizing it. We are startled to find ourselves subject to bureaucratic rule down to the mallest and most intimate activities that enter into our daily

It makes a Democrat thoughtful to behold such a transforma tion of the United States of America. Almost overnight it has been brought to pass. But our people, emerging at last from a season of bewilderment and passivity, begin to see the shadow cast upon their liberties by the new measures, the new agencies of government, and the new social and political theories, which have

government, and the new social and political theories, which have suddenly attained so luxuriant a growth.

Gradually it has dawned upon the country, and it is now quite plain, that recovery was only partially the aim of the administration. A great part of its interest has been in radical institutional overturn and the new modeling of the State.

It has moved toward its objectives at times, I regret to say, with a certain indirection, avoiding admission of its designs until it was found convenient to lay aside concealment.

Thus measures, which were to meet an emergency, we are now told are to be permanent.

told are to be permanent.

Other measures, which were to promote recovery, but have had quite the opposite result, are now justified as reforms, regardless

of their consequences.

The guaranties of the Constitution are dismissed lightly, as if they were irrelevances in the present-day life of America. The basic principles of the Constitution, we are told, must be somehow got around. A little jugglery of phrase by an agile bill draftsman will suffice, or so it is thought by the new school of statesmanship—the adolescent school, I might call it, or perhaps,

But will it suffice? This is a question the determination of

which is drawing near.

which is drawing near.

In our long history there have been recurring periods when our institutions have seemed to be in peril. More than once in our history, dangers comparable to those which seem now to threaten have hovered close about us. There have been periods of great anxiety for the Constitution, periods when the people have been apprehensive as to what the courts might do.

But if one will review the history of past crises, it will be seen how splendidly the Constitution has met each one, and how faithfully our highest court has discharged its duty as the Constitution's guardian, as well as its interpreter.

There seems to be in each successive generation of Americans an attachment and loyalty to the Constitution, which the restless innovator and the mad-cap theorist are prone to underestimate. This loyalty is neither noisy nor assertive. It mobilizes quietly but ponderously. Nothing has yet been able to withstand it. It has always prevailed. It will again.

While it cannot be denied that we are seemingly embarked on perilous courses, there are nevertheless reassuring elements in the situation. These should not be forgotten.

It should not be forgotten that we are swimming with a life-

It should not be forgotten that we are swimming with a life-line around our waist. It is designed for just such moments in the Nation's life when temporary pressures make the trial of untested expedients peculiarly tempting.

The Constitution still lives, and we are a constitutional

democracy.

The President is sworn to uphold it. The courts are sworn to apply it. It is the inviolable sanctuary of our liberty—the ark of our freedom.

Storms have beat upon it. It has survived them all. Armed rebellion could not prevail over it. Treason has not been able to overthrow it. It has bound the States together against divi-

sion and dispersal. It has, time and again, turned defiance into obedience, and mockery into veneration.

It is the most American thing about America. Darkness shall not envelop it. The sons of evil shall not stand against it.

not envelop it. The sons of evil shall not stand against it.

There is another ground for assurance in these unsettled times. It should not be lost sight of. You may have noted that the President, very wisely it seems to me, has avoided personal commitment on any matter of theory or apparent constitutional departure. It will therefore not be difficult for him, as the inevitable failure of some of the experiments of his administration are revealed, to abandon them. He is morally free to pass judgment on the extent to which any experiment or innovation, which has been attempted, is incompatible with the habits of thought, the racial instincts, and the governmental traditions of the American people.

ine racial instincts, and the governmental traditions of the American people.

In addition, we may gratefully bear in mind that in all the confusion of cults and the babel of theory that have come out of the college classrooms, amidst the endless debate as to the relative merits of regimentation and free collectivism, planned economy and compensatory economy, we have preserved unimpaired the right of free speech, the right of a free press, and the complete freedom of amendment, recission, and repeal in our representative body.

complete freedom of amendment, recission, and repeal in our representative body.

In other words, we have preserved intact the entire machinery for the correction of our errors. It has been well said that the source of everything respectable in man, either as an intellectual or as a moral being, is that he is capable of rectifying his mistakes by discussion and experience. Wrong opinions and practices have always yielded to fact and argument.

So long as this power of self-correction is at our command, we may err and stray from the true spirit of our institutions, but we have not lost the way back nor the means of reaching home again.

## FOREIGN TRADE-LETTER FROM GEORGE N. PEEK

Mr. PITTMAN. Mr. President, I have in my possession a letter to the President, on foreign trade, written by Mr. George N. Peek, special adviser to the President on foreign trade. It is a very valuable document dealing with the commercial and financial trend in this country from 1896 to 1933. I think it should be made available to every Member of Congress, and others. Therefore, I ask unanimous consent that it be published in the RECORD as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

LETTER FROM GEORGE N. PEEK, SPECIAL ADVISER TO THE PRESIDENT ON FOREIGN TRADE

OFFICE OF THE SPECIAL ADVISER TO THE PRESIDENT ON FOREIGN TRADE, Washington, May 23, 1934.

The PRESIDENT.

The PRESIDENT,

The White House.

Dear Mr. President: Pursuant to our conversations, I have caused certain studies to be made with respect to foreign-trade problems. In the course of these studies we have set up a tentative international balance sheet to see what the present situation is with respect to our foreign business and to attempt to ascertain from the records some reasons for the prevailing conditions.

The figures in the attached exhibits show that the trend in our international trade has been cumulatively disadvantageous to us. In our international commercial relations we have not utilized the

In our international commercial relations we have not utilized the simple device of a balance sheet to discover whether we have been doing business at a profit or at a loss. As you have stated a number of times, our exports and our imports of goods and services must balance. During the periods covered by the figures these exports and imports have been grossly out of balance; nevertheless, we have pointed with pride to our "favorable balance of trade."

We have no adequate national bookkeeping system for our foreign financial relations. The statistical bases for the balance of payments estimates since 1922 are the figures published annually by the Department of Commerce. For earlier years extensive use was made of the studies by the Harvard University Committee of Economic Research which compiled estimates for a number of years, ending with 1921. The basic data are unsatisfactory in some respects and in some instances represent estimates, but they serve to indicate the necessity for developing exact balance sheets between this country and each of the countries with which we are now dealing, or with which we propose to deal.

From these data we have assembled the figures covering the years from 1896 to 1933, inclusive, in order to show the commercial and financial trends of this country with the rest of the world. Thus assembled, they indicate that in this 38-year period—we sold to the world goods in the amount of \_\_\_\_\_\_\$121, 250, 000, 000 we bought from the world goods in the amount of \_\_\_\_\_\_\$4, 604, 000, 000

84, 604, 000, 000

thereby placing the world in debt to us for goods

in the amount of \_\_\_\_\_\_\_ Thus, the value of our imports of goods is, on the face of these figures, less than 70 percent of our exports.

36, 646, 000, 000

As against this export excess we must in fairness deduct the amounts which our tourists spent abroad, and which our immigrants, charitable organizations, and others sent abroad....

\$19, 429, 000, 000

leaving an apparently favorable balance of.....
Services rendered by us to the world such as shipping and freight services, together with interest and dividend payments on our foreign investments, interest and principal payments on war debts, miscellaneous and other items, placed the world in debt to us for an additional.\_\_\_\_ 17, 217, 000, 000

\$26, 461, 000, 000

making a total owed to us of \_\_\_ Services rendered to us by the world such as shipping and freight services, together with our interest and dividend pay-ments on foreigners' invest-ments in the United States, miscellaneous and other items, in the amount of\_\_\_\_\_ together with net gold imports

43, 678, 000, 000

\_ \$18, 938, 000, 000 2,095,000,000

reduced the world debt to us by\_\_\_\_\_

21, 033, 000, 000

resulting in a net increase during the 38-year period in the debt owing to us amounted to\_\_\_\_

22, 645, 000, 000

This increase in debt is represented by foreign securities and other investments in foreign countries bought by United States citizens, net \$14,398,000,000, and war loans advanced by the United States Government, \$10,304,000,000, making a total of \$24,702,000,000. From these figures must be deducted United States securities and other investments made by foreigners in the United States, net \$2.057,000,000, resulting in the above net increase in debt of \$22,645,000,000. Our national assets will be diminished by the amount of this debt which is not paid. (These diminished by the amount of this debt which is not paid. (These figures represent net capital movement and should be added to the estimated \$2,500,000,000 which foreigners had invested in the United States in 1896, and the estimated \$500,000,000 which we had invested in foreign countries in that year, to reflect the approximate present position.)

proximate present position.)

For the purpose of better comparison and in order that the account for the war period may be set off by itself because of its special features, the accounts have been set up for four separate periods within the total period of 38 years covered by these studies. The first period is from 1896 to 1914, during which a relatively satisfactory state of commercial intercourse existed throughout the world; the second from 1915 to 1922, in which our trade with the world was distorted by the World War; the third from 1923 to 1929, during which the foundations for present conditions in world trade were laid; and the fourth from 1930 to 1933

I invite your attention to certain outstanding items of each of these periods, namely:

# PERIOD 1896-1914

1. The value of the goods we exported exceeded by the sum of \$8,853,000,000 the goods we imported.

2. Our tourists and immigrants spent or sent abroad funds to the extent of \$6,080,000,000.

3. Our own foreign investments increased from \$500,000,000 at the beginning of the period to \$1,500,000,000 at the end of the

4. At the beginning of the period foreign investments in the United States amounted to \$2,500,000,000, and at the end of the period they had increased to the new high of \$4,500,000,000.

# PERIOD 1915-22

1. The value of the goods we exported exceeded by the sum of \$21,186,000,000 the goods we imported.
2. Our tourists and immigrants spent or sent abroad funds to the extent of \$3,500,000,000.

3. Our own foreign investments (private) increased by \$6,779,-000,000 during this period, and we acquired obligations of foreign governments (the "war debts") in the sum of \$10,304,000,000.

4. At the beginning of the period foreign investments in the United States amounted to \$4,500,000,000, and at the end of the period these were reduced to about \$2,250,000,000.

# PERIOD 1923-29

1. The value of the goods we exported exceeded by the sum of \$4,976,000,000 the goods we imported.
2. Our tourists and immigrants spent or sent abroad funds to

the extent of \$7,021,000,000.

- 3. We took new foreign investments to a grand total of \$7,140,000,000.
- 4. During the period foreign investments in the United States increased by the sum of \$4,568,000,000.

\$1,631,000,000 the goods we imported.

2. Our tourists and immigrants spent or sent abroad funds to the extent of \$2,828,000,000.

3. Our investments abroad were decreased by the net sum of \$521,000,000.

4. Foreign investments in the United States were decreased by the net sum of \$2,289,000,000.

I am transmitting with this letter certain summary sheets for the periods discussed and a recapitulation, in detail, for the en-tire period. During these preliminary studies I have become con-vinced that a change is necessary in our approach to foreign-trade activities and their relation to our domestic problems. We must develop complete balance sheets between this country and each of the countries with which we are now dealing or with which we propose to deal. Certain information necessary in preparing these new balance sheets is not now available to the Government—I have particular reference to capital movements. To understand the past and to prepare for the future we must get the facts.

Faithfully yours,

GEORGE N. PEEK, Special Adviser.

Period no. 1, July 1, 1896-June 30, 1914 (This is the pre-war period (18 years))

During this period we sold to the world goods in the amount of and we bought from the world goods in the \$31,033,000,000 amount of 22, 180, 000, 000

thereby placing the world in debt to us for goods in the amount of ... As against this export excess we must deduct the amounts which our tourists spent abroad and which our immigrants, charitable organiza-tions, and others sent abroad.

6, 080, 000, 000

2, 773, 000, 000

8, 853, 000, 000

leaving a balance owed to us of\_ Services rendered by us to the world such as shipping and freight services, together with interest and dividend payments on our foreign investments and miscellaneous and other items placed the world in debt to us for an additional...

1, 498, 000, 000 4, 271, 000, 000

making a total owed to us of\_\_\_\_ Services rendered to us by the world such as shipping and freight services together with our interest and dividend payments on for-eigners' investments in the United States and miscellaneous and

together with net gold imports reduced the world debt to us by\_\_\_\_\_

5, 271, 000, 000

resulting in a net increase during the 18-year period in the debt owed by us amounting to\_\_\_\_\_

1,000,000,000

This increase in debt is represented by—
United States securities purchased and other
investments made in United States by less foreign securities purchased and other investments made in foreign countries by United States citizens

2,000,000,000

resulting in net increase in debt owed by us of ...

1,000,000,000 1,000,000,000

Period no. 2, July 1, 1914-22 (This is the war period (81/2 years))

During this period we sold to the world goods in the amount of \_\_\_\_\_and we bought from the world goods in the amount of \_\_\_\_\_ thereby placing the world in debt to us for goods

\$46, 952, 000, 000 25, 766, 000, 000

21, 186, 000, 000

As against this export excess we must deduct the amounts which our tourists spent abroad and which our immigrants, charitable organizations and others sent abroad

3, 500, 000, 000

7.140.000,000.

4. During the period foreign investments in the United States are loreased by the sum of \$4,568,000,000.

PERIOD 1930-33

1. The value of the goods we exported exceeded by the sum of 1.631,000,000 the goods we imported.

leaving a balance owed to us of \_\_\_

17, 686, 000, 000

8, 532, 000, 000

LXXVIII---724

making a total owed to us of  Services rendered to us by the world such as shipping and freight services together with our interest and dividend payments on foreigners' investments in the United States and miscellaneous and other items in the amount of  \$5, 167,000,000 together with net gold imports of 1,746,000,000	\$26, 218, 000, 000
reduced the world debt to us by	6, 913, 000, 000
resulting in a net increase during the 8½-year period in the debt owed to us amounting to	19, 305, 000, 000
This increase in debt is represented by— foreign securities purchased and other in- vestments made in foreign countries my United States citizens, net————— United States Government loans to foreign governments (war debts) and United States securities repurchased from foreigners, net————————————————————————————————————	\$6, 779, 000, 000 10, 304, 000, 000 2, 222, 000, 000
resulting in net increase in debt owed to us of	
(This is the post-war period (7 year During this period we sold to the world goods	
in the amount ofand we bought from the world goods in the	\$33, 711, 000, 000
amount of	28, 735, 000, 000
thereby placing the world in debt to us for goods in the amount of————————————————————————————————————	4, 976, 000, 000
which our immigrants, charitable organizations, and others sent abroad.	7, 021, 000, 000
leaving a balance owed by us of	2, 045, 000, 000
investments, interest, and principal payments on war debts, and miscellaneous and other items placed the world in debt to us for an additional	
making a balance owed to us of Services rendered to us by the world, such as shipping and freight services together with our interest and dividend payments on for- eigners' investments in the United States and miscellaneous and other items in the amount of \$5,875,000,000 together with net gold imports of	8, 622, 000, 000
reduced the world debt to us by	6, 050, 000, 000
resulting in a net increase during the 7-year period in the debt owed to us amounting to	2, 572, 000, 000
This increase in debt is represented by— foreign securities purchased and other in- vestments made in foreign countries by United States citizens, net————————————————————————————————————	7, 140, 000, 000
States by foreigners, net	
resulting in net increase in debt owed to us  Period no. 4, 1930-33  (This is the deflation period (4 years	
During this period we sold to the world goods	
in the amount of and we bought from the world goods in the amount of	\$9,554,000,000 7,923,000,000
thereby placing the world in debt to us for goods	
in the amount of  As against this export excess we must deduct the amounts which our tourists spent abroad and which our immigrants, charitable organizations and others sent abroad	
	SHIPPINE
leaving a balance owed by us of	
the world in debt to us for an additional	5, 764, 000, 000
making a balance owed to us of	4, 567, 000, 000

Services rendered to us by the world such as shipping and freight services, together with our interest and dividend payments on foreigners' investments in the United States and miscellaneous and other items reduced the world debt to us by\_\_ \$2,799,000,000

resulting in a net increase during the 4-year period in the debt owed to us amounting to\_\_\_\_\_ 1,768,000,000

This increase in debt is offset by—
decrease in United States securities and other
investments in the United States held by foreigners, net
less decrease in foreign securities and other
investments in foreign countries owned by
United States citizens, net

2, 289, 000, 000 521,000,000

resulting in net offset of debt owed to us of\_\_\_\_\_ 1,768,000,000 Recapitulation

INTERNATIONAL TRADE BALANCE BYWEEN THE UNITED STATES AND THE

WORLD, 38 YEARS, 1896-1933, INCLUSIVE

[Figures in millions of dollars]

July 1, 1896– June 30, 1914	July 1, 1914–22	1923-29	1930-33	Total
31, 033 86	46, 952 1, 793	33, 711 836	9, 554 389	121, 250 3, 104
760	1, 470	4,770	2, 440	9, 440
		941	409	1, 350
		269	52	621
409	537	216 2, 193	1, 043	359 4, 182
243	3, 766		696	4, 705 166
	100		119	119
	800	1, 442	473	2, 715
2, 000	1 2, 422	2, 131	261	1, 970
	200	2, 437	1 2, 550	87
34, 531	53, 262	48, 946	13, 029	149, 768
	ein	Nº P		
22, 180 727	25, 766 1, 966	28, 735 1, 117	7, 923 617	84, 604 4, 427
3,800	965	1,787	557	7, 109
3, 230	700	4, 617	2, 062	10, 609
2, 850	2,800	2, 404	766	8, 820
570	2, 225 11	466 2, 152	1, 021	3, 135 3, 754
		143	100	143 370
174	1,746	175	100	2, 095
	10, 304			2 10, 304
	L. Call	7516	PER STREET	to Tile
1,000	6, 509	5, 843	14	13, 366
5 3133	270	1 207	1 535	1,032
	210	1, 201	- 000	1,002
	1896- June 30, 1914  31, 033 86  760  409 243  2, 000  34, 531  22, 180 727 3, 800 3, 230 2, 850  570	1896- July 1, June 30, 1914-22 1914  31, 033	1896- June 30, 1914-22 1923-29 1914 1914-22 1923-29 31, 033 46, 952 33, 711 269 216 409 537 2, 193 243 3, 766 196 196 216 800 1, 442 2, 000 12, 422 2, 131 200 2, 437 34, 531 53, 262 48, 946 22, 180 25, 766 28, 735 727 1, 966 1, 117 3, 800 965 1, 787 3, 230 700 4, 617 2, 850 2, 800 2, 404 2, 225 466 570 11 2, 152 143 174 1, 746 175 10, 304	1896- June 30, 1914-22, 1923-29     1930-33       31, 033

# TARIFF ON COPPER

Mr. ASHURST. Mr. President, through the courtesy of the junior Senator from Utah [Mr. Thomas] there has come to me a copy of an article entitled "Copper's Inadequate Tariff", written by Col. Charles H. Rutherford, a distinguished citizen of Arizona. The article appeared in the

Decrease.

Accrued interest at time of refunding is not included in this amount.

it may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

> [From Plain Talk Magazine, March 1934] COPPER'S INADEQUATE TARIFF By Col. Charles H. Rutherford

American copper mines and copper workers are facing a crisis, and a serious one at that. At the present time they are practically all closed down. But unlike nearly all other closed-down industries they do not look toward industrial recovery with

optimism.

For the recovery of business in the United States to a more normal level will not open these closed copper mines and smelting plants as it wil most of the other stagnant businesses in the
United States. Only a higher tariff on copper, which will enable
American-produced metal to compete with the pauper-produced
product of foreign countries, will save them.

Most of the competition the American copper mines are up

Most of the competition the American copper mines are up against comes from—

(1) Africa, where slave and semislave labor is used.

(2) Canada, where copper is a by-product mined with nickel, aluminum, gold, and silver.

(3) Chile and Mexico, where labor is also very cheap.

The President of the United States has the authority under a recently passed enactment to put an embargo on copper; that is, stop its importation altogether.

The executives of the Arizona copper mining, in common with those of the copper-mining industry of the 13 other copper-producing States of the Union, hope that the President will establish this embargo. The very life of the American copper mines depends upon the actual embargo, or upon a tariff high enough to prevent the importation of all foreign copper.

The powerful American groups oppose this embargo, or the proposed tariff high enough to accomplish the same result. One of these groups is that back of the American fabricating plants. The other is that owning and operating copper mines in foreign country.

Country.

The owners of the fabricating plants are opposed to an embargo or a higher tariff because the products they manufacture are already covered by a high tariff. Therefore, the fabricators wish to buy their raw copper in the cheapest markets and maximize their profits.

American owners of foreign copper mines oppose an embargo or a higher tariff because this country consumes more copper products than any other nation and is therefore by far their best copper market

And what makes the position of those domestic owners of foreign copper mines still more untenable is the fact that while they also control copper mines in the United States, their principal efforts are to sell their cheap foreign-mined copper in this country. To do that they manipulate affairs to produce a minimum of copper from American mines, because they make a greater profit out of copper produced from their foreign holdings.

The chief organized opposition to a tariff or embargo on foreign copper comes from the American Metal Co., of 61 Broadway, New York. This is a combination of the American Metal Co., of New York. This is a combination of the American Metal Co., of New Mexico, the American Zinc & Chemical Co., the Blackwell Zinc Co., the American Metal Co., of Canada., and the Compania Minera de Penoies. The latter subsidiary is a Mexican concern, and owns thousands of acres in the sub Rio Grande Republic with smelters at Porreon and Monterery.

Officers are Ludwig Vogelstein, chairman; Otto Sussman, president; H. K. Hochschild, vice president and secretary; Heath Steel, B. N. Zimmer, vice presidents; W. H. Brady, treasurer; E. H. Hothorn, assistant secretary; Norman Hickman, assistant treasurer; Walter Hochschild, assistant to chairman; John MacLetchie, auditor.

The present tariff on copper of 4 cents a pound is but a drop in the bucket compared with the differential in the cost of production between slave or pauper labor and labor which maintains the American standard of living.

As an evidence of the effect on the American copper industry of this condition, it is estimated by copper men that only 18 percent of the amount of copper which was produced in 1928 is being produced in 1934.

The extent to which the American copper industry has been

The extent to which the American copper industry has been hit is shown by production figures in the United States Statistical Abstract for 1929. In 1928 Arizona produced 735,632,000 pounds of copper, Utah 298,375,000, and Montana 251,046,000. The smaller copper-producing States of Michigan, Nevada, New Mexico, Tennessee. Colorado, Idaho, and Washington produced between them 461,382,000 pounds.

The N.R.A. program now being carried out in this country by the present administration has for its avowed purpose two

main objectives: (1) To increase wages, (2) to increase prices so that increased wages may be paid.

As the leaders of the present administration delve deeper into the N.R.A. problem, the more apparent it becomes to them that tariffs cannot be lowered at the same time this N.R.A. program is being successfully carried out. And do not forget that President Roosevelt has the authority to increase tariffs 50 percent or he

March issue of Plain Talk Magazine. I ask permission that | may declare an embargo on the importation of any foreign

may declare an embargo on the importation of any foreign product that enters into competition with a home product.

Thus it is entirely possible for the President to stop the importation of copper after recommendations have been made by governmental agencies, regardless of whether Congress raises the tariff on copper or not. In this connection it may be noted that after recommendations have been made by the United States Tariff Commission, the tariff has been raised on tuna fish and sardines, not to speak of bobwhite quail.

If a tariff increase on tuna fish and sardines, a small industry, is worthy of the attention of the Tariff Commission, it would not stretch the imagination of any of its members to comprehend

not stretch the imagination of any of its members to comprehend

not stretch the imagination of any of its members to comprehend that the raising of the tariff on copper, one of the major industries of the country, would do many times more good. In fact, it would put back to work more than half a million employees of the copper industry and save the American copper market.

Those opposed to a higher copper tariff or an embargo are constantly drawing this herring across the path of facts to deceive the citizens of this country: Very often some pseudoauthority in the copper industry—always someone representing the owners of foreign copper mines or fabricating plants in the United States—rises up and proclaims that all the copper now being imported into this country is brought here in bond for the sole purpose of being refined in our excellent refineries, and that after it is refined it will be exported.

That is not the truth. The facts are that this foreign copper

That is not the truth. The facts are that this foreign copper is brought here in bond, and so also are all the other imported products on which this country levies a tariff. It is also true that this imported copper, after it is refined, may be stored in a bonded warehouse, just the same as any other imported product on which there is a tariff.

And it is also true that whenever the importers or owners of this stored copper pay the present small duty of 4 cents a pound on this copper stored in our bonded warehouses, then that copper may be taken out of such warehouse and sold on our market, just as any other duty-laden imported commodity may be taken out of our bonded warehouses and likewise sold on our market.

out of our bonded warehouses and likewise sold on our market.

The facts are that from Canada alone the importation of copper ore and concentrates into the United States increased from 1,519 tons in March 1933 to 4,223 tons in August of this year, or nearly 300 percent. That imported Canadian copper is still in bonded warehouses in this country and may be sold on our market as fast as the 4-cent tariff on it is paid.

And remember that all the copper mined in Canada is a byproduct of other more valuable metals mined at the same time from the same mines such as nickel aluminum, gold, and silver.

product of other more valuable metals mined at the same time from the same mines, such as nickel, aluminum, gold, and silver. And as a by-product any price it brings is just that much profit. There is no way in which the copper mines of Arizona and those of the 13 other copper-producing States can be reopened and kept open, except by putting an embargo on all foreign-mined copper, or a higher tariff that will accomplish the same result so that for the country and letter.

or a higher tariff that will accomplish the same result so that no foreign copper may be imported into this country and later dumped from bonded warehouses upon our markets.

Under present conditions there will be such a large quantity of this imported copper that it can be taken out of bonded warehouses and sold in such a manner as to beat down the current market price of copper whenever that price rises somewhere near 9 cents a pound.

Yet that is what recently here in the country was a such as the countr

Yet that is what recently has been done and is being done now. If we are to restore prosperity to Arizona, then our copper mines must resume their normal production. This will put thousands of men to work and lessen the heavy tax burden now borne by the agricultural, commercial, and other interests, as well as the small home owners.

In order to secure the early reopening of our copper mines the President should immediately declare an embargo on foreign copper in order that our people be given employment, and to revive for the Nation a great industry.

# CORRESPONDENCE RELATIVE TO FOREIGN DEBTS

Mr. HARRISON. Mr. President, I ask that there may be incorporated in the RECORD the correspondence between the State Department, the French Government, and the British Government with reference to the foreign debt

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

TRANSLATION OF NOTE FROM THE FRENCH AMBASSADOR, M. ANDRÉ DE LABOULAYE, TO THE SECRETARY OF STATE, MR. CORDELL HULL, JUNE 12. 1934

Embassy of the French Republic in the United States, Washington, June 12, 1934.

Mashington, June 12, 1934.

Mr. Secretary: I have the honor to acknowledge the receipt of the letter which Your Excellency was pleased to address to me on May 26 transmitting a statement of the sums due by France to the United States on June 15, 1934, under the terms of the agreements of April 29, 1926, and July 6, 1931.

In compliance with instructions which I have just received, I have the honor to inform Your Excellency that as there has been no new development in regard to intergovernmental debts since the month of December 1932 the French Government is not in a position to resume on the 15th of the present month, the payments which, since December 15, 1932, it has found itself con-

strained to postpone as the result of the consequences of the moratorium of that year.

On this occasion my Government desires to reaffirm that it does not contest the validity of its debt and that it is still prepared to seek an agreement with the American Government in regard to that debt upon a basis which in existing circumstances may be acceptable to both countries.

The Government of the Republic hopes that such an agreement may be reached in the near future and it desires to reaffirm to the American Government the assurance that it will consider a duty to neglect no opportunity which may arise to attain that result.

I take this occasion, Mr. Secretary, to renew the assurance of

my highest consideration.

ANDRÉ DE LABOULAYE.

His Excellency the Honorable Cordell Hull, Secretary of State of the United States, Washington, D.C.

NOTE BY THE SECRETARY OF STATE, MR. CORDELL HULL, TO THE BRITISH AMBASSADOR, SIR RONALD LINDSAY, JUNE 12, 1934

DEPARTMENT OF STATE, Washington, June 12, 1934. His Excellency the Honorable Sir Ronald Lindsay,

P.C., G.C.M.G., K.C.B., C.V.O.,

British Ambassador.

Excellency: The observations contained in your note of June 4

Excellency: The observations contained in your note of June 4, 1934, concerning the indebtedness of His Majesty's Government to the United States have been studied with close attention.

This Government is sensible of the elements of the situation set forth by His Majesty's Government, the heavy war expenditures undertaken in its own behalf and in behalf of its Allies, the burden of taxation that has been borne by the British people, and the transfer difficulties that under certain circumstances may arise in the foreign exchanges. With certain observations, however, and the inferences drawn therefrom, I regret that the American Government is unable to concur and in three instances it feels that, for the purpose of record, it should make its own attitude clear attitude clear.

attitude clear.

First, His Majesty's Government states in effect that, unless payments were made in full in the sum of \$262,000,000, as set forth in the communication from the United States Treasury dated May 25, 1934, the United Kingdom would fall within the effects of the recent legislation mentioned in paragraph 7 of your note, so that the payment of this amount is regarded as the only alternative to suspension of all payment. The Attorney General has advised me that, in his opinion, the debtor governments which, under the ruling of his office of May 5, 1934, are not at present considered in default because of partial payments made on earlier installments would have to pay only the amount of the installment due June 15, 1934—for Great Britain \$85,670,765.05—in order to remain outside the scope of the act.

Second, in regard to the record cited by the British Government Second, in regard to the record cited by the British Government of its loans to its allies and the fact that His Majesty's Government has given up great sums due to it under those loan contracts, this Government must emphasize the complete independence between the aforementioned transactions and the debt contracted by His Majesty's Government to this Government. The British Government undertook to borrow under its own name and on its own credit standing, and repayment was not made contingent upon the fate of debts due to the British Government.

Third this Government notes with disappointment the declara-

tingent upon the fate of debts due to the British Government. Third, this Government notes with disappointment the declaration of His Majesty's Government that "while suspending further payments until it becomes possible to discuss an ultimate settlement of intergovernmental war debts with a reasonable prospect of agreement, they have no intention of repudiating their obligations, and will be prepared to enter upon further discussion of the subject at any time when, in the opinion of the President, such discussion would be likely to produce results of value."

In effect, this Government reads the declaration of His Majesty's Government to mean that it will fail to meet any further payments on the debt due to the United States as evidenced by the settlement of June 19, 1923, until this Government shall first scale down this debt to an unascertained sum to which His Majesty's Government might be willing to accede. This declara-

Majesty's Government might be willing to accede. This declara-tion appears to represent insistence by His Majesty's Government that before it makes any payment whatsoever it must be assured that before it makes any payment whatsoever it must be assured of a settlement satisfactory to it and not necessarily in accordance with any accepted standards of payment or readjustment of the amounts due. The only indications before this Government of the extent to which His Majesty's Government has proposed to meet its obligations are the small fractions of the sums due mentioned by His Majesty's representative in the course of the discussions in the spring and autumn of last year referred to in your note of June 4. Adhering to the opinion so often expressed by the United States Government, a situation of this kind necessarily calls for the initiation of proposals by the debtor and not by the creditor. by the creditor.

by the creditor.

Should His Majesty's government wish to put forward proposals for the resumption of payments, this Government would be glad to entertain and discuss them informally. For instance, no proposal has ever been presented to this Government looking toward payments in kind to an extent that might be found mutually practicable and agreeable. Any proposals of this or a similar character which promise mutual benefit will be carefully considered for eventual submission to the American Congress.

In conclusion, may I refer to the statement made by the President in his message to the Congress on June 1: "The American

people would not be disposed to place an impossible burden upon their debtors, but are, nevertheless, in a just position to ask that substantial sacrifices be made to meet these debts."

Accept, Excellency, the renewed assurances of my highest con-

COPPET HITT

TEXT OF NOTE DATED JUNE 4, 1934, FROM THE BRITISH AMBASSADOR TO THE SECRETARY OF STATE

BRITISH EMBASSY,

British Embassy,

Washington, D.C., June 4, 1394.

Sign: In their note of December 1, 1932, His Majesty's Government gave a full statement of the reasons which convinced them that the existing system of intergovernmental war debt obligations had broken down. They pointed out the difference between these war debt obligations and normal credit operations for development purposes; they showed the economic impossibility of making transfers on the scale required by these obligations and the disastrous effect which any further attempt to do so would have on trade and prices. They emphasized the sacrifices which the British Nation had made in this matter and the injustice of the difference between their funding settlement and those accorded to other debtors. They concluded that a revision of the existing settlements was essential in the interests of world revival and they urged that further payments should be postponed pending such a revision. Nothing that has since occurred has led His Majesty's Government in the United Kingdom to change the views they then expressed.

Majesty's Government in the United Kingdom to change the views they then expressed.

2. That the present settlement imposes upon the people of the United Kingdom a burden which is both unreasonable in itself and inequitable in relation to the treatment accorded to other countries may be clearly seen from the following figures.

In respect of the war advances totaling \$4,277,000,000, payments totaling \$2,025,000,000, have been made up to date by His Majesty's Government to the United States Government. Yet despite these payments the nominal amount of the debt still outstanding as at June 15, 1934, amounts to \$4,713,785,000.

Meanwhile, in respect of war advances totaling \$5,773,300,000 made by the United States Government to other European governments, aggregate payments made up to date amount to only \$678,500,000. Thus though the war advances to these other governments exceed by one-quarter the advances made to the United Kingdom, payments made by the United Kingdom amount to three times what the United States Government has received from those other powers.

from those other powers.

On the other hand His Majesty's Government are creditors as well as debtors in respect of these intergovernmental obligations. While as stated above they borrowed \$4,277,000,000 from the United States, they themselves made war advances to the allied governments totaling £1,600,000,000 (\$7,800,000,000 at par). These loans were raised by His Majesty's Government from the people of the United Kingdom and the annual interest thereon, and eventually United Kingdom and the annual interest thereon, and eventually their capital repayment, must, in the absence of payments by debtor governments, be met out of the general taxation of their own people. In this respect the position of the United Kingdom is precisely similar to that of the United States; but whereas the United States have received very substantial payments against the domestic charges involved, His Majesty's Government have had to meet the domestic charges of their war loans to allied governments in full, as they have paid over to the United States Government all that they have received both from war debts and war reparations. that they have received both from war debts and war reparations, and they have in addition paid nearly as much again out of their

If the United States feel the burden of their war advances of \$10,050,000,000, against which they have received \$2,703,-000,000, how much heavier is the burden of the United Kingdom, which with one-third of the population of the United States has had to meet the full charges on its war advances of \$7,800,000,000 without any net receipts against these charges and has in addition made large payments out of its own resources on account of its war debt to the United States?

None the less, convinced that any resumption of payments on the past scale could not but intensify the world crisis and might provoke financial and economic chaos, His Majesty's Govrement have suspended their claims on their debtors in the hope that a general revision of these intergovernmental obligations may be effected in the interest of world recovery. But it would be impossible for them to contemplate a situation in which they would be called on to honor in full their war obligations to others while continuing to suspend all demands for payment of war obligations due to them.

3. The improvement which has taken place in the budgetary situation of the United Kingdom in no way invalidates this conclusion. This improvement is due entirely to unprecedented clusion. This improvement is due entirely to unprecedented sacrifices made by the people of this country. Since the war they have been carrying a burden of indebtedness amounting to approximately £8,000,000,000 (\$40,000,000,000) or £173 (\$850) per head of their population, about one-fifth of which represents war loans made to allied governments. They have balanced their budgets and even realized a surplus by the painful process of reducing expenditure and increasing taxation.

For 15 years they have been paying taxation on a scale for

For 15 years they have been paying taxation on a scale for which it would be hard to find a parallel elsewhere. During the whole of this period the burden of taxation has been higher in the United Kingdom, and for a considerable part of the period twice as high as in the United States, including all Federal, State, and local taxation. This taxation, amounting to close on onequarter of the national income, has aggravated the depression

over a long period, and the necessity of maintaining an army of unemployed resulting from this depression has constituted a formidable problem to the national finances ever since the war ended. Yet in order to restore the national credit in 1931, the people of the United Kingdom accepted further and heavy increases in tayation accompanied by rigorous control of expendit. creases in taxation, accompanied by rigorous control of expenditure, and cuts in salaries and allowances of all kinds; and despite all these measures the budget would have again shown a despite all these measures the budget would have again shown a deficit last year had it not been possible to secure by the conversion operation carried through in 1932 a reduction in the rate of interest paid on a large proportion of the public debt. This reduction has enabled His Majesty's Government to remit a part of the emergency sacrifices imposed in 1931 and to restore part of the cuts on salaries and the whole cut in unemployment allowances, the continuance of which was imposing a severe strain

of the cuts on salaries and the whole cut in unemployment allowances, the continuance of which was imposing a severe strain on the national conscience. It would have been a gross act of social injustice to have denied this relief to the people of this country in order to pay war debts to the United States while suspending war debt payments due to the United Kingdom.

4. But although it is desirable that the internal budgetary position of this country should not be misunderstood, it is really irrelevant to the question of intergovernmental debt, the payment of which has to be related to the balance of trade and not to the volume of internal revenue. The revenues of the United Kingdom are sterling revenues, whereas the debt payments to America have to be made in dollars or in gold. In order to secure the means to pay, therefore, any sums available in sterling would have to be transferred across the exchange. The attempt to transfer amounts of this magnitude would as its immediate effect cause a sharp depreciation of sterling against the dollar, which as His Majesty's Government understand would not be consistent with the monetary policy of the United States Government. And in the long run such international transfers would be impossible without a radical alteration in the economic policies of the United States. Payment of debts implies the willingness of be impossible without a radical alteration in the economic policies of the United States. Payment of debts implies the willingness of the creditor to accept goods and services sufficient to cover the debts due to him over and above the goods and services required to cover his exports, and to make it possible for the United States to receive payment of their claims, it would be necessary to effect a complete reversal of the existing favorable balance of trade between their country and the rest of the world. In the case of the United Kingdom the balance of trade is heavily unfavorable, and the balance of accounts is not such that His Majesty's Government could contemplate the transfer of any substantial sum across the exchange, unless it was compensated by equivalent receipts from the foreign debts of this country. If this were done sterling would not be affected by the payments to America, but the burden would be thrown on the currencies of the European debtor countries, thereby aggravating the present crisis, which it is the object of both the United States and His Majesty's Government to alleviate. ment to alleviate.

5. Thus the question of the British war debt is only a part of the wider question of intergovernmental obligations resulting from the World War. As has already been pointed out, the United Kingdom, while it was a debtor to the United States, was itself a creditor for larger amounts from France, Italy, and other exallied Powers in respect of war debts, and these in turn are cocreditors with the United Kingdom of Germany in respect of cocreditors with the United Kingdom of Germany in respect of reparations. These intergovernmental debts, as stated in the British note of December 1, 1931, are radically different from commercial loans raised by foreign governments on the markets for productive purposes. War debts are neither productive nor self-liquidating, and the unnatural transfers required for their payment would involve a general collapse of normal international exchange and credit operations. The administration of the United States under President Hoover recognized this fact and initiated a moratorium on intergovernmental payments in 1931 in order to avert an immediate collapse. But the moratorium of 1931 caused another change in the situation; it made any resumption of the pre-existing reparation and war-debt settlements impossible, and the revision of reparations embodied in the Lausanne Agreement was made subject to conclusion of a subsequent agreement for a revision of war debts.

6. It was with these facts in mind that His Majesty's Government approached the United States Government in December

ment approached the United States Government in December 1932, and the United States Government in their note of Decem-1932, and the United States Government in their note of December 7 welcomed their suggestion for a close examination between the two countries of the whole subject. After this exchange of notes His Majesty's Government paid the installment due on December 15, 1932, in gold, explaining that this payment was not to be regarded as a resumption of the annual payments contemplated by the existing agreement, and that it was made because there had not been time for discussion with regard to that agreement to take place, and because the United States Government had stated that in their opinion such a payment would greatly increase the prospects of a satisfactory approach to the whole problem.

whole problem.

In accordance with the arrangement then made, discussions took place first in the spring and later in the autumn of last year between representatives of the two countries, and His Majesty's Government appreciates the sympathetic manner in which their representatives were listened to. But on both occasions it was found impossible to arrive at a settlement acceptable to the two Governments in face of the unprecedented state of world economic and financial conditions. Accordingly the discussions were adjourned, and on June 15 and December 15, 1933, His Majesty's Government made token payments in acknowledgment of the debt

and the President expressed the personal view that he would not

regard His Majesty's Government as in default.
7. In their note of November 6 last His Majesty's Government expressed their readiness to resume negotiations on the general question whenever, after consultation with the President, it might appear that this could usefully be done, and His Majesty's Government is glad to note that the President in his message to Congress on June 1 has again stated that each of the debtor governments concerned has full and free opportunity to discuss this problem with the Government of the United States. But unfortunately recent events have shown that discussions on the whole question with a view to a final settlement cannot at present usefully be renewed. In these circumstances His Majesty's Government would have been quite prepared to make a further payment on June 15 in acknowledgment of the debt and without prejudice to their right again to present the case of its readjustment, on the assumption that they would again have received the President's declaration that he would not consider them in default. They understand, however, that in consequence of recent legislation no such declaration would now be possible, and, if this be the case, the procedure adopted by common agreement in 1933 is no longer practicable.

8. His Majesty's Government are in fact faced with a choice between only two alternatives, viz., to pay in full the sum of \$262,000,000 as set forth in the communication from the United States Treasury, dated May 25, or to suspend all interim payments pending a finel revision of the settlement which has been expressed their readiness to resume negotiations on the general

States Treasury, dated May 25, or to suspend all interim payments pending a final revision of the settlement, which has been delayed by events beyond the control of the two Governments. Deeply as they regret the circumstances which have forced them to take such a decision, His Majesty's Government feel that they could not assume the responsibility of adopting a course which would revive the whole system of inter-governmental wardebt payments.

As already pointed out the resumption of full payments to the United States would necessitate a corresponding demand by His Majesty's Government from their own war debtors. It would be a recreation of the conditions which existed prior to the world crisis and were in a large measure responsible for it. Such procedure would throw a bombshell into the European arena which would have financial and economic repercussions over all five continents and would postpone indefinitely the chances of world recovery.

Accordingly His Majesty's Government are reluctantly compelled to take the only other course open to them. But they wish to reiterate that, while suspending further payments until it beto reiterate that, while suspending further payments until it becomes possible to discuss an ultimate settlement of intergovernmental war debts with a reasonable prospect of agreement, they have no intention of repudiating their obligations, and will be prepared to enter upon further discussion of the subject at any time when in the opinion of the President such discussion would be likely to produce results of value.

I have the honor to be,

With the highest consideration, sir, your most obedient, humble servant

humble servant, R. C. LINDSAY.

The Honorable Cordell Hull, Secretary of State of the United States, Washington, D.C.

THE SQUARE DEAL-ADDRESS BY SENATOR REED

Mr. HEBERT. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address delivered by the Senator from Pennsylvania [Mr. REED] on May 14, on the subject of The Square Deal.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE SQUARE DEAL

We have heard much in recent days about the old deal and much about the new deal. I want to speak to you for a few minutes about the square deal.

I have always regarded Theodore Roosevelt as one of our greatest Presidents. As a young man, he was to me something of a political idol. I was 17 years old when he organized the Rough Riders and started for the Caribbean. I was 20 when he first became President, upon the death of President McKinley. I first became active in politics in what has come to be known as the "Roosevelt era." Theodore Roosevelt, with his buoyancy, his fighting spirit, his idealism, was inevitably the idol of the young men of that day. It was natural that, along with others of my own age, I should have been influenced by the gospel which he preached, as well as by his personal example as a brave, clean citizen, a leader of men, and one who stood stanchly by the things in which he believed.

Later, as he reached the full peak of his powers, and as I in I have always regarded Theodore Roosevelt as one of our great-

Later, as he reached the full peak of his powers, and as I in turn matured and began to take a serious interest in public affairs, my admiration of Theodore Roosevelt, the man, increased

affairs, my admiration of Theodore Roosevert, the man, increased rather than diminished.

In thinking back I am sure that it was his strong sense of social justice, his habit of fighting for the under dog, which captured my enthusiasm and left me with the lasting impression that among all our Presidents, with their varied qualities of greatness, here was one who consistently fought for those things which he thought were right—for the square deal for every man. In doing so he exhibited a blend of warm human sympathy with hard-headed common sense rarely found in men who are known as reformers.

There have been other crusaders before and since; other reformers, other idealists, with a lofty vision of things as they ought to be. It was part of Theodore Roosevelt's greatness that he was able to look at things as they are, to accept humanity as he found it, and accepting the facts of human nature, do what he could to see that the strong did not trample the weak, and to introduce into politics a breath of fresh air which is sadly

needed.

In thinking of politics of today, of governmental trends, of policies, and of slogans, I am beginning to believe that what the country needs is a new vision of the square deal; a new birth of practical idealism, in which ideals will be tested by sound common sense. There is much about what has come to be known as the "old deal" that I do not like. There is a great deal about the new deal which I know is wrong in principle, unsound in practice, and dangerous in the hands of inexperienced experimenters. If we can take what we know to be sound from the old deal and add to it what we have found to be worthy in the new deal, and with common courage go forward toward the goal of deal and add to it what we have found to be worthy in the new deal, and with common courage go forward toward the goal of the square deal, in which each of us will think a little more of the other fellow and a little less of himself, and try a little harder to act unselfishly for the common good of the country as a whole, we shall have set the United States on the high road to a destiny greater than it has known.

All right, you say, but these are generalities. I grant you that they are. I am laying down a set of principles. We have thought and talked too much in terms of statistics. Statistics are imporand talked too much in terms of statistics. Statistics are important, but no nation was ever founded or saved by a statistical chart. The thing that matters is not how many hogs were slaughtered to raise the price of hogs, but that any hogs should be slaughtered and their carcasses destroyed while people are hungry. The thing which should concern us is not the exact number of unemployed as the fact that there are any unemployed and any who are in want in a country so rich as ours. Thinking in these terms, it is principles which count. So tonight, instead of talking, as I so often do, about the details of the tariff, or the processing taxes, or the billions of dollars given to the professors to spend on new experiments, I want to talk to you about some of the things which I think are wrong with us, and what ought to be done about it.

In the first place, I wonder sometimes whether we are not losing something of the strength of character which led our ancestors to leave their homes in Europe and come here to build a new home in a new country. I wonder whether we are not

a new home in a new country. I wonder whether we are not becoming soft. With a little thought we should see for ourselves that the real cure for our troubles is, as it always has been, hard work, self-denial, intelligent initiative, competition, recognition of the rights of others, and that sense of brotherhood which makes us willing always to feed and clothe the unfortunate, and to help the other fellow.

We have seen developing again a sectional spirit, a selfish spirit, which can never serve as a satisfactory foundation for national happiness. We have got to look inward less and outward more. Pennsylvania has got to think of Iowa and Iowa has got to think of Pennsylvania. We both have to think of Texas, and Texas has to remember that her markets are in the other States. Some has to remember that her markets are in the other States. Some States, like California, more self-contained than the rest, seem to get along pretty well by themselves, uninfluenced to the same extent as other States by the general business trend. But even California, self-contained though it is, is a part of the country as much as Massachusetts. We are all neighbors, after all, brought closer together each day by the speeding up of transportation and the interchange of ideas.

That means, of course, that all of us will have to think more and more as time goes on, not of Pennsylvania or Texas or Iowa or of California alone, but of the United States. For in the end the fate that overtakes the United States will overtake each State. We will stand or fall together.

the fate that overtakes the United States will overtake each State. We will stand or fall together.

I do not like the processing taxes of the new deal, for I know that they are unfair to the East, that they have placed an additional burden on the city dweller of small income who is least able to bear it, and that they will prove in the end to be a burden also on the farmer, and to hurt him because they will further lower the buying power of his city customers. You farmers who are listening to me tonight know that the farmers cannot prosper unless the cities prosper, and you city people who are listening know that the cities cannot prosper unless the farmers also prosper and are able to buy your goods. One trouble with us is that most of us seem to be trying to get all we can out of the rest of us, without realizing that the effect of uneven distribution, or of unequal taxation, is to injure all of us.

I do not like to see labor and capital engaged in a continuous clash. Capital should know that those who labor are those who buy, and labor should realize that unless capital is permitted to make a reasonable profit, there can be no industry on a large scale.

I see often, in riding the train between Washington and Philadelphia, great factory buildings standing empty and idle, their windows broken awaiting orders that never come giving emindows broken awaiting orders that never come giving emindows broken awaiting orders that never come giving emindows the come and capital empty and idle, their windows broken awaiting orders that never come giving emindows the come and capital empty and idle, their windows broken awaiting orders that never come giving emindows the come and capital empty and idle, their windows broken awaiting orders that never come giving emindows the come and capital empty and idle, their windows broken awaiting orders that never come giving emindows the come and capital empty and idle, their windows broken awaiting orders that never come giving emindows the come and capital empty and idle, the

I see often, in riding the train between Washington and Philadelphia, great factory buildings standing empty and idle, their windows broken, awaiting orders that never come, giving employment to no one—gone the way of those who fall to survive in the struggle for existence. I see working on the roads, men who were formerly employed in those factories. It may be that the factory owner and the factory labor were both responsible in part for this state of affairs. I do not know. But I do know that if the United States is to survive in the struggle with other nations, most of which have been launched since the war on a new program of industrial growth, we must begin to think of pulling together more and fighting less among ourselves.

What will it profit the capitalist if in fighting for an excessive profit he loses all his business? And what will it profit labor if

it wins all of its battles only to find that no one can make a profit and that people cannot buy?

Machinery is being invented every day to take the place of human labor. The men formerly employed in a glass factory in my own State of Pennsylvania begged me recently to vote for a tax on glass-making machines. If to do so would have helped them, I should gladly have voted as they asked. Instead, I was compelled to remind them that the same kind of glassware is made on the same kind of machines in European countries and made on the same kind of machines in European countries, and that if our machines are taxed and Europe's machines are not, even the men who run the machines in this country would be thrown out of work.

We provide a tariff law taxing foreign manufactures to protect American labor engaged in making similar products. We have greatly restricted immigration with the same end in view—to protect our own people in their work. We have in the United States the greatest self-contained empire in the world. Under normal conditions there is a wider diffusion of work and of wealth in the United States than in any other country. If we can prevent our tariff and immigration bars from being broken down in the interest of European and oriental immigrants and of European and est of European and oriental immigrants and of European and oriental goods, we will be able to work out our problems and get back on our feet. I do not like those policies of the new deal which threaten to weaken these two defenses against the attacks of foreign competitors and against the invasion of the United States by multitudes of immigrants with lower living standards than ours, each one of whom, if allowed to enter, would take the work or the business of some Americans. In speaking of the square deal I am thinking of our own people. The idealist may say it is not fair to the Chinese to keep them out of the United States. My answer to that is that it is not fair to the American people to let them in. I am trying to think as an American, and people to let them in. I am trying to think as an American, and as a Chinese.

I do not like the tendency so apparent in the policies of the pro-fessors to bring all industry and all labor, including agriculture, under the control of the Washington Government. I do not think Americans have lost entirely the love of liberty they inherited from their forbears

I do not want them to lose the feeling of freedom, which would surely be lost if we let the Government tell us, as the Soviet Gov-ernment tells the people of Russia, what work to do, where to do it, what to wear, what to eat, and what to think. I prefer to choose my own food and my own clothes, to work at the thing I like best, and to do my own thinking. I believe most Americans feel as I do. We are a free people, and we must remain free. I am sure that we will. I am sure that the American people will reject those policies and repudiate those leaders who seek to take away that freedom.

Badly off as we are, let no one tell you that conditions are better elsewhere. It is still something to be an American, as in ancient days it was something to be a citizen of Rome.

There is still more of opportunity in the United States than

anywhere else in the world.

There is more to be achieved in the United States than in any other country.

There are greater material rewards awaiting the man or woman who can find the key to unlock them.

There is a greater sense of justice, of humanity, of freedom, than in any other country.

There were abuses under the old deal which require correction.

They are being corrected.

There are abuses under the new deal which require correction. They will be corrected.

If we can strike a balance between the common sense of the old deal and the impractical theories of the new deal we will have rediscovered, as we must rediscover regularly in a changing civilization, the practical idealism of the square deal.

I would go neither to the left, in the direction of communism, nor to the right, in the direction of fascism. I do not want the United States ruled by a commissar, nor do I want it ruled by a Hitler or a Mussolini. I am against proletariat dictatorship no less than I am against capitalist dictatorship. A square deal for all the people is to be found only under a government in which all the people participate. Somewhere between the old deal and the new deal. I am satisfied that we Americans, if we dedicate ourselves to the task, will find again the square deal.

# THE NEW ERA-ADDRESS BY JAMES A. FARLEY

Mr. COOLIDGE. Mr. President, I ask permission to have printed in the RECORD an address by the Honorable James A. Farley, chairman of the Democratic National Committee, delivered today, Thursday, June 14, 1934, before the Democratic Preprimary Convention at Worcester, Mass.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, Governor, ladies and gentlemen, fellow Democrats, Mr. Chairman, Governor, ladies and gentlemen, fellow Democrats, I am delighted to be here in Massachusetts again. It is the first time I have had an opportunity to visit a strictly party group here since the election of 1932, and to thank in person the virile, vigorous, far-seeing, and loyal Democracy of this State who helped to make possible the election of President Franklin D. Roosevelt. It is a matter of great happiness to me to be here with you, and to tell you how much we in Washington respect the statesmanship, how much we appreciate the loyalty, how much we feel indebted for the service of your senior Senator, the Honorable David I. Walsh. He is an able and conscientious servant of the people of this great State and of the Nation. I hope that his services will

this great State and of the Nation. I hope that his services will long be given to the Nation with pride by the voters of this great American Commonwealth. To your junior Senators, the Honorable Marcus I. Coolinge, I desire also to pay my tribute, and to the Members of Congress whom you have sent to the National Capitol with the solution of your legislative problems.

We are standing today on a threshold of a new day—a new day for the people. That new day was enunciated boldly and clearly last Friday when in Washington a great message of hope and faith was transmitted to the Congress of the United States by one of the greatest liberal leaders of all history—our own President Franklin D. Roosevelt. I refer to his message on the subject of social insurance, land utilization, and housing, a threefold program for the future—a goal toward which, under his courageous leadership this great liberal party can now set its course.

the future—a goal toward which, under his courageous leadership this great liberal party can now set its course.

Here we have a stirring pronouncement—a banner unfurled to the cause of the average man and the average woman behind which all can march in solid phalanx to battle for the good of all.

Never before in our history has there been such wholesome promise for the American people. And the next Congress of the United States will successfully achieve the consummation of this three points regreat. I am sure.

Three-point program, I am sure.

I do not consider it necessary to review the vivid pageant of performance of this administration since President Roosevelt took performance of this administration since President Roosevelt took office on March 4, 1933. I do not consider it a part of my task to recite the various phases of the recovery program that lifted this Nation from its knees and brought it, right about, almost in the twinkling of an eye, to its feet, straight and erect, facing bravely and fearlessly the rising sun of a new deal.

It is ground-hog day for critics of the new deal. They come out of their holes to see a world still functioning, a sun still shining—their little eyes blinking in amazement. These fault-finding critics, dumb in terror a little over a year ago, are now summoning courage to speak out.

Business is improving, agriculture slowly is reviving, confidence is returning, millions of jobless men are marching back to work, and just as we begin to strike our stride on the march to full economic recovery we behold some old familiar figures in the

road urging us to go back.

Who are those solemn-faced gentlemen who warn us against the path of progress? They need no introduction, for they were notorious enough as the directing brains of the Hoover period

of suicide and soup.

There, warning us against Rooseveltian progress, are Mellons, the Millses, and the Watsons; the Wadsworths, the Fes

Mellons, the Millses, and the Watsons; the Wadsworths, the Fesses, and the Reeds; the Hales, the Walcotts, and the Austins; and all the rest of their reactionary cohorts. I count them the blackest reactionary group in the service of privilege in all the land today. They are the old guard of the old gang, and they have a past. In the closet of every mother's son of them is the skeleton of his record as an adviser of Mr. Hoover during the 4 years these most-superior gentlemen were engaged in the elimination of poverty and in putting two chickens in every pot.

With 4 years of the dreadful ruin behind them, and because of them, these critics now assume the pose of men who alone know what should be done today. Haven't we then a right to recall the condition of our country when government was directed by their collective and separate wisdom?

There is scarcely a single family between the seas that does not bear the scars of the suffering it underwent from 1929 until these critics passed from power.

And when the financial structure of the Nation was tottering, when industry was languishing, when agriculture was in bank-

when industry was languishing, when agriculture was in bank-ruptcy, when 14,000,000 breadwinners were denied their right to work, what had those pretentious and impertinent prophets and spokesmen of Hooverism to propose.

Where was their wisdom then?

I appeal now from the sophistry and quackery of these false prophets to the record of the ruin of their four long despairing

prophets to the record of the ruin of their four long despairing years of power.

You will remember the wildest and most greedy market speculation since the historic days of the Mississippi bubble. You will recall that powerful banks, custodians of people's hard-earned money, were so busy with speculation that they had no money to loan for legitimate business enterprise. You have not forgotten how that quack prosperity on paper, in which a few grew rich on the credulity of the many, was held forth as a proof of the capacity of these critics to rule. You must remember that instead of seeking to moderate the madness the Government, dominated by these critics, gave every possible encouragement to the debauch by issuing officially false and misleading statements; and you will remember the inevitable crash—for the page of history that records that tragedy will ever remain one of the blackest in our story.

You will remember—for you cannot forget such things in 18 months—the resulting crash of banks, crushing the hopes of millions whose life savings were thus swept away.

But, if you forget, the historian relentlessly will write of the

But, if you forget, the historian relentlessly will write of the effect of the blind and stupid policy that raised walls against foreign trade until market after market across the seas was closed to the product of our factories and fields; with ships left idle or operating at a collosal loss; with factories reducing their production in proportion to the loss of trade; with millions of industrial workers thrown into the street to exist on the crumbs of private

charity or to starve.

And in those days of despairful misery in this land of plenty, what single intelligent plan did the Mills, the Mellons, the Watsons, the Wadsworths, the Fesses, or the Reeds, the Austins, the

Wolcotts, or the Hales, or any of the minor figures in the mockery of present-day criticism, advance to meet the gravest crisis we have ever known?

I challenge contradiction—they did not advance a single idea.

have ever known?

I challenge contradiction—they did not advance a single idea. They were wells without water, and cupboards without bread. That is the reason, as you must vividly recall, that the most plaintive and persistent cry that rose from every quarter and every class was a call for leadership, and there was no answer from these pompous critics but the echo of that tragic cry.

Let me stir your memory again. Is it not true that this old guard of the old gang that now urges you back to the sterile days of Hooverism, sat dazed by the magnitude of the ruin their lack of policy had wrought, silent in their fear, twirling their thumbs, in the nervous apprehension of their utter helplessness?

Isn't it true that not one of them from Mellon and Mills down to Dave Reed and Jim Watson had the initiative or the courage to propose a plan, nor the honesty to concede their blunders? They sat in a state of moral inertia and mental paralysis, hoping against hope for something to turn up?

Isn't that your recollection of those halcyon days to which these impudent critics would invite you back?

But in justice to their mentality I sometimes wonder if they were as dumb as they seemed. I have sometimes thought that through their policies they had built up a system of privilege through which a small group waxed wealthy while the average man lost his birthright; and rather than correct the wrongs on which they thrived, they preferred to stand pat, in the desperate hope that the storm would pass, and with the system of privilege intact, the exploitation of the millions might go on.

At any rate, as you well know, the Mellons, the Mills, the Wadsworths, the Reeds, the Watsons, and the rest of them, when leadership was needed, had but one idea—stand pat! They could not even rise to the dignity of the corner medicine peddler, for the time came when they were ashamed to bank their cheap and tawdry wares.

And so they stood pat month by month throughout those tragic

And so they stood pat month by month throughout those tragic years, and you will remember how the army of the unemployed increased; how the bank failures constantly accelerated; how the bankruptcies of merchants multiplied; how hard-earned homes were swept away; how month by month more factory wheels stopped turning; how day by day the farmers were dispossessed; and how week by week, the line of the jobless lengthened, until the period of the leadership of those critics of Roosevelt came to be known as the period of starvation, suicide, and soup.

Who can forget that?

Who can forget that?

Remember, too, that as the gloom deepened into darkness, without one single voice of intelligent leadership raised to calm the all too legitimate fears of men, the entire Nation from banker to day laborer gave way to panic and despair.

And so you voted these "wise" men out of power—

Because you were tired of their selfishness.

Because you were tired of their blundering and bungling.

Because you were sick of their misrepresentations of conditions. Because you were through with their thumb twirling, waiting,

Because you were through with their thumb twirling, waiting, and watching for something to turn up.

Because under the inept leadership of the Mellons, the Mills, the Watsons, the Wadsworths, the Vandenbergs, the Austins, the Reeds, the Wolcotts, the Hales—a leadership stationary as a lamppost and as impervious to new ideas—we were moving at an accelerated speed toward utter ruin.

And remember this—you cannot possibly have forgotten—when these discredited leaders passed from power they left the Nation in dire danger of the most colossal financial catastrophe in human history.

And now for a moment let us leave these critics of Roosevelt creaking and recall the last 2 days of the regime for the return of which they have the audacity to ask.

Never had America sunk so low in despondency and despair as it was on the eve of the inauguration of Franklin D. Roosevelt. The Nation was set for tragedy. The financial structure of the country seemed trembling to its fall.

country seemed trembling to its fall.

Saturday noon Franklin D. Roosevelt had this appalling problem dumped into his lap by this selfish band of critics of today; Sunday found him grappling with the problem; and on Monday morning the country thrilled to the drastic courageous measure that he took to prevent a financial wreck.

And when, for the first time in 4 years, Americans heard the clear, strong voice of command at the head of the column, they took heart, lifted up their heads, and thanked God that at last they heard the confident voice of courageous, constructive, and honest leadership.

Isn't that true?

Not much more than a year has passed and what has the here

Not much more than a year has passed, and what has the harvest been?

vest been?

In the tremendous task of saving our civilization and institutions mistakes inevitably will occur, for man is mortal; but Roosevelt, with an open mind, can be counted on to correct them if he finds them. But one fact no one denies—business is on the upgrade again; and the engineers of ruin, the Mills, the Mellons, the Wadsworths, the Watsons, the Vandenbergs, the Austins, the Walcotts, and the Hales and the Reeds have the insolence to warn you against the peril of improvement.

Now that the old guard of the old gang is out of power confidence has been restored. Who denies that now?

The depositors in the banks feel safe; for by his reforms, unpardonably neglected for many years, Roosevelt has made banks safe.

ended—and Roosevelt has ended them.

Millions of jobless men are again employed—and Roosevelt's robust policies have put them back to work.

Cutthroat competition is controlled—and Roosevelt, in the interest of legitimate business, has controlled it.

The earnings of agriculture have increased, the shadow is slowly lifting from the farm—and Roosevelt's policies have put new heart into the tillers of the soil.

Yes; industry and commerce, plunging downward under the rule of the old guard of the old gang that criticizes now, is now climbing upward—and the new deal of Roosevelt has wrought the miracle.

More jobs, more wages, more earnings on legitimate investments, more confidence, more hope, more courage under Roosevelt; and, lo from the tomb a dismal sound—the impudent invitation of the Mellons, the Mills, the Wadsworths, the Reeds, the Vandenbergs, and the Watsons that we turn our backs on the rising sun and march with them back into the black caves where we dwelt in hopeless misery through 4 never-to-be-forgotten years.

hopeless misery through 4 never-to-be-forgotten years.

Do you remember—you must remember—how the silly Pollyanna assurances that conditions were improving when the blind could see that they were growing worse, finally were greeted with cries of derision? And how the quack promise reiterated constantly as the night grew darker that prosperity was "just around the corner", was hooted into silence?

Such was the leadership to which you are invited to renew allegiance—a leadership too blind to see, too ossified mentally to think, too paralyzed to act, too weak and fearful to face and tell the truth.

Isn't that your recollection?

Isn't that your recollection?

What suits you best—Hoover misery and disaster or Rooseveltian progress and hope?

Which would you prefer—to stand pat with these reactionaries for privilege for a few, or to move forward with Roosevelt to a sounder and more equitable prosperity than we have ever had before?

Where do you stand—with the dead past or the living present and the glowing future?

Are you ready for the question?

## PARTICIPATION BY UNITED STATES MARINE BAND IN VARIOUS REUNIONS

Mr. REYNOLDS. Mr. President, I ask unanimous consent that the vote by which the bill (H.R. 9145) to authorize the attendance of the Marine Band at the National Encampment of the Grand Army of the Republic to be held at Richester, N.Y., August 14, 15, and 16, 1934, and at the National Convention of the Disabled American Veterans of the World War, to be held at Colorado Springs, Colo., during the first week in July, was ordered to a third reading and passed be reconsidered so that I may offer an amendment.

Mr. ROBINSON of Arkansas. Mr. President, what is the status of the bill?

The VICE PRESIDENT. The bill was passed on yes-

Mr. ROBINSON of Arkansas. Has it gone to the House of Representatives?

The VICE PRESIDENT. It is still in the Senate.

Mr. ROBINSON of Arkansas. Very well. I have no objection.

The VICE PRESIDENT. Is there objection to the request of the Senator from North Carolina? The Chair hears none, and the vote by which the bill was ordered to a third reading and passed is reconsidered.

Mr. REYNOLDS. Mr. President, I offer the following amendment.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 1, after the amendment on line 7, to add the words "and the annual convention of the Thirtieth Division of the American Expeditionary Forces, to be held at Asheville, N.C., on September 28, 29, and 30, 1934."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from North Carolina.

The amendment was agreed to.

The VICE PRESIDENT. The clerk will state the second amendment offered by the Senator from North Caro-

The CHIEF CLERK. In the second section, after the word "encampments", to insert the words "and conventions".

The crooked speculations of banking institutions have been and to strike out "\$7,700" and to insert in lieu thereof "\$11,000."

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to authorize the attendance of the Marine Band at the National Encampment of the Grand Army of the Republic to be held at Rochester, N.Y., August 14, 15, and 16, 1934, and at the National Convention of the Disabled American Veterans of the World War to be held at Colorado Springs, Colo., during the first week in July, and at the annual convention of the Thirtieth Division of the American Expeditionary Forces, to be held at Asheville, N.C., on September 28, 29, and 30, 1934." PAYMENTS UNDER SETTLEMENT OF WAR CLAIMS' ACT-CONFERENCE

REPORT

Mr. KING submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H.J.Res. 325) extending for 2 years the time within which American claimants may make application for payment under the Settlement of War Claims Act of 1928 of awards of the Mixed Claims Commission and the Tripartite Claims Commission and extending until March 10. 1936, the time within which Hungarian claimants may make application for payment under the Settlement of War Claims Act of 1928 of awards of the War Claims Arbiter having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 1, and the Senate recede from its amendment to the title.

That the House recede from its disagreement to the amendment of the Senate numbered 2 with an amendment as follows: Restore the matter proposed to be stricken out by the Senate amendment, and on page 2, lines 4 and 5, of the House joint resolution, strike out "paragraph (h) of subsection (2)" and insert "subsection (h)"; and the Senate agree to the same.

WILLIAM H. KING, WALTER F. GEORGE, JAMES COUZENS, Managers on the part of the Senate. R. L. DOUGHTON, SAM. B. HILL. THOS. H. CULLEN, ALLEN T. TREADWAY, ISAAC BACHARACH, Managers on the part of the House.

Mr. KING. Mr. President, I move that the Senate proceed to the consideration of the conference report.

The motion was agreed to.

Mr. KING. I move that the conference report be agreed to.

The motion was agreed to.

# CONTROL OF COTTON PRODUCTION

Mr. HAYDEN. Mr. President, I move that the Senate Committee on Agriculture and Forestry be discharged from the further consideration of the joint resolution (S.J.Res. 138) to amend an act entitled "An act to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes" (Public, No. 169, 73d Cong.), approved April 21, 1934.

Mr. President, when the Bankhead cotton-control bill was under consideration by the Senate the Senator from California [Mr. Johnson] offered an amendment, which was agreed to, fixing the quota of that State at 200,000 bales. I also offered an amendment, which was agreed to, affecting cotton having a staple of 11/2 inches or longer. Both amendments have been misinterpreted by the Department of Agriculture, to the detriment of our two States.

The author of the bill, the Senator from Alabama [Mr. BANKHEAD], and the coauthor of the bill, who is a Member of the House of Representatives, have both agreed that this joint resolution should be enacted, so as to carry out the original intent of the Cotton Control Act.

The joint resolution was drafted in the Department of Agriculture and is endorsed by the Secretary of Agriculture. I ask that it be read.

The PRESIDING OFFICER. Without objection, the joint resolution will be read.

The joint resolution was read, as follows:

Resolved, etc., That the act entitled "An act to place the cotton industry on a sound financial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes" (Public, No. 169, 73d Cong.), approved April 21, 1934, is hereby amended by adding at the end thereof the following new section:

1934, is hereby amended by adding at the end thereof the following new section:

"SEC. 25. (a) No tax-exemption certificates shall be issued to any person not engaged in production of cotton in the crop year during which such certificates are issued.

"(b) Whenever after apportionment under sections 7 and 8 any surplus number of bales remain of the amount allotted to any county under section 5 (b) such surplus bales shall be allotted, in such quantities as the Secretary of Agriculture determines, to such other counties within the State as the Secretary of Agriculture determines have an insufficient allotment. Said bales shall be apportioned, pursuant to sections 7 and 8, within the respective counties to which allotted, but in no case shall any farm receive any of such allotment so as to receive a total allotment in excess of its estimated production for the crop year in which such allotment is made.

in which such allotment is made.

"(c) In computing the production of any State pursuant to section 5 (a) the total production of cotton for such State in the 5-year period 1928-32, inclusive, shall be used regardless of the length of staple of such production."

Mr. KING. Mr. President, because there was objection to the cotton-control bill when it was pending in the Senate, I ask the Senator whether this joint resolution clarifies the bill?

Mr. HAYDEN. It does.

Mr. FESS. Mr. President, I think I shall have to call for the regular order, unless this is very important

Mr. HAYDEN. Mr. President, the joint resolution is thoroughly understood, and it is agreeable to the Chairman of the Committee on Agriculture and Forestry that the committee be discharged from the further consideration of the joint resolution.

Mr. FESS. Very well. Let it be acted on.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arizona that the Committee on Agriculture and Forestry be discharged from the further consideration of the joint resolution.

The motion was agreed to.

Mr. HAYDEN. Mr. President, I ask now that the Senate proceed to the consideration of the joint resolution.

There being no objection, the Senate proceeded to consider the joint resolution, which was ordered to be engrossed for a third reading, read the third time, and passed.

# W. W. BRUNSWICK

Mr. COPELAND. Mr. President, several years ago I introduced into the RECORD certain material which was thought to be a criticism of Mr. W. W. Brunswick, recently of the American Consular Service. I have received a letter from Mr. Huston Thompson, which he has requested me to have printed in the RECORD. In view of the fact that this is a reply to material which I put into the RECORD, which might be deemed a criticism of Mr. Brunswick, I am very happy indeed to ask consent of the Senate to insert the letter in the RECORD.

The VICE PRESIDENT. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C., May 24, 1934.

Hon. ROYAL S. COPELAND.

United States Senate, Washington, D.C.

My Dear Senator: This letter is in response to a recent interview had with you by Mr. W. Brunswick, recently of the American Consular Service, in which you suggested a method of

procedure relative to correcting the effect of certain damaging statements that had been made against Mr. Brunswick and inserted in the Congressional Record.

Pursuant to his official duty, on April 29, 1931, Mr. Brunswick, our consul in Barbados, British West Indies, made a confidential world-trade directory report to the Department of State touching on the general business reputation of one Victor Parravicino, a resident of the Barbados, engaged at the time in the commission business, the operation of a hotel and bar, and other enterprises. Parravicino obtained a copy of Mr. Brunswick's report and instituted suit in the Supreme Court of the District of Columbia against Mr. Brunswick and the surety on his bond. While this suit was pending there was published in the Congressional Record on January 19, 1933, certain printed and written matter, to which, under all the rules of fairness, Mr. Brunswick should have been entitled to reply. No reply was made at the time for the reason that Mr. Brunswick believed the litigation should be tried in the courts only.

The case came on for hearing in the Supreme Court of the District of Columbia and was thrown out on the pleadings. It District of Columbia and was thrown out on the pleadings. It was then appealed by Mr. Parravicino to the Court of Appeals of the District of Columbia, and on February 5, 1934, this court after a hearing handed down an opinion affirming the judgment of the lower court and sent the case back for dismissal. Inasmuch as the matter published in the Congressional Record reflected seriously on the character of Mr. Brunswick and his honesty of purpose, and in view of the fact that the action of Mr. Brunswick, I am making the suit is a complete vindication of Mr. Brunswick, I am making the request that if it is possible you will have this statement published in the Record. This is only fair in view of the fact that the charges of Mr. Parravicino disrupted a consular career of 25 years of honest and faithful service.

Among the matters published in the Congressional Record on January 19, 1933, was a World Trade Directory Report, by J. C.

January 19, 1933, was a World Trade Directory Report, by J. C. Dorr, the consular successor of Mr. Brunswick in the Barbados, which report was accepted without question by the Department and placed on file in the State and Commerce Departments. We

which report was accepted without question by the Department and placed on file in the State and Commerce Departments. We have made an investigation of this report, and do not hesitate to say that it was filled with gross inaccuracies. The worst feature about it was that it was used as a basis for a complaint before the Department against Mr. Brunswick. The fact is that Mr. Brunswick's report was a very fair statement, while the Dorr report showed partiality and unfairness.

The result of all this action against Mr. Brunswick was that charges were brought against him before the personnel board of the State Department, and he was finally offered the alternative of being discharged or being retired on a very small pension after a physical examination. On my advice, because the litigation was not then settled, he accepted the latter way out. As a result of all of this unfair action against Mr. Brunswick, he has suffered in mind and body and has had a heavy loss financially.

I may say that, together with other attorneys, I have represented Mr. Brunswick in this matter without any retainer or any consideration whatsoever, and solely for the reason that his case appealed to me so strongly and I felt he had been so outrageously treated. As one of the steps in remedying the injustice done to him I am asking that, if possible, this statement may be incorporated in the Congressional Record as in part a corrective of the serious charges that were made against him in the aforesaid article that appeared in the Record in 1933.

Cordially yours,

Cordially yours,

HUSTON THOMPSON.

# DISTRICT LIFE-INSURANCE CODE

Mr. WAGNER obtained the floor.

Mr. KING. Mr. President, will the Senator yield to me?

Mr. WAGNER. I yield.

Mr. KING. Mr. President, I desire to ask a very great favor of the Senate.

For a number of years we have been very much interested, in the District of Columbia, in having enacted a suitable bill dealing with life-insurance companies, and, failing to get such a measure, many frauds have been committed on stockholders in some of the corporations and those who had insurance policies have been robbed.

Several years have been spent by competent lawyers and competent insurance representatives of the District of Columbia, and they have drafted a measure which meets all objections and meets the desires and wishes of the insurance commission of the District and of the District Commissioners. It passed the House practically unanimously, and it was given great attention by Representative HARLAN, who spent many months in the consideration of the bill. The District Committee yesterday unanimously recommended the passage of the bill.

Mr. FESS. Mr. President, I shall not object to this, but I will object to anything else until we get on with the bill which is the unfinished business.

Mr. KING. The only reason why I am so anxious about this is that it is a long bill and will have to be engrossed.

The VICE PRESIDENT. The Chair has recognized the Senator from New York. The Chair understands that the Senator from New York yielded to the Senator from Utah for the purpose of asking unanimous consent for the consideration of a bill.

Mr. KING. Yes.

The VICE PRESIDENT. Is there objection?

Mr. LA FOLLETTE. Mr. President, when was the bill reported?

Mr. KING. It was reported today.

Mr. LA FOLLETTE. Will not the Senator let it go over until tomorrow morning?

Mr. KING. I shall have to do so.

PROTECTION OF TRADE AND COMMERCE AGAINST INTERFERENCE BY VIOLENCE, THREATS, ETC.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2248) to protect trade and commerce against interference by vio-Ience, threats, coercion, or intimidation, which was to strike out all after the enacting clause and insert:

That the term "trade or commerce", as used herein, is defined to mean trade or commerce between any States, with foreign nations, in the District of Columbia, in any Territory of the United States, between any such Territory or the District of Columbia and any State or other Territory, and all other trade or commerce over which the United States has constitutional jurisdiction.

Sec. 2. Any person who, in connection with or in relation to any act in any way or in any degree affecting trade or commerce or any article or commodity moving or about to move in trade or

commerce

(a) Obtains or attempts to obtain, by the use of or attempt to (a) Obtains or attempts to obtain, by the use of or attempt to use or threat to use force, violence, or coercion, the payment of money or other valuable considerations, or the purchase or rental of property or protective services, not including, however, the payment of wages by a bona fide employer to a bona fide employee; or (b) Obtains the property of another, with his consent, induced by wrongful use of force or fear, or under color of official right; or (c) Commits or threatens to commit an act of physical violence or physical injury to a person or property in furtherance of a plan

(c) Commits or threatens to commit an act of physical violence or physical injury to a person or property in furtherance of a plan or purpose to violate sections (a) or (b); or (d) Conspires or acts concertedly with any other person or persons to commit any of the foregoing acts; shall, upon conviction thereof, be guilty of a felony and shall be punished by imprisonment from 1 to 10 years or by a fine of \$10,000, or both.

SEC. 3. (a) As used in this set the term (\*\*Transpired\*\*)

SEC. 3. (a) As used in this act the term "wrongful" means in violation of the criminal laws of the United States or of any State

or Territory.

(b) The terms "property", "money", or "valuable considerations" used herein shall not be deemed to include wages paid by

a bona fide employer to a bona fide employee.

SEC. 4. Prosecutions under this act shall be commenced only upon the express direction of the Attorney General of the United

SEC. 5. If any provisions of this act or the application thereof to

SEC. 5. If any provisions of this act or the application thereof to any person or circumstance is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

SEC. 6. Any person charged with violating this act may be prosecuted in any district in which any part of the offense has been committed by him or by his actual associates participating with him in the offense or by his fellow conspirators: Provided, That no court of the United States shall construe or apply any of the provisions of this act in such manner as to impair, diminish, or in provisions of this act in such manner as to impair, diminish, or in any manner affect the rights of bona fide labor organizations in lawfully carrying out the legitimate objects thereof, as such rights are expressed in existing statutes of the United States.

Mr. COPELAND. Mr. President, I should like to call the attention of the Senator from Indiana [Mr. Robinson] to this matter. This bill passed the Senate and went to the House, and the provisions in the bill which were criticized have been corrected by the amendment. Therefore, if it is agreeable to the Senator from Indiana to withdraw his proposal for a reconsideration, I will ask that the Senate concur in the amendment of the House.

Mr. ROBINSON of Indiana. Mr. President, I asked for a reconsideration originally because those interested in American labor were opposed to the bill as it was drafted. should like to ask the Senator from New York now whether or not labor is satisfied with the bill?

Mr. COPELAND. I am assured by the Attorney General that the Federation of Labor is now satisfied.

I move that the Senate concur in the amendment of the House.

The motion was agreed to.

# RAILROAD EMPLOYEE'S RETIREMENT SYSTEM

The Senate resumed the consideration of the bill (S. 3231) to provide a retirement system for railroad employees, to provide unemployment relief, and for other purposes.

Mr. WAGNER. Mr. President, I desire briefly to address

the Senate upon the pending legislation.

The VICE PRESIDENT. The Senator from Ohio [Mr. FESS] has given notice that he will object to the consideration of anything except the pending business. He has called for the regular order, which is the bill before the Senate.

Mr. WAGNER. Mr. President, I desire to address the Senate briefly upon the pending legislation. To begin with, I should like to pay a tribute to the chairman of the subcommittee which had this legislation under consideration. I am sure my colleague, the Senator from West Virginia [Mr. HATFIELD], who, together with myself, introduced this legislation, will concur in that tribute. I am sure that if it were not for the indefatigable services rendered by the junior Senator from New Hampshire [Mr. Brown] as chairman of the subcommittee it might very well be that this legislation would not now be before us for consideration.

Mr. HATFIELD. Mr. President, I will say that I heartily concur with the distinguished Senator from New York in commending the great efforts put forward by the chairman of the subcommittee, the junior Senator from New Hampshire [Mr. Brown]. It is due to his continual work that it has been possible to report the legislation at this time.

Mr. WAGNER. Mr. President, insurance for the aged is one public measure not subject even to the shallow objections that have balked other proposals for social legislation in this country. Popular fancy may be caught temporarily by the plea that a man is unemployed because he is shiftless, or that he has met with an accident because he is careless; but old age, while not a certainty in any particular case, is not a preventable evil.

In this country the falling birth rate and the increase in the average span of life have constantly enlarged the number of people who pass the mark of 65 years. In 1850 only 2.5 percent of the total population were old in this sense; today the figure stands at 5.5 percent, while in numbers the change has been from 600,000 to 6,500,000. It is competently estimated that within 40 years about 20,000,000 people in this country will be over 65 years of age.

As the machine age takes the place of the craftsman, it is becoming more and more difficult for the old person to find a place in industry. In consequence over 5,000,000 of them today are dependent upon others for their support.

A very small proportion of these unfortunates find their way into private homes for the aged. But such institutions are very scarce and are open only to those who are not dependent in the ordinary sense. Then there is the public poorhouse, which certainly cannot be considered a rainbow at the end of the trail of the worn-out worker. The vast majority of the aged, however, are supported by younger members of their own families.

It is this latter type of support which has constituted the chief argument against old-age pensions. The cry of preserving family solidarity has been prolonged and widespread, but its effectiveness is diminishing day by day. The young family living upon a modest income is not benefited by supporting old dependents. The strain destroys morale and breeds subtle animosities. It is equally certain that the person who has become too old to work does not live happily when he is a burden upon his loved ones, while the last 10 or 15 years of active working life are often blighted with the fear of coming dependency.

Next is heard the argument that old-age dependency results from lack of thrift. But no one who has made a study of the average family income in the United States would claim that it is sufficient to afford protection against old age. The young and eager individuals cannot be asked to deny themselves the necessities and small pleasures of life in order to provide for long years of old age which they may never face. If 85 percent of our old people have been guilty of lack of thrift, then this is the common human failing which should be recognized and guarded against; and social insurance in truth is not a substitute of thrift but the application of thrift principles on a Nation-wide scale and on a sound scientific basis.

Finally, one must meet the argument that public relief for the aged would cost too much. This neglects the very obvious truth that the aged represent a burden upon society, no matter in what manner it is paid. They are not taken out and slaughtered, along with underdeveloped children, as was done in some earlier and more ruthless civilizations. At present this cost is a double burden because of the uncertain, haphazard, and slipshod manner in which it is handled. It is a drain upon the economic, physical, and nervous resources of the young who happen to be burdened excessively. It is a strain upon industry which is forced to carry along people who are too old to do first-class work and too worthy and loyal to discharge.

In this connection there is a direct relationship between the problem of old-age pensions and the relief of unemployment. Quite aside from the present depression, we face a technological situation in the foreseeable future when from four to six million people of youth and able bodies will be unemployed during so-called "normal times." A large proportion of these could be drawn into industry if places could be made by the withdrawal of those who are older and less efficient and who deserve and want a few years of rest.

I believe that a Nation-wide and general system of oldage protection should be devised speedily. Under the leadership of our socially minded President, such will undoubtedly be the case. But, in the meantime, nothing could be more helpful than the establishment of a system in a single compact industry which will serve as a laboratory for experiment. The railroads are peculiarly adaptable to this initial undertaking. They have, on the whole, a relatively high-paid class of workmen who can afford without self-denial to undergo the charges of compulsory savings. They are by custom and function well suited to Federal supervision and guidance. Finally, they afford to the public one of the most dramatic examples of the public dangers involved in having older and less alert people in charge of operations.

This bill, S. 3231, provides for an adequate system of retirement pensions for all employees on all transportation facilities subject to the Railway Labor Act.

It provides that any employee may retire upon reaching the age of 65 and having served for 5 years, or after 30 years of service. While retirement is compulsory at 65, it may be extended for yearly periods up to 70 years by mutual consent of employer and employee.

Upon retirement an employee shall receive a monthly annuity payment equivalent to 2 percent of his monthly compensation multiplied by the number of years that he has served. Monthly compensation is defined as the average monthly compensation during the entire period of service, whether regular or intermittent, and whether served in whole or only in part after the passage of this act. In no event, however, is any part of an employee's wage over \$400 per month to be considered in calculating either his contributions or his annuity, and in no event shall the annuity exceed 75 percent of his monthly compensation.

The bill, therefore, as it properly should, gives promise of relief to men who are now old and near the end of their service, as well as to those who are just beginning to work. However, to prevent an excessive windfall going to the older men, the bill provides that in their case the annuity shall not exceed 60 percent of their monthly compensation and that this percentage shall be reduced by 4 percent for each year the worker is under 65 when he retires. This reduction based upon age, of course, will not be applicable if the retirement is due to disability rather than volition.

If any employee dies before or after retirement, his estate shall be entitled to receive whatever sums he has paid in, compounded at 3 percent interest, less whatever annuity payments he may have received.

To provide funds for the pension system each employee is to make a compulsory contribution deducted from wages equal to 2 percent of his compensation. The employer will have to match this by a sum exactly twice as great. The board created by the bill is empowered to raise or lower the rate of contribution in order to provide the proper amount to pay the expenses of annuities and other disbursements on a current income and outgo basis.

All funds collected under the bill are to be earmarked in the United States Treasury under a "railroad retirement fund", and may be invested in obligations of the United States

The board is also empowered to consolidate existing private pension systems with the new system in whatever manner is acceptable to all the parties involved. But if any party is not willing to concede to this, the new system will go into full force nevertheless. At the same time, if any existing system provides greater benefits than the one set up by the bill, the greater benefits shall not be disturbed.

To administer the bill a board of 3 members is established comprising 1 representative of employers, 1 of employees, and 1 of the general public. The board is empowered to take all action, make all regulations, and institute all proceedings necessary to give effect to the law. The orders of the board shall be enforceable in the United States district courts.

Sufficient sanctions are provided. Any employer or employee who is guilty of substantial misrepresentation in connection with the administering of the act is subjected to a fine not exceeding \$10,000 or to imprisonment not exceeding 1 year. In addition any employer who is willfully delinquent in his contributions may have imposed upon him an additional contribution tax of 1 percent of his required payments for each month the payment is delayed.

The purposes and promises of the bill are manifold. It will afford unemployment relief by removing the older men from service and creating opportunities for the young. It will create efficiency and thus benefit employers and the public by refreshing the service with young and active people. It will help the railroads by removing from their pay rolls and putting on a pension basis people who have outlived their usefulness and who are being carried along as an act of charity. Most important of all, it blazes the way for full treatment of the problem of old-age security, which has been met in every other great industrial country and which there is no reason or excuse for neglecting in our own.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee. The Chair understands the Senator from Rhode Island [Mr. Metcalf] has some amendments to offer to the amendment of the committee. Under the parliamentary rule he may now offer those amendments to the committee amendment. The Senator from Rhode Island is recognized for the purpose of offering his amendments.

Mr. METCALF. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The Senator from Rhode Island offers an amendment to the amendment of the committee, which will be stated.

The Legislative Clerk. It is proposed, on page 15, to amend section 1, paragraph (a), of the committee amendment, so as to read:

The term "carrier" means any carrier by railroad, express company, sleeping-car company, or other operator of transportation facilities or any subsidiary or auxiliary services used by or operated in connection with any such carrier.

Mr. METCALF. Mr. President, I am heartily in favor of legislation which will bring security in old age to the persons who devote their lives to railroad transportation. I feel that this proposed legislation is right in principle, and that we should do something to bring about a uniform system of retirement. However, I feel that this is hurried legislation, prepared without accurate knowledge of what it will cost

of a thoroughly studied plan of organization.

It is significant that the Federal Coordinator of Transportation, Mr. Eastman, has expended some \$300,000 for the purpose of studying a retirement system for the railroads. Preliminary studies have been made but Mr. Eastman has had no opportunity to make a summary of his findings and report to the Congress. It has not been possible for the proponents of this bill to prepare an accurate actuarial, for such an actuarial would cost not less than a half million dollars and would take many months to prepare.

Coordinator Eastman appeared before both the Senate and House committees and opposed this bill on the ground that it was premature. He agrees with me and with members of the committee that such legislation is desirable, but he feels, as I feel, that a pension system which is ill-advised and not carefully constructed will endanger the possibility of a wellrounded, permanent, and secure system. His testimony before the House committee, which covered some 28 pages of objections to a basically similar House bill, are summed up in his own language as follows:

Summing up, my conclusions are that while better provision for retirement annuities for railroad employees is very desirable from every point of view, H.R. 9596 is subject to the following criticisms:

1. The provisions of the bill in important respects are not clear, would be difficult and expensive to administer, and would breed much controversy and litigation.

2. In certain respects the provisions of the bill would discriminate unfairly between individuals and also between classes of

3. The estimates of cost to both the companies and the em-3. The estimates of cost to both the companies and the employees which are given in the report of the Senate committee are much too low. The annuities which would become payable would be considerably larger both in individual amount and in total volume than the framers of the bill have apparently anti-

4. The bill is frankly based on the principle of securing knowledge as to all that may be involved and the results after the system of retirement annuities goes into effect rather than before, and making subsequent adjustments in the light of the knowledge acquired as the result of actual experience.

No annuities will become payable under the bill prior to January 1, 1935, and they may be held up longer by litigation which the bill will invite. Before that date I shall be able to present the bill will invite. Before that date I shall be able to present to the Congress the results of the survey which has been made, including actuarial analyses of the data, and to present a plan definitely adjusted to the facts so ascertained. I hope and expect that it will be possible to include in this plan, also, provision for unemployment benefits, placement service, and dismissal wages under certain conditions. In the circumstances I am of the opinion that it is desirable to suffer this comparatively short delay rather than to adopt a measure having the imperfections of the one before you. In the meantime, the present railroad pensions will continue in operation and will protect the situation to

I understand that some 90 percent of the railroads already have a pension system.

Coordinator Eastman has completed a survey of approximately 400,000 railroad employees. Over half of these had left the service prior to the date on which the survey was made: and from this great mass of information, for which the United States Government has paid \$300,000, it should be relatively easy to construct a plan for a retirement system that would be both sound and desirable.

In the first place, Mr. Eastman declares after a thorough study of preliminary figures drawn from his survey that the estimates of the cost of this bill are much too low. There is no way under the sun to tell accurately what assessment will be necessary to carry the load during the next 4 years. This is an experimental period. These 4 years will be used for the purpose of rounding out a pension system, and in a large degree for duplicating the work already done by Coordinator Eastman with money contributed by the Govern-

This pension system is built on an estimate of an average of \$1,600 income for retirement purposes for each railroad employee. From the studies already made by Coordinator Eastman he estimates that \$2,000 is a much more accurate average. As a consequence of this, it would appear that the 2 percent per year annuity which would be paid to retired workers is too high to yield the fair amount which the proponents of this bill desire. On a basis of 11/2 percent, the

either the railroad or the employee, and without the benefit | average pension would be \$75 per month. On the basis of 2 percent, as in the bill, and under the estimates of the proponents of the bill, this pension would be \$83.33 per month.

I feel that a pension system for the railroads is just and that it should be permanently installed. However, we should not risk a system which might fail from its own topheaviness, but we should start conservatively by allowing the board to make its studies, install a wide-spread and conservative system, and report to the Congress as soon as possible, in order that we might redraft legislation for a permanent, satisfactory system. We should start out with a pension system which would pay retired employees 11/2 percent per year of their average pay instead of 2 percent, and then increase this, should it become necessary, in the next Congress. This would assure the railroads and the employees that the assessments which will be necessary to cover the cost of this bill will not be greatly increased during this experimental period and will lessen the danger of our building up a topheavy system. I feel that 2 years should be sufficient for this experimental period.

I also feel that this system should be extended beyond the railroads, to include all common carriers. It would seem inconsistent for the Congress to authorize a retirement system for the railroads and ignore the employees of their competitors. The persons who engage in bus and water transportation are engaged in equally hazardous occupations, and in occupations which are in the interest of the general welfare.

While I feel, as Coordinator Eastman feels, that we should wait another 6 months until we have complete actuarials, so that the matter of cost to both employees and railroads might be accurately determined, I am so heartily in sympathy with the principle of pensions that I am going to content myself by offering what I believe to be perfecting amendments to the bill. These amendments are drawn in the light of more recent information, taken from the preliminary surveys made by the Government.

I have had no opportunity to give a thorough study to this material, as it did not become available until about 2 days ago. However, I have the 28-page statement of Coordinator Eastman, which came into my hands this morning, and which would appear to boost the probable cost of this pension system by a great amount. Consequently we should move with caution in order not to jeopardize a fair and permanent retirement system which would be desirable for the railroads and employees alike.

Mr. DILL. Mr. President, what is the purpose of the amendment which the Senator has offered?

Mr. METCALF. The bill covers only the organizations subject to the Railway Labor Act, together with their subsidiaries. If we are to inaugurate a pension system, why not extend its benefits to the employees of other common carriers who are engaged in equally hazardous occupations, and whose retirement likewise would make jobs for other people? It is unfair to enforce a retirement system on railroads and exempt their competitors from such a system.

Mr. President, I thought I would telegraph to the presidents of four or five of the railroads in the North, South, East, and West, asking their views on this subject. Here is a reply I received from the president of the Union Pacific, at Chicago. I did this only a day or two ago.

CHICAGO, ILL., June 12, 1934.

Hon. JESSE H. METCALF.

United States Senate. Your wire date our objection to the pending railroad pension bill is that it immediately forces upon the railroads a very heavy expense without reliable actuarial information as to extent of liability. Such a study is now in progress under direction Federal Coordinator of Transportation with funds appropriated by C.W.A.; Mr. Eastman's testimony before committee estimated that annuity payments 1935 would be \$91,000,000, rising rapidly to \$136,000,000 in 1938.

Upon basis provided in bill as applied to 1933 pay rolls railroads would contribute \$56,000,000 and employees \$28,000,000. So plan would start with a certain deficit of \$7,000,000 next year, rising to \$52,000,000 with 4 years. Pensioners would either be deprived of full amount of annuities of railroad and employee contribution would be practically doubled. The amounts given above are in addition to the amounts paid by the railroads now to pensioners which are not illiberal in the great majority of cases. which are not illiberal in the great majority of cases.

As we understand President has advised Congress he expects to present study and recommendation of a somewhat similar nature with respect to all industries and which will be supported by actuarial studies it would be most unfortunate to have one branch of industry now singled out and without sufficient information subjected to arbitrary treatment upon a basis which might prove exceedingly embarrassing by comparison when the whole subject of industrial annuities is considered. We earnestly urge that Congress delay any action until it can have advantage of Mr. East-

C. R. GRAY, President Union Pacific Railroad.

The figures stated in this telegram will make us all realize that it might be necessary at this time to increase passenger and freight rates.

Mr. President, I sent a telegram also to Daniel Willard, president of the Baltimore & Ohio Railroad, and his reply is as follows:

BALTIMORE, Mp., June 12, 1934.

United States Senate:

Your message this date just received. Am in favor in principle of a suitable pension plan for railway employees. Baltimore & Ohio Co. has maintained such a plan at its own expense for nearly 50 years. I am not in favor of the Wagner-Hatfield pennearly 50 years. I am not in lavor of the Wagner-Hatheit pension bill, referred to in your message, because, as I understand it, I think it places too great and unnecessary a burden on the cost of rail transportation. I venture to suggest that it might be well, before taking final action on the matter, to await results of very thorough investigation which Federal Coordinator of Transportation is making of this same subject. Am quite certain that data which he is accumulating will throw more light upon the matter than any investigation heretofore made in that connection than any investigation heretofore made in that connection.

DANIEL WILLARD,
President Baltimore & Ohio Railroad.

Mr. President, I have another rather long telegram, which I read as follows:

New York, N.Y., June 12, 1934.

NEW YORK, N.Y., June 12, 1934.

Jesse H. Metcalf,

United States Senate, Washington, D.C.

Greatly appreciate your inquiry requesting my views Wagner-Hatfield pension bill. So far as I know all railroad executives are and necessarily must be opposed to it because it would involve an utterly crushing financial obligation completely beyond any visible capacity of the carriers. At present railroads are paying approximately \$26,000,000 a year in pensions and pending bill would superimpose on existing burden an additional payment by them of more than \$80,000,000 in the first year. A careful review of the provisions of this bill forces the conclusion that it will be devastating to the railroad industry. Federal Coordinator of devastating to the rallroad industry. Federal Coordinator of Transportation now engaged in exhaustive analysis of whole subject, and it is respectfully and earnestly urged that no pension legislation be enacted pending more deliberate consideration including Coordinator's report. Manifestly present financial condition of carriers cannot be overlooked, and it is submitted that legislation that would tax them beyond endurance is neither timely, constructive, nor in public interest.

F. E. Williamson

President New York Central Railroad.

I have another long telegram here, from W. R. Cole, president of the Louisville & Nashville Railroad. When I sent out my telegrams, I tried to send them north, south, east, and west, so that I would get a general idea of what the presidents of the railroads all over the country thought of the proposed legislation. Mr. Cole's telegram is as follows:

Louisville, Ky., June 12, 1934.

Hon. J. H. METCALF.

Senate Office Building: Your wire date for your information I quote the following telegram which under date of May 29, 1934, I addressed to Senators from Kentucky, Tennessee, and Alabama: "May I not urge that you oppose the passage of the substitute for Senate urge that you oppose the passage of the substitute for Senate bill 3231 to provide a retirement and pension system for railroad employees, now pending before the Senate for the following reasons: First, this bill would add \$50,000,000 per annum to the expenses of the railroads over and above the amount now being disbursed by them in connection with their individual pension system; second, the bill is a hurriedly prepared composite of other bills containing new features and the railroads have had no opportunity to be heard on the pending bill; third, the Government has placed at the disposition of the Federal Coordinator of ment has placed at the disposition of the Federal Coordinator of Transportation \$300,000 to make a thorough study of the matter contemplated in this bill upon which he is now actively engaged and certainly no legislation should be enacted pending the result of his investigations and recommendations and I am authoritatively advised that he is opposed to any effort to enact pension legislation at this time?"

W. R. Cole, President, Louisville & Nashville Railroad.

Mr. President, the amendment I have sent to the desk makes compulsory retirement at the age of 70 years, but exempts for a period of 5 years after the effective date of the bill compulsory retirement for those occupying official positions. The bill now makes compulsory retirement at 70 years, but also states that compulsory retirement shall take place at 65 years without the mutual consent of employee and employer. Many valuable employees of railroads are between the ages of 65 and 70, and I can see no reason why the age of 70 should not be substituted for 65, particularly since this bill provides that a man may work between the ages of 65 and 70 by agreement between the railroad and the employee.

Mr. DILL. Mr. President, as I understand it, the Senator wants to have the bill include the employees of such transportation organizations as bus companies, water-transportation companies, and so on?

Mr. METCALF. Where they compete with railroads. Mr. DILL. The bill contains no provision for payments into the fund by such organizations. It would be necessary to rewrite the bill in that connection. It should be said also that none of these organizations now have pension systems such as the railroads have.

Mr. WAGNER. Mr. President, let me suggest a further objection. The Senator is attempting to include transportation facilities which may be engaged only in intrastate commerce, and we have no power to bring them under the system.

Mr. METCALF. They would not come in.
Mr. WAGNER. The Senator would take all limitation off and provide for every kind of transportation facility coming in.

Mr. METCALF. Those which compete with the railroads, and that, of course, can only be where they handle interstate commerce.

Mr. WAGNER. It might still be intrastate. Besides, there is no way in which the Senate could ascertain how many additional employees would be included in the system under the amendment offered by the Senator from Rhode Island. All the actuarial calculations which have been made, which are the basis for the legislation, would be thrown out of gear altogether.

Mr. METCALF. As I understand it, Mr. Eastman claims that all the data now available are not correct. He states

Mr. WAGNER. Whether they are correct or not, the Senator is asking us now to include every kind of transportation system in the United States, and we have no knowledge as to how many employees might be represented, and what their average wages would be. This matter ought to be provided for in some independent legislation.

Mr. METCALF. If the word "interstate" were put in this amendment that would do, would it not?

Mr. WAGNER. Even then we would not have definite knowledge as to just what transportation we were bringing in.

Mr. COSTIGAN. Mr. President, does the Senator want to bring in water carriers?

Mr. METCALF. Yes. I believe in treating every one alike, and treating every one fairly. The man on the horse car or the street car should be brought in. Let us be fair to them all. A great expense is being placed on the railroads, but their competitors are being left out.

Mr. HATFIELD. Mr. President, will the Senator yield? Mr. METCALF. I yield.

Mr. HATFIELD. I may say for the information of the Senator from Rhode Island that the Senate committee has given study to the subject for a period of 2 years, and the actuarial investigation has been made by men whose reputation and standing is unquestionable from the actuarial point of view. Were an amendment of this kind, which takes in another group of transportation people to be adopted, it would mean the ruination altogether of this bill.

Mr. WAGNER. Mr. President, may I also make the observation that the distinguished Senator from Rhode Island is a member of our committee, and there were ample opportunities for him to present this amendment for the consideration of the committee. I think it would have been a more appropriate time to make this request, when the matter was considered in committee, so we would have had some opportunity to make inquiry and study in relation to the subject.

Mr. METCALF. Mr. President, if the learned Senators who have made such a great study of this bill think this amendment would make it difficult to carry out the operations under the bill, I will withdraw my amendment. I, however, still think it is a very fair amendment.

The PRESIDING OFFICER (Mr. COPELAND in the chair). Does the Senator withdraw the pending amendment?

Mr. METCALF. I withdraw the amendment.

I send another amendment to the desk and ask to have

The PRESIDING OFFICER. The clerk will state the amendment proposed by the Senator from Rhode Island. The LEGISLATIVE CLERK. It is proposed, on page 18, line 2, to strike out the word "four" and to insert the word "two."

Mr. METCALF. Mr. President, this amendment would require the Retirement Board to report to the Congress within 2 years instead of within 4 years. As the studies of Coordinator Eastman will be available within the next few months. I can see no reason why a complete picture of the retirement system cannot be secured under 2 years. This will make it possible for us to complete a thorough and fair pension system in the next Congress. It is my belief that this system should be built up on a permanent and solid basis as quickly as possible, and that we should not extend our period of experiment as long as 4 years.

Mr. WAGNER. Mr. President, I have no objection to that amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Rhode Island to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. METCALF. Mr. President, I send another amendment to the desk and ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed on page 15 to amend section 1, paragraph (b), so as to strike out all except the first sentence.

Mr. METCALF. Mr. President, this amendment would confine this retirement system to employees of the common carriers only. Under the bill the system is extended to include officers or other official representatives of labor organizations. This section of the bill is intended to take care of the walking delegates and persons who do not give their actual time to the service of the roads, but are engaged in organization work and the like.

At this time I desire to read a telegram from the president of another of the big railroads, as follows:

CHICAGO, ILL., June 12, 1934.

Hon. JESSE H. METCALF, United States Senate, Washington, D.C .:

Your wire date railroad pensions. Very large percent of mileage in United States is operated by companies which have established in United States is operated by companies which have established voluntarily pension systems under which they now pay about \$36,000,000 annually. Senate bill \$231 is on so-called "pay-asyou-go basis", which means that employee compelled now to contribute creates no fund to which he may look for his own protection, but in exchange for his money receives only promise that others years hence will furnish money for his pension when he reaches pension age. Payments made by railroads and employees will be mingled with purely voluntary payments of labor representatives to pay immediate or early pensions to such representatives, but possibility of future contributions by such representatives. sentatives, but possibility of future contributions by such representatives, but possibility of luture contributions by such representatives to assist in paying pensions of genuine railway employees depends wholly on willingness of labor representatives to continue their payments. Section 9 undertakes to make railroad employees of Government, officers and employees who may have employees of Government, officers and employees who may have never had a day of railroad service, and apparently section 3 promises them pensions without cost to them at joint expense of railroads and genuine employees. Bill provides immediate compulsory retirement of large numbers who will contribute nothing or very small amounts, but who will receive pensions for remainder of their lives on same basis as men who continue contributions over long periods of years.

Young men are treated with inequality since they must contribute over long period of years while contribution of older men

will continue for shorter periods though they will receive same pensions as younger men. One reaching 65 becomes entitled to pension if at any time he has had as much as 5 years' railroad pension if at any time he has had as much as 5 years' railroad service, provided he has any railroad service at all after passage of act, so that a man who entered service at 21 after serving 5 years may quit railroad service for other employment which he prefers or finds more lucrative and may spend practically his entire active life in other work yet on reaching 65 he can require railroads and genuine employees of railroads to pay him pension toward which he need have made only 1 month's contribution if his service precedes passage of bill. Bill undertakes accumulate all years spent in service of all railroads treating them as a single employer. Thus it not only deprives them of benefits of incentive to employees to continue in service but requires solvent railroads to pay for account Insolvent railroads and requires existing railroads to pay for account railroads no longer in existence. In addition this pay for account railroads no longer in existence. In addition this feature of bill opens up large possibilities of fraud on account of difficulty of getting records covering service alleged to have been rendered 25 to 50 years in the past. Bill makes no exception in case of employee whose misconduct or even criminal act has recase of employee whose misconduct or even criminal act has required his dismissal from service. Provision for optional retirement at end 30 years' service regardless of age will make it possible in many cases for man to retire in prime of life with pension possibly competing unfairly with others seeking employment by being in position to accept smaller compensation which, combined with his pension, may still pay him more than he received in railroad employment. Computation average wage under section 3 unfair because 12-month period in which employee draws largest wages during his whole service is taken as basis for his average wage instead of taking average of what he actually earned.

This unfairness is increased by treating as 1 month in de-

This unfairness is increased by treating as 1 month in determining years of service every month in which he performed at least 1 day's service. Bill will not relieve railroads of their present outstanding pensions but in addition thereto will cost them at the outside about \$55,000,000, which cost will increase very fast. Known financial condition of railroads is such that they are not in position to hear this increased burden. Asserts very last. Known mancial condition of railroads is such that they are not in position to bear this increased burden. Assessments proposed by bill will be insufficient to cover pensions proposed so that immediate deficit will arise which will so increase that assessments on both railroads and employees will double within few years. By its own terms bill is 4-year experiment, but it makes definite promises of pensions to be paid at expiration of many years so that it will be impossible abandon experiment or make substantial change in it after compalling railroads. ment or make substantial change in it after compelling railroads and employees contribute to it for 4 years, or if it be found possible abandon or change experiment disappointment and injustice resulting to employees would cause disturbance of relationships which would be injurious not only to railroads and employees ships which would be injurious not only to railroads and employees but to public as well. Federal coordinator has conducted exhaustive studies and understand is preparing definite proposals for plan designed to eliminate many objectionable features of present bill and especially designed to eliminate speculative and experimental feature. Passage of experimental bill without awaiting result of study conducted by public officer at public expense, in my opinion, is unseemly, especially in view of opinion in recent Presidential message that social project for old-age and unemployment protection should not be handled piecemeal. Constitutionality believed doubtful because measure in effect dictates terms of employment and wages; also measure does not relate to interstate commerce since it makes no distinction between employees engaged in interstate commerce and those solely in intraployees engaged in interstate commerce and those solely in intra-state commerce, or between those engaged in carrier service and those in noncarrier service, such as railroad, mines, and hotels. Bill has no real relation to safety since it makes no distinction between those engaged in hazardous and nonhazardous employment. Hope you will find it consistent to oppose passage of this

President Atchison, Topeka & Santa Fe.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Rhode Island to the amendment of the committee.

Mr. WAGNER. Mr. President, I want to suggest, looking at the situation realistically, that most of the representatives of employees' organizations are former employees of the railroads. They are elected to an official capacity in some labor organization. There follows a period of time, some 3 or 4 years, that they remain as officials of the organization. Some of them perhaps stay longer. If they lose out in an election they return to the railroads to their former jobs. In the meantime under the terms of the bill they are required to make contributions like the other employees. They get no other benefits than the employee who retains his job and makes regular contributions.

I think, under the circumstances, it would interfere with those organizations securing the best men, because the men would refuse to serve the organizations if by leaving the service of the railroad for a period of time they should lose their right to a pension. They pay for their pension just as all other employees do, and, in addition, are required to make the contribution otherwise required to be made by the carriers.

Mr. METCALF. What percentage would they pay? If they are not then on the railroad pay roll, where would the percentage be based?

Mr. WAGNER. They would pay the same percentage they paid when they were in the direct employ of the

company.

Mr. METCALF. Is there any chance that there would be a large number of them who claim the privilege of having a pension?

Mr. WAGNER. As a matter of fact, they represent a very small percentage.

Mr. METCALF. There are so many in each State, are

Mr. WAGNER. A very insignificant number compared to the total number of employees. It is not a significant thing at all.

Mr. METCALF. All these men would be former railroad employees.

Mr. WAGNER. I know of no case where there is a representative of the railroad employees who has not been a direct employee of a railroad company. May I ask the Senator from West Virginia if I am correct?

Mr. HATFIELD. Mr. President, that is true. I think it is one of the requirements under the rules and regulations of the railroad brotherhoods.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Rhode Island to the

amendment of the committee.

The amendment to the amendment was rejected.

Mr. METCALF. Mr. President, I offer the following amendment to the committee amendment.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. It is proposed, in the committee amendment, on page 19, to amend section 4 so as to read:

Retirement shall be compulsory upon employees who on the effective date have attained or thereafter shall attain the age of 70 years. Until 5 years from the effective date, compulsory retirement shall not apply to an employee who from and after the effective date occupies an official position in the service of the carrier.

Mr. METCALF. Mr. President, this would simply increase the age limit, and it seems to me it is fair.

Mr. DILL. Mr. President, the fact of the matter is that a great many men who have been employed in the railroad service for many years are not able to continue, particularly in the train service, up to the age of 70 years. I think it would be a serious mistake to raise the limit to 70 years,

Mr. METCALF. Oh, Mr. President, there are a number of Senators who are 70 years of age.

Mr. DILL. Yes; but most of them are not fit to run a railroad train.

Mr. HATFIELD. Mr. President, there is a provision in the bill that by agreement made from year to year between employee and employer, a 5-year extension of service may he had. This ends in all cases at the age of 70, except that for the first 5 years after enactment officials are excepted from the compulsory retirement provision.

Mr. WAGNER. Mr. President, may I also say that the calculations under the bill have been based on the age of 65; and, secondly, statistics show that 85 percent of the workers are dependent at the age of 65 years. The Senator's amendment, by extending the age limit to 70, would to a very large extent nullify the bill. One of the important questions involved is the matter of relieving unemployment.

Mr. METCALF. A great many men would prefer to work until they are 70 years of age.

Mr. WAGNER. If the individual is physically able to continue, he can have an agreement with his employer by which he may continue to that age.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Rhode Island to the amendment of the committee.

The amendment to the amendment was rejected.

Mr. METCALF. Mr. President, I send to the desk another amendment which I offer to the committee amendment, and ask that it may be read.

The PRESIDING OFFICER. The amendment to the amendment will be read.

The LEGISLATIVE CLERK. In the committee amendment, on page 20, it is proposed to amend section 5, so as to provide:

page 20, it is proposed to amend section 5, so as to provide:

Each employee shall pay an employee contribution in a percentage upon his compensation. Each carrier shall pay a carrier contribution equal to twice the contributions of each employee of such carrier. The employee compensation shall be the compensation for service paid to such employee by the carrier, excluding compensation in excess of \$400 per month. The contribution percentage shall be determined by the board from time to time, and shall be such as to produce from the combined employee and carrier contributions, with a reasonable margin for contingencies, the amount necessary to pay the annuities, other disbursements, and the expenses becoming payable from time to time. Until the board shall determine on a definite percentage, the employee percentage shall be 1½ percent. Employee contributions shall be deducted by the carrier from the compensation of its employees and shall be paid by the carrier, together with the carrier contributions, into the Treasury of the United States quarterly or at such other times as ordered by the board.

Mr. METCALE. Mr. President, this amendment reduces

Mr. METCALF. Mr. President, this amendment reduces the contribution of the employee from 2 percent of his salary to  $1\frac{1}{2}$  percent of his salary. I am proposing it on the ground that a 2 percent contribution by the employees and 4 percent by the railroads is unnecessary for the beginning of the experimental period, and that we should place no heavier burden than necessary on the employee and the carrier. Of course, the Board is empowered to increase this at any time it may become necessary.

Under this amendment the roads would be immediately forced to pay 3 percent of their total pay rolls instead of 4 percent. However, if after a few months the Board finds that more funds are necessary, it can easily increase this amount.

I hope this amendment will be agreed to.

Mr. DILL. Mr. President, this is a proposal of a different percentage.

Mr. METCALF. Yes. I am taking Mr. Eastman's figures for it.

Mr. DILL. Mr. Eastman has given two or three sets of figures. I do not know what the effect of this amendment will be, but it seems to me an unwise procedure to adopt it.

Mr. HATFIELD. Mr. President, this amendment would absolutely destroy the bill. Mr. Eastman appeared before our committee, and we conceded to him practically everything he asked for. This whole set-up is made upon the recommendation of the actuary. Even the carriers' representative was not far off from the final conclusion that was arrived at by those who were friendly to the bill—only one-half of 1 percent.

Mr. METCALF. Mr. President, part of the figures that Mr. Eastman gives are the difference between what he says is the average pay and the figures that the other actuary gave. One was about \$1,600 a year, and the other was something like \$2,000 a year, so there would not be very much difference in the actual pension received; and then at any time the Board can increase this amount. The amendment would not injure the bill at all. The Board could change the amount at any time within 6 months if it should not be coming out right.

Mr. WAGNER. Mr. President, if the Senator will yield, I think I state the facts when I say that all the actuaries who were consulted and participated in the preparation of this legislation, and appeared before us, agreed that the contribution provided for in the measure is absolutely essential if we are to retain an actuarially sound system.

Mr. HATFIELD. To assure a solvent fund.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Rhode Island [Mr. METCALF] to the amendment of the committee.

The amendment to the amendment was rejected.

Mr. METCALF. I thank the Senate for listening to me. The PRESIDING OFFICER. The bill is still open to amendment.

Mr. HATCH. Mr. President, I send to the desk an amendment to the committee amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 15, line 17, before the period, it is proposed to insert a semicolon and the words—

but does not include any attorney, physician, or surgeon employed by any carrier.

Mr. HATCH. Mr. President, I have shown this amendment to the authors of the bill, and I trust they will accept it.
Mr. DILL. Mr. President, I think there is no objection to this amendment.

Mr. HATFIELD. I have no objection to it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Mexico to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. DAVIS. Mr. President, systems of retirement pay have been thoroughly tried and their success established in many different places. I believe that there is a strong trend in this direction in our country today, and that it is especially applicable to railroad employees. Doubtless the time will come when provision of this kind will be made for all types of industry. I think it is reasonable to pioneer in this field in connection with the railroad industry because so many excellent improvements in our social and industrial life have been made possible through it.

Of course, there are always some few people who object to every forward-looking improvement. These people objected to the installation of airbrakes, the electrification of suburban railroads, the abolition of the dangerous openroad crossing, and the development of collective bargaining. Strangely enough, however, after these improvements had been achieved, the same people expressed great pride

in what had been accomplished.

Mr. President, I believe this will apply to retirement pay for railway employees. There is but little economy in retaining aged men in the railroad service, and a sense of humanity should protect them from the hardships incident to travel on swiftly moving trains. A railroad man who has devoted his life faithfully to the service of the traveling public deserves retirement pay when he has attained the age of 65. Then the poorhouse will hold no terror for him, for he will be able to retire to a well-deserved contentment with his family and friends.

Mr. President, a pension for the aged will mean a new job for a younger man and industry will find that there is economy in substituting the young for the old. The law of obsolescence applies to the workman just as truly as to buildings and machines. A carefully planned system of retirement pay will net a saving to the railroads, for it will stimulate better service and greater efficiency among workers who hope to retain their jobs in order to secure the advantages of the retirement system. Money laid aside for the care of the aged will be more than repaid by savings secured through increased efficiency and the employment of youthful labor.

The pending legislation presents a reasonable and gradual approach to this problem, and I earnestly favor it in the interest of both management and labor.

I shall vote for the bill.

Mr. LEWIS. Mr. President, I ask the attention of the Senator from West Virginia [Mr. Hatfield] and the Senator from New York [Mr. Wagner] in order to say that I have received some inquiries indicating some fear on the part of those from various States whose acquaintance I enjoy. They have been advised that there is a possibility that this measure will supersede the pension systems prevailing in the respective States under the laws of the States. Will the honorable Senators give me their views as to that matter?

Mr. WAGNER. Mr. President, I think I can say that the bill will in no way affect any State statute in relation to any form of pension.

Mr. LEWIS. Is there any provision in the bill which safeguards that matter, so that the provisions of State laws shall not be lost?

Mr. WAGNER. The bill deals only with a subject with which the States cannot deal; to-wit, interstate commerce.

Mr. HATFIELD. There is no conflict.

Mr. LEWIS. Then I shall not detain the Senate. Suffice it to say that those who have been advocating the bill assure me that it will not interfere with the laws of the various States.

Mr. HATFIELD. I may say to the distinguished Senator from Illinois that Hon. Herman L. Ekern, a very distinguished attorney who is also an actuary, passed upon this bill, gave great consideration to it, and helped to prepare it. He at one time was attorney general and was earlier commissioner of insurance of the great State of Wisconsin, and I have every confidence that this gentleman, who is connected with the insurance business today, would not sponsor any legislation which would have the effect mentioned by the Senator from Illinois.

Mr. LEWIS. I am pleased to have the declaration of both Senators.

Mr. WAGNER. Mr. President, the Senator from Illinois, who made the inquiry, is himself a very distinguished lawyer. He knows that no State is in a position to impose a tax upon an industry that is engaged purely in interstate commerce.

Mr. BARKLEY. If the Senator will yield further in that connection, most of the pension laws of the States refer to other matters than railway employees engaged on systems of transportation; so there is no conflict whatever.

Mr. LEWIS. I thank the Senator.

Mr. O'MAHONEY. Mr. President, permit me to say, in respect to the question raised by the Senator from Illinois [Mr. Lewis] and the statement by the Senator from West Virginia [Mr. Hatfield], that the statement having been made to me that sufficient study had not been given to the actuarial basis of the bill, I made an investigation to determine what studies had been made. I am satisfied that every care was exercised in this respect.

Even if there were defects, however, I believe that a serious mistake would be made if favorable action were now withheld. The certainty and security that come from pension systems must be afforded to those who are engaged in industry. This is a step toward the ultimate goal.

Several months will necessarily be required to set up the system herein provided. If there are defects, they can be corrected. The bill should pass.

The PRESIDING OFFICER. If there be no further amendments to be proposed, the question is on agreeing to the amendment of the committee, as amended.

The amendment, as amended, was agreed to.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The bill having been read three times, the question is, Shall it pass?

Mr. NORRIS, Mr. LA FOLLETTE, and other Senators called for the yeas and nays, and they were ordered.

The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk proceeded to call the roll.

Mr. FESS (when his name was called). I have a general pair with the Senator from Virginia [Mr. Glass], who is detained from the Senate. I do not know how he would vote were he present. Were I permitted to vote, I should vote "yea."

Mr. HATFIELD (when his name was called). I have a general pair with the senior Senator from Florida [Mr. Fletcher]. I understand that he would vote as I intend to vote, and therefore I am free to vote. I vote "yea."

Mr. FESS (when Mr. McNary's name was called). The senior Senator from Oregon [Mr. McNary] is detained from the Senate, and I am requested to announce that if present he would vote "yea."

. Mr. ROBINSON of Arkansas (when his name was called). I have a pair with the Senator from Pennsylvania [Mr. Reed], but being informed that he would vote as I intend to vote, I am free to vote. I vote "yea."

Mr. WAGNER (when his name was called). May I inquire whether the senior Senator from Missouri [Mr. Patterson] has voted?

The PRESIDING OFFICER. That Senator has not voted.

Mr. WAGNER. I have a general pair with the senior Senator from Missouri. Not knowing how he would vote, I transfer that pair to the senior Senator from Oklahoma [Mr. Thomas] and vote "yea."

The roll call was concluded.

Mr. LEWIS. I desire to announce the absence of my colleague [Mr. Dieterich], called away on official business. He would, if present, vote "yea."

I am also authorized to state that the senior Senator from Massachusetts [Mr. Walsh] and the junior Senator from Massachusetts [Mr. Coolings] have been called away, attending a convention in the State of Massachusetts; and the Senator from California [Mr. McApoo] is necessarily absent. They authorized me to state that they would vote 'yea", if

Mr. HEBERT. The Senator from Pennsylvania [Mr. REED], the Senator from Vermont [Mr. Austin], the Senator from Maine [Mr. WHITE], the Senator from Wyoming [Mr. Carey], the Senator from New Hampshire [Mr. Keyes], the Senator from Delaware [Mr. Townsend], the Senator from Connecticut [Mr. WALCOTT], and the Senator from Missouri [Mr. Patterson] are necessarily absent. I am advised that all of those Senators, if present, would vote "yea" on this question.

Mr. LA FOLLETTE. I wish to announce the unavoidable absence of the senior Senator from New Mexico [Mr. Cut-TING]. If present, he would vote "yea."

Mr. ROBINSON of Arkansas. I desire to announce that the Senator from Ohio [Mr. BULKLEY], the Senator from South Dakota [Mr. Bulow], the Senator from Virginia [Mr. Byrd], the Senator from Montana [Mr. Erickson], the Senator from Florida [Mr. Fletcher], the Senator from Georgia [Mr. George], the Senator from Nevada [Mr. Mc-CARRAN], the Senator from Mississippi [Mr. Stephens], the Senator from Oklahoma [Mr. Thomas], the Senator from Florida [Mr. TRAMMELL], the Senator from Maryland [Mr. Typings], and the Senator from Indiana [Mr. Van Nuys] are unavoidably detained from the Senate. I am informed that, if present, all of these Senators would vote "yea."

Mr. COSTIGAN. Mr. President, I desire to state that the junior Senator from Arkansas [Mrs. Caraway] is unavoidably absent. If present, she would have voted "yea."

The result was announced—yeas 66, nays 0, as follows:

# YEAS-66

nuams	Couzens	Lean	rope
Ashurst	Davis	King	Reynolds
Bachman	Dickinson	La Follette	Robinson, Arl
Bailey	Dill	Lewis	Robinson, Ind
Bankhead	Duffy	Logan	Russell
Barbour	Frazier	Lonergan	Schall
Barkley	Gibson	Long	Sheppard
Black	Goldsborough	McGill	Shipstead
Bone	Gore	McKellar	Smith
Borah	Hale	Metcalf	Steiwer
Brown	Harrison	Murphy	Thomas, Utah
Byrnes	Hastings	Neely	Thompson
Capper	Hatch	Norris	Vandenberg
Clark	Hatfield	Nve	Wagner
Connally	Hayden	O'Mahoney	Wheeler
Copeland	Hebert	Overton	1100000000
Costigan	Johnson	Pittman	
	NOT V	OTING-30	
Austin	Dieterich	McCarran	Trammell
Bulkley	Erickson	McNary	Tydings
Bulow	Fess	Norbeck	Van Nuys
Byrd	Fletcher	Patterson	Walcott
Caraway	George	Reed	Walsh
Carey	Glass	Stephens	White
Coolidge	Keyes	Thomas, Okla,	
Cutting	McAdoo	Townsend	

So the bill was passed.

## PARTICIPATION OF THE UNITED STATES IN THE PAN AMERICAN INSTITUTE

Mr. PITTMAN. Mr. President, I report favorably from the Committee on Foreign Relations the bill (S. 3761) to authorize an annual appropriation of \$10,000 to pay the pro rata share of the United States of the expenses of the Pan American Institute of Geography and History at Mexico City, and I submit a report thereon (No. 1436). I ask for the present consideration of the bill.

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, an annual sum of \$10,000 to pay the pro rata share of the United States of the expenses of the Pan American Institute of Geography and History at Mexico City, created pursuant to a resolution of the Sixth International Conference of American States.

## CLAIMS OF THE UNITED STATES AND TURKEY

Mr. PITTMAN. Mr. President, I report favorably from the Committee on Foreign Relations the joint resolution (H.J.Res. 295) authorizing appropriation for expenses of representatives of United States to meet at Istanbul, Turkey, with representatives of Turkish Republic for purpose of examining claims of either Government against the other and for expense of proceedings before an umpire, if necessary, and I submit a report thereon (No. 1438). I ask for the present consideration of the joint resolution.

There being no objection, the joint resolution was considered, ordered to a third reading, read the third time, and passed.

### DECORATIONS TO RETIRED OFFICERS

Mr. PITTMAN. Mr. President, I report favorably from the Committee on Foreign Relations the joint resolution (H.J.Res. 330) authorizing certain retired officers or employees of the United States to accept such decorations, orders, medals, or presents as have been tendered them by foreign governments, and submit a report thereon (No. 1437). I ask that the Senate proceed to the consideration of the joint resolution.

There being no objection, the Senate proceeded to consider the joint resolution, which had been reported from the Committee on Foreign Relations with an amendment, on page 2, after line 12, to insert "Sol Bloom, M.C., Director of United States George Washington Bicentennial Celebration", so as to make the joint resolution read:

Resolved, etc., That the following-named retired officers or employees of the United States are hereby authorized to accept such decorations, orders, medals, or presents as have been tendered

them by foreign governments:
State Department: Robert Woods Bliss, Fred D. Fisher, George Horton, William H. Hunt, Frank W. Mahin, Thomas Sammons, Harry Tuck Sherman, Alexander Thackara, and Craig W. Wads-

United States Army: Charles J. Allen, Bailey K. Ashford, George G. Bartlett, Herbert C. Crosby, William Crozler, Albert C. Dalton, Hanson E. Ely, James E. Fechet, Harry E. Gilchrist, Francis W. Griffin, William W. Harts, John L. Hines, William E. Horton, John A. Hull, Girard L. McEntee, Charles P. Summerall, John J. Pershing, Trevor W. Swett, and Thomas F. Van Natta, Jr.

United States Navy: William C. Braisted, William B. Caperton, Robert E. Coontz, Herbert O. Dunn, John Rufus Edie, Noble E. Irwin, Harry H. Lane, Norman T. McLean, William V. Pratt, Henry J. Shields, George W. Steele, Montgomery M. Taylor, and Arthur L. Willard.

United States Marine Corps: Ben H. Fuller and George C.

Sol Bloom, M.C., Director of United States George Washington Bicentennial Celebration.

Department of Agriculture: L. O. Howard.

Department of Commerce: Antone Silva.

SEC. 2. That the Secretary of State is hereby directed to furnish to the Seventy-fifth Congress and to each alternate Congress thereoffers alled of these retired effects of the Seventy-field. thereafter a list of those retired officers or employees of the United States for whom the Department of State under the provisions of the act of January 31, 1881 (U.S.C., title 5, sec. 115), is holding decorations, orders, medals, or presents tendered them by foreign governments.

# AUTOMATIC RETIREMENT OF PUBLIC DEBT

Mr. SCHALL. By request, I ask leave to have printed in the RECORD and appropriately referred a letter with an

There being no objection, the letter, with the accompanying paper, was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as

MINNEAPOLIS, MINN., June 2, 1934.

Hon. Thomas D. Schall,

United States Senate, Washington, D.C.

MY DEAR SENATOR: I am enclosing herewith a copy of a plan for automatic retirement of the public debt which, to my mind, is not only unique but has real merit and is in substance sound from

an economic standpoint. If properly administered, I believe that an economic standpoint. If properly administered, I believe that some such plan could operate successfully to the definite benefit of the Nation. It is free from the objections which prohibit the use of flat money or other schemes for inflation of the currency. In brief, it is really not much more than the transfer of rights now held by private banking institutions to the Government itself. The plan does not originate with me but was evolved by Mr. E. L. Powell, of New Orleans, La., who recently visited me on a business trip and explained it to me in the course of our conversation.

I feel that the plan is worthy of serious consideration and I am, therefore, calling it to your attention.

Cordially yours,

HOWARD O. WILLIAMS.

This plan does not involve the printing of fiat money; on the contrary, the currency proposed to be issued will have back of it the security of issued Government bonds and in addition will have the full taxing power of the Government on the value of all income and property now taxable or to be made taxable through future proper legislation.

The proposed plan offers complete control of the currency.

It provides for the orderly payment of the bonds, and redemption and cancelation of the currency proposed to be issued. Therefore, said currency is certain of orderly retirement in reasonably fixed yearly amounts.

The operation of this plan and the certainty of redemption will prevent any unusual fluctuation in the price of United States Government bonds, for such fluctuation will be of no public interest. The Government would be the only party interested in the price of the bonds and there would be no trading in same; therefore, no reason for fluctuation.

Under the proposed plan, bonds bearing 4-percent interest with 2-percent sinking fund, the debt would be paid off in about 27 years. Interest would be reduced rapidly as bonds were paid.

SUGGESTED PLAN FOR PAYING THE UNITED STATES DEBT

Congress to authorize calling all United States bonds for refunding or paying, and for this purpose to authorize new bond issues, in such amount as would be needed. Interest on called bonds to cease at first interest date after date of call.

Do not exchange bonds. Pay them, obtaining the money as follows: Use new bonds as collateral for 6-month loans; borrow from Federal Reserve, that bank to issue currency to the United States for all such loans—all loans to be renewable—in such form as may be most desirable and the renewal privilege to be stated in the notes and for a period of not less than 25 years, but payable—at the option of the United States—at any time.

Bonds and loan notes to carry same rate of interest.

The United States would provide in the annual Budget for payment of interest on bonds, and sinking fund as is now provided.

The coupons, when paid by the United States to itself as owner of the bonds, would provide the money to pay the interest on

The entire profit to the Federal Reserve would find its way back into the United States Treasury (as surplus over the 6 percent dividend)—and to be dedicated to paying off the loan, and, as loan is paid, an equal sum in bonds to be canceled.

As the loan notes are paid, the currency issued by the Federal Reserve to be retired by the bank same as is done in their dealings with member banks.

with member banks.

As the 6-percent dividend, payable to members of the Federal Reserve Bank System (see par. 3, p. 2), is much more than earned every year, this increases the rate of payment by the exact amount now being paid for bond interest, as under this plan, the entire interest plus the present sinking fund would be available for and dedicated to the retirement of the bonds.

This does not increase taxes, but, as bonds are retired, results in steady decrease. This would result in—

First Providing all pew currency needed without inflation.

First. Providing all new currency needed without inflation.
Second. The supply of new money and the withdrawal from the public of Government bonds as investment would result in present bondowners seriously hunting for new investments and thereby tend to revive all business.

Third. The Federal Reserve earnings in excess of 6 percent paid to member banks on capital furnished by them is the property of the United States Government and would retire the bonded debt entirely in a few years, depending on interest rate and sinking-

Fourth. Government bonds would be entirely removed from the public market, the Federal Reserve bank to be the only holders (as collateral only) and the United States Government to be the only owner. The whole matter is thus reduced to an ordinary business banking transaction, with the Federal Reserve bank as lender and the United States Government as borrower.

# REMARKS

It is important in considering this plan to always bear in mind that a member bank can now borrow from the Federal Reserve bank, using United States bonds as collateral, and this plan merely gives the United States the same right and privilege.

Any of the called bonds that may be held in foreign countries can be readily handled by allowing sellers of goods to United States buyers to pay for same in United States bonds at par, the United States to pay for said bonds at par when presented for collection in the United States.

To facilitate the handling of coupons and notes between the Federal Reserve bank and the United States Treasury, the bonds should be issued in large units, say, 50, 100, or 500 million dollars.

When payment or partial payment of note is made any difference between face value of note plus interest and the amount of cash available would be cared for in the same manner as any similar ordinary transaction.

The operation of this plan would reduce the need to provide work at public expense for the purpose of reducing unemployment and to relieve distress.

The need for employing the new money would accomplish this

## DEPORTATION OF ALIEN SEAMEN

Mr. KING. Mr. President, inadvertently yesterday the chairman of the Committee on Immigration reported the bill (S. 868) to provide for the deportation of certain alien seamen, and for other purposes. The bill as reported did not contain an amendment which had been suggested, and I ask that the bill be recommitted to the committee.

The PRESIDING OFFICER. Is there objection?

Chair hears none, and it is so ordered.

Mr. KING. Mr. President, from the Committee on Immigration I now report favorably the bill (S. 868) to provide for the deportation of certain alien seamen, and for other purposes, with an amendment, and I submit a report (No. 1439) thereon.

## COMMITTEE SERVICE

Mr. ROBINSON of Arkansas. Mr. President, I ask that the Senator from Wisconsin [Mr. DUFFY] be assigned to the vacancy, on behalf of the majority, on the Committee on Interoceanic Canals.

The PRESIDING OFFICER. Without objection, it is so ordered.

ECONOMIC LEGISLATION-RADIO ADDRESS BY TOM DAVIS

Mr. DICKINSON. Mr. President, I ask unanimous consent to have printed in the RECORD a radio speech by Hon. Tom Davis, of Minnesota, on the subject of Economic Legislation.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Men and women of Minnesota, we are fighting in this campaign for the soul of America.

We are fighting to see that this Nation of ours shall not perish. The Farmer-Labor Party of Minnesota was not founded by

Socialists or by Communists.

The men and women who sacrificed in order to build up the progressive cause in this State have been betrayed in their own house. The platform adopted by the recent Farmer-Labor convention cannot and does not represent the sentiments or the hopes of those who believe in this democracy and who sincerely hope for its preservation and success.

No one has the right to ask or demand that the people of this

State surrender their liberties or their freedom to any political machine or any political party.

Minnesota is my birthplace and since I arrived at manhood I have taken an intense interest in political affairs.

I have filed for the Republican nomination for the office of

I have filed for the Republican homination for the office of United States Senator at the coming primary.

I have always believed and still believe in the progressive cause. The issues raised in the present election in Minnesota rise above party lines and transcend all personal consideration and go directly to the question of whether or not we shall maintain a republican form of government in Minnesota as guaranteed by the Federal Constitution. Constitution.

My life has been devoted to fighting for progressive men and progressive principles without much regard to party affiliations, but I have never been a Socialist, nor a Communist, and I am

not one now.

I have by no means been a worshipper of party above principle. One of the greatest dangers in this country is a tendency to create or erect political machines, and to mislead the voters by appealing to their support of party loyalty rather than their support of civic loyalty.

support of civic loyalty.

The issues before the people of this State are far more important than personal friendship or personal success. I am going down the same road I have traveled for 30 years, and, when the Farmer-Labor Party adopted its recent platform it went to the left and accepted a philosophy of government, and a theory of politics, that I have never believed in and never will believe in.

This country was founded by God-fearing men and women as a protest against arbitrary power.

These men and women knew that personal liberty, the right of free speech, and of peaceable assemblage were the inalienable rights of free men.

rights of free men.

rights of free men.

They believed in the right of individual freedom and individual progress, and people of Nordic blood, of Teutonic strain, and of Celtic ancestry came to this country because they knew it offered the greatest opportunity for individual initiative and personal progress of any country in the world.

When our Government was founded nearly every land was ruled by an autocrat. There were few people whose lives did not depend upon the caprice of an autocrat.

Emperors, kings, and potentates ruled and decided the destiny of untold millions under the ridiculous doctrine of the divine right of kings. Men and women were mere cogs in a machine. They existed for the benefit of their rulers who were their government; they were subject to the whim and fancy, the selfishness, and the intrigue of an autocrat, who exercised arbitrary power over their lives and their destinies.

That, my friends, is the reason why men came from every land and from every clime, of every race and every creed, and on this uncharted continent founded a nation dedicated to liberty and consecrated to the cause of human freedom. They declared that arbitrary power, under whatever guise, should not obtain in a free

country.

Thus was founded the American Republic and it has grown with the passing of the years until today, regardless of all our difficul-ties, there is in our country more prosperity, more opportunity, more freedom, and more liberty than in any land under God's

shining sun.

It is proposed to change that form of government in Minnesota, and the hope of those who seek this change is to also change the form of government of our Nation. They want to substitute an autocracy for democracy. They want to substitute for individual freedom and individual initiative the arbitrary and ruthless

power of an autocrat.

It is now proposed that we should abolish our form of government and create in its place a so-called "cooperative commonwealth", or a Communistic breeding place.

wealth", or a Communistic breeding place.

The Farmer-Labor platform demands that the State shall own all mines, factories, packing plants, rallroads, and utilities; it demands that all insurance business be taken over by the State. If the proposed program of the Farmer-Labor Party should prevail in Minnesota, it would put into the hands of a political machine the most far-reaching and arbitrary power ever known in the history of this country. It would inevitably lead to a dictatorship which would govern practically every activity of our lives.

Our country today is confronted with a crisis which challenges the judgment, the conscience, and the sincerity of all mankind.

In these trying times, when the very destiny of our representative form of government is at stake, there has arisen in the minds of some men the thought that our Government is a fallminds of some men the thought that our Government is a fallure, that democracy is a sham, and that we should turn for help and assistance either to a dictatorship of privileged wealth or to a dictatorship of the so-called "proletariat." I am utterly opposed to a dictatorship in any form in America. The time must never come when the liberties and rights of the people of this country shall be subject to the whim or the fancy of any autocrat.

There is no more room for the divine right of special privilege or the divine right of entrenched wealth to control this democ-racy than there was for the divine right of kings to control the

destiny of human beings

A dictatorship of special privilege is a dictatorship of centralized wealth. A fascist form of government is a dictatorship of industry; a dictatorship of the so-called "proletariat" will destroy our democracy.

No autocracy, under whatever name, or whatever guise, has any place in Minnesota.

That platform is a betrayal of the farmers and laboring men That platform is a betrayal of the farmers and laboring men of Minnesota and is basically a communistic platform and nothing else. It ceases to be a progressive document. It is a reactionary and subversive document. If we give them the power to carry out this program, it would sovietize this State; it would wipe away opportunity from rich and poor alike. It would destroy and take away from us every vestige of liberty. It would abolish personal rights. It would destroy personal initiative, crush ambition, and leave this State the laughing stock of the Nation.

In the campaign of 1924, as a candidate for the nomination for Governor I made my opening speech in my old home town of

In the campaign of 1924, as a candidate for the nomination for Governor I made my opening speech in my old home town of Marshall, Minn., and I want to read to you from the News-Messenger of Marshall, under date of April 25, 1924, a report of my speech on that occasion. I quote:

"Opening the plea for good government, Mr. Davis stated that he was a believer in our present republican form of government and opposed to any dictatorship either of the wealthy or the proletariat. The welfare of the Government, he declared, depends upon the individual, who should take an active interest in the Government and in the exercise of the franchise as a duty of citizenship, regardless of party affiliations." of citizenship, regardless of party affiliations."

Two years ago, in a speech in that political campaign, I had the

following to say. I quote:

"I want to urge upon you who are listening to me the importance, the duty, and the obligation of casting a ballot in this election.

"We need to get back to the simple faith of our fathers who founded this Nation and handed it down to us in the hope that it could be a Nation that would grant to its people equal rights and equal opportunities.

"Let me urge upon everyone who is listening to me tonight to realize that we must not give way to despair or lose faith in this

realize that we must not give way to despair or lose faith in this great democracy of ours.

"There is no room in this land of ours for communism; there is no room for a philosophy that would tear down our churches and wreck our schools; there is no room for a doctrine of despair; there is no room for a theory that would wipe the name of God from out the sky!"

This is where I stood 10 years ago; this is where I stood 2 years ago; and this is where I stand now.

In 1918 many of the farmers and laborers and business men of Minnesota rightly felt that we should oppose profiteering during the World War and felt it was the duty and right of the farmers to meet and discuss political issues. During that time you people well know that some men in the excess of zeal and misguided by sentiment headed mobs which denied many people the right to peaceably assemble and denied them the right of free speech.

My fight in 1918 was a fight against mob law, and I would make that fight tomorrow under similar circumstances. There never was, or should be, any room for mob law in Minnesota, and it makes no difference whether it is a mob of bankers, a mob of business men, a mob of farmers, or a mob of laborers.

No man who has the future of America at heart should support

the Farmer-Labor platform.

It is destructive of American institutions and a betraval of

American ideals.

We should not blazon over this Nation, to the detriment of the name of our fair State, the fact that we are ready to place our destinies into the hands of a political oligarchy, or to allow any political party to take over the business, the factories, the insurance companies, and the fortunes of the people of Minnesota for political purposes.

For these reasons I must now oppose the Farmer-Labor communistic platform.

That platform is written in a few plain, simple words that are easily understood and the attempt that is now being made to interpret it and to mislead the people as to its actual interpretation and meanings is not politically frank.

Only recently a so-called "committee of 21" assumed to interpret this platform and to fool the people of Minnesota by telling them that the platform does not mean what it says.

WHO ARE THIS "COMMITTEE OF TWENTY-ONE"?-BY WHAT AUTHORITY DO THEY ACT?

Are they the "invisible government" of the Farmer-Labor Party who now claim the right to repudiate the action taken by 1,200 delegates in convention assembled?

Is the Farmer-Labor Party controlled by these 21 men and are the wishes of 1,200 delegates from all over this State to be set aside by a supercommittee?

The attempt to avoid the plain meaning and intent of this platform should not mislead the voters.

You voters are entitled to know whether a man running for

You voters are entitled to know whether a man running for public office is for such a platform or whether he is against it.

I am against that platform because it means communism and nothing else. You should be infinitely more against it because of the attempt now being made to mislead the voters by telling them that this convention did not mean what it said. The action taken by this committee is not democracy, it is autocracy, and I am against autocracy. I am against arbitrary power and I am against any predatory political machine, no matter whether it is manned by office seekers or controlled by privileged interests.

The recent Farmer-Labor platform demands, among other things, that immediate steps must be taken by the people to abolish capitalism.

abolish capitalism.

It further demands a system whereby all natural resources, machinery of production, transportation, and communication shall be owned by the Government.

The effort is being made by the supporters of this platform to sell you on the idea that capitalism, in and of itself, must be abolished.

Capitalism means nothing more nor less than this: That a man or woman shall have the result, and shall be entitled to retain the profit earned from labor or the property which that man or woman has secured. Under this system gross injustices have occurred, and now prevail, but I tell you that we should not kill the patient in order to cure him.

the patient in order to cure him.

Capitalism, with all its faults, is infinitely better than the socalled "cooperative commonwealth", which is nothing more or
less than a camouflage for the word "communism."

The attempt is being made to fool the people of this State by
telling them that a cooperative organization is similar to a cooperative commonwealth.

Under the laws of this State cooperatives have a right to hold property; to buy and sell goods; to make a profit as a result of their efforts and their work, and this is right and proper. I have always fought for liberal laws in behalf of the cooperative organizations in Minnesota.

My friends, this is entirely different than a cooperative com-

A cooperative commonwealth means this, and only this, that the Government as a State shall own all the property and that individuals or organizations of individuals shall not have the

right to own property.

The purpose and intent of creating a so-called "cooperative commonwealth" is to bring about the abolition of all private

property.

One of the first acts of Russian communism was to abolish all cooperative organizations.

The Russian system is a cooperative commonwealth, and let me read to you from The A B C of communism what two of the prominent Russian Communists state is the basis for the "co-

operative commonwealth."

And, mark you, the words "communism" and "cooperative commonwealth" are used at all times interchangeably by these

disciples of a darker day.

The language used in this book is strikingly similar to the language used in the recent Farmer-Labor platform.

Listen to this language

"The basis of Communist society must be the social ownership of the means of production and exchange. Machinery, locomotives, steamships, factory buildings, warehouses, grain elevators, mines, telegraphs and telephones, the land, sheep, horses, and cattle, must all be at the disposal of society. All these means of production must be under the control of society as a whole, and not as at present under the control of individual capitalists or capitalist combines."

In a recent book analyzing and evaluation the

In a recent book analyzing and explaining the Communist con-stitution and the Russian system we find the following language,

"Private ownership of land is abolished; all land is declared "national property." \* \* \* Forests, mines, and livestock are also proclaimed 'public property.' Factories, shops, banks, railways, and other means of production and transportation are likewise to become the property of the Soviet Republic.

"With equal definiteness the Soviet constitution proceeded to disqualify from proting and holding office amount of the soviet."

"With equal definiteness the Soviet constitution proceeded to disqualify from voting and holding office among others, (1) persons employing hired labor for the sake of profit; (2) persons living on an income not derived from their own labor; (3) private business men and trade and commercial agents; (4) monks and clergymen of all religious denominations."

No wonder they tell you that the word "communism" scares the people

the people.

It has a right to scare you. It has a right to make you stop and realize where we are drifting.

In Russia, under the communistic system, the Government or the State takes over mines, factories, banks, railways, and other means of production and transportation.

means of production and transportation.

In Minnesota the Farmer-Labor platform declares for a system where all the natural resources, machinery of production, transportation, and communication shall be owned by the Government.

This same Farmer-Labor platform, under its industrial program, demands, I quote, "Ownership of all mines, water power, transportation, communication, banks, packing plants, factories, and all making attributes."

and all public utilities."

All I ask of the voters of Minnesota, of the farmers who want to own their farms, of the laboring men who want to keep their homes, is to set side by side the demands of Russian communism and the demands of the Farmer-Labor platform.

The same mind if not the same hand wrote both of these

programs.

It is an utter impossibility to take over all industry and pay for it by any form of taxation. It if is to be taken over, it must be seized and confiscated without regard to the rights of the owners. It cannot be acquired otherwise, and this means just what was done in Soviet Russia.

What was done in Soviet Russia.

If this proposed program is put into effect in Minnesota, if a super-State shall take over our factories, all packing plants, all railroads, all bus lines, it means that organized labor and the railroad men of this State will lose every advantage and every right they have obtained through these long years of organization right they have obtained through these long years of organization and effort. Under such a system of government, the labor unions will cease to exist. What will become of their right to bargain for either working conditions or wages? All of this will be benignly provided for them under the dictatorship of the proletariat!

The history of autocracy in recent years in Russia and in Italy has spelled the doom of individual liberty and has taken away from organized labor the chance to obtain its rights.

Some of the proponents of this program rightly say that there are hungry people in this land and people in need, and we know it is the truth, to the shame of Minnesota and this Nation, but what you must not forget is that in Russia, the cradle of communism, there also are hungry people who are cold; in Italy, with its dictatorship, there are also unemployed; in Germany, with its dictatorship, there are also hungry men and hungry women walking the streets; and the men and women of those countries would give anything in the world if they could come to these United States; and in every one of those countries the right of assemblage, the right of a free press have been taken away from the people. This is what would happen in Minnesota and in this Nation under a political dictatorship and an industrial autocracy, and this is why free men and free women will never stand for such a program.

Bear this fact in mind—that no government and no law can

Bear this fact in mind—that no government and no law can make men honest, intelligent, thrifty, or ambitious. These qualities are implanted in human hearts and breasts by an infinite God. Human nature has not changed through all the centuries. Men and women are motivated by the same influences. Self-interest and the desire to advance can never be driven from the human heart and the human heart. human heart and the human breast.

Government exists and functions for the people and for the preservation of their rights, and people do not exist merely for

Government.

If nothing more were needed to rouse the Christian people this State to action, if there were no other planks in this platform which spell the doom of individual liberty, let me call your attention to the fact that the plank on education is a direct challenge to every man and woman in this State.

This plank provides, among other things, "Textbooks to be published by the State and free to all students."

If the State has the right to publish the books, it, of course, has the right to say what kind of books will be published.

It can establish a State religion, or perhaps establish a phi-

It can establish a State religion, or perhaps establish a philosophy that will laugh at all religion.

Will this political oligarchy tell you fathers and mothers that you shall not have the right to educate and instruct your children in the religious faith which is so sacred to you?

The result of every effort that has gone on through the centuries to give us a free and untrammeled system of education should not be lost.

This platform means that a Communist or a Socialist, if they have the power, can put into the hands of your children every book which tends to tear down regard for our cherished institutions. It means that on matters of religion, morals, and social welfare that a super-state shall determine what books shall be printed and given to our children.

Russia is the only country in the world which is a cooperative commonwealth.

Russia is the only country in the world which denies the right of franchise and the right to hold office to clergymen of all

denominations.

It was Liebnecht, the German Socialist, who said: "It is our duty as Socialists to root out the faith in God with all our might. Nor is anyone worthy of the name who does not consecrate himself to the spread of atheism."

It was Bebel who said: "Christianity and socialism stand toward each other as fire and water. Christianity is the enemy of liberty and civilization. It has kept mankind in slavery and converselor."

oppression.

was Bakunine, the Russian Communist, who said: "We declare ourselves atheists. We seek the abolition of all religion and the abolition of marriage."

It was Yaroslavsky, the Russian Communist, in 1929 who said:
"We are against God. We are against capital. We are for socialism. We are for a world union of toilers. We are for the
Communist Internationale."

Do you want atheists and men who would drive religion and churches out of Minnesota to write the school books for your

children?

I deny the right of any set of men, governed by any political party, to tell your children or my children what books shall be printed and used in the schools of Minnesota.

I maintain that we have the right to raise our children in the faith of our fathers, and we should be unwilling to surrender that right to any political party.

No father or mother who has at heart the welfare and interest of his boys or his girls can or will stand for such a platform.

I appeal especially to the mothers and wives of Minnesota. In your hand is the destiny of this State and Nation; into your keeping is given the future education, both morally and mentally, of your boys and girls.

It has not been easy for me to break with political and personal friends with whom I have associated for many years. Whatever they may say of me, or about me, cannot change the issues facing you people. These issues rise higher than the hopes and ambitions of any man. These issues are more important than the political success of any individual, or any political machine

In making the campaign that I am making for the United States Senate, I have done so at the request of hundreds of Republicans who have frequently disagreed with me in years past and whom I have differed with and criticised in past campaigns. But they are opposed to a communistic philosophy, and on that issue, which is the biggest issue facing you voters, I am in accord with them. with them.

The support that has been tendered me also comes from the rank and file of the Republicans and Progressives who are willing to forget past differences and to fight shoulder to shoulder against the effort that is now being made to Russianize this State.

In the 30 years that I have campaigned in Minnesota I have spent my own money and my own time fighting for economic and political principles in which I believe. I have never been for sale, and never will be for sale.

I am not now and never will be the candidate or the representative of big business or of privileged interests.

If what I am fighting for appeals to you men and women of Minnesota, I want your help and support. If the ideals and principles which I am advocating in this campaign are the ideals, the principles, the hopes, and the aspirations of the men and women who believe in this democracy, and who will demand that it shall endure, and that communism shall not prevail, then give me your votes and your support.

I am but an incident in this contest, and whether I win or lose is not of supreme importance, but it is a matter of the highest importance to the voters of Minnesota whether this State

shall become a communistic experimental station.

Shall we turn Minnesota over to a political machine dominated and controlled by Communists, and whose platform was written by Communists and by men who have no regard for our cherished

I need the help of men and women in the common walks of life; of you folks whom I have known in the 30 years I have fought political battles in Minnesota.

I want the people of this State who believe in the fight I am making to send in their names. I want you to come to head-quarters and get literature and deliver it from house to house in this campaign.

I am opposed to any philosophy which has, with ruthless power, destroyed freedom of religion, freedom of education, and deserated the most sacred ideals of Christian civilization.

I will be fighting for economic justice and economic equality after the primaries have closed whether I am nominated for United States Senator or not. You will find me going down the line fighting against this platform which is a betrayal of the laborer and the farmer; fighting against Russianizing Minnesota; fighting against a communistic philosophy which will destroy American institutions, wipe out American homes, and desecrate American ideals. American ideals

American institutions, wipe out American homes, and desecrate American ideals.

My friends, three flags beckon us to follow under their banner. The first flag is the black flag of piracy and special privilege, which has helped to bring us into the condition we are now in, and that flag is controlled by selfish interests alone. That flag is carried in the hands of men who are controlled by greed, who demand special privilege, and who are willing to forget the high destiny of this Nation and the sacred obligation of citizenship.

The Republican Party of Minnesota must not march under the flag of the House of Morgan, or the flag of special privilege.

And there arises before me another flag, held in the hands of men who would forget their country. This is the red flag of Communism, a flag that is nurtured in the breast of despair; that is controlled by envy, prompted by greed, and nurtured by hatred. That flag would give us a philosophy that would tear down our churches and wreck our schools, and it would wipe the name of God from out the sky.

That flag would destroy the American home and wipe out the American fireside and take ambition and hope from out the human heart.

And there is another flag. Your flag and my flag—the Stars and

human heart.

And there is another flag. Your flag and my flag—the Stars and Stripes, baptized in the blood of our patriots. A flag that followed Washington as he knelt with his frozen comrades at Valley Forge. This is the flag which waved over our boys from 1861 to 1865, when rebellion sought to destroy this country; this flag waved over the head of my old soldier father at Shiloh; this flag waved over the head of Grant at Vicksburg; this flag waved over the head of Sherman as he split the Confederacy in twain and saved this Republic. This is the flag which is waving over our heads today calling us to high endeavor and to civic duty when rebellion or greed or autocracy seeks to destroy this Republic and erect a dictatorship in our State. This is the flag which calls to us as citizens to lift our trembling hands and hold it aloft in these trying times.

frying times.

From those who died at Bunker Hill and at Valley Forge; who gave their lives at Bull Run, at Shiloh, and at Vicksburg; who fell at Chateau Thierry, the Marne, and the Argonne there comes today a challenge to the patriotism and the manhood and womanhood of this Nation that we keep the faith, that we preserve this democracy, and that we hand it down to coming generations untouched by fraud, untarnished by greed.

# IN FLANDERS' FIELDS By Col. John McCrae

In Flanders' fields the poppies blow
Between the crosses, row on row,
That mark our place, and in the sky
The larks, still bravely singing, fly—
Scarce heard amidst the guns below.
We are the dead! Short days ago
We lived, felt dawn, saw sunset glow,
Loved and were loved, and now we lie
In Flanders' fields.

Take up our quarrel with the foe!
To you from failing hands we throw
The torch; be yours to hold it high.
If ye break faith with us who die
We shall not sleep, though poppies grow
In Flanders' fields.

Men and women of Minnesota, in the trying hours of the World War one battle cry was raised and it was this: "They shall not pass!" And I can hear those boys who gave their lives in behalf of this democracy crying out to every man and woman in Minnesota: "Awaken to your duty as citizens, rise in defense of your institutions and your homes and send this message to those who would take away from you all liberty, all human rights, the message that was carried on the fields of France: 'You must not pass! You shall not pass for democracy and liberty must endure and You shall not pass, for democracy and liberty must endure and

# DEFICIENCY APPROPRIATIONS

Mr. ROBINSON of Arkansas. Mr. President, I move that the Senate proceed to the consideration of House bill 9830, the deficiency appropriation bill.

The motion was agreed to; and the Senate proceeded to consider the bill (H.R. 9830) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and so forth, which had been reported from the Committee on Appropriations with amendments.

# RECESS

Mr. ROBINSON of Arkansas. I move that the Senate take a recess until tomorrow at 11 o'clock.

The motion was agreed to: and (at 6 o'clock and 50 minutes p.m.), under the order previously entered, the Senate took a recess until tomorrow, Friday, June 15, 1934, at 11 o'clock a.m.

# CONFIRMATIONS

Executive nominations confirmed by the Senate June 14 (legislative day of June 6), 1934

FOREIGN SERVICE OFFICER OF CLASS 4, A CONSUL, AND A SECRE-TARY IN THE DIPLOMATIC SERVICE

Clinton E. MacEachran to be Foreign Service officer of class 4, a consul, and a secretary in the Diplomatic Service.

UNDER SECRETARY OF AGRICULTURE

Rexford Guy Tugwell to be Under Secretary of Agricul-

FOURTH ASSISTANT POSTMASTER GENERAL

Smith W. Purdum to be Fourth Assistant Postmaster General.

UNITED STATES DISTRICT JUDGES

George Murray Hulbert to be United States district judge, southern district of New York.

Harlan W. Rippey to be United States district judge, western district of New York.

CHIEF JUSTICE OF THE SUPREME COURT, TERRITORY OF HAWAIT James L. Coke to be chief justice of the supreme court, Territory of Hawaii.

ASSOCIATE JUSTICE OF THE SUPREME COURT, TERRITORY OF HAWAII

James J. Banks to be associate justice of the supreme court, Territory of Hawaii.

CIRCUIT JUDGES, TERRITORY OF HAWAII

Harold E. Stafford to be circuit judge, first circuit, Territory of Hawaii.

James Wesley Thompson to be circuit judge, third circuit, Territory of Hawaii.

Delbert E. Metzger to be circuit judge, fourth circuit, Territory of Hawaii.

Miss Carrick H. Buck to be circuit judge, fifth circuit, Territory of Hawaii.

UNITED STATES DISTRICT JUDGE, DISTRICT OF HAWAII Seba C. Huber to be United States district judge, district of Hawaii.

UNITED STATES MARSHAL, DISTRICT OF HAWAII Otto F. Heine to be United States marshal, district of Hawaii.

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY First Lt. John Lyman Hitchings to Cavalry.

PROMOTIONS IN THE REGULAR ARMY

William Alexander McCain to be colonel, Quartermaster Corps.

John Knowles Herr to be colonel, Cavalry.

Isaac Edwin Titus to be lieutenant colonel, Chemical Warfare Service.

Arnold Norman Krogstad to be lieutenant colonel, Air

Eley Parker Denson to be lieutenant colonel, Infantry. Alan Lockhart Campbell to be major, Field Artillery. Edwin Wolsey Grimmer to be major, Infantry. Donald Langley Dutton to be major, Coast Artillery Corps. Frederick Harold Leroy Ryder to be major, Cavalry. Lloyd Davidson Brown to be major, Infantry. George Jackson Downing to be major, Field Artillery. Wallace William Crawford to be major, Field Artillery. William Lewis Boyd to be captain, Air Corps. Leon Edgar Sharon to be captain, Air Corps. Clarence Redmond Farmer to be captain, Infantry. Ivan Lewis Proctor to be captain, Air Corps. Delmar Hall Dunton to be captain, Air Corps. Orvil Arson Anderson to be captain, Air Corps. Emile Tisdale Kennedy to be captain, Air Corps. Robert Benjamin Hood to be captain, Field Artillery.

James Joseph Harris to be captain, Quartermaster Corps. Charles Franklin Fletter to be captain, Quartermaster Corps.

Roy Milton Thoroughman to be captain, Infantry.

Robert Albert Howard, Jr., to be first lieutenant, Infantry.

Thomas Joseph Counihan to be first lieutenant, Field

Artillery.

Ephraim Hester McLemore to be first lieutenant, Field

James Easton Holley to be first lieutenant, Field Artillery. Frederick G. Stritzinger, 4th, to be first lieutenant, Field

Robert Falligant Travis to be first lieutenant, Air Corps.

John Dabney Billingsley to be first lieutenant, Ordnance

Thomas Joseph Cody to be first lieutenant, Signal Corps. Robert George Butler, Jr., to be first lieutenant, Coast Artillery.

Carl Herman Sturies to be first lieutenant, Signal Corps. Joseph Anthony Michela to be first lieutenant, Cavalry.

POSTMASTERS

AT.ARAWA

Charles U. Totty, Tallassee.

ARIZONA

Emory D. Miller, Nogales.

CALIFORNIA

Faith I. Wyckoff, Firebaugh. Frederick N. Blanchard, Laton. Bert A. Wilson, Los Banos.

COLORADO

Patrick H. Kastler, Brush. Tom C. Crist, Haxtun. Alta M. Cassietto, Telluride.

DELAWARE

Joseph C. Slack, Newport.

GEORGIA

Sarah K. Scoville, Oglethorpe. Duncan E. Flanders, Swainsboro. George Arnold Ware, Tignall. DeWitt P. Trulock, Whigham.

ILLINOIS

Richard Laux, Addison.
Mary O. McDaniel, Buffalo.
John P. Hook, Jr., Fulton.
Fern Conard, Lamoille.
Mary I. Brown, Little York.
Kate McDonnell, Loda.
George W. Collins, Lombard.
O. Cammie Seeders, Palestine.
Grove Harrison, Viola.

LOUISIANA

Theo Lemoine, Cottonport. Maurice Primeaux, Kaplan. Zollie J. Meadows, Ruston.

MASSACHUSETTS

Nellie E. Callahan, Littleton Common. Gladys V. Crane, Merrimac. Lawrence Cotter, North Brookfield. Alexander J. MacQuade, Osterville. James G. Cassidy, Sheffield. John J. Kent, Jr., West Bridgewater.

MICHIGAN

Elfreda L. Mulligan, Grand Marais. Jessie E. Lederle, Leland.

NEBRASKA

Ray W. Jones, Ashland. Bert Winters, Broadwater. Clair Grimes, Chambers. Marion M. Kenroy, Long Pine. Ethel L. Ossenkop, Louisville. Almira R. Boblits, Oconto. Kathryn V. McCusker, Ogallala. Lawrence H. Aufdengarten, Oshkosh. Cordes E. Walter, Page. Bert S. Amos, Sargent. John B. Karn, Stapleton. Charles E. Major, Trenton.

NEW JERSEY

John A. Wheeler, Monmouth Beach. Nicholas T. Ballentine, Peapack. Anna C. Kelleher, Wayne. Patrick J. Shortt, Wildwood.

NEW YORK

John F. Gleason, Le Roy. John M. Collins, Lyons. Mary Gallagher, Witherbee.

NORTH DAKOTA

J. Benus Kinneberg, Leeds. Nicholas J. Krebsbach, Velva. James F. Keaveny, Wales.

PENNSYLVANIA

Harry E. Trout, Mercersburg. Ollie W. Aucker, Tionesta. Hazel B. Davis, Westfield.

RHODE ISLAND

William H. Follett, Howard. John J. Ahern, Jamestown. Elton L. Clark, North Scituate. Winfred C. Kingsley, Wickford.

SOUTH DAKOTA

Mattie E. Smith, Burke. Charles H. Page, McLaughlin. Harry Dettman, Mission. Naomi Killian, Wasta. Anna F. Dillon, Whitewood.

TEXAS

Henry W. Hoffer, Kaufman. Clyde E. Perkins, Kirkland. Marvin G. Prewitt, Ralls.

VERMONT

Frank Regan, Manchester. Laura L. Veyette, Quechee.

VIRGINIA

C. Ward Kyle, Rural Retreat. Clementine M. Wright, Sharps. Rufus W. Garris, South Hill. Richard S. Wright, Strasburg.

# HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 14, 1934

The House met at 12 o'clock noon.

Rev. Clifford H. Jope, pastor of the Ninth Street Christian Church, Washington, D.C., offered the following prayer:

Divine Father, we thank Thee for the presence of Thy governing hand guiding the destinies and affairs of men. Thou hast blessed us along the way with free institutions, noble ideals, true patriots, pure religion, and holy purposes. Help us to trust Thy leadership when we cannot see the way.

Divine Father, we pray Thee for all who hold public office and power, in whose hands rests the life, welfare, and virtue of the people. Give our leaders the vision of the possible future of our country. Enlarge the scope of our brotherhood. Give us patience when we are misunderstood and our sincerity is doubted. Endue us with the spirit of humility and service. Hold us true to those principles which mean the largest measure of happiness and security for all people. Sweep from all human hearts the gloom of doubt, the blackness of envy, and the poison of hatred. Breathe Thy life into our people. Purge our cities, States, and Nation of the deep causes of corruption which make sin profitable and uprightness hard. Lord, touch us into life that

every countenance may be like the morning and every life radiant as the sun. May Thy kingdom come and Thy will be done on earth as it is in heaven. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had agreed without amendment to a concurrent resolution of the House of the following title:

H.Con.Res. 45. Concurrent resolution to print the proceedings in Congress and in Statuary Hall upon the acceptance in the rotunda of the Capitol of the statues of George Washington and Robert E. Lee, presented by the State of Virginia.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 194. An act to refund to Caroline M. Eagan income tax erroneously and illegally collected;

H.R. 434. An act for the relief of Bernard McShane;

H.R. 987. An act for the relief of Sard S. Reed;

H.R. 2419. An act for the relief of W. B. Ford;

H.R. 2669. An act for the relief of Paul I. Morris;

H.R. 3636. An act for the relief of Thelma Lucy Rounds;

H.R. 3749. An act for the relief of Hunter B. Glasscock; H.R. 4793. An act for the relief of Moses Israel;

H.R. 5369. An act providing for the issuance of patents upon certain conditions to lands and accretions thereto determined to be within the State of New Mexico in accordance with the decree of the Supreme Court of the United

States entered April 9, 1928; H.R. 5400. An act for the relief of Thomas F. Olsen;

H.R. 7736. An act for the relief of Rocco D'Amato;

H.R. 8517. An act to provide for needy blind persons of the District of Columbia:

H.R. 8639. An act to repeal certain laws providing for the protection of sea lions in Alaska waters;

H.R. 8910. An act to establish a National Archives of the United States Government, and for other purposes;

H.R. 8912. An act to amend section 35 of the Criminal Code of the United States;

H.R. 8919. An act to adjust the salaries of rural letter carriers, and for other purposes;

H.R. 9046. An act to discontinue administrative furloughs in the Postal Service;

H.R. 9143. An act providing educational opportunities for the children of soldiers, sailors, and marines who were killed in action or died during the World War;

H.R. 9404. An act to authorize the formation of a body corporate to insure the more effective diversification of prison industries, and for other purposes;

H.R. 9622. An act to amend subsection (a) of section 23 of the District Alcoholic Beverage Control Act;

H.R. 9654. An act to authorize the Department of Commerce to make special statistical studies upon payment of the cost thereof, and for other purposes; and

H.R. 9820. An act for the relief of the State of Nebraska.

The message also announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 63. An act for the relief of Charles E. Wilson;

S. 429. An act for the relief of Dominick Edward Maggio;

S. 430. An act for the relief of Leo James McCoy;

S. 432. An act for the relief of Albert Lawrence Sliney:

S. 433. An act directing the retirement of acting assistant surgeons of the United States Navy at the age of 64 years;

S. 574. An act for the relief of Lillian G. Frost;

S. 621. An act conferring upon the United States District Court for the Northern District of California, southern division, jurisdiction of the claim of Minnie C. de Back against the Alaska Railroad;

S. 630. An act for the relief of Ray Funcannon;

S. 821. An act conferring jurisdiction on the United States District Court for the District of Oregon to hear, determine,

every countenance may be like the morning and every life | and render judgment upon the suit in equity of Rakha Singh radiant as the sun. May Thy kingdom come and Thy will | Gherwal against the United States;

S. 854. An act for the relief of the Ingram-Day Lumber Co.:

S. 1221. An act to make provisions for suitable quarters for certain Government services at El Paso, Tex., and for other purposes:

S. 1293. An act authorizing the President to order Maj. E. P. Duval before a retiring board for a hearing of his case, and upon the findings of such board determine whether or not he be placed on the retired list with the rank and pay held by him at the time of his resignation;

S. 1508. An act providing for the final enrollment of the Indians of the Klamath Indian Reservation in the State of Oregon:

S. 1601. An act to carry out the findings of the Court of Claims in the case of the Atlantic Works, of Boston, Mass.;

S. 1844. An act for the relief of James Foy;

S. 2082. An act to amend the first sentence of section 8 of the act of May 28, 1896, chapter 252, relative to the appointment of assistant United States attorneys:

S. 2134. An act for the reinstatement of John Carmichael Williams in the United States Navy;

S. 2238. An act to provide for the payment of damages to certain residents of Alaska caused by reason of extending the boundaries of Mount McKinley National Park;

S. 2246. An act to amend the Packers and Stockyards Act; S. 2426. An act to provide funds for cooperation with the public-school board at Wolf Point, Mont., in the construction or improvement of a public-school building to be available to Indian children of the Fort Peck Indian Reservation,

S. 2452. An act authorizing the President of the United States to appoint Sgt. Alvin C. York as a major in the United States Army and then place him on the retired list;

S. 2489. An act for the relief of Harold E. Seavey;

S. 2539. An act for the relief of Anthony J. Constantino; S. 2599. An act for the relief of Francis A. Parry, deceased;

S. 2603. An act authorizing the Secretary of Agriculture to convey certain lands to the Maryland-National Capital Park and Planning Commission, of Maryland, for park purposes:

S. 2684. An act to regulate foreclosure of mortgages and deeds of trust in the District of Columbia;

S. 2685. An act to provide for the conservation and settlement of estates of absentees and absconders in the District of Columbia, and for other purposes;

S. 2700. An act for the relief of William H. Rouncevill, deceased;

S. 2702. An act to amend the Civil Service Retirement Act of May 29, 1930, and for other purposes;

S. 2724. An act to provide for a customs examination building at Tampa, Fla.;

S. 2757. An act for the relief of Harry H. A. Ludwig;

S. 2771. An act for the relief of Thomas F. Cooney;

S. 2787. An act for the relief of Michael F. Calnan;

S. 2810. An act for the relief of Alice F. Martin, widow, and two minor children;

S. 2856. An act authorizing the adjustment of existing contracts for the sale of timber on the national forests, and for other purposes;

S. 2894. An act to provide funds for cooperation with school district no. 17-H, Big Horn County, Mont., for extension of public-school buildings to be available to Indian children;

S. 2927. An act for the relief of Las Vegas Hospital Association, Las Vegas, Nev.;

S. 3014. An act to authorize the transfer of the Green Lake Fish Cultural Station, in Hancock County, Maine, as an addition to the Acadia National Park;

S. 3075. An act to permit the appointment of special agents of the Division of Investigation as State officers:

S. 3178. An act authorizing the George Washington Bicentennial Commission to print and distribute additional sets of the writings of George Washington;

S. 3224. An act authorizing the Secretary of the Treasury to execute a certain indemnity agreement;

Klamath and Modoc Tribe of Indians and the Yahooskin Band of Snake Indians, State of Oregon:

S. 3294. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Hampton and Branchville Railroad Co.;

S. 3311. An act to incorporate the National Association of State Libraries;

S. 3446. An act to authorize the Postmaster General to receive, operate, and to maintain for official purposes motor vehicles seized for violations of the customs laws;

S. 3464. An act for the relief of Walter L. Rasasco;

S. 3469. An act for the relief of the Yellow Drivurself Co; S. 3472. An act for the relief of Stefano Talanco and Edith Talanco:

S. 3482. An act conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on the claim of Squaw Island Freight Terminal Co., Inc., of Buffalo, N.Y., against the United States, in respect of loss of property occasioned by the breaking of a Government dike on Squaw Island;

S. 3516. An act for the relief of the Morgan Decorating Co.;

S. 3517. An act authorizing the Court of Claims to hear, consider, adjudicate, and enter judgment upon the claims against the United States of J. A. Tippit, L. P. Hudson, Chester Howe, J. E. Arnold, Joseph W. Gillette, J. S. Bounds, W. N. Vernon, T. B. Sullivan, J. H. Neill, David C. McCallib, J. J. Beckham, and John Toles;

S. 3526. An act to amend the Air Commerce Act of 1926 and to increase the efficiency of the Aeronautics Branch of the Department of Commerce with respect to the development and regulation of civil aeronautics;

S. 3528. An act to grant permission to the Willard Family Association to erect a tablet at Fort Devens, Mass.;

S. 3530. An act relating to Philippine currency reserves on

deposit in the United States; S. 3544. An act to extend further the operation of an act

of Congress approved January 26, 1933 (47 Stat. 776), entitled "An act relating to the deferment and adjustment of construction charges for the years 1931 and 1932 on Indian irrigation projects;

S. 3562. An act for the relief of Robert Rayl:

S. 3580. An act to amend an act entitled "An act to establish a uniform system of bankruptcy, throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

S. 3531. An act to authorize the Comptroller General of the United States to settle and adjust the claim of the Hegeman-Harris Co.;

S. 3595. An act to restore to the public domain portions of the Jordan Narrows (Utah) Military Reservation;

S. 3627. An act for the relief of Felix Griego;

S. 3644. An act to provide for the assignment of a military instructor for the high-school cadets of Washington, D.C.:

S. 3655. An act to amend the act entitled "An act for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes", approved June 30, 1906, as amended;

S. 3660. An act to grant to the city of Monterey, Calif., an easement for street purposes over certain portions of the military reservation at Monterey, Calif .;

S. 3665. An act to amend section 28 of the act of May 25, 1918 (relating to deposits of tribal or individual Indian funds).

S. 3666. An act to amend section 61 (relating to deposits of bankrupt estates, of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898;

S. 3678. An act for the relief of Miles Thomas Barrett;

S. 3679. An act to place officers and men of the Coast Guard on the same basis as officers and men of the Navy

S. 3291. An act providing for a reimbursable loan to the with respect to Medals of Honor, Distinguished Service Medals, and Navy Crosses:

S. 3684. An act to provide for the establishment of a national monument on the site of Fort Stanwix, in the State of New York;

S. 3705. An act to extend the boundaries of the Grand Teton National Park in the State of Wyoming, and for other

S. 3737. An act authorizing the Secretary of Commerce to dispose of certain lighthouse reservations, and for other purposes;

S. 3742. An act granting the consent of Congress to the State Board of Public Works of the State of Vermont to construct, maintain, and operate a toll bridge across Lake Champlain at or near West Swanton, Vt.;

S. 3764. An act to reduce the fee to accompany applications for entry as second-class matter of publications of limited circulation;

S. 3765. An act to enable the Postmaster General to withhold commissions on false returns made by postmasters;

S. 3766. An act to amend the act entitled "An act authorizing the Postmaster General to adjust certain claims of postmasters for loss by burglary, fire, or other unavoidable casualty", approved March 17, 1882, as amended;

S. 3779. An act to amend section 4 of "An act to amend an act entitled 'An act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, and acts amendatory thereof and supplementary thereto", approved June 7, 1934;

S. 3780. An act for the relief of persons engaged in the fishing industry:

S.J.Res. 81. Joint resolution to provide for defraying the expenses of the American Section, International Boundary Commission, United States and Mexico:

S.J.Res. 101. Joint resolution authorizing the publication as a public document of America Secure Analytical Register of Regular Army Officers and Security Statistics, with graphs, 1775-1934;

S.J.Res. 102. Joint resolution authorizing and directing the Comptroller of the United States to certify for payment certain claims of grain elevators and grain firms to cover insurance and interest on wheat during the years 1919 and 1920 as per a certain contract authorized by the President;

S.J.Res. 115. Joint resolution to provide for the continuation of the investigation authorized by S. Res. 83, Seventieth Congress, first session;

S.J.Res. 117. Joint resolution authorizing the President of the United States to present the Distinguished Flying Cross to Emory B. Bronte;

S.J.Res. 119. Joint resolution authorizing a preliminary examination or survey of a ship canal across Prince of Wales Island, Alaska;

S.J.Res. 124. Joint resolution authorizing the Federal Trade Commission to make an investigation with respect to agricultural income and the financial and economic condition of agricultural producers generally;

S.J.Res. 128. Joint resolution to authorize the acceptance on behalf of the United States of the bequest of the late Charlotte Taylor of the city of St. Petersburg, State of Florida, for the benefit of Walter Reed General Hospital;

S.J.Res. 130. Joint resolution to amend section 72 of the Printing Act, approved January 12, 1895, and acts amendatory thereof and supplementary thereto, relative to the allotment of public documents, and section 85 of the same act fixing the date of the expiration of the franking privilege to Members of Congress; and

S.J.Res. 131. Joint resolution providing for membership of the United States in the International Labor Organization.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 9410) entitled "An act providing that permanent appropriations be subject to annual consideration and appropriation by Congress, and for other purposes," disagreed to by the House, agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HAYDEN, Mr. OVERTON, and Mr. STEIWER to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 2248. An act to protect trade and commerce against interference by violence, threats, coercion, or intimidation;

S. 3404. An act authorizing loans from the Federal Emergency Administration of Public Works for the construction of certain municipal buildings in the District of Columbia, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H.J.Res. 325) entitled "Joint resolution extending for 2 years the time within which American claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the Mixed Claims Commission and the Tripartite Claims Commission, and extending until March 10, 1936, the time within which Hungarian claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the War Claims Arbiter."

Mr. SNELL. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SNELL. Mr. Speaker, I appreciate the fact that in the closing days of a session there is always more or less disorder and confusion in the House. Personally, I am in favor of and want every man to get his local bills through, bills that are of a purely local character and do not specifically entail expenditures on the part of the Federal Treasury, but there has grown up of late the custom of bringing up general legislative bills under unanimous consent. I am not opposed to this in toto, but I do feel that if a Member wants to bring up a piece of legislation, for instance, amending some existing law, that the ranking minority member of the appropriate committee should be informed in advance of what he proposes to do. If we of the minority are informed in advance, we will try to cooperate in putting through everything that is necessary to go through in these closing days, but we shall have to object if general legislation is to be brought up without advising us in advance.

Mr. DOUGHTON. Mr. Speaker, will the gentleman yield? Mr. SNELL. I vield.

Mr. DOUGHTON. Does the gentleman feel the same with regard to calling up a bill where there has been a unanimous report by the committee, where there is no objection on the part of minority members of the committee?

Mr. SNELL. I still maintain that we should be advised in advance so that a minority member of the committee may be present at the time the bill is brought up.

### PROGRAM FOR THE VIRGIN ISLANDS

Mr. KENNEY. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein an address delivered by Governor Pearson, of the Virgin Islands.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. KENNEY. Mr. Speaker, under leave to extend my remarks, I include an article by Gov. Paul M. Pearson, of the Virgin Islands, which he wrote for the New York Times of Sunday, June 3, 1934.

The Virgin Islands are being translated from an abandoned hope to a land of promise through the interest and beneficent solicitude of President Roosevelt. We are all, therefore, looking to the Virgin Islands as a further illustration of what may be accomplished under his benign leadership which guides the destiny of our people.

Governor Pearson's article is timely and of far-reaching significance.

[From the New York Times, Sunday, June 3, 1934] LONG-RANGE PROGRAM FOR VIRGIN ISLANDS-THEIR GOVERNOR TELLS OF THE EFFORTS TO AID INDUSTRY AND MAKE LIFE BETTER

(The United States Government has embarked on a large-scale effort to bring prosperity to the Virgin Islands. The effort is here described by the Governor of the islands.)

By Paul M. Pearson, Governor of the Virgin Islands

When Herbert Hoover described the Virgin Islands as an "effective poorhouse", it must be admitted that from a material point of view he spoke the truth. Although the islands are wealthy beyond words in the beauty of their coral reefs, the exquisite beyond words in the beauty of their corai reels, the exquisite coloring of their tropic waters, and the charm and character of their people, their economic condition has been deplorable. But what Mr. Hoover failed to add was that this condition was due almost entirely to the neglect of the Government, which 17 years ago purchased the islands from Denmark and then promptly forgot them.

It is to give some measure of compensation for this neglect that resident Roosevelt has launched his rehabilitation program, in-

cluding the revival of the rum industry which once made St. Croix famous from Bombay to Boston.

In charting this work we have been able to profit by the ex-In charting this work we have been able to profit by the experience of the Danes, who faced a somewhat similar situation at the turn of the last century. For years prior to that time the Virgin Islands had prospered. Forming one corner of a lucrative triangular trade, they bought Negroes from Africa and sent rum and sugar to New England, which in turn sent fish and manufactured goods back to Africa. But with the ending of slavery the port of St. Thomas, once the busiest entrepot in all the West Indies, sank into a coma from which the Danes attempted to revive it. revive it.

#### DANISH INVESTMENTS

Four leading banks in Copenhagen united in raising \$1,000,000 for a new bank for the Virgin Islands. Danish capitalists were persuaded to invest another million in the Bethlehem sugar factory. The East Asiatic Co., another Danish firm, was prevalled upon to put another million in a dock company, while the Danish Government guaranteed bonds for the improvement of the harbor. A total of \$4,000,000 of Danish capital was invested; all of it not only remains intact but has paid regular dividends to its investors

During this period once again the islands prospered.

Then came the war. Even before the United States entered it, the American Minister at Copenhagen, Maurice Francis Egan, made numerous overtures at the Danish Court for the purchase made numerous overtures at the Danish Court for the purchase of the Virgin Islands. This was not a new move; as far back as 1867 their purchase by the United States was discussed. Again in 1902 a treaty to this end was ratified by the United States Senate but was rejected by the Danish Parliament. Finally in 1916, with American entry into the war imminent, it was feared that Germany might seize the islands as a submarine base. And with a virtual ultimatum given to Denmark that she must sell either her Caribbean possessions or have them forcibly seized, the Virgin Islands became the property of the United States. The purchase price was \$25,000,000.

### TROUBLES OF LAST DECADE

After which we virtually forgot about their existence. During the next 14 years all of the carefully built-up economic system of the islands slowly disintegrated. Danish capital withdrew and no American capital came to take its place. American shipping lines were invited to call at the once thriving port of St. Thomas. The Shipping Board, although directed by Congress to provide adequate shipping service at reasonable cost, has done nothing. At present there is no American passenger service between the Virgin Islands and the continental United States.

The harbors remain as they were under Danish rule. The United States Government has spent no money on them, nor provided any way by which money could be obtained for the purpose.

onited States Government has spent no money on them, nor provided any way by which money could be obtained for the purpose. Private capital has been sought in vain for the languishing sugar industry. The once flourishing rum industry was killed by an unwelcome Prohibition Act.

Though the population (93-percent Negro) of the islands is only 22,000 and though the total area is only 132 square miles, we have in miniature most of the economic, educational, and social problems that number States in the Union.

lems that puzzle States in the Union.

### INTEREST REVIVED

With the visit of President Hoover at the beginning of my administration 3 years ago, we suddenly woke up to the fact that one of the most beautiful of all American possessions had been most neglected. A long-time rehabilitation program was then formulated, and persistent efforts were made to obtain both private capital and funds from Congress, but it was not until the beginning of the new deal that this program could effectively get under wa

Since then we have been making genuine progress, owing, first, to the very real personal interest which President Roosevelt and Secretary Ickes have taken in the islands, and, second, to the fact that they have supplied the funds with which to transform our

program into accomplishment.

That program is founded on the basic principle of helping the islands help themselves. Too often has Congress merely made up the deficit incurred by the colonial councils without a thought by which that annually recurring deficit might be wiped out. The Virgin Islands were merely given a dole.

In contrast, we have now worked out a partnership program, by which the Government of the United States and the people of the Virgin Islands cooperate in a long-range social and economic program, the profits of which are immediately resown in the islands. The social phase of the program calls for:

First. The homesteading of tenant and unemployed labor on small parcels of land which they are enabled to purchase from the

small parcels of land which they are enabled to purchase from the Government over a period of years.

Second. The construction of two-room houses in order to relieve a tropical slum condition which parallels any existing in the most crowded cities of the United States.

Third. A system of old-age and unemployment compensation modeled somewhat along the lines of those discussed by President Processful!

Roosevelt.

Fourth. A supplementary educational system to provide both for adults and those in the pre-school age.

#### REVIVING INDUSTRIES

The second part of the program—the economic—envisages the manufacture of rum, the improvement of the bay-rum industry, the increase of the winter vegetable crop during the off season in the United States, the improvement of handicraft industries, and the furtherance of the tourist trade through the building of a new hotel.

It should be emphasized that all of these plans, except the one

It should be emphasized that all of these plans, except the one for reviving the rum industry, were in our program of 3 years ago; but they have been given important impetus by the termination of prohibition and the simultaneous decision of the Public Works Administration to allot funds for the construction of the hotel and the revival of the rum and other industries.

The capital allotted for the latter is \$1,000,000—enough, we hope, to restore to the Pearls of the Caribbean some part of their former economic wealth. This money has been placed in the hands of the Virgin Islands Co., chartered by a special act of the Colonial Council of St. Thomas and St. John. The directors are Secretary Ickes; Oscar L. Chapman; Paul M. Pearson; Judge D. Hamilton Jackson, of St. Croix; and Lionel Roberts, of St. Thomas. To assist in carrying out the permanent rehabilitation program the President also has appointed an advisory council, which includes Miss Joanna C. Colford; Secretary Ickes; Dr. Mordecai Johnson, president of Howard University; George Foster Peabody; Alfred K. Stern; Charles W. Taussig; Henry A. Wallace; and Walter White, executive secretary of the National Association for the Advancement of Colored People.

#### RUM AND SUGARCANE

The work of the Virgin Islands Co. will be not merely that of reviving the famous stills of St. Croix which for a dozen years have been covered with tropic vegetation but also cooperation with cane growers in the harvesting of their crops, the crushing of their cane, and the sale of the finished product. The company will attempt to preserve the quality of the rum which once made St. Croix famous. It will attempt to give the American public this quality of rum at a price below the present prices charged by the liquor interests in the United States. And, finally, it will cooperate with the people of the islands in the production of other crops.

### THE THREE ISLANDS

It is our hope to divide the advantages of the program in such a way as to benefit the people of all three islands. Since the economic development of the three is not similar, this requires a diverse program. St. Croix, the largest island, is agricultural. Its chief industry has been and will continue to be sugar and rum, and here the Virgin Islands Co. will concentrate on the development of these two commodities. St. Thomas, famous as a shipping center, will receive the benefit of the new hotel ping center, will receive the benefit of the new hotel and tourist trade and harbor improvements. St. John, the smallest of the islands, is a picturesque jungle, the haven of fishermen, and inhabited by only 700 people, whose chief industry is charcoal burning and the growing of bay trees for bay rum. Both here and in St. Thomas the Virgin Islands Co. hopes to encourage the further development of the bay-rum industry.

The Virgin Islands Co. is incorporated under a unique charter. Its management is under obligation to make all the profits which legitimately can be made, but to use them for the benefit of the islands. The trustees hold the stock of the company in trust for the people. The charter provides that from the earned surplus the company may spend funds to further homesteading, housing, and other features of the social program.

and other features of the social program.

# ATTITUDE OF ST. CROIX

It was only natural that a program as unique as this should be subject to some misunderstanding, and this we found to be the case in St. Croix. Here exists a social condition which is the direct heritage of slave days. The economic cleavage between the descendants of the landed aristocracy and the descendants of the descendants of the landed aristocracy and the descendants of the slaves is almost as great as it was during the days of bondage. Until recently 17 men owned 70 percent of the land of the entire island. In 1933 only 43 people in St. Croix paid income taxes. Sixty-five percent of those who die are burled as paupers, while 25 percent of the funds from the St. Croix municipality go to poor relief. The property qualification for suffrage in St. Croix is an annual income of only \$60, or else ownership of property valued at \$300, but despite this infinitesimal requirement only 400 men on the entire island can qualify to vote.

It was not surprising, therefore, that the members of the Colonial Council of St. Croix, who are elected by this small pro-

portion of landowners and are themselves estate owners, should have looked askance at any such project.

The basic principle of the government of the Virgin Islands is

that it does not seek to impose any part of its program which may be unwelcome. And despite the fact that the charter of the Virgin Islands Co. did not need to come before a legislative body but merely required registration with a court, the entire question was submitted to the Colonial Council of St. Croix for discussion and criticism. This brought out the fact that certain features of the program were unwelcome to the estate owners and that the legal phrasing created confusion among the people. After prolonged discussion, the charter was rejected.

Simultaneously the Colonial Council of St. Thomas and St. John

approved the charter unanimously. As a result, the Virgin Islands Co. will operate from St. Thomas and carry on certain activities in St. Croix. It will enjoy no concessions. It pays taxes and is subject to every other regulation governing industry in the island.

#### HOMESTEADING EFFORTS

From a profit point of view, of course, the Virgin Islands Co. will carry the additional burden of financing a part of the homesteading program. This is considered all-important. In St. Croix the desire to own land amounts almost to a religious passion. Already we have distributed some 2,500 acres of land to about 500 peo-

ready we have distributed some 2,500 acres of land to about 500 people, and in the near future we shall be able to distribute about 2,000 acres more. These homesteaders get loans with which to buy seeds and tools, and already the effect upon their character and the economic condition of the island is noticeable.

Coincident with the homesteading program we have begun the construction of fireproof cottages of two or more rooms. This we hope may eventually remedy one of the most deplorable conditions in the islands. In St. Croix there are 2,623 one-room houses, and 4.545 families. A recent survey showed that these one room.

in the islands. In St. Croix there are 2,623 one-room houses, and 4,545 families. A recent survey showed that these one-room houses sometimes sheltered as many as 12 people.

The percentage of marriages is low, and 65 percent of the children are illegitimate. One of our greatest problems is that of adolescent girls, many of whom, having no employment and being raised in crowded families, naturally gravitate to some man who will support them. Not being bound by matrimony, the commonlaw husband eventually moves on, leaving his children behind to be cared for as best they can be. be cared for as best they can be.

To help remedy this condition we propose to establish an industrial farm school for boys in St. Thomas; expand the vocational school in St. Croix, and establish girls' clubs on the cottage plan, where, under supervision, they may learn housekeeping, handi-craft, and other industrial occupations. In addition, it is also planned to open the Queen Louise Home for orphan girls, which was maintained under the Danes but closed with the beginning of American administration.

# NEW PROJECTS AFOOT

How ready the great majority of the people are to enter into partnership with the new deal in improving their own welfare has been amply illustrated in recent months. Already a botanical garden, begun 2 years ago by Maurice Petit, a Virgin Islander, and supported by the leading citizens of St. Thomas, has become one of the show spots of the islands. On Protestant Cay, a 4-acre island in the harbor of Christiansted, St. Croix, a swimming beach has been established for the use of all the people.

The cultural background of the islands is such that the slightest encouragement brings forth heautiful evidences of self-expression.

encouragement brings forth beautiful evidences of self-expression. Charles H. Emanuel, of Diamond School, St. Croix, has rediscovered some of the Virgin Islands spirituals of former years, taught them to his children, and pleased the public with their sonorous beauty. At another St. Croix school, Melville A. Stevens,

sonorous beauty. At another St. Croix school, Melville A. Stevens, formerly of Hampton Institute, has organized a glee club which also has increased the popularity of the old spirituals.

The native love of music, which finds outlet in the organization of scratchy bands, also has been guided to new achievements. Scratchy bands are so named because of the instruments—gourds upon which the musician scratches with a nail. Thanks to George Exertin Peabody and the New York Times which save of several servances. Foster Peabody and the New York Times, which gave generous response to our appeal, two high schools now have regular band instruments while 100 gift pianos have come to the islands.

### RHYTHM BANDS

Bands have now been organized in every school. And where brass instruments are not available—the case in all but two—Mrs. Adele Galiber, a St. Thomas teacher, has led the way in forming rhythm bands. With drums made of cheese boxes and homeword seither mitters of school-depart celebrath triangles of

ing rhythm bands. With drums made of cheese boxes and home-cured goat skins, guitars of scooped-out calabash, triangles of old horseshoes, tambourines fashioned from tin-can covers with pop bottles attached, castanets made of gourds with pebbles inside, and flutes of papaya stems cut with four holes and a piece of paper tied at the top—there is nothing to equal 20 or 30 Virgin Island school children playing in a rhythm band.

Thus, slowly, sometimes a little gropingly, we chart our course toward the new deal in the Virgin Islands. It may be changed many times as soundings and weather dictate. We have only just begun. Our need is for luxuries—what Robert Louis Stevenson calls the "superfluities", when he writes: "We don't live for the necessities of life. In reality, no one cares a damn for them. What we live for are the superfluities." We phrase it thus: "Civilization walks on a pair of shoes." Most Virgin Islanders wear shoes; so we have a start on an improved standard of living.

BANKRUPTCY AND RECEIVERSHIP PROCEEDINGS IN NEW YORK CITY |

Mr. CELLER. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, I desire to call attention to an article which appeared in the New York Times this morning, headed "Shift on Receiver by Court Likely." I hope the correspondent of that paper, now in the press gallery, will pay attention. The article is in part as follows:

SHIFT ON RECEIVER BY COURT LIKELY-JUDGE KNOX WEIGHS MOVE TO STOP NAMING IRVING TRUST IN ALL CASES HERE—LAWYERS PUSHING FIGHT—BANKEUPTCY LAW CALLS FOR CARE IN APPOINTMENTS TO

The possibility that the Irving Trust Co. may not continue to be the standard receiver in bankruptcy cases was acknowledged yesterday by Federal Judge John C. Knox, senior jurist of the United States District Court, who has the task of formulating rules of the court under the bankruptcy law signed last week by President Roosevelt.

Judge Knox said that no new rules had been formulated by the court, but that he understood that the trust company was still

appointed receiver.

Whether judges of the court will continue to make that appointment seemed to be problematical. The new law asserts: "The district court or any judge thereof shall in its or his discretion so apportion the appointment of receivers and trustees among persons, firms, or attorneys thereof within the district eligible thereto, as to prevent any person, firm, or corporation from having a monopoly of such appointments within such district."

Judge Knox said that he and his fellow jurists would have to consider the meaning of the words "monopoly" and "discretion" before saying just what rules of the court would be formulated.

A month or so ago we passed H.R. 8832, bill introduced by me to prevent the Irving Trust Co. from acting as a standing receiver. This bill destroyed the Irving Trust Co. as a monopoly in receivership proceedings for the United States courts in the southern district of New York. This bill found its way into the corporate reorganization bill as section III, which passed both Houses and was signed by the President.

The Irving Trust Co. can, therefore, no longer act as a standing receiver.

The New York Times article, particularly its heading and the implications of the subject matter, is utterly erroneous and incorrect, and gives a false impression to the public of New York. It is not a question of the "shift on receiver by the court" being "likely." The shift is imperative. The article further says, "Whether judges of the court will continue to make that appointment seemed to be problematical." There is nothing problematical about it. There is an absolute obligation on the part of the judges to discontinue the Irving Trust Co. as a standing receiver. It is not a matter of discretion or choice. The court can no longer appoint the Irving Trust Co. in all bankruptcy causes. That is the monopoly that the bill sought to and did destroy. If a judge disobeys the statute and continues to appoint the Irving Trust Co. in all cases, I reluctantly state that the judge does so in violation of the statute.

The Irving Trust Co. may be appointed in some cases, along with the Manufacturers Trust Co., or the National City Bank, or the Bankers Trust Co., or any other bank or trust company, together with lawyers and firms, but no one person or entity can be appointed in all the cases.

I hope the New York Times will indicate this clearly to its readers and that all the other New York papers will follow suit.

I drafted the report for the Judiciary Committee of the House concerning the activities of the Irving Trust Co. as monopoly receiver. The report is in part as follows:

The district judges of the southern district of New York some time ago adopted a rule setting up the Irving Trust Co., of the city of New York, as a standing receiver in all cases, and since that order said Irving Trust Co. has supplanted the legal profession in the administration of receiverships in bankruptcy.

A few years ago there had occurred some scandals in the city of New York concerning the appointment of receivers. The United States judges of the southern district of New York, however, were not without blame, since they had in some cases themselves appointed incompetent and dishonest officials. Of course, it must be stated that, considering the tremendous amount of work the judges must perform, to pass accurately in all cases upon the competency and honesty of their appointees is ofttimes difficult, if not impossible. Yet, as a result of the order of the judges setting up the Irving Trust Co. as a standing receiver, there has been set up a monopoly in the Irving Trust Co., with power to appoint attorneys for the receiver, the appraisers, custodians, auctioneers, etc. Referees are also instructed by the judges in notices to creditors, in as persuasive and forceful language as possible, to suggest voting the Irving Trust Co. as trustee. This is contrary to the spirit of the Bankruptcy Act, which provides for creditor control over bankrupt estates. In almost every instance where the Irving Trust Co. has been appointed receiver it has been elected trustee. stated that, considering the tremendous amount of work the elected trustee.

Conflict of interest has often arisen. One bankruptcy estate ten has claims against another estate. Since the trust company often has claims against another estate. Since the trust company is receiver or trustee in all cases, it has found itself making claims against itself. There are cases in the southern district of New York entitled "Irving Trust Co. as receiver against Irving Trust

Co. as receiver."

In justification of their attitude in setting up the bank as In justification of their attitude in setting up the bank as standing receiver, some of the judges had explained that formerly they were importuned at their homes, upon the streets, and at public gatherings by those who sought to be appointed as receivers in bankruptcy cases. They claim they now have great peace of mind because they are no longer bothered with these insistent demands for appointments. It must be remembered, however, that the bankruptcy statute was not enacted for the convenience of judges or their peace of mind. Judges must be able to steel themselves against the improper importunities of friends. They must render themselves impervious to such demands and requests. must render themselves impervious to such demands and requests. If the judges complained of such political patronage in the appointment of receivers, it must be remembered that there has been set up another kind of patronage, namely, the Irving Trust Co. Doubtlessly the one who confers the most favors and brings the most business to the Irving Trust Co. will in the long run receive lucrative appointments. The appointment of lawyers may not be exclusively upon merit or efficiency. Certainly officials of the bank are just as human as the judges. They are subject to the same demands and importunities.

Furthermore, upon the suggestion of the judges of the southern district of New York, the Supreme Court adopted a rule permit-ting the Irving Trust Co. to deposit with itself bankrupt estate funds. This is most unusual. Nowhere else do we have a situa-tion where a receiver or trustee can keep his or its own funds in

his or its possession.

A subcommittee of the Judiciary Committee investigating conditions concerning the Irving Trust Co. brought out the fact that last summer there was \$19,000,000 that the Irving Trust Co. held on deposit in the form of bankrupt estate funds.

Senior Circuit Judge Martin T. Manton, of the Circuit Court of

Appeals, embracing the southern district of New York, has this to

say on the subject:

"All integrity, honesty, and understanding have not left the bar just because of the so-called "bankruptcy scandal." Lawyers give to bankruptcy cases their individual, personal attention—their humane consideration. They are efficient and competent, and I believe can handle the exigencies of bankruptcy situations more

believe can handle the exigencies of bankruptcy situations more satisfactorily than a banking corporation."

The appointment of the Irving Trust Co. as a standing receiver was opposed by the New York State Bar Association, the Brooklyn Bar Association, the New York County Lawyers Bar Association, the Nassau County Bar Association, the Queens County Bar Association, the Richmond County Bar Association, the Bronx County Bar Association, and the Federal Bar Association of New York, New Jersey, and Connecticut. The Irving Trust Co. was receiver, for example, in the following cases: United Cigars, Lerner Dress, Owl Drug, Whelan Drug Stores, Wallack Bros. (haberdashery), Savoy Plaza Hotel, Hotel Pierre, McCrory Stores, etc. It has under its control all manner and kinds of business and industries, retail, wholesale, manufacturing. It runs railroads, restaurants, trolley lines, hotels, and supervises the operation of 60 match corporations in Denmark, Finland, Guatemala, Yugoslavia, Norway, the Philippine Islands, Poland, Turkey, Austria, Czechoslovakia, Estonia, Hungary, Latvia, and Italy, and the United States. By the appointment of itself as ancillary receiver of many chain-store bankrupts it functions in scores of congressional districts.

In the beginning it set up its own collection agency, called the "Extente Collection Service" and in addition to its own fees as re-

In the beginning it set up its own collection agency, called the "Estates Collection Service", and in addition to its own fees as receiver said Irving Trust Co. charged collecting fees. It took court proceedings to preclude the Irving Trust Co. from indulging in this practice.

The Irving Trust Co. issued a report to its stockholders January 17, 1934. It contains certain information as to the profitable operation of its bankruptcy-receivership department. There is a statement in the report to the effect that \$100,000 a year is estimated as its profit as the trustee of bankruptcy funds. If such profit had been made by an individual trustee and not the Irving profit had been made by an individual trustee and not the Irving Trust Co., it would belong to the creditors who share in the dividends. This is not the case, however, with the Irving Trust Co.

The Irving Trust Co. and its defenders, including numerous trade associations, maintain that creditors have received more dividends and are far better off under the old system of appointing individual attorneys and entities as receivers, able dispute as to this. There is consider

The Federal Bar Association of New York, New Jersey, and Connecticut, however, says as follows:

"A careful examination and analysis of one of the reports filed | by the Irving Trust Co. shows this bank to be of no practical advantage to the creditors over the administration by the creditors themselves under the bankruptcy law and no improvement for the public interest."

The representative of the Brooklyn Bar Association stated that his investigation demonstrated (1) that the Irving Trust Co. administration is not more economical, and (2) that the creditors are not receiving a larger percentage of the dividends by reason of the Irving Trust Co. acting as administrator.

The Irving Trust Co. has seen fit to appoint as its attorneys in previous receiverships a contario of forceits attorneys.

various receiverships a coterie of favorite attorneys. The fees received by these attorneys are staggering in amount. In the investigation conducted by the special committee of the Judiciary Committee at New York, it was disclosed that 4 law firms, out of 84 bankruptcy cases distributed among them, had received in fees 84 bankruptcy cases distributed among them, had received in fees a total, up to the time of the investigation in October 1933, of \$1,043,584, and that there were numerous cases still pending in those offices for which no compensation had yet been paid. The stupendous fees paid to several of these law firms under the Irving Trust Co. arrangement is shocking. One firm, in particular, will have earned doubtlessly upward of three-quarters of a million dollars when the pending cases are concluded.

The continuing of the Irving Trust Co. as receiver will tend toward a monopoly that will give this corporation tyrannical control over the bar, because the amount of legal work it passes

control over the bar, because the amount of legal work it passes

out is incalculable.

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The New York State Legislature last year and the New York State Legislature recently passed what is known as the "McNaboe bill", which intended to prevent the Irving Trust Co. from exercising a virtual monopoly in receiverships. Although the measure did not mention that corporation by name, it provided that no corporation could act, directly or indirectly, as receiver or trustee in bankruptcy or as receiver in equity. The bill recently and the bill last year went through both houses of the legislature by wide margins. Governor Lehman last year and on March 24 of this year

bill last year went through both houses of the legislature by wide margins. Governor Lehman last year and on March 24 of this year vetoed the bill, and said:

"The veto of this bill is not to be construed as an approval of the system existing in that district. The fact is, however, that the judges of the Federal court of the southern district, pursuant to the power vested in them, adopted the rule centering receiverships and trusteeships in bankruptcy in the hands of one corporation.

"If a change is desired, the judges of that court may make the change, or the change may be made by action of the Congress. It is not for this State to change by indirect means a rule made by a Federal court for the discharge of bankruptcy cases coming

"As I said in my veto message of last year, interference by the State would not only be an unwarranted intrusion into what is primarily a judicial function but it would carry that intrusion info Federal courts, which are in no sense subject to State legislative control, and into the field of bankruptcy, which by the Constitution of the United States is vested in the Federal Government."

We thus have an overwhelming expression of sentiment on the part of the New York State Legislature, representing the sentiment of the people of the State of New York, that it does not wish the continuance of the Irving Trust Co. as monopoly receiver in the Federal courts. The Governor of the State of New York says that it is not within the province of the State to act. It is the duty of Congress to act. Congress has acted.

## MINERAL LANDS LEASING ACT OF 1920

Mr. DEROUEN. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3723) to amend the Mineral Lands Leasing Act of 1920 with reference to oil- or gas-prospecting permits and leases.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act to promote the

Be it enacted, etc., That the act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", approved February 25, 1920, as amended, is amended by adding the following new section:

"SEC. 40. (a) All prospecting permits and leases for oil or gas made or issued under the provisions of this act shall be subject to the condition that in case the permittee or lessee strikes water while drilling instead of oil or gas, the Secretary of the Interior may, when such water is of such quality and quantity as to be valuable and usable at a reasonable cost for agricultural, domestic, or other purposes, purchase the casing in the well at the reason or other purposes, purchase the casing in the well at the reasonable value thereof to be fixed under rules and regulations to be prescribed by the Secretary: *Provided*, That the land on which such well is situated shall be reserved as a water hole under section 10 of the act of December 29, 1916.

"(b) In cases where water wells producing such water have heretofore been or may hereafter be drilled upon lands embraced in any prospecting permit or lease heretofore issued under the act of February 25, 1920, as amended, the Secretary may in like

manner purchase the casing in such wells.

"(c) The Secretary may make such purchase and may lease or operate such wells for the purpose of producing water and of using the same on the public lands or of disposing of such water for beneficial use on other lands, and where such wells have heretofore been plugged or abandoned or where such wells have been drilled prior to the issuance of any permit or lease by persons not in privity with the permittee or lessee, the Secretary may develop

the same for the purposes of this section: Provided, That owners or occupants of lands adjacent to those upon which such water wells may be developed shall have a preference right to make beneficial use of such water.

beneficial use of such water.

"(d) The Secretary may use so much of any funds available for the plugging of wells as he may find necessary to start the program provided for by this section, and thereafter he may use the proceeds from the sale or other disposition of such water as a revolving fund for the continuation of such program, and such proceeds are hereby appropriated for such purpose.

"(e) Nothing in this section shall be construed to restrict operations under any oil or gas lease or permit under any other provision of this act."

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### WAR DEBTS AND PEACE DEBTS

Mr. KENNEDY of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. KENNEDY of New York. Mr. Speaker, ladies, and gentlemen: I think it is appropriate on this patriotic holiday, the one hundred and fifty-seventh anniversary of Flag Day, that I direct your attention to the correspondence now being exchanged between this Government and the debtor nations. This is a matter in which every patriotic citizen has a deep concern.

By your unanimous consent I am inserting in the Con-GRESSIONAL RECORD the following editorial, which appeared in the New York Sun on June 6. This editorial is entitled "Peace Debts" and presents a very clear and interesting story on the subject:

story on the subject:

In the British note announcing default of debt or debts, advances, and obligations the words "debt" or "debts", "advances", and "obligations" appear 18 times. In all but four instances they are preceded by the word "war." This is scarcely exact. A large part of the moneys due to the United States from their associates in the Great War are really peace debts contracted after the armistice. Where the note speaks of "war advances totaling \$4,277,000,000", it would be better to be more definite. Great Britain got \$3,696,000,000 in cash from us before the war ended and \$531,000,000 in cash afterward. France borrowed \$1,970,000,000 in cash from us during the war, and after the war borrowed \$1,027,477,800 in cash and got \$407,341,145 worth of supplies on credit. Italy got \$1,031,000,000 before the armistice and \$617,034,050 afterward. All told, the United States loaned \$10,338,058,352, and of this amount \$3,260,934,602, or nearly one-third, was loaned after the armistice. It cannot be said that these post-armistice notes were signed by governments in fear of annihilation. armistice notes were signed by governments in fear of annihilation.

It can be readily understood from the figures contained in this editorial that there is a substantial difference between the money loaned to foreign governments for war purposes and the amount which was loaned after the armistice had been signed. I believe that the post-armistice debt should be treated in a separate and distinct manner from the ordinary war debts.

The suggestions contained in the correspondence in connection with the payment of this debt furnish unmistakable evidence that our foreign debtors are unable to pay, or do not intend to pay, regardless of the language in which their defaults were couched. The fact still remains that our Government will find itself without payment on the due date. tomorrow, June 15.

I have consistently supported President Roosevelt in all his efforts to restore peace and prosperity to our country, and I intend to continue my support of his legislative program. However, I feel compelled at this time to express my emphatic disapproval of any plan that has for its object the cancelation of these debts. I do not know that it is the intention of the President to advocate any further extensions of time for payment on the part of our foreign debtors; but if the President is considering such a plan, I hope that he shall not be unmindful of my opposition. I will oppose in every possible way any plan which aims to delay or shall indefinitely postpone the payment of these war debts, and particularly that portion of the debt which was contracted after the signing of the armistice.

Ladies and gentlemen, may I suggest as an appropriate way of observing Flag Day, which we are now celebrating, that you devote some time to a study of the debts now due our Government from the various foreign governments so that you may join with me in my fight for prompt payment of the so-called "peace debts."

#### FRAZIER-LEMKE BILL

Mr. GRISWOLD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. GRISWOLD. Mr. Speaker, the days of the Seventy-third Congress are in the yellow leaf. We look back and see the panorama widen—we take stock of how much or how little we have accomplished. The one outstanding fact is that this Congress has failed to accomplish all that it might have accomplished for the benefit of the farmer in the great Corn Belt area.

Congress has made an effort. We have reduced acreage by law of Congress, and Nature by the law of drought has made a jest of our man-made law. We have destroyed millions of pounds of livestock to eliminate a surplus, and the god of rain has mocked us by destroying millions more. We still expect the farmer to take himself out of the hands of the money lenders by reducing his own production and at the same time consuming more of the things he must buy at increased costs. It cannot be done.

We have reduced the farmer's interest rate when he borrows from the Federal land bank. This is good. Congress should be commended for it. But Congress should be and will be condemned for not going further. Congress should be willing to go far enough to give the farmer at least an equal break with the railroads and the bankers.

In the past 24 months the railroads have received from the public as Government loans, refunds, and adjustments more than one and a quarter billion dollars. The farmer must pay his share of this burden, and most of the money found its ultimate goal in the vaults of the banker.

We have talked all this session of aiding the man with money, or who once had money, to recoup his losses. We have been constantly solicitous to see that the man—or woman—who had his investment in dollars did not suffer loss.

Mr. Speaker, money is the one thing that does not possess any inherent virtue. It produces nothing. It is a parasite that grows and grows from small beginnings to monstrous proportions without any effort whatever. It is without a soul and without a conscience, and does the will of whoever possesses it, without question. Its province is to destroy all other property that it may reign supreme. Interest is its servant that destroys the hopes and ambitions of man and takes from him the results of a lifetime of labor.

The farmer of this Nation is being reduced to a state of practical serfdom through the operation of this great destroyer, interest. It is time, if we expect the great agricultural population of the States of Indiana, Illinois, Missouri, Iowa, and the other Corn Belt States to survive, that we become as solicitous for it as we have been for the bankers. It is time that we begin to realize that if everyone else is to retrench, then these collectors of interest must retrench. If the farmer is to take his loss, then the Shylocks who live through the toil of other men must also take their loss.

The Frazier-Lemke bill involves the principle that will do justice to these men and women who are now endeavoring to hold on to the property that they have acquired consisting of producing land, not merely money property. The Frazier bill may not be all that everyone desires. It may have some fault of detail. If so those details, after free discussion on the floor of the House, can be modified. But the principle in the bill is one of fairness and justice. The plan is profitable to the Government and profitable to the farmer. It allows the Government to control the issuance of money instead of the money lender. It does not cost the owner of this money property anything. He does not take any loss.

It merely prohibits him from having fed into his capricious maw these continuous and destroying interest payments. It ends the stamp of approval on the system that makes money all powerful and gives producing property and labor its just dues.

Mr. Speaker, months ago I was one of the two Members of Congress from Indiana who signed a petition along with 143 other Members to bring this legislation to a vote on the floor of the House. The filing of that petition was not a partisan political matter. The roll of signers shows an almost equal number of Democrats and Republicans. Among those signers appear the names of Members of prominence on both sides of the aisle. Likewise both Democrats and Republicans are found opposed to this legislation. Regardless of that petition and contrary to the intent of House rules, legislative action is still held in abeyance; and while it is held up, our farmers perish. Whether the majority of the Membership favors this legislation or not, at least so large a number of our citizens as the farm owners are entitled to their day in court. They only ask the right to be heard. The right can only be denied them at the peril of the destruction of free representation. I have no faith in my Republican colleagues who say this legislation is being held up by the Democrats. It was held up by the Republicans during 4 years of the Coolidge and Hoover administrations. They had the power then to correct this evil and did not. Instead, they nurtured these same money lenders and tightened their grip on these farms. During all that time they worshiped at the shrine of interest payments and glorified the property rights of money. The responsibility for the situation today is on their heads. The responsibility for curing the evil is on our hands.

These are the closing days of this Congress—only a little time is left for action.

The moving finger writes; and, having writ, Moves on; nor all your piety nor wit Shall lure it back to cancel half a line, Nor all your tears wash out a word of it.

If we are only given an opportunity to express ourselves on this legislation, then we need have no regrets. There will be no longing to turn back and rewrite the record.

SOME COMMENTS ON LEGISLATION OF THE PAST SESSION

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record.

The SPEAKER. Is there objection?

There was no objection.

Mr. TREADWAY. Mr. Speaker, as usual the work of the Ways and Means Committee has been extremely confining, perhaps more so during the past session than for several preceding sessions. Among the more important measures considered were the bill to adjust taxes on liquor, made necessary by the repeal of prohibition; the revenue bill; the bill giving the President authority to enter into reciprocal trade agreements with foreign nations and to adjust tariff duties to conform to such agreements; the bill increasing the ratio of silver to gold in the Nation's monetary reserves; and the bill authorizing the establishment of free trade zones in the ports of entry of the United States. In addition, some 15 or 20 other measures received the attention of the committee.

The foundation for the committee's work was laid at the close of the previous session by the passage of a House resolution setting up a subcommittee for conducting a preliminary study of the avoidance of taxes through loopholes in the law. The experts on the staff of the committee studied the problem during the summer of 1933, and the subcommittee commenced its work with daily sessions beginning the middle of October.

The main object of this work was to eliminate the possibilities for avoidance of taxes rather than to find new sources of revenue. This subcommittee has been again continued by another House resolution, adopted in the closing days of the present session. I wish, however, to say in advance of its labors that I and my associates of the minority of the committee will be very glad to continue the effort to

plug loopholes, but I shall oppose, as I did this year, a general tax revision or any move to distinctly increase taxes, which in effect was the character of the Senate's amendments to the recent revenue bill.

The American people are very heavily taxed at the present time, and are entitled to reduced rather than increased taxes, particularly when the excess taxation cannot be justified on the ground of balancing the Budget, but can only be used for continued increases in governmental expenditures. We are reaching the limit of cur ability to pay debts, either by borrowing or taxing. The credit of the Nation cannot long survive continually increased borrowing, nor can the people long continue to be unduly assessed. The only remedy for this situation is a return to normalcy in governmental expenditures. Any suggestion of finding new sources of revenue will be vigorously resisted.

#### THE REVENUE BILL

The subcommittee appointed to make a study of tax avoidance, of which I was a member, made its report to the full Ways and Means Committee early in December 1933, in advance of the regular session of Congress. Hearings were held on the proposed changes, and after careful consideration by the committee some were rejected and others modified. If they had not been, I was prepared to submit a minority report opposing the bill.

Finally, on February 9, 1934, the new revenue bill was introduced in the House. In the form presented it would have raised some \$258,000,000 in additional revenue, wholly by administrative changes in the existing law and without the imposition of any new taxes. In other words, it was

simply a bill to prevent tax avoidance.

In his Budget message the President took cognizance of the work of the Ways and Means Committee, and stated that probably \$150,000,000 would be realized by administrative changes, whereas when completed the bill raised \$100,000,000 more than the President indicated.

The bill passed the House substantially as introduced, with only seven Members voting in opposition. It then went to the Senate, where it was referred to the Finance Committee. That committee held hearings on the House bill and reported it to the Senate with only two major changes, namely, a slight increase in the estate-tax rates and the reenactment of the capital-stock and excess-profits taxes, which had expired with the repeal of prohibition. As reported by the Finance Committee the bill would have raised some \$330,000,000. In the main, it was still a bill to prevent tax avoidance, and not a bill looking for new sources of revenue.

When the bill reached the Senate floor the so-called "progressives" virtually ran away with the Finance Committee. When they had finished with it, the estimated revenue yield had been increased to \$480,000,000, and instead of being a bill to prevent tax avoidance it had become a bill to increase taxes. One of the amendments added by the Senate would have imposed a superincome tax of 10 percent for the taxable year 1934, estimated to raise \$55,000,000; another amendment increased the estate-tax rates to a maximum of 60 percent, adding about \$90,000,000 to the general tax burden.

When the bill went to conference the Democratic House conferees yielded to the Senate on almost every important item, as is evident from the fact that the compromise measure is estimated to yield \$417,000,000. The only major Senate amendment which was not accepted by the House conferees was the \$55,000,000 superincome tax. This item was reported in disagreement by the conferees and was rejected by the House on a separate vote, to which action the Senate yielded.

These changes were so contrary to the general purpose of the bill that I opposed the adoption of the conference report and still object to the final enactment of the bill, which calls for such a large additional contribution from the people. Out of the more than \$400,000,000 in additional taxes levied \$150,000,000 in round numbers is from new sources.

Among the provisions of the new law, with which I am not in agreement, are the increased income-tax rates, the ventures.

confiscatory estate-tax rates, the abolition of consolidated returns, the continued exemption of dividends out of pre-March 1, 1913, earnings, and the publicity provisions.

Under the House bill, we gave substantial relief to the smaller taxpayer having income from salaries and wages and at the same time increased the tax somewhat on those having incomes from dividends and partially tax-exempt interest on Government obligations. The Senate, however, felt that the smaller taxpayers were not entitled to the relief which the House had given them and increased the tax in the lower and middle brackets. Thus the rates in the new bill are a compromise between the views of the two branches. Personally, I can see no justification for the increase over the House bill. In fact, there cannot possibly be any justification for increasing the taxes of persons with moderate incomes proportionately more than persons with the larger incomes.

In this connection-I may say that when the bill was before the Ways and Means Committee the schedule of surtax rates which was first worked out put a disproportionate increase on taxpayers in the lower brackets. I presented a new schedule which shifted the burden of the increase further up in the scale, and this new schedule was made the basis of the rates finally provided in the House bill. However, the rates of the new law have the same defect as those which I previously opposed.

The new law increases the maximum estate-tax rate from 45 percent to 60 percent, with proportionate increases in the other brackets. It would appear that the former maximum rate of 45 percent is as high as we can honestly go without virtual confiscation of estates. Even during the period of the World War the rates were never in excess of 25 percent. A very great hardship in the settlement of estates comes about by reason of the fact that the tax is assessed on the value of the property at the date of the owner's death and by the time the estate is distributed to the heirs it may have depreciated until there is little left after the tax is paid.

Under the new law, consolidated returns cannot be filed by affiliated corporations, except in the case of railroads. Such returns have previously been allowed on the theory that affiliated corporations were in reality but one enterprise, like the several departments of a large store. While it sounds favorable to corporations to permit consolidated returns, as a matter of fact more revenue would result to the Government by reason of the higher rate of tax that would be imposed. The merit of consolidated returns is borne out by the fact that the Treasury Department has always favored this method, irrespective of which party happened to be in power. In the Senate, an amendment was adopted abolishing consolidated returns altogether in spite of the recommendations of the Treasury Department and the Senate Finance Committee. In conference, a majority of the House conferees yielded in favor of the Senate action, except as to railroads. In this instance, the Democrats went against the advice of their own Secretary of the Treasury.

The House has several times included in revenue bills a provision removing the exemption in favor of dividends declared out of corporate earnings accrued prior to March 1, 1913, the effective date of the first income tax. The Senate has always eliminated the House provision, and the item has gone out of the bill in conference. There is absolutely no justification for the exemption, and the Supreme Court has upheld the power of Congress to tax such dividends. Therefore, I cannot agree with the majority of the House conferees who yielded to the Senate on this provision.

The publicity of income-tax returns feature of the new bill is also the result of a Senate amendment. While the provision is not as drastic as the original amendment, it is sufficiently broad to satisfy the curiosity of those who wish to inquire into the private affairs of other people. There is already ample authority for the proper agencies outside the Treasury Department to inspect income-tax returns, and no reason exists why the data contained in the returns should be thrown open to snoopers and blackmailers, or be made the basis of "sucker lists" for all sorts of wildcat ventures.

#### RECIPROCAL TARIFF BULL

Mr. Speaker, if there is one issue that is clearly drawn between the Republican and Democratic Parties, it is the question of giving the President dictatorial authority over the tariff, as is provided in his reciprocal tariff law. The Republicans have fought this unprecedented, unconstitutional delegation of power every inch of the way, from the time it was introduced until it was finally enacted. The responsibility for this measure is clearly upon the Democratic Party. The roll call in the House on the passage of the bill showed 99 Republicans voting against and only 2 in favor of the measure. The vote in the Senate was also along party lines. Thus the Republicans have lined up solidly in opposition to this Democratic proposal to reduce the tariff and allow the displacement of domestic products by increased foreign importations.

We Republicans believe it is self-evident that more imported goods means less goods produced in this country; that less goods produced in this country means less work; and that less work means more unemployment. Surely, with millions of men out of work, with the millions who are dependent on them crying for food, and with our farmers vainly seeking a market for their products, it will not help matters to increase our purchases abroad. The domestic market is the birthright of our own people, and the Republican Party is in favor of holding on to it.

Under the terms of the law the President is given the power to enter into reciprocal-trade agreements with other countries and to proclaim such reductions in existing duties as may be necessary to carry out these agreements. In other words, he is given both treaty-making and tariff-making powers. The agreements which the President may enter into will be binding upon this country without ratification by the Senate, and he may fix tariff duties to suit his fancy. The only limitation is that he may not change an existing duty by more than 50 percent. Beyond that, his discretion is complete.

In fixing duties, the President may completely disregard foreign and domestic cost differentials. This means the abandonment of the Republican principle of protection to agriculture, industry, and labor, which more than anything else has been responsible for the development of this country and the maintenance of the American standard of living and the American wage scale. Republican Members in both the House and Senate, of whom I was one, attempted to amend the bill so that no duties could be reduced below the amount necessary to offset any foreign advantage in cost of production, but these efforts were futile in the face of the large Democratic majorities in both branches. The Democrats even voted down amendments to prevent reductions in the agricultural rates. They apparently wanted to give the foreigner every advantage in the domestic market.

Perhaps the greatest objection to the measure is the fact that it places in the hands of the President, or those to whom he will undoubtedly have to delegate his authority, the absolute power of life and death over every domestic industry dependent upon tariff protection, whether agricultural or industrial. Certain domestic industries will have to be destroyed in order to get foreign concessions for some of our export products. The President has full power to name those industries, and his word will be final. Destruction will come, of course, through a reduction of the tariff, thereby permitting a flooding of the domestic market with cheap foreign goods with which our producers cannot compete. No domestic industry can be assured that it will be spared. The threat of a lost domestic market will hang like a sword of Damocles over every farm and every factory, and over those dependent upon the farm and factory for a livelihood.

While it is true that only certain domestic industries are to be destroyed, yet no one knows in advance what industries will be selected. Representatives of the administration, in testifying before the House Ways and Means Committee and the Senate Finance Committee, refused to give any indication, although they were asked time after time. The

most outspoken was the Secretary of Agriculture, who indicated that it was the "inefficient" industries who were marked for slaughter. He indirectly defined an inefficient industry as one which could not meet foreign competition without a tariff, and even went so far as to say that if foreign countries can produce goods cheaper than we can, we should buy them there, and not try to produce them at home. The Secretary also indicated that the so-called "inefficient" industries were small industries, which, of course, is the kind we have in New England.

As has been the case generally when a ready-prepared bill is sent up from the White House, it was difficult for the minority to secure time for the opponents of the bill to be heard. Notices were supposed to have been given the press on March 5 that the hearing would begin on March 8, 3 days later, but one representative of a large domestic industry testified that he just happened to be in Washington on other business and learned of the hearing after he arrived here. Another witness said practically the same thing. When the hearings began I asked for a week's postponement in order to give the country a chance to digest the proposal, and industry an opportunity to prepare its case. This suggestion was ridiculed by the majority members of the committee, although they should have realized that the administration had been preparing its side of the case for many months.

One witness, whom the minority wanted particularly to hear, was Mr. Samuel Crowther, a prominent economist and one of the leading writers on economic questions, but it was only after considerable wrangling that we were able to keep the hearing open long enough for him to come to Washington from his home in New Hampshire.

Our Democratic friends, in trying to find some excuse for voting for the reciprocal tariff bill, continually asked, "Cannot the President be trusted to use his powers wisely and in the interest of the whole country?" The answer is that while no one would question the good faith and high purpose of the President, he is not the one who is going to do the actual negotiation of the proposed trade agreements. His hands are fully occupied with other matters, and he will be obliged to rely upon some of the underlings in the State Department to handle the details. While have implicit confidence in the President's sincerity, I have not that same confidence in the ability of some of his inexperienced and impractical advisers who constitute the "brain trust." Their recommendations will unquestionably have great weight with the President, and it will be they who will select the industries to be snuffed out by reduced tariffs. It will be they who will decide which industries are "inefficient", and therefore, according to the advocates of the bill, ought to be sacrificed for the benefit of other industries seeking foreign markets. Worst of all, there will be no appeal to Congress, because Congress has surrendered its authority to deal with the situation.

As prepared by the White House, no provision was made in the bill for notice to the industries to be affected by foreign-trade agreements, or for hearing interested parties. When the bill was before the House I offered an amendment to require hearings to be held, but it was voted down by the Democratic majority. In the Senate, the opposition to this feature of the bill was so great that finally an amendment was offered in behalf of the administration requiring reasonable notice to be given of the intention to negotiate a trade agreement in order that any interested person might have the opportunity "to present his views to the President, or to such agency as the President may designate, under such rules and regulations as the President may prescribe." This amounts to no more than an invitation to an industry to be "present at its own hanging", as one Member put it. There is no assurance that there will be any careful weighing of the evidence nor even an adequate opportunity for a full presentation of the facts.

Another unfortunate feature of the bill is the fact that the tariff concessions which this country obtains in foreign markets may be empty and wholly illusory. Foreign-tariff rates are generally known to be "padded" for bargaining purposes, and in any event we cannot compel foreign countries to take any of our goods no matter how much we buy from them.

This so-called "tariff reciprocity or bargaining", is supposed to be something in the nature of "Yankee horse-trading", but there is a fatal distinction. In a horse trade, both parties get a horse, but in tariff bargaining the deal may be wholly one-sided. For example, suppose the President would lower the tariff on Japanese textiles in return for a lowered rate on our cotton in the Japanese market. Japan can then flood the American market with her textiles and put our New England mills out of business. At the same time, Japan is not bound to take a single bale of American cotton. Japanese importers may find it more advantageous to buy cotton from India or Egypt, in spite of the reduced tariff against our cotton, and we will be left holding the bag. Thus, while each party to the trade agreement is supposed to get some benefit, it may in fact turn out to be an empty bargain for us.

The fact is that reciprocal-tariff agreements can do no more than provide the avenue by which the nationals of the respective countries may carry on trade under more favorable conditions. Once the avenues are created they may or may not be used and many of our exporters will be unable to take advantage of them in competition with other foreign producers. Unless we can undersell the rest of the world we cannot expect to ship our goods abroad. Thus these avenues of which I speak will likely become one-way streets into our rich domestic market, which is the richest in the world and the envy of all other nations.

Even if we could be assured that the President would be able to effect an equal exchange of goods, would it be "worth the candle"? How can this country obtain any net benefit by destroying one industry to benefit another? Suppose we are able to sell more cotton to Japan by taking more of her textiles. How is that going to help the domestic situation? Though it may help the cotton-growing States, it will bring ruin to the textile industry of New England and even of the South. Moreover, for every additional bale of cotton that is sold to Japan, there may be two or three less bales sold to manufacturers in this country. The manufactured cotton that comes into this country from Japan may not be of American origin, and Japan may put our textile mills out of operation and still not benefit our cotton producers. While I have used cotton and textiles in this illustration, the same situation would exist with respect to any other commodities which might be made the subject of international bargaining agreements.

It is my opinion we have nothing to gain from these proposed reciprocal agreements, and everything to lose. We cannot hope to get more than an equal exchange, and the probabilities are that we will come out on the short end of the bargain. To secure even an equal exchange may result in the destruction of the local industries of many sections of the country, and New England is likely to suffer more than any other. The small industries which are thus endangered are often the lifeblood of whole communities, and while the loss of a particular industry would not mean much to the country at large, and especially to the "brain truster" in the State Department who marked it for extinction, it would be a hard blow to those dependent upon it for support.

Is it fair that one industry in the United States should be wiped out in order that some other industry may expand its export trade? Is it right to destroy industries in one section to build up other industries in other sections? Is it just to give one man the power to take away the livelihood of one group of men that another group may be made more prosperous? To these questions the Republican Party answers an emphatic "No"; the Democratic Party, an equally emphatic "Yes."

There are those who will say that industry, agriculture, and labor have nothing to fear; that the President will not, to use his own words, disturb any "sound and important American interest." Yet the fact remains that unless we offer some concession to foreign countries no trade agree-

ments will be entered into. If the President expects to unload our surplus of cotton and pork in foreign countries, he must give these countries equivalent opportunities in our market. We cannot expect to sell without buying, and there is nothing additional we can buy that is not already made in this country.

The President cannot expect to take coffee, tea, rubber, and other noncompetitive products in trade for our surpluses, because these products are already on our free list. He must necessarily deal in articles on the protected list, which foreign countries would like to supply us. Japan wants to sell us more textiles; Germany, more cutlery; England, more woolens; France, more wines; Argentina, more wheat; Canada, more dairy products; Czechoslovakia, more shoes; and so on down the line. The President cannot enter into negotiations with foreign countries and hope to trade our wheat for lace handkerchiefs, or our cotton for fancy leather bags. Some important domestic industry must of necessity be sacrificed in each bargaining agreement.

In his message to Congress recommending the enactment of the reciprocal tariff bill, the President pointed to the decline in our foreign trade and stated that "this has meant idle hands, still machines, ships tied to their docks, despairing farm households, and hungry industrial families." This is undoubtedly true so far as persons engaged in the export industries are concerned, but the decline in international trade is world-wide and has followed the decline in internal business. Our own foreign trade was constantly on the increase, both in imports and exports, up to the time of the stock-market crash in 1929, and it is not going to help matters now to further destroy the domestic market.

The President's advisers clearly have laid too much stress upon foreign trade and have overemphasized its relative importance. Even in 1929 we consumed, at home, 90 percent of what we produced, and our exports in that year, great as they were, only accounted for 5 percent of the national income. To say that our foreign trade is the basis of our domestic prosperity is to say that the tail wags the dog.

It frequently has been alleged that our present tariff duties are so high that foreign countries cannot trade with us, and that this has been a large factor in the decline of our foreign trade. The best answer to this allegation is that during the whole period of the decline of our foreign trade the ratio of dutiable imports to free imports has remained constant, two-thirds being duty free. In other words, the tariff has not been a factor in our reduced purchase of foreign commodities. We have bought less abroad because our purchasing power has been reduced and foreign countries have bought less from us because their purchasing power has been reduced.

Our Democratic friends continually criticize in general the tariff rates in the present Hawley-Smoot law, but I have yet to hear mentioned, whether among the people themselves or from Members of Congress, a single specific rate which is too high to prevent proper interchange of goods.

I have discussed thus far only the economic phases of the bill. There is also the constitutional phase. Under our system of government Congress alone has the power to impose tariff duties, and the Supreme Court has many times held that Congress cannot surrender its legislative powers to the Executive. Yet that is precisely what it does by the reciprocal tariff law.

The Democrats have tried to say that the President's power under this measure is no more than he has under the so-called "flexible tariff." That, however, is not the case. The Supreme Court upheld the flexible tariff law because there Congress merely laid down a principle which it directed the President to follow in maintaining tariff rates at a point which would always offset the difference in cost of production of domestic and foreign articles. Under the reciprocal tariff law no principle or rule is laid down for his guidance. He may completely disregard foreign and domestic cost differentials, and may fix duties without reference to any legislative formula. Therefore, when he changes a tariff rate under the reciprocal tariff law he is in fact legislating contrary to the Constitution.

When the flexible-tariff provisions were under discussion in connection with the 1922 and 1930 Tariff Acts the Democrats fought bitterly against what they termed a surrender of the taxing power to the Executive. The present Secretary of State, Mr. Hull, was then a Member of the House, and he referred to the flexible-tariff provisions as being "subversive of the plain functions of the Constitution" and an "unjustifiable arrogance of the taxing power and authority to the President." The present Chairman of the Ways and Means Committee, Mr. Doughton, said that it was—

Too much power and authority to lodge in any man who has been, is now, or ever will be President of the United States.

Yet in the present Congress these same men have sponsored a measure which goes far beyond the flexible-tariff provisions in delegating authority to the President.

As a matter of fact, the reciprocal-tariff bill gives the President practically the same authority that the German dictator, Chancellor Hitler, has over the tariff in his country. It gives the President more power than Premier Mussolini has over the Italian tariff, since the Premier's decrees are subject to ratification by Parliament. Even in Soviet Russia there is no such thing as one-man tariff making. There tariffs can be changed only by action of the Central Executive Committee and the Council of the People's Commissars. Dictator Stalin has no authority in the matter.

Never did the Republican Party ask that the President be given power over the tariff other than to carry out the specific mandate of Congress, and never has it given a President discretionary authority in fixing duties. The reciprocal negotiations carried on by the Executive under the McKinley and Dingley tariff laws were limited to specified items on which Congress itself had fixed the retaliations to be imposed or the concessions to be offered. At no time in the whole history of the country, whether under a Republican or Democratic administration, has the President heretofore been given general authority in reciprocal negotiations without at the same time requiring him to submit for the approval of both the House and Senate any treaties or agreements arrived at. The recently enacted legislation, therefore, is without parallel or precedent.

It appears that the reciprocal tariff bill just about completes the Presidential program of gaining control over all governmental functions. With its passage the need for a Senate and a House of Representatives is practically gone. In order to give Congress some check on the President's authority under the bill, I offered a motion in the House, and a similar motion was offered in the Senate, to require all agreements entered into by him to be submitted to the House and Senate for ratification. With their overwhelming majorities in both branches, the Democrats easily voted these amendments down.

It is true that the President's powers are temporary, being limited to a period of 3 years, but unless there is a decided change in the membership of the House and the strict control of the overwhelming majority by the President, these powers could be extended from time to time or made permanent at his will.

In the coming elections the Democrats will have to justify their votes in giving the President this unconstitutional and dictatorial authority over the tariff and over all domestic industries dependent upon tariff protection. They will have to answer for giving him this power to say what our people shall produce at home and what they shall buy abroad. They will have to explain by what principles of fairness and justice one industry may be destroyed in order to benefit another. They will have to demonstrate by what economic laws the importation of foreign agricultural products can rid our farmers of their surpluses; how the importation of more industrial products can reopen our own factories, and how the displacement of American by foreign labor can reduce the army of the unemployed. This accounting to the people will be particularly true in New England, where everyone is brought to realize the benefits that have accrued from the Republican policy of reasonable protection to American industries.

The Republican Party awaits with expectancy the opportunity to meet the issues raised by this bill before the American people in November. Having adhered to our traditional position of preserving the home market for American industry, agriculture, and labor we are confident of the outcome.

#### THE SILVER PURCHASE ACT

The silver purchase bill was referred to the Ways and Means Committee for consideration only because of the provisions of the bill levying a 50-percent tax on speculative profits in silver trading. Ordinarily the committee does not have jurisdiction of coinage and currency bills, and our Members therefore are not familiar with the money problem. Hence we were not prepared to give the silver bill very careful consideration. It naturally would be supposed, under the circumstances, that information would be sought by the committee before attempting to sponsor a bill of this character. Such was not the case.

The silver bill was prepared at the White House and transmitted to Congress along with the President's message on the subject. It was introduced in the House on the following day. Without any general notice of hearings, as is customary, the committee was called into executive session 2 days later to consider the bill. At the meeting, from which the press were at first excluded but later allowed to be present, only the sponsors of the legislation were heard. A representative of the Treasury Department gave an explanation of the mechanics of the bill, but frankly stated that he was not competent to explain the reasons for the enactment of the legislation or its underlying purposes.

The only other witnesses were the Member who introduced the bill in the House and a Member from one of the silverproducing States. The Secretary of the Treasury was on the stand only a few minutes and did not enter into any general discussion of the bill.

The Republican members of the committee wanted to get some information on the other side of the question, but they were not successful. After first being denied the opportunity to invite an outstanding authority on money questions to testify, we were told at 4 o'clock one afternoon that he could be heard if he were present the next morning. The gentleman whom the minority desired to have testify was Dr. Edwin W. Kemmerer, of Princeton University, but he could not be reached in time to be present at the morning session. Thus the hearing was closed with only the proponents of the bill being heard.

In an executive session lasting only a few minutes, without any discussion of the principles involved in the bill, it was reported to the House by the Democratic majority. The Republican members filed a minority report on the bill, criticizing the procedure in committee, but we were unable to argue the merits or demerits of the legislation, as we had no information upon which to base a proper judgment.

The object of the bill is to increase the ratio of silver to gold in our monetary reserves to one-fourth, and to provide for the issuance of silver certificates against such silver. Why the present ratio should be increased no one was able to say, neither was there any explanation of the probable effects of the bill. It seemed clear, however, that there would be some benefit to the silver-producing States by raising the price of silver. Also, in view of the fact that the bill had the active support of the so-called "inflationists", it must be assumed that it is somewhat inflationary. Beyond that everything is rather hazy.

It is estimated that in order to bring the silver monetary reserve up to one-fourth the gold reserve, the Treasury will have to buy 1,312,000,000 ounces of silver. The production in this country is around 24,000,000 ounces per annum, while the holdings of free silver are estimated at from 150,000,000 to 250,000,000 ounces. This free silver is largely in the hands of speculators who have been buying up the metal in anticipation of just such legislation as this. They stand to make a very handsome profit in spite of the 50-percent tax on speculative transfers.

In discussing the possible effects of the bill I can do no better than quote from an article in the New York Sun of

May 24, giving Dr. Kemmerer's view of the legislation. The article says in part:

"The administration's latest program of doing something more for silver is one more step down the inflation path, weakening confidence in the dollar and wasting millions of dollars in the purchase of useless, dead silver at a time when other nations are selling, not buying, and in a depression when there is a large Government deficit", declared Prof. Edwin Walter Kemmerer, Walker professor of international finance at Princeton and noted monetary authority, in an interview with a Sun reporter here today. Professor Kemmerer was on his way to speak on sound money in Indianapolis.

I can only add that the Democrats again have either ignored or failed to recall their 1932 platform promise of a "sound currency at all hazards."

#### ESTABLISHMENT OF FOREIGN-TRADE ZONES

In keeping with their effort to make it easier for foreign producers to market their goods in this country, the Democrats have finally secured the enactment of the bill providing for the establishment of free zones in the ports of entry of the United States into which foreign merchandise may be brought duty free, there to await transshipment to other countries or sale in the United States. This legislation has been before Congress since 1919, and during that time the Republicans have consistently prevented its enactment. At the present time, however, we are hopelessly outvoted.

While the regular customs duties must be paid when merchandise is removed from the free zones for sale within this country, this does not prevent the legislation from operating unfairly against domestic producers. Everyone understands that accessibility for quick delivery is an important consideration in the sale of goods, and by setting the foreign producer up in business at our very doorstep the bill removes the natural advantage that the American manufacturer or farmer now has in this regard. Thus a merchant in Boston, for example, may be able to buy a thousand yards of cloth more readily from the foreign trade zone than from a textile mill located only a few miles outside the city. As a result, the domestic producer loses the business.

By encouraging the dumping of cheap foreign goods upon the domestic market, the bill will work to the detriment of American producers and American workmen. At the same time, the opportunity for smuggling will be increased, and enormous expenditures will have to be made for the protection of the revenue. On the whole, the establishment of foreign trade zones is out of harmony with the Republican policy of protection and is a step in the direction of free trade.

Although the legislation is ostensibly proposed as an aid to the transshipment of foreign merchandise to other foreign ports, it will be used chiefly as a means of consigning immense quantities of foreign goods to the free zones to await sale in the United States. These zones will become a veritable world's fair, where goods from all nations may be stored for ready access into the domestic market in competition with the products of our own farms and factories. The Atlantic and Pacific Oceans, which heretofore have formed somewhat of a natural tariff barrier, are obliterated by this legislation.

The establishment of free trade zones is in complete accord with the administration's program to make the domestic market more accessible to foreign producers. In conjunction with the reciprocal tariff bill, the legislation will go far toward the encouragement of importations from abroad and the consequent destruction of American industry. To this program the Republican Party is unalterably opposed.

### TAXATION OF COMMUNITY INCOMES

In connection with the committee's study of tax avoidance, it was brought to our attention that in the eight so-called "community property" States, the property laws are such that a husband and wife may divide the husband's income for tax purposes, each returning one-half, and thereby paying substantially less tax to the Federal Government than persons in the other 40 States having the same income. For example, in Massachusetts, a man with a \$10,000 salary would pay \$480 to the Federal Government, but if he lived in one of the community-property States he and his wife together would pay a total tax of only \$300. This is because

the rates of the surtax are graduated, and by splitting up the income it is brought into lower brackets.

The eight States where this advantage in tax accrues are Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, and Washington. Under the laws of these States, the wife is deemed to be the absolute owner of one-half the husband's income, and because the liability for the Federal income tax is based upon ownership the husband and wife each make separate returns.

Two methods of treating this obviously unfair situation were proposed. One was to require husbands and wives in all the States to file a single return, and the other was to base the liability for tax in the community-property States on dominion and control over the income rather than ownership. The first method was suggested by the Treasury Department, and the second by the committee's own experts. The Treasury's proposal would have applied to husbands and wives in all the States, even where the wife had separate property. The other method was applicable only to the community-property States.

The committee, by a very close vote, adopted the second proposal rather than penalize 40 States to reach 8. With the exception of one member, who was from a community-property State, the minority members voted solidly in favor of the proposal. However, after having been included in the regular revenue bill, some of the majority members switched their votes and it was eliminated.

I was so concerned about the matter that I introduced a separate bill to carry out the proposed change, so as to put all taxpayers on an equal footing, regardless of the State in which they lived. This bill was introduced on March 1, 1934, and I endeavored to have it considered by the committee as soon as possible. The chairman promised to hold hearings on the bill, but left it up to the committee to decide whether the hearings would be before the full committee or a subcommittee. As consideration before a subcommittee would tend to delay action, the majority members voted over the protest of the minority for that method of procedure.

On May 1, 1934, the subcommittee began hearings, and they were concluded 6 weeks later, on June 12, although only 9 half-day sessions were held during that time. With Congress then on the verge of adjourning, it was obviously too late to hope for action on the bill.

Other than on the basis of partisanship, I do not see how Democratic Members from the 40 States which do not have community property laws could vote to allow the present avoidance of taxes to continue. By reason of this avoidance taxpayers in these other 40 States, including Massachusetts, must pay from \$18,000,000 to \$28,000,000 more in Federal taxes just because taxpayers in the community-property States do not pay their fair share. These eight States are all in the South and West, and, with the sole exception of California, are solidly Democratic so far as representation in the House of Representatives is concerned. Were it not for the fact that their present tax advantage is acquiesced in by Democratic Members from other States anxious to keep these eight States in the Democratic column, they could easily be outvoted and the bill enacted into law.

The community-property States cannot deny the unfairness of the present set-up which gives them an advantage over the other States, but they contend that the proposed legislation is unconstitutional on the ground that it would be taxing the husband for the wife's property. Of course, the income is only made the wife's by State law, and the Supreme Court has never directly passed upon the legal questions involved. Surely the Court would not countenance a situation which discriminates in favor of 8 States as against 40.

It is, therefore, perfectly obvious that this temporary victory of the Democratic majority is extremely partisan and that the party demonstrates it is more interested in retention of party control than in fairness to the taxpayers of all the States.

## PROCESSING TAXES

The processing taxes imposed by the Secretary of Agriculture under the authority of the Agricultural Adjustment Act have resulted in a great burden upon the American

people, especially in the industrial States. It will be recalled that the President and the Democratic Congress have' consistently opposed the manufacturers' excise tax, even with foods and clothing exempted, yet they have fastened upon the people a very onerous tax of the same character, which falls on the very things which the manufacturers' tax would have exempted. While the sales tax would have been levied at a very low rate, say of 2 percent, on what might be described as nonessentials, the processing taxes run as high as 60 percent and affect the daily necessities of every household in the land. At the same time, they bear more heavily on the poor than on the rich.

Consider the ad valorem rates of some of the processing taxes: With corn at 55 cents per bushel the 5-cent tax is equal to a rate of 9 percent; with wheat at \$1, the 30-cent tax is equal to 30 percent; with cotton at 12 cents, the 4.2cents tax is equal to 35 percent; and with hogs at \$3.75 per hundredweight, the \$2.25 tax is equal to 60 percent. These taxes are imposed on the first processing of the commodity with respect to which they are levied, and as the tax is added to the cost of each subsequent handling it is considerably magnified by the time the finished product reaches the consumer.

Not only are processing taxes imposed upon the so-called "basic farm commodities" but on competitive products as well. Thus, in order to offset the tax on cotton, a compensatory tax is imposed on paper products which compete with cotton, either directly or indirectly. This particular compensatory tax as well as the tax on cotton itself vitally affects two of New England's most important industries, namely, paper and textiles.

Among the compensatory taxes on paper products are the following: Multi-wall paper bags, 2.04 cents per pound; coated paper bags, 3.36 cents; open-mesh paper bags, 2.14 cents; and paper towels, 0.715 cent. I understand that the tax on paper bags is equivalent to 50 percent or more of the value of the paper that goes into them.

The tax on paper towels ultimately falls upon hospitals, schools, factories, and public institutions which use them in great quantities, and I am informed that in comparing the average number of uses of a cotton towel with a paper towel. the tax on the latter is 1,100 to 1,300 times greater per use.

So far as the effect of the cotton processing tax upon consumers' goods is concerned, it is difficult to say just how much of the increased cost is due to the tax and how much to the textile code. Last November the Department of Agriculture made an estimate of the proportion of the retail price of certain articles, which, in their opinion, was attributable to the cotton processing tax. These estimates were based wholly on the amount of cotton going into the articles, and do not allow for middlemen's profits on the tax, which to them is just another item of cost. Accepting the Department's figures as a minimum, they fix the tax on sheets at 7.6 cents; work shirts, 3.5 cents; overalls, 8.3 cents; and unbleached muslin, 1 cent per yard. Thus in the case of a sheet costing the housewife \$1, the tax is not less than 15 percent of the cost, and probably much more; in the case of work shirts selling for 75 cents, it is not less than 41/2 percent; and in the case of overalls selling for \$1.25, it is not less than 61/2 percent.

As evidencing the extent to which the processing taxes have worked to the disadvantage of the New England States, I wish to set forth the collections made in our section as against the amounts returned to our farmers in the form of rental and benefit payments. From July 1, 1933, to April 30, 1934, New England paid some \$25,000,000 in processing taxes and received some \$300,000 in benefit payments. This was a return of only 1.2 percent of the amount contributed.

The most startling figures are those relating to Massachusetts, which contributed \$17,000,000 out of the \$25,000,000 raised in the New England group and received only \$96,000 in benefits. To put it another way, 991/2 percent of the processing taxes which Massachusetts has paid thus far have gone to farmers in other States. These figures prove very clearly that the agricultural program of the administration is highly discriminatory against New England in

hand, it is extremely favorable to other sections of the country, especially the South. Texas, for example, contributed only \$8,000,000 in processing taxes, but received \$47,000,000 in benefits; Arkansas contributed \$500,000, but received \$10,-800,000; Oklahoma contributed \$2,800,000, but received \$16,400,000; and so on. Thus, the farm program amounts to nothing more than the taxation of one group of the people for the benefit of another group.

At this point I will include a table showing the collections and payments in the several New England States.

Processing tax collections and payments to farmers, July 1, 1933, to Apr. 30, 1934

State	Collections from processing tax	Rental and benefit pay- ments to farm- ers			
Maine New Hampshire. Vermont. Massachusetts Rhode Island Connecticut	\$1, 780, 648, 63 1, 504, 183, 06 252, 613, 48 17, 107, 741, 54 2, 879, 197, 62 1, 680, 705, 38	None \$2, 288, 60 2, 724, 95 96, 468, 40 None 198, 818, 94			
Total	25, 205, 089. 71	300, 300. 89			

#### THE DEMOCRATIC PLATFORM

Mr. Speaker, the Democratic Party, in their 1932 platform, made the following declaration:

We believe that a party platform is a covenant with the people to be faithfully kept by the party when intrusted with power, and that the people are entitled to know in plain words the terms of the contract to which they are asked to subscribe.

A similar view was taken by the Democratic Presidential candidate, Mr. Roosevelt, when he said:

A platform is a proposal and at the same time a promise binding on the party and its candidates.

Among the pledges in the Democratic platform were those promising a reduction in Federal expenditures: the elimination of extravagance; a balanced Budget; a sound currency; a fact-finding Tariff Commission free from Executive interference; and the strengthening of the antitrust laws.

Since the 4th day of March 1933 Federal expenditures have been enormously increased. The Nation is faced with the greatest peace-time deficit in history in spite of increased taxes. The currency has been inflated and our dollar debased. The President has sought and received from a subservient Congress autocratic powers over the tariff, and under the N.R.A. monopolistic practices have been allowed to grow up to the detriment of small businesses.

While the failure to keep its specific campaign promises is sufficient to condemn the Democratic Party, the subtlety with which it has forced upon the American people, in the guise of recovery legislation, a system of government foreign to our ideals and institutions is even more repugnant.

I submit that nowhere in the Democratic platform is there any intimation that when the party was intrusted with power constitutional government would be suspended. Nowhere do we find the suggestion that the President would become a virtual dictator over every phase of our economic life. Nowhere is it stated that this country was to undergo a "peaceful revolution", in which the whole concept of governmental powers was to be overhauled by a professional 'brain trust" not responsible to the people. Nowhere do we find the suggestion that individual freedom and initiative was to be superseded by governmental restraint and regimentation. Yet all these things have come to pass under the present Democratic administration.

With the assurance in the Democratic platform that the people were entitled to "know in plain words the term of the contract to which they are asked to subscribe", the electorate had no reason to think that the Democratic Party had not laid all its "cards" upon the table.

Lest I be accused of partisanship in making these references, I shall offer a brief quotation from an outstanding Democrat upon this very matter. On May 24 of this year Hon. Bainbridge Colby, who will be remembered as Secregeneral, and Massachusetts in particular. On the other tary of State under President Wilson, made the following Club in New York City:

Gradually it has dawned upon the country, and it is now quite plain, that recovery was only partially the aim of the administration. A great part of its interest has been in radical institutional overturn and the new modeling of the State. \* \* \* The guaranties of the Constitution are dismissed lightly as if they were irrelevances in the present-day life of America.

Mr. Speaker, when the President took office on March 4, 1933, he had behind him the almost solid support of the American people. His legislative proposals were speedily enacted into law with a minimum of opposition. Bills were prepared by the White House and sent to Congress along with the President's recommendations for legislation. The country was in a desperate situation and was willing to try anything. In the hysteria of the moment little opportunity was afforded for mature consideration of the various measures. The full implications of their provisions were never understood. Every bill had ambiguous terms and hidden grants of power. In practically every instance Congress surrendered to the Executive some legislative function or granted to him some dictatorial authority.

Where did the President's program originate? We have seen that it was not inspired by the Democratic platform, and certainly Mr. Roosevelt did not sponsor it during his campaign for the Presidency. The only other possible conclusion then is that it is the work of the "brain trust."

In this connection Mr. David Lawrence asked some very timely questions in a recent issue of his publication, the United States News. Said he:

Did the American people in the 1932 election vote for Mr. Roosevelt or for a tricky group of lawyer "brain trusters"? Did the American people have the slightest inkling that the Cabinet would be relegated to a secondary position and that behind the scenes a group of new-fangled thinkers, with economic doctrines and experiments entitled to the lands and other environments. and experiments suited to other lands and other environs, would reign supreme in the making of a legislative program?

The answer, of course, is that the people thought they were voting for Roosevelt and recovery, not for the "brain trust" and revolution.

While practically all governmental powers have been concentrated in the Executive, he has necessarily delegated many of those powers to subordinates. It has therefore been said, and rightfully so, that we are actually being governed today by persons not elected to public office. General "Crackdown" Johnson is an outstanding example. Alphabetical bureaus and boards have sprung up like mushrooms, each to regulate some phase of our national life.

Taking cognizance of the charge that his administration has brought about what is, in effect, a revolution in government, the President says that nevertheless it is a "peaceful" revolution. Later, he said that he preferred to call it "evolution." But by whatever term it may be described, we are drifting inevitably toward collectivism in government and toward regimentation of industry and agriculture. While the administration's program has been put forward in the interest of relief and recovery, its deeper purpose apparently is to bring about what has been described by one of the "brain trusters" as a "planned economy."

It is well understood that the only constitutional justification for much of the recovery program is its emergency character. It is generally admitted that except for the emergency, it would not have a leg to stand on. Yet already we hear talk of making much of this legislation permanent. In fact, the ultimate realization of the "brain trust's" dream of a socialized state is entirely dependent upon this fond hope.

In view of the aim and purpose of those who are responsi-ble for the "Roosevelt revolution", it is well to bring out into the light what is really taking place in this country today. The farmer is told by a bureaucratic agency in Washington how much he can plant, and of what, and if he happens to be a cotton farmer and plants more than his allotment he must pay a confiscatory tax. The business man is told how to run his business, and if he sells for less than the price set by the authority of the Government,

remarks in the course of an address before the Economic | he may be thrown in jail like the New Jersey tailor who pressed a pair of pants for 35 cents instead of 40 cents.

Again, lest I be accused of partisanship in referring to these conditions, let me quote a statement reported in the press to have been made by former Senator James A. Reed, of Missouri, a staunch Democrat, in announcing that he might seek to regain his seat in the Senate after several years in retirement. He said:

When I voluntarily left the Senate in 1923, no prospect would

have tempted me to run again.

I don't know that I can make the grade this time, but someone has got to tell the people of these United States what is happening to them

The Bolsheviks at Washington have got us by the throat, and what they are attempting to do, in my judgment, doesn't include the few defensible things of the Moscow regime.

That is rather strong language, but it is the language of a Jeffersonian Democrat, uttered in criticism of his own party. Other leading Democrats who have been extremely critical of administration policies are Hon. Alfred E. Smith and Hon. John W. Davis, both of whom were candidates of their party for the Presidency; Hon. Owen D. Young; Senators Glass and Byrd, of Virginia; Senator Gore, of Oklahoma; Senator Bailey, of North Carolina; and Governor Ely, of Massachusetts. I could quote from each of these men but will refer only to a statement made by Senator Byrn, who said:

In the face of this assurance in the Democratic platform we see today a bureaucracy being rapidly built up here at Washington to control the daily activities of our people such as no one has ever before remotely suggested or anticipated. Step by step the bureau chiefs are establishing new power to regiment the American people in all their daily activities.

One of the Members of the House, the gentleman from Texas [Mr. Terrell], who has conducted practically a oneman opposition on the Democratic side to much of the recovery program, had this to say about his own party's policies:

If anybody can tell me where we are headed, I would be glad to have some comforting information, as I believe we are headed for the rocks.

I would rather return to Texas and live under our Lone Star flag as an independent republic than to become a stepchild of a soviet union, which we are fast approaching.

As I stated above, it is my firm conviction that these revolutionary policies are the work of the "brain trust", and not of President Roosevelt. I have every confidence in the honesty and sincerity of purpose of the President and his desire to lead this country out of the depression and back to a normal condition. I fear, however, that this will be difficult of accomplishment so long as the President is handicapped by an impractical and theoretical "brain trust", on the one hand, and, on the other, by a Congress in which the majority party is so large as to preclude fair and unbiased consideration of legislation. Evidence of this was furnished during the closing days of the recent session, when the House by a large majority adopted gag rules so drastic that no legislation could even be considered without the approval of the majority House leader. When legislators vote away their right to pass upon legislation they have ceased to represent the people who sent them to Congress, and they have also nullified for the time being the system of representative government which is the foundation of our country.

### EXTRAVAGANCE

The present Democratic administration has embarked upon the most extravagant and reckless peace-time spending program this country has ever known. It is apparently attempting to squander the Nation back to prosperity. Disregarding their promise to reduce governmental expenditures and to eliminate extravagance, and with no thought of where the money is coming from, the Democrats have sponsored one measure after another calling for the appropriation, not of millions but of billions of dollars.

Consider the cost of the recovery program to date. According to a statement issued last November, 2 months before the second session of the Seventy-third Congress began, the National Industrial Conference Board estimated that the authorized Federal recovery expenditures up to that time, both direct and contingent, exceeded \$15,000,000,000. ordinary running expenses of the Government. The direct which aggregated \$5,000,000,000, included expenditures. \$3,150,000,000 for public works, \$1,100,000,000 in benefit payments to farmers, \$500,000,000 for emergency relief, and \$250,000,000 to finance the Civilian Conservation Corps. The contingent liabilities, aggregating more than \$10,000,-000,000, included \$2,485,000,000 for farm credits, \$2,200,000,-000 for the Home Owners' Loan Corporation, \$50,000,000 for the Tennessee Valley Authority, \$2,000,000,000 to guarantee bank deposits, and \$3,400,000,000 for the Reconstruction Pinance Corporation.

During the present session of Congress, beginning last January, many more billions of dollars have been added to the tremendous total authorized at the previous session. To date the total possible cost of the administration's recovery program has grown to approximately \$25,000,000,000, including both direct and contingent liabilities. The new authorizations include an additional \$850,000,000 for the Reconstruction Finance Corporation, \$950,000,000 for civil works and unemployment relief, \$1,825,000,000 for additional emergency relief, \$40,000,000 for additional crop loans, \$580,000,000 for naval construction, \$1,200,000,000 for housing, \$1,000,-000,000 for increasing the borrowing power of the Home Owners' Loan Corporation, \$580,000,000 for loans to industry, \$550,000,000 for road construction, \$525,000,000 for drought relief, \$500,000,000 for public works, and \$899,000,000 for emergency relief.

In the fiscal year ending June 30, 1933, the actual expenditures of the Federal Government were approximately \$5,000,000,000. The Democratic Party, in its platform, called for a "drastic reduction in governmental expenditures" and the elimination of "extravagance", yet the President, in his first Budget message, sent to Congress estimates calling for the direct expenditure of more than \$10,000,000,000 in the fiscal year 1934 and nearly \$6,000,000,000 in the fiscal year 1935. The marked failure of the Democratic Party to carry out its pledge to reduce the cost of Government challenges the good faith of the party in making it. While it may be true that the money is being spent in relief and recovery work, yet the same condition existed in the country when the Democrats made their platform promise and criticized the more modest Republican expenditures.

In a speech made on July 2, 1932, after he had been nominated for the Presidency, the present Chief Executive said:

I accuse the present (Republican) administration of being the greatest spending administration in peace times in all history.

That statement may have been true at the time-I do not know-but at any rate it is not true today. The present administration has made the former Republican administration look like a piker, so far as spending money is concerned. In fact, at the rate the administration has been pouring out public funds by the billions of dollars, it would appear that the Democrats do not realize what it means to speak in billions. In an article published some months ago in the Saturday Evening Post, Mr. David Lawrence pointed out that if we had \$1 for every minute from the birth of Christ to the end of 1933, we would have slightly over a billion by that time. To this observation I might add that the administration is now spending on an average more in a single month than it took to pay the cost of running the Government in the entire fiscal year 1916.

In view of the extent to which the Democratic Party is passing out relief funds, doles, and subsidies, it is no wonder that it is popular with a large part of the people. The Democrats should realize, however, that this popularity will continue only so long as the public credit holds out. Then will come the rude awakening, and with it the day of reckoning. The fiddler who has been playing the accompaniment to Happy Days are Here Again eventually must be paid. Even now thinking people all over the country are beginning to wonder where this spending program will end and how the Government is going to be able to meet all its obligations

Of course, I am not unmindful of the part which the distribution of public money can play upon the fortunes of the Emergency Relief program are estimated to number over

This figure, of course, does not take into consideration the | a political party. With such vast spending power in their hands, the Democrats can virtually insure the indefinite continuance of their party in office. Any incipient revolt among the people can be quickly subsided by a distribution of Federal funds through one of the alphabetical agencies.

During the 1932 campaign the Democrats went up and down the country criticizing Washington bureaucracy, yet they have created more bureaus than the Republicans ever dreamed of. Every day there is born in the mind of one of the members of the professional "brain trust" some new alphabetical antidote for ridding the country of the depres-

The list of new Federal agencies set up by the Democrats since March 4, 1933, is simply astounding. In the total of some 40 or 50 are included such well known organizations as the N.R.A., the A.A.A., the P.W.A., the C.W.A., the H.O.L.C., the F.C.A., the F.D.I.C., the F.E.R.A., the F.H.L.B.B., the F.S.R.C., and the T.V.A. At this point I shall insert in the RECORD a more detailed list, giving the names of the organizations for which the alphabetical designations stand. The enumeration is neither intended to be complete nor authentic, as there seems to be no official listing of these agencies.

INCOMPLETE LIST OF THE DEMOCRATIC ADMINISTRATION'S ALPHABETICAL AGENCIES

A.A.A.—Agricultural Adjustment Administration.
B.P.A.C.—Business Advisory and Planning Council.
C.A.B.—Consumers' Advisory Board.
C.C.C.—Commodity Credit Corporation.
C.S.B.—Central Statistical Board.

C.W.A.—Civil Works Administration, D.L.B.—Deposit Liquidation Board.

E.C.W.—Emergency Conservation Work; also Civilian Conserva-

E.H.F.A.—Electric Home and Farm Authority. F.A.C.A.—Federal Alcohol Control Administration.

FA.C.A.—Federal Alcohol Control Administration,
F.C.A.—Farm Credit Administration.
F.C.C.—Federal Communications Commission.
F.C.T.—Federal Coordinator of Transportation.
F.D.I.C.—Federal Deposit Insurance Corporation.
F.E.R.A.—Federal Emergency Relief Administration.
F.F.M.C.—Federal Farm Mortgage Corporation.
F.H.L.B.B.—Federal Housing Administration.
F.H.L.B.B.—Federal Home Loan Bank Board.
F.S.R.C.—Federal Subsistence Homestead Corporation.
H.O.L.C.—Home Owners' Loan Corporation.

F.S.R.C.—Federal Surplus Relief Corporation.
H.O.L.C.—Home Owners' Loan Corporation.
I.A.B.—Industrial Advisory Board.
L.A.B.—Labor Advisory Board.
N.C.B.—National Compliance Board.
N.E.C.—National Emergency Council.
N.R.R.B.—National Recovery Review Board.
N.L.B.—National Labor Board.
N.P.B.—National Planning Board.
N.P.B.—National Planning Board.
N.P.S.A.C.—Nonmember Preferred Stock Advisory Committee.
N.R.A.—National Recovery Administration

N.R.A.—National Recovery Administration. P.A.B.—Petroleum Administrative Board.

P.A.B.—Petroleum Administrative Board.
P.L.P.B.—Petroleum Labor Policy Board.
P.W.A.—Public Works Administration.
P.W.A.P.—Public Works Art Projects.
P.W.E.H.C.—Public Works Emergency Housing Corporation.
S.A.B.—Science Advisory Board.
S.L.I.C.—Savings and Loan Insurance Corporation.
S.B.P.W.—Special Board of Public Works.
S.E.C.—Securities and Exchange Commission.
S.E.S.—Soil Frosion Service.

S.E.S.—Soil Erosion Service.
T.V.A.—Tennessee Valley Authority.
U.S.I.S.—United States Information Service.
U.S.U.S.—United States Unemployment Service.

In February 1933, just before the Democratic administration came into office, there were 563,000 persons employed in the executive branch of the Government. According to the latest figures, which are for April 1934, this total has been increased to 644,000, which means that the Democrats have added 81,000 persons to the Federal pay roll during the first 13 months of their administration of the Government. These totals do not include the employees of the legislative and judicial branches of the Government, nor the military forces of the United States.

Besides the 81,000 new civil employees, the administration has put on the Federal pay roll the 300,000 men in the Civilian Conservation Corps. An additional 1,300,000 men are being given employment through the funds expended in the Public Works program, and those receiving aid under 11,000,000. Thus we have the spectacle of more than 13,000,-000 people, exclusive of the Army and Navy and the legislative and judicial employees, who are directly receiving support from the Federal Government. This is a ratio of 1 out of every 10 of the population.

The administration has set up its relief agencies on a temporary basis, and it is only on this basis that their cost can be charged off on the national debt rather than being provided for out of current revenues. However, we have already had evidence that authority will be sought to make

some of the agencies more or less permanent.

When the Civilian Conservation Corps was set up in the spring of 1933, the expectation was that by fall industry would be sufficiently recovered to absorb the men. Fall came and the President obtained funds out of the publicworks appropriation to continue the reforestation work until spring. Spring came and we have seen the C.C.C. continued again, and there is no telling when it will be dropped. Yet all the time the expenditures for this agency are coming out of emergency funds, which are charged off to the national debt.

The same situation exists in connection with the Public Works program. The \$3,300,000,000 provided by Congress for this purpose in 1933 has been exhausted, and additional funds have been provided for its continuation. This, again, was supposed to be a temporary relief measure, but the end is not yet in sight. The whole project is largely a waste of public money, as a large percentage of the work being done is wholly unnecessary, and in normal times never would have been undertaken.

When the Public Works project failed to come up to expectations, the Civil Works project was initiated with a view to giving immediate employment to some 4,000,000 men. This venture was so expensive, and it became so involved in graft and corruption, that it was later abandoned. In its place we now have the F.E.R.A., or Federal Emergency Relief Administration. The original appropriation for the C.W.A. was \$400,000,000, and later an additional \$450,000,000 was provided. Referring to the C.W.A., one commentator on economic questions stated that its termination "marked the end of what is reasonably safe to say has been the most expensive, wasteful, and extravagant unemployment relief program ever indulged in by a government in modern

### UNBALANCED BUDGET

Among other things which the Democratic Party promised in its platform but failed to live up to was a balanced Budget. During the 1932 Presidential campaign, Democratic orators were loud in their denunciation of the Republican administration for permitting a deficit in the Treasury, even though incurred in an endeavor to bring the country out of the depression. They termed the 1931 and 1932 Republican deficits of \$900,000,000 and \$2,800,000,000 as "staggering" and "stupendous."

I would ask our Democratic friends today what has become of their promise to balance receipts against expenditures. At the beginning of the present session of Congress, in January of this year, the President presented Budget estimates which called for expenditures in the fiscal year just closing of more than \$7,000,000,000 over and above the estimated revenues. His estimates for the fiscal year 1935 showed an anticipated deficit of \$2,000,000,000 additional, or a total for the 2 years of \$9,000,000,000, all of which must be added to the national debt.

While it now appears that the deficit for 1934 will be smaller than at first estimated, it is only because the administration cannot spend the money as fast as Congress has appropriated it. The unexpended balances will be carried forward into the fiscal year 1935, thus increasing the contemplated deficit for that year and making certain that by July 1, 1935, the full \$9,000,000,000 Democratic deficit will have been added to the national debt.

In this connection it may be interesting to review the President's attitude toward an unbalanced Budget. In his first campaign speech after his nomination for the Presidency he said:

When the depression began the administration, instead of reducing annual expenses to meet decreasing revenues, became sponsor

for deficits which at the end of this fiscal year will have added \$5,000,000,000 to the national debt.

Let us have the courage to stop borrowing to meet continued deficits. Stop the deficits.

In his economy message of March 10, 1933, just after he had been inducted into office, the President began with the doleful assertion that "for 3 long years the Federal Government has been on the road toward bankruptcy." Referring to the deficits of 1931, 1932, and 1933, and the contemplated deficit for 1934, which he then fixed at only \$1,000,000,000,

Thus we shall have piled up an accumulated deficit of \$5,000,000,000

With the utmost seriousness I point out to the Congress the profound effect of this fact upon our national economy. It has contributed to the recent collapse of our banking structure. It has accentuated the stagnation of the economic life of our people. It has added to the ranks of the unemployed. Our Government's house is not in order, and for many reasons no effective action has been taken to restore it to order.

Further on in his economy message he added:

Too often in recent history liberal governments have been wrecked on rocks of loose fiscal policy. We must avoid this

I am in complete agreement with these sentiments, but I would like to know why the administration has not seen fit to stand by them. What has happened since these statements were made to render Budget balancing no longer an "emergency" matter, no longer essential to the "unim-paired credit" of the United States, and no longer a necessity to our "basic security"? Why was it so imperative that the Government save \$400,000,000 by reducing the salaries of its employees and benefits to war veterans when the administration contemplated unbalancing the Budget in other directions by some \$10,000,000,000? Perhaps the answer is that a Democratic deficit is more holy than a Republican one, especially when it is several times as large.

### THE PURLIC DERT

At the close of the World War the public debt of the United States stood at \$26,600,000,0000. This figure was reached on August 31, 1919, and it was then the all-time peak. By 1930 successive Republican administrations had reduced it to approximately \$16,000,000,000, or at the rate of about \$1,000,000,000 per year. However, as a result of the depression which struck this country in the fall of 1929, and which brought increased financial responsibilities upon the Federal Government along with decreased revenues, this figure gradually rose until at the time the Democratic administration came into power on March 4, 1933, it stood at \$20,900,000,000.

On June 15, 1934, after the first 15 months of the Democratic Party's administration of the affairs of the Government, the public debt was \$27,000,000,000, an increase during that time of \$6,100,000,000, and approximately

\$400,000,000 in excess of the World War peak.

I have previously pointed out that the Democratic Party was swept into power on a platform which called for a cessation of further borrowing to pay the expenses of the Government. Nevertheless, the Democrats have committed this country to a spending program which by July 1, 1935, will increase the public debt to \$32,000,000,000, or more than \$5,000,000,000 in excess of the World War peak. Thus, after condemning the Republicans for having a \$5,000,000,000 deficit in 3 years, the Democrats have piled up a \$11,000,-000,000 deficit in 2 years.

The Republican Party made an honest effort to balance the Budget in the fiscal year 1932, at which time Secretary of the Treasury Mellon came before the Ways and Means Committee and said:

The administration is determined, with your cooperation, to arrest this borrowing process on June 30 next.

The revenue bill of 1932 imposed more than a billion dollars in new and additional taxes, which was the amount estimated by the Treasury to be necessary to meet the Budget needs, both ordinary and emergency. Thus, the Republican administration attempted to put the Government on a sound financial basis, even though later events proved that the receipts from the revenue bill did not come up to expectations.

The Democratic administration has made no attempt thus far to balance receipts against expenditures. The revenue from liquor only takes the place of the taxes levied under the Industrial Recovery Act to finance the \$3,300,000,000 Public Works program. The anticipated additional revenue under the Revenue Act of 1934 will come largely through closing loopholes in the present law. There has been no attempt made to raise sufficient taxes to meet the Democratic deficit, and, in fact, it would be almost impossible to do so.

The administration promises a balanced Budget in 1936, but many things can happen between now and then. Everyone realizes that the credit of the United States is not without limit. If it is going to be strained by continued borrowing for emergency purposes and alleged emergency purposes, this country may be plunged into an economic chaos even greater than that in which it now finds itself. When the Government's credit fails, all credit fails; and if the national debt is permitted to grow beyond all reasonable bounds, either repudiation will have to result or the Government will be forced to issue flat money.

In the meantime, if the country is to be saved from bank-ruptcy, provision must be made for paying the interest on the existing indebtedness and setting up a sinking fund for its retirement. The interest charge alone for the fiscal year 1935 is estimated at \$824,000,000, which is more than it cost to run the entire Government a year before the World War. While the interest charges must be paid annually the sinking fund is optional, and during the past several years it had not been set up. If restored to the Budget in 1935, it would amount to \$526,000,000 annually, making a total cost incident to the public debt of \$1,350,000,000 per annum. This does not represent a very happy outlook for the taxpayer, since the regular functions of the Government require a minimum Budget of approximately \$2,500,000,000, to which must be added all extraordinary expenditures.

## MONETARY POLICY

The monetary policy of the administration has been directly contrary to the Democratic Party's campaign promises. Its platform calls for a "sound currency to be preserved at all hazards", and the President subscribed to that platform and amplified his views on the subject of money in several campaign utterances. He ridiculed Republican charges that if the Democratic Party were victorious at the polls the country would be taken off the gold standard and branded as a "libel on the credit of the United States", the statement made by President Hoover to the effect that the country was near to being forced off the gold standard in 1932.

What has been the administration's record with respect to the monetary question since coming into power? The country has been taken off the gold standard. Gold is no longer a circulating medium of exchange. It is unlawful to possess gold coin or gold certificates. The gold content of the dollar has been reduced until it is now worth but 59 cents. Contracts requiring payment in gold, including currency and other obligations of the United States, have been declared to be against public policy. The President has been empowered, under the Thomas amendment to the farm bill, to issue \$3,000,000,000 in greenbacks, and under the silver-purchase bill the currency will be further depreciated by increasing the ratio of silver to gold in the monetary reserves.

Before the Democratic administration came into power, the Nation's currency was redeemable in gold upon demand. The new currency being issued bears only the promise to redeem in "any lawful money."

The administration has frankly stated that its monetary program is experimental, and it is, therefore, quite evident that the Democrats have no definite policy. The country does not know from one minute to the next what direction it is going to take, or for how long. In view of this uncertainty, any permanent business recovery is virtually impossible.

### LOANS TO INDUSTRY

One measure that had the almost unanimous support of both Houses was the bill providing for direct Federal loans to industries. While as a matter of principle I am not in favor of putting the Federal Government in the banking business, I do feel that there are circumstances which warranted the enactment of this legislation.

One of the greatest impediments to recovery has been the contraction of credit. The banks of this country, in their effort to keep liquid, are either unwilling or unable to make commercial loans, and the result has been that many industries and businesses have been unable to borrow money to make purchases and to meet pay rolls. In spite of the many billions of dollars that have been spent in the various recovery measures, unemployment has not been substantially reduced, and unless industry can secure capital the unemployed cannot be put back to work.

Money spent for relief does not come back to the Treasury, and at the same time it does not cure the unemployment situation. The funds to be loaned under the industrial loans bill will come back to the Treasury, and by rehabilitating industry will give employment to labor and bring about a measure of real recovery.

Under our present banking regulations, commercial banks are without power to make long-term loans to industry, even were they so disposed. Short-term loans, in most cases, would be of little benefit. This bill extends the lending power of the Reconstruction Finance Corporation and the Federal Reserve banks so that they can make 5-year loans to industry. Thus it should be a real aid to recovery. In order that the smaller businesses, which are the backbone of industry, will be able to secure a fair share of the funds, the bill provides that no loan may be made in excess of \$500,000.

### VETERANS' LEGISLATION

Under the authority given him by the economy act the President reduced veterans' benefits by some \$400,000,000. This saving was accomplished by rerating veterans with service-connected disabilities, by removing presumptive cases from the rolls, by removing dependents of veterans with presumptive service-connected disabilities, by restricting hospitalization, and so on.

On June 6, 1933, following a wave of criticism over the harshness of his action, the President was obliged to liberalize his regulations to some extent, restoring approximately \$50,000,000 in benefits, principally to widows and dependents and to veterans with service-connected disabilities. Under the act of June 16, 1933, Congress itself restored some \$46,000,000 additional, and on January 19, 1934, the President restored another \$21,000,000.

The last legislation with respect to veterans' benefits was in connection with the independent offices appropriation bill, which carries the funds for the Veterans' Administration. It will be remembered that this measure was vetoed by the President because, as he said, it went some \$228,000,000 beyond his recommendations in restoring compensation to veterans and in returning part of the Federal pay cut.

His figure of \$228,000,000 was made up of \$125,000,000 for partial restoration of the Federal pay cut and \$103,000,000 for veterans' benefits. Actually the cost of the pay-cut restoration was \$63,000,000, while the increased cost of veterans' benefits over the restorations made under the President's regulations issued the day of his veto message was but \$21,250,000.

The President's veto message was sent to Congress on March 27, 1934. At the same time he issued certain new regulations restoring benefits to veterans in the amount of \$61,750,000. This amount must necessarily be subtracted from the amount carried in the independent offices appropriation bill, which was \$83,000,000. The net cost of overriding the veto, therefore, at least so far as veterans' benefits were concerned, was but \$21,250,000.

In spite of the restorations made to date, there is still a saving in force of \$250,000,000 under the economy act. If Congress had not eased some of the drastic regulations issued by the President under that act, I feel sure that in a

short time the mounting dissatisfaction and unrest among the veterans would have resulted in wiping out the whole saving.

#### PROCESSING TAX ON COCONUT OIL

Mr. BLANCHARD. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BLANCHARD. Mr. Speaker, on May 28, 1934, President Roosevelt addressed a message to Congress on the subject of the processing tax on coconut oil. Reference is made in that message to the Philippine Independence Act and the revenue act, which imposed the 3-cent per pound tax on coconut oil from the Philippines.

I now quote from the message:

It is, of course, wholly clear that the intent of the Congress by this provision—

Referring to the Independence Act-

was to exempt from import duty 448,000,000 pounds of coconut oil from the Philippines.

The President further states as one of his reasons for his request for reconsideration by Congress of the provision for the processing tax that—

It is a withdrawal of an offer made by the Congress of the United States to the people of the Philippine Islands.

And his request for reconsideration of that provision of the revenue act contains the following language:

In order that the subject may be studied further between now and next January, and in order that the spirit and intent of the Independence Act be more closely followed.

Now, I have made a study of the Independence Act in its relation to the revenue act, and I fail to find where in any respect the Congress has committed itself to the policy of permitting 448,000,000 pounds of coconut oil entry into the United States without the payment of the tax. If any commitments were made by individuals, they could have no effect upon Congress. Congress itself, I hope, still retains the right to make its own commitments.

There are four distinct steps required before the Independence Act can be made effective and the new government established. First, a constitutional convention approves a constitution and submits it to the President of the United States within 2 years; second, if the President certifies that the constitution conforms with the provisions of the act, it is submitted within 4 months to the people of the Philippines for ratification; third, after the approval the Governor General shall within 30 days provide for an election of officers; fourth, when an election shall have been held the results are certified to the President of the United States, who shall then issue a proclamation announcing the results of the election. All of these things are required before the new government is established.

What is the situation in the meantime during these months while the machinery of the Independence Act is in motion? Does the act say that in this interim the United States Congress can pass no laws changing the trade relations with the Philippines? Well, let us see what the act provides. Section 6 reads as follows:

After the date of the inauguration of the government of the Commonwealth of the Philippine Islands trade relations between the United States and the Philippine Islands shall be as now provided by law—

Subject to certain exceptions, among which is the one which exempts the 200,000 long tons of coconut oil. Note the language reads that after the date of the inauguration of the Philippine government, and not before. In other words, in the interim we have the right to impose this processing tax on coconut oil.

I want to live up to any promises we have made in Congress to the Philippines; I want to do justice to them, but I want to do justice at the same time to the American farmer. This tax, in my humble opinion, should not be disturbed.

Mr. Speaker, I ask unanimous consent to extend my States. I hope that Mr. Green, president of the American remarks in the Record and to include therein excerpts from Federation of Labor, will assure the authorities of this city

the President's message and likewise a statement from the revenue act of this year.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

#### EXTENSION OF REMARKS

Mr. BYRNS. Mr. Speaker, I do not know whether the request was made yesterday or not, but I am informed the Record does not show it if it was made. I ask unanimous consent that all Members may have 5 legislative days in which to extend their own remarks on the housing bill which we passed yesterday.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

# PROTECTION OF GOVERNMENT BUILDINGS

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Mr. Speaker, the late edition of the Washington Times last night advised us that union carpenters in Washington went out on strike May 1, for \$1.37½ per hour; also that they voted down two different proposals of compromise made by the contractors, one for \$1.25 per hour for a 40-hour week, and the other for \$1.25 for a 32-hour week. It also advised us that the strikers would hold out for \$1.37½ per hour.

The Times also advised that because a man named William A. Gray, working on the roof of a church, refused to quit work when they ordered him to do so, some of the strikers held him, while others beat him, and his nose was broken.

We also learned from the Times that a carpenter named T. J. Jackson, who refused to quit work when ordered, was beaten up by the strikers; also that a fire occurring in the Remington-Rand building under construction was reported to have been of incendiary origin; also that six strikers attacked a carpenter engaged in putting up laths, and fled in automobiles when police were summoned. The Times reports that all of the carpenters who were beaten were union carpenters, and had their union cards in their pockets, but had failed to obey the general strike order.

This morning's Washington Herald carried about the same news items I have mentioned, but adds that contractors advertise that they will pay any carpenter who is willing to work \$1.10 per hour and a 40-hour week. The Herald also reports that W. L. Hutcheson, president of the International Brotherhood of Carpenters and Joiners, said he—

will not order carpenters to work for less than \$1.371/2 per hour,

# And further that-

if contractors put men to work on the Government projects in Washington on a nonunion basis, I will call a Nation-wide strike on their projects everywhere.

The Herald also tells us that on the union demand for \$1.37½ per hour, the contractors offered a compromise of \$1.25 per hour on a 40-hour week, but the unions refused, saying, "We are determined to have all or nothing."

Under the big headlines "Police Guard United States Projects in Strike", the Herald tells us that a cordon of police was thrown around all of the many fine Government buildings now under construction in Washington. There was an all-night guard around the fine \$10,000,000 Supreme Court Building, to prevent it from being burnt or blown up. Police guarded the new \$10,000,000 Post Office Department Building. They were around the new Department of Justice Building. They were thrown around the new Archives Building. It was necessary to have special police guards to protect the property of this Government from sabotage right here in our Nation's Capital.

I think this is a reflection upon the thousands of honest men who belong to labor unions everywhere in the United States. I hope that Mr. Green, president of the American Federation of Labor, will assure the authorities of this city the public buildings in order to protect them from being demolished by union laborers in the Nation's Capital. I have members of labor unions in my district who are Knight Templar Masons, who are high officers in churches, who stand for law and order, and who would not countenance any such lawlessness and sabotage, and this disgraceful situation in Washington does them grave injustice.

I have many fine union carpenters, and painters, and paper hangers, and brick masons, and other artisans in my district who would be glad to get \$7 and \$8 per day, and some of whom have been without steady jobs for months, yet in Washington, on the \$100,000,000 building construction which this Government has been carrying on during the past few years, carpenters and painters have been getting \$10 and \$12 per day right along, with continuous employment.

The carpenters and painters in my district would be glad to work for the \$1.25 per hour on a 40-hour-per-week basis, which has been offered by the contractors here in compromise, but which the carpenters here have refused to accept.

There must be no lawlessness here in Washington by strikers who have refused \$1.25 per hour for steady employment. There must be no burning of Government property. There must be no sabotage of any kind. Law and order must prevail. The Metropolitan Police Department must understand that it has charge of the situation here, that it must prevent sabotage, that it must prevent lawless attacks upon citizens, that it must prevent sabotage, that it must protect the property here from injury of every kind, and that it is to be held responsible for the peace and order of this Capital, and must take all steps necessary to see to it that law and order prevails.

I think it is a ridiculous situation that in the Nation's Capital we must guard American citizens, and guard Government property to prevent strikers, who have refused \$1.25 per hour, from demolishing public property that belongs to the Government, when 10,000,000 heads of families have no jobs at all. On behalf of the law-abiding citizens of America, I am registering my protest against such a situation.

### CRIMINAL CODE OF THE UNITED STATES

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8912) to amend section 35 of the Criminal Code of the United States, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 5, strike out all after "whoever" down to and including "stockholder", in line 11.

Page 2, line 18, after "entry" insert: ", in any matter within the jurisdiction of any department or agency of the United States or of any corporation in which the United States of America is a stockholder.'

Page 3, line 2, strike out "or any branch or department thereof."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendments were agreed to.

OPERATION OF THE HOME OWNERS' LOAN CORPORATION IN THE STATE OF VIRGINIA

Mr. ROBERTSON. Mr. Speaker, I ask unanimous consent to address the House.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. ROBERTSON. Mr. Speaker, I am pleased that on yesterday the House, in passing the housing bill, made provision for an increased amount of money to be used for the purposes of the Home Owners' Loan Corporation.

There is a branch office of this Federal agency located in my district, at Harrisonburg, Va., which has been functioning in a most efficient and satisfactory manner; in fact, the Home Owners' Loan Corporation has proved to be a distinct success in the State of Virginia, and its operations have not only been of great benefit to thousands of home owners but also to other thousands of Virginians in various

that it is no longer necessary for them to put police around | walks of life. Remembering the disappointing failure of the Home Loan Board under the previous administration, there was a feeling of doubt and uncertainty and considerable skepticism all over the State last July when the Home Owners' Loan Corporation began its organization for operations under the new act. The general public were inclined to believe that this might prove to be another disappointing experiment without any real benefit to the distressed home owners. However, it was not long before the people saw that this experiment was going to be genuinely successful and tremendously helpful.

> An able lawyer of Richmond, Mr. John J. Wicker, Jr., was appointed State manager, and in less than 1 month had perfected a splendid State-wide organization.

> According to Government figures, approximately \$14,000,-000,000 in urban home mortgages were held by banks, insurance companies, and building and loan associations throughout America at the time the Corporation began operations. Approximately \$81,000,000 of these mortgages were located in Virginia. In proportion to the total volume of mortgage loans refinanced by the Corporation throughout America up to May 25, 1934, the Virginia branch of the Corporation should have completed the refinancing of approximately \$5,000,000 of these mortgages. Instead of doing that, however, the Virginia branch, by May 25, 1934, had actually made over 3,500 loans in all parts of Virginia, aggregating in volume over \$11,000,000. Consequently it will be seen that the Virginia branch has made more than double the volume of loans which could normally have been expected. This is a record of which the people of Virginia are justly proud.

> Bankers and real-estate mortgage loan authorities agree that the operations of the Home Owners' Loan Corporation in Virginia have been of benefit to the general mortgage loan situation throughout the State. In addition to refinancing distressed home mortgages which could not be financed elsewhere, an important by-product to the Corporation's operations has been the liberalization of credit on the part of commercial mortgage lending agencies to other home owners.

> Counties, cities, and towns of Virginia have experienced very direct benefit in the matter of delinquent taxes which have been paid by the Corporation as an incident to its refinancing of old mortgages. As of May 25, 1934, the Corporation had paid to the counties, cities, and towns of Virginia over \$400,000 in cash to settle delinquent taxes, and the majority of these taxes had been delinquent for years and probably would not otherwise ever have been paid.

> Furthermore, over \$200,000 has been paid out in cash throughout the State for building materials and for labor, both skilled and unskilled, in connection with the making of necessary repairs to the homes which have been saved by the Corporation.

> All of these good results have been obtained at exceedingly low cost. In fact, the entire overhead cost connected with these loans in Virginia has amounted to less than 2 percent of the total volume of loans.

> While the material benefits that the people of Virginia have derived from the Corporation's operations have been substantial, we are also conscious of the benefits that have accrued in the improvement of the spirit and mental outlook of the distressed home owners of Virginia. In over 3,500 small homes throughout our State today the fear and despair that formerly held sway have been dispelled and a spirit of confidence and gratitude exists. This new spirit can be typified best by a quotation from a letter written by a widow whose home was saved a few months ago by the Corporation. She wrote, in part, as follows:

> My husband served with the Twenty-ninth Division in France. My husband served with the Twenty-ninth Division in France. After the war we saved all we could and began the purchase of a little home. We paid all we could in cash and received a deed, subject to a first mortgage and a second mortgage. By monthly payments, we succeeded in paying off the second mortgage, but just as we were hoping to make a dent in the first mortgage my husband died and left me facing the world with three small children and a mortgage hanging over my head. Then the depression came on, and the mortgage holder demanded a curtail,

which I could not possibly meet. Just as everything seemed hopeless, and the future was dark indeed, the Home Owners' Loan Corporation came along and saved our home. With the work that I do, I am confident that I can pay off the new loan in the small monthly installments that are called for. Words cannot express monthly installments that are called for. Words cannot express my gratitude, and you cannot imagine the joy I have in a brand-new outlook in life, which I now face with confidence.

With a new and deeper significance, she can tell her three small children that their father used to sing Keep the Home Fires Burning.

Mr. TERRELL of Texas. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TERRELL of Texas. Mr. Speaker, a few days ago I received a letter from a friend enclosing a clipping from a newspaper, which reads as follows:

Jeffersen T. Baker, a Dallas lawyer, recently changed his name through court action to George B. Terrell and then filed his name as a candidate for State treasurer.

The Terrell name has long appeared in Texas politics; George B. Terrell now serving as Congressman at large and was formerly State commissioner of agriculture; C. V. Terrell is a member of the State railroad commission; H. B. Terrell, a brother of Green B. Terrell, was State commission; H. B. Terrell, a brother of GEORGE B. TERRELL, was State comptroller of public accounts and was later followed by his son, Sam Houston Terrell, as comptroller;
A. W. Terrell was a noted figure in earlier days and was author
of the Terrell election law. In filing his ex parte proceedings
last week to have his name changed, Mr. Baker said that he
wanted his name changed to Terrell for business reasons. The tition was granted by Judge T. A. Work of the sixty-eighth district court.

If they had gone a little further back in the history of the Terrell family they would have found that my grandfather, George W. Terrell, was attorney general of Tennessee and also of Texas, and that he was Minister to England, France, and Spain during the days of the Republic of Texas to try to get those countries to recognize Texas as an independent republic. My grandfather was at the Court of St. James when Queen Victoria had just ascended the throne, and he was compelled to conform to court customs and had to wear knee pants. He brought back this cream-colored, flowered, silk suit with knee pants, and I remember that suit very well. It was very attractive, and the people all over the country would assemble there to look at this suit of

In conclusion, I want to say that I should like to see if there is some way for the wise men of the east, including the great White Chief on the throne, to establish a code under the N.R.A. which would naturally supersede all State laws and protect the people against crooks in politics as well as in business so that we can stop these lawyers from practicing such legal legerdemain to purloin a man's name for the sake of politics. If we are to have more Terrells in politics, they should be created according to the divine plan and not made by court decree. [Laughter and applause.]

# THE PRIVATE CALENDAR

The SPEAKER. Under the special order for today, it is in order to call Senate bills on the Private Calendar and Senate bills on the Speaker's table where similar House bills are on the Private Calendar, the call to begin at no. 629.

# CONCRETE ENGINEERING CO.

The Clerk called Private Calendar No. 629, the bill (S. 1540) for the relief of the Concrete Engineering Co.

Mr. HOPE. Mr. Speaker, reserving the right to object, this is a bill which has been previously objected to on two separate occasions and I am very sorry to say I shall feel compelled to again object. I may say there have been a number of bills on the Private Calendar similar to this one and I think it has been the practice on both sides of the House, among those of us who have been given the duty of scrutinizing these bills, to object to bills of this character, and I see no reason to make any exception in the case of this particular bill.

Mr. BLACK. Mr. Speaker, will the gentleman yield to me?

Mr. HOPE. Yes. Mr. BLACK. There have been some bills in an analogous situation to this that have been passed by the House during | ury of the United States \$4,300. It had a total of 22 ship-

this session. I have a list of them, but I do not have it with me now.

I have always thought that under ordinary circumstances these bills should properly go to the Ways and Means Committee, but the Ways and Means Committee has had so much of the big policy legislation and general legislation it just could not handle these small claims based on tax situations and our committee has had to handle them. We have studied them very carefully and have not given approval to any one of them unless we thought it was absolutely justified. and I was rather hopeful the gentleman would not take a position against this bill simply because it is in a class with other bills, when similar bills have been passed. I can assure the gentleman that other bills bearing on taxes have passed the House. This is just a burden on our committee and we do not like it any more than the gentleman does. They should not come to us, but we have had to take on the work, that is all.

Mr. HOPE. I may say to the gentleman that bills of this character may have passed the House during this session, as the gentleman says-and undoubtedly they have passed, if he says so. However, I know I have objected to some bills of this same character and others have made a similar objection and, personally, I do not feel I could conscientiously withdraw the objection which I have made to the bill, as much as I should like to do so.

Mr. BLACK. Will the gentleman yield?

Mr. HOPE. I will.

Mr. BLACK. I thought the gentleman objected to this bill because it fell within a class of cases, and that the gentleman has no objection to the bill on its own merits. I tried to point out that other bills of that character on the calendar had passed, and I thought it rather unfair to object to a bill, if it is objected to, on the ground that it is in a certain class.

Mr. HOPE. Perhaps I have not made myself clear. I do object to the bill on its merits. I also made a statement which I know is true, that many similar bills on the calendar have been objected to.

Mr. BLACK. That is true. Mr. HOPE. I think this is hardly the proper time to change the policy on the part of those who have been studying these bills.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. HOPE. I yield.

Mr. ZIONCHECK. The objectors to these bills do not claim that they are infallible. I think the real principle involved is that no one man should hold up all the bills because there has been an objection to his bill. Under those circumstances a Member could force any bill through the House.

Mr. BLACK. I agree with the gentleman that no Member should be able to force a bill through with the power of objection to pass bills. But if the gentleman feels that his bill has been objected to simply because it falls within a certain class and not on its merits, he has the right to resort to any parliamentary device to protect himself.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. HOPE. I yield.

Mr. JENKINS of Ohio. Is this bill of sufficient dignity so that it could be passed under suspension of the rules, and thus obviate this difficulty?

Mr. ZIONCHECK. This bill is an attempt to get a refund on a certain number of carloads of cement. They made a claim for 17 carloads, and the attorney neglected to make the claim for 5 others. The statute of limitations has long

Mr. BLACK. Will the gentleman from Kansas reserve his objection and let the introducer of the bill make a state-

Mr. HOPE. I shall be glad to.

Mr. EAGLE. Mr. Speaker, I did not intend to inject myself into this matter, but I am requested to explain the bill, and will gladly do so.

A firm in my city of Houston, Tex., overpaid to the Treas-

structed the Government warehouse agent, who is a certified Government official, to file a protest on the entire 22 ship-

The Concrete Engineering Co. that made the shipment made the payments under section 304 of the Tariff Act of 1922, as required, and instructed the warehouse agent to file a protest in 22 cases, on the ground that the tariff should be paid under section 312 of the Tariff Act of 1922. There is in the Senate report, and it is in the House report, an affidavit by the agent that he did file a protest on excessive charges in 17 instances out of 22 total instances.

In each instance the excess payment was refunded. By clerical error, within the 60-day period of time in which to file a protest the warehousing agent neglected, solely on account of a clerical error and through no fault of the Concrete Engineering Co. who had instructed him to file protest also of the five additional cases, to file within that period. The Secretary of the Treasury, Mr. Mills, in the year 1932, by a report sent to the Senate committee, and now printed in the House report of this committee, certifies that the Treasury of the United States erred in holding that these people should have paid under section 304, and that they were right in claiming that they should pay under section 312, and, therefore, that the Treasury has now an excess of \$4,300 above what the Treasury should have. There is no question of the excess payment, there is no question of the effort of those who were required excessively to pay, to have it protested within the 60-day period of time. The Senate committee so found and unanimously reported. The Senate unanimously passed the bill. The House committee unanimously so reported. It is upon this calendar. There is no question involved whatever that it is right for these people to receive payment back of the sum of \$4,300, which they were required to pay currently from the year 1926 to the year 1927 for deformed iron bars used in the making of concrete buildings. These claimants have acted in good faith. This is a just claim. The only reason that could possibly be advanced why this bill should not instantly pass this body is that within the 60-day period required by article 514 of the Tariff Act of 1922, no formal written protest was filed with the collector of the port, and with the lower Court of Customs Claims protesting the excess payment. That is explained by the fact that while those who made the payment instructed the only persons they could, to wit, their Government-certified warehousing agents, to make the protest, as they did in the other 17 instances wherein they made a protest, those agents neglected, through a clerical error, within the 60-day period of time to do it. This is an honest claim, and if the Private Calendar is a calendar for gentlemen to deal with at all, it ought to be paid. The Senate has passed it, and I hope that the House will not object to at least its consideration. [Applause.]

The SPEAKER. Is there objection?

Mr. HOPE. Mr. Speaker, I reserve the right to object.

Mr. ZIONCHECK. Mr. Speaker, does the gentleman think that even though he has a just claim and that it unjustly is objected to, he is doing the gentlemanly and fair thing to object arbitrarily to every bill that comes up regardless of its merits? That is the gentleman's repeated threat.

Mr. EAGLE. I will ask the gentleman to pardon me any reply to that inquiry.

The SPEAKER. Is there objection?

Mr. HOPE. Mr. Speaker, further reserving the right to object, I have taken into consideration everything that the gentleman from Texas [Mr. Eagle] has said in connection with this claim. It came up in this way-over a dispute under which section of the tariff act duties were to be paid on these particular imports. Under the law an importer has a right to file a claim within 60 days and have it considered by the Customs Court which will decide under which section the duty should be paid. In this particular case there were 22 shipments and in 17 of them there was filed a claim within the prescribed statutory time and the matter came before the Customs Court and that court decided in favor of the claimant in the case, to the effect that the duty should

ments. It paid the tariff upon 22 shipments. They in- | be paid at the lower rate. The other five claims could have been filed, but they were not filed through some error or neglect of the claimant. The statute is very specific in that regard. The claimant does not have any rights here except those that the statute gives him, and having failed to take advantage of the time within which the claims must be filed, he has no inherent rights here which he can come before the Congress of the United States and ask to have adjudicated. There are thousands of similar cases, where duties have been paid under the wrong law, perhaps, and thousands of cases where the parties did not know their rights, cases where the parties were not a large corporation with the benefit of the best legal talent in the country, as was the case here, and in none of those cases do those parties have or claim any right to a refund of duty.

There was no neglect or fault upon the part of the United States in this case. The sole fault was on the part of this company and its agents, and in view of the fact that we have objected to many more meritorious claims for refunds during this session and other sessions of Congress, in view of the further fact that there are no charges of any kind here that this neglect is due to the act of any agent or employee of the Government of the United States, I fail to see where the claim is one that is just and valid and one which should be passed by this Congress.

There may be many here who will disagree with me in that opinion, but that is the view I have reached after giving careful study to all the facts in the case.

Mr. COX. Will the gentleman yield?

Mr. HOPE. I yield.

Mr. COX. The gentleman states that this condition is the result of no wrong committed by the Government. Was not the Government wrong in assessing a tax under the wrong provision of the act of 1922, and may I ask the gentleman the further question, Has the Treasury \$4,300 of a citizen's money that it is not entitled to or would not have been entitled to if it had applied the right provision of the law?

Mr. HOPE. Answering the gentleman's first question, the Government of the United States and this company entered into a dispute. There was a question between them as to just which law applied. It was purely a question of law. There was no question of fact involved. Under the provision of law, if a party makes a claim within a certain period, 60 days in this case, he is entitled to have that question of law decided in the particular case in which he makes application for refund.

Mr. COX. But the same question was decided in other cases that are identical, where an adjustment was made. Now, does the gentleman contend that under the application of the proper provisions of the tariff act the Government is entitled to this \$4,300? If it is not, then how in good conscience can the Government refuse to return it?

Mr. HOPE. There was no charge made here that that assessment was made in bad faith by the Government or that there was any wrongful intent on the part of the Government of the United States to collect excessive customs duty. There was simply a question of law involved. Mr. COX. No intent to commit a wrong, but the actual

commission of a wrong in doing what the Government thought was the proper thing to do.

Mr. HOPE. Of course, if that is true, there are probably thousands and thousands of cases where a wrong rate of duty has been charged, for which citizens have no redress. There is no way that they can come in except by asking Congress to pass legislation, yet I do not believe the gentleman should contend that we should pass blanket legislation here today to do away with all the requirements that private claims must be filed within certain periods of time, and doing away with all statutes of limitation. That is what we are asked to do in one specific case today. If we are going to do it in one case, we ought to do it in all cases.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. HOPE. I yield.

Mr. JENKINS of Ohio. But did the injustice to these claimants result in any way from any fault on the part of the Government? If so, I think the gentleman's claim would be in a different category than if he found himself in this predicament as the result of his own negligence.

Mr. HOPE. In this case it was the result of his own negligence, because if he had filed his claim as he filed the other 17 claims he would have had a refund.

Mr. JENKINS of Ohio. I am trying to effect a fair adjustment, if possible. I think if the Government, through its negligence, in any way caused these people to suffer this loss, they are to blame and the Government ought to make amends.

Mr. COX. Did not the Customs Court of Appeals hold that the wrong law was applied?

Mr. JENKINS of Ohio. I do not know anything about the

Mr. COX. That is what the court holds.

Mr. EAGLE. Will the gentleman yield?

Mr. HOPE. I yield. Mr. EAGLE. It is perfectly certain that the Government did nothing wrong. It is perfectly certain that good faith has been observed, even here, this day. It is perfectly certain, however, that the instructions issued by the Treasury Department to the Internal Revenue Department were to assess this tax under section 304 of the Revenue Act of 1922. In perfect good faith they thought that was the section under which to assess it. In perfect good faith the Concrete Engineering Co. thought it should be assessed under section 312. In perfect good faith they instructed their Government-certified warehousing agent to protest this payment under section 304 and to insist upon its payment under section 312, currently, at the time of the payment, with reference to the entire 22 items. That agent on whom these claimants had to rely, performed his duty with reference to 17 of those 22 items, and the Treasury, in perfect good faith, promptly refunded the excess payment. But the Treasury had no legal authority to refund payment as to the other five, because within the 60-day period after the time provided by section 514 of the Revenue Act of 1922, no written protest was filed, although the claimant had instructed its filing, had known of the excess payment, had relied upon this very Government certified warehousing agent to make the filing, and that Government certified warehousing agent certifies that by virtue of a clerical error alone in his office, did he fail to file it. For that reason I respectfully submit to your consideration whether this claim is not entirely out of that proper category so ably and so conscientiously mentioned by the gentleman from Kansas, of those who, either ignorant of their rights to protect themselves in case of excess payment, failed to protest, or of those who, indifferent to it, failed to protest, because these people in every step did everything except that the Government agent they employed to do this, by clerical error, failed to do it. That is all I can say and all I care to say.

Mr. ZIONCHECK. Mr. Speaker, regular order.

Mr. HOPE. Will the gentleman withhold that a moment? I wish to ask the gentleman from Texas a question.

Mr. ZIONCHECK. I will withhold it for the time being. Mr. HOPE. I understood the gentleman to say that a Government certifying agent failed to perform his duty in filing these claims within the proper time.

Mr. EAGLE. That is what I understand.

Mr. HOPE. Does the gentleman contend that this man, E. Ash, was an employee of the Government of the United States and that he was instructed to file these claims on behalf of this corporation?

Mr. EAGLE. I will answer the twofold question by this statement, that I am not for the moment familiar with just what the legal requirement or function of a certified warehousing agent is such as this man Ash was at the time, whether an employee of the Internal Revenue Department or whether a mere licensee authorized to file protests and perform such duties. Therefore, as to the first subdivision of the question, I cannot answer.

Mr. HOPE. Right there, does not the gentleman think that is an important question? If this man as an employee

of the United States and acting in the capacity of his employment, agreed that he would accept these protests, or if he agreed to file them even though he had no authority, I think the gentleman would have a very much stronger case than otherwise.

Mr. EAGLE. Anxious as I am to see what I think should be done here, I would rather lose my case in court than to assure, without full knowledge, that he was acting on behalf of the Government while being such warehousing certified agent. I cannot, therefore, assure the gentleman of that legal distinction. I do not know and cannot answer.

Mr. HOPE. Let me call the gentleman's attention to the fact that in this report this party is referred to as the broker

for the Concrete Engineering Co.

Mr. EAGLE. That is the trade title. They do not say in the report that a person is a certified warehousing agent, they say "the broker"; but his official title was certified warehousing agent authorized to appear for others before Government boards having to do with the collection of tariffs at ports.

Mr. JENKINS of Ohio. And his action was accepted in the other 17 cases?

Mr. EAGLE. Yes; and accepted by the United States Customs Court to which they brought the 17 other refund claims, and accepted by the Court of Customs Appeals.

Mr. JENKINS of Ohio. I think, from the gentleman's statement, that his strongest point is that officials all the way through acted in good faith.

Mr. EAGLE. In perfect good faith; and the other five cases would have been allowed had this broker, in the slang, or certified warehousing agent, in the language of the statute, not omitted clerically to present these other five instances.

Mr. JENKINS of Ohio. And this action by the House is necessary to correct an honest mistake.

Mr. EAGLE. Absolutely.

Mr. JENKINS of Ohio. Mr. Speaker, the Government made an honest mistake.

Mr. ZIONCHECK. Mr. Speaker, I demand the regular

Mr. HOPE. Mr. Speaker, I ask unanimous consent that this bill may be passed over for the time being.

Mr. ZIONCHECK. I object to that. I object to the bill, Mr. Speaker.

Mr. MARTIN of Oregon. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MARTIN of Oregon. Would it be in order to move to suspend the rules and pass Senate bill 1540?

The SPEAKER. No.

Mr. SNELL. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SNELL. Will suspensions be in order during the consideration of Private Calendar bills?

The SPEAKER. They will not.

Mr. SNELL. The purpose of the inquiry was to know whether others interested in the bills to be called up under suspension should be here during the consideration of the Private Calendar.

The SPEAKER. There will be suspensions later this afternoon, but not during the call of the Private Calendar.

WESTERN UNION TELEGRAPH CO.

The Clerk called the next bill, S. 2139, for the relief of the Western Union Telegraph Co.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. EAGLE. There is objection, Mr. Speaker. I think the Private Calendar is a failure when justice cannot be done, when one man can do what has been done in this case.

RESERVE OFFICERS' TRAINING CORPS AND CITIZENS' MILITARY TRAINING CAMPS

The Clerk called the next bill, S. 2688, to validate payments for medical and hospital treatment of members of Reserve Officers' Training Corps and citizens' military train-

Mr. EAGLE. Mr. Speaker, I object.

the calendar.

The Chair recognizes the gentleman from North Carolina [Mr. Doughton].

#### CONTAINERS OF DISTILLED SPIRITS

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent for the present consideration of House Joint Resolution 370, to protect the revenue by regulation of the traffic in containers of distilled spirits.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. CELLER. Mr. Speaker, a parliamentary inquiry. Has the gentleman from North Carolina [Mr. Doughton] asked for suspension of the rules?

The SPEAKER. The gentleman asked unanimous consent for the present consideration of the resolution. Is there objection?

Mr. CELLER. Mr. Speaker, I object.

Mr. DOUGHTON. Mr. Speaker, I move to suspend the rules and pass House Joint Resolution 370, to protect the revenue by regulation of the traffic in containers of distilled spirits.

The Clerk read the joint resolution, as follows:

## House Joint Resolution 370

Resolved, etc., That whenever in his judgment such action is Resolved, etc., That whenever in his judgment such action is necessary to protect the revenue, the Secretary of the Treasury is authorized, by the regulations prescribed by him, and permits issued thereunder if required by him (1) to regulate the size, branding, marking, sale, resale, possession, use, and reuse, of containers (of a capacity of less than 5 wine-gallons) designed or intended for use for the sale at retail of distilled spirits (within the meaning of such term as it is used in title II of the Liquor Taxing Act of 1934) for other than industrial use, and (2) to require of persons manufacturing dealing in or using any such require, of persons manufacturing, dealing in, or using any such containers, the submission to such inspection, the keeping of such records, and the filing of such reports as may be deemed by him reasonably necessary in connection therewith. Whoever willfully violates the provisions of any regulation prescribed, or the terms or conditions of any permit issued, pursuant to the authorization contained in this joint resolution, and any officer, director, or agent of any corporation who knowingly participates in such violaagent of any corporation who knowingly participates in such violation, shall, upon conviction, be fined not more than \$1,000 or be imprisoned for not more than 2 years, or both; and, notwithstanding any criminal conviction, the containers involved in such violation shall be forfeited to the United States, and may be seized and condemned by like proceedings as those provided by law for forfeitures, seizures, and condemnations for violations of the internal-revenue laws, and any such containers so seized and condemned shall be destroyed and not sold. Any requirements imposed under this joint resolution shall be in addition to any other requirements imposed by or pursuant to, existing law, and shall requirements imposed by, or pursuant to, existing law, and shall apply as well to persons not liable for tax under the internal-revenue laws as to persons so liable.

The SPEAKER. Is a second demanded?

Mr. CELLER. Mr. Speaker, I demand a second.

The SPEAKER. Is the gentleman opposed to the resolu-

Mr. CELLER. I am opposed to the resolution.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. DOUGHTON. Mr. Speaker, this resolution was proposed and is urged by the Secretary of the Treasury and the Alcohol Control Administration; in other words, those in control of the enforcement of the law relating to the manufacture and sale of liquor. It is designed to give the Government closer surveillance and control over the manufacture and distribution of bottles and other containers in which distilled liquors are contained and distributed.

This resolution has the unanimous support of the Committee on Ways and Means, and was unanimously reported.

Mr. Speaker, we all know that two of the greatest evils that afflict this country are moonshining and bootlegging, and that nothing is more essential to the protection of society, law, and order than the suppression of the illicit liquor traffic. This bill is designed to accomplish that purpose. It has been found that the illicit manufacturers and purveyors of liquor, the moonshiner and bootlegger, resort to the device of using the same standard containers as used by legitimate distilleries. Those engaged in the illegitimate industry take advantage of these containers and they get the same containers or containers with the same brand and

The SPEAKER. It is evident we cannot proceed with | lettered in the same way as the manufacturers of the standard brands of legitimate liquor.

> The Alcohol Control Administration and the Treasury Department state that this legislation is absolutely necessary in the enforcement of the law and for the protection of the revenues of the Government. One of the prime reasons for the legislation is for the protection of the revenues of the Government, because every gallon of illicit or illegal liquor that is sold robs the Government of that much revenue. I cannot see why there should be any objection to this legislation

> Mr. COOPER of Tennessee. Will the gentleman yield? Mr. DOUGHTON. I yield to the gentleman from Ten-

Mr. COOPER of Tennessee. I am sure the gentleman will recall that the situation that is sought to be met and remedied by this measure and certain other measures that have been recommended by the Treasury Department and the administration is a very bad one. This and other measures to which I have made reference are requested and urged by the Treasury Department and the administration to save what they estimate to be about \$50,000,000 of revenue that is now being lost. Through the operation of this measure and other similar measures recommended by them the Treasury Department will save this enormous amount of

Mr. DOUGHTON. The gentleman from Tennessee has made a correct statement, and I thank him for his very pertinent observation. May I say to the Members of the House that if we are not to give consideration to the suggestions, recommendations, and earnest requests of those who are in charge of the enforcement of the law and the protection of the revenues of the Government, then I do not know to whom we should look or can look for correct information.

Mr. Speaker, I reserve the remainder of my time.

Mr. CELLER. Mr. Speaker, it is with great reluctance that I offer any kind of opposition to this resolution. I have great respect for the gentlemen on the Ways and Means Committee, including the chairman of the committee, the gentleman from North Carolina [Mr. Doughton], the gentleman from Kentucky [Mr. VINSON], the gentleman from Tennessee [Mr. Cooper], and the gentleman from New York [Mr. Cullen]. I assure you it is with a great deal of hesitation that I offer this opposition. It is with reluctance that I offer an objection to anything that the eminent Secretary of the Treasury recommends to this House, but I believe it is incumbent upon us in the pursuance of our oaths of office, regardless of the toes we may tread upon when necessary, to offer constructive criticism. It is our duty to object when we have a conscientious reason for objecting, and I hope that the gentlemen whose names I have mentioned will not deem my opposition personal. I make objection whole-heartedly and with all sincerity.

I do not believe that there is a scintilla of evidence anywhere that this resolution will accomplish the purposes which have been very briefly outlined by the esteemed Chairman of the Ways and Means Committee, the gentleman from North Carolina [Mr. Doughton]. It will be a vainglorious and abortive effort to protect the revenue and to do away with moonshining and bootlegging. It will have no such effect whatsoever. This resolution is highly drastic and should not be brought up at the very end of the session without an adequate explanation of its provisions.

As I understand it, there was no hearing before the Ways and Means Committee. Although I am not certain, I think it was the result of a communication received from the Secretary of the Treasury that he wanted this legislation. We should not slavishly, willy-nilly, ipso facto, abide by such wishes without fathoming and probing and going into carefully the propositions involved in the bill.

The gentleman from New York [Mr. Cullen], for whom I have the greatest regard, has simply repeated the statement of the gentleman from North Carolina that this bill will eliminate bootlegging, but nobody can tell me how it will do it or that it will do it successfully. We have bootlegging, we have moonshining, we have illicit manufacture, and we have illicit sale of alcoholic beverages. We have always had a degree of it and you must remember that repeal is only 6 months old. Let the industry attempt to govern itself without any undue interference. There is too much governmental interference. The industry, if let alone, will curb itself and free itself in time of some of its present evils. The liquor traffic changes daily. We do not know what permanent form it will take. Let more time elapse. Let adequate study be made and then legislate. It is too early for permanent legislation of this character.

Remember that the Democratic platform provided in no uncertain terms that this industry and the control and regulation thereof should be relegated back to the States. It should be a matter of State control. We have codes which give the Federal Government a modicum of control over the industry, but this is by consent of the industry—the consent of the distillers, rectifiers, wholesalers, retailers, and all those who deal in alcoholic beverages. Now they come forward with a bill replete with coercion and drastic penal provisions. Do you not know that the more burdens you place upon the legal trader the more comfort you give to the bootlegger? He does not have to satisfy the regulations. He is too slick. He avoids them. Merely passing laws will not catch the bootlegger. Enforcement will. But, as usual, there will not be enforcement.

There is a provision here which provides for permits. You may remember that under the eighteenth amendment and the Volstead Act there was provision made for the permissive use of alcoholic beverages and distilled spirits of all kinds for various purposes. Most of the evils, most of the graft, most of the chicanery and deceit and hypocrisy emanated from these permits. The inspectors who went into the highways and byways of the country, marauding, as it were, brigands, as it were, fliching from the permittees all manner and kind of filthy lucre in the form of grafts for special privileges and immunity from prosecution.

Now, are you going to have a recrudescence of that? That is what you provide here and you do it in a very unusual way. Why is it necessary to include a permit provision—a permit provision that covers all types of liquor dealers?

The Secretary of the Treasury is permitted by regulations to prescribe permits to regulate the size, branding, marking, sale, resale, possession, use, and reuse of containers designed for sale of distilled spirits at retail. This means that the Secretary of the Treasury could issue a permit for trading to every little tavern keeper, hotel keeper, or retailer. Why was the bill not devised so as to limit these permits to manufacturers and distillers and traders in these spurious bottles or the bottles that are used and reused for bootlegging? It would have been a simple matter to redraft this bill so that there would have been no need for the provision for the issuance of permits or the power to issue permits to all liquor dealers who are already possessed to what is known as the "occupational tax certificates." No man can trade in liquors, be he wholesaler or retailer, properietor of a beer garden or a tavern or a hotel, unless and until he obtains an occupational tax certificate. The Secretary of the Treasury would have the right of visitation upon the premises of the holders of these occupational tax certificates. His inspectors could easily determine by search whether or not these dealers were possessed of this spurious bottles or bottles which are banned. In other words, the statute is entirely too broad. That is the gravamen of my opposition. As the statute now reads, some poor little devil of a dealer might purchase a case of liquor from a wholesaler in perfect innocence. Subsequently, it is developed that the bottles are spurious or imitative of the original. An inspector could pounce down upon him under the terms of the bill, have him fined \$1,000 or sent to jail for 2 years.

Drastic bills of this character never get us anywhere. I recall distinctly the vigorous opposition to the Jones-Stalker bill, often called the "5-and-10 bill", prescribing penalties from 5 to 10 years for liquor violations. This bill provided for the ridiculous branding of the violator as a felon. The bill was so drastic that it got nowhere. There were few convictions under it.

The F.A.C.A., namely, the "Federal Alcohol Control Administration", already has the power under codes to determine the proper use of bottles and to preclude and prevent improper use. It determines standard of fill. There are many statutes empowering the Department of Agriculture through its Pure Food and Drug Division, to prosecute for misbranding. This bill is aimed at misbranding. Why should not the Department of Agriculture under present statutes take the culprits by the nape of the neck and punish them? Furthermore, there are many civil remedies. Dealers and rectifiers can secure injunctions and prosecute for infringement of their packages. There is therefore no need for the bill—especially since it is so broad in delegation of power to the Secretary of the Treasury and so drastic.

I say to you that aside from the constitutionality of this provision-and it is unconstitutional and I shall give you the reasons therefor in a moment—you buy a pig in a poke. You legislate blindly here. You give carte blanche, you give the fullest authority, to the Secretary of the Treasury to make any kind of regulations he wishes. I would not mind if you stopped with regulations for the purpose of controlling the branding, the size, the marking, the sale and resale, possession and repossession, use and reuse of containers used and designed for distilled spirits. If you would stop there I would not object, but what do you do further? You provide that for any violation, be it consequential or inconsequential, be it important or unimportant, there is prescribed, not for a violation of law, not for a violation of statute, but for a violation of a regulation made by the executive branch of the Government, these extreme penalties: \$1,000 or to imprisonment for not more than 2 years, or both.

This is what I object to. That is very serious.

Reference has been made to my bill pending before the Ways and Means Committee to re-codify all liquor internal revenue laws. I am accused of encouraging more Federal control of liquor thereby. No; the gentleman has not read my bill, and I do not depart one iota from the proposition of leaving, as much as possible, this industry to the States, save when it comes to the matter of protection of the revenues or the matter of interstate commerce. The bill I introduced had an entirely different purpose. It was to bring up to date all the internal revenue statutes—statutes of a purely revenue character that go back to the Civil War days.

It was to recodify the old statutes, which go back to the time of the Civil War. Incidentally, we passed a portion of that bill last week with reference to distance between distilleries and rectifying plants. At the suggestion of the Speaker, the gentleman from Illinois [Mr. DIRKSEN] took a part of my bill, had it referred to your committee and you passed it by unanimous consent. I happen to be acquainted with the subject matter. I have given it mature study; otherwise the House and the Committee on Ways and Means would not have accepted the bill without opposition. My credo is keep the Government out of the liquor business, especially in the beginning. Here you are putting the Government into it and placing in the hands of the Secretary of the Treasury this enormous power. If you will amend the bill and define definitely what you mean by a violation, so that the country can know what the violation is, I have no objection. But here you give the Secretary the right to make any kind of a regulation he sees fit, and the violation of a mere regulation carries a penalty of 2 years in jail and a thousand dollars fine or both. The citizenry cannot know what the regulation is to be. Yet you provide severe penalties for a violation of a regulation to be issued in the future.

As to the constitutionality of this bill, I have my grave doubts. It is certainly a delegation of legislative powers to an administrative officer. There is no limitation upon the delegation of the powers. Presumably, to protect the revenue, the Secretary of the Treasury can do the regulating concerning these containers. We are not told how he is to regulate. There is no limitation upon his authority. He can regulate any way he sees fit. There is no standard or cri-

terion by which he should act. There is no rule or guide for | him to follow

I should gladly insert cases from the Federal courts to support my contention if I had time. This bill came up suddenly, without warning. I am therefore compelled to give a "horseback" opinion. If time would permit I could muster up a host of decisions to show the unconstitutionality of this statute.

You can pass all the statutes of this type and you will never get rid of the bootleggers, but if you have the proper enforcement, if you have sufficient experienced officers, properly trained, conscientious in the performance of their duty, you might succeed. But where will you get these men? Also you will need thousands and thousands of them.

But there is another question that I must address myself The statutes will not destroy the bootlegger. might help the manufacturer of bottles. It plays into their hands. The bill probably is the result of the bottle-makers'

Let me read you a report from the interdepartmental committee, composed of very eminent gentlemen. I understand it was presided over by a representative of the Secretary of the Treasury, who took the position that I take.

These were the men composing the interdepartmental committee:

Edward G. Lowry, special assistant to the Secretary, Treasury Department; J. M. Doran, Commissioner of Industrial Alcohol, Treasury Department; D. Spencer Bliss, head of the Sales Tax Division, Miscellaneous Tax Unit, Bureau of Internal Revenue, Treasury Department; J. D. Nevius, general counsel, Customs, Treasury Department; Herbert Feis, economic adviser of the State Department; John C. Wilen, counselor of embassy; Harry L. Lourie, chief economic analyst, Tariff Commission; South Trimble, Jr., Solicitor of the Department of Commerce; Willard L. Thorp, Director of the Bureau of Foreign and Domestic Commerce, Department, Department of Commerce, Department, Department of Commerce, Department of Director of the Bureau of Foreign and Domestic Commerce, Department of Commerce; W. A. Tarver, chief counsel Division of Investigation, Department of Justice (unit of prohibition); Harris E. Willingham, chief beverages section, Agricultural Adjustment Administration, Department of Agriculture.

Here is what they say:

The assurance by tax adjustment and other means of an adequate supply of inexpensive legal alcoholic beverages which will be able to drive out the illegal competing production by price com-

petition.

The attempts to control this illegal industry solely by policing the production and sale of illegal alcoholic beverages have not been wholly satisfactory. The enforcement problems of the prohibition period will still remain in those States which continue to be dry after the repeal of the eighteenth amendment. It is believed that the price of legal liquor to the ultimate consumer in the post-prohibition period will be one of the important factors in determining the success or failure of the general effort to eliminate the illegal industry. This competitive factor, of course, will only operate in those States which permit the manufacture and sale of alcoholic beverages. of alcoholic beverages.

sale of alcoholic beverages.

Moreover, the prices which will determine the issue will be the prices of the basic alcoholic beverages already referred to in this report. Unless the price of the more expensive domestic and imported spirits and wines is made unreasonably high by excessive taxation it is not believed that trade in illegal imitations or smuggling of the genuine product will be substantial.

The comparative prices at which legal and illegal basic alcoholic beverages can be supplied to legal and illegal retail dealers would indicate that the legal industry will be able to carry a substantial tax burden and still meet the competition of the illegal industry if it is willing to forego excessive profits (chart no. 11). Price

if it is willing to forego excessive profits (chart no. 11). Price estimates in this chart for legal alcoholic beverages were obtained from available statistics of the Tariff Commission; price estimates for the illegal alcoholic beverages are based on estimates made for the Rockefeller report.

Chart No. 11.—Estimated comparative cost to retail dealers of legal and illegal alcoholic liquors in bottles

	Price to retailer per gallon	Price to local boot- legger per gallon	Price to organized illegal trade per gallon
Beer	\$0.56	\$0. 64	\$0.72
	1.20	2, 20	4.20
	1.00	1, 20	2.20

Chart no. 11 divides the prices of illegal liquor to the retailer into two categories; that is, prices to the local bootlegger and prices to the organized illegal industry. Prices to the local bootlegger are not considered of primary social significance on the ground that the small illegal liquor peddler does not carry with him the evils of organized crime. In any event, if the estimates here used

are reasonably accurate, there would appear to be little possibility that the legitimate industry can compete on a straight price basis with his activities.

are reasonably accurate, there would appear to be little possibility that the legitimate industry can compete on a straight price basis with his activities.

For the purposes of this report, therefore, the prices of illegal liquor which will be considered will be the prices to the organized illegal industry. It will be noted that these prices are materially higher than prices to the local bootlegger. The explanation would appear to be that the former price represents large-scale operations requiring a large overhead for protection, organized violence, etc.

In measuring the competition between the legal and the illegal liquor industries other factors beside competitive prices must be considered. (a) The illegal industry must make a substantially higher gross and net profit on its sales than the legal industry. If it does not, it will not be profitable to run the risks involved. (b) As between legal and illegal products of substantially similar price the buying public will have greater confidence in and will prefer to buy the legal product.

It seems reasonable to suppose that a more drastic price competition by the legal industry will be necessary in the earlier post-prohibition period while the illegal industry is still organized and well financed. It would probably require considerably higher prices to revive a defeated illegal industry than it would to keep a well-entrenched one in business. This price competition could be facilitated by keeping the tax burden on legal alcoholic beverages comparatively low in the earlier post-prohibition period in order to permit the legal industry to offer more severe competition to its illegal competitor. When that competitor has been driven from business the tax burden could be gradually increased. Investigators for the Rockefeller report estimate that it will require 3 years of such competition to break the organization of the legal industry, which must be persuaded to resist the desire to demand high prices and large profits in the post-repeal market.

To have the assur

industry as a whole shall accept a reasonable margin of profit and not take advantage of the prospective keen demand by exacting high prices from the ultimate consumer. There is reason to believe that the producers of the various types of alcoholic beverages will be able to control in large measure the prices charged by wholesalers and retailers and thus to control the price of alcoholic

wholesalers and retailers and thus to control the price of alcoholic beverages to the ultimate consumer.

Representatives of the legal industry have indicated that the legal industry, particularly the producers of distilled spirits, intend to use this power to maintain price levels which will eliminate an important and unscrupulous competitor. On the other hand it is not altogether unlikely that keen popular demand, limited supply, and the temptation of sudden profits will cause unreasonably high prices in the initial post-repeal market. Any such period of price dislocation, however, would probably be comparatively short. Competition fostered by potential production capacity and a reasonably liberal import policy should shortly correct any temporary evils which may occur.

evils which may occur.

In other words there are certain factors that must be considered. This bill disregards these factors. You can only rid the country of bootlegging and illicit traffic by: First, lower tariffs; second, lower excise taxes, and third, a plentiful supply of wholesome whisky at reasonable prices. There is a duty, therefore, in addition to our duty of decreasing tariffs and taxes of manufacturers and distillers. to give us wholesome liquor at fair prices. I believe the reputable distillers are doing their best in this regard. There are, however, some disreputable ones that are profiteering and are not cooperating with the Government, therefore, in its endeavor to stamp out the illicit-liquor industry. There is a great temptation to make huge profits, particularly in the beginning. This causes high prices against which the bootlegger can easily compete.

In other words, this is an economic proposition. You can pass all the statutes you want. If the price that the bootlegger sells his ware for is a price cheaper than the price offered by the legitimate trader, the people will buy from the bootlegger. That is the situation in New York; it is the

situation in every town. It is an economic proposition.

Mr. DOCKWEILER. Would it not be a great help if at this time we would suspend some of the tariff being charged?

Mr. CELLER. I am coming to that. The interdepartmental committee recommended and said that you could not bring about the result that the Ways and Means Committee seeks to achieve except by this method, namely, to reduce the tariff and to reduce the revenue and to hold the distillers in line and have them sell at reasonable prices.

Mr. VINSON of Kentucky. Mr. Speaker, I make the point of order that the gentleman's remarks should be confined to the bill under discussion.

Mr. O'CONNOR. Mr. Speaker, this bill pertains to liquor, | and I do not think the mere fact that the gentleman is talking about another way of preventing some of the evils that the bill seeks to correct is out of order.

Mr. VINSON of Kentucky. The bill comes up under suspension, and it does not permit of amendment.

Mr. CELLER. I am not offering any amendment.

Mr. O'CONNOR. Under suspension there are no rules of the House that a man must speak to the bill. That of itself destroys the gentleman's point of order.

Mr. VINSON of Kentucky. If the gentleman wants to conduct a filibuster, well and good.

The SPEAKER pro tempore. The gentleman from New

York will proceed in order.

Mr. CELLER. I assure the gentleman from Kentucky that I do not desire to conduct any filibuster, and am not. I shall probably conclude my remarks in a very short time. If we can be assured by those who manufacture liquor that they will give us a cheap and yet wholesome whisky, we will go a great way toward wiping out bootlegging. Many distillers are doing all they can to help, but there has been some profiteering on the part of some manufacturers. My position is exactly that taken by all these experts called the "interdepartmental committee." I say experts advisedly, because they are experts from the State Department, from the Department of Justice, from the Department of Commerce, the Department of Agriculture, the Department of the Treasury.

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. DOUGHTON. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Speaker, I have a good deal of sympathy with the remarks of the gentleman from New York [Mr. Celler] about the setting up of penalties and making actual statutes out of regulations issued by the Department officials. I think it is the wrong method of procedure, but we are facing a situation here that has developed since prohibition was repealed. The situation is this: The recommendations that are coming to Congress at the present time, are the results of the experience that the Department is having in their efforts to overcome bootlegging. I do not believe in this rapid legislation or finalday legislation. Nevertheless the situation is so apparent that as a result of the experience that is being had in the Treasury and in the Internal Revenue Bureau, the officials have asked for certain drastic rights and this bill contains one of them. It is the permission of the Department to control the containers in which legal liquor can be dispensed. That is a perfectly fair and right effort. They are trying to prevent bootlegging. I have no doubt the gentleman from New York [Mr. CELLER] is as much interested in it as is the Department, but the Department is acting from their experience, whereas the gentleman from New York has offered certain criticisms based on his knowledge of law. I would rather, for the time being, try to accomplish something toward overcoming the evils of bootlegging, by regulation, if necessary, based upon statute to be carried out by the department having the administration of the law.

Mr. CELLER. Will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. CELLER. I notice, for example, this gives the Secretary of the Treasury the right to regulate the sale and resale. That would mean he would have the right to control prices.

Mr. TREADWAY. All this has to do with the container; not the article itself; not the contents of the bottle.

Mr. CELLER. For example, I would not object to this bill if it only covered those who sell bottles, but this covers everybody who deals in bottles, regardless of what is in the bottles.

Mr. TREADWAY. That might be true, but the intent is to reach the container in which the illicit beverage is contained. Now, the experience of the Department shows that bottles are resold. For instance, I understand there is

a brand of pretty good liquor known as "Old Taylor." An empty bottle with the name "Old Taylor" blown in it could very well be refilled by a bootlegger and disposed of to my friend from New York [Mr. CELLER] or others. This is an effort to overcome that situation. Therefore, I think the gentleman ought to go along with us and agree that, for the time being at least, some kind of regulatory power must be given the Treasury Department in order to overcome that situation. There is no end of bottles marked, as the gentleman knows-not from practical experience, perhaps, but the gentleman can go down the street anywhere today and see in windows names blown into bottles, so-called "trade marks." I think the Department ought to have some power by which it can prevent that bottle, when emptied by the rightful purchaser—not the gentleman from New York. of course, but there are certain gentlemen who would help empty it, I have no doubt-whoever he might be, say Mr. "X" or John Doe-I think the Department ought to have authority to prevent bootleg liquor being put back into that bottle and sold to us innocent patrons, especially when that name is blown in the bottle. That is exactly what we are accomplishing by this bill.

Mr. HOEPPEL. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from California.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Speaker, I yield 2 additional minutes to the gentleman from Massachusetts [Mr. TREAD-

Mr. HOEPPEL. Is it not possible for us to eliminate or at least reduce the number of bootleggers by lowering the tax on liquor?

Mr. TREADWAY. I agree; yes.

Mr. HOEPPEL. And also see that our distillers make as good whisky as does the bootlegger.

Mr. TREADWAY. Now, the tax question is another problem that we must face some day, and that is the answer to the question which the gentleman from New York raised about the departmental committee. The departmental committee brought in its recommendation as to tax and tariff rates before prohibition became effective. I am confident from information I have that there will be an effort on the part of the Administration to reduce taxes on liquor in order to aid in this method of beating the bootlegger. [Applause.]

Mr. CELLER. Will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. CELLER. I agree that the situation to which the gentleman adverted, with reference to the Old Taylor, should be covered, but why do you go so far as to require permits to be issued to every dealer, whether he limits his sale and dealings to containers or actually sells liquor; in other words, this bill is broadly drawn and would allow an elaborate permit system to cover all liquor dealers to be developed?

Mr. TREADWAY. The explanation of that is that the experience of the Treasury Department requires this very harsh enforcement.

Mr. CELLER. Does the gentleman think it is necessary to go as far as that?

Mr. TREADWAY. Oh, I think so; yes.

Mr. MAY. Will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. MAY. When the bill was under consideration I offered an amendment reducing the tax from \$2 to \$1.

Mr. TREADWAY. Undoubtedly the Department some day will come to the gentleman's viewpoint on that question, or at least partially.

Now, Mr. Speaker, I want to call attention to the word "reuse", the first word in line 8. The purpose of the bill is to have that read "re-use." In this instance there is a question with the Public Printer or some clerk in his office as to the use of the hyphen. The hyphen is a proper mark to use in the English language, and I insist that that word be spelled in the bill which we pass today in the form in which it was intended to be, and that the Public Printer act under authority of Congress rather than Congress acting | under the authority of the Public Printer. [Applause.]

Mr. DOUGHTON. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, I think if the Members of the House understand the practical implication of the present bill, it will dispel any doubt in their minds about the need for a bill of this kind. If you go to a liquor store in Washington, D.C., I venture to say that 18 out of 20 never quite know when they are getting a pint of liquor. There are many bottles on the market that have 13, 14, and 15 ounces instead of 16 ounces. Under the provisions of this bill, whereby the Secretary of the Treasury is authorized to issue rules and regulations to take care of the size, marking, and branding of bottles, the consumer is going to be guaranteed that when he asks for a pint of liquor he will get it.

Now, with respect to the bootlegging phase of this bill, you may be interested to know that in some of the large hotels empty bottles constitute a real concession for which these maitres d'hotel pay. When a convention comes to a hotel they will leave perhaps a carload of bottles. Many of them have the brands blown into the glass. You can go to a bottle dealer and get as much as 20 cents for a used bottle which has the wire and all the other frippery intact.

He can get 20 cents for one of these bottles; why? Because if it is a standard brand with the brand blown in the bottle, the bootlegger is willing to pay 20 cents for the genuine container. He will put in it the stuff that he makes, stick a fake stamp over the top, and sell it nine times out of ten even to many reputable dealers who cannot discern the difference. So it will be seen that from the practical standpoint this bill, first of all, seeks to stop the deception and the fleecing of the public. Secondly, it is going to stop these bottles finding their way into the hands of dealers who will turn them over to bootleggers to fill with a doubtful kind of whisky, to be sold to the consumer ostensibly as good liquor with the brand name of a reputable distiller blown in the bottle.

Let me tell you just how aggravated this condition is. About 2 months ago over 3 tons of labels were confiscated up in Long Island. There were labels for Old Crow, Old Taylor, Canadian Club, Four Roses, labels for every brand imaginable; and some of the experts in the employ of the distilleries state that these labels were so carefully executed that even their own label men could scarcely tell the difference between the counterfeit label and the real thing. How easy it is, then, having a bottle with a popular brand name blown in the glass, to stick on a fake label, put a strip stamp over the top, and sell bootleg liquor, which to all intents and purposes is sold as liquor from a legitimate distillery.

This is not only a good bill, it is a splendid bill, and it goes right to the very heart of an aggravated moonshining, bootlegging trouble at the present time. Unless this authority is conferred upon the Treasury you are going to continue to have the misbranding with expertly prepared fake labels, the use of legal bottles that are taken from hotels or wherever people who have drained the contents leave them, bottles sold to the bootleggers in order to carry out this wide-spread deception of the public.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield. Mr. CELLER. I agree with the gentleman that the evil should be scotched; but this bill gives the Secretary of the Treasury power to issue permits to every tavern keeper, to every hotel keeper, to every retailer throughout the length and breadth of this land.

Now, about the liquor-tax certificate, the Secretary of the Treasury now has the right of visitation and the power to enforce compliance. Why impose this additional burden on the Treasury structure?

to only about 240,000,000 gallons. The evil is so wide-spread that we have got to use drastic means to stop it.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Speaker, I yield 2 additional minutes to the gentleman from Illinois.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield? Mr. DIRKSEN. I yield.

Mr. O'CONNOR. I hope the gentleman is not trying to convince the House that the so-called "bootleg liquor" is inferior in quality to the awful stuff being put out by the Whisky Trust.

Mr. DIRKSEN. That is not the question at issue at all.

Mr. Speaker, I refuse to yield if the gentleman intends to go into a dissertation on the quality of whisky, because that is an extrinsic matter entirely.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield. Mr. MAY. As I understand this legislation, it is the product of an actual, practical application of the law as it exists; that experience shows it requires some correction.

Mr. DIRKSEN. The pending bill supplements and implements existing law and is going to mean millions of dollars in revenue to the Treasury.

Mr. BOYLAN. Mr. Speaker, will the gentleman yield? Mr. DIRKSEN. I yield.

Mr. BOYLAN. Is it not a fact that under the provisions of the bill the Government becomes the big policeman for the manufacturers of the standard brands?

Mr. DIRKSEN. No; I will not concede that to be the

Mr. BOYLAN. The gentleman had already conceded it by the evidence he has adduced.

Mr. DIRKSEN. I will, however, go so far as to say that during the present time until the novelty of legal liquor has passed away, and until we can contend with unauthorized bootleg liquor, some policing efforts are going to become more or less necessary; but this does not mean that it is going to be a permanent imposition on the people of the country.

Mr. BOYLAN. Then, does not the gentleman think in all justice and fairness that the manufacturers of these standard brands should pay for the policing that is to be done by the Government?

Mr. DIRKSEN. That also is a rather extrinsic matter, which does not enter into this discussion.

[Here the gavel fell.]

The SPEAKER pro tempore (Mr. MEAD). The question is on the motion of the gentleman from North Carolina to suspend the rules and pass the bill.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended, and the bill was passed, and a motion to reconsider was laid on the table.

SUBSTANCES USED IN THE MANUFACTURE OF DISTILLED SPIRITS

Mr. COOPER of Tennessee. Mr. Speaker, I ask unanimous consent for the present consideration of House Joint Resolution 373, to protect the revenue by requiring information concerning the disposition of substances used in the manufacture of distilled spirits.

This resolution, Mr. Speaker, is directly in line with the resolution we have just passed. It is recommended by the Treasury Department.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the House joint resolution, as follows:

Resolved, etc., That every person disposing of any substance of the character used in the manufacture of distilled spirits shall, when required by the Commissioner, render a correct return in such form and manner as the Commissioner, with the approval of the Secretary of the Treasury, may by rules and regulations prescribe, showing the names and addresses of the persons to whom such disposition was made, with such details, as to the quantity so disposed of or other information which the Commissioner may require as to each such disposition, as will enable the the Treasury structure?

Mr. DIRKSEN. It is absolutely necessary, for on the basis of seizures and forfeitures over the last 6 months, it is estimated that 270,000,000 gallons of illicit whisky is being manufactured annually, yet permits for legal liquor amount of any such rules or regulations, and any officer, director, or agent of any such person who knowingly participates in such violation,

shall upon conviction be fined not more than \$500 or be imshall upon conviction be fined not more than \$500 or be imprisoned for not more than 1 year, or both. As used in this joint resolution (a) the term "distilled spirits" has the same meaning as that in which it is used in title II of the Liquor Taxing Act of 1934; (b) the term "person" includes individuals, corporations, partnerships, associations, trusts, and other incorporated and unincorporated organizations; (c) "Commissioner" means the Commissioner of Internal Revenue; and (d) the term "substance of the character used in the manufacture of distilled spirits" includes but not by way of limitation molasses, and corn, cane and cludes, but not by way of limitation, molasses, and corn, cane, and malt sugar.

With the following committee amendment:

Page 2, line 18, after the word "molasses", strike out "and corn, ane" and insert in lieu thereof "corn sugar, cane sugar."

The committee amendment was agreed to.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to extend my remarks and to insert some exhibits I desire

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

#### TRADING WITH THE ENEMY ACT

Mr. VINSON of Kentucky. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 852) to amend section 24 of the Trading with the Enemy Act, as amended, and ask for its immediate consideration.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as

Re it enacted, etc. That section 24 (b) of the Trading with the Be it enacted, etc., That section 24 (b) of the Trading with the Enemy Act, as amended by the Settlement of War Claims Act of 1928, approved March 10, 1928, is amended by adding at the end thereof the following: "Notwithstanding the expiration of any period of limitation provided by law, credit or refund of any income, war-profits, or excess-profits tax erroneously or illegally assessed or collected may be made or allowed if claim therefor was filed with the Commissioner of Internal Revenue by the Alien Property Custodian on or before February 15, 1933."

Mr. VINSON of Kentucky. Mr. Speaker, may I say that the bill S. 852 is identical with H.R. 4798, which has a unanimous report from the Committee on Ways and Means. I have informed the ranking minority member on our committee, the gentleman from Massachusetts [Mr. TREADWAY]. and likewise the gentlemen who were on the subcommittee, that we would bring this matter up at this time.

Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein certain excerpts from the committee report on this bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. VINSON of Kentucky. May I say further that this bill is requested by the Alien Property Custodian and the Secretary of the Treasury, and I may say by every Alien Property Custodian and every Secretary of the Treasury in office since the erroneous and illegal assessments and collection of taxes-since they became known to the departments. The excerpts from the committee report on H.R. 4798 are set forth, viz:

set forth, viz:

The bill as amended merely extends the period of limitations with respect to claims filed with the Commissioner of Internal Revenue by the Alien Property Custodian on or before February 15. 1933, for refund or credit of income, war-profits, or excess-profits taxes erroneously or illegally assessed or collected by the Commissioner of Internal Revenue out of property seized by the Alien Property Custodian. It limits the extension to some 52 claims which the Alien Property Custodian has heretofore considered to be just and for which refund has been sought by him. It may be stated briefly that these claims are based on the erroneous determination of ownership of seized property by the Alien Property Custodian; that is, property that stood in the name of other than the actual owners. The Commissioner of Internal Revenue, after seizure by the Alien Property Custodian, examined the records of the Alien Property Custodian and took his determination of ownership as a basis of determining the taxpayer and the taxes were accordingly computed, levy made upon the Custodian and paid. In the case of German, Austrian, and Hungarian nationals the actual ownership of the property was not known by the Alien Property Custodian or the Commissioner of Internal Revenue until the statutes of limitations for

filing claims for refund had expired as a full accounting of the property of these nationals was not authorized until March 10,

Commissioner of Internal Revenue in computing taxes determined that certain taxpayers who were partnerships were corporations in the purview of the revenue acts, and that certain corporations, due to their title on the records of the Alien Property Custodian, were partnerships, and in some cases partnerships which were dissolved prior to seizure were determined by the Commissioner, from the records as they then stood, as corporations.

In some cases taxes were assessed against persons whom it sub-sequently developed were not the owners of the property, whereas sequently developed were not the owners of the property, whereas the actual owners of the property proved that there was no profit or income growing out of the transactions (particularly liquidations) taking place prior and subsequent to seizure, where the Custodian either liquidated or shared in the proceeds of liqui-

The actual taxpayer and the persons whose money was used to pay erroneous taxes could only secure a day in court by the indulgence of the Custodian as in the cases of Germans, Austrians, and Hungarians; they were not entitled to an accounting until the passage of the settlement of the War Claims Act of March 10, missioner of Internal Revenue would, undoubtedly, have collected the correct taxes, or, at least, he would have levied taxes against the proper taxpayers even though the taxes were computed improperly.

improperly.

In other words, the object of this bill is to permit the correction of errors made by the Alien Property Custodian and Commissioner of Internal Revenue which have done great injustices to parties who had no right, whatsoever, to defend themselves during the time the property was in the trusteeship of the United States Government through the Alien Property Custodian United States Government through the Alien Property Custodian and it seems reasonable to ask the Congress to permit the two Government departments to right acts done by them, premised on erroneous knowledge. To empower the correction of these errors will be giving a right and proper account of the trusteeship of the United States with respect to enemy property, which cannot be done without authority of the Congress.

It will be shown by the following letters from the Alien Property Custodian and the Secretary of the Treasury that there is no question as to the merit of the claims and the duty of the Government to correct its admitted errors:

ALIEN PROPERTY CUSTODIAN, Washington, December 4, 1933.

Hon. FRED M. VINSON,

House of Representatives, Washington, D.C.

My DEAR CONGRESSMAN: Referring to House bill 6017, amendment to the Trading with the Enemy Act, as amended, which you recently sent me, I beg to advise that the necessity which existed for the passage of the bill, at the time Mr. Harwood, of this office, testified, still exists and will affect only a limited number of alarms. ber of claims

Therefore, I see no reason why this bill should not be passed. Thanking you for your courtesy, I am,

Very truly yours,

UREY WOODSON, Alien Property Custodian.

ALIEN PROPERTY CUSTODIAN, Washington, March 2, 1934.

Washington, March 2, 1934.

Hon. R. L. Doughton,
Chairman Committee on Ways and Means,
House of Representatives, Washington, D.C.

Dear Mr. Doughton: In reply to your letter of February 24, with which you enclosed copy of H.R. 4798, introduced by Hon. Emanuel.
Celler, of New York, providing for an amendment to section 24 of the Trading with the Enemy Act, as amended, be advised that the situation which this amendment seeks to relieve has not changed since March 1, 1932. On that date Senator Sutherland as Allen situation which this amendment seeks to relieve has not changed since March 1, 1932. On that date Senator Sutherland, as Alien Property Custodian, wrote you that 48 taxpayers were involved and that the total amount of refund claimed was \$370,215.21. Senator Sutherland's letter appears on page 3 of Report No. 2109 to accompany H.R. 6017, submitted by Mr. Vinson of Kentucky, from the Committee on Ways and Means and ordered to be printed on February 24, 1933.

Nothing has since occurred to alter the views of this office and we, therefore, recommend this amendment to the favorable consideration of your committee.

Respectfully,

J. J. GREENLEAF, General Counsel.

letter of Senator Sutherland, former Alien Property Custodian, referred to in the above letter, is as follows:

ALIEN PROPERTY CUSTODIAN, Washington, March 1, 1932.

Hon. ROBERT L. DOUGHTON, Chairman Subcommittee on Administrative Provisions.

Washington, D.C.

Washington, D.C.

My Dear Congressman: In reply to your letter of February 27, 1932, in reference to Mr. Celler's bill, H.B. 6017, you are advised that this office has filed claims on behalf of 48 taxpayers whose property was seized under the provisions of the Trading with the Enemy Act. These claims cover 77 taxable years, and the amount of refund claimed is \$370,215.21. This amount will be greatly reduced by applying against this sum credits for actual taxes due by the rightful taxpayers; in fact, taxes in excess of \$100,000 will

be asserted against them, and unpaid taxes for subsequent years, if any, will be offset against the amount refunded.

These taxes were paid by my predecessors in office and were premised on the then record ownership and best obtainable knowledge and were computed by representatives of the Commissioner of Internal Revenue, premised on review of the records of this office.

This legislation is desirable in order that this office may return seized property in compliance with the provisions of the Trading with the Enemy Act, as amended by the Settlement of War Claims Act, and without denying the owners of the seized property any privileges which they would have enjoyed in the matter of erroneously collected taxes had the property not been seized and held in the trusteeship of the Alien Property Custodian during the taxable years for which the Commissioner of Internal Revenue has rejected claims for refund on the ground that the statute of limitations has run against the Alien Property Custodian.

In most cases the representatives of the persons out of whose funds the taxes were paid had no knowledge of the acts of this office until the property was returned under the provisions of the Trading with the Enemy Act, as amended. All claims were filed immediately upon receipt of notice of actual conditions by this office.

Ever the information of your committee we attach bereto conies.

filed immediately upon receipt of notice of actual conditions by this office.

For the information of your committee, we attach hereto copies of communications from the Commissioner of Internal Revenue giving his reason for rejecting claims for refund. From these communications it will be noted in many cases that there were no such taxpayers under the revenue laws and that the property in many cases belonged to others than the persons or corporations taxed, and this information came to the Custodian's office after payment of the taxes assessed by the Commissioner of Internal Revenue.

Respectfully.

Respectfully,

HOWARD SUTHERLAND, Alien Property Custodian.

DEPARTMENT OF THE TREASURY, Washington, May 14, 1934.

Hon. ROBERT L. DOUGHTON,

Washington, May 14, 1934.

Hon. Robert L. Doughton,

Chairman Committee on Ways and Means,

House of Representatives, Washington, D.C.

Dear Mr. Chairman: Receipt is acknowledged of your letter of April 19, 1934, transmitting a copy of the bill (H.R. 4798) to amend section 24 of the Trading with the Enemy Act, as amended, and requesting a report thereon.

The bill would amend the Trading with the Enemy Act so as to authorize the making or allowance of a credit or refund of any internal-revenue tax erroneously or illegally assessed or collected if claim was filed with the Commissioner of Internal Revenue by the Alien Property Custodian on or before February 15, 1933.

This Department has no objection to offer to the enactment of the bill, provided the amendment be limited to the "credit or refund of any income, war-profits, or excess-profits tax erroneously or illegally assessed or collected" and not be allowed to extend to the "credit or refund of any internal-revenue tax erroneously or illegally assessed or collected." Strong equities exist for extending the period of limitations for filing claim for credit or refund in the case of income and profits taxes, since the taxpayer whose property was seized by the Alien Property Custodian had no way of knowing that income or profits taxes had been paid by the Alien Property Custodian and had no opoprtunity of protecting his rights against the running of the statute of limitations. This is not true, however, as to internal-revenue taxes generally, and for that reason it is believed that there should be no statutory extension of the period of limitation except in the case of income and profits taxes.

Respectfully,

H. Morgenthau, Jr., Respectfully.

H. Morgenthau, Jr., Secretary of the Treasury.

It is apparent from the testimony of the representatives of the Treasury Department and of the Alien Property Custodian, that the Commissioner of Internal Revenue took his determination of ownership and the nature of the owners, whether personal, partnership, or corporation, from the records of the Alien Property Custodian. The taxes were paid without the knowledge of the alien, and without possibility for him to know the amount of such tax assessment or payment. In each case the period of limitation, namely, 4 years from the payment of the tax, had run before the Alien Property Custodian or the owner of the property knew that there had been an erroneous or illegal payment of such tax. Immediately upon being properly advised, in each instance, the Alien Property Custodian filed application for credit or refund. In each instance, the application was rejected because it was filed after the expiration of the 4-year period from the payment of the tax. So, in brief, we have the illegal collection of taxes out of property seized and beyond control of its owner, and when the error of the Alien Property Custodian is discovered, the right to his day in court on behalf of the owners of the seized property is barred by technical plea of the statute of limitations.

It is the conclusion of your committee that as a matter of good

It is the conclusion of your committee that as a matter of good faith and simple honesty, the bar of the statute of limitations should be raised for the limited number of claimants in order should be raised for the limited number of claimants in order that they may have their day in court. It may be said that Germany did not assess or collect any taxes whatsoever upon the property owned by American nationals and seized by it. It should be stated that while the amount of the claims here involved totals \$370,215.21, this amount will be reduced by more than \$100,000 on account of taxes legally due from the rightful owners of the seized property. Failure of the claimants to prove

the merits of the claims they have made will further materially reduce the amount to be credited or refunded. Further additional taxes due for later years will be assessed against these claimants and the amount thereof will be used to reduce any refunds finally made. This legislation permits a just and honest adjudication of the limited number of claims involved.

The committee amendment limits the refunds and credits to

income, war-profits, and excess-profits taxes. No interest will be paid or allowed with respect to such refunds and credits for under the provisions of subsection (e) of the same section no interest is allowed in the ordinary case and these claims would have no superior privilege.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INVESTIGATION OF OPERATION AND EFFECT OF INTERNAL-REVENUE

Mr. DOUGHTON. Mr. Speaker, I call up House Resolution 418, and ask unanimous consent for its immediate consideration.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the resolution, as follows:

# House Resolution 418

Resolved, That for the purpose of obtaining information necessary as a basis for legislation the Committee on Ways and Means, as a whole or by subcommittee, is authorized to further conduct an investigation (1) of the operation and effect of the internal-revenue laws of the United States and the existing rules and regulations for the administration thereof, with a view to determining methods of improving and simplifying, and of preventing evasion and avoidance of such laws, and (2) of possible new sources of revenue.

The committee shall report to the House at the earliest practicable date the results of its investigation, including such recom-

ticable date the results of its investigation, including such recommendations for legislation as it deems advisable.

For such purposes the committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places, in the District of Columbia or elsewhere, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses, and the production of such books, papers, and documents, and to take such testimony, as it deems necessary. Subpenas may be issued under the signature of the chairman, and may be served by any person designated by him.

The resolution was agreed to.

A motion to reconsider was laid on the table.

# PHILIPPINE CURRENCY RESERVES

Mr. BANKHEAD. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 400 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

### House Resolution 400

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideraof the Whole House on the state of the Union for the considera-tion of H.R. 9459, a bill relating to Philippine currency reserves on deposit in the United States, and all points of order against said bill are hereby waived. That, after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Insular Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to to final passage without intervening motion except one motion to recommit.

With the following committee amendment:

On page 1, line 4, strike out "H.R. 9459. A bill" and insert in lieu thereof "S. 3530. An act."

Mr. BANKHEAD. Does the gentleman from Pennsylvania desire any time on the rule?

Mr. RANSLEY. We have a number of gentlemen on this side who desire to speak on this matter.

Mr. BANKHEAD. Does the gentleman desire the usual 30 minutes? I hope he may be able to get along with 20.

Mr. RANSLEY. It is possible that we may be able to do that.

Mr. BANKHEAD. Mr. Speaker, I yield 20 minutes to the gentleman from Pennsylvania [Mr. RANSLEY].

#### CALL OF THE HOUSE

Mr. McFADDEN. Mr. Speaker, I make the point of order of no quorum.

The SPEAKER pro tempore. The Chair will count. [After counting.] Evidently there is no quorum present. Mr. BANKHEAD. Mr. Speaker, I move a call of the

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 188]

Allgood	Condon	Kvale	Rayburn
Auf der Heide	Cooper, Ohio	Lea, Calif.	Reid, Ill.
Bacharach	Corning	Lee, Mo.	Rich
Bacon	De Priest	Lewis, Md.	Rogers, N.H.
Bailey	Dingell	Lloyd	Romiue
Biermann	Doutrich	McClintic	Scrugham
Boehne	Fernandez	McGugin	Seger
Brennan	Fish	McKeown	Shoemaker
Browning	Fitzpatrick	McLean	Simpson
Buckbee	Ford	McSwain	Sirovich
Bulwinkle	Fuller	Mansfield	Stalker
Burch	Gambrill	Marland	Sullivan
Eurke, Calif.	Gifford	Martin, Oreg.	Swank
Burnham	Haines	Monaghan, Mont.	Taylor, Colo.
Cannon, Wis.	Hamilton	Mott	Thurston
Carley	Hart	Muldowney	Wadsworth
Chapman	Harter	Norton	West, Ohio
Chase	Healey	O'Connell	White
Church	Huddleston	Parks	Wood, Ga.
Clark, N.C.	Jeffers	Peavey	Wood, Mo.
Collins, Miss.	Kleberg	Randolph	

The SPEAKER pro tempore. Three hundred and fortysix Members have answered to their names. A quorum is present.

On motion by Mr. BANKHEAD, further proceedings under the call were dispensed with.

Mr. BANKHEAD. Mr. Speaker, before proceeding with a very brief explanation that I shall attempt to make with reference to the provisions of this rule, may I make an appeal, particularly to the Democratic Members of this House, to remain in the Chamber, if it is possible to do so, until we dispose of the legislation that we have on the program this afternoon. I think I am justified in reiterating the sentiment I expressed a few days ago, that the more assiduous we are in attendance upon meetings of the House the sooner is the prospect of our getting through with the program and adjourning this session of Congress.

This is a very simple resolution. It provides for a consideration of the Senate bill 3530, which passed the Senate vesterday. The Senate bill is identical in terms with the bill which was reported out of the House Committee on Insular Affairs with an amendment. It will be recalled that this bill was under consideration here in the House a few days ago under suspension of the rules, but unfortunately it lacked a very few votes of receiving the required twothirds. I think probably only some 15 votes were lacking in order to give it the required two-thirds majority. So that on the record vote upon the merits of this bill on that occasion it received at the hands of the House approval by something like a majority of 100 votes.

This is a bill of considerable importance evidently in the eyes of the administration and those who are acting with the administration with reference to the fiscal affairs of the Philippine Islands. I think at this time it may be proper for me to read a very brief statement and to direct attention particularly to gentlemen on this side of the Chamber to the following letter from the President of the United States with reference to this proposal. It is addressed to Mr. Doughton, Chairman of the Committee on Ways and Means, and is dated May 7, 1934.

> THE WHITE HOUSE Washington, May 7, 1934.

Hon. ROBERT L. DOUGHTON,

Hon. Robert L. Doughton,

Chairman Committee on Ways and Means,

House of Representatives, Washington, D.C.

Dear Mr. Doughton: With the approval of the United States, the government of the Philippine Islands has for many years maintained in banks in this country the major portion of the currency reserves of its monetary system, and has always considered these deposits the equivalent of a gold reserve.

The effect of my proclamation of January 31, 1934, was not only to reduce, in terms of gold, the value of these currency reserves, but indirectly to devalue, in terms of gold, the entire currency

circulation of the Philippine Islands. The United States enjoyed an increase in the value of its currency reserves corresponding to the decrease in the value of the dollar.

As the Philippine currency is interlocked with the United States gold dollar under laws enacted by the United States Congress, it would be equitable to reestablish the Philippine currency reserves on deposit in the United States at their former gold value as of January 31, 1934.

I am advised that H.R. 9459, now under consideration before your committee, is designed to accomplish this purpose. I recom-

mend its enactment. Very sincerely yours,

FRANKLIN D. ROOSEVELT.

Mr. MAY. Mr. Speaker, will the gentleman yield there? Mr. BANKHEAD. Will the gentleman allow me to proceed for just a moment, and then I shall be pleased to yield.

In addition to this direct request from the Executive, if you will read the majority report of the committee that reported this bill, you will find it is endorsed very strongly by the Secretary of the Treasury, it is endorsed by the Secretary of War, it is endorsed by the Governor General of the Philippines, and it is endorsed by the Director of the Budget.

Please let there be no confusion with reference to the operation of this bill. As I understand it, this is a transaction not between individuals in the Philippine Islands and individuals in this country, but is a direct transaction, and very largely, I understand, a bookkeeping transaction, between the government of the Philippine Islands as such and the Government of the United States as such; and I have been further advised that from the standpoint of equity the Government of the United States and the Treasury of the United States will not lose any money by virtue of this transaction.

Mr. BEEDY. Mr. Speaker, will the gentleman yield? Mr. BANKHEAD. I yield to the gentleman from Maine.

Mr. BEEDY. As a member of the committee, I am in entire accord with what the gentleman is saying; and since he has referred to the equities of the situation, I thought perhaps I might be of help if I made this statement. Just before the Executive order of January 31, 1934, devaluing the dollar there had been several requests from officials in the islands that we set aside a sum of gold for them equaling the value of their deposits then in this country as a basis for their circulating medium. We put them off and assured them there was nothing to worry about. Therefore, we had in our gold a sum in excess of what we otherwise would have had; and when we computed our profit, we therefore took an additional profit of \$23,000,000 on the gold which they asked us to set aside and earmark for them, and held that profit for ourselves. This bill simply asks that we now give them that profit which they would have had if we had honored their request as they were then entitled to have it honored.

Mr. BANKHEAD. I am very much indebted to the gentleman from Maine for his very clear statement of the merits of the bill.

I now yield to the gentleman from Kentucky.

Mr. MAY. The statement of the gentleman from Maine has, perhaps, answered the question I was going to propound to the gentleman from Alabama. I voted against the bill when it came up 2 or 3 days ago under suspension, upon the idea that it meant we were going to pay out of the Treasury of the United States the sum of approximately \$23,000,000, irrespective of the devaluation of the gold dollar. I am not committed on the proposition further than that it looks a little inconsistent to vote one way under suspension and another way on a rule-

Mr. BANKHEAD. I will say for the comfort of my friend from Kentucky-

Mr. MAY. Just a moment. Let me make this further statement. I believe in doing equity as between the Philippines and the United States; and if we are not going to subject the Treasury to any additional loss in order to do this, and if it is just an effort to make good what we have undone by the devaluation of the gold dollar, then I would be inclined to vote for it; and I should like to be informed on that point.

Mr. BANKHEAD. I will say to the gentleman I am not prepared by sufficient knowledge of the details of the bill to

undertake an explanation along that line. It will be presented by the gentleman from Alabama [Mr. McDuffiel and others who are familiar with the terms when we come to a discussion of the merits of this bill. We are only now considering whether or not we shall give the House the right to consider this bill under this rule.

As I started to say to the gentleman from Kentucky with reference to his possible discomfiture about being placed in an inconsistent position, that has very frequently occurred to me and to many other Members of the House. I have had the unfortunate experience on many occasions of voting improvidently upon bills about which I had erroneous information, but when I obtained real information as to the merits of the measure I had no difficulty in changing my mind and in changing my vote.

Mr. MAY. Will the gentleman yield just there?

Mr. BANKHEAD. Yes.

Mr. MAY. I vote for nearly all rules on the idea that the Membership of the House is entitled to vote on the measures on their merits.

Mr. BANKHEAD. If the gentleman will vote for the rule, that is all I am interested in just at this time.

Mr. MAY. I almost always vote for rules on the theory I have just stated, but I think a vote for a rule does not preclude a Member from voting either way on the merits of the bill.

Mr. BANKHEAD. Undoubtedly that is a safe position.

Mr. BLANTON. Mr. Speaker, will the gentleman yield? Mr. BANKHEAD. I yield for a question, because I want to expedite this matter as much as possible.

Mr. BLANTON. I want to ask the gentleman if it is not a fact if we pass this bill that to the amount of money that the Filipinos now have on deposit with us there will be added an additional credit of \$23,000,000, approximately?

Mr. BANKHEAD. I would rather some member of the committee answered that question.

Mr. BLANTON. That will be done; in other words, they will have \$23,000,000 more than they have now, or we will be giving them \$23,000,000 which comes from our taxpayers.

Mr. BANKHEAD. I am going to remit the merits of this case to the argument of its proponents when we go into the Committee of the Whole, if this rule is adopted.

Mr. DUNN. Mr. Speaker, will the gentleman yield to me? Mr. BANKHEAD. Does the gentleman from Pennsylvania desire some time on the rule?

Mr. DUNN. I was going to ask the gentleman from Texas [Mr. Blanton] a question, if he will yield.

Mr. BANKHEAD. The gentleman from Texas does not have the floor, I may say to the gentleman from Pennsylvania.

Mr. DUNN. Will the gentleman from Alabama yield?

Mr. BANKHEAD. I yield.

Mr. DUNN. Speaking of the amount of money the Filipinos are going to get from the United States, is it not a very insignificant sum compared with what the United States has got out of the Philippine Islands?

Mr. BANKHEAD. I imagine there is a great deal in that statement, but I do not know what the facts are in reference to it.

Mr. Speaker, this is all I want to say on the rule. The gentleman from Kentucky [Mr. Brown], who opposed this resolution before, has requested me to yield him 5 minutes. I understand he is in favor of the adoption of the rule.

Mr. BROWN of Kentucky. I may say to the gentleman that I shall have to decline that 5 minutes, because I have decided to vote against the rule, also.

Mr. BANKHEAD. Very well. Then, Mr. Speaker, I shall ask the gentleman from Pennsylvania [Mr. Ransley] to use some time.

Mr. RANSLEY. Mr. Speaker, I yield 8 minutes to the gentleman from Kentucky [Mr. Brown].

Mr. BROWN of Kentucky. Mr. Speaker, the other day in the consideration of this bill the gentleman from Alabama [Mr. McDuffiel took occasion to single me out for an attack, which I consider in the nature of a personal attack, in

a manner which he had not indulged in toward any other Member of the House.

Heretofore, when other Members have voted against the avowed wishes of the President, when they have voted against the President's program, the gentleman from Alabama did not make a personal attack upon them because they took that side.

The other day, as will be seen on page 11085 of the RECORD, the gentleman from Alabama [Mr. McDuffie] said:

I regret the gentleman from Kentucky [Mr. Brown] is today joining the gentleman from Pennsylvania [Mr. McFadden], who can see no good apparently in any suggestion that might come from any President, whether he be a Democrat or a Republican.

I submit that that statement was eminently unfair, and I do not know of any occasion when a Democratic Member has ever been singled out to link him as trying to embarrass a Democratic President. I have voted for everything in the President's program.

Now, I think the House deserves to know why the gentleman from Alabama made that remark. I am going to have opposition from a sitting Member in my district. I would not have brought the matter up had not the gentleman made that statement, which has gone into the Record and which will be read down in my district. I told the gentleman from Alabama the other afternoon that that speech was made for the sole purpose of allowing my opponent to read it down there in the election campaign, and the gentleman from Alabama did not even disclaim an intention of putting these remarks in the Record for that purpose.

I do not think the matter of personalities or politics ought to be brought into the consideration of a measure like this. I argued the measured for 2 brief minutes. I mentioned nobody's name. I used some arguments as to why I thought the measure ought not to be adopted, and I shall give those arguments again today. When I walked into our committee room the other day and they said to us that the President wanted this measure, I was immediately willing to vote for the bill. The only thing that caused me to change my course was the fact that I asked a witness over there one question too many. I asked him where the Philippine government got this money and his answer was, from a bond issue floated in the United States. The testimony disclosed that the Philippine government now owes to the people of America \$75,000,000. The testimony also disclosed that when they pay that money off, they will pay it with a depreciated dollar, and will make a profit of \$30,000,000, and when we add to that this \$23,000,000 gift, it makes a total of \$53,000,000, and that leaves \$22,000,000 that this loan of \$75,000,000 of the American people's money will cost the people of the Philippine Islands. I submit to you as a Representative of the taxpayers of Kentucky and of this Nation that I could not sit idly by and watch that thing skid on through.

There is something else that I wish you would read in the hearings. The gentleman from Maine, Mr. Beedy, following the question asked by me, asked the General who was representing the Philippine attitude on this question, "Did you tell the President when you got that letter that they borrowed the money from the American people?" and the General's answer was, "We did not discuss that question." Sure, they have a letter from the President.

Mr. BEEDY. Mr. Speaker, will the gentleman yield to me, inasmuch as he has mentioned my name?

Mr. BROWN of Kentucky. Yes.

Mr. BEEDY. The gentleman does not think for a moment that his President and mine is so ignorant that he does not know that the \$75,000,000 of bonds were sold in this country, does he?

Mr. BROWN of Kentucky. I say it is not a question of the ignorance of the President of the United States, but I merely quote this to show that the War Department at the time of getting this letter did not discuss the question of the debt of the Philippines to the people of the United States. I did not know that they borrowed it from the people of the United States and the gentleman did not know it, or he would not have asked that question.

House knew it.

Mr. BROWN of Kentucky. I submit that you cannot find a half dozen men on the floor of this House who knew that the people of the Philippines borrowed that money from the people of this country and that they still owe it. [Applause 1

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Kentucky. I have only 8 minutes, but

I yield to the gentleman.

Mr. MAY. I suppose the gentleman will agree that the President of the United States cannot look into every detail and be advised as he has to be. He has to take the word

of many people about matters.

Mr. BROWN of Kentucky. I say to you that one of the duties of a Member of this House is to save the President of the United States from some of the things that some of these departments may get him into by getting letters from him. [Applause.] I consider this morning that I am playing the part of a friend of the United States when I exercise my right as a representative here to oppose one of these measures which happens to be brought before the House, and I resent any attempt of any Member to link me with any movement to embarrass the Democratic President of this country, whose program I have supported from beginning to end. [Applause.] This is a matter that is solely up to your sober judgment. If the question cannot be considered upon its merits, if its merits will not convince you that it ought to be voted for, then you ought not to be persuaded by a letter from the President or by a letter from the Secretary of War or by a letter from the Director of the Budget or by a letter from anyone else. It is your duty to vote here on the merits of this bill. When you do that, you will be representing truly the people who sent you here. [Applause.]

Mr. WEIDEMAN. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Kentucky. Yes.

Mr. WEIDEMAN. Inasmuch as the gentleman from Kentucky and I engaged in a controversy on one occasion, I take this occasion to say to the Members of the House that I consider the gentleman from Kentucky [Mr. Brown] one of the most vigorous and attentive and able Members of the House. We have disagreed some on questions of policy, but I think he is one of the ablest Representatives from the State of Kentucky

Mr. BROWN of Kentucky. I appreciate the gentleman's

statement.

Mr. FLANNAGAN. Mr. Speaker, will the gentleman yield? Mr. BROWN of Kentucky. Yes.

Mr. FLANNAGAN. I should like to know if the money that the Philippine government has here in the United States was kept here as a sinking fund to retire the bonds?

Mr. BROWN of Kentucky. It was not kept as a sinking fund to retire the bonds. The record will show that they kept this money in the Philippine Islands up until 1919; that is, in their banks over there. Also, their banks dissipated their funds, and it was after that that they started keeping the funds in the United States, it is true, with the encouragement of the War Department, but for the safety of their own funds.

The SPEAKER. The time of the gentleman from Kentucky has expired.

Mr. RANSLEY. Mr. Speaker, I yield 10 minutes to the gentleman from Pennsylvania [Mr. McFadden].

Mr. McFADDEN. Mr. Speaker, this bill was defeated on the floor of the House the other day when it was brought in under suspension of the rules, and now again we find a special rule issued for the purpose of forcing the legislation through the House.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield? Mr. McFADDEN. I am sorry but I cannot at this point. The bill proposes:

That the Secretary of the Treasury is authorized and directed, when the funds therefor are made available, to establish on the books of the Treasury a credit in favor of the Treasury of the Philippine Islands for \$23,862,750.78, being an amount equal to the increase in value (resulting from the reduction of the weight)

Mr. BEEDY. Oh, yes; I knew it and everybody in this of the gold dollar) of the gold equivalent at the opening of business on January 31, 1934, of the balances maintained at that time in banks in the continental United States by the government of the Philippine Islands.

> I call the attention of the House to the fact that this was a book credit. Money was deposited and held then and is now in certain banks in this country and was not and is not now in the United States Treasury. There was no gold shipped here from the Philippines to establish that credit. As the gentleman from Kentucky [Mr. Brown] has so well said, the proceeds of money were derived from the loans from borrowing in the United States and from interest paid by the banks upon those funds. Under the act entered into March 2, 1903, which established the ratio of the Philippine money to the United States money, it was on the basis of \$2 for \$1.

> I have just received information from the Bureau of Insular Affairs that that same ratio is maintained since we have revalued the dollar. There are \$\mathbb{P}2\$ now for 1 of the new American dollars; our new dollar is no longer redeemable in gold. What is the net result of this bill, if it is passed? On the books of whatever banks in which these funds are held, or in the Treasury of the United States, as deposits, the book balance due the Philippine government upon their deposits is increased by \$23,862,000. ask you whether that will not permit the purchase of #2 for every present American dollar, just as it did before? The net result is, if this bill is passed, we are making an outright gift to the Philippines, simply because the Philippines were trying to force the United States for the last 2 or 3 years to earmark some of their balances in gold coin for some purpose or other and because, until the value of the dollar was changed in the United States, we had refused to do that. And this puts no obligation upon us to give them gold now or to give their bank account a credit of \$23,000,000. Let me show you how far they went in that connection to force us to give them these millions. I quote from the majority report on this bill. On June 29 the Governor General of the Philippine Islands officially requested-and bear in mind what he says-representing the demand of the Philippines:

> There will be, however, no necessity for withdrawing the above mentioned deposits from the present depository banks at this time, if it is possible to obtain Government assurance that conversion into gold of the standard existing, as above outlined, may be made at a later date.

> There was a threat on the part of the Philippines to withdraw those deposits from the United States if the Treasury did not agree to this scheme of making them a present of \$23,000,000, money now in our Treasury which belongs to the taxpayers of the United States and to the people of the United States.

> There is no more basis for this present than there would be to pay to any foreign country who had money on deposit in the United States when our dollar was changed, and there were many such cases.

> I was surprised that our officials would be inveigled into the embarrassing position which has resulted in presenting this particular measure to the Congress for ratification at this time. They had no right to enter into any such agreement as they have entered into, as indicated by this bill.

Mr. MAY. Will the gentleman yield?

Mr. McFADDEN. I yield.

Mr. MAY. If the Treasury is authorized under this bill to set up a credit on the books of the Philippine treasury of \$23.750,000, is there any way to get that credit off except by paying it in taxes or money recovered?

Mr. McFADDEN. No; there is not now. If the Filipinos want to do this, they can buy \$46,000,000 with that money, which is today's rate of exchange value, which will discharge \$46,000,000 worth of bills or other obligations in the Philippine Islands, whereas with \$23,000,000 of their own money today they could only discharge \$23,000,000 worth of bills or other obligations. It just doubles their capacity to settle bills in their own country, and, of course, if they use this \$23,000,000 to pay their debts or bonds in this country | it will pay \$23,000,000 worth of debts or bonds.

Mr. SNELL. Will the gentleman yield?

Mr. McFADDEN. I yield.

Mr. SNELL. Are the Philippine bonds that were sold in the United States payable in gold?

Mr. McFADDEN. They are.

Mr. SNELL. What is the situation if they should pay any of them at the present time?

Mr. McFADDEN. The situation would be that if the Philippines were to pay off all of their bonds today, amounting to \$75,000,000, they would do it with \$40,000,000 under the new devalued dollar.

Mr. SNELL. And what would be the situation if we pass this bill giving them \$23,000,000, if we should go back on the gold basis in the next 8 or 10 years? What would be the situation then?

Mr. McFADDEN. It would still be a present to the Philippines.

Mr. SNELL. There would be no way of getting it back? Mr. McFADDEN. There would be no way whatever of getting it back. It is a closed issue.

Mr. BLANTON. Will the gentleman yield? Mr. McFADDEN. I yield.

Mr. BLANTON. It is asserted that this is just a book transaction. Is it not a fact that, if we pass this bill, it means taking \$23,000,000 of tax money and crediting it to the Filipino people?

Mr. McFADDEN. It is just nothing else than, if your bank account stands at \$10,000,000 today, and which I hope it does, and this additional deposit is made to it by the United States Treasury, tomorrow your balance will be \$33,000,000; and you could check against it just as the Philippines could do.

Mr. BLANTON. And we would have to tax the American

people for that \$23,000,000 to pay it?

Mr. McFADDEN. The gentleman is quite right in that respect. This \$23,000,000 gift comes out of the United States Treasury.

Here is another angle that I want to call attention to. We have a concrete example at this time of the amount of money that is due Panama, a situation quite similar to that of the Philippine Islands, \$450,000 annual payment, payable in gold of the old standard, which the Panaman Government has refused to accept in the new dollar and is demanding payment in gold on the old basis. That matter is now in the courts. There are other cases where obligations, not only represented by our own money but represented in the form of our bonds and other contracts that are payable in gold of the old standard, are held in continental European countries. They are deliberating now as to whether or not they are going to demand payment of those obligations on the old gold basis. They are watching these legal attempts that are being made. We do not now know what may be the ultimate decision in regard to these outstanding contracts.

There is another case in the St. Louis courts in connection with one of the southwestern railroads where their bonds are maturing and this same question is raised. Some of those bonds are held abroad and they are likewise payable in the old gold standard. The bondholders are demanding that those bonds shall be paid at the old gold rate. These matters will be affected by a decision like this. This may be a very dangerous precedent. It is preposterous to think of making this gift of money to the Philippine government.

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. McFADDEN. I yield.

Mr. REED of New York. If the power to reduce the gold content of the dollar is again exercised, as it can be, then they will be back here again, will they not?

Mr. McFADDEN. The gentleman is quite right. If the gold content is again reduced in accord with the power now in the hands of the President, of course, another present would be in order. It establishes a precedent, a dangerous precedent. Anyone in the United States engaged in the

administration of this experimental change in gold and its values and relationships in exchanges and transactions with all the countries of the world should know that to establish this precedent is a dangerous thing to do.

Mr. FIESINGER. Mr. Speaker, will the gentleman yield?

Mr. McFADDEN. I yield.

Mr. FIESINGER. Has the gentleman any information as to how the price level in the Philippine Islands has been affected?

Mr. McFADDEN. No; I am sorry to say I have not.

Mr. FIESINGER. The theory is that it has depreciated their currencies and raised their price level. What are the facts with reference to that?

Mr. McFADDEN. The gentleman is a student of this subject and I presume he is correct. I am sorry that my time has expired.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, if this were a part of our President's economic program for the recovery of this country, I would go along with him unhesitatingly. If the President said he needed this bill passed as a part of his recovery program, I would shut my eyes and vote for it and for anything of that kind that he told us he needed. But this is not that kind of a measure.

Under the Constitution of the United States you and I are made custodians of the Treasury of the people, not the President. There is not a dollar that can be taken out of the people's Treasury except by your vote and mine; the President cannot take it out. The Constitution has fixed it this way, and our constituents back home are relying upon us to protect their Treasury; so you cannot unload your responsibility to the people by saying that the President has recommended it.

What about the United States gold bonds that the people of the United States hold? Is there any effort here to make good their losses by reason of the devaluation of gold? Every American holder of a United States gold bond has to stand up to the lick log and take his medicine. He must bear his loss. Are you going to do this for the Filipinos and not do it for the American citizens in your district and

Mr. McDUFFIE. Mr. Speaker, will the gentleman yield? Mr. BLANTON. If the gentleman will yield me some more time, I will answer every question he asks me.

Mr. McDUFFIE. I will yield the gentleman more minutes.

Mr. BLANTON. How much? Mr. McDUFFIE. I will yield when we take up the consideration of the bill.

Mr. BLANTON. I want it on the rule. It is this rule that makes this bill in order. I am sorry; I cannot yield. There is no man here who thinks more of my friend from Alabama [Mr. McDuffie] than I do, and he knows it. I have followed him in many fights, but I am not following him in this one.

Now, this is a question we Members of Congress must determine for ourselves. It is unthinkable, of course, because he would not do it, but suppose the President were to recommend to us that we cancel all the foreign debts.

Mr. KELLER. He would not do it.

Mr. BLANTON. Of course, he would not do it. But for the purposes of argument, suppose he were to do it; would the gentleman go along with him? Why, no. Would not the gentleman from Alabama think for himself on that proposition? I would. That is one matter about which I am unalterably determined, the noncancelation of any foreign debt.

Now, my friend the gentleman from Alabama [Mr. Bank-HEAD] said that it lacked the other day just a few votes of passing. A change of 34 votes would have given a majority against it. I want to tell you something: If you pass this bill, it is going to cost your taxpayers and mine back at home \$23,000,000 in spot cash. That is what it will cost. If this bill is passed, you will have to add to the deposits of the Filipinos the sum of \$23,000,000 more than they have now, and tomorrow they could withdraw it all from the United States. If tomorrow they did withdraw it from the United States, you would have to tax the American people to raise this gift of \$23,000,000 you are giving them. This is inescapable; it is a fact that proponents cannot deny.

If every man here who voted against this measure the other day will vote against it today and if we can get 34 Members to change their votes and come with us, we will defeat this bill. That is all we need; if all of you who voted against it the other day will vote against it today and if we can get 34 of the Members who went along with the suspension the other day, we will beat this bill, and we will save for the taxpayers, who are already overburdened, this \$23,000,000. Are you not in favor of it, Fred? Are you not in favor of it, Doctor? Why, of course you are. You could not go back to Illinois and Iowa and face those people in their want if you voted to take \$23,000,000 of their tax money and give it as a Christmas present to the Filipinos.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. Certainly, to my good friend from Kentucky.

Mr. MAY. The gentleman, being a very able and experienced lawyer, knows the danger of establishing precedents. I wish the gentleman would discuss this bill from that

Mr. BLANTON. Oh, all of us know the bad precedent it would establish. If you are going to give this \$23,000,000 to the Filipinos, and if you are square and honest, ultimately you will have to make it good to every government and corporation and individual who suffered a loss by reason of the devaluation of our gold.

(Here the gavel fell.)

Mr. RANSLEY. Mr. Speaker, I yield five additional minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BEEDY. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. My friend, the gentleman from Maine, is usually such an able legislator and a man usually of such splendid judgment that I am surprised he has gone off now. [Laughter.] I yield to the gentleman.

Mr. BEEDY. Mr. Speaker, as I recollect, the gentleman said he was unalterably opposed to the cancelation of any foreign debts.

Mr. BLANTON. Yes; certainly, I am; is not the gentleman?

Mr. BEEDY. Did you vote for the devaluation of the gold dollar?

Mr. BLANTON. Certainly, I did. I went along with the President as it was a part of his economic policy, and a part of his recovery program. [Applause.]

On every part of his economic program for recovery, I have gone along with the President.

Mr. BEEDY. Exactly; and by that action the gentleman voted to cut the foreign debts by 40 cents on every dollar.

Mr. BLANTON. No; that is a mistaken idea entirely. And some day, we are going to make them pay.

Mr. BEEDY. I want to say—

Mr. BLANTON. I decline to yield further. I have only a few minutes, and the gentleman from Maine is in control of some time, and can use his own time.

Mr. Speaker, I still have an abiding faith that great Great Britain, regardless of the times that the gentleman from Illinois [Mr. Britten] has twisted the lion's tail, will pay her debt to us some day in full. I have an abiding faith that some of these days the inherent honesty in the British breast will rise up and require her Parliament to pay every dollar that Great Britain owes us, and this, in spite of the Bolsheviks over there who are now in control of her legislative body.

Mr. FIESINGER. Will the gentleman yield?

Mr. BLANTON. I yield to the gentleman from Ohio. Mr. FIESINGER. When those dollars were placed in the banks by the Philippine government, gold was worth \$20.67 an ounce. Gold is now worth \$35 an ounce, and the United States Government must maintain that price?

Mr. BLANTON. I will answer that in a moment.

Mr. FIESINGER. There is no loss of gold because we have increased the price.

Mr. BLANTON. May I tell the gentleman another thing. The Filipinos got this money by selling their bonds here. They can always find a ready market among the Americans for their bonds. Those bonds are outstanding at the present time, and when they pay them they will pay with the depreciated dollar. They will get at least a net profit of \$30.000.000 by the transaction. You gentlemen overlook that feature.

Mr. MAY. Will the gentleman yield?

Mr. BLANTON. May I say to the gentleman that I like to throw my flowers while the man is living. I consider the gentleman from Kentucky [Mr. May] one of the ablest men on this floor and I do not believe that the sophistry of the Chairman of the Rules Committee is going to lead him astray on this issue. I yield to the gentleman from Kentucky.

Mr. MAY. As Democrats, I think it is our position to see that the President is not led into a mistake by admitting that the devaluation of the gold dollar was wrong.

Mr. BLANTON. Certainly.

Mr. MAY. If we are asked to do equity as between the United States Treasury and the Philippine treasury, we will be asked to do equity between the bondholders that hold gold bonds in this country and the Government.

Mr. BLANTON. Yes. The remains of one of the greatest Presidents of this Nation is now lying here in the Washington Cathedral because of the disloyalty of his friends. Do not let that happen to the present President of the United States. There are men daily besieging him down there in the White House, when he has serious problems of state confronting him, asking him to do this, that, and the other thing, for instance, to pay out \$12,000,000 more to Minnesota on a debt that has already been paid. They are just simply overcoming him with these many insistent importunities. I want to say that it takes men with backbone in this House to stand up and protect the President from some of his own friends, and to protect the Treasury and the taxpayers of this Nation from such assaults for money. [Applause.]

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. Thompson].

Mr. THOMPSON of Texas. Mr. Speaker, this bill is very simple, if you consider only the facts involved in it, but we have gone far afield and are considering personalities and everything else except facts.

May I make just one observation. The gentleman who has just preceded me said that he believed in the Government paying its obligations. Yet he stands up here and tells us not to pay the obligation that this Government owes to the dependent Philippine government. The two statements are somewhat out of balance somewhere.

Mr. O'MALLEY. Will the gentleman yield?

Mr. THOMPSON of Texas. I yield to the gentleman from Wisconsin.

Mr. O'MALLEY. If we owe the Philippines in money the difference that is supposed to be represented by the bill, if we pass the bill is it not an admission that the President's gold-devaluation proposition was dishonest and deprived everybody of the same amount of money?

Mr. THOMPSON of Texas. No: for the reason that this is the only case where there is an interlocking currency system involved.

The gentleman who spoke against the rule a few minutes ago called to mind the fact that the Philippine peso is still on a parity with the American 50-cent piece-two for one with the American dollar. That is true until the time comes when we issue more currency against the appreciated gold which we now have in our Treasury, and we expect and the world expects the Philippine peso to keep pace with us. They are then no longer in possession of the full amount of gold reserve which they should have to keep their system in balance with ours; therefore their currency system becomes out of balance with ours.

Mr. O'MALLEY. Does the gentleman believe that the Filipinos have lost anything through the devaluation policy? Mr. THOMPSON of Texas. Not until that time comes, except on the world market. On the world market they will, as soon as the world realizes that the full amount of gold is no longer back of their currency. As a matter of fact, this is already taking place; the peso is not worth 50 cents on the world market today.

Mr. O'MALLEY. When will that be? They have not sustained any loss now?

Mr. THOMPSON of Texas. That is going on now.

Mr. O'MALLEY. Yet we are going to give them \$23,000,-000 to make up this so-called "loss."

Mr. GREEN. Will the gentleman yield?

Mr. THOMPSON of Texas. I yield to the gentleman from Florida.

Mr. GREEN. Is it not a matter of the Federal Government upholding its integrity with the Philippine people? Is this bill not a matter of the Federal Government upholding its integrity with the Filipino people?

Mr. THOMPSON of Texas. Yes; absolutely.

In the act of 1903 passed by this Congress their monetary system was forced to be in balance with ours. All through history we have kept it in balance, and it now has come to a time when the President of the United States has asked you to pass this bill in order to keep faith with the Philippine people.

I do not subscribe to the assertion that the President of the United States does not know what he is talking about. If he did not know what he was talking about, certainly the Secretary of the Treasury would have set him straight. If he did not see the point, certainly the Secretary of War would have seen it; and if all of them missed the point, certainly the Director of the Budget would have seen the point and would have stopped the negotiations then going on and so informed the President.

Mr. O'MALLEY. Mr. Speaker, will the gentleman yield? Mr. THOMPSON of Texas. Yes.

Mr. O'MALLEY. The Filipinos, as I have tried to get across here, have suffered no loss yet upon our gold devaluation policy. The passage of this bill would supply them with a \$23,000,000 credit for the possibility of a future loss if we inflate. Does the gentleman think we are going to inflate the currency against the gold we gained by devaluation and does the gentleman think we ought to establish a precedent of appropriating \$23,000,000 for a future loss of the Filipino

Mr. THOMPSON of Texas. I think when this Government has agreed to maintain an equity between our monetary system and the Philippine monetary system, we should, whenever we are called upon by the administration which dictates the policies of the Government, establish that equity.

Mr. O'MALLEY. But they have not lost anything.

Mrs. McCarthy. Mr. Speaker, will the gentleman yield?
Mr. THOMPSON of Texas. I yield to the gentlewoman from Kansas.

Mrs. McCARTHY. If we pass this bill now and the President should put a higher price on an ounce of gold, which he has the authority to do under the act passed by this Congress, and he places that price of gold at, say, \$41, which is the limit, instead of the present value of \$35, then will the gentleman come in here with another bill and ask us to make another appropriation for the benefit of the Philippine Islands?

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Speaker, I yield the gentleman from Texas 1 additional minute.

Mr. THOMPSON of Texas. Yes; I may say to you now and if I am here at the time I shall say to you then, when this Government owes an honest obligation I shall expect the Government to pay it, just as I expect the other governments to pay us ultimately.

Mrs. McCARTHY. Then we may have a series of bills involving this kind of legislation.

Mr. BRITTEN. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of Texas. I yield to the gentleman from Illinois.

Mr. BRITTEN. Does the gentleman agree with previous speakers that if this bill is passed we will be granting to the

Filipinos a preference which we have refused to give to the American people themselves?

Mr. THOMPSON of Texas. Certainly not. There is absolutely no comparison between the Philippine government and the individuals in America. This is a matter between governments and not between individuals.

Mr. BRITTEN. But does not the gentleman believe the American Government has a responsibility to pay its gold bonds held by American citizens at this new value, just as you are aiming to make the Filipino a preferred creditor?

[Here the gavel fell.]

Mr. THOMPSON of Texas. I shall answer the gentleman in the later discussion on the bill itself.

Mr. BANKHEAD. Mr. Speaker, I ask your attention for just a moment. I want the House to bear in mind that this discussion we have had so far relates to the proposition of whether or not you will adopt the resolution now pending, which is to give the House an opportunity to pass upon the merits of this measure.

There have been injected into this debate, upon the consideration of the rule, some matters that really do not tend to throw any real light upon the merits of the controversy. The gentleman from Texas [Mr. Blanton] made reference to the fact that he hoped the gentleman from Kentucky [Mr. May] would not be misled by any of the sophistry in which I indulged in presenting this resolution. [Laughter.] Well, I do not know what the gentleman's definition of sophistry is. I did not undertake to make any arguments that would subject me, as I understand it, to that criticism. I merely undertook to present to the House the reasons for the proposal of this rule. I merely attempted to set out that here is an administration measure endorsed by every executive of the Democratic administration that is interested in a proper administration of its fiscal and international affairs, and I merely urged the Members of this House to adopt this resolution, which is an open rule, in order to give the Membership an opportunity to hear the bill discussed upon its merits and then to register their votes.

I am somewhat surprised at my friend who has charged me with sophistry in connection with this matter upon the very peculiar argument he has made here.

Mr. BLANTON rose.

Mr. BANKHEAD. In just a moment; let us follow this matter a moment.

Mr. BLANTON. I want to show the gentleman what the sophistry was.

Mr. BANKHEAD. If the gentleman cannot throw any more light on it than he did in his previous statement, I do not think he will help us very much. [Laughter.]

Mr. BLANTON. Will the gentleman yield for a question?
Mr. BANKHEAD. No; I want to make some comments
on the gentleman's attitude with reference to the measure
and with reference to the administration.

The gentleman admitted here a few moments ago that on the great question of devaluation of gold and other fiscal policies of the Government of the United States, when they were sent up here he just closed his eyes and voted blindly to follow the President of the United States. Well, we are all glad to see that type of loyalty to the President of the United States. [Laughter.] It is very refreshing to us, and it is very stimulating and inspiring to those of us who attempt to assume, very largely, a similar attitude with reference to the President's recommendations, but I want to say to the gentleman from Texas and to those, particularly, on this side who have spoken upon this question, that, in my opinion, you do no credit to the President of the United States when you take your place here upon the floor of this House and say that on a question of this grave importance, affecting what the President of the United States conceives to be the doing of a matter of equity to our dependent wards in the Pacific Ocean-and the Philippine Islands were our wards at that time—to say that the President of the United States, recognizing the dignity and the responsibility of undertaking to settle this distressing claim or counterclaim between the Philippines and the United States, was so overreached by those who were making recommendations to him, that he had so many other matters of tremendous domestic

and international importance to consider, that a mere trifling detail involving our relations with the Philippine Islands that he did not know what he was talking about when he sent this solemn message to the Congress of the United States urging the adoption of this resolution.

[Applause.]

Is this the attitude the gentleman from Texas is willing to assume before the people of this country—that our President, a man who is charged with the solemn responsibility of making recommendations to the Congress of the United States on a matter of this tremendous importance, was asleep at the switch and he did not have enough consciousness of the importance and dignity of this matter to give it any consideration but simply stenciled and stamped some suggestions his subordinates had made to him? I say to the gentleman from Texas he does no credit to his President and to the President of all the people when he makes an insinuating suggestion of that sort with reference to the President of the United States. [Applause.]

Mr. BLANTON. Mr. Speaker, will the gentleman yield now?

Mr. BANKHEAD. Yes; I yield to the gentleman from Texas if he will not engage in sophistry. [Laughter.]

Mr. BLANTON. Does the gentleman take the position that Presidents—all of our Presidents—have been so big that they could not be persuaded by their friends?

Mr. BANKHEAD. By what friends does the gentleman think the President was persuaded here?

Mr. BLANTON. Friends like Carroll Beedy, of Maine [laughter], who has been to the Philippines and has strong Philippine friendships over there. Friends like our distinguished Chairman of the Rules Committee [Mr. Bankhead], who has persuaded me many times. I have followed him lots of times when at the moment I thought maybe his judgment was better than mine.

Mr. BANKHEAD. Well, I hope the gentleman, even by a death-bed repentance, will pursue that same sort of attitude with reference to this matter. [Laughter and applause.]

Mr. BLANTON. Sometimes I found out afterward I should not have followed him. [Laughter.]

Mr. BANKHEAD. The Chairman of the Rules Committee claims no infallibility. I will say to the gentleman from Texas that I do not for a moment propose to suggest that my poor qualities of mind are equal to his in reaching fair and just and righteous conclusions on these propositions. The Committee on Rules was presented with a request coming from the legislative committee charged with the responsibility of considering and reporting this measure, and we merely brought out a rule, as we were requested to do, in order to give this House an opportunity to consider the merits of a suggestion made calmly and deliberately by the President of the United States and all of his subordinates.

That is all I am assuming to do. I am not passing judgment on the merits of this proposition. You gentlemen are entitled to full discussion. I want some of the misstatements that have been made cleared up. I am sure they will be when the bill comes up for consideration. As far as I know, the gentlemen on the committee have no personal interest in this matter. This was a proposition, as I have suggested, sent to them by the Democratic administration for a favorable report, and submitted to the calm judgment of this House. I, for one, do not believe that Franklin D. Roosevelt, in consideration of a matter of this great dignity and importance, involving, as it does, the doing of a large thing in equity for a dependent people, would have sent this to Congress with his earnest endorsement and recommendation for the passage of this bill, unless he knew what he was doing. I hope gentlemen on my side of the aisle will vote for the rule and give us an opportunity to consider the bill on its merits.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The amendment to the rule was agreed to.

The SPEAKER. The question is on the adoption of the resolution as amended.

The question was taken; and on a division (demanded by Mr. Blanton and Mr. Martin of Massachusetts) there were 98 ayes and 65 noes.

Mr. BLANTON. I make the point of order, Mr. Speaker, that there is no quorum present, and I object to the vote on that ground.

The SPEAKER. The call is automatic. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 208, nays 134, answered "present" 1, not voting 86, as follows:

### [Roll No. 189] YEAS-208

Abernethy Dies Adair Adams Dingell Dirksen Dockweiler Dondero Arnold Ayres, Kans. Bakewell Doughton Bankhead Douglass Beam Doxev Beedy Berlin Driver Duncan, Mo. Biermann Dunn Durgan, Ind. Bland Eagle Bloom Boland Edmiston Eicher Boylan Brooks Farley Fitzgibbons Brown, Ga. Flannagan Buchanan Frear Fuller Buck Fulmer Gasque Burch Byrns Caldwell Gavagan Gillespie Cannon, Mo. Carden, Ky. Gillette Carmichael Goldsborough Granfield Cartwright Castellow Gray Celler Green Chapman Greenwood Chavez Cochran, Mo. Gregory Griswold Colden Hancock, N.C. Harlan Cole Colmer Hastings Connery Cooper, Tenn. Henney Hildebrandt Hill, Ala. Cravens Hoeppel Hoidale Cravens
Crosby
Cross, Tex.
Crosser, Ohio
Crowe Howard Hughes Imhoff Crump Cullen Jacobsen Johnson, Okla. Darden Johnson, Tex Dear Deen Johnson, W.Va. Jones Delaney Kee Keller DeRouen

Dickinson

Andrew, Ma

Andrews, N.Y.

Ayers, Mont.

Blanchard

Brown, Ky.

Burnham Busby

Cadv

Brunner Burke, Nebr.

Carpenter, Kans.

Carter, Calif. Carter, Wyo. Cavicchia

Christianson

Cochran, Pa. Collins, Calif.

Clarke, N.Y

Connolly Crowther Culkin Cummings

Darrow

Dobbins

Ditter

Blanton Boileau

Bolton

Allen

Arens

Beck Beiter Kocialkowski Kramer Lambeth Lanzetta Larrabee Lea, Calif. Lehr. Lewis, Colo. Lewis, Md. Lloyd Lozier Luce Ludlow Lundeen McCormack McDuffie McFarlane McGrath McGugin McReynolds McSwain Maloney, Conn. Maloney, La. Mansfield Martin, Colo. May Mead Miller Mitchell Monaghan, Mont. Montague Montet O'Connor Oliver, Ala. Oliver, N.Y. Owen Palmisano Parker Patman Peterson Pettengill Peyser Polk Prall Ramsay Ramspeck Rankin

Parker
Patman
Peterson
Weaver
Peterson
Peterson
Welch
Pettengill
Peyser
West, Tex.
Wilcox
Wilcox
Wilcox
Wilcox
Willord
Ramsay
Rankin
Wilson
Rayburn
Wolcott
Wood, Mo.
Richardson
Wilcox
Williams
Rankin
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Schoets
Kurtz
Lambertson
Schuetz
Sinclair

Dowell Drewry Duffey Eaton Edmonds Ellzey, Miss. Eltse, Calif. Lambertson Englebright Lamneck Lehlbach Lemke Lesinski Flesinger McCarthy Focht McFadden Foss Gilchrist McLeod Mapes Martin, Mass. Glover Goodwin Martin, Oreg. Meeks Greenway Merritt Hancock, N.Y. Millard Moran Hart Hartley Morehead Hess Mott Moynihan, Ik. Higgins Hill, Knute Hill, Samuel B. Hollister Murdock Musselwhite O'Brien O'Malley Holmes Parsons Perkins Jame Jenkins, Ohio Pierce Johnson, Minn. Plumley Kahn Powers Kelly, Ill. Ransley

Kennedy, Md.

Kenney

Robertson Rogers, Okla. Romjue Rudd Ruffin Sadowski Sanders, La. Sanders, Tex. Sandlin Schulte Sears Secrest Shallenberger Shannon Sisson Smith, Va Smith, W.Va. Snyder Somers, N.Y. Spence Steagall Studley Sutphin Taylor, Colo. Taylor, S.C. Terry, Ark. Thom Thomason Thompson, Ill. Thompson, Tex. Turner Umstead Underwood Utterback Vinson, Ga Vinson, Ky. Walter Warren Wearin Weaver Welch Werner West, Tex. Whittington Wilcox Willford Williams Wilson Wolcott

Reed, N.Y. Rogers, Mass. Schaefer Schuetz Sinclair Snell Stokes Strong, Pa. Strong, Tex. Stubbs Sweeney Swick Taber Taylor, Tenn. Terrell, Tex. Thomas Tinkham Tobey Treadway Truax Turpin Waldron Wallgren Weideman Whitley Withrow Wolfenden Wolverton Wood, Ga. Woodruff Young

## ANSWERED "PRESENT"-1

#### Ellenbogen NOT VOTING-86

Kleberg Kopplemann Kvale Lee, Mo. Cooper, Ohio Robinson Auf der Heide Bacharach Bacon Rogers, N.H. Sabath Corning De Priest Disney Scrugham Bailey Fernandez Fish Lindsay Seger Shoemaker McClintic Boehne Fitzpatrick Ford Simpson Sirovich Smith, Wash. Brennan McKeown McLean McMillan Brown, Mich. Foulkes Browning Frey Gambrill Marland Stalker Sullivan Bulwinkle Burke, Calif. Cannon, Wis. Carley, N.Y. Milligan Muldowney Gifford Sumners, Tex. Goss Griffin Thurston Nesbit Carpenter, Nebr. Norton O'Connell Traeger Wadsworth Hamilton Cary Harter Healey Huddleston Parks West, Ohio White Wigglesworth Church Peavey Claiborne Clark, N.C Randolph Jeffers Jenckes, Ind. Woodrum Ried, Ill. Collins, Miss. Rich Kennedy, N.Y. Richards

So the resolution was agreed to. The following pairs were announced: On the vote:

On the vote:

Mrs. Jenckes of Indiana (for) with Mr. Marshall (against).

Mr. Corning (for) with Mr. Simpson (against).

Mr. Randolph (for) with Mr. Bacharach (against).

Mr. McMillan (for) with Mr. Rich (against).

Mr. Richards (for) with Mr. Chase (against).

Mr. Lee of Missouri (for) with Mr. Fish (against).

Mr. Healey (for) with Mr. Buckbee (against).

Mr. Fitzpatrick (for) with Mr. Cooper of Ohio (against).

Mr. Woodrum (for) with Mr. Bacon (against).

Mr. Claiborne (for) with Mr. Peavey (against).

Mr. Kennedy of New York (for) with Mr. Cannon of Wisconsin against).

Mr. Renned of New Fork (Gr. (against).
Mr. Lindsay (for) with Mr. Gifford (against).
Mr. West of Ohio (for) with Mr. Wigglesworth (against).
Mr. Condon (for) with Mr. McLean (against).
Mr. Gambrill (for) with Mr. Goss (against).
Mr. O'Connell (for) with Mr. Seger (against).

## Until further notice:

Mr. Sumners of Texas with Mr. Wadsworth. Mr. Milligan with Mr. Traeger. Mr. Griffin with Mr. Reid of Illinois.

Mr. Griffin with Mr. Reid of Illinois,
Mr. Huddleston with Mr. Thurston.
Mr. Parks with Mr. Stalker.
Mr. Swank with Mr. Muldowney.
Mr. McKeown with Mr. Kvale.
Mr. Shoemaker with Mr. DePriest.
Mr. Boehne with Mr. Nesbit.
Mr. Clark of North Carolina with Mr. Robinson,
Mr. Kleberg with Mr. Brown of Michigan.
Mr. Bulwinkle with Mr. Scrugham.
Mr. Collins of Mississippi with Mr. Haines.
Mr. Fernandez with Mr. Frey.
Mr. Disney with Mr. Burke of California.
Mr. McClintic with Mr. Ford.
Mr. Bailey with Mr. Browning,

Mr. McClintic with Mr. Ford.
Mr. Bailey with Mr. Browning.
Mr. Carley with Mr. Harter.
Mr. White with Mr. Marland.
Mr. Sullivan with Mr. Hamilton.
Mr. Sirovich with Mrs. Norton.
Mr. Sabath with Mr. Church.
Mr. Brennan with Mr. Cary.
Mr. Smith of Washington with Mr. Carpenter of Nebraska.
Mr. Auf der Heide with Mr. Allgood.
Mr. Kopplemann with Mr. Rogers of New Hampshire.

The following Members changed their vote: Mr. McGugin, from "no" to "aye"; Mr. Wood of Georgia, from "aye" to "no"; Mr. Gavagan, from "no" to "aye."

The result of the vote was announced as above recorded.

### EXTENDING TIME FOR AMERICAN CLAIMANTS UNDER SETTLEMENT OF WAR CLAIMS ACT OF 1928

Mr. DOUGHTON, Chairman of the Ways and Means Committee, filed a conference report on House Joint Resolution 325, extending for 2 years the time within which American claimants may make application for payment under the Settlement of War Claims Act of 1928 of awards of the Mixed Claims Commission and the Tripartite Claims Commission, and extending until March 10, 1936, the time within which Hungarian claimants may make application for payment under the Settlement of War Claims Act of 1928 of awards of the War Claims Arbiter.

# PHILIPPINE CURRENCY RESERVES

Mr. McDUFFIE. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill (S. 3530)

relating to Philippine currency reserve on deposit in the United States.

#### PATENTS TO LANDS IN NEW MEXICO

Mr. CHAVEZ. Will the gentleman yield to me first? Mr. McDUFFIE. I will.

Mr. CHAVEZ. Mr. Speaker, I move to take from the Speaker's table the bill (H.R. 5369) providing for the issuance of patents upon certain conditions to lands and accretion thereto determined to be within the State of New Mexico in accordance with the decree of the Supreme Court of the United States entered April 9, 1928, and agree to the Senate amendment.

The Clerk read the Senate amendment, as follows:

Page 2, line 2, after "lands", insert: "Upon payment therefor by such persons to the United States at the rate of \$1.25 an acre."

The SPEAKER. Is there objection?

There was no objection.

The Senate amendment was agreed to.

#### PHILIPPINE CURRENCY RESERVES

Mr. McDUFFIE. Now, Mr. Speaker, I renew my motion that the House resolve itself into Committee of the Whole House on the state of the Union.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. BLACK in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. McDUFFIE. Mr. Chairman, I yield 5 minutes to the

gentleman from Texas [Mr. PATMAN]. Mr. PATMAN. Mr. Chairman, the gentleman from Kentucky [Mr. Brown] made a very convincing argument this morning. At first blush I was very much convinced that he was right and that we should oppose the passage of this legislation. After investigating the matter further, however, I was thoroughly convinced that as a matter of good

faith this legislation should be enacted into law. As I understand it, the Philippine government had a reserve for their currency in the United States and that reserve amounted to \$95,000,000. That was not an individual deposit and should not be considered in the same light as an individual deposit. It was a reserve for the backing of the currency of the Philippine people, just as it is the desire of the German Government to have as much gold as possible behind its currency, just as it is the desire of the French Government and of the Government of Great Britain and of every government—they all want gold behind their currencies. Therefore, the Philippine people wanted gold in the Treasury of the United States as a backing for the currency of the Philippine government, and in this country they had \$95,000,000 the equivalent of gold.

Mr. McFADDEN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Not now.

Mr. McFADDEN. For a correction.

Mr. PATMAN. Yes; for a correction.

Mr. McFADDEN. I call the attention of the gentleman to the letter of May 4 of the War Department in which it says that this money is deposited in the banks of the United States and not in the Public Treasury.

Mr. PATMAN. But the Government of the United States is acting in the same capacity as a guardian acts for his ward, and it is the duty of the guardian to exercise the highest degree of care in making investments in handling the property of the ward. Therefore, the United States Government, as guardian of the Philippine people, had \$95,000,000 in gold or the equivalent of gold. That gold was theoretically, so far as the Government of the United States was concerned, in the Treasury of the United States. In 1923 our great Government said to the Philippine government, "Why let that gold or the equivalent of gold remain there? You have no control over it. We are not going to ask you and we do not ask you, but we will take that \$95,000,000 in gold and use it for our own currency and our

own banking system, expanding on it two and a half dollars to one, and ten dollars for every one of the expanded dollars, or twenty-two dollars to one, in order to expand the currency in this country; and instead of using that gold, instead of letting you keep that gold there, without your consent and without consulting you, as your guardian we are placing in your lockbox \$95,000,000 in I O U's, and we will pay you interest upon that." That is what happened to the Philippine government's gold. We took it and gave IOU's. For years the Philippine government has said, "We want the gold behind our money", and every time our representative has said, "What difference does it make to you? Our dollar is exhangeable for gold, and we are going to let that stay there just as it is, in the form of I O U's."

Time goes on and the gold is revalued, and it is not worth as much as it was, and the Philippine government said, "We have that gold there; you were our guardian; you did not consult us; you took our gold; if you had left it there as it was, there would not be any difference between us at all, but you did not do it; you took it away from us, and we want you now to put us back in exactly the same position that we were in before you took our gold." They said, "We want gold behind our money"; and Mr. Roosevelt answers back and says, "Yes; we took your gold which you had in reserve for your currency; we put I O U's in that lockbox where gold was supposed to be; but we have agreed to pay you interest on your gold and on the I O U's, and that amounts to \$15,000,000. The difference between us is \$39,000,000."

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. McDUFFIE. Mr. Chairman, I yield the gentleman 1

Mr. BEEDY. I yield the gentleman 1 minute more.

Mr. PATMAN. Mr. Roosevelt said-

It would not be fair for us to give you \$39,000,000 because you have been getting interest on those I O U's, and we will pay you the difference between the \$39,000,000 and the \$15,000,000, the accumulated interest-

and that is what this bill is-to put in there the difference between that interest on the I O U's, and the real value of

There is another way to deal with this problem, and that is, instead of having money, just \$23,000,000, or any sum, just deal with ounces of gold. The Philippine government was entitled to so many ounces of gold behind their currency, and if we were to bring a bill in here to deliver from the Treasury vaults over to the Philippine lockbox the same number of ounces of gold they had there in 1923 that they were entitled to have in 1931 and in 1933, the same thing would be done in a different way.

I consider that if we fail to pass this bill we will be breaking faith with the Philippine government. I do not care that you may show that they will get an advantage. Lots of people get an advantage. They could have bought certain stocks with the \$95,000,000 that would have been worth ten times that much now. You can figure in several different ways in your imagination how people will profit, but the fact remains it is our duty as guardian of our wards to use the highest degree of care and diligence to take care of that ward's property, and if we take away from that ward's estate so many ounces of gold, let us put the same number of ounces of gold back where it belongs. [Applause.]

Mr. BEEDY. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. BRITTEN].

Mr. BRITTEN. Mr. Chairman, a few days ago in the British Parliament a distinguished lord said that when men on the floor became excited they became boys, and during that moment of excitement or tensity they, of course, told the truth, and they very often divulged state secrets. A little while ago such a colloquy occurred on the floor of the House between the distinguished leaders, Mr. Blanton, of Texas, and Mr. Bankhead, of Alabama. It was agreed between them that the gentlemen on the other side of the aisle have been voting blindly for a lot of Presidential legislation, voting with their eyes closed, and the presumption

was that they were going to vote with their eyes closed on this piece of costly legislation. It will cost the taxpayers of the country just \$23,000,000.

Mr. BANKHEAD. Will the gentleman yield?

Mr. BRITTEN. I yield to the gentleman for a question.

Mr. BANKHEAD. The gentleman said that there was an agreement that we voted blindly. I made no such agreement. I voted with my eyes wide open.

Mr. BRITTEN. When one gentleman compliments another for something he has done I contend that is an agreement. At least, it is agreement in thought, and the gentleman from Alabama [Mr. BANKHEAD] stood there and complimented the gentleman from Texas for having voted blindly on Presidential request, and that he himself practically did the same thing. Others on that side of the aisle did the same thing. That is an agreement, is it not? You do not have to sign a contract to be in agreement. You are now expected to vote for this bill with your eyes closed, because if you open your eyes and open your minds you will not vote for it. It is a bad bill, and will make a Philippine bondholder a preferential creditor over an American who holds United States bonds.

Mr. DUNN. Will the gentleman yield? Mr. BRITTEN. No; not now. Thank you.

The gentleman from Alabama [Mr. Bankhead] then went further and he pointed his finger at that distinguished Texan [Mr. Blanton] and said, "Do you think our great President was asleep when he sent this message here? Does anyone think our great President is asleep when he sends messages to Congress?"

He evidently has had sleeping periods in the past. He certainly was asleep when he canceled the air-mail contracts, or somebody in the White House was. Somebody in the White House brought about a period of somnambulation or something like that when the air-mail contracts were canceled. Somebody in the White House was asleep when they started to rebuff that distinguished popular hero, Colonel Lindbergh. You will all agree to that. So let us not try to make ourselves believe that our distinguished President never sleeps. He does sleep. He cannot comprehend everything that is going on up here, particularly with a bunch like that on the other side of this aisle. [Laughter.] That is a physical impossibility. Even the entire White House must fall asleep once in a while. It was asleep when a movement was started to gag the press. That was their intention under the N.R.A. codes. They were going to gag the press, gag radio broadcasting. Give the people only such news as the Government thought they should have. A press censorship along the lines of the Russian system. I contend the White House was asleep at that time.

Very frequently I am reminded of that old story, which is probably a chestnut to most of you, about our dear old friend, Christopher Columbus. They said of him when he left Spain to come here that he did not know where he was going; that after he got here he did not know where he was, and when he got back he did not know where he had been. [Laughter.]

Mr. BROOKS. But he discovered America. Mr. BRITTEN. Yes. We learned that a hundred years

My contention is, Mr. Chairman, that the Democrats, with their 300 to 100 majority, should not pass legislation with their eyes closed, even though the gentleman from Alabama [Mr. Bankhead], and the distinguished leader on your side. Mr. Blanton, of Texas, suggest that it is being done. That fact undoubtedly is responsible for much of the radical and costly legislation which has been enacted during the past

The CHAIRMAN. The time of the gentleman from Illinois [Mr. Britten] has expired.

Mr. BRITTEN. I knew the Chair would do that. [Laughter.]

Mr. McDUFFIE. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. KELLER].

Mr. KELLER. Mr. Chairman, I simply want to present a few facts as I see them. But before I do that I want to

say that while I am not reaching over into Kentucky politics, and while I do not join in undervaluing my young friend from Kentucky [Mr. Brown], I am going to disagree with him completely and entirely on this bill. Nevertheless I am going to continue to recognize his unusual ability and service in this House. [Applause.]

The Filipinos had in the United States at the time we devalued the dollar, 2,800,000 ounces of gold that belonged to the Philippine people, and nobody else. That was worth at that time about \$56,000,000. That was Philippine money and belonged to the Philippine people. When we devalued gold in the United States we also devalued the gold belonging to the Philippine people.

It therefore became a fact that the 2,800,000 ounces of Philippine gold became worth about \$79,000,000. That is the

long and short of the whole story.

If we should accept some of the contentions of some of the gentlemen who are against this bill, we would find ourselves in this peculiar position, that if a man owned \$1,000 in Philippine bonds and also \$1,000 in United States bonds, he would get 60 percent more for his Philippine bonds than he would for his American bonds, and that if this House fails to pass this law we would be repudiating our devaluation of gold. I just want to make that clear to you, because I only want to give you the facts. At the same time our people had in the United States Treasury 198,350,000 ounces of gold.

That had a value under the then gold content of the dollar of \$4,100,000,000. We paid for that in the old regular money that is in existence today. We then proceeded to devaluate the gold dollar, and that gold stock became worth \$6,900,000,000 in this same money that we paid for the gold. The American people got the profit of that transaction, which amounts to about \$2,800,000,000. The American dollar and the Philippine dollar, therefore, in international trade, are exactly the same today.

One of two things is true; either the gold did not belong to the Philippines, or, if it did, they had exactly the same right to the increase in its value expressed in dollars that we have for the profit on our gold. I do not see how we can

get away from that.

As a matter of public policy we nullified the gold clause in every contract into which it had been written, including our own Government bonds. As a result of that law the holders of the twenty-odd billion dollars of Government bonds could no longer demand payment in gold. Gold could not be had for gold certificates, which became simply legal tender, nonredeemable pure flat money as all our other money, all alike, became as a result of the same act. Nor was anyone wronged or injured. A pure flat dollar inside our own country is now our own and only dollar. It pays debts and buys what we want. This American currency is the basis of the Philippine peso. And, like ourselves, the only use they have or ever likely shall have for gold and silver is for purposes of exchange with foreign countries in paying out or receiving trade balances with the countries with which we trade. And since for many years we have sold more goods to other countries than we buy from them. we always take in more gold than we pay out. The same will now be true of silver under the new law. So that it makes no difference how much gold or silver we pile up in the Treasury it will affect our good commodity dollar only favorably. And to our Philippine ward, having received her part of the profit on the gold belonging to her in our Treasury, we have fulfilled our trust and sent the coming Philippine republic on her way rejoicing.

Mr. BEEDY. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. ELTSE].

Mr. ELTSE of California. Mr. Chairman, it seems to me that if we reduce this whole matter to the terms of a contract, it will help us to understand it. It is my understanding of the situation, after having talked with the gentleman from Kentucky, that when the Philippine bank failed, destroying the reserves behind the Philippine currency, the Philippine government sold their bonds to American investors and acquired the money with which to rebuild their reserves. In so doing the Philippine government contracted

to pay the investors of the United States in the then value of the American dollar. In the interim the United States Government devalued its gold dollar under the act of June 5 last year. This action of ours permits the Philippine government to pay off their bonds in the United States in the depreciated dollar, thereby deriving a benefit to the extent of the devaluation of the gold dollar. In face of this, however, they come here now and ask Congress to pass an act to give them another benefit by way of a credit of \$23,000,000. So passing this bill will give them a credit of \$23,000,000, and when they pay their bonds at maturity they will get an additional advantage or credit of some \$30,000,000.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. ELTSE of California. I yield.

Mr. DIES. The point I would like to clear up is that the Philippine government will buy back these bonds on a depreciated currency.

Mr. ELTSE of California. That is my understanding. Mr. DIES. In other words, our dollar on the foreign

exchanges has depreciated 40 percent.

Mr. ELTSE of California. Yes.

Mr. DIES. They can, therefore, acquire 40 percent more of our dollars with their products and pay off this debt with a dollar that has less purchasing power by 40 percent.

Mr. ELTSE of California. Exactly. I am glad the gentleman has made this contribution, because it very clearly expresses what I have in mind. It occurs to me that on a basis of pure contract they come here with poor grace to ask us to give them another credit of over \$23,000,000 when they are going to derive a credit at the time they pay their bonds.

Mr. Chairman, I yield back the balance of my time.

Mr. BEEDY. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. Frear].

Mr. FREAR. Mr. Chairman, I have been a Member of the House for a good many years, but this is the first time I have been recognized as a Member from Minnesota, even by the distinguished gentleman from Maine, with whom I am agreeing on this occasion on the measure before us.

It seems to me to be not a question of what the President or Secretary of the Treasury or anyone else wants particularly, but to be in addition a question of equity and fairness that we are called upon to support. If you hold money and credits for an individual, and he demands it as his right and demands it again and again and again, and you refuse to pay him, you are not alone derelict in your duty but your obligation is undisputed. That is what the Federal Government did with the Philippines. All you need to do to verify this statement is to read the report of the committee which accompanies the bill. Time after time the Philippine government demanded their money back through their officials and Governor General, because they knew, as we all knew, the danger to their holdings when this Government went off the gold standard. They had placed their money with American trustees on the gold basis. They wanted their money back on the same basis. Read the report; the Treasury refused it; refused it repeatedly. What happened? Eventually, as feared by the islanders, we went off the gold standard within a few months after their demands. France earmarked her gold, and she got it back. Great Britain and other nations with gold credits here earmarked it and got it back. The Philippines, our ward, were unable to get their gold. Is not this true? They asked for it time after time, asked for it in every way they could, yet we would not give it to them.

Now, what happened? By the devaluation of the gold dollar we marked up on our books \$2,811,000,000 simply because of the difference in the two valuations after the devaluation of our gold holdings in dollars. As the gentleman from Kentucky, whom we all admire, said, this \$75,000,000 of Philippine bonds was sold in this country payable in gold. But they hold our Liberty bonds over there, payable in gold, and we expect to pay them with our dollars. That is a separate and different proposition.

By reason of our action in devaluing the gold dollar we have this \$2,811,000,000 margin over the former values, but

this takes into consideration the gold or exchange gold value | matter. They are a ward of this Government, kept there that they had and to which they were regularly entitled had we not refused their proper demands in 1933, and we should credit them with their proportionate share of the increased value of that \$2.811.000,000. This must be done as a matter of fairness.

Mr. SHALLENBERGER. Mr. Chairman, will the gentleman yield?

Mr. FREAR. I vield.

Mr. SHALLENBERGER. Is not the situation this: That the Philippine government had a certain credit upon the books of the Treasury of the United States for a certain amount of dollars. We depreciated those dollars, and all we are asked to do now is to mark up on the books of the Treasury the credit to which they are entitled by the action of this Government in depreciating its dollar.

Mr. FREAR. Absolutely. There is a statement that is simpler and better than the one I have made. They are entitled to a portion of the credit which we have charged up to ourselves, their portion of the \$2.811.000,000; they are entitled to \$23,000,000 as provided in this bill. That is a simple statement of a simple proposition.

Mr. BROWN of Kentucky. The gentleman knows they did not have a penny in the Treasury of the United States. It was all in bank deposits in the banks of this country.

Mr. FREAR. Were they not entitled to the money? If you had money of a client under your control and you refused to pay it, you would be responsible to your client for the amount of money at the time they demanded it. Their deposits and credits should have been honored. The Filipinos demanded this money several times, and they have tried to get it back. The Treasury refused to give it to them, and the Congress has refused to give it to them. This \$2,811,000,000 is their money as well as ours, so we should give them the \$23,000,000, the credit to which they are

Mr. ELTSE of California. What kind of money will the Philippine government use to pay back and liquidate their obligations?

Mr. FREAR. The same kind we used. That has no relation to this refund at all. We have credited upon our books the sum of \$2,811,000,000 to which we were not entitled, because \$56,000,000 of that belongs to the Philippines apart from the \$15,000,000 interest that has been paid them. The balance is \$23,000,000.

[Here the gavel fell.]

Mr. BEEDY. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. FOCHT. Will the gentleman yield?

Mr. FREAR. I yield to the gentleman from Pennsylvania. Mr. FOCHT. The gentleman has been talking about the gold which the Filipinos have in the United States. Did they ever have any gold here? Is it not just a mere matter of credit?

Mr. FREAR. They had the same gold that we had. Only a fraction of the credits could be paid in actual gold, but it was a credit interchangeable in gold, and they asked us to return it to them and we refused to do it. Time after time they demanded, and we refused to return it. Then we marked up our gold \$2,811,000,000, including the Philippine gold, and refuse to give them credit for their share of \$23,000,000.

Mr. FOCHT. Did they ever have the physical gold in our vault?

Mr. FREAR. That makes no difference. They are entitled to the credit. France earmarked their gold, Great Britain earmarked their gold, and so did everyone else, and we paid it back. That is all there is to the matter in equitable treatment.

Mr. BOILEAU. Will the gentleman yield?

Mr. FREAR. I yield to my colleague from Wisconsin.

Mr. BOILEAU. I find myself differing with the distinguished gentleman. Would it not be just as fair to take care of the depositors of the various States in connection with the money that they had in the banks of this country?

Mr. FREAR. No; not at all, because in this case we are dealing with a foreign country. They had no voice in the

without their consent. They had no voice in the matter. They demanded their money, just like a client of yours would demand his money if held or controlled by the principal. We have marked up a credit of \$2.811.000.000, which includes their gold credit supposed to be on deposit with us. That is the reason they are entitled to that credit now.

[Here the gavel fell.]

Mr. BEEDY. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, the House is entitled to the facts in connection with this matter. I am sure the gentleman from Wisconsin did not mean to misstate the facts. I think his statement is accurate in substance. The fact is, at the time we are talking about, the Philippine government did not have any gold here. They had a credit on the books of the banks of this country. We were then on the gold standard.

Mr. FREAR. That is, interchangeable in gold. It is the same thing.

Mr. BEEDY. They were entitled to gold if they wanted it, just as England and France were. Those countries had credits over here, and when they said they wanted to turn those credits into gold, we honored their requests. However, we were not the guardians of Great Britain and France. They could assert their rights; and, of course, we were obliged to comply with their requests, but to the Philippine government we refused compliance. In substance we said, "Do not worry about the situation. We will take care of it." We did not. Those are the facts. Now we should do the just thing and abide the consequences of our refusal.

[Here the gavel fell.]

Mr. McDUFFIE. Mr. Chairman, I yield 1 minute to the gentlewoman from Kansas [Mrs. McCarthy].

Mrs. McCARTHY. Mr. Chairman, as the author of the minority report stated, this bill authorizes a bond issue of millions of dollars to be sold in this country. Eventually the amount appropriated under this bill will have to be paid by our own taxpayers.

While I voted for this measure the other day, the method of reimbursing the Filipinos was not disclosed in the bill or on the floor, and I am opposing it today because of the necessity for raising the money by selling Government bonds. I am opposing it for the further reason that we need greater inflation of the currency than we have yet had. In other words, there is too great a disparity between the price of hides paid to the farmer and the price that the farmer pays for a pair of shoes. There is too great a disparity between the price of wheat and the price of flour. Further inflation will increase the price of basic commodities and farm products. But if we inflate further we will have to make further appropriations to reimburse these Filipinos if we pass this bill and why should we do so? The Filipinos did not have their money in our Treasury. They had their funds in banks in this country because of unfortunate experiences with deposits in their own banks. They received interest on these deposits and they should not receive any preferential treatment, any more than anyone else who lost because of a change in monetary policy which was forced upon us in order to stabilize commodity prices and establish an honest dollar.

[Here the gavel fell.]

Mr. McDUFFIE. Mr. Chairman, I yield 2 minutes to the Commissioner from the Philippine Islands [Mr. Guevara].

Mr. GUEVARA. Mr. Chairman, I ask unanimous consent to insert in the RECORD as a part of my remarks the correspondence and cables between the Government of the United States and the Philippine Islands concerning the matter now under consideration.

The CHAIRMAN. Is there objection to the request of the Resident Commissioner of the Philippine Islands?

There was no objection.

The matter is as follows:

MARCH 8, 1933.

His Excellency the Governor General,

My Dear Governor: In view of the banking situation in the United States, officials of the department of finance, including the insular treasurer and leaders of the legislature, feel that you should urge the Secretary of War to withdraw, at the earliest

possible date, all funds belonging to the Philippine Government and now deposited in United States banks, convert them into gold coins, and deposit them in the United States Treasury, excepting such portion as may be necessary for the ordinary operation of the Philippine Government and its exchange operations through the gold-standard fund. This portion is estimated not to exceed \$10,000,000, which may be deposited on demand deposit with the Chase National Bank, of New York City.

Section 1623 of the administrative code, as amended by act no. 3058, provides that "the gold-standard fund shall be held in the vaults of the insular treasury in Manila, or may in part be held in the form of deposits with such Federal Reserve banks or member banks of the Federal Reserve System in the United States as may be designated from time to time by the Governor General to be branches of the Philippine treasury for receiving such deposits." Under this section, it is evident that the purpose of the law is to have the gold-standard fund in such condition of safety and availability as to preclude any of this fund ever being out of reach of the insular government if and when needed. The law makes it perfectly plain also that no operation in reference to this fund should be undertaken which in any way may involve any loss to the Philippine government. Similar provisions are contained in section 1626 of the administrative code as regards the treasury-certificate fund. Such loss might conceivably occur should the United States go off the gold standard, in view of the condition in the contracts entered into between the Bureau of Insular Affairs and the depository banks in the United States to the effect that payment or our withdrawals is to be made in lawful money of the United States. Your attention is respectfully called to the correspondence of the insular treasurer and the Chief of the Bureau of Insular Affairs in his letter of January 31, 1933, informed you that for 2 years they have been entertaining doubts as to the legality of e Very respectfully,

RAF. R. ALUNAN. Secretary of Finance.

MARCH 10, 1933.

Secwar,

Washington (Parker).

Confidential: Referring to Bureau of Insular Affairs letter of January 31, and also to the Treasury regulations received, the whole subject of the Philippine government deposits in the United States has been of deep concern to us and we have been giving it careful thought. I have discussed the matter with Vice Governor Holliday, the secretary of finance, the auditor, insular treasurer, the officers of Philippine National Bank, president of the senate, and the secretary of agriculture and commerce, etc. All are of the opinion that steps should be taken to remedy the condition that exists. Our government deposits in the United States are payable in lawful money, whereas our bonds, both principal and interest, are payable in gold. We believe it is bad government practice to have a condition exist where we are to be paid in one medium and are obligated to pay in another. On October 19, insular treasurer drew the attention of War Department to this, requesting that it be remedied, which request was disapproved by the then Secretary of War by endorsement dated December 8.

Peerican described the secretary of the set that although the secretary in provention of the secretary of the secretary at the set of the secretary in the secretary of the secretary in the secretary of the secretary in the secretary in the secretary of the secretary in the secretary of the secretary in the secretary in the secretary of the secretary in the secretary i

was disapproved by the then Secretary of War by endorsement dated December 8.

Besides this, in your letter January 31, you state that although you do not consider them well founded, there are doubts that have been raised as to whether we have preferred claim on the collateral that secures our deposits. We do not concur in those views because we believe that under existing law, as well as under contracts executed by the banks, the Philippine deposits stand on an equal basis with the deposits of the United States Government.

Government

In view of this situation the secretary of finance of the Philip-In view of this situation the secretary of mance of the Philippine Islands, his other fiscal officers, and the president of the senate on behalf of the leaders of the Philippine Legislature, have presented to me their views which are that with the exception of \$10,000,000 necessary to carry on the ordinary transactions of the Philippine government, the funds be deposited in the United States Treasury, even though it implied foregoing the

Consensus of opinion here is that our entire cooperation should be given the Federal Government. Believing, therefore, that at this particular moment throwing on the market of such a large

this particular moment throwing on the market of such a large block of securities might be exceedingly bad for banking condi-tions in the United States, I suggest that the policy outlined in letter of Bureau of Insular Affairs, January 31, be followed.

Though, as stated above, we are of the opinion that our deposits are secured in equal fashion with those of the United States Government, in view of the doubts expressed in your letter January 31, I recommend that the administration sponsor before the Congress now in session legislation to clear up this matter once and for all. Of course, there is no question in anyone's mind that the United States will see that Philippine interests are fully protected.

ROOSEVELT.

APRIL 26, 1933.

His Excellency the Governor General.

Baguio.

Sir: Dispatches received here referring to the United States going off the gold standard state that a measure has been intro-

duced in the United States Senate empowering the President of the United States to reduce the gold content of the dollar up to 50 percent. Should this measure be passed and the gold content of the dollar be reduced to 50 percent, the dollar will consist of 12.9 grains of gold, 0.9 fine, and this will exactly be the same as the gold content of the theoretical gold peso, as provided in section 1611 of the administrative code, which reads as follows:

"Unit of monetary value in Philippine Islands: The unit of value in the Philippine Island shall be the gold peso consisting of 12.9 grains of gold, 0.9 fine; 2 pesos gold shall be equal in weight, fineness, and value to the gold standard dollar of the United States."

It is evident that the intention of the Philippine Legislature

It is evident that the intention of the Philippine Legislature in this section was to make the gold peso equal in weight, fineness, and value to the half gold dollar, but inasmuch as the law is definite as to such weight and fineness, it would seem that the law must have to be amended in order to avoid confusion in case the gold dollar is changed in value by the President. This is so because if the gold content of the dollar is reduced to 50 percent, and no special provision is made as regards the gold peso by legislation, a situation may be created whereby the gold dollar once reduced to 50 percent of its present weight and fineness might be regarded as equal to the unit of value of the Philippine currency—the theoretical gold peso.

The proposed measure gives us also deep concern because of its intimate relation to our bonds sold in the United States, the principal and interest of which, according to the wording of the bond certificates, are "payable in gold coins of the United States of the present standard value", and because of the probable shrinkage in value that our gold deposits with the United States banks will suffer on account of the measure.

In view of the foregoing, it is requested that the following cablegram be dispatched to the Honorable the Secretary of War, Washington, D.C.:

"Secretar (Payker)": Prese reports state there is pending Senetar is evident that the intention of the Philippine Legislature

gram be dispatched to the Honorable the Secretary of Wall ington, D.C.:

"SECWAR (Parker): Press reports state there is pending Senate bill empowering the President to reduce gold content of dollar up to 50 percent. As this plan will necessarily affect Philippine situation, please take steps so that section 1611 of the administrative code may not be overlooked as well as the effects of the measure on our bonded indebtedness, the principal and interest of which, according to bond certificates, are payable in gold coin of the United States of the present standard value and also on the shrinkage of our gold deposits with the United States banks. Recommend proper arrangements be made to safeguard Philippine interests.

" HOLLIDAY." The above message is payable by the Department of Finance. Very respectfully,

V. SINGSON ENCARNACION, Acting Secretary of Finance.

JUNE 27, 1933.

MY DEAR GOVERNOR: I have the honor to invite your attention to radiogram no. 254, dated May 27, 1933, from the Chief of the Bureau of Insular Affairs, which, in part, reads as follows:

'HOLLIDAY

" Manila.

"Reference your no. 147, April 30. \* \* Reference final sentence of message of Acting Secretary of Finance Bureau will be glad to receive any concrete suggestions respecting the arrangements there referred to.

" PARKER."

Our cable no. 147 reads as follows:

Washington (Parker):

"Washington (Parker):

"At the request of Acting Secretary of Finance Singson Encarnacion I transmit the following message:

"'Press reports state there is pending Senate bill empowering the President to reduce gold contents of dollar up to 50 percent. As this plan necessarily will affect Philippine situation, please take steps so that section 1611 of the Administrative Code may not be proceeded as well as affects of the meaning the process of the proc steps so that section 1611 of the Administrative Code may not be overlooked, as well as effects of the measure on our bonded indebt-edness, principal and interest, of which, according to bond certificates, are payable in gold coin of the United States of the present standard value and also on the shrinkage of our gold deposits with the United States banks. Recommend proper arrangements be made to safeguard Philippine interests.

"'Holliday.'"

As a reply to the above-quoted portion of radiogram no. 254, I would respectfully propose that the following cablegram be sent:

"SECWAR (PARKER) Washington:

"Reference your no. 254 requesting concrete suggestions as to proper arrangements to protect Philippine interests as mentioned in last sentence of our message 147, we request that our gold-standard and Treasury-certificate funds be converted into gold coin of the standard existing at the time these deposits were made coin of the standard existing at the time these deposits were made with depository banks. This coin to be deposited United States Treasury or Federal Reserve banks and authority of the President secured to earmark it for our account by amending Executive order of April 5. There will be no necessity, however, for withdrawing above-mentioned deposits from present depository banks at this time if it is possible to obtain Government assurance that conversion into gold of standard existing as above outlined may be made at a later date. Note that foregoing does not refer to other funds of Philippine government. We also request that the Philippine government be granted the privilege to pay interest and principal of its bonds in United States legal-tender currency at the time of payment in the same manner as United States bonds. Kindly keep us informed of action taken.

As will be noted, this Department desires that certain Philippine government deposits with the United States banks—which were regarded as having been made in gold coin of the United States regarded as having been made in gold coin of the United States of the present standard value or in lawful United States currency, redeemable in gold coin of the United States—do not suffer any shrinkage on account of the devaluation of the gold dollar that the President may order under the authority granted him by Congress. Attention is respectfully invited to the fact that such deposits pertain to our gold-standard fund and Treasury-certificate fund, which are considered as trust funds backing our currency

With respect to the payment of interest and principal of our bonded indebtedness, it is believed that, if nothing is done to bonded indebtedness, it is believed that, if nothing is done to prevent it, the Philippine government may be compelled to pay "in gold coins of the United States of the present standard of value", while the United States is off the gold standard or when the gold dollar is devaluated by Presidential action—a contingency which, of course, would work considerable hardship on the Philippine government. Like the United States Government bonds, the certificates of our bonds sold in the United States stipulate that the principal and interest thereof are "payable in gold coins of the United States of the present standard of value." What we desire is simply that, in the interpretation of this clause, the Philippine Government be accorded the same treatment as the United States Government. Very respectfully,

V. SINGSON ENCARNACION.

His Excellency Frank Murphy,
Governor General of the Philippine Islands,
Manila, Philippine Islands.

Mr. GUEVARA. Mr. Chairman, I do not feel that I can add anything in support of the bill now under consideration, after the enlightening explanation of the Chairman of the Committee on Insular Affairs, Mr. McDuffie, which he made the other day. However, may I say that it is quite surprising that this House should refer in this discussion to the \$23,000,000, which after all belongs to the people of the Philippine Islands and not a single penny of which will be taken from the American taxpayers. I say this for the reason that I do not believe any man in this House will ever question the patriotism and the profound devotion of the Chairman of the Committee on Insular Affairs, Mr. Mc-Duffie, to the best interest of the American people.

Mr. O'MALLEY. Will the gentleman yield?
Mr. GUEVARA. I yield to the gentleman from Wisconsin. Mr. O'MALLEY. Suppose the situation had been reversed, and because of that the Filipino people owed us additional money; would the Filipinos have felt morally obligated to pay us?

Mr. GUEVARA. There is no question about that matter. [Here the gavel fell.]

Mr. McDUFFIE. Mr. Chairman, I yield 2 minutes to the gentleman from Kentucky [Mr. Brown].

Mr. BEEDY. Mr. Chairman, although I have given out all the time to those against the bill, I yield the gentleman 2

Mr. BROWN of Kentucky. Mr. Chairman, I am very grateful to the sponsors of the bill on both sides for yielding me these 2 minutes apiece.

We have heard a lot this afternoon about the Filipinos being wards of the United States. I submit to you that if you are handling the affairs of your ward, you are under no obligation to take from your own children something that belongs to them and put it into the estate of the ward. The only obligation that you could have incurred by law would be to make the Philippine government whole. If your revaluation has cost them a dime unjustly, it would be your duty to give it back, but there would be no duty upon you to take from your people something that justly belongs to them and credit it to your ward's account.

Let us see whether or not the gentleman, who on this side is yielding this time and who in a moment will speak in favor of this bill, thinks that the ward has suffered. In the hearings I asked this question:

They will pay the \$75,000,000 bonds off with 60-cent dollars at our Treasury and that will leave them a profit of \$30,000,000 on those bonds, or the difference between \$45,000,000 and \$75,000,000. On the other hand, by the devaluation they will lose \$23,000,000Which this bill proposes to give them-

All told is not that a net profit to the Philippine Islands of \$7.000,000 on what they owe us?

The answer of the gentleman from Maine [Mr. BEEDY] is. Unquestionably."

This answer will be found on page 38 of the printed hearings. There is a \$7,000,000 gain, if you defeat this bill. They make \$7,000,000 by the President's revaluation program.

I submit to the Members of the House there is not a one of us who wants to do any injustice to our wards; but what one of you, as a father of children, having custody of a ward, would take from your own children something which belonged to them and chalk it to the account of the wards. You would do simple justice. You would make his account whole, but you would not take something away from your own people and give it to him; and by the very answer of the gentleman from Maine and by simply putting common sense into this proposition, our sole duty to the Philippine government is to make them whole on this revaluation program; and I submit to you that since they owe our people \$75,000,000 that they can pay at a saving of \$30,000,000 by virtue of the revaluation, they already have made \$7,000,-000 by this program, and we do not owe them one penny because of the revaluation of the gold dollar.

Now, the gentleman from Texas talked about their gold in this country. They never had an ounce of gold in this country. They had Federal Reserve notes that they sold these bonds for. They had other types of currency just like every one of you had and the rest of the citizens of this country.

When we come to our Government, especially on this side of the House, we use this revaluation program as a general welfare program. I was glad, and so were you, if you had a \$20 gold certificate, to lose whatever fictional value it may have had in gold in the general public interest. You got the benefit of the increase in prices. You got the benefit of a broadened backing of our currency. The Philippine government got exactly the same thing.

Another thing I want to submit to you with respect to the Philippine currency is that they talk about our dealing with interlocking currencies.

[Here the gavel fell.]

Mr. McDUFFIE. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. Thompson].

Mr. THOMPSON of Texas. Mr. Chairman, the gentleman from Wisconsin raised the question just a few moments ago about what would have happened had the value of the dollar gone the other way and had the Philippine government owed us money rather than we owing money to them.

Let me call your attention to the famous bond issue that you are asked to consider in this bill. The purpose of this bond issue was for the Philippine government to buy more gold with the proceeds and to replenish their reserves which had become depleted. This is the answer to what the Philippine people would do if they owed us money. They paid for gold, they thought they were buying gold, this Government regarded the funds the same as gold and it is so reflected in the correspondence between the two governments. When the time came, however, for their gold to be set aside, and when through 1932 and 1933 they repeatedly requested it, as has been pointed out to you and I need not repeat, this was refused and they could not have it.

There is just one other thing to which I want to draw your attention. The argument of the gentleman from Kentucky, and may I say I hold him in highest regard, and while his opinions and mine differ, they are honest opinions and we have no personal difference between us-the gentleman's argument is that because the money was used to buy gold and because the gold appreciated in value on borrowed money, we should not give them that profit. This is exactly similar to what happened to me. I borrowed money from a banker and I bought some stock, and when the stock went up and I went around to get it in order to sell it, he tried to make me divide up the profit. This is exactly what the gentleman is trying to do in this case. He is trying to make the Filipinos give us part-in fact, all-of the profit on their gold.

[Here the gavel fell.]

Mr. BEEDY. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. McFadden].

Mr. McFADDEN. Mr. Chairman, in view of the statement of the gentleman from Wisconsin relative to earmarking of the gold for foreign countries, I want to distinguish between gold earmarked for the Bank of France or the Bank of England, in New York, and gold deposited by the Government of France, or the Government of Great Britain, or any other government, or individuals. There was no earmarking of the gold here belonging to the Philippine government. Their money was all in banks here in the form of deposits. There was no reason why the United States Treasury should furnish gold to cover the bank account of any country. We were not holding one dollar of gold for the Philippine Islands. This bank account belonged to the Philippine government in the banks of the United States and was not in the Public Treasury, but was accumulated from the sale of bonds in this country, and the interest which had been accumulated on the account in these banks.

Mr. TABER. Will the gentleman yield?

Mr. McFADDEN. I yield.

Mr. TABER. It appears from the majority report that there were no real demands for this money until we went off the gold standard. On June 29, 1933, and June 27, 1934. Is there any reason why this item should be considered in any different way from the deposits of any other country?

Mr. McFADDEN. No; no reason. May I say the governments of the South American republics and the Central American republics had money on deposit in the banks of the United States; and we have not and do not intend to pay them 40 percent of deposits as a gift.

Mr. BLANTON. Will the gentleman yield?

Mr. McFADDEN. I yield.

Mr. BLANTON. The Northwestern Mutual Life Insurance Co., of Milwaukee, Wis., one of the best in the world, can come here from Mr. FREAR'S State and say, "Here is \$75,000,000 in United States gold bonds, and by devaluation you made us lose \$23,000,000; pay us back", and the gentle-man from Wisconsin [Mr. Frear] will say, "No; we will not pay the Northwestern Mutual Life Insurance Co., of Milwaukee, Wis., its loss, but we will pay the Philippine Islands We will give them \$23,000,000 and tax Americans to pay it. Is that the position of the gentleman from Wisconsin?

Mr. FREAR. No; it is not. Mr. BLANTON. But this bill does give the Filipinos \$23,000,000 and it does not make good the losses of any Americans in Wisconsin.

Mr. McFADDEN. I call the attention of the chairman of the committee to this fact. Inasmuch as the Secretary of War has said that this fund here belonged to the Philippine government, being reserve to the Philippine monetary system, has been in the form of United States currency, and accrued interest deposited in banks in continental United States. That statement is correct, is it not? I am quoting from your report, page 2:

Mr. McDUFFIE. As guardian of the Philippine people, we in effect stated to them, "We will not give you the gold, but you can draw interest on your deposits in dollars." This interest is deducted from the credit they would have otherwise been entitled to.

Mr. McFADDEN. The banks pay interest on those deposits?

Mr. McDUFFIE. Yes.

Mr. McFADDEN. If you are fair and want to be honestyou say the devaluation in the gold dollar amounted to \$39,000,000, as due the Philippine government—why do you not be fair and pay them all of it—the whole \$39,000,000? Why deduct \$15,000,000 of interest paid them by the banks as interest on their deposits?

Mr. McDUFFIE. We are trying to do equity to them and to our own Government in this transaction.

The Government in its management of its ward's funds did as any guardian should have done and had them place those funds in banks as dollars, in order that the dependent government, the ward, might receive the benefit of the interest on the funds, just as the gentleman would have done had he been situated similarly to this Government and acting as a guardian. The gentleman's own conscience would have prompted him to do so.

The CHAIRMAN. The time of the gentleman from Penn-

sylvania has expired.

Mr. McFADDEN. Could the gentleman from Maine yield me 2 minutes more?

Mr. BEEDY. I have only 4 minutes left for myself.

Mr. McFADDEN. Then I shall endeavor to get this answered under the 5-minute rule.

Mr. BEEDY. Mr. Chairman, I find in my experience here and elsewhere that I am sometimes disillusioned and that some of my idols have feet of clay. This afternoon I have been so much disillusioned and so disappointed in the gentleman from Texas [Mr. Blanton]. He has been much disappointed in me also. I think, therefore, the scales will balance so far as our disappointment in each other is concerned. I have always supposed that he had a good deal of independent judgment, and I confess that I was astonished when he stood here and said that it has been his custom to shut his eyes and vote blindly, regardless of the wisdom of it, if the President asked him to. In the face of that admission he makes a distinct declaration that there is one policy that he is unalterably opposed to-that he is unalterably opposed to curtailing any foreign debt. I asked him if he voted for the devaluation of the gold dollar, and he said, "Yes; that he had shut his eyes and voted for it." He cast that vote blindly for the sake of refuting his own unalterable convictions. He thereby helped in robbing the taxpayers of this Nation, for whom he is the great spokesman, of hundreds of millions—yes, billions—of dollars due them on foreign obligations. He thereby cut the debts of every foreign debtor to this Nation by 40 cents on every dollar.

Mr. BLANTON rose.

Mr. BEEDY. Oh, not in 4 minutes.

Mr. BLANTON. But the gentleman mentioned my name. Mr. BEEDY. Mr. Chairman, that was a great disappointment to me. I had thought better of the gentleman from Texas. That is not the kind of voting that we need in this Congress. The gentleman from Kentucky [Mr. Brown] said that I said this whole thing would result in a net profit to the Philippines of \$7,000,000. There is no question about that. This whole deflation policy resulted in a practical profit to every foreign nation who owes us, totaling hundreds of millions—yes, billions—of dollars. I voted against it; you voted for it. What I am asking you to do is to stand here like men and take your medicine. You must in equity give to these poor Filipinos the same profits that you are giving to Germany and France and Italy and all of the foreign nations of the world by your devaluation policy.

Mr. TERRELL of Texas. Mr. Chairman, will the gentleman yield?

Mr. BEEDY. Yes.

Mr. TERRELL of Texas. Do we not owe every person who had gold and from whom we took it away the same as we owe the Filipinos?

Mr. BEEDY. Certainly. And the next logical step for your party to take will be to make our own bondholders whole. You now face one of the inevitable evils attendant on your own policy of devaluing the gold dollar. We beseeched you not to devalue it, but you did; and now we beseech you not to dodge the consequence of it.

Later on we hope that when these poor people in America come around with their bonds, which our Government promised to pay at the rate of 100 cents on the dollar, you will not ask them to take 60 cents, but that you will see the light, restore the dollar to its former 100-cent value. and do even-handed justice to our own people. [Applause.]

Mr. KENNEY. What rate of interest was paid the Fili-

pinos on the money in the banks?

Mr. BEEDY. Two percent, as I recollect it.

Mr. KENNEY. But they deposited the money in the banks?

Mr. BEEDY. The interest rate on money so deposited was 2 percent, as I recollect it.

Mr. ELTSE of California. They were not charged interest; they were given interest.

Mr. McDUFFIE. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. Blanton].

Mr. BLANTON. Mr. Chairman, my argument must have had some guts in it when it caused such men as my friend from Maine [Mr. Beedy] and my friend from Alabama [Mr. Bankhead] to use most of their time in attacking me because of it.

Mr. BEEDY. Oh, the gentleman is an important individual.

Mr. BLANTON. There must have been something in my argument that bothered them.

Mr. BEEDY. There always is.

Mr. BLANTON. The gentleman from Maine and the gentleman from Alabama had an hour on this bill, and out of the hour I am given 1 minute to oppose this bill. If this proposal were fair to the American people, and they were not to be taxed to pay this \$23,000,000 to the Filipinos, I would say O.K., but I want you to treat them all alike—American taxpayers here at home fair and justly—and charity begins at home. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. McDUFFIE. Mr. Chairman, there is some confusion always in an issue of this kind. This issue is especially confusing because we are prone to confuse the question of bond issues and individual transactions with the real issue, which involves the currency-reserve funds of two great governments. If we clear our minds of individual transactions, their losses or gains, I think we could settle this question easily. It is not a question of who is going to pay bonds or when. We are dealing with a single problem, the duty of a great government to a dependent one, and let me say to you, if you were the guardian charged with the responsibility of a ward such as this Government is charged with the responsibility that it has assumed in this case, there is not a judge of probate or guardians' court in the United States that would fail in making you do the very thing for your ward that this Government is seeking here to do for its wards across the sea. It is purely a question of equity and good conscience. Nebody claims we are technically and legally liable for this money, but we are liable in equity and good conscience.

Now, the case has been stated over and over, and it is very simple. Those people had money in this country. They had \$56,000,000 in various banks here, treated as gold. We did not give them any appreciation on it. It is true our citizens sent their money to the Government and the individual did not get credit, I will say to the gentleman from Texas [Mr. Terrell], for whose ability I have a very high regard, but our Government, which is you and me and every other American, took credit for it in the sum of \$2,800,-000,000 on our Government's books, and our Government therefore has benefited.

Mr. TERRELL of Texas. Will the gentleman yield?

Mr. McDUFFIE. I am sorry I cannot yield to the gentleman. I hope he will excuse me.

Now, there has been too much of personalities involved in this discussion. I regret it very much. I have nothing personal against the gentleman from Kentucky [Mr. Brown]. I have seen the gentleman stand on the floor and condemn all Members who failed to follow the President in a great speech in which he used strong language. I appreciate the loyalty he has shown, but when he fails now to follow him he assumes it is the right thing to do. I said in my remarks the other day that I regretted to see him, the only member on the committee, including the Republicans on the committee, all of whom in principle favored this equitable measure, pitting his judgment against that great President whom he has so loyally followed up to this time,

possibly with some exceptions, although I do not know of any—I say I regret to see him oppose this measure.

As chairman of that committee, however, I was surprised, and I repeat it-and this statement is not made for political purposes-but as long as I am chairman I reserve the right to call the attention of the House to the fact that a follower of the President in days gone by has seen fit now to doubt his judgment. I think I had a right to do that. The gentleman, of course, can draw his own conclusions. We have always been friends. There is nothing personal between me and the gentleman from Kentucky; but I did dislike to see him underwrite, if you please, as others have done, including the gentleman from Texas, the very argument that gentlemen on the Republican side have made condemning the President's gold-standard policy. I am for it. Those gentlemen were against it, but there are some over there who can see the equity involved in this case and will support this bill.

Now, let me repeat, if I may: This is the way it appeals to me: Those people had this money. They said, "We should like to have gold for it." "No. We are your guardians. We shall take your money down here and invest it. You will thereby gain 2 percent interest on it. You will increase it."

There was no gold in the deposits. Nobody ever said there was actual, physical gold to their credit on January 31, 1934; but those dollar deposits were treated as gold, and everybody knows it was treated as gold. Incidentally, had we given them the \$56,000,000 in gold which they asked for—and the gentleman knows it, although he did not attend every meeting of the committee—their appreciation or credit would have automatically followed.

Mr. BROWN of Kentucky. Will the gentleman yield?

Mr. McDUFFIE. Yes. I yield.

Mr. BROWN of Kentucky. Will the gentleman find one place in these hearings where it says they had to keep a currency reserve in this country?

Mr. McDUFFIE. Not by law, but a ward does what his guardian says, and the gentleman knows it. Everybody knows they have been subject to our will and our dictation for 30 years and more. Now they come here and raise a cry because it is carrying some benefit to a dependent people thousands of miles across the sea, a people against whose second largest industry this Congress has recently placed an embargo, if you please, to the detriment of two and a half million people over there, and to the hurt of the American farmer and laborer. Now if we follow up that injustice with failure on the part of this Congress to do an equitable thing suggested by our President, a man with all the sense of equity that a man can possess, with no loss to the Treasury for the very reason that we have already gained, ourselves, on this \$56,000,000, what will our wards say? What will the world say? Suppose we had done what should have been done in equity, and said, "Here is' \$56,000,000 in gold." They would have had the \$56,000,000 in gold coins or bullion, or credit, and there would have been no need for this legislation. We did not do that. We said, "No. We will not do that, but we will treat it as gold." They had a right to rely on us. Our action contracted these reserves, because they are in dollars.

If we had treated our wards propertly, we should not have had the \$56,000,000 in gold in our fund on which there was appreciation. Not having done it, we had \$56,000,000 in our Treasury representing, in effect, gold on which, if you please, our American people—not the individual bondholder, but the American people as a great Government—have already gained this credit of \$23,000,000 and more. That is what we have done. Therefore, we are simply giving to the Philippine government a credit we received on their funds.

Mr. FOCHT. Will the gentleman yield?

Mr. McDUFFIE. Yes; I yield.

Mr. FOCHT. It has been said many times that a demand was made by the Filipinos for the \$23,000,000. Why did we not give it to them?

Mr. McDUFFIE. That is a question that I cannot answer. I say we should have done it, but we did not do it.

another. We refused to do it.

Mr. SOMERS of New York. We did not give it to them because we needed the gold at that time, and the Filipinos were good enough to help us and let their gold remain here. They had a right to the gold.

Mr. McDUFFIE. Had we done the equitable thing by them, we would not have had the \$56,000,000 in gold to

appreciate.

Therefore, I say we are not taking anything away from our own people. We are giving back to these dependent people something that we have taken from their own gold money in this country-treated as gold, not the actual dollars. Is it not fair? I repeat, there is not a probate judge, not a judge of a guardians' court in this country but who would make any one of you, whether you come from the State of Kentucky, if you please, or elsewhere, repay to his ward in dealing with the ward's funds the amount involved.

Mr. EDMONDS. Mr. Chairman, will the gentleman yield? Mr. McDUFFIE. I yield.

Mr. EDMONDS. Is not this money held here in order to

amortize the bonds when they come due?

Mr. McDUFFIE. No; this money was held here as a base, if you please, for their circulating currency, their reserve fund.

Mr. EDMONDS. In order to protect it.

Mr. McDUFFIE. Absolutely. We have their bonds; they have our money. When those bonds fall due they will be paid in depreciated currency. They have some of our Liberty bonds. When they come due we will buy them with depreciated currency. So, honors are about even along that line, if we are going to go into the question of bond

Mr. DOBBINS. Mr. Chairman, will the gentleman yield?

Mr. McDUFFIE. I yield.

Mr. DOBBINS. Is it not a fact that they purchased something like only \$16,000,000 of our bonds, whereas we purchased something over \$73,000,000 of theirs?

Mr. McDUFFIE. There is an issue of ours they hold amounting to about \$17,000,000, if you wish to make this a question of bond issues; but that does not enter into this case at all; this is above bonds. This is a great issue involving national morals. You cannot get away from that proposition. You are underwriting the very argument made by the gentleman from Maine; and I beg you, gentlemen, to look at this thing from the standpoint of equity and good conscience; it is not a question of dollars and cents.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. McDUFFIE. I yield.

Mr. WHITTINGTON. I do not find in any part of the hearings anything to indicate that the Filipino people asked the return of their gold at any time prior to March 4, 1933; it was only after that date.

Mr. McDUFFIE. They did in 1932.

Mr. WHITTINGTON. I do not find it in the hearings.

Mr. McDUFFIE. We could not put all of the correspondence in the hearings.

Mr. WHITTINGTON. What were the circumstances?

Mr. McDUFFIE. We had had a panic in this country. They appealed to the Government and said, "Do not let us suffer. We put up our good money in dollars treated as gold. We expect our guardian to take care of us."

The Governor General, Theodore Roosevelt, did it. It was done even prior to that time. It was done immediately after the depression started; and I can cite the gentleman the letters. Some of them we preferred not to put in the public hearings.

This is a matter of conscience; this question rises above the matter of dollars and cents.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield? Mr. McDUFFIE. I yield.

Mr. O'MALLEY. I very closely followed the argument of the gentleman from Maine, who is in favor of this bill. His argument seems to be that the President in devaluating the dollar defrauded the people of some of the amount they

The gentleman would not now wish to add one wrong to were entitled to. I cannot, therefore, vote for this bill, because I do not believe the President's policy defrauded anybody, including the Filipinos.

Mr. McDUFFIE. The gentleman puts himself in a nice position to vote for the bill; I am sorry he will not do so.

Mr. O'MALLEY. If I followed the gentleman, I would have to vote for the bill.

Mr. WHITTINGTON. When was this money actually put in the United States Treasury? It was taken out and put in the banks.

Mr. McDUFFIE. It began in 1923.

Mr. WHITTINGTON. This money had been in the United States Treasury up to 1923?

Mr. McDUFFIE. The Philippine reserves were reconstituted in 1923. The funds were dissipated in 1918 and 1919, but these reserves have been reconstituted and are now standing dollar for dollar at the suggestion and dictation of this Government.

The CHAIRMAN. All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury is author-Be it enacted, etc., That the Secretary of the Treasury is authorized and directed, when the funds therefor are made available, to establish on the books of the Treasury a credit in favor of the Treasury of the Philippine Islands for \$23,862,750.78, being an amount equal to the increase in value (resulting from the reduction of the weight of the gold dollar) of the gold equivalent at the opening of business on January 31, 1934, of the balances maintained at that time in banks in the continental United States by the government of the Philippine Islands for its gold-standard fund and its treasury-certificate fund less the interest standard fund and its treasury-certificate fund less the interest received by it on such balances.

Mr. BLANTON. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Preferential motion of Mr. BLANTON: I move that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. BLANTON. Mr. Chairman, I am afraid that we are coming to a dangerous situation when Members of the House cannot vote their honest, conscientious convictions without being criticized by other Members. With me, the gentleman from Kentucky [Mr. Brown] is just as important a Member of this House as is either of our good friends from Alabama. His rights and privileges are identical with theirs.

Do we, by taking a man from Alabama because we love him and elevating him to the Chairmanship of the Rules Committee, give him the right to come on the floor and condemn and criticize his brothers from Kentucky, Texas, or anywhere else because they do not see fit to follow his lead? Why, that would be a ridiculous situation. I think that I have just as much right to my opinion as my friend from Alabama [Mr. Bankhead]. I think I have just as much right to vote here under the Constitution for the things that the Constitution says that only Members of Congress have control of without having anybody get up here and criticize my action-

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield, having referred to me?

Mr. BLANTON. Certainly; I yield always to the gentleman from Alabama, although the gentleman did not yield

Mr. BANKHEAD. Of course, the gentleman knows that there was nothing personal in this. I felt that the gentleman had taken a position that was subject to the criticism that I made.

Mr. BLANTON. And at the time I thought the gentleman from Alabama, although I did not say it, was taking a position that was subject to criticism; but I did not have the right to criticize him any more than he has the right to criticize me, and I did not do it.

Mr. BANKHEAD. Will the gentleman yield for a further question?

Mr. BLANTON. I am sorry, I have only a few minutes. The Constitution says that only Members of Congress may vote \$23,000,000 out of the Treasury. The Constitution says that is a duty on your shoulders and not on the President's shoulders. This is not a part of the President's program | for economic recovery. If it were, I should vote for it. This is a mere recommendation by the President. If it appeals to us, we vote for it. If it does not appeal to us, we do not vote for it.

Mr. KENNEY. Will the gentleman yield?

Mr. BLANTON. No; I am sorry; I have not the time. This is not a question of lotteries, that interests the gentleman so vitally.

I think when we go back home we are going to have a hard time explaining this \$23,000,000 gift to the Filipinos. Since I have been a boy I have carried a policy in the Northwestern Mutual Life Insurance Co. of Milwaukee, Wis. It is as good as gold. Suppose they came to you and said, "We have \$75,000,000 of Government gold bonds. We have money loaned all over the country to farmers. We have the American Government behind our bonds, but because of action taken by the Government I think we ought to have \$23,000,000." You would say, "Why, I cannot pay you." They would say, "But, you voted \$23,000,000 to pay the Philippines."

For 35 years we have given the Filipino people something that is more valuable than gold. When we put that flag behind them we told every nation in the world, "Do not touch these people. The American Government is behind them." We have kept them in their integrity for 35 years, and every boy in the United States has been behind that flag to protect the Philippine government. Why

should we give them \$23,000,000? [Applause.]

[Here the gavel fell.]

Mr. BROWN of Kentucky. Mr. Chairman, I rise in support of the motion of the gentleman from Texas.

I hope the Members will be kind enough to allow me to a little further express my views on this subject. As I said at the beginning, due to the shortness of time, and due to the fact that both gentlemen who control the time were for this bill, we who are against it have not had the opportunity to express our views as we should like.

Mr. BEEDY. I gave the gentleman some time.

Mr. BROWN of Kentucky. The gentleman gave me 2 minutes, and I thank the gentleman for it. The gentleman from Alabama gave me 2 minutes.

Mr. McDUFFIE. I gave the gentleman 4 minutes.

Mr. BROWN of Kentucky. Having filed the only minority report on the bill, I thought I should be entitled to more than 4 minutes, but that has nothing to do with this argu-

The gentleman from Alabama has stated to you here at this late hour that I am turning against the President of the United States. That statement was made this afternoon in the arguments on this measure. I want to submit to the gentlemen that day before yesterday we were voting on an amendment which the President of the United States was vitally interested in, and to such an extent that he called from his office the Members at their offices to come over here and vote against a great committee of the House. I stood on the floor arguing in favor of the slum-clearance amendment. I called on the gentleman from Alabama to be here to vote for the amendment and in support of the President. The gentleman was not present. I saw him back there later and I asked him where he was when the President needed him. I asked the gentleman where he was.

Mr. McDUFFIE. Will the gentleman yield?

Mr. BROWN of Kentucky. I do not yield to the gentle-

I stood and watched to see if he would go through the line, and he did not go through the line, and I asked him that question.

Mr. Chairman, I submit that the President of the United States has on many occasions said that he did not expect to be right 100 percent of the time. He depends upon this Congress in the other 25 percent of the time to be a steadying balance which will in some measure have an influence on legislation passing through this House.

May I submit another proposition, that the one measure on which the President of the United States has taken more

backwater than any other measure was the one in the beginning of the special session, brought in by the gentleman from Alabama and put over in this House under a plea to follow the leadership of the President. May I say that I then voted for the measure that the gentleman brought in, and under the same conditions I would vote for it again. But we have gotten along to a point now where we ought to exercise in some measure our own independence of thought and our own ideas. [Applause.]

May I say to the gentleman that I have talked to the President of the United States about this bill and he did not criticize me, as the gentleman from Alabama did, for exercising my own opinion. He considers that is the right of the Membership of this House. There has been some question here as to our making the Filipinos keep their money over here. This question was asked in committee, on page 10:

Mr. Robertson. Did the Philippine government keep its reserves

here in accordance with law?

General Cox. By operation of their own laws plus the suggestion of the then Secretary of War, or from this Government, that the reserves be held on deposit in the United States in dollars, so that dollars were considered a reserve.

They made that law, and they made it because their own banks had dissipated their currency reserves, and it was safer to keep those currency reserves in the banks of this country.

Now, it has been said that if you vote against this bill, you are against the President's revaluation policy. Why is the gentleman from Maine [Mr. BEEDY] voting for this bill? Because he is against the President's revaluation policy, and he knows he can go on the stump everywhere in this country and say that the President admits that his policy is wrong, because if he had not known it was wrong he would not have paid the Philippines the difference on their bonds, and you gentlemen know that. [Applause.] The minority leader knows this argument will ring in every political campaign in this country.

[Here the gavel fell.]

Mr. BROWN of Kentucky. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. BROWN of Kentucky. I now want to read something else, but I first want to say this: I attended, I thought, every hearing on this subject. I have been absent from many meetings of the committee, as the chairman will testify. I have been a rather bad member of the committee with respect to several bills, but I attended, I thought, all the hearings on this measure, but sometimes the committee hearings were in conflict with other committee meetings, and I could not attend both. There never was one word of testimony that they could not take their gold out at any time before the revaluation.

Mr. GUEVARA and Mr. VINSON of Kentucky rose.

Mr. BROWN of Kentucky. I yield first to the Commissioner from the Philippines, and then I shall yield to the gentleman from Kentucky.

Mr. GUEVARA. Is the gentleman familiar with the fact that the Federal Reserve Act of 1913 requires the Philippine government to maintain its deposits in the United States in bonds with the Federal Reserve System?

Mr. BROWN of Kentucky. That it requires the Philippine government to keep their currency reserves here?

Mr. GUEVARA. Yes.

Mr. BROWN of Kentucky. You have the testimony taken before the committee over here in the House Office Building where these gentlemen were interrogated, and on every occasion they said they could have drawn this money out at any time they wanted to draw it out.

Mr. GUEVARA. Is the gentleman also familiar with the fact

Mr. BROWN of Kentucky. I have only 5 minutes, and I cannot yield to the gentleman further.

I yield to the gentleman from Kentucky.

Mr. VINSON of Kentucky. Do I understand my colleague from Kentucky to say today that a man may exercise the powers of his intellect and keep the pledges that he has made to his constituency without being disloyal to the President of the United States?

Mr. BROWN of Kentucky. I know the gentleman from Kentucky also wants to take part in this political campaign down there, and I will say to him that when he gets down there, if he wants to take part in it, come on. I invite him in. [Laughter and applause.]

I refuse to yield any further.

Mr. VINSON of Kentucky. Will not the gentleman yield? Mr. BROWN of Kentucky. I will not yield. The gentleman can move to strike out some words.

Mr. VINSON of Kentucky. Does not the gentleman think he ought to yield?

Mr. BROWN of Kentucky. No; I will not yield. I know exactly what the gentleman is going to say.

Mr. VINSON of Kentucky. Does not the gentleman think he ought to be fair enough today, when he says he is not disloyal to the President today, to state that a man who follows the dictates of his conscience, his judgment, and his pledges to a constituency-and I am referring to myself-was not disloyal upon a previous occasion?

Mr. BROWN of Kentucky. I am willing to admit that. Mr. VINSON of Kentucky. Well, that is my point. Mr. BROWN of Kentucky. That is all right.

Now, let me read from the statement of Colonel Stockton, on page 65 of the hearings. I had asked a question about the \$23,000,000 of their last bond issue, which was money that was obtained in this country and here is what Colonel Stockton said:

The Philippine government borrowed the money and it is not due until 1952, and by that time nobody can tell what it will have to pay to redeem its bonds.

Here is what he further says:

By that time the United States may require that they pay in

Suppose something happens to shift the value of this dollar. They are not going to give us this money back; and I want you to consider another thing: They talk about interlocking currencies, and I did not get time to discuss that a while ago. The law requires they can issue right now 12 for every dollar and that is all they ever could do. In 1929, when our dollars were worth only 60 cents, their pesos were worth just about one-third of what they are worth today. They did not ask anything then. In 1932, when the dollar was worth \$2.04, their peso was worth twice as much or about three times as much as it was in 1929. They did not ask anything then.

The gentleman from Illinois [Mr. Keller] is mistaken about gold being there. Our currency dollar is the backing of their currency and every dollar of it now supports \$2 and every peso today buys more than it would have bought in 1929, and we do not owe them a dime; and unless you want to join with the gentleman from Maine [Mr. BEEDY] in saying that the revaluation program is a mistake, you ought to vote against this bill, so that the Philippine government and every other government and every other set of citizens that holds an American dollar walks in and takes that dollar at the same value as an American citizen does.

[Here the gavel fell.]

The CHAIRMAN. All debate on the motion of the gentleman from Texas has been exhausted.

Mr. McFADDEN. Mr. Chairman, I rise in opposition to

The CHAIRMAN. There is a motion to strike out the enacting clause pending and there has been 10 minutes of debate on the motion.

Mr. BEEDY. Mr. Chairman, the Chair has discretion in the recognition of speakers on the motion.

Mr. BLANTON. Mr. Speaker, I make the point of order that only 10 minutes of debate is allowed on the motion.

The CHAIRMAN. The Chair will be pleased to hear the gentleman from Maine.

Mr. BEEDY. No one having been recognized in opposition to the motion, I will be pleased to avail myself of a few moments.

The CHAIRMAN. The Chair understood the gentleman from Kentucky was going to speak in opposition to the motion. [Laughter.] The gentleman from Maine is recognized for 5 minutes.

Mr. BEEDY. Mr. Chairman, I want to say that Kentucky is a great State. She has sent some fine men to the Congress, and I am glad to see her keep up the record. Incidentally, if it is not immodest, I may say that in times gone by, not in the present generation, Maine has sent some men down here who were not altogether slouches. [Laughter and applause.] I cannot refrain from calling attention to a situation which has developed here. The gentleman from Kentucky [Mr. Brown] has taken the pains to emphasize the point to which I called his attention in the committee hearings. He has read to you from those hearings, showing how this situation is inevitably bound to yield a profit of \$7,000,000 to the Philippines, and that amount of loss to us. That is unquestionably the fact; but I asked the gentleman at the time of the committee hearings if he did not see that his whole argument against this bill was directed against the devaluation program of the President, a program for which he voted? No; he did not see that—no; that was another matter. Now perhaps he sees the significance of my question to him in committee.

Mr. Chairman, whatever else the discussion of this bill may have accomplished, certain it is that it has done everything possible to disparage the program of the President of these United States embodied in the devaluation of the American dollar. Those who lead the opposition to the bill have shown to this House and the country the absurdity, the disastrous consequences that are inevitably attendant upon the devaluation of our dollar-a policy that involves loss to American citizens from every angle. In honor we must not only pay the Philippine government \$23,000,000, but we must accept payment of the war loans from every debtor nation abroad in a depreciated dollar. Thus, in effect we drain the pockets of the American people of 40 percent of the war loans made to foreign nations. As another consequence of devaluation, we must add insult to injury by refusing to pay our own people 100 cents on the dollar for their Liberty Bonds, and compel them to take a 60-cent dollar in satisfaction of those bonded obligations.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. BEEDY. I am delighted that the gentleman from Kentucky [Mr. Brown] has made himself thus useful to the people of this country in showing them the truth and pointing out the folly and the fallacy of the policy for which you gentlemen have supinely stood, led by the gentleman from Texas [Mr. Blanton], who with his eyes closed, votes blindly, caring nothing for the consequences involved. and mindful only that his President commanded. Thus, notwithstanding that he was "unalterably opposed" to the curtailment of foreign obligations, he says he shuts his eyes and votes as the President wants him to.

Mr. BLANTON. Mr. Chairman, will the gentleman vield?

Mr. BEEDY. Oh, I am delighted to yield to the gentleman from Texas.

Mr. BLANTON. Is the gentleman now backed up by his minority leader over there?

Mr. BEEDY. Oh, don't worry about my being backed up by anybody.

Mr. BLANTON. But he has repudiated the gentleman.

Mr. BEEDY. I shall take care of myself and-

Mr. BLANTON. He is going to vote one way and the gentleman another.

Mr. BEEDY. And the minority leader will take care of himself. We have just opened the door to let in a little light, so that you gentlemen and the people of the Nation may see where we are being led by your party. I have endeavored to prove that the inevitably evil consequences of the new financial policy of this Nation are going to be catastrophic in their proportions.

Mr. OLIVER of New York. Mr. Chairman, will the gentleman yield?

Mr. BEEDY. I yield to the gentleman from New York because he is an expert in maintaining order in this House when he is in the chair, and I respect him for it.

Mr. OLIVER of New York. I thank the gentleman for those kind words. I rose to ask him if it is not a fact that the gentleman stands alone against practically every nation in the world which has devalued its currency.

Mr. BEEDY. I stand alone?

Mr. OLIVER of New York. The gentleman is in a unique

Mr. BEEDY. Point out to me what the gentleman means.
Mr. OLIVER of New York. Every nation in the world has devalued its currency.

Mr. BEEDY. That may be true.

Mr. OLIVER of New York. Why not we?

Mr. BEEDY. If a gentleman in the south end of the chamber is dishonest and if that is true also of another in the north corner and yet another in the east corner, must I in the west corner also be dishonest?

Mr. OLIVER of New York. Then the gentleman is the only honest man in the world.

Mr. BEEDY. Oh no; but the question of a sound dollar involves the question of fundamental financial integrity and political honesty.

Mr. McDUFFIE. Mr. Chairman, I ask for a vote on the motion of the gentleman from Texas.

The CHAIRMAN. The question is on agreeing to the motion of the gentleman from Texas to strike out the enacting clause.

The question was taken; and on a division (demanded by Mr. Blanton) there were—ayes 83, noes 117.

Mr. BLANTON. Mr. Chairman, I demand tellers.

The CHAIRMAN. Those in favor of taking the vote by tellers will rise and stand until counted. (After counting.) Not a sufficient number and tellers are refused.

Mr. TABER. Mr. Chairman, I offer the following amendment which I send to desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. Taber: Page 1, line 6, strike out "\$23,862,750.78."

Mr. TABER. Mr. Chairman, I hope that the members of the committee will not overlook in this situation the real merits of what we are facing in this bill. We are not facing just one item that is provided for by this bill, but we are facing the whole situation, and when you are figuring equities you must figure the whole situation and not just a little piece of it. The little piece of it is what this bill provides for, and when we vote for this bill we are repudiating the whole picture, we are not facing it. You are handing \$23,000,000 to the Philippine government, and on top of that you are making them a present of \$30,000,000 that we gave to them when we devalued the dollar. If there should be further inflation I wonder if the proponents of this bill think we should come in here and hand them some more money.

I think we ought to face this situation with a sense of responsibility to our taxpayers, with a sense of fairness, with a sense of the equities of the whole picture. When you are looking at equities you should have the whole thing in front of you and not just a little of it. Let us forget personalities. Let us forget who is for it and who is against it, but let us think of what the situation is and what our duty is to the taxpayers of the United States. Shall we hand the Philippine government \$53,000,000, or shall we be fair to the people of the United States and figure that we have done enough for them in devaluing the dollar, by giving them a net advantage on the bonds that they owe to the people of the United States? Why should we be playing favorites in this situation? Why should we do something that in our conscience we ought not to do, and betray the trust that we owe to the people of the United States?

The CHAIRMAN. The time of the gentleman from New York [Mr. Taber] has expired.

Mr. McDUFFIE. Mr. Chairman, the pathway in this life is not at all times strewn with roses. We do not stay here long, after all. I hope I am the last man in this House to do an injustice to a fellow man. I lost my temper a while ago and I regret that personalities have been injected into this debate. In addition to opposing the amendment offered by the gentleman from New York [Mr. Taber] I rise to make that statement.

I regretted, indeed, that the very assiduous, active, and able gentleman from Kentucky [Mr. Brown], a member of the committee, saw fit several days ago to take exception as to how this matter was being handled. Naturally his attitude did not appeal to me. From time to time the gentleman had shown unusual interest in this bill, and I have tried to show him every courtesy. In the heat of debate both of us used language that I regret. I do not want the gentleman from Kentucky or a single man in this House to go away from here with the idea that I am one who would do an unjust or an unfair thing to a human being. I am sorry if he thought I was injecting myself into the campaign in Kentucky. I am not trying to run a campaign in Kentucky. I had a right to call attention to the fact that he was the only man who was not going along with all who studied this bill including President Roosevelt. It was a surprise to me. I, of course, recognized the genius of his argument if we base this question on individual transactions and bonds. It is a confusing argument. I did take occasion to call attention to his failure to support the President on this matter. I had a right to do this and I regretted his suggestion that the President was misled or failed to understand. The President has studied this question and understands it better than many who are opposing it. The language I used in anger I wish to withdraw from the RECORD.

Let me go further—you are not interested in these personalities, I know, but I think I should clear up the controversy as well as the record of what happened.

Mr. KENNEY. Oh, yes; we are very much interested in these personalities. I am, for one Member of this Congress. I do not like to see them when they become bitter.

Mr. McDUFFIE. I do not either, and I apologize to the House, as well as to the gentleman from Kentucky, for the language I addressed to him. We each had different votes in mind. The gentleman from Kentucky did call me as I walked through the hall yesterday afternoon, as the House adjourned, and reminded me that he had made a speech that afternoon on a matter in which the President was interested. I do not know what was in his heart. I took it good-naturedly. I said, "I was not here when you made your speech." That is my recollection. The gentle-man is correct to that extent, but I did not learn until today that he had called me to the support of the President. I have never needed such a call. He is correct in the fact that I did not go through tellers on the slumclearance item in the bill and was not in the hall when that vote was cast. That was the Prall amendment. I was here, however, when the amendment involving title II, in which I knew the President was interested was voted on, and voted for that amendment in the committee, as well as in the House. This explains the reason for my heated

Now, let us see about the losses here. They say they will sustain no losses. Every day they are sustaining losses. Why? They have to pay their tariff charges in American dollars with a depreciated peso. They will stand a loss of three and one-half million dollars per year on their tariff charges. In 10 years that is a lot of money. In addition to that they have outstanding railroad bonds payable in Swiss francs, guilders, florins, pounds, and so on. They are maturing gradually. The Philippine government will lose \$10,000,000 in the payment of those bonds, yet you say they are suffering no losses. But, coupled with that, they would have been whole and the relationship of their currency reserve fund would have been maintained had we complied with their request which was rightly made, to give them gold for their dollars in order that they might keep

1932 and 1933 and often made.

[Here the gavel fell.]

Mr. McDUFFIE. Mr. Chairman, I ask to proceed for just 1 minute.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. McDUFFIE. There is no denial of the facts as to what would be depreciated, and the profit that might be made on certain bond issues when they are paid. We do not know when that will be. The issue is, Will you make whole a dependent government which has suffered as to its reserve fund, on which its currency is based, as the result of the act of a superior government and its guardian?

The CHAIRMAN. The time of the gentleman from Ala-

bama [Mr. McDuffie], has expired.

Mr. KENNEY. Mr. Chairman, I feel the crucial test here is whether the United States held the moneys of the Philippine Islands as trust funds. If these moneys were trust moneys, then I believe that the United States Government should make good its trust and pay the moneys over to the Philippine government. There seems to be some dispute as to whether the relationship of debtor and creditor existed or whether in fact the United States occupied the position of a trustee of these funds.

I am satisfied so far that the United States Government held a trust relationship and, therefore, it is my conclusion that we ought not to overlook our trust and this money should, rightfully, be paid over to the Philippines. This is my considered judgment and I intend to vote accordingly. If this were not my absolute honest judgment I would vote the other way, for I would prefer to vote with the gentleman from Kentucky [Mr. Brown]. I like the masterly way in which the gentleman stood up here and stuck by his guns in the face of bitter, vigorous opposition, and he has, I am sure, expressed himself and advanced his arguments according to his conscience and his own best judgment. He ought to have that privilege, and so had every other Member of this House, without being scorched or scorned by even the elder Members of this Congress.

And now I want to thank the gentleman from Texas [Mr. BLANTON] for the boost that he gave my lottery bill this afternoon. [Applause.] It so happened that I did not want to discuss the proposition with him, but I am glad he is keeping the matter so indelibly fixed in his mind, for it is worthy of the consideration he is giving it, and I repeat for the benefit of the gentleman and the other Members that we should prepare ourselves to vote on the proposition, and when we do, of course the gentleman will vote conscientiously with the rest of us on this estimable measure, which inevitably must commend itself to the Congress.

Earlier in the debate, perhaps no one noticed it, for none has mentioned it, I listened to the dissertation on sleep merrily injected by the genial gentleman from Illinois [Mr. Britten]. In a light, untouching vein smiled from his countenance, he sang his already forgotten lullaby of the White House. Now he has been down there, I know. He has told me so. I have been there and so have you, and he knows, and I know, and you know, and all will agree that the most wide-awake man in Washington is the President of the United States. [Applause.]

As I said to you earlier in my remarks, it is my considered judgment that this money that we propose to pay over to the Philippine Islands is a part of their moneys intrusted to us, and is rightfully theirs. I believe this amendment should be defeated.

Mr. DIES. Mr. Chairman, I did not intend to inject myself into this debate, but when I listened to the specious and incorrect argument made by the gentleman from Maine in reference to this bill and its effect on the gold revaluation policy, I decided to expose the fallacy of his argument. [Laughter.]

The gentleman said that if this bill should pass it would be a repudiation of the gold revaluation policy. He said that in effect we would be saying to the American people that we would permit them to lose on the revaluation

their reserve fund in dollars. That request was made in | policy but we would make good that loss to the Philippine people. As a matter of fact, the gentleman knows that the American dollar has not depreciated internally or domestically. The gentleman knows that the American dollar did depreciate on the foreign exchange to the extent of 40 percent, and the gentleman knows that the dollar today as measured in terms of 800 commodities is \$1.44 compared with 57 cents in 1928 and 1929. The gentleman also knows, if he has ever investigated the subject, that the creditor today instead of taking a 60-cent dollar is getting \$1.44 for the \$1 he loaned in 1928. [Applause.]

Insofar as the argument of the gentleman in reference to giving the foreign nations 40-percent reduction on foreign debts is concerned, the gentleman also knows that we are not going to get even 2 percent of the foreign debts unless our debtors change their attitude. We are not going to get the foreign debts because they have been repudiated; and it is idle for the gentleman to argue that the revaluation policy will cost us 40 percent in war debts on account of the dollar being depreciated. When gentlemen on the other side of the Chamber undertake for the sake of this record to say that we, by our gold-revaluation policy, repudiated our obligations to the American people and that the effect of the passage of this bill will be to give to the Filipino people that which we deny to our own citizens, the gentleman knows, if they know anything about the subject, that the dollar internally or domestically has not depreciated but, as a matter of fact, is still appreciated in terms of the dollar of 1928 and 1929. Yet, repeatedly these incorrect statements are made by Republican Members in the very face of the facts, in the face of the index of commodity prices, in the face of that which is recognized by everyone, namely, that the dollar today is \$1.44 as compared with the 57-cent dollar that prevailed during 1927, 1928, and 1929.

My purpose is to deny and contradict those statements that are repeatedly made by gentlemen on the other side of the House for the purpose of use in the coming congressional campaigns.

Mr. McGUGIN. Mr. Chairman, it seems to me that the debate today has strayed far afield. I doubt if the question presents the subject of the merits or demerits of the revaluing of the American dollar. So far as I am concerned, I am one who stood for revaluing the American dollar and I have not yet changed my mind. It is easy to criticize now, but may I say that if the American dollar had not been revalued, and if \$3.30 would still buy a British pound, there would be more unemployment in the industries of the East. America was being driven from the markets of this world by virtue of the moneys of the rest of the world having depreciated below the normal value, leaving our money above the normal value in exchange. [Applause.]

Let us come now to the question involved today. Whether or not it was wise or unwise to devalue the dollar, the fact remains it has been done. It has been done by the American Congress and by the President of the United States, both of whom have been elected by the American people and, good or bad, the American people must stand by the policy. Therefore, it seems to me it is perfectly obvious that an American citizen stands on a different plane in this matter than the Philippine government, which is a dependent ward of this Government.

The gentleman from New York, whom I follow most frequently on matters pertaining to appropriations, suggests that we are taking \$23,000,000, by this bill, from the taxpayers of the United States. We are doing nothing of the kind. The Government of the United States when it revalued the dollar marked up as a "windfall" or as a paper profit of \$2,800,000,000. We said that belonged to the Treasury of the United States. The trouble is that \$23,000,000 of this money belongs to the Philippine Islands. This is because \$23,000,000 of this profit is based upon revaluing gold belonging to the Philippine Islands and not to the United States. We should not take it, and when we give \$23,000,000 today to the Philippine Islands we are not taking it from the taxpayers of the United States. We are simply taking it from this "windfall", twenty-three million of which is not ours, but belongs to the Philippine!

This is a great Government. I should feel very much distressed if the time has come that the great Government of the United States profits by short changing her dependent ward, the Philippine Islands.

Mr. McDUFFIE. Mr. Chairman, I move that all debate upon this section close in 2 minutes.

The motion was agreed to.

Mr. HOEPPEL. Mr. Chairman, may I read briefly from the minority report. It states:

The Philippine Islands, according to testimony, produce six and one-half million dollars' worth of gold per year. This gold is worth 40 percent more when translated into money than it was before the President's proclamation. Between now and the time the bonded indebtedness is paid, they will have realized a profit of approximately \$41,000,000 on the gold which they will produce.

Inasmuch as Great Britain produces \$300,000,000 per year in gold, how much profit will Great Britain have to make on gold devaluation before those British welchers pay us their just obligations?

Mr. McDUFFIE. That gold is not produced by the Philippine government. It is produced by Americans in the

Philippine Islands.

Mr. HOEPPEL. That is understood.

Mr. McDUFFIE. It is not at all connected with this subject.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

Mr. BOILEAU. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

On page 1, between lines 6 and 7, insert: "and to establish on the books of the Treasury of the United States a credit in favor of the people of the United States for \$2,787,150,375.22, and the Secretary of the Treasury is hereby directed to issue United States Treasury notes in the latter amount and shall use such Treasury notes to pay current expenses of the United States Government", and insert the following on page 2, line 5, after the word "balances", "and the increase in value of the gold held in the Treasury of the United States for and in behalf of the people of

Mr. McDUFFIE. Mr. Chairman, a point of order. The amendment offered by the gentleman from Wisconsin is not

Mr. BOILEAU. Mr. Chairman, may I be heard?

The CHAIRMAN. The Chair will hear the gentleman from Wisconsin.

Mr. BOILEAU. Mr. Chairman, the bill that we have before us provides that \$23,800,000 shall be set aside for the credit of the Filipinos for the purpose of taking care of those people who live under the American flag in the Philippine Islands as a result of this gold revaluation. This amendment provides that similar treatment shall be given to the people who live in the continental United States, and that this money shall be placed to the credit of the people of the United States, and that Treasury notes shall be printed and issued to pay the current obligations of the Government.

All of the people of the continental United States will be placed on a par with those people who live under the American flag in the Philippine Islands. The bill proposes to dispose of a part of the profits that were made as a result of the gold revaluation by paying a part of the profits to the Filipinos, and my amendment merely provides that the balance of it be made available for the people of the United States by providing that the sum of \$2,787,000,000 shall be used for the purpose of expanding the currency, and provides further that that amount be issued in new Treasury notes to be used for the purpose of paying a part of the current obligations of the United States.

Mr. Chairman, I believe the amendment is germane both to the section and to the bill.

The CHAIRMAN (Mr. BLACK). The Chair is ready to

The bill deals with one class of people, to wit, the government of the Philippine Islands, while the amendment of derstood that.

the gentleman would cover all classes of people under the flag.

The Chair rules that the amendment is not germane and. therefore, sustains the point of order.

Mr. McDUFFIE. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

The motion was agreed to.

The Clerk read as follows:

SEC. 2. There is hereby authorized to be appropriated, out of the receipts covered into the Treasury under section 7 of the Gold Reserve Act of 1934, by virtue of the reduction of the weight of the gold dollar by the proclamation of the President on January 31, 1934, the amount necessary to establish the credit provided for the receipt of this set. in section 1 of this act.

Mr. McFADDEN. Mr. Chairman, I move to strike out the last word, and I do so for the purpose of completing the statement I previously made in reference to the total amount of the revaluation of the dollar which is due the Philippines, according to the arguments made here, of \$39,000,000 and odd. On page 2 of the report it is stated that fifteen million one hundred and forty-three thousandand-odd dollars is interest which has accrued to the insular government since January 1923 and has been already credited by the banks to the Philippines.

The gentleman from Alabama [Mr. McDuffie], the chairman of the committee, in answer to my question, said that this interest was paid by the banks on the deposits of the Philippine government in those banks. This bill proposes that our Treasury is to deduct this \$15,000,000-odd interest from the \$39,000,000, which is the amount of the revaluation. Now, to whom is this interest to be paid? It is now in the bank account of the Philippines in American banks. The gentleman should answer us on this point. Who gets this \$15,000,000? Does the United States Government get it or is it returned to the banks that have paid it to the Philippines or does it remain in the accounts of the Philippine government in these private banks?

Mr. McDUFFIE. No; these currency reserve funds have been accumulated from time to time and are made up in part of that interest; in other words, part of the \$56,000,000

Mr. McFADDEN. But it stands to the credit of the Philippine government on the books of the banks at this time.

Mr. McDUFFIE. In 46 different banks of this country, and the Congress has authorized the Secretary of the Treasury to receive it at any time those in authority decide it is best for the government of the Philippines to put it in the

Mr. McFADDEN. Is this Government getting a part of the money that is lawfully due the Philippine government? Is the Government taking \$15,000,000 of the amount due the Philippine government under this proposal? Unless the Philippine government draws a check to the United States Government or the banks, this interest, amounting to \$15,000,000, will continue to belong to them. It is now in their possession.

Mr. McDUFFIE. No; I think the gentleman understands the situation.

Mr. McFADDEN. No; the gentleman does not understand it. There is something that is not covered in this bill. And I want full information about it.

Mr. McDUFFIE. The gentleman is quite an expert on finance and banking. Twenty-three million dollars was put in the various banks in 1923 at the direction of the Secretary of War, acting for our Government. On that, interest has accrued and has been added to the principal. It amounted to \$56,000,000 on January 31, 1934. Now, had we given this reserve fund the full amount, relatively speaking, with the appreciated value of the gold dollar, this item would have been \$39,000,000, but the President and all others in authority who have studied this problem said:

No; that is not equitable and fair. They did not have the gold here in bullion or in actual coin and could not have received interest on that, but they have received interest on these deposits and in all fairness that should be deducted.

This is what was done and I thought the gentleman un-

it clear, because the banks of this country have paid this \$15,143,591.17 interest to the Philippine government and it has been placed to their credit. It is now a part of their hank account.

Mr. McDUFFIE. The gentleman is correct and I just stated that.

Mr. McFADDEN. Now it is evident that this interest which has been paid to them is to be confiscated by the United States Treasury, or by whom?

Mr. McDUFFIE. We are deducting from their reserve fund the amount of interest which they have received from these banks.

Mr. BEEDY. Mr. Chairman, will the gentleman yield?

Mr. McDUFFIE. I yield to the gentleman from Maine.

Mr. McFADDEN. I have the floor, I may say to the gen-

I want to make it clear there is no obligation on the part of the United States Government to do this thing. This is a bank credit, and there never has been any obligation on the part of the United States to pay the Philippine government in gold. I would say to the gentleman from Alabama that the Treasury cannot deduct this \$15,000,000 of interest from the bank account. The Government is either giving them the whole 40-percent appreciation under the gold-devaluation scheme or else there is a deal here to give the banks back \$15,143,591.17 interest they have previously credited to the bank account of the Phillipine government. It is just some more fancy Treasury bookkeeping. I am sorry the gentleman does not know.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the pro forma amendment.

The President gave a good reason for the passage of this bill when he stated-

As the Philippine currency is interlocked with the United States gold dollar under laws enacted by the United States Congress, it would be equitable to reestablish the Philippine currency reserves on deposit in the United States at their former gold value as of January 31, 1934.

Now, unlike an individual in the United States, unlike any firm or corporation doing business in the United States, the government of the Philippines is doing business with other countries of the world as well as our own. If their dealings were confined strictly to the United States Government they would have no more complaint on account of gold revaluation than an American citizen or a firm or corporation doing business in America, because all their business being here, all their dollars are worth 100 cents on the dollar.

Mr. BROWN of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. In a moment. They deal with other countries of the world, and as the President said, their currency is interlocked with our currency and by revaluation they are placed in an unfavorable situation with other countries with which they deal. Therefore, their reserves should be reestablished. If this bill had been introduced to give them the same number of ounces of gold I do not believe anyone in the Congress, either House or Senate, would have raised his voice in opposition to it, because everyone would want to do that. Gold is what every country seeks as a reserve behind its currency, and the Filipino people had a right to expect gold behind their currency, but we took their gold or its equivalent and used it to expand \$22.50 to every \$1 of gold; we used it in our own business dealings in Amer-They now ask us to place them in the position that they were in, and as their guardian, we should place them back in that position.

When we revalued gold we reached up into the thin air and brought down \$2,700,000,000 in thin-air money. trary to the belief of many people, we have \$2,000,000,000 in the general fund of the Treasury of the United States today. That is part of your thin-air gold, or money that we brought down. The Philippines are asking us to give them that part of the increase that we got by reason of that revaluation of their gold. It is true, as the gentleman from Kentucky [Mr. Brown] argued, that they will be able to pay their debt to us with that devalued gold, but it will not cost the American

Mr. McFADDEN. The gentleman does not as yet make | Government one penny, because by reason of the revaluation we reached up into the thin air and brought down that amount of money, and it will not cost us one penny to do it. We are merely transferring their proportionate part of the profit that we placed upon the books of the Treasury that was brought down, as I said, out of thin air. I now yield to the gentleman from Kentucky.

> Mr. BROWN of Kentucky. Mr. Chairman, does the gentleman mean to say that if he had a \$10 bill and out of the thin air reached up and got another \$10 bill and thus had \$20 and then gave away \$10 that he would not be any

> Mr. PATMAN. But we are dealing with governments and not individuals.

> The CHAIRMAN. The time of the gentleman from Texas has expired.

> Mr. McDUFFIE. Mr. Chairman, I move that all debate upon this section and all amendments thereto do now close. The motion was agreed to.

> The CHAIRMAN. Under the rule, the Committee will

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Black, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill S. 3530. relating to Philippine currency reserves on deposit in the United States, and pursuant to House Resolution 400, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered. The question is on the third reading of the Senate

The bill was ordered to be read a third time and was read the third time.

The SPEAKER. The question now is on the passage of the bill.

Mr. SNELL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were-yeas 188, nays 147, answered "present" 1, not voting 93, as follows:

## [Roll No. 1901 YEAS-188

Adair Dickinson Adams Arnold Dickstein Dies Ayres, Kans. Bakewell Dingell Disney Bankhead Dondero Doughton Beedy Biermann Douglass Black Bland Doxey Duncan, Mo. Bloom Dunn Durgan, Ind. Boland Eagle Evans Farley Boylan Brooks Flannagan Buchanan Fletcher Bulwinkle Frear Frey Gasque Goldsborough Burnham Byrns Caldwell Cannon, Mo. Carden, Ky. Carmichael Gray Green Carter, Calif. Cartwright Cary Celler Greenway Greenwood Gregory Griswold Hamilton Chapman Hancock, N.C. Chavez Cochran, Mo. Colden Hastings Cole Colmer Connery Henney Hildebrandt Hill, Ala. Cooper, Tenn. Holdale Cox Cravens Howard Crosby Cross, Tex. Crosser, Ohio Hughes Jacobsen Jenckes, Ind. Johnson, Okla. Crump Cullen Darden Dean Delaney DeRouen Johnson, Tex. Johnson, W.Va. Kahn

Kennedy, Md. Kennedy, N.Y. Kenney Kerr Kocialkowski Kopplemann Lambeth Lanham Larrabee Lea, Calif. Lewis, Colo. Lloyd Lozier Luce Ludlow McCormack McDuffie McFarlane McGrath McGugin McMillan McReynolds Maloney, Conn. Maloney, La. Mansfield Martin, Colo. Mead Mitchell Monaghan, Mont. Vinson, Ky. Montet O'Connor Oliver, Ala. Oliver, N.Y. Palmisano Patman Peterson Pettengill Peyser Ramsay Ramspeck Rankin

Rayburn Reilly Richards

Richardson Robertson Rogers, Okla. Romjue Rudd Sadowski Sanders, La Sanders, Tex. Sandlin Schulte Shallenberger Sisson Smith, Va. Smith, W.Va. Snyder Somers, N.Y. Spence Steagall Taylor, S.C. Terry, Ark. Thom Thomason Thompson, Ill. Thompson, Tex. Tinkham Turner Umstead Utterback Vinson, Ga. Wearin Weaver Welch Werner West, Tex Whittington Willford Williams Wilson Wolcott Wood, Mo. Woodrum Zioncheck

#### NAVS-147

Knutson

Andrew, Mass. Andrew, N.Y. Arens Ayers, Mont. Beam Beiter Blanchard Blanton Bolton Brown, Ga. Brown, Ky. Brunner Burke, Nebr. Busby Busby
Cady
Carpenter, Kans.
Carpenter, Nebr.
Carter, Wyo.
Castellow
Cavicchia
Christianson Christianson Cochran, Pa. Collins, Calif. Connolly Hill, Knute Hill, Samuel B. Hollister Crowther Cummings Holmes Hope Darrow Dirksen James Jenkins, Ohio Johnson, Minn. Dobbins Dowell Kelly, Ill. Kelly, Pa. Driver Duffey Kinzer Kloeb Eaton Edmiston Kniffin

Edmonds Eicher Elizey, Miss. Eltse, Calif. Englebright Faddis Fitzgibbons Focht Foss Foulkes Fuller Fulmer Gavagan Gilchrist Gillette Goodwin Goss Guyer Hancock, N.Y. Hess

Kurtz Lambertson Lehlbach Lehr Lemke Lesinski Lundeen McCarthy McFadden McLeod Mapes Marshall Martin, Mass. Martin, Oreg. May Meeks Merritt Millard Moran Morehead Mott Moynihan, Ill. Murdock Musselwhite O'Brien O'Malley Parker Parsons Perkins Pierce Plumley Polk

Reece Reed, N.Y. Robinson Rogers, Mass. Ruffin Schaefer Schuetz Shannon Sinclair Snell Strong, Pa. Strong, Tex. Sutphin Sweeney Swick Taber Tarver Taylor, Tenn. Terrell, Tex. Thomas Tobey Traeger Treadway Turpin Underwood Waldron Wallgren

Walter

Weideman

Wolverton Wood, Ga. Woodruff

Young

Whitley Wigglesworth Withrow

Powers Ransley ANSWERED "PRESENT"-1

#### Ellenbogen NOT VOTING-93

Abernethy Allgood Auf der Heide Bacon Bailey Beck Berlin Brennan Britten Brown, Mich. Browning Buckbee Burch Burke, Calif. Cannon, Wis. Carley, N.Y. Chase Church Claiborne Clark, N.C. Clarke, N.Y. Collins, Miss. Condon

Cooper, Ohio. Corning Crowe Culkin Dear De Priest Dockweiler Doutrich Drewry Fernandez Fiesinger Fish Fitzpatrick Ford Gambrill Gifford Griffin Haines Harter Hartley Healey Huddleston Jeffers Kleberg

Kvale Lamneck Lanzetta Lee, Mo. Lewis, Md. Lindsay McClintic McKeown McLean McSwain Marland Milligan Montague Muldowney Nesbit Norton O'Connell Parks Peavey Prall Randolph Reid, Ill. Rich Rogers, N.H.

Scrugham Seger Shoemaker Simpson Sirovich Smith, Wash. Stalker Stokes Stubbs Studley Sullivan Sumners, Tex. Swank Taylor, Colo. Thurston Wadsworth West, Ohio White Wolfenden

So the bill was passed.

The Clerk announced the following pairs:

The Clerk announced the following pairs:

Mr. Griffin (for) with Mr. Bacon (against).

Mr. Corning (for) with Mr. Simpson (against).

Mr. Randolph (for) with Mr. Bacharach (against).

Mr. Rove (for) with Mr. Rich (against).

Mrs. Norton (for) with Mr. Chase (against).

Mr. Lee of Missouri (for) with Mr. Fish (against).

Mr. Lee of Missouri (for) with Mr. Fish (against).

Mr. Healey (for) with Mr. Buckbee (against).

Mr. Fitzpatrick (for) with Mr. Cooper of Ohio (against).

Mr. Claiborne (for) with Mr. Peavey (against).

Mr. West of Ohio (for) with Mr. Gifford (against).

Mr. Condon (for) with Mr. Hartley (against).

Mr. Gambrill (for) with Mr. Hartley (against).

Mr. O'Connell (for) with Mr. Seger (against).

Mr. Auf der Heide (for) with Mr. Lamneck (against).

Mr. Milligan (for) with Mr. Stokes (against).

Mr. Dockweller (for) with Mr. Truax (against).

Mr. Abernethy (for) with Mr. Truax (against).

Mr. Sullivan (for) with Mr. Stalker (against).

Mr. Prall (for) with Mr. Wolfenden (against).

Mr. Prall (for) with Mr. Doutrich (against).

Mr. Fernandez (for) with Mr. Britten (against).

Mr. Fernandez (for) with Mr. Britten (against).

# General pairs:

Mr. McSwain with Mr. Wadsworth.
Mr. Clark of North Carolina with Mr. Beck.
Mr. Huddleston with Mrs. Clarke of New York.
Mr. McClintic with Mr. Muldowney.
Mr. Parks with Mr. Reid of Illinois.
Mr. McKeown with Mr. Thurston.
Mr. Taylor of Colorado with Mr. Kvale.
Mr. Shoemaker with Mr. De Priest.
Mr. Swank with Mr. Church.

Mr. Burch with Mr. Lanzetta.

Smith of Washington with Mr. Collins of Mississippi. Sumners of Texas with Mr. Harter.

Mr.

Mr. Montague with Mr. White. Mr. Lewis of Maryland with Mr. Stubbs.

Mr. Lewis of Maryland with Mr. Stubbs.
Mr. Sabath with Mr. Sirovich.
Mr. Kleberg with Mr. Allgood.
Mr. Berlin with Mr. Ford.
Mr. Brennan with Mr. Rogers of New Hampshire.
Mr. Brennan with Mr. Scrugham.
Mr. Haines with Mr. Nesbit.
Mr. Burke of California with Mr. Brown of Michigan.
Mr. Jeffers with Mr. Marland.

The result of the vote was announced as above recorded. A motion to reconsider the vote by which the bill was passed was laid on the table.

A similar House bill was laid on the table.

### EXTENSION OF REMARKS

Mr. McDUFFIE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection?

#### HOUR OF MEETING TOMORROW

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

### ORDER OF BUSINESS FOR TOMORROW

The SPEAKER. The Chair desires to state that the first order of business tomorrow morning will be that the Chair will recognize the gentleman from Ohio [Mr. CROSSER] to call up the railroad-labor retirement bill.

## A REVIEW OF THE FARM QUESTION

Mr. ARENS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. ARENS. Mr. Speaker, the main reason for a farm question is that the farmer for 10 years has produced the food of the Nation below the cost of production. During the war and right after the war, the farmer was asked as part of his patriotic duty to produce more in order to feed the world that could not produce during the war and shortly after the war. The farmer responded by extending his operations. He purchased larger and better machinery, built more and better buildings and improved old ones, and in some cases purchased more land. He borrowed a lot of money to do all these things. Before he was able to pay back these loans, boom prices disappeared. Since then prices have been such that the farmer was not able to pay the interest nor the ever-increasing taxes, together with cost of operation. He used up all his own resources and borrowed more money until today he is almost helpless.

The Democratic administration has recognized the fact that agriculture must be the first industry to be saved in order to save the Nation. In every other industry efficiency experts know fairly accurate what the demand for their product is going to be, and they can figure to a penny what it is going to cost to produce, and they usually regulate the production to the demand.

In agriculture this cannot be done. Man has no control over wind and rain and sunshine, and does not know what his harvest will be no matter how careful he is in planning and planting. He naturally must plant more land than is ordinarily necessary under favorable condition to feed and clothe the Nation. On this account surpluses occur whenever a bountiful crop is harvested. Many efforts have been made in the Seventy-third Congress to control production, to help distribution, and to finance the farmer. The farmer himself has not been able to give much aid to legislation, although he is able to plan local marketing. Representatives of farm organizations here in Washington have been here so long that the title of "professional lobbyist" is applied to

them and their effectiveness is largely lost. The men in | was shamefully high although the farmer received a very charge of the A.A.A., sincere and able men, were willing to follow the lead of the President and give aid to agriculture by attempting to control production or marketing the surplus. Every time they made such an attempt we were told they were communistic and tried to sovietize the farmer. Enemies of the administration were able to repeat the charges of radicalism against the Agricultural Department so often that willing critics all over the country were repeating these charges to such an extent that it hampered the program. It is peculiar that the three measures, the Bankhead cotton bill, the Kerr tobacco bill, and the Fiesinger milk bill, all three measures that come the closest to sovietizing the farmer by licensing the producer, controlling the output, and taxing or taking over by the Government of surpluses produced, were not sponsored, nor supported, and to some extent opposed by this so-called "communistic brain trust" in the A.A.A.

The cotton and tobacco legislation has already accomplished some good and it is expected to bring great relief to the producers. It is, however, very temporary, only for 1 year. Corn and hog legislation and the wheat-allotment plan were not very popular on account of a processing tax. They have not shown many benefits so far, and the drought in the corn- and wheat-producing area will eliminate the surplus. The corn, hog, and wheat program will probably be terminated before it can show real results. Legislation in reference to financing farmers was passed and is more promising of good results. It has considerable red tape attached to it, which makes the needed relief very slow and the interest charges too high compared to the price of farm products. This will have to be corrected at a future session. All legislation in regard to agriculture, with the exception of the Farm Mortgage Act, is emergency legislation and does not extend beyond 2 years. The permanent solving of the farm question lies in the control of distribution. Control of production of foodstuffs or its destruction in case of produced surplus will not be sanctioned by a Christian people. Our present drought in the corn-wheat area reminds us what a reduction in the planting of those commodities may lead us into.

To solve the farm question, the farmer must receive more money for his produce. At present the city consumer cannot pay any more; therefore the first step must be to eliminate all profit on foodstuffs and all waste and unnecessary expense in the cost of distribution. This is done alone by cooperative marketing, and cooperative marketing is the only thing that will permanently solve the farm question.

To show how cooperative marketing can solve the proper method of distribution may I be permitted to state some experience I had as an officer of a cooperative organization? Land O'Lakes Creamery is an organization that markets butter, eegs, cheese, and poultry in Wisconsin, Minnesota, and the two Dakotas. It markets the butter of one-third of the cooperative creameries in this territory. Its two main competitors in the butter-producing section are two Nation-wide chain stores. Land O'Lakes pays its member creameries all it receives for the butter on the eastern market less actual hauling and processing cost. It handles the butter like all cooperatives, without profit. Its competitors have to meet this price and in many cases pay creameries a little more in order to keep them from joining Land O'Lakes. Ordinarily these competitors were able to add the extra cost to the sale price of butter in their stores and were able to meet the competitive price of cooperatives in the buying field.

To overcome this advantage, Land O'Lakes marketed its butter direct in the main markets. It established its warehouses in every large city and sold from there direct to the retail trade. By doing this it helped establish the sale price in those cities. It met competition on both ends. The result has been that the price the consumer paid and the price the producer received was very close together and very little profit made on butter. Out of every dollar the consumer paid, from 80 to 90 cents went to the producer. Large dairy corporations tell you that their profits come from milk, cream, and ice cream. There was no competition from cooperatives on these products. The price on these products

low price. Private business will take all the traffic can bear while cooperatives operate without profit. Because the price of butter was kept reasonable the consumption of butter has increased. The price of ice cream until just recently was as high as during good times although butter fat was less than half, and the consumption of ice cream fell as much as 20 percent at times.

Eliminating profit increases consumption. Cooperatives always improve and standardize their products more so than

if private dealers buy the farm products.

If Land O'Lakes controlled the selling of all butter, they could fix the price. Where they only handle a fraction they are compelled to enter the distributing market. Where they only handle one-third of the butter they were able to improve quality, eliminate waste, and unnecessary middlemen profit, and eliminate all profit on butter and help increase consumption. The proper method would be that all farmers organize a group for each commodity, and this group should sell direct to consumers' cooperatives organized in the cities. We must and will eliminate profit on necessities of life and this is the logical way. Our milk producers should have long ago organized cooperative consumers or entered the distributing end. The time of the cooperative that gathers large quantities of farm products and then dumps them into the laps of private speculators or distributors and permits them to make large profits is 30 years behind the times and should make room for the new deal. If farmers could be educated to handle their own products and receive the full reward for their labor, it would create a proud, independent, conservative bulwark or backbone of the Nation and communism could not gain a foothold. Such a program is a program of education. It will take 100 years to bring it about if farmers are left to themselves. You will have to educate a new generation. Farmers have demonstrated that during the last 2 years they have not been able to get together with a friendly Government.

The Government, however, has a duty to save agriculture. By proper legislation it can promote cooperation and bring about results in a short time. It may have to temporarily regimentize the farmer. It should help more than ever to organize, audit, and finance cooperatives. It should help build warehouses where in fat years the surplus can be stored and kept for lean years, and it should help by all means to find and develop new markets. It should help standardize products and, through cooperatives, keep inferior articles off of the market and through their organization even regulate production. By doing these things cooperatives will return to the farmer the larger part of the producer's dollar. It will keep the marketing in the hands of the farmer himself. If not, the distribution of butter, cheese, eggs, and poultry at least will be in the hands of chain stores, which would mean a ruinous return to the farmer.

SUMMARY OF CONSTRUCTIVE LEGISLATION ENACTED BY THE SEVENTY-THIRD CONGRESS

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. LESINSKI. Mr. Speaker, as the present session of the Seventy-third Congress draws to a close, I believe it is fitting that we devote a few minutes to a discussion of the legislation which has been passed by this Congress in aid of the program of our beloved President.

At the close of the Hoover administration a heavy, dark cloud of despair and gloom pervaded our great country. The one and only ray of sunshine and hope for restored prosperity rested entirely in the course to be charted by our President and this Congress. Our economic order was crumbling on its very foundations, our industries were on the verge of bankruptcy, our banking system was tottering, our citizens were being evicted from their homes, our farms were devastated, unemployment was rampant throughout the land. Great and immediate reconstruction and recovery measures were necessary if our Nation were to be saved to

measures into effect. Let us see how we have justified their faith. Time will permit me to dwell only briefly on the major accomplishments already in effect and to outline in a few words the steps yet to be taken in order to enlarge and perpetuate the results already achieved.

Our first great problem was to reform our banking and monetary system in order to encourage and conserve the savings of the people. To this end legislation was enacted which answered this purpose. The powers of the Reconstruction Finance Corporation and the Federal Reserve Board were enlarged so that immediate relief was made available to thousands of banks throughout the land in which were invested the savings of millions. The monetary gold of the Nation was taken from the ownership and control of private individuals and placed in the Treasury of the United States for the benefit of us all.

In addition, we have just passed legislation nationalizing silver, so that a system has been inaugurated which provides for the monetization of that metal in a conservative relationship with gold, so that our currency has a sounder value today than at any other period in our Nation's history. We hope that this will lead the way to the restoration of the monetary system of the entire world and result in widespread improvement in foreign trade and commerce between

In order to safeguard deposits in the banks of the country we created the Federal Deposit Insurance Corporation, so that at the present time all deposits eligible to the benefits of that legislation up to the amount of \$5,000 are now insured in full by the Federal Government, and eventually deposits regardless of size will likewise be protected. In addition to this, we have instructed the Reconstruction Finance Corporation to liberalize its method of appraising assets in closed banks, so that a much greater amount of money will be available for distribution to depositors in those banks and a minimum will have been lost because of the defects of the system which prevailed through the Hoover administration. In conjunction with this, I might add that I was instrumental in making available to receivers and conservators of closed banks the benefits of mortgage refinancing by the Home Owners' Loan Corporation. This has materially helped both the depositors, in that a liquid security readily converted into cash has been substituted for a frozen mortgage, and also the mortgagors in that a mortgage in default and subject to immediate foreclosure was converted into a sound long-term mortgage with very reasonable provisions for payment of principal and interest.

To alleviate unemployment, eliminate unfair practices in industry, abolish child and sweatshop labor, reduce hours of work, and increase wages, enforce the rights of the American workingman to bargain collectively with his employer, promote trade and commerce throughout the land, inaugurate a great public-works program, the National Industrial Recovery Act was passed and the machinery for its operation immediately created. Business has been revived, 4,000,000 of the unemployed have returned to work, wages have increased. How well we have succeeded is amply demonstrated by the returning confidence of our citizens because of the tremendous improvement in the industrial situation beginning with the summer of 1933 and extending through the present time. What we have done for industry and the workman in the city, we have also done for agriculture and the farmer in the rural community. We have created the Agricultural Adjustment Administration which has made it possible for the farmer to work his farm at a profit instead of a loss. The Farm Credit Administration has made it possible for him to refinance his obligations on a sound basis over a long period of time with reasonable provisions for the repayment of same. I believe I can safely venture to say that the farmer and the mechanic, now working hand in hand for the common good, will eventually restore this Nation to a permanent, prosperous condition, never before approached in the history of the world.

The legislation which created the Home Owners' Loan Corporation and the act passed in the House of Representatives | possession of the facts.

its citizens. The people had faith that we would put these | on Wednesday, June 13, 1934, enlarging its power has not only saved the homes of hundreds of thousands of our fellow citizens but has also given a new stimulus to business throughout the country. It will eventually result in affording the opportunity to every American family to own a pleasant habitable residence without the constant fear of its being taken away by ruthless foreclosure. I am sincere in my prayer that our children will live to see the day when slums and filth shall no longer exist to disgrace our civilization. We have gone far toward making this dream a reality, and we shall not stop until our purpose has been fulfilled.

We have passed legislation which will have the effect of safeguarding the investments of our citizens; I refer to the Securities Act and the stock-exchange control bill. The loaded dice have been taken from the hands of the Wall Street manipulators, but at the same time we have made it possible for anyone to buy and sell an honest security at a fair price.

While not interfering with the rights of the States to enforce their own criminal statutes, we have provided the means for the Federal Government to assist them in this end. In the future commerce in organized crime, racketeering, and kidnaping will indeed be a dangerous undertaking for the criminal.

We have eliminated the loopholes whereby those so inclined have been enabled to avoid payment of their just share of the cost of good government. It has been conservatively estimated that \$300,000,000 yearly has slipped through the hands of the poor into the hands of the ultrarich because of the defects in the revenue law. This condition has been remedied.

The immigration and naturalization laws have been liberalized so that law-abiding persons who heretofore could not become citizens are now eligible for citizenship at much lower cost to themselves. This will aid the worthy who desire to become citizens of our great country.

I should like to pause for a moment to mention an undertaking in which I was particularly interested because of the need existing in my own district for it. I refer to the subsistence homesteads project. The machinery has already been set in motion whereby those of our citizens who so desire may own and cultivate a small plot of land and at the same time be close to the industry in which they earn their livelihood. I have been informed by the director that 100 of these farm homes will be established shortly near my district, and I am highly pleased in the part I played in bringing this to pass.

While we have achieved much, our program has not yet been completed. The Seventy-fourth Congress and those to follow will make a thorough study of social legislation discussed briefly by our President last week. In this category I include old-age pension and unemployment-insurance measures, which will eliminate the dole. Our Constitution, like the Holy Bible, sets forth our principles for decent living, liberty, freedom, and justice. We have declared it to be our purpose to make available to all our people, from the most humble to the mightiest, the benefits to be derived from our form of government. We shall perpetuate the American system created by our forefathers. To this we have pledged ourselves. Let each American judge how well we have performed our mission.

# PERMISSION TO ADDRESS THE HOUSE

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CONNERY. It has been called to the attention of the American Federation of Labor, through a misleading speech published in the Congressional Record, that manufacturers in the cotton-garment industry are endeavoring to induce Members of Congress to bring political pressure to bear on the N.R.A. The impropriety of such procedure is obvious, and I am confident no Member of the House or the Senate will be a party to it once he or she is placed in The cotton-garment industry is a sweated industry. Hours are unreasonably long; wages are unreasonably low. The industry has been in this unfortunate condition for years. The code approved by the National Recovery Administration has brought about some improvement, but standards are still far below those of related industries.

The N.R.A. has been asked to raise the standards in the cotton-garment industry, and a hearing has been arranged

for Monday, June 18.

The sweatshop proprietors evidently feel that they cannot successfully defend long hours and low wages before an impartial tribunal. They know that the facts are all against them. Therefore, they are endeavoring to play politics with an issue which involves the well-being of approximately 200,000 men and women. They are therefore deluging the country with this false propaganda.

They are asking Members of the House and Senate to appear at the hearing and to protest against the proposed changes on the ground that they will destroy the industry and restrict the market for cotton. Of course, there is not the slightest foundation in fact for these claims. By increasing employment and wages and thereby building up consumers' purchasing power, the markets for cotton clothing and for raw cotton will be greatly expanded.

Enlightened employers and spokesmen for the organizedlabor movement will appear at the hearing prepared to prove by a wealth of statistical data that wages should be raised and hours shortened. They will come before the N.R.A. with clean hands. They will contend that politics has no place in the determination of the issues raised.

The American labor movement asks Members of Congress to refuse to be influenced against capable representatives of labor who are sincerely endeavoring to remedy indefensible economic wrongs which approximate sweatshop conditions in the cotton garment manufacturing industry.

AID TO THE DAIRY INDUSTRY MUST BE HANDLED AS A PUBLIC UTILITY

Mr. HENNEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HENNEY. Mr. Speaker, fellow colleagues, I desire to address myself today briefly on the subject of the dairy industry. The supply, distribution, and consumption of milk and its products affect, to a greater extent, the financial income, health, and well-being of a larger proportion of our American people than any other agricultural commodity.

This industry ranks first in farm income, having reached a high point of nearly 2 billion dollars annually in 1930 to a low point of approximately 900 millions in 1933. It is the most universally used food product of adults throughout the world, and as a food for infants and invalids it is as indispensable as are drugs and medicines in saving the lives of our malnourished and sick children and grown-ups, as well as being a dire necessity in infant feeding in every village, hamlet, and city of our country. Science has produced no suitable substitute for milk—and yet, Mr. Speaker, I submit that this industry has had less assistance and protection by our Government than any other major agricultural commodity.

We have enacted legislation that has figuratively "saved the hide" of the cotton producer. We have given the wheat farmer the protection that he has been clamoring for during the past many years and that protection which he was led to believe a protective tariff would insure-even to the direct rebate of the processing tariff-in such a way that it is an assured and not an assumed fact that he will be reimbursed to the extent of the tax when and if he complies with the acreage reduction contracts. I wish to add here and now, Mr. Speaker, that this program has been and is a real lifesaver to those wheat farmers who did not allow themselves to be stampeded by a group of rabble rousers into objecting to and obstructing the program in their hopes that it might be broken down. Those producers who cooperated are now receiving their contract checks on a basis of 1932 and 1933 production, although the unfortunate and devas-

The cotton-garment industry is a sweated industry, tating drought has left them without a solitary bushel of ours are unreasonably long; wages are unreasonably low, wheat to sell.

The corn-hog farmers and the tobacco producers are likewise receiving the beneficent assistance of the Government, but our dairy farmers—those of my State and of my district in Wisconsin—are still out in the cold. I am not one of those who criticize and damn the triple A because of its method of handling the milk situation. I have consulted, contacted, and communed with them day after day in attempting to have this industry given a "chance for its white alley." The problem is difficult, it is intricate, and it is involved. A plan that will be of assistance to one group may be strenuously objected to by another group, and a compromise is most frequently met by opposition from all groups.

I have reference, Mr. Speaker, to the milk-shed group, who, I am sorry to say, are at the mercy of the distributors, many of whom are real pirates and buccaneers. This group of middlemen have been responsible for and have insisted on the two-grade classification; namely, first, that portion dispensed directly to the trade and for which the top price is allowed, and second, the so-called surplus milk, which latter is simply in reality an accessory supply to be used in case of "a run." All that is not used, and which amounts to approximately 30 percent of the farmers' milk sold through these distributors, is converted into butter or milk products and shipped back to compete with and beat down the price of butter, cheese, and canned-milk products of the farmers living outside the milk-shed district. This milk is usually sold by the farmers for a price of approximately 90 cents to \$1 per 100 pounds, which is a price that is ruinous to the industry in "the hinterlands."

My district in Wisconsin is very largely outside the Chicago and Milwaukee milk shed, and my dairy producers have a real and valid complaint against this procedure, but, leaving that element out of consideration, it is an unfair and discriminatory procedure for a great percentage of those farmers living within the drainage area; and until this policy is better adjusted our producers in the midland districts will continue to be subject to unfair competition.

The worst parasites in the milk industry, as I see it, Mr. Speaker, are the monopolistic distributors who vote themselves enormous salaries and pay themselves huge dividends at the expense of the dairy producer. I supported and assisted in bringing out the so-called "Kopplemann resolution", calling for a congressional investigation of milk distributors and processors, and I am certain that when the facts become known that the American consumers will rise up in their might in demanding the control and supervision of these "milk brokers" who, it appears, have profited in the past and at the expense of the farmer who is obliged to produce milk on a less-than-cost basis. At the same time they have advanced the price to the consumers to a point that underconsumption and lack of consumption have tended to pile up a milk surplus that beats the price down by making the farmer be good and accept any price they may wish to offer him.

It was shown in the hearings, Mr. Speaker, that the producers in New York State were receiving  $1\frac{1}{2}$  cents per quart, while the consumers in New York City were paying 16 cents per quart, or in other words, the distributor returns about 9 cents out of every consumer's dollar to the producer.

The Consumers' Guide, which is put out by Frederick C. Howe of the Triple A, shows that at the present time, for all milk products, the farmer received about 37 cents of the consumer's dollar; whereas 1 year ago he was receiving about 45 cents of it.

It was likewise shown by Miss Grace Abbott, of the Children's Bureau, that in a study of a large group of railroad employees whose wages had been cut 30 percent, milk consumption among 90 percent of them had been cut 50 percent and 27 percent had discontinued using milk entirely. I therefore submit, Mr. Speaker, that the purchasing power of industrial labor is quite necessary to a continuing normal consumption of milk, butter, and cheese, and certainly if

the consumers' price can be lowered either through cooperative production and distribution or through a voluntary reduction in retail price brought about by the Kopplemann investigation, or lastly through cooperative purchasing by the retail trade, then, and then only, Mr. Speaker, will the producer receive his just and equitable share of the consumer's dollar and then again will the consumer receive the honest quantity that his dollar has bought and then so-called "underconsumption" will vanish—all of this will be insured only by stricter supervision of the machinery of distribution.

I am in perfect agreement, Mr. Speaker, with Miss Abbott that in the interests of the producer, in the interest of public health and the saving of infants' lives, the milk industry should be considered and operated as a public utility by our Government, and I also believe, Mr. Speaker, that this is the only solution of the problem if we really desire and intend to give our dairy producers a square deal along with the new deal.

### PERMISSION TO ADDRESS THE HOUSE

Mr. SECREST. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. SECREST. Mr. Speaker, I am informed that the Committee on Interstate and Foreign Commerce reported a resolution this morning providing for a study of the oil industry. It is hoped that this will enable the next Congress to pass proper legislation. I want to present a few facts which I feel will be appreciated by Members of the House on this subject.

In my district as well as in the State of Ohio there are thousands of people whose prosperity and welfare depend upon the production of coal and oil. Not only must we produce these two commodities if we are to prosper but we must be able to sell them at a price that will guarantee just and satisfactory wages to the employees and a reasonable return to those whose capital is invested.

The regulation of commerce in petroleum is of vital importance and necessity to the producers of oil and, incidentally, to the producers of coal. I shall speak primarily on the problems facing the oil industry.

To understand these problems a few essential facts should be held in mind.

Since America's first oil well was drilled near Titusville, Pa., in 1859, the United States had produced approximately 16,000,000,000 barrels of oil up to January 1, 1934. There are 319,419 producing oil wells in the United States, and these wells produce at the present time slightly over two and one-half million barrels each day.

Of the total wells in production, 300,000, or 92 percent are wells of settled production, commonly referred to as "stripper wells." These stripper wells may be divided into four groups, based on the amount of oil produced. The first consists of 50,000 wells which produce less than 4 barrels each day. The second consists of 50,000 wells which produce less than 3 barrels each day. The third consists of 50,000 wells which produce less than 1 barrel each day. The last consists of 150,000 wells which produce less than onehalf barrel each day. These 300,000 stripper wells are the backlog of the Nation's supply of crude oil, and if they are forced out of production by destructively low prices, the Nation will suffer a great and irrecoverable economic loss. The greatness of this loss is emphasized by the fact that science has determined that no more than 25 percent of the oil originally in the sand has been taken from these stripper well areas, leaving to time and the ingenuity of man to recover the other 75 percent.

For generations these wells will continue to contribute to our national wealth if we can make their operation profitable. In my district, near Chesterhill, in Morgan County, there is a well that has been in continuous production since 1861, and today, although it is the oldest producing well in the world, it contributes its small share to our national wealth. In the last 4 years 5,000 wells similar to this one have been abandoned in Ohio alone because it was economi-

cally impossible to operate them with oil selling for less than \$1 per barrel. Future generations must certainly condemn us if we revert to conditions that compel the abandonment of small wells with the consequent loss forever of such great aggregate quantities of oil. The welfare of our Nation demands that these small producing wells must be saved. Eighteen States are engaged in the production of oil, yet three States, California, Oklahoma, and Texas, produce more than 70 percent of the Nation's supply. Regulation, in my opinion, will be beneficial to every oil-producing State, both large and small.

Let us go back to 1931 for a brief picture of the pitiful condition of the oil industry. The average price for oil throughout the United States during that year was 65 cents per barrel. This condition brought about the abandonment in 1 year of 1,589 producing wells in Ohio alone, while the same general demoralized condition existed in practically every oil-producing State of the Union. During the first half of 1932 conditions grew steadily worse.

In the early months of that year it was my privilege to support in the Legislature of Ohio a resolution memorializing Congress to place a tariff on the importations of crude oil and its products. The same urgent appeal was made from other sections of the country and Congress wisely placed a duty of 21 cents per barrel on crude and fuel oil and \$1.05 per barrel on gasoline imports. This tariff went into effect June 21, 1932, and the next month imports of crude oil dropped from 6.811.000 barrels in June to 1.525.000 barrels in July. Gasoline shipped in from foreign countries dropped from 1,316,000 barrels in June to 63,000 barrels in July. The price of crude oil arose with such rapidity that by the end of 1932 the average price of all oil in the United States for the whole year of 1932 was 87 cents per barrel. a gain of more than 33 percent over the previous year. This tariff, together with curtailment of production in nearly every oil field of the Nation, gave us a short period of rapid recovery.

This recovery lasted only a short time, for in December 1932 the price of oil began a decline that drove prices to the lowest levels in history in practically every field in the United States. The price of oil in the east Texas field fell from 75 cents per barrel on January 19, 1933, to 10 cents per barrel on April 25, just 3 months later. The price of Pennsylvania crude oil produced in my district dropped to 77 cents per barrel on May 9, 1933. From one end of the Nation to the other oil was produced at a loss by the operators and the royalty checks of the landowners dwindled to almost nothing.

Not only was this disastrous to the oil industry, but it affected the production of coal as well. We cannot hope to prevent the natural competition of one commodity with another, but cheap oil was thrown into unnatural, unwarranted, and unjust competition with coal, resulting in great loss to the producers of coal and no profit to the producers of oil.

In 1933 the consumption of fuel oil was equal to more than 80,000,000 tons of coal. A reasonable price for oil would certainly have prevented much of this loss of market suffered by the coal industry. During the years of 1931 and 1932 oil burners alone replaced the market for 3,300,000 tons of coal. At least 1,200 miners lost continuous work by this replacement and at the same time the actual producers of this oil failed to profit. There was no justification for this competition, inasmuch as both competitors suffered severe loss. In general, the situation for several years seemed hopeless. The oil industry was demoralized. Voluntary agreements had failed. State militia had been called. Other schemes were devised to control production and assure fair prices. Eventually, all efforts failed, and the desired result seemed more hopeless with the collapse of each new plan.

In the spring of 1933 the Congress passed the National Industrial Recovery Act and soon the oil producers of the country began to consider the possibilities of drafting a code for the industry. Each day as the drafting of the code progressed the chaotic condition of the oil industry of past years was forcefully brought to the attention of the Nation,

and the very hope of order and regulation was sufficient to | lend strength to market prices.

In September 1933 the petroleum code went into effect, and in 9 months of operation it has proven its advantage to the oil industry. It has helped the large producer just as it has aided the small producer.

For example, Mr. Speaker, the production in the east Texas field in April 1933 was 41,037,000 barrels, according to the Bureau of Mines. The price quoted and paid for this oil by the major companies on the 25th of April was 10 cents per barrel. Other companies paid less and in fairness let it be said that a few companies bound by contracts paid substantially more. At this price, the production for April 1933, 5 months before the code went into effect, was worth less than \$5,000,000.

In April of this year, 7 months after the code was effective, the production of this same field, which is the largest in Texas, brought \$31,935,000 despite the fact that production was cut over 9,000,000 barrels. Thus, east Texas received in April 1934, compared to April 1933, many times the amount of money for 25 percent less oil. This higher price for oil has remained constant since the adoption of the code 9

Now, let us see the effect of the code on a field composed of typical stripper wells, namely those wells in Ohio producing Pennsylvania grade crude oil. On May 9, 1933, the price posted for this oil in Ohio was 77 cents per barrel, far below the actual cost of production. One year later, May 1, 1934, the price of this grade of oil was quoted at \$2.07 per barrel.

In Ohio two other grades of oil are produced, the Lima grade in the northwestern section of the State, and the Corning grade in the northern and central sections of the While the quality of oil in these fields is somewhat lower than that of southeastern Ohio, yet the price of all grades of oil increased in proportion to the quality. Thus, under the code, by reason of its inherent worth and wise administration, great benefit has been derived by the oil industry. The great fields have gained financially and at the same time have retained millions of barrels of oil for future sale. The small fields have gained financially and are free to produce that oil which without the code often would be lost forever.

It is to insure these benefits that the Secretary of the Interior, who is the administrator of the oil code, and the President of the United States have requested the enactment of the Disney bill.

Let me quote from a letter sent by the President to the chairman of the Senate and the House committee to which this bill was referred. He says:

If the principle of prorating production under a code is to be maintained, it seems necessary that the existing law should be strengthened by the passage of the bill which has been introduced

in the Senate by Senator Thomas and in the House by Congressman Disney and supported by the Oil Administrator.

It is a simple fact that as a result of the work of the Oil Administrator definite progress has been made both in eliminating unfair practices and in raising the price of crude petroleum to a reasonable level, which has brought added employment and more fair wages to those engaged in oil production.

more fair wages to those engaged in oil production.

I am frankly fearful that if the law is not strengthened, illegal production will continue and grow in volume and result in a collapse of the whole structure. This will mean a return to the wretched conditions which existed in the spring of 1933.

I hope therefore that the proposed legislation can be enacted.

I am eager to protect the stripper wells of the entire United States, as well as those of my district. To these wells it means economic life or economic destruction. Though Texas has the greatest flush fields in the United States, there are thousands of small wells in that great State that would suffer the same fate as the stripper wells of my district for the average production for the 48,000 wells in Texas was less than 23 barrels in 1933. For every gusher there are hundreds of small wells in Texas and elsewhere that need the protection this bill seeks to give.

If oil is to be maintained at a reasonable price by controlling production, I want to be sure of two things. First, I want to feel sure that the high price of oil at home does not throw our markets open to foreign competitors. Second, I want to know that this increased price will not place an undue burden upon the consumers of this Nation. The only way to answer these questions is to make a complete examination of the available facts.

I will briefly discuss the question of imports first, and it is well to bear in mind that imports of oil fall into two classes; first, those that enter into domestic commerce and compete with oil produced in the United States. On this class of imported oil we levy a duty or tariff of 21 cents per barrel, which can be increased to more than 30 cents per barrel by Executive order, if the domestic market is threatened at any time in the future.

The second class of imports are known as free imports on which there is no duty because not one barrel of this oil is consumed within the boundaries of the United States. This oil is fuel oil which is stored at our principal ports and is used exclusively to refuel foreign vessels that come to our shores.

It is a common and misleading error to refer to both classes of oil as actual imports in the common sense of the word. It is just as ridiculous to say that a visiting king imported \$1,000,000 worth of diamonds because he brought them with him during a short visit and then took them to his native land on his return.

The only real imports are those that enter our land for purposes of competition in our domestic markets. Either ignorance, or an intentional disregard of this fact, was unjustly used as the basis for criticizing the oil code administrator before the Senate committee a short time ago.

The real facts regarding imports are easily understood. The tariff on oil took effect in June 1932. Immediately the imports of crude oil, gasoline, and fuel oil fell to the lowest levels since 1918. When the oil code was drafted a provision was inserted that gave the administrator the right to restrict the importations of oil to the average daily imports for the 6 months immediately following the effective date of the tariff, inasmuch as these 6 months afforded slim picking in the United States for the foreign producers of oil.

This quota of allowed imports amounts to 108,000 barrels of oil per day. The statement was made to the Senate committee that the administrator permitted imports to the amount of 117,000 barrels per day. It is true that this much touched our shores, but of this amount 19,000 barrels was free oil that did not enter our markets. The facts, in justice to Mr. Ickes, show that 10,000 barrels less competitive oil is being imported daily than the amount permitted under the code. It is a fact that imports for March of this year, even including free oil, are less than imports for March of last year, when the oil code was not even thought of as a possibility.

On the other hand, exports of petroleum have more than held their own, with an increase of more than 3,000,000 barrels in 1933, according to figures of the United States Bureau of Mines.

Thus, without doubt, a much fairer price has been established for crude oil under the code, and at the same time our markets are better protected from importations of

Let us now consider the consumer. Have we placed a burden on him when we raise the price of crude oil from which his gasoline is refined? Facts alone can give us the true answer, and these show that the average price of gasoline at the refinery during the first quarter of 1934 was almost one-half cent less per gallon than in 1932. I have two excellent authorities for this statement, the Petroleum Administrative Board and the Bureau of Mines. The Oil and Gas Journal for January 25, 1934, states that the price of gasoline at the refinery was lower in 1933 than in 1932. Better refining methods have, no doubt, been largely responsible for the decrease in the price of gasoline in the face of greatly increased prices of crude oil. I have used refinery prices because these reflect the only real basic effect that the price of crude oil can have on gasoline. From the refinery to the consumer the price is governed entirely by distribution costs and not by the price of oil.

Because of additional employment and higher wages along the line of distribution, the actual price to the consumer at the gasoline station has increased a fraction of a cent over

the depression price of 1932. This negligible advance cannot be charged to the increased price of crude oil. Also, it must be remembered that gasoline is made chiefly from the lower-priced oil. The better grades of oil are used for lubrication and the comparatively high price always paid by the consumer for lubricating oil has permitted the industry to absorb what would usually result in increased prices.

For instance, there are 42 gallons in a barrel of Pennsylvania oil produced in my district. From this it is possible to refine 5 gallons of good lubricating oil in addition to all other products. This refined oil for automobiles sells for an average of 80 cents per gallon at the filling station and thus, it is possible for the price of oil to increase considerably without necessary increase to the consumer.

Certainly, to say the least, the consumer has not felt any undue or unjust burden by reason of the great improvement in the oil industry. With a clear conscience and with the most logical reasons we can take steps to retain by law the ground gained by the operation of the oil code.

The oil industry ranks third in the United States and stands second only to cotton in our national exports. It is a great natural resource which we must conserve.

For generations we wasted the timber resources of our Nation and today we are spending great sums to restore that which we so foolishly destroyed.

Unlike trees, oil cannot be replaced. Conditions should be such that no well will be abandoned from which it is possible to produce a reasonable supply of oil.

Under the code the small stripper wells have been given a new hope. Production has more nearly been brought to balance consumption. Wages to employees in the stripper-well areas of 10 States increased 55 percent while employment increased 34 percent. Royalty checks again brighten the homes of countless people. Two and one-half million investors see greater values in their holdings. Coal is relieved of an unnatural and unnecessary competitor. The consumer of petroleum products has not suffered. All this, and more, has been achieved in 9 short months of operation under the oil code.

I hope that we will do all in our power to prevent a loss of ground while we bend every effort toward greater gains. As I see it, this is not only our duty to the present generation, but a duty to generations to come. The question of conserving our natural resources is not only the concern of every State, but it is the concern of the National Government as well. Sooner or later Congress must face the issue.

I had hoped action on the Disney bill would be taken at this session of Congress, but the committee decided to investigate and make a complete report on the oil industry for the attention of Congress when it meets next January. At that time I hope for immediate and conclusive action.

# SUGAR PROCESSING TAX

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Without objection, it is so ordered. There was no objection.

Mr. DIRKSEN. Mr. Speaker, I invite your attention to the following item in the Washington Star of June 5, which is rather illuminating:

The A.A.A. and the press have started a little private feud. When the sugar-allotment figures were announced the other day, news men were gathered into a room for a conference. An arrangement was made so the news would not be sent out until the conference was over and the matter thoroughly explained.

The conference lasted about half an hour. When the news men dashed to their wires they found the figures were out in the financial district in New York and actually had reached Cuba.

It was found that someone in the A.A. had leaked the figures to representatives of sugar concerns who spread it broadcast, scooping the press by half an hour or more.

That item leads me to some reflections upon the despairing situation of the American farmer that may be of interest to the Members of this House and to the American public, particularly the farmer.

Years ago farm life in the Middle West was a rather happy lot. It is not so happy today. After the farmer has planted a crop, he must start worrying about the chinch bug, the

army worm, the Hessian fly, and a host of other things. If he gets a crop he has to worry about the market price that it will command. If prices are low, he has to worry about the principal and interest on the mortgage.

The market price years ago was not so grave a concern as it is today, because he had a market. He could feed corn to pigs and there was a market for the ham, the lard, and the bacon. He had to raise a certain quantity of products for his horses and mules. He could feed corn to beef cattle and find a market. He had no difficulty in disposing of butter and cream. More and more uses were found for the manufactured products of corn and that market was expanding. The distilleries used corn in the production of whisky and alcohol and when alcohol was being promoted as an antifreeze solution for auto radiators, the possibilities seemed tremendous. The prospects for the farmer looked rosy indeed and land values went up.

Today, the farm picture is distressing to say the least. The chinch bug, the drought, the Hessian fly, the Army worm are still with him, but that is not the saddest aspect of agricultural despair. The mortgages and the interest requirements are still with him in increased measure, but that difficulty might be surmounted. The real difficulty is that the market for farm products is being slowly but surely strangled and the farmer's prospects are about as bright as those of a man who sits in the death cell of Sing Sing prison.

Now the tragic aspect of this whole market situation is that the farmer has been kidded, bilked, guyed, sopped, and plundered by a lot of ballyhoo emanating out of Washington. A grim cruel joke has been played on him in the guise of aiding him and it is about as humorous as dropping an iron washer in a blind man's cup and stealing a dime. Now this not a partisan speech. I am interested in recovery first and politics afterward. I will vote for any measure that contains some reasonable assurance that it will be of genuine benefit to the farmer, the business man, the laboring man. No Member of Congress can listen to the despairing cries of farmers in danger of foreclosure, of laboring men without jobs, of business men on the ragged edge of insolvency without uttering in his heart a fervent prayer for Divine guidance in getting out of our difficulties.

Look at the Record and you will note that during all of the Seventy-third Congress, I have said little or nothing about the "brain trusters", the hot dogs, the radicals, and the Bolesheviki. I did not like their brand of regimentation and control but I was willing to go along with these schemes because after all they might have turned out all right. I recall what Glenn Frank, president of Wisconsin University, once said to the effect that you can put a radical in jail but you may find a few days later that he was right. I did not feel like getting out on a limb on these involved and complicated schemes of crop control and reduction and hog slaughtering because I felt that the Department of Agriculture and the Agricultural Adjustment Administration had more facts than I and they might be right.

But recently I have been getting suspicious that there is something wrong in Washington. These suspicions were aggravated when I noticed the speed with which the United States Senate recently confirmed the treaty with Cuba, handing to that little island republic its unequivocal freedom on a platter without any strings tied to it. The ink was scarcely dry on that treaty down in the State Department at the other end of Pennsylvania Avenue until it was rushed to the Senate by special messenger and passed by that body. Ordinarily the Senate does not do business that way. They are a deliberative body. This treaty business therefore seemed very strange indeed. Senators, too, were suspicious and the word went around that they were getting ready to break the gentle news to Cuba about how much or how little sugar she could send to the United States next year and perhaps the year after that. They figured that Cuba would get mad. They were afraid of open hostilities and of the need for taking the fleet right away from the imposing review in New Hork Harbor and dispatching it to Cuba to comfort and assuage the anger of the Cubans. There were,

of course, some intimations that perhaps a movement was on foot to restore Gerardo Machado, the former brutal, bloody-handed tyrant of Cuba to the presidency. Bullets have been breaking the widow lights in the home of Jefferson Caffery, the American Ambassador down there, and his chauffeur was informed that if he and his boss did not move out of Cuba, they might have an informal engagement with the undertaker. Anyway, a lot of reasons, real and fancied, were advanced for the immediate adoption of the treaty and so it was adopted and ratified.

Now, the farmer may wonder what relationship exists between an Illinois cornfield and the island of Cuba. To that I answer, "Plenty." But that is one of the perplexities of life. Life on this planet is closely integrated. We little realize how small this world is and how a frost in the Illinois Valley on Tuesday night will be registered in the Liverpool market Wednesday morning. The fact is that this treaty business confirmed what was going on in my thoughts, and I proceeded to look up the names and connections of a few gentry whose actions seemed tinged with ulterior motives, and I believe you will be interested in the kind of a deal that is being prepared for agriculture.

By way of preliminary, let me say that in 1933 this country imported nearly 180,000,000 pounds of tapioca flour from Java and the Dutch East Indies, which is used for making glue, for sizing textiles, and a lot of other purposes. This quantity replaces millions of bushels of corn. We import millions of pounds of oils and fats for use in oleomargarine and soap despite the fact that we have 37,000,000 pounds of butter in cold storage. We have got 65,000,000 pounds of beef in storage, but despite that fact we seem to find it necessary to import beef in cans from Argentina and Uruguay. We have got 40,000,000 pounds of frozen eggs and 90,000 cases of shell eggs in storage, and yet in 1932 we seemed to find it necessary to import 30,000 cases of shell eggs and about 3,000,000 pounds of yolks and dried albumin. We imported millions of pounds of hides despite the fact that domestic prices were so low that it was not worth while to put a skinning knife on a slaughtered calf or cow.

It seemed to me that something had to be done to preserve a market for the farmer, so when the Agricultural Committee of the House started to consider the bill to include sugar beets and sugar cane as basic commodities and to establish quotas of sugar that might be raised by the beet growers and quotas that might be imported from Cuba, Puerto Rico, the Philippines, and the Virgin Islands, it occurred to me that a quota on blackstrap molasses might very properly be included in that bill.

Accordingly, I talked it over with Congressman Gilchrist, of Iowa, who is a member of that committee, and after some discussion the amendment was prepared and introduced, but it was rejected by the committee. Now, I am not blaming the committee. The sugar bill was an administration bill. It was sponsored by the A.A.A. as is indicated by the fact that Mr. Weaver, Mr. Tugwell, and Mr. Ezekiel all appeared before the committee. They knew what they wanted. They admitted that they were experts on the subject. The bill was an administration bill, and so the blackstrap amendment was rejected. This seemed strange. It was a good amendment. It seemed germane to the bill. It was right in line with the administration's professed solicitude for the farmer. Since Mr. Tugwell was going in for planned scarcity of just about everything, I thought that a scarcity of blackstrap molasses would be just the thing. If we could cut down on the amount of blackstrap molasses which comes into this country from the off-shore islands, we could thereby expand the market for corn and other grains.

The fact is that blackstrap molasses is used for only two purposes—namely, for mixing with dry feeds such as chopped alfalfa and for conversion into alcohol. About one-third of the importations of blackstrap molasses are for feed purposes. Such importations are quite all right. When used in feed, it does not enter into competition with farm products. It merely expands the use of such products. But when used in the production of alcohol, it is in direct competition with corn and other cereal grains. You can make

all forms of alcohol from blackstrap. It will produce the kind of spirits that folks drink or the kind they put into their auto radiators or the kind they use to rub away aches and pains. Before 1910 the importations of blackstrap molasses were very small and of little concern. Since that time they have increased to hundreds of millions of gallons annually.

Now, it seemed very strange to me that, after all the statements of Mr. Tugwell, Mr. Ezekiel, Mr. Weaver, and everybody else connected with the Department of Agriculture and the A.A.A., that the blackstrap amendment to the sugar bill should have been rejected. Were they really interested in the farmers or only kidding them? Were they moved to despair by the foreclosures and the low grain prices which afflicted the farmers of the Middle West or were they giving lip service to their solicitude and then secretly laughing in their sleeves and laughing at the ease with which another academic remedy was being put over on the Corn Belt farmers. I could understand the economic reason for the molasses distillers wanting to continue to import blackstrap molasses for alcohol purposes. It was a lot cheaper. In fact, the raw material cost of blackstrap as against corn in the production of alcohol is about one-fourth. It can also be processed much faster. Anyone can understand that. It is only normal selfishness. But what I could not understand was why it is permitted, even though it was cheaper, and meant larger profits for the blackstrap people. when the A.A.A. was talking about crop control, pig slaughtering, overproduction, and what not, as a remedy for the farm situation. The two ideas were not consistent and did not make sense. There was something wrong and for a few days I have been trying to find out what it was. I think I found it, and that is why the corn farmer of Illinois and the sugar planters of Cuba and the Virgin Islands and Puerto Rico may be thousands of miles apart geographically but are next door neighbors economically.

I can lay the foundation for these disclosures in short order. For every ton of cane sugar produced, there remains about 600 pounds of blackstrap molasses. Manifestly the producers of sugar are anxious for a profitable outlet for this by-product so it is plain to be seen that the sugar producers have a distinct interest in backstrap molasses. Since blackstrap molasses is used largely for the production of alcohol, it must be apparent that the sugar and blackstrap producers would be much interested in the distilling business and in alcohol.

If sugar is hooked up with blackstrap, and blackstrap is hooked up with alcohol, and blackstrap displaces corn in the industrial market, it is easy to see that perhaps the sugar people might be responsible for these continued importations of molasses. But surely the "brain trusters", who are charged with omniscience, could see this. Surely the genial Mr. Tugwell, the studious Ezekiel, the affable Mr. Dalton, the suave Mr. Weaver, could see this. Then why did they not give attention to it? Now, a sad thought obtrudes itself. Could it be that they might be parties to a general scheme to continue to import blackstrap molasses, even though it affected the corn farmer? Perish the thought! Were they not "brain trusters"? Were they not radicals? Were they not "hot dogs"? Had not they frightened the people of this Nation with implications of radicalism, with theories of regimentation in industry and agriculture? Were they not leftwingers? How silly to even speculate on the theory that the American people had been duped and hoodwinked with cries of radicalism, sovietism, and "brain trusting" which in reality might be nothing more than a smoke screen to conceal the economic plundering of the American farmer. It was silly. It was laughable. These so-called "brain trusters" were snugly and securely established as radicals of the first water, and to think that they might be cooperating with a group of reactionaries was like getting the wolf and the lamb to lie down together. Yet stranger things have happened. Moreover, it seemed singular that most of the radicalism was concentrated in the Department of Agriculture. Anyway, it was a starting point for a quiet, unobtrusive one-man investigation, and I now give you the various relationships and let you judge whether or not there is something singularly strange in Washington.

Mr. Charles W. Taussig, who has been in and out of Washington many times and who has been regarded as one of the unofficial advisers on sugar, molasses, and related matters, is in the molasses business; in fact, he is president of the American Molasses Co.; the Numoline Co.; the American Molasses Co., of Louisiana; the Applied Sugar Laboratories, Inc.; vice president and director of the Boston Molasses Co.; and director of the American Molasses Co., of Maine. He is thoroughly steeped in molasses. He is also a member of the advisory council of the Virgin Islands, where they grow sugar, produce molasses, and make rum, and also bay rum. On April 9, 1934, this council passed an ordinance providing for the rehabilitation of the Virgin Islands by getting back into all forms of industry, including the sugar, molasses, rum, and bay-rum business. For that purpose, the P.W.A. allocated a million dollars. About a month before that, Mr. Tugwell, "brain truster extraordinary", made a trip to the islands by airplane, presumably to see that everything was in apple-pie order and to take a salute from the school children. Mr. Taussig may have been there to help prepare a welcome for Mr. Tugwell. In any event, Mr. Taussig is very much in the molasses business, is very much in the Virgin Islands, and very much interested in the continued importation of molasses, no matter how much it curtails the market for the products of the midwestern

Mr. A. A. Behrle, Jr. Now, it is surpassing strange that Adolph Behrle, Jr., precocious young "brain truster", who lectures at Columbia University twice a week, acts as an adviser to the administration, and in spare time looks after the fiscal affairs of New York City at \$13,500 per annum, should have been one of the directors and general counsel for the American Molasses Co., of which Mr. Taussig is the president. But it is even more singular that Mr. Behrle should have been appointed as legal adviser for the A.A.A. in the hearings that were held on the sugar stabilization agreements held in Washington in August of 1933. At that time members of the Sugar Institute protested that Mr. Behrle was biased and prejudiced and might have an ax to grind, but that made no difference. Their protests went unheeded and Mr. Behrle continued to sit in the picture. Now. any average citizen would conclude that apparently Mr. Behrle, one of the original "brain trusters" could not be so radical nor lock like a younger brother of Stalin if he was so acceptable, not only to the A.A.A. but to Mr. Taussig and to those other sugar boys who had certain sugar interests in Cuba. I know how unbelievable it seems that the widespread and continued talk of Mr. Behrle's "brain trust" proclivities might have been just so much hooey to divert attention from the fact that he was close to the molasses and sugar interests, but what are you going to do when the bald facts keep staring you in the face?

Mr. Jerome N. Frank. If you will look in the Congressional Directory you will find that Mr. Frank is not only general counsel for the A.A.A. but also general counsel of the Federal Surplus Relief Corporation. He bears a heavy responsibility. He sits at the right hand of Mr. Wallace and Mr. Davis. He puts the legal O.K. on what is done in the A.A.A. I expect that Mr. Frank is a most estimable and capable gentleman, but what struck my fancy was that, according to Martindale's Law Directory, he was a member of the New York law firm of Chadbourne, Stanchfield & Levy. This law firm, according to Poor's Manual of Industrials, acted as the attorneys for the Schenley Distillers in an offering of capital stock in July of 1933. It is singular too that Lehman Bros., of New York, of which Governor Lehman had for a long time been a sort of silent partner, first offered this stock to the public. The Schenley Distillers, as you may or may not know, control and operate a number of distilleries, and have been much interested in the manufacture of alcohol from blackstrap molasses. Mr. Frank, in a position of vantage in the A.A.A., and his former law firm in New York, acting as attorneys for the Schenley Distillers, would indicate a most pleasing relationship. Now, please do not misunderstand. I am not saying that Mr. Frank would take advantage of his position. I am content to point out that he could, if he were so disposed. But more intriguing than that is the variety and the importance of the relationships that Mr. Frank's law partner, Mr. Thomas Lincoln Chadbourne, bears to this set-up.

Mr. Thomas Lincoln Chadbourne. He is a man of many interests. Sugar is his forte. That means that he is interested in blackstrap molasses which in turn means that he is interested in alcohol. That means that the corn farmers might be interested in him. He is close to the Chase National Bank of New York. This is a fair inference, in view of the fact that he, along with Mr. Hayden, Mr. Wiggin, and Mr. Allen, all of whom are directors of the Chase National Bank, are also directors of the Otis Elevator Co. Mr. Hayden and Mr. Chadbourne are both directors of the Matanzas Sugar Corporation of Cuba. Mr. Chadbourne is close to James H. Post, key man of the Chase National Bank sugar properties in Cuba. In the course of the hearings on the sugar marketing agreement, held in Washington in August of 1933, at which Mr. Behrle sat in for the A.A.A., Mr. Chadbourne appeared in behalf of the Cuban Cane Products Co., the Punta Alegre Sugar Corporation, the Cuban Dominican Sugar Corporation, the Matanzas Sugar Co., the Compania Cubana, and for the Producers and Processors of Sugar in the Republic of Cuba. He is the same Thomas Lincoln Chadbourne who drew up the celebrated Chadbourne plan for sugar quotas in 1930, which was signed by Gerardo Machado for the Republic of Cuba, signed by the New National Sugar Exporting Corporation, signed by the Chase National Bank, and by the National City Bank of New York. Now, a blind man can see the profound interest that Mr. Chadbourne had and still has in sugar. That means that his law firm of which Mr. Frank is or was a partner is interested in sugar; that means that this law firm is interested in blackstrap molasses. It does seem a bit odd that Mr. Frank sits in as general counsel for the A.A.A., but then I suppose stranger things than that have happened. Moreover, far be it from me ever to intimate that Mr. Frank might have had anything to do with the bill which made sugar cane and sugar beets basic commodities, and far be it from me to say that Mr. Frank would resist any effort to have a blackstrap amendment inserted in that bill, but, then, you never can tell.

Mr. Daniel C. Roper, Secretary of Commerce in the President's Cabinet. Back in 1917 Mr. Roper was Vice Chairman of the United States Tariff Commission. This was doubtless a broadening experience. Now we find that on February 17, 1933, just a few days before he became a member of the President's official Cabinet family, he appeared before the Tariff Commission in behalf of Cuban Cane Products Co., the Matansas Sugar Co., the Guantanamo Sugar Co., the Punta Allegre Sugar Co., the Compania Cubana, and the Cuban-American Sugar Co. These are the same companies for which Mr. Thomas Lincoln Chadbourne appeared before the hearings on the sugar-marketing agreement. These are the companies in which the Chase National Bank and the National City Bank are interested. Mr. Percy Rockefeller and Mr. Charles Mitchell, of Chase Bank fame, are directors in some of these companies. Far be it from me to impute ulterior motives to Mr. Roper. I merely point out that he was associated and appeared for sugar companies in which Mr. Chadbourne, law partner of Mr. Jerome N. Frank, general counsel of the A.A.A., also appeared. I merely point out that Chase National and National City Bank were, and are, interested in these companies; and I think it quite fair to infer that Mr. Roper, by virtue of his interest in sugar companies as late as last year, might have had an interest in their by-product, namely, blackstrap molasses, which comes into this country in millions of gallons to compete with corn and other cereal grains.

Mr. Vincent Astor. He might be properly catalogued as a bright young socialite, who is skipper of the famed yacht Nourmahal, which was formerly the flagship of the International Mercantile Marine Corporation. He is a director of the Chase National Bank, which, as I pointed out, is

deeply interested in sugar and blackstrap molasses. He | was also a director of the ill-fated Atlantic Fruit & Sugar Co., which had 153,000 acres of sugar properties and a sugar mill in Cuba, 132,000 acres in Nicaragua, and which operated 21 steamers and controlled a number of subsidiaries. Percy Rockefeller was also a director of this company. The Atlantic Fruit & Sugar Co. was one of the many companies which composed the United States Sugar Association founded in 1922, for which Mr. Roper at one time appeared before the Tariff Commission and for which Mr. Chadbourne appeared before the hearing on the Sugar Marketing Agreement. It is but fair to assume that Mr. Roper, Mr. Chadbourne, Mr. Astor, Mr. Frank, and others all have an identity of interest because of these varied connections and that Mr. Astor is interested in sugar and doubtless in blackstrap molasses, the byproduct of sugar.

Mr. William H. Woodin, late lamented Secretary of the Treasury. Now comes a sad and difficult task, and I approach it with reluctance. Yet it would be a mark of moral cowardice on my part to fail to state the bare facts, even though I might be charged with a species of blasphemy of one who is gathered unto the dust of his fathers. Mr. Woodin was president of the American Car & Foundry Co., as everyone knows. Mr. Oscar B. Cintas, the vice president of that company, was appointed Cuban Ambassador to the United States and served for about 10 months. Mr. Cintas at one time sold American Car & Foundry Co. products in Cuba. Mr. Woodin was a member of the board of directors of the Cuba Co., the Cuba Railroad Co., the Consolidated Railroad Co. of Cuba, and the Compania Cubana (Producers of Sugar). Mr. Herbert C. Lakin, a director in Mr. Woodin's companies, and a relative by marriage of former Secretary of State Henry L. Stimson, testified before the Senate Judiciary Subcommittee in 1929 that Mr. Woodin's sugar and rail interests in Cuba were valued at \$175,-000,000. Mr. Woodin was associated with Mr. Percy Rockefeller and with Charles E. Mitchell, of Chase National Bank fame, in various enterprises. I shall go no further than to point out that Mr. Woodin was tremendously interested in sugar, and blackstrap molasses as a by-product of sugar.

Mr. Norman H. Davis. Mr. Davis is our roving ambassador. He turns up at the most unexpected places. He is high in the councils of the administration. One of the unexpected places where he turned up was Cuba. He arrived there with little more than carfare and ultimately became a dollar-a-year man, president of the Cuba Trust Co., and connected with various enterprises down there. Mr. Davis' name was linked up with the so-called Ports Co. of Cuba concession which turned out to be rather smelly.

Now, to show how closely sugar, molasses, and alcohol dovetail, it might be interesting to note who was present at the hearings on the code of fair competition for the distilled spirits industry, held under the supervision of the A.A.A. in November 1933. One of the controversial questions at that hearing was whether beverage alcohol or spirits should be made from grain entirely or whether the molasses distillers should have a right to convert some of their imported molasses into drinking liquor. The grain distillers contended that the American farmer had voted to repeal the eighteenth amendment on the express promises of the administration spokesmen that repeal would provide an enlarged market for cereal grains. This, however, made little difference to the molasses boys, who were more interested in profits than in the destinies of the American farmer. Now, note. The firm of Chadbourne, Stanchfield & Levy were there. This, as you may remember, is the firm of which Mr. Frank, general counsel of the A.A.A. was a member. In fact, Mr. Louis Samter Levy, member of that firm, seems to have been a member of the code-drafting committee. Countless distilleries appeared at that hearing, many of which had been and are making alcohol out of blackstrap molasses. John E. Dalton, chairman of the code analysis committee for the A.A.A. and the very gentleman who will help to administer the sugar agreement, was also there:

And who is John E. Dalton? He is a rather intimate friend of Dr. Raymond Moley, one-time "brain-truster",

editor of Today, and still something of a kingpin in administration affairs. Better than that, Mr. Dalton is an intimate friend of Mr. Charles W. Taussig, president of many molasses companies, member of the Virgin Islands Advisory Council, and a sort of unofficial adviser on sugar and related subjects. Mr. Dalton, therefore, should have no difficulty in fitting into the sugar, blackstrap, alcohol picture, nor should he have any trouble in preventing the beet-sugar growers from snitching a few pounds beyond their quota, even though we only raise enough beets and produce enough beet sugar for only one-fourth of our sugar requirements.

This narrative would not be complete, of course, unless it included the ace "brain trusters"—Dr. Tugwell and Dr. Ezekiel—and in order to get some first-hand evidence of their subtle philosophy it might be well to examine the hearings which were held on the measure to "include sugar beets and sugar cane as basic agricultural commodities." While the testimony is subtle, it seems convincing.

Now, before we turn the pages and see what the eminent Dr. Tugwell and the studious Dr. Ezekiel had to say we might with high profit look at page 142 of those hearings and quote from a statement that was issued by the National City Bank, of New York, in October 1933 and inserted in the hearings, because this bank, being so heavily interested in Cuban sugar and Cuban molasses and, by proper inference, in alcohol, is an authority on the subject. The statement is as follows:

At the present time-

And this is dated October 1933-

a very large amount of American capital appears to be hopelessly sunk in Cuba. Unfortunately, these banks have been obliged to take over from the debtors sugar plantations and other properties in Cuba.

There you have it. Now, if that statement had been more explicit it might have particularized on some of the wildcat financing down in Cuba, which nothing short of a revolution and bloodshed could save. A recital of the Morgan loan of nine million in July of 1927, the Chase National sixty-million loan in June of 1928, the Chase loan of eighty million in 1930, the Chadbourne sugar-bond authorization of forty-two million in 1930, for which Chase and National City Banks acted as fiscal agents, together with many other loans, tells the story of wildcat financing, the story of why they had to take over plantations, and why they must now seek to perfect a sugar-and-molasses arrangement for pulling their chestnuts out of the fire, no matter how it hurts the American farmers' outlet for grain.

On the same page of the hearings is quoted a memorandum of Thomas Lincoln Chadbourne, who might properly be styled "the world's greatest sugar daddy." This memorandum was given to the Washington Sugar Conference on July 9, 1933, and for fear that you may forget, let it be noted again that this is the Mr. Chadbourne who is a law partner of Jerome N. Frank, general counsel of the A.A.A. and of Mr. Louis Samter Levy who, it appears, was on the code-drafting committee for the distillers' marketing agreement. Says Mr. Chadbourne, "Seventy percent of the sugar production of the Island of Cuba is owned by Americans in the form of investments in Cuban and American companies (bonds, debentures, and stocks), largely scattered among small holders throughout the length and breadth of the United States. This American investment, when made, exceeded \$600,000,000 in amount. The present market value of the securities representing this large sum, does not now in the aggregate exceed \$50,000,000." Now, let the farmer take a second peep at that statement by Mr. Chadbourne. The original investment was \$600,000,000. value is now estimated at \$50,000,000. That means that they estimate the value at 81/3 percent of the original investment. In other words, they depreciated 91% percent. Is anything more necessary to establish the wildcat-nature of this sugar financing and is anything more necessary to show the impelling reason, why these gentlemen are interested in promoting a set-up of personnel in high places so that they can pump a lot of life-giving water into these securities, by perpetuating a sugar, molasses, and alcohol arrangement that is inimical to the interest of the midwestern farmer. You have it right there, from the sugar sage, Mr. Chadbourne, himself.

With this background, we may now proceed to the testimony of Mr. A. J. S. Weaver, chief of the sugar section of the A.A.A. who testified at great length before the committee. During the hearing, Congressman Hope, of Kansas, a true friend of the American farmer, asked this question:

Well then, in other words, the policy is to start in eliminating the industry (beet-sugar industry) before it gets any bigger. Am I correct in that assumption?

Mr. Weaver. Yes; I think that is a reasonable statement.

There, folks, you have a statement from the chief of the sugar section of the A.A.A., that it will be the policy to eliminate the beet-sugar industry before it gets any bigger. Fancy that! We produce only enough sugar to fill 25 percent of our sugar requirements, but despite that, it will be the policy to give it the ax and put it out of business. Why? Because it is inefficient? That is a lot of balderdash. Because we are overproduced? Certainly not. Then why? Go back and read Mr. Chadbourne's statement. The conclusion is obvious enough. Put the beet-sugar folks out of business because any expansion in the beet-sugar industry means contraction in the cane-sugar industry, and that might be prejudicial to the interests of the Chase National, the National City Bank, Mr. Chadbourne, and others. More beets will be prejudicial to island sugar, island molasses, and alcohol made from molasses. More beets would be quite the thing for the American farmer, but he apparently plays second fiddle in this scheme of things. You see now why there is nothing accidental about the relationship of Chase National, National City Bank, Mr. Taussig, Mr. Behrle, Mr. Astor, Mr. Roper, Mr. Chadbourne, Mr. Frank, Mr. Dalton, Mr. Weaver, Mr. Percy Rockefeller, Mr. Woodin, and all the rest. Sugar, molasses, alcohol. That is the story. An identity of interest and whether it is good or bad for the farmer is of little consequence. Nor was there anything accidental about the fact that Jose Obregon, son-in-law of Gerardo Machado, the arch Cuban president-dictator and tool of the sugar interests, was made manager of the Chase National Bank branch at Habana, Cuba. Nor is it accidental that Mr. Thomas Lamont, Morgan partner at a dinner given to President Machado in New York City in April of 1927, said. "We do not care by what means, but we should like to see Machado kept in power."

Parenthetically, let us pause long enough to remark that when the hearings on the bill to "include sugar beets and sugar cane as basic commodities" was printed, the testimony of Mr. Weaver was altered so as not to appear too patent and revolutionary. Even Mr. Wallace could not stand it, and the next day Mr. Tugwell appeared at the hearings, altogether uninvited, which is altogether unusual for the ace "brain truster." Did he come to pour oil on waters that were growing turbulent and troubled? Let us see.

Turn to page 42 and the following of the hearings, and there you have the spectacle of Mr. Tugwell, ace "brain truster", out on a limb, as it were, a bit hazy and uncertain of his ground, angling, sparring, feinting, dodging with an agility and alertness that would have put old Jim Corbett to shame. On page 47 appears this gleaming gem from the erudite Mr. Tugwell: "I think no one here would argue that we have no duty to Puerto Rico, to the Hawaiian Islands, or to Cuba. I think we all recognize there is a duty there, whatever it is." There you have it. A duty-whatever it is. Well, Mr. Tugwell doubtless knows what that duty is. So does Mr. Taussig and Mr. Behrle; so does Mr. Astor and Mr. Roper; so does Mr. Weaver and Mr. Dalton; so does Mr. Chadbourne and Mr. Frank; so does the Chase National and the National City Bank. And they will probably see that that duty is performed. They will see that the sugar, molasses, alcohol interests are not prejudiced, no matter what the present or future plight of the midwestern farmer may be. Let regimentation proceed, let crop reduction and drouth enter into mortal combat, let despair reign among the farmers, let the market for American grain be slowly but surely cur-

tailed and strangled. Sugar, molasses, and alcohol must be served. And from the looks of this formidable set-up. it will be served, unless the American farmers and American people take a hand in this matter.

Now for our studious friend, Dr. Ezekiel. His name intrigues me. When you pronounce it-Mordecai Ezekiel-it seems like one of the prophets of the Old Testament suddenly jumps up before you. For enlightenment turn to page 71 of the hearings. Much has been made of the fact that the more sugar we purchased from Cuba the greater the buying power of the Cubans for other products of the American farmer, and Mr. Ezekiel had it worked out very nicely to show just how many acres of land in the United States were necessary to produce the things which Cuba purchased. As if they were not raising corn and beef and dairy products in Cuba in increasing amount every year! But wait! Mr. McCandless, the Delegate from Hawaii, at this point unfurled some figures to show that in 1931, 1932, and 1933 we purchased twice as much sugar from Cuba as Cuba did all forms of merchandise and commodities from us. There were the bald, winking, blinking, bewildering figures to prove it. Then is when Dr. Ezekiel, "brain truster" extraordinary and farm expert plenipotentiary from the Department of Agriculture, rose to superb heights of statesmanship. Said he:

Mr. Chairman, may I suggest to the gentleman that a great deal of the Cuban industry, particularly sugar, is owned by people of the United States, which rather suggests that a great deal of what we are purchasing from Cuba constitutes, or at least is income or profit to Americans, citizens of the United States.

There you have it. Mr. Ezekiel might just as well have left his fancy and intriguing figures and his academic theories in the office. He might have with greater clarity substituted the following statement:

"Mr. Chairman, may I suggest to the gentleman that a great deal of the Cuban industry, particularly sugar, blackstrap molasses, and the alcohol which is made from blackstrap molasses at the expense of the grain farmers' market. is owned by the Chase National, the National City Bank, and in which Mr. Chadbourne, Mr. Astor, Mr. Rockefeller, Mr. Woodin, and many others have a heavy interest, and that a great deal of the sugar and blackstrap molasses which we are purchasing from Cuba constitutes or at least is income or profit to Americans, citizens such as Mr. Astor, Mr. Chadbourne, Mr. Rockefeller, Mr. Morgan, and all the others who are linked with them directly and indirectly."

To the farmer of the Midwestern States I say: Take a look at this set-up which seems to have an unusual interest in sugar and in the protection of those wild-cat investments in Cuba; take a look at the names of those whose interest in sugar denotes an interest in the blackstrap molasses, the natural byproduct of sugar, which is converted into alcohol and thereby steals away your market for grain; take a look at the high and responsible key positions held by those who have heretofore been identified with the protection of sugar and its byproducts, and you can readily understand why little heed has been given to the demand for a limitation on importations of blackstrap.

They talk about processing taxes on blackstrap so as to equalize it with grain, but they do not tell you about the idle acreage-40,000,000 acres in fact-in all sections of the country, which are the capital with which the farmer must do business. If their absurd argument about taxing blackstrap so as to equalize it with grain has any value, then why not put all corn and grain acreage out of business, import all available blackstrap, and pass on to the farmer penurious and inadequate benefits from which he cannot maintain an existence for himself and his family. There must come a reckoning some day, and it is high time that this whole matter was investigated by an official committee. It is time that the very lid was blown off of this set-up.

It becomes easier to understand why this cry of "brain truster" and "radical" and "Socialist" went up to frighten the people. To me it appears to have been a mere smokescreen to cloak the activities of the sugar- and blackstrapmolasses-alcohol interests. My own notion is that in some

respects Mr. Tugwell is about as radical as last year's hat; Mr. Ezekiel is about as radical as J. P. Morgan; Mr. Behrle is about as much of a "brain truster" and "left winger" as Percy Rockefeller; if these gentlemen are radical "brain trusters", then J. P. Morgan is a younger brother of Stalin and J. D. Rockefeller is a first cousin of Mussolini.

I am afraid that both the American people and the President are being fooled by this group, and before long there will be an awakening.

And now, is it so difficult to understand why the news about Cuban sugar had gotten to the financial district of New York and even to Cuba before the newsmen could leave the conference and put it on the wire? In fact, is it so difficult to discern who might have been doing the divulging?

(By unanimous consent, Mr. Dirksen was granted permission to revise and extend his remarks.)

### ST. LAWRENCE WATERWAY

Mr. LAMBETH. Mr. Speaker, by direction of the Committee on Printing, I send to the desk a privileged resolution (S.Con.Res. 20) to provide for the printing of additional copies of the hearings held before the Committee on Foreign Relations of the Senate on the resolution (S.Res. 278), St. Lawrence Waterway, Seventy-second Congress, second session, and ask for its immediate consideration.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read as follows:

## Senate Concurrent Resolution 20

Resolved by the Senate (the House of Representatives concur-Resolved by the Senate (the House of Representatives concurring), That in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the Committee on Foreign Relations of the Senate be, and is hereby, empowered to have printed for its use 2,000 copies of the hearings held before a subcommittee of said committee during the second session of the Seventy-second Congress, on the resolution (S.Res. 278), entitled "Resolution authorizing the Committee on Foreign Relations to make an investigation and to hold hearings respecting matters touching the St. Lawrence Waterway Treaty", part 1 and part 2.

The Senate concurrent resolution was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

# FRANKING PRIVILEGE TO MEMBERS OF CONGRESS

Mr. LAMBETH. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution (S.J.Res. 130) to amend section 72 of the Printing Act, approved January 12, 1895, and acts amendatory thereof and supplementary thereto, relative to the allotment of public documents, and section 85 of the same act fixing the date of the expiration of the franking privilege to Members of Congress.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. BLANTON. Reserving the right to object, in what way does this change the present law?

Mr. LAMBETH. I will state that the purpose of this amendment is to readjust the time within which ex-Members of Congress must remove their documents in order to conform with the expiration of their terms as changed by the twentieth amendment to the Constitution.

Mr. BLANTON. How much additional time is given them?

Mr. LAMBETH. They have until June 30.

Mr. BLANTON. And it in no other way changes the present law?

Mr. LAMBETH. That is the sole purpose of the amend-

The SPEAKER. Is there objection?

There was no objection.

The Clerk read as follows:

Resolved, etc., That section 72 of chapter 23 of the Printing Act (U.S.C., title 44, sec. 158), approved January 12, 1895, and acts amendatory thereof and supplementary thereto, be, and is hereby, amended to read as follows:

"Sec. 72. Allotment of documents: The congressional allotment of public documents (except the Congressional Record) printed after the expiration of the term of office of the Vice President of the United States, or any Senator, Representative, Delegate, or Resident Commissioner, shall be delivered to his or her successor in office.

"The Vice President of the United States and any Senator, Representative, Delegate, or Resident Commissioner in Congress, having public documents to his credit at the expiration of his term of office shall take the same prior to the 30th day of June next following the date of such expiration, and if he shall not do so within such period he shall forfeit them to his or her successor

Szc. 2. That section 85 of chapter 23 of the Printing Act (U.S.C., title 39, sec. 326), approved January 12, 1895, be, and is hereby, amended to read as follows:

"Szc. 85. Franking privilege: The Vice President of the United States, and Senators, Representatives, Delegates, and Resident Commissioners in Congress, the Secretary of the Senate, and Clerk of the House of Representatives may send and receive through the mail all public documents printed by order of Congress; and the name of the Vice President, Senator, Representative, Delegate, Resident Commissioner, Secretary of the Senate, and Clerk of the House shall be written thereon, with the proper designation of the office he holds; and the provisions of this section shall apply to each of the persons named herein until the 30th day of June following the expiration of their respective terms of office."

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## COORDINATION OF VETERANS' OBJECTIVES

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks by inserting a letter written to me by the chairman of the national veterans' conference committee, Victory Post of the American Legion.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CONNERY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter from the chairman of the national veterans' conference committee:

VICTORY POST, No. 4, THE AMERICAN LEGION, Washington, D.C., June 13, 1934.

Washington, D.C., June 13, 1934.

The Honorable William P. Connery,

Member of Congress.

Dear Sir and Comrade: Victory Post, No. 4, American Legion, has authorized this committee to call a national conference of representatives of all patriotic veteran organizations and units to be convened in Washington, D.C., in October for "indoctrinating all of the veterans of the World War and Spanish-American War, regardless of their veteran organization affiliation, with the spirit of cooperation and coordination of veterans' objectives, thereby affording the membership of each organization the opportunity to take such action within each particular organized group as will permit and lead to the promotion of a planned national policy to the end that veterans will not always be vulnerable in the face of attack and that the veteran may again be restored to that high

the end that veterans will not always be vulnerable in the face of attack and that the veteran may again be restored to that high level of patriotic idealism which was once theirs."

Your long experience in battling for the veteran will give you full appreciation of the necessity for such action, and your cooperation in making this conference a success is paramount and will be greatly appreciated.

This, so far as we know, is the first national meeting of its kind ever proposed and it will no doubt have a lasting effect upon unity of thought among veterans and upon national welfare.

unity of thought among veterans and upon national welfare. We know we can depend upon you.

Fraternally yours,

D. E. CARTER, Chairman National Veterans' Conference Committee, tory Post, No. 4, Am District of Columbia. American Legion, Department of the

# BRIDGE ACROSS ELEVEN POINTS RIVER

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H.R. 9826) granting the consent of Congress to the State highway commission to construct, maintain, and operate a highway bridge across Eleven Points River in section 17, township 23 north, range 2 west, approximately 12 miles east of Alton, on Route No. 42, Oregon County, Mo.

Mr. SNELL. Mr. Speaker, reserving the right to object, will the gentleman inform us what this bill is?

Mr. WILLIAMS. It is a measure providing for the construction of a free bridge across the Eleven Points River by the State highway commission.

Mr. SNELL. Has the bill been reported by the Interstate Commerce Committee?

Mr. WILLIAMS. It was unanimously reported, and the bill is endorsed by the War Department.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the State Highway Commission of Missouri to construct, maintain, and operate a highway bridge across Eleven Points River in the northwest half of section 31, township 25 north, range 3 west, 8 miles northeast of Alton, on route B in Oregon County, Mo., at a point suitable to the interests of naviga-tion, in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906.

SEC. 2. The authority hereby granted shall cease and be null and void unless the actual construction of the bridge be commenced within 2 years and completed within 5 years from the date of

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendments:

Page 2, line 5, strike out section 2 of the bill.

Page 2, line 9, strike out the figure "3" and insert in lieu thereof the figure "2."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Amend the title of the bill so as to read: "A bill granting the consent of Congress to the State highway commission to construct, maintain, and operate a free highway bridge across Eleven Points River in the northwest half of section 31, township 25 north, range 3 west, 8 miles northeast of Alton, on route B in Oregon County, Mo."

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent for the present consideration of the bill, H.R. 9827, a com-

panion measure to the one just passed.

Mr. RANSLEY. Mr. Speaker, it is absolutely unfair to bring up these bills at this hour of the night. I object.

CHANGES IN RURAL DELIVERY HARMFUL TO SERVICE

Mr. WOLVERTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. WOLVERTON. Mr. Speaker, the inauguration of the rural-delivery system as part of the service rendered by the Post Office Department has proved to be one of the most beneficent activities of our Government. In many instances it was, and has continued to be, the only contact that dwellers in rural communities have with the outside world. Its development through succeeding administrations has been the natural outgrowth of a service for which there was a distinct need. There has been created a just pride in its accomplishments, shared by those in high official administrative offices, and, the humble rural carrier, whose faithfulness in the performance of a public duty has not been exceeded by any other class of Government employee.

The development of this service, which has no equal in all the world, has required years of effort and toil. Each succeeding year has seen its routes extended, the number of persons served increased, and the character of service enlarged, until today the dweller on farm or in rural community has all the varied forms of service available to those who reside in the largest city. It has been a marvelous achievement. Today, it occupies such an important part in the welfare of rural communities that any effort or tendency to break down, curtail, or minimize the service rendered should meet with stout resistance.

It is regrettable that the present administration of the Post Office Department seems to have lost the vision that induced its predecessors to enlarge and extend the rural service, and, has entered upon a course of consolidations and eliminations in the name of economy, and a fictitiously balanced budget that is seriously destroying the effectiveness and usefulness of this branch of the service to many who formerly enjoyed and were benefited by it.

In the same wild effort or delusion of balancing the Budget, the present Post Office administration has closed post offices serving small communities, cut hours of service in others, enforced pay cuts and furloughs among employees until the morale of the employees has been broken, and the

patience of the public exhausted. And yet all of this curtailment is being made upon a theory of economy when in fact there are 81,000 more officeholders in the Federal service than 1 year ago. Why should those living in rural communities be made to suffer by discontinued or delayed service of mail to effect savings that enable a vast army of new job holders to be placed in political positions? All of this is done by or under the authority of Postmaster General Farley, who, as chairman of the national committee of his party, is the dispenser of political patronage. And closely allied to this practice is that of demanding the resignation of postmasters whose terms have not expired and who have served faithfully and well, and for no other than political reasons. I regret to say that never before has any administration, Democratic or Republican, been so ruthless and cold-blooded or more politically minded in the administration of the Post Office Department.

The conditions of which I complain are not local in character. They reach into every State. They should not be permitted to continue. Consideration should be given to the rights of individuals who find it necessary to utilize the rural-delivery system. There should be no let-up in effort until the wrongs are remedied. It is the duty of each to help in this common endeavor for the good of those who reside in rural communities.

#### LEAVE OF ABSENCE

By unanimous consent leave of absence was granted as

To Mr. Swick, for June 15, on account of important

To Mr. Seger, indefinitely, on account of illness.

To Mr. Kleberg (at the request of Mr. West of Texas), indefinitely.

# SENATE BILLS AND JOINT RESOLUTION REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and under the rule referred, as follows:

S. 2757. An act for the relief of Harry H. A. Ludwig; to the Committee on the Civil Service.

S. 2856. An act authorizing the adjustment of existing contracts for the sale of timber on the national forests, and for other purposes; to the Committee on Agriculture.

S. 3464. An act for the relief of Walter L. Rasasco; to the Committee on Claims.

S.J.Res. 102. Joint resolution authorizing and directing the Comptroller General of the United States to certify for payment certain claims of grain elevators and grain firms to cover insurance and interest on wheat during the years 1919 and 1920 as per a certain contract authorized by the President; to the Committee on War Claims.

# ENROLLED BILLS SIGNED

Mr. Parsons, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 206. An act for the relief of Pierre E. Teets;

H.R. 363. An act for the relief of James Moffitt;

H.R. 387. An act donating bronze trophy guns to the Cohoes Historical Society, Cohoes, N.Y.;

H.R. 452. An act for the relief of Laura B. Crampton;

H.R. 471. An act for the relief of Physicians and Surgeons Hospital, Ltd.;

H.R. 529. An act for the relief of Morris Spirt;

H.R. 740. An act for the relief of Wade Dean;

H.R. 1133. An act for the relief of Silas B. Lawrence;

H.R. 1306 An act for the relief of Clarence A. Wimley:

H.R. 1308. An act for the relief of John Parker Clark, Sr.;

H.R. 1345. An act for the relief of John Parker Clark, Jr.;

H.R. 1354. An act for the relief of C. V. Mason;

H.R. 1731. An act to make provision for suitable quarters for certain Government services at El Paso, Tex., and for other purposes:

H.R. 1766. An act to provide medical services after retirement on annuity to former employees of the United States duties:

H.R. 1769. An act for the relief of Jeannette S. Jewell;

H.R. 1792. An act for the relief of Michael Petrucelli;

H.R. 2038. An act for the relief of Jeanie G. Lyles;

H.R. 2326. An act for the relief of Emma R. H. Taggart; H.R. 2416. An act for the relief of Mrs. George Logan and her minor children, Lewis and Barbara Logan;

H.R. 2632. An act for the relief of Wilson G. Bingham;

H.R. 3054. An act for the relief of Christopher Cott;

H.R. 3084. An act authorizing the sale of portions of the Pueblo lands of San Diego to the city of San Diego, Calif.;

H.R. 3161. An act for the relief of Henry Harrison Griffith;

H.R. 3176. An act for the relief of Ernest Elmore Hall;

H.R. 3295. An act for the relief of the estate of White B. Miller:

H.R. 3595. An act for the relief of St. Ludgers Catholic Church, of Germantown, Henry County, Mo.;

H.R. 3606. An act for the relief of William Sheldon;

H.R. 3705. An act for the relief of Julia E. Smith;

H.R. 3748. An act for the relief of Mary Orinski;

H.R. 3791. An act for the relief of Gustav Welhoelter;

H.R. 3912. An act for the relief of Roland Zolesky;

H.R. 4082. An act for the relief of John J. Corcoran;

H.R. 4224. An act to authorize the Postmaster General to hire vehicles from postal employees;

H.R. 4387. An act for the relief of Mary A. Rockwell;

H.R. 4670. An act for the relief of Lyman D. Drake, Jr.;

H.R. 5031. An act for the relief of Edith L. Peeps;

H.R. 5344. An act granting a franking privilege to Grace G. Coolidge:

H.R. 5357. An act for the relief of Alice M. A. Damm;

H.R. 5584. An act for the relief of William J. Kenely;

H.R. 5606. An act for the relief of W. R. McLeod;

H.R. 8912. An act to amend section 35 of the Criminal Code of the United States;

H.R. 9123. An act to authorize the Secretary of War to lend War Department equipment for use at the Sixteenth National Convention of the American Legion at Miami, Fla., during the month of October 1934; and

H.R. 9526. An act authorizing the city of Port Arthur, Tex., or the commission hereby created and its successors, to construct, maintain, and operate a bridge over Lake Sabine at or near Port Arthur, Tex.

# BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H.R. 541. An act for the relief of John P. Leonard;

H.R. 2439. An act for the relief of William G. Burress,

H.R. 3032. An act for the relief of Paul Jelna;

H.R. 4460. An act to provide for the payment of compensation to George E. Q. Johnson;

H.R. 7982. An act to establish a national military park at the battlefield of Monocacy, Md.;

H.R. 8525. An act to amend the District of Columbia Alcoholic Beverage Control Act to permit the issuance of retailers' licenses of class B in residential districts;

H.R. 9002. An act to provide relief to Government contractors whose costs of performance were increased as a result of compliance with the act approved June 16, 1933, and for other purposes; and

H.R. 9745. An act to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes.

# ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now

The motion was agreed to; accordingly (at 6 o'clock and 37 minutes p.m.) the House, under its previous order, adjourned until tomorrow, Friday, June 15, 1934, at 11 o'clock a.m.

disabled by injuries sustained in the performance of their | REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. THOMPSON of Illinois: Committee on Military Affairs. House Joint Resolution 346. Joint resolution directing the American Battle Monuments Commission or its successor to restore the inscriptions obliterated from the Three Hundred and Sixteenth Infantry Memorial erected by a French organization on property of that organization at Sillon-Fontaine (Cote 378), Territoire de Sivry-sur-Meuse; without amendment (Rept. No. 1990). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILSON: Committee on Flood Control. S. 1386. An act to provide for a preliminary examination of Nisqually River and its tributaries in the State of Washington, with a view to the control of their floods; without amendment (Rept. No. 1997). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILSON: Committee on Flood Control. S. 3431. An act authorizing a preliminary examination of the lower Columbia River, with a view to the controlling of floods; without amendment (Rept. No. 1998). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILSON: Committee on Flood Control. H.R. 9804. A bill authorizing a preliminary examination and survey of the Nehalem, Miami, Kilchis, Wilson, Trask, and Tillamook Rivers tributaries to Tillamook Bay in Tillamook County, Oreg., with a view to the controlling of floods; with amendment (Rept. No. 1999). Referred to the Committee of the Whole House on the state of the Union.

Mr. FULMER: Committee on Agriculture. H.R. 8778. A bill to establish and promote the use of standards of classification for tobacco, to provide and maintain an official inspection service for tobacco, and for other purposes; without amendment (Rept. No. 2001). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHAVEZ: Committee on Irrigation and Reclamation. H.R. 9124. A bill to provide for the distribution of power revenues on Federal reclamation projects, and for other purposes; with amendment (Rept. No. 2002). Referred to the Committee of the Whole House on the state of the Union.

Mr. FULMER: Committee on Agriculture. S. 3541. An act to authorize production credit associations to make loans to oyster planters; without amendment (Rept. No. 2003). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOUGHTON: Committee on Ways and Means. House Joint Resolution 373. A resolution to protect the revenue by requiring information concerning the disposition of substances used in the manufacture of distilled spirits; without amendment (Rept. No. 2004). Referred to the Committee of the Whole House on the state of the Union.

Mr. McSWAIN: Committee on Military Affairs. House Report No. 2005. A preliminary report pursuant to House Resolution 275. Referred to the House Calendar.

Mr. McREYNOLDS: Committee on Foreign Affairs. House Joint Resolution 368. Joint Resolution providing for membership of the United States in the International Labor Organization; without amendment (Rept. No. 2006). Referred to the House Calendar.

Mr. RAMSPECK: Committee on the Civil Service. H.R. 4113. A bill to classify in the civil-service employees in post offices of the third class; without amendment (Rept. No. 2007). Referred to the Committee of the Whole House on the state of the Union.

Mr. RAMSPECK: Committee on the Civil Service. H.R. 6375. A bill to authorize the payment of annuities withheld from employees retired from active service during the month of July 1932 under the provisions of the economy law; without amendment (Rept. No. 2008). Referred to the Committee of the Whole House on the state of the Union.

Mr. WERNER: Committee on Indian Affairs. H.R. 7584. A bill to confer jurisdiction upon the Court of Claims to hear claims of the Stockbridge and Munsee Tribe of Indians;

without amendment (Rept. No. 2009). Referred to the | Committee of the Whole House on the state of the Union.

Mr. RAMSPECK: Committee on the Civil Service. H.R. 9283. A bill to provide for the designation of beneficiaries by employees subject to the provisions of the Civil Service Retirement Act of May 29, 1930, as amended, and for other purposes; with amendment (Rept. No. 2010). Referred to the Committee of the Whole House on the state of the Union.

Mr. HOLMES: Committee on Interstate and Foreign Commerce. H.R. 9796. A bill to amend the act entitled "An act for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes", approved June 30, 1906, as amended; with amendment (Rept. No. 2011). Referred to the Committee of the Whole House on the state of the Union.

Mr. RAYBURN: Committee on Interstate and Foreign Commerce. House Joint Resolution 333. Joint resolution to provide for the continuation of the investigation authorized by Senate Resolution 83, Seventieth Congress, first session; without amendment (Rept. No. 2012). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHAVEZ: Committee on the Public Lands. H.R. 8718. A bill to provide for the commemoration of the two hundredth anniversary of the Battle of Ackia, Mississippi, and the establishment of the Ackia Battleground National Monument, and for other purposes; with amendment (Rept. No. 2013). Referred to the Committee of the Whole House on the state of the Union.

Mr. STEAGALL: Committee on Banking and Currency. H.R. 9915. A bill to amend section 12B of the Federal Reserve Act, as amended; without amendment (Rept. No. 2014). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOBBINS: Committee on the Post Office and Post Roads. H.R. 9866. A bill amending the act of May 23, 1930, authorizing the Postmaster General to impose demurrage charges on undelivered collect-on-delivery parcels; without amendment (Rept. No. 2015). Referred to the Committee of the Whole House on the state of the Union.

Mr. LAMBETH: Committee on Printing. Senate Concurrent Resolution 20. Concurrent resolution to provide for the printing of additional copies of the hearings held before the Committee on Foreign Relations of the Senate on Senate Resolution 278, St. Lawrence Waterway, Seventy-second Congress, second session; without amendment (H.Rept. No. 2016). Ordered to be printed.

# REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. THOMPSON of Illinois: Committee on Military Affairs. S. 3059. An act for the relief of Joseph M. Thomas, alias Joseph Thomas, alias Thomas O'Donnell; without amendment (Rept. No. 1991). Referred to the Committee of the Whole House.

Mr. THOMPSON of Illinois: Committee on Military Affairs. S. 2227. An act for the relief of Harold S. Shepardson; without amendment (Rept. No. 1992). Referred to the Committee of the Whole House.

Mr. THOMPSON of Illinois: Committee on Military Affairs. H.R. 5323. A bill for the relief of Frank I. Otis; without amendment (Rept. No. 1993). Referred to the Committee of the Whole House.

Mr. THOMPSON of Illinois: Committee on Military Affairs. S. 418. An act for the relief of William H. Connors, alias John H. Connors, alias Michael W. H. Connors; without amendment (Rept. No. 1994). Referred to the Committee of the Whole House.

Mr. THOMPSON of Illinois: Committee on Military Affairs. H.R. 7323. A bill authorizing the President to issue a posthumous commission as second lieutenant, Air Corps Reserve, to Archie Joseph Evans, deceased, and to present the same to Maj. Argess M. Evans, father of the said Archie

Joseph Evans, deceased; without amendment (Rept. No.

1995). Referred to the Committee of the Whole House. Mr. THOMPSON of Illinois: Committee on Military Affairs. H.R. 8898. A bill for the relief of Thomas M. Bardin; with amendment (Rept. No. 1996). Referred to the Committee of the Whole House.

## CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H.R. 9908) granting an increase of pension to Jennette Knapp, and the same was referred to the Committee on Invalid Pensions.

# PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GOSS: A bill (H.R. 9923) to secure greater control by law over the expenditure of public money under contracts, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. MOTT: A bill (H.R. 9924) providing for the examination and survey of the Umpqua River, Oreg.; to the Committee on Rivers and Harbors.

By Mr. HENNEY: A bill (H.R. 9925) to regulate by professional licenses the management of national banks, including Federal Reserve banks, exclusive of State member banks; to the Committee on Banking and Currency.

By Mr. TARVER: A bill (H.R. 9926) to create a national memorial park at and in the vicinity of New Echota, in the State of Georgia, and for other purposes; to the Committee on the Public Lands.

By Mr. McCORMACK: A bill (H.R. 9927) to establish a board in the Army for hearing and passing upon petitions for correction of records of persons discharged under other than honorable conditions; to the Committee on Military

By Mr. HOWARD (by departmental request): A bill (H.R. 9928) to authorize the Secretary of the Interior to turn over to a water-user's association or unit thereof, or other proper organization, the operation of the several units of the irrigation project on the Blackfeet Indian Reservation, Mont., and for other purposes; to the Committee on Indian Affairs.

By Mr. McCORMACK: A bill (H.R. 9929) to establish boards in the Navy and Marine Corps for hearing and passing upon petitions for correction of records of persons discharged under other than honorable conditions; to the Committee on Naval Affairs.

By Mr. STEAGALL: A bill (H.R. 9930) to amend section 5153 of the Revised Statutes, as amended; to the Committee on Banking and Currency.

By Mr. SADOWSKI (by request): A bill (H.R. 9931) to stabilize and standardize money and labor prices by the establishment of a labor-hour monetary system, guarantee work to all at all times, give normal prosperity, prevent depressions, and for other purposes; to the Committee on Ways and Means.

By Mr. DUFFEY. Resolution (H.Res. 440) extending the time within which the Committee on the Judiciary may report to the House of Representatives pursuant to House Resolution 145 and House Resolution 228, from June 30, 1934, until not later than January 3, 1935; to the Committee on Rules.

By Mr. COLE: Resolution (H.Res. 441) to investigate the petroleum industry; to the Committee on Rules.

Also, resolution (H.Res. 442) providing for the expenses of the investigation authorized by House Resolution 441, authorizing an investigation of the petroleum industry; to the Committee on Accounts.

By Mr. LEHR: Resolution (H.Res. 443) to provide for the expenses of continuing the investigation authorized by House Resolution 145; to the Committee on Accounts.

By Mr. CALDWELL: Resolution (H.Res. 444) providing for the expenses of conducting the investigation authorized and directed by House Resolution 404; to the Committee on Accounts.

By Mr. HOEPPEL: Joint resolution (H.J.Res. 374) to provide for obtaining data on displacement of workers by laborsaving devices, for use in formulating plans and legislation for diminishing such displacement and the harmful social and economic consequences thereof; to the Committee on

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. KURTZ: A bill (H.R. 9932) granting an increase of pension to Elvira M. Miller; to the Committee on Invalid Pensions.

By Mr. POWERS: A bill (H.R. 9933) granting a pension to Mary Tiger; to the Committee on Invalid Pensions.

Also, a bill (H.R. 9934) granting a pension to Rebekah E. R. Ramsey; to the Committee on Invalid Pensions.

By Mr. SADOWSKI: A bill (H.R. 9935) authorizing the Secretary of War to award a Distinguished Service Medal to Clarence E. Whitney; to the Committee on Military Affairs.

# PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5145. By Mr. KENNEY: Petition in the nature of a resolution of the St. John's Holy Name Society in the city of Bergenfield, N.J., calling upon our Senators and Representatives in Congress to support the amendment to section 301 of Senate bill 2910, providing for the insurance of equity of opportunity for educational, religious, agricultural, labor, cooperative, and similar non-profit-making associations seeking licenses for radio broadcasting by incorporating into the statute a provision for the allotment to said nonprofit-making associations of at least 25 percent of all radio facilities not employed in public use; to the Committee on Merchant Marine, Radio, and Fisheries.

5146. By Mr. LINDSAY: Petition of the Sterling Die Casting Co., Inc., Brooklyn, N.Y., opposing the passage of the new Wagner labor disputes bill (S. 2926); to the Committee

on Labor.

5147. Also, telegram of Edward J. Volz, president International Photoengravers Union, New York City, urging passage of the housing bill, the Connery 30-hour week bill, and amended Wagner labor disputes bill; to the Committee on Labor.

5148. Also, petition of the United National Association of Post Office Clerks, Washington, D.C., urging the passage of House bill 4113; to the Committee on the Civil Service.

5149. Also, petition of the Somerce & Conzen Coal Corporation, Brooklyn, N.Y., protesting the passage of the amended Wagner labor disputes bill; to the Committee on Labor.

5150. Also, telegram from Burton O. Gibbs, Brooklyn, N.Y., urging defeat of Senate bill 3326; to the Committee on Labor.

5151. By Mr. RUDD: Petition of the International Photoengravers Union, New York City, favoring the passage of the housing bill, Connery 30 hour bill, and amended Wagner labor disputes bill, as may be amended by sponsors, prior to adjournment; to the Committee on Labor.

5152. Also, petition of the New York Stereotypers Union No. 1, favoring the Connery 30-hour week bill; to the Com-

mittee on Labor.

5153. Also, petition of the Sterling Die Casting Co., Inc., Brooklyn, N. Y., opposing the passage of the Wagner labor disputes bill; to the Committee on Labor.

5154. Also, petition of the Somers & Conzen Coal Corporation, Brooklyn, N.Y., opposing the passage of the Wagner labor disputes bill; to the Committee on Labor.

5155. Also, petition of the United National Association of Pot Office Clerks, favoring the passage of House bill 4113; to the Committee on the Post Office and Post Roads.

5156. Also, petition of Richard Knight, Forest Hills, Long Island, N.Y., opposing the Wagner labor disputes bill; to the Committee on Labor.

5157. Also, petition of the Chase Bag Co., New York City, favoring amendment to the Agricultural Act to permit refund on floor stocks of cotton, burlap, and paper bags; to the Committee on Agriculture.

5158. Also, petition of Locals 63 and 142, New York Amalgated Clothing Workers of America, favoring the Connery

30-hour-week bill; to the Committee on Labor.

5159. By Mr. TREADWAY: Resolutions adopted by the General Court of Massachusetts, urging the enactment of legislation providing a retirement system for railroad employees; to the Committee on Interstate and Foreign Com-

# SENATE

# FRIDAY, JUNE 15, 1934

(Legislative day of Wednesday, June 6, 1934)

The Senate met in executive session at 11 o'clock a.m., on the expiration of the recess.

#### THE JOURNAL

As in legislative session,

On motion of Mr. Robinson of Arkansas, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, June 14, was dispensed with, and the Journal was approved.

## CONSIDERATION OF TREATIES

The VICE PRESIDENT. Under the unanimous-consent agreement entered into yesterday the Senate, in executive session, will proceed to the consideration of treaties on the calendar.

Mr. ROBINSON of Arkansas. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll. The legislative clerk called the roll, and the following Senators answered to their names:

dams	Costigan	Hebert	Pope
shurst	Couzens	Johnson	Reynolds
ustin	Cutting	Kean	Robinson, Ark.
Bachman	Davis	King	Robinson, Ind.
ailey	Dickinson	La Follette	Russell
ankhead	Dieterich	Lewis	Schall
Barbour	Dill	Logan	Sheppard
Barkley	Duffy	Lonergan	Shipstead
lack	Erickson	Long	Smith
lone	Fess	McCarran	Steiwer
lorah	Fletcher	McGill	Stephens
rown	Frazier	McKellar	Thomas, Okla.
ulkley	George	McNary	Thomas, Utah
ulow	Gibson	Metcalf	Thompson
vrd	Glass	Murphy	Townsend
vrnes	Goldsborough	Neely	Tydings
apper	Gore	Norbeck	Vandenberg
araway	Hale	Norris	Wagner
arey	Harrison	Nye	Walcott
lark	Hastings	O'Mahoney	Walsh
onnally	Hatch	Overton	Wheeler
coolidge	Hatfield	Patterson	White
opeland	Hayden	Pittman	WILLDE
operanti	ALGO WELL	TIONTIGHT	

Mr. HEBERT. I desire to announce that the Senator from Pennsylvania [Mr. REED] is absent on account of illness, and the Senator from New Hampshire [Mr. Keyes] is necessarily detained from the Senate.

Mr. LEWIS. I desire to announce that the Senator from California [Mr. McADOO] is absent, due to illness, and that the Senator from Indiana [Mr. Van Nuys] and the Senator from Florida [Mr. TRAMMELL] are necessarily detained.

The VICE PRESIDENT. Ninety-one Senators have answered to their names. A quorum is present.

The clerk will state the first treaty on the calendar.

Mr. PITTMAN. Mr. President, there are 12 treaties on the calendar, and the reason I desired to have a particular time set aside for their consideration was so that those Senators who are interested in the treaties might be able to make arrangements to be present.

I desire to take the treaties up out of order on the calendar; that is, I desire to have considered first the treaties which are purely formal ones. Therefore I will ask that Executive M be first considered.

SUPPLEMENTARY EXTRADITION TREATY WITH FINLAND

The Senate, as in Committee of the Whole, proceeded to consider Executive M (73d Cong., 2d sess.), a supplementary extradition treaty between the United States and Finland, signed at Washington on May 17, 1934, which was read the second time, as follows:

The United States of America and the Republic of Finland, being desirous of enlarging the list of crimes on account of which extradition may be granted under the treaty concluded between the United States of America and the Republic of Finland on August 1, 1924, with a view to the better administration of justice and the prevention of crime within the two countries, have resolved to conclude a supplementary treaty for this purpose and have appointed as their plenipotentiaries, to wit:

The President of the United States of America, Mr. Cordell Hull, Secretary of State of the United States of America; and

The President of the Republic of Finland, Mr. L. Aström, Envoy Extraordinary and Minister Plenipotentiary of Finland to the United States of America;

Who, after having communicated to each other their respective full powers, which were found to be in due and proper form, have agreed to and concluded the following articles:

#### ARTICLE I

The following crime is added to the list of crimes numbered 1 to 17 in article II of the said treaty of August 1, 1924, on account of which extradition may be granted, that is to say:

18. Fraudulent bankruptcy.

## ARTICLE II

Paragraph 3 of article II of the said treaty of August 1, 1934, is hereby amended by substituting for the words "a girl", contained therein, the word "children", so that this paragraph shall now read: "rape, abortion, and the carnal knowledge of children under the age of twelve years."

# ARTICLE III

The present treaty shall be considered as an integral part of the said Extradition Treaty of August 1, 1924.

# ARTICLE IV

The present treaty shall be ratified by the high contracting parties in accordance with their respective constitutional methods, and shall take effect on the date of the exchange of ratifications which shall take place at Helsinki as soon as possible.

In witness whereof, the above-mentioned plenipotentiaries have signed the present treaty and have hereunto affixed their seals.

Done, in duplicate, at Washington, this 17th day of May 1934.

CORDELL HULL. [SEAL] L. ASTRÖM. [SEAL]

Mr. PITTMAN. I will state, Mr. President, that this is a supplementary extradition treaty. It adds to the crimes made extraditable under the existing treaty the crimes of fraudulent bankruptcy and rape. That is all.

Mr. NORRIS. Mr. President, am I to understand that the present treaty with Finland omits those two crimes?

Mr. PITTMAN. Yes, sir.

Mr. NORRIS. And this treaty proposes to include them? Mr. PITTMAN. The treaty merely includes the additional crimes to the list of extraditable crimes.

The VICE PRESIDENT. If there be no amendments, the treaty will be reported to the Senate.

The treaty was reported to the Senate without amendment.

The VICE PRESIDENT. The resolution of ratification will be read.

The Chief Clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive M, Seventy-third Congress, second session, a supplementary extradition treaty between the United States and Finland, signed at Washington on May 17, 1934.

The VICE PRESIDENT. The question is on agreeing to the resolution of ratification. [Putting the question.] Twothirds of the Senators present concurring therein, the resolution is agreed to, and the treaty is ratified.

SUPPLEMENTARY EXTRADITION TREATY WITH LITHUANIA

Mr. PITTMAN. I ask that the Senate proceed to the consideration of Executive L.

There being no objection, the Senate, as in Committee of the Whole, proceeded to the consideration of Executive L, a supplementary extradition treaty between the United States and Lithuania, signed at Washington, May 17, 1934, which was read the second time, as follows:

The United States of America and the Republic of Lithuania desiring to promote the cause of justice by enlarging the list of crimes on account of which extradition may be granted under the treaty concluded between the United States of America and the Republic of Lithuania on April 9, 1924, have resolved to conclude a supplementary treaty for this purpose and have appointed as their plenipotentiaries, to wit:

The President of the United States of America, Cordell Hull, Secretary of State of the United States of America; and

The President of the Republic of Lithuania, Mikas Bagdonas, Chargé d'Affaires ad interim of the Republic of Lithuania at Washington.

Who, after having communicated to each other their respective full powers, which were found to be in due and proper form, have agreed to and concluded the following articles:

#### ARTICLE I

The following crimes are added to the list of crimes numbered 1 to 24 in article II of the said treaty of April 9, 1924, on account of which extradition may be granted, that is to say:

25. Crimes and offenses against the bankruptcy laws.

26. Crimes and offenses, or attempted crimes or offenses, against the laws relating to the traffic in narcotic drugs.

# ARTICLE II

The present treaty shall be considered as an integral part of the said extradition treaty of April 9, 1924, and article II of the last-mentioned treaty shall be read as if the list of crimes therein contained had originally comprised the additional crimes specified and numbered 25 and 26 in the first article of the present treaty.

The present treaty shall be ratified by the high contracting parties in accordance with their respective constitutional methods, and shall take effect on the date of the exchange of ratifications which shall take place at Washington as soon as possible.

In witness whereof, the above-mentioned plenipotentiaries have signed the present Treaty and have hereunto affixed their seals.

Done, in duplicate, at Washington this 17th day of May 1934.

CORDELL HULL. [SEAL] MIKAS BAGDONAS. [SEAL]

Mr. PITTMAN. This treaty simply adds to the list of extraditable crimes those against the bankruptcy laws and those against the narcotic laws.

The VICE PRESIDENT. If there be no amendment, the treaty will be reported to the Senate.

The treaty was reported to the Senate without amendment.

The VICE PRESIDENT. The resolution of ratification will be read.

The Chief Clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive L (73d Cong., 2d sess.), a supplementary extradition treaty between the United States and Lithuania, signed at Washington on May 17, 1934.

The VICE PRESIDENT. The question is on agreeing to the resolution of ratification. [Putting the question.] Twothirds of the Senators present concurring therein, the resolution is agreed to and the treaty is ratified. SUPPLEMENTARY EXTRADITION TREATY WITH SWEDEN

Mr. PITTMAN. I ask that Executive K be next considered. There being no objection, the Senate, as in Committee of the Whole, proceeded to consider Executive K, a supplementary extradition treaty between the United States and Sweden, signed at Washington on May 17, 1934, which was read the second time, as follows:

The President of the United States of America and His Majesty the King of Sweden, being desirous of enlarging the list of crimes and offenses on account of which extradition may be granted under the Extradition Treaty of January 14, 1893, between the United States of America and Sweden, have resolved to conclude a supplementary treaty for this purpose and have appointed as their plenipotentiaries, to wit:

The President of the United States of America, Cordell Hull, Secretary of State of the United States of America; and

His Majesty the King of Sweden, W. Boström, Envoy Extraordinary and Minister Plenipotentiary of Sweden at Washington.

Who, having communicated to each other their respective full powers, which were found to be in due and proper form, have agreed to and concluded the following articles:

#### ARTICLE I

To the list of crimes and offenses numbered 1 to 12 in article II of the treaty of January 14, 1893, the following, contained in a paragraph numbered 13, is added:

13. Crimes and offenses against the bankruptcy laws, provided the act in the United States of America is punishable as a felony and in Sweden is regarded as a crime that may be punished according to the Swedish Penal Law by imprisonment at hard labor.

#### ARTICLE II

The present treaty shall be considered as an integral part of the said Extradition Treaty of January 14, 1893, article II of which shall be read as if the list of crimes and offenses therein contained had originally compromised the additional crimes and offenses specified and numbered 13 in the first article of the present treaty.

The present treaty shall be ratified and the ratifications shall be exchanged at Stockholm as soon as possible. It shall take effect on the date of the exchange of ratifications,

In witness whereof, the respective plenipotentiaries have signed the present supplementary treaty and have thereto affixed their seals.

Done, in duplicate, at Washington this seventeenth day of May, in the year of our Lord one thousand nine hundred and thirty-four.

CORDELL HULL. [SEAL] W. BOSTRÖM. [SEAL]

Mr. PITTMAN. Mr. President, this treaty also adds crimes against the bankruptcy laws, but provides a qualification so as to include only such crimes of this character as are felonies in the United States and punishable by hard labor in Sweden.

The VICE PRESIDENT. If there be no amendment, the treaty will be reported to the Senate.

The treaty was reported to the Senate without amend-

The VICE PRESIDENT. The resolution of ratification will be read.

The Chief Clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive K (73d Cong., 2d sess.), a supplementary extradition treaty between the United States and Sweden, signed at Washington May 17, 1934.

The VICE PRESIDENT. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution is agreed to, and the treaty is ratified.

SUPPLEMENTARY EXTRADITION TREATY WITH AUSTRIA

Mr. PITTMAN. I ask that the Senate now consider Executive R.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider Executive R, a supplementary extradition treaty between the United States of America and Austria signed at Vienna on May 19, 1934, which was read the second time, as follows:

The United States of America and Austria, desiring to enlarge the list of crimes on account of which extradition may be granted under the convention concluded between the United States and Austria on January 31, 1930, with a view to the better administration of justice and prevention of crime within their respective territories and jurisdictions, have resolved to conclude a supplementary convention for this purpose and have appointed the following plenipotentiaries:

The President of the United States of America: Mr. Alfred W. Kliefoth, his chargé d'affaires ad interim to Austria, and The Federal President of Austria: Dr. E. Dollfuss, Federal Chancellor.

Who, after having communicated to each other their respective full powers, found to be in good and due form, have agreed upon and concluded the following articles:

#### ARTICLE I

The following crimes are added to the list of crimes numbered 1 to 22 in article II of the said convention of January 31, 1930, on account of which extradition may be granted, that is to say:

23. Crimes against the bankruptcy laws.

#### ARTICLE II

The present convention shall be considered as an integral part of the said extradition convention of January 31, 1930, and article II of the last-mentioned convention shall be read as if the list of crimes therein contained had originally comprised the additional crimes numbered 23 in the first article of the present convention.

The present convention shall be ratified by the high contracting parties in accordance with their respective constitutional methods, and shall take effect on the date of the exchange of ratifications which shall take place at Vienna as soon as possible.

In witness whereof the above-mentioned plenipotentiaries have signed the present convention in both the English and German languages, and have hereunto affixed their seals.

Done, in duplicate, at Vienna, this 19th day of May 1934. United States of America:

ALFRED W. KLIEFOTH.

Austria

E. DOLLFUSS.

Mr. PITTMAN. That simply adds crimes against the bankruptcy laws.

The VICE PRESIDENT. If there be no amendment, the treaty will be reported to the Senate.

The treaty was reported to the Senate without amendment.

The VICE PRESIDENT. The resolution of ratification will be read.

The Chief Clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive R (73d Cong., 2d sess.), a supplementary extradition treaty between the United States of America and Austria signed at Vienna on May 19, 1934, adding crimes against the bankruptcy laws to the extraditable crimes and offenses listed in the extradition treaty of January 31, 1930, between the two countries.

The VICE PRESIDENT. The question is on agreeing to the resolution of ratification. [Putting the question.] Twothirds of the Senators concurring therein, the resolution is agreed to and the treaty is ratified.

TREATY OF FRIENDSHIP AND COMMERCE WITH FINLAND

Mr. PITTMAN. I now ask that the Senate consider Executive D.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider Executive D (73d Cong., 2d sess.), a treaty of friendship, commerce, and consular rights between the United States and the Republic of Finland, signed at Washington, February 13, 1934, which was read the second time, as follows:

The United States of America and the Republic of Finland, desirous of strengthening the bond of peace which happily prevails between them, by arrangements designed to promote friendly intercourse between their territories through provisions responsive to the spiritual, cultural, economic and commercial aspirations of the peoples thereof, have resolved to conclude a Treaty of Friendship, Commerce and Consular Rights and for that purpose have appointed as their plenipotentiaries:

The President of the United States of America,

Mr. Cordell Hull, Secretary of State of the United States of America:

The President of the Republic of Finland,

Mr. L. Aström, Envoy Extraordinary and Minister Plenipotentiary of the Republic of Finland to the United States of America

Who, having communicated to each other their full powers found to be in due form, have agreed upon the following articles:

#### ARTICLE I

Nationals of each High Contracting Party who conform to the laws and regulations of the other Party, shall be permitted to enter, travel and reside in its territory for the purpose of carrying on trade between the two countries; also for other purposes in so far as entry, travel and residence is or may be permitted by local law.

The nationals of each of the High Contracting Parties within the territory of the other shall be permitted to engage in professional, scientific, religious, philanthropic, manufacturing and commercial work of every kind, to carry on every form of commercial activity, to own, erect or lease and occupy appropriate buildings and to lease lands for residential, scientific, religious, philanthropic, manufacturing, commercial and mortuary purposes, and generally to do anything incidental to or necessary for the enjoyment of any of the foregoing privileges, upon the same terms as nationals of the state of residence insofar as may be permitted by local law. In no case shall they be accorded less favorable treatment in respect of any of the aforesaid matters than nationals of the most favored nation. They shall be permitted in pursuance of any of the aforesaid activities to appoint representatives, agents, or employees of their choice, subject to the local laws in relation to the immigration of aliens.

The nationals of either High Contracting Party within the territory of the other shall not be subjected to the payment of any internal charges or taxes other or higher than those that are exacted of and paid by its nationals.

The nationals of each High Contracting Party shall enjoy freedom of access to the courts of justice of the other on conforming to the local laws, as well for the prosecution as for the defense of their rights, and in all degrees of jurisdiction established by law.

The nationals of each High Contracting Party shall receive within the territory of the other, upon submitting to conditions imposed upon its nationals, the most constant protection and security for their persons and property, and shall enjoy in this respect that degree of protection that is required by international law. Their property shall not be taken without due process of law and without payment of just compensation.

# ARTICLE II

With respect to that form of protection granted by National, State or Provincial laws establishing civil liability for injuries or for death, and giving to relatives or heirs or dependents of an injured party a right of action or a pecuniary benefit, such relatives or heirs or dependents of the injured party, himself a national of either of the High Contracting Parties and injured within the territory of the other, shall regardless of their alienage or residence outside of the territory where the injury occurred, enjoy the same rights and privileges as are or may be granted to nationals, and under like conditions.

#### ARTICLE III

The dwellings, warehouses, manufactories, shops and other places of business, and all premises thereto appertaining of the nationals of each of the High Contracting Parties in the territory of the other, used for any purposes set forth in Article I, shall be respected. It shall not be allowable to make a domiciliary visit to, or search of any such buildings and premises, or there to examine and inspect books, papers or accounts, except under the conditions and in conformity with the forms prescribed by the laws, ordinances and regulations for nationals.

### ARTICLE IV

Where, on the death of any person holding real or other immovable property or interests therein within the territory of one High Contracting Party, such property or interests therein would, by the laws of the country or by a testamentary disposition, descend or pass to a national of the other High Contracting Party, whether resident or nonresident, were he not disqualified by the laws of the country where such property or interests therein is or are situated. such national shall be allowed a term of three years in which to sell the same, this term to be reasonably prolonged if circumstances render it necessary, and withdraw the proceeds thereof without restraint or interference, and exempt from any succession, probate or administrative duties or charges other than those which may be imposed in like cases upon the nationals of the country from which such proceeds may be drawn.

Nationals of either High Contracting Party may have full power to dispose of their personal property of every kind within the territory of the other, by testament, donation, or otherwise, and their heirs, legatees and donees, of whatso-ever nationality, whether resident or non-resident, shall succeed to such personal property and may take possession thereof, either by themselves or by others acting for them, and retain or dispose of the same at their pleasure subject to the payment of such duties or charges only as the nationals of the High Contracting Party within whose territory such property may be or belong shall be liable to pay in like cases.

# ARTICLE V

The nationals of each of the High Contracting Parties may exercise liberty of conscience and freedom of worship within the territory of the other Party. They may, without annoyance of molestation of any kind by reason of their religious belief or otherwise, conduct services either within their own houses or within any appropriate buildings which they may be at liberty to erect and maintain in convenient situations, provided their teachings or practices are not contrary to public morals; and they may also be permitted to bury their dead according to their religious customs in suitable and convenient places established and maintained for the purpose, subject to the reasonable mortuary and sanitary laws and regulations of the place of burial.

# ARTICLE VI

Between the territories of the High Contracting Parties there shall be freedom of commerce and navigation. The nationals of each of the High Contracting Parties, equally with those of the most-favored nation, shall have liberty freely to come with their vessels and cargoes to all places, ports and waters of every kind within the territorial limits of the other which are or may be open to foreign commerce and navigation.

# ARTICLE VII

Each of the High Contracting Parties binds itself unconditionally to impose no higher or other duties or charges, and no other conditions or prohibitions on the importation of any article, the growth, produce or manufacture of the territory of the other Party, from whatever place arriving, than are or shall be imposed on the importation of any like article, the growth, produce or manufacture of any other foreign country. Nor shall any such duties, charges or conditions affecting importations be made effective retroactively.

Each of the High Contracting Parties binds itself unconditionally to impose no higher or other duties or charges and

no other conditions, restrictions or prohibitions on the to persons and goods coming from or going to, or passing exportation of any article to the territory of the other Party than are or shall be imposed on the exportation of any like article to any other foreign country.

Nothing in this Treaty shall be construed to restrict the right of either High Contracting Party to impose on such terms as it may see fit, and subject to the sole requirement that there shall be no arbitrary discrimination against the other Party as compared with any other foreign country where similar conditions prevail, prohibitions or restrictions designed to protect human, animal, or plant life and health, or regulations for the enforcement of police or revenue laws of the United States or of Finland relating to imports the importation, transportation, or sale of which is prohibited or restricted, nor shall anything in this Treaty be construed to restrict the measures applicable in either the United States or Finland to seeds of agricultural plants which, on account of their origin, are deemed not to thrive in the territory of the respective countries.

Neither High Contracting Party shall establish or maintain restrictions on imports from or exports to the territory of the other Party which are not applied to the import and export of any like article originating in or destined for any other country. Any withdrawal of an import or export restriction which is granted even temporarily by one of the Parties in favor of the articles of a third country shall be applied immediately and unconditionally to like articles originating in or destined for the other Contracting Party. In the event of rations or quotas being established for the importation or exportation of articles restricted or prohibited, each of the High Contracting Parties agrees to grant for the importation from or exportation to the territory of the other Party an equitable share in the allocation of the quantity of restricted goods which may be authorized for importation or exportation.

## ARTICLE VIII

Merchandise the growth, produce or manufacture of either of the High Contracting Parties, after importation into the territory of the other Party, shall not be subjected to other or higher internal taxes or charges, or to other or higher charges in respect of warehousing or other facilities, than those payable under like circumstances and conditions on like articles of national origin.

# ARTICLE IX

Any advantage of whatsoever kind which either High Contracting Party may extend to any article, the growth, produce or manufacture of any foreign country, whether such favored State shall have been accorded such treatment gratuitously or for compensation, shall simultaneously and unconditionally, without request and without compensation, be extended to the like article the growth, produce or manufacture of the other High Contracting Party, from whatever place arriving.

# ARTICLE X

The stipulations of this treaty regarding the treatment to be accorded by each High Contracting Party to the commerce of the other do not extend.

- (1) to the treatment which is accorded by the United States of America to the commerce of Cuba under the provisions of the Commercial Convention concluded by the United States and Cuba on December 11, 1902, or any other commercial convention which hereafter may be concluded by the United States with Cuba; or to the commerce of the United States with the Panama Canal Zone or with any of the dependencies of the United States or the commerce of the dependencies of the United States with one another under existing or future laws;
- (2) to the benefits which either High Contracting Party has accorded, or may accord, to its neighboring states in order to facilitate local traffic;
- (3) to the treatment which Finland accords or may hereafter accord to the commerce of Estonia.

There shall be complete freedom of transit through the territory including the territorial waters of each High Contracting Party on routes convenient for international transit

through the territory of the other High Contracting Party, except such persons as may be forbidden admission into its territory or goods of which the importation may be prohibited by law. Persons and goods in transit shall not be subjected to any transit duty, or to any unnecessary delays or restrictions, or to any discrimination as regards charges, facilities, or any other matter.

Goods in transit must be entered at the proper custom house, but they shall be exempt from all customs and similar duties.

All charges imposed on persons and goods in transit shall be reasonable, having regard to the conditions of the traffic. The provisions of this article do not apply to the Panama Canal or to waterways and canals which constitute inter-

#### ARTICLE XII

All articles which are or may be legally imported from foreign countries into ports of the territory of the United States or are or may be legally exported therefrom in vessels of the United States may likewise be imported into those ports or exported therefrom in Finnish vessels without being liable to any other or higher duties or charges whatsoever than if such articles were imported or exported in vessels of the United States; and, reciprocally all articles which are or may be legally imported from foreign countries into the ports of the territory of Finland or are or may be legally exported therefrom in Finnish vessels may likewise be imported into those ports or exported therefrom in vessels of the United States without being liable to any other or higher duties or charges whatsoever than if such articles were imported or exported in Finnish vessels.

In the same manner there shall be perfect equality in relation to the flags of the two countries with regard to bounties, drawbacks, and other privileges of this nature of whatever denomination which may be allowed in the territory of each of the Contracting Parties, on goods imported or exported in national vessels so that such bounties, drawbacks and other privileges shall also and in like manner be allowed on goods imported or exported in vessels of the

other country.

national boundaries.

With respect to the amount and collection of duties or charges on imports and exports of every kind each of the High Contracting Parties binds itself to give to the vessels of the other the advantage of every favor, privilege or immunity which it shall have accorded to the vessels of a third State, whether such favored State shall have been accorded such treatment gratuitously or for compensation.

# ARTICLE XIII

No duties of tonnage, harbor, pilotage, lighthouse, quarantine, or other similar or corresponding duties or charges of whatever denomination, levied in the name or for the profit of the Government, public functionaries, private individuals, corporations or establishments of any kind shall be imposed in the ports of the territory of either High Contracting Party upon the vessels of the other, which shall not equally, under the same conditions, be imposed on national vessels. Such equality of treatment shall apply reciprocally to the vessels of the two countries respectively from whatever place they may arrive and whatever may be their place of destination.

# ARTICLE XIV

Merchant vessels and other privately owned vessels under the flag of either of the High Contracting Parties shall be permitted to discharge portions of cargoes at any port open to foreign commerce in the territory of the other High Contracting Party, and to proceed with the remaining portions of such cargoes to any other ports of the same territory open to foreign commerce, on the same terms as national vessels and without paying other or higher tonnage dues or port charges in such cases than would be paid by national vessels in like circumstances. They shall be permitted, on the same terms as national vessels, to load in like manner at different ports in the same voyage outward.

Exceptions, however, shall be made to the provisions of this article and other provisions of this treaty in regard to

(1) coasting trade (cabotage), respecting which the High Contracting Parties shall concede to each other the mostfavored-nation treatment;

(2) traffic in natural or artificial inland waterways, not ordinarily navigable by transoceanic vessels, provided, however, that in regard to such traffic each High Contracting Party will grant to the other most-favored-nation treatment; and provided further, that such vessels of one of the High Contracting Parties as may be permitted to engage in traffic on inland waterways of the other, and the cargoes of such vessels, shall be subject to no other or higher charges than national vessels and their cargoes:

(3) it is further understood that without modifying the stipulations of this Treaty, so far as the amount of pilotage fees is concerned, the United States agrees not to claim, under this Treaty, for American ships any special concessions in regard to the employment of Government pilots which the Finnish Government has granted or may grant to Finnish and Swedish ships on voyages between Finland and Sweden confined to the Baltic Sea and its bays north of 59 degrees north latitude, so long as such concessions are not extended to the vessels of any third country;

(4) it is also understood that the United States will not claim, under this Treaty, any benefits which Finland has accorded, or may accord, to Russia in respect of fishing or sealing in its territorial waters in the Arctic Ocean.

## ARTICLE XV

For the purposes of this treaty merchant vessels and other privately owned vessels under the flag of either of the High Contracting Parties and carrying the papers required by its national laws in proof of nationality shall be deemed to be the vessels of the Party whose flag is flown both within the territorial waters of the other High Contracting Party and on the high seas.

## ARTICLE XVI

Limited liability and other corporations and associations, whether or not for pecuniary profit, which have been or may hereafter be organized in accordance with and under the laws, National, State or Provincial, of either High Contracting Party and maintain a central office within the territory thereof, shall have their juridical status recognized by the other High Contracting Party provided that they pursue no aims within its territory contrary to its laws. They shall enjoy free access to the courts of law and equity, on conforming to the laws regulating the matter, as well for the prosecution as for the defense of rights in all the degrees of jurisdiction established by law.

The right of such corporations and associations of either High Contracting Party so recognized by the other to establish themselves within its territory, establish branch offices and fulfill their functions therein shall depend upon, and be governed solely by, the consent of such party as expressed in its National, State or Provincial laws. If such consent be given on the condition of reciprocity the condition shall be deemed to relate to the provisions of the laws, National, State or Provincial under which the foreign corporation or association desiring to exercise such rights is organized.

# ARTICLE XVII

The nationals of either High Contracting Party shall enjoy within the territory of the other, reciprocally and upon compliance with the conditions there imposed, such rights and privileges as have been or may hereafter be accorded the nationals of any other State with respect to the organization of and participation in limited liability and other corporations and associations, for pecuniary profit or otherwise, including the rights of promotion, incorporation, purchase and ownership and sale of shares and the holding of executive or official positions therein. In the exercise of the foregoing rights and with respect to the regulation or procedure concerning the organization or conduct of such corporations or associations, such nationals shall be subjected to no conditions less favorable than those which have been or may hereafter be imposed upon the nationals of the most favored nation. The rights of any of such corporations or associations as may be organized or controlled or participated in by the nationals of either High Con-

tracting Party within the territory of the other to exercise any of their functions therein, shall be governed by the laws and regulations, National, State or Provincial, which are in force or may hereafter be established within the territory of the Party wherein they propose to engage in business.

The nationals of either High Contracting Party, shall moreover, enjoy within the territory of the other, reciprocally and upon compliance with the conditions therein imposed, such rights and privileges as have been or may hereafter be accorded the nationals of any other State with respect to the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain of the other. It is understood, however, that neither High Contracting Party shall be required by anything in this paragraph to grant any application for any such right or privilege if at the time such application is presented the granting of all similar applications shall have been suspended or discontinued.

## ARTICLE XVIII

Commercial travelers representing manufacturers, merchants and traders domiciled in the territory of either High Contracting Party shall on their entry into and sojourn in the territory of the other Party and on their departure therefrom be accorded the most-favored-nation treatment in respect of customs and other privileges and of all charges and taxes of whatever denomination applicable to them or their samples.

Commercial travelers, for the purpose of this article, shall be understood to include representatives of commercial concerns who are traveling for the purpose of soliciting orders.

Either High Contracting Party may require, as a condition for granting the privileges mentioned in Paragraph 1 of this article, the presentation of an authentic document establishing the identity and authority of the commercial traveler. For this purpose any of the following documents, issued in the country where the commercial concern represented is domiciled, shall be accepted as satisfactory to the authorities of the country of destination:

a) a certificate issued by the official authority designated for the purpose;

b) a certificate issued by a Chamber of Commerce, or

c) a signed statement, issued by the concern or concerns represented, in which case it may be required to be certified by a consular officer of the country of destination.

# ARTICLE XIX

Each of the High Contracting Parties agrees to receive from the other, consular officers in those of its ports, places and cities, where it may be convenient and which are open to consular representatives of any foreign country.

Consular officers of each of the High Contracting Parties shall, after entering upon their duties, enjoy reciprocally in the territory of the other all the rights, privileges, exemptions and immunities which are enjoyed by officers of the same grade of the most favored nation. As official agents, such officers shall be entitled to the high consideration of all officials, national or local, with whom they have official intercourse in the state which receives them.

The Government of each of the High Contracting Parties shall furnish free of charge the necessary exequatur of such consular officers of the other as present a regular commission signed by the chief executive of the appointing state and under its great seal; and they shall issue to a subordinate or substitute consular officer duly appointed by an accepted superior consular officer with the approbation of his Government, or by any other competent officer of that Government, such documents as according to the laws of the respective countries shall be requisite for the exercise by the appointee of the consular function. On the exhibition of an exequatur, or other document issued in lieu thereof to such subordinate, such consular officer shall be permitted to enter upon his duties and to enjoy the rights, privileges and immunities granted by this treaty.

# ARTICLE XX

Consular officers, nationals of the state by which they are appointed, shall be exempt from arrest except when charged with the commission of offenses locally designated

as crimes and subjecting the individual guilty thereof to punishment as a criminal. Such officers shall be exempt from military billetings and from service of any military or naval, administrative or police character whatsoever.

In criminal cases the attendance at the trial by a consular officer as a witness may be demanded by the prosecution or defense. The demand shall be made with all possible regard for the consular dignity and the duties of the office; and there shall be compliance on the part of the consular officer.

Consular officers shall be subject to the jurisdiction of the courts in the state which receives them in civil cases, subject to the proviso, however, that when the officer is a national of the state which appoints him and is engaged in no private occupation for gain, his testimony shall be taken orally or in writing at his residence or office and with due regard for his convenience. The officer should, however, voluntarily give his testimony at the trial whenever it is possible to do so without serious interference with his official duties.

# ARTICLE XXI

Consular officers, including employees in a consulate, nationals of the State by which they are appointed other than those engaged in private occupations for gain within the State where they exercise their functions shall be exempt from all taxes, National, State, Provincial, and Municipal, levied upon their persons or upon their property, except taxes levied on account of the possession or ownership of immovable property situated in, or income derived from property of any kind situated or belonging within the territory of the State within which they exercise their functions. All consular officers and employees, nationals of the State appointing them shall be exempt from the payment of taxes on the salary, fees or wages received by them in compensation for their consular services.

The Government of each High Contracting Party shall have the right to acquire and own land and buildings required for diplomatic or consular premises in the territory of the other High Contracting Party and also to erect buildings in such territory for the purposes stated subject to local building regulations.

Lands and buildings situated in the territory of either High Contracting Party, of which the other High Contracting Party is the legal or equitable owner and which are used exclusively for governmental purposes by that owner, shall be exempt from taxation of every kind, National, State, Provincial and Municipal, other than assessments levied for services or local public improvements by which the premises are benefited.

# ARTICLE XXII

Consular officers may place over the outer door of their respective offices the arms of their State with an appropriate inscription designating the official office. Such officers may also hoist the flag of their country on their offices including those situated in the capitals of the two countries. They may likewise hoist such flag over any boat or vessel employed in the exercise of the consular function.

The consular offices and archives shall at all times be inviolable. They shall under no circumstances be subjected to invasion by any authorities of any character within the country where such offices are located. Nor shall the authorities under any pretext make any examination or seizure of papers or other property deposited within a consular office. Consular offices shall not be used as places of asylum. No consular officer shall be required to produce official archives in court or testify as to their contents.

Upon the death, incapacity, or absence of a consular officer having no subordinate consular officer at his post, secretaries or chancellors, whose official character may have previously been made known to the government of the State where the consular function was exercised, may temporarily exercise the consular function of the deceased or incapacitated or absent consular officer; and while so acting shall enjoy all the rights, prerogatives and immunities granted to the incumbent.

#### ARTICLE XXIII

Consular officers, nationals of the State by which they are appointed, may, within their respective consular districts, address the authorities, National, State, Provincial or Municipal, for the purpose of protecting their countrymen in the enjoyment of their rights accruing by treaty or otherwise. Complaint may be made for the infraction of those rights. Failure upon the part of the proper authorities to grant redress or to accord protection may justify interposition through the diplomatic channel, and in the absence of a diplomatic representative, a consul general or the consular officer stationed at the capital may apply directly to the government of the country.

#### ARTICLE XXIV

Consular officers may, in pursuance of the laws of their own country, take, at any appropriate place within their respective districts, the depositions of any occupants of vessels of their own country, or of any national of, or of any person having permanent residence within the territory of, their own country. Such officers may draw up, attest, certify and authenticate unilateral acts, deeds and testamentary dispositions of their countrymen, and also contracts to which a countryman is a party. They may draw up, attest, certify and authenticate written instruments of any kind purporting to express or embody the conveyance or encumbrance of property of any kind within the territory of the State by which such officers are appointed, and unilateral acts, deeds, testamentary dispositions and contracts relating to property situated, or business to be transacted within, the territory of the State by which they are appointed, embracing unilateral acts, deeds, testamentary dispositions or agreements executed solely by nationals of the State within which such officers exercise their functions.

Instruments and documents thus executed and copies and translations thereof, when duly authenticated under his official seal by the consular officer shall be received as evidence in the territories of the contracting parties as original documents or authenticated copies, as the case may be, and shall have the same force and effect as if drawn by and executed before a notary or other public officer duly authorized in the country by which the consular officer was appointed; provided, always, that such documents shall have been drawn and executed in conformity to the laws and regulations of the country where they are designed to take

# ARTICLE XXV

A consular officer shall have exclusive jurisdiction over controversies arising out of the internal order of private vessels of his country, and shall alone exercise jurisdiction in cases, wherever arising, between officers and crews, pertaining to the enforcement of discipline on board, providing the vessels and the persons charged with wrongdoing shall have entered a port within his consular district. Such an officer shall also have jurisdiction over issues concerning the adjustment of wages and the execution of contracts relating thereto provided the local laws so permit.

When an act committed on board of a private vessel under the flag of the State by which the consular officer has been appointed and within the territorial waters of the State to which he has been appointed constitutes a crime according to the laws of that State, subjecting the person guilty thereof to punishment as a criminal, the consular officer shall not exercise jurisdiction except insofar as he is permitted to do so by the local law.

A consular officer may freely invoke the assistance of the local police authorities in any matter pertaining to the maintenance of internal order on board of a vessel under the flag of his country within the territorial waters of the State to which he is appointed, and upon such a request the requisite assistance shall be given.

A consular officer may appear with the officers and crews of vessels under the flag of his country before the judicial authorities of the State to which he is appointed to render assistance as an interpreter or agent.

#### ARTICLE XXVI

In case of the death of a national of either High Contracting Party in the territory of the other without having in the locality of his decease any known heirs or testamentary executors by him appoined, the competent local authorities shall at once inform the nearest consular officer of the State of which the deceased was a national of the fact of his death, in order that necessary information may be forwarded to the parties interested.

In case of the death of a national of either of the High Contracting Parties without will or testament, in the territory of the other High Contracting Party, the consular officer of the State of which the deceased was a national and within whose district the deceased made his home at the time of death, shall, so far as the laws of the country permit and pending the appointment of an administrator and until letters of administration have been granted, be deemed qualified to take charge of the property left by the decedent for the preservation and protection of the same. Such consular officer shall have the right to be appointed as administrator within the discretion of a tribunal or other agency controlling the administration of estates provided the laws of the place where the estate is administered so permit.

In case of the death of a national of either of the High Contracting Parties without will or testament and without any known heirs resident in the country of his decease, the consular officer of the country of which the deceased was a national shall be appointed administrator of the estate of the deceased, provided the regulations of his own Government permit such appointment and provided such appointment is not in conflict with local law and the tribunal having jurisdiction has no special reasons for appointing someone else.

Whenever a consular officer accepts the office of administrator of the estate of a deceased countryman, he subjects himself as such to the jurisdiction of the tribunal or other agency making the appointment for all necessary purposes to the same extent as a national of the country where he was appointed.

# ARTICLE XXVII

Each of the High Contracting Parties agrees to permit the entry free of all duty and without examination of any kind, of all furniture, equipment and supplies intended for official use in the consular offices of the other, and to extend to such consular officers of the other and their families and suites as are its nationals, the privilege of entry free of duty of their baggage and all other personal property, whether accompanying the officer to his post or imported at any time during his incumbency thereof; provided, nevertheless, that no article, the importation of which is prohibited by the law of either of the High Contracting Parties, may be brought into its territory.

It is understood, however, that this privilege shall not be extended to consular officers who are engaged in any private occupation for gain in the countries to which they are accredited, save with respect to governmental supplies.

# ARTICLE XXVIII

All proceedings relative to the salvage of vessels of either High Contracting Party wrecked upon the coasts of the other shall be directed by the Consular Officer of the country to which the vessel belongs and within whose district the wreck may have occurred. Pending the arrival of such officer, who shall be immediately informed of the occurrence. the local authorities shall take all necessary measures for the protection of persons and the preservation of wrecked property. The local authorities shall not otherwise interfere than for the maintenance of order, the protection of the interests of the salvors, if these do not belong to the crews that have been wrecked, and to carry into effect the arrangements made for the entry and exportation of the merchandise saved. It is understood that such merchandise is not to be subjected to any custom house charges, unless it be intended for consumption in the country where the wreck may have taken place.

The intervention of the local authorities in these different cases shall occasion no expense of any kind, except such

as may be caused by the operations of salvage and the preservation of the goods saved, together with such as would be incurred under similar circumstances by vessels of the nation

#### ARTICLE XXIX

A consular officer of either High Contracting Party may in behalf of his non-resident countrymen, and without being required to produce his authorization, collect and receipt for their distributive shares derived from estates in process of probate or accruing under the provisions of so-called Workmen's Compensation Laws or other like statutes provided he remit any funds so received through the appropriate agencies of his Government to the proper distributees, and provided further that he furnish to the authority or agency making distribution through him reasonable evidence of such remission.

#### ARTICLE XXX

A consular officer of either High Contracting Party shall have the right to inspect within the ports of the other High Contracting Party within his consular district, the private vessels of any flag destined or about to clear for ports of the country appointing him in order to observe the sanitary conditions and measures taken on board such vessels, and to be enabled thereby to execute intelligently bills of health and other documents required by the laws of his country, and to inform his Government concerning the extent to which its sanitary regulations have been observed at ports of departure by vessels destined to its ports, with a view to facilitating entry of such vessels therein; provided however, that in respect of vessels of any country other than the High Contracting Parties, the Government concerned does not object.

#### ARTICLE XXXI

Except as otherwise provided in this treaty, the provisions thereof shall apply to all territories under the sovereignty and authority of each of the High Contracting Parties. It is understood, however, that they shall not apply to the Panama Canal Zone.

# ARTICLE XXXII

The present Treaty shall be ratified and the ratifications thereof shall be exchanged at Washington. The Treaty shall take effect in all its provisions thirty days from the date of the exchange of ratifications and shall remain in full force for the term of one year thereafter.

If within six months before the expiration of the aforesaid period of one year neither High Contracting Party notifies to the other an intention of modifying by change or omission, any of the provisions of any of the Articles in this Treaty or of terminating it upon the expiration of the aforesaid period, the Treaty shall remain in full force and effect indefinitely after the aforesaid period subject always to termination on a notice of six months.

In witness whereof the respective Plenipotentiaries have signed this Treaty and have affixed their seals thereto.

Done in duplicate, each in the English and Finnish languages both authentic, at Washington, D. C., this thirteenth day of February, one thousand nine hundred and thirty-four.

[SEAL] CORDELL HULL
[SEAL] L. ASTRÖM

# PROTOCOL

At the moment of signing the Treaty of Friendship, Commerce and Consular Rights between the United States of America and the Republic of Finland, the undersigned Plenipotentiaries duly authorized by their respective Governments have agreed as follows:

1) Wherever the term "consular officer" is used in this Treaty it shall be understood to mean Consuls General, Consuls, Vice Consuls and Consular Agents to whom an exequatur or other document of recognition has been issued pursuant to the provisions of paragraph 3 of Article XIX, provided however that the customs courtesies accorded to consular officers under Article XXVII shall apply to consular officers en route to their post for the first time, prior to the receipt of an exequatur.

2) Upon entering into force of the accompanying Treaty of Friendship, Commerce, and Consular Rights, the Agreement effected by exchange of notes between the United States and Finland, singed at Washington, D.C., on May 2, 1925, and also the Agreement effected by exchange of notes between the United States and Finland, signed at Washington, D.C., on December 21, 1925, shall cease to be operative.

In faith whereof the undersigned Plenipotentiaries have signed the present Protocol and affixed thereto their

respective seals.

Done in duplicate each in the English and Finnish languages, both authentic, at Washington, D. C., the thirteenth day of February, 1934.

[SEAL]

CORDELL HULL L. ASTRÖM

[SEAL]

Mr. BORAH. Mr. President, is this the usual treaty of friendship?

Mr. PITTMAN. Yes; it is the usual treaty of friendship. There is no difference in the form.

The VICE PRESIDENT. If there be no amendment, the treaty will be reported to the Senate.

The treaty was reported to the Senate without amendment. The VICE PRESIDENT. The resolution of ratification will be read.

The resolution of ratification was read, as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive D (73d Cong., 2d sess.), a treaty of friendship, commerce, and consular rights between the United States and the Republic of Finland, signed at Washington, February 13, 1934.

The VICE PRESIDENT. The question is on agreeing to the resolution of ratification. [Putting the question.] Twothirds of the Senators present concurring therein, the resolution is agreed to and the treaty is ratified.

ANTIWAR TREATY OF NONAGGRESSION AND CONCILIATION

Mr. PITTMAN. Mr. President, I ask that Executive H (73d Cong., 2d sess.) be next considered.

The Senate, as in Committee of the Whole, proceeded to consider Executive H (73d Cong., 2d sess.), antiwar treaty of nonaggression and conciliation, signed at Rio de Janeiro on October 10, 1933, by Argentina, Brazil, Chile, Mexico, Paraguay, and Uruguay, which was read the second time, as follows:

ANTI-WAR TREATY ON NON-AGGRESSION AND CONCILIATION

The states designated below, in the desire to contribute to the consolidation of peace, and to express their adherence to the efforts made by all civilized nations to promote the spirit of universal harmony:

To the end of condemning wars of aggression and territorial acquisitions that may be obtained by armed conquest, making them impossible and establishing their invalidity through the positive provisions of this treaty, and in order to replace them with pacific solutions based on lofty concepts of justice and equity:

Convinced that one of the most effective means of assuring the moral and material benefits which peace offers to the world, is the organization of a permanent system of conciliation for international disputes, to be applied immediately on the violation of the principles mentioned;

Have decided to put these aims of non-aggression and concord in conventional form, by concluding the present treaty, to which end they have appointed the undersigned plenipotentiaries, who, having exhibited their respective full powers, found to be in good and due form, have agreed upon the following:

# ARTICLE I

The High Contracting Parties solemnly declare that they condemn wars of aggression in their mutual relations or those with other states, and that the settlement of disputes or controversies of any kind that may arise among them shall be effected only by the pacific means which have the sanction of international law.

#### ARTICLE II

They declare that as between the High Contracting Parties, territorial questions must not be settled by violence, and that they will not recognize any territorial arrangement which is not obtained by pacific means, nor the validity of the occupation or acquisition of territories that may be brought about by force of arms.

#### ARTICLE III

In case of non-compliance by any state engaged in a dispute, with the obligations contained in the foregoing articles, the contracting states undertake to make every effort for the maintenance of peace. To that end they will adopt in their character as neutrals a common and solidary attitude; they will exercise the political, juridical or economic means authorized by international law; they will bring the influence of public opinion to bear but will in no case resort to intervention either diplomatic or armed; subject to the attitude that may be incumbent on them by virtue of other collective treaties to which such states are signatories.

#### ARTICLE IV

The High Contracting Parties obligate themselves to submit to the conciliation procedure established by this treaty, the disputes specially mentioned and any others that may arise in their reciprocal relations, without further limitations than those enumerated in the following article, in all controversies which it has not been possible to settle by diplomatic means within a reasonable period of time.

## ARTICLE V

The High Contracting Parties and the states which may in the future adhere to this treaty, may not formulate at the time of signature, ratification or adherence, other limitations to the conciliation procedure than those which are indicated below:

- (a) Differences for the solution of which treaties, conventions, pacts or pacific agreements of any kind whatever may have been concluded, which in no case shall be considered as annulled by this agreement, but supplemented thereby in so far as they tend to assure peace; as well as the questions or matters settled by previous treaties;
- (b) Disputes which the parties prefer to solve by direct settlement or submit by common agreement to an arbitral or judicial solution;
- (c) Questions which international law leaves to the exclusive competence of each state, under its constitutional system, for which reason the parties may object to their being submitted to the conciliation procedure before the national or local jurisdiction has decided definitively; except in the case of manifest denial or delay of justice, in which case the conciliation procedure shall be initiated within a year at the latest:
- (d) Matters which affect constitutional precepts of the parties to the controversy. In case of doubt, each party shall obtain the reasoned opinion of its respective tribunal or supreme court of justice, if the latter should be invested with such powers.

The High Contracting Parties may communicate, at any time and in the manner provided for by Article XV, an instrument stating that they have abandoned wholly or in part the limitations established by them in the conciliation procedure.

The effect of the limitations formulated by one of the contracting parties shall be that the other parties shall not consider themselves obligated in regard to that party save in the measure of the exceptions established.

# ARTICLE VI

In the absence of a permanent Conciliation Commission or of some other international organization charged with this mission by virtue of previous treaties in effect, the High Contracting Parties undertake to submit their differences to the examination and investigation of a Conciliation Commission which shall be formed as follows, unless there is an agreement to the contrary of the parties in each case;

The Conciliation Commission shall consist of five members. Each party to the controversy shall designate a member who

may be chosen by it from among its own nationals. The three remaining members shall be designated by common agreement by the parties from among the nationals of third Powers, who must be of different nationalities, must not have their customary residence in the territory of the interested parties nor be in the service of any of them. The parties shall choose the President of the Conciliation Commission from among the said three members.

If they cannot arrive at an agreement with regard to such designations, they may entrust the selection thereof to a third Power or to some other existing international organism. If the candidates so designated are rejected by the parties or by any one of them, each party shall present a list of candidates equal in number to that of the members to be selected, and the names of those to sit on the Conciliation Commission shall be determined by lot.

### ARTICLE VII

The tribunals or supreme courts of justice which, in accordance with the domestic legislation of each State, may be competent to interpret, in the last or the sole instance and in matters under their respective jurisdiction, the Constitution, treaties, or the general principles of the law of nations, may be designated preferentially by the High Contracting Parties to discharge the duties entrusted by the present treaty to the Conciliation Commission. In this case the Tribunal or Court may be constituted by the whole bench or may designate some of its members to proceed alone or by forming a mixed commission with members of other courts or tribunals, as may be agreed upon by common accord between the parties to the dispute.

#### ARTICLE VIII

The Conciliation Commission shall establish its own rules of procedure, which shall provide in all cases for hearing both sides.

The parties to the controversy may furnish and the commission may require from them all the antecedents and information necessary. The parties may have themselves represented by delegates and assisted by advisers or experts, and also present evidence of all kinds.

# ARTICLE IX

The labors and deliberations of the Conciliation Commission shall not be made public except by a decision of its own to that effect, with the assent of the parties.

In the absence of any stipulations to the contrary, the decisions of the commission shall be made by a majority vote, but the commission may not pronounce judgment on the substance of the case except in the presence of all its members.

ARTICLE X

It is the duty of the Commission to secure the conciliatory settlement of the disputes submitted to its consideration.

After an impartial study of the questions in dispute, it shall set forth in a report the outcome of its work and shall propose to the Parties bases of settlement by means of a just and equitable solution.

The report of the Commission shall in no case have the character of a final decision or arbitral award either with respect to the exposition or the interpretation of the facts, or with regard to the considerations or conclusions of law.

# ARTICLE XI

The Conciliation Commission must present its report within one year counting from its first meeting unless the parties should decide by common agreement to shorten or extend this period.

The conciliation procedure having been once begun may be interrupted only by a direct settlement between the parties or by their subsequent decision to submit the dispute by common accord to arbitration or to international justice.

# ARTICLE XII

In communicating its report to the parties, the Conciliation Commission shall fix for them a period which shall not exceed six months, within which they must decide as to the bases of the settlement it has proposed. On the expiration of this term, the Commission shall record in a final act the decision of the parties.

This period having expired without acceptance of the settlement by the parties, or the adoption by common accord

of another friendly solution, the parties to the dispute shall regain their freedom of action to proceed as they may see fit within the limitations flowing from Articles I and  $\Pi$  of this treaty.

#### ARTICLE XIII

From the initiation of the conciliatory procedure until the expiration of the period fixed by the Commission for the parties to make a decision, they must abstain from any measure prejudicial to the execution of the agreement that may be proposed by the Commission and, in general, from any act capable of aggravating or prolonging the controversy.

ARTICLE XIV

During the conciliation procedure the members of the Commission shall receive honoraria the amount of which shall be established by common agreement by the parties to the controversy. Each of them shall bear its own expenses, and a moiety of the joint expenses or honoraria.

# ARTICLE XV

The present treaty shall be ratified by the High Contracting Parties as soon as possible, in accordance with their respective constitutional procedures.

The original treaty and the instruments of ratification shall be deposited in the Ministry of Foreign Relations and Worship, of the Argentine Republic, which shall communicate the ratifications to the other signatory states. The treaty shall go into effect between the High Contracting. Parties 30 days after the deposit of the respective ratifications, and in the order in which they are effected.

## ARTICLE XVI

This treaty shall remain open to the adherence of all states.

Adherence shall be effected by the deposit of the respective instrument in the Ministry of Foreign Relations and Worship of the Argentine Republic, which shall give notice thereof to the other interested states.

# ARTICLE XVII

The present treaty is concluded for an indefinite time, but may be denounced by one year's notice, on the expiration of which the effects thereof shall cease for the denouncing state, and remain in force for the other states which are parties thereto, by signature or adherence.

The denunciation shall be addressed to the Ministry of Foreign Relations and Worship, of the Argentine Republic, which shall transmit it to the other interested states.

In witness whereof, the respective plenipotentiaries sign the present treaty in one copy, in the Spanish and Portuguese languages, and affix their seals thereto at Rio de Janeiro, D. F., on the tenth day of the month of October one thousand nine hundred thirty and three.

For the Argentine Republic:

(L.S.) CARLOS SAAVEDRA LAMAS,

Minister of Foreign Relations and Worship.

For the Republic of the United States of Brazil:

(L.S.) AFRANIO DE MELLO FRANCO,

Minister of Foreign Relations.

For the Republic of Chile: with the reservations under letters a, b, c, and d of Article V:

(L.S.) MARCIAL MARTINEZ DE FERRARI,
Ambassador Extraordinary and Plenipotentiary
at Rio de Janeiro.

For the United Mexican States:

(L.S.) ALFONSO REYES,
Ambassador Extraordinary and Plenipotentiary
at Rio de Janeiro.

For the Republic of Paraguay: (L.S.)

ROGELIO IBARRA,
Envoy Extraordinary and Minister
Plenipotentiary at Rio de Janeiro.

For the Oriental Republic of Uruguay:

s.) JUAN CARLOS BLANCO,
Ambassador Extraordinary and Plenipotentiary
at Rio de Janeiro.

A true copy.

(Signature illegible)

Director General for the Ministry of Foreign Relations.
[Seal of the Ministry of Foreign Relations and Worship Argentine Republic]

There being no objection, the Senate as in Committee of | the Whole proceeded to consider the treaty, which had been reported from the Committee on Foreign Relations with a reservation to the resolution of ratification.

Mr. BORAH. Mr. President, this is the nonaggression treaty which was signed at Montevideo. I understand the treaty does not undertake to define aggression?

Mr. PITTMAN. It does not. There is only one important paragraph in the treaty and that is article V, which reads as follows:

Article V. The high contracting parties and the States which may in the future adhere to this treaty may not formulate at the time of signature, ratification, or adherence, other limitations to the conciliation procedure than those which are indicated below.

Those limitations are as follows:

(a) Differences for the solution of which treaties, conventions, pacts, or pacific agreements of any kind whatever may have been concluded, which in no case shall be considered as annulled by this agreement, but supplemented thereby insofar as they tend to assure peace; as well as the questions or matters settled by previous treaties.

(b) Disputes which the parties prefer to solve by direct settlement or submit by common agreement to an arbitral or judicial

(c) Questions which international law leaves to the exclusive competence of each State, under its constitutional system, for competence of each State, under its constitutional system, for which reason the parties may object to their being submitted to the conciliation procedure before the national or local jurisdiction has decided definitively; except in the case of manifest denial or delay of justice, in which case the conciliation procedure shall be initiated within a year at the latest.

(d) Matters which affect constitutional precepts of the parties to the controversy. In case of doubt, each party shall obtain the reasoned opinion of its respective tribunal or supreme court of justice, if the latter should be invested with such powers.

Those are the exceptions.

Mr. BORAH. I think article II is a very important provision. In that article it is declared that-

As between the high contracting parties, territorial questions must not be settled by violence, and that they will not recognize any territorial arrangement which is not obtained by pacific means, nor the validity of the occupation or acquisition of territories that may be brought about by force of arms.

Mr. PITTMAN. That is a reiteration, as I understand, of the Kellogg-Briand pact.

Mr. BORAH. It seems to me an important provision of

Mr. PITTMAN. Aside from that provision, the treaty prescribes the method of settlement. Each party desiring to submit the question in dispute shall appoint a representative. Those two shall select three nationals from other countries, and those whom they select must not be resident of either one of the disputant countries. If they cannot agree on the three, then each one of the representatives of the disputing countries select three names, making six in all, and out of the six by lot three are selected. It is also provided that supreme courts of the respective countries shall have arbitral power; the matter may be submitted to those courts.

The VICE PRESIDENT. If there be no amendment, the treaty will be reported to the Senate.

The treaty was reported to the Senate without amend-

The VICE PRESIDENT. The resolution of ratification, with the reservation reported by the committee, will be read. The Chief Clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the adherence by the United States to Executive H (73d Cong., 2d sess.), the Antiwar Treaty of Nonaggression and Conciliation, signed at Rio de Janeiro on October 10, 1933, by Argentina, Brazil, Chile, Mexico, Paraguay, and Uruguay, in accordance with article 16 thereof, but subject to a reservation as follows:

"In adhering to this treaty the United States does not thereby

"In adhering to this treaty the United States does not thereby waive any rights it may have under other treaties or conventions or under international law."

The VICE PRESIDENT. The question is on agreeing to the reservation to the resolution of ratification.

The reservation was agreed to.

The VICE PRESIDENT. The question is on agreeing to the resolution of ratification as amended by the reservation. [Putting the question.] Two-thirds of the Senators present

concurring therein, the resolution of ratification, as amended by the reservation, is agreed to, and the treaty is ratified.

PROTOCOL TO GENERAL CONVENTION OF INTER-AMERICAN CONCILIATION

Mr. PITTMAN. Mr. President, I now ask that Executive N, Seventy-third Congress, second session, be considered. The Senate, as in Committee of the Whole, proceeded to consider Executive N (73d Cong., 2d sess), an additional protocol to the General Convention of Inter-American Conciliation which was signed at Washington on January 5, 1929; the additional protocol was signed at Montevideo, Uruguay, December 26, 1933, by plenipotentiaries of the United States of America, Uruguay, Ecuador, and Chile to the seventh international conference of American states held at that capital, which was read the second time,

The high contracting parties of the General Convention of Inter-American Conciliation of the 5th of January 1929, convinced of the undeniable advantage of giving a permanent character to the Commissions of Investigation and Conciliation to which article 2 of said convention refers, agree to add to the aforementioned convention the following and additional protocol.

#### ARTICLE 1

Each country signatory to the treaty signed in Santiago, Chile, the 3d of May 1923 shall name, as soon as possible, by means of a bilateral agreement which shall be recorded in a simple exchange of notes with each one of the other signatories of the aforementioned treaty, those members of the various commissions provided for in article 4 of said treaty. The commissions so named shall have a permanent character and shall be called "Commissions of Investigation and Conciliation."

Any of the contracting parties may replace the members which have been designated, whether they be nationals or foreigners; but, at the same time, the substitute shall be named. In case the substitution is not made, the replacement shall not be effective.

# ARTICLE 3

The commissions organized in fulfillment of article 3 of the aforementioned treaty of Santiago, Chile, shall be called "Permanent Diplomatic Commissions of Investigation and Conciliation.

# ARTICIE 4

To secure the immediate organization of the commissions mentioned in the first article hereof, the high contracting parties engage themselves to notify the Pan American Union at the time of the deposit of the ratification of the present additional protocol in the Ministry of Foreign Relations of the Republic of Chile, the names of the two members whose designation they are empowered to make by article 4 of the convention of Santiago, Chile, and said members, so named, shall constitute the members of the commissions which are to be organized with bilateral character in accordance with this protocol.

It shall be left to the governing board of the Pan American Union to initiate measures for bringing about the nomination of the fifth member of each Commission of Investigation and Conciliation in accordance with the stipulation established in article 4 of the Convention of Santiago, Chile.

# ARTICLE 6

In view of the character which this protocol has as an addition to the Convention of Conciliation of Washington, of January 5, 1929, the provision of article 16 of said convention shall be applied thereto.

In witness whereof, the plenipotentiaries hereinafter indicated have set their hands and their seals to this additional protocol in English, and Spanish, in the city of Montevideo, Republic of Uruguay, this 26th day of the month of December in the year 1933.

United States of America:

ALEXANDER W. WEDDELL

J. BUTLER WRIGHT

Uruguay:

A. MAÑÉ
JOSÉ PEDRO VARELA
MATEO MARQUES CASTRO
DARDO REGULES
SOFIA ALVAREZ VIGNOLI DE DEMICHELI
TEÓFILO PIÑEYRO CHAIN
LUIS A. DE HERRERA
MARTIN R. ECHEGOYEN
JOSÉ G. ANTUÑA
J. C. BLANCO
PEDRO MANINI RIOS
RODOLFO MEZZERA
OCTAVIO MORATÓ
LUIS MORQUIO

Ecuador:

A. AGUIRRE APARICIO ARTURO SCARONE

JOSÉ SERRATO

Chile:

J. RAMÓN GUTIÉRREZ

F. FIGUEROA

B. COHEN

The VICE PRESIDENT. If there be no amendment, the treaty will be reported to the Senate.

The treaty was reported to the Senate without amendment.

The VICE PRESIDENT. The resolution of ratification will be read.

The resolution of ratification was read, as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive N (73d Cong., 2d sess.), an additional protocol to the General Convention of Inter-American Conciliation, which was signed at Washington on January 5, 1929. The additional protocol was signed at Montevideo, Uruguay, December 26, 1933, by plenipotentiaries of the United States of America, Uruguay, Ecuador, and Chile to the Seventh International Conference of American States held at that capital.

The VICE PRESIDENT. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to, and the treaty is ratified.

CONVENTION WITH MEXICO PROVIDING FOR EN BLOC SETTLEMENT OF CLAIMS

Mr. PITTMAN. Mr. President, I ask to have Executive I, Seventy-third Congress, second session, considered.

The Senate as in Committee of the Whole proceeded to consider Executive I (73d Cong., 2d sess.), a convention between the United States of America and the United Mexican States, signed at Mexico City on April 24, 1934, providing for the en bloc settlement of the claims presented by the Government of the United States to the Commission established by the Special Claims Convention concluded September 10, 1923, instead of by international adjudication in each case as provided in that convention; which was read the second time, as follows:

The United States of America and the United Mexican States, desiring to settle and adjust amicably the claims comprehended by the terms of the Special Claims Convention concluded by the two Governments on the 10th day of September 1923, without resort to the method of international adjudication provided by the said agreement, have decided to enter into a convention for that purpose, and to this end have nominated as their plenipotentiaries—

The President of the United States;

The Honorable Josephus Daniels, Ambassador Extraordinary and Plenipotentiary of the United States of America in Mexico:

The President of the United Mexican States; and

The Honorable José Manuel Puig Casauranc, Secretary of State for Foreign Affairs;

Who, after having communicated to each other their respective full powers, found to be in due and proper form, have agreed upon the following articles:

#### ARTICLE I

The claims of the United States of America covered by the Special Claims Convention of September 10, 1923, shall be adjusted, settled, and forever thereafter barred from further consideration, by the payment by the Government of Mexico to the Government of the United States a sum of money which shall equal the same proportion of the total amount claimed by the United States in all such cases (after the deductions provided for in article IV hereof), as the proportion represented—in respect to the total sum claimed by the Governments of Belgium, France, Germany, Great Britain, Italy, and Spain—by the total amount found to be due from the Mexican Government in the settlement of similar claims and under the conventions concluded with those Governments by the Government of Mexico during the years from September 25, 1924, to December 5, 1930.

the years from September 25, 1924, to December 5, 1930. To determine said general average percentage resulting from the settlements with said countries for similar claims, the classic arithmetical procedure shall be used; that is to say, the total amount awarded to Belgium, France, Germany, Great Britain, Italy, and Spain shall be multiplied by 100 and the product shall be divided by the total amount claimed by said countries.

Having thus determined the general average percentage, in order to ascertain the amount that Mexico should pay to the United States, said percentage shall be multiplied by the total amount claimed by the United States (after the deductions provided for in article IV of this convention) and the resulting products shall be divided by 100.

#### ARTICLE II

The amount provided for in article I above shall be paid at Washington, in dollars of the United States, at the rate of \$500,000 per annum, beginning January 1, 1935, and continuing until the whole amount thereof shall have been paid.

# ARTICLE III

Deferred payments, by which term is meant all payments made after January 2, 1935, shall bear interest at the rate of one fourth of 1 percent per annum for the first year counting from January 1, 1935, and an additional one fourth of 1 percent for each additional year until the maximum of 1 percent is reached which shall be applied beginning January 1, 1939. In the event of failure to make annual payments when due, however, this rate shall be increased at the rate of one fourth of 1 percent per annum on the amount of deferred payments during the period of any such delay until a maximum additional rate of 3 percent on such overdue amounts is reached.

# ARTICLE IV

In computing the total amount of claims mentioned in article I above, there shall be deducted from the total amount of all special claims filed by the United States under the terms of the Special Claims Convention of September 10, 1923, the following items:

First. Claims decided.

Second. One half of the amount represented by the total claimed in all cases in which the same claim has been filed twice, either for the same or for different amounts, with the Special Claims Commission.

Third. From the claims registered for the same reason with both Commissions, there shall be deducted the total amount of all claims that in fact or apparently should have registered only with the General Claims Commission established by the convention of September 8, 1923.

The determination, by the representatives of both Governments referred to in article V of this convention, of claims that ought to be withdrawn from the Special Commission because in fact or apparently they should have been registered only with the General Commission for presentation and adjudication, does not prejudge the jurisdiction in and validity of said claims, which shall be determined in each case when examined and adjudicated by the commissioners or umpire in accordance with the provisions of the General Claims Convention of September 8, 1923, and the protocol of April 24, 1934, or the Special Claims Convention of September 10, 1923, and the protocol of June 18,

1932, in the event it shall be found by the commissioners or umpire to have been improperly eliminated from the Special Claims settlement. In the latter event, the claims improperly eliminated in the opinion of the commissioners or umpire shall be settled and adjusted by the same en bloc procedure prescribed by this convention for all claims registered with the Special Commission.

#### ARTICLE V

The total amount of the special claims of the United States, as well as the deductions to be made therefrom, in accordance with article IV above, and the proportionate amount thereof to be paid in accordance with article I above, shall be determined by a joint committee consisting of two members, one to be appointed by each Government, whose joint report, after due conference and consideration, shall be accepted as final.

#### ARTICLE VI

It is agreed that, for the purpose of facilitating a proper distribution by the United States to the respective claimants of the amount to be paid as provided for herein, the Mexican Government shall deliver to the United States, upon request, all evidence in its possession bearing upon the merits of particular claims and to procure, at the cost of the United States, such additional evidence as may be available in Mexico and as may be indicated by the Government of the United States to be necessary to the proper adjudication of particular claims, leaving to the judgment of the Mexican Government the furnishing of originals or certified copies thereof and with the specific reservation that no documents shall be delivered which owing to their nature cannot be furnished by said Government.

#### ARTICLE VII

The present convention shall be ratified by the high contracting parties in accordance with their respective constitutions, such ratifications being exchanged in Mexico City as soon as practicable and the convention shall take effect on the date of the exchange of ratifications.

In witness whereof, the respective plenipotentiaries have signed and affixed their seals to this convention.

Done in duplicate, in English and Spanish, at Mexico City this 24th day of April 1934.

JOSEPHUS DANIELS [SEAL] PUIG [SEAL]

Mr. KING. Mr. President, may I inquire of the chairman of the committee the terms of the treaty, and if this is a treaty which ostensibly provides for compensation to American nationals for the great wrongs which have been done them in the destruction of life and in the destruction of property by Mexico and by Mexican nationals?

Mr. PITTMAN. That is exactly it. As the Senator well knows, there are two kinds of claims which have been dealt with by two special commissions. One was called the "General Claims Commission", dealing with all character of claims which have arisen during the period since about 1860. The other claims were special ones arising out of revolutions in Mexico. The treaty, so far as those claims are concerned, deals with the period from 1910 to date.

I think probably it would be better, as this is a very important matter, that I have read a communication from our Ambassador to Mexico, Mr. Daniels. I ask that it be read.

The VICE PRESIDENT. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

WASHINGTON, D.C., May 26, 1934.

My Dear Senator Pittman: In compliance with the request which you made of me at yesterday's meeting of your committee to consider the pending convention with Mexico providing for an en bloc settlement of the special claims of citizens of the United States against Mexico, I take pleasure in furnishing you the following expression of my reasons for advocating the approval of this Convention which, by direction of the President, I had the honor of signing with the Mexican Minister for Foreign Affairs at Mexico City on April 24, 1934.

I understand that what you desire me to embody in this letter is not a detailed explanation of the provisions of the Convention, as their meaning and intent would appear to have been made sufficiently clear in the report of the Secretary of State of May 5, 1934, which accompanied the President's message of the same date transmitting the Convention to the Senate, and which is printed in Executive I, Seventy-third Congress, second session. You wish, rather, I take it, that I summarize informally in writing the statements which I made before your committee.

First of all, consideration should be given to the fact that all the claims dealt with in this Convention originated between the years 1910 and 1920—that is to say, in the tragic years following the departure of Diaz from the countryuntil the Mexicans began to emerge from a succession of revolutions which sorely rent that country. The truth is that between these years Mexico had no government able to enforce protection in all parts of the bleeding Republic. With the terrible days following the death of President Madero and Vice President Suarez, it will be recalled that President Taft advised Americans residing in Mexico to return to the United States. Upon his becoming fully acquainted with the inability of the Mexican usurping President to offer the semblance of protection, President Wilson gave the same counsel. He provided the means for the safe return of American citizens to escape the danger to which they and others were exposed. When finally, after the A.B.C. Conference, Carranza was recognized, the continual warfare of Villa in the northern part of Mexico and of Zapata in another sector and roving bands of other men withholding allegiance from Carranza, the conditions were beyond the control of the recognized authorities. During these trying 10 years many lives were lost and much property destroyed belonging to Americans and Europeans as well as of Mexicans who were objectionable to some men

Upon the restoration of a responsible government, having behind it the will of the majority of the people, it was felt in Mexico that the killings and destruction of property were mainly by irresponsible bands or parties not responsible to government control. The United States pressed for the recognition and payment of the claims of our nationals which arose during the tragic 10 years. There seemed to be an impasse. For 3 years the United States refused to recognize the Mexican Government of President Obregon who had been put in office by the National Revolutionary Party. Mexico earnestly desired recognition by the United States. This was withheld until after the Payne-Warren Commission reached agreements with Mexico by which the Mexican Government pledged itself to submit all claims originating between 1910 and 1920 to a Special Claims Commission and all other claims to a General Claims Commission. These Commissions, composed of a Mexican, an American, and a representative of a neutral country, with changing personnel, held sessions a portion of the time after the Convention of September 1923. The result of these hearings has been disappointing in the extreme. The cases decided have been few. The cost of these Commissions to the United States has been in round figures, \$1,900,000.

Upon my appointment as Ambassador to Mexico, I began a study here in Washington of the questions which would demand my attention in Mexico. The first concerned the settlement of the pending claims. Within a brief period I reached the conclusion that the hearings had been so long drawn out and seemed so interminable that the matter might properly be called the modern case of Jarndyce v. Jarndyce.

I suggested to the Secretary of State that a less expensive and more expeditious method of adjustment should be sought.

About that time I had a call from the Honorable Gonzalez Roa, Ambassador from Mexico to the United States, who presented a message from the Honorable José Manuel Puig Casauranc, Minister of Foreign Relations of Mexico, asking him to take up with me the question of an en bloc settlement. The Minister for Foreign Affairs wired that upon my arrival in Mexico City he would like at once to

enter into negotiations looking to such settlement. During the more than a year that has elapsed during my mission in Mexico, my time has been largely occupied with discussions and conferences relating to the settlement of these claims. The Mexican Government took the ground that a fair precedent for settlement could be found in the percentage agreed upon by Mexico and the United States in the settlements under the conventions of 1839 and 1868. That percentage was 1.25. This view was not acceptable to our Government.

Later, after Mexico had reached settlements with all the European countries for like claims originating within the same period, it was ascertained that the average percentage of recovery between Mexico and these European countries was about 2.65. The Mexican Government proposed that a similar settlement be made for like claims between that country and the United States. Inasmuch as our country and Mexico are the nearest neighbors, it seems to me that we could not insist upon receiving a larger percentage for our claims than the European countries had accepted. I therefore recommended acceptance to the Secretary of He approved. By direction of the President, I signed the Convention on the 24th day of April 1934, with the Honorable José Manuel Puig Casauranc, Minister of Foreign Affairs, who was thereunto authorized by the President of Mexico. The carrying out of the Convention awaits the approval of the Senates of the United States and Mexico. The Senate of that country convenes in September, and I do not think there is any doubt it will ratify the Convention if the Senate of the United States votes ratification at this session of Congress.

Already, in anticipation of favorable action, I have caused officials of the Embassy to take up with officials of the Foreign Office the study, for the benefit of the Joint Commissioners provided for in article 5 of the Convention, of the question of just division of those claims which have been filed by American claimants with both Commissions. We also hope by September, for the information of the Commissioners, to make a definite computation of the total amount of the special claims, and an accurate computation of the specific percentage of liability to be applied. Therefore, if our Senate ratifies the Convention at this session, it will make possible the payment of the first \$500,000 by January 1, as contemplated under the terms of the Convention, with like yearly payments of \$500,000 each year until the full amount, estimated at around \$7,000,000, is paid.

If it be suggested that the percentage is small, the answer is that many of the claims are, as in most claims, both national and international, larger than can be established by evidence. Some of these claims are of doubtful validity—others are so clearly just that those claimants should not longer be denied such payment as will give them real money during their natural lives. Further delay will in all probability deny them any compensation in time to meet their present needs.

The acceptance of the percentage for all the claims, valid or unsustainable, does not at all mean that all claimants will receive the same percentage. By no means. The sum received will be distributed to claimants by a domestic commission or other domestic agency on the basis of the merit of the claims. Those lacking merit will be eliminated by the United States officials charged with the task while the just claims will be promptly awarded the just amount found to be due. It is believed that when the money to be paid by Mexico is properly distributed in this manner each claimant will be fairly dealt with.

Furthermore, these claims are but one of several very important problems which exist in our present-day relations with Mexico. By accepting this settlement, which to my mind is entirely equitable, we would, I firmly believe, go a long way toward demonstrating our friendly and neighborly disposition and thus foster a spirit of cooperation which should help materially to further a solution of other important questions.

In support of the opinion that the proposed basis of settlement is eminently fair to the interested American claimants are the following additional facts:

First. This percentage of liability is to be computed on the basis of all the claims filed, regardless of class or quality, excepting only those cases already decided, and, therefore, while the percentage of liability agreed to be paid by Mexico is comparatively small, it represents, as a matter of fact, what is estimated to be the full value of the meritorious claims.

Second. The percentage of liability to be paid in this case, namely, about 2.65, compares very favorably with that found to be due in other adjudications. For instance, the liability found to be due the United States in the settlements of 1839 and 1863 with Mexico averaged 1.25 percent; the awards of the Spanish Treaty Claims Commission, established pursuant to the Treaty of Paris of 1898, to pass upon all claims against the Spanish Government, amounted to 0.021 percent of the amounts claimed and judgments rendered by the United States Court of Claims during the period 1920–32 amounted to approximately 0.6 percent of the amounts claimed. I have been advised that many letters have already been received by the Department of State expressing the gratification of individual claims that real progress in the settlement of their claims is now promised.

To sum up the advantages which will be brought about by the proposed arrangement, are:

- The removal of these contentious claims from the field of international relations;
- 2. The systematic and definite payment by Mexico, to begin in the near future instead of being postponed indefinitely;
- 3. The placing of the settlement of the claims of our nationals in the hands of officials of our own country.

I am, with assurances of appreciation of the opportunity of appearing before your committee,

Sincerely yours,

JOSEPHUS DANIELS.

The Honorable Key PITTMAN, United States Senate.

Mr. PITTMAN. Mr. President, I desire to make a statement.

It will be remembered that the Special Claims Commission was created in 1923. Since that time the procedure has been exceedingly discouraging. Nothing has been settled under that Commission in a period of 11 years. The whole method of adjustment was slow and impractical. The situation looked perfectly hopeless. So, when Mr. Daniels was appointed Ambassador to Mexico, as Chairman of the Foreign Relations Committee I called his attention to the hopelessness of the attempted recovery under the Special Claims Commission, and stated that I thought it was worthy of his immediate study.

This letter indicates that the Ambassador has given a great deal of study to the question. The Ambassador appeared before the Foreign Relations Committee and made a very full and clear statement with regard to the whole matter. At my request he placed his statement in the form of a memorandum, which he has submitted and which has been read to the Senate.

These special claims against the Mexican Government amount to \$411,000,000. There is no doubt whatever that a number of the claims are bona fide. It happens that those claims are the small ones. They are the claims, for instance, where settlers have suffered direct loss that may be very simply estimated. While there are many of those, the total is not large. On the other hand, claims have been filed that are grossly exaggerated as to amount, or even as to legal liability.

For instance, one claim is based on a United States patent, which patent I believe was also allowed in Mexico, on the theory that if there had not been a revolution the man would have earned one hundred or two hundred million dollars from his patent. It is purely a question of contingency that never could be determined.

When we come to the total of \$411,000,000 claimed for damages to American citizens arising out of the revolutions commencing in 1910, we are compelled frankly to admit that many of the claims are grossly exaggerated. I happen to know personally of some which in my opinion are placed at | into account. The burden is thrown on our own Governa figure from 10 to 15 times what anyone would consider at all reasonable.

Now, the point is this: A total of \$380,000,000 was claimed by Belgium, Germany, Italy, France, Great Britain, and

Spain.

Those governments came to the conclusion that this process of bloc settlement was the most satisfactory, and they settled their claims on a basis of 2.65 percent of the total claims and are being paid their money. Those countries then adjudicated as between the claims of their own nationals.

As the Ambassador says in his letter, when we settled the claims of Mexico in 1860 and later, less than 2 percent was the figure on which we finally settled. Mexico naturally thought that that was a precedent, so far as we were concerned, but the Ambassador insisted that the present claims should be settled on the same basis as that used in the settlements with other foreign governments.

As to the amounts the legitimate claimants will get, the Secretary says that he thinks the total amount will be practically the amount actually due us. If that is the case, then the elimination of patently false claims and reduction of exaggerated claims will leave an amount for just claims, claims of those who were actually damaged to the extent claimed and whose property was destroyed, and where the damages, as I have said, can be actually ascertained, sufficent to enable them to recover a large portion of their money, if not all.

Mr. CUTTING. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield. Mr. CUTTING. I call the attention of the Senator to two sentences in the letter of Ambassador Daniels, as follows:

When finally, after the A.B.C. Conference, Carranza was recognized, the continual warfare of Villa in the northern part of Mexico and of Zapata in another sector and roving bands of other men withholding allegiance from Carranza, the conditions were beyond the control of the recognized authorities.

Further on he said:

Upon the restoration of a responsible government, having behind it the will of the majority of the people, it was felt in Mexico that the killings and destruction of property were mainly by irresponsible bands or parties not responsible to government

Mr. President, as the Senator is aware, the United States has always taken the opposite view in that regard, and especially concerning the depredations committed by General Villa. I have studied this matter pretty carefully, although I have not my memoranda with me, and I know that former Ambassador Morrow took the same positionnamely, that under the Mexican precedents themselves there was a distinct responsibility for the actions of the Villa party in Mexico at the time of the depredations.

I hope the Senator can give me some assurance that the depredations made by the Villistas will be considered a legitimate part of the claims made in behalf of United States citizens. The Senator will remember in particular that an entire town in the State of New Mexico was wiped out by the raids of General Villa, as a consequence of which the United States sent an expeditionary force into Mexico, which, unfortunately, accomplished very meager results.

What I want to ask the Senator is whether we can be assured that those claims have not been dropped, or will not be dropped, if we shall ratify the treaty as it comes before us.

Mr. PITTMAN. Mr. President, the paragraph the Senator read from Ambassador Daniel's letter gave the viewpoint of the Mexican Government. The Ambassador still holds as our Government has held and does now holdthat the Government of Mexico had to hold itself responsible to preserve order.

As to the Villa claims, there has been an effort in other special treaties to exclude certain revolutionary claims, particularly in dealing with what we call the "general claims." But in making up the total of the claims, which amounts to \$411,000,000, the Villa claims and all other claims are taken | been invited to Mexico to aid in the development of that

ment to determine as to what claims are legitimate and what are not legitimate. Therefore those who suffered from the Villa raids will have exactly the same opportunity as will those who suffered in other raids.

I do not think we can do anything else now, in view of what other governments have done, than to try this matter out

Mr. BORAH. Mr. President, I agree with the statement made by the Chairman of the Committee on Foreign Relalations, that in view of the settlements which have been made between Mexico and Great Britain and other countries, we will have to take this settlement, in all probability, or we will get no settlement at all. I do think, however, that in all likelihood the result of this treaty will be that some of the claims, such as the Villa claims, will be eliminated; perhaps not entirely; they may be considered in part, but, in view of the attitude which Mexico takes, it is likely that, generally speaking, they will be eliminated. Nevertheless, Great Britain and the other countries having settled with Mexico, we are in a position where we cannot hope to secure better treatment than that which they have secured.

Mr. CUTTING. Mr. President, I do not desire to make any argument against the ratification of the treaty; I think there is a great deal to be said for it. The difficulty is, of course, that the Mexican Government is totally unable to pay anything but a small fraction of what we consider our just claims. I have every sympathy with the magnificent efforts being made by the present government in Mexico to restore order and to educate the people of their great country, and to raise them to a condition of prosperity such as they have never enjoyed in the past. I think they are doing a wonderful work along those lines, and certainly nothing we should do ought to be allowed to interfere with what they are doing.

Nevertheless, I hardly think it is fair to compare our claims against Mexico with those of Great Britain or of other countries. There is no other country which has been invaded by the bands of Mexican leaders as the United States has been.

I must say that the statement of the Senator from Idaho has given me a certain amount of apprehension lest the Government, in assessing the proportion to the different claimants, should place the Villista claims in a lesser category than those of other claimants. I simply want to make my own position clear, that I am confident that the Government will adopt the attitude announced by the Senator from Nevada [Mr. PITTMAN], Chairman of the Committee on Foreign Relations, and will give claims of this kind the same consideration that will be had for other claims.

Mr. KING. Mr. President, if there were a possibility of our Government taking the position suggested by the Senator from New Mexico, to the effect that American nationals who have claims against Mexico growing out of the operations of Villa and other Mexicans, were to be placed in a different category from that occupied by American citizens whose claims are based upon wrongs sustained in other parts of Mexico, I should oppose this treaty. It is well known that many American citizens who had homes and property and interests in the northern States of Mexico—among them Sonora and Chihuahua-were robbed and plundered, and some of them killed during the operations by Villa, Zapata, and other Mexican military leaders and perhaps bandit leaders during the closing years of the administration of President Taft and also during the administration of President Wilson. Certainly there should be no discrimination against these American citizens. They are entitled to be placed in the same class as other American nationals who have claims against Mexico. Several thousand American citizens had homes and valuable real and personal property in the northern States of Mexico. They had converted desert lands into fertile fields and had built cities and towns and had added to the prosperity and the development of Mexico. As stated they were driven out during the revolutionary period after the Diaz regime. Many Americans had

country. They had expended millions of dollars in the building of railroads, electric-light plants, and mills and smelters for the treatment of ores and in building up various industries in many parts of Mexico. They had acquired lands, paying for them full value, and had, at great expense, converted these lands into fertile fields, plantations, meadows, and pastures for the maintenance of the cattle and other livestock with which they were enriching the districts in which they lived. Thousands of Mexicans received employment at the hands of American citizens who were engaged in various commercial and industrial activities.

In 1920, as I recall, I offered a resolution in the Senate calling for an investigation of the conditions in Mexico. The resolution was adopted and a committee of three Senators named to carry out the terms of the resolution. The Democratic member of the committee was Senator Marcus A. Smith, of Arizona, now deceased. This committee spent weeks and months in the investigation and heard the testimony of scores of witnesses. The report of the committee stated that property belonging to American citizens, valued at more than \$500,000,000, as I now recall, had either been destroyed or confiscated by Mexico and its nationals. May I repeat that the Americans who were living in Mexico and who made investments in that country were not trespassers. They had been invited, and indeed, urged to make investments in Mexico and to build homes and towns and cities, and to aid the Mexican Government and the Mexican people in the industrial and economic development of their country. It is not too much to say that these Americans made important contributions to the financial, industrial, and economic development of Mexico. As stated, thousands were driven out of Mexico and hundreds of them were killed and a large number subjected to indignities and ill treatment. My recollection is that the report of the committee referred to, proved that more than 450 Americans lawfully in Mexico, engaged in peaceful pursuits, were killed by Mexicans and more than a hundred and twenty-five American citizens who were in the United States were killed by Mexican nationals who fired across the boundary line.

It has been contended by some Americans that those who confiscated or destroyed their property were military forces of the Mexican Government-not bandits, but Mexican soldiers, serving under either a de facto or de jure government. There are many instances where American citizens who purchased lands in Mexico and improved the same were wholly deprived of their property, with no compensation whatever having been offered or paid to them. That citizens of the United States lawfully in Mexico have been abused, maltreated, and killed, no one can deny. That some of these wrongs were perpetrated by those in control of the Mexican Government, I think must be admitted. Undoubtedly there was banditry and roving, irregular military bands who preyed upon American citizens as well as upon Mexicans. Undoubtedly conditions in Mexico for a number of years following the regime of President Diaz were unsatisfactory. Property worth hundreds of millions of dollars was destroyed. The nationals of a number of countries were subjected to wrongs and indignities, and the property of thousands destroyed or confiscated. Revolutionary forces traversed most parts of Mexico, ravaging and plundering, and inflicting damages upon Mexican citizens as well as upon the nationals of our Government and citizens of other countries.

I think the evidence before the Commission to which I have referred demonstrates that appropriate steps were not taken in a number of instances by the Government of Mexico to protect American nationals who had interests in Mexico. Undoubtedly, brigands and irregular military forces and bandits were, in part, responsible for some of the destruction and confiscation of property belonging to American nationals and the nationals of other countries; but I think the facts warrant the statement that under the principles of international law, the Mexican Government must be held responsible for the greater part of the depredations committed and the consequent losses that ensued.

It is certain that the Mexican Government should be held liable for the death of many of the American citizens who were killed upon Mexican soil as well as upon American soil. I agree with the Senator from New Mexico in his reference to the efforts which are being made by those in authority in Mexico to effectuate reforms and to make life and property safe, and to develop a higher standard of living among the people. Mexico has had many sorrowful and tragic periods. She has had many serious and difficult problems to meet, and those who are familiar with her history must feel a profound sympathy for the Mexican people.

A great majority of the Mexican people are what might be classed as Indians. To develop them and to develop the industries of that important country has been a task of great magnitude. Mexico has produced statesmen of renown; jurists of world-wide fame; lawyers of eminence; painters, poets, and writers whose genius and achievements are known among all civilized nations. Speaking for myself, I have entertained for Mexico and her people a feeling of friendship and have been anxious for the happiness and welfare of the Mexican people.

May I be pardoned a personal allusion? At the Democratic convention in 1924, as a member of the committee on platform and resolutions, I drafted the plank dealing with the Republic to the south of us. I referred to the cordial relations which should exist between this Republic and Latin America. The concluding sentence in the platform declared that "\* \* God has made us neighbors; let justice keep us friends. \* \* \*"

I have opposed some of the policies pursued by this Government in its dealings with the countries to the south of us and have insisted that our policies in dealing with these countries should be generous and liberal and guided by a sincere desire for the happiness and welfare of their people. I have opposed some of the chauvinistic claims of Americans in their interpretation of the Monroe Doctrine and insisted that the conditions now existing called for different treatment of this question. The Monroe Doctrine is not purely unilateral; it is, rather, multilateral, and it must be interpreted in the light of modern conditions and of what I believe to be the newer relationships between our Government and our neighbors to the south.

Mr. President, with respect to the treaty under consideration, I confess to considerable disappointment in its terms. I do not believe that it is entirely just and fair to American nationals who have valid claims against Mexico. I agree with the Senator from New Mexico that the formula agreed upon as a basis for the settlement of the claims of the nationals of European nations against Mexico should not be the guide in determining the claims of American nationals. The United States and Mexico are neighbors; the northern boundary of Mexico constitutes the southern boundary of a part of the United States for many hundreds of miles. American citizens, as I have indicated, had large investments in Mexico, and thousands of them had built homes and developed properties in Mexico at the express invitation and request of the Mexican Government.

Tens of thousands of Mexicans were either permanent or temporary residents in the United States, and they had property or other interests in our country. This situation developed relations and conditions quite different from those existing between Mexico and her nationals and the nationals of countries on the other side of the Atlantic. I do not think that the percentage agreed upon as the basis of determining the claims is just, nor do I believe that the amount suggested as a possible maximum of recovery—to wit, about \$7,000,000—can be regarded as an equitable basis for the settlement of the claims of American citizens. As stated, hundreds of Americans were killed, and if their families were to receive but \$10,000 each, six-sevenths of the amount anticipated to be paid by Mexico would be required; and if but \$5,000 were paid to the families of those who were killed, it would require three-sevenths of the maximum amount which it is claimed is to be required at the hands of the Mexican Government.

Mr. President, I believe that the amount which would be paid American nationals is entirely inadequate. I agree with the Senator from Nevada [Mr. Pittman] that the efforts during the past 12 years to adjust these claims, has been most unsatisfactory. Undoubtedly something should be done to end this unhappy condition. It would be most unsatisfactory for no settlement to be made or to adopt a procedure akin to that which we have followed in the past. Our Government has expended nearly \$2,000,000 to meet the expenses of the commissions that have been dealing with these claims, and not a penny has been recovered as a result of these enormous expenditures.

It was most unfortunate in my opinion that one of the Commission selected proved to be so wholly unfitted for the position. He early exhibited antipathy toward our Government and toward American nationals and finally returned to his own country, refusing to participate or to take any part in meeting the obligations resting upon him. In my opinion the vacancy created should have been filled by a commissioner from some European country. I shall not elaborate this thought further than to say that the treaty provided a method by which the third member of the Commission might be selected from an environment where those having claims against Mexico might have felt a greater degree of assurance that fair and just judgments might be rendered.

Mr. CUTTING. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. CUTTING. Unless I am very seriously mistaken, the gentleman whom the Senator is criticizing refused for a long time either to participate or to resign.

Mr. KING. I think the Senator has stated the facts correctly. His selection was most unfortunate and his conduct

highly reprehensible.

Mr. President, I repeat that the treaty under consideration is a very great disappointment to me, as I know it will be to thousands of American citizens who for years have expected some indemnity for the wrongs which they suffered at the hands of Mexico and its nationals. Many hundreds of those who were driven from Mexico and whose property was confiscated or destroyed, suffered serious hardships as they endeavored to make new homes in the United States. A considerable number of them were unable to again build homes and to accommodate themselves to the conditions in the new environment into which they were thrust. Houseless and homeless, after years of hardship, many died in poverty and in despair.

Mr. President, I do not feel like taking upon myself the responsibility of attempting to defeat this treaty or to prevent its consideration. I can only say that I deeply regret that it falls far short of dealing justly with American citizens who have so grievously suffered at the hands of the Mexican Government and its nationals.

The VICE PRESIDENT. If there be no amendment, the treaty will be reported to the Senate.

The treaty was reported to the Senate without amend-

The VICE PRESIDENT. The resolution of ratification will be read.

The Chief Clerk read as follows:

Resolved (two-thirds of the Senate concurring therein), That the Senate advise and consent to the adherence by the United States to Executive I (73d Cong., 2d sess.), convention between the United States of America and the United Mexican States, signed at Mexico City on April 24, 1934, providing for the en bloc settlement of the claims presented by the Government of the United States to the commission established by the Special Claims Convention concluded September 10, 1923, instead of by international adjudication in each case as provided in that convention.

The VICE PRESIDENT. The question is on agreeing to the resolution of ratification. [Putting the question.] Twothirds of the Senators present concurring therein, the resolution is agreed to, and the treaty is ratified.

CONVENTION FOR THE UNIFICATION OF CERTAIN RULES RELATING
TO INTERNATIONAL TRANSPORTATION BY AIR

Mr. PITTMAN. I ask that the Senate proceed to the consideration of Executive G.

The Senate, as in Committee of the Whole, proceeded to consider Executive G (73d Cong., 2d sess.) a convention for the unification of certain rules relating to international transportation by air, signed at Warsaw, Poland, on October 12, 1929, and an additional protocol thereto relating to article 2 of the convention, which was read the second time, as follows:

### [Translation]

Convention for the Unification of Certain Rules Relating to International Transportation by Air

The President of the German Reich, the Federal President of the Republic of Austria, His Majesty the King of the Belgians, the President of the United States of Brazil, His Majesty the King of the Bulgarians, the President of the Nationalist Government of China, His Majesty the King of Denmark and Iceland, His Majesty the King of Egypt, His Majesty the King of Spain, the Chief of State of the Republic of Estonia, the President of the Republic of Finland. the President of the French Republic, His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India, the President of the Hellenic Republic, His Most Serene Highness the Regent of the Kingdom of Hungary, His Majesty the King of Italy, His Majesty the Emperor of Japan, the President of the Republic of Latvia, Her Royal Highness the Grand Duchess of Luxembourg, the President of the United Mexican States, His Majesty the King of Norway, Her Majesty the Queen of the Netherlands, the President of the Republic of Poland, His Majesty the King of Rumania, His Majesty the King of Sweden, the Swiss Federal Council, the President of the Czechoslovak Republic, the Central Executive Committee of the Union of Soviet Socialist Republics, the President of the United States of Venezuela, His Majesty the King of Yugo-

Having recognized the advantage of regulating in a uniform manner the conditions of international transportation by air in respect of the documents used for such transportation and of the liability of the carrier, have nominated to this end their respective Plenipotentiaries, who, being thereto duly authorized, have concluded and signed the following Convention:

# CHAPTER I. SCOPE—DEFINITIONS ARTICLE I

- (1) This Convention shall apply to all international transportation of persons, baggage, or goods performed by aircraft for hire. It shall apply equally to gratuitous transportation by aircraft performed by an air transportation enterprise.
- (2) For the purposes of this Convention the expression "international transportation" shall mean any transportation in which, according to the contract made by the parties, the place of departure and the place of destination, whether or not there be a break in the transportation or a transshipment, are situated either within the territories of two High Contracting Parties, or within the territory of a single High Contracting Party, if there is an agreed stopping place within a territory subject to the sovereignty, suzerainty, mandate or authority of another Power, even though that Power is not a party to this Convention. Transportation without such an agreed stopping place between territories subject to the sovereignty, suzerainty, mandate or authority of the same High Contracting Party shall not be deemed to be international for the purposes of this Convention.
- (3) Transportation to be performed by several successive air carriers shall be deemed, for the purposes of this Convention, to be one undivided transportation, if it has been regarded by the parties as a single operation, whether it has been agreed upon under the form of a single contract or of a series of contracts, and it shall not lose its international character merely because one contract or a series of contracts is to be performed entirely within a territory subject to the sovereignty, suzerainty, mandate, or authority of the same High Contracting Party.

#### ARTICLE 2

- (1) This Convention shall apply to transportation performed by the State or by legal entities constituted under public law provided it falls within the conditions laid down in Article 1
- (2) This Convention shall not apply to transportation performed under the terms of any international postal Convention.

CHAPTER II. TRANSPORTATION DOCUMENTS—Section 1—Passenger Ticket

#### ARTICLE 3

- (1) For the transportation of passengers the carrier must deliver a passenger ticket which shall contain the following particulars:
  - (a) The place and date of issue;
  - (b) The place of departure and destination;
- (c) The agreed stopping places, provided that the carrier may reserve the right to alter the stopping places in case of necessity, and that if he exercises that right, the alteration shall not have the effect of depriving the transportation of its international character;
  - (d) The name and address of the carrier or carriers;
- (e) A statement that the transportation is subject to the rules relating to liability established by this Convention.
- (2) The absence, irregularity, or loss of the passenger ticket shall not affect the existence or the validity of the contract of transportation, which shall none the less be subject to the rules of this Convention. Nevertheless, if the carrier accepts a passenger without a passenger ticket having been delivered he shall not be entitled to avail himself of those provisions of this Convention which exclude or limit his liability.

# SECTION 2. BAGGAGE CHECK

- (1) For the transportation of baggage, other than small personal objects of which the passenger takes charge himself, the carrier must deliver a baggage check.
- (2) The baggage check shall be made out in duplicate, one part for the passenger and the other part for the carrier.
- (3) The baggage check shall contain the following particulars:
  - (a) The place and date of issue;
  - (b) The place of departure and of destination;
  - (c) The name and address of the carrier or carriers;
  - (d) The number of the passenger ticket;
- (e) A statement that delivery of the baggage will be made to the bearer of the baggage check;
  - (f) The number and weight of the packages;
- (g) The amount of the value declared in accordance with Article 22 (2);
- (h) A statement that the transportation is subject to the rules relating to liability established by this Convention.
- (4) The absence, irregularity or loss of the baggage check shall not affect the existence or the validity of the contract of transportation which shall none the less be subject to the rules of this Convention. Nevertheless, if the carrier accepts baggage without a baggage check having been delivered, or if the baggage check does not contain the particulars set out at (d), (f), and (h) above, the carrier shall not be entitled to avail himself of those provisions of the Convention which exclude or limit his liability.

# SECTION 3. AIR WAYBILL ARTICLE 5

- (1) Every carrier of goods has the right to require the consignor to make out and hand over to him a document called an "air waybill"; every consignor has the right to require the carrier to accept this document.
- (2) The absence, irregularity, or loss of this document shall not affect the existence or the validity of the contract of transportation which shall, subject to the provisions of Article 9, be none the less governed by the rules of this Convention.

# ARTICLE 6

- (1) The air waybill shall be made out by the consignor in three original parts and be handed over with the goods.
- (2) The first part shall be marked "for the carrier", and shall be signed by the consignor. The second part shall be

marked "for the consignee"; it shall be signed by the consignor and by the carrier and shall accompany the goods. The third part shall be signed by the carrier and handed by him to the consignor after the goods have been accepted.

- (3) The carrier shall sign on acceptance of the goods.
- (4) The signature of the carrier may be stamped; that of the consignor may be printed or stamped.
- (5) If, at the request of the consignor, the carrier makes out the air waybill, he shall be deemed, subject to proof to the contrary, to have done so on behalf of the consignor.

#### ARTICLE 7

The carrier of goods has the right to require the consignor to make out separate waybills when there is more than one package.

#### ARTICLE 8

The air waybill shall contain the following particulars:

- (a) The place and date of its execution;
- (b) The place of departure and of destination;
- (c) The agreed stopping places, provided that the carrier may reserve the right to alter the stopping places in case of necessity, and that if he exercises that right the alteration shall not have the effect of depriving the transportation of its international character;
  - (d) The name and address of the consignor;
  - (e) The name and address of the first carrier;
- (f) The name and address of the consignee, if the case so requires:
  - (g) The nature of the goods;
- (h) The number of packages, the method of packing, and the particular marks or numbers upon them;
- (i) The weight, the quantity, the volume, or dimensions of the goods:
- (j) The apparent condition of the goods and of the packing;
- (k) The freight, if it has been agreed upon, the date and place of payment, and the person who is to pay it;
- If the goods are sent for payment on delivery, the price of the goods, and, if the case so requires, the amount of the expenses incurred;
- (m) The amount of the value declared in accordance with Article 22 (2);
  - (n) The number of parts of the air waybill:
- (o) The documents handed to the carrier to accompany the air waybill;
- (p) The time fixed for the completion of the transportation and a brief note of the route to be followed, if these matters have been agreed upon;
- (q) A statement that the transportation is subject to the rules relating to liability established by this Convention.

# ARTICLE 9

If the carrier accepts goods without an air waybill having been made out, or if the air waybill does not contain all the particulars set out in Article 8 (a) to (i), inclusive, and (q), the carrier shall not be entitled to avail himself of the provisions of this Convention which exclude or limit his liability.

# ARTICLE 10

- (1) The consignor shall be responsible for the correctness of the particulars and statements relating to the goods which he inserts in the air waybill.
- (2) The consignor shall be liable for all damages suffered by the carrier or any other person by reason of the irregularity, incorrectness or incompleteness of the said particulars and statements.

# ARTICLE 11

- (1) The air waybill shall be *prima facie* evidence of the conclusion of the contract, of the receipt of the goods and of the conditions of transportation.
- (2) The statements in the air waybill relating to the weight, dimensions, and packing of the goods, as well as those relating to the number of packages, shall be prima facie evidence of the facts stated; those relating to the quantity, volume, and condition of the goods shall not constitute evidence against the carrier except so far as they both have been, and are stated in the air waybill to have been, checked by him in the presence of the consignor, or relate to the apparent condition of the goods.

#### ADTTOTE 19

(1) Subject to his liability to carry out all his obligations under the contract of transportation, the consignor shall have the right to dispose of the goods by withdrawing them at the airport of departure or destination, or by stopping them in the course of the journey on any landing, or by calling for them to be delivered at the place of destination, or in the course of the journey to a person other than the consignee named in the air waybill, or by requiring them to be returned to the airport of departure. He must not exercise this right of disposition in such a way as to prejudice the carrier or other consignors, and he must repay any expenses occasioned by the exercise of this right.

(2) If it is impossible to carry out the orders of the consignor the carrier must so inform him forthwith.

(3) If the carrier obeys the orders of the consignor for the disposition of the goods without requiring the production of the part of the airway bill delivered to the latter, he will be liable, without prejudice to his right of recovery from the consignor, for any damage which may be caused thereby to any person who is lawfully in possession of that part of the airway bill.

(4) The right conferred on the consignor shall cease at the moment when that of the consignee begins in accordance with Article 13, below. Nevertheless, if the consignee declines to accept the waybill or the goods, or if he cannot be communicated with, the consignor shall resume his right of disposition.

#### ARTICLE 13

(1) Except in the circumstances set out in the preceding article, the consignee shall be entitled, on arrival of the goods at the place of destination, to require the carrier to hand over to him the air waybill and to deliver the goods to him, on payment of the charges due and on complying with the conditions of transportation set out in the air waybill.

(2) Unless it is otherwise agreed, it shall be the duty of the carrier to give notice to the consignee as soon as the

goods arrive.

(3) If the carrier admits the loss of the goods, or if the goods have not arrived at the expiration of seven days after the date on which they ought to have arrived, the consignee shall be entitled to put into force against the carrier the rights which flow from the contract of transportation.

# ARTICLE 14

The consignor and the consignee can respectively enforce all the rights given them by Articles 12 and 13, each in his own name, whether he is acting in his own interest or in the interest of another, provided that he carries out the obligations imposed by the contract.

# ARTICLE 15

(1) Articles 12, 13, and 14 shall not affect either the relations of the consignor and the consignee with each other or the relations of third parties whose rights are derived either from the carrier or from the consignee.

(2) The provisions of Articles 12, 13, and 14 can only be varied by express provision in the air waybill.

# ARTICLE 16

(1) The consignor must furnish such information and attach to the air waybill such documents as are necessary to meet the formalities of customs, octroi, or police before the goods can be delivered to the consignee. The consignor shall be liable to the carrier for any damage occasioned by the absence, insufficiency, or irregularity of any such information or documents, unless the damage is due to the fault of the carrier or his agents.

(2) The carrier is under no obligation to enquire into the correctness or sufficiency of such information or documents.

# CHAPTER III-LIABILITY OF THE CARRIER

# ARTICLE 17

The carrier shall be liable for damage sustained in the event of the death or wounding of a passenger or any other bodily injury suffered by a passenger, if the accident which caused the damage so sustained took place on board the aircraft or in the course of any of the operations of embarking or disembarking.

#### ARTICLE 18

(1) The carrier shall be liable for damage sustained in the event of the destruction or loss of, or of damage to, any checked baggage or any goods, if the occurrence which caused the damage so sustained took place during the transportation by air.

(2) The transportation by air within the meaning of the preceding paragraph shall comprise the period during which the baggage or goods are in charge of the carrier, whether in an airport or on board an aircraft, or, in the case of a landing outside an airport in any place what sever

landing outside an airport, in any place whatsoever.

(3) The period of the transportation by air shall not extend to any transportation by land, by sea, or by river performed outside an airport. If, however, such transportation takes place in the performance of a contract for transportation by air, for the purpose of loading, delivery or transshipment, any damage is presumed, subject to proof to the contrary, to have been the result of an event which took place during the transportation by air.

#### ARTICLE 19

The carrier shall be liable for damage occasioned by delay in the transportation by air of passengers, baggage, or goods.

#### ARTICLE 20

(1) The carrier shall not be liable if he proves that he and his agents have taken all necessary measures to avoid the damage or that it was impossible for him or them to take such measures.

(2) In the transportation of goods and baggage the carrier shall not be liable if he proves that the damage was occasioned by an error in piloting, in the handling of the aircraft, or in navigation and that, in all other respects, he and his agents have taken all necessary measures to avoid the damage.

#### ARTICLE 21

If the carrier proves that the damage was caused by or contributed to by the negligence of the injured person the Court may, in accordance with the provisions of its own law, exonerate the carrier wholly or partly from his liability.

# ARTICLE 22

(1) In the transportation of passengers the liability of the carrier for each passenger shall be limited to the sum of 125,000 francs. Where, in accordance with the law of the Court to which the case is submitted, damages may be awarded in the form of periodical payments, the equivalent capital value of the said payments shall not exceed 125,000 francs. Nevertheless, by special contract, the carrier and the passenger may agree to a higher limit of liability.

(2) In the transportation of checked baggage and of goods, the liability of the carrier shall be limited to a sum of 250 francs per kilogram, unless the consignor has made, at the time when the package was handed over to the carrier, a special declaration of the value at delivery and has paid a supplementary sum if the case so requires. In that case the carrier will be liable to pay a sum not exceeding the declared sum, unless he proves that that sum is greater than the actual value to the consignor at delivery.

(3) As regards objects of which the passenger takes charge himself the liability of the carrier shall be limited

to 5,000 francs per passenger.

(4) The sums mentioned above shall be deemed to refer to the French franc consisting of 65½ milligrams of gold at the standard of fineness of nine hundred thousandths. These sums may be converted into any national currency in round figures.

# ARTICLE 23

Any provision tending to relieve the carrier of liability or to fix a lower limit than that which is laid down in this Convention shall be null and void, but the nullity of any such provision shall not involve the nullity of the whole contract, which shall remain subject to the provisions of this Convention.

# ARTICLE 24

(1) In the cases covered by Articles 18 and 19 any action for damages, however founded, can only be brought subject to the conditions and limits set out in this Convention.

preceding paragraph shall also apply, without prejudice to the questions as to who are the persons who have the right to bring suit and what are their respective rights.

#### ARTICLE 25

- (1) The carrier shall not be entitled to avail himself of the provisions of this Convention which exclude or limit his liability, if the damage is caused by his wilful misconduct or by such default on his part as, in accordance with the law of the Court to which the case is submitted, is considered to be equivalent to wilful misconduct.
- (2) Similarly the carrier shall not be entitled to avail himself of the said provisions, if the damage is caused under the same circumstances by any agent of the carrier acting within the scope of his employment.

### ARTICLE 26

- (1) Receipt by the person entitled to the delivery of baggage or goods without complaint shall be prima facie evidence that the same have been delivered in good condition and in accordance with the document of transportation.
- (2) In case of damage, the person entitled to delivery must complain to the carrier forthwith after the discovery of the damage, and, at the latest, within three days from the date of receipt in the case of baggage and seven days from the date of receipt in the case of goods. In case of delay the complaint must be made at the latest within fourteen days from the date on which the baggage or goods have been placed at his disposal.
- (3) Every complaint must be made in writing upon the document of transportation or by separate notice in writing dispatched within the times aforesaid.
- (4) Failing complaint within the times aforesaid, no action shall lie against the carrier, save in the case of fraud on his part.

#### ARTICLE 27

In the case of the death of the person liable, an action for damages lies in accordance with the terms of this Convention against those legally representing his estate.

# ARTICLE 28

- (1) An action for damages must be brought, at the option of the plaintiff, in the territory of one of the High Contracting Parties, either before the Court of the domicile of the carrier or of his principal place of business, or where he has a place of business through which the contract has been made, or before the Court at the place of destination.
- (2) Questions of procedure shall be governed by the law of the Court to which the case is submitted.

# ARTICLE 29

- (1) The right to damages shall be extinguished if an action is not brought within two years, reckoned from the date of arrival at the destination, or from the date on which the aircraft ought to have arrived, or from the date on which the transportation stopped.
- (2) The method of calculating the period of limitation shall be determined by the law of the Court to which the case is submitted.

# ARTICLE 30

- (1) In the case of transportation to be performed by various successive carriers and falling within the definition set out in the third paragraph of Article 1, each carrier who accepts passengers, baggage or goods shall be subject to the rules set out in this Convention, and shall be deemed to be one of the contracting parties to the contract of transportation insofar as the contract deals with that part of the transportation which is performed under his super-
- (2) In the case of transportation of this nature, the passenger or his representative can take action only against the carrier who performed the transportation during which the accident or the delay occurred, save in the case where, by express agreement, the first carrier has assumed liability for the whole journey.
- (3) As regards baggage or goods, the passenger or consignor shall have a right of action against the first carrier, and the passenger or consignee who is entitled to delivery shall have a right of action against the last carrier, and

(2) In the cases covered by Article 17 the provisions of the | further, each may take action against the carrier who performed the transportation during which the destruction, loss, damage, or delay took place. These carriers shall be jointly and severally liable to the passenger or to the consignor or consignee.

> CHAPTER IV. PROVISIONS RELATING TO COMBINED TRANSPORTATION ARTICLE 31

- (1) In the case of combined transportation performed partly by air and partly by any other mode of transportation, the provisions of this Convention shall apply only to the transportation by air, provided that the transportation by air falls within the terms of Article 1.
- (2) Nothing in this Convention shall prevent the parties in the case of combined transportation from inserting in the document of air transportation conditions relating to other modes of transportation, provided that the provisions of this Convention are observed as regards the transportation by air.

# CHAPTER V. GENERAL AND FINAL PROVISIONS ARTICLE 32

Any clause contained in the contract and all special agreements entered into before the damage occurred by which the parties purport to infringe the rules laid down by this Convention, whether by deciding the law to be applied, or by altering the rules as to jurisdiction, shall be null and void. Nevertheless for the transportation of goods arbitration clauses shall be allowed, subject to this Convention, if the arbitration is to take place within one of the jurisdictions referred to in the first paragraph of Article 28.

## ARTICLE 33

Nothing contained in this Convention shall prevent the carrier either from refusing to enter into any contract of transportation or from making regulations which do not conflict with the provisions of this Convention.

This convention shall not apply to international transportation by air performed by way of experimental trial by air navigation enterprises with the view to the establishment of regular lines of air naviation, nor shall it apply to transportation performed in extraordinary circumstances outside the normal scope of an air carrier's business.

The expression "days" when used in this Convention means current days, not working days.

This Convention is drawn up in French in a single copy which shall remain deposited in the archieves of the Ministry for Foreign Affairs of Poland and of which one duly certified copy shall be sent by the Polish Government to the Government of each of the High Contracting Parties.

# ARTICLE 37

- (1) This Convention shall be ratified. The instruments of ratification shall be deposited in the archieves of the Ministry for Foreign Affairs of Poland, which shall give notice of the deposit to the Government of each of the High Contracting Parties.
- (2) As soon as this Convention shall have been ratified by five of the High Contracting Parties it shall come into force as between them on the ninetieth day after the deposit of the fifth ratification. Thereafter it shall come into force between the High Contracting Parties which shall have ratified and the High Contracting Party which deposits its instrument of ratification on the ninetieth day after the
- (3) It shall be the duty of the Government of the Republic of Poland to notify the Government of each of the High Contracting Parties of the date on which this Convention comes into force as well as the date of the deposit of each ratification.

- (1) This Convention shall, after it has come into force, remain open for adherence by any State.
- (2) The adherence shall be effected by a notification addressed to the Government of the Republic of Poland, which

shall inform the Government of each of the High Contracting Parties thereof.

(3) The adherence shall take effect as from the ninetieth day after the notification made to the Government of the Republic of Poland.

#### ARTICLE 39

- (1) Any one of the High Contracting Parties may denounce this Convention by a notification addressed to the Government of the Republic of Poland, which shall at once inform the Government of each of the High Contracting Parties.
- (2) Denunciation shall take effect six months after the notification of denunciation, and shall operate only as regards the party which shall have proceeded to denunciation.

#### ARTICLE 40

- (1) Any High Contracting Party may, at the time of signature or of deposit of ratification or of adherence declare that the acceptance which it gives to this Convention does not apply to all or any of its colonies, protectorates, territories under mandate, or any other territory subject to its sovereignty or its authority, or any other territory under its suzerainty.
- (2) Accordingly any High Contracting Party may subsequently adhere separately in the name of all or any of its colonies, protectorates, territories under mandate, or any other territory subject to its sovereignty or to its authority or any other territory under its suzerainty which have been thus excluded by its original declaration.
- (3) Any High Contracting Party may denounce this Convention, in accordance with its provisions, separately or for all or any of its colonies, protectorates, territories under mandate or any other territory subject to its sovereignty or to its authority, or any other territory under its suzerainty.

# ARTICLE 41

Any High Contracting Party shall be entitled not earlier than two years after the coming into force of this Convention to call for the assembling of a new international Conference in order to consider any improvements which may be made in this Convention. To this end it will communicate with the Government of the French Republic which will take the necessary measures to make preparations for such Conference.

This Convention done at Warsaw on October 12, 1929, shall remain open for signature until January 31, 1930.

For Germany:

R. RICHTER.

Dr. A. WEGERDT.

Dr. E. ALBRECHT.

Dr. Otto Riese.

For Austria:

STROBELE.

REINOEHL.

For Belgium:

BERNARD DE l'ESCAILLE.

For Brazil:

ALCIBIADES PEÇANHA.

For Bulgaria:

For China:

For Denmark:

L. INGERSLEV.

KNUD GREGERSEN.

For Egypt:

For Spain:

SILVIO FERNANDEZ VALLIN.

For Estonia:

For Finland:

For France:

PIERRE ETIENNE FLANDIN. GEORGES RIPERT. For Great Britain and Northern Ireland:

A. H. DENNIS.

ORME CLARKE.

R. L. MEGARRY.

For the Commonwealth of Australia:

A. H. DENNIS.

ORME CLARKE.

R. L. MEGARRY.

For the Union of South Africa:

A. H. DENNIS.

ORME CLARKE.

R. L. MEGARRY.

For Greece:

G. C. LAGOUDAKIS.

For Hungary:

For Italy:

A. GIANNINI.

For Japan:

KAZUO NISHIKAWA.

For Latvia:

M. NUKŠA.

For Luxembourg:

E. ARENDT.

For Mexico:

For Norway:

N. CHR. DITLEFF.

For the Netherlands:

W. B. ENGELBRECHT.

For Poland:

AUGUSTE ZALESKI.

ALFONS KÜHN. For Rumania:

G. CRETZIANO.

For Sweden:

For Switzerland:

EDM. PITTARD.

Dr. F. HESS.

For Czechoslovakia:

Dr. V. GIRSA.

For the Union of Soviet Socialist Republics:

Kotzubinsky. For Venezuela:

For Yugoslavia:

IVO DE GIULLI.

# ADDITIONAL PROTOCOL

# (With reference to article 2)

The High Contracting Parties reserve to themselves the right to declare at the time of ratification or of adherence that the first paragraph of article 2 of this Convention shall not apply to international transportation by air performed directly by the State, its colonies, protectorates, or mandated territories, or by any other territory under its sovereignty, suzerainty, or authority.

For Germany:

R. RICHTER.

Dr. A. WEGERDT.

Dr. E. Albrecht.

Dr. Otto Riese.

For Austria:

STROBELE.

REINOEHL.

For Belgium:

BERNARD DE l'ESCAILLE.

For Brazil:

ALCIBIADES PEÇANHA.

For Bulgaria:

For China:

For Denmark:

L. INGERSLEV. KNUD GREGERSEN. For Egypt:

For Spain:

SILVIO FERNANDEZ VALLIN.

For Estonia:

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KAZUO NISHIKAWA.

For Latvia:

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For Luxembourg:

E. ARENDT.

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W. B. ENGELBRECHT.

For Poland:

AUGUSTE ZALESKI.

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For Rumania:

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For Switzerland:

EDM. PITTARD.

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For Czechoslovakia:

Dr. V. GIRSA.

For the Union of Soviet Socialist Republics:

KOTZUBINSKY.

For Venezuela:

For Yugoslavia:

IVO DE GIULLI.

The VICE PRESIDENT. If there be no amendment, the treaty will be reported to the Senate.

The treaty was reported to the Senate without amend-

The resolution of ratification will be read.

Mr. PITTMAN. Mr. President, I will state that there are two reservations to be added to that treaty. The first reservation is as follows:

That the first paragraph of article 2 of the convention shall not apply to international transportation that may be performed by the United States or any Territory or possession under its juris-

The VICE PRESIDENT. The question is on agreeing to the reservation.

The reservation was agreed to.

Mr. PITTMAN. I offer a further reservation, as follows: That the French text of the first paragraph of article 15 shall be amended by the substitution therein of the words "de l'expédi-

teur" for the words "du transporteur", in the fourth line of the paragraph, so that the word "consignor" can be substituted for the word "carrier" where it now appears in the English translation of the phrase "du transporteur."

The VICE PRESIDENT. The question is on agreeing to the reservation.

The reservation was agreed to.

The VICE PRESIDENT. The resolution of ratification as amended by the reservations will be read.

The Chief Clerk read as follows:

The Chief Clerk read as follows:

Resolved (two-thirds of the Senators present concurring), That the Senate advise and consent to the adherence by the United States to Executive G (73d Cong., 2d sess.), the Convention for the Unification of Certain Rules Relating to International Transportation by Air, signed at Warsaw, Poland, on October 12, 1929, and an additional protocol thereto relating to article 2 of the convention, with the reservations that the first paragraph of article 2 of the convention shall not apply to international transportation that may be performed by the United States or any Territory or possession under its jurisdiction, and that the French text of the first paragraph of article 15 shall be amended by the substitution therein of the words "de l'expéditeur" for the words "du transporteur" in the fourth line of the paragraph, so that the word "consignor" can be substituted for the word "carrier" where it now appears in the English translation of the phrase "du transporteur."

The VICE PRESIDENT. The question is on agreeing to the resolution of ratification as amended by the reserva-tions. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution as amended is agreed to, and the treaty is ratified.

### EXTRADITION CONVENTION OF WESTERN REPUBLICS

Mr. PITTMAN. I ask that the Senate proceed to the consideration of Executive O.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider Executive O, Seventy-third Congress, second session, a convention on extradition signed on December 26, 1933, by plenipotentiaries of the United States of America and other republics of the Western Hemisphere represented at the Seventh International Conference of American States at Montevideo, Uruguay, which was read the second time, as follows:

The Governments represented in the Seventh International Conference of American States:

Wishing to conclude a Convention on Extradition, have appointed the following plenipotentiaries:

Honduras:

MIGUEL PAZ BARAONA

AUGUSTO C. COELLO

LUIS BOGRÁN

United States of America:

CORDELL HULL

ALEXANDER W. WEDDELL

J. REUBEN CLARK

J. BUTLER WRIGHT

SPRUILLE BRADEN

Miss Sophonisba P. Breckingidge

El Salvador:

HÉCTOR DAVID CASTRO

ARTURO RAMÓN AVILA J. CIPRIANO CASTRO

Dominican Republic:

TUILIO M. CESTERO

Haiti:

JUSTIN BARATI FRANCIS SALGADO ANTOINE PIERRE-PAUL EDMOND MANGONÉS

CARLOS SAAVEDRA LAMAS JUAN F. CAFFERATA RAMÓN S. CASTILLO CARLOS BREBBIA ISIDORO RUIZ MORENO Luis A. Podestá Costa RAÚL PREBISCH DANIEL ANTOKOLETZ

Venezuela:

CÉSAR ZUMETA LUIS CHURION

José Rafael Montilla

Uruguay:

ALBERTO MAÑÉ JUAN JOSÉ AMÉZAGA José G. ANTUÑA JUAN CARLOS BLANCO SEÑORA SOFÍA A. V. DE DEMICHELI MARTÍN R. ECHEGOYEN Luis Alberto de Herrera PEDRO MANINI RÍOS MATEO MARQUES CASTRO RODOLFO MEZZERA OCTAVIO MORATÓ Luis Morquio TEÓFILO PIÑEYRO CHAIN DARDO REGULES

Paraguay:

JOSÉ SERRATO

JOSÉ PEDRO VARELLA

JUSTO PASTOR BENÍTEZ GERÓNIMO RIART HORACIO A. FERNÁNDEZ SEÑORITA MARÍA F. GONZÁLEZ

Mexico:

JOSÉ MANUEL PUIG CASAURANC ALFONSO REYES BASILIO VADILLO GENARO V. VASQUEZ ROMEO ORTEGA MANUEL J. SIERRA EDUARDO SUÁREZ

Panama:

J. D. AROSEMENA EDUARDO E. HOLGUÍN OSCAR R. MULLER Magin Pons

Bolivia:

CASTO ROJAS DAVID ALVÉSTEGUI ARTURO PINTO ESCALIER

Guatemala.

ALFREDO SKINNER KLEE José González Cémpo CARLOS SALAZAR MANUEL ARROYO

Brazil.

AFRANIO DE MELLO FRANCO LUCILLO A DA CUNHA BUENO FRANCISCO LUIS DA SILVA CAMPOS GILBERTO AMADO CARLOS CHAGAS SAMUEL RIBEIRO

Ecuador:

AUGUSTO AGUIRRE APARICIO HUMBERTO ALBORNOZ ANTONIO PARRA CARLOS PUIG VILASSAR ARTURO SCARONE

Nicaragua:

LEONARDO ARGÜELLO MANUEL CORDERO REYES

Colombia:

ALFONSO LÓPEZ RAIMUNDO RIVAS José Camacho Carreño

Chile:

MIGUEL CRUCHAGA TOCORNAL OCTAVIO SEÑORET SILVA GUSTAVO RIVERA José Ramón Gutiérrez FÉLIX NIETO DEL RÍO FRANCISCO FIGUEROA SÁNCHEZ BENJAMÍN COHEN

ALFREDO SOLF Y MURO FELIPE BARREDA LAOS Luis Fernán Cisneros

Cuba:

ANGEL ALBERTO GIRAUDY HERMINIO PORTELL VILÁ ALFREDO NOGUEIRA

Who, after having exhibited their full powers, which were found in good and due form, have agreed upon the following:

ARTICLE 1

Each one of the signatory states in harmony with the stipulations of the present convention assumes the obligation of surrendering to any one of the states which may make the requisition, the persons who may be in their territory and who are accused or under sentence. This right shall be claimed only under the following circumstances:

(a) That the demanding state have the jurisdiction to try and to punish the delinquency which is attributed to the

individual whom it desires to extradite.

(b) That the act for which extradition is sought constitutes a crime and is punishable under the laws of the demanding and surrendering states with a minimum penalty of imprisonment for one year.

# ARTICLE 2

When the person whose extradition is sought is a citizen of the country to which the requisition is addressed, his delivery may or may not be made, as the legislation or circumstances of the case may, in the judgment of the surrendering state, determine. If the accused is not surrendered, the latter state is obliged to bring action against him for the crime with which he is accused, if such crime meets the conditions established in subarticle (b) of the previous article. The sentence pronounced shall be communicated to the demanding state.

# ARTICLE 3

Extradition will not be granted:

(a) When, previous to the arrest of the accused person, the penal action or sentence has expired according to the laws of the demanding or the surrendering state.

(b) When the accused has served his sentence in the country where the crime was committed or when he may

have been pardoned or granted an amnesty.

(c) When the accused has been or is being tried by the state to which the requisition was directed for the act with which he is charged and on which the petition of extradition is based.

(d) When the accused must appear before any extraordinary tribunal or court of the demanding state (tribunal o juzgado de excepción del Estado requiriente). Military courts will not be considered as such tribunals.

(e) When the offense is of a political nature or of a character related thereto. An attempt against the life or person of the Chief of State or members of his family, shall not be deemed to be a political offense.

(f) When the offense is purely military or directed against religion.

# ARTICLE 4

The determination of whether or not the exceptions referred to in the previous article are applicable shall belong exclusively to the state to which the request for extradition is addressed.

# ARTICLE 5

A request for extradition should be formulated by the respective diplomatic representative. When no such representative is available, consular agents may serve or the governments may communicate directly with one another. The following documents in the language of the country to which the request for extradition is directed shall accompany every such request:

(a) An authentic copy of the sentence, when the accused has been tried and condemned by the courts of the de-

manding state.

(b) When the person is only under accusation, an authentic copy of the order of detention issued by the competent judge, with a precise description of the imputed offense, a copy of the penal laws applicable thereto, and a copy of the laws referring to the prescription of the action or the penalty.

(c) In the case of an individual under accusation as also of an individual already condemned, there shall be furnished all possible information of a personal character which may help to identify the individual whose extradition is sought.

#### ARTICLE 6

When a person whose extradition is sought shall be under trial or shall be already condemned in the state from which it is sought to extradite him, for an offense committed prior to the request for extradition, said extradition shall be granted at once, but the surrender of the accused to the demanding state shall be deferred until his trial ends or his sentence is served.

#### ARTICLE 7

When the extradition of a person is sought by several states for the same offense, preference will be given to the state in whose territory said offense was committed. If he is sought for several offenses, preference will be given to the state within whose bounds shall have been committed the offense which has the greatest penalty according to the law of the surrendering state.

If the case is one of different acts which the state from which extradition is sought esteems of equal gravity, the preference will be determined by the priority of the request.

#### ARTICLE 8

The request for extradition shall be determined in accordance with the domestic legislation of the surrendering state and the individual whose extradition is sought shall have the right to use all the remedies and resources authorized by such legislation, either before the judiciary or the administrative authorities as may be provided for by the aforesaid legislation.

### ARTICLE S

Once a request for extradition in the form indicated in article 5 has been received, the state from which the extradition is sought will exhaust all necessary measures for the capture of the person whose extradition is requested.

# ARTICLE 10

The requesting state may ask, by any means of communication, the provisional or preventive detention of a person, if there is, at least, an order by some court for his detention and if the state at the same time offers to request extradition in due course. The state from which the extradition is sought will order the immediate arrest of the accused. If within a maximum period of 2 months after the requesting state has been notified of the arrest of the person, said state has not formally applied for extradition, the detained person will be set at liberty and his extradition may not again be requested except in the way established by article 5.

The demanding state is exclusively liable for any damages which might arise from the provisional or preventive detention of a person.

# ARTICLE 11

Extradition having been granted and the person requested put at the disposition of the diplomatic agent of the demanding state, then, if, within 2 months from the time when said agent is notified of same, the person has not been sent to his destination, he will be set at liberty, and he cannot again be detained for the same cause.

The period of 2 months will be reduced to 40 days when the countries concerned are conterminous.

# ARTICLE 12

Once extradition of a person has been refused, application may not again be made for the same alleged act.

# ARTICLE 13

The state requesting the extradition may designate one or more guards for the purpose of taking charge of the person extradited, but said guards will be subject to the orders of the police or other authorities of the state granting the extradition or of the states in transit.

#### ARTICLE 14

The surrender of the person extradited to the requesting state will be done at the most appropriate point on the frontier or in the most accessible port, if the transfer is to be made by water.

#### ARTICLE 15

The objects found in the possession of the person extradited, obtained by the perpetration of the illegal act for which extradition is requested, or which might be useful as evidence of same, will be confiscated and handed over to the demanding country, notwithstanding it might not be possible to surrender the accused because of some unusual situation, such as his escape or death.

### ARTICLE 16

The costs of arrest, custody, maintenance, and transportation of the person, as well as of the objects referred to in the preceding article, will be borne by the state granting the extradition up to the moment of surrender and from thereon they will be borne by the demanding State.

# - ARTICLE 17

Once the extradition is granted, the demanding State undertakes—

(a) Not to try nor to punish the person for a common offense which was committed previous to the request for extradition and which has not been included in said request, except only if the interested party expressly consents.

(b) Not to try nor to punish the person for a political offense, or for an offense connected with a political offense, committed previous to the request for extradition.

(c) To apply to the accused the punishment of next lesser degree than death if according to the legislation of the country of refuge the death penalty would not be applicable.

(d) To furnish to the state granting the extradition an authentic copy of the sentence pronounced.

## ARTICLE 18

The signatory states undertake to permit the transit through their respective territories of any person whose extradition has been granted by another state in favor of a third, requiring only the original or an authentic copy of the agreement by which the country of refuge granted the extradition.

# ARTICLE 19

No request for extradition may be based upon the stipulations of this convention if the offense in question has been committed before the ratification of the convention is deposited.

# ARTICLE 20

The present convention will be ratified by means of the legal forms in common use in each of the signatory states, and will come into force, for each of them, 30 days after the deposit of the respective ratification.

The Minister of Foreign Affairs of the Republic of Uruguay shall transmit authentic certified copies to the governments for the aforementioned purpose of ratification. The instrument of ratification shall be deposited in the archives of the Pan American Union in Washington, which shall notify the signatory governments of said deposit. Such notification shall be considered as an exchange of ratifications.

# ARTICLE 21

The present convention does not abrogate or modify the bilateral or collective treaties, which at the present date are in force between the signatory states. Nevertheless, if any of said treaties lapse, the present convention will take effect and become applicable immediately among the respective states, if each of them has fulfilled the stipulations of the preceding article.

# ARTICLE 22

The present convention shall remain in force indefinitely but may be denounced by means of 1 year's notice given to the Pan American Union, which shall transmit it to the other signatory governments. After the expiration of this period the convention shall cease in its effects as regards the party which denounces but shall remain in effect for the remaining high contracting parties.

#### ARTICLE 23

The present convention shall be open for the adherence and accession of the states which are not signatories. The corresponding instruments shall be deposited in the archives of the Pan American Union, which shall communicate them to the other high contracting parties.

In witness whereof, the following plenipotentiaries have signed this convention in Spanish, English, Portuguese, and French, and hereunto affix their respective seals in the city of Montevideo, Republic of Uruguay, this 26th day of December 1933.

#### RESERVATIONS

The delegation of the United States of America, in signing the present Extradition Convention, reserves the following articles:

Article 2 (second sentence, English text).

Article 3, paragraph d. Articles 12, 15, 16, and 18.

Reservation to the effect that El Salvador, although it accepts in general principle article XVIII of the Inter-American Treaty of Extradition, concretely stipulates the exception that it cannot cooperate in the surrender of its own nationals, prohibited by its political constitution, by permitting the transit through its territory of said nationals when one foreign State surrenders them to another.

Mexico signs the Convention on Extradition with the declaration with respect to article 3, paragraph f, that the internal legislation of Mexico does not recognize offenses against religion. It will not sign the optional clause of this convention.

The delegation from Ecuador, in dealing with the nations with which Ecuador has signed Conventions on Extraditions, accepts the stipulations herein established in all respects which are not contrary to said conventions.

Honduras:

M. Paz Baraona Augusto C. Coello Luis Bográn

United States of America:

ALEXANDER W. WEDDELL

J. BUTLER WRIGHT

El Salvador:

HÉCTOR DAVID CASTRO ARTURO R. AVILA

Dominican Republic:

Tulio M. Cestero

Haiti:

J. Barau F. Salgado Edmond Mangonés A. Prre. Paul

Argentina:

CARLOS SAAVEDRA LAMAS JUAN F. CAFFERATA RAMÓN S. CASTILLO I. RUIZ MORENO L. A. PODESTÁ COSTA

D. ANTOKOLETZ

Uruguay:

A. MAÑE
JOSÉ PEDRO VARELA
MATEO MARQUES CASTRO
DARDO REGULES
SOFÍA ALVAREZ VIGNOLI DE DEMICHELI
TEÓFILO PIÑEYRO CHAIN
LUIS A. DE HERRERA
MARTÍN R. ECHEGOYEN
JOSÉ G. ANTUÑA
J. C. BLANCO
PEDRO MANINI RÍOS
RODOLFO MEZZERA
OCTAVIO MORATÓ
LUIS MORQUIO
JOSÉ SERRATO

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Paraguay:

JUSTO PASTOR BENÍTEZ MARÍA F. GONZÁLEZ

Mexico:

B. VADILLO M. J. SIERRA EDUARDO SUÁREZ

Panama:

J. D. AROSEMENA MAGIN PONS EDUARDO E. HOLGUIN

Guatemala:

A. SKINNER KLEE J. GONZÁLEZ CAMPO CARLOS SALAZAR M. ARROYO

Brazil:

LUCILLO A. DA CUNHA BUENO GILBERTO AMADO

Ecuador:

A. AGUIRRE APARICIO
H. ALBORNOZ
ANTONIO PARRA V
C. PUIG V
ARTURO SCARONE

Nicaragua:

LEONARDO ARGUELLO M. CORDERO REYES CARLOS CUADRA PASOS

Colombia:

ALFONSO LOPEZ RAIMUNDO RIVAS

Chile:

MIGUEL CRUCHAGA J. RAMÓN GUTIÉRREZ F. FIGUEROA F. NIETO DEL RÍO

B. COHEN

Peru:

ALFREDO SOLF Y MURO

Cuba:

ALBERTO GIRAUDY HERMINIO PORTELL VILÁ Ing. A. E. NOGUZIRA

# OPTIONAL CLAUSE

The States signing this clause, notwithstanding article 2 of the preceding Convention on Extradition, agree among themselves that in no case will the nationality of the criminal be permitted to impede his extradition.

The present clause is open to those states signing said Treaty of Extradition, which desire to be ruled by it in the future, for which purpose it will be sufficient to communicate their adherence to the Pan American Union.

Argentina:

L. A. Podestá Costa D. Antokoletz

JOSÉ SERRATO

Uruguay:

guay:
A. Mañé
José Pedro Varela
Mateo Marques Castro
Dardo Regules
Sofía Alvárez Vignoli de Demicheli
Teófilo Piñeyro Chain
Luis A. de Herrera
Martín R. Echegoyen
José G. Antuña
J. C. Blanco
Pedro Manini Ríos
Rodolfo Mezzera
Octavio Morató
Luis Morquio

The VICE PRESIDENT. If there be no amendment, the treaty will be reported to the Senate.

The treaty was reported to the Senate without amendment. The VICE PRESIDENT. The resolution of ratification will be read.

Mr. PITTMAN. I offer the following reservation to the resolution of ratification:

With the understanding that article 2, paragraph 6 of article 3, and articles 12, 15, 16, and 18 are reserved from the treaty as declared by the United States delegation of agreement thereto, and that such articles and paragraphs shall not be binding upon the United States unless and until subsequently ratified in accordance with the Constitution and laws of the United States.

The VICE PRESIDENT. The question is on agreeing to the reservation.

The reservation was agreed to.

The VICE PRESIDENT. The resolution of ratification, as amended by the reservation, will be read.

The Chief Clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Execu-That the Senate advise and consent to the ratification of Executive O (73d Cong., 2d sess), a convention on extradition signed on December 26, 1933, by plenipotentiaries of the United States of America and other Republics of the Western Hemisphere represented at the Seventh International Conference of American States at Montevideo, Uruguay, with the understanding that article 2, paragraph 6 of article 3, and articles 12, 15, 16, and 18 are reserved from the treaty as declared by the United States delegation of agreement thereto, and that such articles and paragraphs shall not be binding upon the United States unless and until subsequently ratified in accordance with the Constitution and laws of the United States. United States.

The VICE PRESIDENT. The question is on agreeing to the resolution of ratification as amended by the reservation. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution as amended is agreed to, and the treaty is ratified.

# CONVENTION ON RIGHTS AND DUTIES OF STATES

Mr. PITTMAN. I ask that the Senate proceed to the consideration of Executive P.

There being no objection, the Senate, as in Committee of the Whole, proceeded to the consideration of Executive P (73d Cong., 2d sess.), the Convention on Rights and Duties of States adopted by the Seventh International Conference of American States at Montevideo, Uruguay, and signed on December 26, 1933, by plenipotentiaries of the United States of America and other countries represented in the said Conference, which was read the second time, as follows:

The governments represented in the Seventh International Conference of American States, wishing to conclude a Convention on Rights and Duties of States, have appointed the following plenipotentiaries:

Honduras:

MIGUEL PAZ BARAONA AUGUSTO C. COELLO

Luis Bográn

United States of America:

CORDELL HULL

ALEXANDER W. WEDDELL J. REUBEN CLARK

J. BUTLER WRIGHT

SPRUILLE BRADEN

Miss Sophonisba P. Breckingidge

El Salvador:

HÉCTOR DAVID CASTRO ARTURO RAMÓN AVILA J. CIPRIANO CASTRO

Dominican Republic:

TULIO M. CESTERO

Haiti:

JUSTIN BARAU FRANCIS SALGADO ANTOINE PIERRE-PAUL EDMOND MANGONÉS

Argentina:

CARLOS SAAVEDRA LAMAS JUAN F. CAFFERATA

RAMÓN S. CASTILLO CARLOS BREBBIA ISIDORO RUIZ MORENO Luis A. Podestá Costa RAÚL PREBISCH DANIEL ANTOKOLETZ

Venezuela:

CÉSAR ZUMETA LUIS CHURION JOSÉ RAFAEL MONTILLA

Uruguay:

ALBERTO MAÑÉ JUAN JOSÉ AMÉZAGA José G. ANTUÑA JUAN CARLOS BLANCO SEÑORA SOFÍA A. V. DE DEMICHELI MARTÍN R. ECHEGOVEN LUIS ALBERTO DE HERRERA PEDRO MANINI RÍOS MATEO MARQUES CASTRO RODOLFO MEZZERA OCTAVIO MORATÓ Luis Morquio TEÓFILO PIÑEYRO CHAIN DARDO REGULES

JOSÉ SERRATO JOSÉ PEDRO VARELA

Paraguay:

JUSTO PASTOR BENÍTEZ GERÓNIMO RIART HORACIO A. FERNÁNDEZ SEÑORITA MARÍA F. GONZÁLEZ

Mexico:

JOSÉ MANUEL PUIG CASAURANC ALFONSO REYES BASILIO VADILLO GENARO V. VASQUEZ ROMEO ORTEGA MANUEL J. SIERRA EDUARDO SUÁREZ

Panama:

J. D. AROSEMENA EDUARDO E. HOLGUÍN OSCAR R. MULLER Magin Pons

Bolivia:

CASTO ROJAS DAVID ALVÉSTEGUI ARTURO PINTO ESCALIER

Guatemala:

ALFREDO SKINNER KLEE JOSÉ GONZÁLEZ CAMPO CARLOS SALAZAR MANUEL ARROVO

Brazil:

AFRANIO DE MELLO FRANCO LUCILLO A DA CUNHA BUENO FRANCISCO LUIS DA SILVA CAMPOS GILBERTO AMADO CARLOS CHAGAS SAMUEL RIBEIRO

Ecuador:

AUGUSTO AGUIRRE APARICIO HUMBERTO ALBORNOZ ANTONIO PARRA CARLOS PUIG VILASSAR ARTURO SCARONE

Nicaragua:

LEONARDO ARGÜELLO MANUEL CORDERO REYES CARLOS CUADRA PASOS

Colombia:

ALFONSO LÓPEZ RAIMUNDO RIVAS JOSÉ CAMACHO CARREÑO Chile:

MIGUEL CRUCHAGA TOCORNAL
OCTAVIO SEÑORET SILVA
GUSTAVO RIVERA
JOSÉ RAMÓN GUTIÉRREZ
FÉLIX NIETO DEL RÍO
FRANCISCO FIGUEROA SÁNCHEZ
BENJAMÍN COHEN

Peru:

ALFREDO SOLF Y MURO FELIPE BARREDA LAOS LUIS FERNÁN CISNEROS

Cuba:

ANGEL ALBERTO GIRAUDY HERMINIO PORTELL VILÁ ALFREDO NOGUEIRA

Who, after having exhibited their full powers, which were found to be in good and due order, have agreed upon the following:

#### ARTICLE 1

The state as a person of international law should possess the following qualifications: (a) A permanent population: (b) a defined territory, (c) government, and (d) capacity to enter into relations with the other states.

#### ARTICLE 2

The federal state shall constitute a sole person in the eyes of international law.

#### ARTICLE 3

The political existence of the state is independent of recognition by the other states. Even before recognition the state has the right to defend its integrity and independence, to provide for its conservation and prosperity, and consequently to organize itself as it sees fit, to legislate upon its interests, administer its services, and to definite the jurisdiction and competence of its courts.

The exercise of these rights has no other limitation than the exercise of the rights of other states according to international law.

# ARTICLE 4

States are juridically equal, enjoy the same rights, and have equal capacity in their exercise. The rights of each one do not depend upon the power which it possesses to assure its exercise, but upon the simple fact of its existence as a person under international law.

# ARTICLE 5

The fundamental rights of states are not susceptible of being affected in any manner whatsoever.

# ARTICLE (

The recognition of a state merely signifies that the state which recognizes it accepts the personality of the other with all the rights and duties determined by international law. Recognition is unconditional and irrevocable.

# ARTICLE 7

The recognition of a state may be express or tacit. The latter results from any act which implies the intention of recognizing the new state.

# ARTICLE 8

No state has the right to intervene in the internal or external affairs of another.

# ARTICLE S

The jurisdiction of states within the limits of national territory applies to all the inhabitants.

Nationals and foreigners are under the same protection of the law and the national authorities and the foreigners may not claim rights other or more extensive than those of the nationals.

# ARTICLE 10

The primary interest of states is the conservation of peace. Differences of any nature which arise between them should be settled by recognized pacific methods.

# ARTICLE 11

The contracting states definitely establish as the rule of their conduct the precise obligation not to recognize territorial acquisitions or special advantages which have been suggested, no government need fear any intervention on the part of the United States under the Roosevelt administration. I think it unfortunate that during the brief period of this conference there is apparently not time within which to prepare interpreta-

obtained by force whether this consists in the employment of arms, in threatening diplomatic representations, or in any other effective coercive measure. The territory of a state is inviolable and may not be the object of military occupation nor of other measures of force imposed by another State directly or indirectly or for any motive whatever even temporarily.

#### ARTICLE 12

The present convention shall not affect obligations previously entered into by the high contracting parties by virtue of international agreements.

#### ARTICLE 13

The present convention shall be ratified by the high contracting parties in conformity with their respective constitutional procedures. The Minister of Foreign Affairs of the Republic of Uruguay shall transmit authentic certified copies to the governments for the aforementioned purpose of ratification. The instrument of ratification shall be deposited in the archives of the Pan American Union in Washington, which shall notify the signatory governments of said deposit. Such notification shall be considered as an exchange of ratifications.

#### ARTICLE 14

The present convention will enter into force between the high contracting parties in the order in which they deposit their respective ratifications.

#### ARTICLE 15

The present convention shall remain in force indefinitely but may be denounced by means of 1 year's notice given to the Pan American Union, which shall transmit it to the other signatory governments. After the expiration of this period the convention shall cease in its effects as regards the party which denounces but shall remain in effect for the remaining high contracting parties.

#### ARTICLE 16

The present convention shall be open for the adherence and accession of the states which are not signatories. The corresponding instruments shall be deposited in the archives of the Pan American Union which shall communicate them to the other high contracting parties.

In witness whereof, the following plenipotentiaries have signed this convention in Spanish, English, Portuguese and French and hereunto affix their respective seals in the city of Montevideo, Republic of Uruguay, this 26th day of December 1933.

# RESERVATIONS

The delegation of the United States of America, in signing the Convention on the Rights and Duties of States, does so with the express reservation presented to the plenary session of the Conference on December 22, 1933, which reservation reads as follows:

The delegation of the United States, in voting "yes" on the final vote on this committee recommendation and proposal, makes the same reservation to the 11 articles of the project or proposal that the United States delegation made to the first 10 articles during the final vote in the full Commission, which reservation is in words as follows:

The policy and attitude of the United States Government toward every important phase of international relationships in this hemisphere could scarcely be made more clear and definite than they have been made by both word and action especially since March 4. I have no disposition therefore to indulge in any repetition or rehearsal of these acts and utterances and shall not do so. Every observing person must by this time thoroughly understand that under the Roosevelt administration the United States Government is as much opposed as any other government to interference with the freedom, the sovereignty, or other internal affairs or processes of the governments of other nations.

In addition to numerous acts and utterances in connection with the carrying out of these doctrines and policies. President Roose-

In addition to numerous acts and utterances in connection with the carrying out of these doctrines and policies, President Roosevelt, during recent weeks, gave out a public statement expressing his disposition to open negotiations with the Cuban Government for the purpose of dealing with the treaty which has existed since 1903. I feel safe in undertaking to say that under our support of the general principle of nonintervention as has been suggested, no government need fear any intervention on the part of the United States under the Roosevelt administration. I think it unfortunate that during the brief period of this conference there is appearently not time within which to prepare interpreta-

tions and definitions of these fundamental terms that are embraced in the report. Such definitions and interpretations would enable every government to proceed in a uniform way without any difference of opinion or of interpretations. I hope that at the earliest possible date such very important work will be done. In the meantime in case of differences of interpretations and also the meantime in case of differences of interpretations and also until they (the proposed doctrines and principles) can be worked out and codified for the common use of every government, I desire to say that the United States Government in all of its international associations and relationships and conduct will follow scrupulously the doctrines and policies which it has pursued since March 4 which are embodied in the different addresses of President Roosevelt since that time and in the recent peace address of myself on the 15th day of December before this conference and in the law of nations as generally recognized and accepted.

The delegates of Brazil and Peru recorded the following private vote with regard to article 11: "That they accept the doctrine in principle but that they do not consider it codifiable because there are some countries which have not yet signed the Anti-War Pact of Rio de Janeiro of which this doctrine is a part and therefore it does not yet constitute positive international law suitable for codification."

Honduras:

M. PAZ BARAONA AUGUSTO C. COELLO Luis Bográn

United States of America:

ALEXANDER W. WEDDELL

J. BUTLER WRIGHT

El Salvador:

HÉCTOR DAVID CASTRO

ARTURO R. AVILA

Dominican Republic:

TULIO M. CESTERO

Haiti:

J. BARAU

F. SALGADO

EDMOND MANGONÉS

A. PRRE. PAUL

Argentina:

CARLOS SAAVEDRA LAMAS

JUAN F. CAFFERATA RAMÓN S. CASTILLO

I. RUIZ MORENO

L. A. PODESTÁ COSTA

D. ANTOKOLETZ

Venezuela:

LUIS CHURION

J. R. MONTILLA

Uruguay:

A. MAÑÉ

JOSÉ PEDRO VARELA

MATEO MARQUES CASTRO

DARDO REGULES

SOFÍA ALVAREZ VIGNOLI DE DEMICHELI

TEÓFILO PIÑEYRO CHAIN

LUIS A. DE HERRERA

MARTÍN R. ECHEGOYEN

José G. ANTUÑA

J. C. BLANCO

PEDRO MANINI RÍOS

RODOLFO MEZZERA

OCTAVIO MORATÓ

Luis Morquio JOSÉ SERRATO

Paraguay:

JUSTO PASTOR BENÍTEZ

MARÍA F. GONZÁLEZ

Mexico:

B. VADILLO

M. J. SIERRA

EDUARDO SUÁREZ

Panama:

J. D. AROSEMENA

MAGIN PONS

EDUARDO E. HOLGUIN

Guatemala:

M. ARROYO

Brazil:

LUCILLO A. DA CUNHA BUENO

GILBERTO AMADO

Ecuador:

A. AGUIRRE APARICIO

H. ALBORNOZ

ANTONIO PARRA V.

C. Puig V.

ARTURO SCARONE

Nicaragua:

LEONARDO ARGÜELLO

M. CORDERO REYES

CARLOS CUADRA PASOS

Colombia:

ALFONSO LÓPEZ

RAIMUNDO RIVAS

Chile:

MIGUEL CRUCHAGA

J. RAMÓN GUTIÉRREZ

F. FIGUEROA

F. NIETO DEL RÍO

B. COHEN

Peru (con la reserva establecida):

ALFREDO SOLF Y MURO

Cuba:

ALBERTO GIRAUDY

HERMINIO PORTELL VILA

ING. A. E. NOGUEIRA

The VICE PRESIDENT. If there be no amendment, the treaty will be reported to the Senate.

The treaty was reported to the Senate without amendment.

Mr. PITTMAN. I ask that the resolution of ratification, with the reservation, be read.

The Chief Clerk read as follows:

The Chief Clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein),
That the Senate advise and consent to the ratification of Executive
P (73d Cong., 2d sess.), the Convention on Rights and Duties of
States adopted by the Seventh International Conference of American States at Montevideo, Uruguay, and signed on December 26,
1933, by plenipotentiaries of the United States of America and
other countries represented in the said conference, but with the
express reservation presented to the plenary session of the conference on December 22, 1933, which reservation reads as follows:

"The delegation of the United States, in voting 'yes' on the
final vote on this committee recommendation and proposal, makes
the same reservation to the 11 articles of the project or proposal
that the United States delegation made to the first 10 articles
during the final vote in the full Commission, which reservation
is in words as follows:

"The policy and attitude of the United States Government
toward every important phase of international relationships in
this hemisphere could scarcely be made more clear and definite
than they have been made by both word and action, especially
since March 4. I have no disposition, therefore, to indulge in
any repetition or rehearsal of these acts and utterances and shall
not do so. Every observing person must by this time thoroughly
understand that under the Roosevelt administration the United
States Government is as much opposed as any other government
to interference with the freedom, the sovereignty, or other internal affairs or processes of the governments of other nations.

"In addition to numerous acts and utterances in connection
with the carrying out of these doctrines and policies, President
Roosevelt, during recent weeks, gave out a public statement ex-

ernal affairs or processes of the governments of other nations.

"'In addition to numerous acts and utterances in connection with the carrying out of these doctrines and policies, President Roosevelt, during recent weeks, gave out a public statement expressing his disposition to open negotiations with the Cuban Government for the purpose of dealing with the treaty which has existed since 1903 [on May 31, 1934, the Senate advised and consented to the ratification of Executive Q (73d Cong., 2d sess.), which abrogates the treaty of May 22, 1903, between the United States and Cuba containing the so-called "Platt amendment"]. I feel safe in undertaking to say that under our support of the general principle of nonintervention, as has been suggested, no government need fear any intervention on the part of the United States under the Roosevelt administration. I think it unfortunate that during the brief period of this conference there is apparently not time within which to prepare interpretations and definitions of these fundamental terms that are embraced in the report. Such definitions and interpretations would enable every government to proceed in a uniform way without any difference of opinion or of interpretations. I hope that at the earliest possible date such very important work will be done. In the meantime, in case of differences of interpretations and also until they (the proposed doctrines and principles) can be worked out and codified for the common use of every government, I desire to say that the United States Government in all of its international associations and

relationships and conduct will follow scrupulously the doctrines and policies which it has pursued since March 4 which are embodied in the different addresses of President Roosevelt since that time and in the recent peace address of myself on the 15th day of December before this conference and in the law of nations as generally recognized and accepted.'"

The VICE PRESIDENT. The question is on agreeing to the reservation to the resolution of ratification.

The reservation was agreed to.

The VICE PRESIDENT. The question is on agreeing to the resolution of ratification as amended by the reservation. [Putting the question.] Two-thirds of the Senators present concurring therein the resolution as amended is agreed to, and the treaty is ratified.

### SUPERVISION OF INTERNATIONAL TRADE IN ARMS

Mr. PITTMAN. I ask that the Senate now proceed to the consideration of Executive H (69th Cong., 1st sess.).

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider Executive H (69th Cong., 1st sess.), a convention for the supervision of the international trade in arms and ammunition and in implements of war, signed at Geneva, Switzerland, June 17, 1925, which was read the second time, as follows:

Convention for the Supervision of the International Trade in Arms and Ammunition and in Implements of War

GERMANY, the UNITED STATES OF AMERICA, AUSTRIA, BELGIUM, BRAZIL, the BRITISH EMPIRE, CANADA, the IRISH FREE STATE AND INDIA, BULGARIA, CHILE, CHINA, COLOMBIA, DENMARK, EGYPT, SPAIN, ESTHONIA, ABYSSINIA, FINLAND, FRANCE, GREECE, HUNGARY, ITALY, JAPAN, LATTIA, LITHUANIA, LUKEMBURG, NICARAGUA, NORWAY, PANAMA, the NETHERLANDS, PERSIA, POLAND, PORTUGAL, ROUMANIA, SALVADOR, SIAM, SWEDEN, SWITZERLAND, the KINGDOM OF THE SERES, CROATS, and SLOVENES, CZECHOSLOVAKIA, TURKEY, URUGUAY AND VENEZUELA,

Whereas the international trade in arms and ammunition and in implements of war should be subjected to a general and effective system of supervision and publicity;

Whereas such a system is not provided by existing Treaties and Conventions;

Whereas in relation to certain areas of the world a special supervision of this trade is necessary in order to render more effective the measures adopted by the various Governments as regards both the import of such arms and ammunition and implements of war into these areas and their export therefrom; and

Whereas the export or import of arms, ammunition or implements, the use of which in war is prohibited by International Law, must not be permitted for such purpose;

Have decided to conclude a Convention and have accordingly appointed as their Plenipotentiaries:

[Here follow the names of the Plenipotentiaries.]

Who, having communicated their full powers, found in good and due form, have agreed as follows:

# CHAPTER I. CATEGORIES ARTICLE 1

For the purposes of the present Convention, five Categories of arms, ammunition and implements are established:

CATEGORY I. ARMS, AMMUNITION AND IMPLEMENTS OF WAR EXCLUSIVELY DESIGNED AND INTENDED FOR LAND, SEA OR AERIAL WARFARE

A—Arms, ammunition and implements exclusively designed and intended for land, sea or aerial warfare, which are or shall be comprised in the armament of the armed forces of any State, or which, if they have been but are no longer comprised in such armament, are capable of military to the exclusion of any other use, except such arms, ammunition and implements which, though included in the above definition, are covered by other Categories.

Such arms, ammunition and implements are comprised in the following twelve headings:

- 1. Rifles, muskets, carbines.
- 2. (a) Machine-guns, automatic rifles and machine-pistols of all calibres:
  - (b) Mountings for machine-guns;
  - (c) Interrupter gears.
- 3. Projectiles and ammunition for the arms enumerated in Nos. 1 and 2 above.

- 4. Gun-sighting apparatus including aerial gun-sights and bomb-sights, and fire-control apparatus.
- 5. (a) Cannon, long or short, and howitzers, of a calibre less than 5.9 inches (15cm.);
- (b) Cannon, long or short, and howitzers, of a calibre of 5.9 inches (15 cm.) or above;
  - (e) Mortars of all kinds;
- (d) Gun carriages, mountings, recuperators, accessories for mountings.
- 6. Projectiles and ammunition of the arms enumerated in No. 5 above.
- 7. Apparatus for the discharge of bombs, torpedoes, depth charges and other kinds of projectiles.
  - 8. (a) Grenades;
  - (b) Bombs;
- (c) Land mines, submarine mines, fixed or floating, depth charges;
  - (d) Torpedoes.
  - 9. Appliances for use with the above arms and apparatus.
  - 10. Bayonets.
  - 11. Tanks and armoured cars.
- 12. Arms and ammunition not specified in the above enumeration.
- B.—Component parts, completely finished, of the articles covered by A above, if capable of being utilised only in the assembly or repair of the said articles, or as spare parts.

CATEGORY II. ARMS AND AMMUNITION CAPABLE OF USE BOTH FOR MILI-TARY AND OTHER PURPOSES

- A.—1. Pistols and revolvers, automatic or self-loading, and developments of the same, designed for single-handed use or fired from the shoulder, of a calibre greater than 6.5 mm, and length of barrel greater than 10 cm.
- 2. Fire-arms designed, intended or adapted for non-military purposes, such as sport or personal defence, that will fire cartridges that can be fired from fire-arms in Category I; other rifled fire-arms firing from shoulder, of a calibre of 6 mm. or above, not included in Category I, with the exception of rifled fire-arms with a "break-down" action.
- 3. Ammunition for the arms enumerated in the above two headings, with the exception of ammunition covered by Category I.
  - 4. Swords and lances.
- B.—Component parts, completely finished, of the articles covered by A above, if capable of being utilised only in the assembly or repair of the said articles, or as spare parts.

CATEGORY III. VESSELS OF WAR AND THEIR ARMAMENT

- 1. Vessels of war of all kinds.
- 2. Arms, ammunition and implements of war mounted on board vessels of war and forming part of their normal armament.

# CATEGORY IV

- 1. Aircraft, assembled or dismantled.
- 2. Aircraft engines.

# CATEGORY V

- Gunpowder and explosives, except common black gunpowder.
- 2. Arms and ammunition other than those covered by Categories I and II, such as pistols and revolvers of all models, rifled weapons with a "break-down" action, other rifled fire-arms of a calibre of less than 6 mm. designed for firing from the shoulder, smooth-bore shot-guns, guns with more than one barrel of which at least one barrel is smooth-bore, fire-arms firing rimfire ammunition, muzzle-loading fire-arms.

# CHAPTER II. SUPERVISION AND PUBLICITY ARTICLE 2

The High Contracting Parties undertake not to export or permit the export of articles covered by Category I, except in accordance with the following conditions:

- 1. The export shall be for a direct supply to the Government of the importing State or, with the consent of such Government, to a public authority subordinate to it;
- 2. An order in writing, which shall be signed or endorsed by a representative of the importing Government duly authorised so to act, shall have been presented to the

competent authorities of the exporting country. This order shall state that the articles to be exported are required for delivery to the importing Government or public authority as provided in paragraph 1.

#### ARTICLE 3

Nevertheless, export for supply to private persons may be permitted in the following cases:

1. Articles covered by Category I exported direct to a manufacturer of war material for use by him for the requirements of his industry, provided their import has been duly authorised by the Government of the importing country;

2. Riffes, muskets and carbines and their ammunition exported for supply to rifle associations formed for the encouragement of individual sport and duly authorised by their own Government to use them, the import of which is not contrary to any other provisions of the present Convention. Such arms and ammunition shall be sent direct to the Government of the importing country for transmission by such Government to the associations for which they are supplied.

3. Samples of articles covered by Category I exported for demonstration purposes direct to a trade representative of the exporting manufacturer, such representative being duly authorised by the Government of the importing country to

receive them.

In the above-mentioned cases, an order in writing, endorsed by the Government of the importing country or by its representative duly authorised so to act, must have been presented to the authorities of the exporting country. It shall contain all the information necessary to show that the order is properly made under this Article.

#### ARTICLE 4

Permission to export under Articles 2 and 3 shall be signified by a license. An export declaration, if filed with and approved by the competent authorities of the exporting country, may take the place of a licence.

Such licence or declaration must contain:

- (a) A description sufficient for the identification of the articles to which it relates, and giving their designation according to the headings in Category I, and their number or weight;
  - (b) The name and address of the exporter;
  - (c) The name and address of the importing consignee;
- (d) The name of the Government which has authorised

Each separate consignment which crosses the frontier of the exporting country, whether by land, water or air, shall be accompanied by a document containing the particulars indicated above. This document may be either the licence or export declaration or a certified copy thereof or a certificate issued by the Customs authorities of the exporting country, stating that the consignment is exported under licence or export declaration in accordance with the provisions of the present Convention.

# ARTICLE 5

The articles covered by Category II shall only be exported under cover of an export document, which may be either a license issued by the competent authorities of the exporting country or an export declaration endorsed by or filed with them. If the legislation of the importing country requires the endorsement of a duly authorised representative of its Government, and if this fact has been notified by the said Government to the Government of the exporting country, then such an endorsement must have been obtained and submitted to the competent authorities of the exporting country before the export may take place.

Neither the license nor the export declaration shall entail any responsibility upon the Government of the exporting country as to the destination or ultimate use of any consignment.

Nevertheless, if the High Contracting Parties consider, on account of the size, destination or other circumstances of a consignment, that the arms and ammunition consigned are intended for war purposes, they undertake to apply to such consignment the provisions of Articles 2, 3 and 4.

#### ARTICLE 6

As a preliminary to a general system of publicity for armaments irrespective of their origin, the High Contracting Parties undertake to publish, within two months of the close of each quarter, a statistical return of their foreign trade during this quarter in the articles covered by Categories I and II. This return shall be drawn up in accordance with the specimen forms contained in Annex I to the present Convention and shall show under each heading appearing in Categories I and II in Article 1 the value and the weight or number of the articles exported or imported under a licence or export declaration, allocated according to country of origin or destination.

In all cases where the consignment comes from, or is sent to, a territory possessing an autonomous Customs system, such territory shall be shown as the country of origin or destination.

The High Contracting Parties further undertake, so far as each may be concerned, to publish within the same time-limits a return containing the same information in respect of the consignments of articles covered by Categories I and II to other territories placed under their sovereignty, jurisdiction, protection or tutelage, or under the same sovereignty, jurisdiction, protection or tutelage.

The first statistical return to be published by each of the High Contracting Parties shall be for the quarter beginning on the first day of January, April, July or October, subsequent to the date on which the present Convention comes into force with regard to the High Contracting Party

concerned.

The High Contracting Parties undertake to publish as an annex to the above-mentioned return the text of the provisions of all statutes, orders or regulations in force within their territory dealing with the export and import of articles covered by Article 1, and to include therein all provisions enacted for the purpose of carrying out the present Convention. Amendments and additions to these provisions shall be likewise published in annexes to subsequent quarterly returns.

# ARTICLE 7

The High Contracting Parties, in all cases covered by Category III, undertake to publish within two months of the close of each quarter a return for that quarter, giving the information detailed below for each vessel of war constructed, in course of construction or to be constructed within their territorial jurisdiction on behalf of the Government of another State:

(a) The date of the signing of the contract for the construction of the vessel, the name of the Government for which the vessel is ordered, together with the following

Standard displacement in tons and metric tons;

The principal dimensions, namely: length at water-line, extreme beam at or below water-line, mean draft at standard displacement;

(b) The date of laying the keel, the name of the Government for which the vessel is being constructed, together with the following data:

Standard displacement in tons and metric tons;

The principal dimensions, namely: length at water-line, extreme beam at or below water-line, mean draft at standard displacement;

(c) The date of delivery, the name of the Government to which the vessel is delivered, together with the following data with respect to the vessel at that date:

Standard displacement in tons and metric tons;

The principal dimensions, namely: length at water-line, extreme beam at or below water-line, mean draft at standard displacement;

As well as the following information regarding the armament installed on board the vessel at the date of delivery and forming part of the vessel's normal armament:

Number and calibre of guns;

Number and calibre of torpedo-tubes:

Number of bomb-throwers;

Number of machine-guns.

The above information concerning the armament of the vessel shall be furnished by means of a statement signed by the shipbuilder and countersigned by the commanding officer or such other representative fully authorised for the purpose by the Government of the State to whom the vessel is delivered. Such statement shall be transmitted to the competent authority of the Government of the constructing country.

Whenever a vessel of war belonging to one of the High Contracting Parties is transferred, whether by gift, sale or other mode of transfer, to the Government of another State, the transferor undertakes to publish within two months of the close of the quarter within which the transfer is effected the following information:

The date of transfer, the name of the Government to whom the vessel has been transferred and the data and information referred to in paragraph (c) above.

By the standard displacement in the present Article is to be understood the displacement of the vessel complete, fully manned, engined and equipped ready for sea, including all armament and ammunition, equipment, outfit, provisions and fresh water for crew, miscellaneous stores and implements of every description that are intended to be carried in war, but without fuel or reserve feed-water on board.

#### ARTICLE 8

Without prejudice to the provisions of Article 7, if the transport of any vessel of war is carried out otherwise than by such vessels's own motive power or towage, the vessel, whether assembled or in component parts, and the armament thereof will become subject also to the provisions of this Convention as if they were included in Category I.

#### ARTICLE 9

The High Contracting Parties undertake to publish, within six months of the close of each quarter, a return for that quarter of the export of aircraft and aircraft engines, giving quantities exported and their allocation according to country of destination.

# ARTICLE 10

Subject to the provisions of Chapter III, the articles covered by Categories IV and V may be exported without formalities or restrictions,

# ARTICLE 11

The High Contracting Parties undertake not to apply a more favourable regime to imports of articles referred to in Article 1 coming from territories of non-contracting States than that which they will apply to such imports coming from territories of contracting States, and to subject these imports, of whatever origin, to the same conditions of authorisation and, so far as possible, of publicity.

# CHAPTER III. SPECIAL ZONES

# ARTICLE 12

The High Contracting Parties agree that the provisions of this Chapter apply to the territorial and maritime zones hereinafter defined and referred to in the present Convention as the "special zones."

- 1. Land zone.
- (a) The whole of the continent of Africa, with the exception of Egypt, Lybia, Tunisia, Algeria, the Spanish possessions in North Africa, Abyssinia, and of the Union of South Africa together with the territory under its mandate, and of Southern Rhodesia.

This zone also includes the adjacent islands which are situated within 100 marine miles from the coast thereof and also Prince's Island (Principe) in the Bight of Biafra, St. Thomas (São Thomé), Annobon and Socotra, but does not include the Spanish islands situated to the north of the parallel of 26° North latitude.

- (b) The Arabian peninsula, Gwadar, Syria and Lebanon, Palestine and Transjordan, and Iraq.
  - 2. Maritime zone.
- A maritime zone, which includes the Red Sea, the Gulf of Aden, the Persian Gulf and the Gulf of Oman and is bounded by a line drawn from and following the latitude of Cape Guardafui to the point of intersection with longitude 57° East of Greenwich and proceeding thence direct

The above information concerning the armament of the to the point at which the eastern frontier of Gwadar meets

#### ARTICLE 13

The High Contracting Parties undertake not to export or to permit articles covered by Categories I, II, IV and V to be exported to places within the special zones, unless a licence has been issued in conformity with the conditions defined in Article 14.

An export declaration, if filed with and approved by the competent authorities of the exporting country, may take the place of a licence.

The High Contracting Parties also undertake, each in respect of any territory under its sovereignty, jurisdiction, protection or tutelage situated within the special zones, not to permit articles covered by the Categories above mentioned to be imported into such territory unless their import has been authorised by the authorities of the territory concerned. Such articles shall only be admitted into territory within the special zones at such ports or other places as the authorities of the State, colony, protectorate or mandated territory concerned shall designate for this purpose.

#### ARTICLE 14

The High Contracting Parties undertake not to issue the export licences nor to approve the export declarations required under Article 13 unless they are satisfied that the conditions stated in paragraph (a) or (b) hereof are fulfilled and also, as regards articles covered by Categories I and II, the conditions laid down in Articles 2, 3, 4 and 5.

(a) That, if an export is being made to territory under the sovereignty, jurisdiction, protection or tutelage of a High Contracting Party, articles covered by Categories I, II and IV to which the licence or export declaration applies are required for lawful purposes and that the authorities of the territory to which they are consigned are willing to admit them; and that, in the case of articles covered by Category V, a copy of the license or export declaration has been set to the authorities aforesaid before the export takes place.

(b) That, if an export is being made to territory which is not under the sovereignty, jurisdiction, protection or tute-lage of a High Contracting Party, articles covered by Categories I, II, IV and V are required for lawful purposes.

# ARTICLE 15

The High Contracting Parties undertake to publish, in addition to the returns provided for in Article 6 and Article 9 in respect of articles covered by Categories I, II and IV, a return of articles covered by Category V exported to territory situated within the special zones. This return shall be published within the same time-limits and at the same intervals as those provided in the first paragraph of Article 6, and shall contain, as far as possible, the same particulars.

# ARTICLE 16

The trade in articles covered by Categories I, II, IV and V within the special zones shall be placed under the supervision of officials of the authorities of the State, colony, protectorate or mandated territory concerned.

The admission and transit of and trade in such articles within the said zones shall also be subject to the provisions of Section I, §§ 1 and 2, of Annex II of the present Convention, to which provisions the High Contracting Parties undertake to conform.

An authorisation must be given by a duly authorised representative of the authorities aforesaid in each case before any such articles may be reconsigned to any place outside the territory to which they have been admitted.

# ARTICLE 17

The manufacture, assembly and repair within the special zones of articles covered by Categories I, II, IV and V shall be subject to the provisions of Section I, § 3, of Annex II of the present Convention, to which provisions the High Contracting Parties undertake to conform.

# ARTICLE 18

The High Contracting Parties undertake, each in respect of any territory under its sovereignty, jurisdiction, protection or tutelage situated within the special zones, not to permit the transit by land across such territory of articles covered by Categories I, II, IV and V when their destination

is another territory also situated in the special zones, unless their transport to their destination is assured and the authorities of the latter territory have authorised their import.

The prohibition referred to in the above paragraph shall not apply to the transit of such articles through a territory situated in the special zones when their destination is territory of one of the High Contracting Parties not included in the said zones, provided that their transport to their destination is assured.

If, for the purposes of transport to a territory situated within the special zones, it is necessary to pass through a contiguous territory likewise situated within the said zones, the transit shall be permitted, subject always to the conditions laid down in the first paragraph hereof, at the request of the authorities of the importing territory, provided that such authorities guarantee that the articles in respect of which the request is made shall not at any time be sold, or otherwise transferred, contrary to the provisions of the present Convention. Nevertheless, if the attitude or the disturbed condition of the importing State constitutes a threat to peace or public order, permission for transit shall be refused to such State by the authorities of all such contiguous territories until this threat has ceased to exist.

#### ARTICLE 19

Subject to any contrary provisions in existing special agreements or in any future agreements, provided that in all cases such agreements otherwise comply with the provisions of the present Convention, the High Contracting Parties agree that in the special zones the authorities of the State, colony, protectorate or mandated territory concerned shall carry out within their territorial waters the supervision and police measures necessary for the application of the present Convention.

# ARTICLE 20

The High Contracting Parties agree that within the special zones no native vessel, as hereinafter defined, of less than 500 tons (net tonnage) shall be allowed to ship, discharge or tranship articles covered by Categories I. II. IV and V.

A vessel shall be deemed to be a native vessel if she is either owned, fitted out or commanded by a native of any country bordering on the Indian Ocean west of the meridian of 95° East of Greenwich and north of the parallel of 11° South latitude, the Red Sea, the Persian Gulf, or the Gulf of Oman, or if at least one-half of the crew are natives of such countries.

The provisions of paragraph 1 hereof do not apply to lighters or barges or to vessels engaged exclusively in the coasting trade between different ports of the same State, colony, protectorate or mandated territory where warehouses are situated. The conditions under which articles covered by Categories I, II, IV, and V may be carried by such vessels are laid down in § 1 of Section II, of Annex II of the present Convention, to which the High Contracting Parties undertake to conform.

The provisions of this Article and of Section II, § 1, of Annex II do not apply:

(a) To arms, ammunition or implements carried on behalf of a Government either under an authorisation or accompanied by a duly authorised official of such Government; or

(b) To arms and ammunition in the possession of persons provided with a licence to carry arms on the condition that such arms are for the personal use of the bearer and are accurately described in such licence.

# ARTICLE 21

The High Contracting Parties agree that, with the object of preventing all illicit conveyance within the special zones of articles covered by Categories I, II, IV, and V, all native vessels within the meaning of Article 20 must carry a manifest of their cargo or a similar document specifying the quantities and nature of the goods on board, their origin and destination. This manifest shall remain covered by the secrecy to which it is entitled by the law of the State to which the vessel belongs, and must not be examined during proceedings for the verification of the flag, unless the interested party consents thereto.

The provisions of this Article shall not apply to:

(a) Vessels exclusively engaged in the coasting trade between different ports of the same State, colony, protectorate or mandated territory; or

(b) Vessels engaged in carrying arms, ammunition and implements on behalf of a Government under the conditions defined in Article 20 (a) and proceeding to or from any point within the said zones; or

(c) Vessels only partially decked, having a maximum crew of ten men, and exclusively employed in fishing within territorial waters

#### ARTICLE 22

The High Contracting Parties agree that no authorisation to fly the flag of any of such High Contracting Parties shall be granted to native vessels of less than 500 tons (net tonnage) as defined in Article 20, except in accordance with the conditions prescribed in Section II, §§ 3 and 4, of Annex II of the present Convention. Such authorisation, which shall be in writing, shall be renewed every year and shall contain the particulars necessary to identify the vessel, the name, tonnage, type of rigging, principal dimensions, registered number and signal letters if any. It shall bear the date on which it was granted and the status of the official who granted it.

#### ARTICLE 23

The High Contracting Parties agree to communicate to any other High Contracting Party who so requests the forms of the documents to be issued by them under Articles 20 (a), 21 and 22 and Section II, § 1, of Annex II of the present Convention.

The High Contracting Parties further agree to take all necessary measures to ensure that the following documents shall be supplied as soon as possible to any other High Contracting Party who has requested the same:

(a) Certified copies of all authorizations to fly the flag granted under the provisions of Article 22:

(b) Notice of the withdrawal of such authorisations;

(c) Copies of authorisations issued under Section II, § 1, of Annex II.

# ARTICLE 24

The High Contracting Parties agree to apply in the maritime zone the regulations laid down in Annex II, Section II, § 5, of the present Convention.

# ARTICLE 25

The High Contracting Parties agree that any illicit conveyance or attempted conveyance legally established against the captain or owner of a vessel authorised to fly the flag of one of the High Contracting Parties, or holding the licence provided for in Section II, §1, of Annex II, of the present Convention, shall entail the immediate withdrawal of the said authorisation or licence.

# ARTICLE 26

The High Contracting Parties who have under their sovereignty, jurisdiction, protection or tutelage territory situated within the special zones, undertake, so far as each is concerned, to take the necessary measures to ensure the application of the present Convention and, in particular, the prosecution and punishment of offences against the provisions thereof, and to appoint the territorial and consular officers or competent special representatives for the purpose.

They will communicate these measures to such High Contracting Parties as shall have expressed the desire to be informed thereof.

# ARTICLE 27

The High Contracting Parties agree that the provisions of Articles 16 to 26 inclusive and Annex II of the present Convention establishing a certain regime of supervision in the special zones shall not be interpreted, as regards such High Contracting Parties as have no territory under their sovereignty, jurisdiction, protection or tutelage within or immediately adjacent to the said special zones, either as constituting an obligation to apply the regime defined in the above-mentioned provisions or as involving their responsibility with respect to the application of this regime.

However, the said High Contracting Parties shall conform to the provisions of Articles 22, 23 and 25, which relate to (net tonnage) may be authorised to fly the flag of such High Contracting Parties.

# CHAPTER IV. SPECIAL PROVISIONS ARTICLE 28

Abyssinia, desirous of rendering as effective as possible the supervision of the trade in arms and ammunition and in implements of war, which is the subject of the present Convention, hereby undertakes, in the free exercise of her sovereign rights, to put into force, so far as concerns her own territory, all regulations which may be necessary to fulfil the provisions of Articles 12 to 18 inclusive of the said Convention relating to exports, imports and the transport of arms, ammunition and implements of war.

The High Contracting Parties take note of the above undertaking, and, being in full sympathy with the desire of Abyssinia to render as effective as possible the supervision of the trade in arms and ammunition and in implements of war, hereby undertake to conform to the provisions of the above-mentioned Articles so far as concerns Abyssinian territory, and to respect the regulations put into force, in accordance with the said undertaking, by Abyssinia as a sovereign State.

If a State, at present included in the special zones, should at the moment of its accession to the present Convention assume with respect to its own territory the same undertakings as those set forth in the first paragraph of this Article, and also, when such State possesses a sea-coast, those contained in Articles 19 to 26 inclusive in so far as the same are applicable, the High Contracting Parties hereby declare that they will consider such State as excluded from the said zones from the date that its accession becomes effective as specified in Article 41 and that they will accept as regards such State the obligations set forth in the second paragraph of the present Article, and also, when the State excluded possesses a sea-coast, the obligations of Articles 19 to 27 inclusive in so far as they are applicable.

The High Contracting Parties agree to accept reservations which may be made by Esthonia, Finland, Latvia, Poland, and Roumania at the moment of their signature of the present Convention and which shall suspend in respect to these States, until the accession of Russia to the present Convention, the application of Articles 6 and 9, as regards both export to and import into these countries by the High Contracting Parties. These reservations shall not be interpreted as preventing the publication of statistics in accordance with the laws and regulations in effect within the territory of any High Contracting Party.

# ARTICLE 30

The High Contracting Parties who possess extra-territorial jurisdiction in the territory of another State party to the present Convention undertake in cases where the rules of this Convention cannot be enforced by the local courts as regards their nationals in such territory to prohibit all action by such nationals contrary to the provisions of the present Convention.

# CHAPTER V. GENERAL PROVISIONS

# ARTICLE 31

The provisions of the present Convention are completed by those of Annexes I and II, which have the same value and shall enter into force at the same time as the Convention itself.

The High Contracting Parties agree that the provisions of the present Convention do not apply:

(a) To arms or ammunition or to implements of war forwarded from territory under the sovereignty, jurisdiction, protection or tutelage of a High Contracting Party for the use of the armed forces of such High Contracting Party, wherever situated, nor

(b) To arms or ammunition carried by individual mem-

the conditions under which native vessels under 500 tons | High Contracting Party and required by them by reason of their calling, nor

(c) To rifles, muskets, carbines and the necessary ammunition therefor, carried by members of rifle clubs for the sole purpose of individual use in international competitions in marksmanship.

#### ARTICLE 33

In time of war, and without prejudice to the rules of neutrality, the provisions of Chapter II shall be suspended from operation until the restoration of peace so far as concerns any consignment of arms or ammunition or of implements of war to or on behalf of a belligerent.

# ARTICLE 34

All the provisions of general international Conventions anterior to the date of the present Convention, such as the Convention for the Control of the Trade in Arms and Ammunition and the Protocol signed at St. Germain-en-Laye on September 10th, 1919, shall be considered as abrogated in so far as they relate to the matter dealt with in the present Convention and are binding between the Powers which are Parties to the present Convention.

The present Convention shall not be deemed to affect any rights and obligations which may arise out of the provisions either of the Covenant of the League of Nations or of the Treaties of Peace signed in 1919 and 1920 at Versailles, Neuilly, St. Germain and Trianon, or of the Treaty Limiting Naval Armaments signed at Washington on February 6th. 1922, or of any other treaty, convention, agreement or engagement concerning prohibition of import, export or transit of arms or ammunition or of implements of war; nor, without prejudice to the provisions of the present Convention itself, shall it affect any other treaty, convention, agreement or engagement other than those referred to in paragraph 1 of the present Article having as its object the supervision of import, export or transit of arms or ammunition or of implements of war.

### ARTICLE 35

The High Contracting Parties agree that disputes arising between them relating to the interpretation or application of this Convention shall, if they cannot be settled by direct negotiation, be referred for decision to the Permanent Court of International Justice. In case either or both of the States to such a dispute should not be parties to the Protocol of December 16th, 1920, relating to the Permanent Court of International Justice, the dispute shall be referred, at the choice of the Parties and in accordance with the constitutional procedure of each State, either to the Permanent Court of International Justice or to a court of arbitration constituted in accordance with the Hague Convention of October 18th, 1907, or to some other court of arbitration.

# ARTICLE 36

Any High Contracting Party may declare that its signature or ratification or accession does not, as regards the application of the provisions of Chapter II and of Articles 13, 14 and 15 of the present Convention, bind either all or any one of the territories subject to its sovereignty, jurisdiction or protection, provided that such territories are not situated in the special zones as defined in Article 12.

Any High Contracting Party which has made such a declaration may, subsequently, and in conformity with the provisions of Article 37, adhere entirely to the present Convention for any territories so excluded. Such High Contracting Party will use its best endeavours to ensure as soon as possible the accession of any territories so excluded.

Any High Contracting Party may also, as regards the application of the provisions of Chapter II and of Articles 13, 14 and 15 of the present Convention, and in conformity with the procedure laid down in Article 38, denounce the present Convention separately in respect of any territory referred

Any High Contracting Party which shall have availed itself of the option of exclusion or of denunciation provided for in the preceding paragraphs undertakes to apply the provisions of Chapter II to consignments destined for terbers of such forces or by other persons in the service of a ritories in respect of which the option has been exercised.

#### ARTICLE 37

The High Contracting Parties will use their best endeavours to secure the accession to the present Convention of other States.

Each accession will be notified to the Government of the French Republic and by the latter to all the signatory or acceding States.

The instruments of accession shall remain deposited in the archives of the Government of the French Republic.

#### ARTICLE 38

The present Convention may be denounced by any High Contracting Party thereto after the expiration of four years from the date when it came into force in respect of that Party. Denunciation shall be effected by notification in writing addressed to the Government of the French Republic, which will forthwith transmit copies of such notification to the other Contracting Parties, informing them of the date on which it was received.

A denunciation shall take effect one year after the date of the receipt of the notification thereof by the Government of the French Republic and shall operate only in respect of the notifying State.

In case a denunciation has the effect of reducing the number of States parties to the Convention below fourteen, any of the remaining High Contracting Parties may also, within a period of one year from the date of such denunciation, denounce the Convention without waiting for the expiration of the period of four years mentioned above and may require that its denunciation shall take effect at the same date as the first-mentioned denunciation.

#### ARTICLE 39

The High Contracting Parties agree that, at the conclusion of a period of three years from the coming into force of the present Convention under the terms of Article 41, this Convention shall be subject to revision upon the request of one-third of the said High Contracting Parties addressed to the Government of the French Republic.

# ARTICLE 40

The present Convention, of which the French and English texts are both authentic, is subject to ratification. It shall bear to-day's date.

Each Power shall address its ratification to the Government of the French Republic, which will at once notify the deposit of ratification to each of the other signatory Powers.

The instruments of ratification will remain deposited in the archives of the Government of the French Republic.

# ARTICLE 41

A first proces-verbal of the deposit of ratifications will be drawn up by the Government of the French Republic as soon as the present Convention shall have been ratified by fourteen Powers.

The Convention shall come into force four months after the date of the notification of this proces-verbal by the Government of the French Republic to all signatory Powers.

Subsequently, the Convention will come into force in respect of each High Contracting Party four months after the date on which its ratification or accession shall have been notified by the Government of the French Republic to all signatory or acceding States.

In witness whereof, the above-mentioned Plenipotentiaries have signed the present Convention.

Done at Geneva, in a single copy, this seventeenth day of June, One Thousand Nine Hundred and Twenty-Five.

For Germany

H. VON ECKARDT

For the United States of America

THEODORE E. BURTON

HUGH S. GIBSON

For Austria

E. PFLÜGL

For Belgium

For Brazil

For Panama

Contre-Amiral A. C. de Souza E Silva Major Estevao Leitao de Carvalho.

Brazil reserves the right, during the whole period of application of the present Convention, to execute it, in so far as she is concerned, in accordance with the spirit of the clauses which aim at rendering the supervision general both as regards the trade in and the manufacture of armaments.

For the British Empire

I declare that my signature does not bind India or any British Dominion which is a separate Member of the League of Nations and does not separately sign or adhere to the Convention.

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ments of war accord- ing to the headings in attached schedule	No. of articles	Weight	De- clared val- ue	A TO	No. of arti- cles	Weight	De- clared val- ue '	No. of arti- cles	Weight	De- clared val- ue 4
Totals .				Tille	I III		THE REAL PROPERTY.			7103

# EXPLANATORY NOTES

\*\*PLANATORY NOTES\*\*

1 The imports included in this table shall be the general imports of arms and ammunition and of implements of war set out in the attached schedule, arriving from abroad, i.e., the total of the goods imported for home consumption, into warehouse, free zones, free ports and all other places excluded from the Custom-territory, also temporary imports, improvement trade, etc., but excluding goods for transit or transshipment. When temporary warehousing pending transit or transshipment is permitted, arms and ammunition and implements of war arriving under these conditions shall not be considered as imports, provided that the consignments are accompanied by a license or similar document mentioned in Article 4 of the present Convention showing some other country as destination.

1 Arms and ammunition and implements of war covered by Category I shall be tabled separately from those in Category II.

1 Name of country which issued the licence or similar document mentioned in Article 4 of the present Convention. But when the goods come from a Colony or Dependency, not issuing licences in its own name, but having an autonomous Customs system, such colony or dependency shall be shown as the country of origin.

1 In legal currency of the importing country. In cases where the values are the result of conversion on a gold standard basis, this fact should be expressly mentioned in the heading of this column. In all cases the value shall be shown, except in the case of samples referred to in Article 3, paragraph 3, of the Convention when it is not obligatory.

not obligatory.

### Form II

country) during the \_\_\_\_\_ quarter of 19\_.

Description 2 of arms and ammunition and implements of war according to the headings in attached schedule	Countries of Destination						and a high sta		
	A <sup>1</sup>			Z1			Total		
	No. of arti- cles	Weight	De- clared val- ue 4	No. of articles	Weight	De- clared val- ue	No. of articles	Weight	De- clared val- ue
Totals .	16								

#### EXPLANATORY NOTES

\*The exports and re-exports included in this table shall be the general exports and re-exports of arms and ammunition and implements of war set out in the attached schedule leaving for abroad, i. e., the total of the goods exported and re-exported from the internal market from warehouse, free zones, free ports and all other places excluded from the Customs territory, also temporary exports and re-exports, improvement trade, etc., but excluding goods for transit or transshipment.

When temporary warehousing pending transit or transshipment is permitted, the arms and ammunition and implements of war arriving under these conditions shall not be considered as imports provided that the consignments are accompanied by a license or similar document mentioned in Article 4 of the present Convention showing some other country as destination.

Arms and ammunition and implements of war covered by Category I shall be tabled separately from those in Category II.

Country in whose favour the license or similar document mentioned in Article 4 of the present Convention has been issued. In the case of an application by a mother-country on behalf of a Colony or Dependency having an autonomous Customs regime, such Colony or Dependency should be shown as country of destination.

In legal currency of the exporting country. In cases where the values are the result of conversion on a gold standard basis, this fact should be expressly mentioned in the title of this column. In all cases value shall be shown, except in the case of samples referred to in Article 3, paragraph 3, of the Convention when it is not obligatory.

## SCHEDULE

CATEGORY I. ARMS, AMMUNITION AND IMPLEMENTS OF WAR EXCLUSIVELY DESIGNED AND INTENDED FOR LAND, SEA OR AERIAL WARFARE

Arms and ammunition and implements exclusively designed and intended for land, sea or aerial warfare, which are, or shall be, comprised in the armament of the armed forces of any State, or which, if they have been, are no longer comprised in such armament but are capable of military to the exclusion of any other use, except such arms, ammunition and implements which, though included in the above definition, are covered in other categories.

Such arms, ammunition and implements are comprised in the following twelve headings:

- 1. Rifles, muskets, carbines (number).
- 2. (a) Machine-guns, automatic rifles and machine-pistols of all calibres (number);
  - (b) Mountings for machine-guns (number);
  - (c) Interrupter gears (number).
- 3. Projectiles and ammunition for the arms enumerated in Nos. 1 and 2 above (number).
- 4. Gun-sighting apparatus including aerial gun-sights and bomb-sights, and fire-control apparatus (number).
- 5. (a) Cannon, long or short, and howitzers, of a calibre less than 5.9 inches (15 cm.) (number);
- (b) Cannon, long or short, and howitzers, of a calibre of 5.9 inches (15 cm.) or above (number);
  - (c) Mortars of all kinds (number);
- (d) Gun carriages (number), mountings (number), recuperators (number), accessories for mountings (weight).
- 6. Projectiles and ammunition for the arms enumerated in No. 5 above (number).
- 7. Apparatus for the discharge of bombs, torpedoes, depth charges and other kinds of projectiles (number).
- 8. (a) Grenades (number);
- (b) Bombs (number);
- (c) Land mines, submarine mines, fixed or floating, depth charges (number);
  - (d) Torpedoes (number).
- 9. Appliances for use with the above arms and apparatus (number).
  - 10. Bayonets (number).
  - 11. Tanks and armoured cars (number).

meration (number or weight).

Components parts, completely finished, of the articles covered by the above headings, if capable of being utilised only in the assembly or repair of the said articles, or as spare parts, should be entered separately, by weight, under each of the above headings or subheadings to which they belong. CATEGORY II. ARMS AND AMMUNITION CAPABLE OF USE BOTH FOR MILITARY AND OTHER PURPOSES

1. Pistols and revolvers, automatic or self-loading, and developments of the same, designed for single-handed use or fired from the shoulder, of a calibre greater than 6.5 mm. and length of barrel greater than 10 cm. (number).

2. Fire-arms designed, intended or adapted for non-military purposes, such as sport or personal defence, that will fire cartridges that can be fired from fire-arms in Category I. Other rifled fire-arms, firing from the shoulder of a calibre of 6 mm. or above not included in Category I, with the exception of rifled fire-arms with a "break-down" action (number).

3. Ammunition for the arms enumerated in the above two headings, with the exception of ammunition covered by Category I (number).

4. Swords and lances (number).

Component parts, completely finished, of the articles covered by the above headings, if capable of being utilised only in the assembly or repair of the said articles, or as spare parts, should be entered separately, by weight, under each of the above headings or sub-headings to which they belong.

ANNEX II

SUPERVISION WITHIN THE SPECIAL ZONES Section I. Supervision on Land

\$ 1

All articles covered by Categories I, II, IV and V admitted into the territory of a State, colony, protectorate or mandated territory situated in the special zones, except such articles imported by individuals for their personal use under an authorisation issued by the authorities of the territory concerned, shall be deposited by the importer at his own expense and risk in a public warehouse maintained under the exclusive custody and permanent supervision of the authorities aforesaid or their officials, of whom at least one must be a member of their armed forces, and who shall keep an official record of such deposit.

Every withdrawal from a public warehouse must be authorized beforehand by such authorities. No such authorisation shall be given except for the purposes of transfer to another public warehouse or to a private warehouse duly approved by the said authorities or for delivery to individuals who have proved to the satisfaction of the said authorities that the articles are necessary to them for their personal use.

Articles required for the equipment of the national forces or for the defence of the territory are exempted from all formalities in connection with deposit in or withdrawal from a public warehouse.

No private warehouse for articles covered by Categories I. II. IV and V shall be allowed within the special zones unless authorised by the authorities of the State, colony, protectorate or mandated territory. Such warehouse must consist of enclosed premises, reserved for that purpose and having only one entry, which must be fitted with two locks, one of which can be opened only by officials of the author-

The person in charge of the warehouse shall be responsible for all such articles deposited therein and must account for them on demand by the authorities.

Such articles must not be withdrawn from the warehouse nor be transported or transferred without a special authorisation. The particulars entered on such authorisations shall be noted in a special register numbered and initialled.

Every arm imported under the provisions of § 1 by an individual for his personal use or transferred under the provisions of the same § from a public warehouse to a private warehouse or a private individual must be registered. A mark shall be stamped thereon if it does not already bear another mark or a number sufficient for identification. The

12. Arms and ammunition not specified in the above enu- | mark or number shall be noted in the license to carry arms issued by the authorities.

The manufacture or assembly within the special zones of articles covered by Categories I, II, IV and V is prohibited otherwise than in establishments instituted for the defence of the territory or maintenance of public order by the authorities of the territory concerned, or in the case of mandated territory by such authorities under the supervision of the mandatory Power.

The repair of such articles shall only be carried out in establishments instituted by the authorities or in private establishments which shall have been authorised for this purpose by the said authorities. Such authorisation shall not be granted without guarantees for the observance of the rules of the present Convention.

Section II. Maritime supervision

\$ 1

Cargoes of articles covered by Categories I, II, IV and V shipped on board the lighters, barges or coasting vessels referred to in Article 20, paragraph 3, must be covered by a special licence issued by the authorities of the State, colony, protectorate or mandated territory in which such cargoes are shipped, and containing the particulars specified in § 2 hereof. All articles so shipped shall in addition be subject to the provisions of the present Convention.

8 2

Special licences referred to in § 1 of Section II of the present Annex shall contain the following particulars:

- (a) A statement of the nature and quantity of the articles in respect of which the licence is issued.
- (b) The name of the vessel on which the cargoes are to be shipped.
  - (c) The name of the ultimate consignee.
  - (d) The ports of loading and discharge.

It shall be certified on such licences that they have been issued in conformity with the provisions of the present Convention.

An authorisation to fly the flag of a High Contracting Party may only be granted by the authorities mentioned in paragraph (b) below, and subject to the three following conditions:

- (a) The owners must be nationals of the Power whose flag they claim to fly or companies who are nationals under the laws of that Power.
- (b) The owners must have furnished proof that they are bona fide owners of real estate in the territory of the authorities to whom the application for a license is addressed, or have given to such authorities sufficient guarantees for the payment of any fines to which they may become liable.
- (c) The owners and the captain of the vessel must have furnished proof that they enjoy a good reputation and, in particular, that they have never been convicted of illicit conveyance of arms or ammunition or implements of war.

All native vessels before they are authorised to fly the flag of a High Contracting Party shall have complied with the following regulations for the purpose of their identification at sea:

- (a) The initial letters of the port of registration of the native vessel, followed by the vessel's registration number in the serial port numbers, must be incised and painted in white on black ground on both quarters of each vessel in such a position as to be easily distinguishable from a distance.
- (b) The net tonnage of the native vessel shall also, if practicable, be incised and painted inside the hull in a conspicuous position.

\$ 5

The regulations refered to in Article 24 of the present Convention are as follows:

1. When a warship belonging to one of the High Contracting Parties encounters within the maritime zone but outside territorial waters a presumed native vessel of under 500 tons burden (net tonnage),

(a) Flying the flag of one of the High Contracting Parties,

(b) Flying no flag,

and the Commanding Officer of the warship has good reason to believe that the said vessel is flying the flag of any High Contracting Party without being entitled to do so, or is illicitly conveying articles covered by Categories I, II, IV and V, he may proceed to stop the vessel in order to verify the nationality of the vessel by examining the document authorising the flying of the flag, but no other document.

2. Any vessel which presents the appearance of native build and rig may be presumed to be a native vessel.

3. For the purpose of verifying the nationality of the suspected vessel, a boat commanded by a commissioned officer in uniform may be sent to visit the vessel after she has been hailed so as to give notice of such intention. The officer sent on board the vessel shall act with all possible consideration and moderation. Before leaving the vessel, the officer shall draw up a proces-verbal in the form and language in use in his own country. This proces-verbal shall state the facts of the case and shall be dated and signed by the officer.

Should there be on board the warship no commissioned officer other than the Commanding Officer, the above prescribed operations may be carried out by a warrant, petty or non-commissioned officer at the discretion of the Com-

manding Officer.

The captain or master of the vessel visited, as well as the witnesses, shall be invited to sign the proces-verbal and shall have the right to add to it any explanations which they may consider expedient.

4. In the cases referred to in paragraph 1 (a) hereof, unless the right to fly the flag can be established, the vessel may be conducted to the nearest port in the maritime zone where there is a competent authority of the Power whose flag has been flown and shall be handed over to such authority, but if such a port should be at such a distance from the point of detention that the warship would have to leave her station or patrol to escort the detained vessel thereto, the vessel may be taken to the nearest port where there is a competent authority of one of the High Contracting Parties of nationality other than that of the warship and handed over to such authority, and steps shall at once be taken to notify this fact to the competent authority representing the power concerned.

No proceeding shall be taken against the vessel or her crew until the arrival of the representative of the Power whose flag the vessel was flying or without authority from such representative.

Instead of conducting the suspected vessel to a port as laid down above, the Commanding Officer of the detaining warship may hand her over to a warship of the nation whose flag she has flown if the latter consents to take charge of her.

- 5. The procedure laid down in paragraph 4 may also be followed if, after the verification of the flag and in spite of the voluntary production of the manifest, the Commanding Officer of the warship continues to suspect the vessel of engaging in the illicit conveyance of articles covered by Categories I, II, IV and V.
- 6. In the cases referred to in paragraph 1 (b) hereof, if it is ascertained, as a result of the visit made on board the vessel that, whereas it flew no flag, it was also not entitled to fly the flag of a recognised State, the vessel may, unless the innocent nature of her cargo can be duly established to the satisfaction of the Commanding Officer of the warship, be conducted to the nearest point in the maritime zone where there is a competent authority of the Power to which the detaining warship belongs, and shall be handed over to such authority.
- 7. The authority before whom the suspected vessel has been brought shall institute a full enquiry in accordance with the laws and regulations of his country and in conformity with the procedure laid down in paragraph 8 below. | the vessel detained, shall be sent as soon as possel was shall institute a full enquiry in accordance to such of the High Contracting Parties as formity with the procedure laid down in paragraph 8 below. |

This enquiry shall be carried out in the presence of an officer of the detaining warship.

If, however, the presence of such officer is impracticable owing to the duties upon which the warship is engaged, an affidavit sworn by the Commanding Officer may in special cases be accepted by the authority holding the enquiry in place of the oral evidence of an officer of the warship.

8. (a) In the case of vessels referred to in paragraph 1 (a) above, if it is proved at this enquiry that the flag has been illegally flown, but that the vessel is entitled to fly the flag of a recognised State, she shall, if that State is one of the High Contracting Parties, be handed over to the nearest authority of that State. If such State is not a High Contracting Party, the vessel shall be disposed of by agreement between the State responsible for her detention and the State whose flag she is entitled to fly, and, pending such agreement, shall remain in the custody of the authorities of the nationality of the detaining warship.

(b) If it should be established that the use of the flag by the detained vessel was correct, but that the vessel was engaged in the illicit conveyance of articles covered by Categories I, II, IV and V, those responsible shall be brought before the courts of the State under whose flag the vessel sailed. The vessel herself and her cargo shall remain in charge of the authority conducting the enquiry. The illicit cargo may be destroyed in accordance with laws and

regulations drawn up for the purpose.

(c) In the case of vessels referred to in paragraph 1 (b) above, if it be established that the vessel had the right to fly the flag of one of the High Contracting Parties but was engaged in the illicit conveyance of any of the articles covered by Categories I, II, IV, and V, the procedure laid down in the preceding paragraph should be followed.

- (d) In the case of vessels referred to in paragraph 1 (b) above, if it be established that the vessel was not entitled to fly the flag of any of the High Contracting Parties and was engaged in the illicit conveyance of any of the articles covered by Categories I, II, IV and V, the vessel and all cargo carried in addition to these articles shall be seized by such authorities and disposed of according to the national laws and regulations of the authorities before whom the vessel has been brought. The destruction of this cargo may be ordered according to the same laws and regulations.
- (e) If the authority entrusted with the enquiry decides that the detention and diversion of the vessel or other measures imposed upon her were irregular, he shall assess the amount of the compensation which he considers to be due.
- 9. If the decision and assessment of the said authority are accepted by the detaining officer and the authorities to whom he is subject, the amount awarded shall be paid within six months from the date of the said assessment.
- 10. If the detaining officer, or the authorities to whom he is subject, contest the decision or the amount of the compensation assessed, the dispute shall be submitted to a Court of Arbitration consisting of one arbitrator appointed by the Government whose flag the vessel was flying, one appointed by the Government of the detaining officer, and an umpire chosen by the two arbitrators thus appointed. The two arbitrators shall be chosen, as far as possible, from among the Diplomatic, Consular or Judicial officers of the High Contracting Parties. These appointments must be made with the least possible delay. Any compensation awarded shall be paid to the persons concerned within six months at most from the date of the award of the court.
- 11. The Commanding Officer of a warship who may have stopped a vessel flying a foreign flag shall in all cases make a report thereon to his Government, stating the grounds on which he acted. An extract from this report, together with a copy of the proces-verbal, drawn up by the officer, warrant officer, petty or non-commissioned officer sent on board the vessel detained, shall be sent as soon as possible to the Government whose flag the detained vessel was flying and to such of the High Contracting Parties as may have expressed the desire to receive such documents.

[American Delegation to the International Conference on the Traffic in Arms Held at Geneva May 4 to June 17, 1925]

WASHINGTON, December 16, 1925.

The Honorable The SECRETARY OF STATE,

Washington.

SIR: The undersigned, appointed by the President as Chairman of the American Delegation to the International Conference held at Geneva May 4 to June 17, 1925, to consider the conclusion of a convention for the supervision of the international trade in arms and ammunition and in implements of war, has the honor to submit the following report on behalf of the Delegation, which was composed as follows:

Honorable Theodore E. Burton, Chairman, Honorable Hugh S. Gibson, Vice Chairman, Rear Admiral Andrew T. Long, Mr. Allen W. Dulles.

Brigadier General Colden L'H Ruggles.

The delegates of the United States of America, after preliminary conferences held in Washington and at Geneva. met at Geneva on May 4, 1925, with representatives of fortythree other States, including: Germany, Austria, Belgium, Brazil, the British Empire, Canada, the Irish Free State and India, Bulgaria, Chile, China, Colombia, Denmark, Egypt, Spain, Esthonia, Abyssinia, Finland, France, Greece, Hungary, Italy, Japan, Latvia, Lithuania, Luxemburg, Nicaragua, Norway, Panama, the Netherlands, Persia, Poland, Portugal, Rumania, Salvador, Siam, Sweden, Switzerland, the Kingdom of the Serbs, Croats and Slovenes, Czechoslovakia, Turkey, Uruguay and Venezuela.

In the forty-five days of its sessions the Conference drew up a convention to regulate the international trade in arms and war material, a certified copy of which is appended. This instrument was signed on behalf of the United States by the Chairman and the Vice Chairman, and by the representatives of twenty-one other States, as indicated below:

SIGNATORIES TO THE CONVENTION 1

Germany (Allemagne) United States of America Austria Brazil British Empire India Chile Spain (Espagne) Esthonia Abyssinia (Ethopie) Finland

France

Hungary Italy Japan Latvia Luxemburg Poland Roumania Salvador Kingdom of the Serbs, Croats and Slovenes Czechoslovakia (Tchécoslo-

vaquie) In the consideration of the work of the American Delegation to the Arms Traffic Conference of Geneva, it is important briefly to indicate the reasons for the holding of this Conference and to outline the preparatory work which served as a basis for the deliberations of the various delegates assembled.

During the Paris Peace Conference of 1918-1919 there was elaborated and signed at Saint Germain-en-Laye on September 10, 1919, by representatives of the United States and by those of twenty-two other Powers a convention to regulate the trade in arms and war material, known as the Saint Germain Convention. This Convention was not submitted to the Senate nor ratified by the United States for the reasons set forth in a communication of September 12. 1923, from the Secretary of State, the Honorable Charles E. Hughes, to the Council of the League of Nations, in replying to a communication from the Acting President of the Council of the League, which quoted a resolution of the Assembly of the League to the effect that:

The Assembly considers it highly desirable that the Government of the United States should express the objections which it has to formulate to the provisions of the Convention of Saint Germain as well as any proposals which it may care to make as to the way in which these objections can be overcome."

Secretary Hughes in his communication of September 12 stated that "the Government of the United States is in cordial sympathy with efforts suitably to restrict traffic in arms and munitions of war" and referred to the steps taken by the Executive under legislative authorizations of 1898, 1912, and 1922 for the regulation of the trade in war material with other countries in this hemisphere and with countries where the United States exercised extraterritorial jurisdiction. Secretary Hughes pointed out, however, that the Saint Germain Convention, while not undertaking to restrict the purchase of arms by countries signatory thereto, would prohibit such sale to States not parties to the Convention, and that under such provisions this Government might be required to prevent shipments of military supplies to such Latin-American countries as had not signed or adhered to the Convention, however desirable it might be to permit such shipments, merely because they were not signatory powers and might not desire to adhere to the Convention.

The Secretary of State further pointed out that the provisions of the Convention relating to the League of Nations were so intertwined with the whole Convention as to make it impracticable for this Government to ratify, in view of the fact that it is not a member of the League of Nations.

In acknowledging Secretary Hughes' communication the Acting President of the Council of the League of Nations, on December 14, inquired whether the Government of the United States, having indicated that it was "in cordial sympathy with efforts to restrict traffic in arms and munitions of war" was prepared to cooperate with the Temporary Mixed Commission, the organ of the League which then was considering questions of disarmament, in the preparation of a draft convention, or conventions, for the purpose of controlling this trade.

This inquiry having been answered in the affirmative, the American Minister to Switzerland, Mr. Grew, and later Mr. Gibson, met informally with the Temporary Mixed Commission of the League of Nations, which drew up a draft of a convention for the control of the international trade in arms which was intended as a basis for the consideration of this subject by an international conference which it was proposed later to convoke. The documentary material covering these preliminary conversations which were held at Geneva and Paris in February, March and July, 1924, is fully set forth in the appended publication (Annex 1).

Subsequently, the Council of the League of Nations on October 7th communicated to the Secretary of State an invitation to attend the International Conference in question. The text of this invitation is quoted herewith:

"SIR, At its meeting held on September 30th, the Council adopted the following Resolution:-

"'On the proposal of the Assembly the Council decides to authorise the Secretary-General to submit to the Governments of the States Members and non-Members of the League of Nations the draft Convention relating to the Control of the International Trade in Arms, Munitions and Implements of War drawn up by the Temporary Mixed Commission, and to request these Governments to inform him, before the Council meets in December, whether they are prepared to take part in a Conference to be convened in April or May, 1925, for the purpose of discussing the draft Convention

"'The Secretary-General will communicate to the various Governments the report of the Temporary Mixed Commission, the minutes of that Commission and the Minutes of the Permanent Advisory Commission relating to the discussion of Article 9, together with the minutes of the present meeting of the Council, in order that the representatives of the Governments on the International Conference may have the requisite information to enable them to come to a decision on the problems raised on this question during the present

"In execution of this decision, I have the honour to enclose herewith the draft Convention on the control of the International Trade in Arms, Munitions and Implements of War which was drawn up by the Temporary Mixed Commission (Document A 16. 1924 IX, Annex IV).

<sup>&</sup>lt;sup>1</sup>The order of signature and of the above list is alphabetical according to the French spelling of each State.

"The next meeting of the Council is to be held on December 8th, 1924, and I should be grateful if you would kindly inform me, if possible before that date, whether the United States Government would be prepared to take part in an International Conference to be held in April or May, 1925, for the purpose of discussing this draft and concluding a Convention on the control of the International Trade in Arms, Munitions and Implements of War. The exact date of this Conference will be fixed by the Council at its December session.

"In accordance with paragraph 2 of the Council's Resolution I am also enclosing herewith the report of the Temporary Mixed Commission for the reduction of armaments and the report of the 3rd Committee of the Assembly.

"The report of the Temporary Mixed Commission contains that part of the Minutes of the Commission which relates to Article 9 (Document A. 16. 1924 IX. Annex V).

relates to Article 9 (Document A. 16. 1924 IX. Annex V).
"Further information relating to the preparations for the Conference will be forwarded to you as soon as possible.

"I have the honour, etc.

(signed) Eric Drummond, Secretary-General."

To the foregoing communication the following reply was made, on December 7, by the American representative in Switzerland under instructions from the Department of State:

"I beg to inform you that I have been instructed by my Government to acknowledge the receipt of your communication of October 7, 1924 transmitting the text of a resolution adopted by the Council of the League of Nations with respect to the holding of an international conference of the States members and non-members of the League of Nations April or May, 1925, for the purpose of considering the conclusion of a convention with respect to the international trade in arms, munitions and implements of war. In this communication you inquire whether my Government would be prepared to take part in such a conference.

"In reply I take pleasure in referring to the communication addressed to you on August 29 in which it was stated that my Government would be disposed to give favorable consideration to an invitation to participate in an appropriate international conference of the powers for the aforementioned purpose. My Government still holds this attitude and is agreeable to the suggestion that the time of holding the Conference should be in April or May, 1925."

THE GENEVA CONFERENCE

The attitude of the American Government toward the control of traffic in arms and the program and policy of the American Delegation was clearly set forth in the following statement of the Chairman of the American Delegation, of May 5, the day after the opening of the Conference:

"In accepting the invitation to be represented at this Conference, the Government of the United States cordially welcomes the opportunity to collaborate in the present movement. The people of the United States earnestly desire to give substantial evidence of their sincere interest in aiding in any constructive effort directed toward the maintenance of peace, and it is hoped that such efforts will be promoted by the proper control of the International trade in arms through the suppression of illicit trade in war material and by securing the fullest and most accurate publicity as to the extent and character of this trade. It is with this intention and with this spirit that the American Delegation will take part in the discussions of the Conference, in the hope of contributing towards attaining concrete results.

"As an evidence of our sincere desire to contribute to the inauguration of an era of continuing peace and to aid in preventing the horrors of war, the Government of the United States, in 1921, took steps to convene the Washington Conference, the results of which are known to the world. In addition to the definite achievements of this Conference, it is believed that the spirit which actuated the delegates at that meeting was a striking indication of the intent of the Powers participating to continue the work initiated there.

"As regards the specific object of the present Conference, namely the control of the traffic in arms, our Government has in recent years followed the policy of counselling its nationals against engaging in such trade with the troubled areas of the world where military arms might be particularly used for purposes of disturbing the peace. Further, under the authority of existing legislation, our Presidents have, from time to time, imposed absolute or partial restrictions on the exportation of arms from the United States to certain areas where such measures appeared to be particularly necessary. In addition, the flotation of foreign loans in the United States for the purpose of purchasing armament has been consistently and, it is believed successfully, discouraged.

"In the forthcoming discussions of the Draft Convention which has been placed before the Conference as a basis for its deliberations, we shall offer certain constructive suggestions and modifications which, it is felt, might appropriately be embodied in the proposed Convention and which might assist in achieving the objects of the Conference. One of the most important of these suggestions, which I shall present in detail on a more appropriate occasion, concerns additional measures to deal with the traffic in poisonous gases with the hope of reducing the barbarity of modern warfare.

"The Delegation of the United States realises that it is important to consider the problem of the traffic in arms not only from the point of view of the producing but from that of the non-producing States. No program has yet been adopted which is effective for general disarmament and it is clear that the trade in arms cannot be eliminated. Nevertheless a solution may be reached which will assure to sovereign States the means of securing what may be necessary to their national defense and the maintenance of internal peace and order and which will, at the same time, properly control the international trade in arms.

"I desire to express my appreciation of the excellent remarks of Mr. Dupriez<sup>2</sup> and I also wish to express my thanks to M. Matsuda<sup>2</sup> for his expression of friendship to the United States. Let that expression be indicative of the mutual confidence and good will which should exist between the two nations on either side of the Great Pacific—Japan and the United States of America.

"In conclusion, let me say that it is with optimism that we enter upon the work of this gathering, in the hope that by friendly consultation something may be accomplished worthy of the best efforts of the delegates here assembled and which may substantially promote the cause of peace."

The details respecting the organization of the Conference, the questions considered, the positions taken by the various delegates, together with the proceedings of the various committees and subcommittees, are fully set forth in the attached publication (Annex 2). While it is therefore unnecessary, and would only result in repetition, to review the entire work of the Conference in this statement, a brief indication of the scope of the Convention, of the special problems met by the Conference, and of the American interests involved may not be out of place.

# SCOPE OF THE CONVENTION

(1) In Articles 1 to 5 of the Convention provision is made for the supervision of the international trade in arms, munitions and implements of war with a view to keeping such trade within the proper channels. This control of the trade is to be exercised by each sovereign state within its own territory according to its own laws enacted or to be enacted to make the Convention effective.

(2) A system of publicity is provided for the international trade in the implements of war comprised in Categories One and Two, that is,—arms exclusively designed for war and

<sup>&</sup>lt;sup>2</sup> The heads of the Belgian and Japanese delegations, who had spoken just preceding the statement of Mr. Burton.

those susceptible of use both in war and for peaceful purposes. Provision is also made for publicity for the trade in aircraft and aircraft engines and for publicity of the most detailed character in connection with the sale or transfer of any vessel of war.

(3) Provision is made for special control with regard to the shipment to, and the disposition of arms within, certain areas of the world where, experience has shown, there is particular need for close supervision of the arms traffic. These areas include Central Africa and the territory formerly a part of the Ottoman Empire but now detached from Turkey as defined in Article 12 of the Convention.

#### SPECIAL PROBLEMS

During the deliberations of the Conference, certain special problems arose which merit brief explanations.

(1) The Conference recognized that the trade in war vessels could not, from its nature and the place of such vessels in international law, be dealt with on the same basis as trade in rifles or ammunition. With a view to meeting this situation, the American Delegation proposed and found ready acceptance for the suggestion that the regime outlined in Article XVI of the Washington Treaty of February 6, 1922, limiting naval armament, should be adopted. According to this regime as outlined in Article 7 of the Convention, the High Contracting Powers undertake to supply full information with regard to the construction within their territory of a ship of war for delivery to any foreign Power.

(2) The problem which the Conference had to face with respect to the trade in airplanes was of a slightly different character in view of the recognized commercial uses of airplanes, as well as the practical difficulty of distinguishing between an airplane adapted for war purposes and an airplane adapted for the ends of peace. It was felt, therefore. that a provision (article 9) stipulating that full publicity should be given to the foreign trade in aircraft and aircraft engines would meet the situation, without interfering with

legitimate commerce.

- (3) At an early stage in the Conference it became clear that the States bordering on Russia had a special problem to face in connection with the publicity of their military purchases. The Soviet regime declined to be represented at the Geneva Conference and has indicated no interest whatever in adherence to the Arms Traffic Convention. The States bordering on Russia represented at the Conference are for the most part States which are dependent upon imports for the supply of the military equipment which they consider necessary for their national defense. The border States considered that an obligation on their part to publish full statistics of their importations while Russia was under no obligation to give similar publicity to its importation would be detrimental. For this reason therefore, the Conference agreed to incorporate in the Treaty a provision (Article 29) freeing certain States bordering on Russia from the obligation of publicity pending the adhesion of Russia to the Convention.
- (4) Throughout the Conference the delegates of the socalled "Producing States" were constantly reminded that the problem which the Non-Producing States had to face was of a different character than that of the Producing States and that the former could not properly acquiesce in any treaty provisions which would prejudice their right to secure the arms necessary for their national defense. In considering this situation the American Delegation was also impressed by the fact that any regime of control which restricted the right of the Non-producing Powers to purchase arms abroad might have the unfortunate result of forcing States at present non-producers of arms to introduce on a large scale the manufacture of arms and war material. Many a State might thus become more or less of an armed camp and the result would be detrimental to the cause of peace. Therefore, there have been introduced into the Convention no provisions which prevent a State from securing arms for its national defense from other countries under certain safeguards and guarantees and with the publicity which should act as a preventative against the undue accumulation of imported arms in any given country.

- (5) It was brought to the attention of the Conference that in States where extraterritorial rights were exercised there would be obvious difficulties in enforcing the provisions of the Convention as against foreigners enjoying such extraterritorial rights. This situation unless corrected might result in opening to foreigners, enjoying extraterritorial privileges in certain countries, the opportunity of engaging uncontrolled in an illicit trade. For these reasons Article 30 was included in the Convention, according to which the "High Contracting Parties who possess extraterritorial jurisdiction in the territory of another State party to the present Convention undertake in cases where the rules of this Convention can not be enforced by the local courts as regards their nationals in such territory to prohibit all action by such nationals contrary to the provisions of the present Convention."
- (6) The question of the control of the trade in arms in time of war presented a particularly difficult problem. It is a recognized principle of international law that a neutral State is under no obligation to prevent the shipment of arms from its territory on behalf of a belligerent; provided, of course, as specified in the laws of the United States, that the territory of the neutral State shall not be used as a base for fitting out military expeditions. On the other hand, it is contrary to the obligations of neutrality, as recognized in the laws of the United States as well as in the law and practice of nations, for a State itself either directly or indirectly, to supply arms to a belligerent. Under the regime outlined in the Convention the approval of the Government of the exporting country is normally required in the case of the shipment of arms in Category One. If such approval were also required in time of war the neutrality of a power formally approving the shipment of arms to a belligerent might be called in question. If therefore the Convention were applicable in its entirety in time of war, the result might be that it would be rendered impossible to permit shipments of arms to a belligerent although such shipment might otherwise be unobjectionable, and although the country in question might not desire to intervene to prevent

In view of these considerations it was the unanimous opinion of the delegates assembled that it would be unwise to endeavor to apply with respect to belligerents the articles of the Convention which involved the approval of the exporting government as a necessary prerequisite to a shipment. Consequently the following article (Article 33) was introduced into the Convention.

"In time of war and without prejudice to the rules of neutrality the provisions of Chapter 2 shall be suspended from operation until the restoration of peace so far as concerns any consignment of arms or ammunition or implements of war to or on behalf of a belligerent."

# AMERICAN INTERESTS INVOLVED

- (1) The United States has for some time given full publicity to the statistics of its foreign trade, including publicity of its trade in war material. The American Delegation therefore felt that it would be according to American traditions of publicity and frankness to agree to continue such publicity and that it would be in our interest that other countries should likewise make public their trade in arms.
- (2) The method of supervision provided for in the Convention for the trade in arms is adapted to meet the special conditions existing in the United States. In particular it should be noted that the forms now used for export declarations are specifically recognized in the Convention and it is provided that these forms may, under certain safeguards, be employed to secure the requisite control and publicity. Thus the necessity for the creation of elaborate boards of control for the issuing of licenses in individual cases of shipments of arms is obviated.
- (3) The Convention does not provide for the control of the international trade in arms by any international body. Each country is to exercise its control within its own jurisdiction and according to its own laws, without dictation, advice or interference by any international commission.

(4) In connection with the provision for the enforcement of a strict control of the arms trade within certain areas of Africa and Asia, the American Delegation, while recognizing the reasons for such a control and agreeing that shipments from the United States to the areas in question should be under strict supervision as far as their clearance from the United States was concerned, proposed and secured the insertion in the Convention, in Article 27, of a provision that would relieve the United States from any responsibility with respect to the application of this regime in territorial or maritime zones beyond the jurisdiction of the United States.

(5) The present Convention, superseding as it would the applicable provisions of the Brussels Act of 1890 and the unratified Saint Germain Convention, helps to clarify the situation and defines the conditions under which arms shipments from this country may properly be permitted. Its provisions would in no way conflict with the control which may now be exercised with respect to the export of arms to certain countries under existing provisions of American law

#### CONCLUSIONS

The delegates at the Conference impressed upon the American Delegation their view that any international convention for the control of the trade in arms would be ineffective unless adhered to by the United States, one of the important arms producing powers. With a view to facilitating American adherence, the Conference did not press for the inclusion of any provision for the supervision or control of the arms trade by an international commission, recognizing that such control would be inacceptable to this Government. Further, the various proposals advanced from time to time by the American Delegation received the full and sympathetic consideration of the Conference and in every case where American principles and interests were involved, solutions which the American Delegation considered acceptable were adopted. The American Delegation desire to record their recognition of this attitude and, in submitting this treaty, to state that in their opinion the success or failure of the entire Convention will be in no small measure dependent upon the attitude assumed by the American Government in the matter.

While registering this view, the American Delegation would point out that in their opinion the adherence of all the important arms-producing powers, and not only that of the United States, is essential to the realization of the objects of the Convention. For the United States to ratify and to make the Convention effective prior to the ratification by other arms-producing powers would only result in placing a premium upon non-ratification by certain producing powers, since they would then be free to sell arms to other powers without control and without publicity. If, therefore, the Convention meets with the approval of the Senate, and if the legislation which will be necessary to make it effective in the United States is assured, the delegates of the United States consider that the deposit of ratifications on the part of the United States should be conditioned upon the deposit of ratifications by the other great producing powers of the world. The American Delegation would not of course suggest any delay in the submission of the Convention to the Senate or its consideration by that body, but considers that in the event of Senatorial approval the deposit of ratifications, which would make the Convention binding upon the United States if thirteen other Powers deposit ratifications, should only take place when among the ratifying powers are included the other principal arms-producing states.

The American Delegation appreciates that the present Convention does not specifically provide for any restriction in the volume of the trade in arms, although the control of this trade should indirectly result in such restriction through the reduction of the illicit traffic in war material. It is felt, however, that pending the realization of a definite disarmament program it would be futile, and possibly harmful, as indicated above, to attempt the arbitrary restriction of the trade in war material, which would place the non-producing powers at the mercy of the producing power, force production by all powers and, far from accomplishing the purposes

of disarmament, might tend toward the increase of the military establishment of certain powers.

In addition to the Convention itself, there is also appended (Annex 3) a copy of the Protocol of signature and a copy of the Final Act (Annex 4) which describes the calling of the Conference and includes two declarations of the delegates assembled. Neither of these documents call for ratification. In addition, there was signed at Geneva a declaration relating to the inclusion of the territory of Ifni (in Spanish Morocco) in the special zones. This declaration was not signed on behalf of the United States, and it is not felt that it calls for action at this time on the part of this Government.

In conclusion, the American Delegation desire to express their appreciation of the invaluable assistance rendered by the Secretary of the American Delegation, Mr. Alan F. Winslow, and by the Technical Advisers, Mr. Charles E. Herring, Commercial Attaché at the Embassy in Berlin, Major George V. Strong and Major Earl J. Atkisson of the War Department, and Commander Herbert F. Leary, Assistant Naval Attaché at the Embassy in London.

The Delegation also take this occasion to record their appreciation of the effective and impartial manner in which the proceedings of the Conference were directed by its President, M. Carton de Wiart, former Prime Minister of Belgium, and in the latter's absence, by the Vice President of the Conference, Mr. Guerrero, of Salvador. The Delegation also desire to pay tribute to the efficient services rendered by the Secretary-General of the Conference, M. Madariaga, and by the other members of the Secretariat General of the Conference.

Respectfully submitted.

(signed) THEODORE E. BURTON.

Enclosure: Annexes, as stated.

The VICE PRESIDENT. If there be no amendment the treaty will be reported to the Senate.

The treaty was reported to the Senate.

The VICE PRESIDENT. The resolution of ratification will be read.

The Chief Clerk read as follows:

# IN EXECUTIVE SESSION, SENATE OF THE UNITED STATES

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive H (69th Cong., 1st sess.), a Convention for the Supervision of the International Trade in Arms and Ammunition and in the Implements of War, signed at Geneva, Switzerland, on June 17, 1925, subject to the reservation that the said convention shall not come into force so far as the United States is concerned until it shall have come into force in respect to Belgium, the British Empire, Czechoslovakia, France, Germany, Italy, Japan, Sweden, and the Union of Soviet Socialist Republics, and with the further understanding that such adherence to this treaty shall not be construed as denying any right of sovereignty which the Kingdom of Persia may have in and to the Persian Gulf or to the waters thereof.

Mr. KING. Mr. President, I offer the following reservation:

Resolved, That such adherence to this treaty shall not be construed as denying any right or sovereignty which the Kingdom of Persia may have in or to the Persian Gulf or to the waters thereof.

The VICE PRESIDENT. The question is on agreeing to the reservation.

The reservation was agreed to.

The VICE PRESIDENT. The question is on agreeing to the resolution of ratification as amended by the reservation. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution as amended is agreed to and the treaty is ratified.

Mr. PITTMAN. Mr. President, that concludes the calendar so far as the treaties are concerned.

# EXECUTIVE REPORTS OF COMMITTEES

Mr. BYRD, from the Committee on Finance, reported favorably the nomination of Oscar B. Ryder, of Virginia, to be a member of the United States Tariff Committee for the term expiring June 16, 1939, vice Ira M. Ornburn, term expired.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry

The VICE PRESIDENT. The reports will be placed on the calendar.

#### LEGISLATIVE SESSION

Mr. ADAMS. I move that the Senate resume legislative session.

The motion was agreed to.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed without amendment the following bill and joint resolution of the Senate:

S. 3530. An act relating to Philippine currency reserves on deposit in the United States; and

S.J.Res. 130. Joint resolution to amend section 72 of the Printing Act, approved January 12, 1895, and acts amendatory thereof and supplementary thereto, relative to the allotment of public documents, and section 85 of the same act fixing the date of the expiration of the franking privilege to Members of Congress.

The message also announced that the House had concurred in Senate Concurrent Resolution No. 20, as follows:

Resolved by the Senate (the House of Representatives concur-Resolved by the Senate (the House of Representatives concurring), That in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the Committee on Foreign Relations of the Senate be, and is hereby, empowered to have printed for its use 2,000 copies of the hearings held before a subcommittee of said committee during the second session of the Seventy-second Congress, on the resolution (S.Res. fore a succommittee of said committee during the second session of the Seventy-second Congress, on the resolution (S.Res. 278), entitled "Resolution authorizing the Committee on Foreign Relations to make an investigation and to hold hearings, respecting matters touching the Saint Lawrence Waterways Treaty", part 1 and 2.

#### ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H.R. 206. An act for the relief of Pierre E. Teets;

H.R. 363. An act for the relief of James Moffitt;

H.R. 387. An act donating bronze trophy guns to the Cohoes Historical Society, Cohoes, N.Y.;

H.R. 452. An act for the relief of Laura B. Crampton;

H.R. 471. An act for the relief of Physicians and Surgeons Hospital, Ltd.;

H.R. 529. An act for the relief of Morris Spirt;

H.R. 740. An act for the relief of Wade Dean;

H.R. 1133. An act for the relief of Silas B. Lawrence;

H.R. 1306. An act for the relief of Clarence A. Wimley;

H.R. 1308. An act for the relief of John Parker Clark, Sr.;

H.R. 1345. An act for the relief of John Parker Clark, Jr.;

H.R. 1354. An act for the relief of C. V. Mason;

H.R. 1731. An act to make provision for suitable quarters for certain Government Services at El Paso, Tex., and for other purposes;

H.R. 1766. An act to provide medical services after retirement on annuity to former employees of the United States disabled by injuries sustained in the performance of their

H.R.1769. An act for the relief of Jeannette S. Jewell:

H.R. 1792. An act for the relief of Michael Petrucelli;

H.R. 2038. An act for the relief of Jeanie G. Lyles;

H.R. 2326. An act for the relief of Emma R. H. Taggart;

H.R. 2416. An act for the relief of Mrs. George Logan and her minor children, Lewis and Barbara Logan;

H.R. 2632. An act for the relief of Wilson G. Bingham;

H.R. 3054. An act for the relief of Christopher Cott;

H.R. 3084. An act authorizing the sale of portions of the Pueblo lands of San Diego to the city of San Diego, Calif .;

H.R. 3161. An act for the relief of Henry Harrison Griffith;

H.R. 3176. An act for the relief of Ernest Elmore Hall; H.R. 3295. An act for the relief of the estate of White B.

Miller: H.R. 3595. An act for the relief of St. Ludgers Catholic

Church, of Germantown, Henry County, Mo.; H.R. 3606. An act for the relief of William Sheldon; H.R. 3705. An act for the relief of Julia E. Smith:

H.R. 3748. An act for the relief of Mary Orinski;

H.R. 3791. An act for the relief of Gustav Welhoelter;

H.R. 3912. An act for the relief of Roland Zolesky;

H.R. 4082. An act for the relief of John J. Corcoran;

H.R. 4224. An act to authorize the Postmaster General to hire vehicles from postal employees:

H.R. 4387. An act for the relief of Mary A. Rockwell:

H.R. 5031. An act for the relief of Edith L. Peeps:

H.R. 5344. An act granting a franking privilege to Grace G. Coolidge:

H.R. 5357. An act for the relief of Alice M. A. Damm:

H.R. 5584. An act for the relief of William J. Kenely;

H.R. 5606. An act for the relief of W. R. McLeod;

H.R. 8912. An act to amend section 35 of the Criminal Code of the United States;

H.R. 9123. An act to authorize the Secretary of War to lend War Department equipment for use at the Sixteenth National Convention of the American Legion at Miami, Fla., during the month of October 1934; and

H.R. 9526. An act authorizing the city of Port Arthur. Tex., or the commission hereby created and its successors, to construct, maintain, and operate a bridge over Lake Sabine at or near Port Arthur, Tex.

#### PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a joint resolution adopted by the Legislature of the State of New Jersey, favoring the enactment of antilynching legislation, which was ordered to lie on the table.

(See joint resolution printed in full when presented today

by Mr. BARBOUR.)

The VICE PRESIDENT also laid before the Senate petitions of sundry women members of the Democratic and/or Republican National Committees, from the States of Iowa, Massachusetts, Nebraska, Pennsylvania, Rhode Island, Virginia, Wisconsin, and Washington, D.C., praying for a prompt, full, and fair investigation in open hearings of the charges filed by the Women's Committee of Louisiana against the Senators from Louisiana, Mr. Long and Mr. OVERTON, which were referred to the Committee on Privileges and Elections.

He also laid before the Senate a telegram in the nature of petition from Theatrical Stage Employees, Local No. 4, signed by Thomas Murtha, secretary, New York City, N.Y., praying for the passage of Senate bill 2926, the labor disputes bill, which was ordered to lie on the table.

He also laid before the Senate a telegram, in the nature of a petition, from E. E. White, secretary-treasurer United Rubber Workers Council, on behalf of the council of Akron, Ohio, praying for the passage of Senate bill 2926, the labor disputes bill, as proposed to be amended, and also the socalled "Connery 30-hour-week work bill", which was ordered to lie on the table.

He also laid before the Senate a telegram from Dillon E. White, secretary Texas Cotton Cooperative Association, embodying a resolution adopted by the directors of that association in special session at Dallas, Tex., pledging their renewed faith in the leadership of the President of the United States and in the Congress, and commending the enactment of the so-called "Bankhead cotton-control bill", which was referred to the Committee on Agriculture and Forestry.

Mr. KEAN. I present a joint resolution adopted by the Legislature of the State of New Jersey, favoring the enactment of antilynching legislation, and call the especial attention of the Senator from Colorado [Mr. Costigan] to it.

The VICE PRESIDENT. The joint resolution will lie on the table.

(See joint resolution printed in full when presented today by Mr. BARBOUR.)

# ANTILYNCHING LEGISLATION

Mr. BARBOUR. Mr. President, I ask unanimous consent to have printed in full in the RECORD and to lie on the table a joint resolution adopted by the New Jersey Legislature, favoring the enactment of antilynching legislation.

The joint resolution was ordered to lie on the table, and it is as follows:

ASSEMBLY JOINT RESOLUTION NO. 2 (BY MR. HARGRAVE)

Joint resolution memorializing the Congress of the United States to protect the people against lynch law and mob violence

Whereas crime is increasing at a rapid rate throughout the

Whereas crime is increasing at a rapid rate throughout the length and breadth of the country; and Whereas lynch law and mob violence continue taking an increasing toll from the peaceful citizens of our Commonwealth; and Whereas law and order is absolutely necessary to maintain a staple government: Therefore be it Resolved by the Senate and General Assembly of the State of New Jersey, That the Federal Government be requested to pass such measures and take such action necessary to blot out lynch law and youcheaft to every citizen life. Bigerty, and the pursuit of

such measures and take such action necessary to blot out lynch law and vouchsafe to every citizen life, liberty, and the pursuit of happiness as guaranteed in our bill of rights; be it further Resolved, That copies of this joint resc'ution be transmitted to the Vice President of the United States, to the Speaker of the House of Representatives, and to the Senators and Representatives in the Congress of the United States from the State of New Jersey. This joint resolution shall take effect immediately.

Approved February 14, 1934.

A true copy.

THOMAS A. MATHIS, Secretary of State.

# REPORTS OF COMMITTEES

Mr. WALSH, from the Committee on Education and Labor, to which was referred the bill (S. 3145) authorizing the establishment of a filing and indexing service for useful Government publications, reported it with an amendment and submitted a report (No. 1441) thereon.

He also, from the Committee on Finance, to which was referred the joint resolution (H.J.Res. 322) to provide for the disposal of smuggled merchandise, to authorize the Secretary of the Treasury to require imported articles to be marked in order that smuggled merchandise may be identified, and for other purposes, reported it with amendments and submitted a report (No. 1442) thereon.

Mr. HARRISON, from the Committee on Finance, to which were referred the following bill and joint resolution, reported them each with an amendment and submitted reports thereon:

H.R. 9741. An act to provide for the taxation of manufacturers, importers, and dealers in certain firearms and machine guns, to tax the sale or other disposal of such weapons, and to restrict importation and regulate interstate transportation thereof (Rept. No. 1444); and

S.J.Res. 141. Joint resolution to protect the revenue by requiring information concerning the disposition of substances used in the manufacture of distilled spirits (Rept. No. 1445).

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, to which was referred the bill (H.R. 9595) to increase the compensation of letter carriers in the village delivery service, reported it with an amendment and submitted a report (No. 1443) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (S. 3683) to amend the act of June 19, 1930 (46 Stat. 788) entitled "An act providing for the sale of the remainder of the coal and asphalt deposits in the segregated mineral land in the Choctaw and Chickasaw Nations, Oklahoma, and for other purposes", reported it without amendment and submitted a report (No. 1446) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the resolution (S.Res. 264) to inquire into the need for an increase in the present strength of the officer and enlisted personnel of the Regular Army of the United States, reported it without amendment.

# ENROLLED BILL PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on the 14th instant that committee presented to the President of the United States the enrolled bill (S. 2347) to amend the Inland Waterways Corporation Act, approved June 3, 1924, as amended.

# BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WALSH:

A bill (S. 3796) to increase the efficiency of the United States Navy, and for other purposes; to the Committee on Naval Affairs.

By Mr. DAVIS (for Mr. REED):

A bill (S. 3797) to admit to the United States, and to extend naturalization privileges to, certain alien veterans of the World War; to the Committee on Immigration.

By Mr. THOMAS of Oklahoma:

A bill (S. 3798) to provide for the taking over by the Government of the out-standing capital stock of all Federal Reserve banks; to substitute United States Treasury notes for outstanding gold certificates, silver certificates, Treasury notes of 1890, Federal Reserve notes, Federal Reserve bank notes, national currency, and national bank notes; and to regulate the value of money in pursuance of article I, section 8, paragraph 5, of the Constitution of the United States, and for other purposes; to the Committee on Banking and Currency.

### AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT

Mr. GORE introduced a joint resolution (S.J.Res. 142) amending subsection (b) of section 19 of the Agricultural Adjustment Act of 1933, which was read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Resolved, etc., That subsection (b) of section 19 of the Agricultural Adjustment Act, approved May 12, 1933 (title I, Public, No. 10, 73d Cong.), is amended by adding the words at the end of said subsection, as follows: "And provided further, That the Secretary of the Treasury is further authorized to permit postponement, for an additional period of not exceeding 90 days, of the payment of taxes covered by any return under this title of processors of hogs whose average slaughter during the calendar year 1933 did not exceed 5,000 hogs per month."

PROPOSED AMENDMENT TO THE CONSTITUTION OF THE UNITED STATES-THE LIQUOR QUESTION

Mr. SHEPPARD. Mr. President, I ask permission, out of order, to introduce a joint resolution and have it referred to the Committee on the Judiciary.

The joint resolution (S.J.Res. 144) proposing an amendment to the Constitution of the United States relating to the liquor traffic, was read the first time by its title and the second time at length, and referred to the Committee on the Judiciary, as follows:

Resolved, etc., That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by conventions in three-fourths of the several States:

" ARTICLE -

"Section 1. Congress shall have power in its discretion to en-act uniform laws restricting or prohibiting the traffic in alcoholic beverages in the United States and in all territory subject to its jurisdiction.

jurisdiction.

"Sec. 2. The following powers are reserved to the several States: To impose restrictions on the traffic in alcoholic beverages in aid of those enacted by Congress; to prohibit the traffic in such beverages irrespective of legislation by Congress; or in the absence of legislation by Congress, plenary power to prohibit or regulate the traffic in such beverages within their respective areas.

"Sec. 3. The transportation or importation into any State, Territory, or possession of the United States for delivery or use therein of alcoholic beverages in violation of the laws thereof, is hereby prohibited.

"Sec. 4. The twenty-first article of amendment to the Constitution of the United States is hereby repealed.

"Sec. 5. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by conventions in the several States, as provided in the Constitution, within 7 years from the date of submission thereof to the States by the Congress."

REASONS FOR THE PROPOSAL.

# REASONS FOR THE PROPOSAL

Mr. SHEPPARD. Mr. President, the 6 months which have passed since the repeal of the eighteenth amendment have shown beyond question that the liquor problem is a national one requiring the cooperation of the Federal and State Governments for its most effective solution. Mr. Choate, Director of the Federal Alcohol Control Administration, has declared that we are "living in a fool's paradise" so far as the liquor question is concerned. Arrests for public intoxication and traffic accidents attributable to drinking have rapidly increased. Many of the States have not barred the saloon, as was promised when repeal was proposed. Bootlegging has not been reduced. The Federal Government has been compelled to increase the appropriation for its sup-

The proposed amendment provides greater flexibility than was afforded by the eighteenth amendment, since it provides that Congress shall have power to restrict or prohibit the traffic in alcoholic beverages in its discretion. Under this grant of power Congress could establish a uniform plan of regulation effective in all States desiring to sanction liquor sales; it could enact national prohibition applicable to the entire country; or it could refuse to pass any legislation at all, in which event the States would be free to adopt any system of prohibition or regulation they saw fit, as at present.

Any State desiring to adopt or retain prohibition could do so, or it could enact legislation in aid of the plan of regulation provided by Congress. It could not, however, adopt any system of license or regulation in conflict with that provided by Congress, should Congress enact a law for that purpose. The existence of such power in the Federal Government would make it possible for Congress to regulate the liquor traffic wherever legalized, to bar the return of the saloon, and to establish any method of control or regulation experience may show to be the best and public sentiment to demand.

#### EFFECT UPON ENFORCEMENT

Should Congress not enact any legislation under this proposal, the mere possibility that it might do so would tend to induce the States to better enforce their own regulations. Under this amendment the Federal Government could do away with the incongruous and conflicting regulations now possible with 48 varieties of State legislation. It would at the same time enable those States and communities which desire to retain prohibition to do so or to enact additional safeguards to any plan of regulation enacted by Congress.

# OFFERS A COMMON GROUND

It offers a common ground on which wets and drys may meet to formulate and try out constructive solutions of the liquor problem. Personally, I believe that the eighteenth amendment provided the best settlement. Recognizing, however, the difficulties surrounding readoption of that amendment in anything like the near future, realizing the frightful toll the liquor traffic is taking from humanity under existing conditions and its continued defiance of the law, I deem it my duty to present what I believe to be a method by which the American people may meet the situation in a far more satisfactory way than is possible at present. That method is offered at this time in order that it may be in shape for discussion and action in connection with the com-

This resolution repeals the present twenty-first amendment but retains the second section of that amendment providing protection to States desiring to remain dry from importation for personal use under the commerce clause. If passed, it would require ratification by conventions within 7 years.

# PUERTO RICAN IMPORT DUTY ON COFFEE

Mr. TYDINGS. Mr. President, the War Department has just sent to me as Chairman of the Senate Committee on Territories and Insular Affairs a communication transmitting a letter from the Governor of Puerto Rico setting forth that the courts of Puerto Rico have held one of the laws dealing with the processing taxes to be unconstitutional. They have asked that the breach be corrected by the passage of a bill because the taxes have actually been collected. I ask that the communications from the War Department and the Governor of Puerto Rico be printed in the RECORD so that Senators may, even in the closing days, understand why speed is necessary in dealing with this matter.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

WAR DEPARTMENT, Washington, June 15, 1934.

Hon. Millard E. Tydings, Chairman Committee on Territories and Insular Affairs,

United States Senate, Washington, D.C.

DEAR SENATOR TYDINGS: I am enclosing herewith a copy of a self-explanatory letter received from the Governor of Puerto Rico,

with its enclosure consisting of a proposed draft of a bill to-ratify joint resolution no. 59 of the Puerto Rican Legislature,

approved May 5, 1930.
It is requested that you introduce the enclosed bill in the Con-

gress with a view to securing its enactment at the present session. The Governor points out that the proposed legislation is of an emergency nature and that it is necessary for the protection of the administration's program of rehabilitation as regards the coffee industry of Puerto Rico. I urgently recommend its enactment at the present session. Sincerely yours,

HENRY H. WOODRING, Acting Secretary of War.

JUNE 15, 1934.

Hon. George H. Dern,

Secretary of War, Washington, D.C.

Dear Mr. Secretary: I am enclosing herewith a draft of a bill to ratify Joint Resolution No. 59 of the Puerto Rican Legislature, approved May 5, 1930, imposing a 10-cent import duty on coffee imported into Puerto Rico. The enactment of this bill at the present session of Congress as an emergency matter is necessary to protect a vital portion of the administration's program for the rehabilitation of Puerto Rican industries.

rehabilitation of Puerto Rican industries.

The coffee industry is one of the basic industries of Puerto Rico. The 10-cent tax levied by the joint resolution of 1930, which has heretofore been regularly collected, is necessary to protect the industry, particularly during the present period of recovery from the effects of the hurricane. The levy of the tax is in accord with the intention of Congress as evidenced by the enactment of section 319 of the Tariff Act of 1930, enacted June 15 of that year, which specifically authorized the Legislature of Puerto Rico to impose tariff duties upon coffee imported into Puerto Rico, including coffee grown in a foreign country and imported into Puerto Rico from the United States.

Unfortunately the Puerto Rican act—Joint Resolution No. 59 was enacted and approved by the Governor on May 5, 1930, a month and 12 days before the approval of the act of Congress and consequently the United States Court of Customs and Patent Appeals has now held, in a decision handed down within the past few days (June 12, 1934), that the act of the Puerto Rican Legislature is invalid and void because at the time it was passed Congress had

cays (June 12, 1934), that the act of the Puerto Rican Legislature is invalid and void because at the time it was passed Congress had not yet given that legislature the power to enact such legislation. Therefore it is necessary to have the Puerto Rican act ratified. The bill herewith submitted is drawn to follow substantially the language used in the act of Congress of June 5, 1920 (c. 253, 41 Stat. 1025), ratifying an export tax theretofore attempted to be imposed by the Philippine Legislature. That ratifying act was upheld by the United States Supreme Court in the case of Rafferty v. Smith, Ball & Co. (257 U.S. 226, 232).

The vital necessity for this legislation at the present term of the Congress arises especially from the fact that cooperatives have been formed of the coffee raisers through the Farm Credit Administration for the purpose of extending to them the aid necessary to preserve the industry. This could not be extended if the cheap coffee from Brazil were thrown into the country, thus reducing the price of the Puerto Rican product to a point where little of that could be sold except at the depreciated value on which the Farm Credit Administration would not be willing to extend the loan.

I urgently request that you transmit this to the chairmen of the appropriate committees of Congress, with the request that the enactment of this legislation be secured at the present session. Sincerely yours,

Sincerely yours,

BLANTON WINSHIP Governor of Puerto Rico.

Mr. TYDINGS introduced a bill (S. 3799) for an act to ratify Joint Resolution No. 59 of the Legislature of Puerto Rico, approved by the Governor May 5, 1930, imposing an import duty on coffee imported into Puerto Rico, which was read twice by its title and referred to the Committee on Territories and Insular Affairs.

# AMENDMENT OF EMERGENCY FARM MORTGAGE ACT-AMENDMENT

Mr. BORAH submitted an amendment intended to be proposed by him to the joint resolution (S.J.Res. 142) amending subsection (b) of section 19 of the Agricultural Adjustment Act of 1933, which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

# AMENDMENT OF THE BANKING ACT-

Mr. KEAN submitted an amendment intended to be proposed by him to the bill (S. 3748) to amend certain sections of the Banking Act of 1933 and the Federal Reserve Act, and for other purposes, which was ordered to lie on the table and to be printed.

# FINANCING OF HOME CONSTRUCTION AND REPAIR-AMENDMENT

Mr. KEAN submitted an amendment intended to be proposed by him to the bill (S. 3794) to encourage improvement in housing standards and conditions, to provide a system of mutual mortgage insurance, and for other purposes, which was ordered to lie on the table and to be printed.

INVESTIGATION OF LOAN ACTIVITIES OF FEDERAL LAND BANK, ST. LOUIS, MO.

Mr. ROBINSON of Arkansas submitted the following resolution (S.Res. 272), which was referred to the Committee on Banking and Currency:

Resolved, That a special committee of three Senators, to be appointed by the President of the Senate, is authorized and directed to investigate the loan activities of the Federal Land Bank of St. Louis, Mo., with a view to determining whether such land bank, in granting loans, has unjustly discriminated against persons States areas or communities.

bank, in granting loans, has unjustly discriminated against persons, States, areas, or communities.

For the purpose of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-third Congress and succeeding Congresses, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$10,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

Senate upon vouchers approved by the chairman.

The committee shall report to the Senate, as soon as practicable, the results of its investigations, together with its recommendations.

Mr. FLETCHER, subsequently, from the Committee on Banking and Currency, to which the foregoing resolution was referred, reported it without amendment and moved that it be referred to the Committee to Audit and Control the Contingent Expenses of the Senate, which motion was agreed to.

### ADDITIONAL CLERICAL ASSISTANCE TO SENATORS

Mr. CLARK submitted the following resolution (S.Res. 273), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That whenever, during the recess of the present Congress, a Senator shall file with the Chairman of the Committee to Audit and Control the Contingent Expenses of the Senate a statement showing the necessity for an additional clerical assistant to enable him to discharge the duties of his office in the District of Columbia, such Senator may appoint one assistant clerk to be paid from the contingent fund of the Senate at \$1,800 per annum until the Seventy-fourth Congress is convened.

INVESTIGATION OF FEDERAL LAND BANKS AND REGIONAL AGRICUL-TURAL CREDIT CORPORATION

Mr. CUTTING and Mr. HATCH submitted the following resolution (S.Res. 274), which was referred to the Committee on Banking and Currency:

Resolved, That the Senate hereby authorizes and appoints the regular Agricultural and Forestry Committee of the Senate to be designated as a special committee for the purpose of making full and complete investigations of the business, operations, and affairs of the various Federal land banks of the United States for the period beginning March 4, 1923, and a complete and full investigation of the Regional Agricultural Credit Corporation since its incention; but it further.

inception; be it further

Resolved, That said committee shall report to the Senate not later than the 5th day of January 1935 the result of its investigation, together with such recommendations as it deems advisable; and be it further

Resolved, That the said committee, or any subcommittee thereof, is authorized to sit and act at such times and places within the United States, whether or not the Senate is sitting, has recessed, United States, whether or not the Senate is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, by subpena or otherwise, and to take such testimony as it deems necessary. Subpenas shall be issued under the signature of the chairman and shall be served by any person designated by him. The chairman of the committee or any member thereof may administer oaths to witnesses. Every person who, having been summoned as a witness by authority of said committee, or subcommittee thereof, willfully makes default, or who, having appeared refused to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties provided by section 102 of the Revised Statutes of the United States; be it further

\*Resolved\*, That the committee appointed by this resolution is hereby authorized to expend from the contingent fund of the Senate \$25,000 for the purpose of defraying the expenses of the investigation provided for in this resolution.

and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes.

Mr. ADAMS obtained the floor.

Mr. KING. Mr. President, will the Senator yield to me? Mr. McNARY. Mr. President, as this is an important bill, I think we should have a quorum present, and I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll. The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Hebert	Pope
Ashurst	Couzens	Johnson	Reynolds
Austin	Cutting	Kean	Robinson, Ark.
Bachman	Davis	King	Robinson, Ind.
Bailey	Dickinson	La Follette	Russell
Bankhead	Dieterich	Lewis	Schall
Barbour	Dill	Logan	Sheppard
Barkley	Duffy	Lonergan	Shipstead
Black	Erickson	Long	Smith
Bone	Fess	McCarran	Steiwer
Borah	Fletcher	McGill	Stephens
Brown	Frazier	McKellar	Thomas, Okla.
Bulkley	George	McNary	Thomas, Utah
Bulow	Gibson	Metcalf	Thompson
Byrd	Glass	Murphy	Townsend
Byrnes	Goldsborough	Neely	Tydings
Capper	Gore	Norbeck	Vandenberg
Caraway	Hale	Norris	Wagner
Carey	Harrison	Nye	Walcott
Clark	Hastings	O'Mahoney	Walsh
Connally	Hatch	Overton	Wheeler
Coolidge	Hatfield	Patterson	White
Copeland	Hayden	Pittman	

The VICE PRESIDENT. Ninety-one Senators have answered to their names. A quorum is present.

Mr. ASHURST. Mr. President-

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Arizona?

Mr. ADAMS. I yield.

Mr. ASHURST. Mr. President, respecting House bill 9830, the deficiency appropriation bill, in accordance with the request of the Department of Justice, I now offer certain amendments prepared by that Department. After investigation, I opine that I should move to suspend the rule. Therefore I ask that the clerk read at the desk the notice of a motion to suspend the rule; and I inquire if the amendments should be read at this time or will their presentation now with the notice be sufficient?

The VICE PRESIDENT. The Senate can waive the reading of the amendments if it desires to do so.

Mr. ASHURST. I ask that that be done.

The VICE PRESIDENT. The Senator from Arizona asks unanimous consent that the reading of the amendments, as to which he gives notice of a proposal to suspend the rules be waived. Is there objection?

Mr. ASHURST. I ask that the notice be read.

Mr. McNARY. Mr. President, would not it be better if the Senator should ask unanimous consent to waive the rule and then offer the amendments at the proper point in the consideration of the bill?

Mr. ASHURST. Diligence requires me to present them at the earliest moment, and, if the Senator will permit, I ask that the notice be read.

Mr. McNARY. That is so, too; but I feel that my suggestion would expedite the matter much quicker than the Senator's, but he may go ahead.

The VICE PRESIDENT. The clerk will read the notice. The Chief Clerk read as follows:

# NOTICE OF MOTION TO SUSPEND THE BULES

Pursuant to the provisions of rule XL of the Standing Rules of the Scales; be it further

\*\*Resolved\*\*, That the committee appointed by this resolution is hereby authorized to expend from the contingent fund of the Senate \$25,000 for the purpose of defraying the expenses of the investigation provided for in this resolution.

\*\*Deficiency Appropriations\*\*

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business, which will be stated.

The Senate resumed the consideration of the bill (H.R. 9830) making appropriations to supply deficiencies in certain appropriations for the fiscal years ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes, the following amendments:

On page 35, after line 2, insert the following:

"Salaries, Department of Justice: For an additional amount for salaries, Department of Justice, including the same objects specified under this head in the Department of Justice Appropriation Act, 1935, \$335,860: \*Provided\*\*, That of this amount \$245,460 shall be available only for transfer in addition to transfers authorized Pursuant to the provisions of rule XL of the Standing Rules of

by existing law to any other appropriation or appropriations under the Department of Justice not to exceed 25 percent of the appropriation to which transfer is made, when approved by the Director of the Budget."

On page 35, after line 21, insert the following:

"For an additional amount for traveling and miscellaneous expenses, Department of Justice, including the same objects specified under this head in the Department of Justice Appropriation Act. 1935. \$25,000."

On page 36, after line 10, insert the following:

# "DIVISION OF INVESTIGATION

"For an additional amount for salaries and expenses, Division of Investigation, for the detection and prosecution of crimes, including the same objects specified under this head in the Department of Justice Appropriation Act, 1935, and including also the purchase at not to exceed \$7,000 each, exchange, maintenance, upkeep, and operation of armored automobiles; purchase, nance, tupkeep, and operation of armored automobiles, purchase, exchange, maintenance, and upkeep of motor-propelled passenger-carrying vehicles, to be used only on official business; and not to exceed \$91,190 for personal services in the District of Columbia; to be immediately available, \$1,896,990.

#### "DIVISION OF ACCOUNTS

"Salaries and expenses, Division of Accounts: For an additional amount for personal services and expenses of the Division of Accounts in the District of Columbia, fiscal year 1935, \$22,570.

## "ENFORCEMENT OF ANTITRUST AND KINDRED LAWS

"For an additional amount for enforcement of antitrust and "For an additional amount for enforcement of antitrust and kindred laws, including the same objects specified under this head in the Department of Justice Appropriation Act, 1935, and including also additional personal services in the District of Columbia, to be immediately available, \$140,800."

On page 37, after line 14, to insert the following:

"For an additional amount for salaries, fees, and expenses of marshals, United States courts, including the same objects specified under this head in the Department of Justice Appropriation.

fied under this head in the Department of Justice Appropriation Act, 1935, \$140,070.

"Salaries and expenses of clerks, United States courts: For an additional amount for salaries and expenses of clerks, United States courts, including the same objects specified under this head in the Department of Justice Appropriation Act, 1935, \$100,000."

On page 39, after line 16, to insert the following:
"United States penitentiary, McNeil Island, Washington: The amount which may be expended for salaries and wages of all officers and employees from the appropriation 'United States penitentiary, McNeil Island, Wash., maintenance, 1935', is increased from \$173,190 to \$189,190."

The VICE PRESIDENT. Does the Senate consent to waive the reading of the amendments?

Mr. NORRIS. Mr. President, I think, in fairness to the Senate, if the Senate is going to be expected to consider the amendments, they should be read. I have no knowledge of

Mr. ASHURST. The amendments came to me from the Department of Justice. It will be remembered that, through the able efforts of the Senator from New York [Mr. COPELAND], the Senator from Iowa [Mr. MURPHY], and the Senator from Michigan [Mr. VANDENBERG], a number of so-called "antigangster" bills were introduced and are now laws. I myself had the honor of introducing a number of those bills. Most of them have become laws. The Senate Committee on the Judiciary reported all these bills favorably, and I now take occasion to thank the members of the Senate Committee on the Judiciary for the able support they gave these bills, but it would be useless and ridiculous; it would be what the lawyers call a brutum fulmen, a harmless thunderbolt, to pass these bills and then refuse to give the Department the appropriations to carry out, implement, and effectuate their purposes.

Mr. NORRIS. Mr. President, may I interrupt the Senator again?

Mr. ASHURST. Certainly.

Mr. NORRIS. Are these amendments which the Senator proposes subject to a point of order?

Mr. ASHURST. I doubt if they would be subject to a point of order, because the Bureau of the Budget has sent, so I am advised, its approval of the amendments, but, out of abundant caution-because there is no use to be softmouthed about it-I do not want to be placed into a position where it may be said, "You should have submitted a motion to suspend the rules." The able Senator from Tennessee [Mr. McKellar], a member of the Committee on Appropriations, I am advised, is against these amendments. He is present and can state whether he is against the amendments or not.

Mr. KING. Mr. President, may I ask the Senator a question?

Mr. ASHURST. Certainly.

Mr. KING. As I understand, these amendments are for the purpose of giving larger appropriations to the Department of Justice?

Mr. ASHURST. Yes, sir.

Mr. KING. Notwithstanding the fact that in the appropriation bill passed some time ago there was a very large appropriation for the Department of Justice, including a very considerable appropriation for the law-enforcing agencies which are under the control of that Department.

Mr. NORRIS. Mr. President-

The VICE PRESIDENT. Is there objection to the request of the Senator from Arizona that the reading of the amendments be waived?

Mr. NORRIS. I have no objection to waiving the reading since the Senator from Arizona has made the explanation.

Mr. ASHURST. It may be that I have done the distinguished Senator from Tennessee an injustice.

Mr. McKELLAR. Oh, no.

Mr. ASHURST. I do not desire to do so, but I was informed that he was opposed to these amendments, and that is what has driven me to offer the notice of motion to sus-

Mr. McKELLAR. Mr. President, these amendments were presented to the committee. They provide for a deficiency 15 days before the new fiscal year begins. The Congress of the United States has already appropriated for the Department of Justice, and here is a deficiency being asked for in advance. We are asked for an additional appropriation. My recollection is that the combined amount is some \$3,000,-000, which is out of all proportion to the work provided for in the bills which have been passed in relation to the suppression of crime.

My judgment is that if there are some amounts which should be added it might be well to add them, but to propose this enormous amount to be handed over to the Department of Justice at this time, it seems to me, is very unwise.

Mr. VANDENBERG subsequently said: Mr. President, while discussion of the amendment submitted by the Senator from Arizona [Mr. ASHURST] may not be germane to the immediate debate, I do not want the comment of the Senator from Tennessee [Mr. McKellar] to pass at the moment without prompt challenge, lest it affect the ultimate consideration of the amendment.

I know of no finer service being rendered at the present time in the United States than by the law enforcement agencies of the Department of Justice under the very able direction of the Assistant Attorney General, Joseph B. Keenan. I think the work being done in that Department in cooperation with legal authorities in the assault upon crime is a major contribution to the social stability of the United States. When the Senator from Tennessee refers to \$3,000,000 as an "enormous sum", as related to the far greater enormity of the crime problem in the United States, I think his relationships are somewhat distorted.

I am perfectly sure, knowing the Senator from Tennessee as I do, that when the facts are presented, as they will be presented, he will readily yield to the importance of implementing the Department of Justice to do its full job in respect to the crime situation in the United States.

Mr. BYRNES. Mr. President, may I suggest to the Senator from Arizona that he permit the Senator from Colorado [Mr. Adams] to proceed at this time with the committee amendments?

Mr. ASHURST. I yield the floor.

The PRESIDING OFFICER. Does the Senator from Arizona ask unanimous consent for the waiving of the reading of the amendments at this time?

Mr. ASHURST. I make that request.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. ADAMS. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with, that

the bill be read for amendment, committee amendments to be first considered.

The VICE PRESIDENT. Is there objection to the request of the Senator from Colorado? The Chair hears none, and it is so ordered.

Mr. JOHNSON. Mr. President, I desire to inquire as to the method of procedure. As I understand, the able Senator from Arizona is about to present an amendment to the pending deficiency bill.

Mr. ASHURST. That is correct. Mr. JOHNSON. The Senator has obtained unanimous consent that his motion to suspend the rules need not be read.

Mr. ASHURST. I obtained unanimous consent that the amendments need not be read at this time, but the notice of intention to suspend the rule has been read.

Mr. JOHNSON. I want to understand the method of procedure. Here is a bill which is an appropriation bill, but which contains as well legislative provisions. Am I not

Mr. BYRNES. Mr. President, if the Senator is directing his question to me, I will state that I do not know of any legislative provision reported; but I will also say that I have no doubt about the amendments offered by the Senator from Arizona being in order.

Mr. JOHNSON. I am inquiring because there may be other amendments to be offered. If it is possible to have a determination of whether or not the amendments may be offered, in view of the fact that the door has been opened thus far to legislative amendments, I want to obtain it.

I recall some years ago when Vice President Marshall was in the chair-I may be in error in this and so I state it tentatively-he ruled, when an appropriation bill came to us wherein already there were legislative provisions, that the door had been opened and, the door having been opened, all of us could enter. That is exactly the situation which I want to see if we can settle now, in order that, if we have amendments legislative in character, we may not be put to the necessity and to the difficulty of presenting a motion to suspend the rule.

Mr. BYRNES. Let me say to the Senator from California that I do not know of any legislative provision which has been added to the bill by the Senate committee. The amendments referred to by the Senator from Arizona are on an entirely different footing. They have been estimated for by the Director of the Budget, they are authorized, and I know of no point of order which could be successfully made against the amendments offered by him.

Mr. NORRIS. Mr. President, the question propounded by the Senator from California [Mr. Johnson] is an important one. I understand the Senator from California has quoted tentatively the decision of Vice President Marshall. I was present when that decision was made. I, like the Senator from California, am speaking from recollection and I may be wrong. My impression is that the very fact that an appropriation bill has legislative provisions in it does not give carte blanche to offer legislative amendments; but a legislative provision already in the bill is subject to a legislative amendment if it is material to that part of the bill. It does not mean that any amendment could be offered to the appropriation bill.

The VICE PRESIDENT. The Chair understands the philosophy of the rule and has examined the precedent to which the Senator from California referred. The rules of the House and of the Senate provide that a legislative provision may not be added as an amendment to an appropriation bill. Sometimes in the House a special rule is brought in and legislation is placed on an appropriation bill. When such a bill comes to the Senate and the Senate has it under consideration and reaches the legislative provision. any amendment germane to that legislative provision is in order; but unless it is germane it is not in order. That is the ruling of the Chair.

Mr. NORRIS. As I understand the Chair, it is in order notwithstanding the fact that it may be a legislative provision.

The VICE PRESIDENT. That is correct, provided it is germane.

Mr. CUTTING. Mr. President, may I ask who decides the question of germaneness, the Chair or the Senate?

The VICE PRESIDENT. Ordinarily, the Chair may decide a point of order or he may submit it to the Senate. Every ruling of the Chair is subject to supervision of the Senate. However, paragraph 4 of rule XVI provides that if the question of germaneness of an amendment is raised, it must be submitted to the Senate and be decided without debate. The present occupant of the chair is willing to take his responsibility, but the rule expressly provides that the Senate shall pass upon the matter of germaneness in the first instance.

The clerk will state the first amendment to the bill.

The first amendment of the Committee on Appropriations was, under the heading "Title I-General appropriations, legislative establishment", on page 2, after line 2, to insert:

SENATE To pay to Eula W. Kendrick, widow of Hon. John B. Kendrick, late a Senator from the State of Wyoming, \$8,500.

The amendment was agreed to.

The next amendment was, on page 2, after line 6, to

To pay to Augusta M. Dale, widow of Hon. Porter H. Dale, late a Senator from the State of Vermont, \$8,500.

The amendment was agreed to.

Mr. LONG. Mr. President, I ask unanimous consent for the consideration of a bill on the calendar to which the Senator from West Virginia [Mr. HATFIELD] objected yesterday, but to which no one now has any objections. I have seen the Senator from West Virginia this morning, and he has authorized me to state that he has no objection. I refer to Order of Business 1191, House bill 5736, an act for the relief of Shelby J. Beene, Mrs. Shelby J. Beene, Leroy T. Waller, and Mrs. Leroy T. Waller.

I ask unanimous consent that that bill may be taken up and disposed of at this time without displacing the business before the Senate.

The VICE PRESIDENT. In order to consider the bill referred to by the Senator from Louisiana, it will be necessary to lay aside temporarily the bill before the Senate.

Mr. LONG. Not by unanimous consent.

The VICE PRESIDENT. In order to transact business in the Senate where a pending measure is under consideration, it must be temporarily laid aside, or it will be displaced by whatever other business is taken up.

Mr. LONG. I do not think it will be necessary by unanimous consent. There will be no objection to the bill just being passed out of order.

The VICE PRESIDENT. The Chair is telling the Senator what the rules of the Senate are as he interprets them. The rule of the Senate is that where a measure is pending before the Senate, and it is not temporarily laid aside, it is displaced when other business is taken up, whether by unanimous consent or by vote of the Senate.

If the Senator from Louisiana desires to ask unanimous consent to lay aside temporarily the business before the Senate in order to consider another bill, the Chair will put the question.

Mr. LONG. If the Senator from Colorado would not object-

Mr. ADAMS. I wish the Senator from Louisiana would allow us to go ahead with the appropriation bill unless there is some great emergency. Certainly there is no great emergency in this case.

The VICE PRESIDENT. Objection is heard. The clerk will continue the reading of the bill.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, on page 2, after line 9, to insert:

For expenses of inquiries and investigations ordered by the Senate, including compensation to stenographers of committees, at such rate as may be fixed by the Committee to Audit and Control the Contingent Expenses of the Senate, but not exceeding 25 cents per 100 words, fiscal year 1935, \$100,000: Provided, That no part

of this appropriation shall be expended for services, personal, professional, or otherwise, in excess of the rate of \$3,600 per annum: Provided further, That no part of this appropriation shall be expended for per diem and subsistence expenses except in accordance with the provisions of the Subsistence Expense Act of 1926, approved June 3, 1926, as amended.

The amendment was agreed to.

The next amendment was, on page 2, after line 21, to insert:

The unexpended balance of the appropriation for expenses of inquiries and investigations ordered by the Senate, contingent fund of the Senate, for the fiscal year 1934, is reappropriated and made available for the fiscal year 1935.

The amendment was agreed to.

The next amendment was, at the top of page 3, to insert:

For miscellaneous items, exclusive of labor, for the following

fiscal years: For 1933, \$14,305.35; For 1934, \$50,000.

The amendment was agreed to.

The next amendment was, on page 3, after line 4, to

The unexpended balance of the appropriation for folding speeches and pamphlets, at a rate not exceeding \$1 per thousand, for the fiscal year 1934, is reappropriated and made available for the fiscal year 1935.

The amendment was agreed to.

The next amendment was, on page 3, after line 8, to

Hereafter the fiscal year for the adjustment of the accounts of the Secretary of the Senate for compensation and mileage of Sen-ators shall extend from July 1 to June 30; and all laws and parts of laws inconsistent herewith are hereby repealed.

The amendment was agreed to.

The next amendment was, on page 3, after line 13, to insert:

Senators elected, whose term of office begins on the 3d day of January, and whose credentials in due form of law shall have been presented in the Senate, may receive their compensation monthly from the beginning of their term.

The amendment was agreed to.

The next amendment was, on page 3, after line 17, to

Salaries of Senators appointed to fill vacancies in the Senate shall commence on the day of their appointment and continue until their successors are elected and qualified.

The amendment was agreed to.

The next amendment was, on page 3, after line 20, to insert:

Salaries of Senators elected to fill such vacancies shall com-mence on the day they qualify.

The amendment was agreed to.

The next amendment was, on page 3, after line 22, to

When no appointments have been made the salaries of Senators elected to fill such vacancies shall commence on the day following their election.

The amendment was agreed to.

The next amendment was, at the top of page 4, to insert:

When Senators have been elected during a sine die adjournment of the Senate to suceed appointees, the salaries of Senators so elected shall commence on the day following their election.

The amendment was agreed to.

The next amendment was, on page 4, after line 4, to insert:

When Senators have been elected during a session to succeed appointees, but have not qualified, the salaries of Senators so elected shall commence on the day following the sine die adjournment of the Senate.

The amendment was agreed to.

The next amendment was, on page 4, after line 8, to

A Senator entitled to receive his own salary may appoint the usual clerical assistants allowed Senators.

The amendment was agreed to.

The next amendment was, under the subhead "House of Representatives", on page 5, after line 17, to insert "To Lloyd Ellis, contestant, \$2,000"; and in line 21, after the words "in all", to strike out "\$9,433.89" and insert "\$11,433.89", so as to read:

Contested-election expenses: For payments to contestants and contestees for expenses incurred in the contested-election cases of Lovette v. Reece, Ellis v. Thurston, and McAndrews v. Britten, as audited and recommended by the Committee on Elections No. 1, respectively, e.g. Follows: respectively, as follows:

To O. B. Lovette, contestant, \$1,993.61;
To B. Carroll Reece, contestee, \$1,782.46;
To Lloyd Thurston, contestee, \$2,000;
To Lloyd Ellis, contestant, \$2,000;
To James McAndrews, contestant, \$1,657.82;

To Fred A. Britten, contestee, \$2,000; In all, \$11,433.89, to be disbursed by the Clerk of the House.

The amendment was agreed to.

The next amendment was, on page 6, after line 22, to insert "To John J. Casey, contestant, \$2,000"; on page 7, after line 2, to insert "To James Simpson, Jr., contestee, \$2,000"; and in line 4, after the words "in all", to strike out "\$17,130.67" and insert "\$21,139.67", so as to read:

For payments to contestants and contestees for expenses incurred in the contested-election cases of Sanders v. Kemp, Fox v. Higgins, Shanahan v. Beck, Casey v. Turpin, Brewster v. Utterback, and Weber v. Simpson, as audited and recommended by the Committee Weber v. Simpson, as audited and recommended a on Elections No. 3, respectively, as follows:

To J. Y. Sanders, Jr., contestant, \$1,634.18;

To Mrs. Bolivar E. Kemp, contestee, \$1,635.55;

To William C. Fox, contestant, \$2,000;

To William L. Higgins, contestee, \$1,743.20;

To James M. Beck, contestee, \$1,339.82;

To John J. Shanahan, contestant, \$817.75;

To John J. Casey, contestant, \$2,000;

To C. Murray Turpin, contestee, \$1,999;

To C. Murray Turpin, contestee, \$1,999; To John G. Utterback, contestee, \$2,000; To Ralph O. Brewster, contestant, \$1,970.17;

To Charles H. Weber, contestant, \$2,000; To James Simpson, Jr., contestee, \$2,000; In all, \$21,139.67, to be disbursed by the Clerk of the House.

The amendment was agreed to.

The next amendment was, under the subhead "Office of Architect of the Capitol", on page 9, at the beginning of line 23, to strike out "fiscal years 1934 and 1935" and insert "to be available until expended", and on page 10, line 5, after the word "until", to strike out "June 30, 1935" and insert "expended", so as to read:

Enlarging the Capitol Grounds: For an additional amount for completing the enlargement and improvement of the Capitol Grounds in accordance with the act entitled "An act to provide for the enlarging of the Capitol Grounds", approved March 4, 1929 (45 Stat. 1694), to be available until expended, \$189,720.02; and the limit of cost fixed in such act is increased by \$105,587.02 to complete the acquisition of property: Provided, That the unexpended balance of the appropriation of \$50,000 for the removal and demolition of structures in connection with the enlargement of the Capitol Grounds, contained in the First Deficiency Act, fiscal year 1932, is continued available until expended, for the same purposes and for the additional purposes of improvement and development. development.

The amendment was agreed to.

The next amendment was, on page 11, after line 2, to

For an additional amount for maintenance, including the same objects specified under this head in the Legislative Branch Appropriation Act, 1935, \$29,536, of which \$25,000 shall be expended for additional painting.

The amendment was agreed to.

The next amendment was, on page 12, after line 11, to strike out:

## LIBRARY OF CONGRESS

For three additional assistants for the law library in the United States Supreme Court Building from May 1 to June 30, 1935, both dates inclusive, \$1,000; such assistants to be under the control and direction of the Librarian of Congress, who is hereby authorized to transfer from time to time a sufficient number of law books and legal periodicals for use of the Supreme Court and the box. The Librarian of Congress shall retain control of all material so transferred subject to the rules and regulations of the court, and the marshal of such court shall make available and maintain in such building sufficient space to accommodate such books and

The amendment was agreed to.

pendent Offices", on page 13, after line 1, to insert:

AVIATION COMMISSION

For five commissioners and for all other authorized expenditures for carrying into effect section 20 of the act entitled "An act to revise air-mail laws, and to establish a commission to make a report to the Congress recommending an aviation policy", approved June 12, 1934, to be available during the fiscal year 1935, \$75,000.

The amendment was agreed to.

The next amendment was, under the subhead "Chicago World's Fair Centennial Celebration", on page 13, line 21, after the word "day", to strike out "\$150,000" and insert "\$200,000", so as to read:

For the purpose of carrying into effect the provisions of the act entitled "An act to amend an act entitled 'An act providing for the participation of the United States in A Century of Progress (the Chicago World's Fair Centennial Celebration) to be held at Chicago, Ill., in 1933, authorizing an appropriation therefor, for participation in A Century of Progress in 1934, to authorize an appropriation therefor, and for other purposes", approved May 21, 1934, and for each and every object authorized by said act, including travel expenses and subsistence at not to exceed \$5 per day, \$200,000, together with the unexpended balance of the appropriation for the Chicago World's Fair Centennial Celebration held in 1933 as contained in the act making appropriations for the Department of Agriculture for the fiscal year 1933, to remain the Department of Agriculture for the fiscal year 1933, to remain available until June 30, 1935.

The amendment was agreed to.

The next amendment was, on page 14, after line 2, to insert:

#### CIVIL SERVICE COMMISSION

Salaries and expenses: For an additional amount for personal services and other expenses, including the same objects specified under this head in the Independent Offices Appropriation Act, 1935, \$306,000.

Printing and binding: For an additional amount for printing and binding, including the same objects specified under this head in the Independent Offices Appropriation Act, 1935, \$34,000.

The amendment was agreed to.

The next amendment was, under the subhead "General Accounting Office", on page 14, line 22, after the figures "\$1,000,000", to strike out the colon and the proviso "Provided, That persons employed hereunder may be appointed for temporary service without regard to civil-service rules and regulations", so as to make the paragraph read:

To enable the General Accounting Office to employ personnel To enable the General Accounting Office to employ personnel to examine and settle claims and to audit and settle the accounts of receipts and expenditures of governmental agencies, including governmental corporations created after March 3, 1933, and to make current the audit of Postal Money Order and Postal Savings Accounts, including rent in the District of Columbia, printing and binding, office equipment and supplies, traveling expenses and other necessary contingent and miscellaneous expenses, fiscal warrs 1934 and 1935 \$1,000.000 years 1934 and 1935, \$1,000,000.

The amendment was agreed to.

The next amendment was, at the top of page 15, to insert:

## NATIONAL ARCHIVES

For carrying out the provisions of the act entitled "An act to establish a National Archives of the United States Government, and for other purposes", approved June —, 1934, fiscal year 1935, \$100,000.

The amendment was agreed to.

The next amendment was, on page 15, after line 5, to insert:

# SECURITIES EXCHANGE COMMISSION

For the purpose of administering the provisions of the Securities Exchange Act of 1934 and the Securities Act of 1933 (including, among other things, expenditures for personal services and rent at the seat of government and elsewhere, for law books and books of reference, newspapers and periodicals, and for paper, printing, and binding), fiscal year 1935, \$300,000.

Mr. LA FOLLETTE. Mr. President, I desire to ask the Senator from Colorado [Mr. ADAMS] concerning the appropriation on page 15, line 13, of \$300,000 for the Securities Exchange Commission. May I ask the Senator whether \$300,000 is the amount estimated?

Mr. ADAMS. That is the amount estimated by the Bureau of the Budget.

Mr. LA FOLLETTE. In view of the work the Commission will be called upon to do, and considering the expenditures of other commissions which have less responsibility con-

The next amendment was, under the heading, "Inde- | ferred upon them, it seems to me that this is a very small appropriation.

> Mr. ADAMS. That may be true: but, as the Senator knows, we are restricted to the estimate which came from the Bureau of the Budget, namely, to \$300,000,

> Mr. LA FOLLETTE. The Senator from Colorado is a member of the Committee on Banking and Currency and is very familiar with the details of the act which was passed. Perhaps he has some opinion as to whether or not this is an adequate amount; but it seems to me it would be a great mistake to have passed a very important piece of legislation, such as the Securities Exchange Act, and then not to provide a sufficient amount for its administration.

> I desire to say further that the members of this Commission not yet having been appointed, of course, there is no one to defend it and to lay its problems before the Bureau of the Budget. It is in a different position than an existing commission which has an opportunity to present its case to the Bureau.

> Mr. ADAMS. The Senator will realize that this appropriation merely goes to the first of the year; and it was deemed by the Director of the Budget, and also by the committee upon consideration, that that amount would enable the Commission to get into operation.

> Mr. BYRNES. Mr. President, will the Senator from Wisconsin yield to me?

Mr. LA FOLLETTE. Surely.

Mr. BYRNES. In addition to the money appropriated in this deficiency bill, the Securities Act authorizes the President to transfer unexpended funds now in the hands of the Federal Trade Commission for the enforcement of the 1933 act.

Mr. LA FOLLETTE. Can the Senator tell me how much that is?

Mr. BYRNES. No, I cannot; but I know that this amount will certainly be adequate, together with the funds the President can transfer from the Federal Trade Commission, to permit this organization to continue into the next Congress, when they will have an opportunity to come to the Congress and advise us of the scope of the organization and of the necessities.

Mr. LA FOLLETTE. It is my understanding that there was not a very large unexpended balance, but I have not definite information to that effect. That is the reason why I asked the Senator whether or not he had such information.

Mr. BYRNES. Mr. President, I remember that in one of the bills passed at this session we appropriated, as I recall, \$350,000 additional to the Federal Trade Commission by reason of the enforcement of that act.

Mr. LA FOLLETTE. Was that at this session?

Mr. BYRNES. At this session of Congress. I am interested in the enforcement of this act.

Mr. LA FOLLETTE. I know the Senator is.

Mr. BYRNES. And I have not the slightest doubt that this amount, together with the amount which is available for transfer, is ample to carry the organization until such time as they can determine what their needs are, and then we can intelligently provide those needs.

Mr. LA FOLLETTE. I will say to the Senator from South Carolina that, in my opinion, there would have to be a very substantial balance remaining to the credit of the Federal Trade Commission for the enforcement of the Securities Act in order to supplement \$300,000 to the point where it would provide a sufficient fund to make the activities of this Commission effective.

Mr. COSTIGAN. Mr. President, will the Senator yield for a moment?

Mr. LA FOLLETTE. I yield.

Mr. COSTIGAN. It is my understanding that about \$500,000 is available for transfer from the Federal Trade Commission to the new Securities Exchange Commission. Was that the question of the Senator from Wisconsin?

Mr. LA FOLLETTE. Yes.

Mr. COSTIGAN. Those who are best informed about the probable activities of the new Commission are of the opinion that not less than one and a half million dollars in excess

of what is being here authorized should be appropriated, in addition to the funds being transferred from the Federal Trade Commission to the new Commission; or rather, that a total of one and a half million dollars in addition to the \$500,000 would be a modest estimate for the budget of the new Commission for the first fiscal year.

In reaching that estimate comparison has been made in round numbers of the annual appropriations for the Federal Radio Commission, \$666,835; the Federal Trade Commission. \$1,242,730; the Interstate Commerce Commission, \$5,430,970; the Tariff Commission, \$840,898; the Bureau of Navigation and Steamboat Inspection, \$1,337,752; the Bureau of Fisheries, \$1,252,556; the Bureau of Mines, \$1,197,926; and the Bureau of Foreign and Domestic Commerce, \$2,198,838.

At this time, so far as I heard his remarks, which, however, was only in part, I desire to record my judgment in support of what has been said by the Senator from Wisconsin on the basis of these figures, and in view of estimates which have been made to me by those who are presumed to be the best qualified to speak.

Mr. ADAMS. Are the Senator's figures based on an annual basis or a semiannual basis?

Mr. COSTIGAN. It is my understanding that they are based on an annual calculation.

Mr. ADAMS. Then \$800,000 is now available, according to the Senator's statement, until the first of the year, which

is 6 months, which would be at the rate of \$1,600,000.

Mr. COSTIGAN. In other words, the Senator's view is that we shall have \$800,000 available between now and the time Congress next meets?

Mr. ADAMS. Yes; according to the Senator's figures.

Mr. COSTIGAN. If we are making the appropriation for 6 months only, probably the Senator's conclusion, though less than the moderate calculation I presented, has some warrant.

Mr. ADAMS. That is all the appropriation is for.

Mr. COSTIGAN. It is my understanding, however, as the title of the bill in a measure indicates, that we were dealing with an appropriation for the next fiscal year.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, under the heading "District of Columbia", on page 16, after line 4, to insert:

## PUBLIC UTILITIES COMMISSION

Salaries: For an additional amount for salaries, Public Utilities Commission, including the same objects specified under this head in the District of Columbia Appropriation Act for the fiscal year 1935, \$36,823.

The amendment was agreed to.

The next amendment was, on page 16, after line 9, to

# ALCOHOLIC BEVERAGE CONTROL BOARD

For an additional amount for the Alcoholic Beverage Control Board, including the same objects specified under this head in the District of Columbia Appropriation Act for the fiscal year 1935, \$18,408.

The amendment was agreed to.

The next amendment was, under the subhead "Contingent and Miscellaneous Expenses", on page 16, line 20, after the figures "1933", to strike out "\$1,193" and insert "\$1,583"; so as to read:

Judicial expenses: For an additional amount for judicial expenses, including witness fees, and expert services in District cases before the Supreme Court of said District, for the fiscal years that follow:

For 1933, \$1,583; For 1934, \$574.

The amendment was agreed to.

The next amendment was, under the subhead "Settlement of Claims", on page 21, line 14, after the word "in" to insert "Senate Document No. 184 and ", and in line 16, after the name "Congress" to strike out "\$46,346.87" and insert "\$47,585.32"; so as to read:

For the payment of claims approved by the Commissioners under and in accordance with the provisions of the act entitled "An act authorizing the Commissioners of the District of Columbia to settle claims and suits against the District of Columbia to settle claims and suits against the District of Columbia", approved February 11, 1929 (45 Stat. 1160), as amended by the act approved June 5, 1930 (46 Stat. 500), and reported in Senate Document No. 184 and House Documents Nos. 329 and 366, Seventy-third Congress, \$47,585.32.

The amendment was agreed to.

The next amendment was, under the subhead "Forest Service", on page 26, line 18, after the figures "1935" to strike out "\$152,000" and insert "\$225,000"; so as to read:

Forest-fire cooperation: For an additional amount for cooperation with the various States or other appropriate agencies in forest-fire prevention and suppression, including the same objects specified under this head in the Agricultural Department Appropriation Act of 1935, \$225,000.

The amendment was agreed to.

The next amendment was, at the top of page 28, to insert:

BUREAU OF PUBLIC ROADS

For the construction of roads within the grounds of the Thomas Jefferson Memorial Foundation at Monticello, near Charlottesville, Va., fiscal year 1935, \$30,000.

Mr. DICKINSON. Mr. President, referring to the first amendment on line 28, I desire to suggest that I think this is a very doubtful policy, but I shall not make the point of order against the legislation.

This amendment provides for the construction out of public funds of a public highway on property which does not belong to the United States. I think we are entering here upon a dangerous policy, and one under which we ought to proceed with caution. I do not think I shall make the point of order, however.

Mr. FESS. Mr. President, in a general way I have the same general conviction suggested by the Senator from Iowa; but in this particular case, while it might serve as a precedent, and I should be very regretful if it should, I think the item is a most worthy one.

There has been, as the Presiding Officer knows and every Senator knows, a very abiding desire to see Monticello completely restored. The work which has been done under the board of governors is very outstanding, and all of that work has been done thus far without the slightest expenditure on the part of the Government. I had hoped that the Government would take steps to complete the restoration, so that the Federal Government might have a part in this particular project.

Those who are familiar with this famous home will recall that it is located on an elevation of about 600 yards above the surrounding country, and is approached by a winding roadway, almost 2 miles long, through the woods. It is that piece of road proposed to be improved through the appropriation in this amendment, and it is such a national monument, with such national significance, and all thus far having been done without the slightest expenditure on the part of the Government, that I do not think anybody would object to this expenditure being made, although it ought not to be used as a precedent.

I should like to see an appropriation of something like \$100,000 to build the north wing, the group of houses which as yet have not been restored. The south wing has been completely restored, the part next to the famous garden laid out by Thomas Jefferson himself. Everything has been preserved in the finest possible shape except the one group of houses in the north wing, and if it had not been for the depression I had intended to introduce a bill to have the Federal Government make a contribution toward the completion of this great monument.

While I join the Senator from Iowa in suggesting caution against inaugurating any such movement as this, in this particular case I think it is very worth while, because without doubt this is the most outstanding mansion in connection with any great American that we have, either in Virginia or in any other State.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment was, under the heading "Department of Commerce", on page 28, after line 5, to insert:

#### OFFICE OF THE SECRETARY

Contingent expenses, Department of Commerce: For an additional amount for the same objects specified under this head in the Department of Commerce Appropriation Act, 1935, \$2,000.

The amendment was agreed to.

The next amendment was, on page 28, after line 15, to insert:

## BUREAU OF FOREIGN AND DOMESTIC COMMERCE

Investigation of foreign-trade restrictions: For an additional amount for salaries and expenses, including the same objects specified under this head in the Department of Commerce Appropriation Act, 1935, \$45,210, of which amount not to exceed \$44,712 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 28, after line 22, to insert:

Customs statistics: For an additional amount for salaries and expenses, including the same objects specified under this head in the Department of Commerce Appropriation Act, 1935, \$11,580.

The amendment was agreed to.

The next amendment was, on page 29, after line 2, to insert:

Allowance for quarters, Foreign Commerce Service: For an additional amount for the same purposes specified under this head in the Department of Commerce Appropriation Act, 1935, \$57,060.

The amendment was agreed to.

The next amendment was, on page 29, after line 12, to insert:

#### EUREAU OF FISHERIES

Propagation of food fishes: For an additional amount for the same objects specified under this head in the Department of Commerce Appropriation Act, 1935, to be expended in the Columbia River Basin, \$9,650.

The amendment was agreed to.

The next amendment was, on page 29, after line 17, to insert:

Inquiry respecting food fishes: For an additional amount for the same objects specified under this head in the Department of Commerce Appropriation Act, 1935, to be expended in the Columbia River Basin, of which amount not to exceed \$11,615 may be expended for salaries of permanent employees, \$24,140.

The amendment was agreed to.

The next amendment was, under the heading "Department of the Interior", on page 30, after line 1, to insert:

# OFFICE OF THE SECRETARY

Division of Investigations: Not to exceed \$10,000 of the appropriation "Salaries and expenses, Division of Investigations, Department of the Interior, 1935", shall be available to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Secretary of the Interior, who shall make a certificate of the amount of such expenditure as he may think it advisable not to specify, and every such certificate shall be deemed a sufficient voucher for the sum therein expressed to have been expended.

The amendment was agreed to.

The next amendment was, under the subhead "Reclamation Service", on page 32, after line 13, to insert:

Sale of unproductive lands: For the appraisal and sale of vacant public lands within Federal irrigation projects designated under the act of May 25, 1926 (44 Stat. 636), as temporarily unproductive or permanently unproductive in accordance with the provisions of the act of May 16, 1930 (46 Stat. 367), fiscal years 1934 and 1935, \$5,000 payable from the reclamation fund: Provided, That expenditures from this appropriation shall be reimbursable from the sales revenues, and that the Commissioner of Reclamation shall have charge of and attend to the appraisal and sale of such lands, and the fiscal agents of the Bureau of Reclamation shall be accountable under their official bonds for the proceeds of such sales.

The amendment was agreed to.

The next amendment was, on page 33, after line 19, to insert:

## OFFICE OF EDUCATION

Federal Board for Vocational Education: Further development of vocational education in the several States and Territories: For carrying out the provisions of section 1 of the act entitled "An act to provide for the further development of vocational education in the several States and Territories", approved May 21, 1934 (Public, No. 245, 73d Cong.), fiscal year 1935, \$3,084,603;

Mr. ADAMS. Mr. President, it is desired that the committee amendment in lines 21 and 23 on page 33 be amended by striking out surplus language as follows: "Further development of vocational education in the several States and Territories", that language being a duplication.

Mr. FESS. Mr. President, may I ask the Senator from Colorado what is to be the effect of the amendment? Will

it reduce the vocational work?

Mr. ADAMS. It simply is to strike out surplus language, which is a duplication.

Mr. FESS. Mr. President, I wanted to ask the Senator about the amendment at the bottom of page 32. Does that have anything to do with the marginal lands about which we have been talking?

Mr. ADAMS. Not a thing.

The PRESIDING OFFICER (Mr. King in the chair). The question is on agreeing to the amendment offered by the Senator from Colorado to the committee amendment on page 33.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 34, after line 4, to insert:

Salaries and expenses, further development of vocational education: Salaries and expenses: For carrying out the provisions of section 2 of the act entitled "An act to provide for the further development of vocational education in the several States and Territories", approved May 21, 1934 (Public, No. 245, 73d Cong.), fiscal year 1935, \$60,000.

Mr. ADAMS. Mr. President, I offer a similar amendment to the committee amendment on page 34, lines 5 and 6, to strike out the following surplus language, "salaries and expenses, further development of vocational education."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, under the heading "Department of Justice", on page 35, after line 1, to insert:

# OFFICE OF THE ATTORNEY GENERAL

Payment of rewards: For payment of rewards for the capture of anyone charged with violation of criminal laws of the United States or any State or the District of Columbia and/or for information leading to the arrest of any such person, as authorized by the act approved June 6, 1934, fiscal year 1935, to be immediately available, \$50,000.

The amendment was agreed to.

The next amendment was, on page 35, after line 18, to insert:

For an additional amount for printing and binding for the Department of Justice and the courts of the United States, fiscal year 1932, \$293.74.

The amendment was agreed to.

The next amendment was, on page 35, after line 21, to

For rent of buildings and parts of buildings in the District of Columbia, fiscal year 1935, \$36,683.

The amendment was agreed to.

The next amendment was, under the subhead "United States Supreme Court", on page 36, line 19, after the word "service" to strike out "\$28,700" and insert "\$25,830", and, in line 24, after the words "in all" to strike out "\$43,700" and insert "\$40,830"; so as to read:

United States Supreme Court Building and Grounds: For custody and maintenance for the fiscal year ending June 30, 1935, as authorized by the act entitled "An act to provide for the custody and maintenance of the United States Supreme Court Building and the equipment and grounds thereof", approved May 7, 1934, as follows:

Domestic care under the marshal: For personal services, exclusive of any librarian service, \$25,830; for supplies and materials, uniforms and equipment for employees, telegraph and telephone, advertising, transportation, repairs, and such other miscellaneous and incidental expenses as may be necessary to the duties imposed upon the marshal by such act, \$15,000; in all, \$40,830.

The amendment was agreed to.

Mr. BORAH. Mr. President, I wish to recur to the amendment on page 32 and ask the Senator from Colorado the meaning of the amendment.

Mr. ADAMS. Mr. President, I must be frank with the Senator. I will have to ask some other member of the committee to make the explanation.

Mr. BORAH. I will let it be passed over for the present. The PRESIDING OFFICER. Does the Senator desire to have the vote by which the amendment was agreed to reconsidered?

Mr. BORAH. I shall not ask now that it be reconsidered. I simply desire to have an explanation. If I do not get the explanation, I may ask for a reconsideration later. The PRESIDING OFFICER. The next amendment will

be stated.

The next amendment was, under the subhead "Marshals, district attorneys, clerks, and other expenses of United States courts", on page 37, line 22, after the figures "1930", to strike out "\$4,037.45" and insert "\$4,105.75"; in line 23, after the figures "1931", to strike out "\$6,977.37" and insert "\$7,065.37"; and in line 24, after the figures "1932", to strike out "\$13,937.92" and insert "\$14,258.52", so as to read:

Fees of commissioners: For additional amounts for fees of commissioners, United States courts, including the same objects specified under this head in the acts making appropriations for the Department of Justice for the following fiscal years:

For 1922, \$5.

For 1925, \$10.

For 1930, \$4,105.75.

For 1931, \$7,065.37.

For 1932, \$14,258.52.

For 1933, \$25,684.33.

The amendment was agreed to.

The next amendment was, on page 38, line 11, after the figures "1930", to strike out "\$456.44" and insert "\$465.99", so as to read:

Miscellaneous expenses: For an additional amount for miscellaneous expenses, United States courts, including the same objects specified under this head in the act making appropriations for the Department of Justice for the fiscal year 1930, \$465.99.

The amendment was agreed to.

The next amendment was, on page 38, after line 18, to insert "For 1935, \$15,000", so as to read:

Supplies for United States courts: For additional amounts for supplies for United States courts, including the same objects specified under this head in the acts making appropriations for the Department of Justice for the following fiscal years:

For 1931, \$136.55.

For 1932, \$180.63.

For 1935, \$15,000.

The amendment was agreed to.

The next amendment was, on page 39, after line 8, to

Retired pay of judges: That section 13 of the Independent Offices Appropriation Act, 1934, as continued in force by the Independent Offices Appropriation Act, 1935, shall not apply after the enactment of this act in the case of any judge of the Supreme Court of the United States who has resigned or shall hereafter resign under the provisions of section 260 of the Judicial Code, as

The amendment was agreed to.

The next amendment was, under the subhead "Penal and correctional institutions", on page 39, after line 23, to insert "For 1935, \$100,000", so as to read:

Support of United States prisoners: For additional amounts for support of United States prisoners, including the same objects specified under this head in the acts making appropriations for the Department of Justice for the following fiscal years:

For 1924, \$978.58.

For 1929, \$218.44.

For 1935, \$100,000.

The amendment was agreed to.

The next amendment was, under the heading "Navy Department", on page 40, line 10, after the word "in", to insert "Senate Document No. 214 and", and in line 13, after the name "Panama Railroad Co.", to strike out "\$12,054.33" and insert "\$15,126.33", so as to read:

## SECRETARY'S OFFICE

Claims for damages by collision with naval vessels: to pay claims Claims for damages by collision with naval vessels: to pay claims for damages adjusted and determined by the Secretary of the Navy under the provisions of the act entitled "An act to amend the act authorizing the Secretary of the Navy to settle claims for damages to private property arising from collisions with naval vessels", approved December 28, 1922 (U.S.C., title 34, sec. 599), as fully set forth in Senate Document No. 214 and House Document No. 328, Seventy-third Congress, except item no. 6, page 4, of such document in favor of the Panama Railroad Co., \$15,126.33.

The amendment was agreed to.

The next amendment was, under the heading "Department of State", on page 42, after line 1, to insert:

OFFICE OF THE SECRETARY OF STATE

Salaries: For an additional amount for salaries, Department of State, including the same objects specified under this head in the Department of State Appropriation Act, 1935, \$94,720, to be expended by the Secretary of State without regard to the civil-service laws and regulations or the Classification Act of 1923, as amended.

The amendment was agreed to.

The next amendment was, on page 42, after line 8, to

Contingent expenses: For an additional amount for contingent expenses, Department of State, including the same objects specified under this head in the Department of State Appropriation Act, 1935, \$4,000.

The amendment was agreed to.

The next amendment was, on page 43, after line 8, to

Payment to Harriet C. Holoday: For payment to Harriet C. Holoday, widow of Ross E. Holoday, late American Consul at Manchester, England, of 1 year's salary of her deceased husband, who died while in the Foreign Service, as authorized by the act approved May 21, 1934, \$6,000.

The amendment was agreed to.

The next amendment was, on page 43, after line 14, to

Reimbursement of Stelio Vassiliadis: For reimbursement of Reimoursement of Stello Vassilladis: For reimoursement of Stello Vassilladis for expenditures made by him as Vice Consul of Spain at Kiev, Russia, in representing the interests of the United States at that post from March 1, 1918, to the end of February 1920, as authorized by the act approved June 6, 1934, \$406.53.

The amendment was agreed to.

The next amendment was, on page 44, after line 5, to

WATERWAYS TREATY, UNITED STATES AND GREAT BRITAIN; INTERNATIONAL JOINT COMMISSION, UNITED STATES AND GREAT BRITAIN

For an additional amount for necessary special or technical investigations in connection with matters which fall within the scope of the jurisdiction of the International Joint Commission, including the same objects specified under this head in the Department of State Appropriation Act, 1935, \$17,555.

The amendment was agreed to.

The next amendment was, on page 49, after line 2, to

Permanent Association of International Road Congresses: Not to exceed \$3,500 of the appropriation "Cooperative construction of rural post roads, administrative expenses", Department of Agriculture, is made available to pay the quotas of the United States in the Permanent Association of International Road Congresses, as authorized by the public resolution approved June 18, 1926 (U.S.C., Supp. VII, title 22, sec. 269), for the calendar years 1932, 1933, and 1934.

The amendment was agreed to.

The next amendment was, on page 49, line 11, to insert:

Mixed Claims Commission, United States and Germany: For expenses of determining the amounts of claims against Germany by the Mixed Claims Commission established under the agreement concluded between the United States and Germany on August 10, 1922, and subsequent agreement between those Governments, for the determination of the amount to be paid by Germany in satisfaction of the financial obligations of Germany under the treaty concluded between the Governments of the United States and Germany on August 25, 1921, including the expenses which under the terms of such agreement of August 10, 1922, are chargeable in part to the United States, and the preparation of a final report by the American Commissioner and the orderly arrangement for preservation and disposition of the records of the Commission; and the expenses of an agency of the United States to perform all necessary services in connection with the preparation of claims and the presentation thereof before said Mixed Claims Commission, and the preparation of a final report of the agent and the orderly arrangement for preservation of the records of the agency and the disposition of property jointly owned by the two Governments, including salaries of an agent and necessary counsel and other assistants and employees, rent in the District of Columbia, employment of special counsel, translators, and other technical experts, by contract, without regard to the provisions of any statute relative to employment, and for contract stenographic reporting services without regard to section 3709 of the Revised Statutes (U.S.C., title 41, sec. 5), law books and books of reference, printing and binding, contingent expenses, traveling expenses, press-clipping service, for all necessary and appropriate expenses in connection with proceedings under the act entitled "An Act to amend the Act approved July 3, 1930 (46 Stat., 1005), authorizing Commissioners or members of international tribunals to administer expenses of determining the amounts of claims against Germany by the Mixed Claims Commission established under the agreeoaths, and so forth", approved June 7, 1933, including stenographic transcripts of the testimony of witnesses, and such other expenses in the United States and elsewhere as the President may deem proper, including payment for services rendered and reimbursement for expenditures incurred subsequent to December 31, 1933, fiscal year 1935, to be immediately available, \$57,000.

The amendment was agreed to.

The next amendment was, on page 51, after line 2, to

insert:

General and Special Claims Conventions, United States and Mexico: For the expenses of the settlement and adjustment of claims of the citizens of each country against the other under a convention concluded September 8, 1923, as extended, and of citizens of the United States against Mexico under a convention concluded September 10, 1923, as extended, and the protocol and convention signed April 24, 1934, between the United States and Mexico, including the expenses which, under the terms of the above agreements, are chargeable in part to the United States, the expenses of an agency of the United States to perform all necessary services in connection with the preparation of American claims and the defense of the United States in cases presented by Mexico, and of a general claims commissioner to act as a joint appraiser in appraising the claims, and for the expenses of the joint committee in determining the proper classification of claims which have heretofore been filed as both general and claims which have heretofore been filed as both general and claims and employees and rent in the District of Columbia and elsewhere, law books and books of reference, printing and binding, contingent expenses, contract stenographic reporting services, without regard to section 3709 of the Revised Statutes (U.S.C., title 41, sec. 5), the employment of special counsel, translators, and other technical experts. by contract, without regard to the title 41, sec. 5), the employment of special counsel, translators, and other technical experts, by contract, without regard to the provisions of any statute relative to employment, traveling expenses, the reimbursement of other appropriations from which payments may have been made for any of the purposes herein specified, and such other expenses in the United States and elsewhere as the President may deem proper, fiscal year 1935, to be immediately available, \$170,000.

The amendment was agreed to.

The next amendment was, on page 52, after line 9, to

Inter-American highway: To meet such expenses as the President in his discretion may deem necessary to enable the United States to cooperate with the several Governments, members of the Pan American Union, in connection with the survey and construction of the proposed inter-American highway, \$5,000,000, to remain available until expended.

Mr. DICKINSON. Mr. President, I make the point of order that the amendment for the inter-American highway, commencing on line 10 and ending at line 15, is not authorized by legislation and therefore cannot be attached as an amendment to this appropriation bill.

The PRESIDING OFFICER. The Chair will ask the Senator from Colorado whether this has been estimated for. Mr. BYRNES. Mr. President, the item referred to was duly estimated for by the Director of the Budget.

Mr. DICKINSON. Mr. President, I suggest that there is no law under which we can make an appropriation for such purposes, and that if the Director of the Budget has certified this to the Congress, he has gone completely beyond his authority. There is no provision whereby we can spend the taxpayers' money for highway purposes in the various Provinces of Mexico. I make the point of order that this is not authorized by legislation, and under such a provision we would be entering into the construction of highways outside of the jurisdiction of our own country, and the amendment has not place in this appropriation bill. It is not based upon a treaty.

Mr. ADAMS. Mr. President, may I read the message which accompanied the request made of the committee? It is dated the White House, June 13, 1934, and is as follows:

To the PRESIDENT OF THE SENATE:

I have the honor to transmit herewith, with recommendation for its inclusion in the bill making appropriation to supply de-ficiencies in certain appropriations for the fiscal year ending June all neighbors are selected to the fiscal year ending June 30, 1934, and prior fiscal years, and to provide supplemental emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes, a proposed provision of legislation so as to make available the funds necessary to cooperate with the several governments, members of the Pan American Union, in connection with the survey and construction of a proposed inter-American highway. It is necessary that the proposed provision of legislation be inserted in the bill herein referred to if the United States is to cooperate with the several governments referred to governments referred to.

Mr. DICKINSON. Mr. President, I desire to suggest that the very best argument in favor of my contention is the Budget officer's statement. He says that it is legislation which he wants so that there may be cooperation. Of course, if this money is appropriated, cooperation can be gotten with the South American governments in spending it, but such action will not be based upon any treaty; it will not be based upon any agreement; it will not be based on anything which will justify or warrant Congress in making this appropriation. There is no question that if we approve the suggestion and build this road we could enter into an agreement to build one on the eastern coast of the Panama Canal and in other sections of that country.

Mr. DILL. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. DILL. If we are going to build a road to Panama, I think we should build one to Alaska.

Mr. DICKINSON. I am in favor of that in preference to the present suggestion.

Mr. BYRNES. Mr. President, because of the fact that the merits of the amendment have been referred to, and because of the statements made, I desire to make a very short statement as to the language of the amendment and the reasons for it. About 4 or 5 years ago the Congress made an appropriation of \$50,000 to make a survey of the proposed highway. The Central American governments, members of the Pan American Union, have been cooperating in the construction of this highway, a great part of it has been constructed, and, as the result of recent conferences between representatives of this Government and the Central American governments, the United States Government was requested as its part of the inter-American highway to make a contribution, the proposal being that the contribution by the Government of the United States should be not in cash but in materials purchased by this Government from our own manufacturers.

It is believed by the State Department that it is essential that we make this contribution in order to promote the good feeling which now fortunately exists between the Central American Governments and this Government. The State Department has written to the committee a very strong endorsement of the provision, setting forth the route proposed and the benefit to be derived by this Government from the construction of this highway.

Mr. RUSSELL. Mr. President, a parliamentary inquiry. The PRESIDING OFFICER. The Senator will state it. Mr. RUSSELL. Has the Chair ruled on the point of

order?

The PRESIDING OFFICER. The Chair has not yet ruled on the point of order. The Chair recognizes the Senator from South Carolina.

Mr. BYRNES. Mr. President, I have nothing more to say about the merits of the proposal at this time.

Mr. DICKINSON. Mr. President, will the Senator yield for a question?

Mr. BYRNES. I yield.

Mr. DICKINSON. Is this proposal based upon any treaty? Mr. BYRNES. It is not based upon any treaty of which I

Mr. DICKINSON. Is it based upon any legislation which has been passed by Congress?

Mr. BYRNES. No; not so far as I am aware. I do not have before me the original act authorizing the survey and the appropriation of \$50,000, nor have I read that act. Therefore, I am not able to say that it did authorize the construction of the highway.

Mr. DICKINSON. Then, according to the statement of the Senator from South Carolina, there is absolutely no authorization legislatively for this expenditure, and there is no way by which the Congress can make this appropriation unless it goes outside of its powers.

Mr. FESS. Mr. President, Senators will recall that the original recommendation was first made by James G. Blaine in 1881, when he was Secretary of State. In the famous message by Garfield on closer union with South America there were made three recommendations. One was that all difficulties between our country and the South American and Central American countries should be adjusted by arbitration. The second was that there should be created what is known as the "Union of the Pan American Republics", now called the "Pan American Union." The third was that in time there should be built, if possible, either a railroad or a highway from North America into South America. All are familiar with the carrying into effect of the first two recommendations. The Pan American Union is now established with headquarters in Washington.

The PRESIDING OFFICER. May the Chair inquire of the able Senator from Ohio whether there was any legislation or any resolution with reference to the agreements?

Mr. FESS. There was not, except the treaties which effectuated the Pan American Union.

The PRESIDING OFFICER. Are those treaties still in effect?

Mr. KING. They are. Mr. President, I think that while the purpose is a good one, there is not any doubt but what this proposal is to do that which is contrary to law. It is a thing we have wanted to do, but so far as I know, there is no legislation which authorizes this step, which has been in the minds of the public for many years.

The PRESIDING OFFICER. May the Chair make an inquiry of the Senator from Ohio in order that he may be advised before ruling? In the light of the Senator's statement that, should this proposed legislation be adopted, it would be contrary to law, of what law would it be violative?

Mr. FESS. My opinion is that there could not be anything of this sort except in the form of treaty, and there is no treaty covering this subject of which I know.

The PRESIDING OFFICER. If there is no treaty and if there is no law, how could what is proposed be in contravention of any law?

Mr. FESS. It would simply fall, because there is no authority.

Mr. McNARY. Mr. President. I have a slight acquaintance with this matter and rather positive views as to the preliminary stages. I regret the absence of the able Senator from Arizona [Mr. HAYDEN] who discussed this matter with me, and at whose suggestion I offered it. It was accepted without debate. I do not know of any treaty which has ever been entered into between the United States and South American countries looking to the construction or the survey of a road to Panama. I recall that about 4 years ago we passed a bill of that nature permitting the Secretary of Agriculture and the Secretary of State to negotiate with and cooperate with the Pan American Union for the construction of a road from the southern borders of Arizona to Panama. That survey was made under that statute in cooperation with the Pan American Union. There was appropriated a sum sufficient to carry on this project from Panama down to the South American States. It was not all expended. It is now proposed to use that unexpended balance to continue this great highway along the North American coast, which we now have to the Gulf and along the Atlantic States, down through Mexico to Panama and from Panama to the South American States, making it the longest highway in the world, uniting South America, Central America and North America.

The purpose of this amendment is to expend that sum which has not been heretofore used. It is expending an old sum heretofore appropriated by Congress, and in no sense, if I understand the rule, is it subject to a point of order.

The PRESIDING OFFICER. The Chair is ready to rule.

Mr. LA FOLLETTE. Mr. President, I should like to be heard on the point of order. It seems to me that the Senator from Iowa [Mr. Dickinson] has somewhat confused paragraph 2 of rule XVI with paragraph 1. Of course, if this were general legislation, it would obviously be subject to a point of order under paragraph 2 of rule XVI; but it does seem to me that a reading of paragraph 1 of rule XVI clearly indicates that this amendment is not subject to a point of order. If the Chair will bear with me, I should like to read it:

All general appropriation bills shall be referred to the Committee on Appropriations, and no amendments shall be received

to any general appropriation bill the effect of which will be to increase an appropriation already contained in the bill, or to add a new item of appropriation, unless it be made to carry out the provisions of some existing law, or treaty stipulation, or act, or resolution previously passed by the Senate during that session; or—

Here is the phrase under which it seems to me this appropriation is clearly in order—

or unless the same-

Referring either to a new item or an increase-

or unless the same be moved by direction of a standing or select committee of the Senate, or proposed in pursuance of an estimate submitted in accordance with law.

Obviously the Committee on Appropriations itself is a standing committee of the Senate, and it is my interpretation of the last clause of that rule that this committee has the right to add any item of appropriation, just as any other standing committee would have that right, and that it is not subject to a point of order under the rule.

Mr. DICKINSON. Mr. President, before the Chair rules, I wish to say a word to two. I was familiar with the \$50,000 authorization for a survey and for negotiations. It was in line with the program of the Pan American Union and the cooperation of South American countries in matters of this kind, but under no circumstances has there been, and in none of the legislation was there, any authorization for the construction of a highway. It was purely a question of negotiations and surveys, the accumulation of data, and so forth. Here we are extending that authorization to the construction of a highway and proposing to appropriate \$5,000,000 of the taxpayers' money for the purpose of carrying out that project. That is the reason why I say if we will turn back to the old authorization of \$50,000, if we will turn back to the law with reference to this Pan American project, it will be found that under no circumstances has it ever been suggested that we were authorized to construct a highway out of the money of the taxpayers of this

Mr. CAREY. Mr. President, it was explained in the Committee on Appropriations that the purpose of this appropriation was to buy \$5,000,000 worth of machinery which would be given to certain Central American countries. That being the purpose of this appropriation, it seems to me that this is legislation. I do not know of any treaty or law which provides for furnishing machinery; and that was the explanation given in the committee yesterday.

Mr. JOHNSON. Mr. President, I am very curious to ascertain whether the statement which has just been made by the Senator from Wyoming is the understanding of the other members of the Appropriations Committee. The query is, Is this \$5,000,000 to be appropriated to buy machinery to give to South American countries? That is the statement which has just been made.

Mr. BYRNES. Mr. President, the appropriation is made, as stated by the State Department in a communication to the committee, for the purpose of cooperating with Central American countries in the construction of this highway. That is what it is to be used for.

Mr. CAREY. Mr. President, I should like to ask the Senator a question. I believe the Senator from South Carolina was present at the meeting of the committee, and I should like to ask if the statement was not made to the committee that the purpose of this appropriation was to buy machinery to be given to Central American countries?

Mr. BYRNES. I do not know that it is correct to say "to be given to Central American countries." It is to be our contribution to the construction of that highway.

Mr. CAREY. The statement was made that we were to buy machinery for the construction of that highway.

Mr. BYRNES. Substantially the statement is correct.

Mr. JOHNSON. Mr. President, I submit, first, that we have not any right to do any such thing; and I submit, secondly, that if we have \$5,000,000 to "blow in" in Central America we might better "blow" that money in in the United States of America.

Mr. RUSSELL. Mr. President, the statement has been made upon the floor that the State Department regarded

this appropriation as being essential in order to promote good feeling and friendship to this country on the part of South American countries. I wonder what the reaction of the Senator from California is to our sad experience in the past in connection with the buying of the good feeling of foreign nations, and whether it is not better to deal with all nations in an upright and honorable manner and in a spirit of cooperation rather than to attempt to purchase their friendship, which will not last long after the money is spent.

Mr. JOHNSON. Mr. President, if the Senator is addressing me, I think that if we pay \$5,000,000 for somebody's goodwill, the goodwill will not be worth a rap, in the first place; the price is so cheap that they would not have any regard to it in their dealings with us, in the second place; and, in the third place, we should not expend 15 cents in such a direction.

Mr. McNARY. Mr. President, I am suffering under some confusion as to the facts rather than as to the construction of the rule. When this matter came up—and I regret the Senator from Arizona [Mr. Hayden] is not present—I offered an amendment to spend the remaining portion of the \$50,000 for a survey. In this bill it seems that \$5,000,000 is added for construction purposes. I wish the Senator from Arizona could be here, and on that I am so insistent that I will suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Costigan Hebert Johnson Adams Reynolds Robinson, Ark. Robinson, Ind. Ashurst Couzens Kean King La Follette Austin Bachman Cutting Davis Bailey Bankhead Dickinson Russell Dieterich Lewis Logan Schall Sheppard Shipstead Smith Barbour Dill Lonergan Barkley Black Duffy Erickson Long McCarran Fess Fletcher Bone Steiwer Borah McGill Thomas, Okla.
Thomas, Utah
Thompson
Townsend McKellar Brown Frazier Bulkley George Gibson McNary Metcalf Bulow Byrd Glass Murphy Goldsborough Neely Norbeck Byrnes Capper Caraway Gore Vandenberg Hale Harrison Wagner Walcott Norris Carey Nye O'Mahoney Walsh Wheeler Hastings Connally Hatch Overton Coolidge Hatfield White Patterson Hayden

The PRESIDING OFFICER. Ninety-one Senators have answered to their names. A quorum is present.

Mr. GORE. Mr. President, I ask the attention of the Senator from Colorado [Mr. Adams] who is in charge of the pending appropriation bill.

I ask unanimous consent for the immediate consideration of a joint resolution which ought to be passed before the Congress adjourns. It has the approval of the Secretary of Agriculture and the Treasury Department. I have conferred with the Chairman of the Senate Committee on Banking and Currency, the Chairman of the Senate Committee on Agriculture and Forestry, with the Senator from Ohio [Mr. Fess], who was in charge on the other side of the Chamber in the absence of the Senator from Oregon [Mr. McNary], and I have conferred with the Senator from Oregon himself.

The resolution does this and nothing else. It authorizes the Secretary of the Treasury, upon a proper showing made, to grant an extension not exceeding 90 days in the collection of the processing tax on hogs slaughtered by concerns which slaughter not more than 5,000 hogs per month. The processing tax is proving very burdensome to the smaller concerns because it is now \$2.25 per hundred. The processing tax began at 50 cents, stepped up to \$1, then to \$1.50, and then to \$2.25. The larger packing concerns, in anticipation of the higher tax, slaughtered on an enormous scale. The smaller concerns have to operate from day to day. They are now paying \$2.25 per hundred and are obliged to compete with the larger concerns which paid only 50 cents. The small concerns provide a local market

for the farmer and provide some competition with the larger concerns.

I think there should be no serious objection to the proposal. I have the assurance of the leaders of the House that if it shall pass the Senate it will in all probability pass the House.

The PRESIDING OFFICER. May the Chair state to the Senator from Oklahoma that there is an amendment pending against which a point of order has been raised, and the Chair is ready to rule upon the point of order.

Mr. GORE. Very well; I shall bring the matter up later. Mr. McNARY. Mr. President, I hurriedly entered the Chamber upon summons in the belief that the amendment pending is one which I offered. I find that the amendment which I offered was to the road bill. It took care of the survey only from Panama to the Central American States without any appropriation for construction purposes. My argument is based upon that theory.

I further find my position strengthened by the act to which I made reference, the one passed in April 1929, authorizing the survey. The amendment incorporated in the bill has in part the purpose to enlarge the appropriation. I submit the matter to the Chair.

The PRESIDING OFFICER. May the Chair inquire of the Senator from Oregon whether he regards the proposed amendment as in contravention of existing law or of any treaty? The Chair has not been advised that it is,

Mr. McNARY. The whole question does not rest upon the survey. Particularly that comes within the rules and precedents of the Senate. The only question involved is whether there is authority by treaty or otherwise to authorize an appropriation of \$5,000,000 for whatever use may be made of it—to give it away as a gratuity or to use it for the purpose of affording funds for the object in mind.

Mr. DICKINSON. Mr. President, before the Chair rules I invite his attention to the wording of the act with reference to the \$50,000 and the survey, as follows:

ence to the \$50,000 and the survey, as follows:

Resolved, etc., That there is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, the sum of \$50,000 to enable the Secretary of State to cooperate with the several governments, members of the Pan American Union, when he shall find that any or all of such States having initiated a request or signified a desire to the Pan American Union to cooperate, in the reconnaissance surveys to develop the facts and to report to Congress as to the feasibility of possible routes, the probable cost, the economic service and such other information as will be pertinent to the building of an inter-American highway or highways, to be expended upon the order of the Secretary of State, including the additional cost incident to the assignment by the President of personnel in the Government service, as now authorized, additional compensation of such personnel for foreign service, compensation of employees, transportation and subsistence or per diem in lieu of subsistence. (notwithstanding the provisions of any other act), stenographic or other services by contract if deemed necessary, and such other expenses as may be deemed necessary by the Secretary of State in furtherance of the projects described.

That is merely a resolution to cooperate with the coun-

That is merely a resolution to cooperate with the countries in the matter of determining the information. There is no authorization for the construction of highways. There is absolutely no authority given by which we could pretend that we have an excuse to appropriate money out of the Public Treasury at the expense of the American taxpayer for this purpose.

Let me suggest with reference to the Budget estimate signed by the Budget Director that the fact that there is no law is best evidenced by the fact that it is not cited in his letter. It is pretended because we have the signature of the Budget Director that there is authorization to make an appropriation, although there is no authorization of law.

The Chair has asked, what law does it contravene or what law is against it? Have we reached the point where we are going to appropriate money out of the Public Treasury because there is no law against it? There is only one way we can appropriate money, and that is when we have a law authorizing the appropriation. It is not the privilege of Congress to appropriate money out of the Public Treasury without an authorization. The only way we could make the payment would be to have some authorization from Con-

gress for the construction and cooperation in the maintenance of an international highway such as is proposed.

The fact that there is no law on the statute books against appropriating the money is a slim excuse for the Senate to take the stand that we may appropriate money because we have the signature of the Budget Director, which says that he approves it. As a matter of fact, it is our business, as protectors of the American taxpayers, if the Budget Director sends an estimate which is not authorized by law, to see that it is not honored.

I am not interested in the highway. I care little what the decision of the Chair is, except that I believe in the fundamentals of our Government, and that before we are entitled to appropriate money out of the Public Treasury we have to have some authorization for doing it.

The Appropriations Committee is not authorized to put an amendment on the bill for any amount of money unless there is an authorization. The rules of the House and the rules of the Senate both prohibit us from putting on a bill any such amendment for an appropriation which is not authorized by law.

The PRESIDING OFFICER. The Chair is not called upon to announce a policy or to approve or disapprove the policy either of the committee or of the Congress or of either

branch of Congress.

The argument of the Senator from Iowa goes rather to the question of policy than to the question of a proper interpretation of the rule. The Senator has invited attention to an act of Congress approved March 4, 1929. I am not quite clear as to the interpretation which the Senator places upon it, but if the Senator contends that it is a restriction upon the authority of the Senate to pass a measure of the nature of the amendment under consideration, the present occupant of the Chair is compelled to disagree with him.

The Senator from Wisconsin [Mr. La Follette] I believe properly interpreted the rule by which the Chair must be guided. There is no law or treaty, so far as the Chair has been advised, which would be contravened by the enactment of the proposed amendment. Therefore the Chair resorts to rule XVI for guidance in passing upon the question involved. The amendment comes under this provision of the rule, the pertinent part of which is as follows:

Or unless the same be moved by direction of a standing or select committee of the Senate, or proposed in pursuance of an estimate submitted in accordance with law.

The appropriation is initiated by a standing committee of the Senate. It has been approved, as the Chair is advised, by the Budget Director and an estimate has been submitted by him.

Under the interpretation the Chair places upon the rule, the Chair is constrained to overrule the point of order.

Mr. DICKINSON. Mr. President, I am compelled to appeal from the decision of the Chair for the reason that I think the question is so far-reaching. It is a question of appropriating money out of the Public Treasury without any authorization of law. I want to see whether or not the Senate wishes to approve that sort of procedure. The statement of the Chair itself is that there is no authorization of law for the appropriation.

The PRESIDING OFFICER. The Senator from Iowa desires to appeal from the decision of the Chair.

Mr. BYRNES. Mr. President, I move to lay the appeal on the table.

The PRESIDING OFFICER. The Senator from South Carolina moves to lay the appeal on the table.

Mr. DICKINSON. Mr. President, I desire to have the yeas and nays on that motion. I make the point of no quorum.

The PRESIDING OFFICER. The point of no quorum is made. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams Barbour Brown Caraway Barkley Bulow Ashurst Carey Austin Black Byrd Byrnes Capper Bachman Bone Connally Coolidge

McKellar Schall Couzens Hale McNary Metcalf Sheppard Shipstead Cutting Harrison Murphy Neely Norris Smith Hastings Hatch Hatfield Dickinson Stephens Thomas, Okla. Thomas, Utah Dieterich Hayden Hebert Nye O'Mahoney Dill Duffy Thompson Erickson Overton Patterson Townsend Tydings Kean King La Follette Fess Fletcher Pittman Vandenberg Logan Lonergan Frazier Pope Reynolds George Walcott Long McCarran Robinson, Ark. Robinson, Ind. Walsh Wheeler Glbson Goldsborough McGill Russell White

The PRESIDING OFFICER. Eighty-four Senators having answered to the call of the roll, a quorum is present.

The question before the Senate is as follows:

On page 52 of the pending bill, lines 10 to 15, an amendment has been offered making an appropriation of \$5,000,000, to remain available until expended. The Senator from Iowa [Mr. Dickinson] raised the point of order as to the validity of this added appropriation of funds upon this bill. The Chair overruled the point of order, and the Senator from Iowa appealed from the decision of the Chair.

Mr. LA FOLLETTE. Mr. President, a point of order. I understood that the Senator from South Carolina [Mr.

BYRNES] moved to lay the appeal on the table.

The PRESIDING OFFICER. The Chair will come to that. He desired to advise Senators who have recently come into the Chamber of the existing condition.

The Senator from South Carolina [Mr. Byrnes] moved to lay the appeal upon the table. The question now is, Shall the motion of the Senator from South Carolina prevail, and the appeal be laid upon the table?

Mr. DICKINSON. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. HEBERT (when his name was called). I have a pair with the Senator from Illinois [Mr. Lewis]. Not knowing how he would vote on this question, I am obliged to withhold my vote. If at liberty to vote, I would vote "nay."

The PRESIDING OFFICER (when Mr. King's name was called). The present occupant of the Chair asks permission to be excused from voting upon this motion.

Mr. ROBINSON of Arkansas (when his name was called). I transfer my general pair with the Senator from Pennsylvania [Mr. Reed] to the Senator from New York [Mr. COPELAND], and will vote. I vote "yea."

The roll call was concluded.

Mr. WALCOTT. I have a general pair with the junior Senator from California [Mr. McApoo]. Not knowing how he would vote on this question, I refrain from voting. If at liberty to vote, I would vote "nay."

Mr. METCALF (after having voted in the negative). Has the Senator from Maryland [Mr. Tydings] voted?

The PRESIDING OFFICER. That Senator has not voted. Mr. METCALF. Then, not knowing how the Senator from Maryland would vote if present, I withdraw my vote.

Mr. ROBINSON of Arkansas. I desire to announce that the Senator from California [Mr. McAdoo] is absent because of illness, and that the Senator from Nevada [Mr. McCarran], the Senator from North Carolina [Mr. Bailey], the Senator from Washington [Mr. Bone], the Senator from Florida [Mr. Trammell], the Senator from New York [Mr. Copeland], the Senator from Indiana [Mr. Van Nuys], the Senator from Utah [Mr. King], the Senator from Illinois [Mr. Lewis], the Senator from Colorado [Mr. Costigan], and the Senator from Wisconsin [Mr. Duffy] are necessarily detained from the Senate.

Mr. HEBERT. I announce the general pair of the Senator from New Hampshire [Mr. Keyes] with the Senator from Indiana [Mr. Van Nuys].

I also announce the general pair of the Senator from Oregon [Mr. Steiwer] with the Senator from Wisconsin [Mr. Duffy]. The Senator from Oregon is detained on business of the Senate.

Mr. HARRISON (after having voted in the affirmative). I have a general pair with the Senator from Oregon [Mr.

McNaryl, who has been temporarily called from the Chamber on business of the Senate. Not knowing how he would vote on this question, I transfer my pair with him to the Senator from Florida [Mr. Trammell], and will let my vote stand.

Mr. METCALF. Mr. President, I see that the honorable Senator from Maryland [Mr. Typings] is present now, so I am at liberty to vote. I vote "nay."

The result was announced—yeas 52, nays 24, as follows:

	YE	AS-52	
Adams Ashurst Bachman Bankhead Barkley Black Brown Bulkley Bulow Byrd Byrnes Caraway Clark	Connally Coolidge Cutting Dieterich Erickson Fletcher Frazier George Gibson Glass Harrison Hatch Hayden	La Follette Logan Lonergan Long McGill McKellar Murphy Neely Nye Overton Pittman Pope Reynolds	Robinson, Ark, Russell Sheppard Shipstead Smith Stephens Thomas, Okla. Thomas, Utah Thompson Vandenberg Wagner Walsh Wheeler
	NA	YS-24	
Austin Barbour Borah Capper Carey Couzens	Davis Dickinson Dill Fess Goldsborough Gore	Hale Hastings Hatfield Kean Metcalf Norris	O'Mahoney Patterson Robinson, Ind. Schall Townsend White
	NOT V	OTING-20	
Bailey Bone Copeland Costigan Duffy	Hebert Johnson Keyes King Lewis	McAdoo McCarran McNary Norbeck Reed	Steiwer Trammell Tydings Van Nuys Walcott

So Mr. Dickinson's appeal from the decision of the Chair was laid on the table.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 9145) to authorize the attendance of the Marine Band at the national encampment of the Grand Army of the Republic to be held at Rochester, N.Y., August 14, 15, and 16, 1934, and at the national convention of the Disabled American Veterans of the World War, to be held at Colorado Springs, Colo., during the first week in July, and at the annual convention of the Thirtieth Division of the American Expeditionary Forces, to be held at Asheville, N.C., on September 28, 29, and 30, 1934; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Vinson of Georgia, Mr. Drewry, and Mr. Britten were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 8910) to establish a National Archives of the United States Government, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Keller, Mr. Warren, and Mr. Luce were appointed managers on the part of the House at the conference.

## ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 852. An act to amend section 24 of the Trading with the Enemy Act, as amended;

S. 1735. An act to amend an act approved May 14, 1926 (44 Stat. 555), entitled "An act authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims";

S. 2248. An act to protect trade and commerce against interference by violence, threats, coercion, or intimidation;

S. 3147. An act to amend the act approved June 28, 1932 (47 Stat.L. 337);

S. 3230. An act creating the Florence Bridge Commission and authorizing said Commission and its successors and assigns to construct, maintain, and operate a bridge across the Missouri River at or near Florence, Nebr.;

S. 3404. An act authorizing loans from the Federal Emergency Administration of Public Works for the construction of certain municipal buildings in the District of Columbia, and for other purposes;

S. 3723. An act to amend the Mineral Lands Leasing Act of 1920 with reference to oil- or gas-prospecting permits and

leases;

Akers:

H.R. 1503. An act to amend the act entitled "An act to create the California Débris Commission and regulate hydraulic mining in the State of California", approved March 1, 1893, as amended;

H.R. 1567. An act amending section 1 of the act of March 3, 1893 (27 Stat.L. 751), providing for the method of selling real estate under an order or decree of any United States court:

H.R. 3243. An act for the relief of Harry E. Good, administrator de bonis non of the estate of Ephraim N. Good, deceased:

H.R. 3296. An act for the relief of Carl F. Castleberry;

H.R. 3318. An act to reimburse Earl V. Larkin for injuries sustained by the accidental discharge of a pistol in the hands of a soldier of the United States Army;

H.R. 3793. An act for the relief of Anthony Hogue;

H.R. 4579. An act for the relief of Dr. Charles T. Granger; H.R. 4666. An act for the relief of Jerry O'Shea:

H.R. 4670. An act for the relief of Lyman D. Drake. Jr.:

H.R. 4952. An act for the relief of Theodore W. Beland;

H.R. 4952. An act for the relief of Theodore W. Beland; H.R. 4957. An act for the relief of F. M. Peters and J. T.

H.R. 5018. An act to correct the naval records of former members of the crews of the revenue cutters Algonquin and

H.R. 5809. An act to provide compensation for Robert Rayford Wilcoxson for injuries received in citizens' military training camp:

H.R. 5864. An act to authorize the payment of expenses of delegates of the Yakima Confederated Tribes of Indians while on a mission to represent such tribes before Congress and the executive departments at the seat of government, and for other purposes;

H.R. 5947. An act authorizing adjustment of the claim of

the Western Union Telegraph Co.;

H.R. 6238. An act for the relief of M. R. Welty;

H.R. 6284. An act for the relief of John R. Novak;

H.R. 6324. An act for the relief of Mabel Carver; H.R. 6350. An act for the relief of Arthur Smith;

H.R. 6366. An act making appropriation to restore water of high-mineral content on land owned and controlled by the Federal Government;

H.R. 6497. An act for the relief of James Henry Green;

H.R. 6622. An act authorizing the Secretary of Commerce to lease certain Government land at Woods Hole, Mass.;

H.R. 6625. An act for the relief of Charles Farr;

H.R. 6696. An act for the relief of William T. Roche;

H.R. 6998. An act for the relief of Capt. Frank J. McCormack;

H.R. 7121. An act authorizing the Secretary of the Treasury to pay Dr. A. W. Pearson, of Peever, S.Dak., and the Peabody Hospital, at Webster, S.Dak., for medical services and supplies furnished to Indians:

H.R. 7230. An act for the relief of J. B. Hudson;

H.R. 7264. An act for the relief of M. N. Lipinski;

H.R. 7272. An act for the relief of John W. Adair;

H.R. 7348. An act to amend section 3937 of the Revised Statutes;

H.R. 7387. An act for the relief of Royce Wells;

H.R. 7631. An act for the relief of Arthur A. Burn, Sr., and J. K. Ryland;

H.R. 7670. An act relating to conveyance of letters by private hands without compensation, or by special messenger employed for the particular occasion only;

H.R. 7893. An act for the relief of Ralph LaVern Walker; H.R. 7953. An act for the relief of the Dallas County Chapter of the American Red Cross;

H.R. 8108. An act for the relief of Jeannette Weir;

H.R. 8328. An act for the relief of the heirs of C. K. Bowen, deceased:

H.R. 8460. An act to amend section 392 of title 5 of the United States Code:

H.R. 8513. An act to authorize the coinage of 50-cent pieces in commemoration of the boyhood home of Gen. Thomas J. (Stonewall) Jackson;

H.R. 8514. An act authorizing the Secretary of the Treasury to convey a part of the post-office site in San Antonio, Tex., to the city of San Antonio, Tex., for street purposes, in exchange for land for the benefit of the Government

H.R. 8587. An act to extend the benefits of the Employees' Compensation Act of September 7, 1916, to William Thomas;

H.R. 8644. An act to provide warrant officers of the Coast Guard parity of promotion with warrant officers of the Navy:

H.R. 8688. An act for the relief of Stella E. Whitmore;

H.R. 8700. An act to establish a Code of Laws for the Canal Zone, and for other purposes:

H.R. 8728. An act authorizing the Secretary of War to lease or to sell certain lands and buildings, known as Camp Eagle Pass, Tex., to the city of Eagle Pass, Tex.;

H.R. 8833. An act to authorize the coinage of 50-cent pieces in commemoration of the three-hundredth anniversary of the founding of the Colony of Connecticut;

H.R. 8909. An act to authorize the Secretary of the Treasury to amend the contract for sale of post-office building and site at Findlay, Ohio;

H.R. 8930. An act to provide for the construction and operation of a vessel for use in research work with respect to ocean fisheries:

H.R. 9007. An act to amend section 11 of the District of Columbia Alcoholic Beverage Control Act;

H.R. 9234. An act to amend section 601 (c) (2) of the Revenue Act of 1932:

H.R. 9371. An act to authorize the incorporated town of Douglas City, Alaska, to undertake certain municipal public works, including construction, reconstruction, enlargement, extension, and improvements of its water-supply system; and construction, reconstruction, enlargement, extension, and improvements to sewers, and for such purposes to issue bonds in any sum not exceeding \$40,000;

H.R. 9402. An act to authorize the incorporated town of Fairbanks, Alaska, to undertake certain municipal public works, including construction, reconstruction, and extension of sidewalks; construction, reconstruction, and extension of sewers, and construction of a combined city hall and fire department building, and for such purposes to issue bonds in any sum not exceeding \$50,000;

H.R. 9571. An act granting the consent of Congress to the county commissioners of Essex County, in the State of Massachusetts, to construct, maintain, and operate a free highway bridge across the Merrimack River, in the city of Lawrence, Mass .:

H.R. 9617. An act to authorize the reduction of the required distance between liquor distilleries and rectifying plants and to authorize higher fences around distilleries;

H.R. 9645. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Washington, Mo.;

H.R. 9646. An act to authorize the acquisition of additional land for the Upper Mississippi River Wild Life and Fish Refuge; and

H.J.Res. 341. Joint resolution authorizing an appropriation for the participation of the United States in the international celebration at Fort Niagara, N.Y.

## DEFICIENCY APPROPRIATIONS

The Senate resumed the consideration of the bill (H.R. 9830) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes.

Mr. DICKINSON. Mr. President, there is now pending before the Senate for adoption the following amendment, on page 52, starting at line 10, reading as follows:

JUNE 15

Inter-American highway: To meet such expenses as the President in his discretion may deem necessary to enable the United States to cooperate with the several Governments, members of the Pan American Union, in connection with the survey and construction of the proposed inter-American highway, \$5,000,000, to remain available until expended.

I desire to suggest that there is no possible justification for that expenditure at the present time. We are not obligated under the law to make it; there is no treaty negotiation whereby it can be justified. If we are to start in with the construction of highways beyond the borders of the United States they will lead in all directions from the United States, and those who believe we are to get a real benefit from this sort of a program are entirely in error.

I wish to suggest something in reference to the efficiency of this matter. The Presiding Officer has admitted that there is no treaty authorization, that there is absolutely no legislation authorizing this expenditure, and I submit that there is no way by which the expenditure can be justified under existing law.

The PRESIDING OFFICER (Mr. ASHURST in the chair). The Chair will ask that there be order in the Senate.

Mr. DICKINSON. Mr. President, I should think those Democratic Senators who voted in the affirmative on the question just decided, when they were in effect voting to approve an expenditure of \$5,000,000 without any authority of law, ought to do something to divert their minds from a project of this kind.

The Budget Director has sent an estimate to Congress, and I wish to read the estimate in order to have it all in the RECORD. The confession on the face of it is that there is no authorization of law for this expenditure. It is the worst indictment for lack of efficiency I have seen since I have been a Member of the Senate.

I read first the message from the President:

To the President of the Senate.

I ask the present occupant of the chair [Mr. ASHURST], Chairman of the Committee on the Judiciary, versed in the law, to listen to this:

SR: I have the honor to transmit herewith, with recommendation for its inclusion in the bill "Making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes", a proposed provision of legislation. provision of legislation-

This is signed by Franklin D. Roosevelt, President of the United States, and he says in this communication that he proposes this legislation. Yet the Senate, by a record vote, has said that it is not legislation, when Senators voted to overrule the point of order, in making which I insisted that it was legislation on an appropriation bill. Here is the confession of the Democratic occupant of the White House that it is legislation. I quote further-

so as to make available the funds necessary to cooperate with the several governments, members of the Pan American Union, in connection with the survey and construction of a proposed inter-American highway.

Of course, for those who have plenty of money and want an international highway, this might be a good thing, but it is a bad thing for the taxpayer and it is a bad thing to get started in this country of ours, because these roads will run in all directions from the boundary lines, both north and south. Sooner or later it will be proposed that there be built a road to Alaska, and there is four times the reason for building a road to Alaska that there is for building one to Panama. Yet we are asked to start this program with a \$5,000,000 appropriation.

I continue to quote:

It is necessary that the proposed provision of legislation be inserted in the bill herein referred to if the United States is to cooperate with the several governments referred to.

Respectfully,

FRANKLIN D. ROOSEVELT.

In other words, here is the bold statement of the President himself that this is legislation. Yet the Senate, with a Democratic majority voting almost solidly, have reached the conclusion that it is not legislation. Either they are right, or the President is right. I do not know which is right.

Let us see what the Budget Director says:

BUREAU OF THE BUDGET,

Bureau of the Budger, Washington, June 13, 1934.

SR: I have the honor to submit for your consideration the following draft of a proposed provision of legislation for inclusion in the bill making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes, so as to make available the funds necessary to cooperate with the several governments, members of the Pan American Union, in connection with the survey and construction of a proposed inter-American highway:

Page 63, line 5, after the word "and", insert "to meet such expenses as the President in his discretion may deem necessary to enable the United States to cooperate with the several governments, members are the president of the proposed inter-American highway:

to enable the United States to cooperate with the several governments, members of the Pan American Union, in connection with

the survey and construction of the proposed inter-American highway, and."

It is necessary that the foregoing provision of legislation be inserted in the bill herein referred to if the United States is to cooperate with the several governments referred to.

Very truly yours,

L. W. Douglas, Director.

Mr. GLASS. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. GLASS. If I may venture to say so, it seems to me that the Senator is discussing a point of order which has already been decided and voted on by the Senate, and that he is in a measure trying to make a partisan issue out of a proposition which is not a partisan issue; and that if he will get off that vein there are some of us over here who would like to vote against this proposal who do not want to sit and listen to a court decision after the court has decided

Mr. DICKINSON. Mr. President, I suggest to the Senator from Virginia that I think we ought to have the history of this matter of record here. That is why I wanted to put the Budget estimate in the RECORD.

Mr. GLASS. I suggest to the Senator that he cannot get anywhere in undertaking to make a partisan question out of a purely business proposition. He is undertaking to say that the President of the United States has said this is legislation, notwithstanding the fact that the Senate has voted that it is not legislation. What does that amount to? I would vastly rather take the opinion, for example, of the distinguished Senator from Missouri [Mr. CLARK] on a question of that kind than the opinion of the President of the United States and of the Director of the Budget combined. That question has been settled. Now, let us vote on the question whether we shall make this appropriation or not.

Let me suggest to the Senator, if I may, because I am very much older than he is, though I do not look it, that when he undertakes to make a partisan issue out of this he is about to lose his contention. He speaks of "you Democrats over there" voting for this thing. How does the Senator know we are going to vote for it?

Mr. DICKINSON. I am not contending the Senator will

Mr. GLASS. I voted against it in the committee, and, if the Senator will just desist, I will have an opportunity to vote with him on the floor of the Senate.

Mr. DICKINSON. I wish to suggest that I do not believe this matter can be passed over without some comment on the merits of the question.

Mr. GLASS. I readily admit that.

Mr. DICKINSON. I do not know whether it is going to be the policy of the present administration to send up Budget estimates for which there is no authorization. Naturally, it may be their desire to direct the legislation. Whether this is considered partisan or not is immaterial to me; but I am concerned as to the policy and its effect on what we are going to do so far as appropriations in the future are concerned.

I have about concluded my statement, so far as the RECORD is concerned, on this particular item, except that I want to make one other suggestion. The subcommittee of the Committee on Appropriations struck out this provision, or refused to put it in as an amendment.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. HAYDEN. That action was taken because at the time when the matter was presented to the subcommittee there was no Budget estimate.

Mr. DICKINSON. That is a fine confession, and it is exactly what I wanted the Senator to say. Why? Because he immediately went down and got a Budget estimate, and it was sent up, so as to be brought before the full committee, and then the amendment was put in there solely for the reason that there was a Budget estimate for it; but there was not a solitary member of that committee who tried to satisfy himself with regard to the legality or the authorization for the appropriation. And, as a matter of fact, it has now been confessed here that there is no legislation which permits this appropriation.

Mr. HAYDEN. That was confessed from the beginning, Mr. President. No one at any time asserted that there was authority of law for this appropriation; but it would not be in order upon an appropriation bill unless there was a Budget estimate, and it would not be in order unless reported from a standing committee of the Senate. A Budget estimate having been received and the amendment having been reported from a standing committee of the Senate, it was in order, and the Chair ruled correctly and the Senate voted correctly in sustaining the Chair.

Mr. DICKINSON. It was put in as legislation when, according to the rules of the Senate, we are not presumed to put legislation on an appropriation bill. The rule that the Senator from Arizona [Mr. HAYDEN] suggests is the rule with reference to the increases of appropriations and additions to appropriations, but does not apply to legislation. The Appropriations Committee is not a legislative committee and is not presumed to legislate.

Let me now refer to the merits of this proposal. Why do we now want to spend \$5,000,000 for this purpose? The point was made by the Senator from Wyoming [Mr. Carey] that we are going to spend \$5,000,000 with which to buy materials in this country to be sent down into the South American countries. Why should we be sending \$5,000,000 worth of material down there as a gift? They would probably rather have the money. I think there is no question but what they would rather have the money. I do not know who is going to administer this law so as to assure that we are going to have the material bought here rather than the money spent down there. I do not know what favoritism is going to be shown in the matter of the purchase or the sale of the material. In other words, it is entering into a program all along the line which in my judgment is ill-advised and which, in my judgment, will lead us into trouble in the

I am just wondering how the taxpayers of this country are going to view this proposal which puts the camel's nose under the tent, and which initiates a program under which they are to be told "We are going to spend your money not only for all the highways we can build in the United States "-and we do have an efficient system of highways in the United States, and we do have an efficient contribution from the public Treasury, thanks to the efficiency and the skill of the Senator from Arizona and the other Members of both Houses who have been interested in public highway improvement at public expense-"but we are going to go beyond the borders of our own country and are going to build some nice highways down in Mexico for the use of the people of other countries."

Of course some of us may be down there once in a while; there may be some friend down there who wants to come here to talk to the Secretary of State; there may be a representative of our Government who wants to go back and forth from his post of duty down there; but mostly this road will be used by the people of the other countries.

Since when have we gotten so generous that we can take our taxpayers' money, with the amount in the Treasury running now below \$2,000,000,000 when about the 1st of January the balance in the Treasury was over \$5,000,000,000? What assurance have we that the tax funds are going to be of such amount that we can take this \$5,000,000 and give it to someone to play with in the construction of a highway down in Mexico? In my judgment, this amendment should be defeated.

Mr. NORRIS. Mr. President, I believed the provision was subject to a point of order. I voted against laying the appeal on the table. But that is water over the dam. The Senate has decided otherwise.

I can see how men might disagree very easily on that question. We have now reached the merits of the question.

I agree with the Senator from Virginia [Mr. Glass] that there is absolutely no partisanship in it. There ought to be none. Some of the remarks of the Senator from Iowa [Mr. Dickinson] make it embarrassing for one to oppose this amendment on its merits.

Mr. GLASS. Mr. President, with the Senator from Iowa making a partisan issue of it, a question of Republicanism or Democracy, it makes it very embarrassing for some of us on this side of the Chamber to vote on the merits of the question.

Mr. NORRIS. Well, either way, Mr. President, I am opposed to its merits at this time.

Mr. GORE. The Senator means its demerits.

Mr. NORRIS. No; I mean its merits, because I think it has some merit.

If we were under ordinary conditions at the present time and we were not faced with the emergency and necessity for scrutinizing every item of appropriation and cutting it to the bone, I would be glad to consider the advisability of our helping to build this road. I concede it would be nice to have it. Even then it would be a question as to whether we ought to pay money to build a road in another country, although we have dominions in a country to the south where the road would go, and there would be some reason why we should make some contribution to the building of the road.

But, Mr. President, the condition in which we find ourselves financially, it seems to me, ought to settle this question on its merits, at least for the present. Five million dollars spent at this time for the building of this road on the part of our Government, it seems to me, would be a donation or a contribution, if Senators want to put it that way, which is not justified under the present circumstances.

I find no fault with the officials of the Government who feel differently, or if it be the President, then the President, if he thinks it ought to be done now. I simply do not agree with those who believe that way. Believing as I do I want to vote against this particular amendment.

Mr. President, I have felt that the way the debate is going I could not well vote either way on it without explaining why I did so.

Mr. BYRNES. Mr. President, I desire to say only a few words. I am in entire accord with what has been said by the Senator from Virginia [Mr. Glass] and the Senator from Nebraska [Mr. Norris] with reference to the statements made by the Senator from Iowa [Mr. Dickinson] as to this amendment. This proposal does not permit of any partisanship. It originated in 1929, and the act was approved by President Coolidge. That act authorized this Government to cooperate with the members of the Pan American Union in this proposal, and it appropriated \$50,000 for a survey, and directed a report to the Congress as to the construction of this highway. Pursuant to that act of Congress representatives of this Government entered into conferences with the Governments of Central America.

The State Department in requesting this appropriation states that after consultation with the Central American Governments and only upon a showing that they have worked out a satisfactory plan for the construction of the

highway and are making appropriate efforts and expenditures on their own part to construct the highway, will there be cooperation by us, and that cooperation will not be in the nature of a cash advance or a loan, but, by agreement, will take the form only of a donation of material, of machinery and of structures to assist in the construction of the highway.

The portion of the road to be first undertaken is from Laredo, Tex., to Mexico. The State Department is of the opinion that just at this time it would be exceedingly unfortunate if, after this Government has entered into conferences on this subject and promised cooperation, it should fail to cooperate. The Department believes, on the other hand, that if, pursuant to our agreement with the other countries, we shall provide this fund we will be contributing highway materials which are manufactured in this country; American workmen will be helped, and that the foreign trade of the United States will be promoted by our cooperation in this matter. I hope that the amendment will be agreed to.

Mr. DICKINSON. Mr. President, will the Senator from South Carolina yield for a query?

Mr. BYRNES. I do not. I yield the floor.

Mr. DILL obtained the floor.

Mr. DICKINSON. Will the Senator from Washington yield?

Mr. DILL. I yield to the Senator from Iowa.

Mr. DICKINSON. I just want to suggest to the Senator from South Carolina that if we can make this appropriation in this form and under these conditions, there is no use in the Senator from Arizona [Mr. Hayden] securing authorizations for appropriation for public highways any more. All he need to do is, without any authorization, just to get a Budget estimate and have it sent up here and add it to the bill.

Mr. DILL. Mr. President, if the Government of the United States is going to embark upon the appropriation of money for the building of highways outside its territorial limits, if it is going to contribute toward the building of a highway into a foreign land or through a foreign country, I think we should consider the need of a highway to Alaska. If we shall appropriate for the building of a highway to Alaska we will be building a connecting link between two parts of this country, and, furthermore, we will be building through a country that has been a friendly neighbor for more than a century, a country that is composed of people like our own, who go back and forth across the border, as do our people.

If we are going to spend \$5,000,000 on a highway through Mexico and Latin America, I think it only proper that we spend an equal amount on a highway through Canada to reach our northern extremity, Alaska.

Mr. President, this subject has been discussed in the northwestern part of the United States at great length. There are many organizations in that section which have spent considerable money in making studies of it. We believe it is highly desirable. I have been the recipient of many appeals in favor of such a highway. The Canadians have agreed that the highway is necessary and have shown a spirit of willingness to cooperate. I have not pressed any such proposal in the Congress, for the reason that I did not know that those in charge of the Government were inclined to spend money to build a highway outside the borders of this country, but since that seems to be the desire and purpose of the officials of the Government, I think we ought to carry in this appropriation a provision for an equal amount of money looking to the survey and construction of a highway through Canada into Alaska.

For that reason, Mr. President, I want to offer an amendment to the particular pending amendment. I am compelled to offer it now, because if the pending amendment shall once be adopted I cannot offer an amendment to it.

Mr. ROBINSON of Indiana. Mr. President-

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Indiana?

Mr. DILL. I yield.

Mr. ROBINSON of Indiana. Mr. President, I understand a survey has already been made for such a highway as the Senator suggests.

Mr. DILL. Yes.

Mr. ROBINSON of Indiana. And it has been decided definitely to be feasible; that it would facilitate travel back and forth between this country and Alaska and would be the means, probably, of colonizing that great Territory and increasing its population tremendously, which might be a method of relieving the unemployment situation in this country. Therefore, I am in entire accord with what the Senator has said.

Mr. DILL. Not only that, but it would have a military aspect of great value to this country.

Mr. ROBINSON of Indiana. That is true.

Mr. DILL. With conditions in the Far East as they are. if trouble should ever develop there, Alaska would probably be the point of attack from that part of the world; and a highway of this kind would be of invaluable benefit in time of trouble with a foreign foe in the Far East. I ask that the amendment may be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 52, line 15, after the figure "\$5,000,000", it is proposed to insert:

and, under the same terms and conditions, to be expended in cooperation with the Government of the Dominion of Canada in connection with the survey and construction of the proposed Alaska highway from the United States to Alaska, \$5,000,000.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Washington to the amendment reported by the committee.

Mr. BORAH. Mr. President, as I understand, the effect of the two amendments would be to appropriate \$10,000,000. If the Senator from Washington should offer his amendment as a substitute for the amendment now pending. I would consider it rather favorably, but I cannot at this time vote for an appropriation of \$10,000,000 in order to build roads outside the territory of the United States. I should. however, be very glad to have an opportunity to vote separately on the proposal.

Mr. ADAMS. Mr. President, I feel compelled, as chairman of the subcommittee, to raise the point of order against this amendment that there is no authorization of any kind to support it. In doing so, I also invite the attention of the Senator from Washington to the fact that on page 93 of the bill there is contained an appropriation of \$1,500,000 for highways in Alaska.

Mr. DILL. The amendment offered by me does not provide for highways in Alaska but for a highway to Alaska.

Mr. ADAMS. I was merely pointing out that Alaska was not being entirely overlooked.

Mr. DILL. If the Senator will yield, he might as well call attention to the appropriation for highways in the States. When he calls attention to the appropriation to be spent in Alaska, it is a proposal to spend money in a Territory controlled by this Government; but the committee amendment provides for the spending of money in foreign lands and not in any country controlled by our own Government.

Mr. REYNOLDS. Mr. President-

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from North Carolina?

Mr. ADAMS. I was simply raising the point of order against the amendment that there were no authorization and no Budget estimate back of it.

Mr. REYNOLDS. Mr. President, I wish to say that I am entirely in accord with and expect to vote for the amendment which has been offered by the Senator from Washington [Mr. Dill], and I also have high hope of favorable action on the appropriation provided in this bill for the expenditure of \$5,000,000 for the purpose of carrying forward the program which has been outlined for the construction of a highway to the Central American countries through Mexico. I shall support that amendment. I trust sincerely that a \$5,000,000 appropriation will be made for the construction of a highway reaching southward to the Central

American countries through our sister Republic of Mexico. and that, in addition thereto, \$5,000,000 will be appropriated by the Congress for the construction of a roadway leading northward to Alaska.

We all know that good roads are the handmaidens of modern civilization. We all know that good roads have done more for this country than has any other single factor which can be recalled to the mind of any Member of this body. We all unquestionably recognize that America's phenomenal development has been attributable to the fact that we, above all countries in the world, have gone forward more rapidly in road construction than has any nation on earth; and we know that we could not have made this unusual progress had it not been that we have brought communities closer

I am not, however, for the amendment of the Senator from Washington for the reason he stated a moment ago that the construction of the road therein provided for would place us in a position more effectively to defend ourselves if we should have trouble with countries of the Orient. Insofar as my judgment goes. I doubt if we shall ever have any serious difficulty with the countries of the Orient.

When I refer to "countries of the Orient," of course, I bear preeminently in mind Japan. Japan in conflict with this country would be like a feeble mouse in the claws of a cat. We are always talking about "trouble with Japan," while at this hour over in Russia there are about 700 airplanes and great military forces. Some day-probably it will not be far removed-there will be difficulty between Russia and Japan, and when that difficulty comes we will not need to give any more thought to Japan.

However, I am interested in building highways southward from the border, and in building highways northward from this country into Alaska, because I recognize that we should make as friendly as possible our relations with our neighbors

on the south and our neighbors on the north.

Mr. LOGAN. Mr. President-

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Kentucky?

Mr. REYNOLDS. I vield.

Mr. LOGAN. I should like to ask the Senator if he thinks human nature has changed in the last 2,000 years? Rome used to build roads through foreign countries, but she had to fight for the privilege of doing so. Does the Senator now think that foreign countries will invite us to build roads through their territory?

Mr. REYNOLDS. As a matter of fact foreign countries are now inviting us to build roads through their territoryfor instance, our neighbors on the south. We have been extended a very generous invitation to construct modern highways through their territory.

In view of the fact that we have gone as far as we have, I think we should make now an appropriation of \$5,000,000 for the construction of highways to the south and of \$5,000,000 for the construction of highways to the north. Why? There is no money we could spend that would be so beneficial to us from the standpoint of diplomacy and the creation of friendship as these two items of \$5,000,000 each.

In addition it would be a benefit to the people of America for the reason that year after year our people have made expenditure of millions upon millions of dollars by way of visiting the countries of continental Europe. I for one am desirous of creating within the minds of the people of our land the idea, before venturing abroad beyond the seas to view the sights, historic, natural, and otherwise, that they should first see America and after they have seen America they should see the beautiful natural sights to the north and the historic beauties to the south.

I, therefore, hope that we may add to the greatest industry in the world. That industry is not the steel industry, not the railroad industry, not the beef or slaughterhouse industry, not the automobile industry. The greatest industry on earth is the tourist industry. This would add to the tourist industry of America as well as of our sister countries to the north and south, and would create for us a warmer bond of friendship.

The PRESIDING OFFICER. The Chair presumes to ask | the Senator from Colorado [Mr. Adams] under what rule the able Senator is making the point of order?

Mr. ADAMS. Under paragraph 1 of rule XVI.

Mr. DILL. Mr. President, if the amendment had been offered by myself from the floor without the action of the Senate in making the pending committee amendment in order, I would concede that the point of order was well taken: but the Presiding Officer ruled, and the Senate sustained him, that no legislation was necessary to authorize the particular amendment to be in order. Having made it in order, it seems to me an amendment of the same kind and to the same effect, except changing the wording somewhat, is in order. The point of order of the Senator from Colorado does not lie for that reason.

The PRESIDING OFFICER. What has the able Senator from Colorado to say in reply to that statement?

Mr. ADAMS. Mr. President, the amendment of the Senator from Washington provides an entirely new item of appropriation. It is not authorized by law. It is not authorized by treaty. It does not come from a select or standing committee. It is not authorized by the Budget. It is not in any way brought within the provisions of paragraph 1 of rule XVI, which must be done in order to make it in order.

Mr. BONE. Mr. President, it may be that the amendment offered by my colleague [Mr. Dill] is subject to the point of order, but before the decision is made by the Chair I should like to offer, if I may, a little information to my brethren of the Senate about the subject matter of the amendment.

I feel that if we are to vote on the amendment at all, we should have some understanding of the nature of the

proposal involved.

The road in question has already partly been built. It extends from Vancouver, British Columbia, along the west coast of British Columbia to southeastern Alaska, the Juneau and Skagway districts of Alaska. I believe 200 or 300 miles of the road is in good condition. The Canadian Government-that is to say, the British Columbian Government-has been actively seeking the cooperation of the State of Washington with a view of putting behind the proposal a great body of public opinion.

The road will go through what is one of the most beautiful scenic parts of the western world. Some Senators, I know, have visited western British Columbia, and I think they will agree with me that there is no place in America

with more charming scenery.

Mr. McKELLAR. Mr. President, may I ask what is the distance from the northern boundary of the United States to the southern boundary of Alaska on the route over which the road would be built?

Mr. BONE. I can only answer the Senator from Tennesee from memory. It is my understanding that there is about 1,200 miles of the route to be built in British Columbia. My colleague will correct me if I am in error.

The road would run through Prince Rupert in British Columbia, which is one of the prominent Canadian seaports on what is known as the inner water passage to Alaska. When the road is completed it would connect continental United States with its greatest Territory. It would make possible the passage of automobile and truck traffic directly from the American border at Blaine, Wash., through to southeast Alaska. It is a tremendous undertaking, but the route has been surveyed in a preliminary way and part of the road has already been built. It would be really an artery of the United States rather than a purely Canadian road. I suggest this because the matter may come up later, and at this moment I think it well to have an understanding in the minds of the Senators as to what it really is, because it vitally affects our own national and economic interests.

When the road is built it will form a valuable connecting link between the United States and Alaska. Western British Columbia is sparsely settled. In fact, north of Prince Rupert the inhabitants are so scattered that it is almost like mended by the Department of the Interior; it has been

the interior of Alaska, so the road would not have the same practical value to British Columbia as it would to the United States. It is simply a method by which traffic may be siphoned from the northern part of the United States into Alaska without the necessity of going by boat.

A number of Senators have visited Alaska by way of the inner-water passage and they know what it is. The road would follow in a general way the contours of the inner passage to Alaska. I feel that the money would be well spent, because when the road is completed, although on Canadian soil, it would literally and practically be an American road.

With respect to national defense, which has been adverted to by the Senator from North Carolina [Mr. REYNOLDS] and my colleague [Mr. Dn.L], that is a matter which Senators in their own judgment must determine. I think the road would be highly desirable from a military standpoint. But that is beside the real question involved. The arts of peace are much more impressive and important. I believe the money would be well spent if the Congress should determine that it is to be spent. It would cement our Canadian brethren to us in deeper and more enduring bonds of friendship.

The PRESIDING OFFICER. The Chair is ready to rule. Mr. DICKINSON. Mr. President, before the Chair rules, I desire to say a word. There is a saying that if we open a hole for one cat to go through, two may go through. When we permit the construction of one project we open the way for the construction of similar projects. If we permit the construction of one barn on a public project, two barns

In the Senate itself a number of years ago, as the present occupant of the Chair will recall, there was presented an amendment providing an appropriation of some three or four million dollars for flood relief in New Hampshire and Vermont. It came to the floor of the Senate. The Senator from Kentucky [Mr. BARKLEY] offered an amendment for flood relief in Kentucky and Tennessee, and there was an addition of three or four million dollars on account of the projects being similar.

I invite the attention of the Chair that this is not an amendment to the appropriation bill. It is an amendment to an amendment already held in order by the Chair. Therefore, anything that is germane and that has to do with a similar project of a similar nature and of a similar kind is germane to the amendment. This is not an amendment to the appropriation bill. It is an amendment to the amendment which the Chair just previously held in order and which the Senate itself has held in order by voting to lay the appeal on the table. Therefore I contend that the rule cited by the Senator from Colorado [Mr. Adams] does not apply in this instance.

Mr. PITTMAN. Mr. President, I am in entire accord with everything that has been said by the Senator from Washington with regard to the advisability of building this road.

We have a large investment in Alaska, and we must keep up that investment. As we all know, the country has suffered until the present time from a lack of road transportation. The proposed road would run north or northwest along the entire coast of Alaska, probably, up to the Seward Canal. As has already been stated, it would open up in Alaska the grandest scenery in this country, in my opinion.

Tourist travel in Alaska is restricted today by reason of having to travel entirely by water. While the accommodations are very good, they do not constitute adequate transportation. If this road were completed through Alaska, it would undoubtedly mean that thousands of tourists every year would visit that country by automobile. They would leave money there. They would aid in the revenue. It would be a great thing. It would make a tremendous playground for the people of this country.

I simply state that in passing because I feel it my duty to urge that there is not a similarity between this amendment and the amendment to which it is offered. The former amendment was estimated for by the Budget; it was recompassed on by a standing committee, and was offered by a committee. So, in my opinion, the former amendment was in order, and in my opinion the present amendment unfortunately is subject to a point of order.

The PRESIDING OFFICER. The Chair is prepared to rule, and is willing to accept the responsibility following the ruling; but under rule XX the Chair may submit a point of order to the Senate if any Senator requests that the point be submitted to the Senate.

No Senator requesting the submission of the point of

Mr. DICKINSON. In view of the fact that the Senate passed on the other point of order, I request that it pass on

this point of order.

The PRESIDING OFFICER. The question is, Is the point of order made by the Senator from Colorado [Mr. Adams] tenable, and is it well taken? [Putting the question.] By the sound the "noes" appear to have it. [A pause.] The "noes" have it. The Senate decides that the point of order is not well taken.

Mr. ADAMS. I ask for a division.

Mr. CONNALLY. Mr. President, do I understand that the Chair ruled that the point of order was not well taken? The PRESIDING OFFICER. The Chair submitted the point of order to the Senate. The Senate decided that the

point of order was not well taken.

Mr. CONNALLY. With all respect to the Chair, I think the Senate voted under a misapprehension.

The PRESIDING OFFICER. Very well. In the absence of objection, the Chair will again put the question.

Mr. GLASS. I call for the yeas and nays on the point of order.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Chair will now endeavor to state the question.

The Senator from Washington proposes an amendment, which will be stated by the clerk.

The CHIEF CLERK. In line 15, page 52, after "\$5,000,000", it is proposed to insert:

And, under the same terms and conditions, to be expended in cooperation with the Government of the Dominion of Canada in connection with the survey and construction of the proposed Alaska highway from the United States to Alaska, \$5,000,000.

The PRESIDING OFFICER. The able Senator from Colorado [Mr. Adams] makes the point of order that under rule XVI this amendment has not been authorized by any existing law or treaty; that it has not been reported by any standing committee; that it is not estimated for.

Mr. FESS. Mr. President, this is an amendment to the amendment of \$5,000,000; is it not?

The PRESIDING OFFICER. It is.

Mr. FESS. While I am opposed to the amendment, it certainly is in order.

The PRESIDING OFFICER. The Senate has so decided, and the yeas and nays have been ordered.

Mr. CONNALLY. Mr. President, I suppose, then, anything could be put on as an amendment to an amendment, under the statement of the Senator.

Mr. DICKINSON. Anything that is germane.

Mr. CONNALLY. Anything at all. Those who desire to sustain the committee will vote "yea", and those opposed will vote "nay"; is that the idea?

The PRESIDING OFFICER. Yes.

Mr. DILL. Let us get that clear. Those who are opposed to the point of order being approved, those who want to overrule the point of order, will vote "nay"?

The PRESIDING OFFICER. Those who are of opinion that the point of order is well taken will vote "yea." Those who are of opinion that the point of order is not well taken will vote "nay."

Mr. BORAH. Mr. President, as I understand, the record now stands that the original amendment was held to be in order.

The PRESIDING OFFICER. It was.

Mr. BORAH. And this is an amendment to the original amendment which was held to be in order?

The PRESIDING OFFICER. The Senate held the amendment to the amendment to be in order, and the Chair made the announcement; whereupon Senators, exercising their right, asked for a roll call, and that question is now about to be decided by a roll call.

Mr. SMITH. And those who vote "yea" will vote that it is in order?

The PRESIDING OFFICER. Those who vote "yea" will vote to sustain the point of order, and thus reject the amendment.

Mr. SMITH. Very well.

The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk proceeded to call the roll.

Mr. WALCOTT (when his name was called). I have a pair with the Senator from California [Mr. McAdoo]. Not knowing how he would vote if present, I refrain from voting.

The roll call was concluded.

Mr. ROBINSON of Arkansas. I transfer my pair with the Senator from Pennsylvania [Mr. Reed] to the Senator from New York [Mr. Copeland] and will vote. I vote "yea."

Mr. LONG. How is the junior Senator from Wisconsin IMr. Duffyl recorded? I desire to vote the opposite way.

The PRESIDING OFFICER. The Senator is recorded in

The PRESIDING OFFICER. The Senator is recorded in the affirmative.

Mr. LONG. How am I recorded?

The PRESIDING OFFICER. In the negative.

Mr. LONG. That is right.

Mr. HEBERT (after having voted in the negative). I have a pair with the Senator from Illinois [Mr. Lewis]. I find that he is out of the Chamber, and therefore I am forced to withdraw my vote. If at liberty to vote, I should vote "nay."

I desire to announce the general pair of the Senator from New Hampshire [Mr. Keyes] with the Senator from Indiana [Mr. Van Nuys].

Mr. ROBINSON of Arkansas. I announce that the Senator from California [Mr. McAdoo] is detained from the Senate by illness, and that the Senator from Alabama [Mr. Bankhead], the Senator from New Hampshire [Mr. Brown], the Senator from New York [Mr. Copeland], the Senator from Illinois [Mr. Lewis], the Senator from Indiana [Mr. Van Nuys], and the Senator from Florida [Mr. Trammell] are necessarily detained.

The result was announced—yeas 49, nays 34, as follows:

on and the	YE	AS-49	
Adams Bachman Bailey Barkley Black Borah Bulkley Byrd Byrnes Clark Connally Coolidge Costigan	Couzens Cutting Dieterich Duffy Erickson Fletcher Gibson Glass Gore Harrison Hatch Hayden King	La Follette Logan Lonergan McGill McKellar Metcalf Murphy Neely Norris Nye O'Mahoney Overton Pittman	Pope Robinson, Ark, Russell Sheppard Stephens Thomas, Okla. Thompson Tydings Vandenberg Wagner
	NA	YS-34	
Austin Barbour Bone Bulow Capper Caraway Carey Davis Dickinson	Dill Fess Frazier George Goldsborough Hale Hastings Hatfield Johnson	Kean Long McCarran McNary Patterson Reynolds Robinson, Ind. Schall Shipstead	Smith Steiwer Thomas, Utah Townsend Walsh Wheeler White
	NOT V	OTING—13	
Ashurst Bankhead Brown Copeland	Hebert Keyes Lewis	McAdoo Norbeck Reed	Trammell Van Nuys Walcott

So, the Senate decided the amendment of Mr. Dill to the amendment of the committee to be out of order.

Mr. BORAH. Mr. President, I desire to offer an amendment to the amendment, on page 52, line 15, to strike out the figure "5" and to insert in lieu thereof the figure "1", so that it will read "inter-American highway, \$1,000,000, to remain available until expended."

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Idaho to

the committee amendment. [Putting the question.] The ayes appear to have it. The ayes have it, and the amendment to the amendment is agreed to.

The question now is on agreeing to the amendment as amended.

Mr. DICKINSON. Mr. President, I ask for the yeas and nays.

Mr. CONNALLY. Mr. President, I am very much interested in the adoption of the pending amendment. My State borders the greatest Latin American country which is interested in the proposed highway.

I may say to Senators, for their information, that about the 1st of next January, or perhaps prior to that time, a very fine highway will be completed from Laredo, Tex., to the City of Mexico. The Mexican Government is constructing that highway, and none of the money proposed to be appropriated under this amendment, as I understand it, will be expended for that purpose. I make this statement in order to assure Senators that the Federal Government is not going to be called upon to bear the expense of the proposed highway all the way to Central America.

With the opening of the Mexican highway to the city of Mexico, thousands and thousands of tourists will travel over that pathway to Central and South America, and I believe that this appropriation will give stimulus to the building up of fine, cordial relations, and commercial intercourse, with Latin America, and I hope the Senate will agree to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment as amended. The Senator from Iowa demands the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. ROBINSON of Arkansas (when his name was called). transfer my pair with the Senator from Pennsylvania [Mr. REED] to the Senator from Florida [Mr. TRAMMELL], and vote "yea."

The roll call was concluded.

Couzens

Mr. LEWIS. I desire to announce that the following Senators, the Senator from Alabama [Mr. BANKHEAD], the Senator from New York [Mr. COPELAND], the Senator from Utah [Mr. King], the Senator from Florida [Mr. TRAMMELL], and the Senator from Indiana [Mr. Van Nuys], are necessarily detained from the Senate.

I regret to announce that the Senator from California [Mr. McApoo] is detained from the Senate on account of

Mr. HEBERT. I desire to announce the following general pairs:

The Senator from New Hampshire [Mr. Keyes] with the Senator from Indiana [Mr. Van Nuys];

The Senator from Connecticut [Mr. WALCOTT] with the Senator from California [Mr. McApoo]; and

The Senator from Minnesota [Mr. Shipstead] with the Senator from New York [Mr. COPELAND].

The result was announced—yeas 48, nays 38, as follows:

## VEAS\_48

Coolidge Costigan Cutting Dieterich	Lewis Lonergan Long	Pope Reynolds
Duffy Erickson Fletcher Gibson Harrison Hatch Hayden	McCarran McGill McKellar McNary Neely Norbeck Nye Overton	Robinson, Ar Sheppard Smith Steiwer Thomas, Uta Thompson Townsend Vandenberg Wagner Wheeler
		witeeter
Dickinson Dill Fess Frazier George Glass Goldsborough	Hatfield Hebert Johnson Kean Logan Metcalf Murphy	Robinson, In Russell Schall Stephens Thomas, Okla Tydings Walsh
	Harrison Hatch Hayden La Follette  NAY Dickinson Dill Fess Frazier George Glass	Harrison Norbeck Hatch Nye Hayden Overton La Follette Pittman  NAYS—38  Dickinson Hatfield Dill Hebert Fess Johnson Frazier Kean George Logan Glass Metcalf

Patterson

Hastings

NOT VOTING-10

Bankhead King McAdoo Van Nuys Walcott Shipstead Copeland Keyes Reed

So, the amendment as amended was agreed to.

## ESTABLISHMENT OF A NATIONAL ARCHIVES

The PRESIDING OFFICER laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H.R. 8910) to establish a National Archives of the United States Government, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BARKLEY. I move that the Senate insist upon its amendment, agree to the conference asked by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Barkley, Mr. McKellar, and Mr. Fess conferees on the part of the Senate.

## MESSAGES FROM THE PRESIDENT-APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who announced that the President had approved and signed the following acts:

On June 13, 1934:

S. 1994. An act for the relief of Estelle Johnson:

S. 2750. An act for the relief of Claude A. Brown and Ruth McCurry Brown, natural guardians of Mamie Ruth Brown:

S. 2898. An act conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on certain claims of George A. Carden and Anderson T. Herd against the United States;

S. 3041. An act to effectuate the purpose of certain statutes concerning rates of pay for labor, by making it unlawful to prevent anyone from receiving the compensation contracted for thereunder, and for other purposes;

S. 3237. An act to repeal certain provisions of the act of March 4, 1933, and to reenact sections 4 and 5 of the act of March 2, 1929;

S. 3502. An act authorizing the Oregon-Washington Bridge board of trustees to construct, maintain, and operate a toll bridge across the Columbia River at Astoria, Clatsop County, Oreg.: and

S. 3615. An act authorizing the county of Wahkiakum, a legal political subdivision of the State of Washington, to construct, maintain, and operate a bridge and approaches thereto across the Columbia River between Puget Island and the mainland, Cathlamet, State of Washington.

On June 14, 1934:

, Ark.

Utah

Ind.

Okla.

S. 870. An act for the relief of L. R. Smith;

S. 1126. An act for the relief of M. M. Twichel;

S. 1731. An act for the relief of Marion Von Bruning (nee Marion Hubbard Treat);

S. 2130. An act to authorize an appropriation for the purchase of land in Wyoming for use as rifle ranges for the Army of the United States;

S. 2918. An act for the relief of N. Lester Troast; and S. 3521. An act to facilitate purchases of forest lands un-

der the act approved March 1, 1911.

# DEFICIENCY APPROPRIATIONS

The Senate resumed the consideration of the bill (H.R. 9830) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes.

Mr. GORE obtained the floor.

Mr. CLARK. Mr. President, will the Senator yield? Mr. GORE. I yield.

Mr. CLARK. I desire to give notice of motion to reconsider the votes by which the two committee amendments on page 16, lines 5 to 9 and lines 11 to 14, were adopted.

The PRESIDING OFFICER. The notice of motion to reconsider will be entered.

POSTPONEMENT OF PROCESSING TAX IN CERTAIN CASES

Mr. GORE. Mr. President, I now desire to recur to the joint resolution, the point of order concerning which I was discussing. I ask to have Senate Joint Resolution 142 read, and I should like to have it appear in the RECORD at the point where it was presented this morning.

The PRESIDING OFFICER. Without objection, it is so

ordered.

The joint resolution will be read.

The Chief Clerk read the joint resolution, as follows:

Resolved, etc., That subsection (b) of section 19 of the Agricultural Adjustment Act, approved May 12, 1933 (title I, Pub., No. 10, 73d Cong.), is amended by adding the words at the end of said subsection, as follows: "And provided further, That the Secretary of the Treasury is further authorized to permit postponement, for an additional period of not exceeding 90 days, of the payment of taxes covered by any return under this title of processors of hogs whose average slaughter during the calendar year 1933 did not exceed 5,000 hogs per month." exceed 5,000 hogs per month.'

Mr. McNARY and Mr. BORAH rose.

The PRESIDING OFFICER. Does the Senator from Oklahoma yield; and if so, to whom?

Mr. GORE. I yield to the Senator from Oregon.

Mr. McNARY. Mr. President, from a hasty reading of the joint resolution I conceive that the effort is made to exclude from the payment of the processing tax for certain periods those who slaughter hogs not in excess of 5,000 per month. I am trying to see if I analyze correctly the Senator's proposal, which, as I understand, is to delay collecting the processing tax from those packers who slaughter less than 5,000 hogs a month.

Mr. GORE. It does not remit the tax at all.

Mr. McNARY. I did not say "remit." I said delay the payment of the processing tax.

Mr. GORE. Yes; it does that.

Mr. McNARY. Under the act, when the hog is sold the purchaser must immediately pay into the Treasury of the United States the amount of the processing tax. This seems to be a plan to take that out of the A.A.A., with the exception of those slaughterers who slaughter less than 5,000 in a month. Am I correct in that statement?

Mr. GORE. Yes. Packing houses which slaughtered last year on the average of not more than 5,000 hogs per month are entitled to the extension provided in this joint resolution.

Mr. McNARY. What is the delay granted by the resolution?

Mr. GORE. The purpose is this-

Mr. ROBINSON of Arkansas. Mr. President, I shall have to suggest the regular order.

Mr. BORAH. Mr. President, I desire to offer an amendment to the resolution.

Mr. ROBINSON of Arkansas. I shall object to the consideration of the resolution.

Mr. BORAH. I am not asking for the consideration of the resolution. I am offering an amendment to the resolution, which I ask to have printed.

Without objection, the amendment was ordered to be printed, as follows:

Section 36 of the Emergency Farm Mortgage Act of 1933, as

amended, is amended-

I. By striking the comma and the word "and" after the words "to reduce and refinance its outstanding indebtedness incurred in connection with any such project" in the second sentence thereof and inserting in place thereof the following: "; or, whether or not it has any such indebtedness, to purchase or otherwise acquire in connection with such project storage reservoirs or dams or sites therefor, or additional water rights, or canals, ditches or rights-of-way for the conduct of water, or other works or appurtenances necessary for the delivery of water, provided such purchase or acquisition is not intended to bring additional lands into production. Such loans \* \* \* II. By adding at the beginning of (5) thereof, the following:

in the case of a loan to reduce or refinance its outstanding

indebtedness

III. By adding at the beginning of (C) thereof, the following: "in the case of a loan to reduce or refinance the outstanding indebtedness of an applicant."

Mr. McNARY. I only desire to occupy the floor another minute. I wish to ask the Senator from Oklahoma if this bill has been referred to a standing committee of the Senate?

Mr. GORE. Mr. President, it has not.

Mr. McNARY. Has the report been made upon the proposal by the administrator of the Adjustment Act, the Secretary of Agriculture?

Mr. GORE. No written report has been made upon it, but I have information which is reliable that the Secretary of Agriculture favors it, the Treasury Department favors it, and it is left discretionary with the Secretary of the Treasury, upon a proper showing made, satisfactory to the Treasury Department, that this extension of 90 days and not more be given to packing concerns which slaughtered not more than 5,000 hogs per month last year.

Mr. McNARY. I understand that; but what security does the Government exact for the payment of this tax if

delayed?

Mr. GORE. There is no express provision in the resolution upon that point, but I assume that the Secretary of the Treasury would undoubtedly require ample security.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield for a question?

Mr. GORE. I yield.

Mr. ROBINSON of Arkansas. Has the resolution been referred to a committee or to either the Department of Agriculture or the Treasury Department?

Mr. GORE. They have both been consulted about it. It has not been referred to a committee, because it only came

to my attention yesterday.

I should like to say to the Senator before he interposes an objection that there are some 700 of these little concerns, these little packing houses, which have to pack and slaughter from day to day. The big concerns at the inception of the processing tax slaughtered on an extraordinary scale. The Senators know the processing tax began at 50 cents and then went to a dollar, and then \$1.50, and now it is \$2.25. The big packing concerns slaughtered and stored when the tax was low. The little concerns could not do that. They slaughter from day to day. They are now slaughtering and paying \$2.25 and marketing their products in competition with the big concerns which slaughtered when the tax was only 50 cents.

I am advised that this is a serious embarrassment, which may result in closing down a number of these small concerns, which provide local markets for farmers and provide some measure of competition with the larger establishments. They need this money for working capital. The joint resolution defers the collection for only 90 days, not more than that. It does that only upon an ample showing made to the Secretary of the Treasury, and is limited to those who slaughter not more than 5,000 hogs per month.

As I was saying a moment ago, there are some 700 of these small concerns. I will enumerate the approximate figures as to some of the States: South Dakota has 4; North Dakota, 6; Arkansas, 7; Minnesota, 9; Nebraska, 12; Iowa, 14; Oklahoma, 18; Kansas, 26; Texas, 30; Oregon, 15; Washington, 20; California, 65; Indiana, 30; Illinois, 50; Ohio and New York, 75; Pennsylvania, 80; and so on. It is of vital concern

to all these small concerns.

Mr. McKELLAR. Mr. President. I have no doubt that it is of vital concern, but it seems to necessitate argument and a great deal of talk.

Mr. GORE. I have nothing more to say, if anyone ob-

Mr. McKELLAR. Unless we are going to dispose of it at once, I am going to object, because I think the deficiency appropriation bill ought to go forward.

Mr. GORE. The Senator is undoubtedly right about that. Mr. ROBINSON of Arkansas. Mr. President, I do not think we should interrupt the consideration of the pending appropriation bill in order to take up a joint resolution which has not been considered by the committee, which has not been considered by any department, and which affects the processing tax. I should like to know a little more about it before we consider it.

for. The clerk will state the next amendment reported by the Committee on Appropriations.

Mr. GORE. I make the point of no quorum.

The PRESIDING OFFICER. The Senator from Oklahoma makes the point of no quorum. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Hebert	Pope
Ashurst	Couzens	Johnson	Revnolds
Austin	Cutting	Kean	Robinson, Ark.
Bachman	Davis	King	Robinson, Ind.
Bailey	Dickinson	La Follette	Russell
Bankhead	Dieterich	Lewis	Schall
Barbour	Dill	Logan	Sheppard
Barkley	Duffy	Lonergan	Shipstead
Black	Erickson	Long	Smith
Bone	Fess	McCarran	Steiwer
Borah	Fletcher	McGill	Stephens
Brown	Frazier	McKellar	Thomas, Okla.
		McNary	Thomas, Utah
Bulkley	George		
Bulow	Gibson	Metcalf	Thompson
Byrd	Glass	Murphy	Townsend
Byrnes	Goldsborough	Neely	Tydings
Capper	Gore	Norbeck	Vandenberg
Caraway	Hale	Norris	Wagner
Carey	Harrison	Nye	Walcott
Clark	Hastings	O'Mahoney	Walsh
Connally	Hatch	Overton	Wheeler
Coolidge	Hatfield	Patterson	White
Consland	Havden	Pittman	

The PRESIDING OFFICER. Ninety-one Senators have answered to their names. A quorum is present. The clerk will state the next amendment reported by the Committee on Appropriations.

#### DEFICIENCY APPROPRIATIONS

The Senate resumed the consideration of the bill (H.R. 9830) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes.

The PRESIDING OFFICER. The next amendment reported by the committee will be stated.

The next amendment was, under the heading "Treasury Department", on page 53, after line 3, to insert:

## DIVISION OF BOOKKEEPING AND WARRANTS

Contingent expenses, public moneys: The appropriations for contingent expenses, public moneys, for the fiscal years 1933 and 1934, shall be available in the amounts of \$635.87 and \$105.58, respectively, to enable reimbursement to the Federal Reserve Bank of Philadelphia, Pa., for the cost of shipments of cash by armored motor car from July 1, 1932, to August 31, 1933, under contract dated January 4, 1932.

The amendment was agreed to.

The next amendment was, on page 53, after line 12, to

# PUBLIC DEST SERVICE

Distinctive paper for United States securities: For an additional amount for distinctive paper for United States securities during the fiscal year 1935, including the same objects specified under this head in the Treasury Department Appropriation Act, 1935, as amended by Public Resolution No. 23, Seventy-third Congress, approved May 7, 1934, \$69,220.

The amendment was agreed to.

The next amendment was, under the heading "War Department", on page 58, after line 7, to insert:

## MILITARY ACTIVITIES

Rifle ranges, Fort Francis E. Warren: For the purchase of 1,600 acres of land adjacent to Fort Francis E. Warren in the State of Wyoming for use of the United States Army for rifle-range purposes in accordance with the provisions of an act entitled "An act to authorize an appropriation for the purchase of land in Wyoming for use as rifle ranges for the Army of the United States", approved June -, 1934, \$16,000.

The amendment was agreed to.

The next amendment was, under the heading "Judgments and authorized claims: damage claims", on page 59, line 11, after the word "in", to strike out "House Document No. 332" and insert "Senate Documents Nos. 201, 203, and 213, and House Documents Nos. 319 and 332"; in line 15, after the name "Civil Works Administration", to strike out "\$219.95" and insert "\$2,113.97"; after

The PRESIDING OFFICER. The regular order is called | line 15, to insert "National Advisory Committee for Aeronautics, \$81.85"; at the end of line 17, to strike out "\$189.55" and insert "\$673.17"; at the end of line 18, to strike out "\$1,492.73" and insert "\$2,381.42"; at the end of line 19, to strike out "\$595.10" and insert "\$1,066.85"; at the end of line 20, to strike out "\$1,390.50" and insert at the end of line 20, to strike out "\$1,390.50" and insert "\$2,025.64"; at the end of line 21, to strike out "\$657.55" and insert "\$720.05"; at the end of line 22, to strike out "\$168" and insert "\$207.30"; at the end of line 23, to strike out "\$4,112.30" and insert "\$4,390"; in line 25, to strike out "\$15,424.19" and insert "\$20,235.32"; on page 60, at the end of line 1, to strike out "\$3,609.13" and insert "\$3,714.91"; at the end of line 2, to strike out "\$7,004,27" and insert "\$15,209.32", and at the end of line 3, to strike out "\$34,863.27" and insert "\$52,819.80", so as to make the section read:

> Sec. 2. For the payment of claims for damages to or losses of privately owned property adjusted and determined by the following respective departments and independent establishments under the provisions of the act entitled "An act to provide for a method for the settlement of claims arising against the Government of the United States in sums not exceeding \$1,000 in any one case", approved December 28, 1922 (U.S.C., title 31, secs. 215-217), as fully set forth in Senate Documents Nos. 201, 203, and 213, and House Documents Nos. 319 and 332, Seventy-third Congress as follows: Congress, as follows:

congress, as follows:
Civil Works Administration, \$2,113.97;
National Advisory Committee for Aeronautics, \$81.85;
Veterans' Administration, \$673.17;
Department of Agriculture, \$2,381.42;
Department of Commerce, \$1,066.85;
Department of the Interior, \$2,025.64;
Department of Justice, \$720.05;
Department of Labor, \$207.30;
Navy Department, \$4,390;
Post Office Department (out of postal revenues) \$20,235.32;
Treasury Department, \$3,714.91;
War Department, \$15,209.32;
In all, \$52,819.80.

The amendment was agreed to.

The next amendment was, under the subhead "Judgments, United States courts", on page 60, line 12, after the word "in", to insert "Senate Document No. 198 and"; after line 16, to insert "Department of Labor, \$2,005"; after line 17, to insert "Department of State, \$1,920"; at the end of line 20, to strike out "\$16,122.79" and insert "\$23,868"; and in line 21, after the words "in all", to strike out "\$24,913.13" and insert "\$36,583.34", so as to read:

SEC. 3. For payment of the final judgments and decrees, includ-SEC. 3. For payment of the final judgments and decrees, including costs of suits, which have been rendered under the provisions of the act of March 3, 1837, entitled "An act to provide for the bringing of suits against the Government of the United States" as amended by the Judicial Code, approved March 3, 1911 (U.S.C., title 28, sec. 41, par. 20; sec. 258; secs. 761-765), certified to the Seventy-third Congress in Senate Document No. 198 and House Document No. 324 (\*print), under the following departments and establishments, namely:

and establishments, namely:
Department of Commerce, \$397.20.
Department of the Interior, \$3,363.74.
Department of Labor, \$2,005.
Department of State, \$1,920.
Treasury Department, \$5,029.40.
War Department, \$23,868.
In all, \$36,563.34, together with such additional sum as may be necessary to pay interest on the respective judgments at the rate of 4 percent from the date thereof until the time this appropriation is made.

The amendment was agreed to.

The next amendment was, on page 61, line 7, after the word "in", to insert "Senate Document No. 198 and"; at the end of line 12, to strike out "\$3,766.27" and insert "\$6,275.77"; after line 12, to insert "War Department, \$2,635.93"; and in line 14, after the words "in all", to strike out "\$28,123.92" and insert "\$33,269.35", so as to read:

For the payment of judgments, including costs of suits, rendered against the Government of the United States by United States District Courts under the provisions of an act entitled "An act authorizing suits against the United States in admiralty for damages caused by and salvage services rendered to public vessels belonging to the United States, and for other purposes", approved March 3, 1925 (U.S.C., title 46, secs. 781-789), certified to the Seventy-third Congress in Senate Document No. 198 and House Document No. 324 (\* print), under the following departments, namely:

Department of Commerce, \$21,000. Navy Department, \$3,357.65.

Treasury Department, \$6,275.77. War Department, \$2,635.93. In all, \$33,269.35, together with such additional sum as may be sary to pay interest as and where specified in such judgments.

The amendment was agreed to.

The next amendment was, on page 61, line 21, after the word "in" to insert "Senate Document No. 198 and"; at the end of line 26, to strike out "\$10,465", and insert "\$12,167.96"; and on page 62, line 1, after the words "in all", to strike out "\$99,905.40" and insert "\$101,608.36", so as to read:

For the payment of the judgments, including costs of suits, rendered against the Government by United States district courts in special cases and under the provisions of certain special acts and certified to the Seventy-third Congress in Senate Document No. 198 and House Document No. 324 (★ print), under the follow-

No. 198 and House Document No. 324 (\* print), under the following departments, namely:
Department of Justice, \$45,000;
Navy Department, \$44,440.40;
War Department, \$12,167.96;
In all, \$101,608.36, together with such additional sum as may be necessary to pay interest as and where specified in such judgments.

The amendment was agreed to.

The next amendment was, under the subhead "Judgments, Court of Claims", on page 62, line 14, after the word "in" to insert "Senate Documents Nos. 196, 206, and 212 and"; after line 16, to insert "Architect of the Capitol, \$4,347.13; "; after line 17, to insert "National Advisory Committee for Aeronautics, \$7,715.01"; at the end of line 23, to strike out "\$312,331" and insert "\$315,915.56"; at the end of line 24, to strike out "\$9,775.85" and insert "\$18,652.59"; at the end of line 25, to strike out "\$599,260.91" and insert "\$854,722.14"; on page 63, line 1, after the words "in all", to strike out "\$1,135,170.15" and insert "\$1,415,154.82"; and in line 3, after the word "judgments", to insert a comma and "including no. M-183 in favor of the Federal Real Estate & Storage Co. and Hugh J. Phillips, Senate Document No. 212", so as to read:

SEC. 4. For payment of the judgments rendered by the Court of Claims and reported to the Seventy-third Congress in Senate Documents Nos. 196, 206, and 212 and House Document No. 327, under the following departments and establishments, namely: Architect of the Capitol, \$4,347.13; National Advisory Committee for Aeronautics, \$7,715.01; Railroad Administration, \$69,671.13; Department of the Interior, \$144,106.01; Department of Justice, \$25.25; Navy Department, \$315,915.56; Treasury Department, \$18.652.59;

Treasury Department, \$18,652.59; War Department, \$854,722.14;

In all, \$1,415,154.82, together with such additional sum as may be necessary to pay interest on certain of the judgments, including no. M-183 in favor of the Federal Real Estate & Storage Co. and Hugh J. Phillips, Senate Document No. 212, at the legal rate per annum as and where specified in such judgments.

The amendment was agreed to.

The next amendment was, under the subhead "Audited claims", on page 63, line 18, before the word "for", to insert "(a)", so as to read:

SEC. 5. (a) For the payment of the following claims, certified to be due by the General Accounting Office under appropriations the balances of which have been carried to the surplus fund under the provisions of section 5 of the act of June 20, 1874 (U.S.C., title 31, sec. 713), and under appropriations heretofore treated as permanent, being for the service of the fiscal year 1931 and prior years, unless otherwise stated, and which have been certified to Congress under section 2 of the act of July 7, 1884 (U.S.C., title 5, sec. 266), as fully set forth in House Document No. 323, Seventy-third Congress, there is appropriated as follows:

The amendment was agreed to.

The next amendment was, on page 75, line 15, after the word "section", to strike out "4" and insert "5 (a)", so as to read:

Total, audited claims, seciton 5 (a), \$933,102.46, together with such additional sum due to increases in rates of exchange as may be necessary to pay claims in the foreign currency as specified in certain of the settlements of the General Accounting Office.

The amendment was agreed to.

The next amendment was, on page 75, after line 19, to

(b) For the payment of the following claims, certified to be due the General Accounting Office under appropriations the bal-

ances of which have been carried to the surplus fund under the provisions of section 5 of the act of June 20, 1874 (U.S.C., title 31, sec. 713), and under appropriations heretofore treated as permanent, being for the service of the fiscal year 1931 and prior years, unless otherwise stated, and which have been certified to Congress under section 2 of the act of July 7, 1884 (U.S.C., title 5, sec. 266), as fully set forth in Senate Document No. 197, Seventy-third Congress, there is appropriated as follows:

#### INDEPENDENT OFFICES

For operations under Mineral Act of October 5, 1918, \$77,714.26.

For Interstate Commerce Commission, \$6. For medical and hospital services, Veterans' Bureau, \$140.28. For medical and hospital services, Bureau of War Risk Insurance. \$2.

For military and naval compensation, Veterans' Administration, \$80

For salaries and expenses, Veterans' Bureau, \$163.28.

For Army pensions, \$28.
For investigation of pension cases, Bureau of Pensions, \$1.

#### DEPARTMENT OF AGRICULTURE

For eradication of sweetpotato weevil, \$1.50.

For salaries and expenses, Bureau of Animal Industry, \$11.67. For salaries and expenses, Bureau of Plant Industry, \$77.50. For salaries and expenses, Bureau of Chemistry and Soils, \$7.51. For salaries and expenses, Food and Drug Administration, \$35.52.

#### DEPARTMENT OF COMMERCE

For contingent expenses, Department of Commerce, \$12.21. For air-navigation facilities, \$9,548.06. For general expenses, Lighthouse Service, \$1.50.

For allowance for quarters, Foreign Commerce Service, \$75. For aircraft in commerce, \$254.86. For operating mine-rescue cars and stations, Bureau of Mines, \$15.61.

#### DISTRICT OF COLUMBIA

For street and road improvement and repair, District of Columbia, \$20.50, payable from the revenues of the District of Columbia.

# DEPARTMENT OF THE INTERIOR

For general expenses, Office of Education, \$4.
For Indian school support, \$5.47.
For Indian school buildings, \$65.97.
For support of Indians and administration of Indian property, \$49.75.

For conservation of health among Indians, \$90.

### DEPARTMENT OF JUSTICE

For miscellaneous expenses, United States courts, \$118.07. For salaries and expenses of district attorneys, United States courts, \$12.09.

For salaries and expenses, Bureau of Prohibition, \$142.05. For salaries, fees, and expenses of marshals, United States courts, \$542.89.

For detection and prosecution of crimes, \$1.75

For fees of jurors and witnesses, United States courts, \$95. For support of United States prisoners, \$94. For fees of witnesses, United States courts, \$9.50. For salaries and expenses of clerks, United States courts, \$387.64.

## DEPARTMENT OF LABOR

For expenses of regulating immigration, \$19.35.

# NAVY DEPARTMENT

For pay, miscellaneous, \$2.75.
For gunnery and engineering exercises, Bureau of Navigation, \$5.
For maintenance, Bureau of Supplies and Accounts, \$228.38.
For engineering, Bureau of Engineering, \$4.30.
For pay of the Navy, \$65.85.
For pay, subsistence, and transportation, Navy, \$162.15.
For aviation, Navy, \$74,778.56.
For pay, Marine Corps, \$421.35.

# DEPARTMENT OF STATE

For contingent expenses, foreign missions, \$40.23.

# TREASURY DEPARTMENT

For contingent expenses, Treasury Department, freight, telegrams, and so forth, 76 cents.

For collecting the revenue from customs, \$30.38.

For collecting the internal revenue, \$67.25.

For enforcement of Narcotic and National Prohibition Acts, internal revenue, \$744.65.

For salaries and expenses, Bureau of Narcotics, \$2.40. For Coast Guard, \$84.45. For pay and allowances, Coast Guard, \$24.33.

For repairs to Coast Guard vessels, \$14.80.

For pay of personnel and maintenance of hospitals, Public Health Service, \$77.25.

## WAR DEPARTMENT

For pay, and so forth, of the Army, \$8,885.61.

For pay of the Army, \$588.78. For pay, and so forth, of the Army, War with Spain, 21 cents. For mileage to officers and contract surgeons, \$11.08.

For mileage to oincers and contract surgeons, \$17.05. For mileage of the Army, \$13.25. For increase of compensation, military establishment, \$1,259.63. For increase of compensation, War Department, \$98. For Army transportation, \$443.38.

For clothing and equipage, \$38.34.

For general appropriations, Quartermaster Corps, \$10,107.

For horses for cavalry, artillery, engineers, and so forth, \$2.

For regular supplies of the Army, \$8.33.

For supplies, services, and transportation, Quartermaster Corps, 20.547.46.

For replacing ordnance and ordnance stores, \$2.24. For sites for military purposes, \$100. For Air Corps, Army, \$505. For Medical and Hospital Department, \$5.88. For seacoast defenses, ordnance, \$26.03. For armament of fortifications, \$1,217.70.

For arming, equipping, and training the National Guard, \$53.84. For pay of National Guard for armory drills, \$285.71.

For arms, uniforms, equipment, and so forth, for field service,

National Guard, \$213.44.
For Reserve Officers' Training Corps, \$21.90.
For headstones for graves of soldiers, \$2.12.
For Vicksburg National Military Park, \$8.49.

#### POST OFFICE DEPARTMENT—POSTAL SERVICE

(Out of the postal revenues)

For clerks, first- and second-class post offices, \$549.35. For freight, express, or motor transportation of equipment, etc.,

For indemnities, domestic mail, \$236.52.
For indemnities, international mail, \$71.23.
For labor-saving devices, 25 cents.
For post-office equipment and supplies, \$2.50.
For railroad transportation and mail messenger service, \$26.40.

For railroad transportation and mall messenger service, \$26.40. For rent, light, and fuel, \$10.70. For special-delivery fees, \$5.67.

Total, audited claims, section 5 (b), \$212,001.18, together with such additional sum due to increase in rates of exchange as may be necessary to pay claims in the foreign currency as specified in certain of the settlements of the General Accounting Office.

(c) For the payment of the following claims, certified to be due by the General Accounting Office under appropriations the balances of which have been carried to the surplus fund under the provisions of section 5 of the act of June 20, 1874 (U.S.C., title 31, sec. 713), and under appropriations heretofore treated as permanent, being for the service of the fiscal year 1931 and prior years, unless otherwise stated, and which have been certified to Congress under section 2 of the act of July 7, 1834 (U.S.C., title 5, sec. 266), as fully set forth in Senate Document No. 205 (73d Cong.), there is appropriated as follows: Cong.), there is appropriated as follows:

## INDEPENDENT OFFICES

For operations under Mineral Act of October 5, 1918, \$7,294.62. For medical and hospital services, Veterans' Bureau, \$12.50.

DEPARTMENT OF COMMERCE

For air-navigation facilities, \$300.

DEPARTMENT OF JUSTICE

For salaries and expenses, Bureau of Prohibition, \$11.33.

NAVY DEPARTMENT

For pay, subsistence, and transportation, Navy, \$2,880.75. For pay of the Navy, \$3,162.07. For transportation, Bureau of Navigation, \$11.96. For general expenses, Marine Corps, \$67.85.

# WAR DEPARTMENT

For pay, and so forth, of the Army, \$845.33.

For general appropriations, Quartermaster Corps, \$167.39.

For increase of compensation, Military Establishment, \$468.08.

For pay of Military Academy, \$10.

Total, audited claims, section 5 (c), \$15,231.88, together with such additional sum due to increases in rates of exchange as may be necessary to pay claims in the foreign currency as specified in certain of the settlements of the General Accounting Office.

The amendment was agreed to.

The next amendment was, on page 84, line 7, after the word "in", to insert "Senate Documents Nos. 194 and 207 and", and at the end of line 9, after the name "Department of Labor", to strike out "\$17,853.30" and insert "\$24,319.25", so as to make the section read:

SEC. 7. Judgments against collectors of customs: For the payment of claims allowed by the General Accounting Office covering judgments rendered by United States District Courts against collectors of customs, where certificates of probable cause have been issued as provided for under section 989, Revised Statutes (U.S.C., title 28, sec. 842), and certified to the Seventy-third Congress in Senate Documents Nos. 194 and 207 and House Document No. 320, under the Department of Labor, \$24,319.25.

The amendment was agreed to.

The next amendment was, on page 84, line 16, after the word "in", to insert Senate Document No. 199 and", and in line 18, after the name "Department of the Interior", to strike out "\$7" and insert "\$137.13", so as to make the section read:

SEC. 8. Funds of deceased patients, St. Elizabeths Hospital: For the payment of the claim of the estate of John C. Lederer, deceased, allowed by the General Accounting Office under the pro-

visions of the act of June 30, 1906 (U.S.C., title 24, sec. 177), and certified to the Seventy-third Congress in Senate Document No. 199 and House Document No. 325, under the Department of the Interior, \$137.13.

The amendment was agreed to.

The next amendment was, on page 84, line 24, after the word "in", to insert "Senate Document No. 200 and"; on page 85, line 1, after the figures "\$351.93", to insert "under the Treasury Department, \$11,866.27,"; and in line 3, after the words "in all", to strike out "\$11,393.03" and insert "\$23,259.30", so as to make the section read:

Szc. 9. Interest withheld from claimants: For payment of interest on amounts withheld from claimants by the Comptroller General of the United States, act March 3, 1875, as amended by section 13 of the act of March 3, 1933 (47 Stat., 1516), as allowed by the General Accounting Office, and certified to the Seventy-third Congress in Senate Document No. 200 and House Document No. 326, under the Navy Department, \$351.93, under the Treasury Department, \$11.866.27, and under the War Department, \$11,041.10; in all, \$23,259.30.

The amendment was agreed to.

The next amendment was, on page 85, after line 3, to strike out:

Sec. 10. Whenever parking accommodation in any building or other structure owned by, or leased for the use of, the Government of the United States is regularly made available for any privately owned passenger automobile, the responsible authority under whose jurisdiction such space is controlled shall prescribe and collect a reasonable fee for such privilege from the person for whom such space is made available; any sums collected under the authority of this paragraph shall be deposited in the Treasury as miscellaneous receipts. miscellaneous receipts.

The amendment was agreed to.

The next amendment was, in title II, under the heading "Emergency appropriations" on page 85, line 14, to change the section number from "11" to "10."

The amendment was agreed to.

The next amendment was, on page 86, line 6, after the word "That", to insert "not exceeding \$400,000,000 in the aggregate of ", so as to read:

aggregate of ", so as to read:

For an additional amount for carrying out the purposes of the act entitled "An act for the relief of unemployment through the performance of useful public work, and for other purposes", approved March 31, 1933 (48 Stat. 22); the Federal Emergency Relief Act of 1933, approved May 12, 1933 (48 Stat. 55); the Tennessee Valley Authority Act of 1933, approved May 18, 1933 (48 Stat. 58); and the National Industrial Recovery Act, approved June 16, 1933 (48 Stat. 195); and including \$325,000 for an addition to the Executive Office Building and for the furnishings and equipment thereof; \$899,675,000, to be allocated by the President for further carrying out the purposes of the aforesaid acts and to remain available until June 30, 1935: Provided, That not to exceeding \$400,000,000 in the aggregate of any savings or unobligated balances in funds of the Reconstruction Finance Corporation may, in the discretion of the President, be transferred and applied to the purposes of the Federal Emergency Relief Act of 1933 and/or title II of the National Industrial Recovery Act, and any unobligated balances in appropriations (including allocations of appropriations) of the Federal Emergency Administration of Public Works may, in the discretion of the President, be transferred and applied to the purposes of such Federal Emergency Relief Act of 1933: Provided further, That the amounts to be made available under the authority of this paragraph for public works under the National Industrial Recovery Act shall not exceed in the aggregate \$500,000,000. \$500,000,000.

Mr. LA FOLLETTE and Mr. JOHNSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Wis-

Mr. JOHNSON. Mr. President-

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from California?

Mr. JOHNSON. I do not wish to interrupt the Senator, if he intends to discuss the particular pending amendment. Mr. LA FOLLETTE. I rise, Mr. President, for the purpose of resisting the committee amendment.

Mr. JOHNSON. Very well. I wish to do the same thing. Mr. BYRNES. Mr. President, will the Senator from Wisconsin yield to me for the purpose of offering an amendment with reference to this particular committee amendment?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from South Carolina?

Mr. LA FOLLETTE. I yield.

Mr. BYRNES. Mr. President, I desire to amend the committee amendment on page 86, line 7, by inserting the figures "\$500,000,000" instead of the figures "\$400,000,000."

The PRESIDING OFFICER. Does the Senator from Wis-

consin yield for that purpose?

Mr. LA FOLLETTE. I yield for that purpose; I have no objection to the amendment being disposed of, but I should like to be heard before the amendment, as amended, shall be disposed of.

Mr. BYRNES. I should like to make a statement with reference to the figures suggested and as to the amount which would be available. I think it might be of interest to the Senator from Wisconsin in the discussion of the amendment which he intends to offer.

Mr. President, I am not offering the amendment by direction of the committee. The committee view is expressed in the committee amendment as it appears in the bill. Since it was approved I have made investigation of the amount which would be available under the particular emergency relief section. I find that there will be available for public works and relief, under title II of the bill, a total of \$2,186,675,000. That is the total amount which will be available for relief and for public works.

Mr. LA FOLLETTE. Mr. President, can the Senator give

us the break-down of the figure?

Mr. BYRNES. Yes. There is a direct appropriation, including \$285,000,000 for the C.C.C., amounting to \$899,675,000. There is a transfer authorized from the Reconstruction Finance Corporation, under the authority of the bill, of \$400,000,000. There is a provision for drought relief of \$450,000,000. There is authority to the Reconstruction Finance Corporation to purchase securities from the P.W.A., which would make possible an additional \$250,000,000.

Actually at this time the P.W.A. advised the committee that they have securities not in excess of \$150,000,000, but by the end of the year, in their opinion, it will be possible for the Reconstruction Finance Corporation to purchase \$250,000,000 of securities. The language is that the Reconstruction Finance Corporation is authorized to purchase marketable securities. There is no guaranty that the Reconstruction Finance Corporation will purchase that amount of securities, but it is possible under the language of the bill.

Then there is \$122,000,000 available for public highways, roads, and trails, and \$65,000,000 available for public building projects.

This makes a total of \$2,186,675,000, which represents the figure available for relief and for public works.

I have totaled the amount which would be available for public works. There is \$500,000,000 under the bill. Then there is the possible Reconstruction Finance Corporation purchase of \$250,000,000, the \$187,000,000 for roads, and the appropriation for the C.C.C. of \$285,000,000, making a total of \$1,222,000,000 available for public works as differentiated from relief.

The total amount available for relief and public works being \$2,186,000,000, if we deduct from that the total sum available for public works, \$1,222,000,000, plus the amount available for the drought-stricken area \$450,000,000, we find there would be available for general relief purposes the sum of \$514.675.000.

That amount is available for general relief purposes throughout the country. Under the language of the bill there is added to that the \$450,000,000 available for relief in stricken agricultural areas, so there is made available for these two items, general relief and relief for the drought-stricken areas or stricken agricultural areas, a total of \$964,675,000.

I find, after conference with the Director of the Budget, that there is a balance on hand at this time of \$220,000,000 available for relief. Then under the cattle appropriation which was authorized by the Congress within the last few weeks, \$50,000,000 was specifically allotted for relief. The grand total for relief, therefore, is \$1,234,675,000.

If the limitation remains in the bill at \$400,000,000 upon mittee was of the opinion that it could be done with the amount of money which can be transferred from appropriation of \$450,000,000, and that no injury would be

the Reconstruction Finance Corporation, we would lack \$100,000,000, of providing the sum of money which would be essential to carry out the purpose of general relief if such relief is to be provided on the basis of 8 months, the period the committee had in mind.

In other words, the Federal relief bill at this time amounts to \$110,000,000 a month. If we are to make certain that while the Congress is not in session an amount will be available sufficient to care for general relief on the same basis on which it is now being provided, it would be necessary for us to provide \$880,000,000, and we would not provide that \$880,000,000 if the limitation be left at \$400,000,000. If it is raised to \$500,000,000 there would then be provided enough money to give to Federal-relief purposes, to the administrator, Mr. Hopkins, an amount which would enable him to continue expenditures at the rate of \$110,-000,000 a month for the next 8 months. The committee thought it wise to make the provision on the basis of 8 months because while the Congress will convene in January, there may be delay in the passage of a deficiency bill if there is necessity to provide additional funds to care for relief at that time.

Mr. SHIPSTEAD, Mr. COUZENS, and Mr. COSTIGAN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from South Carolina yield, and if so to whom?

Mr. BYRNES. I yield to the Senator from Minnesota, who rose first.

Mr. SHIPSTEAD. Mr. President, I have been wondering how the Senator arrived at the figure of \$450,000,000 for dought relief.

Mr. BYRNES. I did not expect to go into that just at this moment, but have no objection to doing so. The amount estimated was \$525,000,000, necessarily an estimate. At the time the estimate was filed there had been no relief in any section of the country. After that estimate was filed, as the Senator knows, we did have rains in a number of the States. Reports would indicate that in some cases the rains afforded no relief, but came too late. In other sections it was the opinion that the rain would afford relief.

But the committee had in mind that the estimate is based upon doing many things. A number of them are set out in the estimates submitted by the Director of the Budget. Some of them are plainly for relief. Others could certainly be called a part of the rehabilitation program.

For instance, there is \$125,000,000 for a special work program and human relief.

Then there is \$75,000,000 for livestock purchases, in addition to the funds already available under the Jones-Connally Act. That money has not yet been expended. It is seriously doubted by some who have given careful thought to the subject whether the amount available under the Jones-Connally Act, \$100,000,000, plus \$75,000,000 could be wisely expended in the next 6 months or in any reasonable time thereafter.

The third item is \$100,000,000 for shipping, processing, and relief distribution of purchased cattle. There is no way of estimating the amounts. Those who were charged with the duty of arriving at an estimate necessarily had to take round figures and approximate figures.

Mr. LA FOLLETTE. Mr. President, will the Senator vield?

Mr. BYRNES. Let me finish the items.

There is \$100,000,000 for loans to farmers to finance emergency feed purchases and shipments.

There is \$50,000,000 for emergency acquisition of submarginal farms and assistance in relocating destitute farm families.

Then there is \$50,000,000 for work camps to afford employment in drought areas for young men transferred from cities and towns.

There is \$25,000,000 for purchase of seed for 1935 planting. In endeavoring to provide ample funds for relief, the committee was of the opinion that it could be done with the appropriation of \$450,000,000, and that no injury would be

done to the program for the relief of those unfortunate

Mr. LA FOLLETTE. Mr. President, will the Senator yield for a suggestion?

Mr. BYRNES. I now yield to the Senator from Wisconsin. Mr. LA FOLLETTE. These are two different items in the bill. The drought-relief appropriation comes later.

Mr. BYRNES. Entirely so. I did not want to go into

it, but I was asked the question.

Mr. LA FOLLETTE. May I suggest to the Senator that I intend to offer an amendment to restore the Budget estimate, and that will raise that issue; but can we not in a more orderly way proceed to discuss the question of the first committee amendment, which limits the amount of unpreempted balances of the Reconstruction Finance Corporation, and thus try to separate the question of public works and unemployment relief from the drought situation?

Mr. BYRNES. I am in hearty accord with that suggestion; but I could not decline to answer the question of the Senator who had asked for that information.

Mr. COSTIGAN. Mr. President-

Mr. BYRNES. I yield to the Senator from Colorado. Mr. COSTIGAN. Those of us who are interested in relief and in public-works appropriations are, of course, favorable to the increase in the restriction in lines 6 to 7, page 86, from \$400,000,000 to \$500,000,000. There are, however, many of us who believe that that restriction should be removed altogether, and that the bill should remain as it passed the House; also that the proviso in lines 17 to 20 on the same page in the House bill should be removed, in order that the President may have ample discretion with which to deal with unappropriated balances and savings of the Reconstruction Finance Corporation for these purposes.

Will the able Senator from South Carolina be good enough to indicate to us what, if any, objections he has to the adoption of that course? I realize, of course, that the proposed later amendment referred to is not in order at this

Mr. BYRNES. Mr. President, the committee gave most careful consideration to the question of whether or not a limitation should be placed upon the amount. In the House there was a discussion as to what amount was made available by this bill, and there was a difference of opinion. Seemingly, no two Members could agree upon the amount that was made available. The fact is that after conferences with the Reconstruction Finance Corporation representatives, and learning of the commitments made by that organization, the committee was of the opinion that there should be a limitation upon the amount that could be diverted from the Reconstruction Finance Corporation for carrying out the purposes of that organization in making loans to closed banks, and for other purposes, so that there would be no uncertainty. If a limitation were placed in the bill, we would know exactly the amount that was made available for relief purposes and for public works.

As to the public-works item, the committee was of the opinion that there should be a limitation of the amount for public works, because otherwise a larger amount might be transferred, and thereby lessen the amount that would be available for relief.

Having made so much of a direct appropriation, the rest of this money, \$500,000,000 of it, must come out of the Reconstruction Finance Corporation treasury, and must be diverted from that organization, and to that extent lessen the ability of the Reconstruction Finance Corporation to carry on its operations. Five hundred million dollars is a much larger sum than the chairman of the board of the Reconstruction Finance Corporation was willing to recommend. He thought \$250,000,000 was all that should be diverted from that organization-I think he finally said \$250,000,000 to \$300,000,000.

When we do this, we give authority to take as much as \$500,000,000 from that organization. It does not mean that it will be taken if the necessity shall not arise; but if the necessity shall arise, it will be taken.

Mr. JOHNSON. Mr. President, will the Senator yield? Mr. BYRNES. Yes.

Mr. JOHNSON. May I call the Senator's attention to the fact-because I agree with the Senator from Coloradothat the provision here is-

Provided, That not exceeding \$400,000,000 in the aggregate-

The Senator is now expecting to amend it, to make it \$500,000,000-

of any savings or unobligated balances in funds of the Reconstruction Finance Corporation may, in the discretion of the President, be transferred and applied—

And so forth. Mr. President, if we are to put the discretion in the hands of the President as to the application of funds which he may apply in certain directions, then that discretion ought to be left absolute, and we ought not to tie him with any limited amount. So it would be infinitely better, if the design is to permit the President in his discretion to allocate the funds that may be needed for relief, to eliminate entirely the portion that is in italics immediately after the word "Provided", and let the sentence read:

Provided, That any savings or unobligated balances in funds of the Reconstruction Finance Corporation may, in the discretion of the President, be transferred and applied—

And so forth. Why? What earthly logical reason can there be for saying that in the discretion of the President the funds may be allocated, and then limiting that discretion in the fashion that we have?

Permit me as well to say to the Senator from South Carolina that upon the computation that was made in the House, under the figures that were given by Chairman Buchanan, \$173,000,000 over the \$400,000,000 will be left floating in the air, as it were, wholly unallocated; but beyond that it seems to me that if we give to the President the discretion of allocation, we should permit him to have that discretion without limiting him in amount.

May I say that to me this is one of the most important parts of this bill, and one of the most important things that we are doing. There is nothing that can be done by this Congress in its closing hours that is of more importance or that can afford more happiness to our people than to give relief in almost unstinted amount as the President himself may determine during the absence of the Congress.

If the Senators agree with me in that regard, and if it be that the President should have the full authority during the absence of Congress and until January next, then we ought to leave not to his limited discretion, but, sir, to his discretion wholly, the right of allocation of the funds that may be allocated by him; and the latter part of this sentence, indeed, the last proviso-

That the amounts to be made available under the authority of this paragraph for public works under the National Industrial Recovery Act shall not exceed in the aggregate \$500,000,000-

Should be stricken out.

That, however, is another story. I will reach that after the committee amendments shall have been disposed of; but I desire to deal with both in order that the discretion of the President may be unhampered and that the amount he may have at his disposal shall be the fullest possible amount.

If we say in one instance that he may exercise his discretion up to \$500,000,000, there is not any reason on earth why we should not say that he may exercise his discretion up to \$573,000,000, the full sum which may be possible. His discretion is one that should be permitted him in behalf of recovery, in behalf of the relief of human misery, and in behalf of that which we seek most in this session of Congress, the welfare of the human beings of the country.

Mr. BYRNES. Mr. President, the committee considered carefully the viewpoint expressed by the Senator from California. We had to recall that the Reconstruction Finance Corporation is doing a most important work, and that if we should pass this bill without putting any limitation at all upon the amount of its funds that could be diverted we should leave the Reconstruction Finance Corporation in a position where it would be difficult for it to know what commitments to make in carrying out operations and activities which are essential for recovery and for relief at this time. The Senate is familiar with what is being done by that organization.

I call to the attention of the Senator from California the fact that the committee had in mind what he has in mind, that the President of the United States should have ample funds for relief, and by the limitation of \$500,000,000, which is now proposed, the President will have, aside from the \$500,000,000 for public works plus \$250,000,000 to be derived from securities, for relief purposes alone, \$1,234,675,000.

Relief now being carried on is costing \$110,000,000 a month. We have based our figure on an 8-month period, but for the 6 months when the Congress will not be in session the President will have \$1,234,000,000, and instead of expending \$110,000,000 a month, he could, under this provision, spend \$205,000,000.

Therefore, if we provide all that anyone could reasonably, or even unreasonably, anticipate, and provide \$205,000,000, where we are spending but \$110,000,000, we certainly will provide enough for relief. But if a condition should arise which would make it necessary to spend even more than that, the President could divert funds from money he is now expected to expend for public works, that is, \$500,000,000, so that he would have even more than \$1,234,000,000 for the next 6 months.

The committee was of the opinion that we should not leave the Reconstruction Finance Corporation in the uncertain position of not knowing how much money it had left to carry on its activities. That was the only reason for the committee's action.

Mr. JOHNSON. Mr. President, will the Senator yield? Mr. BYRNES. I yield.

Mr. JOHNSON. The Senator makes a very plausible argument with his statistics, and that is all right; but that is not what is attempted to be done by the bill. The proposal is not to allocate so much for public works, so much for the R.F.C., so much for one purpose and so much for another. In this particular paragraph the committee is leaving it substantially to the discretion of the President.

The President is as interested, I hope, in the R.F.C. as in the P.W.A. or in any other relief organization, and with the President's discretion specifically provided for, he of course will take appropriate care of the R.F.C. and of every other agency. So why endeavor to limit his discretion?

It ought not to rest with me to contend about limiting the President's discretion. That ought to be a part, indeed, of the attitude of the Senator from South Carolina and of all the Senators on the other side of the aisle. They do not need me to teach anyone over there that the discretion of the President should be unhampered in matters of relief, and the bill recognizes the principle that it is his to exercise the discretion, and I do not want it limited during the period of the absence of the Congress.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. COUZENS. I think the limitation is perfectly jus-

Mr. LA FOLLETTE. Mr. President, I yielded to the Senator from South Carolina to make a statement, and I object to his further yielding the floor to everybody else to make statements.

Mr. BYRNES. Mr. President, I yielded to the Senator from California for a question. His question was a little long, but that is why I yielded to him.

Mr. JOHNSON. I apologize to the Senator from Wisconsin.

Mr. LA FOLLETTE. Mr. President, I rise for the purpose of opposing the committee amendment. Senators talk very glibly about how much money is to be needed for relief, how much money is to be needed for drought relief, how much money is to be needed for public works, and how much money is to be needed under the Reconstruction Finance Corporation. The fact of the matter is that no man can successfully predict what the trend of economic events will be during the time between the adjournment of Congress and the

reassembling of a new Congress on the 1st day of next January. There are indications already evident that we are sliding into another slough; approaching another crisis within the crisis.

Personally, I do not believe that the amount provided, without the committee's restrictive limitation, is sufficient to provide an adequate program to meet the problem of unemployment, to meet the problem of stimulation of the great basic industries, which, even at this late hour in the depression, are still in the bottom of the trough. However, I think it the height of folly—and I say this with all due respect to the members of the Committee on Appropriations—to provide that the President could, in any emergency which might arise during the adjournment of the Congress, be limited to only \$500,000,000, which might be transferred from the unobligated balances of the Reconstruction Finance Corporation to the purposes of emergency employment, to the purposes of increased unemployment relief, or to the purposes of public-works construction.

As nearly as I can find out, there is approximately \$2,000,000,000 in unobligated authorizations for the Reconstruction Finance Corporation. The effect of the amendment of the committee, or even if it should be amended by the amendment offered by the Senator from South Carolina, would be to remove from the discretionary use of the President \$1.500.000.000.

Mr. President, unless Congress wants to be called back into extraordinary session in the middle of the coming campaign, they had better provide unlimited discretion, insofar as the use of these unexpended balances in the hands of the President are concerned. All of the indices which show the trend of economic events in this country indicate that we have already reached the peak of the spurt occasioned by extraordinary expenditures which took place during the last summer, fall, and winter. For the last four consecutive Sundays the indices of the New York Times have indicated that there is a recession in business activity in the consumer goods, the lighter industries. Every Senator knows that, so far as the great basic industries are concerned, the industries which produce the durable or capital goods, they have shown, with few exceptions, very little improvement during this period of so-called "recovery."

If the amendment proposed by the committee shall stay in the bill, then there will be available only the sums which are now estimated to be necessary for the purposes of unemployment relief and public works. So far as the public works are concerned, I expect to discuss that subject at greater length in connection with an amendment which I intend to offer to the bill, and in connection with the effort of the Senator from California to remove the limitation which now is contained in the bill providing that only \$500,-000,000 may be used for the purposes of the Public Works Administration.

Mr. COSTIGAN. Mr. President-

The PRESIDING OFFICER (Mr. Robinson of Arkansas in the chair). Does the Senator from Wisconsin yield to the Senator from Colorado?

Mr. LA FOLLETTE. I yield.

Mr. COSTIGAN. The highest estimate I have been able to obtain of the funds which will be available if we return to the figures of the House bill, and if we strike out the limitation in the bill as it passed the House in lines 17 to 20 on page 86, as well as the restriction in lines 6 and 7, containing the amendment of the committee, is that the President would have left to his discretion, not \$2,000,000,000, as the able Senator from Wisconsin [Mr. La Follette] indicated, but about \$1,400,000,000, plus the daily receipts of the Reconstruction Finance Corporation.

I rose some time ago for the purpose of asking the Senator from South Carolina [Mr. Byrnes] what his estimate is of the total amount which would be available for discretionary allocation by the President of the United States if these two clauses should be stricken.

Mr. LA FOLLETTE. Mr. President, I have little confidence in the estimates of the amount of money which will be required for relief and for employment. In every in-

stance all during this depression every estimate which has been submitted to cover a 6-months period or the period of a year has proved to be inadequate. If we were dealing only with material things, perhaps the inadequacy of those estimates would not be so tragic; but in this instance, Mr. President, we are dealing with human beings; we are dealing with the safety, the welfare, and the health of men, women, and children. At the close of this session of Congress let us not make the mistake which we have made at the close of every session of Congress since December 1930.

In the closing hours of every Congress I have had to stand upon the floor of the Senate and appeal for more adequate funds in order to meet the problem of unemployment relief and the problem of employment. And each time, Mr. President, the funds have been pared down and restricted, and each time the impact of that error of judgment has been directed against the innocent victims of this depression.

Why is there suddenly a lack of indication of confidence that the President of the United States will exercise wisely and well discretionary power insofar as the relief of human beings is concerned? Why should this limitation be placed in this bill? Is there a Senator here who believes that the able Chairman of the Reconstruction Finance Corporation will not be able to make his needs known to the President of the United States. I have no fear, Mr. President, that its Chairman will not adequately protect the interests of that Corporation. I am certain that we can trust him as an able advocate and citizen to protect the interests of that Corporation. But let us not, in attempting to see into the future, so restrict discretion upon the part of the President that it may be necessary for him to meet inadequately the problems of human distress and human suffering which may arise after the Congress shall have adjourned.

I sincerely hope, Mr. President, that the amendment offered by the committee, even though it be amended by the amendment offered by the Senator from South Carolina, will be rejected.

Mr. COSTIGAN. Mr. President, will the Senator from South Carolina indicate what is his estimate of the precise amount which will be available for discretionary use by the President in the event the amendment under consideration shall be rejected, and the proviso in lines 17 to 20 on page 86 shall be subsequently stricken out? I need not say that my heart and mind, like the hearts and minds of other Senators, fully respond to and approve the eloquent appeals of the Senator from California [Mr. Johnson] and the Senator from Wisconsin [Mr. La Follette].

Mr. BYRNES. Mr. President, the Senator asks two different questions. If the proviso in lines 17 to 20 should be stricken out, then there would be no limitation upon the amount of money which would be available for public works, and conceivably the funds for public works could be increased several hundred million dollars, and to the extent they were thus increased relief funds would be decreased. But the other question is an entirely different one. The limitation imposed by the committee report is \$400,000,000. My amendment proposes to add \$100,000,000. If that were stricken from the bill, and no limitation were provided, as I recall the figures-and there is some controversy about them, but there was available \$1,700,000,000, as I remember, in the R.F.C., including all its funds-the amount of \$1,700,000,000 would be available, plus direct appropriations, which amount to \$899,000,000 in one case, \$450,000,000 in another, and \$65,000,000 in another, or for the three in all something more than \$1,300,000,000. So there would be approximately three billion and a few hundred million dollars. Those would be the figures if this limitation were removed and the language simply referred to all the funds of the R.F.C. or gave the President the discretion to transfer so much as he desired from the R.F.C. for relief and from the P.W.A.

Mr. COSTIGAN. Mr. President, the figures given me this morning, apparently from an authentic source, indicate that the unobligated balances and savings which would be available to the President if the proviso to which the Senator from South Carolina has offered an amendment should be

stricken out would be approximately \$1,400,000,000 plus the daily receipts of the Reconstruction Finance Corporation. That is a substantially lower figure than the one used by the Senator from Wisconsin [Mr. La Follette] or the Senator from South Carolina.

Mr. BYRNES. The Senator may be correct. My recollection was that it was \$1,725,000,000.

Mr. NORRIS. Mr. President, will the Senator yield to permit me to make an inquiry of him?

Mr. BYRNES. I yield.

Mr. NORRIS. This proviso will read, if the committee amendment shall be rejected, as follows:

Provided, That any savings or unobligated balances in funds of the Reconstruction Finance Corporation—

And so forth. That proviso would then limit the President even to savings and unobligated balances.

Mr. BYRNES. Yes. There is no question about that. The only question is—and I must say that my recollection is not very clear—as to the amount. It is in the testimony, and my recollection is that it would be \$1,700,000,000. The Senator from Colorado [Mr. Costigan] says that his figures show \$1,400,000,000.

Mr. NORRIS. The President's discretion, then, in this particular language—if the committee amendment were rejected—would be limited to the savings and unobligated balances of the Reconstruction Finance Corporation, and it does not seem to me that that would in any way injure or hamper the Reconstruction Finance Corporation in the performance of its obligations.

Mr. BYRNES. I must say that the Chairman of the Reconstruction Finance Corporation gave to the committee the impression that it would certainly do so. His statement was that all he could safely recommend was \$250,000,000. There is nothing confidential about the matter. There was a vote on the question of the limitation of \$300,000,000, and then it was made \$400,000,000.

Mr. NORRIS. Yes, I understand; but I think Senators who are fearful about the limitation provided for in the committee amendment are not ordinarily opposed to the limitation of discretion. If Congress were going to be in session, certainly I would be advocating the rejection of the committee amendment, and I do not believe there would be any objection to it; but no one can tell, the uncertainty is so great. The Congress will not be in session, and if the President's hands should be tied—he must act in the place of Congress when we adjourn—so that he could not meet an emergency which many of us honestly fear is likely to occur it might result in great distress which could be relieved if the restrictions did not exist which would be brought about by the committee amendment.

Mr. BYRNES. Mr. President, in answer to the Senator from Nebraska, I want again to say—and I have not the right to speak for the committee; I am only a member of the subcommittee and am not its chairman—that the committee had no purpose or intention other than to provide every dollar they believed to be reasonably necessary.

Mr. NORRIS. I am not questioning the good faith of the committee; the committee may be right, and I think the amount that would be available in case the committee amendment should be agreed to would be sufficient, in all probability; but we are facing a very great emergency and a great uncertainty. The Congress will not be in session, so that if the contingency were to arise which might very well arise, with our lack of knowledge of what may happen during the recess of Congress, the President might even find it necessary to call Congress in special session. That could be entirely avoided if the committee amendment were rejected.

Mr. BYRNES. I may say to the Senator from Nebraska that Mr. Jones before the committee stated time and time again that if the R.F.C. were permitted to continue to operate they would have available under this language from \$250,000,000 to \$300,000,000, and I have his testimony in my hand at this moment; but, notwithstanding that, the committee fixed it at \$400,000,000, and I now seek to increase it to \$500,000,000.

I wish again to repeat the statement that, if my amendment shall be adopted, there will be available for relief purposes \$1,234,000,000. That includes drought relief. If the money shall be spent, as it will be spent, in the agricultural regions, it will mean that certainly there will be less demand for general relief purposes in those areas, because half a billion dollars will certainly go a long way toward relieving the conditions that exist.

Mr. Hopkins said he is spending \$110,000,000 a month, and, as Congress will return in 6 months, at that rate of expenditure the amount will be \$660,000,000. We make available \$1,234,000,000, or really twice as much as he is now spending. The opinion of the committee was that by making available \$600,000,000 more than he is now spending we would provide against emergencies that might arise between now and the time when Congress shall again be in

AMENDMENT OF BANKING AND FEDERAL RESERVE ACTS

Mr. BULKLEY. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside to permit the immediate consideration of the bill (S. 3748) to amend certain sections of the Banking Act of 1933 and the

Federal Reserve Act, and for other purposes.

This bill is reported unanimously by the Committee on Banking and Currency. It consists of 18 sections, more or less unrelated to each other, each containing an amendment or a clarification of the banking laws; each of them has been recommended by the Comptroller of the Currency or by the Federal Reserve Board, or by both, and each one of them has the unanimous approval of the Committee on Banking and Currency.

It is important that the bill be enacted today, because it clarifies certain provisions of the Banking Act of 1933, which will go into effect tomorrow, 1 year after the approval of

that act.

The PRESIDENT pro tempore. The Senator from Ohio asks unanimous consent that the unfinished business be temporarily laid aside and that Senate bill 3748 be now considered. Is there objection?

Mr. NORRIS. Mr. President, I do not think I will object; I have no doubt whatever of the good faith of the Senator from Ohio; but I should like to call to the attention of the Senator from Ohio and of the Senate to the fact that if we agree to this request and keep on along this line for the next day and tomorrow we will learn to regret it afterward.

The Senator from Ohio asks for immediate consideration of a bill which has been reported, containing, as he says, 18 sections, each section amending some provision of existing law with relation to banking and currency. If we want to give the measure the consideration it ought to receive, I have no objection; but I wish to suggest that if we now lay aside the pending bill and take up the bill of the Senator from Ohio, and pass it within the next few minutes, as is undoubtedly expected, I think we are engaging in very dangerous business.

We do not have to adjourn tomorrow; we ought not to adjourn tomorrow. If we have some measure of this kind before us, important as this apparently is, although I have never heard the bill read and have never seen it, we ought to be willing to stay here so as to give it the proper consideration.

Mr. FLETCHER. Mr. President, may I interrupt the Senator to say that this bill provides for administrative matters and mostly clarifying amendments to the Banking Act and the Federal Reserve Act, and I do not believe there are any serious problems involved in it.

Mr. BULKLEY. Mr. President, I think we can assure the Senator from Nebraska that there are no controversial matters in the bill.

Mr. NORRIS. We have just been through a day or two of debate, during which the proposed amendments to the Agricultural Adjustment Act were debated, although they were not material to the subject under discussion. However, a great controversy arose, involving the very question that if they cannot buy United States bonds today, and we shall

is presented here. Someone said the amendments to the Agricultural Adjustment Act were not controversial, that they were simply "clarifying"; someone else, who examined them afterward, said that they proposed very material changes in the law. I think likely there was an honest disagreement, but it led to a great deal of debate here, and such proposals ought at least to have very careful consideration.

Mr. McKELLAR. Mr. President, will the Senator yield? Mr. NORRIS. I yield.

Mr. McKELLAR. I agree entirely with the Senator from Nebraska, and I hope the Senator from Ohio will not make the request at this time. Let us proceed with the pending bill; we are making fairly good progress with it.

Mr. NORRIS. I think so.

Mr. McKELLAR. It probably is the most important bill which is before Congress at this time; we ought to go on with it; and I hope the Senator from Ohio will not ask that it be laid aside at this time.

Mr. BULKLEY. Mr. President, I merely wish to make a statement to the Senator from Tennessee. I have been unable to make this request during the last 2 or 3 days, because I have been confined at home by illness, and I regret making the request at this time; but this is a measure of considerable importance, and the bill should be passed today because of certain provisions that go into effect tomorrow, tomorrow being 1 year after the enactment of the Banking Act of 1933. If Senators want to discuss the bill, I recognize that we will have to let it go to a later time.

Mr. NORRIS. Has it not been possible to present this bill to the Senate before today? Why wait until the very last minute?

Mr. BULKLEY. I have explained to the Senator why I was unable to do it.

Mr. NORRIS. But the bill might have been presented by some other member of the Committee on Banking and Currency.

Mr. FLETCHER. Mr. President, the bill has been on the calendar, and I tried my best to get it up, but it was impossible to do it.

Mr. NORRIS. It all comes back to this: We are going to try to adjourn the Congress tomorrow, and everybody is crowding here with important matters of legislation. No one wants to be discourteous; no one wants to interfere with the general program; but I wish to protest that, if we are going to make an attempt to adjourn tomorrow, we must not take up matters of great importance such as this proposed legislation appears to be, according to those who are presenting it. It is not right to the country; it is not right to ourselves; and I do not know of any reason why we should try to do it. If we cannot adjourn tomorrow, there is another week coming, and we can go on then and do the business that is necessary to be done before we adjourn.

Mr. BULKLEY. The difficulty is that certain bankers feel that they are prohibited even from dealing in United States bonds commencing tomorrow unless we shall pass one of the provisions of this bill.

Mr. NORRIS. That is the first I ever heard of it.

Mr. BULKLEY. I appreciate that.

Mr. NORRIS. But we ought not to have to wait until the day before something is going to happen and then ask for a modification. That is one of the principal reasons why the Committee on the Judiciary spent 2 or 3 years, mostly because we were opposed at every step, in considering the anti-injunction bill.

A man who wants to get a restraining order against another man waits until just a few minutes before he is sure of what is going to happen, although he may have known about it for days. Then he goes into court and pleads, "If this injunction is not granted right now, I am going to be damaged." Perhaps he is telling the truth, and the court issues a restraining order. We are now much in the same position. We are told it must be done today, or else the bankers cannot deal in United States bonds. Well,

pass this bill next week, they will be able to buy them next week. I do not know any reason why we should try to do all that now, when we have before us a very important bill and are right in the midst of its consideration.

Mr. BARKLEY. Mr. President, will the Senator yield? The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Kentucky?

Mr. NORRIS. I yield.

Mr. BARKLEY. I wish to impress upon the Senator from Nebraska the fact that the Banking and Currency Committee during this session has been one of the busiest committees of the Senate. We had before us for consideration, among other things, the housing bill. We made a report on the banking bill just as soon as it was possible for the committee to consider it. It has been on the calendar 3 or 4 days. We had intended to have it taken up early in the week, but the Senator from Ohio [Mr. Bulkley], who was chairman of the subcommittee which considered and was in charge of the bill, has been ill. It has not been our fault that the bill has not been brought forward sooner.

Mr. NORRIS. I am not blaming the chairman of the subcommittee. I acknowledge now that I believe the Banking and Currency Committee of the Senate has been one of the hardest worked committees of this session and the last session of any of the committees about which I know anything at all. I think the committee is to be commended and I do commend it for the work it has done. It has done many

wonderful pieces of work.

Mr. COUZENS. Mr. President, I am informed there is going to be an amendment offered which will be controversial, with respect to the extension of the operation of private banks in accepting deposits after tomorrow. I object to the matter being taken up right in the middle of the consideration of an appropriation bill. Many of us are interested in the appropriation bill, and I think we should have the regular order. I demand the regular order.

SEVERAL SENATORS. Regular order!

Mr. CONNALLY. Mr. President, on the other side of the question just mentioned by the Senator from Michigan there are many private bankers who will go out of business tomorrow unless some relief is given them.

Mr. BULKLEY. Mr. President, let me say to the Senator from Michigan, as to the amendment which I think he has in mind, that it is entirely acceptable and is not a contro-

versial amendment at all.

Mr. COUZENS. It may be acceptable to the Senator from Ohio, but it is not acceptable to the Senator from Michigan. I have a voice in the matter of legislation, notwithstanding the fact that the Democrats ride over us and write any kind of a damnable bill they choose. I am getting sick and tired of having to swallow everything the Democrats see fit to offer. The bill is entirely objectionable from my point of view in many of its provisions, notwithstanding its good intentions.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Ohio?

Mr. NORRIS. Mr. President, I understood the Senator from Michigan [Mr. Couzens] objected, and I join in his objection.

The PRESIDING OFFICER. Objection is heard.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed with an amendment the bill (S. 3231) to provide a retirement system for railroad employees, to provide unemployment relief, and for other purposes; that the House insisted upon its amendment to the bill, requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Lea of California, Mr. CROSSER of Ohio, Mr. MILLIGAN, Mr. HOLMES, and Mr. REECE were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bill and joint resolutions, in which it requested the concurrence of the Senate:

H.R. 9826. An act granting the consent of Congress to the State highway commission to construct, maintain, and operate a free highway bridge across Eleven Points River in the northwest half of section 31, township 25 north, range 3 west, 8 miles northeast of Alton, on route B in Oregon County, Mo.;

H.J.Res. 370. Joint resolution to protect the revenue by regulation of the traffic in containers of distilled spirits; and

H.J.Res. 373. Joint resolution to protect the revenue by requiring information concerning the disposition of substances used in the manufacture of distilled spirits.

The message further requested the Senate to return to the House of Representatives the message whereby the House concurred in the Senate amendments to the bill (H.R. 6462) to stop injury to the public grazing lands by preventing overgrazing and soil deterioration; to provide for their orderly use, improvement, and development; to stabilize the livestock industry dependent upon the public range, and for other purposes.

The message also announced that the House had passed the bill (S. 3645) to conserve and develop Indian lands and resources, to establish a credit system for Indians, to provide for higher education for Indians, to extend toward Indians the right to form business and other organizations, and for other purposes, with amendments; that the House insisted upon its amendments to the bill, asked for a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Howard, Mr. Knute Hill, Mr. Ayers of Montana, Mr. Gilchrist, and Mr. Collins of Mississippi were appointed managers on the part of the House at the conference.

## DEVELOPMENT OF INDIAN LANDS

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives insisting upon its amendments to the bill (S. 3645) to conserve and develop Indian lands and resources, to establish a credit system for Indians, to provide for higher education for Indians, to extend toward Indians the right to form business and other organizations, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. WHEELER. I move that the Senate disagree to the amendments of the House of Representatives, agree to the conference requested by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. Wheeler, Mr. Thomas of Oklahoma, and Mr. Frazier conferees on the part of the Senate.

## RAILROAD EMPLOYEES' RETIREMENT SYSTEM

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives insisting upon its amendment to the bill (S. 3231) to provide a retirement system for railroad employees, to provide unemployment relief, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. DILL. I move that the Senate disagree to the amendment of the House, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Wheeler, Mr. Wagner, Mr. Brown, Mr. Hastings, and Mr. Hatfield conferees on the part of the Senate.

# REGULATION OF PUBLIC-GRAZING LANDS

Mr. O'MAHONEY. Mr. President, I understand that the House has just requested the Senate to return to the House the message whereby it concurred in the amendment of the Senate to House bill no. 6462—the grazing lands regulation bill. I ask unanimous consent that the Senate accede to the request of the House.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

## HOUSE BILL REFERRED

The bill (H.R. 9826) granting the consent of Congress to the State highway commission to construct, maintain, and operate a free highway bridge across Eleven Points River in the northwest half of section 31, township 25 north, range 3 west, 8 miles northeast of Alton, on route B in Oregon County, Mo., was read twice by its title and referred to the Committee on Commerce.

#### ADJUSTMENT OF INDUSTRIAL LABOR DISPUTES

Mr. ROBINSON of Arkansas. Mr. President, I ask permission out of order to introduce a joint resolution and to have it referred to the Committee on Education and Labor and to make a very brief statement with reference to it.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. ROBINSON of Arkansas introduced a joint resolution (S.J.Res. 143) to effectuate further the policy of the National Industrial Recovery Act.

The PRESIDING OFFICER. The Senator from Arkansas

is recognized.

Mr. ROBINSON of Arkansas. Mr. President, the joint resolution which I have introduced, and which will be referred to the Committee on Education and Labor, is very brief. It contains only a few paragraphs and represents what to some of us is believed to be the minimum of legislation which is now required in connection with the settlement and adjustment of industrial labor disputes.

It is well known that the subject matter has received prolonged consideration by the Senate Committee on Education and Labor and that a bill relating to the subject is pending on the calendar. A great deal of very important legislation has been discussed and disposed of during the present session, but the subject matter of industrial labor disputes has not been taken up. There are threatened controversies which, it is thought, make necessary the existence of some machinery for the investigation of the controversies and to assist in their adjustment.

The joint resolution provides for the establishment of a board or boards by the President, authorized to investigate issues, facts, practices, or activities of employers or employees in controversies arising under section 7 (a) of the Industrial Recovery Act, or which are burdening or obstructing, or threatening to burden or obstruct, the free flow of interstate commerce.

Any board so authorized to be established is empowered, when it shall appear in the public interest, to order and conduct an election by a secret ballot of any of the employees of any employer, to determine by what person or persons or organization they desire to be represented in order to insure the right of employees to organize and to select their representatives for the purpose of collective bargaining.

The boards are given authority to require the production of pertinent documents, and under the draft as it is submitted, upon application of the board or upon petition of the person to whom an order is directed, in the enforcement of the order, an appeal may lie as in cases of orders issued by the Federal Trade Commission.

The board is authorized, with the approval of the President, to prescribe such rules and regulations as it deems necessary to carry out the provisions of the joint resolution and to assure freedom in respect to all elections. Penalties are attached for violation of the rules and regulations or for efforts to impede or interfere with the action of the board. The authority under the joint resolution expires June 16, 1935.

The hope is expressed by many Senators that it may be possible to have a report from the committee to whom the joint resolution is referred, and that sometime tomorrow, if the opportunity arises, it may be possible to take up for consideration the joint resolution.

I ask reference of the joint resolution to the Committee on Education and Labor and thank the Senate for affording me this opportunity of outlining the joint resolution.

Mr. McNARY. Mr. President, may I ask the Senator from Arkansas if the joint resolution has been introduced?

Mr. ROBINSON of Arkansas. Yes.

Mr. McNARY. Has it been read twice?

Mr. ROBINSON of Arkansas. I ask that it be read twice and referred to the Committee on Education and Labor.

The joint resolution (S.J.Res. 143) to effectuate further the policy of the National Industrial Recovery Act was read twice by its title and referred to the Committee on Education and Labor.

Mr. LA FOLLETTE. Mr. President, I desire to offer an amendment to the joint resolution in the nature of a substitute therefor, which I ask to have printed and lie on the table.

The PRESIDING OFFICER. The amendment in the nature of a substitute will be printed and lie on the table.

Mr. WALSH. Mr. President, has the joint resolution been referred?

The PRESIDING OFFICER. The joint resolution has been referred to the Committee on Education and Labor.

Mr. McNARY. Mr. President, I desire only briefly to supplement the remarks made by the Senator from Arkansas.

A few days ago a proposal was placed in my hands by the Senator from Arkansas looking to a substitution for the so-called "Wagner bill." A conference of Republicans was called, including all members of the party and Senator Shipstead. The 36 Members of the Senate on this side of the aisle were requested to be present. We held a conference and studied thoroughly the proposal which was placed in my hands by the Senator from Arkansas. Some suggestions of modifications were made and considered and adopted. Those suggestions yesterday were placed in the hands of the Senator from Arkansas, who unquestionably consulted with the President. After further conference today, an agreement was reached by a great majority of the Members on this side to cooperate with the President, and to accept and support the proposal offered by the Senator from Arkansas.

I only hope that if the reference has not been made to the committee under the rule, after the joint resolution is read twice it may be considered without further reference. If the reference has been made, as probably it should be, I hope that almost immediate consideration may be given the joint resolution, so that we may consider it tomorrow, in the hope that we may adjourn the session tomorrow evening.

The PRESIDING OFFICER. The Chair will state to the Senator from Oregon what the Senator, of course, knows, that a request for unanimous consent for immediate consideration would be in order.

Mr. McNARY. I am not suggesting immediate consideration. I am familiar with the rule.

The PRESIDING OFFICER. The present occupant of the chair is sure the Senator is.

Mr. McNARY. In order to keep this matter from going over, I asked that the joint resolution be read twice. That gives it such a status that it can be brought before the Senate tomorrow or can be referred to the committee tomorrow.

Mr. ROBINSON of Arkansas. I understand that the request was granted that the joint resolution be read twice. It is my expectation that the committee will report it promptly.

Mr. WALSH. Mr. President, as I understand, the matter of referring this joint resolution to the committee is a formal one. The subject matter of the joint resolution has been under consideration and study by the Committee on Education and Labor for from 2 to 3 months. We have pending on the calendar a bill which the committee favors. I understand that it is felt that the provisions of this joint resolution—which, after all is said and done, are but one or two sections lifted out of the bill pending on the calendar—should now be considered as a substitute and as a temporary measure pending the convening of the next Congress.

I see no reason why there cannot be an immediate report, because, as I said, the committee have studied the matter and are familiar with it, and there is no reason why they cannot report at once to the Senate and have the Senate make a choice as to which measure it prefers.

Mr. ROBINSON of Arkansas. Mr. President, I wish to add to what has been said by the Senator from Massachu-

a few moments ago, the further statement that the joint resolution is not intended to be permanent legislation on the subject.

Mr. WALSH. It is merely, as I understand, in the nature of an amendment to the National Recovery Act, which expires next June.

Mr. ROBINSON of Arkansas. The joint resolution is intended to obviate the necessity of the Congress' remaining in session for a prolonged or indefinite period to deal with a very important subject matter, namely, industrial labor disputes. It is recognized, I think, by all of us who present the joint resolution, as temporary and but a partial treatment of the subject.

Mr. WALSH. I simply desire to say in conclusion that the subject matter is not new to the committee, and there is no reason why a committee meeting cannot be held very shortly and a report made.

## DEFICIENCY APPROPRIATIONS

The Senate resumed the consideration of the bill (H.R. 9830) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina [Mr. BYRNES] to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. JOHNSON. Mr. President, I desire to recall to the Senate just exactly what is the point of departure in the consideration of this particular amendment. I do this for the benefit of those who have not been present during the discussion.

On page 86 of the bill, on line 6, is a committee amendment. The committee amendment is:

Provided, That not exceeding \$400,000,000 in the aggregate-

Then there is a reference to the subject matter of where that money shall come from; and this committee amendment has been further amended now by the committee by making the sum that shall be permissible for allocation \$500,000,000.

The remainder of the provision is:

Provided, That not exceeding \$500,000,000 in the aggregate of any savings or unobligated balances in funds of the Reconstruction Finance Corporation may, in the discretion of the President, be transferred and applied to the purposes of the Federal Emergency Relief Act of 1933 and/or title II of the National Industrial

And so forth. It will be observed that the provision first limits the amount which the President may take, although it does not specifically say that a specific amount shall be taken by him. It is simply that under this amendment he may allocate any amount from \$1 up to \$500,000,000 of the savings or unobligated balances of the Reconstruction Finance Corporation. "He may do this", says the bill, "in his discretion."

All right. It is asserted by those who feel in the fashion that I do respecting this matter that if he is to have the discretion to determine whether he will allocate from \$1 to \$500,000,000 of the funds of the Reconstruction Finance Corporation that are savings or unobligated balances, he should have the discretion to determine just exactly how much, even if it exceeded \$500,000,000, he would allocate in the fashion that the bill determines. When first we accord him the discretion as to amount—because he is not obligated to allocate \$500,000,000; any sum within that particular sum he may allocate as he sees fit-and when, in addition to that, we say that he may take these funds from the unobligated balances of the Reconstruction Finance Corporation in his discretion, is it not far better that we eliminate entirely the question of amount that thus is inserted in the bill, and give him the discretion to do exactly as he sees fit?

I have upon my desk the proceedings that took place in the House. There the very able chairman of the particular committee having the bill in charge stated that the total

setts and also the Senator from Oregon, and to what I said | amount which might be allocated under this particular section was \$573,000,000. I take his figures because I am not familiar at all with the computations that have been made.

> If we say to the President that he may take from \$1 to \$500,000,000 and that he may have discretion to fix the sum as he sees fit, what good reason exists for setting aside \$73,000,000 that are put to no purpose at all and to no particular policy at all?

> It is not a question of the Reconstruction Finance Corporation; for the President will deal as justly with his creation, the Reconstruction Finance Corporation, and just as tenderly, as he will deal with any other appropriation of this Congress or that he himself may have been responsible for in the past two sessions. So why limit the discretion? And the point that is at issue here between the gentlemen who represent the committee and some of us who are interested is simply omitting the words italicized in lines 6 and 7:

Provided, That not exceeding [such a sum] in the aggregate of-

And letting the sentence read:

Provided, That any savings or unobligated balances in funds of the Reconstruction Pinance Corporation may, in the discretion of the President, be transferred and applied—

And so forth. That is the difference. We want to leave the discretion with the President. They leave the discretion with the President, but say that it shall only apply up to a specific sum, and upon that comes the point of difference between us. I submit that on the logic of the situationindeed, upon the facts which may confront us-it is essential that the President be left with his hands clear in the period that may exist between now and January next, that we shall not be, as the Senator from Wisconsin [Mr. La FoL-LETTE | so eloquently said, in the next 2 or 3 or 4 months, as the case may be, feeling conscience-stricken because we have not done all that might have been done for human relief in this distressful hour.

Mr. COSTIGAN. Mr. President, will the Senator yield? The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Colorado?

Mr. JOHNSON. I yield.

Mr. COSTIGAN. Several Senators have already expressed, for sound reasons, their concurrence in the position taken by the Senator from California; and I hope he will request the yeas and nays on this question.

Mr. JOHNSON. That is my intention.

Mr. HALE. Mr. President, I think the Senator from California has misunderstood the statement made by the Chairman of the Committee on Appropriations on the part of the House.

As a matter of fact, the bill as it came over from the House provided for a direct appropriation of \$1,172,000,000 and for commitments amounting to \$1,746,000,000.

Those commitments, as the chairman of the committee in the House stated, had to be met, and those commitments were to be met by \$574,000,000, which was to be assigned from the unobligated balances of the Reconstruction Finance Corporation and funds to be realized by the purchase by the Reconstruction Finance Corporation of certain public-works securities. These together amounted to \$574,000,000. But, as far as the R.F.C. is concerned, as the Senator having the bill in charge has already stated, they have unobligated balances on hand which amount to about \$1,700,000,000, and these would all be affected if the limitation were taken off.

If the limitation of \$500,000,000 is made, ample funds are on hand to take care of any unemployment or to afford any immediate relief which may be found necessary during the summer. It does not seem to me that we should, without limitation, provide at the discretion of the President for the diversion of the entire working capital of the Reconstruction Finance Corporation.

Mr. COUZENS. Mr. President, I desire to say a few words in support of the committee amendment.

During the discussion of the conference report on the banking bill, whereby liberalization was granted to the Reconstruction Finance Corporation in making loans to closed banks, I raised the question of the undirected or uncoordinated use of R.F.C. funds. It was then stated by the Chairman of the Committee on Banking and Currency that they were quite satisfied that there were adequate funds in the Reconstruction Finance Corporation to take care of the liberalization needed in the release of frozen deposits. It has been quite generally estimated and conceded that it would take about a billion dollars of R.F.C. funds to release frozen deposits.

In the housing bill, which was reported yesterday and is now on the calendar, is a provision to which I wish to direct the Senate's attention. Section 4 provides that, for the purpose

of carrying out the act-

The Reconstruction Finance Corporation shall make available to the Administrator such funds as he may deem necessary and the amounts of notes, debentures, bonds, and other obligations which the Corporation is authorized and empowered to have outstanding at any one time under existing law is hereby increased by an amount sufficient to provide such said funds.

No estimate is provided there, but in view of the fact that \$200,000,000 is appropriated for this Corporation to provide a 20-percent guaranty, or the Government's share of the guaranty provided by the bill, the total will be five times that, or another billion dollars, so that there would be a billion dollars to be called for under this measure, there would be a billion dollars under the bank releases, and certainly there will be a limitation on the money to be used for these other activities as provided in the bill. I hope the committee amendment will be agreed to.

Mr. ADAMS. Mr. President, I wish to concur very heartily in what the Senator from Michigan has said. It seems to me quite essential that we maintain the Reconstruction Finance Corporation at real strength. If we go through the various statutes which have been enacted, particularly those which have gone through the Committee on Banking and Currency, although I do not have them all in mind, I know it will be found that in almost every instance the source of the money has been the Reconstruction Finance Corporation. If the pending amendment should be agreed to, there would be a limitation on the Reconstruction Finance Corporation I fear, so that they could not perform their functions.

As was pointed out by the Senator from Michigan, we are asked to provide money for the housing program from the Reconstruction Finance Corporation, and the housing measure is just as important a relief measure as any other, a sounder one, in some ways, in the furnishing of adequate relief

Mr. JOHNSON. Mr. President, will the Senator yield for a question?

Mr. ADAMS. Certainly.

Mr. JOHNSON. Does the Senator mean to imply that the President would cripple the R.F.C.?

Mr. ADAMS. I mean to say that I am not willing to put into his hands the power to cripple the agencies which the Congress has created for the fine purposes we had in mind. The President might make mistakes, just as occasionally Members of the Senate do.

Mr. JOHNSON. If the Senator is providing against possible mistakes, that might be a different proposition, but of course the President, in the exercise of his discretion, will sedulously protect the Reconstruction Finance Corporation, just as he will any other agency of the Government. Does not the Senator believe that?

Mr. ADAMS. I am not prepared to speak for what the President might do. I do not know how he might grade the various agencies of the Government. Under the pending amendment, as it would be if the Senator's suggestion were agreed to, he could take all the Reconstruction Finance Corporation money and put it over into the Public Works Administration, to build post offices, or something else.

Mr. JOHNSON. The Senator does not mean that, I am

Mr. ADAMS. Oh, yes; I do.

Mr. JOHNSON. That the President might take all the money of the Reconstruction Finance Corporation and build useless buildings?

Mr. ADAMS. He could under this amendment. I do not mean that he would; and I do not regard post offices as useless.

The point I was trying to bring out was this: That we have the housing program, which is to be financed out of the Reconstruction Finance Corporation. We have the measure providing for taking the frozen assets out of the banks, for the relief of the people of the country, the money to come partly out of the Reconstruction Finance Corporation. We are endeavoring to provide loans to industries, to put men to work, to come out of the Reconstruction Finance Corporation. There is a multitude of those things.

Mr. McKELLAR. Mr. President, will the Senator yield to me?

Mr. ADAMS. I yield.

Mr. McKELLAR. I merely desire to make a statement, and I think it will be verified by the Senator from Colorado.

When this matter came up in the committee there were various opinions. Some wanted no limitation at all; some wanted a limitation, first, of \$250,000,000; later on a limitation of not to exceed \$300,000,000 was asked for. I think that was the limitation proposed by the Senator from Maine. Finally, after going over all the matters, the committee agreed to make it \$400,000,000.

It seems to me that that would give a very wide discretion, and it is the result of a compromise, an adjustment, an agreement. I think, therefore, that it ought to be agreed to by the Senate.

Mr. ADAMS. It was not only the result of an agreement after conferences in the committee, but for several days the different agencies of the Government involved were engaged in long conferences in an endeavor to work out their problems, and they reached this solution and brought it to the committee in this form.

Mr. McKELLAR. That is entirely true. Not only were the various opinions of the members of the committee adjusted, but the opinions of the various departments concerned were adjusted, and it seems to me that in such a situation the amendment ought to be agreed to.

Mr. ADAMS. Mr. President, I am willing to give all the discretion in the world needed to the President; but on an 8-month basis we are providing \$150,000,000 a month for relief, and if we put it on a 6-month basis, until the time when Congress will be back, it will be \$200,000,000 a month, which would certainly be enough to take care of any necessity which might arise.

There are many programs, such as the refinancing of the irrigation districts in Colorado and in California, which are to be financed by the Reconstruction Finance Corporation. I am not willing to have those programs broken down for the purpose of providing unneeded relief agencies. I would rather see men employed, if it is possible to do so, under the Reconstruction Finance Corporation than to see them reached through the agencies of relief. It seems to me it would be a very serious mistake, as far as these agencies which Congress has created are concerned, if we abandoned all provision for discretion in the President. I think the Senator from California and I agreed only recently that there was such a thing as giving the President too much discretion. I know I differed from my neighbors over here on that very issue.

Mr. LONG obtained the floor.

Mr. COSTIGAN. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. COSTIGAN. Is not the first question before the Senate whether we shall increase the amount specified in line 7, page 86, from \$400,000,000 to \$500,000,000?

The PRESIDING OFFICER. The amendment offered by the Senator from South Carolina to the committee amendment was to increase the \$400,000,000 to \$500,000,000, and that was agreed to. The question now recurs on the committee amendment as amended.

## THE SILVER QUESTION

Mr. LONG. Mr. President, I am sending to the desk the leading editorial in the New York Times of today, June 15, 1934, which deals with the silver question.

I very often make prophecies with regard to what will occur as the result of our action or nonaction here, and in most instances I hope to see my prophecies fail to prove true.

When I said on the floor of the Senate some days ago that | the enactment of the silver bill I feared would not help silver but would tend to reduce its price, perhaps I was hoping that, for the good of the country, I would be proven to be a false prophet. But I am advised today that silver fell 40 points, and that on yesterday silver fell 40 points, and that since we passed the silver bill, which I undertook to amend, and which I prophesied would not be productive, mayhap, of good, but of harm, there has been a reduction in the price of silver of 80 points.

There is a gloating editorial in the New York Times which depicts the defeat of the silver bloc by reason of the failure to adopt an amendment which I offered. Apparently this exultation by those opposing the remonetization of silver is justified by the facts. I send this editorial to the desk and ask to have it read, not so much to prove that what I said was true, not so much that I deem myself as being vain enough to cite to the Senate how well I understood what was ahead, but in order that those of us who are interested in silver may have from that point of view an understanding of what we have done and what we will have to do in the

I ask unanimous consent that the editorial may be read. The PRESIDING OFFICER. The Senator from Louisiana [Mr. Long] asks unanimous consent to have read from the desk an editorial. Is there objection? The Chair hears

The Chief Clerk read as follows:

[Editorial from the New York Times]

NO REMONETIZATION

Before the silver bill, with all its ambiguities, was passed by the Senate it voted down an amendment directly calling for the "free and unlimited coinage" of silver "as basic primary money of ultimate redemption." By this amendment the President would have been "authorized and directed to proceed" to fix the ratio of silver to gold in the dollar, provided that the said ratio should not be at any time "at more than 70 to 1 nor less than 16 to 1." This proposal was subjected to only a brief debate, and then was rejected by a vote of 59 to 18, with 19 Senators not voting. That ended, for the present, the attempt to make the silver bill clear where it is cloudy, and to set up that bimetallic standard of value which Senator Gore had just argued powerfully never really existed at any time and could not possibly be introduced now.

The surprising thing was not that this remonetizing amendment was pressed in the Senate but that it received so small a vote. One reason given for the President's final surrender to the plea that "something must be done for silver" was that the free-coinage sentiment was so powerful in Congress that it threatened to sweep all before it. It could be stopped, so it was argued, only by the President's giving a kind word and a smille to silver. But when the thing was put to the test in the Senate the free-silver strength was less than one-third of that opposing it. It may be said, of course, that the favorable vote would have been larger if Mr. Roosevelt had not made a concession meaning little or nothing. But the vote in the Senate strongly indicates that the claims of the silver men were much exaggerated, and that if they had been squarely met, without throwing to them a sop of any kind, they would have been soundly defeated. Saying no more about that, it remains reassuring that the proposal of remonetization of silver, pure and simple, went down under an overwhelming majority. overwhelming majority.

Mr. LONG. Mr. President, it will be noticed that the New York Times, which is an administration organ, says that what was passed was a bill meaning little or nothing. I am sorry that they are correct up to the present time. It means little less than nothing-60 points less than nothing on the present day's market.

I desire to say to my silver colleagues and to the balance of the Senators here, that when we come back in January I hope that events shall have proved that they are right and I am wrong. I hope that time will prove that everything which Senators hope for shall have come true and that everything that I feared would not happen shall have proved to be unfounded. But I am afraid, Mr. President, that my predictions are going to be accurate at this time as those heretofore have been, as much as I hope they will not be.

## DEFICIENCY APPROPRIATIONS

The Senate resumed the consideration of the bill (H.R. 9830) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and

emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes.

The PRESIDING OFFICER (Mr. McGill in the chair). The question is on the committee amendment as amended. Mr. JOHNSON. I call for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. LOGAN (when his name was called). I have a pair with the junior Senator from Pennsylvania [Mr. Davis], who is absent. I transfer that pair to the junior Senator from Florida [Mr. Trammell], and will vote. I vote "yea."
Mr. WALCOTT (when his name was called). I have a

pair with the junior Senator from California [Mr. McADOO]. I understand that if present he would vote as I intend to vote. Therefore, I am at liberty to vote, and vote "yea."

The roll call was concluded.

Mr. ROBINSON of Indiana. I have a general pair with the Senator from Mississippi [Mr. Stephens]. Not knowing how he would vote, I withhold my vote.

Mr. ROBINSON of Arkansas. I transfer my pair with the senior Senator from Pennsylvania [Mr. REED] to the senior Senator from New York [Mr. COPELAND], and will vote. I vote "yea."

Mr. HARRISON (after having voted in the affirmative). I have a general pair with the Senator from Oregon [Mr. McNaryl, who is necessarily absent. I transfer that pair to the Senator from North Carolina [Mr. REYNOLDS], and allow my vote to stand.

Mr. LEWIS. I announce the absence of the Senator from California [Mr. McADOO], occasioned by illness. Also the absence of the Senator from Florida [Mr. TRAMMELL], the Senator from Indiana [Mr. Van Nuys], the Senator from New York [Mr. COPELAND], the Senator from Virginia [Mr. GLASS], the Senator from North Carolina [Mr. REYNOLDS], the Senator from South Carolina [Mr. SMITH], and the Senator from Mississippi [Mr. Stephens], who are necessarily detained from the Senate.

Mr. HEBERT. I announce the general pair between the Senator from New Hampshire [Mr. Keyes] and the Senator from Indiana [Mr. Van Nuys].

Mr. FESS (after having voted in the affirmative). I inquire if the senior Senator from Virginia [Mr. Glass] has voted?

The PRESIDING OFFICER. That Senator has not voted. Mr. FESS. I have a general pair with that Senator, but I understand that were he present he would vote as I have voted. Therefore I allow my vote to stand.

Mr. BULKLEY (after having voted in the affirmative). am advised that the senior Senator from Wyoming [Mr. CAREYI, with whom I have a general pair, is unavoidably absent from the Chamber. I transfer my pair with him to the senior Senator from South Carolina [Mr. SMITH], and allow my vote to stand.

The result was announced—yeas 57, nays 25, as follows:

	YE	AS-57	
Adams Austin Bachman Balley Bankhead Barbour Barkley Borah Brown Bulkley Bulkley Bulow Byrd Byrnes Capper	Clark Connally Coolidge Couzens Dickinson Dieterich Dill Duffy Fess Fletcher George Gibson Goldsborough Gore	Harrison Hastings Hatfield Hayden Hebert Kean King Lewis Logan Lonergan McKellar Metcalf O'Mahoney Patterson	Russell Schall Steiwer Thomas, Okla Thomas, Utah Thompson Townsend Tydings Vandenberg Walcott Walsh White
Caraway	Hale	Robinson, Ark.	
	NA	YS-25	
Ashurst Black Bone Costigan Cutting Erickson Frazier	Hatch Johnson La Follette Long McCarran McGill Murphy	Neely Norbeck Norris Nye Overton Pittman Pope	Sheppard Shipstead Wagner Wheeler
	NOT V	OTING-14	
Carey Copeland Davis Glass	Keyes McAdoo McNary Reed	Reynolds Robinson, Ind. Smith Stephens	Trammell Van Nuys

So the committee amendment, as amended, was agreed to. Mr. LA FOLLETTE. Mr. President, I desire to offer an amendment to the next committee amendment which appears on page 86, line 24, where I move to strike out \$450,000,000 and insert \$525,000,000.

Mr. BYRNES. Mr. President, will the Senator yield to enable me to offer for the committee an amendment changing the language of that amendment, and he can then offer

his amendment?

Mr. LA FOLLETTE. Very well; I yield for that purpose. Mr. BYRNES. In behalf of the committee, I offer the amendment, which I send to the desk.

The PRESIDING OFFICER. The amendment will be

The CHIEF CLERK. On page 86 it is proposed to strike out lines 22 to 24, inclusive, and in lieu thereof to insert the following:

To meet the emergency and necessity for relief in stricken agricultural areas, to be immediately available and to remain available until expended, \$450,000,000, to supplement the appropriations heretofore made for emergency purposes and in addition thereto for (1) making loans to farmers for, and/or (2) the purchase, sale, gift, or other disposition of, seed, feed, freight, summer fallowing and similar purposes; expenditures hereunder and the manner in which they shall be incurred, allowed, and paid shall be determined by the President without regard to the provisions of any other laws governing the expenditure of public funds.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

Mr. LA FOLLETTE. Mr. President, I move to amend the amendment offered by the Senator from South Carolina in behalf of the committee by striking out "\$450,000,000" and inserting in lieu thereof "\$525,000,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin to the amendment of the committee.

Mr. LA FOLLETTE. Mr. President, the Senate having by a large vote just indicated lack of confidence in the discretionary use of power by the President of the United States in this extraordinary emergency, it is with some lack of hope and enthusiasm that I endeavor to restore the amount provided for drought relief to the figures contained in the message of the President of the United States and in the estimate submitted by the Director of the Budget. The drought which is now affecting a great portion of the agricultural regions of the United States is unprecedented in character. It has left in its wake a trail of suffering and human misery. It has produced a crisis insofar as the animal population of that area is concerned. I visited certain portions of the State of Wisconsin recently and it is beyond my ability to describe the actual conditions which exist in those areas.

The Senator from South Carolina [Mr. Byrnes], in response to an inquiry by the senior Senator from Minnesota [Mr. Shipstead], indicated that certain recent rains in the drought area were the justification of the committee, in part at least, for reducing to the extent of \$75,000,000 the Budget estimate and the figure recommended by the President of the United States in his message. The fact of the matter is, Mr. President, that in many of the drought-stricken areas the recent rains have come too late to be of benefit.

That the rains in recent weeks or days in many instances have come too late is demonstrated by the fact that the Department of Agriculture is almost daily adding counties to the list of emergency and secondary areas. On June 12 the Department of Agriculture added, as secondary areas, counties in Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, Nebraska, Oregon, Wisconsin, and Wyoming. On the 14th of June the Department issued a statement or press release indicating that emergency areas had been designated that day by the Department in Arizona, Colorado, Nevada, New Mexico, Utah, Wisconsin, and Wyoming. This is a clear indication that we cannot rely upon the recent rains as a justification for reducing the estimate made by the President of the United States in his message, as supplemented by the estimate of the Bureau of the Budget.

Mr. COSTIGAN. Mr. President, this is an extremely important discussion. I trust that we may have greater quiet on the floor.

Mr. LA FOLLETTE. Senators must bear in mind that so far as the drought area is concerned, there is a cumulative effect. I hold in my hand a map showing the pasture conditions in the United States. It is one of the criteria of rainfall and of the effect of the drought. The areas may be seen by looking at this map, which is of June 1, 1931. It will be seen that the primary area in pasture condition was somewhat limited in character. In 1932 it was not so severe, although it manifested itself in that year. In 1933 the area was again confined to somewhat the same territory as in 1932; but in June 1934 we find that this whole midcontinent region, and extending as far east as the State of New York and as far west as the State of New York and as far west as the State of Newada, was involved.

I have here another map, Mr. President, showing the tame hay situation for the same years. It will be noticed that insofar as the drought condition in past years are concerned, the map shows the same cumulative effect of drought in the years 1931, 1932, and 1933 that is revealed so far as the pasture conditions are concerned, and, of course, in 1934 we find this wide-spread area affecting some of the most important agricultural regions in the United States

Here is the condition so far as the oats crop is concerned, showing the same tendency of an accumulated effect of drought in 1931, again in 1932, again in 1933, and then culminating on top of those 3 years of deficient moisture we find the terrible calamity of this year spreading over this great agricultural region of the United States.

Mr. President, I submit that it is entirely illogical to say that because we have had recent rains we may well afford to ignore the estimates of the Bureau of the Budget and the President of the United States, based upon all the information which they have been able to gather through the agency of the Agricultural Administration, the Emergency Relief Administration, and other agencies of the Government that have been mobilized and are concentrating upon this situation.

Here is my own State, one of the greatest agricultural States, one of the leading dairy States of the Union. I ask Senators to contemplate the character of the calamity that has descended upon the people of that State. The counties in red on this map are the counties which are in the so-called "emergency area." There are 17 of them. Some of them—most of them, in fact—are in the heart of one of the finest dairying sections of the world. Many of them, as will be seen, are located along the Mississippi River. In normal times they are well watered, containing many bottom lands.

The counties in black are the so-called "secondary" counties; and I may say that the distinction between emergency counties and secondary counties has only one significance. The emergency counties are counties in which the purchase of cattle is being undertaken by the Department of Agriculture; but, so far as the drought conditions are concerned, there is relatively little difference in the effect upon the farmers in the counties which are in the secondary area and those which are today in the primary area.

Mr. COSTIGAN. Mr. President-

Mr. LA FOLLETTE. I yield to the Senator from Colorado.

Mr. COSTIGAN. Approximately what proportion of the State of Wisconsin is affected by drought conditions?

Mr. LA FOLLETTE. There are 42 counties now designated as being in either the primary or the secondary area. There are in all 70 counties in the State of Wisconsin. But, Mr. President, every day I am receiving telegrams and letters, not only from the farmers themselves but from the county agents, from teachers in the agricultural extension work, pleading that the counties which are now in the secondary area be included in the emergency area; and, in my opinion, with all due respect to the committee which considered this matter, it is gambling with the welfare and the fate not only of farmers in the State of Wisconsin but of

farmers in all other States that have been afflicted by this | situation if we are simply to assume that because, perchance, there has been a little rainfall, we can lop off from this appropriation \$75,000,000.

In the past few days, Mr. President, I have had hanging upon the walls of the Senate pictures taken in some of the best dairy counties in the State of Wisconsin, showing the actual conditions that exist in those regions. Believing that those pictures could tell a more adequate story than I was capable of telling, I had hoped that they would impress upon Senators the dire distress of the farmers in my own State.

Mr. President, there is no constitutional question, there is no other question, involved here. When it came to a fight to provide funds for the relief of the unemployed in part from appropriations by the Federal Government, we met the constant resistance of those who contended that it was no function of the Federal Government to come to the relief of men and women who were out of work; but on all sides it was admitted that it had been the traditional policy of the Government of the United States since it was organized to come to the relief of its citizens who were suffering from the class of calamities which are commonly called acts of God.

The first such appropriation which I now recall was late in the late eighteenth century, when an appropriation was made by Congress to relieve the citizens of Alexandria, Va., who had been the victims of a fire. Since that time, in case after case, extending down through all the history of the Republic, in every instance where a calamity of a natural kind has been visited upon sections of the United States or upon communities of the United States, the Federal Government, be it said to its credit, has, without exception, come to the relief of its stricken citizens.

I stood shoulder to shoulder with other Senators upon this floor in 1930 and fought to the best of my ability to secure adequate appropriations to take care of the situation which confronted the farmers of the Southwest when a terrible drought afflicted the people of that region.

Mr. President, what is the break-down which the President gives in his message of the sum of \$525,000,000 which he recommends to meet this extraordinary emergency? It is as follows:

- 1. \$125,000,000 for special work program and human relief.
- 2. \$75,000,000 for livestock purchase in addition to the funds already available under the Jones-Connally Act.
  3. \$100,000,000 for shipping, processing, and relief distribution
- of purchased cattle.
- 4. \$100,000,000 for loans to farmers to finance emergency feed purchases and shipments.
- 5. \$50,000,000 for emergency acquisition of submarginal farms and assistance in relocating destitute farm families.
  6. \$50,000,000 for work camps to afford employment in the
- drought area for young men principally from cities and towns.
  7. \$25,000,000 for purchase of seed for 1935 plantings, and for loans to get seeds into farmers' hands.

I submit that it is not humanly possible for any man or any group of men to estimate what sum of money will be needed to meet the barest, urgent necessities of this calamity in the vast region of our country which is afflicted.

Mr. McKELLAR. Mr. President-

The PRESIDING OFFICER (Mr. McGill in the chair). Does the Senator from Wisconsin yield to the Senator from Tennessee?

Mr. LA FOLLETTE. I yield.

Mr. McKELLAR. The action of the committee was taken very largely on this state of facts: We accepted absolutely the recommendations of Mr. Hopkins as to drought relief. The reason for cutting out the \$75,000,000 was that, according to the testimony of Mr. Hopkins, that sum was to be devoted to two proposals. One was to buy marginal lands, and \$25,000,000 more was to be for the purpose of buying seed for 1935. The committee thought that those two items might well be left out. That was my understanding, and I think it was the understanding of the other members of the committee.

Mr. LA FOLLETTE. Mr. President, I may say that that statement has already been made. I am not in favor of

earmarking this money. I cannot say that \$125,000,000 will be needed for this purpose, and \$75,000,000 for that purpose. Events and conditions are changing too rapidly for any man or any group of men, as I said a moment ago, to sit down and decide, first of all, how much money is needed for any particular purpose, and, secondly, how much money is needed in a total amount to meet the situation.

Mr. McKELLAR. Mr. President-

Mr. LA FOLLETTE. Just a moment, if the Senator will permit me.

The President, in his message to the Budget Director, submitted a tentative break-down, but in the conference which the President held at the White House-and I am sure I am not breaching any of the proprieties-he made it perfectly clear to a large number of Senators and Representatives who were gathered there that it was impossible for him, armed as he was at the time with the latest telegraphic information from all of this vast territory, to tell'exactly how much money was going to be needed for any particular purpose. He admitted frankly that these were simply the best estimates that could be made at the time.

I say that no Senator and no group of Senators and no committee can sit down and say just exactly how much money is to be needed for any particular purpose. It may be the sum which has been fixed in the President's message will prove to be totally inadequate. On the other hand, if there shall be a very fortunate turn in circumstances, if the rainfall shall be unusually bountiful in the months to come, it may be discovered that the sum of money provided will be more than is needed. Here, at least, is one place where I urge upon the Senate that it leave it to the discretion of the President to decide whether or not these sums shall be spent, and how they shall be spent. I feel certain that the President of the United States is just as anxious as is the Committee on Appropriations, or any member of it, to expend as little money as possible, and, at the same time, do a decent job of American relief, in the face of one of the worst disasters this country has ever experienced.

The Senator picks out two items in the tentative breakdown.

Mr. McKELLAR. Mr. President, the Senator misunderstood me, evidently. What the committee did was to recommend the appropriation of \$450,000,000, to be used by the President for any purpose for which he saw fit to use it in dealing with this drought situation. There is no breakdown about it, there is no division about it, but the reason why the figure \$450,000,000 instead of \$475,000,000 was accepted, was that Mr. Hopkins testified before the committee that \$75,000,000 was to be devoted to permanent improvement, rather than to relief.

Mr. LA FOLLETTE. What I started to say, before the Senator interrupted me, was that out of this total figure he picks two items in the tentative break-down of the President, and because, forsooth, they strike him, as a member of the committee, as being something more or less permanent in nature, he advocates their elimination.

I say that no man can tell how much money is to be needed to do the work that has to be done in the areas which have been afflicted by the drought, and I say that there is no justification in taking two items of a tentative breakdown, and, upon the basis of their being, in the minds of the Senator from Tennessee and other members of the committee of a more permanent nature, eliminating them from the total amount available to meet the situation.

Mr. DUFFY. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield to my colleague.

Mr. DUFFY. On last Friday and Saturday I covered in an airplane a considerable portion of the State of Wisconsin marked in red on the map on the wall, and the conditions are every bit as bad as the senior Senator from Wisconsin has described them, and I might say even worse.

It seems to me that, in spite of the fact that there were some rains last week-end, the situation is so critical and the damage already done is so great that we had better err on the side of letting the President have a little more leeway

and discretion, than arbitrarily to cut off \$75,000,000 from the amount he determined upon, after getting the very best advice he could obtain from the various governmental agencies.

I certainly agree with my colleague that the amendment he proposes should be agreed to, in accordance with the President's request and suggestion.

Mr. LA FOLLETTE. Mr. President, the President makes it perfectly clear in his message. He says, "These proposals and the funds required as estimated at this time are", and then gives the tentative break-down.

Mr. President, so far as those two items which the Senator from Tennessee has singled out are concerned, in the first place it may be the best part of prudence for the Federal Government to purchase right now the seed which will be needed, if it is needed at all, for distribution in 1935, before the speculators shall have reached out and optioned or purchased it, and held it for a rise against a failure of the seed crop, or a partial failure of the seed crop, at this time.

Mr. THOMPSON. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. THOMPSON. I should like to ask the date of that message.

Mr. LA FOLLETTE. June 9, 1934; just 6 days ago.

Mr. THOMPSON. This year the wheat was entirely destroyed, and also the oats and barley and rye; something not known in my State as long as I have lived there, since 1881. I am thoroughly satisfied from all reports which I can get that the estimate made by the Senator from Wisconsin in regard to the drought relief is more nearly correct than that contained in the bill. I heartily concur in the remarks of the Senator from Wisconsin.

Mr. LA FOLLETTE. In regard to the emergency acquisition of submarginal farms and assistance in relocating destitute farm families, which is also in part the justification of the committee for reducing this amount, I may say it is perfectly obvious, Mr. President, that in some of these areas there is no possibility for the farmers to survive. It is a question, then, of whether they will be removed from this submarginal land and placed upon lands where they may have an opportunity to recapture their economic self-sufficiency or whether the Federal Government or the States or the counties will attempt to support them and their families on the areas upon which they are now located.

I desire to quote briefly, Mr. President, from the survey of the drought situation prepared and issued by the Bureau of Agricultural Economics of the Department of Agriculture:

Crop prospects declined seriously during May, and the country Crop prospects declined seriously during May, and the country now faces an acute shortage of pasturage, hay, and forage that will necessitate a sharp curtailment of livestock numbers, according to a preliminary telegraphic survey of the situation by field statisticians of the Bureau of Agricultural Economics. Although the official estimates of crop conditions on June 1 will not be available until Friday, June 8, it is already evident that the condition of early crops is bad over a large part of the country, and the continuation of the drought from week to week is causing uneasiness regarding corn and late forage crops, which have been the continuation of the drought from week to week is causing uneasiness regarding corn and late forage crops, which have been counted on to partially make up for the marked shortage of oats, barley, and hay which cannot now be avoided. Although recent rains have relieved the situation somewhat in certain limited areas, even should good rains come immediately the shortage of pastures and feed will necessitate the reduction of livestock numbers in the worst of the drought areas.

worst of the drought areas.

The drought, which centers in the Dakotas, has seriously hurt early crops not only in nearly the whole Corn Belt but in a larger area which extends eastward to northeastern counties of New York and to the Allegheny Mountains; southward into the northern portion of the Cotton Belt; and bending farther to the south, through the western counties of the Texas panhandle and to the Rio Grande. Drought, accentuated by a shortage of about half the normal supply of water for irrigation and by local shortages of water for stock, is affecting most of the West, south of a line drawn from north central Montana to San Francisco.

In this huge drought area, pastures, spring grains, and early

In this huge drought area, pastures, spring grains, and early hay crops have been scorched by the hot weather following months of low rainfall. A heavy reduction in crop acreage is already in of low rainfall. A heavy reduction in crop acreage is already in evidence as some land could not be planted, some crops have failed to grow, and some of necessity have been pastured. Inasmuch as the present drought area ordinarily contributes a large share of the Nation's wheat, feed grains, and hay, the total production of these will be greatly reduced. Present indications are that the crops of hay and oats in particular will be much below the quantities harvested in any of the last 25 years. This may also be true of wheat, with the possible exception of last year.

As the drought in many respects has broken all previous records, so the condition of pastures and some crops will set new low records for June 1 in a number of States. A few of the States most severely affected will show lower averages than any State has previously reported on June 1 during the 40 years for which comparable condition reports have been secured. The average conditions are the security as a whole

previously reported on June 1 during the 40 years for which comparable condition reports have been secured. The average conditions of pastures and of some early crops in the country as a whole are so much below any previous records for this early date that it is difficult to make comparisons or to forecast results.

The great area affected by the drought this year tends to prevent the adjustments usually made to meet logical drought conditions. Farmers whose pastures are furnishing no feed are finding it difficult to buy hay. Many who would move their stock to green pastures are finding no pasturage available. Over large areas sunsatures pastures are finding no pasturage available. Over large areas supplies are nearing exhaustion. Thousands, expecting rain, have carried their stock along by using every forkful of hay, straw, and fodder that they had on their farms.

I may say, Mr. President, that in Wisconsin some of the finest herds in the State have been pasturing upon land which is so barren of feed that they are now suffering in great numbers from a disease called soil impaction, and are having to be destroyed because they have eaten too close to the surface of the ground and have taken so much soil into their digestive canals that they are having to be destroyed.

Where hay crops have made fair growth some are cutting and feeding new hay that will be badly needed next winter.

I do not propose, Mr. President, to detain the Senate at this late hour of the day, but I do want to read briefly a couple of paragraphs from a letter which came into my hands a few days ago.

Mr. GIBSON. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. GIBSON. I have been very much interested in what the Senator from Wisconsin has said with respect to the area covered by the drought. But there is another area which is not mentioned in the report he has read. In one county in the State of Vermont the hay crop has been practically destroyed. The pasturage is in practically a state of ruin. I am just in receipt of a telegram to the effect that one town has today made application for an allotment of \$5,000 to take care of the situation in that township.

Mr. LA FOLLETTE. I thank the Senator for his contribution. It simply confirms the contention which I am trying to support here that no man or group of men can tell what the effect of the drought will be, how far it will spread, or what its cumulative effect will be. Should we happen, Mr. President, to have a shortage of rainfall in the month of August, all the forage crops upon which many of the farmers are now depending for feed may be wiped out.

I desire to read just a few paragraphs from a letter from the farm supervisor of the State Board of Control of the State of Wisconsin, who is in charge of the various dairies which are located at the State charitable and penal institutions. Because of the nature of his work he has to travel about the State, visiting and supervising the work of caring for these dairies. He says:

I regret that it was not possible for me to talk personally with you before your departure for Washington, as I should like to lay before you a word picture of the predicament our best dairymen find themselves in as a result of an unprecedented series of both

before you a word picture of the predicament our best dairymen find themselves in as a result of an unprecedented series of both winter, spring, and summer drought.

Our contact is with the better class of Holstein breeders. Last week I visited breeders at Berlin, Waupaca, Oconto, and Marinette. Of the 25 good breeders visited, only I had any silage, hay, or other fodder. These farmers had all turned their cattle to pasture. We went over the pastures while looking at the animals and found all of the cattle in pathetically thin condition and reduced in milk flow to a point averaging less than half the normal production of these herds in years past. Most cows lose from 100 to 150 pounds body weight when turned from dry feed of the barn to good pasture. The pastures into which these cattle have been turned afford not enough feed to sustain the body weight and make possible any sustained milk production. Even along the banks of streams and in bogland, through which cattle ordinarily could not travel at this period of the year due to miring, we found no grass whatever, but cracks in the soil several inches in depth. We were not on a pasture where a golf ball could not be seen at 30 rods' distance. The condition was true throughout this entire area of sandy soil.

Yesterday I visited some of the old reliable Holstein breeders in the vicinity of Argyle, Mount Horeb, Dodgeville, Mineral Point, and Barneveld. This is a territory of fine, prosperous farms where excellent herds have been maintained for many years. The soil is heavy and contains natural limestone. The territory is almost

is heavy and contains natural limestone. The territory is almost

nationally known for blue-grass pasture and excellent Holsteins. On a farm 8 miles from Argyle we found cattle being lifted to their feet after freshening by means of an improvised hoist made from a wire stretcher and parts of a horse saddle. On five other farms we found that it had been necessary for the farm help to assist cattle to their feet following freshening. These cattle are so thin and weak that they are not able to stand broadside against the wind. Within 5 miles of Argyle a farmer milking 22 cows marketed the day before yesterday 172 pounds of milk from a herd of well-bred cattle.

In this territory, which nominally carries over a large amount.

a herd of well-bred cattle.

In this territory, which nominally carries over a large amount of hay, we found not a single farmer with a fork full of hay or other forage on his place, nor one with any silage for summer feeding. These farmers all owned the land on which they are living, and in two cases this land had been in the family from the day it was homesteaded. These are nominally among the most prosperous dairymen of the State and have tremendous investments in cattle, land, and buildings.

Mr. President, I appeal to the Senate to restore the amount to that carried by the Budget estimate and recommended by the President in his message. Senators must bear in mind that the amendment will go to conference, there being nothing in the bill when it passed the House covering drought relief. If the amount shall be reduced, as suggested by the committee, to \$450,000,000, then there will be no possibility of that amount being raised in conference. On the contrary, the amount will be in jeopardy of being reduced below \$450,000,000.

The people in this vast area have a right, in view of the traditional policy of this Government since its foundation, to come to the aid of citizens in distress because of calamities brought on by act of God, to expect the Congress, before it adjourns, to provide adequate funds to meet not only the suffering of animals but the suffering likewise of men, women, and children who have worked long hours and given their all to build up their communities and the Nation, and who constitute a group of citizens in this Republic who have never failed to come to its support in times of stress.

Mr. SHIPSTEAD. Mr. President, I want to call to the attention of members of the Appropriations Committee the fact that the President's message asking for \$525,000,000 for drought relief was based upon estimates arrived at after a very thorough examination of the drought-stricken areas by the Emergency Relief Corporation, by the Department of Agriculture, and by the Rural Credit Corporation. Their estimates called for \$525,000,000, and were approved by the Budget and asked for by the President.

At a meeting of Senators and Members of the House representing 16 different States, Mr. Chester Davis, who laid the facts of the survey before the conference, when asked if \$52,000,000, in his opinion, would be sufficient, said "It would be sufficient if we get rain." He did not say it would be sufficient or that we would need it whether or not we should get rain. He said it would be sufficient if we get rain.

In some areas there has been some rain, but I beg Senators to remember that the Secretary of Agriculture is quoted as saying that the ground is so dry that in order to stop the drought and bring on forage crops the country must have an inch of rain every week throughout the summer.

The reduction in the appropriation is evidently made on the assumption that the drought is broken. The drought is not broken. The \$525,000,000 included in the amendment is assumed to take care of the damage that has already been done. We do not know what is the damage that may be encountered later. The Senator from Vermont [Mr. Austin] said the drought exists in Vermont. The Senator from Indiana [Mr. Robinson] told me the drought in Indiana is not broken. In the Mississippi Valley, where we have had some rain, the drought and its effects are not changed.

Mr. ASHURST. Mr. President, will the Senator yield? Mr. SHIPSTEAD. Certainly.

Mr. ASHURST. Perhaps I may make a contribution of information as to the drought condition of the southwest. Only yesterday the Department of Agriculture was obliged to enter into the drought relief area 10 of the 14 counties in Arizona. So far from being broken in the Southwest, the drought is continuing.

Mr. SHIPSTEAD. I thank the Senator. The drought areas are spreading like a prairie fire and we do not know when it will stop.

Mr. BORAH. Mr. President, if we should raise the amount to \$525,000,000 and it should not be necessary to use it, the Department would not have to use it, would they?

Mr. SHIPSTEAD. No, indeed.

Mr. President, to meet the devastating damage done in the drought area is like trying to put out a fire in the house. We do not know how much water will be required. The drought is still spreading, and we do not know how much money we must have in order to take care of the damage and take care of the people. The representatives of the Department of Agriculture said \$525,000,000 would do if we get rain, but it is not raining in many parts of the country, and where we have had rain there has not been sufficient to break the drought.

The allocation of funds, so much for this and so much for that, is like a situation where we might undertake to fight a fire in the house and we would say we will devote so many gallons of water to this room and so many gallons to that room. The money has to be spent where it is needed. We will have to have the funds wherever they are needed and for whatever purpose it is necessary to use them.

I wish to say to members of the Committee on Appropriations that if they cut this appropriation on the assumption that the drought is broken and that it is not spreading, they acted under a misapprehension, and the consequences of that act may bring such devastating suffering and misery to the people and to the livestock as to make it necessary to call the Congress back into extraordinary session before the fall shall have passed.

I join with the Senator from Wisconsin [Mr. La Follette] in urging the Senate to at least restore the appropriation to the amount asked for by the President, based upon the estimates of the three departments of the Government and accepted by the Bureau of the Budget.

Mr. NYE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. Thomas of Utah in the chair). Does the Senator from Minnesota yield to the Senator from North Dakota?

Mr. SHIPSTEAD. I yield.

Mr. NYE. To the end that the Senator's argument may be slightly enlarged upon, I should like to remind him that when the issue was pending before the Appropriations Committee presentation was made by Mr. Hopkins, Secretary Wallace, and others of the need that then existed. I should like to say to the Senator that so recently as yesterday Secretary Wallace declared that the need for the amount of money which had originally been asked to fight the drought conditions had been in no degree lessened by reason of what some like to call a breaking of the drought during recent days.

Mr. SHIPSTEAD. I thank the Senator.

Mr. President, I ask permission to print in the RECORD at this point a letter which I received some time ago from a Minnesota farmer's wife.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

PRINCETON, MINN., May 2, 1934.

Senator H. SHIPSTEAD,

Dear Senator: Just received the return from a cow we shipped Monday. Received a check for \$1.33 for a cow we paid \$65 for 3 years ago. She brought 75 cents a hundred; total, \$5.06; expenses, hauling, etc., was \$3.76; our check, \$1.33. We shipped another one this morning before we got this check. I know she will bring no more, but what can we do? We have no feed and no prospect of any pasture for some time to come. We have received 5 tons of hay and some grain (drought relief), but now hay is \$20 a ton and can't get it at that. It is so dry and the wind is blowing worse every day. Why should the packers be allowed to take advantage of the farmers that have to ship the stock on account of no feed? Is there a way we can be reimbursed for the loss we have to take? My husband has been in bed most of the time since last September with nephritis. I have no help except what I can hire, and that can't be much with the income we have, with a cream check from 76 cents in January to \$18 for April, milking 7 cows, when interest on \$13 and taxes are paid, feed \$10 last month. I work until I am so tired I think I am sick sometimes. Then I had to take a \$5 relief order a month, besides as much as I hate the thoughts of being on relief, as I am a Norske and brought up in the old school of trying to help others instead of being helped.

Why not permanent-disability pension as well as an old-people's |

Pension?

I am a graduate and registered nurse. Often thought, Why not a disabled and an old people's pension? It would do away with a lot of misery. I think it is very much appreciated what the Government is doing for relief, but hard to reach where it is needed most, I have been told. Two workers have been here to ask questions, etc. We have a large window out with glass to ask questions, etc. We have a large window out with cloth nailed on both the storm and inside windows sufficient head of Schaeffer's bed that keeps pounding in this awful wind. It is nerve-wracking, but their visits did not help that any. Thank you. Excuse the long letter. We know you fight our battles at Washington.

MRS. E. SCHAEFFER.

Mr. PITTMAN. Mr. President, I desire to invite attention to the President's message on this particular subject, in which he said:

These wholly tentative estimates have been made upon the basis of present and probable conditions. I believe the present emergency can be effectively met by an appropriation of \$525,000,000. Only such portion, of course, will be used as becomes absolutely necessary. We are dealing with a rapidly changing problem and it is important that the authorization should be flexible funds can be allotted to the several Federal agencies as required.

I will say that the last sentence deals with the last amendment that we lost.

I do not see any reason why the subcommittee should not accept the \$525,000,000; and if they find that the President does not want the \$525,000,000, it will be a simple matter to reduce the amount.

Mr. ADAMS. Mr. President, I think the Senators who have spoken with reference to this amendment are laboring under some misunderstanding as to the attitude of the com-

The reason why the amount of \$450,000,000 was put in was because it was the highest amount that the members of the committee who were trying to support the President's program could get. Our colleagues across the aisle, acting in the utmost good faith-I do not say other than that-insisted that \$300,000,000 was all that would be required; and, as a matter of fact, the division in the committee was very close.

The amount was crowded up from \$300,000,000 to \$350,-000,000, and \$450,000,000 was the outside amount that could have been put through the Appropriations Committee by reason of the opposition of Senators who sit across the aisle.

The members of the Appropriations Committee heard the evidence.

Mr. BORAH. Mr. President-

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Idaho?

Mr. ADAMS. I do. Mr. BORAH. I take it, then, that the amount which was put in was not satisfactory to the committee as a whole.

Mr. ADAMS. No; some wanted more and some wanted

Mr. BORAH. I was wondering how the Senator from Colorado felt about the matter.

Mr. ADAMS. Personally, I should be glad to have more; but I think there was a balance of a single vote that put the amount at \$450,000,000, and I think some Senators underestimate what \$450,000,000 is. We have gotten so in the habit of talking in big figures that we do not understand what they mean.

The Senator from Wisconsin says that no man can tell how much may be needed. That is true. No man can say with assurance that \$525,000,000 is the amount that is needed, any more than another man can say that \$450,-000,000 is needed, or another man can say that \$300,000,000 or \$350,000,000 is needed. It is a matter of judgment. The President gathered the evidence that he had. Before the Committee on Appropriations were the same men, or at least the heads of the departments. They gave their evidence. The evidence was given consideration, and I do not question the good faith of those who made the estimates. They were not men who were regardless of the suffering in the drought areas, nor were they ignorant of the extent of it.

I think perhaps the comment would be justified that in 1930, as I recall, a battle was waged here by the Senator from Wisconsin [Mr. La Follette] and the Senator from Colorado [Mr. Costigan], and the issue then was whether or not the Federal Government owed any obligation to the individual citizen, and they were defeated, if my reading of the RECORD is correct, upon the first issue.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. ADAMS. No; I would rather not yield until I finish. Mr. LA FOLLETTE. The Senator has used my name.

Mr. ADAMS. Permit me to finish the paragraph in my mind please. The two Senators waged a marvelous fight, and today we find that the matter of principle for which they battled is established, and the issue now is the issue of amount. The question as to the obligation of the Federal Government to its individual citizens is a fight that has been won; and I wished to pay my tribute to the Senator from Colorado and the Senator from Wisconsin, who waged that fight.

Mr. LA FOLLETTE. Mr. President, the statement which the Senator has just made prompts me to ask him to permit me to make this statement as to the distinction I tried to make in my remarks:

There has never been any question, so far as I have been able to find out, as to the responsibility of the Federal Government in coming to the relief of citizens suffering from a calamity of nature, or a so-called "act of God." At the time the senior Senator from Colorado [Mr. Costigan] and I were fighting early in this depression for funds for unemployment relief, it was admitted on all hands by the most bitter opponents of our proposal that if citizens were suffering from an act of God there was no question but that the overwhelming precedents were in favor of the Federal Government coming to their aid and succor.

Mr. ADAMS. Was the Senator ever able to draw that line satisfactorily in his own mind?

Mr. LA FOLLETTE. So far as I was concerned, it seemed to me that it made little difference to an innocent victim of a disaster whether it was economic or an act of God; but some Senators on this floor did draw that distinction. What I say, however, is that that issue is not involved in this case, because, beginning back in the late 1700's, in every case of serious damage from flood, fire, drought, and earthquake the Federal Government has come to the relief of its citizens.

Mr. ADAMS. I shall have to ask the Senator to make one exception. I came to Washington from a flood-stricken community in 1922, when the valley in which I lived and the city in which I lived were almost destroyed, and I was told that it was not the function of the Federal Government to grant relief in such a condition, and no relief was extended.

Mr. LA FOLLETTE. I shall be glad to place in the RECORD a list of all the instances in which the Federal Government has come to the relief of the citizens who were victims of flood, fire, drought, or earthquake.

I ask permission to insert in the Record the list to which I have referred.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

THE GOVERNMENT HAS BEEN GENEROUS IN THE PAST IN RELIEVING DISTRESS CAUSED BY DISASTER

It has been the traditional policy of the Federal Government of the United States to come to the assistance of citizens who, through no fault of their own, were suffering from disaster and were unable to provide for their sustenance and relief. It began in 1827, when there was appropriated from the Treasury of the United States \$20,000 to assist the citizens of Alexandria, Va., as

a result of a fire which swept over that city.

In 1874, Congress appropriated \$190,000 for relief necessitated by a Mississippi River flood, and later they appropriated an addi-

tional \$400,000.

In 1875, \$150,000 was appropriated to relieve conditions created by a grasshopper plague.

In 1882, the Mississippi River again went on a rampage, and Congress granted three appropriations from the Federal Treasury to relieve the sufferers in the flood area. One was for \$100,000,

one for \$150,000, and then, later, another appropriation of \$100,000

one for \$150,000, and then, later, another appropriation of \$100,000 was voted in the same Congress.

In 1884, Congress appropriated \$300,000 to relieve the sufferers in the flood area of the Ohio River Valley.

In the same year, on account of Ohio and Mississippi River floods, Congress appropriated \$200,000.

In 1897, on the occasion of another flood on the Mississippi, Congress responded with an appropriation of \$200,000.

In 1906, \$1,000,000 was appropriated to relieve conditions growing out of the San Francisco fire and the earthquake; \$1,500,000 additional was appropriated to relieve the sufferers from the same additional was appropriated to relieve the sufferers from the same

In 1908, \$250,000 was appropriated to relieve the victims of a

cyclone in Southern States.

In 1912, Congress appropriated \$1,239,000 on account of Missis-

sippi and Ohio River floods.

In 1913, Congress appropriated \$654,000 to relieve flood and tor-

nado victims.

In 1913, again the Mississippi and Ohio River flood conditions caused Congress to appropriate \$130,000 to relieve suffering and

In 1914, \$200,000 was appropriated to relieve conditions in the city of Salem, Mass., produced by a fire.

In 1916, appropriations were made to take care of sufferers because of floods in Southern States.

because of floods in Southern States.

In 1928, Congress appropriated \$1,500,000 for the relief of persons affected by a flood in the Mississippi River.

In 1927, President Coolidge made an address to the American Red Cross in which he boasted that the supplies, material, and other services furnished by the Federal Government in that year to the victims of the Mississippi River flood amounted, in his judgment, to over \$7,000,000.

APROPRIATIONS TO RELIEVE DISASTER VICTIMS ABROAD

Mr. President, we have not only extended the generosity of the Federal Government to relieve distress of victims of disaster in the United States, but we have likewise evidenced our generosity when disaster has befallen peoples of other lands.

In 1889, we appropriated \$100,000 for the destitute citizens in

In 1902, we appropriated \$200,000 to relieve the victims of the French West Indian earthquake.

Again, in 1909, we appropriated \$800,000 to relieve the victims of an Italian earthquake.

In 1911, famine victims in China received \$50,000 from the Federal Treasury.

Mr. ADAMS. In this case, of course, we are combining a depression and the drought. We have this drought fund, and we have a fund larger than that to meet the depression. It was the ultimate judgment of the committee, as a committee-not the judgment of individual members; and, of course, as the chairman of the subcommittee, I am here speaking the mind of the committee as to the result which it reached as a committee—that \$450,000,000, added to the moneys available which have been detailed before, would meet the problem as the President stated it in his message adequately, while conceding, of course, that no man knows how far it may go.

Mr. FLETCHER. Mr. President, will the Senator yield? Mr. ADAMS. I yield to the Senator from Florida.

Mr. FLETCHER. I simply desire to say in that connection that Florida suffered terrible loss from hurricanes in 1926 and again in 1928. Thousands of people were drowned; cities and towns and communities were practically destroyed. Florida never got any appropriation from the Federal Government. That storm came up from Puerto Rico. Puerto Rico was terribly damaged, and I think we appropriated \$5,000,000 for her relief, but nothing was appropriated to the State of Florida.

Mr. ADAMS. Mr. President, there are two things in which we are interested. We want to provide adequate funds, and, on the other hand, we do not want to forget entirely the taxpayer. We want to go as far as we can, but there is a stopping point.

Mr. FLETCHER. Mr. President, my statement was not intended to be in opposition to this drought relief. I voted for it before and I expect to vote for it now.

The PRESIDING OFFICER. The question is on the amendment, in the nature of a substitute, offered by the Senator from Wisconsin to the amendment of the committee.

The amendment to the amendment was agreed to. The PRESIDING OFFICER. The question now is on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

Mr. LOGAN. Mr. President, I desire to offer to the committee amendment on page 87 an amendment, which I send to the desk and ask to have read by the clerk.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 87, after line 21, it is proposed to insert the following proviso:

Provided, however, That no funds appropriated by this title shall be loaned, granted, or donated, either directly or indirectly, to any commission, board, or instrumentality created by Congress or other public authority for the sole purpose of bringing into being or carrying into execution any self-liquidating project, unless the obligations of such commission, board, or other instrumentality shall be guaranteed as to payment of interest and principal by a State, county, municipality, or political subdivision of a State, county, or municipality, or unless such obligations are otherwise adequately secured, and the income from such self-liquidating projects shall not be accepted as adequate, and this proviso shall apply to any appropriation heretofore made and unexpended for like purposes as those mentioned in title 2 of this

Mr. LOGAN. Mr. President, I should like briefly to explain the purpose of this amendment. In the first place, it has nothing whatever to do with the orderly processes of making loans as contemplated by the original act or by this amendment, but there is growing up what I conceive to be the most fruitful source of log-rolling and "pork barrel" legislation I have ever seen, and it ought to be nipped in the bud before it goes any further.

At this session of the Congress probably half a dozen bills have been passed creating some little commission or board. vesting in it the authority to create or bring into being some self-liquidating project, and allowing it to go to the Public Works Administration-at least that is the purpose of it-and borrow money from the Government, which is turned over to such board or commission without restriction and without regulation, and it puts up nothing at all as security except the fees or income from the project.

The proposed amendment has nothing to do with anything except such a commission or board as may be created by Congress or by some State or by some city, having nothing behind it except a license to do a particular thing.

For instance, only a few weeks ago there was created a certain bridge commission, and it was given authority to construct a bridge across a certain important river, and it was given authority to manage, control, and operate that bridge. That particular commission now has filed an application with the Public Works Administration asking for a loan of some two or three million dollars; asking that the money be turned over to it, that it may build a bridge which it will operate for 30 years, and then turn it back to the Government, or else the Government can give it to the

I do not believe that the Public Works Administrator, Mr. Ickes, will allow a thing like that to get by him, but it has been placed in a very favorable position to be acted upon soon. Pursuant to that scheme, which has been devised by some able lawyer, I do not know who, who has figured out the plan, there are now 4 or 5 or 6 other measures providing for things exactly like it which have just been passed by Congress. Last week three or four bills providing for the building of bridges were passed. It may be there are proposals to establish reclamation projects or drainage projects, but whatever they may be they are wrong and should be stopped now. To allow such a commission, without anything to back it, to go before the Public Works Administration and get money from the Government is wrong. It is true the Government is authorized to give itself credit by 30 percent of what it may give to these people, but the Government parts with it, and then at the end of the time, if it ever pays out, the Government will have a free bridge or some other project.

There is only one purpose in this amendment. The purpose is to require some State, some municipality, some political subdivision, or someone to stand behind such projects before the Public Works Administration may advance any money either as a loan or a grant. That is the sole purpose of the amendment, and I think undoubtedly it ought to be adopted because such things should not be allowed.

Mr. ADAMS. Mr. President, under the direction of the committee. I am required to raise the point of order that not in order at this time.

Mr. LOGAN. Mr. President, I deny that it proposes general legislation or that it has anything to do with general legislation. This proposed legislation appropriates money and authorizes that it be expended by the Public Works Administration or by the Reconstruction Finance Corporation. The amendment places a restriction only as to the method of securing that money. It is directly in line with the legislation which we have under consideration.

The PRESIDING OFFICER. The Chair rules that the

amendment is germane.

Mr. ADAMS. It is not a question of the germaneness; it is a question of whether it is legislation or not under paragraph 4 of the rule.

The PRESIDING OFFICER. The Chair rules that the

amendment is in order.

Mr. BYRNES. Mr. President, the Senate should know that the Public Works Administration is opposed to the amendment offered by the Senator from Kentucky. They take the position that it will prevent municipalities from participating under the Public Works program.

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. LOGAN. It has nothing whatever to do with anything excepting such a commission as may be created now, and it has nothing to do with municipalities. It interferes in nowise with their receiving benefits from the Public Works Administration. It deals with commissions which are created for the purpose of bringing into being selfliquidating projects. It means, if there is created some commission with nothing behind it, that it cannot go to the Public Works Administration and borrow money. The amendment has no sort of relationship to municipalities or States or counties. It does not even touch them. It relates only to those things which are created now by the Congress or by a State legislature or by a municipality.

Mr. LA FOLLETTE. I desire to direct attention to the last part of the amendment, which reads:

And the income from such self-liquidating projects shall not accepted as adequate, and this proviso shall apply to any appropriation heretofore made or unexpended for like purposes as those mentioned in title II of this act.

It seems to be very clear that in the case of municipalities which have attempted to set up projects which are selfliquidating in character, because they collect revenue as the result of their being constructed, they would be barred under the Senator's amendment from submitting those

projects and having them approved.

Mr. LOGAN. Mr. President, it has nothing to do with any self-liquidating project, except where a commission is created to bring into being a self-liquidating project. It has nothing to do with cities that have a self-liquidating project or with States where anyone pledges anything to secure it. I tell the Senate and I want it to go on recordit means nothing to me: I am not interested in it-but I say that we have passed four or five measures in cases similar to that which I described. We will say that Jim Smith and John Jones and some others create a commission, and that commission shall have the right to construct a bridge across a certain river and operate that bridge after it is constructed. They are now here asking for a loan from the Public Works Administration to do that work, and the Public Works Administration, if it makes the loan, turns the money over to the men we have named, and there is no restriction placed around them. It will create a greater scandal in the end if it is carried out than the building of the western railroads soon after the Civil War.

Mr. ADAMS. May I ask a question of the learned Senator from Kentucky [Mr. Logan] as to the last paragraph? I recognize that the Presiding Officer has ruled. Will he explain the last clause?-

This proviso shall apply to any appropriation heretofore made.

Mr. LOGAN. May I say to the Senator that we have not reappropriated any funds left over. In the future when there is set up one of these commissions to bring into being cal subdivision, that they could not make such guarantee

this amendment proposes general legislation; therefore it is | a self-liquidating project, it can get no money which is appropriated by this bill, or any remaining over from the previous appropriation.

> Mr. BYRNES. The counsel for the Public Works Administration takes an entirely different view from that expressed by the Senator from Kentucky. The conference of mayors of the United States also takes a different view.

> Mr. LOGAN. Mr. President, this amendment was only introduced day before yesterday. I never advised with a living human being about it. If there has been a council of mayors since that time, if anyone has found out about it. they found out about it in the last 48 hours. I did not discuss it with them. It was so simple that I thought the Committee on Appropriations would put that in, or something like it, but they seemed to have misconceived the purpose of it, and so does the Public Works Administration. It does not mean anything like what the very distinguished and able Senator from South Carolina seems to think it means. It is suggested that it is violative of the Constitution, or that it interferes with the States and the municipalities or counties. It has nothing to do with them at all. It stops the setting up of dummy corporations and having them come in and getting money.

> Already millions of dollars have been voted to them. It stops turning money over to commissions which will build a bridge or something else and collect tolls and operate for a period and at the end of that time turn it over to the Government, which then will have a bridge on hand. Of course we all know that the Government at the end of 2 or 3 years will have a bridge on its hands because all of those bridges are going into the hands of the receivers.

> Mr. BYRNES. Mr. President, the amendment was introduced some few days ago. I did not know and I did not intend to convey that there had been a conference of mayors to pass upon this question, but the executive committee appeared before the Appropriations Committee and filed with the committee their protest against this amendment on the last day the subcommittee was in session. Their position is set forth in the hearings at page 288. Their argument was as follows:

> Under the provisions of the original Emergency Relief and Construction Act the only type of Public Works projects eligible for Federal loans was that which was self-liquidating or selfsupporting in character.

supporting in character.

According to the provisions of the act:

"A project shall be deemed self-liquidating if such a project will be made self-supporting and financially sound and if the construction cost thereof will be returned within a reasonable period by means of tolls, fees, rents, or other charges or by such means (other than by taxation) as may be prescribed by the statutes which provide for the project."

This provision in the France of Belief and Construction Act

statutes which provide for the project."

This provision in the Emergency Relief and Construction Act made it necessary for most States to pass revenue bond acts before their municipalities could properly qualify for Federal loans. Accordingly, revenue bond acts were adopted by 28 States during the past 2 years. Practically all public-works projects financed by the Reconstruction Finance Corporation were secured by revenue bonds. Municipalities and other political subdivisions in many States, unable to issue additional general tax obligation bonds because of constitutional debt limitations, were able, after the enactment of revenue bond laws, to issue such bonds and the enactment of revenue bond laws, to issue such bonds and initiate the construction of much-needed water works and sewage projects as unemployment relief measures.

Municipalities in their attempts to reduce governmental expenditures and property taxes lowered their assessed property valuation to a point where no further bonding could be undertaken without exceeding their constitutional debt limit. Such communities continued to be good credit risks but were simply prevented from issuing general tax-obligation bonds due to these constitutional limitations. Municipalities in many States could

onstitutional limitations. Municipalities in many States could not finance public-works projects except by issuing revenue bonds. The National Industrial Recovery Act removed the mandatory self-liquidating provisions of the Emergency Relief and Construction Act. With these restrictions removed, the Public Works Administration has accepted revenue bonds as "adequate security" as defined in the act. In fact, the Public Works Administration has recommended that States pass legislation to enable municipalities. palities and other political subdivisions of the State to issue reve-

Their position, as I gather from the brief filed, is that if the States are forced to guarantee the instrumentality, the corporation referred to by the Senator, to guarantee the payment of interest and principal by cities or by some politi-

and therefore they would be precluded from participating | State of Washington which is prepared to build and desires in the loan.

Mr. LOGAN. That is an entirely new conception of the whole matter. Kentucky has more river frontage perhaps than any State in the Nation. If we are going to allow a few men to get together on a public highway and build a bridge across the Ohio River and pledge the income from that bridge, and they can get loans on that without putting up a bond or anything, without doing a thing in the world except to file an application and say it is self-liquidating in its nature, and if the Public Works Administration hold that it is, then it will grant that money without restriction and without control. I would be much better and in effect the same thing if the Government would build the bridge itself in the first place. But here we are delegating the right to some board to build it, to some board to manage it, and all the Government has as security is the promise or the pledge of the income from it without owning anything in the world behind it.

I do not believe Mr. Ickes will authorize a thing of that kind, but my information is that the Public Works Administration is desirous of having that kind of legislation. I do not know whether it is true or not. These things are being placed over there now and given a preferred position, as they are anxious to go to work building bridges and other things throughout the United States. I am opposed to it and that is the reason why I have offered the amendment.

Mr. BYRNES. There is no doubt in the opinion of counsel of the P.W.A. and there is no doubt in the opinion of the gentlemen representing the conference of mayors that the adoption of the amendment would prevent the financing of the projects of the municipalities in the country for sewerage and other projects of that charater.

Mr. LOGAN. How, may I ask the Senator, would it prevent it?

Mr. BYRNES. Because of the language that "no loan shall be made to a board or instrumentality "-

Mr. LOGAN. The Senator has not read it all. It is that "no board or instrumentality created for the purpose of bringing into being and following out the execution of a self-liquidating proposition."

Mr. BYRNES. There is no doubt about it. In the various municipalities of the country this is what has been done. Public utility bonds, as stated in the brief-

Mr. LOGAN. Yes; but what about the self-liquidating nature of the proposition?

Mr. BYRNES. It is contemplated that a portion of these loans at least should be guaranteed by revenue bonds and not merely by the guarantee by the municipality of interest, as would be required under the amendment.

Mr. LOGAN. That may be absolutely true, but this has nothing in the world to do with it, because they are not created by Congress for the purpose of bringing into being that kind of thing.

I am speaking now so far as my own State is concerned. There are two of these bridges proposed across the Ohio River, and it is provided that they shall be built and it is not proposed that they shall put up a thing on earth except a pledge of a mythical income from a mythical bridge which is to be built with real money.

Mr. BYRNES. I simply want to conclude by stating that all the bill provides is that no funds appropriated by this title shall be loaned, granted, or donated to any commission, board, or instrumentality created, not only by Congress but by other public authority, for the purpose of bringing into being a self-liquidating project. Throughout the country projects have been established for the purpose of filing applications, and the States and municipalities cannot guarantee the interest under the constitutions of approximately 28 States in the Union, in the opinion of the attorneys for the P.W.A., and I am satisfied it would do great injury to those municipalities.

Mr. BONE. Mr. President, I should like to ask the Senator from Kentucky a question because there is a situation in my State which I think typifies the argument made by the Senator from South Carolina. There is a county in the

to build a bridge across Puget Sound. The county may not under the constitution now guarantee the bonds of that bridge for the full amount. A survey of traffic conditions reveals that the traffic over that bridge would be two or three times sufficient to amortize the cost of the bridge represented in utility bonds, which are a very common type of public issue in the State of Washington. They are resorted to by cities. The survey by the Public Works Administration has revealed that there is traffic ample there to take care of the bonds. The bridge is to be owned by the county. I am not certain, from the Senator's explanation and from a reading of the amendment, whether or not it would interfere with such a project.

It is true that this is not a commission, board, or instrumentality that will handle the bridge.

Mr. LOGAN. And it does put up security for anything it borrows from the Government; does it not?

Mr. BONE. It gives these utility bonds on the bridge.

Mr. LOGAN. That is right; but the county itself issues those utility bonds.

Mr. BONE. That is right.
Mr. LOGAN. What I am driving at is the fellow who puts up nothing, who offers no bonds, who comes here without anything except a bond on a bridge that has not yet been built, and a promise to pledge its income and nothing else.

Mr. BONE. Of course my purpose in asking the question of the Senator was this: These bonds are underwritten by a pledge of revenues, and the pledge rests upon nothing except the promise to pay the bonds from revenues to be derived from the operation of the bridge. Pierce County, like all other counties in the United States-I assume that to be the case in all other States-is a municipal corporation. It has certain powers, and under the State law it may issue utility bonds on certain types of public improvements of a utility nature.

This bridge by an act of the legislature was declared to be a public utility, and the county was authorized to issue these bonds, and to pledge the traffic revenues of the bridge to amortize the bonds over a period of years; and these bonds will be pledged to the Public Works Administration to pay for the bridge. I am fearful that this amendment might be broad enough in its scope to prohibit that which was a perfectly logical suggestion to make to the United States Government.

Mr. LOGAN. I do not think the amendment reaches that. Those whom I am trying to reach by this amendment are those who do nothing except to come here to the Public Works Administration and ask for money merely by promising the income. The Public Works Administration is a commission which we have created. So far as I am concerned, the Senator may strike out the States, counties, and municipalities, and the utilities created by them; but we have started in now and have passed in the last 2 weeks something less than a dozen measures having but one thing in view, and that is to go to the Public Works Administration and get money merely by promising the income.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. Logan] to the amendment of the committee.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now is on the committee amendment.

The amendment was agreed to.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 6462) to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes; requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DEROUEN, Mr. CHAVEZ, Mr. ROBINSON, Mr. ENGLEBRIGHT, and Mr. EDMONDS were appointed managers on the part of | sacrifices of our sons and brothers drafted into war in a the House at the conference.

# ADDITIONAL REPORT OF A COMMITTEE

Mr. WALSH, from the Committee on Education and Labor, to which was referred the joint resolution (S.J.Res. 143) to effectuate further the policy of the National Industrial Recovery Act, reported it with amendments and submitted a report (No. 1447) thereon.

## ISSUE OF THE HOUR

Mr. SCHALL. Mr. President, today conditions of Federal Government are such as never before known since the adoption of the Constitution. We should chart our course pursuant to the wisdom and high hopes of the first Republican President-Abraham Lincoln-who expressed our faith at Gettysburg.

Today, for the first time since the will of George III was the law of the land in America, the Federal powers of our Government, both executive and legislative and to a large extent judiciary, reside in the will of one man-the Constitution notwithstanding.

It is true that the constitution of the ancient Republic of Rome, 500 B.C., provided for a dictatorship in time of emergency or war. But the term of a Roman dictatorship ended in 6 months. The demand of the White House today is for unlimited suspension of the law of the land-that his emergency powers be made permanent.

The Roman name for permanent dictator, under the suspension of the constitution, was emperor. When Julius Caesar, the last of the Roman dictators, was believed to be seeking a permanent grant of emergency powers he was assassinated at the foot of Pompey's statue. The American way is better—the ballot booth in the ides of November.

The first great charter of the American Republic-our Declaration of Independence—which we have been reading on July 4 since 1776, tells us that "governments are instituted among men, deriving their just powers from the consent of the governed."

Today the "brain trust" of the Federal new deal tells us that we shall never go back to the ideas of 1776, and that the term "consent of the governed" has been permanently changed to mean—consent of the White House in Washington.

In place of a democracy we have become a bureaucracy subject to the will of one man, as before the adoption of the Constitution. To that end the laws and Constitution stand suspended, and the White House itself demands that the suspension shall be permanent. That is the issue of the hour, which today we prepare to meet.

All bills for raising revenue—the Constitution providesshall originate in the House of Representatives, the body elected by the voters to express their lawful will in their respective congressional districts. Today, not only bills for raising revenue, but other bills of major consequence, originate in the White House. And the President has the power at his own sweet will to designate how much revenue. He has the power to put out of business any class of people in the United States that he wants to, and he now demands complete censorship of the press. The peoples' respective representatives are compelled to sit around with folded hands until someone calls up the White House. The Senator or Representative who refuses to obey the White House command and vote "me too", is branded as a man who has committed lese majesty.

Instead of a deliberative body of lawmakers assembled to express the will of the people, Congress under the new deal is presumed to be a doormat for the "brain trust" and a handy scapegoat for the blunders of the White House.

I congratulate the 295 Members of the House who, on March 12, had the courage to congeal the first major bolt from White House domination—the 295 who placed the needs of the veterans and their families, as likewise the honor of the American flag, above the commands of the White House and its patronage threats, and above the demands of the Wall Street profiteers who reaped their billions out of the

foreign land.

At Verdun and on the Marne, at the St. Mihiel drive, as at Gettysburg and Appomattox, the colors of Minnesota regiments have always waved at the front of the battle line. In the ballot booth of November let us hope the people will not forget that the Executive hand which granted doles of billions and billions to bank and railway and kindred corporations—the beneficiaries of war—penned the veto on just compensation for the brave victims of that war, the sons and mothers in my State, Minnesota, and every other State in the Union.

Among the pledges of the White House incumbent, before election, as expressed in the Democratic platform written in Chicago, was this: "We advocate strict and impartial enforcement of the antitrust laws to prevent monopoly."

After election one of the boldest acts of the new dictatorship was the complete suspension of the antitrust laws for a period of 2 years and 60 days under the N.R.A.-followed by the present demand of the President of an indefinite suspension under a permanent N.R.A.

Homes and consumers have been deprived of all protection from exploiting trusts and monopolies. Not only that, but over 400 trusts already have been legalized under priceboosting codes of the N.R.A., and commanded to do that which the laws of the land for 40 years declared unlawful-namely, to form monopolies in restraint of trade to increase the cost of living of 40,000,000 families.

That is not all. The very heads of these monopolies-the high-salaried officials of the industrials and utilities whose stock boom and stock-market panic of November 1929 started the world depression-are today seated behind the throne in Washington as the President's industrial advisory board to dictate the terms of the price codes-a sustained exploitation.

Nor yet is that all of this new deal of suspending the Constitution and the antitrust laws under the N.R.A.

Though high-powered salesmanship on the New York Stock Exchange started the panic and depression, a highpowered salesman of that stock market—who describes himself as the "assistant of Barney Baruch", the Wall Street broker and preferred client of J. P. Morgan & Co.-is installed by the White House as the N.R.A. administrator. This brigadier general, who never got nearer a battle front than a "fat" office in Washington, is today in command of all American industries and utilities, both State and interstate, and all commerce, both local and interstatethough the powers granted the Federal Government by the Constitution extend only over interstate and foreign commerce. The local grist mill and store and barber shop are today "cracked down" by Washington under the pretense of "interstate and foreign commerce."

Not in the whole history of dictators and emperors from the earliest recorded time, until the present dynasty of Roosevelt II, will you read of a country where a stock salesman is made the national generalissimo to compel all industries and all trades to adopt price-boosting codes to increase the cost of living in all the homes, on all the farms, and on all consumers down to sheets on the bed, the tools of the farm, the denim in a workman's overalls, and the funeral expenses when the family is buried.

Ten years ago, the Minnesota State Legislature voted to memorialize the Federal Government to investigate and prosecute that unlawful graft known as "Pittsburgh plus" which added \$10 to \$13 per ton to the cost of finished steel consumed by the implement industries and the building industries of the State. Under Minnesota leadership there was finally built up a country-wide association of 29 farming States of the West and the South against the trust graft—Pittsburgh plus. The Federal Trade Commission found that Pittsburgh plus constituted a yearly robbery of \$30,000,000 on the farmers of 11 Middle West States alone. The cause, begun by Minnesota and supported by neighboring States, including the American Farm Bureau, was upheld by the Federal Trade Commission under the administration

of Calvin Coolidge, and Pittsburgh plus was presumably vestors. It struck off 41 percent of the 11 billions due the made an outlaw for all time.

Look what happens under the new deal. On August 19, 1933, a new steel code with a Blue Eagle is approved by the White House. The advisory board of the President in drafting that code are among the very men who invented the Pittsburgh-plus levy upon American industry. And now behold Pittsburgh plus, wearing the Roman eagle as a halo, comes to roost and takes unlawful toll from our homes, our farms, our mills and foundries, our cars and railways, all building and construction industries, and even toll from State and Federal projects. And this Pittsburgh plus and unlawful graft is declared lawful by the new dictatorship which, in November, we are to be asked to make permanent.

Mr. President, please note that the N.R.A. and its alphabetical cousin A.A.A. went into effect in July 1933. The first industrial code, cotton textile, was approved by the President July 9. Please remember July as the starting point from which to measure the economic effect of N.I.R.A.

with its "crack-down" brigadier.

From July to December, the first 6 months of the N.R.A., only one industrial country on the globe had a setback in industrial production—and that was the United States.

From July to December the industrial production of the United States dropped 25 percent—the heaviest decline for that period of the year in the whole history of the depression.

On the other hand, in the same July-December period of 1932 preceding, the last year of the original depression, there was an industrial recovery of 12 percent. The low point of the original depression was July 1932. Recovery had already begun. There was no longer during the fall of 1932 and early winter of 1933 an emergency such as to justify a dictatorship by suspension of the laws and Constitution.

Something had to be done to justify the declaration for even a temporary dictatorship, let alone a permanent one such as has been established and which can only be overthrown by a return to Congress of an anti-Roosevelt legislature. There was no normal ground for setting up in America the Fascisti program of Mussolini. There was only one way to produce a Nation-wide economic emergency—to paralyze all trade and industry—and that was to close down all banks, the 20,000 financial institutions that are the financial foundation of all business. In March 1933 that very feat of buccaneering was achieved.

The entire banking resources of the United States were locked under an edict from the White House without knowledge or authority of the lawmaking branch of the Government or without warning to the people and the business affected. The entire 20,000 institutions—solvent and insolvent, mostly solvent—were closed down by the order of the new dictatorship. All business was paralyzed. Most industries were crippled. Workmen and school teachers, farmers and merchants could not touch their savings to pay a bill for rent or food. Thus the emergency, which became the pretext for the new dynasty, was created by the administration to foster the ambition of a new Caesar with his eagles.

The N.R.A. proved a "flop." Production fell. Normal employment by industrial demand declined. New imperial devices were tried. Employment was temporarily provided by the doles of the C.W.A. until that ended in a stage of graft.

The N.R.A., which had started in July with brass-band parades and an attack of delirium tremens, was now proceding like a train of locomotor ataxia. Mills were closing. Steel production, which in July before the establishment of the codes, had stood at 60 percent of maximum capacity, had dropped below 30 percent.

Then came the desperate plunge of knocking the dollar of the fathers down to 59 cents, so as to fool the farmer, the workman, and the rest of us into thinking we are getting rich, when we are only getting 59-cent dollars for our crops and wages.

It accomplished this much. It canceled 41 percent of the foreign debt of Europe to the Treasury and American in-

vestors. It struck off 41 percent of the 11 billions due the Treasury from the Allied Powers. It struck off 41 percent of the 15 billions due from Europe to American investors in foreign securities. Thereby it was a gift of 10 billions to Europe.

That was not all. We began paying Europe \$35 an ounce for an ounce of gold worth \$20.67. We paid Europe a bonus of \$14 an ounce which must be paid in time by American taxpayers.

The effect of the N.R.A. and A.A.A. and other dictatorial experiments drove \$300,000,000 of American gold abroad during the summer months. That 300 million we sold to Europe at the world price of around \$21 an ounce.

Now what happens? In the recent month of February alone, that entire 300 millions which we sold at \$21 comes back at \$35 an ounce—paid out of the Treasury deficit. That 300 millions comes back worth 500 millions—and the gold import dealers and Wall Street speculators make a profit of \$200,000,000 at the expense of American taxpayers.

I am told that just before the passage of the bill authorizing the President to raise the price of gold, that the Wall Street bankers, Barney Baruch and his like, placed in foreign banks more than a billion and a half of our currency which, cashed into United States money after the rise, netted them something less than 41-percent profit.

And the expense of it all must be saddled on tax-payers—not merely the direct-tax payer who may "pass the buck" to his patrons, but the indirect-tax payer, the 130,-000,000 consumers in the homes, in the shops, and on the farms, who must pay for all the waste and costs of this racketeering in cost of living.

The 15,000,000 acres of growing cotton plowed under to weave a cloak for high-powered publicity must be paid for in doubled prices of cotton goods for the homes.

The 3,000,000 young pigs that are donated to the packers on the pretense that young pigs are not food must be paid for out of the cupboard allowance of the workers.

The squandering of public funds at the rate of 10 billions annually to pile up a public debt that is now about the World War peak must be paid for by taxpayers and consumers to stagger the industry of years to come—all for the high-powered advertising of a temporary dictatorship that asks to be made permanent, and all it needs to secure that permanency is the election of a supporting Congress in 1934.

Now comes the drought to aid the destruction of food and clothing. It seems to be working hand in hand with the idea of the administration, for it has accomplished the evident purpose of the administration under its "brain trust" ideas even more completely and in much shorter space of time and with less cost to the taxpayers than the administration's fool practices did. I was told that to destroy good food and throw away or waste good wearable raiment was a sin in the eyes of God.

If this administration had taken from the market and stored the surplus, as Republican Senators advocated, it would have shown some sound Christian sense. It seems almost the wrath of God is being visited upon our people because of the silliness of our rulers. In all probability this drought will not be the last, for these come in pairs or by threes, and no doubt next year will see another catastrophe of drought. The administration should conserve, not waste and destroy.

Mr. President, I entered public life as a follower of that gallant progressive statesman, Theodore Roosevelt. Consult the Federal record, and you will find that the average expenditure of the Federal Government during the 7 years of Theodore Roosevelt was about six hundred and fifty millions a year.

Roosevelt II, the "new dealer", diametrically opposite of everything Theodore Roosevelt stood for, is squandering the public funds like a drunken sailor, at the rate of nine hundred millions in a single month. He is squandering on political doles, monopoly codes, and high-powered advertising, and drawing on the Treasury deficit as much public funds in 1 year as would more than support the Federal Government during the entire 7-year period of the real

Roosevelt, who stood for the Constitution and government | by the people.

In the name of economy and a balanced Budget, our new dictator cuts down by 25 percent even the lawful allowances of disabled veterans and pares down by 15 percent the pay of Government clerks. Then in the same period he distributes billions and billions to banks and railways, insurance companies and utilities, and drops hundreds of millions in Army camps and military reserves.

Balanced Budget? The deficit is now seven billions since July, and he will run it up to better than ten billions, maybe twelve, before the year is through—and his economy pretense is that he is producing a balanced Budget.

He has demanded and received from a spineless Congress the power of regulating the tariff at his own sweet will, the Constitution notwithstanding.

Now Congress has given him the power to take the \$3,300,000,000 appropriated for certain specific purposes to the Public Works Administration and the two billion appropriated to the R.F.C. for specific purposes and use this money without restraint in any way he may desire. This completely abolishes the limitations in the expenditure of \$5,000,000,000 which were originally enacted by Congress and puts him in the position of being sole dictator without supervision of this gigantic fund of \$5,000,000,000 of the taxpayers' money.

At the demand of the White House there was originally incorporated in the pending deficiency appropriation bill a clause providing that any savings or unobligated balances in existing appropriations be transferred to the purposes of the Federal Emergency Relief Act of 1933, but the House showed some sense of justice toward the American taxpayer by changing this clause limiting it to any savings or unobligated balances of the Reconstruction Finance Corporation be given to the President to use at his discretion together with money already provided him in similar fashion to entrench further his dictatorship at the fall elections. There is therefore no restraint upon him, and if he so desires he may use this enormous amount of money to further entrench his dictatorship at the fall elections.

New deal! We have gone back to John I (1215) when the farmer barons captured him and at the point of the sword made him sign the Magna Charta which took from him and gave to the people the power of taxation. George III tried to deny to the Colonies the right of the Magna Charta and brought on the Revolutionary War. Taxation without representation was resented by the Colonies, but in the dynasty of Roosevelt II there was evolved a trick machine which was known as the "N.R.A." whose emblem was the Russian blue eagle.

Through this national racketeering association prices to the consumer could be so raised that the crowd of Barney Baruch with their 1,800 factories in foreign countries could, with cheap foreign labor, make the goods we need in this country and ship them in here over our tariff at big buslness profits.

This worked very well to skin the consuming public for about a year, but due to the newspapers getting into their code free speech along about the last of February, they again began to tell the truth to the people as to what was going on in Washington behind the scenes.

The N.R.A. has become a flop unless other power can be had through which censorship of avenues of information to the people can be maintained. Because of the N.R.A. we have had strikes and strikes, ruin and ruin, and bloodshed all over the country.

Our emperor now began to realize that if his international banker friends are to get back their \$15,000,000,000 loaned to foreign nations, he would have to get control of the tariff-making power, which he has succeeded in doing. This will be an excellent method of taking care of his international banker friends and at the same time furnishes him with the implements of discipline equal to that of the Spanish Inquisition, to insure the quiescence of any developing enemy to his reelection.

At his will through the reduction of tariff, any business in the country can be put out of commission in a very short time—an excellent political club to continue the fear complex that has enveloped our people ever since his coming to power.

Why, Senators, it is only within the last few weeks that people are again beginning to write letters in criticism of this or that action of our Government where they dare sign their names.

As soon as he gets limbered up this tariff "big bertha" gun and the business men begin to understand how their lives and profit are in the hollow of his hands, the psychology of fear will again possess them and that fear will again be transferred through the business men and their advertisement to the public press, to the radio, to the movies, and to every other means of information the people have to the end that only his praises and the praises of the "slippery deal" will be the monotonous subject of their ballads. God help us.

Mr. President, the power to raise or lower the duties 50 percent amounts in actual practice to a complete surrender of the tariff-making power ordinarily exercised by Congress. More than 50 percent would amount to an embargo, and less than 50 percent would reduce a high protective tariff to the revenue basis of the Underwood Tariff of 1914. Therefore, the White House demanded on March 3, the closing day of the first year of the new dynasty, the powers that had been given him by the last Congress be made permanent and further demanded more powers, including the delegation of the tariff-making powers of Congress to the White House in indirect violation of article I of the Constitution. That is an issue which we are called to meet with our votes in the ides of November-the question of whether the people want the revenue power of government in the hands of their representatives or in the hands of a single ruler. The votes of a majority of this Congress can repeal but if His Majesty refuses to sign such a repeal, it would require two-thirds vote to override.

One point more—and one of the most vital of all if government by the people is not to perish in America. The chief advantage enjoyed by the American Republic, as against the ancient republics, is this—that we have the public press.

This is what the new dictatorship is doing to throttle an independent press. With this tariff power he can continue to make those who might oppose, fear him, and can continue to use to his ultimate purpose the established censorship under the "National Ruin Act."

First. There are 23 N.R.A. price-boosting codes raised over the materials and machinery necessary to the publishing industry.

Second. There are 400 codes on industries that advertise. The publisher is required to boost the N.R.A. and the Washington policy, or he may be deprived of advertising to support his newspaper.

Third. A drastic press censorship is in the offing by Federal control of telegraphic communications, press dispatches, and radio broadcasts.

Fourth. The press code has been installed, and the demand of editors to include therein the Constitution guaranty against abridging the freedom of the press is refused by the President on the ground that his word is enough, and that the provisions of article I have no more to do with the case than the Ten Commandments. His word stands above the Constitution!

Fifth. The White House has bought, through the R.F.C., the preferred stocks of 5,650 banks to the amount of \$910,-000,000, and these 5,650 banks control the loans and credits and securities of a large share of the dailies and magazines of America.

In the extra session the President secured from Congress and from the judiciary 77 powers. This session there has been a constant passage of bills, every one a little dictatorship, every one containing some secret clause that gives him censorship of the freedom of speech; and if all this fails,

he has the power of the Internal Revenue office and is using | it to further coerce his censorship.

I am told that a great magazine, one of the greatest in the country, because of its policy of free speech became obnoxious to His Majesty. Whereupon this was so conveyed to the publisher. The publisher did not desist and came back to his office to find revenue men in his office searching his files. This same thing, I am told, happened to a great Chicago newspaper and also to a great New York news-

You may recall that Mussolini—who was financed by Wall Street money to the extent of \$100,000,000-was not able to destroy the independence of 7,000 self-governing communes and make them directly subservient to his despotic will, until he had established the drastic press censorship of January 1, 1925.

That issue—the preservation of article I of the American Bill of Rights, against "abridging freedom of speech or of the press "-is now before us here in America. And the same financiers who financed Mussolini are behind the new dictatorship here-which demands that the revenue power of government, the press censorship, the secret gold power, the suspension of the antitrust laws, the suspension of the constitutional guaranty of government by the people shall be transferred to the White House.

It is the old deal of 4,000 years—the Fascisti program of one-man rule-dressed up and advertised by a "brain trust" of New York "yes" men, that you now face under the name "new deal."

The issue of the hour is the recovery of the Republic to the ideals of Washington and Jefferson, of Lincoln and Theodore Roosevelt—that government of the people, for the people, and by the people may not perish from the earth.

In closing permit me to call your attention to the following:

First. A press-censorship act was put on the statutes of my State to curb freedom of the Minnesota press until declared unconstitutional by a higher court as a violation of article I of the American Bill of Rights.

Second. The recent radio censorship, as I pointed out to the Senate committee investigating the subject, was imposed following the radio broadcast of Col. Charles Lindbergh giving the public the text of his letters to the White House and Secretary of War. It was an attempt to keep the truth regarding arbitrary and dictatorial Executive action from getting to the press.

Third. A so-called "M.R.A.", patterned on the Federal N.R.A., was attempted in my State, but the Minnesota State Legislature would not stand for an imitation "Brigadier" Johnson, or Olson, cracking down on the people of Minnesota after the style of Mussolini.

The "brain trusters" boast that their "revolution" has taken place and that all it will need is to be made permanent, and it can be made permanent if constant censorship of means of information to the people can be maintained.

Let us hope the vote is cast by the folks at home; that little "brain trust" hatched within a stone's throw of Wall Street will have just as much effect upon the destinies of this Republic as the shricking of a bunch of parrots. This is not Italy. It is not Russia. It is not the New York Stock Exchange with a hired crew of shouting brokerage clerks. This is the United States of America-"an indissolvable Union of indestructible States!"

I am calling this to the attention of the Judiciary Committee, which should report out my resolution 248, and a committee should be appointed to be on the job here between Congresses to keep track of every violation of freedom of the press, every attempt to threaten publishers or editors for printing the truth, every attempt to withdraw advertising from publications that tell the truth, every attempt by department heads to refuse public information to representatives of the people.

## MENACE OF SOCIALISM

Recently there was mailed me a pamphlet entitled "The Menace of Socialism." The author of the pamphlet is revolution.

Charles Hall Davis, of Petersburg, Va., who is an authority on our Constitution.

The pamphlet is documented and well proves the following

The United States asserts the inalienable sovereignty of man over government. Socialism asserts the indefeasible sovereignty of government over men.

The United States stands for the supreme rights of the individual, save to the extent that the governed consent to exercise certain of those rights in accordance with the community will.

Socialism stands for the supremacy and sovereignty of a so-called "community will." (but really of a class will) in all respects.

The United States stands for theism, for a belief in, a recognition of, and a dependence upon an Almighty God, possessing intellectual, ethical, and spiritual faculties and characteristics. The socialist school of thought stands for atheism.

The Menace of Socialism includes those chapters of Mr. Davis' unpublished book, A New Federal Bill of Rights, that refer to socialism, communism, and all the other "isms" that tend to make the unthinking doubt the permanent value and greatness of the American plan of government.

In the pamphlet there are a series of foot lines—not footnotes-that in their total and in their sequence are so impressive that I consider it important to place them permanently before the Nation in the Congressional Record.

There are 22 such foot lines, reading as follows:

- The American theory and plan of government is one whereby man can govern himself without a master.
   Under the American theory of government, each human being has been directly endowed by the Creator with certain inalienable
- Holding his rights under the supreme title of a gift from the Creator, he cannot be divested of them nor restrained in their use
- by any lesser authority, save by his own consent.

  4. The purpose of American Government is ordered liberty for the individual, that is, to secure each individual in the exercise of his rights, subject to a like right of every other individual to exercise similar rights, and subject to individual liability for their
- abuse.

  5. To secure ordered liberty, the individuals consent that certain of their inalienable rights shall thereafter be exercised in conformity with regulations or laws approved by a majority of the people.
- 6. Certain rights are so individual and personal that they are not
- 6. Certain rights are so individual and personal that they are not to be exercised according to the community or majority will; such as the right to worship God as one pleases. These inalienable individual rights are withheld from governmental regulation or control, usually by a bill of rights.

  7. In order to enforce the exercise of the agreed rights under regulations or laws approved by the majority of the community, the people create an agent or servant known as "government" and delegate to it the right to administer such of their sovereign powers as they deem necessary to carry out their purposes.

  8. Individual liberty in America is the sum of the inalienable individual rights withheld from governmental control.
- 8. Individual liberty in America is the sum of the malenable individual rights withheld from governmental control.

  9. Political liberty in America is correctly defined as individual liberty plus the sum of the limitations on the governmental agent, plus the sum of the safeguards assuring the sovereignty of the people over the government.

  10. To the extent that government control is extended over rights previously withheld from its regulation, individual liberty
- is reduced.
- 11. As the sum of the limitations on government is reduced, political liberty is lessened.
- 12. When the safeguards assuring the sovereignty of the people over government are discarded, both individual and political
- 13. The rights of man and the value of citizenship depend upon the maintenance of the sovereignty of the people over their gov-
- ernmental agents.

  14. The rights of man can be preserved only if government is always relegated to its true position of servant and agent.

  15. Tyranny and despotism on the part of government can be defeated only by imposing limitations on the powers of the governmental agent.

  16. Limitations cannot be imposed and enforced by the people
- 16. Limitations cannot be imposed and enforced by the people on any government unless the governmental powers are derived
- from the people.

  17. Limitations cannot be imposed on a government where the people act directly, as in a pure democracy; for no higher power exists which can control any specific exercise of their irresistible will.
- 18. The only form of government upon which limitations can be imposed and enforced by the people is a representative gov-ernment where the government agent is the creation and servant
- of the people.

  19. The people as sovereigns and as creators of the governmental agent can at any time enlarge, restrict, or abolish the powers of government, or establish such new governmental agencies as they desire.
- 20. The people can at any time change the Constitution of the United States as they desire; and under its terms a method of orderly change is provided so as to avoid the necessity for

21. Neither the governmental agent nor any branch of it can, under any circumstances, extend, restrict, discard, or violate the constitutional limitations upon its powers without destroying

22. It is hopeless to attempt to improve the American plan by grafting on it the principles of despotic government, to defeat which it was created.

Mr. President, apropos of the above thesis, I wish to read my letter of May 31, 1934, to Governor Olson, of Minnesota:

WHO WILL PAY THE FIDDLER?

MAY 31, 1934.

Gov. Floyd B. Olson,
State Capitol, St. Paul, Minn.

Dear Governor Olson: The platform on which you seek reelection reads, "We demand public ownership of all mines, water
power, transportation, and communication, banks, packing plants,

power, transportation, and communication, banks, packing plants, factories, and all public utilities."

Press report of your speech while the platform committee was in prolonged session indicates that you were the inspiration, if not the prime mover, of the above program. Your speech carries the phrases, "ownership of packing plants", "ownership of grain elevators", and "ownership of iron mines." Regarding the latter, you advised the convention: "The State of Minnesota can sell iron ore direct to the Government of the United States."

That you were the inspiration of the factory idea is shown by that chapter of your speech in which you suggested that the Government "set up industries to be operated by the unemployed for the purpose of manufacturing articles commonly used by

Government "set up industries to be operated by the unemployed for the purpose of manufacturing articles commonly used by people, such as overcoats, shoes, and hand goods and things of that kind, and so we will have and I predict it will come in the not distant future before the summer is over, if you please."

It seems that many Farmer-Labor delegates objected to public ownership of factories, and indeed a majority by a vote of 310 to 253 referred the platform back to the committee for rewriting. But your speech seems to have turned the scale, and the platform came back with your phrases in it—"factory", "packing plants", "mines", along with banks, public utilities and means of transportation and communication.

portation and communication.

You have no public funds for this investment. What is your estimate of the total Minnesota investment in mines, banks, factories, railways, public utilities, water powers, grain elevators—in short, the total of industrial, public-utility, mine, and financial institutions of the State?

Institutions of the State?
Your total investment—without funds—may reach 10 billions. Who will buy your bonds? Minnesota institutions and financial people able to buy bonds, you are putting out of business.

Interest charges on this investment may reach several hundred millions a year in taxes. Who will pay the taxes? The people who pay the bulk of the taxes, you are putting out of business.

You speak of using the unemployed to run your manufacturing. Will you run your public utilities, banks, mines, elevators, packing plants, and railroads with the unemployed.

Even with the highest class of skilled labor under the direction of expert engineers and managers, these industrial utility and

Even with the highest class of skilled labor under the direction of expert engineers and managers, these industrial, utility, and financial institutions are having a keen struggle to show a ledger balance. What will happen to that ledger balance, when you and your officeseekers become the managers and the institutions become a political sanctuary for the unemployed?

Who will stand the losses? Who will pay the fiddler?

The banks which you propose to retire from business carried in December 1932, and possibly at this time, approximately \$500,000.000 of deposits.

000,000 of deposits.

000,000 of deposits.

Let us suppose, for the sake of argument, that the voters of Minnesota in November elect a legislature committed to your project of public ownership and operation of banks.

Those banks are worthless without the \$500,000,000 of deposits. What will happen to those deposits between election day in November and the opening of your legislative session in January? Are the 800,000 bank depositors of Minnesota going to wait until you and your officeholders get your clutches on their savings? You know they will not.

Perhaps a month before you read your confiscatory message to the legislature—assuming that you are elected and a socialistic legislature is elected—the \$500,000,000 of Minnesota bank deposits will have been withdrawn. For bank depositors need their savings to carry on their legitimate business, pay their bills and taxes, pay wages and rents and mortgages, buy food and coal and clothes and machinery.

and machinery.

Bank depositors do not save their earnings for politicians to

gamble with in socialistic experiments.

Those \$500,000,000 will be withdrawn before Christmas—a week before you make your confiscatory "spiel." And then—what will your banks be worth—suppose the courts allow you to take over the banks? Those banks will be worth just the value of the office fixtures, minus the liabilities.

You will have acquired for all your labor in producing your cooperative commonwealth, on paper: First a thousand lawsuits; second, a huge liability total; third, a hundred warehouses full of second-hand office fixture. And your cooperative commonwealth will start in with just one "busted" enterprise, and that a second-hand junk shop.

Incidentally, you will have paralyzed what little business of Minnesota the "national ruin act" has left, and made yourself the laughing stock of the country. You will be popular, perhaps, in Moscow. You may be popular with the underworld of the big cities—the slums and Chinatowns that cast no votes.

What will be the effect on the people of Minnesota? What will your experiment do to Minnesota labor and capital—the homes and the farms, the mills and stores and mines? What class of people will your experiment drive from the State? What class of people will your experiment invite to the State? What class of people will your experiment invite to the State? What class of people will make Minnesota the mecca of all the followers of Karl Marx in America. You will invite the Marx element from foreign lands. You will make Minnesota sought by racketeers, bank robbers, kidnapers, even in greater numbers than during your administration of the past 2 years.

robbers, kidnapers, even in greater administration of the past 2 years.

Bank insurance in Minnesota is already at higher rates than in most of the States of the Union—as an aftermath of the crime in most of the States of vour administration. Minnesota bank-insurance have fallen.

in most of the states of the Union—as an atternate of the Union—wave of the years of your administration. Minnesota bank-insurance rates have risen—as the prices of farm products have fallen. Racketeers have done a thriving business—as farmers and wage earners, industries and trade have suffered. What will happen to earners, industries and trade have suffered. What will happen to the crime wave, on the one hand, and legitimate industry on the other, when your strong-arming racket destroys the banking resources of the State? Who will buy your bonds? Who will pay your taxes? Can you depend upon the Dillingers? Your one safeguard is this—the people of Minnesota will never elect for you a State legislature pledged to wreck the State by a socialistic gambling experiment at the expense of 800,000 bank depositors.

depositors.

Those 800,000 voting depositors of Minnesota banks constitute a two-thirds majority of Minnesota's voting electorate. They are not going to vote for their own destruction.

not going to vote for their own destruction.

It is doubtful if you carry a majority even of the Farmer-Labor Party of Minnesota for your mad project. The vote of 310 to 253 in your convention—to say nothing of the working rank and file in the work shops and on the farms—demanded that your socialistic program be sent back to the platform committee for revision. They balked on the word "factory." They will balk on the word "banks" as soon as they read your platform. They will balk on railroad ownership and operation by your bureaucratic group when you ask them to put up \$500,000,000 to take over Minnesota's 30 railroads—and most of these roads under Federal control.

They will balk on the proposition of taking over 500 mines owned and operated by interstate corporations—also under Federal control. But suppose, as a fairy tale come true, that you did put over the whole socialistic venture. Suppose you floated, with the aid of Moscow and the Al Capone millionaires, your ten billions of bonds? Then who will be your taxpayers to shoulder your crushing interest burden and your army of officeholders to run the industries, utilities, financial institutions of the State? You have put the biggest taxpayers out of business.

taxpayers out of business

In the past 20 years the railroads, mines, telephone, telegraph, insurance, and kindred corporations have paid into the State treasury in special taxes something like \$300,000,000.

When you came into the Governor's office these companies which you propose to put out of business were contributing something like \$15,000,000 to \$20,000,000 a year to support the public schools and other State institutions. And you propose to stop

You propose to abolish the principal taxpayers, and then load up the State with a mountain of debt and crush the enterprise that developed the State and upon which the State depends for economic existence—yea, for political existence.

It was said of an imperial regime in ancient history: "They made a desert and called it peace."

Your arbition is to make a tunk shop and call it prosperity.

Your ambition is to make a junk shop and call it prosperity.
You are safe only in this—that the people of Minnesota believe that even in politics there is such a thing as common sense and common honesty. They will never vote you the powers of a Mussolini to destroy their Commonwealth.

Cordially yours,

It might be well to have in mind and before us at this point the Minnesota Republican platform adopted at the convention on April 13, which I place in the RECORD.

There being no objection, the platform was ordered to be printed in the RECORD, as follows:

PLATFORM ADOPTED BY MINNESOTA REPUBLICANS

(Following is the complete text of the platform adopted Friday by the Minnesota Republican Party.)

# PREAMBLE

We, the representatives of the Republican Party in the State of Minnesota, in convention assembled, renew our pledge to the principles and traditions of our party and our constitutional form of government, and dedicate it anew to the service of our State and the Nation.

and the Nation.

We, as a party, mindful of our responsibilities and the purposes and safeguards of our Constitution, are unalterably opposed to any proposal or movement that embraces socialism or communism and that by guile and Utopian promises would enforce regimentation of our people, destroying their birthright, invading the inherent and inalienable rights and privileges vouchsafed to them in the achievements of 150 years of constitutional government.

The issue has now and at last been definitely and openly raised in Minnesota by the Farmer-Labor Party in its positive declaration in favor of the Marxian theory of the public ownership of all means of production and distribution. We accept that challenge and call upon the people of our State, irrespective of their political affiliations, to unite in opposition to this alien doctrine

so destructive of all individual effort and initiative and the right

we recognize the existence of unrest and discontent which have arisen as the result of a world-wide depression, but believe that there is no condition so serious but can be corrected in an orderly way under our present form of government.

This convention pledges to the people of Minnesota a progressive course of action and offers the following statement of

principles:

#### PRIVATE OWNERSHIP

We stand for the private ownership of property as the basis we stand for the private ownership of property as the basis of our economic system. This means the ownership of the home, the farm, business, and industry. We further believe that the right to such ownership should belong to the individual and not to the State. The individual should be protected by the orderly processes of government in such ownership, and oppose concentration and centralization in the hands of a few. We demand strict regulation of all public utilities.

## ECONOMY

Although our counties, townships, school districts, and other municipal subdivisions have uniformly decreased the operating cost of government, the cost of State government under the present administration has steadily mounted until the State levy is now far greater than in any other period of our history. We condemn the present wasteful and rising cost of our State government and pledge a determined and consistent course of action in the reduction of State expenditures.

Our antiquated system of taxation has grown so burdensome as to confiscate many homes and farms. We urge that the taxing system of Minnesota be completely revised and reconstructed to the end that the tax burden be justly and equitably distributed. That the object of such revision should be to eliminate the tax burden on the home owner, farm owner, and real estate.

#### AGRICULTURE

We demand the American market for the American farmer, by embargo on products produced in excess of domestic consumption, and we urge Congress to enact adequate laws for agricultural protection, and insist further that a tax of at least 5 cents a pound be placed upon all imported vegetable and animal fats and oils.

We demand lower interest rates on farm credit and insist that

we demand lower interest rates on farm credit and insist that the farmers and home owners of the State of Minnesota are entitled to receive as low a rate of interest as is now enjoyed by industry and finance.

We favor the continued development of true cooperative marketing organizations.

We again pledge to the people of Minnesota our support of the construction of the St. Lawrence deep waterways canal.

We demand the conservation and restoration of the great natural resources of Minnesota and the elimination of politics in their administration. Our forests, waters, minerals, game, and fish belong to all the people and should be safeguarded from private and political exploitation. We demand a strict adherence to the spirit and letter of our conservation laws and vigorously oppose any illegal diversion of conservation funds. In conservation projects we demand that all parts of the State receive fair and equitable experidention. table consideration.

We believe in the principle of high wages and the restoration of the purchasing power of the working man. We favor the principle of a shorter work week and the shorter work day, with its application to government as well as to private industry, as rapidly and as constructively as conditions will warrant.

The State should encourage industry to locate and remain in Minnesota to the end that labor may be well employed and the products of the farm find ready home market.

We believe that in the future to avert a recurrence of present conditions as to unemployment some form of adequate insurance must be adopted.

must be adopted.

## LIQUOR

We deplore the unsatisfactory administration of the present law controlling and regulating the sale of intoxicating liquor in this State. We pledge ourselves to an adequate and effective control of the sale and distribution of intoxicating liquor and its separation from the influence of politics.

## LAW AND ORDER

The preservation of law and order is the first duty of an enlightened government to its people. Every citizen is entitled to this elementary protection of his person, his family, his home, and his property.

We charge the Farmer-Labor regime with responsibility for the growing disrespect for law and order in our State and for the humiliating crime conditions now existing there.

We recommend that adequate modern facilities and equipment be provided to all police officers. We further urge that the statutes of the State relating to criminal procedure be amended to insure prompt and effective trial of all gangsters, racketeers, kidnapers and other criminals.

We favor establishment of a State-wide police content which

We favor establishment of a State-wide police system which shall utilize, coordinate, and expand the existing local peace

agencies, the State highway patrol, and the State bureau of criminal apprehension; provided, however, that the power of any State police shall be strictly limited, by statute, so as not to extend to labor disputes.

### INSURANCE

We are opposed to endangering the stability of insurance by placing the business thereof under political manipulation and control through State ownership and operation, and we believe that the present private and mutual agencies, properly regulated, can most efficiently meet the insurance needs of the people.

#### EDUCATION

The greatest safeguard of liberty is a stable and free system of public education. We favor academic freedom and are unalterably opposed to placing the control and publication of our school textbooks in the hands of the State or under the control of any political party.

We further declare in favor of the continuance of the present teachers tenure law.

We further demand that the educational and other public trust funds of the State should be safeguarded from dissipation.

## ELECTIONS

We favor and demand the immediate enactment of a law to provide for the election of all members of the State legislature with party designation.

The Republican Party is proud of the part it has played in giving to the soldiers of the State recognition for their services and relief for themselves and dependents. We trust that the national administration will as fully recognize its responsibility to the veteran. We fully appreciate the continuing obligation of the State to all disabled veterans and the duty of a just and fair policy in our attitude toward the ex-service man our attitude toward the ex-service man.

### PEACE

We are a people devoted to the arts of peace. In the final analysis no nation has ever profited by war. Individuals have. To take away the incentive of private gain as a cause for war, we recommend that not only man power but all resources be drafted to the service of the country in any future conflict.

#### FREE SPEECH

We believe that freedom of speech, press, and assemblage are fundamental principles upon which our form of government rests. These vital principles should be preserved and protected.

### RELIEF

Relief in time of emergency should be given to the needy with-out regard to party affiliation. The distribution of relief should take the form of giving to the recipient the opportunity of entering into legitimate employment whenever possible.

## HIGHWAYS

The construction and maintenance of highways involves an enormous sum of money and places a severe burden upon owners of motor vehicles. All bids for construction work should be made in strict conformity with law without prejudice or favoritism rather than by Executive order. We advocate the employment of local labor on all public works.

## APPOINTMENTS

Honesty demands that an appointment to public office should be given to the individual best qualified for the position, and his continuance in office should not depend in any respect upon his willingness or unwillingness to contribute to the campaign funds of any political party.

## CONCLUSION

In conclusion, it is our purpose and task and we pledge ourselves as a party, fully awake to present obligations and responsibilities, by resolute leadership and a determined policy, to assist in bringing to the people of Minnesota a representative government of its affairs, founded upon the principles which secure to the individual the inherent and inalienable right to life, liberty, and the pursuit of harmonices. and the pursuit of happiness.

## DEFICIENCY APPROPRIATIONS

The Senate resumed the consideration of the bill (H.R. 9830) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes.

The PRESIDING OFFICER. The next amendment reported by the committee will be stated.

The next amendment was, on page 86, after line 25, to strike out "The Reconstruction Finance Corporation is authorized to buy any bonds or other obligations issued by beneficiaries of grants from the Federal Emergency Administration of Public Works, for the purpose of construction, financed in whole or in part by such administration;" and in lieu thereof to insert:

The Reconstruction Finance Corporation is hereby authorized to purchase marketable securities, satisfactory to said Corporation, acquired or to be acquired by the Federal Emergency Administra-

tion of Public Works, and any sums paid for such securities shall be available to said Federal Emergency Administration of Public Works for the making of additional loans (but not grants) under the provisions of title II of the National Industrial Recovery Act: Provided, That the amount that the Reconstruction Finance Corporation may have invested at any one time in such securities. Act: Provided, That the amount that the Reconstruction Finance Corporation may have invested at any one time in such securities shall not exceed \$250,000,000. The amount of notes, debentures, and bonds or other such obligations which the Reconstruction Finance Corporation is authorized and empowered to have outstanding at any one time pursuant to section 9 of the Recon-struction Finance Corporation Act, as amended, is hereby increased by the sums necessary for these purchases, not to exceed \$250,000,000.

The amendment was agreed to.

The next amendment was, on page 87, line 25, after the word "repealed", to insert "insofar as said act applies to enrollees in the Civilian Conservation Corps,"; and on page 88, line 7, after the word "to", to strike out "employees" and insert "such enrollees", so as to read:

Section 3 of the act entitled "An act for the relief of unemployment through the performance of useful public work, and for other purposes", approved March 31, 1933 (48 Stat. 22), is hereby repealed, insofar as said act applies to enrollees in the Civilian Conservation Corps, and in lieu thereof the provisions of the act entitled "An act to provide compensation for employees of the entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended (U.S.C., title 5, ch. 15), are hereby made applicable to such enrollees under the said act of March 31, 1933, to the same extent and under the same conditions as is provided for employees of the Federal Civil Works Administration in the act entitled "An act making an additional appropriation to carry out the purposes of the Federal Emergency Relief Act of 1933, for continuation of the Civil Works program, and for other purposes", approved February 15, 1934 (Public, No. 93, 73d Cong.).

The amendment was agreed to.

The next amendment was, at the top of page 89, to insert:

### PETROLEUM ADMINISTRATION

For administering and enforcing the provisions of section 9 (c) of the National Industrial Recovery Act, approved June 16, 1933 (48 Stat. 195), and the Code of Fair Competition for the Petroleum Industry approved pursuant to the authority of said act, and for other purposes relating to the regulation of commerce in petroleum, to be allocated by the President, and to include necessary personal services in the District of Columbia and elsewhere without regard to the civil-service laws and regulations, traveling expenses, rent, and not to exceed \$2,750 for books and periodicals, not to exceed \$48,000 for the purchase, hire, maintenance, operation, and repair of motor-propelled passenger-carrying vehicles, not to exceed \$20,000 for the maintenance, operation, and repair not to exceed \$20,000 for the maintenance, operation, and repair of four motor boats, and not to exceed \$60,000 for a survey of the effect of the code on labor conditions in the petroleum industry, fiscal year 1935, \$2,096,000.

The amendment was agreed to.

The next amendment was, under the subhead "Department of Agriculture", on page 90, line 5, after the word "section", to strike out the colon and the following proviso: "Provided, That any funds allocated under the provisions of section 204 (a) (2) of such act shall also be available for the cost of any construction that will provide safer traffic facilities or definitely eliminate existing hazards to pedestrian or vehicular traffic", so as to read:

## DEPARTMENT OF AGRICULTURE

For the purpose of increasing employment by providing for emergency construction of public highways and other related projects, fiscal year 1935, \$160,000,000, to remain available until expended, which sum shall be apportioned by the Secretary of Agriculture immediately upon the enactment of this act under the provisions of section 204 of the National Industrial Recovery Act, approved June 16, 1933 (in addition to any sums heretofore allocated under such section), to the highway departments of the several States to be expended by such departments pursuant to the provisions of such section. provisions of such section.

The amendment was agreed to.

The next amendment was, on page 90, after line 9, to strike

For the purpose of carrying out the provisions of the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes", approved July 11, 1916, and all acts amendatory thereof and supplementary thereto, there are hereby authorized to be appropriated the following sums, to be expended according to the provisions of such act as amended: The sum of \$100,000,000 for the fiscal year ending June 30, 1936; the sum of \$100,000,000 for the fiscal year ending June 30, 1937: Provided, That 50 percent of the sum apportioned to each State from the appropriation herein authorized for the fiscal year 1936 may be expended without requiring any \$7,500,000", so as to read:

contribution on the part of such States and the remaining 50 percent of the sum apportioned for the fiscal year 1936, and all of the apportionment of the appropriation authorized for the fiscal year 1937, shall be matched by the States in accordance with the provisions of the Federal Highway Act, as amended and supplemented: Provided further, That the Secretary of Agriculture shall act upon projects submitted to him under his apportionment of the foregoing authorizations and his approval of any such project shall be deemed a contractual obligation of the Federal Government for the payment of its proportional contribution thereto: Provided further, That no deductions shall be made from the appropriations authorized in this paragraph on account of prior advances and/or loans to the States for the construction of roads under the requirements of the Federal Highway Act.

The amendment was agreed to.

The next amendment was, on page 91, line 13, to insert the following proviso: "Provided, That such sum shall be expended in accordance with the terms of H.R. 8781, an act entitled 'An act to increase employment by authorizing an appropriation to provide for emergency construction of public highways and related projects, and to amend the Federal Aid Road Act, approved July 11, 1916, as amended and supplemented, and for other purposes', as finally enacted by the Senate and House of Representatives."

Mr. HAYDEN. Mr. President, I move to amend the committee amendment on page 91 by the amendment in the nature of a substitute, which I send to the desk.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 91, in lieu of the committee amendment, it is proposed to insert:

And which sum is a part of \$200,000,000 authorized to be appropriated by section 1 of House bill 8781 as finally enacted by the Senate and House of Representatives.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arizona to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The next amendment of the Committee on Appropriations was, on page 91, line 23, after the figures "1935" to strike out "\$6,730,000; and for such purposes there are hereby authorized to be appropriated, the following additional sums: \$10,000,000 for the fiscal year ending June 30, 1936; and \$10,000,000 for the fiscal year ending June 30. 1937; all " and insert "\$10,000,000", so as to read:

For the purpose of carrying out the provisions of section 23 of the Federal Highway Act, approved November 9, 1921, fiscal year 1935, \$10,000,000, to remain available until expended in accordance with the provisions of such section 23.

The amendment was agreed to.

The next amendment was, on page 92, line 12, after the figures "\$2,500,000" to strike out "and for such purposes there are hereby authorized to be appropriated the following additional sums: \$2,500,000 for the fiscal year ending June 30, 1936; and \$2,500,000 for the fiscal year ending June 30, 1937; all ", so as to read:

For the purpose of carrying out the provisions of section 3 of the Federal Highway Act, approved November 9, 1921, as amended June 24, 1930 (46 Stat. 805), for the survey, construction, reconstruction, and maintenance of roads through unappropriated or unreserved public lands, nontaxable Indian lands, or other Federal reservations other than the forest reservations, fiscal year 1935, \$2,500,000; to remain available until expended.

The amendment was agreed to.

Mr. HAYDEN. Mr. President, on behalf of the committee I offer a further amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 92, after line 17, it is proposed to insert, as a center head, "Department of Interior."

The amendment was agreed to.

The next amendment was, on page 92, line 24, after the word "amended", to strike out "there is hereby authorized to be appropriated the sum of \$5,000,000 for the fiscal year ending June 30, 1936, and the sum of \$5,000,000 for the fiscal year ending June 30, 1937; all " and insert "fiscal year 1935,

For the construction, reconstruction, and improvement of roads and trails, inclusive of necessary bridges in the national parks, monuments, and other areas administered by the National Park Service, including areas authorized to be established as national parks and monuments, and national park and monument approach roads authorized by the act of January 31, 1931 (46 Stat. 1053), as amended, fiscal year 1935, \$7,500,000, to remain available until expended:

The amendment was agreed to.

The next amendment was, on page 93, line 4, after the word "expended" to insert a colon and the following proviso: "Provided, That the location, type, and design of all roads and bridges shall be approved by the Bureau of Public Roads before any expenditures are made thereon, and all such construction done by contract shall be under the general supervision of said Bureau."

The amendment was agreed to.

The next amendment was, on page 93, line 11, after the figures "1935" to strike out "\$2,000,000; and for such purposes there are hereby authorized to be appropriated the following additional sums: \$2,000,000 for the fiscal year ending June 30, 1936; and \$2,000,000 for the fiscal year ending June 30, 1937; all" and insert "\$2,000,000", so as to read:

For the construction and improvement of Indian reservation roads under the provisions of the act approved May 26, 1928 (45 Stat. 750), fiscal year 1935, \$2,000,000, to remain available until expended.

Mr. HAYDEN. On behalf of the committee, I move to strike out "\$2,000,000" and insert "\$4,000,000."

Mr. CLARK. Mr. President, I should like to have an explanation of that amendment.

Mr. HAYDEN. The amendment is proposed to conform to the Road Act, which has passed both Houses of Congress, and now awaits the signature of the President.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The CHIEF CLERK. In the committee amendment on page 93, line 15, it is proposed to strike out "\$2,000,000" and insert "\$4.000.000."

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The reading of the bill was resumed.

The next amendment was, on page 93, line 16, after the word "expended", to insert a colon and the following proviso: "Provided, That the location, type, and design of all roads and bridges shall be approved by the Bureau of Public Roads before any expenditures are made thereon, and all such construction done by contract shall be under the general supervision of said Bureau."

The amendment was agreed to.

The next amendment was, on page 93, after line 20, to insert:

The President may also, from the funds made available under this title, make allotments for the construction, repair, and improvement of public highways not to exceed the following sums: In the Virgin Islands \$250,000, in Alaska \$1,500,000, in Puerto Rico \$1,000,000.

The amendment was agreed to.

The next amendment was, under the heading "Treasury Department, Office of the Secretary", on page 95, line 5, after the word "of", to strike out "\$9,000" and insert "\$10,000", so as to read:

## TREASURY DEPARTMENT OFFICE OF THE SECRETARY

Salaries, Office of the Secretary of the Treasury: For an additional amount for salaries, Office of the Secretary of the Treasury, under the authority contained in sections 512 and 513 of the Revenue Act of 1934, creating the Office of General Counsel for the Department of the Treasury, and authorizing the Secretary of the Treasury to appoint and fix the compensation of 5 assistants at rates of compensation of not to exceed \$10,000 per annum; including necessary traveling expenses, the temporary employment of experts, and the payment of actual transportation and subsistence expenses to any person whom the Secretary of the Treasury may from time to time invite to the city of Washington or elsewhere for conference and advisory purposes in furthering the work of the Department, fiscal year 1935, \$100,000: Provided, That the unexpended balances of appropriations now available for expenditure by the Treasury Department, and appro-

priations for such Department for the fiscal year 1935, to the extent applicable to the legal activities of the Department as constituted prior or subsequent to the enactment of the Revenue Act of 1934, shall be available, during the fiscal year for which appropriated, for expenditure, under the direction of the Secretary, to carry out the provisions of section 512 of said act: Provided further, That, with the exception of any office the rate of compensation for which is specifically fixed by the terms of section 512, the lawful rate of compensation of any other office or position provided for by sections 512 and 513 of the Revenue Act of 1934 shall not be in excess of \$10,000.

The amendment was agreed to.

The next amendment was, on page 96, line 3, after the word "of", to strike out "1933 and" and insert "1933"; in line 4, after the figures "1934", to insert a comma and "and Silver Purchase Act of 1934"; on page 97, line 1, after the figures "1933", to insert "for any purpose in connection with carrying out the Silver Purchase Act of 1934,"; and in line 3, after the figures "1935", to strike out "\$3,000,000" and insert "\$4,500,000", so as to read:

expenses, Emergency Banking Act of 1933, Gold Reserve Act of 1934, and Silver Purchase Act of 1934: For any purpose in connection with the carrying out of the provisions of any Executive orders and proclamations regarding the bank holiday, any regulations issued thereunder, and the provisions of the Emergency Banking Act, approved March 9, 1933 (48 Stat. 1), the Gold Reserve Act of 1934, approved January 30, 1934 (Public, No. 87, 73d Cong.), and section 3653 of the Revised Statutes, including costs of transportation, insurance, and protection of gold coin, gold bullion, and gold certificates transferred to Federal Reserve banks and branches, United States mints and assay offices, and the Treasury, after March 9, 1933; losses sustained by Federal Reserve banks due to abrasion of gold coin, and reimbursement to Federal Reserve banks and branches for expenses incurred by them in carrying out instructions issued by the Secretary of the Treasury after March 4, 1933; and to cover any deficiency in the accounts of the Treasurer of the United States, including interest, as authorized by the act of March 26, 1934 (Public, No. 129, 73d Cong.), arising out of the arrangement approved by the President on July 27, 1933; for any purpose in connection with carrying out the Silver Purchase Act of 1934, fiscal year 1935, \$4,500,000, to be expended under the direction and in the discretion of the President and to be immediately available.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Internal Revenue", on page 98, line 5, after the word "business", to insert a colon and the following proviso: "Pro-vided, That no part of the appropriation made herein or heretofore made for the fiscal year 1935 shall be used to pay the salary of any person formerly employed as investigator, special agent, senior warehouseman, deputy prohibition administrator, agent, assistant attorney, assistant prohibition administrator, senior investigator, deputy production administrator, storekeeper or gauger, or any other position in the Prohibition Bureau or Alcoholic Beverage Unit, Department of Justice, who was separated from the service of such Bureau or Unit between June 10, 1933, and December 31, 1933, while in any such position in the Treasury Department, unless and until such person shall be appointed thereto as a result of an open, competitive examination to be hereafter held by the Civil Service Commission", so as to read:

## BUREAU OF INTERNAL REVENUE

Collecting the internal revenue: For an additional amount for expenses of assessing and collecting the internal-revenue taxes, including the same objects specified under this head, and under the head "Salaries and expenses, Bureau of Industrial Alcohol", in the Treasury Department Appropriation Act, 1935, and including so much as may be necessary for the compensation of one additional deputy commissioner, to be immediately available, \$10,000,000; of which not to exceed \$800,000 may be expended for personal services in the District of Columbia, and not to exceed \$71,250 for the purchase of passenger-carrying automobiles to be used on official business: Provided, That no part of the appropriation made herein or heretofore made for the fiscal year 1935 shall be used to pay the salary of any person formerly employed as investigator, special agent, senior warehouseman, deputy prohibition administrator, agent, assistant attorney, assistant prohibition administrator, senior investigator, deputy production administrator, senior investigator, deputy production administrator, storekeeper or gager, or any other position in the Prohibition Bureau or Alcoholic Beverage Unit, Department of Justice, who was separated from the service of such Bureau or Unit between June 10, 1933, and December 31, 1933, while in any such position in the Treasury Department, unless and until such person shall be appointed thereto as a result of an open, competitive examination to be hereafter held by the Civil Service Commission.

Mr. McKELLAR. Mr. President, I propose an amendment, which I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 98, line 5, after the word "that", to insert the words "after October 1, 1934."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, at the top of page 99, to strike out:

## PROCUREMENT DIVISION, PUBLIC WORKS BRANCH

PROCUREMENT DIVISION, PUBLIC WORKS BRANCH

Public buildings: For emergency construction of public-building projects outside of the District of Columbia (including the acquisition, where necessary, by purchase, condemnation, exchange, or otherwise, of sites and additional land for such buildings; the demolition of old buildings where necessary and the construction, remodeling, or extension of buildings; rental of temporary quarters during construction, including moving expenses; purchase of necessary equipment for buildings and such additional administrative expenses and salaries as may be required solely for the purpose of carrying out the provisions of this paragraph), \$65,000,000; such projects, including the sites therefor, to be selected by the Secretary of the Treasury and the Postmaster General, acting jointly, from the public-building projects specified in Statements Nos. 2 and 3, incorporated in House Report No. 1879, Seventy-third Congress, pages 24 to 40, inclusive, and projects selected shall be carried out within the respective estimated or proposed limits of cost specified in such statements, except as Statements Nos. 2 and 3, incorporated in House Report No. 1879. Seventy-third Congress, pages 24 to 40, inclusive, and projects selected shall be carried out within the respective estimated or proposed limits of cost specified in such statements, except as such limits are authorized to be modified by the provisions of the next paragraph: Provided, That with a view to relieving country-wide unemployment the Secretary of the Treasury and the Postmaster General, in the selection of towns or cities in which buildings are to be constructed, shall endeavor to distribute the projects equitably throughout the country so far as may be consistent with the needs of the public service; and the Secretary of the Treasury and the Postmaster General may also select for prosecution under this appropriation such projects not included in such report as in their judgment are economically sound and advantageous to the public service: Provided further, That the Secretary of the Treasury is authorized to direct the preparation of all sketches, estimates, plans, and specifications (Including supervision and inspection thereof), and to enter into all contracts, necessary for carrying out the purposes of this paragraph, and he is hereby authorized, when deemed by him desirable and advantageous, to employ, by contract or otherwise, temporary professional, technical, or nontechnical employees, firms, or corporations, to such extent as may be required to carry out the purposes of this paragraph, without reference to civil-service laws, rules, and regulations, or to the Classification Act of 1923, as amended, or to sections 305 and 306 of the Emergency Relief and Construction of such buildings provided for in this paragraph, the provisions of sections 305 and 306 of the Emergency Relief and Construction Act of 1932, as amended, shall apply.

In order to permit the Secretary of the Treasury to enter into contracts when the bid of the lowest responsible bidder received in response to public advertisement exceeds the amount available for any p

Federal Emergency Administration of Public Works an additional sum of \$2,500,000 out of any unobligated funds under the control of such administration, which total sum shall be transferred immediately upon the enactment of this act to the Treasury Department and, when approved by the President, may be used in the discretion of the Secretary of the Treasury to enter into contracts for public buildings in an amount not exceeding, in any one case, 10 percent in excess of the amount available therefor.

The amendment was agreed to.

The next amendment was, on page 101, after line 20, to insert:

## PUBLIC BUILDING PROJECTS

For emergency construction of public-building projects outside the District of Columbia under the provisions of the National Industrial Recovery Act (including the acquisition, where necessary, by purchase, condemnation, exchange, or otherwise of sites and additional land for such buildings; the remodeling or extension of buildings, rental of temporary quarters during construction, including moving expenses; purchase of necessary equipment for buildings and such additional administrative expenses and salaries as may be required solely for the purpose of carrying out the provisions of this paragraph), \$65,000,000: Provided, That with a view to relieving country-wide unemployment, the Federal Emergency Administration of Public Works, in the selection of towns or cities in which buildings are to be constructed, shall endeavor to distribute the projects equitably throughout the country so far as may be consistent with the needs of the public service: And provided further, That no projects shall be approved

under the provisions of this paragraph unless they shall have been recommended by the existing Interdepartmental Board on Public Buildings, consisting of representatives of the Treasury and Post Office Departments, the Bureau of the Budget, and the Federal Emergency Administration of Public Works: Provided further, That not exceeding \$30,000 of the sum herein appropriated shall be expended for construction of a retaining wall on provided of the Endewly building of Engel. grounds of the Federal building at Reno, Nev.; such projects, including the sites therefor, to be selected from the public-building projects specified in statements numbered 2 and 3 incorporated in House Report No. 1879, Seventy-third Congress, pages 24 to 40, inclusive, and projects selected shall be carried out within the respective estimated or proposed limits of cost specified in such statements.

Mr. TYDINGS. Mr. President, may I ask the Senator having the bill in charge whether or not this amendment striking out language is the one which takes the publicbuilding fund out from under the Treasury Department and puts it under the Interior Department?

Mr. ADAMS. Mr. President, it does not take it out from under the Treasury Department, but it does put it under the Interdepartmental Board, of which the Treasury is a

Mr. TYDINGS. That is different from the House provision, then?

Mr. ADAMS. Yes.

Mr. TYDINGS. The House provision, as I recall, took all these matters out from under the Treasury Department.

Mr. ADAMS. No; they all fall under the Interdepart-mental Board. This amendment puts them back.

Mr. TYDINGS. It would be just as it was?

Mr. ADAMS. Yes; just as the law is today.

The PRESIDING OFFICER. The question is on the amendment.

The amendment was agreed to.

Mr. ADAMS. Mr. President, I submit an amendment in behalf of the committee, in line 23, page 102, where there was a typographical error, a transposition, and this is to correct it.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

Mr. FLETCHER. Mr. President, I offer an amendment to the amendment.

The PRESIDING OFFICER. The clerk will state the

The CHIEF CLERK. After the word "expenses" on line 4, page 102, it is proposed to insert the following words, "All necessary improvements to make such land and buildings available for the purposes intended."

The amendment to the amendment was agreed to.

Mr. HEBERT. Mr. President, I have an amendment to offer to the committee amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 101 it is proposed to amend the committee amendment by deleting the proviso in line 14, down to and including the word "works", in line 20, and to substitute the following:

And provided further, That no project shall be approved under the provisions of this paragraph unless they shall have been recommended by the Secretary of the Treasury and the Postmaster General acting jointly.

Mr. HEBERT. Mr. President, the proviso which would be depleted by this amendment reads as follows, beginning in line 14, page 102:

And provided further, That no projects shall be approved under the provisions of this paragraph unless they shall have been recommended by the existing Interdepartmental Board on Public Buildings, consisting of representatives of the Treasury and Post Office Departments, the Bureau of the Budget, and the Federal Emergency Administration of Public Works.

The amendment would restore the language of the bill as it passed the House, so as to provide that those projects should not be undertaken except upon recommendation to the Secretary of the Treasury and the Postmaster General.

I offer this amendment because of an experience which I myself have had over a period of more than a year with this so-called "interdepartmental committee", and I say to

Senators at this time that that is the finest buck-passing | organization I have ever encountered in my experience.

The Post Office Department in 1932 recommended a site for a post-office workshop in the city of Providence. Some negotiations were had with the city council because the site which had been chosen belonged to the city.

An agreement was reached, plans were in the making, and it is my information that architects were engaged by the Treasury Department to prepare plans. Since the establishment of this interdepartmental committee I have been trying to find out the status of that project. I have a file of correspondence extending over a period of a year.

First I wrote to the Administrator of Public Works, and I was informed that the Post Office Department had not yet reached a decision. Then I communicated with the Post Office Department, and they told me they knew nothing about the project. I then communicated with the Treasury Department, and I was informed that the interdepartmental organization was about to make an investigation to reach a determination as to what should be done.

Mr. President, I have gone around all of those activities one after the other. The most recent communication I have had was received only a few days ago, from the Administrator of Public Works, and in that communication I was informed that an investigation was expected to be made presently, and that when the report of that investigation became available they would probably know how to

Mr. CLARK. Mr. President, will the Senator yield to me?

Mr. HEBERT. I yield.

Mr. CLARK. I am very much interested in the Senator's remarks, because I have had an experience similar to that of the Senator, tending to show that the Public Works Administration has deliberately, so far as I have been advised, prevented the construction of any public buildings. Will the Senator be kind enough to tell me just exactly the difference between his amendment and the committee amendment, because I am in entire sympathy with the proposition the Senator is enunciating?

Mr. HEBERT. I shall be glad to do so, Mr. President. My amendment would restore the House language in the bill and provide that those projects shall not be undertaken unless they have the recommendation of the Treasury and the Post Office Departments, which I conceive to be the proper places in which to put that authority. We will then have an end to this buck-passing to which I have referred.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. HEBERT. I yield. Mr. CLARK. To accomplish what the Senator is talking about, instead of adopting the amendment which the Senator has offered to the committee amendment, is not the easier way to do it to defeat the committee amendment? Would not that more accurately accomplish what we are trying to do?

Mr. HEBERT. I think it would accomplish that end, because we would restore the House language, as I understand the procedure, and that would be satisfactory to me.

Mr. CLARK. Therefore, Mr. President, I am going to vote for the Senator's amendment to the committee amendment. Then I shall vote against the committee amendment.

Mr. HEBERT. I propose to do that same thing myself.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. HEBERT. I yield.

Mr. O'MAHONEY. Mr. President, to my personal knowledge it is the desire of the Post Office Department and of the Treasury Department that the House language should be retained in this bill. Since the creation of the interdepartmental committee, to which the Senator alludes, there has been practically no progress in the construction of postoffice buildings throughout the country. The restoration by the Senate committee amendment of the Commission has the effect of taking out of the hands of the Post Office Department and the Treasury Department the function of constructing post-office buildings. The Post Office Department and the Treasury Department have had a very efficient or-

ganization which has been operating for many years in the construction of buildings and in the purchase of sites.

I have personal knowledge that the inspection service of the Post Office Department is well equipped and has a regular method of selecting sites, and the Treasury Department, through the Supervising Architect, has had an efficient method of constructing the buildings.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. McKELLAR. If I recall aright the amendment which is now in the bill, the Senate amendment, was agreed to on the theory that the Treasury Department, the Post Office Department, and the Department of Public Works had all agreed on this amendment. I have been informed today, however, that the Post Office Department and the Treasury Department did not enter into that agreement.

Mr. O'MAHONEY. That is my understanding. Mr. McKELLAR. That being so, it seems to me that we should restore the House language.

Mr. TYDINGS rose.

Mr. HEBERT. I yielded to the Senator from Wyoming. If he has completed his statement I yield to the Senator from Maryland.

Mr. TYDINGS. Mr. President, I asked the chairman of the committee a moment ago if this amendment did not take out of the hands of the Treasury Department and the Post Office Department those functions which they formerly had, and transfer them to the Public Works Administration. I was told no. My reading of it leads me to the belief that

such is the case. Is that the Senator's idea?

Mr. HEBERT. My experience has been that it takes it

out of the hands of everybody.

Mr. TYDINGS. Why adopt either one of the amend-

Mr. HEBERT. To restore the House language would be entirely satisfactory.

Why can we not vote down the committee amendment? The House language is much preferable to the language contained in the Senator's amendment.

Mr. HEBERT. I agree with the Senator.

Mr. DILL. The fact of the matter is that the Post Office Department and the Treasury Department have spent a great amount of money and have exercised great care through their inspectors in the selection of their sites, and the Public Works Administration has disregarded and overturned everything they have done.

Mr. HEBERT. The Senator is right in his observation.

Mr. CLARK. Mr. President, I will ask the Senator from Washington [Mr. Dill] if it is not a fact that Congress on its own responsibility has appropriated money for certain post-office sites, for certain post-office buildings, and that the Public Works Administration has deliberately and flagrantly flouted the authority of Congress in the matter?

Mr. DILL. Not only that, but they took away this appropriation which Congress made for the C.C.C.

Mr. CLARK. What is the easiest thing to do in regard to the matter?

Mr. DILL. To vote down the amendment and vote for the House language.

Mr. O'MAHONEY. Mr. President, may I add, to what has already been said, that I have been advised that Members of Congress in the other branch are insisting upon the language adopted by the House because their experience has been exactly the same as that described by the Senator from Rhode Island. The Members of the House feel that buildings which were authorized have not been constructed and will not be constructed in the event the committee amendment shall prevail.

Mr. HEBERT. Mr. President, in order to simplify the procedure, I shall withdraw my amendment and ask for a yea-and-nay vote on the committee amendment.

Mr. HARRISON. A parliamentary inquiry. voted on the Senate committee amendment yet?

The PRESIDING OFFICER. The Senate has not yet voted on the committee amendment. The question now is on the Senate committee amendment.

Mr. HEBERT. Mr. President, I ask for the yeas and nays. Mr. BYRNES. Mr. President, before the vote is taken I ask for recognition. In justice to the committee a statement should be made, and then the Senate may vote and the members of the committee will take no exception.

Members of the subcommittee having heard this matter presented came to the conclusion that the interdepartmental committee, which is composed of the Secretary of the Treasury, the Postmaster General, the Director of the Budget, and a representative of the P.W.A., had passed upon certain projects. They submitted a list of 28 that were already approved and upon which construction would be begun as soon as funds were made available. They submitted an additional number that were under consideration. They were making a survey of all the public buildings in this document in order to determine what changes had taken place in the community during the last 5 years. It is utterly immaterial to us who passes upon the question as to selection. The Senate should know that in the documents referred to in the House amendment there are buildings that it will take \$150,000,000 to construct, and under this amendment \$65,000,000 is appropriated.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. CLARK. I should like to have the Senator explain briefly the difference between the House provision and the committee amendment. As I understand the situation, it is a question of whether Congress shall provide for certain public works or the Secretary of the Interior or an interdepartmental committee set up without authority of law shall make the allocation.

Mr. BYRNES. I think I can boil down the difference to this: Under the House language the determination as to the building to be selected from the two documents referred to will be left in the hands of the Postmaster General and Secretary Morgenthau. Under the Senate amendment the determination of the buildings to be selected to be constructed out of the \$65,000,000 is left to the interdepartmental committee, composed of the Postmaster General, Secretary Morgenthau, the Director of the Budget, and the representative of the P.W.A.

Mr. McKELLAR. Mr. President, did not the Senator from South Carolina understand that the four departments had agreed upon this amendment? I know I so understood, and I voted for the amendment on that assurance. Now it turns out that two of the departments have not agreed, and I think we ought to restore the House language.

The PRESIDING OFFICER. The question is on agree-

ing to the committee amendment.

The committee amendment was rejected.

Mr. HAYDEN. Mr. President, it will be necessary to amend the House provision by reinserting that part of the amendment which has been rejected which relates to the Reno post office. I offer as an amendment to the House provision the proviso appearing on page 102 beginning in line 20 and ask that it may be read.

The PRESIDING OFFICER. The amendment will be stated

The CHIEF CLERK. It is proposed to insert, at the proper place in the House provision on page 101, the following proviso:

Provided further, That not exceeding \$30,000 of the sum herein appropriated shall be expended for construction of a retaining wall on grounds of the Federal Building at Reno, Nev.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. ADAMS. Mr. President, I send to the desk an amendment which I ask may be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed on page 14, after line 11, to insert the following:

# FEDERAL TRADE COMMISSION

For an additional amount for the Federal Trade Commission, including the same objects specified under this caption in section 1, title 1, Independent Offices Appropriation Act, 1935, to enable the

Commission to comply with the provisions of House Concurrent Resolution No. 32 of the Seventy-third Congress, fiscal year 1935, \$30,000.

Mr. CLARK. Mr. President, I should like to have an explanation of the amendment from the Senator from Colorado.

Mr. BORAH. Mr. President, before the Senator from Colorado undertakes to make an explanation let us have order. No one on this side of the Chamber can hear anything that is going on.

The PRESIDING OFFICER. The Senate will be in order. Mr. ADAMS. Mr. President, the amendment provides an appropriation of \$30,000 to the Federal Trade Commission for conducting an investigation into the milk situation, a matter that has been in question here in recent days.

Mr. BYRNES. I have no objection.

Mr. McCARRAN. Mr. President, if I may have consent of the Senate, I wish to withdraw the objection which I interposed yesterday to the consideration of House Concurrent Resolution 32, which provides for an investigation by the Federal Trade Commission. If I may be considered in order by unanimous consent, I desire to move the adoption of the resolution so the appropriation may be taken care of in the bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nevada for immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The clerk will read an amendment submitted by the Senator from South Carolina [Mr. Smith].

The CHIEF CLERK. On page 3 of the resolution it is proposed to strike out lines 21, 22, and 23, which read as follows:

There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$60,000 for the purposes of this resolution.

Mr. LA FOLLETTE. Mr. President, may I explain the situation? When the resolution came up before, the Senator from Arkansas [Mr. Robinson] suggested, in view of the fact that it was a concurrent resolution, that it could not properly provide for either the authorization or the appropriation of any money. He offered an amendment, as the Senator from South Carolina appreciates.

Mr. BYRNES. I understand the situation, but I have not offered any amendment or made any motion.

Mr. LA FOLLETTE. In any case, no matter who offers it, the amendment should be adopted.

Mr. CLARK. Is the pending amendment an amendment to the concurrent resolution?

Mr. LA FOLLETTE. This is a concurrent resolution which mistakenly attempted to make an appropriation. However, if the resolution is now passed with that language stricken out, then under the rule of the Senate it will be in order to consider the amendment offered by the junior Senator from Colorado [Mr. Adams] to the appropriation bill.

Mr. CLARK. I have no objection to the resolution.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the resolution.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution as amended.

The resolution as amended was agreed to, as follows:

Whereas an audit made by the Agricultural Adjustment Administration has revealed that distributors in four of the largest milk-sheds in the United States, for the 5 years ended December 31, 1933, made a net profit of 25.71 percent on their net plant investment; and

Whereas this audit shows the net profits of distributors in each of the milksheds for the 5-year period to be: Philadelphia (distributors handling 85 percent of volume), 30.76 percent; Boston (distributors handling 75 percent of volume), 22.45 percent; St. Louis (distributors handling 67 percent of volume), 14.64 percent; and Chicago (distributors handling 90 percent of volume), 25.84 percent; and

Whereas during this same 5-year period the wholesale price of milk sold by farmers declined 50 percent, resulting in severe hardships and suffering to milk producers throughout the United States and strikes and violence in many rural and metropolitan

whereas the aforesaid audit by the Agricultural Adjustment Administration has revealed net profits of milk distributors which tends to establish that similar conditions exist in other milksheds

throughout the United States; and
Whereas an investigation in the District of Columbia pursuant to
Senate Resolution 76, Seventy-third Congress, first session, revealed behate Resolution 70, Seventy-time Congress, his session, revealed testimony which abundantly sustains the contention that over a period of years large milk distributors have attempted to create a monopoly in the District of Columbia, and largely as a result of these efforts farmers producing milk for the District of Columbia milkshed have received low returns for their products and have

milkshed have received low returns for their products and have been placed at a serious disadvantage; and Whereas the testimony adduced at hearings in the aforesaid investigation in the District of Columbia tends to prove that similar monopolistic efforts likewise exist in other milksheds in the United States; and Whereas there is reason to believe that there exists a close tie between certain leaders of milk producers' cooperatives and milk distributors, which tie is unbeknown to milk producers and detrimental to their interests; and

milk distributors, which tie is unbeknown to milk producers and detrimental to their interests; and .

Whereas the continuation of the practices now engaged in by milk distributors and certain leaders of milk cooperatives seriously endangers the efforts of the Agricultural Adjustment Administration and of the several States to alleviate and remedy the distress now wide-spread among dairy farmers in the United States, which distress if permitted to continue will result in the destruction of the already sorely pressed agricultural industry: Therefore be it Resolved, That the Federal Trade Commission is authorized and directed to investigate conditions with respect to the sale and distribution of milk and other dairy products within the territorial limits of the United States by any person, partnership, association, cooperative, or corporation, with a view to determining particularly whether any such person, partnership, association, association, cooperative, or corporation, with a view to determining particularly whether any such person, partnership, association, association, cooperative, or corporation, with a view to determining particularly whether any such person, partnership, association, cooperative, or corporation, with a view to determining particularly whether any such person, partnership, association.

association, cooperative, or corporation, with a view to determining particularly whether any such person, partnership, association, cooperative, or corporation is operating within any milkshed of the United States in such a manner as to substantially lessen competition or to tend to create a monopoly in the sale or distribution of such dairy products or is a party to any conspiracy in restraint of trade or commerce in any such dairy products, or is in any way monopolizing or attempting to monopolize such trade or commerce within the United States or any part thereof, or is using any unfair method of competition in connection with the sale or distribution of any such dairy products, or is in any way operating to depress the price of milk sold by producers. The Federal Trade Commission shall report to the House of Representatives as soon as practicable the result of its investigations, together with its recommendations, if any, for necessary remedial legislation. legislation.

The preamble was agreed to.

The PRESIDING OFFICER. The question now recurs upon the amendment of the Senator from Colorado to the appropriation bill, which will be read.

The CHIEF CLERK. It is proposed, on page 15, after line 20, to insert the following:

# TARIFF COMMISSION

Salaries and expenses: The unexpended balance of the appro-Salaries and expenses: The unexpended balance of the appropriation of \$785,000 for salaries and expenses of the United States Tariff Commission, 1934, contained in the Independent Offices Appropriation Act, 1934, is hereby continued available for the fiscal year 1935, and the limitation of \$725,000 on the amount which may be expended for personal services in the District of Columbia, contained in the Independent Offices Appropriation Act, 1935, under this head, is hereby increased to \$750,000.

Printing and binding: The unexpended balance of the appropriation of \$15,000 for printing and binding for the Tariff Commission, 1934, is contained in the Independent Offices Appropriation Act, 1934, is hereby continued available for the fiscal year

tion Act, 1934, is hereby continued available for the fiscal year

Mr. CLARK. Mr. President, I should like to have the Senator from Colorado explain the amendment.

Mr. ADAMS. Very well. The letter of transmittal of the President is as follows:

THE WHITE HOUSE, Washington, June 15, 1934.

The President of the Senate.

Sir: I have the honor to transmit herewith for the consideration

of Congress drafts of proposed provisions pertaining to the appropriations for the United States Tariff Commission, 1935.

The details of the proposed provisions, the necessity therefor, and the reasons for their transmission at this time are set forth in the letter of the Acting Director of the Bureau of the Budget transmitted herewith, with whose comments and observations

Respectfully.

FRANKLIN D. ROOSEVELT.

The letter from Mr. F. W. Lowery, Acting Director of the Budget, is as follows:

BUREAU OF THE BUDGET, Washington, June 15, 1934.

The PRESIDENT.

SR: I have the honor to submit herewith for your consideration a draft of proposed provisions pertaining to the appropriations for the United States Tariff Commission contained in the Independent Offices Appropriation Act, 1935, as follows:

SALARIES AND EXPENSES OF THE UNITED STATES TARIFF COMMISSION. 1935

The unexpended balance of the appropriation of \$785,000 for salaries and expenses of the United States Tariff Commission, 1934, contained in the Independent Offices Appropriation Act, 1934, is hereby continued available for the fiscal year 1935, and the limitation of \$725,000 on the amount which may be expended for personal services in the District of Columbia, contained in the Independent Offices Appropriation Act, 1935, under this head, is hereby increased to \$750,000.

PRINTING AND BINDING FOR THE TARIFF COMMISSION 1935

The unexpended balance of the appropriation of \$15,000 for printing and binding for the Tariff Commission, 1934, contained in the Independent Offices Appropriation Act, 1934, is hereby continued available for the fiscal year 1935.

These proposed provisions are necessary to enable the United States Tariff Commission to perform the additional duties which may reasonably be expected to devolve upon it in connection with an act to amend the Tariff Act of 1930, approved June 12, 1934.

The foregoing draft of proposed provisions pertaining to exist-ing appropriations is required to meet a contingency which has arisen since the transmission of the Budget for the fiscal year 1935, and approval is recommended.

Very respectfully,

F. W. LOWERY. Acting Director of the Bureau of the Budget.

Mr. BORAH. Mr. President, what is the amount of the additional appropriation?

Mr. ADAMS. The additional amount is \$30,000.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

## REGULATION OF PUBLIC GRAZING LANDS

The PRESIDING OFFICER laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H.R. 6462) to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. O'MAHONEY. I move that the Senate insist upon its amendments, agree to the conference asked by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Adams, Mr. O'Mahoney, and Mr. Nye conferees on the part of the Senate.

# DEFICIENCY APPROPRIATIONS

The Senate resumed the consideration of the bill (H.R. 9330) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes.

Mr. ADAMS. Mr. President, I desire to offer an amendment which the senior Senator from Maryland [Mr. Typings] regards as a most important amendment and which he would like to explain.

The PRESIDING OFFICER. The clerk will report the amendment.

The CHIEF CLERK. It is proposed, on page 58, after line 16, to insert the following:

For payment to the city of Baltimore the balance of the amount incurred and expended by said city of Baltimore to aid in the construction of works of national defense in 1863, at the request of Maj. Gen. R. C. Schenck, United States Army, and as found and reported to the Senate on May 3, 1930, by the Comptroller General of the United States, \$171,034.31; also for payment to the city of New York of the sum of \$764.143.75 expended by said city of New York for enrolling, subsisting, clothing, supplying, arming, equipping, paying, and transporting troops employed in aiding to suppress the insurrection against the United States in 1861 to 1865; in all. \$935,178.06.

Mr. TYDINGS. Mr. President, the amount of money carried in the Baltimore appropriation is contained in a bill which passed the Senate at this session of Congress, which has been audited by the Comptroller General, passed on by the Judiciary Committee, and is now on the House Calendar. It also passed at the last session of Congress. I have in my hand the report of the Comptroller who audited the account and approved it.

I think there can be no objection to it. The money was advanced to the Federal Government at its request and it is the only loan which has not been repaid. Similar loans have been repaid to all other States except Maryland and New York. I have a list of the States, but I do not want to read it unless Senators want to hear it. They are Maine, Virginia-

Mr. BORAH. Mr. President, we do not want to hear them. It is bad enough to appropriate the money.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Maryland. The amendment was agreed to.

Mr. ADAMS. Mr. President, I submit an amendment which is also to take care of the tariff situation.

The PRESIDING OFFICER. The amendment will be

The CHIEF CLERK. On page 28, after line 4, it is proposed to insert the following:

## BUREAU OF AGRICULTURAL ECONOMICS

To enable the Secretary of Agriculture to collect and analyze economic data on agricultural products for use in carrying into effect the act entitled "An act to amend the Tariff Act of 1930", approved June 12, 1934 (Public, No. 316, 73d Cong.), including the employment of persons and means in the District of Columbia and elsewhere, printing, and other necessary expenses, fiscal year 1935, \$47,670. 1935, \$47,670.

Mr. CLARK. Mr. President, I should like to know what that appropriation is for.

Mr. ADAMS. The request for this appropriation was made by the Bureau of the Budget. The provision is for an appropriation for the Bureau of Agricultural Economics, amounting to \$47,670, for the purpose of making investigations to enable the carrying out of the provisions of the Reciprocal Tariff Act.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado.

The amendment was agreed to.

Mr. ADAMS. I have another committee amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 42, after line 12, it is proposed to insert:

Promotion of foreign trade: For the purpose of carrying into effect the provisions of section 4 of the act entitled "An act to amend the Tariff Act of 1930", approved June 12, 1934, including personnel services, stenographic reporting services, by contract if deemed necessary, without regard to section 3709 of the Revised Statutes (U.S.C., title 41, sec 5), contingent expenses, printing and binding, and such other expenses as the President may deem necessary, fiscal year 1935, \$75,000.

Mr. CLARK. Mr. President, I should like to hear an explanation of that amendment.

Mr. HARRISON. Mr. President, I will state that certain additional expenses naturally will be incurred in negotiating these reciprocal-trade agreements, and the President in making his request, cut it to the bone. I think the amount requested in all for that purpose was \$100,000, and this is a part of that sum.

Mr. CLARK. Mr. President, I have no disposition on earth to interfere with the legitimate expenses of the Government in negotiating the treaties which we provided for by law the other day. On the other hand, I do have a very great disposition to object to the expansion of the Tariff Commission as it has heretofore existed, and I should like to know who is going to expend this money.

Mr. HARRISON. It is certain that some additional employees will be needed in the Tariff Commission in order to negotiate reciprocal-trade agreements. I think the Commerce Department needs some assistants, too; I think the State Department needs some; but the aggregate, I think, is \$100,000. The President has just sent down the letter to us.

I hope this amendment will be agreed to.

Mr. CLARK. I have not seen the letter. I know that in the last campaign the Democratic Party denounced the Tariff Commission at the top of its lungs in its platform and on the stump throughout the campaign. I know that no responsible Republican spokesman throughout the whole of the campaign ever attempted to defend the Tariff Commission, and I am not disposed to expand its powers at this

Mr. BORAH. Mr. President, we have already passed the item for the Tariff Commission, have we not? I should be glad if the Senator would offer an amendment to abolish the Tariff Commission.

Mr. CLARK. I should be very glad to vote for such an amendment.

Mr. BORAH. I think it would be a service to the public

Mr. CLARK. If the Senator from Idaho will offer the amendment, I shall be very glad to vote for it.

Mr. BORAH. In view of the fact that the Chairman of the Tariff Commission declared publicly that they were simply acting as amanuenses to the President, I see no reason for their existence.

Mr. CLARK. If the Senator from Idaho will yield, I am certain that the Chairman of the Tariff Commission said nothing that had not been well recognized by every intelligent man in the United States heretofore.

Mr. BYRNES. Mr. President, will the Senator yield to me? I think possibly there is a misunderstanding.

Mr. CLARK. The Senator from Idaho has the floor. Mr. BORAH. I am ready to vote. Mr. BYRNES. I simply desire to say that this is for the Department of State, and not for the Tariff Commission.

Mr. BORAH. That is what I understood, that we have already passed the item for the Tariff Commission. That deed is done.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Colorado [Mr. ADAMS on behalf of the committee.

The amendment was agreed to.

Mr. ADAMS. I submit another committee amendment which I will ask the Senator from Mississippi [Mr. HARRIson] to explain. This is the cotton amendment.

The PRESIDING OFFICER. The Senator from Colorado, on behalf of the committee, offers an amendment, which will be stated.

The CHIEF CLERK. On page 93, line 23, after line 23, it is proposed to insert:

## AMENDMENTS TO AGRICULTURAL ADJUSTMENT ACT

Section 4 of the Agricultural Adjustment Act, as amended, is amended to read as follows:
"Sec. 4. (a) The Secretary of Agriculture shall have authority

"Sec. 4. (a) The Secretary of Agriculture shall have authority to borrow money upon all cotton in his possession or control and may, at his discretion, deposit as collateral for such loans the warehouse receipts for such cotton.

"(b) The Secretary of the Treasury is authorized to advance, in his discretion, out of any money in the Treasury not otherwise appropriated, the sum of \$100,000,000 to be available until March 1, 1936, to the Secretary of Agriculture for paying off any debt or debts which may have been or may be incurred by the Secretary of Agriculture and discharging any lien or liens which may tary of Agriculture and discharging any lien or liens which may have arisen or may arise pursuant to part 1 of this title, for protecting title to any cotton which may have been or may be acquired by the Secretary of Agriculture under authority of part 1 of this title, and for paying any expenses (including, but not limited to, warehouse charges, insurance, salaries, interest, costs, and commissions) incident to corrying handling insuring and marcommissions) incident to carrying, handling, insuring, and marketing of said cotton and for the purposes described in subsection

(e) of this section.

"(c) The funds authorized by subsection (b) of this section shall be made available to the Secretary of Agriculture from time to time upon his request and with the approval of the Secretary of the Treasury. Each such request shall be accompanied by a statement showing by weight and average grade and staple the quantity of cotton held by the Secretary of Agriculture and the

quantity of cotton held by the Secretary of Agriculture and the approximate aggregate market value thereof.

"(d) It is the purpose of subsections (b) and (c) to provide an alternative method to that provided by subsection (a) for enabling the Secretary of Agriculture to finance the acquisition, carrying, handling, insuring, and marketing of cotton acquired by him under authority of section 3 of this act. The Secretary of Agriculture may, at his discretion, make use of either or both of the methods provided in this section for obtaining funds for the purposes hereinabove enumerated.

poses hereinabove enumerated.

"(e) The Secretary of Agriculture is authorized to use, in his discretion, any funds obtained by him pursuant to the provisions of subsection (a) or (b) of this section or of section 5 for making advances to any agency which may have been or may be established by the Secretary of Agriculture for the handling, carrying, insuring, or marketing of any cotton acquired by the Secretary of Agriculture, to enable any such agency to perform, exercise, and discharge any of the duties, privileges, and functions which such agency may be authorized to perform, exercise, or discharge.

"(f) The proceeds derived from the sale of cotton shall be held for the Secretary of Agriculture by the Treasurer of the United States in a special deposit account and shall be used by the Secretary of Agriculture to discharge the obligations incurred under poses hereinabove enumerated.
"(e) The Secretary of Agricu

States in a special deposit account and shall be used by the Secretary of Agriculture to discharge the obligations incurred under authority of part 1 of this title. Whenever any cotton shall be marketed the net proceeds (after discharge of other obligations incurred with respect thereto) derived from the sale thereof shall be used, to the extent required, to reimburse the Treasury for such portion of the funds hereby provided for as shall have been used, which shall be covered into the Treasury as a miscellaneous receipt. If when all of the cotton acquired by the Secretary of Agriculture shall have been marketed and all of the obligations incurred with respect to such cotton shall have been discharged, and the Treasury reimbursed for any and all sums which may have been advanced pursuant to subsection (b), there shall remain any balance in the hands of the Secretary of Agriculture, such balance shall be transferred to and taken as supplemental to the appropriation provided for by section 12 (a) of this act and may thereafter be used for and devoted to the purposes set forth in said section 12 (a)."

Section 5 of the Agricultural Adjustment Act, as amended, is amended to read as follows:

"Sec. 5. The Reconstruction Finance Corporation is hereby attention of the Agriculture of the Agri

"Sec. 5. The Reconstruction Finance Corporation is hereby authorized and directed to advance money and to make loans to the Secretary of Agriculture for the purpose of providing funds with which to enable the Secretary of Agriculture to perform the duties and functions which he is directed or authorized to perform under the provisions of part 1 of this title, provided such advance of money or such loans shall not be for amounts in excess of the market value of the cotton, or the interest of the Secretary of Agriculture in the cotton, against which the advance or loan is to be made at the time such advance or loan may be applied for by the Secretary of Agriculture, plus costs, expenses, and commissions incurred incidental to handling, carrying, and marketing of such cotton. The Secretary of Agriculture shall not marketing of such cotton. The Secretary of Agriculture shall not be required to pledge or deposit warehouse receipts or other evidences of title to cotton as security for any advance of money or loans made pursuant hereto, but it shall be sufficient if the Secretary shall give to the Reconstruction Finance Corporation a written statement showing the quantity of cotton by weight and the average grade and staple of the cotton against which the advance or loan is to be made. The amount of notes, bonds, debentures, and other obligations which the Reconstruction Finance Corporation is authorized and empowered to issue and to have outstanding at any one time under existing law is hereby increased by an amount sufficient to carry out the provisions of this section."

Mr. HARRISON. Mr. President, this amendment was requested of the committee by the financial branch of the Department of Agriculture.

It will be recalled that the Committee on Agriculture and Forestry have reported a bill similar to this proposal. This amendment merely gives to the Secretary of the Treasury permission to advance this money on the cotton that is now pooled under a pool that was agreed to some 2 years ago; and I may say that under the very wise management of that cotton pool the Government today is seven or eight million dollars to the good. Instead of going to private bankers and having to borrow money to carry this cotton, it is provided that the Secretary of the Treasury may make the advancements and provide the funds for refinancing.

The amendment is approved by the Budget Bureau, the Secretary of the Treasury, and earnestly requested by the Department of Agriculture.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado on behalf of the committee.

The amendment was agreed to.

Mr. ADAMS. Mr. President, I send to the desk an amendment allowing common carriers to carry relief products for

the drought at reduced rates without violation of the interstate commerce law.

The PRESIDING OFFICER. The amendment offered by the Senator from Colorado will be stated.

The CHIEF CLERK. On page 86, after line 24, it is proposed

If, during the present drought emergency, a carrier subject to the Interstate Commerce Act shall, at the request of any agent of the United States, authorized so to do, establish special rates for the benefit of drought sufferers, such a carrier shall not be deemed to have violated the Interstate Commerce Act with reference to undue preference or unjust discrimination by reason of the fact that it applies such special rates only to those designated as drought sufferers by the authorized agents of the United States or of any State.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado.

The amendment was agreed to.

Mr. BORAH. Mr. President, if the committee is through with its amendments, I should like to offer an amendment.

The PRESIDING OFFICER. Are there further committee amendments?

Mr. BYRNES. Mr. President, I send to the desk the last of the committee amendments.

The PRESIDING OFFICER. The Senator from South Carolina offers certain amendments, which will be stated.

The CHIEF CLERK. On page 35, after line 2, it is proposed to insert:

Salaries, Department of Justice: For an additional amount for salaries, Department of Justice, including the same objects spe fied under this head in the Department of Justice Appropriation Act, 1935, \$335,860: Provided, That of this amount \$245,460 shall be available only for transfer in addition to transfers authorized by existing law to any other appropriation or appropriations under the Department of Justice not to exceed 25 percent of the appropriation to which transfer is made, when approved by the Director of the Budget.

Mr. CLARK. Mr. President, I ask to have that amendment reread.

The PRESIDING OFFICER. The clerk will reread the amendment.

The Chief Clerk again read the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina on behalf of the committee.

The amendment was agreed to.

The CHIEF CLERK. On page 35, after line 21, it is proposed to insert:

For an additional amount for traveling and miscellaneous ex-penses, Department of Justice, including the same objects speci-fied under this head in the Department of Justice Appropriation Act, 1935, \$25,000.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The CHIEF CLERK. On page 36, after line 10, it is proposed to insert:

## DIVISION OF INVESTIGATION

For an additional amount for salaries and expenses, Division For an additional amount for salaries and expenses, Division of Investigation, for the detection and prosecution of crimes, including the same objects specified under this head in the Department of Justice Appropriation Act, 1935, and including also the purchase at not to exceed \$7,000 each, exchange, maintenance, upkeep, and operation of armored automobiles; purchase, exchange, maintenance, and upkeep of motor-propelled passenger-carrying vehicles, to be used only on official business; and not to exceed \$91,190 for personal services in the District of Columbia: to be immediately available, \$1.896.990. bia; to be immediately available, \$1,896,990.

# DIVISION OF ACCOUNTS

Salaries and expenses, Division of Accounts: For an additional amount for personal services and expenses of the Division of Accounts in the District of Columbia, fiscal year 1935, \$22,570.

# ENFORCEMENT OF ANTITRUST AND KINDRED LAWS

For an additional amount for enforcement of antitrust and kindred laws, including the same objects specified under this head in the Department of Justice Appropriation Act, 1935, and including also additional personal services in the District of Columbia, to be immediately available, \$140,800.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The CHIEF CLERK. On page 37, after line 14, it is proposed to insert the following:

For an additional amount for salaries, fees, and expenses of marshals, United States courts, including the same objects specified under this head in the Department of Justice Appropriation

Act, 1935, \$140,070.

Salaries and expenses of clerks, United States courts: For an additional amount for salaries and expenses of clerks, United States courts, including the same objects specified under this head in the Department of Justice Appropriation Act, 1935,

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

There is an amendment lying on the desk, offered by the Senator from Rhode Island [Mr. HEBERT], which will be

Mr. HEBERT. I offer that amendment.

The CHIEF CLERK. On page 15, after line 20, it is proposed to add the following new language:

For additional amount for library and educational equipment, National Zoological Park. fiscal year 1933, \$6,012.

Mr. HEBERT. Mr. President, this amendment would provide the sum of \$6.012 for replacements at the Smithsonian Institution. It will not cost the Government any additional money. The Smithsonian Institution has recently leased the restaurant privileges, for which it is to receive a rental of \$6,012, and it now asks that those funds be made available for necessary replacements at the Institution.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BORAH. Mr. President, I offer an amendment to be inserted at the proper place.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 2, after line 24, to insert the following:

For payment to the widow of Thomas C. Coffin, late a Representative from the State of Idaho, \$9,000.

The amendment was agreed to.

Mr. LA FOLLETTE. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it. Mr. LA FOLLETTE. Are there not two committee amendments which have been passed over, and should they not be disposed of before individual amendments are enter-

The PRESIDING OFFICER. The Chair is advised that no amendments have been passed over.

Mr. LA FOLLETTE. I understood that there were two amendments on page 14 as to which there has been a motion to reconsider entered by the Senator from Missouri [Mr. CLARK].

Mr. CLARK. Mr. President, there are two amendments, on page 16, as to which I entered a motion to reconsider, which I should be very glad to take up at this time, but I think that other amendments should be first disposed of.

Mr. VANDENBERG. Mr. President, I offer an amendment, which I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed on page 49, after line 11, to insert the following:

11, to insert the following:

Seventh International Roads Congress: Not to exceed \$5,000 of the appropriation "Cooperative Construction of Rural Post Roads—Administrative Expenses", Department of Agriculture, is made available to be expended under the direction of the Secretary of State for expenses of participation by the United States in the Seventh International Roads Congress to be held in Munich, Germany, in 1924, and for each and every purpose connected therewith, including traveling expenses (and by indirect routes specifically authorized by the Secretary of State); personal services in the District of Columbia and elsewhere, without reference to the Classification Act of 1923, as amended, stenographic and other services, by contract if deemed necessary, without regard to the provisions of section 3709 of the Revised Statutes (U.S.C., title 41, sec. 5); rent; purchase of necessary books and documents; printing and binding; official cards; entertainment; hire, maintenance, and operation of motor-propelled passenger-carrying vehicles; and such other expenses as may be authorized by Secretary of State.

Mr. VANDERBERG. Mr. President, this amendment is

Commerce, and is merely an allocation of funds already appropriated. I think it is satisfactory to the Senator from

Tennessee [Mr. McKellar]. I have discussed it with him. The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BLACK. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment

The CHIEF CLERK. It is proposed to insert at the proper place the following amendment:

Road and bridge flood relief, State of Alabama: The unexpended balance of the appropriations contained in the First Deficiency Act, fiscal year 1930, for carrying out the provisions of the act entitled "An act for the relief of the State of Alabama for damages to and destruction of roads and bridges by floods in 1929", approved March 12, 1930, shall remain available until June 20, 1935 30, 1935

Mr. BYRNES. Mr. President, as I understand it, this appropriation has heretofore been authorized by the Congress, and the work has not been completed.

Mr. BLACK. That is correct.

Mr. BYRNES. This is simply an authorization that it shall continue?

Mr. BLACK. This provides for an extension of the time under existing law.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. LA FOLLETTE. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed to insert at the proper place the following:

Sec. 2. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$8.625,000,000, in addition to other sums appropriated by this act, for the purpose of carrying forward the program of public works inaugurated under the provisions of the National Industrial Recovery Act, approved June 16, 1933. Said sum shall be allocated within the

approved June 16, 1933. Said sum shall be allocated within the following limitations:

(1) Not less than \$1,250,000,000 of such amount shall be allocated for the elimination of hazards to highway traffic under the provisions of section 204 (a) (1) of such act.

(2) Not less than \$1,500,000,000 of such amount shall be allocated for new building construction; of which not to exceed \$100,000,000 shall be allocated for construction of Federal buildings and for such purposes sections 305 and 306 of the Emergency Relief and Construction Act of 1932, as amended, shall apply; and not less than \$825,000,000 shall be allocated for loans and grants to finance building construction as provided in section 202 of the to finance building construction as provided in section 202 of the National Industrial Recovery Act, as amended.

(3) Not less than \$20,000,000 of such amount shall be allocated

for coast and geodetic and geological surveys as provided in section 202 (b) of the National Industrial Recovery Act, as amended.

(4) Not less than \$4,855,000,000 of such amount shall be allocated and made available for expenditure on non-Federal projects, exclusive of projects included under the foregoing allocations.

(5) Not less than \$1,000,000,000 of such amount shall be allocated and made available for expenditure by the Emergency

Housing Corporation.

SEC. 3. Section 201 (d) of the National Industrial Recovery Act is amended by striking out "2 years" and inserting in lieu thereof '3 years.'

"3 years."

SEC. 4. (a) Clause (a) of section 202 of the National Industrial Recovery Act is amended by adding at the end thereof a comma and the following: "and school buildings when included within plans and surveys made or approved by the United States Commissioner of Education."

(b) Clause (b) of section 202 of such act is amended by inserting after "(b)" the following: "coast and geodetic and geological surveys,".

surveys.".

(c) So much of section 202 of such act as reads "the construction of naval vessels within the terms and/or limits established by the London Naval Treaty of 1930 and of aircraft required there-" is repealed.

(d) So much of clause (2) of section 203 (a) of such act as reads "but no such grant shall be in excess of 30 percent of the cost of the labor and materials employed upon such project" is repealed.

senger-carrying vehicles; and such other expenses as may be authorized by Secretary of State.

Mr. VANDERBERG. Mr. President, this amendment is requested by the Departments of State, Agriculture, and

works program contemplated hereby shall be expedited to the fullest extent possible."

(f) Section 204 (a) (1) of such act is amended by inserting after the words "relocation of highways to eliminate railroad crossings" a comma and the following: "track elevation and depression through cities."

See 5 Theorem and the section of the se

SEC. 5. The amendments made by section 4 of this title to the National Industrial Recovery Act shall not be construed to limit the expenditure of funds heretofore obligated under such act.

SEC. 6. The provisions of section 210 of the National Industrial Recovery Act shall apply with respect to the amounts herein authorized for additional expenditures under such act.

authorized for additional expenditures under such act.

Sec. 7. The Emergency Housing Corporation is authorized to proceed with the acquisition of property, by eminent domain or otherwise, and the construction, reconstruction, alteration, or repair of low-cost housing and slum-clearance projects, as authorized under the National Industrial Recovery Act, as amended.

On page 103, line 5, strike out the figure "2" and insert in lieu thereof the figure "8."

Mr. LA FOLLETTE. Mr. President, I recognize that at this late hour in the consideration of the bill it is impossible for me to obtain from the Senate the serious consideration which I believe this amendment merits. From the beginning of this depression I have contended that until we restore the purchasing power of the great masses of the people of this country we could not hope to obtain suitable conditions upon which a recovery could be predicated.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. CLARK. I agree very largely with the fundamental premise of the Senator from Wisconsin. Does the Senator think we have accomplished any substantial recovery by the grant of \$3,300,000,000, without any limitation, without any direction, to an officer to be appointed by the President?

Mr. LA FOLLETTE. Mr. President, the Public Works program I shall discuss in a few moments, and I prefer to

deal with that when I come to it.

Mr. CLARK. I did not wish to interrupt the Senator. but it was my thought, when I voted for the appropriation of \$3,300,000,000, that we were going to strike the unemployment situation a blow which would be immediately felt; and I have felt, throughout the existence of the Public Works Administration, that there was too much red tape, and that the object which we all voted for had not been accomplished.

Mr. LA FOLLETTE. Mr. President, I shall deal with that phase of the problem in just a few moments, and I want to be just as brief as I possibly can, because, as I stated at the outset, I recognize that at this late hour I am trespassing upon the time and the patience of the Senate.

Consistent with my view, however, that until purchasing power on the part of the masses of the people of this country shall be restored, and that all efforts at recovery which stop short of that objective will be futile, I have, since the beginning of the depression, fought for a gigantic publicworks program, to accomplish two purposes: First, to put people back to work and to distribute purchasing power, and, secondly, to stimulate the great basic industries which, it is my view, must be restored to a measure of normal activity if we are to come out of the economic crisis in which we now find ourselves.

Mr. President, we are well along in the fifth year of the depression. There are still between ten and eleven million persons in the United States totally unemployed. According to the latest figures which I have been able to obtain, there are more than 4,000,000 families receiving direct relief in this country, which means nearly 16,000,000 men, women, and children. In addition to that, there are 900,000 heads of families in the United States who are receiving relief under the set-up which was created following the demobilization of the Civil Works Administration.

Mr. President, the indexes show that there was a rise in the activity in lighter consumer goods in the industries in the fall and in the winter months. I contend that it was largely due to the extraordinary expenditures on the part of the Federal Government through Public Works, through Civil Works, and through the benefit payments extended to farmers under the Agricultural Adjustment Act.

Those expenditures were running approximately at the rate of \$300,000,000 a month. In recent weeks they have

been very sharply curtailed, and already the indexes of the consumer goods, or light industries, begin to show the evidences of the curtailment of that purchasing power. Already they have begun to enter another period of decline. There are upon the horizon ominous signs of another crisis within the crisis which we have been experiencing since 1929.

Mr. President, the estimated deficit in normal construction and in needed construction in the United States is \$13,000,-000,000. This estimate was made by the Planning and Research Division of the N.R.A.

I admit that there has been disappointment at the rapidity with which the expenditure of the \$3,300,000,000 Public Works fund appropriated in title II of the Industrial Recovery Act has gotten under way. Nevertheless, it must be conceded that it was necessary to set up some organization in order that this program might be efficiently and properly administered.

I have been as critical, perhaps, as some other Senators of the slowness of that process; but the fact remains that the organization is now intact, that all its funds have been allocated to projects, and that the peak of its activity will

be reached about August of the present year.

Mr. President, ever since the beginning of this depression we have from time to time endeavored to focus the attention of the Congress and the public upon the necessity for the adequacy of Public Works appropriation. If this device is to be employed at all, it must be employed upon a sufficiently large scale to effect the objectives which we have in mind. Unfortunately, in each instance when this attempt has been made the appropriations have been curtailed to the point where they have not sufficiently stimulated the distribution of purchasing power and the great basic industries.

Now we are confronted with an alternative as to whether or not we shall establish a program adequate in size so that it may be carried on as long as is necessary in order to attain the objectives of reemployment and of stimulation of

the basic industries.

On the other hand, Mr. President, we have the choice of refusing to face these facts, as we have in the past; of refusing to recognize the magnitude of this crisis which confronts us, and then we shall certainly find ourselves in the same situation in which we found ourselves last October. Some hastily conceived organization will have to be set up and put into operation in order to meet the situation as it then arises.

Already the textile industry has demanded a 25-percent curtailment of its operations. Already the silk industry has had 1 week of shut-down in order to meet the situation confronting it because of curtailed purchasing power.

I recognize that there are those who say that the Federal Government cannot successfully undertake to provide such a large sum as is contemplated by this amendment. My answer is that the public debt in this country has not yet reached the point where we cannot afford to carry on expenditures of this type which add to the total national wealth. We have, in other words, Mr. President, the alternative between continuing the expenditure on a huge scale for direct relief, which undermines the morale and breaks down the spirit of the group which must accept it, or we can augment those appropriations and those expenditures, provide useful projects, and provide employment which maintains the self-respect and maintains the morale of those who receive it.

To my mind, Mr. President, there are only two courses to follow in a crisis of this kind. One is to accept the position of the orthodox economist and the orthodox statesman, who contends that the only thing which may be done in a situation of this kind is to take in all sail and attempt to ride out the storm with bare poles. The other alternative is to adopt a program of sufficient magnitude to stem the tide of the depression, to lift the level of economic activity, and to attain the objectives of recovery.

Both policies, Mr. President, cannot be followed simultaneously. It is somewhat analogous to the situation that confronts a general in a war. He may not determine to fight both an offensive and a defensive war. He must choose

course, it is necessary, if the defensive be taken, that the objective necessary to achieve victory shall be attained. Otherwise, Mr. President, the morale of the troops, the morale of those who are in the noncombatant population behind the lines, is broken down, demoralized, and the Army ultimately overwhelmed.

How often may we pick these people up, give them some chance to grasp again a self-respecting mode of life, and then cut them off and put them back upon relief?

These programs, our experience demonstrates, cannot be worked out over night. It takes time for the necessary engineering data, the necessary financial data upon these projects, before they can come up and be approved.

While this amendment may perhaps seem to many Senators to carry an appropriation enormous in its size, not one dollar of it need be expended unless the exigencies of the situation demand. It is entirely within the hands of the President, under title 2 of the National Industrial Recovery Act, to cut off at any time every dollar of expenditure for Public Works by simply issuing a proclamation declaring that the emergency has terminated.

Unless a program of continuing character shall be adopted. which will permit the municipalities, the counties, and the States to undertake the necessary work in preparing these projects for submission, when we find ourselves in the next slump of this depression we shall be as unprepared for it as we were last October.

This amendment provides \$1,250,000,000 for the elimination of hazards to highway traffic. There are grade-crossing eliminations in this country amounting to more than \$3,000,-000,000, upon which the plans and specifications are ready. With the tremendous increase in the speed of vehicular traffic, with the tremendous increase in the speed of our trains, in the near future it will become necessary for us to eliminate these hazards to highway and other traffic.

This amendment provides \$1,500,000,000 for buildings, not to be expended unless approved by the Administration of Public Works.

It provides for not less than \$4,855,000,000 for non-Federal projects. Today there are more projects on file at the Public Works Administration which have come up through the various State agencies than are provided for in this amendment.

It also provides \$1,000,000,000 to be expended by the Emergency Housing Corporation for the construction of slum-clearance projects. This is the only large industrial country in the world which has not, during the depression, undertaken a national program to provide decent housing for the low-income group.

The time is coming, Mr. President, when the people of the United States are going to demand that this huge expenditure for direct relief be curtailed and that these moneys, augmented with others large enough to provide a tremendous program, shall be expended for useful work, for projects which add to the total value and to the total wealth of the communities.

Upon my amendment I ask for the yeas and nays.

Mr. GORE. Mr. President, like the Senator from Wisconsin [Mr. La Follette], I am warned by the lateness of the hour and the impatience of the Senate not to indulge in any extended remarks. I had intended to submit a few comments upon the amendment and upon the policy underlying it. I have abandoned that purpose. I do, however, wish to make one or two points, because one or two propositions have been advanced which I am unwilling to see go unchallenged, even though I am the only Member of the Senate to challenge them.

I think I feel as keenly as any Member of the Senate the distress prevailing in the drought-stricken region of the country. There can be no difference of sentiment or feeling among Senators concerning such wide-spread and such intense distress.

Mr. President, if I thought the existence of an emergency could annul the Constitution of the United States I should

one or the other; and once having determined upon that | Congress of the United States could add to its powers or remove the limitation upon its powers merely by declaring the existence of an emergency, I should vote for many of these appropriations.

But, sir, I still believe that the United States is a government of delegated powers; not only delegated powers, but of enumerated powers; not only of enumerated powers, but of limited powers. The United States can do no act that is not authorized by the Constitution either by an express grant of power or by necessary implication.

The fundamental distinction between Hamilton and the Federalists on the one side and Jefferson and the democracy on the other side pivoted on the point of implied power. Hamilton was a liberal constructionist-I believe they called him a latitudinarian. Jefferson was a strict constructionist, but even Hamilton himself insisted that the power to lay and collect taxes to provide for the common defense and the general welfare meant "the general welfare"; that it must be dedicated to general purposes, to general objects connected with the Government. Hamilton, as much as any one in the earlier days, denied that Congress could lay and collect taxes and expend the public moneys for private or for individual objects. Upon that point at least he and Jefferson entirely agreed.

When a policy is proposed, an appropriation is proposed, those who propose it assume the burden of proof to show the constitutional grant of authority to adopt the policy or to make the appropriation. When an appropriation is proposed two questions may arise, one a question of principle and the other a question of policy or of expediency.

When an appropriation is proposed the question arises, . does the purpose come within the express or implied authority of the Congress? If the answer be in the negative, that settles the issue, no matter how intense the sympathy inspiring the proposal. If the answer be in the affirmative, then the question of expediency or policy arises. Should the appropriation be made even though it is ascertained that the power exists?

The committee has reported an amendment providing for \$500,000,000, which has been adopted. The Senator from Wisconsin [Mr. La Follette] proposes to add \$3,600,000,000. With Senators who accept his principles that is not a difference of kind. It is merely a difference of degree, a mere matter of mathematics, or at most of public finance or fiscal policy, when we once adopt the principle which underlies this character of legislation.

The Senator from Wisconsin said this afternoon that no constitutional question arises in connection with the proposal; that Congress has settled that question by a series of precedents; that no question arises as to whether this is a proper Federal function, that question having been settled by Congress through a series of precedents. How many breaches of the Constitution are required to constitute and consecrate a precedent, I do not know. I have often said that it is worse to violate a sound principle in a good cause than in a bad one. Such a violation is invoked as a precedent in support of a bad cause.

Mr. President, perhaps I am the only Member of the Congress who doubts the power of Congress to use public money for private charity. Perhaps I am the only Member of Congress who doubts the power of the Government to take money out of the pockets of one man without any return, and transfer that money to the pockets of another citizen of this Republic equally entitled to the protection of the Government.

Perhaps I am the only one who doubts that we can take public money and use it not for private charity, limited to human beings, but extend it, as proposed by one Senator this afternoon, to the beasts of the field, the dumb, driven cattle.

Do not marvel at that. There is no end. When we open the gates for one unconstitutional appropriation we cannot close it when another knocks at the gate.

Mr. President, I desire to have read at this point an extract from a veto message by President Cleveland, as a vote for many of these appropriations. If I thought the matter of antiquarian interest. A bill passed Congress in 1887 appropriating \$10,000 to buy seed to be distributed amongst the farmers in the drought-stricken sections of Texas. I ask that the extract be read.

The PRESIDING OFFICER. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

VETO MESSAGE OF PRESIDENT GROVER CLEVELAND

EXECUTIVE MANSION.

February 16, 1887.

I return without my approval House bill no. 10203, entitled "An act to enable the Commissioner of Agriculture to make a special distribution of seeds in the drought-stricken counties of

Texas, and making an appropriation therefor."

It is represented that a long-continued and extensive drought has existed in certain portions of the State of Texas, resulting in a failure of crops and consequent distress and destitution.

Though there has been some difference in statements concern-

ing the extent of the people's needs in the localities thus affected, there seems to be no doubt that there has existed a condition calling for relief; and I am willing to believe that, notwithstanding the aid already furnished, a donation of seed grain to the farmers located in this region, to enable them to put in new crops, would serve to avert a continuance or return of an unfortunate blight.

And yet I feel obliged to withhold my approval of the plan as proposed by this bill to indulge a benevolent and charitable sentiment through the appropriation of public funds for that

I can find no warrant for such an appropriation in the Constitution, and I do not believe that the power and duty of the General Government ought to be extended to the relief of individual suffering which is in no manner properly related to the public service or benefit. A prevalent tendency to disregard the limited mission of this power and duty should, I think, be steadfastly resisted, to the end that the lesson should be constantly enforced that though the people support the Government the

enforced that though the people support the Government the Government should not support the people.

The friendliness and charity of our countrymen can always be relied upon to relieve their fellow citizens in misfortune. This has been repeatedly and quite lately demonstrated. Federal aid in such cases encourages the expectation of paternal care on the part of the Government and weakens the sturdiness of our national character, while it prevents the indulgence among our people of that kindly sentiment and conduct which strengthen the heads of a common brotherhood.

the bonds of a common brotherhood.

Mr. GORE. Mr. President, President Cleveland, himself not an indifferent lawyer, said that he could find no warrant in the Constitution for the appropriation of \$10,000 for the relief of the inhabitants of the drought-stricken region of Texas. I think no one has supplied his want. I believe no one has cited any authority in the Constitution to make private use of public money, and that is the point I am

Mr. President, the Constitution of the United States was ordained and established, the General Government was created, to accomplish two general sets of governmental functions. One was to supervise our relations with foreign powers, which could not be done by a number of individual States acting singly, which could be done only by a general government acting as a body politic. That, of course, involved the treaty-making power, the power to declare war, the power to provide for the common defense, the raising of armies and navies, and other general objects of that description. The other general set of functions was to supervise the relations between the several States and matters of common concern to all the States, which could not be done by the States acting severally or even jointly in any other capacity than as that of a body politic.

The primary purpose, the paramount object, in the adoption of the Constitution, if one may be suggested as more urgent than another, was the desire to regulate commerce between the several States and with foreign powers. A few other general powers, some 17 specific powers, were granted

in section 8 of article I.

Mr. President, in my opinion, this Government has no power to practice private charity. Its powers are limited to certain public purposes. The Union is the creation of the The Supreme Court has said that the States could exist without the Union, but that no such political entity as the Union could exist without the States. On the other hand, the States create the counties and the municipalities. There are certain functions which devolve upon them which are not devolved upon the Government of the United States and should not be assumed by the general government.

My memory as to the history of appropriations of this sort is somewhat different from that of the Senator from Wisconsin [Mr. La Follette]. He cites an early instance where there was a conflagration in Alexandria. I do not recall the incident. According to my recollection, and according to very high authority which I have here in my hand, from Mr. Charles Warren, the first act passing Congress in the nature of benevolence or charity passed in 1854. It donated 10,000,000 acres of public land for the establishment in the several States of asylums for the indigent insane. It was an appropriation of public lands. The distinction was clearly made at the time by the proponents of that measure that Congress could make general use of the proceeds arising from the sale of public lands, a use that it could not make of funds or revenue arising from revenue produced by taxation.

Few, if any, insisted at that time that that measure could have been financed out of revenues resulting from taxation. A distinction was made, and it was contended by the friends of the measure that it could be provided for out of the pro-

ceeds of the public lands.

That measure was vetoed by President Pierce. I shall have one paragraph read from his veto message, and shall ask that other sections may be printed in the RECORD, together with certain excerpts from other public men. The paragraph to which I refer is on page 62.

The PRESIDING OFFICER. Without objection, the par-

agraph will be read.

The Chief Clerk read as follows:

"I cannot find any authority in the Constitution for making the Federal Government the great almoner of public charity throughout the United States. To do so would, in my judgment, be contrary to the letter and spirit of the Constitution and subversive of the whole theory upon which the Union of these States is founded." He stated that he could not discover any distinction between appropriation of land for such an object and appropriation of money from the Treasury for the same object; and that both he considered to be unconstitutional.

Mr. GORE. He made the point in that message that if Congress could appropriate money for the indigent insane, outside the District, it could appropriate money for the indigent who were not insane, the poor in all the States, the dependent, the orphan, the sick, or the needy.

I ask to have the book retained at the desk, because I shall have one or two other quotations read in a moment. I

shall detain the Senate only a moment longer.

That measure was passed in 1854. It was vetoed by the President, and that is the first instance or attempt of that kind in our history. According to my information and the best authority available, no appropriation for relief, even for a disaster commonly known as "an act of God", to be provided out of the general funds in the Treasury, was enacted until 1874, and that was for the relief of the flood sufferers in Alabama along the Tombigbee and Black Warrior

Mr. President, I desire to have read at this point, from pages 79 and 80, an extract from a speech by Senator John T. Morgan, delivered in the Senate—an ornament to this body when he was here, and his memory still reflects luster upon it; a leader here, a leader in his State, a leader in his section, a leader in the United States.

The PRESIDING OFFICER. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

How inevitably political conditions creep into Government charity was most illuminatingly depicted by John C. Morgan, Senator from Alabama, in describing 10 years later the genesis

and operation of this measure:

"In May 1874 there was an overflow that occurred in my State on the Tombigbee or the Big Warrior River, a small narrow stream whose bottom lands were not very extensive; and as soon as it was understood that some plantations had been inundated and some stock swept off, the Members of Congress then representing or claiming to represent that State brought in a bill to appropriate \$400,000 for the relief of the people who had been overflowed \* \* and the bill was passed. The general welfare of the whole State of Alabama and of the United States was a sufficient plea in apology for giving \$400,000 \* \*. The money was authorized to be expended on bacon and in four and other foods for human consumption. It was so expended. The overflow had passed away before the bill passed Congress and new crops were growing upon the land. \* \* \* It was "In May 1874 there was an overflow that occurred in my State and new crops were growing upon the land.

distributed in the next October and November elections upon the highest points of the sand mountains throughout a large region of the country where the people wanted what was called in that country 'overflow bacon.' I cannot get that picture out of my mind. There was the general welfare of the people invoked, and with success, to justify this political fraud; the money was voted and the bacon was bought, and the politicians went around with their greasy hands and distributed it to the men who cast greasier ballots that they could not read. And in that way the general welfare was promoted."

"Overflow bacon"! The situation is too tragic for jest. But legislators should not close their eyes to the instincts, to the impulses, or even to the infirmities of human nature, lest we should become blind to the rights and the claims of the taxpayer.

| Musband had been an officer in the Army, and I am not certain that that constituents an exception. If it does, I sinned against my rule.

There was only one other exception. Soon after I came to the Senate this incident happened: United States soldiers from Fort Reno, in my State, were engaged in target practice and a stray bullet struck a little full-blood Indian girl about 7 or 3 years of age. Her name was Lily Smallrib. The sight of both her eyes was destroyed. She was rendered totally blind.

I offered a bill to provide a small monthly stipend for

become blind to the rights and the claims of the taxpayer.

Mr. GORE. Mr. President, in this connection I desire to have an extract read from Senator Fairfield, of Maine, a Democrat, to be found on page 73 of the same book.

The PRESIDING OFFICER. The clerk will read. The Chief Clerk read as follows:

Sympathy must not blind judgment or solemn obligation to support the Constitution. It was an easy matter to be generous and to give bountifully from money or means not our own. The world would be full of charitable people if they could satisfy claims upon their bounty by putting their hands into the pockets of another. \* \* \* That is a very cheap sort of benevolence and would constitute a very small item in the great moral account. \* \* No more right to appropriate money out of the Treasury to purposes not contemplated by the Constitution than we had as private individuals to lay our hands upon the property of our neighbors. \* \* \* The people were their own best almoners and would not thank or justify us for assuming that relation to them. \* \* relation to them.

Not one of the friends of this measure has yet attempted to ut his finger upon the provision of the Constitution which authorizes it

Mr. GORE. Mr. President, I ask to have a few other extracts printed without having them read.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

There being no objection, the extracts were ordered to be printed in the Record, and appear at the end of Mr. Gore's

Mr. GORE. Mr. President, a vast majority of the Democrats in other times have held as did Cleveland and

In this connection I wish to say one further word before I sit down. My reason for voting against these appropriations is not due to any lack of sympathy toward the distressed. I hope that I have as keen a sympathy toward all in distress as has anyone either in or out of this body. My attitude is due to an honest conviction that, under the Constitution of the United States, we have no power to make these appropriations; we have no power to take a dollar out of the pocket of one man who has earned it, giving him nothing in return, and transfer that dollar to another man who has not earned it. If that can be done by governments at all, it ought to be done by the States, where the power is not limited, as it is here in Congress. This explains why I have not been able to vote for any of these relief measures, some of which I thought meritorious, some of which appealed to me.

If I may be pardoned one personal reference before I sit down, I am now serving in my seventeenth regular session in this body, and I have served through six extraordinary sessions. I have never yet cast a vote to take \$1 out of the Treasury of the United States and give it to any human being on this globe-not one. When that proposition is involved in a measure, I vote against it, no matter what else is in it, and I have voted against measures on that account which contained many provisions which appealed to my judgment and to my heart.

Mr. President, I feel that I ought to add this one closing remark. If there be an exception to that general principle which I have laid down, it is the following: When I first came to the Senate I voted for a small pension in behalf of the widow of the man who laid down his life to prove that the yellow fever was conveyed by the mosquito from one human being to another. That was a great service in behalf of science—the ultimate sacrifice in behalf of human-

I offered a bill to provide a small monthly stipend for that unfortunate victim of that accident—an unspeakable misfortune caused by our soldiers in the discharge of their duty. I was not able to secure the enactment of that measure. Perhaps it could have been enacted now. I apologize to the Senate for having made this personal allusion, but it may shed some light upon my motives and my course of action. If what I have said does not prove that I am right, it at least proves that I am consistent, which is not important, but I hope it gives proof that I am sincere in the attitude which I have assumed and maintained toward all legislation of this kind and character.

I repeat, Mr. President, I do not vote to give away the people's money. I do not vote to give away the tax-payers' money. I look upon myself as a trustee, as a sworn trustee of the public moneys, and I could not vote to violate that trust as I see it. These accumulating precedents have not changed my convictions or my sense of duty. I doubt not that the future will vindicate the wisdom of our fathers, and will demonstrate the unwisdom of the present hour. I make no doubt that children now born will rue the day and that children unborn will curse the day that this thing was done.

(The following extracts were ordered printed at the end of Mr. Gore's remarks:)

(From the veto message of Franklin Pierce, May 3, 1854, of the bill entitled "An act making a grant of public lands to the several States for the benefit of indigent insane persons.")

In the performance of this duty, prescribed by the Constitution, I have been compelled to resist the deep sympathies of my

own heart in favor of the humane purpose sought to be accom-plished and to overcome the reluctance with which I dissent from the conclusions of the two Houses of Congress, and present my own opinion in opposition to the action of a coordinate branch of the Government which possesses so fully my confi-

branch of the Government which possesses so fully my confidence and respect.

This bill therefore proposes that the Federal Government shall make provision to the amount of the value of 10,000,000 acres of land for an eleemosynary object within the several States, to be administered by the political authority of the same; and it presents at the threshold the question whether any such act on the part of the Federal Government is warranted and sanctioned by the Constitution the provisions and principles of which are to be protected and sustained as a first and paramount duty.

duty.

It cannot be questioned that if Congress has the power to make provision for the indigent insane without the limits of this District, it has the same power to provide for the indigent who are not insane, and thus to transfer to the Federal Government the charge of all the poor in all the States. It has the same power to provide hospitals and other local establishments for the care and cure of every species of human infirmity, and thus to assume all that duty, of either public philanthropy or public necessity to the dependent, the orphan, the sick, or the needy which is now discharged by the States themselves or by corporate institutions or private endowments under the legislation of the States. The ole field of public beneficence is thrown open to the care and whole field of public beneficence is thrown open to the care and culture of the Federal Government. Generous impulses no longer encounter the limitations and control of our imperious fundamental law; for however worthy may be the present object in itself, it is only one of a class. It is not exclusively worthy of benevolent regard. \* \* \* If Congress may and ought to provide for any one of these objects, it may and ought to provide for them all. And if it be done in this case, what answer shall be given when Congress shall be called upon, as it doubtless will, to pursue a similar course of legislation in the others? \* \* The decision upon the principle in any one case determines it for the whole class. The question presented, therefore, clearly is for the whole class. The question presented, therefore, clearly is upon the constitutionality and propriety of the Federal Government assuming to enter into a novel and vast field of legislation, namely, that of providing for the care and support of all these among the people of the United States who by any form of calamity become fit objects of public philanthropy.

. behalf of science—the ultimate sacrifice in behalf of human—ity. The widow was left in straitened circumstances. Her creature of the States, not they of the Federal Union? [Extracts from Congress as Santa Claus]

But Lewis Cass voiced the view more generally held at that time, when he said that: "If you have a right, under the pretense of promoting the general welfare, or under a claim to promote the general welfare, to make any appropriation you please, without reference to governmental purposes, you are perfectly afloat—a government without a constitution." The true doctrine was, he said, that you could promote the general welfare only "agreeably to the purposes and objects of the Constitution."

Andrew P. Butler, of South Carolina, contended that "Congress is a fiduciary proprietor and bound to use the fund in subserviency to the ends contemplated, subject to the limitations specified in the Constitution itself.

So, too, John F. Farnsworth, of Illinois (Republican), said: "This is a new precedent, and if followed out to its logical consequence, we should hunt out the starving poor of every city and contribute to their relief."

Frank Hiscock of New York (Republican) stated that there were more politics in the legislation than there were provisions for support of the flooded, and that information had come to the Committee on Appropriations that "absolute injury was being done to those people by the excessive appropriations which were

John Randolph Tucker, of Virginia, stated that as "the spirit of the Centennial is obedience to the Constitution", and as one of the great principles of that document was jealousy of centralization of power, it was improper to celebrate a Centennial by construing the Constitution so broadly as to give Congress power to appropriate for whatever it judged to be necessary for the general welfare. "Wrong does not become sanctified by frequent repetition", said Benjamin A. Willis, of New York (Democrat) " "It is time this spirit of restlessness and discontent which despises restraint and mocks at the doctrine of strict construction should be rebuked." Even though such appropriations may have been made in our history, "the people never acquiesced in them until absorbed by the grand problems of war and debauched by the poison of speculation, when they became nonchalant and indifferent." He pointed out that the functions of Government have been "indefinitely multiplied. It has built railroads; become parent, schoolmaster, banker, and now it built railroads; become parent, schoolmaster, banker, and now it proposes to go into the show business. Scarcely anyone stops to inquire what the fundamental law prescribes."

Said Allen G. Thurman, of Ohio: "You can only provide for the general welfare by exercising the powers that are delegated to you in the Constitution. That is the mode in which you are to provide for the general welfare, not by going outside of the express delegations of power and roaming through all the universe of things to find something that in your judgment would be promotive of the general welfare."

Senator Thomas F. Bayard objected-and it is to be noted that this was in 1884, almost 50 years ago—to any further extension "of the bureaucratic system that is covering the country all over with agencies of the General Government, instead of the natural means agencies of the General Government, instead of the natural means of relief, local knowledge, local self-government, local self-interest to attend to local affairs. \* \* Day by day the doctrines and practices of a paternal government are speciously and tentatively expanding over the country and the habit of popular thought is unhappily becoming accustomed to them. \* \* This constant intervention by government in tasks that belong to the individual and which American citizenship needs for its development and its proper exercise must cease, or ours will become as bureaucratic a government as that of Russia."

In 1887 John J. Ingalls, Republican Senator from Kansas, pointed out with great force that the legislation was "based upon an entirely mistaken apprehension of the theory of this Govern-

"It illustrates the tendency of this class of agitators to demand the continual interposition of the National Government in State and local and domestic affairs, with the result, as I believe, of and local and domestic affairs, with the result, as I believe, of absolutely destroying the independence and freedom of individual conduct and subverting the theory on which the Government is based and in the conduct of which hitherto it has reached such great results. \* \* It is not desirable that there should be uniformity of methods and results in the different \* \* \* States. It is the conflict of the contrariety of opinions in this country upon these subjects that results in the greatest good to the greatest number. It is the collision and contest between opposing ideas or views of contending localities that enable us to reach the highest results in the departments of activity and government."

And Thomas Sterling, of South Dakota said: "It is the extreme of paternalism " this instruction in farm-demonstration work and home economics. " That aid which forestalls and prevents self-initiative or self-help and invites dependence of the people of the States upon the general Government in any enterprise costs too much, and the Nation itself will, in the end, feel the enervating influence of such a policy."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. NYE. Mr. President, I hope that the amendment offered by the Senator from Wisconsin will prevail, if not in the form in which it has been offered, at least in material part. I am hopeful of that result, because I am conversant with the fact that there are a great many communities which, under the Public Works Administration, have been anticipating benefits which might accrue to those communities, and they have been striving the best they knew how, with the cooperation of Public Works Administration engineers and others in authority, to accomplish approval of

Members of the Senate are thoroughly conversant with a condition existing in the northwest section of the country at this time. That they are conversant with that situation has been best exemplified by the manner in which the Senate today responded to the relief needs of that stricken area.

It is of interest, or should be to the Senate, to know that the heart of the drought area, the hardest-hit portion of the drought area, seems to be North Dakota, South Dakota, Minnesota, and Wisconsin. In that connection, it is interesting to note that a project which for months has been considered as likely of approval as a Public Works project is that involving the diversion of flood waters from the Missouri River into a great valley, into lake beds, and into streams which supply cities like Fargo, Grand Forks, Valley City, Jamestown, and Devils Lake in my own State of North Dakota; East Grand Forks, Moorhead, and Breckenridge in Minnesota; Huron, Redfield, Aberdeen, and other cities that might be named in South Dakota.

This project meets, in very large measure, a desperate situation existing in those three States at this time. As a result of the Public Works program for the past year men have been at work, spending large sums of money, and communities have authorized the expenditures of money to further the cause of this project. At the present time the Public Works Administration has in the field a commission which it is expected is going to report not later than the 1st of August of this year on the possibility of that particular project. We have good reason to believe that that commission is going to find favorably in support of the project.

However that may be, if they should find favorably, with appropriations as limited as they are in the bill at the present time for public works, I fear that we would have to conclude, no matter what the will of the Public Works Administration might be, that the prospect of having it approved as a Federal project would be quite nil.

I realize that the Senate is anxious to finish this work this evening. I am not going to take any more of its time. I ask, Mr. President, that there be incorporated in the RECORD two very recent editorials, one from a North Dakota paper, another from a South Dakota paper, revealing the very wide interest that is existing in this project at this particular time. The one is entitled "The Missouri Diversion Project", appearing in the Evening Huronite, of Huron, S.Dak.; the other is entitled "River Diversion", from the Devils Lake (N.Dak.) Journal.

The PRESIDING OFFICER. Without objection, the editorials will be printed in the RECORD.

The editorials referred to are as follows:

[From the Evening Huronite, Huron, S.Dak.] THE MISSOURI DIVERSION PROJECT

The struggle of this entire James Valley for rehabilitation of The struggle of this entire James Valley for rehabilitation of its sources of water is one which has not received the attention it should. It may be well to admit that a short-sighted policy has contributed to our steadily receding subsoil water level. We have drained to our distinct disadvantage. Our highway engineers have put forth every effort to get the water away as quickly as possible. Those who have believed themselves to be utilitarians have sought by every means possible to "rescue" land from water. Add to these things the diminishing precipitation which has marked the past 10 years in this area, and we are faced with a situation which is extremely serious.

The receding waters of Devils Lake in North Dakota led a group of men, headed by S. W. Thompson of Devils Lake, N.Dak., to consider some plan to divert the flood waters of the Missouri

River into the watersheds of the James and Sheyenne Rivers, through the construction of a huge dam near Garrison, N.Dak. Their first purpose was to fill up the basin of the lake. Further study of the situation and an awakening realization of the plight of these watersheds led to a great expansion in the dreams of these men. They saw an opportunity to contribute first to the lessening of the flood threat to the lower river and second to assure these two rivers with a flow of water the year around.

It is not necessary to rehearse the whole story of the development of the idea, the investigations which have been made by Army engineers and by engineers brought in by the proponents of the project. It has been told in these columns many times. Suffice it to say that competent engineers have pronounced it feasible, practical, and worth while. They assert that it will relieve the Missouri River of troublesome flood-stage water, enhance the possibilities of navigation, and provide a source of power when and if the time comes when it can be profitably utilized. With equal assurance they have stated that the construction of the dam will impound sufficient water to restore the great lake beds in and near Devils Lake, furnish sufficient water for impounding other large reservoirs, notably just above Jamestown, and at the same time provide a bank-full flow of water in the James and Sheyenne Rivers when nature does not adequately supply these streams. This would assure various cities with a sure supply of water, soften our devastatingly high temperatures, make tree culture much easier, and add greatly to productivity of these valleys in which a great civilization is already established but which cannot endure under present conditions. There is no thought of irrigation. There is no purpose to bring new acres under cultivation. It is merely a program to preserve the homes and farms of these valleys which have been threatened by unwise action in the past.

North Dakota groups have done valiant service in arousing an interest in

## [From the Devils Lake (N.Dak.) Journal] RIVER DIVERSION

All the Northwest, especially North Dakota, South Dakota, and Minnesota, must make common cause for the great Missouri River diversion project, now nearing realization.

is vital to their future and to the welfare of every interest

in them.

True giants in the earth settled and developed this great area of rich soils. They fought the sting of the blizzard. They withstood the attacks of savage, often mistreated Indians. They built here by dint of sturdy toil the bread basket of a great Nation. The Northwest must continue to be that if the national economy remains secure.

Today they fight a greater menace than winter storms or savage Indians. These gave warnings. The new menace is drouth, the pest of insect hordes that follows in its wake. It is the insidious cancer that for centuries untold, slowly, surely has eaten at the fertile areas of the world, changed the destinies of men and nations, shaped the career of generations unborn.

The armies of Alexander and the Caesars marched over lands

where there were great rivers, luxuriant forests, teeming life, that today are deserts.

In all the Canadian prairie Provinces, in all the plains States assured water supply today is a greater problem than land devel-opment. Meteorological records tell a tragic and startling story

in cold facts which must be faced.

Today splendid vision and progressive science is directed to the problem of conserving and restoring natural water supplies. It is splendidly achieving. It has begun to rebuild, in the national sense, resources of land, water, forest that for 300 years ruthless, thoughtless man has been heedlessly destroying.

Missouri River diversion, as it is planned and has been presented to the Federal Planning Board, represents the vision of great scientists, geologists, engineers. Vision in the sense that

vision is planning in the face of facts.

In its unit aspect it is part of a great plan, especially important because in the sense of diversion, it is the first great unit of its kind in the Middle West.

The picture of its economic necessity is well grasped. The story of its economic effects is simply told. It provides diversion, flood control, safeguards navigation, provides much needed long-term

employment.

It will benefit 450,000 square miles of rich farm land, served by rail transportation, with billions invested in property interests in towns and cities, restore intermittent rivers, affect 25,000,000 acres of land, safeguard rich agricultural production, insure domestic water supply for more than 20 towns and cities, affect the moral and social aspects of life for a rural population of more than 600,000 people and an urban population of more than 150,000. In a much larger scheme of western development it is quite simply a great control movement.

In every town in the great area involved there should be

In every town in the great area involved there should be a Missouri River diversion association. Towns, cities, communities,

individuals, beset by the problems which disturbed natural balance creates, must fight to get what they want. Missouri River diversion is in the national spotlight. It must be kept there. Its position is most satisfactory. It must be kept so.

If we of the Northwest permit our interest in the fulfillment of this great project to be accepted to the contract of the project of the second of the

of this great project to lag we cannot expect those now giving it most serious consideration to continue their interest.

The great Twin Cities, with their tremendous interests in transportation, banking, manufacturing, education have been slow to grasp the full significance of the need for Missouri River diversion. They are now awakening to this need and resourcefully supporting it. Their material property interests have a greater stake in its fulfillment then we who are nearest to this problem. stake in its fulfillment than we who are nearest to this problem.

The fight to promote diversion today is better organized and

commands more interest than ever before. The need is better

and more generally realized.

The Northwest must keep up its interest. Today it has the ear of the Nation, the consideration of the greatest group of scientists ever assembled to consider the practical aspects of any

The Northwest is near an epoch-making development affecting its future. It should be heard more than ever today, while it is getting a hearing. That fact cannot too often be stressed.

Mr. BONE. Mr. President, I will take just a moment's time to express my views on the amendment offered by the Senator from Wisconsin [Mr. La Follette] providing for an appropriation of \$8,625,000,000, in addition to those amounts appropriated by this bill under consideration. I am moved to say what I am going to say by reason of the fact that it is quite obvious that a roll call will not be had on this amendment, and I desire before I leave this session that I shall be recorded here in favor of the appropriation of the amount of money suggested by the amendment of the Senator from Wisconsin. I am not so particular about the amount, but I quite heartily agree with the Senator from Wisconsin that it were the part of wisdom for us not to adjourn this session of Congress without making ample provision for the pressing necessities of the American people.

I share quite fully the views of the Senator regarding the necessities of this occasion. Economic necessity knows no law, Mr. President, and hungry people in this country are not going to accept any apologies or any explanations. In answer to those who criticize the policy of making money available to feed the hungry, I say to them that if there is to be preservation of parliamentary government and constitutional government we are not going to make that possible by allowing millions of hungry people to continue with worried faces to struggle with their tragic problems day after day. All over the world we see parliamentary government and constitutional government threatened by the gaunt wolf of hunger. It is not right to drag in the out-moded theories of 50 years ago to answer the challenge of the

Mr. President, let me read, if I may, a fragment from the Democratic platform adopted in the year 1884:

The Democratic Party of the Union, through its representatives in national convention assembled, recognizes that, as the Nation grows older, new issues are born of time and progress, and old issues perish.

There is not any more somber issue confronting the American people than that of hunger on the part of millions of decent, upstanding Americans. We are going to have to meet that issue, and it were the part of wisdom not to go home without meeting it.

Mr. LA FOLLETTE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The year and nays are asked for. Is the demand seconded?

The yeas and nays were not ordered.

Mr. LA FOLLETTE. I suggest the absence of a quorum and ask for a roll call.

The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Borah	Connally	Duffy
Ashurst	Brown	Coolidge	Erickson
Austin	Bulkley	Copeland	Fess
Bachman	Bulow	Costigan	Fletcher
Bailey	Byrd	Couzens	Frazier
Bankhead	Byrnes	Cutting	George
Barbour	Capper	Davis	Gibson
Barkley	Caraway	Dickinson	· Glass
Black	Carey	Dieterich	Goldsborough
Bone	Clark	DIII	Gore

Hale Lonergan Harrison Hastings Long McCarran McGill Hatch McKellar McNary Metcalf Murphy Hayden Hebert Johnson Kean King Neely Norbeck La Follette Norris Nye O'Mahoney Logan

Overton
Patterson
Pittman
Pope
Reynolds
Robinson, Ark.
Robinson, Ind.
Russell
Schall
Schall
Sheppard
Shipstead
Smith
Stelwer

Stephens
Thomas, Okla.
Thomas, Utah
Thompson
Townsend
Tydings
Vandenberg
Wagner
Walcott
Walsh
Wheeler
White

The PRESIDING OFFICER. Ninety-one Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment of the Senator from Wisconsin.

Mr. LA FOLLETTE. I ask for the yeas and nays.

The yeas and nays were not ordered.

The amendment was rejected.

ANNUAL CONSIDERATION OF PERMANENT APPROPRIATIONS—CON-FERENCE REPORT

Mr. HAYDEN submitted a report which was ordered to lie on the table and to be printed, as follows:

(For conference report, see House proceedings of this day, p. 12139.)

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had agreed to the amendments of the Senate numbered 1 and 2 to the bill (H.R. 9404) to authorize the formation of a body corporate to insure the more effective diversification of prison industries, and for other purposes; that the House had agreed to the amendment of the Senate numbered 3 to the said bill with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H.R. 5369) providing for the issuance of patents upon certain conditions to lands and accretions thereto determined to be within the State of New Mexico in accordance with the decree of the Supreme Court of the United States entered April 9, 1928.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 3636) for the relief of Thelma Lucy Rounds; requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Black, Mr. Ramspeck, and Mr. Guyer were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H.J.Res. 325) extending for 2 years the time within which American claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the Mixed Claims Commission and the Tripartite Claims Commission, and extending until March 10, 1936, the time within which Hungarian claimants may make application for payment, under the Settlement of War Claims Act of 1923, of awards of the War Claims Arbiter.

The message further announced that the House had severally agreed to the amendment of the Senate to the following bills of the House:

H.R. 194. An act to refund to Caroline M. Eagan income tax erroneously and illegally collected;

H.R. 8639. An act to repeal certain laws providing for the protection of sea lions in Alaska waters; and

H.R. 9622. An act to amend subsection (a) of section 23 of the District Alcoholic Beverage Control Act.

The message also announced that the House had agreed to the amendments of the Senate to each of the following bills:

H.R. 8517. An act to provide for needy blind persons of the District of Columbia; and

H.R. 9143. An act providing educational opportunities for the children of soldiers, sailers, and marines who were killed in action or died during the World War.

## ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

S. 3530. An act relating to Philippine currency reserves on deposit in the United States:

H.R. 4446. An act for the relief of E. E. Hall;

H.R. 4659. An act for the relief of Carleton-Mace Engineering Corporation;

H.R. 4838. An act for the relief of the Massachusetts Bonding & Insurance Co., a corporation organized and existing under the laws of the State of Massachusetts;

H.R. 5369. An act providing for the issuance of patents upon certain conditions to lands and accretions thereto determined to be within the State of New Mexico in accordance with the decree of the Supreme Court of the United States entered April 9, 1928;

H.R. 6037. An act to exempt from taxation certain property of the National Society of the Sons of the American Revolution;

H.R. 6781. An act to authorize appropriations to pay the annual share of the United States as an adhering member of the International Council of Scientific Unions and associated unions:

H.R. 6898. An act authorizing the city of Atchison, Kans, and the county of Buchanan, Mo., or either of them, or the States of Kansas and Missouri, or either of them, or the highway departments of such States, acting jointly or severally, to construct, maintain, and operate a free highway bridge across the Missouri River at or near Atchison, Kans.;

H.R. 7067. An act for the relief of St. Anthony's Hospital at Michigan City, Ind.; Dr. Russell A. Gilmore; Emily Molzen, nurse; and the Hummer Mortuary;

H.R. 7107. An act for the relief of Frank Baglione;

H.R. 7161. An act to provide for the refund or abatement of the customs duty on altar candlesticks and cross imported for the Church of the Good Shepherd, Memphis, Tenn.:

H.R. 7372. An act for the relief of Donald K. Warner;

H.R. 7428. An act providing for the transfer of certain lands from the United States to the city of Wilmington, Del., and from the city of Wilmington, Del., to the United States;

H.R. 7697. An act for the relief of William Chinsky; H.R. 7781. An act for the relief of Rosemund Pauline

Lowry;
H.R. 7816. An act for the relief of Oswald H. Halford,
Hunter M. Henry, William C. Horne, Rupert R. Johnson,
David L. Lacey, William Z. Lee, Fenton F. Rodgers, Henry
Freeman Seale, Felix M. Smith, Edwin C. Smith, Robert

S. Sutherland, and Charles G. Ventress; H.R. 8115. An act for the relief of May L. Marshall, administratrix of the estate of Jerry A. Litchfield;

H.R. 8650. An act for the relief of B. J. Sample;

H.R. 8727. An act for the relief of the First State Bank & Trust Co., of Mission, Tex.;

H.R. 9326. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near York Furnace, Pa.;

H.R. 9401. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Middletown, Dauphin County, Pa.;

H.R. 9721. An act authorizing the Spencer County Bridge Commission, of Spencer County, Ind., to construct, maintain, and operate a toll bridge across the Ohio River between Rockport, Ind., and Owensboro, Ky.;

S.J.Res. 130. Joint resolution to amend section 72 of the Printing Act, approved January 12, 1895, and acts amendatory thereof and supplementary thereto, relative to the allotment of public documents, and section 85 of the same act fixing the date of the expiration of the franking privilege to Members of Congress;

H.J.Res. 295. Joint resolution authorizing appropriation for expenses of representatives of United States to meet at Istanbul, Turkey, with representatives of Turkish Republic for purposes of examining claims of either Government against the other and for expense of proceedings before an umpire, if necessary; and

H.J.Res. 325. Joint resolution extending for 2 years the time within which American claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the Mixed Claims Commission and the Tripartite Claims Commission, and extending until March 10, 1936, the time within which Hungarian claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the War Claims Arbiter.

## DIVERSIFICATION OF PRISON INDUSTRIES

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives, which was read as

IN THE HOUSE OF REPRESENTATIVES, June 15, 1934.

Resolved, That the House agrees to the amendments of the Senate, nos. 1 and 2, to the bill (H.R. 9404) to authorize the formation of a body corporate to insure the more effective diversifi-

cation of prison industries, and for other purposes; and
That the House agrees to the amendment of the Senate, no. 3;
to said bill with the following amendment:
"Strike out the proviso beginning in line 25 of page 2 of the
Senate engrossed amendments."

Mr. ASHURST. I move that the Senate disagree to the amendment of the House to Senate amendment no. 3, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Stephens, Mr. Black, and Mr. Hebert conferees on the part of the Senate.

ATTENDANCE OF THE MARINE BAND AT NATIONAL ENCAMPMENT OF THE GRAND ARMY OF THE REPUBLIC (S.DOC. NO. 223)

Mr. WALSH submitted a report, which was ordered to lie on the table and to be printed, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9145) to authorize the attendance of the Marine Band at the national encampment of the Grand Army of the Republic to be held at Rochester, N.Y., August 14, 15, and 16, 1934, and at the national convention of the Disabled American Veterans of the World War, to be held at Colorado Springs, Colo., during the first week in July, and at the annual convention of the Thirtieth Division of the American Expeditionary Forces, to be held at Asheville, N.C. on September 28, 29, and 30, 1934, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate numbered 3; and agree to the

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following: ", and the National Convention of the Disabled American Veterans of the World War to be held at Colorado Springs, Colo., during the first week in July 1934"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following: "encampment and convention"; and the Senate agree to the same.

Amendment of the title:

That the House recede from its disagreement to the amendment of the Senate to the title of said bill, and agree to the same with an amendment as follows: In lieu of the amendment to the title of the bill proposed by the Senate insert the following:

"An act to authorize the attendance of the Marine Band at the National Encampment of the Grand Army of the Republic to be held at Rochester, N.Y., August 14, 15, and 16, 1934, and at the National Convention of the Disabled American Veterans of the World War, to be held at Colorado Springs, Colo., during the first week of July 1934"; and the Senate agree to the same.

DAVID I. WALSH, EDWARD P. COSTIGAN, JESSE H. METCALF, Managers on the part of the Senate.

CARL VINSON, P. H. DREWRY, FRED A. BRITTEN. Managers on the part of the House.

## DEFICIENCY APPROPRIATIONS

The Senate resumed the consideration of the bill (H.R. 9830) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes.

Mr. PITTMAN. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be

The CHIEF CLERK. It is proposed, on page 49, after line 2, to insert:

Claims adjustment, United States and Turkey: For participation by the United States in the examination and settlement at Istanbul, Turkey, of claims as provided for by public resolution entitled "Joint resolution authorizing appropriations for expenses of representatives of the United States to meet at Istanbul, Turkey, with representatives of Turkish Republic for purposes of examining claims of either government against the other, and for expenses of proceedings before an umpire, if necessary", approved June —, 1934, \$90,000, to remain available until June 30, 1935.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nevada.

The amendment was agreed to.

Mr. PITTMAN. Mr. President, I offer another amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be

The CHIEF CLERK. On page 93, line 20, after the word "Bureau", it is proposed to insert the following:

That wages paid for skilled labor out of all Federal moneys expended under this act, or out of unexpended moneys for the building of roads, bridges, and trails under the jurisdiction and supervision of the Bureau of Public Roads, not already contracted for, which is expended for payment in wages to skilled workers directly employed in the construction of such roads, bridges, and trails, shall not be less than the wages paid to skilled workers employed in similar work under the jurisdiction of the Public Administration. Any act or provision of the law to the contrary notwithstanding.

Mr. PITTMAN. Mr. President, I should like to have the attention of the Senate for a moment on the amendment. which I consider very important. The amendment is tendered for this purpose:

There are two scales of wages being paid by two different departments of our Government for skilled labor, and in the same zone of work in instances. For instance, in the town of Reno the Public Works Administration is doing shovel work on the streets. Outside the town limits the Bureau of Public Roads is doing the same character of shovel work and paying about half the wages. I have the scales of wages paid by the two institutions working in the same zone, sometimes within a mile of each other, and one of them paying twice as much as the other.

Mr. HAYDEN. Mr. President, will the Senator yield? Mr. PITTMAN. I yield. Mr. HAYDEN. The proposal the Senator is advocating

was presented to the committee. There is a fundamental error in the matter as he states it. The Public Works Administration is expending Federal funds appropriated by Congress for public works. The highway appropriation is

made as a grant, in his case to the State of Nevada, but the State government must first do the work, and then the United States compensates the State of Nevada for the road construction. The Federal Good Roads Act provides that prior to the letting of any road contract the State highway commission, in this instance of the State of Nevada, shall predetermine the scale of wages and that wage scale shall become a part of the bid and of the contract, and all contractors must pay the same scale of wages. That is perhaps why the Senator has two different scales of wages. One is fixed by the Public Works Administration in Washington and the other by the State highway department, and both according to law.

Mr. PITTMAN. I understand that perfectly and I say it is entirely wrong. I shall try to explain why I think it is

entirely wrong.

The money provided in the bill is not matched by the States at all. It is not under the Federal highway act. The Federal highway act requires a matching by the State of the money appropriated by the Federal Government. This provision does not require any matching by the State, but it is all Federal money carried in an appropriation bill. Not only that, but other restrictions have been placed upon the States. For instance, on page 93, the committee amendment reads:

Provided, That the location, type, and design of all roads and bridges shall be approved by the Bureau of Public Roads before any expenditures are made thereon, and all such construction done by contract shall be under the general supervision of said Bureau.

Under the good roads act it is not under the supervision of the Federal Bureau of Public Roads. The roads must be selected by the State, then approved by the Bureau of Public Roads, and the rest of the project is conducted by the State.

Mr. HAYDEN. Let me get the facts before the Senate.

Mr. PITTMAN. Just a moment. In the bill now before us we are getting away from the Federal good-roads act, because the entire amount of money is being appropriated. The States are not only required to select the roads, but they are to be constructed under their supervision.

Mr. HAYDEN. If the Senator will look in the bill, he will find the limitation merely applies to \$7,500,000 in one place and in another place to \$4,000,000 for Indian reservation roads which have nothing to do with roads under the Federal-aid system. The thought of the committee was that the National Park Service might well have the advice of the Bureau of Public Roads, and that the Indian Bureau should likewise have their advice, but we did not attempt to change in any manner the customary procedure with respect to construction of highways by the State highway departments.

Mr. PITTMAN. I think we should, and that is the question I am going to submit to a vote.

Let us take this situation. The Senator says it is within the jurisdiction of the highway commission to fix the scale of wages. That is all right, but, for instance, let us take California, right over the hill from us.

In California, for skilled labor—this amendment affects only skilled labor—the rate is  $$1.27\frac{1}{2}$  an hour. Go down to Nevada, and the rate is 75 cents an hour for skilled labor.

We may go through this whole list, and we will find places adjacent to each other where there is the tremendous discrimination involved in the difference between \$1.25 an hour and 40 cents an hour. I am speaking only of skilled labor, not semiskilled labor. That great discrimination exists; and I contend now that if the Government is to provide this money chiefly for the purpose of employing labor in this country, which is its main object, the Government should limit the use of this appropriation. If a State commission would rather put this money into cement than to put it into labor, it is the duty of Congress to say that they should put it into labor; and I think we should at least require the Federal Road Bureau to see that those employed under this money in the same zone receive the same wages for skilled labor that are paid out under the Public Works Administration.

That is the contention I make.

Mr. HAYDEN. Mr. President, just a moment in order that I may explain the situation to the Senate.

This matter of Federal grants to the States is purely a temporary one. We have provided in the authorizing act in which this \$100,000,000 is included that we shall return to the system of the States matching the amounts appropriated by the Federal Government. In 1936 the States will put up \$125,000,000 to match Government funds. They will do so again in 1937. Year after year, as a whole, the States have spent \$3 on roads where the Federal Government has spent \$1. Temporarily, it may be that at this particular period more Federal money is going into roads than State money; but it never has been true before, and we hope it never will be true again. So we devised the idea of letting each State highway department determine the scale of wages, and predetermine that so that every contractor who builds a road for the State must pay the same scale to all labor, and make it a part of the contract. That is the State's business.

When the State has completed the construction of the road, the United States Government comes in and assumes its share of the burden of paying for it. To wreck that whole system merely because at the moment it may be that there is more Federal money than State money going into roads it seems to me would be entirely wrong. We should leave this matter to each State to determine for itself.

Mr. PITTMAN. Mr. President, to meet the objection the Senator has made, after "Public Works Administration" I have written in the words—

in the same zone so long as Federal money is matched by the States.

Mr. HAYDEN. Mr. President, even to that I should object, because the Senator must realize that this is primarily State work. We are using a State agency to carry out relief. Why go in and dictate to that agency and to the States how to manage their business?

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Nevada, as modified.

The amendment, as modified, was rejected.

Mr. BARKLEY. Mr. President, on behalf of the junior Senator from New York [Mr. Wagner], who is in conference on the railway pension bill, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 58, after line 16, it is proposed to insert:

INTERNATIONAL CELEBRATION AT FORT NIAGARA, N.Y.

To pay the expenses of the participation of certain units of the Army of the United States in the events and ceremonies incident to the International Celebration at Fort Niagara, N.Y., under such regulations as the Secretary of War may prescribe, to remain available during the fiscal year 1935, \$6,000.

Mr. BARKLEY. Mr. President, this amendment is in line with House Joint Resolution 341, which has passed both Houses and has the approval of the Secretary of War.

.The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky on behalf of the Senator from New York [Mr. WAGNER].

The amendment was agreed to.

Mr. BARKLEY. I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 86, line 20, after the figures "\$500,000,000", it is proposed to add the following:

Provided further, That the total amount which may be advanced by the President under the provisions of section 203 (a) (5) of the National Industrial Recovery Act is hereby increased by \$1,500,000.

Mr. BARKLEY. Mr. President, just a word of explanation of this amendment.

In 1930 Congress authorized the construction of an annex to the Library of Congress, to cost \$6,500,000. In the National Recovery Act we authorized the allocation of \$5,025,-000 of the unexpended balance of an appropriation there-

tofore made for the purpose of this construction. In the testimony before the Appropriations Committee Admiral Peoples, who is the Chief of the Procurement Division, made the statement that since that act was passed and this original limit of cost was fixed, the price of building materials and the cost of construction has increased about 30 percent; so that this additional authorization represents the increased cost of construction of buildings of this type as represented by the annex to the Library of Congress, and is necessary in order to carry out the plan of Congress in the construction of this building.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. Barkley].

Mr. BYRNES. Mr. President, by legislation there was fixed a limit of cost of this building. Was a contract entered into for its construction?

Mr. BARKLEY. No contract has been entered into. I will say to the Senator that the Joint Committee on the Library, of which I happen to be chairman, in a session some months ago, taking into consideration the character of the Library of Congress, the character of the Supreme Court Building, and the character of the Folger Shake-spearean Library, all of which are there in a group together, decided that the specifications for the building materials out of which this annex for the Library was to be constructed ought to be changed so as to provide for granite or marble rather than limestone, because a building of limestone would be entirely out of harmony with the other buildings; and, of course, that itself entailed an increase in the cost.

Upon the basis of Admiral Peoples' statement that the cost has increased by 30 percent since 1930 and 1931, we probably ought to be asking for \$1,800,000 or \$2,000,000 additional; but we think we can come within the million and a half additional under the increase in cost and the new material required.

Mr. ADAMS. Mr. President, I wish to inquire of the Senator from Kentucky why this item should be placed in this particular bill.

Mr. BARKLEY. Because in order that we may go ahead with the contracts for building this annex, which is sorely needed, we must know now what we are going to be able to expend.

I realize that probably I ought to have gone before the Committee on Appropriations and made a detailed explanation with the Architect of the Capitol, who has made these estimates based upon the testimony; but I have been tied up in conferences and subcommittees which made it impossible for me to do that. There is no question but that this additional amount is needed.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Kentucky. (Putting the question): By the sound, the "noes" seem to have it.

Mr. BARKLEY. Mr. President, I ask for the yeas and nays on this amendment. I think it is an important amendment.

The yeas and nays were not ordered.

Mr. BARKLEY. I make the point of no quorum. I think we ought to treat this amendment with some seriousness. If the Senate does not want to increase this allowance, very well; but I do not like to see the proposal treated as a joke.

The PRESIDING OFFICER. The absence of a quorum is suggested. The Clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Bulkley	Couzens	Gibson
Ashurst	Bulow	Cutting	Glass
Austin	Byrd	Davis	Goldsborough
Bachman	Byrnes	Dickinson	Gore
Bailey	Capper	Dieterich	Hale
Bankhead	Caraway	Dill	Harrison
Barbour	Carey	Duffy	Hastings
Barkley	Clark	Erickson	Hatch
Black	Connally	Fess	Hatfield
Bone	Coolidge	Fletcher	Hayden
Borah	Copeland	Frazier	Hebert
Brown	Costigan	George	Johnson

Kean	Metcalf	Reynolds	Thomas, Utah
King	Murphy	Robinson, Ark.	Thompson
La Follette	Neely .	Robinson, Ind.	Townsend
Lewis	Norbeck	Russell	Tydings
Logan	Norris	Schall	Vandenberg
Lonergan	Nye	Sheppard	Wagner
Long	O'Mahoney	Shipstead	Walcott
McCarran	Overton	Smith	Walsh
McGill	Patterson	Steiwer	Wheeler
McKellar	Pittman	Stephens	White
McNary	Pope	Thomas, Okla.	

Mr. LEWIS. Mr. President, I rise to reannounce the absences of the Senators whose names I gave on previous roll calls for the reasons then ascribed. I asked to have the announcement stand on the present roll call.

The PRESIDING OFFICER. Ninety-one Senators having answered to their names, there is a quorum present.

Mr. BARKLEY. Mr. President, I should like to make this additional word of explanation. This is not an appropriation, it is merely an authorization for an increase in the cost limit of the building in question. The property has already been bought and the excavations have been made, and a high fence now has been built around the property awaiting action by Congress, so that we may advertise for bids and award the contract. On this amendment I think I shall ask for a division.

Mr. ADAMS. Mr. President, the Senator seems to be presenting an amendment that is against the rule, because he says it is not an appropriation, but an authorization. An authorization is legislation.

The PRESIDING OFFICER. Does the Senator raise the point of order?

Mr. ADAMS. I raise the point of order against the amendment.

The PRESIDING OFFICER. The Chair sustains the point of order.

Mr. BARKLEY. Mr. President, I offer another amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed to add, on page 14, after line 11, at the proper place, the following amendment:

The American Group of the Interparliamentary Union: In order to assist in meeting the expenses of the American Group of the Interparliamentary Union during the fiscal year ending June 30, 1935, there is hereby appropriated the sum of \$10,000, or so much thereof as may be necessary, such appropriation to be disbursed on vouchers to be approved by the president and the executive secretary of the American Group.

Mr. BARKLEY. Mr. President, just a word of explanation. For a number of years Congress has been appropriating an annual sum for assisting and maintaining the Interparliamentary Union, which is an international organization which meets once a year in the capital of some country. Last year we had no representation at the meeting in Spain.

It is not fair to ask Members of Congress to go all the way to Europe to represent this country, and to pay all of their expenses. The amount asked for here is not sufficient to pay their expenses, but it would contribute something, and make it possible for Members to go who are interested in international questions.

This year the conference will meet in the city anciently known as Constantinople, I believe now called Istanbul, in Turkey. There has been transmitted to me within the last few days the invitation of the Turkish Government to the American Government to participate in the conference and to send a delegation.

The \$10,000 asked for is a very modest sum, and will make it possible for us to have a fairly good delegation at the conference, and I think the amendment should be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ASHURST. Mr. President, I present the amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed to insert at the proper place the following amendment:

Purchase of land for the Navajo Indians, Arizona, reimbursable: For the purchase of land and improvements thereon, including water rights, for the Navajo Indians of Arizona, as authorized in conformity with the provisions of the act of June —, 1934 (Public, No. —, 73d Cong.), \$481,879.38, reimbursable.

Mr. ASHURST. Mr. President, just a word of explanation. I would never present to the Senate an amendment which was subject to a point of order. The amendment I have now offered is to carry out an agreement which is the culmination of some years of negotiation among the Indians, the white owners, and the Department of the Interior.

The bill authorizing this appropriation has passed both Houses of the Congress. At 6 o'clock this afternoon it had not been signed by the President. I anticipate that it will be signed tomorrow. If, however, the President should not sign the bill authorizing the appropriation, I, of course, should ask the conferees to disregard the amendment. If, however, the President should sign that bill, then this should become a law, appropriating the money to settle this question of purchasing the land in white ownership in the Navajo Indian Reservation.

In the map I exhibit to the Senate it will be perceived that there is a vast amount of yellow, but that represents white holdings. These are checkerboard holdings. The Indians cannot use them, nor can the whites use them.

This agreement is the culmination of a long series of bargainings, and an agreement has been reached by the Department and the white owners and the Indians. I ask for a vote on the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Arizona.

The amendment was agreed to.

Mr. THOMAS of Oklahoma. Mr. President, I submit an amendment, and ask that the same be reported.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 16, after line 14, it is proposed to insert the following:

Workhouse and reformatory: For personal services for the board of indeterminate sentence and parole, fiscal year 1933, \$13,770.

Mr. BYRNES. Mr. President, I ask the Senator from Oklahoma to make a statement as to the amendment.

Mr. THOMAS of Oklahoma. Mr. President, this amendment has to do with the District of Columbia. If the amendment is adopted, the money comes from a District of Columbia fund.

When the District of Columbia bill was before the Senate it carried this item; but in conference the House conferees would not accept the item, and the Senate had to recede. It has to do with the pay of employees for the Board of Parole in the District of Columbia. The members of this Board receive no salary, but the Board does have to have employees, and this sum is to pay the employees of the Board.

Unless this sum shall be provided, I am advised—authentically, I believe—that the Board will resign, because they have no one to do the work. They are willing to superintend the work, but they cannot do the clerical work themselves.

Since the item was stricken from the District of Columbia bill the House conferees have receded and yielded, and are willing to have this item go in the bill.

Mr. BYRNES. Mr. President, I have no objection to the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Oklahoma [Mr. Thomas].

The amendment was agreed to.

Mr. BONE. Mr. President, I send to the desk an amendment, which I ask to have stated.

The VICE PRESIDENT. The amendment will be stated. The CHIEF CLERK. At the bottom of page 27, after line 25, it is proposed to insert the following paragraph:

BUREAU OF ENTOMOLOGY AND PLANT QUARANTINE

Cereal and forage insects: For an additional amount for this purpose for the fiscal year 1935, including the same objects specified under this head in the Agricultural Department Appropria-

tion Act of 1935, to be used, in addition to the amounts already available therefor, for the control of the Mormon cricket, \$15,000, to be immediately available.

Mr. BONE. Mr. President, just a word of explanation.

Mr. ADAMS. Mr. President, before the Senator proceeds I should like to inquire whether there is an estimate or an authorization supporting this amendment.

Mr. BONE. There is not.

Mr. ADAMS. Then I raise the point of order against the amendment.

The VICE PRESIDENT. The point of order is sustained. Mr. JOHNSON. Mr. President, I ask the attention of the Senator from South Carolina [Mr. Byrnes] and the Senator from Colorado [Mr. Adams]. I offer an amendment, on page 27, to add the words "to combat the mildew to hops and injury to hop fields, \$5,000."

I have before me the letter from the Chief of the Bureau in the Department of Agriculture concerning the particular insect which has invaded Oregon, Washington, and California; and the sum of \$5,000 is absolutely essential in order that this insect invasion may be combated.

Mr. ADAMS. Mr. President, I desire to make the same inquiry as to whether or not there is an estimate or an authorization behind that proposal.

Mr. JOHNSON. I simply have the letter of the Department of Agriculture in regard to the matter; that is all.

Mr. ADAMS. Mr. President, I am instructed by the committee to raise the point of order against such amendments.

Mr. CUTTING. Mr. President, if we should agree to the amendment of the Senator from California, how could we possibly balance the Budget?

Mr. JOHNSON. That would be a very difficult thing, I admit. We could not balance the Budget, probably, if we should adopt an amendment calling for the expenditure of \$5,000; and as I have seen go through here today amendments for building a wall in Reno, and the like, I realize that it is an absolutely essential thing that we should say that this amendment is subject to a point of order which must be insisted upon. It only affects some millions of dollars' worth of property in the States of Washington, Oregon, and California, where, in spite of the endeavors of the Agricultural Department, and despite what they have done, there has been an inroad of this particular disease, which has done incalculable harm to hogs in the hog fields.

Of course, I recognize that these gentlemen in their generosity, and because of their desire to protect the Treasury of the United States, could not tolerate the expenditure of \$5,000 to save some millions of dollars; so I do not object at all to a point of order being made, nor do I object to the point of order being sustained. It is an appropriate thing that an objection of this sort should be made when it has not been made to many other items which have been presented as amendments to this bill.

The VICE PRESIDENT. Does the Senator make the point of order?

Mr. ADAMS. I make the point of order.

The VICE PRESIDENT. The point of order is sustained. The question is on the engrossment of the amendments and the third reading of the bill.

Mr. ADAMS. Mr. President, I move that the clerks be authorized to correct the totals and section numbers.

Mr. LONG. Mr. President, there is another amendment to be offered.

The VICE PRESIDENT. Does the Senator from Louisiana desire to offer an amendment?

Mr. LONG. No, Mr. President; but I just desire to keep the clerks from being authorized to do what was just suggested.

Mr. CUTTING. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated. The CHIEF CLERK. It is proposed, on page 103, after line 4, to insert the following:

SEC. 2. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$4,000,000,000, in addition to other sums appropriated by this act, for the purpose of carrying forward the program of public works inaugurated

under the provisions of the National Industrial Recovery Act, approved June 16, 1933. Such sum shall be allocated within the following limitations:

(1) Not less than \$750,000,000, of such amount shall be allocated for the elimination of hazards to highway traffic under the provisions of section 204 (a) (1) of such act.

(2) Not less than \$750,000,000 of such amount shall be allocated

for new building construction; of which not to exceed \$50,000,000 shall be allocated for construction of Federal buildings and for such purposes sections 305 and 306 of the Emergency Relief and such purposes sections 305 and 306 of the Emergency Relief and Construction Act of 1932, as amended, shall apply; and not less than \$400,000,000 shall be allocated for loans and grants to finance building construction as provided in section 202 of the National Industrial Recovery Act, as amended.

(3) Not less than \$10,000,000 of such amount shall be allocated for coast and geodetic and geological surveys as provided in section 202 (b) of the National Industrial Recovery Act, as amended.

(4) Not less than \$2,500,000,000 of such amount shall be allocated and made available for expenditure on non-Federal projects exclusive of projects included under the foregoing allocations.

ects, exclusive of projects included under the foregoing allocations.
(5) Not less than \$500,000,000 of such amount shall be allocated and made available for expenditure by the Emergency Housing Corporation.

Sec. 3. Section 201 (d) of the National Industrial Recovery Act is amended by striking out "2 years" and inserting in lieu thereof "3 years."

Sec. 4. (a) Clause (a) of section 202 of the National Industrial Recovery Act is amended by adding at the end thereof a comma and the following: "and school buildings when included within plans and surveys made or approved by the United States Commissioner of Education."

(b) Clause (b) of section 202 of such act is amended by insert-g after "(b)" the following: "coast and geodetic and geological ing after surveys,".

(c) So much of section 202 of such act as reads "the construction of naval vessels within the terms and/or limits established by the London Naval Treaty of 1930 and of aircraft required therefor" is repealed.

(d) So much of clause (2) of section 203 (a) of such act as reads "but no such grant shall be in excess of 30 percent of the cost of the labor and materials employed upon such project" is repealed.

(e) Section 203 of such act is amended by adding at the end thereof the following new subsection:

"(e) It is hereby declared to be the policy of the Congress that this title shall be liberally construed, insofar as the requirement of security for loans made is concerned, to the end that the public-works program contemplated hereby shall be expedited to the fullest extent possible."

(f) Section 204 (a) (1) of such act is amended by inserting after the words "relocation of highways to eliminate railroad crossings" a comma and the following: "track elevation and depression through cities."

SEC. 5. The amendments made by section 4 of this title to the National Industrial Recovery Act shall not be construed to limit the expenditure of funds heretofore obligated under such act.

Sec. 6. The provisions of section 210 of the National Industrial Recovery Act shall apply with respect to the amounts herein authorized for additional expenditures under such act.

SEC. 7. The Emergency Housing Corporation is authorized to proceed with the acquisition of property, by eminent domain or otherwise, and the construction, reconstruction, alteration, or repair of low-cost housing and slum-clearance projects, as authorized under the National Industrial Recovery Act, as amended.

On page 103, line 5, strike out the figure "2" and insert in lieu thereof the figure "8."

Mr. ADAMS. Mr. President, I should like an explanation of this amendment.

Mr. CUTTING. I intend to make one, Mr. President.

A short while ago the senior Senator from Wisconsin [Mr. LA FOLLETTE] offered an amendment which presented in its most fundamental form the difference between the two schools of thought in this country today. There is one school of thought which believes that in times of depression the Government must retrench and economize. There is another which believes that when private enterprise and private industry have fallen down the Government is the only agency which can possibly take up the slack. That amendment was presented by the Senator from Wisconsin, was advocated by him in an able speech, and the Senate refused to grant the Senator from Wisconsin even a record

Mr. President, the amendment which I have presented cuts down by roughly 50 percent the figures offered by the Senator from Wisconsin. Instead of the sum of \$8,625,-000,000, it suggests the appropriation of merely \$4,000,-000,000 for the purposes of public works, and the other figures are cut down in the same proportion.

I have no particular desire to discuss the amendment at any length, provided I can be assured of a yea-and-nay vote. Under other circumstances, I feel that the amendment ought to be debated, and I know that there are many other Senators here who desire to debate the amendment.

Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. McNARY (when his name was called). On this vote I am paired with the senior Senator from Mississippi [Mr. HARRISON]. I am advised that if he were present he would vote as I am about to vote. I am therefore at liberty to vote. I vote "nay."

Mr. ROBINSON of Arkansas (when his name was called). Transferring my pair with the Senator from Pennsylvania [Mr. Reed] to the Senator from Florida [Mr. TRAMMELL]. I vote "nay."

Mr. STEPHENS (when his name was called). On this vote I am paired with the Senator from Indiana [Mr. Robinson]. I understand that if he were present he would vote as I intend to vote, and I am therefore at liberty to vote. I vote " nay.'

Mr. WALCOTT (when his name was called). I have a general pair with the junior Senator from California [Mr. McApool. I am informed he would vote as I intend to vote and I am therefore at liberty to vote. I vote "nay."

The roll call was concluded.

Mr. BARKLEY. I have a pair with the Senator from Iowa [Mr. Dickinson] which I transfer to the junior Senator from Massachusetts [Mr. Coolinge] and vote "nay."

Mr. HEBERT. I wish to announce that the Senator from Missouri [Mr. Patterson] is necessarily detained. If present, he would vote "nay."

Mr. LEWIS. I regret to announce that the Senator from California [Mr. McADOO] is detained from the Senate by illness.

I desire to announce that the Senator from Alabama [Mr. Black], the Senator from New Hampshire [Mr. Brown], the Senator from Ohio [Mr. Bulkley], the Senator from Massachusetts [Mr. Coolings], the Senator from New York [Mr. COPELAND], the Senator from Montana [Mr. Erickson], the Senator from Florida [Mr. Fletcher]. the Senator from Georgia [Mr. George], the Senator from Virginia [Mr. Glass], the Senator from Mississippi [Mr. HARRISON], the Senator from Kentucky [Mr. Logan], and the Senator from Nevada [Mr. McCarran], are necessarily detained from the Senate.

I wish also to announce that the Senator from Florida [Mr. TRAMMELL], the Senator from Maryland [Mr. Typings], the Senator from Indiana [Mr. Van Nuys], and the Senator from New York [Mr. Wagner], are detained from the Senate on official business.

Mr. HEBERT. I desire to announce the following general

The Senator from West Virginia [Mr. HATFIELD] with the Senator from Florida [Mr. FLETCHER]:

The Senator from New Hampshire [Mr. Keyes] with the Senator from Indiana [Mr. Van Nuys];

The Senator from Ohio [Mr. FESS] with the Senator from Virginia [Mr. GLASS];

The Senator from Vermont [Mr. Gibson] with the Senator from New York [Mr. COPELAND];

The Senator from Wyoming [Mr. CAREY] with the Senator from Ohio [Mr. BULKLEY];

The Senator from Missouri [Mr. PATTERSON] with the Senator from New York [Mr. WAGNER];

The Senator from Pennsylvania [Mr. Davis] with the Senator from Kentucky [Mr. Logan];

The Senator from Delaware [Mr. HASTINGS] with the Senator from Georgia [Mr. GEORGE]:

The Senator from Oregon [Mr. STEIWER] with the Senator from New Hampshire [Mr. Brown]; and

The Senator from Maine [Mr. WHITE] with the Senator from Alabama [Mr. BLACK].

	YE	AS-17	
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So Mr. Cutting's amendment was not agreed to.

Mr. JOHNSON. On page 86, lines 17 to 20, I move to amend by striking out the proviso.

The VICE PRESIDENT. The amendment will be stated. The CHIEF CLERK. It is proposed on page 86, lines 17 to 20, to strike out the proviso, as follows:

Provided further, That the amounts to be made available under the authority of this paragraph for public works under the Na-tional Industrial Recovery Act shall not exceed in the aggregate \$500,000,000.

Mr. JOHNSON. Mr. President, there are two reasons why I move to strike out the particular words: First, and, of course, all controlling, is the reason that the amount therein suggested is far from what will do the job that was undertaken by the Public Works Authority and by the President of the United States under that authority.

Secondly, and less important, I move to strike out these words so that the matter may go to conference and the conferees then at least may ascertain the views of the administration upon the particular proposition and act accordingly. I shall be perfectly satisfied however they shall act under these circumstances.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from California. [Putting the question.] The "noes" seem to have it.

Mr. LA FOLLETTE. I call for a division. On a division the amendment was rejected.

Mr. CLARK. Mr. President, I desire now to call up the motion previously made to reconsider the vote by which the Senate agreed to the committee amendment, on page 16. lines 6 to 9 inclusive, reading as follows:

Public Utilities Commission. Salaries: For an additional amount for salaries, Public Utilities Commission, including the same objects specified under this head in the District of Columbia Appropriation Act for the fiscal year 1935, \$36,823.

I will say frankly that I know nothing whatever about the merits of this particular provision of the bill. I was informed by the Chairman of the Subcommittee of the Appropriations Committee of the House of Representatives, having to do with the District appropriation bill, that this item, and one with reference to which I shall subsequently make a similar motion, are considered exceedingly bad provisions. He furthermore informed me, Mr. President, that he yielded in conference with the Senate conferees on everything on which he felt justified in yielding; he yielded on some threefourths of the propositions involved in the conference; but that the amendment which I have made a motion to reconsider, and the amendment as to which I shall subsequently make a motion to reconsider, were amendments on which he could not possibly yield.

Mr. President, I believe that there is a certain amount of honesty in conferences between the House and the Sen-

The result was announced-yeas 17, nays 44, as follows: | in a conference on such a matter as the District of Columbia Appropriation bill, it is a violation of faith for the Senate later to put on amendments which have been agreed to be stricken out in conference.

Mr. SHEPPARD. Mr. President, do I understand that the Senate conferees agreed that those items should go out in the conference on the District of Columbia Appropriation hill?

Mr. CLARK. I understand that the Senator from Oklahoma [Mr. Thomas] is to make a statement on that subject a little later. He was the head of the Senate conferees. I shall be glad to have him make the statement at this time, if he will.

Mr. THOMAS of Oklahoma. Mr. President-

The VICE PRESIDENT. Does the Senator from Missouri vield to the Senator from Oklahoma?

Mr. CLARK. I do.

Mr. THOMAS of Oklahoma. This is another item which has to do with the District of Columbia, and the money carried in this item comes from District funds.

The Budget estimated for this item—the Public Utilities Commission-a total sum of \$86,823. The House cut that item to \$50,000 in the District appropriation bill. It came to the Senate at \$50,000. The hearings in the Senate committee disclosed to our satisfaction that the item should be raised to the Budget estimate, and the Senate committee returned the item at the Budget estimate of \$86,000 plus.

The bill went back to the House carrying the Budget estimate. The House disagreed to our amendment. In conference the House conferees would not yield. The distinguished Senator from Nebraska [Mr. Norris] raised this point when the conference committee report was before the Senate, and I made the statement then that the conferees of the House would not yield; they were adamant; and nothing was left for the Senate conferees to do but to yield, and to carry the item in the sum of \$50,000.

After the conference committee report had been accepted certain gentlemen from the city of Washington came to me and asked if I would not interest myself in trying to get the balance of this money for this particular board. While I was considering offering the amendment in connection with this deficiency bill, I was approached by a member of the House conference committee who said that if I did anything to increase this item he would consider that a breach of good faith on my part as chairman of the subcommittee representing the Senate on this particular item; and because of his insistence that I do nothing I refrained from doing anything before the Senate committee.

I submit these facts for the consideration of the Senate. I am advised that if this item is carried in this bill, the Members of the House conference committee on the former bill-Mr. Cannon of Missouri, chairman; Mr. Blanton, of Texas, a member; and three other gentlemen-will oppose this item; and they have stated to me over the telephone and in personal conference here on the floor that they propose to hold up this bill for some time or else see that this item goes out of the bill.

I shall be glad to answer any questions that any Senator may wish to submit if these facts are not plain.

Mr. WALSH. Mr. President, may I ask the Senator a question?

Mr. THOMAS of Oklahoma. Yes.

Mr. WALSH. Just what is the objection to this item? Mr. THOMAS of Oklahoma. The House conferees are of the opinion that this Board can get along on \$50,000 just as well as they can get along on \$86,000.

Mr. WALSH. They do not need this extra appropriation? Mr. THOMAS of Oklahoma. That is their opinion; that is their stand; that is their request; and that is their demand.

Mr. CLARK. Mr. President, will the Senator from Oklahoma yield?

Mr. THOMAS of Oklahoma. Yes.

Mr. CLARK. It is undoubtedly true that the Senate conferees, of whom the Senator from Oklahoma is the head, ate. I believe that when a Senator has committed himself agreed to the deletion of this amendment. Is not that true?

Mr. THOMAS of Oklahoma. That is correct. Mr. CLARK. In other words, the House have a very excellent argument when they claim that having agreed with the Senate in conference on the District of Columbia appropriation bill, they have been misused when the Senate comes back and puts the same item in the deficiency bill.

Mr. THOMAS of Oklahoma. Mr. President, it is a fact that the Senate conferees agreed with the House conferees to carry this item at the sum of \$50,000, deleting and taking from the original estimate the sum of \$36,000. The Senate accepted that conference report, and it is now the law of the Congress.

Mr. McCARRAN. Mr. President, as a member of the Committee on the District of Columbia, and with no interest that would normally or ordinarily appeal to a Senator from a sovereign State, it does seem to me that this matter should have serious consideration.

I have listened to the statement made by the able Senator from Oklahoma [Mr. Thomas]. I do not, of course, question a single expression he has made. I have listened to the statement of the learned Senator from Missouri [Mr. CLARK], in which he says frankly that he knows nothing about the subject; but let us get down to the plain, ordinary facts.

Assuming that there may have been an agreement whereby the necessary amount may have been curtailed, it seems to me from my observation in a very short experience in the Senate that it may win all kinds of battles, but it never wins a conference. Every time we go into conference we are told that unless we yield, something will happen to the bill; and thus I listened to the statement of the learned Senator from Oklahoma, who is one of my colleagues on the District Committee.

I desire to say again that there is not the slightest personal interest in this matter, so far as I am concerned, except that public utilities in the District of Columbia require investigation, and at the next session of Congress there will be an investigation that will have a sting to it.

Just the other day there was rendered by the Supreme Court of the District of Columbia a decision in a case which was carried to that court by this very body in the District of Columbia, the battle being fought clear through, which has impounded \$500,000, half a million dollars, for the people of the District of Columbia; and the court that has decided that through the energy of the Public Utilities Commission of the District there shall be returned to the subscribers of the telephone system of the District of Columbia one-half million dollars.

There are other public utilities which should be investigated. That is not the only one. When we curtail by cutting off something that may result in benefit to the people of this District, then it seems to me we are very much like the millionaire who was told by his secretary one morning that he was exceeding his income, and he said, "Tell the milkman to leave only a pint of milk this morning."

Mr. CLARK. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. CLARK. Does the Senator believe that when the House gives up three-fourths of a proposition and the Senate gives up only one-fourth it is fair for the Senate to come and try to put back on an appropriation bill the fourth it has given up? I ask that question in all fairness to my friend, the Senator from Nevada.

Mr. McCARRAN. I would answer the question in this way: That justice should prevail in all things. Men may enter into agreements in which they will even blindfold justice and fair play; and if it be true that the Senate enters into an agreement, certainly I should like to see the agreement carried out; but if in entering into that agreement they were blind to a condition which should be corrected by a different interpretation or a different agreement, then I say that something else should be done.

If I made an agreement, I would stand by it; I will say that much, notwithstanding the fact that that expression may be against the argument I am trying to put forward here. If the Senate entered into an agreement, I am sorry for it; that is all. Nevertheless, the justice of the case demands that something else be done than that which they say was a part of the agreement. There should be a carrying on of the public service and the public utilities of the

I wish to say again, in leaving the question, that I am only a member of the Committee on the District of Columbia, but I do believe that the Public Service Commission of the District should have something with which to carry on.

Mr. WALSH. Mr. President, I understand the Senator to say that there is need for an investigation of the Public Utilities Commission?

Mr. McCARRAN. I should say so.

Mr. WALSH. And that he is now arguing for an increased appropriation for them?

Mr. McCARRAN. No; I am arguing to put back the appropriation to what it was before. It was cut down.

Mr. WALSH. I judge, from what the Senator says, that he is rather suspicious of the character of the Commissioners as public servants.

Mr. McCARRAN. Not at all. I misunderstood the Senator. The contrary is true. I tried to emphasize that by the statement I suggested, that through the energy of this Commission there has just recently been sustained a decision of the courts of this District which has saved the people of the District half a million dollars.

Mr. WALSH. I understood the Senator to refer to the Commission. He referred to the utilities as being the ones which should be investigated?

Mr. McCARRAN. That is correct.

Mr. WALSH. And he desires this extra appropriation in order that the Commission may approach the problem of proper regulation of the public utilities?

Mr. McCARRAN. That the Commission may properly administer the functions assigned to it.

Mr. COSTIGAN. Mr. President, is the Senator satisfied with the appropriation of \$36,823, favored by the committee?

Mr. McCARRAN. I am.

Mr. COSTIGAN. That amount is, in fact, moderate, is it not?

Mr. McCARRAN. Yes. I do not want to mislead the Senator from Colorado. Fifty thousand dollars, in addition to that, went through in the regular appropriation bill.

Mr. COSTIGAN. The Senator does not regard this amount as excessive when added to the \$50,000?

Mr. McCARRAN. No.

Mr. BONE. Mr. President, may I ask some member of the conference committee why it was deemed necessary to cut down the amount appropriated for the investigation of private utilities in the District of Columbia?

Mr. THOMAS of Oklahoma. I will make the statement again. The Budget estimate was for \$86,000. The House committee reduced that to \$50,000. The bill came to this body carrying \$50,000. In the Senate committee we raised it to the Budget estimate, to \$86,000.

The bill went to conference. The House conferees would not accept the amount provided by the Senate, and insisted on the \$50,000 remaining in the bill. So, after several meetings, not being able to get them to agree to the Budget estimates, we had to recede. We did recede, and, as I made the statement here when the bill was before the Senate on the conference report, the House was adamant, and this is evidence that they were. They are still.

Mr. BONE. Perhaps the Senator misunderstood my question. If I may with propriety ask, what was the reason advanced by the House conferees for wanting to strip from this Commission the necessary money with which to perform its work properly?

Mr. THOMAS of Oklahoma. The testimony is in the record and I would rather not take any time in disclosing it. I might say, in a word, that the House conferees were of opinion that the city would get the same service from

\$50,000 that the city would receive from the \$86,000.

Mr. SHEPPARD. Mr. President, is it not a fact that the House conferees yielded on a number of other items in

two items?

Mr. THOMAS of Oklahoma. Mr. President, the bill as it passed the Senate carried about 120 amendments. House was more generous this time than it has ever been before, and yielded on more amendments than it has ever yielded on. This was one which they held back as their ace in the hole.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Missouri to reconsider the vote by which the amendment was agreed to.

Mr. CLARK. I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. CLARK. I ask for a division.

On a division, the motion was rejected.

The VICE PRESIDENT. The question is on the engrossment of the amendments and the third reading of the bill. The amendments were ordered to be engrossed, and the

bill to be read a third time, the bill was read the third time, and passed.

Mr. ADAMS. Mr. President, I move that the Senate insist upon its amendments, ask for a conference thereon, and that the Chair appoint the conferees on the part of the

The motion was agreed to; and the Vice President appointed Mr. Adams, Mr. McKellar, Mr. Byrnes, Mr. Hale, and Mr. Dickinson conferees on the part of the Senate.

IMPROVEMENT IN HOUSING STANDARDS AND CONDITIONS

Mr. ROBINSON of Arkansas. I move that the Senate proceed to the consideration of Senate bill 3794, the so-called "housing bill."

The motion was agreed to; and the Senate proceeded to consider the bill (S. 3794) to encourage improvement in housing standards and conditions, to provide a system of mutual mortgage insurance, and for other purposes, which had been reported from the Committee on Banking and Currency with amendments.

INVESTIGATION OF SENATORIAL CAMPAIGN CONTRIBUTIONS AND EXPENDITURES IN 1934

The VICE PRESIDENT. The Chair appoints the Senator from South Carolina [Mr. Byrnes], the Senator from Colorado [Mr. Costigan], the Senator from Illinois [Mr. DIETERICH], the Senator from Idaho [Mr. BORAH], and the Senator from New Hampshire [Mr. KEYES] as the committee under Senate Resolution 173, to investigate contributions and expenditures in senatorial contests in 1934.

UNIFORM SYSTEM OF BANKRUPTCY-REQUEST FOR RETURN OF BILL

Mr. METCALF. Mr. President, I move that the House be requested to return to the Senate the bill S. 3580, an act to establish a uniform system of bankruptcy throughout the United States.

Mr. LONG. Mr. President, is that the Frazier bill?

Mr. METCALF. Yes.

Mr. LONG. I move that the motion be laid on the table. The VICE PRESIDENT. The Senator from Rhode Island, as the Chair understands, makes a motion that the House of Representatives be requested to return a bill to the Senate. Is that the motion which the Senator makes?

Mr. METCALF. Yes.

Mr. LONG. Mr. President, a parliamentary inquiry. The motion which the Senator has made is, as I understand, to return the Frazier bill, which was reported from the Judiciary Committee. It would be too late, if it were to be returned from the House, to act upon it at this late date.

The VICE PRESIDENT. The motion is not debatable. The question is on agreeing to the motion of the Senator from Rhode Island.

The motion was rejected.

LIFE-INSURANCE COMPANIES IN THE DISTRICT OF COLUMBIA

Mr. KING. Mr. President, House bill 9178, to regulate the business of life-insurance companies in the District of Columbia, has been unanimously reported from the District Committee of the Senate. It was unanimously reported from the House committee and unanimously passed the

return for the agreement of the Senate conferees on these | House. It is a bill which has the approval of the District Commissioners. I ask for the present consideration of the bill.

The VICE PRESIDENT. Is there objection?

Mr. McNARY. Mr. President, is this bill on the Senate Calendar?

Mr. KING. It is.

Mr. McNARY. What is its general and main purpose? I am not familiar with the contents of the measure.

Mr. KING. I made a brief explanation yesterday, and the Senator from Wisconsin [Mr. La Follette] asked that the bill go over until today. The bill, to refer to it briefly, has been worked upon for years, in part by the late Senator Blaine, of Wisconsin, by the insurance commissioner of the District of Columbia, and by the corporation counsel of the District. Its enactment is greatly desired. It is very important. In addition, it has had the approval of and, in its preparation, the splendid services of Representative HARLAN. For more than a year he has worked upon the bill.

Mr. McNARY. I observe the presence of the Senator

from Wisconsin [Mr. La Follette].

Mr. LA FOLLETTE. Mr. President, I have had an opportunity to look into this bill since I asked that it go over on yesterday, and I am convinced that the measure is very well drawn, and that there is great necessity for the regulation of life insurance in the District of Columbia. My information is that this measure contains the generally accepted provisions which are in force in most of the States of the Union with respect to the regulation of the lifeinsurance business, and, so far as I am concerned, I should be delighted to see the measure enacted.

The VICE PRESIDENT. Is there objection to the immediate consideration of the bill?

Mr. McNARY. Just a moment, Mr. President. Did the committee report the bill unanimously?

Mr. KING. Several members of the committee were not present; but all who were there and a number who were not there, with whom I conferred and who were familiar with the bill, were in favor of the measure.

Mr. McNARY. Mr. President, I was going to suggest, on the advice of one or two Senators who have spoken to me, that it might go over until the first thing tomorrow morning, in order that we might have time to look into it, and that we then consent to immediate action.

The VICE PRESIDENT. Objection is heard, and the bill will be passed over.

# OHIO RIVER BRIDGE, WEST VIRGINIA

Mr. NEELY. Mr. President, House bill 9618, authorizing a toll bridge at Sistersville, W.Va., is on the clerk's desk. It is identical with Senate bill 3647, which has been favorably reported from the Commerce Committee of the Senate. I ask unanimous consent to substitute the House bill for the Senate bill, and then I will ask unanimous consent for the immediate consideration of the House bill.

The VICE PRESIDENT. Is there objection to the request of the Senator from West Virginia? Without objection, the House bill will be substituted for the Senate bill.

Is there objection to the immediate consideration of the

There being no objection, the bill (H.R. 9618) authorizing the Sistersville bridge board of trustees to construct, maintain, and operate a toll bridge across the Ohio River at Sistersville, Tyler County, W.Va., was considered, ordered to a third reading, read the third time, and passed.

Mr. NEELY. Mr. President, I ask that Senate bill 3647 be indefinitely postponed.

The VICE PRESIDENT. Without objection, the Senate bill will be indefinitely postponed.

## ELEVEN POINTS RIVER BRIDGE, MISSOURI

Mr. CLARK. Mr. President, I move that the Committee on Commerce be discharged from the consideration of the bill (H.R. 9826) granting the consent of Congress to the State Highway Commission to construct, maintain, and operate a free highway bridge across Eleven Points River in the northwest half of section 31, township 25 north, range | 3 west, 8 miles northeast of Alton, on route B in Oregon County, Mo.

The motion was agreed to.

Mr. CLARK. I ask unanimous consent for the immediate consideration of the bill.

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

## BRIDGE OVER THE RIO GRANDE

Mr. SHEPPARD. Mr. President, from the Committee on Commerce, I report favorably the bill (S. 3788) to extend the times for commencing and completing the construction of a bridge across the Rio Grande at Boca Chica, Tex., and I submit a report (No. 1448) thereon. I ask for the present consideration of the bill.

The VICE PRESIDENT. Is there objection to the immediate consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Rio Grande at Boca Chica, Tex., authorized to be built by the Boca Chica Bridge Co. by an act of Congress approved June 10, 1932, heretofore extended by act of Congress approved March 1, 1933, are hereby further extended 1 and 3 years, respectively, from March 1, 1934.

SEC. 2. The right to alter, amend, or repeal this act is hereby

expressly reserved.

## SAN FRANCISCO PEAKS TOLL ROAD, ARIZONA

Mr. SMITH. Mr. President, from the Committee on Agriculture and Forestry I report favorably without amendment Senate Resolution 234, and I ask for its immediate consideration. The Senator from Arizona [Mr. ASHURST] presented the resolution. No appropriation is requested. It simply authorizes negotiations looking to the purchase of a road.

Mr. McNARY. Mr. President, I understand that the resolution does not carry any appropriation.

Mr. SMITH. Not a cent.

Mr. McNARY. Has it been considered by the committee? Mr. SMITH. It has been considered by the committee, according to my understanding. I do not recall, but I think it has been. It is a simple resolution.

The VICE PRESIDENT. Is there objection to the immediate consideration of the resolution?

There being no objection, the resolution was considered and agreed to, as follows:

Resolved, That the Secretary of Agriculture be requested to enter into negotiations with the San Francisco Mountain Scenic Boulevard Co. of Arizona for the purchase of the toll road to the summit of the San Francisco Peaks, in the Coconino National Forest, State of Arizona, under the terms of the stipulation entered into by said company on January 27, 1920, under the authority of the act of June 4, 1897 (30 Stat. 35).

# THELMA LUCY ROUNDS

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H.R. 3636) for the relief of Thelma Lucy Rounds, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BAILEY. I move that the Senate insist on its amendment, agree to the conference asked by the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Bailey, Mr. Trammell, and Mr. Capper conferees on the part of the Senate.

# RELIEF OF DEPOSITORS IN CLOSED BANKS

Mr. COUZENS. Mr. President, when the House of Representatives passed the so-called "Steagall bill" to provide for the relief of depositors in closed banks it was provided that the Federal Deposit Insurance Corporation should be the agency of relief. In conference that was changed to the Reconstruction Finance Corporation. The Reconstruction Finance Corporation in its operations is limited in the

amount it may loan to any one institution, which was not contemplated in the conference. To correct the situation the House passed a bill on June 13. From Banking and Currency I now report back favorably, without amendment, the bill (H.R. 9904) to amend section 5 of the public act numbered 2 of the Seventy-second Congress, as amended, and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. Is there objection to the request of the Senator from Michigan?

There being no objection, the bill (H.R. 9904) to amend section 5 of Public Act No. 2 of the Seventy-second Congress, as amended, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 5 of Public Act No. 2 of the Seventy-second Congress, as amended, be amended by striking out the period at the end of the second paragraph thereof and inserting in lieu thereof a colon and the following: "Provided, That such limitation shall not apply to advances to receivers or other liquidating agents of closed banks when made for the purpose of liquidation or reorganization."

# ARRESTS BY MEMBERS OF DEPARTMENT OF JUSTICE

Mr. ASHURST. Mr. President, I ask unanimous consent for the immediate consideration of the bill (H.R. 9476) to empower certain members of the Division of Investigation of the Department of Justice to make arrests in certain cases, and for other purposes. The bill proposes to give to the Director and the Assistant Director, the agents, and inspectors of the Department of Justice the power to serve warrants and subpenas under authority of the United States. so they may be served by other than United States marshals. It also empowers such officials to serve warrants of arrest where felonies have been committed, and in every case where an officer makes an arrest without a warrant he must immediately take the defendant before a commis-

Mr. McNARY. Mr. President, does the bill have to do with the matter of crime prevention, with reference to which the Senator has lately had several bills passed?

Mr. ASHURST. Yes. This is one of the so-called "antigangster bills." The bill has been reported from the Committee on the Judiciary, with an amendment. I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arizona?

There being no objection, the Senate proceeded to consider the bill (H.R. 9476) to empower certain members of the division of investigation of the Department of Justice to make arrests in certain cases, and for other purposes, which had been reported from the Committee on the Judiciary with an amendment, on page 1, line 8, after the word "felonies", to insert the words "which have been committed and which are ", so as to make the bill read:

Be it enacted, etc., That the Director, Assistant Directors, agents, and inspectors of the Division of Investigation of the Department of Justice are empowered to serve warrants and subpenas issued under the authority of the United States; to make seizures under warrant for violation of the laws of the United States; to make arrests without warrant for felonies which have States; to make arrests without warrant for felonies which have been committed and which are cognizable under the laws of the United States, in cases where the person making the arrest has reasonable grounds to believe that the person so arrested is guilty of such felony and where there is a likelihood of the person escaping before a warrant can be obtained for his arrest, but the person arrested shall be immediately taken before a committing officer. Such members of the Division of Investigation of the Department of Justice are authorized and empowered to carry frearms.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

# SHELBY J. BEENE AND OTHERS

Mr. LONG. Mr. President, I ask unanimous consent for the immediate consideration of the bill (H.R. 5736) for the relief of Shelby J. Beene, Mrs. Shelby J. Beene, Leroy T. Waller, and Mrs. Leroy T. Waller. The bill was called the other day when the calendar was called, and was objected to by the Senator from West Virginia [Mr. NEELY]. That Senator has stated later that after investigation he has no

objection to it. The bill was unanimously reported from the Committee on Claims.

It involves a situation wherein an income-tax return was allowed to certain people whose writ of certiorari was denied by the circuit court, but as to the other claimants the Supreme Court held they were entitled to the refund. The bill has been very carefully considered by the committee and there is no objection to it. The Senator from West Virginia authorized me to state that he objected to it under a misapprehension.

Mr. ROBINSON of Arkansas. Mr. President, I am familiar with the bill. I think it is a meritorious measure

and should pass. It is a simple act of justice.

The VICE PRESIDENT. Is there objection to the request

of the Senator from Louisiana?

Mr. OVERTON. Mr. President, there is an amendment in the bill which should be rejected. The Senator who reported the bill stated that he had no objection to the rejection of the committee amendment. The House bill as it came to the Senate allowed interest to date of payment. The Senate committee adopted an amendment striking out the provision for the payment of interest. The amendment proposed by the Senate committee should be rejected and the bill passed.

Mr. KING. Mr. President, my recollection is that in former cases where refunds have been made there has been a denial of interest. It seems to me this is breaching the universal rule which has prevailed in the Senate with respect

to refunds.

Mr. OVERTON. Under the act of 1933 interest is allowed on such refunds, and under a decision of the Supreme Court interest was allowed to the other 44 claimants who were engaged in the same transaction. These four claimants are the ones who were left out through an erroneous decision by the circuit court of appeals. The bill follows the decision of the Supreme Court and puts them all on exactly the same parity.

The VICE PRESIDENT. The Senator from Louisiana [Mr. Long] asks unanimous consent for the immediate con-

sideration of the bill. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H.R. 5736) for the relief of Shelby J. Beene, Mrs. Shelby J. Beene, Leroy T. Waller, and Mrs. Leroy T. Waller, which had been reported from the Committee on Claims with an amendment, on page 1, line 8, to strike out "together with interest at the rate of 6 percent per annum thereon in each case from December 28, 1929, to the date of making payment under this act."

Mr. LONG. Mr. President, I hope the amendment will be

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was rejected.

The bill was ordered to a third reading, read the third time, and passed.

PROTECTION OF REVENUE IN MANUFACTURE OF DISTILLED SPIRITS

Mr. KING. Mr. President, there has been reported from the Committee on Finance, favorably and unanimously, a joint resolution (H.J.Res. 373) to protect the revenue by requiring information concerning the disposition of substances used in the manufacture of distilled spirits. The bill passed the House sometime ago and came to the Senate. It merely provides protection to the revenue by requiring information concerning the disposition of substances used in the manufacture of distilled spirits. The bill was recommended by the Treasury Department to more effectively aid that Department in detecting violations of our revenue laws relating to spirituous liquors.

I ask unanimous consent for the immediate consideration of the joint resolution.

The VICE PRESIDENT. Is there objection to the request of the Senator from Utah?

There being no objection, the joint resolution was considered, ordered to a third reading, read the third time, and passed, as follows:

Resolved, etc., That every person disposing of any substance of the character used in the manufacture of distilled spirits shall, when required by the Commissioner, render a correct return in such form and manner as the Commissioner, with the approval of the Secretary of the Treasury, may by rules and regulations prescribe, showing the names and addresses of the persons to whom such disposition was made, with such details, as to the quantity so disposed of or other information which the Commissioner may require as to each such disposition, as will enable the quantity of disposed of or other information which the Commissioner may require as to each such disposition, as will enable the Commissioner to determine whether all taxes due with respect to any distilled spirits manufactured from such substances have been paid. Any person who willfully violates any provision hereof, or of any such rules or regulations, and any officer, director, or agent of any such person who knowingly participates in such violation, shall upon conviction be fined not more than \$500 or be imprisoned for not more than 1 year, or both. As used in this joint resolution (a) the term "distilled spirits" has the same meaning as that in which it is used in title II of the Liquor Taxing Act of 1934; (b) the term "person" includes individuals, corporations, partnerships, associations, trusts, and other incorporated and unincorporated organizations; (c) "Commissioner" means the Commissioner of Internal Revenue; and (d) the term "substance of the character used in the manufacture of distilled spirits" includes, but not by way of limitation, molasses, corn sugar, cane sugar, and malt sugar. sloner may require as to each such disposition, as will enable the

#### REGULATION OF TRAFFIC IN DISTILLED SPIRITS

Mr. KING. Mr. President, there is on the calendar a joint resolution (S.J.Res. 139) to protect the revenue by regulation of the traffic in containers of distilled spirits. The House has passed an identical House joint resolution, being the joint resolution (H.J.Res. 370) to protect the revenue by regulation of the traffic in containers of distilled spirits. I ask unanimous consent to substitute the House joint resolution for the Senate joint resolution and that the House joint resolution be placed upon its passage.

The VICE PRESIDENT. Is there objection?

There being no objection, the resolution (H.J.Res. 370) to protect the revenue by regulation of the traffic in containers of distilled spirits was considered, ordered to a third reading, read the third time, and passed, as follows:

Resolved, etc., That whenever in his judgment such action is necessary to protect the revenue, the Secretary of the Treasury is authorized, by the regulations prescribed by him, and permits issued thereunder if required by him (1) to regulate the size, branding, marking, sale, resale, possession, use, and re-use, of containers (of a capacity of less than 5 wine-galions) designed or intended for use for the sale at retail of distilled spirits (within the marking of such transactive for the following the formers of the formers. intended for use for the sale at retail of distilled spirits (within the meaning of such term as it is used in title II of the Liquor Taxing Act of 1934) for other than industrial use, and (2) to require, of persons manufacturing, dealing in, or using any such containers, the submission to such inspection, the keeping of such records, and the filing of such reports as may be deemed by him reasonably necessary in connection therewith. Whoever willfully violates the provisions of any regulation prescribed, or the terms or conditions of any permit issued, pursuant to the authorization contained in this joint resolution, and any officer, director, or agent of any corporation who knowingly participates in such violation, shall, upon conviction, be fined not more than \$1,000 or be imprisoned for not more than 2 years, or both; and, notwithstanding any criminal conviction, the containers involved in such violation shall be forfeited to the United States, and may be seized and condemned by like proceedings as those provided by law for forfeitures, seizures, and condemnations for violations of the internal-revenue laws, and any such containers so seized and condemned revenue laws, and any such containers so seized and condemned shall be destroyed and not sold. Any requirements imposed under this joint resolution shall be in addition to any other requirements imposed by, or pursuant to, existing law, and shall apply as well to persons not liable for tax under the internal-revenue laws as to persons so liable.

The VICE PRESIDENT. Without objection, Senate Joint Resolution 130 will be indefinitely postponed.

# AMENDMENT OF BANKRUPTCY ACT-MOTION TO RECONSIDER

Mr. LONERGAN. Mr. President, yesterday the senior Senator from New York [Mr. COPELAND] entered and later withdrew a motion to reconsider the vote by which the bill (S. 3580) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, was passed. I renew the motion to reconsider the vote by which the bill was passed. I merely desire to enter the motion at this time.

The VICE PRESIDENT. The motion will be entered.

# TAXATION OF MANUFACTURERS OF FIREARMS

Mr. KING. Mr. President, I ask unanimous consent for the immediate consideration of the bill (H.R. 9741) to pro-

vide for the taxation of manufacturers, importers, and dealers in certain firearms and machine guns, to tax the sale or other disposal of such weapons, and to restrict importation and regulate interstate transportation thereof. I believe the title sufficiently suggests the import of the bill.

The VICE PRESIDENT. Is there objection?

Mr. DILL. I object.

The VICE PRESIDENT. Objection is heard.

APPROPRIATIONS FOR THE UNITED STATES TARIFF COMMISSION (S.DOC NO. 221)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting drafts of proposed provisions pertaining to the appropriations for the United States Tariff Commission, 1935, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE-PROMOTION OF FOREIGN TRADE (S.DOC. NO. 220)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of State for the fiscal year 1935, amounting to \$75,000, for the purpose of carrying into effect the provisions of section 4 of the act entitled "An act to amend the Tariff Act of 1930", approved June 12, 1934, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

ADDRESS BY SENATOR DUFFY AT WISCONSIN DEMOCRATIC CONFERENCE

Mr. RUSSELL. Mr. President, I ask permission to have printed in the RECORD an able and informative address delivered by the junior Senator from Wisconsin [Mr. DUFFY] before the State Democratic Conference at Wausau, Wis., on June 9, 1934.

There being no objection the address was ordered to be printed in the RECORD as follows:

Fellow Democrats, I bring you greetings from one of the greatest of all Democrats—Franklin D. Roosevelt.

Just before leaving Washington I had the pleasure of an extended conference with the President, and, knowing him as I do, I am sure that he would have greatly enjoyed attending a splendid Democratic meeting of this kind.

I am personally greatly pleased at the enthusiastic response that Democrats from all over the State have shown in coming to

that Democrats from all over the State have shown in coming to this conference in such large numbers. The enthusiasm which you display is similar to that which is manifesting itself in practically every State in the Union.

I think that all of us here today are very proud that we are Democrats. No political party in this country for generations past has had the heavy responsibility thrown upon it as has the Democratic Party. The manner in which the Democratic Party in the Nation and the Democratic Party in the State of Wisconsin have responded to that responsibility can well be the cause of much joy on our part. Surely, the Democrats of both the Nation and the State have kept faith, and have courageously carried through for the benefit of the great mass of our people.

It is true that we have heard more criticism in recent weeks with reference to Democratic policies, but that is, indeed, to be expected. The fall campaigns are close at hand, and our good Republican friends must have something to talk about.

I do not claim that everything that the national administration

I do not claim that everything that the national administration has done has brought all of the results that might have been hoped for. Our great President very frankly took the people into confidence at the beginning of his program and explained that his confidence at the beginning of his program and explained that some of the emergency program was experimental, and that he didn't expect to make a hit every time that he got up to bat. And yet there can be no question but that the great rank and file of the American people have confidence in our President and the Democratic national administration. I know that our Republican friends regret very much that the Literary Digest started its poll of public sentiment just at this time. There is scarcely anyone who now dares question the accuracy of Literary Digest polls, and the results so far published show the great majority of our people do appreciate the efforts of our great President and his administration to bring back happy days once more.

To appreciate the efforts of our great President and his administration to bring back happy days once more.

I need not recall to your mind the condition that faced this country just prior to the Democratic administration taking up the reins of office. The great majority of the people in this country showed at the last election that they were no longer satisfied to continue the drifting policy that had been in effect theretofore. They were not content to permit a continuance of those policies which seemed to be bringing us right to the brink of destruction and chaos, and so the people turned to the Demodestruction and chaos, and so the people turned to the Demo-cratic Party and to its great leader, Franklin D. Roosevelt. Our fellow citizens who had been bowed down by the years of depres-sion, chilled with the fog of fear that had settled upon them, doubting, many of them, even as to the soundness of our Government, turned to the Democratic Party and its leader with an anxious yearning, feeling of hope, and yet somewhat in despair as to whether anything could save us from going over the brink to destruction.

And in what a splendid manner that challenge was accepted by our party. Without hesitation and with great courage our leader mapped out a program. Some say it was revolutionary. Well, I for one am not so much afraid of the term "revolution" used in its proper sense. We have had some pretty fine revolutionists in this country, such as George Washington, Thomas Jefferson, Andrew Jackson. If a refusal to go down a path that is leading us certainly to destruction—if that be revolution—well, I am for it. for it.

I need not recount the various parts of the legislative program which has done so much to start us back again along that road that we all want to travel. On March 2, 1933, almost on the last day of the Hoover administration, it looked as though the financial credit of this Nation was about to snap. On a small borrowing for Government short-time financing the interest rate had jumped from approximately one-eighth of 1 percent to 4½ percent, an increase on a percentage basis of nearly 3,000 percent. That meant only one thing—that the confidence of the American people in their Government must be quickly restored or all would be leaf. be lost.

be lost.

The morale of our people was at a low ebb. They were beset with all kinds of doubts and fears. Business in the country was practically at a standstill. But our President, with courage and wisdom and with marvelous vision, submitted his program step by step to a Congress that was for the most part willing to give him authority to carry out that program. Then we had in quick succession the banking legislation and the provision for the insurance of bank deposits up to \$2,500, so that there need in the future be no excuse for the hysterical withdrawal of deposits from our banks. The beer bill was put through which brought additional sums of money to the Treasury. Economies were effected in various expenditures of the Government—a measure that was absolutely necessary at the time when the financial credit of the Government was tottering. Government was tottering.

One of the serious causes of loss of morale was that so many thousands, yes, hundreds of thousands of our fine American citizens were faced with the loss of their homes, and that through no fault of their own. Homes in the cities and homes out on the farm were in the same desperate situation. The home is the backbone of our civilization. Family life was seriously threatened by this impending disaster of foreclosures, and so the new leader, who is always sympathetic to those in distress, who is always willing to bend his energies to bring relief and comfort to those in need, laid down his program for refinancing of mortgages on homes, on the farms, and in the cities.

As an illustration of what has been accomplished in a very short time, I will say to you that in Wisconsin alone, up to June 1 of this year, 7,562 home owners who were in distress have had their mortgages refinanced to the extent of \$28,155,000. The figure to June 1 for the United States shows that 274,980 home owners in our cities have had their mortgages refinanced to the extent of over \$822,000,000.

What relief has been brought to the farmers in the way of refinancing their mortgages? In Wisconsin, since June 1 of last year, our farmers have received land-bank and commissioner loans of over \$33,000,000, and in the Nation 320,000 loans have been made to our American farmers in that same period of time for a total sum of \$800,000,000.

We have successfully stemmed the tide of farm-mortgage fore-We have successfully stemmed the tide of farm-mortgage fore-closures which threatened agriculture at this time last year; while the lower interest rates, temporary postponement of principal payments and longer terms of amortization made possible by these loans have enabled thousands of farmers to resume normal farm-ing operations, and at least up to the time that the drought dis-aster struck, farm land prices have gradually been increasing during the past year. Approximately 90 percent of the \$800,000,-000 has been used by farmers to pay old debts owed in a large part to local creditors. Tax authorities have received \$22,000,000 of delinquent taxes, and due to the policy of scaling down debts of over-burdened farmers, it is estimated that the amount thus voluntarily scaled down and sayed to American farmers is pearly voluntarily scaled down and saved to American farmers is nearly \$50,000,000.

\$50,000,000.

This, indeed, was a new kind of administration that had taken up the reins of our Government. It was thinking and planning for the benefit of the little fellow—the forgotten man. It had saved not only these hundreds of thousands of city homes and farm homes, but it immediately interested itself in trying to find employment for over 14 million unemployed American citizens. We had been going down hill as far as employment was concerned for a long time, even during the 1929 days of stock-market prosperity. It was hard to get started up the hill again, and yet through the N.R.A. and other work programs, employment has been found for between six and seven million of our unemployed citizens. In addition there is the Public Works program and other temporary relief expedients. temporary relief expedients.

Yes, we hear considerable propaganda against the N.R.A. Some changes have been made, and other changes will be made in the future. It was very interesting to me, however, to know that Henry Ford was against the N.R.A., when I recall that the year before the N.R.A. became operative he lost \$75,000,000, while during the past year his losses had been reduced to less than four million.

But the point I want to emphasize, ladies and gentlemen, is that this country now has an administration with a heart, an administration that is sympathetic with those who are afflicted and in need, and you may rest assured that as long as the Government retains its credit, no man, woman, or child in this coun-

when the administration sought to regulate the stock-market gambling, we encountered almost solid Republican opposition. Yet the testimony taken by the congressional committees showed such flagrant abuses, such downright robbery of the public, that efforts certainly were justified to prevent a repetition of that sort

of thing.

We have just recently passed a law to permit the President to enter into reciprocal trade agreements, and again there has been a great organized propaganda put forth. Remember, our President, who has been given wide powers under this legislation, has the interest of America at heart, and any action that he may take will of course be designed only for the benefit of our citizens, take will of course be designed only for the benefit of our citizens, and I for one am willing to place my utmost confidence in Frank-lin D. Roosevelt. I will give you just this illustration as to how it would work. Practically all of the other large nations of the world with whom we had trade under normal conditions have lodged in their executives the power to make such agreements. Heretofore we could not do so. Recently Germany needed some fats. This country has had a great surplus of lard. Our farmers would have been very happy to have had a market developed to take care of some of that surplus. In turn for some modification of quotas as to German beer and wine, we would have been able to have disposed of a considerable amount of these fats. But Germany couldn't wait until Congress could do something about it, and so she entered into agreements with Denmark and Holland, and we lost the opportunity of a fine market for one of our surplus agricultural products.

The Democratic Party in this administration is being accused

agricultural products.

The Democratic Party in this administration is being accused by the old standpat conservatives of being too radical, and then there are other groups who say that the administration is too conservative, that it doesn't go far enough, all of which points out a very splendid lesson. If the extreme rights and the extreme lefts are both complaining at the same time, it is a very sure and certain indication that we are traveling along the center road—the safe road. The Democratic Party is the great liberal, progressive party, but it does not have any of the insanity fringe on its liberalism.

its liberalism.

Its liberalism.

I can see no reason whatever why liberal, progressive, forward-looking people should not willingly and gladly enroll under the banner of the Democratic Party under the leadership of our great liberal, Roosevelt, and by their united efforts make certain that the great liberal program of that great leader and his party may be carried to a successful conclusion. Lip service is not sufficient. This is a case where actions speak louder than words. There may be some who say there are certain things about the Democratic Party or the way that our party has been conducted that they do not like or of which they do not approve. It seems to me that their course should be clear; if there is any change which should be made, they should join with us and help us bring about any such changes as may be desirable. We should welcome them with open arms.

welcome them with open arms.

The Democratic Party is of course the oldest political party in existence. It has a splendid background; it has a marvelous rec-

The Democratic Party is of course the oldest political party in existence. It has a splendid background; it has a marvelous record of achievements and accomplishments in the interest of the great mass of our people. It has a program laid out that should inspire the confidence of all liberty-loving people that want to see our great Nation continue and prosper. It is not, however, traveling in any deep rut worn in the bygone generations.

As an illustration of how it willingly faces new obstacles and sets about to solve new problems, let me call your attention to the drought situation. On September 7 last, in this city of Wausau, I met with the county agents and representatives of 14 counties, which even then had been sorely afflicted by the drought. At that time from 75 to 90 percent of the dairy farmers were already feeding their dairy cattle. Away back last September pastures had been practically eliminated, and grain crops which could be used for feed were only from 10 to 30 percent of normal. I immediately communicated with the proper authorities at Washington, and immediate action followed with the result that many thousands of Wisconsin dairy cattle were kept alive during the winter months with feed that was furnished by the Federal Government; Wisconsin was the first State to receive such assistance. Of course, we know the sad story of this spring and early summer. Not only was it a condition in Wisconsin but likewise in a number of other States, 16 of which are now classified as being in the emergency area.

a number of other States, 16 of which are now classified as being in the emergency area. When we called upon Harry Hopkins, Director of the Federal Emergency Relief Administration, and explained that we should like to have the Government gamble a million and a half dollars to enable our farmers to purchase quickmillion and a half dollars to enable our farmers to purchase quickforage crop seeds, such as millet, sudan grass, soybeans, etc., his
answer was immediate, and today there has been made available
for farmers in the Wisconsin drought-stricken areas, who have
no other means of credit, the sum of a million and a half dollars.
In addition to that, the Government has been, not only during
the winter months but continually through this spring, buying
feed for Wisconsin dairy cattle, and in this month of June over
\$600,000 of the Federal Government money will be spent in
Wisconsin for that nurpose. Wisconsin for that purpose.

Contrast that attitude with the previous administration in the case of Arkansas, which in 1930 was afflicted by a serious drought. It was nothing short of disaster, and yet they had to argue about it for 8 weeks while not only farm animals but human beings them-

selves were starving, and then after that long delay while some measure of relief was brought to the farm animals, it was a declared policy of that administration that it was unnecessary for the Federal Government to bring aid and assistance to those human beings.

I want to say to you, my fellow Democrats, that in these unfortunate times when there has been so much of distress and hardship throughout the land that it is a mighty fortunate thing, indeed, that we have an administration that is so sympathetic with the problems of those in distress and who will not hesitate to take prompts action to do everything possible to bring about necessary relief. Why should not all the citizens of this State and of other States that are liberty-loving and liberal in their tendencies—why should not they join hand in hand and work shoulder to shoulder in the party of that great President of ours, making his road a little easier to travel, making his burden a

little easier to bear?

While I have discussed this situation from a national viewpoint, I know that we can all be very proud of the splendid record the Democratic State administration has made under the leadership of our highly respected and beloved Al Schmedeman. I wonder if the people of Wisconsin realize what a great benefit it is to them to have a State administration entirely in sympathy with them to have a State administration entirely in sympathy with the national administration. The cooperation that we have received from the State administration has been 100 percent. When an emergency arises, there is no holding back by the State administration or a failure to cooperate prompted by petty political considerations, but the two administrations being fully in sympathy with each other and willing to cooperate with each other to the greatest possible extent works a tremendous advantage for all of the people of Wisconsin.

## MEMORIAL DAY ADDRESS BY SENATOR M'CARRAN

Mr. CLARK. Mr. President, I ask unanimous consent to insert in the RECORD an address delivered by the Senator from Nevada [Mr. McCarran] on Decoration Day.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

My fellow countrymen, on the occasion of the renewal of our pledge on this hallowed spot, we assemble today and proclaim: "Faith is the fortress of our future." Faith has been the foundation stone of civilization; faith has been the foundation of democracy; and faith is the filament cementing the fragments of

democracy; and faith is the filament cementing the fragments of mankind's progress.

Surrounded by this shrine, gazing backward into the world whose spirit carries us on, we assemble today, the young and the old alike. Youth, with its mind centered on hope, and age with its memories, looking back over generations. In the grasp of age and youth a national destiny is poised. These silent stones, these moldered mounds, constitute the inspiration in which the youth of a nation finds itself securely centered. This hallowed ground, dedicated by a nation to its dead, had its inception in an historic event.

historic event.
On a fateful evening, as the golden moon rolled silently from On a fateful evening, as the golden moon rolled silently from the east, a great man paced back and forth from yonder mansion and while he paced and while his peace-loving spirit strove to make a decision, armies assembled; colors were thrown aloft; and the spirit of war was in the air; but, more than that, the destiny of western civilization was in the making. Robert E. Lee was deciding for himself as he walked the pathway that he loved. Little he knew that he was, in that moment of silence, fixing the fate of a nation and confirming its solidarity for the recognition of the civilized world. The ground that Robert E. Lee loved is now the resting place of martyrs who made the Nation.

The struggle that followed his decision brought forth from the soul of Robert E. Lee, following the event at Appomattox Court

The struggle that followed his decision brought forth from the soul of Robert E. Lee, following the event at Appomattox Court House, the expression, "Let peace be uppermost in our endeavor." The struggle between the army of the North and the army of the South resulted in a greater thing than that which was depicted or emphasized by the simple expression of the great general of the defeated cause; it brought the recognition of mankind to a comparted democracy grounded in the principles of popular rule. cemented democracy, grounded in the principles of popular rule, which had stood the test of its own fraternal strife and had come forth triumphant. From beneath the furled banner of the South and the elevated banner of the North there came, and still prevails, the glory of a perpetuated constitutional government

prevalls, the glory of a perpetuated constitutional government.

The great army that gave its virility and its strength under Grant, Sherman, and Sheridan, is today represented by but a few who come to pay reverence and respect to a glorified dead, but its achievement is represented by an everlasting institution crystallized through their sacrifice. To those assembled here who carried the banner adopted by Washington, revered by Jefferson and Hamilton, and held aloft fearlessly by Lincoln, not only does a nation pay homage and respect, but the whole advancing world pays reverence. pays reverence.

The close of our internal strife gave notice, written in fraternal blood, to the nations of the earth that individual human liberty had found its place and enshrined its faith in the Western Hemi-

had found its place and enshrined its faith in the Western Hemisphere, for the guidance of a determined people resolved upon furthering human achievement and finding human contentment. Great achievement for man's uplift has always involved immeasurable heartaches and sacrifice. Witness the glory that has flown from the humble summit of Golgotha. Witness the splendor of a Nation united and powerful, recognized from pole to pole, and growing from the surrender of the sword of Lee to the hand of Grant. As the conqueror took the sword from the surrender-

ing soldier, each pledged his faith to peace and unity, and a doubting world abroad, that had looked for the destruction of this great union of States, was disappointed. The spirit of Jefferson, the character of Hamilton, and the foresight of Marshall

rose again.

From time immemorial and so long as history has lent its records, the old and established have given themselves reluctantly to recognition of the new; but when the companies and divisions clad in blue, carrying the banner of the Republic of the New World, marched up Pennsylvania Avenue at the close of the Civil War the seal of security was so affixed to the democracy of the west that the seats of the mighty whose reign had been recognised. War the seal of security was so affixed to the democracy of the west that the seats of the mighty, whose reign had been recognized down the avenue of the ages, gave heed to our existence; and the mingling blood of the soldiers of the North and those of the South fixed our destiny in a perpetuity never to be destroyed save and except by our own hand.

Appomatox Court House was the keystone in the ark of the cov enant, as Gettysburg was a challenge to the world. Out of both of these great historic events, commemorated in these surroundings, the organic law, written in hours of peace and hope, came forth, poised triumphantly on the banner of the Republic. That achievement, with its glories, with its triumph, is today the upper-

achievement, with its glories, with its triumph, is today the uppermost accomplishment in the mystic spirit world of our military dead, whose memory we revere here today within their very midst. From the day this garden was first dedicated, to the present time, wars have been twice declared. The call to arms was madenever in the spirit of conquest—always in a spirit of defense—forever with the thought of carrying forward the ideals written into that immortal document framed by Jefferson, who recognized the heartbeats of the lowly and the humble, and by Hamilton, whose tendencies led him to believe that human hearts in their most lowly estate could best be protected by a strong centralized government. We who are assembled here today in memoriam, give thanks that to the Western Hemisphere and to our country in thanks that to the Western Hemisphere and to our country in particular came these two great contending, yet attaining spirits, from whose thoughts and unselfish motives were builded the words of guidance which the world has recognized and which we revere—the organic law—the rudder of the ship of state.

revere—the organic law—the rudder of the ship of state.

My fellow countrymen, the struggles that took place in our wars was no less demanding of courage and resolve than that which confronts the America of today. What Gettysburg was to an internecine struggle, from whence the lines of our Constitution became a perpetuity, the present hour is to those who live. The memorable strife on the Argonne—in which strife our banners went over the crest of the trenches—is comparable to the battle in which you and I, as component parts of a citizen soldiery are today engaged to preserve our institutions for our the battle in which you and I, as component parts of a citizen soldiery, are today engaged to preserve our institutions for our country's future. The rights of free men were never achieved save by human sacrifice. The advancement of civilization was not accomplished in a sudden stride. History records epochs where the intervention of wars by force of arms or wars by theories and reforms were fostered by conditions seemingly insurmountable. Unemployment and want are the parents of discontent; discontent may forget past history and may marshal its forces for unproportioned change. If today the organic law that brought unity out of chaos, crystallized by the blood of martyrs in 5 long years of human strife, is being tested and its limitations tried, our faith must be marshaled and our fortitude enlisted. We, the citizen soldiery of today, are the descendants of the soldiers of the past. The array that may threaten the security of our foundation is not a uniformed army. If it were, we might recognize our foe.

might recognize our foe.

The forces of reform against our institutions may come from afar and may challenge without a declaration of war. It sends the emissary of propaganda to tell us that the strength of democracy emissary of propaganda to tell us that the strength of democracy is distintegrating, that the principles for which our patriots struggled and died belong to an age of the past, that the doctrine of popular government fails to meet demands of the present day, and that the instrument written by Jefferson and Hamilton and expounded by Marshall no longer is possessed of the spirit and the profoundness that caused men to give their lives for its preservation and resulted in these sacred tombstones that surround us. Discontent might furnish a vantage ground for inroads to hungry hearts, but the faith of the fathers, as the minutemen of old, must be alert and militant.

The victories accomplished by our armed forces of the past must be duplicated by the victories of resolute civil forces in the future. Our place in the front rank of nations was assured to us by these, our honored dead, and by the results that they achieved; but our

our honored dead, and by the results that they achieved; but our place in the front rank of nations entails a responsibility, the weight of which requires and demands the heroism and steadfastness of the living. The achievements of our armies of the past were accomplished to make certain that individual human liberty

should have its place within the borders of our Nation, there to rest upon constitutional guaranty.

We boast no military strength to inspire the fear of mankind, but our armed force should at all times be such as to command the respect of the outside world; and at home the uniform of America is a badge of honor and a commanding symbol of a nation's call. Those who enjoyed the accumulation of wealth and the pleasures of peace by the effort of marshaled militant youth should succor and support the service-afflicted who return from

the battle.

We make no claim for a mastery of the seas, yet our Navy should be such as to carry our flag over the waters of the world to inspire love and respect, where other flags may inspire fear. Our national destiny and the inherent strength of our position

in civilization requires no entanglements with the affairs of others, yet our hand may ever be outstretched to lend assistance to the afflicted of the earth.

The means and sustenance put forth by other countries for the maintenance of overwhelming armies, we can well use for our internal improvement and the making of opportunity for our citizenry to maintain itself so that courage, tranquillity, and contentment may grow in the hearts and minds of our millions, and that honesty and toll may find an opportunity for continuous endeavor.

ous endeavor.

On each succeeding Memorial Day, assembled at the resting place of our soldier dead, our national conscience should take an inventory of itself. Inspired by the memory of warriors and the cause for which they fell; reading the history of our past on the tombstones of our beloved dead; reviewing the historic incidents that gave rise to the national declaration of war, we may well take our bearings, review our chart, and set our sail with a renewal of the pledge we gave when our armies marched away to bare their breasts to the foe. The birthplace of democracy in the western world must be maintained as the nurtured ground of an evermore persistent democracy in the ages that belong to our future.

Theories of government will in the future, as in the past.

ages that belong to our future.

Theories of government will in the future, as in the past, come and go; great waves of reform growing from the best of human thought will ebb and flow; great powers and countries, far remote, will beckon and entice this Nation, that its powers and possibilities for achievement may intermingle in their affairs. But notwithstanding the avalanche of theories and reforms, and after taking from them the best they offer, our Government will gain strength by adhering to its own institutions. From the invitations of foreign powers we will gain the respect of the world by following the teachings of the Father of our Country and remaining respectfully aloof.

By keeping in mind that the nation that governs least governs best, and maintaining the law-making power securely in the

best, and maintaining the law-making power securely in the people of the several States, and by affording to the lowly and the humble the opportunity for honest effort, we will demonstrate the true mission of democracy in the midst of mankind; and, as each year we pass from out the scenes that surround us here today, may we renew the pledge and say to the spirits of our honored soldier deed:

each year we pass from out the scenes that surround as here today, may we renew the pledge and say to the spirits of our honored soldier dead:

The giving of your lives was not in vain; with your sealed covenant we break no faith; from your warrior hands we take the torch and hold it high, that in its flare and blaze and light the flag you loved and the principles for which you fought, may be indelibly small-ground on the horizon of our national future. The conyou loved and the principles for which you fought, may be indelibly emblazoned on the horizon of our national future. The constitutional democracy that you, by your sacrifice, sought to perpetuate, shall be carried on and we, who survive you, here and now in this, a moment of great national trial, pledge to you, in your name and by your sacrifice, and with the help of Almighty God, to carry on to the end that these United States shall forever be the home of free men, the hearth of mankind's greatest development in democracy's name; and that the organic law for which you strove shall continue to be our text and tenet.

# CANAL ACROSS FLORIDA

Mr. FLETCHER. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Washington Herald of June 13 entitled "A Canal Across Florida."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Herald, June 13, 1934]

A CANAL ACROSS FLORIDA By Sumter L. Lowry, Jr.

Why delay the building of the Gulf-Atlantic Ship Canal across the State of Florida? If there is a single project that fits all of the requirements of the President's public-works program, it is this Florida ship canal. It will put 30,000 men to work, will pay a fair return on money invested by the Government, and, above all, it can be started almost immediately.

all, it can be started almost immediately.

The canal can be completed in 4 years and will be of direct financial benefit to a large portion of our people. All preliminary investigation has been completed. Army engineers have finished 2 years of intensive study and work on the physical survey. The route has been definitely determined by them (by way of St. Johns River, Ocklawaha River, Withlacoochee River to the Gulf of Mexico); the type of canal and the number of locks have been decided, and all engineering data have been compiled. The canal is ready to be started when our Government gives the word.

This Florida canal presents no major engineering difficulties such as were present at Panama. There are no deep cuts to be dug, no hard rock to be removed, no slides to contend with, no problem of mosquitoes and disease to overcome. Just a mass movement of earth, easily done, yet requiring the employment of a large number of men. The Florida canal will be built wholly within the United States. Compare this with the problem of building the Panama Canal in a foreign country 1,500 miles away from its source of supplies. Also, every dollar spent in the building of this canal will remain in the United States and be put in circulation over and over again for the benefit of our own people. When this canal is complete it will end 100 years of effort to effect a passage from the Atlantic Ocean to the Gulf of Mexico without taking the long and hazardous trip around the Peninsula and through the Florida Straits. Time for the round trip from

New Orleans to New York will be cut 2½ days and the distance cut by 783 nautical miles. Galveston shows a saving of 2 days in time and 731 nautical miles; Mobile 2½ days and 807 nautical miles; Gulfport 2½ days and 791 nautical miles.

Few people realize the vast importance of the Gulf-Atlantic canal to the Nation at large. It actually will tend to shift population from the cold regions of the North to the warm climate of the South by opening up the iron and coal regions of Alabama and Tennessee and by building up our cities along the Gulf and lower Atlantic seaboard. Cheap water rates will do this.

The living expenses of every man east of the Rocky Mountains would be lowered by the opening of this short cut from the Gulf of Mexico to the Atlantic Ocean.

The canal would be about 125 miles long. It would be dug to a depth of 33 feet and a minimum bottom width of 250 feet.

The canal would be about 125 miles long. It would be dug to a depth of 33 feet and a minimum bottom width of 250 feet, large enough to accept more than 95 percent of the traffic now entering the Gulf of Mexico. Engineers appointed by the Public Works Authority to investigate this project estimated that the canal could be built for about \$115,000,000.

Railroads serving the Gulf, Mississippi, and South Atlantic States would be directly benefited by the increased haul of commodities to Savannah, Pensacola, Mobile, Houston, Jacksonville, New Orleans, Galveston, and other cities. They would go forward and prosper in direct proportion to the growth and prosperity of the territory that they serve.

New Orleans, Galveston, and other cities. They would go forward and prosper in direct proportion to the growth and prosperity of the territory that they serve.

The importance of this canal to the Navy and to national defense alone would justify its building by our Government. In the event of war, the Gulf of Mexico would be made secure for our own commerce and closed to the ships of our enemies with little effort on our part. The narrow straits of Florida and the Yucatan Channel are the only means of entrance to the Gulf of Mexico. A mine field and submarine patrol at those two strategic points would close the Gulf to enemy ships, while the Florida canal would give a safe and quick passage for our own ships.

War supplies of oil, cotton, and minerals from the Gulf and Mississippi States could be transported by water to the manufacturing area of the North Atlantic with speed and safety through the Florida canal. The canal would be of sufficient depth and breadth to permit the passage of all except a few of our largest warships. Naval vessels would find it a safe and easy route, without the dangerous trip through the straits of Florida and exposure to enemy bases in foreign islands south of the Florida Peninsula.

By closing the Gulf to enemy ships the defense of our coast line would be shortened 1,000 miles. Defense of the canal against enemy attack would be simple, since it would present only two vulnerable points, its locks—one near the western terminus and one about 60 miles from the eastern terminus. A concentration of our own air forces at these two points would overcome any effort to destroy the canal. There is nothing more vital to the

one about 60 miles from the eastern terminus. A concentration of our own air forces at these two points would overcome any effort to destroy the canal. There is nothing more vital to the American people than national defense. The Gulf-Atlantic Canal is worthy of construction for this reason alone.

Earlier Government surveys for this Florida short-cut were based upon a waterway to accommodate barge traffic only. But of late the proposal is for a ship canal capable of giving passage to oceangoing steamers. The route has been left entirely in the hands of distinterested Army engineers, who make use of natural water courses wherever feasible.

At present there is an inland water route for small craft along

At present there is an inland water route for small craft along the Atlantic coast from Maine to California, and another along the Gulf of Mexico from Florida to the Rio Grande, tapping the vast

Mississippi system. This new link would connect the two.

The vast amount of money being poured out by our Government for rehabilitation gives a splendid opportunity for the construction of this canal. The Public Works Authority has stated that the building of this canal is an "economic necessity to the Nation." Our President has indicated his interest, and construction this transport of the property of the pro at this time would be a lasting monument to him and serve also as a constant reminder to future generations of his service to the Nation as its Chief Executive.

The canal fills every requirement. It has passed every test. Why not let the work commence?

# CONDITIONS IN RUSSIA-ARTICLE BY ZARA WITKIN

Mr. GORE. Mr. President, I request unanimous consent to have printed in the RECORD an article from the Kansas City Star containing a statement by an engineer in regard to engineering in Russia.

There being no objection, the newspaper article was ordered to be printed in the RECORD, as follows:

[From Kansas City (Mo.) Star, May 28, 1934.]

MUCH WASTE IN RUSSIA—ZARA WITKIN, AN ENGINEER, TELLS OF GOVERNMENTAL WEAKNESS—MISMANAGEMENT AND LACK OF INI-TIATIVE RESULTING FROM CENTRALIZATION A SERIOUS HANDICAP TO INDUSTRY, HE SAYS

Zara Witkin, an engineer, spoke to a group gathered at the Liberal Center last night of his observations while in Moscow.

"Russia today enjoys a dictatorship and censorship that is one of the most stringent in the history of the world", Mr. Witkin said. "Few outsiders know anything about the real Russia. The vital results of the Soviet program are hidden from view. A newspaper correspondent who wishes to hold his job must obey the dictates of the foreign office. I believe I can say without fear of exaggeration that 99 percent of the reporting of events and conditions in Russia may be thrown into the wastebasket, and that includes books written about the country."

#### CRITICAL OF CONSTRUCTION

The 5-year plan, which many outsiders consider as one of the great construction projects in history, was defiated by Mr. Witkin. The amount of construction done in the whole 5-year period was only equal to the amount done in the United States in two-thirds of one of the typical years between 1922 and 1932,

two-thirds of one of the typical years between 1922 and 1932, he said.

"Russia is characterized by its appalling amount of waste", Mr. Witkin said. "There exists in Russia today unparalleled mismanagement and a disturbing lack of initiative. These weaknesses are derivatives of the present political system. The Government is so centralized that every engineer is afraid to make any decision on a matter of construction until he hears from someone above him. The countless delays which arise from such a situation make any sustained cooperative building effort impossible. It is this lack of initiative on the part of its engineers that is the most serious handicap to Russian industry today."

But when Mr. Witkin came to speak of the Russian Army in answer to a question by some one in the audience, it was a glowing picture he painted.

"The Red Army today is the largest and best equipped in the world", he said. "It knows that its business is to kill and be killed. There is no sham, no false sentimentality about it. soldiers are fed before anyone in order that their condition may be

soldiers are fed before anyone in order that their condition may be perfect."

If Russia is to go forward, it must improve its agricultural system, Mr. Witkin believes. Since 1928 its population has been increasing, but the grain crops have declined, he pointed out, adding that it was estimated that in 1932 and 1933 between 5,000,000 and 8,000,000 Russians starved to death. But, according to Mr. Witkin, the amazing thing in connection with this wholesale starving was that the Government could have prevented many of those deaths if it had so desired. of those deaths if it had so desired.

## REXFORD G. TUGWELL-EDITORIAL FROM KANSAS CITY STAR

Mr. CLARK. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Kansas City Star of June 12, 1934, on the subject of the confirmation of Dr. Tugwell.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

> [From Kansas City (Mo.) Star, June 12, 1934] A HINT TO PROFESSOR TUGWELL

In his address before the American Economic Association in

In his address before the American Economic Association in 1931 about which he was questioned by a Senate committee yesterday, Prof. Rexford G. Tugwell described with enthusiasm the advantages of a nationally planned economy.

The system of private profits, he said, was no longer needed; it was "demoralizing." Indeed, he expressed "wonder that society could operate at all under a system motivated by private profits." In a book published this spring he elaborated the same ideas. "On every hand", he said, "we see the conflict of interest between social well-being and profit seeking."

In order to get away from these evils of the profit system, national planning, he said, was necessary. "To act in the public interest, we must plan on a national scale."

In his address he considered at length what such planning would involve, and pointed out that under it business as we know

would involve, and pointed out that under it business as we know it would disappear. "Everything" he said, "will be changed." Such revolutionary changes, he admitted, would be resisted. So, planning must come gradually. "It would begin with small unnoticed changes." It would end with our "not being able to resist vast and spectacular ones."

sist vast and spectacular ones."

In the examination yesterday Senator Byrn asked the professor if he contended he did not intend anyone to believe he favored planning. "No, sir; and no one did", the witness responded.

This answer will be taken by most persons who read the address of 1931 and Professor Tugwell's latest book as considerably less than candid. Both convey the impression to the average person that the professor was enthusiastic for national planning. As the Star sees it, Mr. Tugwell's most effective explanation would have been along these lines:

"It is true I have made extreme statements which I now wish I hadn't about national planning as the way to correct economic

"It is true I have made extreme statements which I now wish I hadn't, about national planning as the way to correct economic evils. I thought, as I said in my book, that 'Russia has shown that planning is practicable.' But my writings mustn't be taken too seriously. I was just putting out the usual sort of college thesis, and everybody knows what a college thesis is. My experience in office has demonstrated to me that we shouldn't be too brash about revolutionary changes. I think now we can do a certain amount of planning, but we can't move faster than public sentiment will permit and we must move cautiously and be ready to stop if we find things aren't working out as we had expected."

But perhaps it would be too much to expect any such frank confession. It is human nature for a man to insist he was misunderstood rather than to admit he was wrong.

FEDERAL CHILD-LABOR AMENDMENT-ADDRESS BY WILLIAM D. GUTHRIE

Mr. METCALF. Mr. President, I ask unanimous consent to have printed in the Congressional Record an address by William D. Guthrie, vice chairman of the New York State Committee Opposing Ratification, at New York, before School of Politics, Women's National Republican Club, Monday, May 7, 1934, on the subject of The Federal Child Labor Amendment.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

It is indeed a privilege to address such a body as this patriotic and nation-wide political club, and that too, upon so vitally important and far-reaching a subject as the proposed Child-Labor Amendment to the Constitution of the United States. A great inspiration and a very hopeful encouragement are springing from inspiration and a very hopeful encouragement are springing from the fact that American women of both parties furnish ample evidence that they reverently cherish, as we men do, the form of federal government which is our great political heritage from Washington and the other immortal Founders, that they, likewise, are determined, so far as lies in their power, to defend and perpetuate the fundamental principles of our National Constitution, and that they will oppose innovations tending to undermine the governmental functions and responsibilities of the States in our Federal system and their right to local self-government.

In reviewing the merits of our federal system, Lord Bryce, in his famous "American Commonwealth", declared that Federalism with us supplies a better means of developing and governing our country than could be expected under a centralized government, "that it prevents the rise of a despotic central government, absorbing

try than could be expected under a centralized government, "that it prevents the rise of a despotic central government, absorbing other powers, and menacing the private liberties of the citizen", and that "the more power is given to the units [i.e., the States] which compose the Nation, be they large or small, and the less to the Nation as a whole and to its central authority, so much the fuller will be the liberties and so much greater the energy of the individuals who compose the people." Washington in his Farewell Address admonished us that we should "resist the spirit of innovation upon its principles, however specious the pretexts", and that alterations may "impair the energy of the system and thus undermine what cannot be directly overthrown." And Alexander Hamilton declared that "it must be utterly repugnant to this Constitution to subvert the State governments." Constitution to subvert the State governments.'

Constitution to subvert the State governments."

There are very many who profoundly believe that the inevitable tendency and effect of the proposed Federal Child-Labor Amendment, if ever ratified, would be to undermine in a very broad field of governmental activity, power, duty and responsibility the distinct and separate character of our States and our right to local self-government. That is why the amendment was overwhelmingly rejected in 1924 and 1925 by 35 State legislatures. In dealing with all persons under 18 years of age, we are affecting at least one-third of our population and reaching into most of the households and homes in the several States.

the households and homes in the several States.

There is no political issue now pending before the American public that is of more vital and permanent importance, or which may more deeply or more widely affect the future welfare of our country than this proposed constitutional amendment. There is, however, disagreement and controversy with regard to the purpose and intent of its framers in 1924, when it was proposed, as well as with regard to the true meaning and scope of its language and its legal construction and effect if made part of the Constitution. Similar irreconcilable differences are often the case with questions relating to political issues and innovations, as with religious controversies over faiths and dogmas. The campaign for and against ratification has unfortunately developed some asperity of temper and some recklessness and inaccuracy of statement. Armfuls of alleged raw and harrowing statistics are thrown ment. Armfuls of alleged raw and harrowing statistics are thrown into the faces of opponents, and propaganda estimates and computations too often are gross and misleading exaggerations. Unfortunately, as Judge John Bassett Moore, recently a member of the Permanent Court of International Justice at The Hague, has just declared in a public statement opposing ratification, "public contraversies usually are waged more by critical than by argujust declared in a public statement opposing ratification, "public controversies usually are waged more by epithet than by argument." Recent striking examples will readily occur to you.

My present discussion of the proposed Federal Child-Labor Amendment must necessarily be limited principally to the legal questions which it presents for your consideration and decision. When your President invited me to address you, I suggested that it might be more satisfactory to the members of the club if some one else were chosen who would be likely to be interesting in discussing the amendment from a more general and reconstrates. some one else were chosen who would be likely to be interesting in discussing the amendment from a more general and nonprofessional—I will not say popular—point of view than what it has pleased some of my critics to characterize as my legalistic and technical arguments. But your President replied that the club was inviting me because it wanted to hear a legal argument. It was thus wisely recognized on your behalf that a proposed amendment to our National Constitution primarily presented a distinctly and essentially legal question of constitutional law and that it should be treated as such. In other words, I understood that you wanted to hear a legal analysis and a legal exposition of the meaning, intent, effect, and scope of the proposed amendment, so that you might thereby be aided in determining whether or not it was too comprehensive and far-reaching and whether or not it was too comprehensive and far-reaching and whether or not such a power should be granted to Congress.

or not such a power should be granted to Congress.

Every State now has a child labor law for the protection and safeguarding of its children and youths, differing according to local conditions and needs and according to the differences existing among the States covering so vast an empire. Some of these States have no mines, some little or no manufactories, some no slums, some no such congestion, poverty and misery as is to be found in the great cities. Every State but one prohibits children under 14 from being employed in factories. That one State is Wyoming, but it does not permit children to work during school

hours, and is not a mining or a manufacturing State. Forty-two States exclude children under 16 from work in hazardous occupations. Thirty-eight States limit the industrial work of children to 8 hours a day. All but four States prohibit night work for those under 16.

those under 16.

Every State now has compulsory school attendance, usually for the entire session for those up to 14 years of age. In 40 States the requirement is 16 years of age, although a child is generally allowed to commence working at 14 if absolutely necessary, but it must go to a continuation school if there be one in the vicinity. Forty-four States require an educational minimum before a child may begin to work for hire, and 25 require a physician to pass on a child's fitness for work.

Furthermore, the States with their varying climatic, racial, and economic conditions, resources, needs, and customs, can frame child labor laws far better suited to their individual and local necessities and conditions than any uniform Federal measure that could ever be devised, or any possible Federal standardization could effect. The progress of the States toward safeguarding the welfare of children has been very great and unprecedented during the past quarter of a century, as anyone can readily ascertain by examining the laws of the States and the Census of 1910, 1920, and 1930.

ascertain by examining the laws of the States and the Census of 1910, 1920, and 1930.

The intent and purpose of the proponents and framers of the proposed Child-Labor Amendment were clearly, and it seems to me indisputably, to vest in Congress unlimited and supreme power over the labor of all persons under 18 years of age throughout the United States, the Territories, and the Insular Possessions; that is to say, over all the children and youths in a population of more than 140,000,000 inhabitants, with great diversities of climate, products, economic conditions, local resources, local needs, and local problems.

It is the settled rule of constitutional law that the intent.

It is the settled rule of constitutional law that the intent, purpose, and effect of an amendment, in other words, its conpurpose, and elect of an amendment, in other words, its construction, must be determined by its language if plain and clear and by the intent and purpose of its framers when it was submitted to the State legislatures for ratification or rejection, and not by some different, limited, or more reasonable and restricted intent and purpose later avowed or promised by those urging and seeking ratification. Hence, the controlling factor in considering the Federal Child-Labor Amendment is not what moderation or reasonableness is now intended or professed or promised, but what was intended in 1924, when this amendment was proposed by Congress. will be controlling. That intent alone is to be ascertained and

The rule has likewise long been settled that, when the language of a constitutional provision is plain, it controls and determines its legal intent and effect, that there is then no room for conjecture, and, stated in other words, that it must be held to mean and intend exactly what its language clearly says. It has further and intend exactly what its language clearly says. It has further long been the settled rule that any general power expressly vested in Congress by the Constitution is complete in itself, that it "may be exercised to its utmost extent", that it "acknowledges no limitations, other than are prescribed in the Constitution", and "if it may be exercised at all it must be exercised at the will of those in whose hands it is placed." I say that these rules of construction are long settled because I have quoted to you the very language of Chief Justice Marshall speaking for the Supreme Court more than a century ago, and this language has ever since been recognized as expressing the true rule of construction and is authoritative.

The proposed Federal Child-Labor Amendment has no title, and

The proposed Federal Child-Labor Amendment has no title, and the word "child" is not to be found in it. As matter of fact, some of its main and underlying objects are not to protect and safeguard the health and morals of children, but to prevent competition with adults and to standardize conditions and regulate

commercial competition.

Its text is as follows, and must always be borne in mind:

"Section 1. The Congress shall have power to limit, regulate, and prohibit the labor of persons under 18 years of age.

"Sec. 2. The power of the several States is unimpaired by this article except that the operation of State laws shall be suspended to the several States are supported by the se

to the extent necessary to give effect to legislation enacted by Congress.

Surely, no language could more plainly or clearly grant to Congress absolute, unqualified and unrestricted power over the labor of all persons under 18 years of age, and, what is particularly important, not only over children 14 years of age and under, but over all the youths of the country male and female between 14 and 18, who cannot properly be classified as children. They are legally youths—not children.

The history of the amendment while pending before Congress clearly demonstrates the broad intent of its framers and, if consulted will render guite plain its purpose as understood and

sulted, will render quite plain its purpose as understood and intended in 1924. When passed it was not in the same language as when originally proposed. I shall discuss some of the changes so as to emphasize that the ultimate intent and purpose were not as now professed by the leading advocates of ratification.

For example, the word "children" was originally proposed, and

For example, the word "children" was originally proposed, and one would think was quite essential in any alleged child-labor amendment. However, the framers were advised by counsel that youths, male and female, between 14 and 18 years of age could not legally be classified as children, and the word "persons" was thereupon substituted because much broader and more comprehensive and far-reaching. As one of the principal purposes of the promoters and supporters of the amendment, and particularly of the American Federation of Labor and other labor organizations, was to prevent competition of all American youths with adult

labor, this change was made from "children" to "persons" to accomplish that purpose.

The word "prohibit" was added in order to obviate an assumed limitation upon the meaning of the word "regulate", namely, that a regulation must be reasonable. The proponents of the amendment were being advised by distinguished lawyers and professors of law, and, therefore, the particular significance of any changes made and the addition of the word "prohibit" cannot be minimized. These lawyers must have been well aware of the decisions of the Supreme Court to the effect that the verb "to regulate" in the Constitution conferred power to prohibit, but not an unqualified and unlimited power, and they must have advised that if it were intended to seek power not only to limit and regulate, but to go further and beyond and absolutely prohibit the labor of persons under 18 years of age without qualification or limitation of any kind, the express power to prohibit would have to be added. As learned and able lawyers and professors, they must have ad-As learned and able lawyers and professors, they must have advised that the addition of the word "prohibit" was essential to accomplish any such drastic and unrestricted purpose, and they undoubtedly had in mind the settled doctrine of the Supreme Court that every word in the Constitution of the United States must be given effect and no word treated as unmeaning and mere surplusage, and hence that "prohibit" would necessarily imply and mean more than "limit" or "regulate."

and mean more than "limit" or "regulate."

It was originally proposed to grant to Congress the power to limit and regulate the employment of children, following in this respect the two Acts of Congress of 1916 and 1919 which had been declared unconstitutional and void by the Supreme Court, both of which statutes used the phrase generally to be found in State child-labor statutes, namely, "employed or permitted to work." The promoters of the amendment had the word "labor" substituted for "employment" undoubtedly because they were advised that the word "employment" might be construed to imply "hired that the word "employment" might be construed to imply "hired tuted for "employment" undoubtedly because they were advised that the word "employment" might be construed to imply "hired for pay" within the currently accepted general meaning that when a person is said to be employed, it implies work or service for another and generally for pay. As, however, it was the intention of the framers of the amendment to reach right into the homes where children, as the Chief of the Children's Bureau in the Labor Department testified, "often work with their parents without pay and hence are not on the pay roll", they objected to the word "employment" as too restrictive. This was candidly avowed and testified under oath by the Chief of the Children's Bureau, as the Congressional Record shows. The word "employment" was, therefore, discarded, and the broader term "labor" substituted in order to cover beyond question the work of children substituted in order to cover beyond question the work of children and youths for their parents in the home and on the home farm. The Chief of the Children's Bureau further testified that the general authority they were seeking would include "power to regulate labor upon the farms and in agriculture", and she added "just as much regulatory power as to farming as mines or any other work or occupation" and "would make no exception at all." I

am quoting her language.

Such were the purpose and intent avowed by the framers of the amendment in 1924, without any qualification or limitation or restriction whatever, as you will readily and irrefutably find in the Congressional Record.

or restriction whatever, as you will readily and irrefutably find in the Congressional Record.

Yet, now, 10 years afterward, the Secretary of Labor, Miss Perkins, and the Secretary of Agriculture, Mr. Wallace, are publicly asserting the direct contrary. Thus, in an article recently published in the New York Times the Secretary of Labor endorsed as correct, cited with approval, and gave support and currency to the following statement:

"The amendment gives Congress power only over the labor of children for hire, and nothing else. It would not give Congress power to send inspectors any place except where work for hire was being carried on, and therefore Congress would have absolutely no power to send inspectors into families, schools or churches any more than it has now."

And equally erroneous and misleading, and contrary to the avowed intent in 1924, was the following statement issued by the Secretary of Agriculture, Mr. Wallace:

"The amendment is directed at protecting children from industrialized and commercialized employment which endangers their health and interferes with their schooling. Farm chores done outside of school hours and suited to the age and physical capacity of the youngsters certainly do not come under the heading of industrialized and commercialized employment."

Of course, they do not; but the Secretary overlooked the fact that the amendment is not at all limited to industralized and

Of course, they do not; but the Secretary overlooked the fact that the amendment is not at all limited to industralized and commercialized employment, and that no such heading or limita-

tion or provision is contained therein.

Those who have any doubt as to the understanding and intention of both the Senate and House of Representatives with regard to the meaning, scope and effect of the amendment, as I am stating it to you, should read the Congressional Record, which I affirm conclusively establishes the broad scope and reach of the amendment as intended to include the labor of children. of the amendment as intended to include the labor of children in the homes and on the home farms. I am confident that if the Secretary of Labor, the Secretary of Agriculture, and many other sincere advocates of ratification would only take the pains to consult the Congressional Record for 1923 and 1924, they would not be making or endorsing any such erroneous statements as I quoted.

I urge you to delve still deeper into the Record. It conclusively establishes that both the House and Senate deliberately intended to vest unlimited power not only to limit and regulate but as well to prohibit the labor of all persons under 18 years of age.

You will find in the minority dissenting report of the Judiciary

Committee of the House written and presented by Mr. Graham, its chairman, a very able and distinguished lawyer, that it was stated, without challenge or contradiction, that under the wording adopted it would be "possible to pass a law prohibiting the labor of all minors under 13 years of age. If so, the States would have no jurisdiction whatever left upon that subject." He added that then "the college student even, if under 18, could not work to pay his way through college." Another Representative, Mr. Ramseyer, of Iowa, who voted for the amendment, stated in the House on April 28, 1924, likewise without challenge or contradiction, as follows: "Congress will have the power to 'limit, regulate, and prohibit' the labor of girls under 18 years of age in the home and of boys under 18 years of age on the farms. Gentlemen admit that the effect of the proposed amendment is just as I state it." state it."

Another Representative, Mr. Crisp, of Georgia, also unchallenged

and uncontradicted, asserted as follows:
"This amendment does not limit or confine the power of Conrinis amendment does not limit or confine the power of Congress to legislate with respect to the work of persons under 18 in mines, factories, sweatshops, and other places injurious to moral or physical welfare, but it goes further—it is as wide open as the heavens—and provides authority to say they cannot work in the fields, stores, or in other wholesome and healthful occupations. It goes even further; it confers upon Congress the power to say that a girl under 18 cannot assist her mother in housework cooking or dishwashing in her own home, and that a son

to say that a girl under 18 cannot assist her mother in housework, cooking, or dishwashing in her own home, and that a son may not help his father."

These are but a few extracts from the Congressional Record. If anyone will take the pains to study the official record, conclusive evidence will readily be found as to the intent and understanding of Congress in 1924, directly the reverse of what the Secretary of Labor and the Secretary of Agriculture and many others are now asserting in 1934, 10 years later, in their campaign for the ratification of the amendment which was overwhelmingly rejected 9 years ago when the nearly ware familiar with and

rejected 9 years ago when the people were familiar with and understood its true intent and purpose.

I do not challenge the sincerity or good faith of these two members of the Cabinet. I grant that they do not know what the record shows. But they are ignorant of and clearly mistaken as to the understanding and intention of the framers in 1924, and as to the understanding and intention of the framers in 1924, and I deplore the fact that before discussing the purpose and intent of the amendment they did not see fit to consult the Congressional Record. I am inclined to believe that then they would probably in candor have conceded that the language of the amendment, as understood in 1924 by its framers and proponents, and the Congress that proposed it, goes altogether too far, and much further than they personally wish to go—at least at the present time. They are substituting what they conceive and believe would be a beneficent and appropriate purpose and a reasonable and restricted regulation for an unlimited power. It is true that they, as well as many others, are quite profuse and generous in assurstricted regulation for an unlimited power. It is true that they, as well as many others, are quite profuse and generous in assurances of moderation and reasonableness and of absence of any present purpose or intent to urge Congress to exercise all the power which the amendment would vest in it. But how can they give any assurances as to future Congresses, or even as to the present Congress? The Secretary of Labor has recently said that "It is inconceivable that Congress should ever pass such legisle." "It is inconceivable that Congress should ever pass such legislation, for no one wants to prohibit all work for children under 18." That being so, why urge that a power should be granted to Congress which no one wants it ever to exercise? Criticizing this statement of Miss Perkins, the Hartford Daily Courant on April

statement of Miss Perkins, the Hartford Daily Courant on April 24 in a leading editorial said:
"If nobody wants to do that, then the amendment should have been so drawn as to make it impossible. Experience has abundantly proved that sooner or later every legislative body avails itself of every last vestige of power that it possesses. It may start out moderately enough, but there are always those who think the pace too slow and insist on going farther and faster. They organize themselves under some high-sounding title that gives the impression they are working for noble humanitarian gives the impression they are working for noble humanitarian ends, and often succeed in exerting sufficient pressure upon the law-making body to gain ulterior objectives."

Others assert that it is unreasonable, or as some phrase it, "is nonsense", or "another absurdity", to apprehend that Congress would ever exercise the power to prohibit all labor of persons under 18 years of age because no State has ever gone that far. That also is quite true: No State in all our history has ever gone Inat also is quite true: No state in all our history has ever gone so far. Then again, I ask you, why give to Congress a power so drastic that no State has ever exercised or found or deemed it proper to exercise it, and which no one, except the labor organizations, now desire to have exercised?

For complete refutation of Miss Perkins' assertion that "no one wants to prohibit all work of children under 18", I refer you to a bill now pending introduced in the House of Penrsentatives.

one wants to promint all work of children under 18, I refer you to a bill now pending, introduced in the House of Representatives on January 3, 1934 (H.R. 6184), by Mr. Robert F. Rich, of Pennsylvania (perhaps at the instance of the labor organizations), in anticipation of what he and they believed would be the early ratification of the Child-Labor Amendment and in order to make it immediately effective when it was ratified.

The bill so introduced in Congress in January of this year, in The bill so introduced in Congress in January of this year, in anticipation of the early ratification of the amendment, prohibits the employment of any person under 18 years of age except only as to children of 14 and under 18 during a school vacation period, and then only if a certificate be issued to such children by the superintendent of schools. Immense inquisitorial and prying powers would be vested by this bill in the Secretary of Labor and her officers and employees. The employer would be terrorized and coerced by being made criminally liable to fine and imprisonment for any violation of the act, or for any refusal to make a statement or to permit examination of his records. The Secretary of Labor would be given unlimited power to make rules and regulations and to appoint and fix the compensation of such officers and employees as are necessary to carry out the provisions of this act, with the as are necessary to carry out the provisions of this act, with the duty to report annually an account of investigations, determinations, civil actions, criminal prosecutions, and expenditures under this act, and there is authorized to be appropriated such sums as may be necessary for the purposes of this act. Verily, we have here an unlimited and enormous expansion of political patronage, inquisitorial powers, unlimited funds, and thousands of appointees constituting a huge bureaucraey of politicians who would reach and spy into every employment and every household. And this, mind you, is only the beginning. We would indeed be blind if we refused to ponder this "handwriting on the wall", or to heed this forecast and warning. forecast and warning.

Suggestions were made in Congress in 1924 to the effect that Congress could be trusted to exercise the proposed power reasonably, and that there was then no present intention to enact Congress could be trusted to exercise the proposed power reasonably, and that there was then no present intention to enact any drastic law, or ever to exercise to its full extent the power conferred. But, if there was no intention ever to exercise the power conferred to prohibit all labor of persons under 18 years of age, what then was the necessity or excuse for granting the power and making it unlimited? What then was the reason for rejecting all amendments which would have reasonably limited the power of Congress? Why grant a power to Congress that is never intended to be exercised?

It is again used and may be said to you today, that we should

It is again urged, and may be said to you today, that we should put our trust in Congress, that we ought to have confidence in our Representatives, that patriotism so dictates, that we should rely upon them to be reasonable and not to sacrifice the interests rely upon them to be reasonable and not to sacrifice the interests and welfare or affront the sentiments of any section of the country. As if Congress, especially during the past 15 years, has not repeatedly enacted objectionable legislation, had not repeatedly overruled patriotic and sound vetoes of the President, strikingly and alarmingly shown in its recent vote with regard to the Veterans' Bonus, and had not year after year squandered the public funds through wasteful and unnecessary appropriations, in order to promote the interests of militant minorities and expand the ever-increasing political patronage and appropriations of the Departments in Washington.

Last Monday, in a public address, the New York State Tax

Last Monday, in a public address, the New York State Tax Commissioner, Mr. Mark Graves, one of the Nation's foremost taxation experts, charged that Congress, through its excessive and ill-advised taxation, was threatening to cause chaos and disaster in State and local government financing, and he declared that "it is high time that Senators and Congressmen realize that the State has seen which to the tax to realize the state of the second sta "it is high time that Senators and Congressmen realize that the States have some rights in these tax matters. But", he added, "many of these men forget that they owe some duties to the taxpayers in States and districts which they represent." Last Thursday the leading editorial in the New York Times criticized our huge and ever-increasing and high Federal bureaucracy, and stated that "the Home Owners' Loan Corporation is one of the new creations, but it already has more than 10,000 employees." The editorial continued: "Whereto this thing would grow if not checked, no man can foretell. \* \* It would not make the lot of the American worker any easier to tell him that the two men whom he has to carry on his back are not soldiers, but Federal inspectors."

Federal inspectors."

Congress has been for many years constantly reaching into fields of government and political activity which the Founders intended should be inviolably reserved to and belong exclusively to the States of government and political activity which the rotanders intended should be inviolably reserved to and belong exclusively to the States to administer. I am one of the many who are profoundly convinced that Congress cannot be relied on to be reasonable or conservative or economical where new bureaus are to be created which inevitably multiply Federal political patronage, or where local interests or organized minorities are agitating and clamoring for special benefits and advantages, or where is involved the appropriation and distribution of Federal funds raised by taxation. The constant increases of appropriations by Congress and of the personnel of our bureaucracies centered in and directed from Washington are not only alarming, but they portend to thoughtful observers ultimate catastrophe. A number of the States are now receiving from Federal funds far more than they pay or contribute in taxes, and many of us are incensed enough and plain-spoken enough to characterize these distributions as political subsidies and bribes. Hundreds of millions of dollars—billions in fact—are now being distributed, and by next year, 1935, we shall have a national debt of \$32,000,000,000 as the stupendous and destructive burden we and our children and grandchildren will have to carry.

Those of you who are seeking facts and guidance as to the ten-dencies of Congress and the expansion of its activities and lavish dencies of Congress and the expansion of its activities and lavish squandering of public funds, as well as oppressive and objectionable encroachments upon the States, their right to the field of local self-government therein, and the reasons why Congress should not be given further powers to extend its activities and squander funds raised by excessive and confiscatory taxation should read Congressman James M. Beck's discussion of the subject in his book, published in 1932, under the title of "Our Wonderland of Bureaucracy", and the excellent and most informative review published still more recently by Mr. Sterling E. Edmunds, of the St. Louis bar, under the title of "The Federal Octopus in 1933."

I have affirmed and I reaffirm to you that if this proposed.

I have affirmed and I reaffirm to you that if this proposed amendment be ratified, there will ultimately be an enormous increase in the personnel of the Labor Department, and that it will then, in all probability, shortly become one of the depart-

ments of the Government at Washington having the largest political patronage and the control and expenditure of correspondingly immense appropriations. It had a staff of 5.226 bureaucrats in 1933 and appropriations of \$12,924,770, and probably has much more now. If already, at the very start, it has required or resulted in the appointment of 10,000 Federal employees to administer the Home Owners' Loan Corporation, it should take at the start many times that number to administer laws and regulations that would affect nearly every home in the entire country and require constant inspection and supervision of every place where children are to be found. As Governor Smith has recently said in opposing ratification of this Amendment: "Is it conceivable that Federal control can be exercised otherwise than through a new army of inspectors, investigators, sleuths, bloodhounds, and statisticians traveling about in trains, automobiles, and on horseback, stopping at hotels, and bedeviling the work of [State] labor departments?"

A huge additional staff would have to be appointed in the Labor ments of the Government at Washington having the largest po-

A huge additional staff would have to be appointed in the Labor Department in order to render effective even the most simple and reasonable enactments and regulations under this proposed amendment, and many of this political personnel would probably be just as fanatical, offensive, and incompetent and just as much political appointees, grafters, racketeers, and blackmailers as were many of the thousands charged with the enforcement of the provisions of the Volstead Act and its amendments and as so many have been scandalously found to be in connection with the administration of the Federal unemployment and relief funds

You will probably be told that it is unpatriotic not to trust our Congress, not to believe in its reasonableness and restraint, and not to rely upon the present or future Congresses to do no more than make permanent the existing N.R.A. codes and their imitations, regulations and prohibitions affecting all persons under 18 years of age. But this trust, in the judgment of many of us, would be improvident and probably disastrous in the long run. These codes are essentially experimental and temporary; the practicability and success of many are very doubtful; there are, as we all personally know, already profound misgivings and discontent, and the prohibitions of the labor of youths, male and female, between 15 and 18, therein contained, are now working cruel hardship, distress, and injustice to many families and households where such youths are or were the only means of support, and in many instances adult union members have taken their places. It is true that some part of the hunger suffering households where such youths are or were the only means of support, and in many instances adult union members have taken their places. It is true that some part of the hunger, suffering, and distress caused thereby is being relieved by charity, public and private; but I can imagine nothing more objectionable or more demoralizing to these youths, male and female, American boys and girls—the hope of the future of our citizenship—than this deprivation of the right and liberty to work, with its discipline and character upbuilding, and this denial of the duty and right to help in the support of their families when such help is sorely needed. This method of pauperizing American families and making them dependent on public charity administered and abused by politicians—many of whom are grafters even in tickets for food—will inevitably debase the characters of our youths and bring about all the vices that pauperism and idleness inevitably breed and beget. I venture confidently to prophesy that we would pay a frightful price as the fruit of this policy, if made permanent or further extended, in the pauperizing and demoralization of our youths. I wish I had time to cite to you deplorable and distressing examples within my own personal knowledge. But I shall read to you part of an editorial in the Observer-Dispatch, of Utica, published last month in opposition to ratification by the New York State Legislature:

"Carried out to the extent that would be possible under the amendment, the entire population under the age of 18 years would become nonproductive. The great value of inculcating habits of industry in the young would be forever lost. And there can be no doubt that if such habits are not formed before one is 18 years of age, they will almost never be formed thereafter."

The most striking and recent—I hope never-to-be-forgotten—

can be no doubt that if such habits are not formed before one is 18 years of age, they will almost never be formed thereafter."

The most striking and recent—I hope never-to-be-forgotten—example of the extremes to which Congress may go in bending before the clamor of aggressive minorities and bureaucrats in Washington is what followed the ratification of the Eighteenth or Prohibition Amendment. In Congress and before State legislatures three distinct representations and promises were made as to the effect and manner of enforcement of the amendment in order to secure ratification. These were (1) that it would not as to the effect and manner of enforcement of the amendment in order to secure ratification. These were (1) that it would not apply to nonintoxicating liquors, (2) that it would not be enforcible except with the concurrence of the State, and (3) that the use or prescription of alcohol "as a medicine \* \* \* would not be interfered with." Each one of these representations and promises, as you all know, was repudiated and unperformed. The amendment was extended to concededly and indisputably nonintoxicating beverages if they contained only one-half of 1 percent of alcohol; that is, if they contained only 14 drops of alcohol in a glass containing 6 ounces or 12 tablespoonfuls of liquid. The concurrent power of enforcement of the States expressly provided for in section 2 was nullified and entirely disregarded and repudiated, and Congress assumed and exercised supreme provided for in section 2 was nullified and entirely disregarded and repudiated, and Congress assumed and exercised supreme and exclusive power of enforcement. The definite assurance by the Senate Judiciary Committee in its formal report that under the amendment the use of alcohol "as a medicine \* \* \* would not be interfered with" was repudiated and set aside by Congress, and such use was interfered with. In Dr. Lambert's suit it was held that the courts could grant no relief notwithstanding that this eminent and high-minded physician alleged on oath and offered to prove that the prescription of alcoholic liquors

m excess of the inadequate allowance in the Volstead Act became frequently necessary in the treatment of grave diseases and in order to save human life.

The Supreme Court could nevertheless grant no relief because of the broad scope of the implied and incidental powers of Congress resulting from the grant of power to enforce, and Congress session after session refused to amend the law except to make it

Governor Smith, who has been for many years in this State the leading champion of every humane and wise step taken for the protection and welfare of our children, declared in the October number of the New Outlook that—

"It does not seem possible that the same States which are relieving us of the curse of the Eighteenth Amendment will now impose another constitutional curse upon us under the guise of

And in the March number of the same publication he added:

"We are told that Congress will never do anything extreme or undesirable under this amendment. That is just what the Wheelers and the Cannons told us about the Eighteenth Amendment.

ment."

The time allotted to me has now run. I keenly regret that I have not the opportunity to discuss the other important aspects of this proposal to expand the power and authority of Congress and undermine the power and authority as well as the duty and responsibility of the States and the territorial and insular governments. I profoundly believe and confidently predict that the effects of ratification of this proposed and so-called "child labor Amendment" would be most prejudicial and demoralizing, and especially so with respect to the future welfare of the children and wouths of our country. youths of our country.

## EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

#### EXECUTIVE MESSAGES REFERRED

The VICE PPRESIDENT laid before the Senate several messages from the President of the United States submitting nominations (and also withdrawing a nomination), which were referred to the appropriate committees.

(For nominations this day received and nomination withdrawn, see the end of Senate proceedings.)

# EXECUTIVE REPORT OF A COMMITTEE

Mr. LONERGAN, from the Committee on the Finance, reported favorably the nomination of Fannie Dixon Welch, of Columbia, Conn., to be collector of customs for customs collection district no. 6, with headquarters at Bridgeport, Conn., in place of Elwyn T. Clark, serving under temporary commission issued during the recess of the Senate, which was ordered to be placed on the calendar.

# THE CALENDAR

# THE JUDICIARY

The VICE PRESIDENT. The calendar is in order.

The Chief Clerk read the nomination of Felthan Watson, of Missouri, to be district attorney of the United States Court for China.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Edwin G. Moon to be United States attorney for the Southern District of Iowa.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Charles H. Cox to be United States marshal for the northern district of

The VICE PRESIDENT. Without objection, the nomination is confirmed.

# POSTMASTERS

The Chief Clerk proceeded to read the nominations of sundry postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters on the calendar be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc.

That completes the calendar.

#### RECESS

Mr. ROBINSON of Arkansas. I move that the Senate take a recess until 9 o'clock a.m. tomorrow.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

The motion was agreed to; and (at 9 o'clock and 50 minutes p.m.) the Senate took a recess until tomorrow, Saturday, June 16, 1934, at 9 o'clock a.m.

## NOMINATIONS

Executive nominations received by the Senate June 15 (legislative day of June 6), 1934

## UNITED STATES ATTORNEY

William C. Lewis, of Oklahoma, to be United States attorney, Western District of Oklahoma. Mr. Lewis is now serving under an appointment by the court.

## UNITED STATES MARSHALS

William H. McDonnell, of Illinois, to be United States marshal, Northern District of Illinois, to succeed Henry C. W. Laubenheimer, resigned.

Sid A. Willis, of Montana, to be United States marshal, District of Montana, to succeed Rolla Duncan, whose resignation is effective June 30, 1934.

Samuel E. Swinney, of Oklahoma, to be United States marshal, Eastern District of Oklahoma, to succeed Clark B. Wasson, term expired.

# PROMOTION IN THE REGULAR ARMY

# MEDICAL CORPS

## To be colonels

Lt. Col. Mahlon Ashford, Medical Corps, from June 13, 1934

Lt. Col. Edward Godfrey Huber, Medical Corps, from June 13, 1934.

Lt. Col. Arthur Newman Tasker, Medical Corps, from June

Lt. Col. Howard McCrum Snyder, Medical Corps, from June 13, 1934.

Lt. Col. Garfield Lesley McKinney, Medical Corps, from June 13, 1934.

# DENTAL CORPS

# To be captain

First Lt. William Thomas Williams, Dental Corps, from June 11, 1934.

# POSTMASTERS

# CALIFORNIA

George H. Treat to be postmaster at San Andreas, Calif., in place of Louis Cademartori. Incumbent's commission expired January 11, 1934.

Orton P. Brady to be postmaster at Upland, Calif., in place of L. N. Kirk. Incumbent's commission expired February 10, 1934.

# COLORADO

Herman H. Brown to be postmaster at Eagle, Colo., in place of M. D. Thomas. Incumbent's commission expired December 16, 1933.

William H. Rhoades, Jr., to be postmaster at Kit Carson, Colo., in place of W. A. Baghott. Incumbent's commission expired April 15, 1934.

Charles F. Horn to be postmaster at Pueblo, Colo., in place of G. A. Lee. Incumbent's commission expired June 17, 1934.

Byron M. Norris to be postmaster at Walden, Colo., in place of Samuel Coen, resigned.

Henry B. Mitchell to be postmaster at Millsboro, Del., in place of W. L. Parker. Incumbent's commission expired June 6, 1934.

Charles J. Dougherty to be postmaster at New Castle, Del., in place of E. P. Clayton. Incumbent's commission expired May 29, 1934.

#### FI.ORIDA

Ira C. Williams to be postmaster at Dania, Fla., in place of I. C. Williams. Incumbent's commission expired April 10, 1930.

Frederick A. Carnell to be postmaster at Ormond, Fla., in place of F. A. Carnell. Incumbent's commission expired May 7, 1934.

# GEORGIA

Francis B. Maddox to be postmaster at Lawrenceville, Ga., in place of S. D. Sims. Incumbent's commission expired February 24, 1931.

Lida Simpson to be postmaster at Norcross, Ga., in place of W. M. McElroy. Incumbent's commission expired January 26, 1933.

#### IDAHO

Glenn H. Sanders to be postmaster at Moscow, Idaho, in place of H. E. Estes, resigned.

## ILLINOIS

William J. Fahey to be postmaster at Bloomington, Ill., in place of E. L. Hiser. Incumbent's commission expired January 11, 1933.

George R. Davis to be postmaster at Mount Sterling, Ill., in place of E. H. Hannant. Incumbent's commission expires June 24, 1934.

John P. Lennon to be postmaster at Plainfield, Ill., in place of U. S. G. Blakely, removed.

Herman C. Thiemann to be postmaster at Roselle, Ill., in place of F. H. Fairbanks. Incumbent's commission expired March 2, 1933.

Alfred J. Geiseman to be postmaster at Shannon, Ill., in place of H. E. Gemmill. Incumbent's commission expired January 28, 1934.

Lillian R. M. Clasen to be postmaster at Union, Ill., in place of W. C. Nulle. Incumbent's commission expired March 2, 1933.

## INDIANA

Joseph C. Whitesell to be postmaster at Plymouth, Ind., in place of Hubert Tanner, removed.

# IOWA

Tilda O. Nye to be postmaster at Allerton, Iowa, in place of W. H. Hall, resigned.

Myrtle E. Smith to be postmaster at Edgewood, Iowa, in place of G. E. Gates, resigned.

Lawrence J. Roth to be postmaster at Fairfield, Iowa, in place of P. S. Junkin. Incumbent's commission expired May 20, 1934.

James Lowell Carr to be postmaster at Lamont, Iowa, in place of A. F. Pitman. Incumbent's commission expired March 8, 1934.

Frank G. Huebsch to be postmaster at McGregor, Iowa, in place of I. A. Boyle. Incumbent's commission expired April 2, 1934.

Anna L. Staudt to be postmaster at Marble Rock, Iowa, in place of L. A. Moore. Incumbent's commission expired November 6, 1933.

James G. Casey to be postmaster at Osage, Iowa, in place of H. C. Goplerud, removed.

Ben R. Shine to be postmaster at Winthrop, Iowa, in place of H. E. Frantz. Incumbent's commission expired February 10, 1934.

# KANSAS

Horace G. Bodwell to be postmaster at Arlington, Kans., in place of C. T. Taylor, deceased.

Lacel G. Moss to be postmaster at Atlanta, Kans., in place of J. L. Lee. Incumbent's commission expired April 28, 1934. Carey Olson to be postmaster at Bazine, Kans., in place of O. E. Becker, removed.

Ivan R. Cordill to be postmaster at Bern, Kans., in place of M. I. Driggs. Incumbent's commission expired March 18, 1934.

Vaclav Sajner to be postmaster at Bison, Kans., in place of Vaclav Sajner. Incumbent's commission expired March 18, 1934.

Jane Waters to be postmaster at Bonner Springs, Kans., in place of A. B. Stark, resigned.

Samuel E. Notestine to be postmaster at Burdett, Kans., in place of C. R. Haymond. Incumbent's commission expired January 28, 1934.

James D. Egbert to be postmaster at Cimarron, Kans., in place of J. R. Shoup. Incumbent's commission expired January 28, 1934.

Asa I. Cox to be postmaster at Colony, Kans., in place of H. T. Hill. Incumbent's commission expired April 16, 1934.

Mildred F. Atkinson to be postmaster at De Soto, Kans., in place of J. W. Baker. Incumbent's commission expired January 28, 1934.

Carl A. Gibson to be postmaster at Dighton, Kans., in place of C. C. Cramer. Incumbent's commission expired March 22, 1934.

Charles A. Hegarty to be postmaster at Effingham, Kans., in place of C. E. Sells. Incumbent's commission expired March 22, 1934.

Page Manley to be postmaster at Elk City, Kans., in place of J. W. Wright. Incumbent's commission expired March 18, 1934.

Vesta Velma McClung to be postmaster at Elkhart, Kans., in place of H. W. Adams, removed.

Elbert Holcomb to be postmaster at Fredonia, Kans., in place of C. N. Shafer. Incumbent's commission expired April 15, 1934.

Ivan J. DeVore to be postmaster at Frontenac, Kans., in place of Charles Friskel. Incumbent's commission expired April 28, 1934.

Homer I. Shaw to be postmaster at Galesburg, Kans., in place of F. E. Enlow. Incumbent's commission expired March 8, 1934.

Fred V. Morgan to be postmaster at Greeley, Kans., in place of B. F. Liebt. Incumbent's commission expired April 16, 1934.

John L. A. Wainscott to be postmaster at Hazelton, Kans., in place of D. O. Edwards. Incumbent's commission expired February 6, 1934.

Dale Graves to be postmaster at Healy, Kans., in place of A. E. Waterman. Incumbent's commission expired January 28, 1934.

William A. Hess to be postmaster at Humboldt, Kans., in place of C. A. Reynolds. Incumbent's commission expired January 28, 1934.

Elias J. Borders to be postmaster at Ingalls, Kans. in place of A. A. Bernasky. Incumbent's commission expired January 18, 1933.

Charles R. Hollenberg to be postmaster at Irving, Kans., in place of L. L. George. Incumbent's commission expired January 28, 1934.

Harry T. Fish to be postmaster at La Crosse, Kans., in place of L. L. Robinson. Incumbent's commission expired February 28, 1933.

Michael A. Hilgers to be postmaster at Lansing, Kans., in place of R. M. Williams, resigned.

Joseph E. Gardiner to be postmaster at Leavenworth, Kans., in place of E. E. Brewster. Incumbent's commission expired December 19, 1931.

Charles H. Wilson to be postmaster at Moline, Kans., in place of R. F. Tyler. Incumbent's commission expired January 30, 1933.

Otis S. Lambeth to be postmaster at Moran, Kans., in place of R. W. Martin. Incumbent's commission expired January 28, 1934.

Benjamin F. McKim to be postmaster at Morrill, Kans., in place of F. T. Elliot. Incumbent's commission expired April 16, 1934.

Carl Eickholt to be postmaster at Offerle, Kans., in place of B. L. Sams. Incumbent's commission expired December 16, 1933.

Vernon F. Walker to postmaster at Otis, Kans., in place of Lida Zimmerman. Incumbent's commission expired December 18, 1933.

Edmund C. Turner to be postmaster at Overland Park, Kans., in place of W. W. Weldon. Incumbent's commission expired June 19, 1933.

Lawrence W. Leisure to be postmaster at Pleasanton, Kans., in place of W. E. Baker. Incumbent's commission expired January 28, 1934.

Clarence S. Brumbaugh to be postmaster at Sabetha, Kans., in place of L. J. Cobun. Incumbent's commission expired March 18, 1934.

James J. Owen to be postmaster at St. John, Kans., in place of G. W. Budge, deceased.

Basil E. Palmer to be postmaster at Sedan, Kans., in place of A. J. Floyd. Incumbent's commission expired September 18, 1933.

John J. Appelhans to be postmaster at Spearville, Kans., in place of E. M. Baird. Incumbent's commission expired March 22, 1934.

George J. Smith to be postmaster at Summerfield, Kans., in place of J. M. Kendall. Incumbent's commission expired January 28, 1934.

Victor Gibson to be postmaster at Sylvia, Kans., in place of J. W. Coleman. Incumbent's commission expired March 8, 1934.

James A. Hanks to be postmaster at Wetmore, Kans., in place of C. J. Wood. Incumbent's commission expired December 19, 1931.

Milo R. Housh to be postmaster at Winchester, Kans., in place of A. C. Curry. Incumbent's commission expired December 19, 1931.

#### KENTUCKY

Bess S. May to be postmaster at Prestonsburg, Ky., in place of Ella Ferguson, resigned.

Carroll E. Withers to be postmaster at Providence, Ky., in place of E. G. Thompson. Incumbent's commission expired December 16, 1933.

J. Rowland Garman to be postmaster at Smiths Grove, Ky., in place of P. H. Butler, removed.

# LOUISIANA

William P. Bridenthal to be postmaster at Bunkie, La., in place of L. P. Carter. Incumbent's commission expired May 20, 1934.

# MASSACHUSETTS

Charles A. Cronin to be postmaster at Lawrence, Mass., in place of J. R. Tetler, resigned.

William J. Farley to be postmaster at South Hanson, Mass., in place of N. S. Harley, resigned.

# MINNESOTA

Gertrude M. McGowan to be postmaster at Appleton, Minn., in place of Edward Lende, resigned.

Timothy Hurley to be postmaster at Bird Island, Minn., in place of Ross Knutson. Incumbent's commission expired January 22, 1934.

George H. Malven to be postmaster at Browerville, Minn., in place of John Gaida. Incumbent's commission expired December 18, 1933.

Stella C. Olson to be postmaster at Karlstad, Minn., in place of A. P. Lofgren. Incumbent's commission expired January 31, 1934.

Arthur P. Rose to be postmaster at Marshall, Minn., in place of F. L. Hoagland. Incumbent's commission expired February 25, 1933.

Chester J. Gay to be postmaster at Moose Lake, Minn., in place of N. L. Swanson. Incumbent's commission expired December 20, 1932.

# MISSOURI

Samuel W. Vaughn to be postmaster at Bogard, Mo., in place of R. E. Worth, removed.

Arthur J. Clayton to be postmaster at Brunswick, Mo., in place of R. W. Benecke. Incumbent's commission expired February 6, 1934.

John M. Warren to be postmaster at Cardwell, Mo., in place of H. J. Walker. Incumbent's commission expired April 15, 1934.

Earl E. Lamberson to be postmaster at Wheaton, Mo., in place of Edwin McKinley. Incumbent's commission expired February 6, 1934.

### NEBRASKA

Claude J. Wright to be postmaster at Aurora, Nebr., in place of J. E. Schoonover. Incumbent's commission expired May 2, 1934.

Peter P. Braun to be postmaster at Henderson, Nebr., in place of H. D. Friesen. Incumbent's commission expired January 26, 1933.

Hugo Stevens to be postmaster at Kilgore, Nebr., in place of Elizabeth Mohr. Incumbent's commission expired February 6, 1934.

Charles F. Beushausen to be postmaster at Loup City, Nebr., in place of Minnie Johansen. Incumbent's commission expired April 16, 1934.

### NEW HAMPSHIRE

William F. Keating to be postmaster at Hill, N.H., in place of D. B. Rounds. Incumbent's commission expired March 22, 1934

## NEW JERSEY

. William H. Thompson to be postmaster at Farmingdale, N.J., in place of J. R. Allaire, removed.

Benjamin J. Haulboskey to be postmaster at Leonardo, N.J., in place of Berta Baker. Incumbent's commission expired December 20, 1932.

Herbert Schulhafer to be postmaster at Linden, N.J., in place of L. S. Spates. Incumbent's commission expired March 8, 1934.

#### NEW YORK

Edgar L. Karns to be postmaster at Arkport, N.Y., in place of L. J. Taylor. Incumbent's commission expired March 8, 1934.

Gerald K. Woods to be postmaster at Castorland, N.Y., in place of F. H. Woolshlager. Incumbent's commission expired March 8, 1934.

Vincent L. Keenan to be postmaster at Churchville, N.Y., in place of Fred McIntosh. Incumbent's commission expired January 28, 1934.

Corliss R. Pitkin to be postmaster at Corinth, N.Y., in place of B. M. Ide. Incumbent's commission expired December 11, 1933.

Francis D. Van Arman to be postmaster at Ellenburg Depot, N.Y., in place of G. M. McKinney. Incumbent's commission expired January 8, 1934.

Ethel M. Martin to be postmaster at Hamlin, N.Y., in place of M. E. Redman, removed.

Agnes H. Mead to be postmaster at Hannibal, N.Y., in place of B. R. Bothwell. Incumbent's commission expired January 8, 1934.

Rae M. Schoonmaker to be postmaster at Kerhonkson, N.Y., in place of J. R. Doyle. Incumbent's commission expired December 16, 1933.

Benjamin R. Gerow to be postmaster at Liberty, N.Y., in place of William Brown, transferred.

Charles R. S. Mastin to be postmaster at Lyons Falls, N.Y., in place of F. J. Sheldon. Incumbent's commission expired March 22, 1934.

Andrew E. Ryan to be postmaster at Manchester, N.Y., in place of C. D. Overacre. Incumbent's commission expired April 28, 1934.

Thomas A. Banta to be postmaster at Newfane, N.Y., in place of E. M. Schanbacher. Incumbent's commission expired January 28, 1934.

Michael J. Coffey to be postmaster at Port Leyden, N.Y., in place of R. L. Wilcox. Incumbent's commission expired March 22, 1934.

James F. Moffett to be postmaster at Schenectady, N.Y., in place of E. G. Conde. Incumbent's commission expired December 16, 1933.

Jeremiah F. Healy to be postmaster at Williamstown, N.Y., in place of Ahava Rathbun, Incumbent's commission expired March 8, 1934.

Charles E. Meyers to be postmaster at Wurtsboro, N.Y., in place of Harry Northrup. Incumbent's commission expired January 8, 1934.

Guy H. Wall to be postmaster at Youngstown, N.Y., in place of W. C. Eaton. Incumbent's commission expired December 16, 1933.

### NORTH DAKOTA

Hans C. Nelson to be postmaster at Washburn, N.Dak., in place of A. L. Peterson, removed.

#### OHIO

Charles J. Slezak to be postmaster at Brecksville, Ohio, in place of M. M. Feller. Incumbent's commission expired March 8, 1934.

Jessie K. Dilworth to be postmaster at Cortland, Ohio, in place of M. B. Wanamaker. Incumbent's commission expired March 22, 1934.

Leo R. Jones to be postmaster at Forest, Ohio, in place of L. A. Conklin. Incumbent's commission expired April 15, 1934.

Albert K. Merriman to be postmaster at Gallipolis, Ohio, in place of H. R. Hurn. Incumbent's commission expired May 16, 1932.

Claude E. Archambeault to be postmaster at Holgate, Ohio, in place of W. R. Poulson. Incumbent's commission expired March 22, 1934.

Neile Stinebaugh to be postmaster at Republic, Ohio, in place of C. E. Womer. Incumbent's commission expired December 18, 1933.

Edward H. Richner to be postmaster at Twinsburg, Ohio, in place of O. M. Elliott. Incumbent's commission expired December 7, 1932.

#### OREGON

Hampton T. Pankey to be postmaster at Central Point, Oreg., in place of G. E. Tex. Incumbent's commission expired February 6, 1934.

## PENNSYLVANIA

Daniel E. Hartman to be postmaster at Benton, Pa., in place of H. E. Smith. Incumbent's commission expired January 28, 1934.

Rebecca A. Murphy to be postmaster at Cherry Tree, Pa., in place of E. E. Sechler. Incumbent's commission expired March 8, 1934.

Amy A. Short to be postmaster at Conway, Pa., in place of J. R. Jones, resigned.

Thomas H. Black to be postmaster at Hershey, Pa., in place of J. A. Balsbaugh. Incumbent's commission expired April 2, 1934.

Leo A. Donahoe to be postmaster at McKees Rocks, Pa., in place of J. J. Herbst. Incumbent's commission expired December 18, 1933.

James R. Detwiler to be postmaster at Williamsburg, Pa., in place of J. T. Patterson, removed.

# SOUTH DAKOTA

W. Clyde Bidleman to be postmaster at Wessington Springs, S.Dak., in place of W. C. Bromwell, deceased.

# TENNESSEE

Albert A. Trusler to be postmaster at Jonesboro, Tenn., in place of W. C. Shipley, removed.

Harry M. Calloway to be postmaster at Lenoir City, Tenn., in place of J. L. Hope, Incumbent's commission expired December 20, 1932.

Burleigh L. Day to be postmaster at Pressmen's Home, Tenn., in place of R. E. Rogers, removed.

# TEXAS

Marguerite A. Mullen to be postmaster at Alice, Tex., in place of Clarence Walters. Incumbent's commission expired March 18, 1934.

Stephen S. Perry to be postmaster at Freeport, Tex., in place of T. W. Elkins. Incumbent's commission expired February 28, 1933.

Fred Boothe to be postmaster at Gonzales, Tex., in place of W. K. Davis, resigned.

Charlotte M. Boyle to be postmaster at La Porte, Tex., in place of H. B. Harrison. Incumbent's commission expired February 14, 1934.

Tom W. Hines to be postmaster at Venus, Tex., in place of A. E. Foster. Incumbent's commission expired February 14, 1934.

Robert K. Phillips to be postmaster at Weatherford, Tex., in place of W. M. Hudson. Incumbent's commission expired March 18, 1934.

### VERMONT

Catherine F. Richards to be postmaster at Randolph, Vt., in place of F. H. Hayward, transferred.

Alson L. Esty to be postmaster at Richford, Vt., in place of C. H. Austin. Incumbent's commission expired April 28, 1934.

#### VIRGINIA

Irven M. Keller to be postmaster at Abingdon, Va., in place of C. T. Rush, removed.

Samuel S. Brooks to be postmaster at Appalachia, Va., in place of E. A. Collins, removed.

Sidney H. Barnett to be postmaster at Bluefield, Va., in place of J. G. Gillespie, removed.

Franklin O. Caffrey to be postmaster at Bumpass, Va., in place of C. E. D. Burtis, removed.

Utah A. Amburgey to be postmaster at Castlewood, Va., in place of H. P. Holbrook, resigned.

Lena S. Perkins to be postmaster at Cedar Bluff, Va., in place of H. G. Norman, removed.

Horton S. Carter to be postmaster at Clinchport, Va., in place of J. K. Carter, resigned.

Charles D. Lay to be postmaster at Coeburn, Va., in place of C. E. Bevins. Incumbent's commission expired February 8, 1933.

Robert W. Ervin to be postmaster at Dante, Va., in place of R. P. Dickenson, resigned.

Johnnie Wilson to be postmaster at Fieldale, Va., in place of H. W. Nester. Incumbent's commission expired April 16, 1934.

Gerdena S. Pettit to be postmaster at Fredericks Hall, Va., in place of H. H. Hardenbergh. Incumbent's commission expired April 16, 1934.

James G. Albert to be postmaster at Honaker, Va., in place of C. W. Fuller, removed.

Wills W. Flannagan to be postmaster at Lebanon, Va., in place of J. W. Ketron, Jr., removed.

Augustus W. Aston to be postmaster at Meadowview, Va., in place of A. M. Snodgrass. Incumbent's commission expired December 12, 1932.

John L. Sibold to be postmaster at Pembroke, Va., in place of R. D. Williams. Incumbent's commission expired April 16, 1934.

John P. Kelly to be postmaster at Pennington Gap, Va., in place of G. W. Horton, removed.

Solon Baach to be postmaster at Pocahontas, Va., in place of M. B. Hammitt, resigned.

Eugene P. Whitman to be postmaster at Pulaski, Va., in place of A. L. Cannaday, resigned.

Alonzo C. Humphrey to be postmaster at Remington, Va., in place of M. K. Payne. Incumbent's commission expired April 22, 1934.

Frank D. Coleman to be postmaster at Rose Hill, Va., in place of M. B. Hobbs, resigned.

Joseph S. Rasnick to be postmaster at St. Paul, Va., in place of H. C. Bolton, removed.

Vernon C. Griffith to be postmaster at Shenandoah, Va., in place of F. M. Phillips. Incumbent's commission expired April 8, 1934.

Vincent W. Joyner to be postmaster at Smithfield, Va., in place of J. B. Jones, removed.

Janie J. Boyd to be postmaster at Stonega, Va., in place of Asher Brinson, resigned.

Frank T. Witten to be postmaster at Tazewell, Va., in place of R. W. Harman, removed.

Margaret M. Fulton to be postmaster at Wise, Va., in place of Campbell Slemp, removed.

## WASHINGTON

Joseph F. Lavigne to be postmaster at Cusick, Wash., in place of J. F. Lavigne. Incumbent's commission expires June 20, 1934.

Thomas E. Skaggs to be postmaster at Everett, Wash., in place of N. J. Craigue. Incumbent's commission expired May 7, 1934.

## WEST VIRGINIA

Jess Hill to be postmaster at Davy, W.Va., in place of J. O. Stone, resigned.

Carl Hinton to be postmaster at Hinton, W.Va., in place of J. G. Meadows, removed.

Byron L. Osburn to be postmaster at Kenova, W.Va., in place of J. W. Bailey. Incumbent's commission expired January 28, 1934.

Grover C. Walker to be postmaster at Omar, W.Va., in place of O. S. Lindamood, resigned.

Ann H. Wetherby to be postmaster at Welch, W.Va., in place of B. H. Gray, resigned.

## WISCONSIN

Vernon A. Martin to be postmaster at Amherst, Wis., in place of E. N. Brandt. Incumbent's commission expired December 16, 1933.

Hallie M. Norris to be postmaster at La Farge, Wis., in place of C. J. Lawrence. Incumbent's commission expires June 20, 1934.

James F. Trainer to be postmaster at Lyndon Station, Wis., in place of C. B. Carter, removed.

George L. Barrett to be postmaster at Mazomanie, Wis., in place of L. E. Dye. Incumbent's commission expired May 10, 1933.

Gregory C. Flatley to be postmaster at Oconto Falls, Wis., in place of Rollyn Saunders. Incumbent's commission expired February 10, 1934.

Clarence H. Bodden to be postmaster at Theresa, Wis., in place of H. L. Haessly, removed.

# CONFIRMATIONS

Executive nominations confirmed by the Senate June 15 (legislative day of June 6), 1934

# DISTRICT ATTORNEY

Felthan Watson, to be District Attorney United States Court for China.

# UNITED STATES ATTORNEY

Edwin G. Moon to be United States Attorney southern district of Iowa.

# UNITED STATES MARSHAL

Charles H. Cox to be United States Marshal northern district of Georgia.

# POSTMASTERS

# FLORIDA

Kirby D. Rooks, Bonifay. Jerald W. Farr, Wauchula.

# NEBRASKA

Alva E. Wallick, Bennet. Edna Willis, Central City. Hjalmar A. Swanson, Clay Center. William A. Horstmann, Creighton. Mildred A. Field, Dunning. Frank D. Strope, Orchard. Wilhelm C. Peters, Wausa.

# NEW YORK

DeVerne A. Lewis, Canastota.
Earl P. Talley, East Rochester.
Charles Robert Freece, East Worcester.
John J. McClory, Franklinville.
James E. Burns, Glen Cove.
Anna G. Prendergast, Hall.
William F. Driscoll, Kauneonga Lake.
Frank H. Wood, Lake George.

Allen J. C. Schmuck, Lawrence.
John P. Young, Liverpool.
Kathryn R. Fuselehr, Malverne.
Joseph E. Chester, Manhasset.
Milton S. Smith, Mayville.
Theodore W. Cook, Montauk.
Francis G. Van Emmerik, Oakdale Station.
Christopher C. King, Rockville Centre.
Herbert Zahorik, Roscoe.
Benjamin J. Kuhn, St. Bonaventure.
Julia H. Roche, Unionville.
James D. Desmond, Waddington.
Edward D. Guyder, Weedsport.
Charles H. Widrick, Whitesboro.
Nora B. King, Woodbourne.

#### OHIC

Harold Q. Overholser, Camden.
Emmert H. Crim, Cleves.
Leslie O. Campbell, Georgetown.
William N. Long, Kingsville.
Herman E. Homberger, Mansfield.
James H. Smith, Middleport.
Ivan Schuler, New Vienna.
Paul A. Elick, Payne.
Charles M. Hogan, Wellston.

#### SOUTH CAROLINA

Curtis W. Dukes, Branchville.
Ollie W. Bowers, Central.
Charlton W. Ellis, Estill.
Sophie Flowers Poston, Johnsonville.
Wood K. Durham, Landrum.
Loula B. O'Connor, Meggett.

#### TENNESSEE

Ocie C. Hawkins, Stanton.

# WASHINGTON

Lillian M. Tyler, Brewster.
John E. Martin, Buckley.
Walter I. Peterson, Granger.
Tormod A. Myklebust, Lacrosse.
Otto F. Reinig, Snoqualmie.
Jessie M. Severyns, Sunnyside.
Walter D. Codd, Tekoa.

# WEST VIRGINIA

Emery L. Woodall, Hamlin.

# WISCONSIN

Vincent J. Dwyer, Alma Center. Charles P. McCormick, Belleville. William H. McCrea, Benton. Dale J. Cannon, Birnamwood. Alwin W. Kallies, Bonduel. Opal R. Parent, Cable. Chris Kartman, Cassville. Frances S. Gruber, Catawba. Rinold N. Duren, Cazenovia. Edwin Foley, Clinton. Tessa B. Morrissy, Elkhorn. Henry E. Lauber, Glenwood City. Edward Snoeyenbos, Hammond. Joseph J. Brunclik, Haugen. Louis G. Bernier, Holcombe. Michael B. Weyer, Lomira. Gustav A. Prenzlow, Mattoon. Ira A. Kenyon, Mellen. Fred J. Marty, New Glarus. Celestine D. Kaltenbach, Potos Louis H. Schultz, Reedsburg. Wallace J. Milsap, Shawano. John S. Dodson, Siren. Merlin V. Griswold, Tigerton. Louis G. Kaye, Westboro. James E. O'Leary, Wilton.

## WITHDRAWAL

Executive nomination withdrawn from the Senate June 15 (legislative day of June 6), 1934

# POSTMASTER

Hal P. Cotten to be postmaster at Rives, in the State of Tennessee.

# HOUSE OF REPRESENTATIVES

FRIDAY, JUNE 15, 1934

The House met at 11 o'clock a.m.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Again, our Heavenly Father, the spirit of thanksgiving is in our breasts and the words of praise on our lips. We thank Thee for Him whose name is "Wonderful" for evermore. It expresses the utmost grandeur of spirit, beauty of character, and magnanimity of life. O God, let it be our happy lot to bear this supreme designation; inspire us, help us to live up to our name—a name that can be spoken above a whisper without apology under all the conditions of wellorganized society. Blessed Lord, forbid that we should be tempted by fashion or pleasure, but being true to ourselves, we cannot then be false to any man. Take away from us the guilt of sin, satisfy the conscience, and bless us this day with the sense of forgiveness and peace. In all things may we be just and sympathetic, generous and enthusiastic in the service of all things good and wise. In the blessed name of our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate by Mr. Horne, its enrolling clerk announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J.Res. 295. Joint resolution authorizing appropriation for expenses of representatives of United States to meet at Istanbul, Turkey, with representatives of Turkish Republic for purpose of examining claims of either Government against the other and for expense of proceedings before an umpire, if necessary.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill and joint resolution of the House of the following titles:

H.R. 8544. An act making receivers appointed by any United States courts and authorized to conduct any business, or conducting any business, subject to taxes levied by the State the same as if such business were conducted by private individuals or corporations; and

H.J.Res. 330. Joint resolution authorizing certain retired officers or employees of the United States to accept such decorations, orders, medals, or presents as have been tendered them by foreign governments.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 3231. An act to provide a retirement system for railroad employees, to provide unemployment relief, and for other purposes;

S. 3761. An act to authorize an annual appropriation of \$10,000 to pay the pro rata share of the United States of the expenses of the Pan American Institute of Geography and History at Mexico City; and

S.J.Res. 138. Joint resolution to amend an act entitled "An act to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes" (Public, No. 169, 73d Cong.), approved April 21, 1934.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, the bill (H.R. 9145) entitled "An act to authorize the attendance of the Marine Band at the National Encampment of the Grand Army of the Republic, to be held at Rochester, N.Y., August 14, 15, and 16, 1934, and at the national convention of the Disabled American Veterans of the World War, to be held at Colorado Springs, Colo., during the first week in July, and at the annual convention of the Thirtieth Division of the American Expeditionary Forces to be held at Asheville, N.C., on September 28, 29, and 30, 1934."

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House thereon, and appoints Mr. Walsh, Mr. Costigan, and Mr. Metcalf to be the conferees on the part of the Senate.

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent for the present consideration of a House resolution which I send to the desk.

Mr. VINSON of Georgia. Will the gentleman withhold that a moment?

Mr. BYRNS. Mr. Speaker, there are a half dozen unanimous-consent requests. I think we ought to take up the bills which the Speaker stated he is going to recognize for suspension and get rid of those because they are necessary in order that the House may get through and say this evening it is ready whenever the Senate is ready. If we take up 40 minutes with unanimous-consent requests we will be very late. These matters, it seems to me, can wait until after we have considered these bills, which are absolutely important and necessary in order that we may say to the Senate we are ready and we can tell them that tonight if we get through with these bills; otherwise we will be here very late.

The SPEAKER. The Clerk will report the resolution. The Clerk read the resolution as follows:

# House Resolution 445

Resolved, That the letter from the Chief of the Bureau of Agricultural Economics of the Department of Agriculture, dated June 4, 1934, addressed to Congressman James P. Buchanan, Chairman of the Committee on Appropriations of the House of Representatives, transmitting a report on the cotton classing facilities now available to the public under the United States Cotton Standards Act (U.S.C., title 7, secs. 51–65), and other statutory authority, together with certain suggestions as to the means by which a service might be made generally available to producers and others for classification of cotton according to the official cotton standards of the United States, be printed with illustrations as a document; and that 5,000 additional copies be printed for the use of the House document room.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

The resolution was agreed to.

Mr. WARREN. Mr. Speaker, I offer a privileged resolution from the Committee on Accounts and ask for its immediate consideration.

The Clerk read the resolution, as follows:

# House Resolution 428

Resolved, That the expenses of conducting the investigation authorized by H.Res. 418 incurred by the Committee on Ways and Means, acting as a whole or by subcommittee, not to exceed \$5,000, including expenditures for the employment of experts and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by the committee, signed by the chairman thereof and approved by the Committee on Accounts.

With the following committee amendment:

On page 1, after line 9, insert a new section reading as follows: "SEC. 2. The official committee reporters shall be used at all hearings held in the District of Columbia."

Mr. SNELL. What investigation is this?

Mr. WARREN. This is for a further study by the Ways and Means Committee which the House unanimously passed yesterday.

Mr. SNELL. On what line?

ing up regulations.

Mr. SNELL. The gentleman does not think we are going to need new taxes?

Mr. WARREN. I hope not.

Mr. SNELL. If the gentleman hopes not, all right.

Mr. McFADDEN. Will the gentleman yield for a couple

Mr. WARREN. I cannot yield for a speech.

Mr. McFADDEN. I want to compliment the committee and the leadership of the House on the passsage of this bill.

Mr. BYRNS. Is the gentleman from Pennsylvania going to discuss this resolution or something else?

Mr. McFADDEN. I am going to discuss this resolution.

Mr. WARREN. I yield to the gentleman from Pennsylvania for a question.

Mr. McFADDEN. May I say that I just wanted to pay a few complimentary remarks to the leadership for the passage of this resolution, which is a resolution I have been asking the House to pass for some time. I compliment the leadership of the House on the passage of the resolution.

Mr. WARREN. The House passed it unanimously.

Mr. Speaker, I move the previous question.

Mr. McFADDEN. The resolution of investigation that was passed yesterday, for which this resolution provides the necessary funds to carry on the inquiry, gives the Ways and Means Committee authority to investigate tax evasions and the conduct of the Bureau of Internal Revenue. I hope and expect that the question of compromises and confidential memoranda settlements, and so forth, will be stopped, and that the matter of personnel and the inefficient employees' question will be corrected.

In my remarks before the House on April 18 (at p. 6853 of the RECORD), I pointed out that according to statistics furnished to a prominent magazine by Logan Morris, a former chairman of the United States Board of Tax Appeals, the Bureau of Internal Revenue in proceedings before the Board of Tax Appeals had been successful in sustaining its determinations of tax deficiencies only to the extent of approximately 32 percent between July 1, 1924, and July 1, 1933. This, as then pointed out, clearly demonstrates either one of two things: First, that the Bureau is grossly inefficient in proposing tax deficiencies or, secondly, that the Bureau is forced to make unjustifiable concessions after having notified taxpayers that they owe more taxes.

Is it not now time to inquire into this condition? Most certainly the public should not be continuously harassed by proposals of erroneous and illegal tax assessments. On the other hand, if there are actual deficiencies in taxes the Bureau should not be lax in asserting and defending them. Former Secretary of the Treasury Mellon, while still in office, reported to Congress that the major problem of tax administration was one of personnel. (Report of Joint Committee on Internal Revenue Taxation, vol. III, p. 3, 1928.)

This statement was made in connection with an exhaustive survey of the conditions existing on June 30, 1927. This survey formed the basis of certain recommendations as to additional personnel needed to carry into effect proposed changes in the administration of the taxing laws. Congress granted the request of the Secretary 100 percent. Seven years have elapsed and it seems to me appropriate to take an inventory of the results of these changes. The published reports of the results of appeals from Bureau determinations create serious doubt as to whether any improvement whatever has been made since appropriations were increased at the Secretary's request.

Reports are current that many employees occupying important key positions are unqualified for the positions which they hold and that many of them reached their positions not through reward for efficient service. The unfitness of these officials for their positions is said to be the subject of frequent comments both by those under them and by attorneys and accountants representing the public. Furthermore, it is common knowledge that many of these officials owe their positions either to the influence of tax practitioners or to taxpayers, and that consequently they are unable to dis-

Mr. WARREN. Along the line of new taxes and tighten- | charge their duties to the Government in a satisfactory manner.

> If the Ways and Means Committee hopes to accomplish much, it should also examine into conditions existing in the field service. The disclosure of additional revenue is largely in the hands of a field force. Unless the field divisions function efficiently, millions of dollars in revenue is never uncovered. It is said that a number of the most important field divisions are supervised by men wholly unequal to the responsibilities of their positions with the result that substantial tax is never disclosed.

The previous question was ordered.

The committee amendment was agreed to.

The resolution as amended was agreed to.

A motion to reconsider was laid on the table.

## LEAVE OF ABSENCE

Mr. SHANNON. Mr. Speaker, I ask for an indefinite leave of absence for the gentleman from Missouri [Mr. Lozier], due to a sudden case of illness.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

#### MARINE BAND

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 9145) to authorize the attendance of the Marine Band at the national encampment of the Grand Army of the Republic to be held at Rochester, N.Y., August 14, 15, and 16, 1934 and at the national convention of the Disabled American Veterans of the World War, to be held at Colorado Springs, Colo., during the first week in July, and at the annual convention of the Thirtieth Division of the American Expeditionary Forces to be held at Asheville, N.C., on September 28, 29, and 30, 1934, with Senate amendments, disagree to the amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Chair appointed the following conferees: Mr. VINSON of Georgia, Mr. DREWRY, and Mr. BRITTEN.

# MALCOM C. TARVER

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD with reference to the service of the gentleman from Georgia [Mr.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. VINSON of Georgia. Mr. Speaker, a venerable custom in the House of Representatives brings us together yearly to pay glowing tribute to deceased Members, but too little is ever said of those who are still with us, giving the best years of their lives in useful public service. Why should we wait till the clods fall on our colleagues to scatter a flower or two?

MALCOLM TARVER and I began our public service together as members of the Georgia Legislature when both of us had little more than reached our majorities. Afterward our paths separated, his leading to service for more than 10 years on the bench of the Cherokee circuit, while I came to Congress, where he joined me on March 4, 1927. Our associations throughout have been as close as those of brothers.

As the dean of the Georgia delegation, I know better than anyone else of his untiring service to his people, of his instant and enthusiastic response whenever any part of Georgia from Rabuns Gap to Tybee Light, or any colleague, or any Georgian, needed aid that he could render. I have seen his close attention to duty during the long hours that we have worked daily. While I have in the main agreed with his viewpoints on public questions, that has not always been true; but no colleague with whom he has served will question his sincerity or the fact that he has met every issue openly, frankly, and unafraid. He has never dodged or vacillated on any question, and he has the enviable and

during a brief period when he was confined to his bed by

We all know that unassuming devotion to duty and hard work are the things that lead to success in the House of Representatives. It has been true in his case. That fact is demonstrated by 41 bills passed that bear his name, although he has not been here long enough to acquire a chairmanship, and practically all bills of major importance bear the name of the chairman of the committee that formulates them, and by the further fact that he has the respect and high regard of the House Membership, particularly of the Georgia delegation, who recently chose him unanimously as the State's representative on the Democratic congressional campaign committee.

His ability as a lawyer soon won for him assignment to the powerful Committee on the Judiciary, where, during the present session, he has been influential in working out the details of some of the most important measures in the administration's program. As seventh from the chairman on that committee, his prospects for advancement, taking into consideration the usual percentages of retirements and deaths, are very bright, indeed.

Born and reared on a farm, and employed in his youth at times on public works, his devotion to the cause of the farmer and laboring man has been the outstanding characteristic of his congressional service. He has always adopted the position that the producer of wealth is entitled to a fair share of his product, and that national prosperity when restored must be restored from the bottom and not from the top. He has, therefore, been found supporting farm, labor, and relief legislation, all measures designed to raise commodity prices, the farm and home loan acts, Federal emergency aid for schools, the development of Muscle Shoals, aid for vocational education, the lowering of tariff barriers to our export trade, and numerous other measures designed to bring benefits to the many instead of the few.

His support of the Johnson bill, depriving Federal courts of jurisdiction in intrastate rate cases, contributed materially to its passage. His bill to decrease production in the penitentiaries in competition with free labor, directed at the operation of the Atlanta Penitentiary cotton mill, passed the House after a hard fight, and has also passed the Senate.

He has been the consistent friend of the veteran, insisting, however, that there must be a medium between extremes, and that veterans themselves do not, as a whole, desire benefits the Government is unable to accord them without endangering national recovery.

In the various prohibition fights, he earned the respect of the wets as well as the drys by his consistency in observing in his private life the principles he advocated publicly, and which he had declared in his first race for Congress, and by his tolerance of those who disagreed with his views. While that issue has now been transferred to the States, it must be said that his record in Congress on the subject is one of which he may justly be proud.

Judge Tarver has always been an earnest advocate of Federal aid in road building, and has aided in the enactment of every measure on the subject since he has been in Congress.

He introduced and secured administration approval with every chance of eventual passage a bill providing for the transfer of abandoned C.C.C. camps and equipment to State and local authorities for educational and recreational purposes, such as the activities of the 4-H clubs.

He secured the addition of the first lands in the Seventh District to the Cherokee National Forest, and has been active in securing their development and opening to the public by the building of necessary roads and trails; has obtained committee approval of the creation of a park at Kennesaw Mountain and the marking of the Johnston-Sherman line of march between Dalton and Atlanta, and the various battlefields; secured an appropriation to erect a marker at New Echota, old Cherokee Indian capital, near Calhoun; obtained appropriations for various roads owned by the Government at Chickamauga Park; has been continually working with the Bureau of Roads for the paving

unusual record of having answered every roll call except | of Federal routes in his district; and is at this time vigorously pressing the proposal for the development of the Coosa-Alabama River.

> As we all know, a heavy portion of the work of a Congressman is attending to the thousands of requests for assistance in matters that are not of public concern. As to Judge TARVER'S Services in this respect, his constituents know far more than I; but when I see him coming to his office daily among the first in the morning, and leaving oftentimes late at night, I cannot but believe that in these services, too, he has an unusual record. Last year, as the result of complaints from some of his constituents who had deposited their 1930 cotton with the Georgia Co-ops and had not received the advancements to which they were entitled before it was transferred to the Secretary of Agriculture under the Agricultural Adjustment Act, he began negotiations with the Farm Credit Association which resulted in the recent payment to Georgia farmers of additional amounts aggregating \$85,000. Thus, in the so-called "little things", the services of a Congressman oftentimes result in great good to his

> He is universally regarded by his colleagues as one of the most loyal Democrats and supporters of the administration in the House of Representatives.

> I have felt it my duty to place these facts concerning the service of my lifelong friend in the RECORD. I have not undertaken to detail all by any means; but I know he is entitled to every word I have said, and I wish to say it now. He is in the very prime of life, and we all hope and believe he will have many more years of useful service.

# SOME OF THE LAWS AND PRINCIPLES OF MONEY

Mr. GRAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the laws and principles of money and also on the control of money under the Constitution.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. GRAY. Mr. Speaker, I have already spoken of the taxing power, of the evils and abuses of the power to levy and collect taxes from the people.

# GREATER THAN THE TAXING POWER

But there is another power of Government, greater than the taxing power, greater than the economic power which shrewd and crafty men can use to take and exact from the people their earnings, wages, and income—the fruits of their toil and labor. That power is the power of money, the power to issue money, the power to regulate the value of money, the power to control the volume and supply of money, maintained in circulation available for use, for the exchange of services, goods, property, and commodities. Under, by, and through the means of money more tribute can be taken from the people and greater tribute has been taken from the people, secretly hidden, covered and concealed, than ever despotic rulers have taken from their helpless and dependent subjects; than ever invading, marauding kings, by force of the military, armies, and navies, have ever exacted in conquest and subjugation, or claimed by leaders of victorious armies on pillage and plunder of the vanquished and carried off as the spoils of war.

# A VITAL PUBLIC AGENCY

Money is a vital public agency. Its powers are great. Its blessings are great. Its dangers are great. The hidden, covered, and concealed power of money to control values and the price level, the wages, earnings, and income of the people, their buying and consuming power, thereby become subject to greater abuse than any other power or function of Government, a menacing evil operating in secret, preying upon the vitals of industry, draining and extorting from men the fruits of their toil and labor without their knowing or suspecting the cause of their burdens and distress.

# NO GREATER POWER EXERTED OVER MEN

There is no greater power exerted over human welfare, over the destinies of men, than this hidden, covered, and concealed power of money. It has been truthfully said of great a volume of money in circulation would promote exthe evils of money, of the abuses of the power of money: cessive exchange of commodities and bring on abnormal

Sum up all the horrors of the age of slavery—men, women, and children sold at the auction block, and all the heartaches, suffering and bloodshed which resulted in both ancient and modern wars alongside the crimes of money—and they are as a pigmy standing in comparison with a giant.

And on this same subject, of the evils and power of money, the Midland Bank, Ltd., the largest bank in Great Britain, has made this statement:

History has shown that apart, perhaps, from wars and religious intolerance, no single factor, has been more productive of misery and misfortune than the high degree of changeability. (Referring to the changing volume and supply of money.)

#### A POWER TO ENRICH OR IMPOVERISH

The power of money includes the power to exhaust, the power to impoverish, the power to reduce to poverty and bankruptcy, one class of men in business; and the power to enrich and double the wealth of another class of men in business. The evils and abuses of money are as old as history, dating back to ancient times before Christ drove the money changers from the temple in Jerusalem. And the struggle for the control of money, the volume and supply of money, by which to use as a means to take from the people their earnings and income, has continued down under our own Government from our very beginning as a Nation, down to the present day and time.

## THE INVENTION OF MONEY

The invention and use of money was the stepping stone from which mankind began the upward course of progress and advancement, leading to the higher planes of life and which opened the way for civilization. Without money as a means of exchange and to serve as a measure of values in the transfer of goods, property, and commodities, man would have remained in the Stone Age or have gained no further vantage ground than the dark ages of medieval times. It was by the means of money that men were enabled to exchange their services and what they produced for other services and what others produced, and thereby were left free to specialize as experts and to produce more and better comforts and conveniences and all the vital necessaries of life which have lifted mankind to the higher state of living and human existence. It was by the means and use of money developing our specialized system of industry and making possible the economy of labor to live that men were afforded the opportunity to specialize and time to devote themselves as specialists to the development of the arts and sciences, and to charity and the institutions of benevolence which have lifted men from the semibarbarous state to the plane of our high and exalted civilization.

# A POWER FOR GOOD OR EVIL

Probably no other one event in the course of human affairs has exerted a more controlling influence upon the growth and development of civilization than the one invention of money. But like many other great powers created for the common good and public welfare, money is susceptible of great abuse, and when prostituted for selfish gain, money becomes a monster, menacing evil, a blight, a curse upon man, reducing him to a state of slavery and abject servitude, an obedient, servient tool in the hands of cruel and relentless taskmasters, mentioned and referred to in ancient history as misers, shylocks, and money changers and known today, in modern terms, as "international financiers and manipulating bankers."

# COMPARED TO THE BLOOD

Money circulating in the channels of business, industry, and trade has been compared to the blood flowing through the veins and arteries of the body. The blood is a hidden, covered, and concealed force, a mysterious power and agency of life, which only physicians, medical students, and chemists know and understand. Only financiers, expert bankers, and students of monetary science know, realize, and understand the hidden, concealed force and power of money to control values and the price level and how money can be used to take and exact from the people their earnings and income. As too great a volume of blood in the body would stimulate an excessive, abnormal growth, so too.

great a volume of money in circulation would promote excessive exchange of commodities and bring on abnormal industrial conditions. On the other hand, as an insufficient amount of blood left circulating in the veins and arteries of the body or a failing, diminishing supply of blood would impair and dwarf the body, so a decrease or contraction of money and credit would impair and impede industry, retard the exchange of services and commodities, and bring on a panic or industrial depression.

### MONEY HOLDS UP PRICES

It is a law of money that the volume and supply of money, the amount of money in circulation, controls values and the price level, like the amount of water in a pond controls the water level. Money holds up and sustains the price level like the water in a pond holds up the logs and sticks floating upon the water. If you drain the pond or let the water down half way, the logs and sticks will fall down half way with the water level. So it is with the volume and supply of money. Reduce the volume and supply of money one-half and money values and the price level fall one-half, all other conditions remaining the same. On the other hand, if the water or supply of money is low and you restore the volume of water or money you raise values and the price level as you raise the logs and sticks floating on the water.

#### A MEDIUM OF EXCHANGE

Money is a medium for the exchange of goods, commodities, services, and property without making physical transfer and delivery and without which the sale and exchange would be slow, tedious, and delayed, and possible only between the immediate parties and at the place where produced and consumed. Money is therefore a vital, necessary part of our free competitive system of industry under which every man must exchange some part of what he produces for some part of what others produce, and without which the system could not function and men would be driven back to primitive life, each compelled to return to the crude production of every article he needs and requires to meet his daily wants.

# A MEASURE OF VALUE

But money is more than a medium of exchange, more than a means or facility to effect the exchange of services and commodities. Money is a measure of the value of services and commodities exchanged, measuring and parceling out the amount of services or commodities required to pay taxes, interest, debts, and mortgages; measuring and parceling out the amount of wheat, corn, or livestock, the amount of services, commodities, or produce which the people must surrender and give up to meet contracts, fixed charges, and obligations which must be paid and satisfied in money.

# TWOFOLD FUNCTION

The functions of money are therefore twofold-both a medium of exchange and a measure of value. As a medium of exchange money serves or operates to effect the exchange of property or acceptance of the property or commodities exchanged or transferred. As a measure of value, money fixes, determines, and controls the price level, and under this measuring power, the money-controlling board or system becomes a price-fixing bureau or body. And the men in control of the system become economic dictators and arbiters of prices. The use of money may be compared to a bushel, pound, yard, or other measure with facilities. means, or transportation, by which the sale or exchange of the goods, property, or commodities are both measured and transferred from the seller to the purchaser, from the producer to the consumer, taken by and between the parties to the transaction.

# THE VOLUME IN CIRCULATION CONTROLS PRICES

The volume and supply of money in circulation measures values in the price level. Double the amount of money in circulation and you double the money value of labor and products, you double the power of the people to pay taxes, interest, debts, and mortgages, and all fixed payments and contract obligations, all other conditions remaining the same, and only one-half the labor and labor products will be necessary and required to pay the same taxes, interest, debts, and mortgages and the remaining one-half would be

left to the people with which to buy, take, and consume for their use, comfort, and enjoyment the vital necessaries of life, the products of farm, factory, mill, and workshop. On the other hand, take from circulation one-half of the volume and supply of money, and you destroy one-half the money value of labor and the products of labor. You take away from the people one-half of their power to pay interest, taxes, debts, and mortgages and all fixed payments and contract obligations, and destroy the consuming surplus over. Or, in other words, you double the burden of taxes, interest, debts, and mortgages and compel the people to produce and give up double the amount of labor and products to pay the same taxes, interest, debts, and mortgages and take from them the means and power to provide themselves with the necessaries of life.

Radio time will not permit me to give more than one authority on money. But that will be the highest authority recognized by the world today. I quote from John Stuart Mill, from his Principles of Political Economy:

That an increase in the quantity of money raises prices, and a diminution lowers them, is the most elementary proposition in the theory of currency, and without it we should have no key to the others.

If the whole money in circulation was doubled, prices would be doubled. If it was only increased one-fourth, prices would rise one-fourth. There would be one-fourth more money, all of which would be used to purchase goods of some description.

And by the same law and operations of money, reducing the volume and supply one-half, taking one-half the money out of circulation doubles the value of not only the remaining money but doubles the value of all bonds and mortgages and all papers and contracts payable in money and all fixed obligations and payments of money. This is the law of money, the law of supply and demand as applied to the volume of money, issued and maintained in circulation to serve as a medium of exchange and as a measure of values.

# MANY FORCES INFLUENCE, BUT MONEY CONTROLS PRICES

It is true, there are other and different forces always exerting an influence over values and prices, the supply and demand of the commodities, and indirectly, custom, usage, fashions, and laws, which may all increase or diminish the demand, together with other and different intervening factors exerting an influence to control and fix prices. But money remains the greater and controlling force. The course of a boat moving in the river is subject to different forces operating-the wind with or against which the boat is moving, the friction of the water, the current of the stream, all exerting more or less an influence upon the movements and course of the boat. But the great propellers, moved by turbine engines beneath the deck in the hold below, exert the greater and controlling force, prevailing over all other factors operating and control the course and direction of the boat and its movements in the river. And so it is with the power of money, the secret, covered, concealed monetary force, as compared with other factors influencing the price level. Money represents the great positive force, the great propellers moving the boat of prices, and controls over all other economic forces, fixing values and determining prices and relative values as measured in

# MONEY AND COMMODITY VALUES

There can be no such relative condition as high money values and high commodity values at one and the same time. One must go down that the other may go up. The fall of commodity values will cause a corresponding rise of money values. Money values and commodity and labor values are always relative and opposite. If money values are high, commodity and labor values will be low. If commodity and labor values are high, money values will be low. If property values and the price level are too low, it is because money values are too high.

# THE POWER TO ISSUE MONEY

It was Anselm Rothschild, one of the great international financiers, who is credited with saying of money:

Let me issue and control the money of a nation, and I care not who makes the laws of that nation.

This great world financier knew that the power to issue money and to regulate the value thereof through the power to control the volume of money, the supply of money maintained in circulation, was greater power than the legislative power, greater than the judicial power, greater than the executive power, greater than the taxing power, greater than the combined power of government or state, to control and take from the people their earnings, income, and property. The great international financiers know this, because the power to control money and thereby values and the price level can be exercised secretly, hidden and concealed, taking and exacting from the people their substance and property unawares.

Shrewd and crafty men have long understood and used the power of money for profit and selfish gain to take from the people. They have used this power to lower prices when they wanted to buy. They have used this power to raise prices when they wanted to sell. And by increasing and decreasing, by raising, holding, and lowering the volume and supply of money and thereby raising and lowering from time to time the price level at will, men can take income and earnings from the people, until they are impoverished, until they are exhausted, until they are reduced to poverty and want without their knowing the cause of their burdens and distress, or how their earnings and income were being taken from them and they are left in bewildering want, suffering in darkness and mystery. By controlling the volume and supply of money, money can be used to make good times, or money can be controlled to make hard times; money can be used to bring prosperity, or money can be controlled to make a panic.

## NOT A POWER FOR PRIVATE CONTROL

The control of the supply and amount of money moving in circulation is a vital public function, a power to be exercised only by the Government and the sworn and chosen representatives of the people. Money is a vital intervening agency between production and consumption, the control of which includes the power to speed up, facilitate the transfer and exchange of services and commodities, or the power to throttle, paralyze, or stop all at will. This vital intervening force of money is not a power for private control. Selfish interests are no more entitled to control the volume and supply of money than one man to claim the right to control the blood and life currents coursing through the veins of another man, or to control the civil rights of another man, or the liberty and freedom of another man, or the independence of another man, or be allowed to exercise, dictate, or control the taxing power of the Government to levy and collect taxes from the people for his own selfish use and

No one class of men should ever be allowed to control the volume and supply of money. And above all, private bankers and financiers should never be allowed to control the volume and supply of money, because bankers and private financiers, by reason of their knowledge of money, of the power and use of money, can take greater advantage through the control and manipulation of money than other classes of men. The banker's training disqualifies him to control the volume and supply of money. He is trained to measure all values by the dollar. The dollar is created to serve the people, but the bankers are trained to make the people serve the dollar. But this does not apply to the bankers we know. This applies to the bankers we do not know, to the bankers we only know of, and of whom the people and the country should be guarded against and know less of. The bankers we know are part of the people. They suffer with the people. They are victims with the people. With the bankruptcy of 4,000,000 farmers has come the failure of 10,000 bankers.

# THE CONSTITUTION

Realizing the use of money as a vital element of industry, as a necessary medium of exchange, and as a measure of value, and the control of money as a power for good or evil in the economic life of the people, our forefathers wisely and specifically provided, in the Federal Constitution, for

the issue and control of public currency directly by the Congress of the United States, the sworn and chosen representatives of the people, the same as with the exercise of the taxing power. Clause 5, section 8, article I of the Federal Constitution vests Congress with the exclusive power to coin and issue money and to regulate the value thereof.

But, in wanton disregard of the positive provisions of the Federal Constitution, the basic fundamental law of the land, unmindful or evading, ignoring, and in disregard of the constitutional barriers thrown up to safeguard against the evils and abuses of the secret, selfish private control of money, Congress has abdicated its power and duty, solemnly enjoined by the Constitution to issue money and regulate the value thereof, and has surrendered and transferred that power and renounced the exercise of that power.

# NATIONAL ARCHIVES

Mr. KELLER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8910) to establish a National Archives of the United States Government, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference.

The Clerk read the title of the bill.

Mr. SNELL, Mr. Speaker, which bill is the gentleman referring to?

Mr. KELLER. It is the archives bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Chair appointed the following conferees: Mr. Keller, Mr. Warren, and Mr. Luce.

# PROBLEMS OF TODAY

Mr. RUFFIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. RUFFIN. Mr. Speaker, a large majority of the people of the country, I am satisfied, felt that it was imperative that some salutary changes be made in conditions as they existed prior to the crash of 1929. In the prolonged economic chaos which has followed it was but natural that the restlessness of the period would manifest itself by the advocacy of extreme and irrational changes of every conceivable character. There seems to be two kinds of hysteria prevalent during these difficult times. One class becomes violent and is incarcerated in institutions. The other class, which thinks that it can handle the affairs of this country better than the President is handling them, is still at large.

There have been those who have advocated that all our ills were due to defects in our monetary system, and that by starting the printing presses and issuing untold amounts of paper money on the credit of the Government our difficulties would be immediately terminated. If history has taught us anything, it is that in the past no nation has ever printed itself out of a depression.

It was but natural that various groups and individuals, under pressure of surrounding circumstances, should push forward various measures which were designed primarily to advance their own interests. In such cases most of these measures would have been harmful to the country as a whole.

It has been the responsibility of this administration to steer a middle course between the small minority on the one hand, who were satisfied with the old order which produced the depression and who therefore wanted no changes, and the small minority, on the other hand, who would have us abandon overnight all the fundamental precepts which constitute the foundation of our civilization. It has taken both careful study and concerted action on the part of administration leaders to so steer the ship of state during this emergency as to avoid the dangers of either of the above courses. In pursuance of this policy, the present administration has enacted into law many measures which were calculated to afford the foundation of a future policy that would be sufficiently comprehensive to meet the changes

which society must undergo in the years immediately ahead of us.

One of the fundamental factors in our economic order is our banking system. It is no secret that when the present administration took over the Government on March 4 of last year our entire banking and credit structure was on the verge of complete collapse. It was, therefore, mandatory that aggressive action be immediately taken by the Government in order to save our people from irreparable and permanent injury. The first important step in this policy was the temporary closing of the banks by Executive order. This was followed in rapid succession by the enactment of the depositors' guaranty law, which tended to restore confidence and to induce people to deposit their money in the banks of the country.

After a few months it became evident that one of the chief obstacles to recovery was the disparity between present prices and prices as they had existed prior to the break in 1929. With the objective in view of remedying this situation with the least possible disturbance of confidence, it became necessary to suspend temporarily the operation of the gold standard, and later to change the gold content of the dollar. In making these delicate changes in our monetary machinery the administration was, of course, handicapped because of its inability to induce other nations to enter into international agreements to stabilize the currency, which, in the final analysis, is fundamentally an international problem. By reason of the failure of other nations to enter into agreements with us, we were forced to attack this problem in the most effective manner possible.

One of the most important steps in this program was the enactment of the Silver Purchase Act of 1934. This law provides for the expansion of our currency by requiring that one-fourth of the value of its metallic base must be maintained in silver and three-fourths thereof in gold. As a result of this act trade with foreign nations should be promoted and the price level of farm products should be raised.

One of the chief and immediate causes which led to the overspeculation which climaxed in the stock-market debacle in 1929 was the uncontrolled manipulations of the stock exchanges in the large cities. These exchanges, in effect, created a false sense of values in thousands of cases, and thereby encouraged overspeculation and an unwarranted rise and fluctuation in stocks of various kinds. This situation contributed directly to the crash of October 1929 and to the irreparable losses sustained by millions of our citizens as a result thereof. The administration has met this problem in an aggressive manner and has placed upon the statute books laws which are designed in the future to prevent the repercussion of such calamities.

During the peak times prior to 1929 the country became flooded with issues of securities of every kind and description. The various States had long prior to that time passed laws commonly known as "blue-sky" laws, which were designed to regulate the issuance and sale of securities to the people of their respective States. These laws were helpful insofar as they went, but, of course, they could not, in the nature of things, properly supervise the situation, because they had no jurisdiction over interstate sales and exchanges of securities.

Millions of innocent citizens of the country were swindled out of their life savings during this period, because they became the prey of dishonest salesmen who traveled over the country and unloaded on them worthless securities aggregating billions of dollars. In order that confidence might be restored in our banking and economic system, it was mandatory that the Federal Government should enact laws that would tend to prevent the recurrence of such happenings. This was effectively done in the enactment of the Securities Act of 1933, supplemented by a few changes made by the session of Congress now closing.

For many years leaders over the entire Nation had been of the opinion that there was gradually developing a pronounced disparity between the conditions in the agricultural

to thinking people everywhere that something must be done in order to eliminate this disparity in order to insure us the proper balance between these two fundamental groups of our society. Since the World War, the economic condition of the farmers had been growing steadily worse. It became necessary, therefore, that a broad and constructive policy be put into operation by the Congress for the relief of agriculture. Briefly speaking, it may be said that the difficulties law in two sources, first, the inability of the farmers to get a fair price for what they produced and, second, their inability to procure the desired credit with which to carry on their operations. The present administration has endeavored to attack this problem from both these standpoints.

The administration has thrown the credit of the Federal Government behind a program designed to extend needed credit to deserving farmers. This has been done by important changes which have been made in the farm-loan policy. At the same time, the Government enacted the Agricultural Adjustment Act, which was primarily designed to raise the prices of farm products and increase purchasing power in agricultural sections. The difficulties encountered in the enforcement of a project of such immense proportions is readily discernible to any reasonable person. It is evident that the program has worked better in some communities than in others. It is also evident that as time goes on, other changes in this plan should be made in order to adjust it to everchanging conditions. That the program would not prove 100 percent perfect under the trying situations of the time, was freely prophesied by its various proponents at its inception; that it has not been 100 percent perfect, as applied to the entire country, is freely admitted. It is, I think, however, the consensus of opinion of a large majority of the people affected that it has been of material assistance to all agricultural sections. It is hoped that as time goes on changes can be made which will contribute more and more to the solution of this important question and to the permanent betterment of all the people of the country. Complete recovery can never be attained until the people who are engaged in the basic industry of agriculture are prosperous.

One of the most aggravated situations with which this administration was confronted was the unemployment of many millions of our fellow citizens scattered over the entire country. This condition had been gradually creeping upon us for many years, due to an increase of labor-displacing machinery, as well as to other causes beyond our control. It became manifest to thinking people that this question had become of such magnitude by March of 1933 that it was no longer merely a local problem, but one to the solution of which the Federal Government should lend its assistance. Realizing its responsibility in this matter, the administration immediately enacted into law a plan under which the Federal Government would directly contribute to unemployment relief in the form of direct grants to the various communities to meet the existing emergency. Assistance was also extended in the form of a public-works program which was designed to be put into operation and financed by the various communities of the country in conjunction with the Federal Government. An industrial recovery program was also enacted, which was designed to eliminate unfair competition and raise wages to a living level in many industries. Both child labor and sweat-shops have been struck a severe blow. These programs furnished employment to millions of our fellow citizens who would otherwise have been forced to live upon charity, and have proved of material assistance to the entire country during this emergency. Unemployment is still an aggravated prob-Iem, and one that is not to be solved within a few months' time. As the months and years go by, it will remain with us, and the combined efforts of all thoughtful citizens will be needed in making innumerable adjustments required in the solution of it.

Realizing that in the final analysis economic recovery could not be attained under our system until industry could |

and industrial elements of our country. It became evident | be revived to the point where the unemployment situation could be solved, it became necessary that the Federal Government throw its credit and influence behind a program which would afford needed credit to industry, in order that it could continue to absorb the unemployed. This situation is being met by the enactment of a law which is designed to make available, especially to small business men, credit which should enable thousands of them to carry on and to continue to employ additional men.

Supplementing the Home Loan Act, the enactment of the program now pending in Congress, which is designed to make credit available for the construction and repairing of small homes, should be of great assistance. This will enable the construction of that which is needed rather than that which is wasteful, and should, at the same time, afford employment to hundreds of thousands of men engaged in the various phases of the building and kindred industries. In these industries unemployment has been most prevalent.

As was to have been expected, the Government was suddenly called upon to extend relief to certain droughtstricken areas and to other sections of the country which had become a prey to the devastating conditions under which we have been forced to labor during the last few years. In each case the Government has unhesitatingly realized its responsibility, and has acted with promptness

For many years the crime problem has become more aggravated, due to the intricate society in which we live. Billions of dollars have been exacted annually from the people of our country by various forms of racketeering, kidnaping, and other crimes. In many localities the lives and property of our citizens have been in constant peril, and at no place, under existing conditions, are they absolutely safe. Under our system of government, the responsibility, generally, of the enforcement of criminal laws properly rests with the States and the various communities. However, due to the advent of good roads and high-powered automobiles, crime has in many respects become a national as well as a community problem. Realizing the changes which we have undergone during the past several years, the Federal Government has enacted a complete crime program. The purpose is to throw the full weight of the Government behind the enforcement of the law as to crimes which are interstate in character and with which it is impossible for the various States and communities to adequately cope. This program was carefully considered with the view of not unduly encroaching upon the activities of the various States and communities. It is expected to be of material assistance in adequately eradicating crime in the country.

Foreign trade has been almost completely annihilated during the last few years by reason of the universal application of the policy of prohibitive tariffs based on the prevalent theory of economic nationalism. This policy has wrought havoc in our agricultural sections, because it has denied them a market for their exportable surpluses. The present administration has endeavored to remedy this situation, so far as this country is concerned, by the enactment of the recent Reciprocal Tariff Act. Under this law the President is permitted to bargain for trade with the various countries of the world on a businesslike basis. A judicious application of the principles and powers contained in this law should soon open up foreign markets to the agricultural and industrial interests of our country. This should prove of lasting benefit to our people.

Through the generosity of the people in Missouri in electing me to Congress, it has been my privilege, as a Member of Congress, to support the salient features of the various programs above mentioned as well as various other laws which I thought were in the interest of the general public.

The framers of our system of government in their wisdom saw fit to so draft our Constitution that under it the maximum of personal and property rights might be guaranteed at any given time consistent with the general good. Fortunately, however, the Constitution is also so drafted that

during times of war and other grave emergencies sufficient powers can be temporarily delegated to the Executive to insure practical solutions of such problems as confront us.

In the past it has been necessary during emergencies to remporarily broaden the powers of the Executive. This was done during the crisis of the Civil War, when the people, through the Congress, strengthened temporarily the arm of President Lincoln. Likewise was it done during the World War, when President Wilson was in the White House. In neither of these cases was this power abused by the Executive, and in both cases it was properly given back to the people immediately after the termination of these emergencies. In pursuance of this theory, the people of the country have required of the Congress that it temporarily strengthen the arm of President Roosevelt, in order that he may be in position to lead us out of this emergency as did Presidents Lincoln and Wilson. The fight has been a hard one and the end has not yet been attained; but through the continuance of a policy of aggressiveness, wisdom, and justice, supported by the thinking people of the country, and with the help of Providence, we will restore this country to its rightful place in the world.

## RETIREMENT SYSTEM FOR RAILROAD EMPLOYEES

Mr. CROSSER of Ohio. Mr. Speaker, I move to suspend the rules and pass the bill (S. 3231) to provide a retirement system for railroad employees, to provide unemployment relief, and for other purposes, which I send to the Clerk's desk.

The Clerk read the bill, as follows:

Be it enacted, etc .-

#### DEFINITIONS

(a) The term "carrier" includes any express company, sleeping-car company, carrier by railroad, subject to the Interstate Commerce Act, and any company which is directly or indirectly owned or controlled by or under common control with any carrier by railroad and which operates any equipment or facilities or performs any service (other than trucking service) in connection with the transportation of passengers or property or the receipt, delivery, elevation, transfer in transit, refrigeration or icing storage, and handling of property transported by railroad, and any receiver, trustee, or other individual or body, judicial or otherwise, when in the possession of the business of any such "carrier": Provided, however, That the term "carrier" shall not include any street, interurban, or suburban electric railway, unless such railway is operating as a part of a general steam-railroad system of transportation, but shall not exclude any part of the general steam-railroad system of transportation now or hereafter operated by any other motive power. The Interstate Commerce Commission is hereby authorized and directed, upon request of the Board or upon complaint of any party interested, to determine after hearing whether any line operated by electric power falls within the terms of this proviso. (a) The term "carrier" includes any express company, sleeppower falls within the terms of this proviso.

(b) The term "employee" means each person in the service

(b) The term "employee" means each person in the service of a carrier, subject to its continuing authority to supervise and direct the manner of rendition of his service, who has been in such service within 1 year before the enactment hereof, or who after the enactment hereof shall have been in such service. The term "employee" also includes each officer or other official representative of an "employee organization", herein called "representative", who has performed service for a carrier, who is duly designated and authorized to represent employees under and in accordance with the Railway Labor Act, and who, during or following employment by a carrier, is engaged in such representative service in behalf of such employees.

(c) The term "Board" means the Railroad Retirement Board hereby created.

(d) The term "annuity" means regular payments at the end of each completed month during retirement, ceasing at death or at resumption of compensated service.

(e) The term "service" means the employment relation between an employee and a carrier whether before or after the enactment hereof.

enactment hereof.

(f) The term "service period" means the total service of an employee for one or more carriers whether or not continuously performed, and includes as 1 month every calendar month during which the employee has been paid compensation by a carrier and

which the employee has been paid compensation by a carrier and includes as 1 year every 12 such months. An ultimate fraction of 6 months or more shall be computed as 1 year.

(g) The term "retirement" means the status of cessation of compensated service with the right to receive an annuity.

(h) The term "age" means age at the latest attained birthday.

(i) The term "carrier contribution" means the payment to be made by each carrier. made by each carrier.

(j) The term "employee contribution" means the payment to

(k) The term "voluntary contribution" means the payment made by an employee equal to the total of both the employee and the carrier contribution.

(1) The term "effective date" means the 1st day of the second month after the taking effect of this act.

(m) The term "Railroad Retirement Act" means and may be

used in citing this act and subsequent amendments thereto.

#### PURPOSES

SEC. 2. (a) For the purpose of providing adequately for the satisfactory retirement of aged employees and promoting efficiency and safety in interstate transportation, and to make possible greater employment opportunity and more rapid advancement of employees in the service of carriers, there is hereby established a railroad retirement system; and it is made the duty of all carriers and employees subject to this ext to perform and failly approach to the contract of the cont and employees subject to this act to perform and fulfill the obligations imposed thereby. This act shall be administered and construed with the intent and to the purpose of providing the greatest practicable amount of relief from unemployment and the greatest possible use of resources available for said purpose and for the payment of annuities for the relief of superannuated

#### SPECIAL REPORT

(b) Not later than 4 years from the effective date, the Board, in a special report to the President of the United States to be submitted to Congress, shall make specific recommendations for such the adequacy and permanency of said retirement system on the basis of its experience and all information and experience then available. For this purpose the Board shall from time to time make such investigations and actuarial studies as shall provide the fullest information practicable for such report and recommendations.

SEC. 3. Each employee having attained the age of 65 years, or having completed a service period of 30 years, shall be paid an annuity, to begin on a date specified in a written application, which date shall not be more than 60 days before the making of annuity, to begin on a date specified in a written application, which date shall not be more than 60 days before the making of the application. No annuity shall begin less than 6 months after the effective date. Such annuity shall be based upon the service period of the employee and shall be the sum of the amounts determined by multiplying the number of years of service, not exceeding 30 years, by the following percentages of the monthly compensation: 2 percent of the first \$50; 1½ percent of the second \$50; and 1 percent of the compensation in excess of \$100. The "monthly compensation" shall be the average of the monthly compensation for all pay-roll periods for which the employee has received compensation from any carrier out of 8 consecutive calendar years of such services ending December 31, 1931. No part of any monthly compensation in excess of \$300 shall be recognized in determining any annuity or any employee contribution. No such annuity shall exceed \$100. The annuity shall be reduced by one-fifteenth of such annuity for each year the employee is less than 65 years of age at the time of the first annuity payment. No such reduction shall be made if the Board shall determine that the carrier has retired the employee because of physical or mental inability to continue in active service. Upon death of an employee before or after retirement an amount, equal at his death to a computation, with interest at 3 percent compounded annually, of the accumulation from his payments less any annuity payments received by him shall be paid as he may have designated or to his legal representative. Any employee who upon retirement shall be entitled to an annuity with a value determined by the Board of less than \$300 shall be paid as he compulsory upon exployees who are

# RETIREMENT

SEC. 4. Retirement shall be compulsory upon employees who, on the effective date, have attained or thereafter shall attain the age of 65 years. The carrier and the employee may, by an agreement in writing filed with the Board, extend the time for retirement as to such employee for 1 year and for successive periods of 1 year each, but not beyond the age of 70 years. Until 5 years from the effective date, the compulsory retirement shall not apply to an employee who from and after the effective date occupies an official position in the service of a carrier.

# CONTRIBUTIONS

SEC. 5. Each employee shall pay an employee contribution in a percentage upon his compensation. Each carrier shall pay a carrier contribution equal to twice the contributions of each employee of such carrier. The employee compensation shall be the compensation for service paid to such employees by the carrier excluding compensation in excess of \$400 per month. The contribution percentage shall be determined by the Board from time to time, and shall be such as to produce from the combined employee and carrier contributions, with a reasonable margin for contingencies, the amount pressure to now the normal pressure to the normal pressu carrier contributions, with a reasonable margin for contingencies, the amount necessary to pay the annuities, other disbursements, and the expenses becoming payable from time to time. Until the Board shall determine on a different percentage the employee contribution percentage shall be 2 percent. Employee contributions shall be deducted by the carrier from the compensation of its employees and shall be paid by the carrier, together with the carrier contributions, into the Treasury of the United States quarterly or at such other times as ordered by the Board.

# PRESENT CARRIER PENSIONS

Sec. 6. Any person who is not entitled to an annuity under section 3 and who on the enactment hereof shall be receiving a pension or similar retirement pay from a carrier shall, from the

date of making application to the Board, be paid out of the rail-road retirement fund an annuity equal to the maximum pension or retirement pay received by such person from such carrier at any time prior to the enactment hereof. No annuity authorized by this section shall be in excess of \$100.

## EMPLOYEE REPRESENTATIVES

SEC. 7. Any representative of an employee organization who is included within the definition of "employee" in paragraph (b), section 1, of this act shall have the option, but shall not be required, to continue or to become a beneficiary under the provisions of this act. If he shall elect to continue or to become such a beneficiary he shall pay all voluntary contributions.

For the purposes of this section the requirements of section 4 of this act shall not apply. Service rendered to an employee organization shall be included in computing the total service period of such representative.

For such representative who shall elect to become a beneficiary under this act, the basic compensation upon which contributions shall be made and benefits calculated shall be that compensation paid by the carrier for service rendered in the position to which

shall be made and benefits calculated shall be that compensation paid by the carrier for service rendered in the position to which the rights of such representative would entitle him for the period defined in section 3 of this act: Provided, That if no definite and specific rights obtain, the average compensation paid to the four employees whose last date of entry in the service is nearest the date of entry in the service is nearest the date of entry in the service of the same carrier by such representative, shall be his basic compensation to be determined for the period defined in section 3 of this act. When a question arises as to the rights under this provision the Board shall investigate and determine rights of such representative.

For such representative who elects to continue as a beneficiary under the provisions of this act, his basic compensation shall be the average monthly compensation paid to him by the carrier during the last 12 months of active service with such carrier.

#### RETIREMENT FUND

SEC. 8. All moneys paid into the Treasury under the provisions of this act, all interest, and other receipts, and all refunds of moneys paid out under this act shall constitute and be kept in a separate fund in the Treasury to be known as the "railroad retirement fund." At the request and direction of the Board, the Treasurer of the United States, with the approval of the Secretary of the Treasury, is authorized to invest such funds as are not immediately required for disbursements in interest-bearing bonds, notes, or other obligations of the United States, and to collect the principal and interest of such securities and to sell and dispose of the same as in the judgment of the Board shall be in the interest of said fund. There is hereby appropriated such sums not in excess of the amounts in said fund as may be necessary to pay all annuities, other disbursements, and the expenses of administration of this act.

# RETIREMENT BOARD

SEC. 9. (a) Personnel: There is hereby established as an independent agency in the executive branch of the Government a Railroad Retirement Board, to be composed of three members appointed by the President, by and with the advice and consent of the Senate. Each member shall hold office for a term of 5 years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of the term; and the terms of office of the members first taking office after the date of enactment of this act shall expire, as designated by the President, one at the end of 2 years, one at the end of 3 years, and one at the end of 4 years, after the date of enactment of this act. One member shall be appointed from recommendations made by representatives of the employees and one member shall be appointed from recommendations made by representatives of the carriers, in both cases as the President shall direct, so as to provide representation on the Board satisfactory to the largest number, respectively, of employees and carriers concerned. so as to provide representation on the Board satisfactory to the largest number, respectively, of employees and carriers concerned. One member, who shall be the chairman of the Board, shall be appointed initially for a term of 2 years without recommendation by either carriers or employees, and shall not be in the employment of or be pecuniarily or otherwise interested in any carrier or organization of employees. Vacancies in the Board shall not impair the powers nor affect the duties of the Board nor of the remaining members of the Board, of whom a majority of those in office shall constitute a quorum for the transaction of business. Each of said members shall receive a salary of \$10,000 per year, together with necessary traveling expenses and subsistence expenses, or per diem allowance in lieu thereof, while away from the principal office of the Board on duties required by this act. The members and employees of the Board shall be included as employees under this act and, together with employees receiving annuities, shall be furnished free transportation in the same manner as such transportation is furnished to employees.

(b) Duties: The Board shall have and exercise all the duties

(b) Duties: The Board shall have and exercise all the duties and powers necessary to administer this act. The Board shall receive and take such steps and institute and prosecute such proreceive and take such steps and institute and prosecute such proceedings and actions as may be necessary to enforce the payments and obligations required under the act, make and certify awards and payments, and account for all moneys and funds necessary thereto. The Board may require such advances upon the payments of carriers as necessary to put this act into operation. The Board shall establish and promulgate rules and regulations and provide for the adjustment of all controversial matters, with power as a Board or through any member or subordinate designated therefor, to require and compel the attendance of witnesses, ad-

minister oaths, take testimony, and make all necessary investigations in any matter involving annuities or other payments and shall maintain such offices, provide such equipment, furnishings, supplies, services, and facilities, and employ such persons and provide for their compensation and expenses, as may be necessary to the proper discharge of its functions. All rules, regulations, or decisions of the Board shall require the approval of at least two members and shall be entered upon the records of the Board and shall be a public record. The Board shall gather, keep, compile, and publish in convenient form such records and data as may be necessary, and at intervals of not more than 2 years compile, and publish in convenient form such records and data as may be necessary, and at intervals of not more than 2 years shall cause to be made actuarial surveys and analyses, to determine from time to time the payments to be required to provide for all annuities, other disbursement and expenses, and to assure proper administration and the adequacy and permanency of the retirement system hereby established. The Board shall have power to require all carriers and employees and any officer, board, commission, or other agency of the United States to furnish such information and records as shall be necessary for the administration of this act. The Board shall make an annual report to the President of the United States to be submitted to Congress. Witnesses summoned before the Board shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

#### COURT JURISDICTION

SEC. 10. The several district courts of the United States and the Supreme Court of the District of Columbia shall have jurisdiction

supreme Court of the District of Columbia shall have jurisdiction to entertain an application and to grant appropriate relief in the following cases which may arise under the provisions of this act:

(a) An application by the Board to compel an employee or other person residing within the jurisdiction of said court, or a carrier subject to service of process within said jurisdiction, to comply with any obligations imposed on said employee, other person, or carrier under the provisions of this act.

or carrier under the provisions of this act.

(b) An application by an employee or carrier to the Supreme Court of the District of Columbia or to the district court of any district wherein the Board maintains an office or has designated an agent authorized to accept service in its behalf, to compel the Board to set aside an action or decision claimed to be in violation of a legally enforceable right of the applicant, or to take an action, or to make a decision necessary for the enforcement of a legal right of the applicant, when the applicant shall establish his right to a judicial review upon the jurisdictional ground that, unless he is granted a judicial review of the action or decision, or failure of the Board to act or to decide, of which he complains, he will be deprived of a constitutional right to obtain a judicial determination of his alleged right.

(c) The jurisdiction herein specifically conferred upon the said

(c) The jurisdiction herein specifically conferred upon the said Federal courts shall not be held exclusive of any jurisdiction otherwise possessed by said courts to entertain actions at law or suits in equity in aid of the enforcement of rights or obligations arising under the provisions of this act.

SEC. 11. No annuity or death payment shall be assignable or be subject to any tax or to garnishment, attachment, or other legal process under any circumstances whatsoever.

# PENALTY-CARRIER

SEC. 12. On the failure of any carrier to make any payment when due under the provisions of this act, such carrier, unless excused by order of the Board, shall pay an additional 1 percent of the amount of such payment for each month such payment is

# OTHERS

SEC. 13. Any employee, other person, officer, or agent of a carrier subject to this act who shall willfully fail or refuse to make any report or furnish any information required by the Board in the administration of this act or who shall willfully fail or refuse to make any accounting required under this act, or who shall knowingly make any false or fraudulent statement or report required for the purpose of this act, or who shall knowingly make or aid in making any false or fradulent statement or claim for the purpose of receiving any award or payment under this act shall be punished by a fine of not less than \$100 nor more than \$10,000 or by imprisonment not exceeding 1 year.

# SEPARABILITY

Sec. 14. If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of the act or application of such provision to other persons or circumstances shall not be affected thereby.

During the reading of the bill the following occurred:

Mr. CROSSER of Ohio. Mr. Speaker, I ask unanimous consent that the further reading of the bill be dispensed with and that the bill be printed in the RECORD.

Mr. BLANTON. Mr. Speaker, I insist that the bill be read for information, so that all Members will understand it, because we will have only 20 minutes of debate to the side.

Mr. MERRITT. Mr. Speaker, I shall demand a second. Mr. MAPES. Mr. Speaker, I wonder if we could not arrange for, perhaps, a little extension of time for debate and at the same time dispense with the further reading of the bill.

The SPEAKER. That cannot be done.

who is going to be recognized to demand a second.

The SPEAKER. The Chair will recognize someone who is against the bill and is going to vote against it.

Mr. SNELL. The gentleman from Connecticut [Mr. Mer-RITT] is opposed to the bill and is going to demand a second.

Mr. BLANTON. I shall yield to the gentleman from Connecticut [Mr. MERRITT], who is a member of the com-

Mr. SNELL. Would not the gentleman be willing to dispense with further reading of the bill if we could get additional time for discussion?

Mr. BLANTON. If we can get additional time so we can have a fair opportunity to properly discuss this measure, and the gentleman will yield me some time, I shall not object.

The SPEAKER. The Chair wishes to state that there will be no additional time for debate, because the Chair would object to that. The Clerk will continue the reading of the

The Clerk concluded the reading of the bill.

The SPEAKER. Is a second demanded?
Mr. MERRITT. Mr. Speaker, I demand a second.
The SPEAKER. Is the gentleman a member of the committee?

Mr. MERRITT. Yes.
The SPEAKER. Is the gentleman opposed to the bill?

Mr. MERRITT. I am.

The SPEAKER. Will the gentleman vote against the bill?
Mr. MERRITT. I will.

The SPEAKER. The gentleman from Connecticut is recognized to demand a second.

Mr. CROSSER of Ohio. Mr. Speaker, I ask unanimous consent that a second may be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. COOPER of Ohio. Mr. Speaker, may I submit an inquiry to the gentleman from Ohio [Mr. CROSSER]? I am wondering if we could extend the time a little beyond the 40

The SPEAKER. The Chair will answer that question. In connection with all these motions to suspend the rules which are to come up between now and the close of the session, no permission will be granted to extend the time. The time will be 20 minutes on the side. The Chair is a Member of the House and will object to any extensions. This will stop further conversations on the subject.

Mr. CROSSER of Ohio. Mr. Speaker, as time goes on the leaders in the movement for better living conditions for mankind in general are more and more insisting upon the establishment of systems providing for the retirement of employees who have served in industry to a reasonably advanced age.

The assurance of a regular income upon retirement is something that the great majority of people engaged in any particular line of work during a lifetime have earnestly desired. During their glorious youthful prime men do not concern themselves so much about the matter of security in the closing days of their lives, but as the years roll on and the time nears when they know that their services will no longer be desired, they then begin to think of some plan which would give them security in their declining years.

The railway men of the country have for some years been carrying on a campaign for a retirement system, a system which would at least assure all men who had spent their lives in railroad work of one kind or another at least the reasonable comforts of life as the shadows come on and the end nears.

We have before us today in the bill now before the House the first definite proposal for legislation providing for the retirement of men who have spent their lives in the railway industry. This bill provides that when men shall have reached the age of 65 years and shall have served 30 years as railway employees they shall be entitled to retire and receive an annuity. Everyone who is now employed by a railroad or has worked for a railroad since June 16, 1933, is included within the retirement plan. If the employee

Mr. BLANTON. Mr. Speaker, we should be advised as to should desire to retire before he is 65 years of age, his retirement pay will be one-fifteenth less for each year that he is younger than 65. The amount of the employee's retirement pay is calculated as follows: Multiply the first \$50 of the average monthly pay received after the passage of this act by 2 percent, the next \$100 of the average monthly pay by 11/2 percent, and all above \$150 and less than \$300 by 1 percent. Add the three figures procured by this process and multiply the sum by the person's total years of service.

The fund for the payment of retirement pay is to be procured by having all of the employees in the railroad service pay 2 percent of their earnings in active service into the retirement fund and by having the railroads pay into the retirement fund double the amount paid by the employees.

This explains briefly the principal provisions of the bill.

Those who have been urging legislation of this character have stressed the fact that the giving of assurance of a modest income during the late years of men's lives will cause them to retire from the service in much larger numbers than has been the case heretofore. This bill will, in fact, compel them to retire from service at the age of 65 years unless a mutual agreement between the company and the man extends the time to not more than 70 years of age. Because of the certainty of the retirement of a large number of older men, opportunities for employment will be given to younger men who have been furloughed and have been out of employment for a long while. It is also argued that the assurance of a modest income upon retirement in their old age will result in men making their work in the railroad field a career and thus insuring generally the continued service of seasoned and trained men in this important industry.

Students of the transportation problem have called attention to the fact that many men are continued in service in strictly transportation work far beyond the age where it is safe to have them do so. They have so continued, however, because if they were to leave it would be impossible for them to find any lucrative employment in other fields.

The terms of this bill are very moderate, but at the same time they establish a retirement system on a legal basis in private industry for the first time in the history of the country. In its present form it will give assurance of reasonable comfort in their old age to all persons coming within the provisions of the bill.

Personally I am one of those who believes that the day will come when we shall have complete economic and industrial justice, so that men will need no longer worry about finding employment and that we shall have real justice in the distribution of wealth so as to make it possible for men to provide for themselves comforts for their old age. Until such conditions shall have been established, however, the more easily understood pension or retirement system will provide the necessary comforts during old age for those who shall have given their lives to toil in any industry. It will, in fact, relieve them from want and the fear of want and help to nullify to some extent at least the force of the two lines of the poem entitled "Man Was Made to Mourn", in which Burns said:

> Then age and want, oh, ill-matched pair! Show man was made to mourn.

Mr. SNELL. Mr. Speaker, will the gentleman yield for a question?

Mr. CROSSER of Ohio. For a very brief question.

Mr. SNELL. How does this general retirement pay compare with the pay of the civil-service employees of the Government?

Mr. CROSSER of Ohio. As the House bill stands, it is somewhat the same.

Mr. SNELL. How do the contributions compare?

Mr. CROSSER of Ohio. I do not recall the exact figures as to the contributions by Federal civil-service employees.

Mr. SNELL. The Federal schedule is something like 31/2

Mr. LEA of California. The Federal employees contribute 31/2 percent and the railroad employees 2 percent.

Mr. SNELL. Why should not they contribute the same, practically, if other things are equal?

Mr. LEA of California. I shall attempt to explain that when I address the House. The substance of it is that we have such a large percentage of old employees who are rapidly approaching the annuity age that the employer rather than the employees must carry a larger percent than the proportions established by the Government, but this bill provides for a reapportionment of the contributions in the future by an adjustment made by the Board.

Mr. SNELL. What percentage of the railroads at the present time have a system somewhat similar to this?

Mr. LEA of California. About 90 percent of the employees of the railroads have such a system.

Mr. SNELL. About 90 percent?

Mr. CROSSER of Ohio. Ninety percent of the mileage of the first-class railroads.

Mr. LEA of California. Or about 50 railroads.

Mr. SNELL. How does the cost of this compare with what they are paying now?

Mr. LEA of California. They are paying now \$33,500,000, and the entire cost under this bill will be \$60,000,000.

Mr. CROSSER of Ohio. I cannot yield any further.

Mr. SNELL. I am trying to get information, and the gentleman ought to be willing to yield for that.

Mr. WITHROW. It seems to me there is a discrepancy between what the gentleman says and what the bill provides— $2\frac{1}{2}$  percent.

Mr. CROSSER of Ohio. That provision was amended in committee. Now, I would like to yield for all questions, but we have not the time. Nobody is entitled to retirement under the age of 51 years.

Mr. PETTENGILL. Will the gentleman yield?

Mr. CROSSER of Ohio. I yield.

Mr. PETTENGILL. Is not this the first step taken by Congress in social insurance asked for by the President?

Mr. CROSSER of Ohio. It is what might be called the "trail blazer" in social insurance. It seems to me that it is highly desirable that we pass this at this time. [Applause.] Now, Mr. Speaker, I yield to the gentleman from Cali-

fornia [Mr. LEA].

Mr. LEA of California. Mr. Speaker, there are 500 corporations in the United States that have established industrial systems for their employees, and about 50 of them are railroads. Companies that have had experience with the retirement of their employees have demonstrated that if the plan is properly safeguarded and soundly administered it is generally in the interest of the employer and employee. A report of the Chamber of Commerce of the United States in 1932 gave its endorsement to that principle. I state that simply to show that modern business judgment is turning in favor of the retirement system for industry.

The vital question is whether or not such a system can be adjusted to the costs that are reasonably required to meet it. The railroads of the country have their own particular economic problems confronting them. They have reduced employment to 1,215,000 employees from the peak of about

2,000,000.

The seniority rule prevails in railroad employment, so that the older men have stayed in the service and the younger men have been discharged. The result is that today the average employee of the railroads of the United States is 52 years old. That means that within 13 years a large percentage of these men will have passed the age of 65 when they will be retired. They will then become beneficiaries of this legislation without having contributed except for the remaining years of their employment.

Mr. GREEN. Mr. Speaker, will the gentleman yield?
Mr. LEA of California. I cannot yield, as I do not have
the time.

The fundamental difficulty that we face in this legislation is the large percentage of the old men who are going to contribute so little in the early years to the success of this effort.

The expense of carrying the earlier retirements must necessarily fall primarily on the employees and the carriers. On account of this accumulating and disproportionate number of aged employees who will advance for retirement it is

estimated that the maximum expense will increase for the next 25 years. As the committee faced this situation we reached the conclusion that it is better to err on the side of conservatism in view of the accumulating charges that are going to accrue in the future years. This plan proposed to reduce the amounts allowed under the Senate bill is for the purpose of assuring the success of this plan in the end. We propose no reduction whatever in the contributions initially required from the employees and the railroads. In other words, the amounts required to be contributed by employees and the carriers are practically the same under each of these bills. The House bill proposes smaller payments in order that a reserve may be built up to protect against the excessive deficiencies that are sure to accumulate under the Senate bill some years later.

The only reductions made by the committee are in the amounts to be paid in the initial years. Under this legislation from time to time, as the facts may demonstrate the necessity, the board charged with the administration of this act has power to adjust contributions to meet the liabilities incurred in providing the annuities the bill established.

The administration of this act is going to cost about \$5,000,000 a year. That large expense is due to the fact that a separate account must be carried for every railroad employee in the United States.

The employee is going to contribute 2 percent to begin with and the carrier 4 percent. I am thoroughly convinced that no successful plan of railroad retirement can be made possible without at least this much contribution from the very beginning. The annuities are to accrue first in favor of those who are retired at 65 years of age or over. The period of retirement may be extended by agreement between the employee and the employer for 5 years additional.

The annuity will also accrue in favor of those who have served 30 years, but in case the employee collects his annuity in advance of the 65-year period, there will be a reduction of 4 percent or one-fifteenth of his total annuity for each year prior to the 65 years for retirement.

There is a section which permits the board to bring in old employees who are now on the pension system of the railroads. In case of the death of an employee before he has recovered the full amount he has paid in, the balance goes to his heirs, with 3 percent from the time of the original payment.

This bill as presented by the House committee places a limit upon the annuity of \$100 per month. This conforms to the Federal Government retirement system. Under the system in vogue for the Government employees \$100 per month is the limit for annuity. With this large number of old men rapidly approaching the retirement age, we thought it would be improvident to place the maximum annuity greater than it is in the civil service of the Government.

One important feature of the bill is that the annuities are definitely fixed by law, not subject to change by the board, but the contributions to meet those annuities are, from time to time, subject to administration and adjustment by the board. Confessedly the system here proposed is a temporary one. It is to initiate what is hoped to be a permanent adequate system of retirement.

Under the plan proposed by the House bill a sizable reserve will be built up in the early years to protect against the situation that will develop a few years later. If rates should be fixed higher than the House bill calls for it would be only a few short years when the system would become insolvent, or the increased contributions required of the men and the railroad companies would become unduly burdensome and destructive to the system of retirement.

It is estimated that under this plan \$60,400,000 will be required to meet the annuities of the first year, \$68,400,000 for the second year, \$76,800,000 for the third year, and \$90,300,000 for the fourth year.

If the basic rate of annuities was placed on a flat figure of 2 percent of the monthly compensation, multiplied by the number of years of the employee not exceeding 30, the estimated amounts required for the first 4 years would be as follows: \$75,500,000, \$85,500,000, \$96,000,000, and \$112,900,000.

The contemplated contribution for these years, based on present employment, would be about \$90,000,000 each, \$60,-000,000 by the carriers and \$30,000,000 by the employees.

The projection of a comparable increase into the future years demonstrates the necessity of placing the initial annuities at conservative amounts.

In the consideration of the financial phases of this legislation I have had the advantage of consulting with Mr. Bayer and Mr. Latimer, who have been working under the Coordinator, Mr. Eastman, in making a study of this problem preparatory to the final report of the Coordinator, which it is expected will be made some months later.

Every reason or prudence suggests that the initial annuities be made conservative with a view of building up security against the future years instead of overpayment that will prematurely exhaust any reserve prior to the establishment of the more permanent system contemplated by this legislation.

The SPEAKER. The time of the gentleman from California has expired.

Mr. MERRITT. Mr. Speaker, I yield myself 10 minutes. I propose in connection with this bill to discuss a point which, in much of the legislation that has gone through this House, has been overlooked. The point I submit, however, is of much importance, and it is this: Where is the money coming from to meet the expense which will be caused by this bill? I hope the House, when it comes to vote on this bill, will have that in mind, because the money called for by this bill or any other bill does not come out of the clouds. In this case the reply will be made that under the bill the Government is not asked to supply any money at all, that it comes out of the railroads. How are the railroads going to raise the money? As a matter of fact, in the year 1933 the class I railroads, who are principally interested in this bill, had a deficit of about \$13,000,000. The cost to the railroads of this bill the first year will be some \$60,000,000, and the expense of administration will be about \$10,000,000. That makes \$70,000,000 that these railroads, which already have a deficit, will have to raise, and the question is how they are going

Naturally, if they do it at all, they will have to do it by borrowing. The only way they can borrow it is from the United States. Now, what has happened and is happening under bills of this sort is that we are drawing on the reserves of this country. There is no true balancing the Budget by making loans. We must have, for a true balance of the Budget, current receipts. You might say that these railroads would be allowed to increase their rates, but they cannot do that. The Interstate Commerce Commission has ruled that they cannot. If they do, they will simply lose business to the trucks and busses.

I am not criticizing the general principles of insurance at all, but in private life we all come up against situations where there is something which we should like to have or to do, and which would be very nice in itself, but which we cannot afford. That is exactly the position of the railroads in this case. When you borrow money and dissipate the reserves of this country, where does it come from? You are taking it out of savings banks which have charge of the small funds which thrifty people have saved; you are taking it out of insurance companies, out of colleges, and out of hospitals and other institutions necessary for civilized life.

Bear in mind that a great proportion of these employees are already taken care of by the railroads in a way which, while not wholly satisfactory, does take care of them in their old age.

Like other bills that have come before this House, this has not had adequate consideration. There has not been adequate consideration in the committee, and the idea of bringing before the House in 40 minutes' time the points that should be considered in voting is perfectly absurd. It is a matter that should receive careful investigation, which it has never had.

I will read to you from what Mr. Eastman, Railroad Coordinator, said in his testimony before the Senate. He speaks about having data which is not fully completed:

It would appear definitely unwise to proceed with the formula-tion of a pension retirement system before these analyses are completed. In view of the fact that a plan cannot be scientifically formulated, it is equally impossible to offer adequate criticism of any proposal for pension legislation.

Then further he says just as I say:

It should be emphasized that the criticisms here advanced do not imply opposition to pension legislation in general.

Mr. DOWELL. Will the gentleman yield for a question?

Mr. MERRITT. I yield for a question.
Mr. DOWELL. The gentleman has stated that there has not been given an opportunity to investigate the matter. Has this not been before the gentleman's committee for a number of years?

Mr. MERRITT. Oh, in general; but no detailed information at all.

Mr. DOWELL. But the general proposition has been before you for some time?

Mr. MERRITT. A long time; yes.
Mr. DOWELL. With an opportunity to make investigation?

Mr. MERRITT. That is right.

Mr. Eastman continues his criticism in this way:

No particular attention seems to have been devoted to administrative costs. Service on all the railroads is to be used to fix benefits.

That is to say, under this bill all the men on all the roads are treated alike. You must have accounts with every individual so that his time on one road will be counted, and if he goes to another road that will be counted, and it will involve more than a million separate accounts.

Mr. RICH. Will the gentleman yield?

Mr. MERRITT. I yield.

Mr. RICH. Would the gentleman not consider this class legislation? Should we not make an old-age pension for all industries rather than single out the railroads at a time like this?

Mr. MERRITT. Yes. I do not think it is the time to do it at all.

Now, Mr. Eastman says further:

It seems likely that the bill would tend to defeat its own It seems likely that the bill would tend to defeat its own purposes so far as unemployment is concerned. It has been the usual experience that the work done by a group of employees just before retirement can be performed by a smaller number of younger men. I cannot avoid the conclusion that the information now at hand does not permit of wise and well-considered legislation on the subject of pensions. We are, however, obtaining the necessary basic facts, so far as they are available, and shall prosecute our study on this matter with all possible expedition.

Now, I submit that, under those circumstances, when the railroads, already running a deficit, both in the interest of the railroads and the public, to make them contribute sixty or seventy million dollars for a new project, nothing very bad can happen if we wait until the next session of Congress, which will be within a few months, so that further information can be gotten together and we can give this matter proper and adequate consideration. I think action on this bill is extremely unwise at this time.

Mr. MONAGHAN of Montana. Will the gentleman yield? Mr. MERRITT. I yield.

Mr. MONAGHAN of Montana. The gentleman says we should wait until the next session of Congress. We have been waiting for years for this type of legislation, and the President of the United States has said that in the next session of Congress he wants a universal system for all industries. This law will establish a prototype upon which we can predicate that proposal.

Mr. MERRITT. I appreciate the President's ambition, and I approve of it, but I do not appreciate the tendency of the administration to go ahead regardless of cost and regardless of the Budget.

Mr. MAY. Will the gentleman yield?

Mr. MERRITT. I yield.

Mr. MAY. As I understand this measure it is merely temporary, as rather a test for determining whether or not it will finance itself by contributions from the railroads and from the employees, and that it provides a 2-percent deduction from the employees?

Mr. MERRITT. That does not answer the question I have put, How are you going to finance the railroads?

Mr. MAY. But the question I am asking is this: If the contribution by the employees will amount to \$30,000,000 a year and the railway companies contribute \$60,000,000 a year, that will creat a fund of \$90,000,000.

I think the gentleman's statement was that the total cost for a year would be only \$60,000,000. So there would be a surplus to the extent of the amount contributed by the employees. I do not think it would take the contribution of both on this basis to equal the cost.

Mr. MERRITT. Sixty million dollars would be only the railroads' share of the cost.

Mr. CROSSER of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey [Mr. Kenney].

Mr. KENNEY. Mr. Speaker, it is gratifying to be a member of the first committee of this House to report an oldage pension bill affecting those outside the service of the Government. We are in the first stages of the new era of social justice. It has been given to the Interstate and Foreign Commerce to pave the way for the establishment of an old-age pension system for the aged in every walk of life. This bill is the initial move toward the end. It pleases me particularly because there are upward of 10,000 railroad men in my district who have devoted to the railroads of the country long years of service-17, 25, and even 45 years. They have made railroading their life work. Our railroad systems cannot be valuated without estimating the many natural lives devoted to the upbuilding and efficient operation and maintenance of the railroad business. This humane bill, without charge upon the Government, will provide an old age of security for all railroad men without exception who spend their best years in the service rendered by the railroads. The men will contribute to the retirement fund, but the railroads will add a greater contribution, as they should, for it may properly be regarded as an operating cost. Some of the railroads now offer a pension as a reward for long and faithful service. Under this bill, all railroads will do so. I hope we may soon reach the goal where we shall have old-age pensions for all of the aged of the Nation.

[Here the gavel fell.]

Mr. MERRITT. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. Wolverton].

Mr. WOLVERTON. Mr. Speaker, I regret exceedingly that there is not sufficient time under the rules of the House now in effect to permit me to make as complete a discussion of this measure as I should like, I am confident that the more consideration it receives the more favorable will be the opinion toward it.

The principle of this bill, which is to provide a pension or retirement fund for the benefit of employees engaged in the operation of railroads and express, sleeping-car, ferry, and boat facilities in connection therewith, is one that has been recognized for years by railroad companies operating 90 percent of the railroad mileage of the country, and, on which systems it is now in effect. This recognition of the importance of this principle by the railroads as a voluntary proposition, seems to me should be emphasized, because when the argument is made that adequate consideration is not being given to the subject we must realize that this subject has had the consideration and favorable opinion of railroad and allied companies and their employees for many years. So to enact this bill is merely to put into effect that which the railroad corporations have already recognized as a proper principle of employment.

It is significant that pension or retirement annuities now effective on 90 percent of the railroad mileage of this country was voluntarily adopted by railroad management, without coercion upon the part of employees, and without legislative requirement. It was a principle of employment adopted by such companies for the purpose of building up a helpful and friendly morale upon the part of the employees toward the company.

The knowledge upon the part of the men that when their years of active usefulness to the company would cease, and, their earning capacity likewise cease, that then the company, instead of casting them heartlessly into the discard, would provide for them a competency in their old age, brought contentment of mind, a satisfied attitude toward the management, and, consequently a higher and better standard of service. The result has been that the railroad industry has shown a longer average of continuous service per man than any other industry. Continuity of service, with attendant experience, develops efficiency and promotes the safety and security of the traveling public. This principle of employment has and will continue to have a tendency to attract to railroad and its connected services a high standard of employee.

The beneficial results already attained by the voluntary adoption of this principle by some transportation companies justifies the enactment of this legislation making it a part of the declared policy to be observed in the future by the entire railroad transportation industry.

Furthermore, I am inclined to believe that this legislation will set a precedent for similar action in all industries, whereby every industry on a plan of joint contribution by the employees and employers, as provided for in this bill, will remove the specter of want in old age.

The railroad industry, by cooperation between management and men, has arisen to be the most outstanding of all industries in the recognition of humanitarian and welfare measures beneficial to the employee. The railroad has been the pioneer in the now rapidly progressing movement for industrial old-age pensions. I trust that this legislation now before the House will receive favorable action as a recognition of the justice and humanitarianism of such a principle of employment. [Applause.]

Mr. MERRITT. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. Kelly].

Mr. KELLY of Pennsylvania. Mr. Speaker, I believe this measure furnishes a sound method for the accomplishment

of a worthy purpose.

No industrious and faithful worker in the transportation industry, or any other industry in America, should be compelled to close his life as a pauper or be dependent on others for his daily bread in old age.

The fear of poverty in old age has ridden the backs of American workers all their lives. It is time to remove that fear, and this bill undertakes to do it for a million railroad workers.

We have already taken steps to banish unjust poverty in old age for Federal employees. Through the Retirement Act of 1920, some measure of security in old age has been assured for many thousands of worthy governmental workers, who without it would have been condemned to miserable dependency in their years of helplessness and old age.

It is true that many of the railroad companies have inaugurated their own pension system. While they are to be commended for this action, there will always be cause for dissatisfaction in such a system. I have been in touch with a number of cases where the employees honestly believe they had fulfilled every condition and yet were not granted the pension. Under any system entirely controlled by the employers the danger of arbitrary and unjust discrimination is present.

Vastly better is this Government-sponsored plan, where the contributions of both workers and companies will form a joint fund with pensions granted on clearly understood rules.

Under this measure the contributions of employees and companies will create a fund of \$45,000,000 during the first 6 months. At the end of this period the payment of pensions begins. There will be a monthly income of \$7,500,000 thereafter. This will mean an adequate fund for the pension payments, which are estimated to be \$50,000,000 for the first year.

With retirement of those who have reached the age of 65, work opportunities will be afforded workers who are now unemployed.

Mr. Speaker, the road to social and industrial justice is a long and rugged one. Yet little by little humanity climbs. This bill is a step along the way, and it seems that progress can only be made in that fashion. I remember when the Clayton Act was enacted in 1914 Samuel Gompers, president of the American Federation of Labor, declared it to be "the most comprehensive and most fundamental legislation in behalf of human liberties that has been enacted anywhere in the world." In the light of history it is clearly seen that the Clayton law was only a short step along the pathway to better conditions for those who toil.

This railroad workers' retirement measure and the amendment to the Railway Labor Act, which is to follow it, are advances toward the goal set by the founders of the Nation. They will help give Americans a chance for life, liberty, and happiness.

When all workers are freed from the fear of poverty in old age and when all have the right to act in cooperation with their fellow workers for the common welfare, we shall be nearer the fulfillment of the promise embodied in the establishment of this Republic. [Applause.]

Mr. MERRITT. Mr. Speaker, I yield 2 minutes to the

gentleman from Wisconsin [Mr. WITHROW].

Mr. WITHROW. Mr. Speaker, I am supporting this legislation, but I hope that when this bill is passed, as it will be, and when it goes to conference that our conferees will agree to the bill which was passed in the Senate yesterday afternoon by a vote of 65 to 0. [Applause.] It is unfortunate that we do not have more time to go into this so as to compare the two measures.

The main difference between the House and Senate bills is in the amount of the annuities that are paid to retired employees. Under the provisions of the House amendment 2 percent of the first \$50 of basic pay, 11/2 percent of the second \$50 of basic pay, and 1 percent of the basic pay over \$100 is the rate of the annuity. This substitute plan is not as liberal to the employees as is the Senate measure.

There have been no actuary studies made on the House substitute plan, and in the committee report there is no estimate as to the amount of money that will be paid to the

employees under this substitute plan.

On the other hand, under the Senate plan we know definitely that approximately \$50,000,000 will be paid annually in pensions to retired employees. We do not know what the House substitute plan will return to employees, the figures have not been embodied in the report, and so far in the explanation of the bill this morning no one has given us any definite information on the substitute.

The substitute requires both the employee and employer to pay in the same amount as is required in the Senate bill, but under the House substitute the return to the employee

will not be as great.

I therefore again wish to urge that the final action of this House be taken on the more liberal railway employees' pension bill which has already been passed by the Senate.

Mr. MERRITT. Mr. Speaker, I yield 1 minute to the

gentleman from Ohio [Mr. Cooper].

Mr. COOPER of Ohio. Mr. Speaker, I believe we have all got to agree that the time has come when the physical element as well as the property element must be considered in our industrial life. [Applause.] To me one of the darkest tragedies today is to see the faithful employee who has given a lifetime of service to industry, and when the sunset of life is fast casting its shadow over his brow, on account of age he is physically incapacitated to carry on his daily vocation, to see him thrown out onto the scrap heap with no means of livelihood.

I believe this bill is the first step along the line of fair retirement compensation for the employees of the country. [Here the gavel fell.]

Mr. MERRITT. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, during all of its history,

this present hour, this Government has granted pensions only to two classes of citizens, first, to its veterans of wars, and second, to its civil service employees.

This bill proposes to pick out a third class of citizens, to wit: employees of railroads, and by Government statute grant pensions to them, with the Government made re-

sponsible for payment.

Just the other day the President of the United States advised us that in the next session of Congress, he would be ready to consider the subject of old-age pensions. Inferentially, he let us know that he wanted the subject put off until the next Congress.

If I am so fortunate as to be here in the next Congress. I stand ready, and willing, and anxious, to then take up this subject, and devise ways and means for granting an old-age pension to all American citizens alike, with equal

rights to all, and special privileges to none.

I am just as anxious as any other Member of this House. to provide old-age retirement and pensions for railroad employees, but I believe that this Government owes to them no duty that it does not owe to every other loyal citizen in the United States. And I firmly believe that this Government owes to every other loyal citizen the same duty it owes to railroad employees.

We must not fool ourselves about this bill. Just as sure as you and I live, this bill is making the Government responsible for these pensions, and eventually it is going to

cost this Government a tremendous sum of money.

The Senate has one bill with its provisions. The House has another bill, with some provisions dissimilar from those of the Senate bill. But when the measure goes to conference, all Senate provisions and all House provisions will be in conference, and the entire Senate bill could be adopted by the conferees. And it provides that there is appropriated money sufficient to carry out the purposes of the bill.

It provides for the payment of salaries to the five board members of \$10,000 a year and all traveling expenses and subsistence, with no other limitation, and lets them hire as many employees as they please, and fix their salaries. Why should they be paid salaries of \$10,000? That is more than you and I get. Are your constituents in favor of paying these large salaries? Mine are not. Why not cut these salaries to a reasonable sum?

The passage of this bill will eventually result in the United States Government taking over every railroad; and finally this act alone will cost the people of the United States some \$40,000,000 to \$60,000,000.

Not only the working employees of the railroads are given this proposed pension, but the swivel-chair fellows who sit up in the offices and draw good salaries are likewise placed within the provisions of this bill.

Some of the best friends I have ever had in life were railroad employees. I want to see them cared for in their old age. But at the same time I want every other loyal citizen in the United States likewise cared for in their old age. I want all of them treated alike. I want them all to have equal rights. I do not want to give special privileges to one class of deserving citizens, and then tax all other classes just as deserving to pay for it, when such other classes are not enjoying the same pensionable status, and, in fact, have no pensionable privileges when they become aged and decrepit.

Mr. CROSSER of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. Keller].

Mr. MERRITT. I also yield the gentleman from Illinois

Mr. KELLER. Mr. Speaker, nearly 3 years ago, in my first session in Congress, I introduced the original bill of which this present railroad pension bill is the outgrowth. That was the first bill for a Nation-wide industrial pension ever introduced into the American Congress. It was known as H.R. 9891. It has developed into a splendid bill which passed the Senate yesterday by a unanimous vote.

This was known as the rank-and-file pension bill formulated by the Railroad Pension Association, and introduced from the signing of the Declaration of Independence to into the Senate at a later date by Senator HATFIELD. At a still later date, Senator WAGNER and my colleague, Hon. ROBERT CROSSER of Ohio introduced a bill sponsored by the 21 railroad labor executives. Upon these two bills the Senate Interstate Commerce Committee held extensive hearings over a period of 3 weeks, with leading pension and insurance actuaries and attorneys representing the railroads, the rank-and-file railroad workers, and the railroad labor executives. These very full hearings were printed and widely distributed and read. At the end of this exhaustive hearing the committee requested the rewriting of the pension bills by counsel in view of the evidence brought out. Mr. Donald Richberg, representing the railroad labor executives, having become chief counsel for the N.R.A., was unable to participate in this work of rewriting the pension bills. That work devolved upon Mr. Herman Eckern, attornev for the rank-and-file.

After many weeks of work and conference with leading actuaries and economists on this subject, he brought out a greatly improved bill which I again introduced as H.R. 4231, March 27, 1933. At the special session of the Seventy-third Congress Senator HATFIELD introduced it in the Senate. At this special session the railroad labor executives had no pension bill, but near the opening of the present regular session the railroad labor executives introduced another bill, a rewriting of their original bill, which Senator Wagner again introduced. The sentiment for a getting together on a joint bill to be agreed to by the rank and file and the labor executives had been growing from the start. Senator WAGNER and Senator HATFIELD set about this work and after another 2 weeks' hearing before the same able Senate subcommittee. after Coordinator Eastman had been fully heard, a final rewriting of the two pension bills into Senate bill no. 3231 was accomplished and introduced jointly by Senators Hatfield and Wagner. Thereupon my colleague, Robert CROSSER, and I introduced identical bills-H.R. 9596 and 9597—our rules not permitting joint bills.

Then the greatly overworked Interstate and Foreign Commerce Committee of this House held a 2-hour hearing on this epoch-making bill. Then the subcommittee made vital changes in sections 3 and 6 of the bills as originally introduced. There can be little, if any, justification for such radical changes in this bill that has had such long and thorough study as this bill has had by a committee which has given it only a few hours' consideration. It indicates a preconceived idea on the part of the subcommittee which fails entirely to take cognizance of the evidence brought out at the very exhaustive hearings and throughout the long weeks of labor by the best experts in America on this subject.

I ought here to point out that the writing, perfecting, and passing of this bill are by no means the work of any one man or any one group. The wisdom of Members in conference is fully borne out in the final passage of this bill into a law. The Railroad Pension Association, made up of the rank-and-file railroad workers, half a million of them all over America, certainly, by their pluck and enthusiasm, compelled consideration of the whole matter. No one would deny them that honor. Then, finally, the railroad labor executives came clean for the law, and as a result the most amicable relations now exist between the men and their chiefs. No less than a hundred Congressmen have been enthusiastic workers for this great idea; but for all that, without the presence, enthusiasm, loyalty, determination, and endless labor of Hon. ROBERT CROSSER, on the committee and subcommittee having this bill in charge, I cannot but doubt there might have been a much less happy ending than that now in sight.

I am going to suggest to our conferees when they go into conference that they do exactly what the gentleman from Wisconsin just now pointed out; that is, that they substitute specifically and directly for the provisions of our House bill now under consideration sections 3 and 6 of the Senate bill, because those are the sections that the people of this country who are interested and who know the facts really stand for.

This part of the House bill ought to be rejected, and if the rule permitted I would here and now offer an amendment to that effect.

There are other provisions that ought to be retained which the committee brought in, covering definitions and so forth. That part is good. It is legal thinking, of which this committee is so thoroughly capable.

Sections 3 and 6, as written in the Senate bill, are the provisions that ought to be accepted by this body and would be if it could be put to a vote. Let us remember this railroad pension law will not cost the American Government a single cent.

I here offer a short statement of what this bill is and does. The railroad pension bill is the first attempt of this Nation to provide, through governmental intervention, for industrial old-age retirement. Practically every other civilized nation has had such a pension system for many years. It is necessarily limited to those engaged in interstate and foreign commerce. The railroads themselves learned that it paid them in dollars and cents to hold out to men a reward for long and faithful service. Therefore, 90 percent of the railroad mileage in the United States voluntarily established pensions or a retirement fund many years ago. About 10 percent of the mileage has refused to come in, though receiving the same freight and passenger rates and the same protection under the law.

The railroad pension systems now in existence vary largely in the amounts payable and the conditions required for retirement. In all of these pension systems the railroads alone furnish all the money necessary to pay the pensions. In none of them do the workers contribute any money to the systems. Every one of them could be voided entirely if the railroad officials should so desire. The amounts of pension payments may be reduced at any time according to the desires of the railroad officials. A man might work 30 years and reach 70 years of age and have a pension due him under the custom of the railroad, and this pension could be denied him without any liability on the part of the railroad. Or if the railroad should reduce the pension, as many have done, he has no remedy. The amounts of money paid on retirement vary very largely. The object of this bill is to equalize the whole system by including all railroads under the law. so that the conditions for retirement, the age, the number of years of service, and the amount to be received shall be universal and under governmental supervision and control. In this set-up the railroads pay two-thirds and the workers themselves pay one-third. There is absolutely no expense to the Government itself. The money collected goes straight into the United States Treasury and is kept there till it is paid out directly to the pensioners.

There can be no loss to the pensioners by failure of the railroad companies.

There can be no cancelation of pensions by railroad officials.

There can be no reduction of the pensions earned.

The United States merely sees to it that when a man earns a pension he gets it.

A board is appointed by the President, to be confirmed by the Senate, and this board is empowered to collect directly from the railroads the one-third from the men by check-off system and two-thirds directly from the railroads themselves. The age for retirement is set at 65 years, after 30 years of service. The maximum pension of 60 percent of the average wages over a period of 10 (?) years is the regular provision, though under special conditions this rate may reach 75 percent of this average.

This bill before the House is the result of nearly 3 years' work by the best actuaries and legal talent obtainable. At the beginning there was considerable difference in the bills put forward by the rank and file, known as the "Hatfield-Keller bill", and the bill put forward by the 21 standard railroad executives and known as the "Wagner-Crosser bill." After two sets of hearings before the Senate Committee, the proponents of both these bills worked out and agreed on the bill practically as at present before this body, the rank

and file and the railroad executives being in entire agreement along all lines.

Coordinator Eastman had gathered a very great deal of additional information on the subject and at the last Senate hearing put forward this information. It received consideration and brought about some slight modifications in the bill itself. In the hearing before the House Committee on Interstate and Foreign Commerce, Mr. Herman Eckern, representing the rank and file, and Mr. Eddy, head of telegraphers, for the railroad executives, presented the present bill. Mr. Eastman presented further information and suggestions. A subcommittee was then appointed consisting of Hon. Clarence F. Lea, of California, chairman; Hon. Robert Crosser, of Ohio; Hon. Jacob L. Milligan, of Missouri; Hon. B. Carroll Reece, of Tennessee; and Hon. Pehr G. Holmes, of Massachusetts; and this subcommittee took up with great care the further suggestions of Mr. Eastman. After Mr. Eckern and Mr. Eddy had spent many hours with Mr. Eastman's representatives, slight modifications were arrived at and the bill was reported to the whole committee as a perfected bill as now presented to this House.

This bill does not take into consideration compensation for injuries in the service. That is left to present and future laws on that subject. This bill deals entirely with old-age retirement.

This bill, when put into full force and effect, will retire about one hundred thousand old men now at work; promote every man in the service according to service only, and put to work 100,000 men now idle. Pension provisions for aged employees are not new, either in connection with the railroads or other industries. Pension plans of some kind are in general operation on railroads employing more than 90 percent of the present employees.

The general recognition of the need for age-retirement pensions is best evidenced by the rapid adoption and putting into effect of plans for the purpose under Federal and State laws and in the operation of quasi-public and private corporations generally where these are of sufficient size to make this practicable.

Retirement pensions are provided for civil employees of the United States under the Retirement Act of 1920, as amended in 1926 and 1930. Similar provision is made for canal and railroad employees in Panama under the act of 1931.

Age retirement pensions are provided for public employees generally in Massachusetts and quite largely in New York. State-wide plans covering teachers or other public employees are in force in the greater part of the States and such local plans are in force in nearly every State.

Age-retirement pension systems are being operated by practically all the larger church organizations and by the Y.M.C.A. and the Y.W.C.A.

In addition to the railroads, the large telegraph, telephone, industrial, commercial, banking, and insurance corporations operate age-retirement systems.

Excepting as to the railroads, the trend during recent years has been toward the adoption of joint contributory plans, in which the cost of pensions arising out of future service is shared by the employer and the employee and the employee is given a definite right to the pension provided by the accumulation to which he contributes. This tendency has no doubt been increased by the unfortunate experience of employees in the Wilson Packing Co. case, where, under a plan provided wholly by the employer, the plan was discontinued and the pensions terminated with no recognition of benefits which employees were already enjoying and had looked forward to receiving.

It is a question to what extent, if any, the payment of pensions to aged employees actually increases operating costs.

The plan proposed in the pending bill, instead of adding to the burdens of the railroads, will in the long run greatly relieve these burdens, in that the employees are assuming one-third of the cost, where the railroads under their present plans are bearing the entire cost. In the long run, therefore, the railroads will be able to have, under the pro-

posed plan, a much more liberal and satisfactory pension plan than any that is possible under existing plans.

It is also certain that where a satisfactory plan is in effect, with the result of making possible retirements where needed, more rapid advancement of the men in the service and the reemployment of younger men, with the consequent increase in the satisfaction of the men with their work and in efficiency, the system will actually result in a saving, rather than in an increased expense.

The railroads have a seniority rule under which the men laid off are those most recently employed and they are reemployed in the order of length of service. This seniority rule has the same effect in retaining in service the older employees as the civil service, and makes an immediate retirement system as urgent for the benefit of the railroads themselves as was the Federal retirement system for the United States Public Service when enacted 14 years ago.

The need for age-retirement pensions for railroad employees and for a comprehensive adequate system for that purpose are not open to question. To effectively serve its purpose in the interest of the railroads, the employees and the public, such system must be compulsory upon all railroads and employees in interstate commerce.

Without a satisfactory retirement system, the aged employees are often continued in the service when it would be in the interest of economical operation to retire and pay them pensions; and without making this compulsory on all, the very employees who will be most in need of the pension or retirement will not have taken advantage of the benefits of the retirement system.

Nor can there be any question that such a system will benefit the entire railroad industry. If it be good business judgment to replace worn-out and depreciated equipment with new and efficient equipment, it is equally in the interest of efficient and economical operation to retire employees worn out through long years of service in the industry and to bring into the industry a larger proportion of younger and more active employees.

This will not only benefit the industry but will give to these aged employees the assurance of a comfortable old age paid for by years of devotion to the service.

The great objective now is to put the system into immediate operation. What this means to all railroad employees and their families cannot be overestimated. It is taking the step which in any event must be taken at some time. It sets into motion a railroad retirement system under which all railroad employees will be provided for in their old age.

This is the first great step in America to provide industrial insurance. It will grow into every industry in due course all over this great land of ours.

But the second step must come in the shape of universal Federal old-age pensions. I look forward with eagerness to devoting myself as ardently and enthusiastically to obtaining that end as it has been my great pleasure to do so in carrying on the pioneering in this first great step. At the beginning I could not know when this railroad pension would be granted—but I knew it would be. I do not know when Federal old-age pensions shall be granted, but I know that they will be. At the beginning of work for railroad pensions there was no social vision in high places to encourage us, but with President Roosevelt standing boldly for old-age pensions I cannot believe it can be very long when the old and helpless everywhere under the American flag will be liberated from the haunting fear of old-age poverty.

Mr. BLANTON. Mr. Speaker, I ask to extend my remarks, and also for unanimous consent to make a comparative statement of facts with erroneous assertions in the press by incorporating some exhibits.

The SPEAKER. Is there objection to the request of the gentleman from Texas.

There was no objection.

Mr. MERRITT. Mr. Speaker, I believe I have 1 minute remaining. In that time I would like the House to note that no one in favor of this bill has touched the question of where the money to meet the expenses incurred by this bill

is coming from. I hope the Members will think of that | cumstances, a decent existence, and will guarantee a genuine when they vote.

Mr. CROSSER. Mr. Speaker, I yield one-half minute to the gentleman from Massachusetts [Mr. Connery].

Mr. CONNERY. Mr. Speaker, may I say this railroad pension bill is just and equitable legislation, and I hope it will pass unanimously. A number of Members of the House have asked me what the attitude of labor outside the railroads is on this bill. May I say that organized labor in every State of the Union throughout the Nation is unanimously in favor of this legislation. [Applause.]

Mr. CROSSER. Mr. Speaker, I yield such time to the gentleman from New York [Mr. MEAD] as he desires.

Mr. MEAD. Mr. Speaker, in answer to the questions directed to the House by the distinguished gentleman from Connecticut, may I say that the income of the railroads was up 69 percent in April last as compared with April a year ago. It is high time that the railroads make their contribution toward the restoration of prosperity, because so far they have not made any such contribution. They are not under the N.R.A. and have not increased wages nor have they shortened the hours of their employees as is the case of other industries. I ask unanimous consent to extend my remarks in the RECORD and in my extension I will go further into the subject of finances as affecting the railroads. [Applause ]

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MEAD. This bill is similar in its purpose and provisions to the United States Civil Service retirement annuity law. It is a forward economic and social step, and an attempt to better the conditions of the railroad employees. It is designed to protect the worker and cost the carriers as little as possible.

A pension will be paid upon either of two grounds: When the worker has reached the age of 65, or when he has completed 30 years of service. It makes retirement compulsory at 65, although provisions are included to permit 1 year extensions. Although in no case may a man be employed over 70 years of age.

The employees will contribute 2 percent of their salaries annually, and the carriers will contribute twice the sum given by the employees. The United States Treasury will be the depository for the money. The pension system is to be administered by a board of three members chosen by the

A reduction is made in the annuity if an employee is retired before he reaches 65; that is, after completing 30 years of service. If he retires as early as 50, no pension will be paid.

The average wage of a railroad employee now is \$1,667 per year. Under the pension system provided in this bill, he would receive, upon retirement, an average of \$83.33 per month.

Ninety percent of the carriers now provide some form of pension. They pay out annually \$37,000,000 at present for retirement benefits. Most of their retirement systems, however, are undemocratic, nonprotective, and generally unsatisfactory. Under many of the existing systems an employee who has ever participated in a strike is ineligible for a pension. Also, in cases of strikes, the carriers often recall pensioned employees, who have been previously declared unfit for active service, to serve in these emergencies. They are forced to break faith with the other employees. A refusal to serve costs them their only safeguard, their pension.

This system would cost the carriers about \$60,000,000 the first year, if put into effect. Approximately 50,000 old employees would be placed on the pension rolls, and this would provide employment for 50,000 young, active men. It would give the carriers an opportunity to employ younger men who are at the height of their efficiency.

The plan is so constructed that adequate funds can be provided without working a hardship on either the carriers or the employees. Both will make their contributions. The passage of this bill will promote recovery by providing reemployment, afford the railroad veterans, now in hard cir-

protection for this class of workers for all time in the future

Considering the fact that approximately 90 percent of the carriers now provide some form of pension and that these authorized pension systems have been in operation throughout the depression, it is not unreasonable to assume that the added cost which would result from the enactment of this legislation could be assumed without much difficulty by the railroads. Railroad earnings are increasing; dividends are being restored, and in many cases the reduced dividends of recent years are being increased. Recent reports indicate that class I railroads had a net income of approximately \$32,200,000 in April of this year. This is 69 percent greater than the net income of April 1933.

In a recent issue of the New York Times I read a statement to the effect that the income of class I railroads increased during the month of January this year, as compared with the same period last year, approximately 120 percent. In other words, the operating net income for January 1934 amounted to \$29,200,000 as against \$13,265,000 for the same month in 1933. This increase in earnings was not only effected by increased traffic but was in part at least the result of reducing personnel, speeding up, and the exercise of such other economies as were found possible. If, therefore, the railroads could maintain a pension system of their own. they certainly can be expected to maintain the retirement system provided for in this legislation, because of the increase in revenues resulting from better business conditions and more economic operation, as well as for the added reason that the employees themselves will for the first time in the history of American railroads be called upon to make their contribution. The contribution made by the men will be a substantial one—a contribution that will be freely given. The employees realize that this money will not only provide for the veteran railroad worker in his old age but it will also provide opportunity for the extra man to enjoy steady employment. It will develop a sense of security among the railroad wage earners of the country which will have a decided and beneficial effect upon their morale.

I welcome the opportunity to support this legislation, and I believe the day is not far distant when all the wage earners of the United States will participate in the benefits provided for them by similar legislation.

This bill is similar in its purpose and provisions to the United States Civil Service retirement annuity law. It is a forward economic and social step and an attempt to better the conditions of the railroad employees. It is designed to protect the worker and cost the carriers as little as possible.

A pension will be paid upon either of two grounds: When the worker has reached the age of 65, or when he has completed 30 years of service. It makes retirement compulsory at 65, although provisions are included to permit 1-year extensions. Although in no case may a man be employed over 70 years of age.

The employees will contribute 2 percent of their salary annually, and the carriers will contribute twice the sum given by the employees. The United States Treasury will be the depository for the money. The pension system is to be administered by a board of three members chosen by the

Mr. CROSSER of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Montana [Mr. Monaghan].

Mr. MONAGHAN of Montana. Mr. Speaker, to add anything to what has been said would be mere repetition. The majority of the membership of this House want this bill enacted into law as speedily as possible. The President of the United States has said that it should be enacted during this session. At least this small measure is due the working people of America out of all legislation that has been considered and acted upon during this session of Congress. I hope likewise that the amendments to the Railway Labor Act will be enacted into law. We can do no less for the railroad employees of the country than to enact these measures at this time. This pension bill will lead the way as a prototype for a splendid system of pensions which I hope

will spread across all industry, guaranteeing to age that security, calm, and peace which it should have in its declining years. About precedents, they must be broken if America is to survive. Let Uncle Sam establish precedents, as the great leader at the other end of the Avenue has attempted to do, in the interest of America's laboring people, for the promotion of their general welfare and living conditions that the purposes and intent of the Constitution of the United States, designed as it was to guarantee life, liberty, and the pursuit of happiness, may be advanced. Without the guarantee of security to age there cannot be that happiness and calm which should come when a man has given his lifetime to the service of an industry and of his Nation, In addition to this, opportunity will be created for reemployment of thousands of unemployed rail workers, greatly relieving unemployment. The railroads of the country as an industry make adequate provisions for machinery. They should likewise be compelled to make adequate and reasonable provision for their men. [Applause.]

[Here the gavel fell.]

Mr. CROSSER of Ohio. I yield such time to the gentleman from Florida [Mr. Green] as he may desire.

Mr. GREEN. Mr. Speaker, I heartily support this legislation. It is a most progressive and needed bill. It will benefit not only the one retiring but the fellow with less seniority and also the public in general. It will add to the purchasing power of the American people in general. It will give that security in old age that is so conducive to contentment and good citizenship.

This legislation is in keeping with the recent message of President Roosevelt in which he deals with industrial insurance or social insurance. This is industrial insurance for the railroad employees. They and the railroad companies will contribute to the fund which will be administered by the Government. The plan is fair, just, and for the best interest of the American people. It probably will be followed by other industries and business concerns.

It is in line with President Roosevelt's recent message on old-age insurance or old-age pensions. It will, in a way, serve as an old-age pension for railroad employees. I urge the Congress before adjournment to pass our old-age pension bill. It is humanitarian and will add so much to the purchasing power of all of our people. It is now sorely needed and I hope my colleagues will consent to its passage before adjournment.

Time is too limited to fully discuss the bill before us, but I trust that it may be passed by an overwhelming vote. It is full of merit and we as friends of labor have long advocated such legislation.

Mr. Speaker, I ask unanimous consent to extend my remarks on the subject.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. CROSSER of Ohio. Mr. Speaker, I yield such time to the gentleman from Wisconsin [Mr. O'Malley], as he desires.

Mr. O'MALLEY. Mr. Speaker, as an ardent advocate of this particular legislation for more than 4 years in both my campaigns and since my election to office, may I say that I hope this law will be the keystone in a broad structure of social security that will extend its arches across this great country of ours. Much has been said about experiment in connection with the program designed to rehabilitate and restore the prosperity of this Nation. Experiment by the trial-and-error method is the only way to progress. We perfect a program, enact it into law, and sometimes even as it is enacted it may not be satisfactory to everyone. Only by enacting some law, however, do we find the things to discard and the things to keep after a trial period. Mr. Speaker, this legislation to my mind is the noblest of the experiments in behalf of human welfare that we have embarked upon in this Seventy-third Congress. It is an experiment designed to bring happiness and security in old age to hundreds of thousands of loyal, efficient workers who have helped to make this the great Nation it is. It is a beneficial system

of old-age security that has been justified in every part of the world by similar legislation that we propose to establish here. I am particularly proud that the Democratic administration has placed its stamp of approval upon this forward-looking, progressive effort in behalf of the workers upon whom the safety of the commerce and industry of the Nation depends in large measure.

History's pages show that generations of men have interested themselves in legislation affecting man's relationship to his individual fellow man. We can be thankful that out of the woe and depression of the past years, the unemployment, deprivation, and financial loss has taught us that the new and ideal conception of government also recognizes the need of legislating for human welfare under an economic system over which the individual has small control.\ Our system has produced a state of things where men must be retired from the ranks of competitive labor at reasonable ages to make room for those who are coming into manhood and who must take up careers to provide themselves and their families with the necessities of life. At the same time. we must guarantee those whom modern industry and science have placed in the ranks of the obsolete as surely as machines are worn out the opportunity to retire on incomes where they may remain consumers of our production and not become the degrading objects of charity. We have learned the value of retiring our postal employees, veteran soldiers, policemen, firemen, teachers, and others. How great, then, the need for retiring that army of workers in the railway industry upon whose daily performance of duty rests the lives of thousands of travelers. I have long favored the principle of an industrial retirement system supported by workers and employers alike; and because of this great interest and because I have lived in daily contact with the loyalty and dependability that is an inherent characteristic of those who labor on the steel highways of our Nation, I have been ardently supporting the successful passage of this measure.

It may be true that in some small details this legislation is not completely satisfactory to all who have urged its passage. But legislation is nearly always a matter of compromise in detail in order to achieve the adoption of a basic principle. I am satisfied that this act will provide a reasonably adequate pension raised by a sound and equitable method from employee and employers alike; that it will provide countless new jobs for workers in the railroad industry now on the extra or lay-off lists; and that it will remove the fear of the poorhouse and indigent old age that constantly besets the worker. It is my sincere hope, Mr. Speaker, that what we do here today will lay down the framework for a broader program of retirement legislation that will prove so beneficial that the next session of Congress will extend its benefits to other trade groups in the American industrial system. I think I may safely predict that the passage of this bill will do much to hasten the time when workers and industrial leaders alike in other fields of American commerce will ask similar legislation from the United States Congress.

It is a great compliment to railroad labor that their unity, keen understanding of social progress, and their loyal support of liberal legislators has enabled many of us to be here to vote for this bill. The men themselves, in large part, have successfully pioneered this legislation and today they stand upon the brink of the most important victory for labor and humanity in my generation.

I hope the House will pass this bill without a dissenting vote, Mr. Speaker.

Mr. CROSSER of Ohio. Mr. Speaker, I yield such time to the gentleman from Massachusetts [Mr. Granfield] as he desires.

Mr. GRANFIELD. Mr. Speaker, I am happy to join with my colleagues in supporting this bill which will create a retirement system for railroad employees.

The gentleman from Texas [Mr. RAYBURN], Chairman of the House Committee on Interstate and Foreign Commerce, whose energy facilitated the consideration of this bill before adjournment, deserves the commendation of every Member of Congress.

During his remarks the gentleman from Connecticut [Mr. ] MERRITT] very properly stated that many railroads have already established pension systems for their employees. While this is a fact, this bill will establish a definite and uniform system of retirement benefits for employees of all railroads. In other words, it will set up a national system and set aside the makeshift system which is now in effect.

I have a particular interest in this measure which will affect so vitally every railroad employee. For a period of some 35 years my father toiled as a laborer on the Boston & Albany Railroad at Springfield, Mass. In 1928 he retired without a pension. He is not receiving one, he never did receive one, and is now so situated that I hope he will never need one. There are thousands of his fellow employees not so fortunate who were forced out of their employment by the recent depression. These men have been actually scrapped after having given the most productive and useful years of their lives in the service of their employers. Today these men are not wanted in industry; they are too old. Many of them are willing to work; but, with their efficiency reduced, some of them are forced upon public charity for their subsistence, through no fault of their own. This condition should not exist in a country as enlightened as ours. I hope to see the day when industry and business generally will be forced to make provisions for their unemployed. I am convinced that under the leadership of the man at the other end of Pennsylvania Avenue that day is not far distant. These men ought to be cared for, and this bill will provide the protection that they are entitled to. It will give them an earned old-age security, and it will make them independent at that time of life when independence is so vital to their own well-being.

I am sorry that I have not the time to discuss the plan of this bill, but I am happy to have the privilege this morning of lending my voice in support of its passage. I trust this measure will receive the unanimous approval of the Congress and will be enacted into law before adjournment.

Mr. CROSSER of Ohio. Mr. Speaker, I yield such time to the gentleman from Ohio [Mr. Duffey] as he desires.

Mr. DUFFEY. Mr. Speaker, it happens that on this occasion the author of the bill, the gentleman from Ohio [Mr. CROSSER], and the gentleman from Ohio [Mr. COOPER], are my colleagues and my good friends, and they are well acquainted with this legislation. May I say that I am in hearty accord with it.

My district includes the city of Toledo, Ohio, the third largest railroad center in our country. Many thousands of my constituents are railroad employees who for years have desired this legislation. I am glad today to vote favorably to fulfill my promise to them, and because this legislation is, I know, most meritorious and deserving. My colleague [Mr. CROSSER] again has demonstrated his loyalty to the railroad employees.

Mr. CROSSER of Ohio. I yield the remainder of my time to the gentleman from Missouri [Mr. Cochran].

Mr. COCHRAN of Missouri. Mr. Speaker, coming as I do from one of the great railroad centers of the United States, St. Louis, where 34 trunk lines enter our city, naturally I know the feeling of the men and women employed by the railroads. From time to time I hear from the railroad executives and I cannot recall at the moment having received one protest against a proper pension or retirement system for railroad employees. [Applause.]

On June 8 the President sent a message to the Congress. I quote one sentence:

Among our objectives I place the security of men, women, and children of the Nation first.

This bill is Congress' first response to that message. Its objective is to provide security for that vast number of employees of the railroads. Next to agriculture there are more people employed by railroads than any other industry or profession. Had the thoughts of President Roosevelt, along the line of security, been enacted into law 25 years ago, consider the benefits that would have accrued to this army of employees during the depression.

The Government has provided for its employees. Instead of turning them out in the streets when they reach the age where they are no longer able to carry on, the Government employee is placed on the retirement roll and receives an amount monthly that enables him to meet his needs at least

The general public does not know the railroad employee or the nature of his work. Their acquaintance is limited to those who man the passenger trains. They do not know the millions employed in the offices at a low rate of pay. I think it is safe to say, not one in a hundred men and women employed in the offices of railroads ever receive as much as \$200 a month, regardless of their length of service. The public does not know the men who handle the freight trains, the maintenance-of-way men, and others with whom they never come in contact.

Mr. Speaker, I wish the Membership of this House could have heard our good friend and colleague, JIM MEAD, of Buffalo, N.Y., tell the story of the railroad switchman a fortnight ago. I attended a banquet at which Mr. Mean was presented with a life membership in the Switchman's Union of North America. Under the bylaws of this organization life membership is only granted by a direct vote of the delegates at a national convention. Only two members of the union have been so honored. A silver membership card was presented to our colleague, and in his acceptance speech he told of the hardships he had endured as a switchman. It was a dramatic recital of human endurance. Regardless of the elements, the switchman must be on the job. This also applies to many other railroad employees who must keep the road open so that you and I can reach our destination, so that food can be brought to your door, and supplies to your factories. Is it not only fair that when such men reach the near end that some provisions be made for their care?

This bill is by no means perfect. It is a step in the right direction. It can be amended by a future Congress, but it will serve as an example and guidance for future legislation that must be enacted to carry out the President's security program. We will receive the thanks of the railroad employees for our work here today. I cannot refrain, however, from saying that we should have done this years ago.

I hope to see the day soon arrive when the Congress has provided by law for proper pension or retirement systems for all.

In conclusion let me pay a brief tribute to my good friend from Ohio, Robert Crosser. Only last week we saw two men stand in their seats here and refuse to vote for a recess. The thought behind that vote was that Congress must not adjourn until it passes legislation benefiting the railroad employee, including this bill. Bob Crosser was one. Not blessed at the present time with the best of health, he is at his post of duty today in charge of the bill that he has worked for many years. The railroad employees will never forget Bob Crosser for the interest he has taken in their

Mr. Speaker, it is a genuine pleasure for me to be able to vote for this bill today. I hope the conferees will bring back even a better measure.

The SPEAKER. All time has expired. Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that all Members of the House may be allowed 5 legislative days in which to extend their remarks on the pending bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Ohio [Mr. CROSSER] to suspend the rules and pass the bill as amended.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended and the bill was passed, and a motion to reconsider was laid on the table. Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that the House insist upon its amendment to the Senate bill (S. 3231) and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. Lea of | California, CROSSER of Ohio, MILLIGAN, HOLMES, and REECE.

DISPOSITION OF DISPUTES BETWEEN CARRIERS AND THEIR EMPLOYEES

Mr. CROSSER of Ohio. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9861) to amend the Railway Labor Act approved May 20, 1926, and to provide for the prompt disposition of disputes between carriers and their employees, as amended.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 1 of the Railway Labor Act is amended to read as follows:

# " DEFINITIONS

"Section 1. When used in this act and for the purposes of this

"First. The term 'carrier' includes any express company, sleep "First. The term 'carrier' includes any express company, sleeping-car company, carrier by railroad, subject to the Interstate Commerce Act, and any company which is directly or indirectly owned or controlled by or under common control with any carrier by railroad and which operates any equipment or facilities or performs any service (other than trucking service) in connection with the transportation of passengers or property or the recelpt, delivery, elevation, transfer in transit, refrigeration or icing storage, and handling of poperty transported by railroad, and any receiver, trustee, or other individual or body, judicial or otherwise, when in the possession of the business of any such 'carrier': Provided, however, That the term 'carrier' shall not include any street, interurban, or suburban electric railway, unless such railway is operating as a part of a general steam-railroad system of transportation, but shall not exclude any part of the general steam-railroad system of transportation now or hereafter operated by any other motive power. The Interstate Commerce Commission is hereby authorized and directed upon request of the Board of Mediation or upon complaint of any party interested to determine after hearing whether any line operated by electric power falls within the terms of this proviso. within the terms of this proviso.

"Second. The term 'Adjustment Board' means the National Board of Adjustment created by this act.

"Third. The term 'Board of Mediation' means the Board of

"Third. The term 'Board of Mediation' means the Board of Mediation created by this act.

"Fourth. The term 'commerce' means commerce among the several States or between any State, Territory, or the District of Columbia and any foreign nation, or between any Territory or the District of Columbia and any State, or between any Territory and any other Territory, or between any Territory and the District of Columbia, or within any Territory or the District of Columbia, or within any Territory or the District of Columbia, or between points in the same State but through any other State or any Territory or the District of Columbia or any foreign nation.

"Fifth. The term 'employee' as used herein includes every person in the service of a carrier (subject to its continuing authority to supervise and direct the manner of rendition of his service) who performs any work defined as that of an employee or subordinate official in the orders of the Interstate Commerce Commission in effect on the date of the enactment of this amendatory act, and as the same may be amended or interpreted by

atory act, and as the same may be amended or interpreted by orders hereafter entered by the Commission pursuant to the authority which is hereby conferred upon it to enter orders amending or interpreting such existing orders: Provided, however, That no occupational classification made by order of the Interstate Commerce Commission shall be construed to define the crafts according to which railway employees may be organized by their voluntary action, nor shall the jurisdiction or powers of such employee organizations be regarded as in any way limited or defined by the provisions of this act or by the orders of the Commission.

"Sixth. The term 'company union' means any group or association of employees formed for the purpose of collective bargaining, whether or not same shall be formally organized, which was so formed at the suggestion, with the aid, or under the influwas so formed at the suggestion, with the aid, or under the indence of any carrier, or its or their officers or agents, and/or whose constitution, bylaws, or actions are under any control or influence of any carrier, or carriers, or its or their offices or agents.

"Seventh. The term 'representative' means any person or persons, labor union, organization, or corporation designated either by a carrier or group of carriers or by its or their employees, to set for it or them.

act for it or them.

"Eighth. The term 'district court' includes the Supreme Court of the District of Columbia; and the terms 'circuit court of appeals' includes the Court of Appeals of the District of Columbia.

"This act may be cited as the 'Railway Labor Act.'"

SEC. 2. Section 2 of the Railway Labor Act is amended to read as

"GENERAL PURPOSES

"SEC. 2. The purposes of the act are: (1) To avoid any interruption to commerce or to the operation of any carrier engaged therein; (2) to forbid any limitation upon freedom of association among employees or any denial, as a condition of employment or otherwise, of the right of employees to join a labor organization; (3) to provide for the complete independence of carriers and of employees in the matter of self-organization to correspond to the complete independence of carriers and of employees in the matter of self-organization to carry out the purposes of this act; (4) to provide for the prompt and orderly settlement of all disputes concerning rates of pay, rules, or work-

ing conditions; (5) to provide for the prompt and orderly settlement of all disputes growing out of grievances or out of the interpretation or application of agreements covering rates of pay, rules, or working conditions.

"GENERAL DUTIES

"First. It shall be the duty of all carriers, their officers, agents, and employees to exert every reasonable effort to make and maintain agreements concerning rates of pay, rules, and working conditions, and to settle all disputes, whether arising out of the application of such agreements or otherwise, in order to avoid any interruption to commerce or to the operation of any carrier growing out of any dispute between the carrier and the employees

"Second. All disputes between a carrier or carriers and its or their employees shall be considered, and, if possible, decided, with all expedition, in conference between representatives designated

their employees shall be considered, and, if possible, decided, with all expedition, in conference between representatives designated and authorized so to confer, respectively, by the carrier or carriers and by the employees thereof interested in the dispute.

"Third. Representatives, for the purposes of this act, shall be designated by the respective parties without interference, influence, or coercion by either party over the designation of representatives by the other; and neither party shall in any way interfere with, influence, or coerce the other in its choice of representatives. Representatives of employees for the purposes of this act need not be persons in the employ of the carrier, and no carrier shall, by interference, influence, or coercion seek in any manner to prevent the designation by its employees as their representatives of those who or which are not employees of the carrier.

"Fourth. Employees shall have the right to organize and bargain collectively through representatives of their own choosing. The majority of any craft or class of employees shall have the right to determine who shall be the representative of the craft or class for purposes of making or revising agreements concerning rates of pay, rules, and working conditions. No carrier, its officers, or agents shall deny or in any way question the right of its employees to join the labor organization of their choice, and it shall be unlawful for any carrier to interfere in any way with the organization of employees, or to use the funds of the carrier in maintaining company unions, or to use the funds of the carrier in maintaining company unions, or to use the funds of the carrier in maintaining company unions, or to other contributions payable to company unions, or to collect or to assist in the collection of any such dues, fees, assessments, or other contributions payable to company unions, or to collect or to assist in the collection of any such dues, fees, assessments or other contributions: Provided, That nothing in this act shall be construed to prohibit a carrier from furnishing free transportation to its employees while engaged in

the business of a labor organization.

"Fifth. No carrier, its officers, or agents shall require any person seeking employment to sign any contract or agreement promising to join or not to join a company union; and if any such contract has been enforced prior to the effective date of this act, then such carrier shall notify the employees by an appropriate order that such contract has been discarded and is no longer

order that such contract has been discarded and is no longer binding on them in any way.

"Sixth. In case of a dispute between a carrier or carriers and its or their employees, arising out of grievances or out of the interpretation or application of agreements concerning rates of pay, rules, or working conditions, it shall be the duty of the designated representative or representatives of such carrier or carriers and of such employees within 10 days after the receipt of notices. nated representative or representatives of such carrier or carriers and of such employees, within 10 days after the receipt of notice of a desire on the part of either party to confer in respect to such dispute, to specify a time and place at which such conference shall be held: Provided, (1) That the place so specified shall be situated upon the line of the carrier involved or as otherwise mutually agreed upon; and (2) that the time so specified shall allow the designated conferees reasonable opportunity to reach such place of conference, but shall not exceed 20 days from the receipt of such notice: And provided further, That nothing in this act shall be construed to supersede the provisions of any agreement (as to date for conference) then in effect between the parties.

"Seventh. No carrier, its officers or agents shall change the rates

"Seventh. No carrier, its officers or agents shall change the rates of pay, rules, or working conditions of its employees, as a class as embodied in agreements except in the manner prescribed in such agreements or in section 6 of this act.

"Eighth. Every carrier shall notify its employees by printed notices in such form and posted at such times and places as shall be specified by the Board of Mediation that all disputes between the carrier and its employees will be handled in accordance with the requirements of this act, and in such notices there shall be printed verbatim, in large type, the third, fourth, and fifth paragraphs of this section. The provisions of said paragraphs are hereby made a part of the contract of employment between the carrier and each employee, and shall be held binding upon the parties, regardless of any other express or implied upon the parties, regardless of any other express or implied

upon the parties, regardless of any other express or implied agreements between them.

"Ninth. If any dispute shall arise among a carrier's employees as to who are the representatives of such employees designated and authorized in accordance with the requirements of this act, it shall be the duty of the Board of Mediation, upon request of either party to the dispute, to investigate such dispute and to certify to both parties, in writing, within 30 days after the receipt of the invocation of its services, the name or names of the individuals or organizations that have been designated and authorized to represent the employees involved in the dispute, and certify the same to the carrier. Upon receipt of such certification the carrier shall treat with the representative so certified as the representative of the craft or class for the purposes of this act. In

such an investigation, the Board of Mediation shall be authorized to take a secret ballot of the employees involved, or to utilize any other appropriate method of ascertaining the names of their duly designated and authorized representatives in such manner as shall insure the choice of representatives by the employees without interference, influence, or coercion exercised by the carrier. In the conduct of any election for the purposes herein indicated the Board shall designate who may participate in the election and establish the rules to govern the election, or may appoint a committee of three neutral persons who after hearing shall within 10 days designate the employees who may participate in the election. The Board shall have access to and have power to make copies of the books and records of the carriers to obtain and utilize such information as may be deemed necessary by it to carry out the purposes and provisions of this paragraph.

"Tenth. The willful failure or refusal of any carrier, its officers or agents to comply with the terms of the third, fourth, fifth, seventh, or eighth paragraph of this section shall be a misdemeanor, and upon conviction thereof the carrier, officer, or agent offending shall be subject to a fine of not less than \$1,000 nor more than \$20,000 or imprisonment for not more than \$1,000 nor more than \$20,000 or imprisonment for ach offense, and each day during which such carrier, officer, or agent shall willfully fall or refuse to comply with the terms of the said paragraphs of this section shall constitute a separate offense. It shall be the duty of any district attorney of the United States to whom any duly designated representative of a carrier's employees may apply to institute in the proper court and to prosecute under the direction of the Attorney General of the United States, all necessary proceedings for the enforcement of the provisions of this section, and for the punishment of all violations thereof and the costs and expenses of such prosecution shall be paid out of the a for the punishment of all violations thereof and the costs and expenses of such prosecution shall be paid out of the appropriation for the expenses of the courts of the United States: *Provided*, That nothing in this act shall be construed to require an individul employee to render labor or service without his consent, nor shall anything in this act be construed to make the quitting of his labor by an individual employee an illegal act; nor shall any court issue any process to compel the performance by an individual employee of such labor or service, without his consent."

SEC. 3. Section 3 of the Railway Labor Act is amended to read as follows:

as follows:

" NATIONAL BOARD OF ADJUSTMENT-GRIEVANCES-INTERPRETATION OF AGREEMENTS

"Sec. 3. First. There is hereby established a Board, to be known as the 'National Board of Adjustment', the members of which shall be selected within 30 days after approval of this act, and it is hereby provided—
"(a) That the said Adjustment Board shall consist of 36 mem-

bers, 18 of whom shall be selected by the carriers and 18 by such labor organizations of the employees, national in scope, as have been or may be organized in accordance with the provisions of

section 2 of this act.

"(b) The carriers, acting each through its board of directors or its receiver or receivers, trustee or trustees or through an officer its receiver or receivers, trustee or trustees or through an omicer or officers designated for that purpose by such board, trustee or trustees or receiver or receivers, shall prescribe the rules under which its representatives shall be selected and shall select the representatives of the carriers on the Adjustment Board and designate the division on which each such representative shall serve, but no carrier or system of carriers shall have more than one representative on any division of the Board.

"(c) The national labor organizations, as defined in paragraph (a) of this section, acting each through the chief executive or other medium designated by the organization or association thereof, shall prescribe the rules under which the labor members of the Adjustment Board shall be selected and shall select such members and designate the division on which each member shall serve; but no labor organization shall have more than one representative on any division of the Board.

"(d) In case of a permanent or temporary vacancy on the Adjustment Board, the vacancy shall be filled by selection in the same manner as in the original selection.

"(e) If either the carriers or the labor organizations of the employees fail to select and designate representatives to the Adjustment Board, as provided in paragraphs (b) and (c) of this section, respectively, within 60 days after the passage of this act, in case of any original appointment to office of a member of the Adjustment Board, or in case of a vacancy in any such office within 30 days after such vacancy occurs, the Board of Mediation shall thereupon directly make the appointment and shall select an individual associated in interest with the carriers or the group of labor organizations of employees, whichever he is to represent.

"(f) In the event a dispute arises as to the right of any national "(f) In the event a dispute arises as to the right of any national labor organization to participate as per paragraph (c) of this section in the selection and designation of the labor members of the Adjustment Board, the Secretary of Labor shall investigate the claim of such labor organization to participate, and if such claim in the judgment of the Secretary of Labor has merit, the Secretary shall notify the Board of Mediation accordingly, and within 10 days after receipt of such advice the Board of Mediation shall request those national labor organizations duly qualified as per paragraph (c) of this section to participate in the selection and designation of the labor members of the Adjustment Board to select a representative. Such representative, together with a representative likewise designated by the claimant, and a third or neutral party designated by the Board of Mediation, consti-

tuting a board of three, shall within 30 days after the appointment of the neutral member, investigate the claims of the labor organization desiring participation and decide whether or not it was organized in accordance with section 2 hereof and is otherwise properly qualified to participate in the selection of the labor members of the Adjustment Board, and the findings of such

members of the Adjustment Board, and the findings of such boards of three shall be final and binding.

"(g) Each member of the Adjustment Board shall be compensated by the party or parties he is to represent. Each third or neutral party selected under the provisions of (f) of this section shall receive from the Board of Mediation such compensation as the Board of Mediation may fix, together with his necessary traveling expenses and expenses actually incurred for subsistence, or per diem allowance in lieu thereof, subject to the provisions of law applicable thereto, while serving as such third or neutral party.

"(h) The said Adjustment Board shall be composed of four divisions, whose proceedings shall be independent of one another, and the said divisions as well as the number of their members

shall be as follows:

"First division: To have jurisdiction over disputes involving train- and yard-service employees of carriers; that is, engineers, firemen, hostlers, and outside hostler helpers, conductors, trainmen, and yard-service employees. This division shall consist of 10 members, 5 of whom shall be selected and designated by the

10 members, 5 of whom shall be selected and designated by the carriers and 5 of whom shall be selected and designated by the national labor organizations of the employees.

"Second division: To have jurisdiction over disputes involving machinists, boilermakers, blacksmiths, sheet-metal workers, electrical workers, carmen, the helpers and apprentices of all the foregoing, coach cleaners, power-house employees, and railroad-shop laborers. This division shall consist of 10 members, 5 of whom shall be selected by the carriers and 5 by the national labor overanizations of the employees.

whom shall be selected by the carriers and 5 by the national labor organizations of the employees.

"Third division: To have jurisdiction over disputes involving station, tower, and telegraph employees, train dispatchers, maintenance-of-way men, clerical employees, freight handlers, express, station, and store employees, signal men, sleeping-car conductors, sleeping-car porters, and maids and dining-car employees. This division shall consist of 10 members, 5 of whom shall be selected by the carriers and 5 by the national labor organizations of employees.

employees.

"Fourth division: To have jurisdiction over disputes involving employees of carriers directly or indirectly engaged in transportation of passengers or property by water, and all other employees of carriers over which jurisdiction is not given to the first, second, and third divisions. This division shall consist of 6 members, 3 of whom shall be selected by the carriers and 3 by the national labor organizations of the employees.

labor organizations of the employees.

"(1) The disputes between an employee or group of employees and a carrier or carriers growing out of grievances or out of the interpretation or application of agreements concerning rates of pay, rules, or working conditions, including cases pending and unadjusted on the date of enactment of this amendatory act, shall be handled in the usual manner up to and including the chief operating officer of the carrier designated to handle such disputes; but, failing to reach an adjustment in this manner, the disputes may be referred by petition of the parties or by either party to the appropriate division of the Adjustment Board with a full statement of the facts and all supporting data bearing upon the disputes. disputes

statement of the facts and all supporting data bearing upon the disputes.

"(j) Parties may be heard either in person, by counsel or by other representatives, as they may respectively elect, and the several divisions of the Adjustment Board shall give due notice of all hearings to the employee or employees and the carrier or carriers involved in any disputes submitted to them.

"(k) Any division of the Adjustment Board shall have authority to empower two or more of its members to conduct hearings and make findings upon disputes, when properly submitted, at any place designated by the division: Provided, however, That final awards as to any such dispute must be made by the entire division as hereinafter provided.

"(1) Upon fallure of any division to agree upon an award because of a deadlock or inability to secure a majority vote of the division members, as provided in paragraph (n) of this section, then such division shall forthwith agree upon and select a neutral person, to be known as 'referee', to sit with the division as a member thereof and make an award. Should the division fail to agree upon and select a referee within 10 days of the date of the deadlock or inability to secure a majority vote, then the division, or any member thereof, or the parties or either party to the dispute may certify that fact to the Board of Mediation, which Board shall, within 10 days from the date of receiving such certificate, select and name the referee to sit with the division as a member thereof and make an award. The Board of Mediation shall be bound by the same provisions in the appointment of these neutral referees as are provided elsewhere in this act for the appointment of arbitrators and shall fix and pay the compensation of such referees.

"(m) The awards of the several divisions of the Adjustment pensation of such referees.

pensation of such referees.

"(m) The awards of the several divisions of the Adjustment Board shall be stated in writing. A copy of the awards shall be furnished to the respective parties to the controversy, and the awards shall be final and binding upon both parties to the disputes, except insofar as they shall contain a money award. In case a dispute arises involving an interpretation of the award, the division of the Board upon request of either party shall interpret the award in the light of the dispute.

"(n) A majority vote of all members of the division of the Adjustment Board shall be competent to make an award with respect to any dispute submitted to it.

"(o) In case of an award by any division of the Adjustment Board in favor of petitioner, the division of the Board shall make an order directed to the carrier, to make the award effective and, if the award includes a requirement for the payment of money, to pay to the employee the sum to which he is entitled under the award on or before a day named.

(p) If a carrier does not comply with an order of a division of Adjustment Board within the time limit in such order, the "(p) If a carrier does not comply with an order of a division of the Adjustment Board within the time limit in such order, the petitioner, or any person for whose benefit such order was made, may file in the District Court of the United States for the district in which he resides or in which is located the principal operating office of the carrier, or through which the carrier operates, a petition setting forth briefly the causes for which he claims relief, and the order of the division of the Adjustment Board in the premises. Such suit in the District Court of the United States shall proceed in all respects as other civil suits, except that on the trial of such suit the findings and order of the division of the Adjustment Board shall be prima facie evidence of the facts therein stated, and except that the petitioner shall not be liable for costs in the district court nor for costs at any subsequent stage of the proceedings, unless they accrue upon his appeal, and such costs shall be paid out of the appropriation for the expenses of the courts of the United States. If the petitioner shall finally prevail, he shall be allowed a reasonable attorney's fee, to be taxed and collected as a part of the costs of the suit. The district courts are empowered, under the rules of the court governing actions at law, to make such order and enter such judgment, by writ of mandamus or otherwise, as may be appropriate to enforce

writ of mandamus or otherwise, as may be appropriate to enforce or set aside the order of the division of the Adjustment Board.

"(q) All actions at law based upon the provisions of this section shall be begun within 2 years from the time the cause of action accrues under the award of the division of the Adjustment Board, and not effor.

and not after.

The several divisions of the Adjustment Board shall main-"(r) The several divisions of the Adjustment Board shall maintain headquarters in Chicago, Ill., meet regularly, and continue in session so long as there is pending before the division any matter within its jurisdiction which has been submitted for its consideration and which has not been disposed of,

"(s) Whenever practicable, the several divisions or subdivisions of the Adjustment Board shall be supplied with suitable quarters in any Enderal heidding located at its place of meeting.

in any Federal building located at its place of meeting.

"(t) The Adjustment Board may, subject to the approval of the Board of Mediation, employ and fix the compensations of such assistants as it deems necessary in carrying on its proceedings. The compensation of such employees shall be paid by the Board of Mediation.

"(u) The Adjustment Board shall meet within 40 days after the approval of this act and adopt such rules as it deems necesthe approval of this act and adopt such rules as it deems necessary to control proceedings before the respective divisions and not in conflict with the provisions of this section. Immediately following the meeting of the entire Board and the adoption of such rules, the respective divisions shall meet and organize by the selection of a chairman, a vice chairman, and a secretary. Therefore act as chairman and one of its members to act as vice chairman and one of its members to act as vice chairman. to act as chairman and one of its members to act as vice chairman: Provided, however, That the chairmanship and vice chairmanship of any division shall alternate as between the groups, so that both the chairmanship and vice chairmanship shall be held alternately by a representative of the carriers and a representative of the employees. In case of a vacancy such vacancy shall be filled for the unexpired term by the selection of a succession from the selection of a succession from the selection of a succession for the selection of a succession from the selection of a succession of the selection of the selection of a succession of the selection of

sor from the same group.

"(v) Each division of the Adjustment Board shall annually prepare and submit a report of its activities to the Board of Media-tion, and the substance of such report shall be included in the annual report of the Board of Mediation to the Congress of the

United States.

"(w) Any division of the Adjustment Board shall have author-"(w) Any division of the Adjustment Board shall have authority, in its discretion, to establish regional adjustment boards to act in its place and stead for such limited period as such division may determine to be necessary. Carrier members of such regional board shall be designated in keeping with rules devised for this purpose by the carrier members of the Adjustment Board and the labor members shall be designated in keeping with rules devised for this purpose by the labor members of the Adjustment Board. Any such regional board shall, during the time for which it is appointed, have the same authority to conduct hearings, make findings upon disputes and adopt the same procedure as the division of the Adjustment Board appointing it, and its decisions division of the Adjustment Board appointing it, and its decisions shall be enforceable to the same extent and under the same procshall be enforceable to the same extent and under the same processes. A neutral person, as referee, shall be appointed for service in connection with any such regional adjustment board in the same circumstances and manner as provided in paragraph (I) hereof, with respect to a division of the Adjustment Board.

"Second. Nothing in this section shall be construed to prevent any individual carrier, system, or group of carriers and any class or classes of its or their employees, all acting through their representatives selected in accordance with the provisions of this act, from mutually agreeing to the establishment of system group or

sentatives selected in accordance with the provisions of this act, from mutually agreeing to the establishment of system, group, or regional boards of adjustment for the purpose of adjusting and deciding disputes of the character specified in this section. If such voluntary method of adjustment is established, it shall preduce the parties thereto from presenting disputes, either originally or on appeal, to any board of adjustment provided for in this section. In the event that either party to such a system, group,

or regional board of adjustment is dissatisfied with such arrange-

or regional board of adjustment is dissatisfied with such arrangement, it may, upon 90 days' notice to the other party, elect to come under the jurisdiction of the Adjustment Board."

SEC. 4. Paragraph "Third" of section 4 of the Railway Labor Act is amended to read as follows:

"Third. The Board of Mediation may (1) appoint such experts and assistants to act in a confidential capacity and, subject to the provisions of the civil-service laws, such other officers and applications of the civil-service laws. employees as are essential to the effective transaction of the work of the Board; (2) in accordance with the Classification Act of 1923, fix the salaries of such experts, assistants, officers, and of 1923, fix the salaries of such experts, assistants, officers, and employees; and (3) make such expenditures (including expenditures for rent and personal services at the seat of government and elsewhere, for law books, periodicals, and books of reference, and for printing and binding, and including expenditures for salaries and compensation, necessary traveling expenses and expenses actually incurred for subsistence, and other necessary expenses of the Mediation Board, Adjustment Board, Regional Adjustment Boards established under paragraph (w) of section 3, and boards of arbitration, in accordance with the provisions of this section and sections 3 and 7, respectively), as may be necessary for the execution of the functions vested in the Board, in the Adjustment Board, and in the boards of arbitration, and as may be provided for by the Congress from time to time. All expenditures of the Board shall be allowed and paid on the presentation of itemized vouchers therefor approved by the chairman."

presentation of itemized vouchers therefor approved by the chairman."

Sec. 5. Section 4 of the Railway Labor Act is amended by adding at the end thereof a new paragraph, as follows:

"Fourth. The Board of Mediation is hereby authorized by its order to assign, or refer, any portion of its work, business, or functions arising under this or any other act of Congress, or referred to it by Congress or either branch thereof, to an individual member of the Board or to an employee or employees of the Board to be designated by such order for action thereon, and by its order at any time to amend, modify, supplement, or rescind any such assignment or reference. All such orders shall take effect forthwith and remain in effect until otherwise ordered by the Board. In conformity with and subject to the order or orders of the Board of Mediation in the premises, any such individual member of the Board or employee designated shall have power and authority to act as to any of said work, business, or functions so assigned or referred to him for action by the Board."

Sec. 6. Section 5 of the Railway Labor Act is amended to read

SEC. 6. Section 5 of the Railway Labor Act is amended to read

as follows:

"FUNCTIONS OF BOARD OF MEDIATION

"SEC. 5. First. The parties, or either party, to a dispute between an employee or group of employees and a carrier may invoke the services of the Board of Mediation in any of the following cases:

"(a) A dispute concerning changes in rates of pay, rules, or

"(a) A dispute concerning changes in rates of pay, rules, or working conditions not adjusted by the parties in conference.
"(b) Any other dispute not referable to the National Board of Adjustment and not adjusted in conference between the parties or where conferences are refused.

"The Board of Mediation may proffer its services in case any labor dispute is found by it to exist at any time.

"In either event the said Board shall promptly put itself in communication with the parties to such controversy, and shall use its best efforts, by mediation, to bring them to agreement. If such efforts to bring about an amicable settlement through mediation shall be unsuccessful, the said Board shall at once endeavor tion shall be unsuccessful, the said Board shall at once endeavor as its final required action (except as provided in paragraph third of this section and in section 10 of this Act) to induce the parties to submit their controversy to arbitration, in accordance with the provisions of this Act.

provisions of this Act.

"If arbitration at the request of the Board shall be refused by one or both parties, the Board shall at once notify both parties in writing that its mediatory efforts have failed and for 30 days thereafter, unless in the intervening period the parties agree to arbitration, or an emergency board shall be created under section 10 of this act, no change shall be made in the rates of pay, rules, or working conditions or established practices in effect prior to the time the dispute arose.

or working conditions or established practices in ellect prior to the time the dispute arose.

"Second. In any case in which a controversy arises over the meaning or the application of any agreement reached through mediation under the provisions of this act, either party to the said agreement, or both, may apply to the Board of Mediation for an interpretation of the meaning or application of such agreement. The said Board shall upon receipt of such request notify the provisers to the controversy and after a beginning of both sides. the parties to the controversy, and after a hearing of both sides give its interpretation within 30 days.

"Third. The Board of Mediation shall have the following duties

with respect to the arbitration of disputes under section 7 of

this act:

this act:

"(a) On failure of the arbitrators named by the parties to agree on the remaining arbitrator or arbitrators within the time set by section 7 of this Act, it shall be the duty of the Board of Mediation to name such remaining arbitrator or arbitrators. It shall be the duty of the Board in naming such arbitrator or arbitrators to appoint only those whom the Board shall deem wholly disinterested in the controversy to be arbitrated and impartial and without bias as between the parties to such arbitration. Should, however, the Board name an arbitrator or arbitrators not so disinterested and impartial, then, upon proper investigation and presentation of the facts, the Board shall promptly remove such arbitrator.

"If an arbitrator named by the Board of Mediation, in accordance with the provisions of this Act, shall be removed by such Board as provided by this Act, or if such an arbitrator refuses or is unable to serve, it shall be the duty of the Board of Mediation, promptly, to select another arbitrator, in the same manner as provided in this act for an original appointment by the Board of Mediation. as provided in of Mediation.

of Mediation.

"(b) Any member of the Board of Mediation is authorized to take the acknowledgment of an agreement to arbitrate under this act. When so acknowledged, or when acknowledged by the parties before a notary public or the clerk of a district court or a circuit court of appeals of the United States, such agreement to arbitrate shall be delivered to a member of said Board or transmitted to said Board, to be filed in its office.

"(a) When accompant to arbitrate has been filed with the

When an agreement to arbitrate has been filed with the Board of Mediation, or with one of its members, as provided by this section, and when the said Board has been furnished the this section, and when the said Board has been furnished the names of the arbitrators chosen by the parties to the controversy, it shall be the duty of the Board to cause a notice in writing to be served upon said arbitrators, notifying them of their appointment, requesting them to meet promptly to name the remaining arbitrator or arbitrators necessary to complete the Board of Arbitration, and advising them of the period within which, as provided by the agreement to arbitrate, they are empowered to name such arbitrators or arbitrators. arbitrator or arbitrators.

"(d) Either party to an arbitration desiring the reconvening of a board of arbitration to pass upon any controversy arising over the meaning or application of an award may so notify the Board of Mediation in writing, stating in such notice the question or questions to be submitted to such reconvened Board. The Board of Mediation shall thereupon promptly communicate with the members of the Board of Arbitration, or a subcommittee of such Board appointed for such purpose pursuant to a provision in the agreement to arbitrate, and arrange for the reconvening of said Board of Arbitration or subcommittee, and shall notify the respective parties to the controversy of the time and place at which the Board, or the subcommittee, will meet for hearings upon the matters in controversy to be submitted to it. No evidence other than that contained in the record filed with the original award shall be received or considered by such reconvened Board or subcommittee, except such evidence as may be necessary to illustrate the interpretations suggested by the parties. If any member of the original Board is unable or unwilling to serve on such reconvened Board or subcommittee thereof, another arbitrator shall be named in the same manner and with the same powers and duties as such

original arbitrator.

"(e) Within 60 days after the enactment of this amendatory act "(e) Within 60 days after the enactment of this amendatory act every carrier shall file with the Board of Mediation a copy of each contract with its employees in effect on the 1st day of April 1934, covering rates of pay, rules, and working conditions. If no contract with any craft or class of its employees has been entered into, the carrier shall file with the Board of Mediation a statement of that fact, including also a statement of the rates of pay, rules, and working conditions applicable in dealing with such craft or class. When any new contract is executed or change is made in an existing contract with any class or craft of its employees covering rates of pay, rules, or working conditions, or in those rates an existing contract with any class or craft of its employees covering rates of pay, rules, or working conditions, or in those rates of pay, rules, and working conditions of employees not covered by contract, the carrier shall file the same with the Board of Mediation within 30 days after such new contract or change in existing contract has been executed or rates of pay, rules, and working conditions have been made effective."

Sec. 7. Section 6 of the Railway Labor Act is amended to read

"Sec. 6. Carriers and representatives of the employees shall give at least 30 days' written notice of an intended change in agreements affecting rates of pay, rules, or working conditions, and the time and place for the beginning of conference between the representatives of the parties interested in such intended changes shall be agreed upon within 10 days after the receipt of said notice, and said time shall be within the 30 days provided in the notice. In every case where such notice of intended change has been given, or conferences are being held with reference thereto, or the services of the Board of Mediation have been requested by either nearly or said Board has proffered its services rates of pay when ices of the Board of Mediation have been requested by either party, or said Board has proffered its services, rates of pay, rules, or working conditions shall not be altered by the carrier until the controversy has been finally acted upon, as required by section 5 of this act, by the Board of Mediation, unless a period of 10 days has elapsed after termination of conferences without request for or proffer of the services of the Board of Mediation."

SEC. 8. If any section, subsection, sentence, clause, or phrase of this act is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this act. All acts or parts of acts inconsistent with the provisions of this act are hereby repealed.

this act are hereby repealed.

The SPEAKER. Is a second demanded?

Mr. SNELL. Mr. Speaker, I think there should be some explanation of the bill, and I shall demand a second in order that we may know what is in the bill.

The SPEAKER. Is the gentleman opposed to the bill? Mr. SNELL. I do not know whether I am or not. Mr. Speaker.

Mr. MERRITT. I am opposed to the bill, Mr. Speaker, and I demand a second.

The SPEAKER. Will the gentleman vote against the bill? Mr. MERRITT. I will.

The SPEAKER. The Chair recognizes the gentleman from Connecticut to demand a second.

By unanimous consent, a second was considered as ordered.

Mr. CROSSER of Ohio. Mr. Speaker, the purpose of this bill is to amend the original Railway Labor Act, passed in 1926. Certain defects in that bill have become evident as a result of the operation of the measure during the last 8 years.

The original Railway Labor Act provided for establishment of adjustment boards consisting of members nominated by the railroads and by the employees in equal numbers to consider grievances. The fact is that in a great many instances they have been unable to reach any decision and have become deadlocked because there was no provision for a neutral member to break such a deadlock.

We provide in this bill a new plan for adjusting grievances. There is to be an adjustment board consisting of 36 men, 18 men to be nominated by the railroads and 18 by the employees. This board of 36 men is to be divided into 4 divisions, 3 of 10 members each and the fourth of 6 members. Each of these divisions is required to take up the particular grievances which may come within its jurisdiction in accordance with the terms of the bill. If the board is unable to reach an agreement in regard to the grievance in question ,then the members are required to endeavor to agree upon a neutral person to be called a referee to break the deadlock. If, however, the members of the adjustment board division are unable to reach an agreement as to the appointment of a neutral person, then the United States Board of Mediation is required by the bill to nominate a referee. There will be, therefore, absolute certainty of decision in all cases whereas heretofore such has not been the

We believe that this is a great step in the right direction. We feel that it will do much toward the establishment of industrial peace on the railroads of the United States.

It is significant, it seems to me, that we have a greater degree of industrial peace and harmony in the railroad industry than in any of the other industries of the country. This is due in large measure to the fact that we have had in operation for the last 8 years the Railway Labor Act of 1926, defective as it is.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. CROSSER of Ohio. For a very brief question; yes.

Mr. SABATH. This bill attempts to make the act of 1926 workable and effective; is not that about all?

Mr. CROSSER of Ohio. That is it. All this bill does is to make the act of 1926 more workable.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield for a moment?

Mr. CROSSER of Ohio. Yes.

Mr. BANKHEAD. I received some little protest from some short-line railroads in Alabama. I do not know whether the other Members have received this complaint or not. They are fearful of the operation of this bill upon their employees, because of their limited finances, and so forth, but Mr. Eastman, the Coordinator of Railroads, when he was before the Rules Committee, explained that in the set-up and operation of the present bill there had been no difficulty whatever in adjusting these matters upon the short-line railroads, because the regular standard unions recognized, in a large measure, the necessity of the employees of these short-line railroads making their individual agreements with these lines. Is this the gentleman's understanding?

Mr. CROSSER of Ohio. The gentleman is correct; and I am sure that the Coordinator is right in what he says.

In addition to the features I have discussed the bill clarifies the provisions in the existing Railway Labor Act by making it perfectly clear what kind of unions are not permitted under the law. Men may organize as they see fit, but the bill prohibits the railroads from paying the expenses of any union from company funds, to maintain, aid, or

control labor organizations. The bill does not permit railroads to pay the salaries of the employees as officers of company- or corporation-controlled unions. It gives employees the absolute freedom to establish unions of employees of a company if they so desire, provided that such union is not supported or controlled by the company.

Mr. MARTIN of Colorado. They are prohibited from maintaining company unions.

Mr. CROSSER of Ohio. The bill prohibits railroad com-

panies from deducting dues from men's wages to support so-called "unions" which the railways themselves have organized and fostered. It stops that, and it should stop it.

The bill when enacted into law will do much to establish industrial peace in this country. It provides for an appeal to reason rather than to force. It gives every man employed by railroads an opportunity to be heard by an impartial tribunal. It will set a precedent for labor of every kind in the United States for the establishment of the correct method to be pursued for the establishment of peace in industry. [Applause.]

Mr. MERRITT. Mr. Speaker, it is rather a difficult position for a man to stand up here alone and express opposition to bills which so many able men favor, but I have to this bill primarily the same objection I have to the bill just passed, namely, that it seems to reach the point of absurdity for the House to pass a bill of such importance on so little

debate and with so little information.

The bill, as has been explained, amends the Railroad Labor Act of 1926. That labor act was enacted with the consent and cooperation of all the railroads and the railroad organizations and has worked extremely well. I think it safe to say that there has never been a time when there has been so much peace and cooperation between the railroads and their employees as during the last 8 years, since this railway act has been in operation. The reason is because there has been cooperation in the administration of the act. All sides have been consulted, and all sides agreed to the principles in the bill. This bill violates to a very considerable extent the underlying principles of that bill, because it involves a certain amount of force and coercion which does not tend to peace.

Another thing that the bill does which I think is extremely important is that it interferes with the liberty of a very large percentage of the employees, because it militates against what are called "company unions." Some of the great railroads are now operating peacefully and successfully under company unions, but this bill is so drawn that that liberty is taken away, because it forces, either directly or indirectly, all the employees into the national unions, and the national unions are apart from and often opposed to the railroads. They have operated very successfully under the existing Labor Act of 1926; but I think anyone who takes the time to study the matter carefully will see that this bill that we are proposing to pass will foment objections and litigation instead of quieting them.

I ask gentlemen to read carefully, if they will, the extracts in the minority report which I have made from a letter from Mr. Eastman, who is the Railroad Coordinator and who knows more about the operation of the Railway Act than any other man. He says, among other things:

The proposed amendments which Mr. Farquarson undertakes to defend are designed to protect certain so-called "percentage contracts", which his brotherhood has with some of the railroads. These contracts are so out of harmony with the whole spirit of railroad labor relations, as contemplated by the Railway Labor Act, the Bankruptcy Act, and the Emergency Railroad Transportation Act, that I am frankly astonished by the persistency with which these amendments are urged. In my testimony before your committee I pointed out that they are designed to permit the so-called "standard organizations" to enter into contracts or agreements with the carriers which are prohibited in the case of company unions. company unions

That, you will see, is covered by the fifth paragraph, page 7 of the bill, which provides:

5. No carrier, its officers, or agents shall require any person seeking employment to sign any contract or agreement promising to join or not to join a company union; and if any such contract has been enforced prior to the effective date of this act, then

such carrier shall notify the employees by an appropriate order that such contract has been discarded and is no longer binding on them in any way

But they are not prohibited from requiring them to join a national union. Then as to the formation of the adjustment boards, the bill provides in paragraph (c), page 12,

(c) The national labor organizations, as defined in paragraph (a) of this section, acting each through the chief executive or other medium designated by the organization or association thereof, shall prescribe the rules under which the labor members of the adjustment board shall be selected.

That is, you give the national unions full power to select the labor members of the organization board which rules the whole industry, and thus deprive a large percentage of employees of representation.

Mr. RICH. If the National Labor Board is given power to make selection, is it not going to control the situation so that you will have national labor unions, and there will be no permission of any kind granted for the employees, if they desire, to have company unions?

Mr. MERRITT. Absolutely.

Mr. SNELL. Is there any additional expense placed on the railroads in connection with this piece of legislation?

Mr. MERRITT. I think not-nothing material, so far as expense goes. But I want you to listen to what the vice president of the New York Central Railroad, who spoke for all the class I railroads, said:

It is clearly obvious, from the presentations and changes that have been made that the proponents of this bill are not satisfied with it.

It is certainly obvious from the testimony of the organizations that they are not in agreement among themselves and are not satisfied with the bill.

The managements of none of the railroads approve of the bill, and no railroad officer with whom I have discussed this bill knows just where it will lead.

It is another case of legislation of which no one, I think, on the committee would say that he knows where it will lead. It is kowtowing to national labor organizations and giving them power to control the situation.

Mr. RICH. If the railroads are not permitted to collect anything from their employees for their own unions, are they supposed to collect funds for the organization of national unions?

Mr. MERRITT. No; I believe the bill prohibits the railroad companies from contributing to any union.

Mr. GRISWOLD. Mr. Speaker, will the gentleman yield? Mr. MERRITT. Yes.

Mr. GRISWOLD. If under this bill they are prohibited from joining company unions, the railroads actually save the expense they are now put to in maintaining the company union.

Mr. MERRITT. That is a very small amount.

Mr. GRISWOLD. It amounts to considerable on some systems. Has the gentleman any record of it?

Mr. MERRITT. No.

Mr. GRISWOLD. It shows that it goes into the hundreds of thousands of dollars.

Mr. MERRITT. That is small, compared with the millions involved. I do not think the matter of expense enters into it. The question is as to the operation of the railroads and whether they will be operated in a more friendly spirit as between the railroads and their employees. My view is that this bill is not in the interest of labor or in the interest of the railroads, and, therefore, I think it should not be passed without much more consideration than we are giving it.

Mr. GRISWOLD. In relation to these percentage contracts of which the gentleman spoke, was there any objection from the railroad management or the employees before the gentleman's committee?

Mr. MERRITT. Yes; these percentage contracts apply only to yardmen now.

Mr. GRISWOLD. I understand that, but the management of the roads that now hold these contracts do not Mr. MERRITT. They do not object to existing contracts,

The SPEAKER. The time of the gentleman from Connecticut [Mr. Merritt] has expired.

Mr. MERRITT. Mr. Speaker, I yield 5 minutes to the

gentleman from Michigan [Mr. Mapes].

Mr. MAPES. Mr. Speaker, we are passing in a few minutes, within less than 2 hours, two bills of great interest, importance, and benefit to railroad employees. They come up in the closing hours of the session when there seems to be no other way to pass them except to do it promptly and without very much debate. Under the circumstances, some of us have to forego the privilege of entering into any very extensive discussion of the legislation.

Personally, I wish to express myself in favor of both pieces of legislation, the retirement legislation and this bill to amend the Labor Act, and in some respects the emergency railroad law which created the Coordinator of Railroads. I think that society and industry must provide, in their old age, for those who have spent their time and energies in industry during their active lives. I feel that this retirement legislation is equitable and that the bill reported by the House committee is very conservative. As the gentleman from California [Mr. Lea] stated, it is concededly somewhat experimental, but it is a step in the right direction. I want

to go on record as favoring it.

The purpose of the pending bill is simply to amend and make more workable the act creating the Board of Mediation and the labor provisions in the emergency railroad law. It seems to me some people are overestimating some features of this bill. The bill does prohibit so-called "company unions" as defined in the bill, but the definition of a company union in the bill is one that is organized at the suggestion or with the aid of the company. I do not think any disinterested person favors such a company union or thinks that it serves any good purpose; but this bill does not, in terms, prevent the employees from forming a company union if they do it of their own volition and independent of help from the company.

One other provision of this bill is to provide by law for the appointment of a neutral referee on adjustment boards. Under existing law the representatives of the carriers and representatives of the employees act as adjustment boards; but for the most part they come to a head-on whenever there is a real dispute between them in those cases where the interested parties have named representatives, and they are more and more ceasing to appoint even their own representatives. There is no provision for the selection of a neutral referee under existing law. This bill provides for the appointment of such neutral referee so that there can be an actual decision when disputes arise between carriers and employees.

Those two provisions, as I understand the bill, are the main and fundamental provisions in the bill now before us. As I said in the beginning, it is largely for the purpose of making existing law workable that this bill is now before the House. [Applause.]

The SPEAKER. The time of the gentleman from Michigan [Mr. Mapes] has expired.

Mr. CROSSER of Ohio. Mr. Speaker, I yield to the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Speaker, the Rules Committee, on my motion, reported out House Resolution 437 for the consideration of this measure. We were glad to present the bill to the House. We had two hearings, at one of which Mr. Eastman appeared and testified at length.

My prime purpose in rising at this time is to point out what I consider a serious defect in the bill, and which I hope will be corrected on the other side of the Capitol or in

conference.

Section fifth, on page 7 of the bill, prohibits employers from compelling the employees to agree not to join or to join a company union; but there is no provision here that the railroad employer cannot compel an employee to agree not to join one of the 21 standard unions. That language as it now stands would permit "yellow dog" contracts, as far as the standard labor organizations are con-

cerned. Mr. Eastman agreed with us as to that. He admitted that was an oversight and a defect in the bill, and that some language ought to be put in there so that the employer could not compel the employee, by agreement, not to join any union, whether it is a company union or a regular labor organization.

Mr. MONAGHAN of Montana. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. MONAGHAN of Montana. I believe the gentleman's objection has been answered by the provision in the bill on page 6, line 20, which reads:

No carrier, its officers, or agents, shall deny or in any way question the right of its employees to join the labor organization of their choice.

Mr. O'CONNOR. I do not believe that language meets the situation, and I hope it will be taken care of by an amendment to section 5.

Mr. COLE. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. COLE. Since this bill was reported out by the committee Mr. Eastman has confirmed, by letter to me, his hope that the very language pointed out on page 7 will be changed so as to conform with the language in the Senate bill.

Mr. O'CONNOR. And to meet the objection I raised?

Mr. COLE. Yes.

Mr. MERRITT. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey [Mr. Wolverton].

Mr. WOLVERTON. Mr. Speaker, there is nothing so necessary as to provide principles and procedure by reason of which the employer and employee can meet together to confer when differences arise. The railroad industry has been the pioneer in this matter as well as in the recognition of many other worth-while principles of employment. Since 1888 there has been some method or other provided by which railroad employees and management could meet together and confer. Each succeeding law has sought to correct the deficiencies or weaknesses of the one preceding. This act before the House today seeks to correct the weaknesses that have been found to exist in the present Railway Labor Act. Both management and men recognize there are situations and conditions that have developed, at one time or another, in the administration of the act that should be remedied by amendment. This bill seeks to do so.

Mr. COOPER of Ohio. Will the gentleman yield?

Mr. WOLVERTON. I yield.

Mr. COOPER of Ohio. There has been a great deal said today about company unions. I wish the gentleman from New Jersey [Mr. WOLVERTON] would please read the definition of "company unions" as we have it in the bill, so that the House will know just what it is.

Mr. WOLVERTON. I shall be pleased to comply with the request of the gentleman, because I think the use of the term "company union" is greatly misunderstood.

"Company union" is defined on page 4 of this bill, as follows:

Sixth. The term "company union" means any group or association of employees formed for the purpose of collective bargaining, whether or not same shall be formally organized, which was so formed at the suggestion, with the aid, or under the influence of any carrier, or its or their officers or agents, and/or whose constitution, bylaws, or actions are under any control or influence of any carrier, or carriers, or its or their officers or agents.

It is that kind of union which this bill seeks to outlaw. [Applause.]

In this connection I think the Membership of the House should also observe the language on page 6 of the bill, reading as follows:

Fourth. Employees shall have the right to organize and bargain collectively through representatives of their own choosing. The majority of any craft or class of employees shall have the right to determine who shall be the representative of the craft or class for the purpose of making or revising agreements concerning rates of pay, rules, and working conditions. No carrier, its officers or agents, shall deny or in any way question the right of its employees to join the labor organization of their choice, and it shall be unlawful for any carrier to interfere in any way with the organization of employees—

And so forth.

The general purposes sought to be attained by this legislation are as follows:

First. To avoid any interruption to commerce or to the operation of any carrier engaged therein.

Second. To forbid any limitation upon freedom of association among employees or any denial, as a condition of employment or otherwise, of the right of employees to join a labor organization of their own choosing.

Third. To provide for the complete independence of carriers and of employees in the matter of self-organization to carry out the purpose of this act.

Fourth. To provide for the prompt and orderly settlement of all disputes concerning rates of pay, rules, or working conditions.

Fifth. To provide for the prompt and orderly settlement of all disputes growing out of grievances or out of the interpretation or application of agreements covering rates of pay, rules, or working conditions.

I regret exceedingly that the limitation of time allotted under the rules of the House prevent my discussing the provisions of this bill as fully as I should like to do. However, I do wish to emphasize the fact in connection with this proposed legislation for settlement of disputes in the railroad industry, as I did earlier today when advocating favorable consideration of the railroad pension or retirement bill, then before the House, namely, that the railroad industry, management, and men has shown the way to the enactment of legislation to avoid industrial strife and provide in its stead industrial peace. I sincerely hope that the same cooperative spirit that has been shown by railroad management and men in their common endeavor to provide equitable and just principles and a practical procedure for conferences when differences unfortunately arise will be contagious in other industries and that like beneficial results may be attained.

The heavy loss to industry and the company, inconvenience to the public and distress to the employee and his family when transportation suspends its activities, impels us to give favorable consideration to legislation such as this which has within it the hope and the purpose to avoid disruption or suspension of transportation facilities in the event that any disagreement should arise in the future, and to provide an orderly and just settlement thereof. I shall vote for the bill in the hope and with the expectation that it will do that very thing. [Applause.]

[Here the gavel fell.]

Mr. MERRITT. Mr. Speaker, I yield 2 minutes to the

gentleman from Pennsylvania [Mr. Rich].

Mr. RICH. Mr. Speaker, I feel that the bill previously passed granting pensions to retired employees constituted good general legislation; but I cannot see why we should have singled out the railroads at this time when they are having a \$13,000,000 deficit, to impose upon them laws which cannot be carried out unless the railroads increase their tariffs to take care of the pensions therein granted. We should see to it that this relief be granted to the railroads so they can raise this \$60,000,000 needed. We must not wreck the railroads or all their employees will lose their

With reference to the present bill and company unions, I feel that if the employees are not under duress of any kind. the company union is a good union; for the average employer is interested in the welfare of his employees as much as are the unions under the domination of the American Federation of Labor interested in their membership.

The thing that is needed in industry today is cooperation under the Golden Rule. Men interested in doing the right thing are just as much interested in unions fostered under their own roof as they are in those ruled by men in other cities under the American Federation of Labor. I think the average employer today is more vitally interested in the welfare of his own employees than in that of any employees in the whole world; and it is right that he should be. Now. if this be the case, why should we in any way foster unions that are under the domination and control of men who are

The limited time at my disposal prevents my reading the | going over the country trying to create trouble—the trouble we are having now in the strikes all over the land. Who is responsible for them? Do the men want to strike? Do men insist that they do strike?

I think section 7 of the N.R.A. Act is carried out pretty much in this bill. I think a great deal of the trouble we have today in the United States is due to the extent to which organization of employees is being fostered or forced on employees against their will. What we need in industry today is the spirit of brotherly love. Given this we will get along a whole lot better than we will by trying to regulate too rapidly. Kill industry and you have no jobs for anyone. Remember, that business is just about as sick as the man that does not have a job. Kill industry and you kill the job. You destroy rather than build, you retard progress rather than assist it. I believe this legislation should have been considered more thoroughly rather than with such haste. It would have been better.

[Here the gavel fell.]

Mr. CROSSER of Ohio. Mr. Speaker, I yield 11/2 minutes to the gentleman from New Jersey [Mr. KENNEY].

Mr. KENNEY. Mr. Speaker, this is salutary labor legislation and constitutes the first act of the Seventy-third Congress looking toward a satisfactory settlement of labor disputes. Heretofore railroads could not agree with the unions upon the personnel of a board of mediation to determine their several differences. Consequently, the act of 1926 was ineffective and inoperative as a positive means of satisfactorily adjusting their labor disputes. A method is provided by the present bill so that all disputes may be settled peaceably, and labor will not be compelled to strike to enforce its claims. This act is a solution of a hitherto perplexing problem.

Permit me to mention a very great and beneficial provision of the bill. It allows of conferences by the railroad employee with his immediate superiors without loss to the employee for the time consumed in discussing differences arising out of the employment. The employee will be paid his wages while he is so engaged just the same as if he was doing his regular work assigned to him. Of course, if an appeal is taken and extraordinary expenses are made necessary, it then becomes a matter beyond the purview of this bill, and such expenditures would devolve ordinarily upon his union. In this regard the prosecution of claims may in some instances depend upon the financial condition of the unions, whether they be standard or company union, and the company union will no longer the dominated by the railroad by express provision of this bill. But the treasury of the union may play an important part in the settlement of disputes. One union may be stronger financially than another. Unions have various ways of raising funds for their treasury. For instance, if you will read the hearings held on this bill you will find in the record a certificate which is of no small significance. It is not a certificate issued by a standard union. It does, however, bear part of the name of one of the great railroad systems of the country. The certificate is in the nature of a lottery ticket, the first prize of which is \$40,000, with drawings each month in every State of the Union. The treasury receiving the proceeds of this lottery must be in a very advantageous position. I mention this because it is pertinent and is further evidence of the part the lottery plays in the lives and practices of our people.

The facts and circumstances surrounding this legislation show the necessity and importance of this bill whilst proving also the necessity and importance of the passage of my bill for a legalized federally conducted lottery for public benefit. [Applause.]

[Here the gavel fell.]

Mr. CROSSER of Ohio. Mr. Speaker, I yield 11/2 minutes to the gentleman from Colorado [Mr. MARTIN].

Mr. MARTIN of Colorado. Mr. Speaker, the action of the House today has taken a heavy load from my mind, a load that has been growing daily, with the approach of the end of the session, the thought that Congress might adjourn without taking any action whatever on a number of important labor bills, especially railway labor bills pending | here.

The three most important of these bills, in my opinion, are the pension bill, the adjustment of disputes bill, and the 6-hour day bill. I want to congratulate the Committee on Interstate and Foreign Commerce, and particularly the gentleman from Ohio, the veteran Bob Crosser, [applause] on the fact that one of these bills, the pension bill, has just been passed and that another of them, the disputes bill, is about to be passed, and both under his pilotage. These are two of the three most important railway labor bills before Congress in the estimation of the great army of the country's railroad employees.

The passage of two such important labor measures today is a complete answer to the charges which have been made frequently on the other side of the aisle since the adoption of the rule to expedite the business of the House and suppress the minority filibuster which was intended to disrupt and block the majority program, that that rule was designed primarily to sidetrack labor and farm legislation. I undertake to say that not in the history of Congress have two such important labor measures been passed at a single sitting of the House. Nothing could more clearly indicate the attitude of the administration and of the Democratic majority in Congress toward labor than the passage this morning of these two great measures, to create a universal pension system for all railway employees and to amicably adjust all railway disputes.

Mr. Speaker, I cannot undertake to go into the details of the pension bill. There is some dispute as between the amount of the retirement annuities carried in the Crosser bill, H.R. 9911, which has replaced the Crosser bill, H.R. 9596, and the retirement annuities in the Senate bill 3231, known as the "Hatfield-Wagner bill", which passed the Senate yesterday. I shall only say here that in all its main features and principles the Crosser bill and the Hatfield-Wagner bill correspond, and that both of these bills represent a compromise agreement between all groups of railway employees in the United States, a large number of whom were formerly supporting a materially different method of creating and maintaining the retirement fund. All now agree on the bill passed by the Senate yesterday and the House bill now under consideration, except some differences over the annuity rates and the contribution rates, which may be ironed out in conference.

The supreme importance of this bill is that it is the first recognition by the Congress of the United States of a pension system for employees in private employment. It is only the forerunner of a universal pension system for the aged employees of industry. Rome was not built in a day. I look for the next Congress to pass a general pension bill. The man or woman who serves society in industry is just as much entitled to be provided for when his earning days are over as the man or woman in the service of the Government. If our civilization is to be worth preserving, the principle must be recognized and made effective that the workers in the vineyard in the heat of the day are entitled to the enjoyment of its fruits when the night is come, when man works no more. If poverty cannot be eliminated from the land, at least the poorhouse can.

Mr. Speaker, I wish I had time to properly answer the gentleman from New York on the company-union proposition. The company union goes out under this bill, and it ought to go out. The company union is a fairly recent growth in the railway service, a growth enforced by many railway companies. It is potent of unrest in railway employment. The gentleman from New York pointed out that, while under the language of the bill, railway companies may not promote or influence the organization of company unions, yet the employees themselves may organize such unions. I want to stake my reputation as a prophet on the proposition that no group of railway employees in the United States will voluntarily maintain any such sham organizations. The removal of employer compulsion would sound the death knell of the company union, not only in

the railway service but in all industries. That is the reason we should have the Wagner disputes bill, which applies to all industry. Workers who have not the right to form their own organizations, absolutely free from employer dictation, and collectively bargain with the employer through representatives of their own choosing, are not free men. The reversal of the situation would prove the case. Suppose the directors and management of the employer were to be selected, dictated to, or influenced by the employees in just the same manner and to the same extent as the company union is selected, dictated to, or influenced by the employer. Would anyone claim that such an employer management primarily represented the interests of the employer?

Mr. Speaker, when a man consistently holds the same views regarding a proposition throughout a long and varied lifetime, when his convictions have rested upon the same sheet anchor for 50 years, whether digging ditches or in Congress, whether in politics or out of politics, that proposition is a verity so far as he is concerned. Since my earliest manhood I have believed not only in the right but in the necessity of the self-organization of labor and of collective bargaining with the employer to fix the conditions of labor, and that recognition of this right would be to the ultimate benefit also of the employer and of society. With the growth of industry, this need has grown. Today, without organization there is nothing. In the scale of industry, the unorganized employee weighs exactly nothing. He has no rights; if he has rights, he has no power to enforce them. Industry seeks to combat organizations of labor's own formation with the company union.

I have in my hand and shall insert in my remarks a copy of a letter written by me to the Coordinator of Transportation showing how the company union is established and maintained, and the answer of the Coordinator showing that the conditions complained of in my letter are not peculiar to the railway company in question. If this were an isolated instance, it would perhaps not justify an act of Congress, but it is not an isolated incident. It is merely illustrative of a growing abuse, which, if not eliminated by law, will be eliminated in some other and less agreeable way.

My letter shows that I knew it would not be the first complaint to reach the Coordinator. I knew because of an early apprenticeship in the ranks of labor and a life of contact with it. In my younger days I followed for several years an occupation for which I had considerable aptitude, because it called for what was known in the language of the rail as "a strong back and a weak head", the manipulation of the butt end of a scoop shovel on the hurricane deck of a locomotive. That experience, plus several years in other branches of the railway service and a fellowship ever since maintained with the men in the ranks, qualifies me to apprehend some things without a diagram. But let us be on with the letters.

PUEBLO, Colo., November 18, 1933.

Hon. JOSEPH B. EASTMAN. Coordinator of Transportation,

Washington, D.C.
My Dear Mr. Eastman: I have been consulted by shop em-MY DEAR MR. EASTMAN: I have been consulted by shop employees of the Denver & Rio Grande Western Railroad Co. at Pueblo, who make complaint with respect to the action of the company in requiring compulsory membership in and exclusive recognition of a company union known as the "Association of Mechanical Crafts, Helpers, and Apprentices."

It is alleged that \$1 per month is deducted from the pay of all shop employees as involuntary membership dues; that the association does not represent the interest of the employees; that election of officers of the association is so controlled and manipulated as to secure a personnel located at Salt Lake City which

lated as to secure a personnel located at Salt Lake City, which is favorable to the company rather than the employees; and that if the employees were given a free choice of expression, free from

fear of loss of employment, they would reject the company union.

Many of these men belong to the American Federation of Labor, and many of those in Pueblo are affiliated with an organization of municipal employees engaged in a somewhat similar class of work.

A company union is, of course, a sham, intended to prevent and not facilitate free collective bargaining between employer and employee.

These men thought they might have to resort to court action, but I assume the Coordinator of Transportation has already had to contact with the same or similar conditions and I advised them to await a reply from you. They should not have to go to court

in order to secure the rights and the protection afforded them by the Transportation Act of 1933. It is, therefore, respectfully suggested that you cause this situation to be inquired into and remedied if possible.

Very respectfully.

JOHN A. MARTIN, Member of Congress.

FEDERAL COORDINATOR OF TRANSPORTATION, Washington, D.C., November 23, 1933. M.C.

Hon. JOHN A. MARTIN. Pueblo, Colo.

My DEAR MR. MARTIN: I have your letter of November 18 rela-MY DEAR MR. MARTIN: I have your letter of November 18 relative to complaints made by shop-craft employees of the Denver & Rio Grande Western Railroad Co. at Pueblo, Colo., concerning the activities of this company in regard to the membership of its employees in so-called "company unions."

You are correct in your assumption that I have already had to cope with similar complaints from employees on other railroads.

At the present time the practices being indulged in by the railroad companies in connection with the maintenance of company unions are being made the subject of an extensive investigation. The results of this investigation, I believe, will indicate the action I shall have to take to bring about discontinuance of improper practices by the railroads in respect to the maintenance of company unions

I am glad to have your views in connection with this matter and shall give them careful consideration along with the other

material on this general situation. Very truly yours,

JOSEPH B. EASTMAN, Coordinator of Transportation.

Referring to a paragraph in my letter that-

A company union is, of course, a sham, intended to prevent and not facilitate free collective bargaining between employer and

I shall take the liberty to quote a paragraph of equal brevity, but equally comprehensive, from a letter written by the Coordinator of Transportation to the Chairman of the Committee on Interstate and Foreign Commerce on June 7, 1934, and found in the minority report against this bill. Surely, the Republican minority which objects to the bill on the ground that "it provides for no representation for employees on the National Adjustment Board except those employees belonging to the so-called 'national organizations'" "in other ways there is an unfair and indefensible distinction drawn between so-called 'standard organizations', and other legitimate labor organizations", cannot get much comfort from the paragraph I shall quote from the letter of the Coordinator.

Aside from the standard organizations, there are no railway labor organizations except the company unions.

How they are sponsored and controlled is shown in the letter of the Coordinator to Chairman RAYBURN. The Coordinator says:

Long experience has shown that whenever management is ut into position to assist in the control of membership in a abor organization, it will find ways to control the policy and practices of that organization.

And when management controls the policies and practices of a labor organization, it is a labor organization in name only. It is what I called it in my letter to the Coordinator—a sham. This bill will put an end to them. bill will complement the Railway Labor Act of 1926 and effectuate the labor provisions of the Transportation Act of 1933. It will create instrumentalities for a peaceful adjustment of disputes in the railway service, and Congress may go home with the knowledge that it has done its full duty to insure peace in the railway world.

(Here the gavel fell.)

Mr. CROSSER of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. MEAD].

Mr. MEAD. Mr. Speaker, this bill sets up an orderly procedure for the settlement of grievances and disputes that arise upon the railroads of the country. It augments and supplements existing law; in one instance it writes into permanent law what has already been written into emergency law. It is good legislation and in my judgment should receive the approval of Congress.

I want to take a moment to express the thanks of the railroadmen of this country, and also of those Members of Congress who are in sympathy with this legislation, to the splendid gentleman from Ohio [Mr. Crosser], who has given

so liberally of his time and talent during this session of Congress, and who has given it at a time when he has not enjoyed the best of health. He worked like a Trojan in order to bring out legislation that would in some way bring comfort and peace of mind to the men and women who work upon the railroads of the country. They owe him a debt of gratitude. His loyality to their cause has never wavered and they never have had a better friend and advocate than our beloved colleague, Bob Crosser. His service will never be forgotten by the million and more workers employed in the great transportation systems of these United States.

The bill, in many respects, is analogous to the Wagner Labor Disputes Act. It will establish a National Board of Adjustment to settle railroad labor disputes. The Board of Adjustment will be composed of 42 members, half representing the carriers, and half the employees. The Board will be divided into several divisions, each division hearing a special type of problem. The employees will be represented by a member chosen from each of the major railroad organizations. A majority vote of the members of any division of the Board, hearing a dispute, shall settle the case. In the event of a deadlock, the Board of Adjustment may name an arbitrator to hear the case. If no referee can be decided upon, they may apply to the Board of Mediation to choose a referee, who will sit in on the discussion.

The bill carefully defines the functions of the Board of Mediation, leaving to that body only the final word in case a decision cannot be reached by the Board of Adjustment. The Board of Mediation, as now set up, has been unsatisfactory because there are no teeth in its operations. Under this bill, the carrier who fails to comply with the provisions of the act shall be subject to a fine of \$1,000 to \$20,000.

The bill amends the Railway Labor Act passed in 1926. The original act was drawn up on the assumption that the railroad companies intended to cooperate with their employees in adjusting disputes, as they professed a desire to do so. In actual practice, however, such cooperation has frequently not been forthcoming. The carriers have refused to set up adjustment boards and often have otherwise blocked the establishment of impartial tribunals to which the workers might bring their complaints. In some cases, they have disregarded the decisions of such boards as have been created.

This bill seeks to correct this weakness in the Railway Labor Act, and to guarantee the workers adequate protection.

The measure will also amend the act to prohibit "yellow dog" contracts, and will make it illegal for a railroad company to coerce employees into joining or remaining members of a company union. A similar provision was inserted in the Emergency Railroad Transportation Act passed last spring, but this will write it into a permanent statute. This legislation is highly desirable at the present time, and it merits the hearty support of all who are interested in improving American labor conditions.

Mr. CROSSER of Ohio. Mr. Speaker, I yield 11/2 minutes to the gentleman from Indiana [Mr. GRISWOLD].

Mr. GRISWOLD. Mr. Speaker, I want to extend to the gentleman from Ohio [Mr. CROSSER], chairman of the subcommittee that brought out this bill, my sincere appreciation of his efforts. Getting this bill before the House in its closing days is proof of his tireless work and interest in legislation beneficial to humanity as a whole and the railroad worker in particular. I could not pass this occasion without adding a word of commendation for the efforts of my colleague from Indiana [Mr. Pettengill], who is also a member of that subcommittee and who worked conscientiously and hard to harmonize the discordant factions and bring out a bill that would be agreeable to all. In view of the stamp of approval of the 21 standard railroad labor organizations on this bill and on the particular features of this bill dealing with the right to contract and make percentage agreements, as well as the fact that the gentleman from Connecticut [Mr. MERRITT] admitted under questioning a few moments ago that he had no record before his committee of any disapproval by the managements of the railroads to these percentage contracts, I was extremely an adequate understanding of these contracts; and, while he says that he feels that this legislation may foment trouble between the employer and employee, he argues inconsistently against these very percentage clauses because the proof is that these contracts are now in existence on 23 class I railroads, and some of them have been in effect for 20 years, and that after 20 years of experience neither the employees nor the managements came before his committee to protest the writing into this bill of the provision covering these percentage-clause contracts. If under this bill we are to outlaw the company unions, and it has been stated on the floor of this House that that is the intent, then it becomes a paramount question as to what system we are to set up to replace the company union and provide the machinery for collective bargaining that the intent of this bill is to enforce.

These percentage contracts were mutual agreements to be kept between the employer and employee. The standard railroad labor organizations that entered into these contracts were equally obligated to keep these contracts with the company. If the company is required under these contracts at times of employment to employ members of the organization that holds these contracts likewise is the organization required to protect the company by providing the men to keep the property operating in times when labor is scarce. And one of the reasons that the managements have never protested to the committee in all these hearings against percentage contracts is because the men who carry memberships in these organizations are efficient, competent, qualified physically and mentally and through experience to carry on the work for which they are employed. I can see no reason why the gentleman from Connecticut should protest against these provisions which he terms the "Farquarson amendments", when those most vitally interested, both the labor organizations and the managements of the properties where these contracts are in effect, have not seen fit to protest or disapprove these provisions. Not to place in this bill the so-called "Farquarson amendments" would be to foment the very trouble referred to by the gentleman from Connecticut, because it would disturb the peaceful, harmonious status quo existing between the employer and these employees who are members of a standard railroad labor organization. I hope the House will see fit to pass this bill with the so-called "Farquarson amendments" in it. These amendments have nothing to do with any man joining the organization of his choice, but they are necessary to protect agreements the men have entered into with their employer after they have organized in keeping with the spirit of the law. And these railroad employees are just as anxious to keep their obligation to their employers as are any other class of men. These percentage contracts are entirely in keeping with all the other labor legislation and regulation that has recently been adopted. It is simply applying to railroad labor the same regulations that the Labor Board of the N.R.A. has seen fit to apply to other industries. It has been applied by the N.R.A. in its code adopted for the transit industry. It has been most severely applied in the N.R.A. code for the bituminous-coal industry, and it has been applied in the recently enacted trucking

Turning to the contention of some that this legislation opens the door to allow "yellow dog" contracts on the railroads, it is my opinion that the officers of the 21 standard railroad labor organizations with years of experience with "yellow dog" contracts are more competent to determine whether this legislation opens the door to allow "yellow dog" contracts than is Mr. Eastman. The 21 standard railroad labor organizations are entirely satisfied with this bill as it is written, and I am willing to take their opinion on this matter of "yellow dog" contracts in preference to the opinion of others who have not been fighting these contracts for the past half century.

I hope this legislation passes this House unanimously. It is not all that I desire for the benefit of the railroads, the employees, or the public. There is much other legislation the control and domination of the employer. That is the

surprised when he opposed them. I think that he lacks | that should be enacted, and if we expect prosperity to return to the railroads and if we expect prosperity to return to the hundreds of thousands of employees of railroads throughout this country, then we must have additional legislation. I, for one, shall continue to exert every effort in my power to obtain this additional legislation. H.R. 9861 is a start, a step in the right direction. There is a Chinese proverb which reads: "A thousand-mile journey begins with one step." In this legislation we have taken that step. Let us now go on with the journey.

[Here the gavel fell ]

Mr. CROSSER of Ohio. Mr. Speaker, I yield one-half minute to the gentleman from Maryland [Mr. Cole].

Mr. COLE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein the correspondence I have had with Mr. Eastman on the company-union phase of this matter in order that the House might have clearly before it, in view of the present situation which does not permit amendments to be offered, Mr. Eastman's objection to the use of the words "company union" in line 12, page 7, fifth paragraph, under General Duties, and making that part of the bill in agreement with the language of the Senate bill on the subject, and also other perfecting amendments which Mr. Eastman deems important.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The matter referred to follows:

FEDERAL COORDINATOR OF TRANSPORTATION, Washington, June 11, 1934.

Hon. WILLIAM P. COLE, Jr.,

Hon. William P. Cole, Jr.,

House of Representatives, Washington, D.C.

My Dear Congressman: In reply to your letter of June 9 I beg
to say that I cannot urge too strongly a revision of House bill
9861 in the following particulars:

Page 4, lines 4 to 11, eliminate paragraph numbered sixth. A
definition of the term "company union" will be entirely unnecessary if the amendments which I recommend below are made.

Page 4, line 12, renumber "seventh" to read "sixth."

Page 4, line 16, renumber "eighth" to read "seventh."

Page 6, line 25, and page 7, lines 1 to 5, eliminate, including
the word "contributions" on line 6, and substitute therefor
language taken from House bill 9689 following:
"in maintaining or assisting or contributing to any labor organization, labor representative, or other agency of collective bargain-

zation, labor representative, or other agency of collective bargaining, or in performing any work therefor, or to influence or coerce employees in an effort to induce them to join or remain or not to join or remain members of any labor organization, or to deduct from the wages of employees any dues, fees, assessments, or other contributions payable to labor organizations, or to collect or to assist in the collection of any such dues, fees, assessments, or other contributions;

Page 7, line 12, eliminate the words "company union" and insert in lieu thereof "labor organization."

I consider the above amendments to H.R. 9861 to be vital, for

I consider the above amendments to H.R. 9861 to be vital, for the principles of the bill are sound and should be applied to all labor organizations. There is no good reason for confining any of them to so-called "company unions."

I also favor the amendments of section 4 of the Railway Labor Act that are proposed in H.R. 9689, covering the National Mediation Board. That, however, is a question of policy for Congress to determine. It is my thought that the continuance of a board of five members is unnecessary, in view of the work the board will have to perform under the amended act. For the reasons stated in my support of H.R. 9689 I believe in the smaller board as more effective as well as more economical.

Page 30, line 10, section 8, first sentence, is unnecessary, be-

Page 30, line 10, section 8, first sentence, is unnecessary, because the separability provisions are already found in section 11 of the Railway Labor Act. The last sentence reads:

"All acts or parts of acts inconsistent with the provisions of this act are hereby repealed."

Apparently the thought behind this sentence is that the paragraphs heretofore referred to dealing with company unions, and which I believe should be amended, are inconsistent, as they undoubtedly are, with existing provisions of the Bankruptcy Act and the Emergency Railroad Transportation Act, 1933. Very truly yours,

JOSEPH B. EASTMAN.

Mr. CROSSER of Ohio. Mr. Speaker, I yield one-half minute to the gentleman from Indiana [Mr. Pettengill].

Mr. PETTENGILL. Mr. Speaker, I wish I had the time to reply at length to the point made by the gentleman from New York [Mr. O'CONNOR]. In this act there is a special statutory definition given to company unions. It is a union under

only kind of company union this act militates against or | their lives devoted their entire time and attention to railroad seeks to discourage.

Mr. CROSSER of Ohio. Mr. Speaker, I yield 2 minutes to

the gentleman from Montana [Mr. Monaghan].

Mr. MONAGHAN of Montana. Mr. Speaker, the suggestion has been made here that the company unions are established by companies that are very benevolent toward their employees. No matter how benevolent they may be toward their employees, they would resent with all their might any proposal that the employees select a board of directors for their corporation. It is equally illogical to suggest that the employer have the right to select the board of directors of the employees, and that is what this bill is trying to eliminate.

This bill guarantees to the employee the right to organize and join unions of his own choosing, with a view to asserting himself as to hours, conditions, and wages. It is asking only the American privilege of liberty from coercion, whether that coercion be economic or the coercion which we have known in the days of slavery. We speak about interference with the freedom of the employers; but what about the freedom of the employees? The employee is not free to work or not. There are millions of unemployed, and man is not a drudge; therefore he should have fredom to bargain collectively. The proposal before us today will do a great deal toward setting an example for other industries, and should set an example for a labor-disputes act which might well lead the way to peace in industry, rather than riots and strikes which we are having throughout the country. I hope this bill will be passed unanimously today.

Mr. CROSSER of Ohio. Mr. Speaker, I yield the balance of my time to the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Speaker, when strikes are threatened, and when many of them are going on, I trust that we may keep peace and harmony in the great transportation industry. I believe that this bill will do as much as or more than anything that has been proposed to bring about that happy circumstance. Therefore, I trust that there will not be a vote in the House against this bill that I believe is fair to both employer and employee. [Applause.]

The SPEAKER. All time has expired. The question is on the motion of the gentleman from Ohio to suspend the

rules and pass the bill.

Two-thirds having voted in favor thereof, the rules were suspended and the bill as amended was passed.

A motion to reconsider was laid on the table.

Mr. CROSSER of Ohio. Mr. Speaker, I ask that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the

gentleman from Ohio. There was no objection.

Mr. BANKHEAD. Mr. Speaker, it will be recalled that the Committee on Rules granted a rule for the consideration of this bill which will not now be required. I therefore move to lay House Resolution No. 437 on the table.

The motion was agreed to.

# EXTENSION OF REMARKS-S. 3231

Mr. GLOVER. Mr. Speaker, we have before us now H.R. 9911, which is a bill to provide for retirement system for railroad employees and thereby to provide relief and for other purposes.

This legislation is demanded by the railroad employees who have had much discussion over the question and insofar as we are informed, have come to practically a unanimous agreement on this bill.

Our President in his message to Congress a few days ago outlined the principle that is involved in this bill. this bill shall have passed and the companion bill to it, which is H.R. 9861, a bill to amend the Railway Labor Act, approved May 2, 1926, and to provide for the prompt disposition of disputes between carriers and their employeesand I hope to see them passed today without a single vote against either of them-I think we shall have made a forward step toward absolute justice for the great number of men that have been employed in railroad labor in the

work, which has been so helpful in developing the great system of railways in this country, and will soon retire. This bill simply provides that when they do retire they will not be retired in penury and want.

From the discussion that has taken place on these two hills in the committees, and from the sentiment expressed on the floor of this House by many of us in the past, I do not believe there will be any substantial opposition to either of these propositions.

There is one other bill pending for railroad employees that I would be delighted to see pass at this Congress, and that is the one seeking to limit the length of trains. I heard a part of the testimony before the committee considering a bill along this line during this session, which developed the fact that on some railroads trains are being run that are over a mile in length. This, of course, is in the first place dangerous both to lives and property. If an emergency should arise, with a train of this great length and of high speed, it becomes wholly impossible to stop or avert a great disaster.

Not only that, but when this bill has passed, and the trains are, say, shortened by half, and made up with two crews, it will provide for more employment of labor and will be better for both the laborers and the railroad companies. If this bill is not passed in this session, which is now drawing to a close, I hope to see it passed in the session when Congress meets again in January.

There are other classes of railroad legislation for railroad employees I should like to discuss, but as time is so limited I will not discuss them further.

Mr. GRISWOLD. Mr. Speaker, I am for this railroad pension bill. There is other railroad legislation that is essential from the standpoint of the public, the employees, and the management.

The bill introduced by me limiting the length of trains to 70 cars, or one-half mile is, in my opinion, one of the most essential pieces of legislation that could be passed. It would mean safety for the traveling public. It would mean that there would be removed forever the menace of death and injury that hangs like a black shroud over every man employed in train service who works on one of these trains that are so long that no air-brake equipment has yet been invented that can safely and adequately control them. It would bring to the shipper more rapid transportation and would mean that his goods would arrive in shape to be opened by him instead of opened long before reaching him by the jar and jam of these long trains. It would mean a saving of inestimable millions of hours that are lost each year to gainful and producing employment by those who wait at grade crossings for the passing of these almost unending trains, often because of their weight and length moving at a snail's pace. This enormous loss of time to American business cannot be estimated. This lost time probably amounts to much more than the combined time of all working employees of all railroads. It is an utter disregard of the time of the public by the carriers.

But the 21 standard railroad labor organizations, the President of the United States, and in some cases the management of the railroads lent their support to this pension bill and the amendments to the Railway Labor Act instead of the train limit bill. And both of these pieces of legislation are good bills. Both are essential and I shall vote for them.

Some complaint has been made that this railroad-pension legislation is going to cost the railroads of the United States more money at a time when the railroads are hard up. Ninety percent of all the class I railroad mileage in the United States is now covered by pension systems similar to this so the increase in cost to that 90 percent cannot be much. Even should it increase the cost slightly it cannot increase the cost in anything like a comparable degree to what the railroads are costing you and I as taxpayers and members of this great public every year. As I have stated on the floor of the House a number of times, we have given United States. Many of them have for the greater part of to the class I railroads in the past 24 months one and a

quarter billion dollars from the public chest. This does not include the money derived by them from freight and passenger rates paid by the individual passenger and shipper.

The greater part of this went immediately into the hands of the money lenders on Wall Street. If by this legislation we return some of that money to the public use through pensions to the employees we have done a service to humanity. It will be one of the few cases where the public ever got any returns from Wall Street.

I am not one of those willing to call this a pension law. It is not a pension. It is labor insurance. By its provisions a class of men who work in the most dangerous occupation in America are provided for when they are thrown onto the industrial scrap heap. Men who have given a lifetime of service to the transportation systems of this Nation are by this legislation assured of a meager compensation in their declining days.

For decades the railroad owners of this Nation have been forgetful of the rights of the public, forgetful of the rights of the shipper and passenger, and forgetful of the rights of labor. They have been operated not from their general offices but from the back room of a financial institution in New York or Chicago or Pittsburgh. The railroads for the past quarter of a century have operated on the theory that Wall Street is a one-way street running the way of the bankers and brokers. I am willing for it to be a one-way street, but I want it to run the way of the public.

The Nation is fortunate to have today in the White House a man who is willing to recognize some of the rights of the public and employees in these railroads. A President of the United States who is willing to endeavor to force the railroads to give service to the public as well as collect a dole from the public. A President who realizes the fact that human rights are entitled to at least an equal consideration with dollar rights.

This legislation is the result of long study. It is the result of conscientious tireless effort through many sessions of Congress to overcome opposition. It has been a hard fight. The representatives of all the 21 standard railroad labor organizations have been active in this fight. The representatives of the Brotherhood of Locomotive Firemen and Enginemen and the representatives of the Brotherhood of Railroad Trainmen were especially active in its behalf.

I hope the House today will, by its action under suspension of the rules, pass H.R. 9911 and reward these men for their labor in its behalf. That it will at the same time go on record as being the first Congress in the United States to recognize and put into effect the principle that old age arrived at through long years of service in the transportation systems is a commendable status that is entitled to the edict "well done." That as a result of this legislation these old employees may sit by their firesides in the evening assured of the next day's food and warmth. I hope and I have a firm faith that this bill will not only pass by the two-thirds' majority required under suspension of the rules but that it will pass without a single opposition vote.

Mr. LARRABEE. Mr. Speaker, H.R. 9911, reported by the Committee on Interstate and Foreign Commerce, will provide a retirement system for railroad employees, and thereby provides unemployment relief, which is of vital importance at this time to all employees of the national railroad communications and transportation system. I am hopeful that it will have complete support of this House and that its enactment into law will result within a few days.

This bill, as I understand it, will establish a railroad retirement pension system for all carriers subject to the Railway Labor Act, and also employees of such carriers. Under provisions of this bill all carriers are to be treated together as one employer and all railroad employees as employees of one employer.

The vital provision of this bill, the old-age pension or annuity, is to be based upon the wages and length of service of employees on all such railroads with specified, statutory, maximum limits. Payments will be provided with funds cre-

ated through the joint contributions of the railroads and the railroad employees.

The authors of this bill, in their wisdom, have provided for a brief period known as "the experience period" during which ample opportunity will be given for collecting information, conducting investigations, and making other necessary studies. This then will serve as the foundation upon which specific action can be taken and assures the adequacy and permanency of the retirement system provided by this bill, and further makes it possible to provide adequate retirement benefits to aged or disabled railroad employees.

The fact that retirement under pension of any number of older employees will immediately create vacancies into which many railroad workers now unemployed will fit has been given careful consideration in the passage of this measure. This feature is one of most vital importance as a measure contributing an important part to national recovery.

In reporting this bill the committee also pointed out that employment of younger and more vigorous men will tend to promote to a great extent efficiency and safety in interstate transportation. The committee further reports that records show that there is now some form of retirement pension plan upon 90 percent of the railroad mileage in the United States. The committee says, however, that such plans are not now by any means satisfactory either to the railroads or to the railroad employees. In most parts the pensions now provided are inadequate and the cost to the railroads is mounting considerably year by year. The bill H.R. 9911 provides the possibility of determining from actual experience such fundamentals as are necessary to the construction of a sound reserve plan.

Under present pension systems railroad employees retired from service because of infirmities of age or other disabilities receive pensions in most cases insufficient to provide for the comforts of life which years of honest, faithful, and efficient toil and service should assure to them.

Proper action contemploted of the board will have the effect of transferring the cost of age-retirement pensions which railroads are now paying under their present pension plans to the plan provided in this bill. Railroad employees will contribute a portion of their wages to make possible more adequate retirement, annuity, or pensions, and to provide the assurance that funds will always be available to pay such pensions at the time retirement from active service is forced upon them. These contributions, combined with the contributions of railroads, will doubtless provide adequate funds to meet the obligations and promises of the act without undue burden on either party to the plan.

Full assurance for the safekeeping of these funds is given in the provision making the Treasury of the United States the depository for the retirement treasury. As these funds are all provided by contributions from employee and employer, no burden of any nature is placed upon the Public Treasury, and no drain is attached to the taxpayers. This bill provides that the amount of pension or annuity is to be 2 percent on the first \$50, 1½ percent on the second \$50, and 1 percent on compensation in excess of \$100 per month of the basic wage of the employee multiplied by the number of years of service not to exceed 30 years. Annuities may amount to as much as \$100 per month under provisions of this bill. Pensions are to be payable from and after the age of 65 years, or upon completion of 30 years of service, but retirement is to be compulsory at the age of 65 years with a provision for an agreement by the employee and the railroad to extend the employment from year to year, but not beyond the age of 70. Compulsory retirement at the age of 65 shall not apply to officials or carriers until 5 years after the action takes effect.

If the pension payments begin before the age of 65 upon completion of 30 years of service, the maximum pension payment is reduced one-fifteenth of the annuity of each year the employee is less than 65 years of age when the pension payments are begun.

Thus at the age of 60 the maximum pension is twothirds, and at the age of 55 it is one-third of the pension payable at the age of 65. The present bill provides no pension payable below the

Protection in this feature is provided the employee, however, by the section of the law which mandates that the reduction in the maximum shall not apply where the employee is retired by the railroad for any mental or physical disability.

Upon death of an employee before or after receiving a pension an amount equal at his death to his payments into the fund and interest, less any pension payments received, is to be paid as a death benefit to beneficiaries or to his estate. In all cases the payments by the employee will be returned with interest either as a pension or as a payment to his beneficiary or estate on his death.

It has been thoroughly demonstrated that without a satisfactory retirement system, aged railroad employees are often continued in service when it would be in the interest of economical operation and safety to both the carrier and the traveler, and also to fellow employees, to retire and pay them pension at satisfactory rates. Thus the pension will result both in benefit to the carriers and serve to assure to aged employees the satisfaction and the safety of a wellearned reward which has been paid for by years of devotion to the service.

I am glad to assure the House and the employees in railroad service my complete support and cooperation in the passage of this valuable measure of legislation.

Mr. LOZIER. Mr. Speaker, I favor the enactment of S. 3231, to provide a retirement system for railroad employees, to provide unemployment relief, and for other purposes. This measure, known as the "Senate or Hatfield-Wagner bill", is to all intents and purposes the same as the Crosser bill, H.R. 9596.

When the Senate bill reached the House it was referred to the Committee on Interstate and Foreign Commerce, which committee struck out all of the Senate bill except the enacting clause and substituted the Crosser bill, H.R. 9596.

There is a Nation-wide sentiment in favor of enacting this legislation. It is sound, economical, and embodies a wholesome public policy. Five hundred corporations, including 50 railroads, have already adopted systems of industrial unemployment and retirement insurance. These transportation and industrial corporations have found from experience that unemployment or retirement insurance, if properly safeguarded and wisely administered, is beneficial to both employer and employee.

Every year great industrial, commercial, and transportation concerns are turning more and more toward a system of retirement or unemployment insurance.

The benefits that have accrued to some of the railroads by the voluntary adoption of this principle of unemployment and retirement insurance justifies the application of the formula to all railroads, to be observed as an established policy in the future by all transportation concerns.

Until the board shall determine on a different percentage, the retirement fund will be created as follows:

The employee will contribute 2 percent of his salary or wages annually, and the railroads will contribute twice that sum, or 4 percent of each employee's annual salary or wages.

In this connection, may I say that much credit for the enactment of this legislation is due my colleagues, the gentleman from Ohio [Mr. CROSSER] and the gentleman from Illinois [Mr. Keller]. Both have labored assiduously to establish a pension or retirement system applicable to railroads and their employees.

While this measure is not perfect, I believe it is workable and worth while. If its administration discloses defects, they can be easily remedied by subsequent legislation.

Mr. PLUMLEY. Mr. Speaker, I am going to vote for S. 3231, although I do so with some mental reservations and serious doubts or misgivings as to fundamental concepts involved in respect to all legislation of this character so far as the functions of the Federal Government therewith appertain thereto.

However, it seems to me that under existing conditions

retirement system for railroad employees is the only way that these deserving public servants can be taken care of.

Vermonters know that I am opposed to paternalism in government. I am firmly of the opinion that there should be no further usurpation of the reserved rights and powers of the States by the Federal Government, and just as firmly convinced that further surrender of rights or evasion of the responsibilities that are theirs by the States should be vigorously resisted and opposed.

Now the Federal Government undertakes to regulate interstate commerce and to dictate policies and to exercise a semigovernmental control of the railroads and their employees. I am opposed, in times of peace at any rate, to governmental ownership, operation, and control of the railroads. I go further than that, but not at this time do I care to discuss it. Here, however, a situation exists and obtains for which those covered by the provisions of this act and who will benefit thereby are not to be held responsible. They should not be penalized therefor.

Their faithfulness to the cause of the public and the fact of their quasi governmental status, a status beyond their control, does not justify our depriving them of industrial old-age retirement advantages. Under the act an assurance of a comfortable old age as the reward for years of devoted service to the public is assured. They are entitled to it. There can be no question as to the general desirability for some such solution of our social problem, but in my judgment it is a matter in which the States and not the Federal Government should act.

It is the Federal angle of the situation that bothers me most, but I am going to vote for the bill because, in my judgment, justice is done thereby, and can only be reached and attained under existing circumstances in some such

I do wish to say, however, that some years ago the late distinguished Senator from Vermont, the Honorable Frank Greene, said on the floor of the United States Senate:

One of these days this country is going to wake up to the sober realization that for a long time back the legislative signboards have been misleading and that America has actually left the straight and narrow path that the fathers laid out for it, and left it long ago, and is on the broad highway to all the ills of bureaucracy and the corruption that goes with it that those very same fathers fled from Europe to escape.

He was opposed to the measure then under consideration because in his opinion it invoked a wrong theory and principle of civics or governmental policy, in that it would cause the Federal Government to do for its individual citizens that which they ought to do for themselves, or at least through their own voluntary and nonpolitical associations. "It is paternalism", said he, "the most subtle and sinister enemy of popular government."

I believe Senator Greene was absolutely right. In my judgment, he did not make his warning sufficiently startling or loud enough. What he said about "paternalism" might well have been said about the attempt of the Federal Government to invade the rights of and to assume the prerogatives of the States with respect to inheritance taxes and other rights reserved to the States at the time of the adoption of the Federal Constitution. When I say that I am opposed to paternalism in government and against the further extension of the grasping hand of the Federal Government I am announcing no new conviction, neither am I telling any news to most of you with respect to my position in regard to these matters, concerning which I have oftentimes gone publicly on record.

My legislative experience in Vermont covers a period of exactly a third of a century. During that time it has been my privilege to hear the ablest men of this State and of this country discuss matters of Federal and State policy, in the form of concrete measures. I have heard both sides of about every question discussed that concerns the body

I remember the arguments, both for and against these measures, and have lived long enough to see how absolutely false were some of the premises; how incorrect the concluspecial legislation with reference to the provisions for a sions; how great the variation between theory and practice; how wide the gap between the promise and its fulfillment. Out of this experience has come the very strong conviction that whatever history may teach with respect to the beneficent effects of paternalism and centralization in other countries and under other forms of government, we of the United States of America must oppose the further extension of both, must rely for the perpetuity of our institutions upon the functioning of the local governmental unit; for if experience teaches us anything, we must already have learned that John Fiske spoke truly when he said that—

The preservation of local self-government is of the highest importance for the maintenance of a rich and powerful national life.

I believe that the Government should be for and by the people, and the nearer it is kept to and of the people the better government we will have.

In proportion as government recedes from the people they become liable to abuse—

Says Governor Cass; and, according to David Starr Jordan-

The end of government by the people is to fit the people to control their own affairs.

This Government is built upon the principle that the locality is better qualified and better disposed to protect the citizen in the enjoyment of his essential rights and to serve him in all matters of social welfare than the State or Nation. John Sharpe Williams once said:

We hear a great deal about the horrors of war, but greater than these—in fact, the greatest of all horrors—is the murder of local self-government, the only possible field of development for individual manhood.

#### Said H. J. Laski:

We cannot realize the full benefit of democratic government unless we begin by the admission that all problems are not central problems and that the results of problems not central in their incidence require decision at the place, and by the persons, where and by whom the incidence is most deeply felt.

Government to be stable must be founded on the interest which the citizens take therein. Over and over again it has been truly said that of all the means of political education none perhaps has been so effective in creating an interest in republican institutions as well as in calling forth the intelligence necessary for their preservation as the town meeting.

Local assemblies of citizens constitute the strength of free nations.

Said deTocqueville.

Not long ago I heard former Attorney General Sargent quote Thomas Jefferson as saying:

The townships of New England are the vital principle of their governments, and have proved themselves the wisest invention ever devised by the wit of man for the perfect exercise of self-government, and for its preservation.

I contend that paternalism and centralization are more largely responsible than anything else for the manifest disinterestedness of the people in governmental affairs. As a general proposition I insist that the State should do nothing for the town which the town is able to do for itself.

I am not opposed to State advisory and administrative supervision to the end that there may be unanimity of action and cooperation and conformity as between the local units, but am convinced that the surest way to continue to increase the number of nonvoters and disinterested citizens; to decrease the attendance at and to lessen the interest and participation in public affairs is to continue our mistaken policy of centralization, and by so doing to take away from the State and local communities the prerogatives and all the responsibilities as citizens which originally were theirs.

James Bryce says:

Self-government stimulates the interest of people in the affairs of their neighborhood, sustains local political life, educates the citizen in his daily round of civic duty, teaches him that perpetual vigilance and the sacrifice of his own time and labor are the price that must be paid for individual liberty and collective prosperity.

That-

Democracy needs local self-government as its foundation. That is the school in which the citizen acquires the habit of independ-

ent action, learns what is his duty to the State, and learns also how to discharge it.

To maintain vitality in the center without sacrificing it in the parts; to preserve tranquility in the mutual relations of powerful States, while keeping the people everywhere, as far as possible, in direct contact with the Government; such is the political problem which the American Nation exists for the purpose of solving, and is the problem which confronts us squarely today.

Methods may change, but progress is still the watchword; and the Nation still lives in the strength and devotion of citizens whose powers have been developed, whose self-respect has been aroused under the American principle of local self-government.

No method of procedure has ever been devised by which liberty could be divorced from local self-government. No plan of centralization has ever been adopted which did not result in bureaucracy, tyranny, inflexibility, reaction, and decline—

Says President Calvin Coolidge.

This day is a challenge to us all. There is and can be no turning back. All roads lead up and on.

#### RAILROAD RETIREMENT ACT

Mr. PETERSON. Mr. Speaker, as one who has for years been associated with railroad employees, the son of a conductor, the brother of a trainman, and brother of a railroad clerk, it is with a great deal of pleasure that I note that our great President and the Congress of the United States are recognizing the problems of those brave, hard-working men who are doing and have done so much in rapidly and safely transporting our persons and goods in the great transportation systems of our Nation.

The railroad man is subject to call at all times—in summer or winter, rain or snow, trains must run—and the employees of the carriers brave the elements in order that we may travel and that we may have fresh food and the comforts of life. A soldier is no more subject to orders than the railroad man. When he completes his run, before he can leave his home, he must be sure how he stands, or get leave of absence, because if he is called and is absent he is subject to discipline or discharge. Not only are the railroad men subject to the conditions which I have just outlined, but they are engaged in a hazardous occupation, constantly in danger. In order to render the best service they must of necessity be men of high caliber and a great deal of intelligence. The passenger sleeps comfortably, without anxiety, while the train on which he rides dashes at high speed through the night, through gorges and around mountains, across bridges, and through tunnels. He does not know the engineer, the conductor, the fireman, the brakeman, or the other members of the crew, but he does know that they are sober, keen eyed, alert, for the purpose of protecting the train and the passengers thereon.

When those in the northland are able to get the freshest fruit and vegetables in the dead of winter it is only through the efficient service of the employees of the carriers that transport, without damage, these fruits and vegetables across the continent.

Uncomplaining and cheerful, year in and year out, these knights of the rail, aided by their coworkers who issue and transmit the orders, who make up the trains, who keep the tracks and the equipment, carry on the great transportation systems of the Nation, hoping that near the end of life they may be able to live in reasonable comfort, but oftentimes having injuries, illness, and misfortune overtake them. Nothing is more pitiful than to see one who has devoted the best years of his life in the service of the carriers of this Nation and then be left without means by reason of some misfortune. I have long hoped for and advocated a permanent railroad retirement act, realizing that it will aid materially my friends whom I have loved since childhood, many of whom, when I was working as a call boy, I called to go out on their runs in stormy weather, and their brothers and coworkers throughout the Nation. It will give them a sense of security to which they are entitled. It will likewise enable their declining years to be of comfort. Not only this, but it will enable many to retire and give the younger men coming on a chance to get employment, and it is with a great deal of pleasure that I am informed by my friends, Mr. C. H.

Burns, of Tampa, Fla., a director in the Railroad Employees' National Pension Association, Inc., and Capt. W. E. Kite, of Miami, secretary and treasurer of the Florida legislative committee, Order of Railroad Conductors, both of whom have been actively associated in this association, as well as many members of the railroad brotherhoods, of the merits of the bill before us. It is probably not exactly all we should like to have it, yet it embodies the great principle of a permanent railroad retirement system and is a victory for those who have so long sponsored such an act. It will be of material benefit. Its purposes being specifically stated:

For the purpose of providing adequately for the satisfactory requirement of aged employees and promoting efficiency and safety in interstate transportation, and to make possible greater employment opportunity and more rapid advancement of employees in the service of carriers, there is hereby established a railroad retirement system; and it is made the duty of all carriers and employees subject to this act to perform and fulfill the obligations imposed thereby. This act shall be administered and construed with the intent and to the purpose of providing the greatest practicable amount of relief from unemployment and the greatest possible use of resources available for said purpose and for the payment of annuities for the relief of superannuated employees.

It is indeed a great pleasure to cast my vote for the act. At this time, I want again to pay a tribute to the great services rendered by the employees of the carriers throughout the country, and to my colleague and friend, the gentleman from Ohio, Hon. ROBERT CROSSER, who has been so loyal in his representation of the principles involved, and who has followed this bill so closely and actively.

#### INDIAN SELF-GOVERNMENT

Mr. HOWARD. Mr. Speaker, I move to suspend the rules and pass the bill (S. 3645) to conserve and develop Indian lands and resources; to establish a credit system for Indians; to provide for higher education for Indians; to extend toward Indians the right to form business and other organizations; and for other purposes, as amended.

The Clerk read the bill as follows:

Be it enacted, etc., That hereafter no land of any Indian reserva-

tion, created or set apart by treaty or agreement with the Indians, act of Congress, Executive order, purchase, or otherwise, shall be allotted in severalty to any Indian.

SEC. 2. The existing periods of trust placed upon any Indian lands and any restriction on alienation thereof are hereby extended and continued until otherwise directed by Congress. The

lands and any restriction on alienation thereof are hereby extended and continued until otherwise directed by Congress. The authority of the Secretary of the Interior to issue patents in fee or certificates of competency, or otherwise to remove the restrictions on lands allotted to individual Indians under any law or treaty, is hereby revoked: Provided, That the provisions of this act shall not apply to prevent the removal of restrictions on lands of members of the Five Civilized Tribes or operate to change the present laws and procedure relating to the guardianship of minor and incompetent members of the Osage and Five Civilized Tribes, but in all other respects shall apply to such Indians.

SEC. 3. The Secretary of the Interior is hereby authorized and directed to restore to tribal ownership the remaining surplus lands of any Indian reservation heretofore opened, or authorized to be opened, to sale, or any other form of disposal by Presidential proclamation, or by any of the public-land laws of the United States: Provided, however, That valid rights or claims of any persons to any lands so withdrawn existing on the date of the withdrawal shall not be affected by this act: Provided further, That the order of the Department of the Interior signed, dated, and approved by Hon. Ray Lyman Wilbur, as Secretary of the Interior, on October 28, 1932, temporarily withdrawing lands of the Papago Indian Reservation in Arizona from all forms of mineral entry or claim under the public land mining laws, is hereby revoked and rescinded, and the lands of the said Papago Indian Reservation are hereby restored to exploration and location, under the existing mining laws of the United States, in accordance with the express terms and provisions declared and set forth in the Executive orders establishing said Papago Indian Reservation: the existing mining laws of the United States, in accordance with the express terms and provisions declared and set forth in the Executive orders establishing said Papago Indian Reservation: Provided further, That water developed by the mine operator from underground flow on a mining or mill-site claim shall be the property of the claim owner: Provided further, That damages shall be paid to the Papago Tribe for loss of any improvements on any land located for mining in such a sum as may be determined by the Secretary of the Interior but not to exceed the cost of said improvements: Provided further, That a yearly rental not to exceed 5 cents per acre shall be paid to the Papago Tribe for loss of the use or occupancy of any land withdrawn by the reto exceed 5 cents per acre shall be paid to the Papago Tribe for loss of the use or occupancy of any land withdrawn by the requirements of mining operations, and payments derived from damages or rentals shall be deposited in the Treasury of the United States to the credit of the Papago Tribe: Provided further, That in the event any person or persons, partnership, corporation, or association desires a mineral patent, according to the mining laws of the United States, he or they shall first deposit in the Treasury of the United States to the credit of the Papago Triba the sum of \$1 per acre in lieu of annual rental, as here-Tribe the sum of \$1 per acre in lieu of annual rental, as here-

inbefore provided, to compensate for the loss or occupancy of the lands withdrawn by the requirements of mining operations: Provided further, That patentee shall also pay into the Treasury of the United States to the credit of the Papago Tribe damages for the loss of improvements not heretofore paid in such a sum as may be determined by the Secretary of the Interior, but not to exceed the cost thereof; the payment of \$1 per acre for surface use to be refunded to patentee in the event that patent is not acquired.

acquired.

Nothing herein contained shall restrict the granting or use of ermits for easements or rights-of-way; or ingress or permits for easements or rights-of-way; or ingress or egress over the lands for all proper and lawful purposes; and nothing con-tained herein, except as expressly provided, shall be construed as authority for the Secretary of the Interior, or any other person, to issue or promulgate a rule or regulation in conflict with the Executive order of February 1, 1917, creating the Papago Indian Personation in Arizona or the act of February 21, 1931 (46 Stat. Reservation in Arizona or the act of February 21, 1931

SEC. 4. Except as herein provided, no sale, devise, gift, exchange, or other transfer of restricted Indian lands or of shares in the assets of any Indian tribe or corporation organized hereunder shall be made or approved: Provided, however, That such lands or interests may, with the approval of the Secretary of the Interior, be sold, devised, or otherwise transferred to the Indian tribe in which the lands are located or from which the shares were derived or to a successor corporation; and in all instances such lands or interests shall descend or be devised in accordance with in which the lands are located or from which the shares were derived or to a successor corporation; and in all instances such lands or interests shall descend or be devised, in accordance with the then existing laws of the State, or Federal laws where applicable, in which said lands are located or in which the subject matter of the corporation is located, to any member of such tribe or of such corporation or any heirs of such member: Provided further, That the Secretary of the Interior may authorize voluntary exchanges of lands of equal value and the voluntary exchange of shares of equal value whenever such exchange, in his judgment, is expedient and beneficial for or compatible with the proper consolidation of Indian lands and for the benefit of the cooperative purposes herein contained: Provided further, That nothing herein shall apply to any unrestricted Indian lands held by any Indian: And provided further, That any competent Indian owning restricted Indian allotted lands shall have the right to dispose of the same in accordance with existing law unless such Indian shall have waived that right by a written instrument duly signed and acknowledged by him. The Secretary of the Interior shall have power to determine whether any such Indian is competent within the meaning of this paragraph: Provided further, however, That nothing in this section shall be construed to change the law of descent and distribution of the State of Oklahoma, the method of determining heirs, the approval of the sale of interest of full-blood heirs, or the partitioning of lands under the laws of Oklahoma, except that the Secretary of the Interior may have the preference right of purchase of any such Indian lands sold at partition sale, for the use of Indians as provided in section 5 hereof.

SEC. 5. The Secretary of the Interior is hereby authorized, in his discretion, to accourse the use of Indians as provided in section 5 hereof.

SEC. 5. The Secretary of the Interior is hereby authorized, in his discretion, to acquire through purchase, relinquishment, gift, exchange, or assignment, any interest in lands, water rights or surface rights to lands, within or without existing reservations, including trust or otherwise restricted allotments whether the allottee be living or deceased, for the purpose of providing land

for Indians

For the acquisition of such lands, interests in lands, water rights, and surface rights, and for expenses incident to such acquisition, there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, out of any funds in the Treasury not otherwise appropriated, a sum not to exceed \$2,000,000 in any one fiscal year: Provided, That no part of such funds shall be used to acquire additional land for Indians in Arizona or for the Navajo Indians in New Mexico.

The unexpended balances of any appropriations made pursuant to this section shall remain available until expended.

suant to this section shall remain available until expended.

Title to any lands or rights acquired pursuant to this act shall be taken in the name of the United States in trust for the Indian tribe for which the land is acquired, and such lands or rights shall be exempt from State and local taxation.

Sec. 6. The Secretary of the Interior is directed to make rules and regulations for the operation and management of Indian forestry units on the principle of sustained-yield management, to restrict the number of livestock grazed on Indian range units to the estimated carrying capacity of such ranges, and to promulgate such other rules and regulations as may be necessary to protect the range from deterioration, to prevent soil erosion, to assure full utilization of the range, and like purposes.

The Secretary of the Interior, with the consent of the tribe,

assure full utilization of the range, and like purposes.

The Secretary of the Interior, with the consent of the tribe, is hereby authorized to prescribe rules and regulations under this section to reduce the contract price for Indian stumpage on contracts for the purchase of said stumpage by a maximum of 10 percent, provided the purchaser employs a minimum of 25 percent Indian labor; the Secretary may reduce such contract price by 20 percent if said contractor employs a minimum of 50 percent Indian labor; and such stumpage price may be reduced 30 percent wherever said contractors shall employ 75 percent or more Indian labor; in the operation of logging manufacture. cent or more Indian labor in the operation of logging, manufactur-

ing, or selling such timber.

SEC. 7. The Secretary of the Interior is hereby authorized to add lands acquired pursuant to any authority conferred by this act to existing reservations. The jurisdiction of the Federal Government shall extend to Indians under guardianship who become resident on such lands: *Provided*, That lands added to existing reservations shall be designated for the exclusive use of Indians entitled by enrollment or by tribal membership to resi-

dence on such reservations.

SEC. 8. Nothing contained in this act shall be construed to relate to Indian holdings of allotments or homesteads upon the public domain outside of the geographic boundaries of any Indian reser-

vation now existing or established hereafter.

vation now existing or established hereafter.

SEC. 9. Any number of members of any recognized Indian tribe, but not less than 10, shall have the right to form Indian chartered corporations to promote their individual and collective economic welfare and the economic welfare of the tribe. Persons wishing to form an Indian chartered corporation shall sign and acknowledge written articles of association, specifying (a) the name of the corporation, its purposes and the general nature of its business and the principal place of transacting the same; (b) the period of its duration, which shall not exceed 30 years unless renewed by the vote of a majority of its members and the order of the Secretary of the Interior; (c) the amount of its capital stock, if any, the number of shares into which it shall be divided and in what manner it shall be paid: Provided, That such chartered Indian corporations may be formed without capital stock, and such nonstock corporations shall have the same powers and authority as though organized with capital stock; (d) the and authority as though organized with capital stock; (d) the highest amount of indebtedness to which the corporation shall at nignest amount of indebtedness to which the corporation shall at any time be subject; (e) in what governing board its management shall be vested, the date of the annual meeting at which such governing board shall be elected and the manner of its election, and the names and places of residence of those composing such governing board until the first annual meeting of the members of the corporation.

Persons who desire to organize an Indian chart and the state of the corporation.

the corporation.

Persons who desire to organize an Indian chartered corporation under the provisions of this section shall submit to the Secretary of the Interior their proposed articles of association for examination and approval. If after such examination the Secretary of the Interior approves of such articles, and of the organization of such corporation and the powers and purposes thereof, he shall endorse such approval upon said articles of association and cause the said articles to be filed in his office, and thereupon such association shall be and become an Indian chartered corporation. Such shall be and become an Indian chartered corporation. Such articles of association may be amended and bylaws adopted under such rules as the Secretary of the Interior may from time to time

articles of association may be amended and bylaws adopted under such rules as the Secretary of the Interior may from time to time establish and promulgate.

Such corporation may be organized for the purpose of conducting, and when organized may conduct, any agricultural, mechanical, manufacturing, mining, mercantile, lumbering, fishing, or other lawful business, and shall have power, with the written consent of the Secretary of the Interior, to acquire by lease or purchase such real estate, buildings, equipment, and other personal property as may be required or useful for the conduct of its business; to erect buildings or other structures or facilities upon its own lands or leased grounds; to issue bonds or other evidences of indebtedness and to borrow money to finance its business or to make advances to its members or patrons upon goods and products delivered by such members or patrons to the corporation; to employ legal counsel, and to do and perform every act and thing necessary or proper to the conduct of its business or the accomplishment of the purposes set forth in this section: Provided, however, That none of such powers shall be exercised without the written approval of the Secretary of the Interior.

SEC. 10. There is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, such sums as may be necessary, but not to exceed \$250,000 in any fiscal year, to be expended at the order of the Secretary of the Interior, in defraying the expenses of organizing Indian chartered corporations created under this act.

SEC. 11. There is hereby authorized to be appropriated out of

created under this act.

SEC. 11. There is hereby authorized to be appropriated out of SEC. 11. There is hereby authorized to be appropriated out of any funds in the Treasury not otherwise appropriated, the sum of \$10,000,000 to be established as a revolving fund from which the Secretary of the Interior, under such rules and regulations as he may prescribe, may make loans to Indian chartered "corporations for the purpose of promoting the economic development of such tribes and of their members, and may defray the expenses of administering such loans. Repayment of amounts loaned under this authorization shall be credited to the revolving fund and shall be available for the purposes for which the fund is and shall be available for the purposes for which the fund is established. A report shall be made annually to Congress of

established. A report shall be made annually to Congress of transactions under this authorization.

SEC. 12. There is hereby authorized to be appropriated, out of any funds in the United States Treasury not otherwise appropriated, a sum not to exceed \$250,000 annually, together with any unexpended balances of previous appropriations made pursuant to this section, for loans to Indians for the payment of tuition and other expenses in recognized vocational and trade schools: Provided, That not more than \$50,000 of such sum shall be available for loans to Indian students in high schools and colleges. able for loans to Indian students in high schools and colleges. Such loans shall be reimbursable under rules established by the

Such loans shall be reimbursable under rules established by the Commissioner of Indian Affairs.

SEC. 13. The Secretary of the Interior is directed to establish standards of lealth, age, character, experience, knowledge, and ability for Indians who may be appointed, without regard to civil-service laws, to the various positions maintained, now or hereafter, by the Indian Office, in the administration of functions or services affecting any Indian tribe. Such qualified Indians shall hereafter have the preference to appointment to vacancies in any such positions. such positions.

SEC. 14. The provisions of this act shall not apply to any of the Territories, colonies, or insular possessions of the United States, except that sections 9, 10, 11, 12, and 13 shall apply to the Terri-

tory of Alaska: Provided, That Sections 2, 4, 7, 9, 17, 18, and 19 of this act shall not apply to the following-named Indian tribes, the members of such Indian tribes, together with members of other tribes affiliated with such named tribes located in the State of Oklahoma, as follows: Cheyenne, Arapaho, Apache, Comanche, Kiowa, Caddo, Delaware, Wichita, Osage, Kaw, Otoe, Tonkawa, Pawnee, Ponca, Shawnee, Ottawa, Quapaw, Seneca, Wyandotte, Iowa, Sac and Fox, Kickapoo, Pottawatomi, Cherokee, Chickasaw, Choctaw, Creek, and Seminole.

SEC. 15. The Secretary of the Interior is hereby directed to continue the allowance of the articles enumerated in section 17 of the Act of March 2, 1839 (23 Stat.L. 894), or their commuted cash value under the Act of June 10, 1896 (29 Stat.L. 334), to all Sioux Indians who would be eligible, but for the provisions of this act, to receive allotments of lands in severalty under section 19 of the Act of May 29, 1908 (35 Stat.L. 451), or under any prior act, and who have the prescribed status of the head of a family or single person over the age of 18 years, and his approval shall be final and conclusive, claims therefor to be paid as formerly from the permanent appropriation made by said section 17 and carried on the books of the Treasury for this purpose. No person shall receive in his own right more than one allowance of the benefits, and application must be made and approved during the lifetime of the allottee or the right shall lapse. Such benefits shall continue to be paid upon such reservation until such time as the lands are available therein for allotment at the time of the passage of this act would have been exhausted by the award to each person receiving such benefits of an allotment of 80 acres of such land. ach person receiving such benefits of an allotment of 80 acres of such land.

of such land.

SEC. 16. Nothing in this act shall be construed to impair or prejudice any claim or suit of any Indian tribe against the United States. It is hereby declared to be the intent of Congress that no expenditures for the benefit of Indians made out of appropriations authorized by this act shall be considered as offsets in any suit brought to recover upon any claim of such Indians against the United States.

brought to recover upon any claim of such Indians against the United States.

Sec. 17. Any Indian tribe residing on a reservation on which at least 40 percent of the original land is still restricted or in tribal status, shall have the right to organize for its common welfare and may adopt an appropriate constitution and bylaws, which shall become effective when ratified by a majority vote of the adult members of the tribe, or of the adult Indians residing on such reservation, as the case may be, at a special election authorized and called by the Secretary of the Interior under such rules and regulations as he may prescribe, and to elect a tribal business committee under rules and regulations prescribed by the Secretary of the Interior: Provided, That such organization may be dissolved in the same manner as formed, or by an act of Congress, and in no other manner.

dissolved in the same manner as formed, or by an act of Congress, and in no other manner.

A duly elected tribal business committee shall, in addition to all powers vested in an Indian tribe or tribal council by existing law, have the right to employ legal counsel, the choice of counsel, and the fixing of fees, to be subject to the approval of the Secretary of the Interior, and the right to represent the tribe in negotiations with the Federal, State, and local authorities.

No sale, disposition, lease, or encumbrance of tribal lands, interests in lands, or other tribal assets shall be made without the consent of the tribe. The Secretary of the Interior shall advise such tribe or its business committee of all appropriation estimates or Federal projects for the benefit of the tribe prior to the submission of such estimates to the Bureau of the Budget and the Congress. Congress

SEC. 18. Upon any Indian reservation of which at least 40 percent of the original land or the subsurface mineral rights thereon is still in restricted or tribal status, the Secretary of the Interior may issue a charter of incorporation to the tribe: Provided, That such charter shall not become operative until ratified at a special election by three-fourths of the adult Indians living on the reservation. The articles of incorporation issued to such tribes shall be issued and filed in the manner prescribed by section 9 of this vation. The articles of incorporation issued to such tribes shall be issued and filed in the manner prescribed by section 9 of this act and shall contain the powers therein set forth. All laws and treaties applicable to a tribe and its members shall continue to apply to any such tribe incorporated under this act, and nothing in this act shall be construed to deprive any tribe, incorporated as herein prescribed, of any right, interest, claim, or title of any nature now vested in such tribe.

SEC. 19. This act shall not apply to any reservation wherein a majority of the adult Indians, voting at a special election duly called by the Secretary of the Interior, shall vote against its application. It shall be the duty of the Secretary of the Interior, within 6 months after the passage and approval of this act, to call such an election, which election shall be held by secret ballot upon 30 days' notice.

upon 30 days' notice.

SEC. 20. Any official or employee of the United States who shall in any manner, either directly or indirectly, interfere with any tribe or any of its members in the free exercise of the powers conferred by this act, or in relation to any decision or action of said Indian in respect to the exercise of the right of franchise, whether in relation to the provisions of this act or otherwise, shall be guilty of a misdemeanor, and shall, on conviction thereof, be removed from office and be punished by a fine of not more than \$500 or by imprisonment for not more than 6 months, or both.

SEC. 21. The term "Indian" as used in this act shall include all persons of Indian descent who are members of any recognized Indian tribe, and all persons who are descendants of such members who were at the time of the approval of this act actually residing within the present boundaries of any Indian reservation,

and shall further include all other persons of one-fourth or more Indian blood. For the purposes of this act, Eskimos and other aboriginal peoples of the Territory of Alaska shall be considered Indian. The term "tribe" wherever used in this act shall be construed to refer to any Indian tribe, band, nation, or pueblo, or the Indians residing on the securation.

the Indians residing on one reservation.

Amend the title so as to read: "A bill to conserve and develop Indian lands and resources; to extend to Indians the right to form business and other organizations; to establish a credit system for Indians; to grant certain rights of home rule to Indians; to provide for vocational education for Indians; and for other nurroses."

Mr. HOWARD (interrupting the reading of the bill). Mr. Speaker, in view of the fact that the Committee on Indian Affairs had 29 different sessions on this bill, I ask unanimous consent that the further reading of the bill be dispensed with.

Mr. MOTT. Mr. Speaker, I object. I would like to hear the bill read.

The Clerk concluded the reading of the bill. The SPEAKER. Is a second demanded?

Mr. CARTER of Wyoming. Mr. Speaker, I demand a second.

The SPEAKER. Is the gentleman a member of the committee?

Mr. CARTER of Wyoming. No; I am not.

The SPEAKER. Does any member of the committee demand a second? [After a pause.] Is the gentleman from Wyoming opposed to the bill?

Mr. CARTER of Wyoming. I am opposed to the bill.

The SPEAKER. Will the gentleman vote against the bill? Mr. CARTER of Wyoming. If the Speaker can tell me whether there is going to be a roll call or not I can answer that question—yes; I shall vote against the bill.

The SPEAKER. The gentleman is recognized to demand a second.

Mr. HOWARD. Mr. Speaker, I ask unanimous consent

that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. HOWARD. Mr. Speaker, I feel I ought to acquaint the membership of the House with the fact that our splendid Committee on Indian Affairs has held no less than 29 different sessions for the consideration of this bill. I feel I should further state that when the bill was finally reported every element of controversy had been eliminated. Manifestly, we cannot speak at length regarding the merits of this legislation, but I am quite sure that every one of the members of my own committee is qualified to answer such questions as those who desire information may submit.

Mr. Speaker, it seems best that in the consideration of this measure, and in order to have it better understood, we should view somewhat the background of the present Indian problem.

Interwoven in that problem is the position of our Government, as guardian, with respect to the Indian, as ward. Bear in mind, please, that the status of ward was not of the Indians' seeking. It was forced upon him by our Government. On its part that relationship should be one of sacred trust. The proper administration of that trust is a matter which is vital to the Indian. As it raises or lowers the Indian in the social and economic scale, and thereby tends to make him self-supporting or a public charge, it is of direct interest to the American taxpayer.

Viewing the results of that guardianship, it is difficult for me to speak dispassionately. I shall not ask my colleagues to examine in detail a certain page of history upon which no American may gaze with feeling of pride. Suffice it to say that it reveals an almost uninterrupted succession of broken treaties and promises, and a record of the ruthless spoliation of defenseless wards. With all the vigor at my command I protest against allowing that shameful and inhuman treatment to continue a day longer without doing all in my power to put an end to it.

A few comparisons may be helpful in understanding the conditions which this bill is designed to correct. In making those comparisons I shall not turn back a single page of history. I shall only return to a period within the memory

of most of us here today, to the year 1887, when the last major Indian policy, the general allotment law, was enacted.

Indian statistics are somewhat incomplete and may not always be entirely accurate, but I believe those I shall now present are approximately correct.

In 1887 our Indian wards numbered 243,000. They owned 137,000,000 acres of land, more than one-third good farming land and a considerable portion valuable timberlands. Today they number about 200,000. Their land holding has shrunk to a mere 47,000,000 acres. Of this remnant only 3,500,000 acres may be classed as farming lands, 8,000,000 acres as timberlands of any value, 16,000,000 acres as good grazing lands, and 19,000,000 acres, almost one-half the Indian land remaining, as desert or semiarid lands of limited use or value.

The average holding of farm land per Indian in 1887 was slightly more than 160 acres, as against an average holding of 17 acres today.

In 1887 there were less than 5,000 landless Indians. Today there are more than 100,000.

In 1887 Indian trust funds, which are administered by the Government, aggregated \$29,000,000. Notwithstanding the subsequent addition of more than \$500,000,000, derived largely from the sale of Indian lands and assets, these funds today amount to but \$13,500,000. A factor in the dissipation of these funds has been their use to pay the salaries of employees, generally whites, in the Indian Service. Although greatly reduced in recent years, the amount so used is still in excess of \$2,000,000 per annum.

In 1887 the average Indian was self-supporting. Today nearly one-half are virtual paupers. The number of such is steadily increasing. A recent survey among typical Indian families by the Indian Office shows the average per capita income to be but \$48 per annum in money and in produce raised and consumed.

The annual death rate among the Indian population in 1887 is given as 18 per thousand. Today it is 26 per thousand, more than twice that of the general population.

These comparisons tell a tragic story. They reveal a lamentable lowering of the social and economic status of the Indian. They show a startling loss of assets and an income diminished to the point where the burden of Indian care is becoming a heavy one upon the local and Federal Governments.

It is not my purpose at this time to dwell upon the responsibility for this sad state of affairs. In all fairness, it may be said that it is due in part to well-intentioned but mistaken policies, and in part to improper administration.

The failure of their governmental guardian to conserve the Indians' lands and assets, and the consequent loss of income or earning power, has been the principal cause of the present plight of the average Indian. The loss of land is primarily due to the Allotment Act of 1887 and the manner in which it has been administered. Often against their wishes allotments were forced upon Indians who were not prepared to manage their property. They have since sold their land or had it sold at tax sale. A large acreage of inherited allotted land has also been lost to the Indians through partition sales. Much so-called "ceded" or "surplus" Indian land has been sold to whites. Immense sums derived from the sale of Indian lands, timber, oil, and minerals have been squandered by the guardians. Whether these funds were disbursed to the Indians in per capita payments or whether they were paid as salaries to Indian Bureau employees, the result is now the same.

The deplorable conditions I have outlined were clearly developed in extensive hearings before the committee over a period of 3 months. Every interested person and organization, and especially the Indians themselves, were given opportunity to express their views. The hearings have been published in nine parts and are now available.

As a result of these hearings, there was general agreement that the present state of Indian affairs is far from satisfactory and that comprehensive legislation dealing with the subject was necessary. However, considerable controversy arose over many features of the original measure. In its desire to do all possible without further delay the commit-

tee, without a dissenting vote, has reported this substitute which embodies the features most urgently required, and eliminates controversial features upon which agreement could not be reached. The title creating a special Federal court of Indian affairs has been eliminated, as have the provisions authorizing the creation of chartered Indian communities. All compulsory features of the original measure have been omitted. Numerous other changes and eliminations have been made to meet objections raised.

While it is not as comprehensive as I personally would wish, this substitute measure contains many provisions which are fundamentals of a plan to enable the Indians generally to become self-supporting and self-respecting American citizens. Those provisions may be summarized as follows: Conservation of Indian lands; creation of a credit system for the Indians; extension of the trust period on Indian lands; organization of tribal councils responsive to the Indians and with authority to speak for them; education, vocational and technical, of the Indians; and admission of gualified Indians to the Indian Service.

Before submitting a more detailed discussion of this bill I desire to call special attention to a few sections which constitute the backbone of the measure.

Section 1 prohibits further allotments. It stops the big hole through which 90,000,000 acres of land have passed from Indian ownership. Note well the fact that those tribes which escaped partition and individual allotment have not lost an acre of land. Among these fortunate tribes are the Menominees of Wisconsin, the Red Lake Chippewas of Minnesota, the Pueblos of New Mexico, the Navajos and the Apaches of Arizona. Would that the Indians of my own State had been as fortunate.

Section 2 endeavors to conserve allotted lands still in Indian ownership by extending the trust period on all restricted lands until Congress shall otherwise direct.

Section 3 returns to tribal possession the remnant of between two and three million acres of the so-called "ceded" or "surplus" Indian lands which have not yet been sold.

Section 4 stops a dangerous leak through which the restricted allotted lands still in Indian ownership pass therefrom. Upon the death of an allottee the number of heirs frequently makes partition of the land impractical, and it must be sold at partition sale, when it generally passes into the hands of whites. This section endeavors to restrict such sales to Indian buyers or to Indian tribes or organizations. It, however, permits the devise of restricted lands to the heirs, whether Indian or not.

Section 5: The sections mentioned are designed to prevent further loss of Indian land. But prevention is not enough. The Indians now landless must be provided for. This section undertakes to do this gradually through an annual appropriation for the purchase of land.

Section 11 provides credit, now denied to the Indian because of his status as ward, to enable him to utilize his land and become fully self-supporting.

Section 13 permits the employment of qualified Indians in their own service, partly paid for from their own funds. The effect of existing requirements which bar them from such employment is grossly unfair.

I have tried to picture the Indian situation and, in a general way, to outline the manner in which this bill proposes to meet that situation. I make my most earnest plea in behalf of this measure. I am sure that a sense of justice and fair dealing will win the approval of this body for the bill, as it has won the approval of our President.

Mr. Speaker, analyzing somewhat more in detail the provisions of this measure, as they constitute a new policy in Indian affairs, let us examine that new policy to see wherein it differs from the old, which has brought disaster to the Indian, and to see how it offers a real hope for a way out of the admittedly evil conditions which confront us.

Reduced to its simplest terms, the present bill would prevent any further loss of Indian lands, would permit the purchase of additional lands for landless Indians, would set up a modern system of Indian agricultural and industrial credit,

would permit Indian tribes or groups to incorporate for business purposes, would give Indian tribes the right to organize tribal councils for the promotion of the common welfare, would establish a special Indian civil service and give to qualified Indians the preference right to appointment in the Indian Service, and would create a loan fund for the vocational and professional training of Indians in order to qualify them for the Indian Service and for other employment.

It would strike a body blow at the twin evils of economic and social disintegration of the Indians. It would stop the sinister liquidation of Indian property and the equally sinister destruction of the Indian character wrought by generations of bureaucratic absolutism. It would give to the Indian at least a modest measure of economic security and economic opportunity. It would take him off the dole, out of the national poorhouse, and set him on the road to earning his own living, on the land, in the sweat of his brow. It would give to him what the white man has fought and died for over the centuries: The right to personal liberty and to a voice in the conduct of his daily life.

These objectives, I am convinced, are in keeping with the spirit of this Congress and this administration. The conduct of Indian affairs by the Federal Government for the past century has been a scandal and a blot on our name in every part of the world. Predatory interests have systematically and continually robbed the Indian of his property; the Government, by law, has supinely permitted this robbery, cloaking it under a sterile and sinister legality that was a travesty of justice and national honor and under a Federal "guardianship" that, with incredible complacency, watched through generations the destruction of the Indian estate and the Indian character.

I propose to discuss in some detail the method and result of this legalized robbery and of the Federal policy that has reduced the Indians to virtual peonage.

The general allotment act of 1887 sought to substitute individual, private ownership of Indian land for tribal ownership. It provided for the parceling of the Indian reservations into small individual allotments and the issuance of trust deeds to all the enrolled members of the tribe. After a period of 25 years of trust ownership, or as soon as he might be declared "competent", the allottee was to receive an unrestricted patent and could then do with the land what he pleased.

In the debates that accompanied the passing of the allotment act, it is clear that the proponents of this measure were convinced that the private ownership of land was the one great step that was needed to civilize the Indians. The mere issuance of a fee patent would give to the Indians pride of ownership, thrift, industry, and the means of self-support; it would break down the tribal status of the Indians and convert them into typical American citizens; it would, they said, solve the Indian problem, and in the course of a single generation relieve the Government of the immense and costly burden of caring for its Indian wards. There were, to be sure, a few farsighted men who predicted that the allotment law would lead to the economic ruin of the Indians, but their voices were lost in the chorus of optimism which accompanied the passage of the allotment act.

It is no longer necessary to indulge in theoretical arguments for or against the allotment idea. The cold fact of what has happened to the Indians and their lands under that act conclusively proves that allotment was a costly tragedy both to the Indians and to the Government. The Indians themselves were not consulted in the passage of this act, and once it was enacted they feared and opposed it. Allotment was literally forced upon them against their wishes both in the adoption of the act and in its subsequent application to the various reservations.

The allotment act, so far from being a means of civilizing the Indians, soon became a perfect tool for the capture of Indian lands. As soon as the Indians had begun to receive their unrestricted patents, they flocked in great numbers to the real-estate agents and the land seekers and parted with their deeds for small sums of ready cash. Or if the original allottee had died before his trust period expired and if he

had numerous heirs, lineal and collateral, as was usually the | share of its appropriations and energy in the sterile and case, it became necessary to sell the land in order to partition the estate. As if this method of capturing Indian lands were not working fast enough, the Government adopted the further policy of disposing of the so-called "surplus" lands of the allotted reservations. The act of February 8, 1887 (24 Stat. 388), provided the future means for the opening to sale and entry of so-called "surplus" lands left over after all the individual members of the tribe had received allotments.

As I have before stated, the figures on the loss of Indian lands out of Indian ownership in the past 47 years are indeed staggering. Whether or not the original area of the Indian lands was excessive, the land was theirs, under titles guaranteed by treaties and law; and when the Government of the United States set up a land policy which, in effect, became a form of legalized misappropriation of the Indian estate, the Government became morally responsible for the damage that has resulted to the Indians from its faithless guardianship. The land seekers who acquired the Indian lands naturally took the best first, so that which remains is in general the least valuable part of the original Indian

As a result of this system, the allotted Indian reservations are in general riddled by alienations, the extent of the alienation being almost exactly proportionate to the length of time since the original allotment was made. The Indians of many tribes have lost practically every square foot of land they owned. Many reservations have in Indian ownership a mere fragment of the original land, and all the remaining allotted reservations are badly checkerboarded. This process will proceed inexorably on the remaining allotted reservations and, indeed, on the unallotted reservations, for previous experience has shown that the courts can and will force the Government to allot unallotted reservations if even a single Indian demands an allotment.

Even if Indian allottees retain their land after receiving fee patents, the heirship system inevitably leads to the ultimate loss of the land. Even the first generation of heirs is usually so numerous that physical partition of the land is impossible and it must be put on the auction block in order to divide the estate. What little land actually descends to heirs of the first generation will almost inevitably be lost through partition among the second generation. We are thus headed for the complete wiping out of the entire Indian estate unless the system is changed. It is estimated that there are now 7,000,000 acres of Indians lands in the heirship stage; and although further sale has been temporarily suspended by administrative order, the system itself must be changed if we are to give any security to the Indians.

I have said that this system has been not only disastrous to the Indians, but also to the Government as the guardian of the Indians. The Indian lands that were granted by treaty and by act of Congress were not only a satisfaction of Indian claims to ownership of the land they surrendered to the whites, but they were to form the indispensable economic basis for the solution of the Indian problem. It might have been expected that the Government would be assiduous not only in protecting the property of its wards, but in protecting its own interests by preventing the disintegration of the Indian estate. In reality, the policy of the Government has resulted in aiding and abetting the destruction of the trust estate which was ultimately to make the Indians self-supporting and relieve the Government of a great burden of expense.

The Indian administration that has grown out of and about the allotment system has produced a fundamental conflict of purpose that has thwarted the Indian Service itself in undertaking a creative Indian program. In recent years the Indian Service has worked systematically to build up Indian agricultural extension, the Indian health service, hospitalization, education, and various other services. Yet all these elaborate and costly services have been built on the foundation of complete economic disintegration enforced by the allotment system itself. For the administration of the remaining allotted lands there has been built up a fantastic and enormously costly real-estate business which compels the Indian Service to expend an ever greater

fruitless administration of minutely parcelled tracts. On one reservation, the leasing of the allotted Indian lands to white stock growers involves the obtaining of some 3,000 signatures for the leases at an estimated cost of 50 cents per signature, whereas a lease of tribal lands could be made as a single transaction.

It is in the case of the inherited allotments, however, that the administrative costs become incredible. At the Kiowa and Comanche Agency, for example, the Government expenditure, exclusive of schools, is \$80,000 a year. Of this sum \$65,000 is required for these meaningless and useless real-estate operations, leaving only \$15,000 for agricultural extension, public health, relief, and all other really creative and productive services. The annual expenditure of the Five Civilized Tribes Agency is \$300,000 a year, and all but \$60,000 of this amount goes for this real-estate manipulation and administration of a few hundred Indian estates. In spite of these huge expenditures, which are duplicated and growing on all the allotted reservations, the lands themselves on which these great sums are spent are inexorably passing from Indian ownership. On allotted reservations, numerous cases exist where the shares of each individual heir from lease money may be 1 cent a month. Or one heir may own minute fractional shares in 30 or 40 different allotments. The cost of leasing, bookkeeping, and distributing the proceeds in many cases far exceeds the total income. The Indians and the Indian Service personnel are thus trapped in a meaningless system of minute partition in which all thought of the possible use of land to satisfy human needs is lost in a mathematical haze of bookkeeping.

As the Indian estate has dwindled, Indian poverty and pauperism have increased alarmingly. It is estimated that there are now more than 100,000 landless Indians, a number which will inevitably and rapidly increase as long as the present system operates to deprive them of land and home. These landless Indians, in Nebraska, in the Dakotas, Minnesota, Michigan, Wisconsin, California, Nevada, and many other States, constitute a tragic problem in destitution and an acute problem of social relief which neither the Federal Government nor the States are adequately dealing with.

Indian poverty is reaching an ever lower level. The survey of typical Indian income, which I have previously mentioned briefly, was made during the past winter on reservations in South Dakota, North Dakota, California, Kansas, Montana, and Oklahoma. The average income of \$48 per year mentioned did not include oil and mineral royalties paid to a handful of individuals. This per capita income includes not only wages and lease rentals, but the market value of goods produced or consumed. And this income is higher than it would be in normal years, because of unusually favorable employment opportunities in the numerous emergency projects under way in the Indian country.

This poverty contributes largely to the excessive death rate among the Indians, which, in the case of tuberculosis, a disease closely associated with undernourishment, is more than seven times the death rate from tuberculosis among the whole population.

It has long been held that the Indian policy of the past half century would lead to the rapid assimilation of the Indians into American civic and industrial life. The facts are precisely the opposite. Only a fraction of the Indians have been absorbed into industrial pursuits. The census of 1930 shows only 38,000 Indians engaged in industrial, clerical, trade, and professional pursuits. There is no reason to believe that the Indians, as a class, can or should be absorbed into urban industrial employment. Even supposing that all of the white unemployed will ultimately find employment under the recovery program, I know of no system by which the Indians could be trained and transported to industrial centers to enter industrial work. Any Government program looking to that end would meet insuperable obstacles of cost as well as of resistance on the part of the Indians and of white workers. The economic future of the great majority of the Indians is, for the immediate present and for some time to come, to be found on the land. Small-scale agriculture and livestock growing, chiefly

for subsistence, coupled with logging operations and other rural industrial pursuits, offer the Indian his main economic chance, suited to his talents, experience, and actual physical situation in the world. This bill recognizes this fact as the keystone of the new Indian policy.

The Indian policy of the past 50 years has not stopped with the mere destruction of the material assets of the Indians. It has destroyed Indian social and political institutions, Indian arts and culture, Indian individuality and point of view. This policy grew up in an age which, we may well believe, was not as enlightened or humane as our own; but this policy became so deeply rooted in Indian administration that it has largely dominated the management of Indian affairs until the present administration came into power. Theoretically, the Indians are citizens of the United States, as declared by act of Congress of 1924; but this act was only an empty gesture, for in reality the Indians can only be described as Federal peons.

Although many thousands of Indians are living in tribal status on the various reservations, their own native tribal institutions have very largely disintegrated or been openly suppressed, and the entire management of Indian affairs has been more and more concentrated in the hands of the Federal Indian Service. The powers of this Bureau over the property, the persons, the daily lives and affairs of the Indians have in the past been almost unlimited. It has been an extraordinary example of political absolutism in the midst of a free democracy-absolutism built up on the most rigid bureaucratic lines, irresponsible to the Indians and to the public; shackled by obsolete laws; resistant to change, reform, or progress; which, over a century, has handled the Indians without understanding or sympathy, which has used methods of repression and suppression unparallelled in the modern world outside of Czarist Russia and the Belgian

I know of no colonial government which does not give some tolerance to the modes of thought and life and social organization of its primitive people. Our Indian administration has for generations pursued the opposite policy. Its formula for civilizing the Indians has always been the policy of intolerance and suppression combined with a forcible religious and educational proselytism designed to compel the Indian to give up his own beliefs and views of life, his languages and arts and customs, and accept those of the white man.

In permitting and encouraging the destruction of everything that was uniquely Indian, whether art or language or social custom, mythology or religion, or tribal and clan organization, the Government has not only destroyed a heritage that would make a colorful and priceless contribution to our own civilization, but it has hampered and delayed the adaptation of the Indian to white civilization. It is perfectly clear that the Indian, in order to win a secure and self-respecting position in our American community, must have not only economic security and the chance of self-support, but must also have constant practice in civic affairs and in the management of property and business. The system of Federal guardianship hitherto in effect has deprived the Indian of this practice. It destroyed his own political and civic institutions, which he understood because he himself had created and used them for untold centuries. With the disintegration of his tribal and clan organizations, the Indian has come to have less and less control of his own affairs until today he is a citizen in name only, with neither power nor effective voice. Most existing tribal councils are permitted purely by sufferance, not through any legal, guaranteed right. In most of his actions the Indian must today take his orders from a Federal bureau, and against these orders he has no legal appeal. He may petition, he may complain; but he has no legal defense against this bureaucratic power.

This thoroughly unnatural and unwholesome position of political and social inferiority is largely responsible for the endless conflicts between the Government and its Indian wards, for the petty factionalism and conflict among the

Indians themselves, for the psychology of complaint and apathy which afflicts the Indians. Deprived of the natural outlet for human energy in creative work for himself and his race, the Indian has fallen back onto blind rage against the chains that bind him.

The Indians have not only been thus deprived of civic rights and powers, but they have been largely deprived of the opportunity to enter the more important positions in the service of the very bureau which manages their affairs. Theoretically, the Indians have the right to qualify for the Federal civil service. In actual practice there has been no adequate program of training to qualify Indians to compete in these examinations, especially for technical and higher positions; and even if there were such training, the Indians would have to compete under existing law, on equal terms with multitudes of white applicants. Today there are about 2,100 Indians holding permanent civil-service appointments in the Bureau of Indian Affairs, with a total permanent personnel of approximately 6,500. The great majority of these positions held by Indians are in the lower salary grades, such as clerks, matrons, cooks, boys and girls' advisers, and so forth. Considering the higher and technical positions, there are, for example, only 8 Indian foresters in a total forest personnel of 102; 250 teachers in a total teaching force of 966; 21 nurses in a total force of 345 nurses; only 8 Indian superintendents out of a total number of 103. The various services on the Indian reservations are actually local rather than Federal services and are comparable to local municipal and county services, since they are dealing with purely local Indian problems. It should be possible for Indians with the requisite vocational and professional training to enter the service of their own people without the necessity of competing with white applicants for these positions. This bill permits them to do so.

Land reform and in a measure home rule for the Indians are the essential and basic features of this bill. In order to make clear the scope and operation of the new Indian policy, I propose now to further discuss the various provisions of the bill.

Sections 1 to 8 deal with the complex and difficult land problem with which the Indians are now confronted. Section 1 will prevent any further allotment of Indian lands of any Indian reservation now existing or hereafter created through purchase or otherwise. In view of the disastrous history of allotment, I do not anticipate any voice will be raised against this provision. Hereafter, any Indian lands not already allotted will be used either through a system of assignment to individuals for beneficial use or through the common occupancy and use of the Indian grazing and timber lands.

This system has long been successfully operated by the Indians of Mexico, by the Pueblos of our own Southwest, and by such tribes as the Navajo, the Menominees, and the Cherokees of eastern North Carolina. It is essentially the system of our great national forests. It is highly significant that only among those Indians where the basic title remains in the tribe and the system of assignment is used have the Indian lands remained intact. The Menominees of Wisconsin, for example, have held intact for 70 years the lands that were finally left to them by treaty, and they are a prosperous people engaged in agriculture, forestry, and lumber manufacture, supporting their own schools, and with tribal reserve accounts of \$900,000. Likewise the Pueblos have kept their land practically intact for centuries; their only losses having been through squatters' claims, for which they have received reimbursement from the Government.

In order to prevent any further sale of restricted Indian land through the issuance of patents in fee or certificates of competency, section 2 provides for the extension of all existing periods of trust until otherwise directed by Congress. The Indians of Oklahoma are excepted from this provision, and the existing laws and procedure relating to the guardianship of minor and incompetent members of the Osage and Five Civilized Tribes remain in effect. This exception is made because the handling of the affairs of these

tribes has been unique in the history of our Indian administration, with a division of responsibility between the Federal and State Governments, which has led to controversy and confusion. Because of the difficulties inherent in this situation, it has seemed to the committee wisest to leave certain features of the Oklahoma problem to an independent solution rather than to attempt to cover them in the present bill.

The act of 1887, which provided the means of opening the so-called "surplus" Indian lands to sale, homestead entry, and other forms of disposal, was based on the fiction that the bulk of the land left in any reservation after individual allotments were made to the members of the tribe was not needed by the Indians and should be disposed of to white settlers. This was a fiction, first, because it took no account of possible increases in Indian population, and, second, because most of the allottable lands were grazing or forest lands rather than agricultural lands, and the small parcels allotted, ranging in average from 80 acres to 160 acres, were wholly insufficient to support a family. We all know that the 640-acre homestead law broke down because even double or triple that amount of land was insufficient to graze a herd of cattle or sheep large enough to support a family. Section 3 directs the Secretary of the Interior to restore the so-called "surplus" lands to tribal ownership, with a proviso to protect valid claims existing on the date of withdrawal.

It is estimated that there are 2,000,000 acres of the remaining surplus lands which are still unentered or unsold. The gross average opened or ceded was approximately 86,000,000 acres. These lands are situated primarily in the States of North and South Dakota, Wyoming, Montana, Washington, and Oklahoma. This provision, which is but an act of justice to the Indians, fits closely into the general land program of this administration, for there is no reason why the Government should encourage homesteading while at the same time seeking to take surplus agricultural land out of cultivation.

In order to protect the economic future of the Indians and to protect the Government itself against the loss and disintegration of the Indian property, it is most essential to prevent alienation of Indian lands outside of Indian ownership. Section 4 forbids the sale, devise, gift, exchange, or other transfer of restricted Indian lands or of shares in the assets of Indian tribes or corporations except to the Indian tribe itself, with the exception that land or shares may descend or be devised to a member of the tribe or to the heirs of the devisee or devisor, whether or not they are members.

These provisions do not apply to unrestricted Indian lands nor to any Indian owner of restricted land who may be declared competent by the Secretary of the Interior. Nor do they change the existing laws of Oklahoma governing descent and distribution of Indian property, determination of heirs, the sale of interests of full-blood heirs, or the partitioning of lands; but they do give to the Secretary of the Interior a preference right to purchase for Indian use any restricted Oklahoma Indian lands offered for sale.

The preceding sections are safeguards to prevent further loss and wastage of Indian lands. But we must go further and actually restore some of the lost lands to the Indians. Section 5 sets up a land acquisition program to provide land for Indians who have no land or insufficient land, and who can use land beneficially. For this purpose, the bill would authorize the appropriation of not to exceed \$2,000,000 in any one fiscal year. The Navajo Indians of Arizona and New Mexico are excluded from this purchase program because of pending bills to increase the area of the existing Navajo Reservation.

I have already said that there are more than 100,000 landless Indians in America today, and in addition many of the reservations are so riddled by alienation that their economic use for Indian grazing is impossible. This program would permit the purchase of land for many bands and groups of landless Indians and would permit progress toward the con-

solidation of badly checkerboarded Indian reservations, as well as provide additional agricultural land to supplement stock grazing or forestry operations. Considering the magnitude of the losses of Indian land brought about by the past 50 years of incompetent Federal guardianship, the purchase program here proposed is indeed a very modest restitution; and it is moreover an investment that will many times repay itself by taking Indians off the relief and ration rolls.

The bill seeks, through section 6, to assure a proper and permanent management of the Indian forest and grazing lands and makes such management mandatory on the Secretary of the Interior instead of optional, as at present. It seeks to prevent the destructive use of Indian forests and range lands. It directs the Secretary of the Interior to place the Indian forests, comprising some 8,000,000 acres of highly valuable and productive timberland, on a basis of permanent sustained yield management, which means that hereafter the annual cut of timber will be restricted to the annual growth capacity of the forest, with continuous reforestation as the cutting proceeds. This will assure that the Indian forests will be permanently productive and will yield continuous revenue to the tribes.

This same section assures the adoption of proper range management by requiring the Secretary to make the necessary rules and regulations to assure that end. Indian grazing lands constitute about five-sevenths of the whole Indian estate, and the purchase provisions of the bill, combined with the regulatory powers conveyed by section 6, will open the way for developing Indian livestock grazing in lieu of the leasing system, which has made of multitudes of Indians petty landed proprietors seeking to live on small rentals instead of by their own enterprise. Experience has amply proved that many Indians are skillful in the handling of livestock where they have sufficient consolidated range lands to make livestock growing feasible. In working toward Indian self-support it is all-essential that the leasing system be ended as soon as possible and be replaced by Indian-owned herds. This is equally true of the leasing of Indian agricultural lands.

Section 6 also contains a sliding scale for the reduction of contract prices for Indian timber where the purchaser employs Indian labor in the logging operations, the reduction being proportionate to the percentage of Indian labor employed. Hitherto the Indian logging operations have been almost entirely conducted by white labor and the Indians have thus lost this important source of income from the operation of their own property. As an excuse for not employing Indians, timber purchasers usually allege that Indian labor is neither so competent nor so reliable as white labor. To meet this objection and to increase Indian employment, the bill sets up a bonus in the way of stumpage price reduction. The ultimate goal of the Indian Service is complete Indian operation of the entire Indian forest enterprise, including logging, sawmill operation, reforestation, and technical management.

Any lands acquired under this bill may be added to existing reservations, but no Indian who is not a member of or enrolled on such a reservation or entitled to such enrollment may use such lands.

Under section 8, Indian allotments or homestead on the public domain outside the boundaries of Indian reservations are excluded from the act. These allotments and homesteads are so scattered that it is not feasible to bring them within the general framework of the bill.

The new Indian policy looks forward not only to security of the Indian lands but to developing as rapidly as possible Indian use of Indian lands for self-support. For this purpose it is vitally essential to make credit available to the Indians as it is available to white farmers and corporations everywhere. Section 11 authorizes the appropriation of \$10,000,000 to be established as a revolving fund to make loans to Indian-chartered corporations for the purpose of promoting the economic development of such corporations and tribes and their members. This provision is broad enough to permit loans not only to corporations but to their individual members and looks to the creation of Indian

to the revolving fund and be available for reloan.

Congress has from time to time made gratuity appropriations on a small scale to various Indian tribes. Repayments on such loans have been extraordinarily good. With the formation of Indian corporations and the assumption of responsibility for the operation of the credit system by the Indians themselves, there is every reason to believe that the proposed Indian credit system can be operated as efficiently as white credit institutions.

This provision is basically to the whole new program. The Indians are distressingly poor in money, housing, tools, farming implements, work stock, livestock, and every kind of equipment needed for agriculture, forestry, and rural industry. They cannot create these capital goods out of thin air, and no outlay that the Government can make for the promotion of Indian self-help and self-support will in the long run be so good an investment as this.

No less important than these new land policies are the self-government or home-rule features of the bill, embodied in sections 9, 17, 18, 19, and 20. Section 9 would permit the chartering of Indian corporations, either coextensive with the tribe or consisting of 10 or more members thereof, for individual and collective economic welfare. Such a corporation may be a stock or nonstock corporation, but in any event its shares or assets would be inalienable outside the tribe. It is the purpose of this section to encourage Indian enterprise in agriculture, mining, lumbering, fishing, and other types of business, and to give tribes or groups the necessary legal rights and powers to conduct such enter-

Such corporations may be vested with any and all powers necessary to the conduct of their business, but only with the written consent of the Secretary of the Interior. It is obvious that, in their initial stages at any rate, Indian corporations should have careful supervision by the Government to protect their members from unwise enterprises or from the misuse or mismanagement of Indian property. On the other hand, experience fully demonstrates that many of the Indian tribes and many groups of Indians are amply capable of managing their property and businesses. The creation of such corporations should be an enormous stimulus to Indian initiative and self-support and would at the same time go far in breaking down the dictatorial powers of the Federal Government over Indian property and activities. To facilitate and encourage the formation of such corporations, section 10 would appropriate not to exceed \$250,000 in any fiscal year to assist in the work of organization.

Incorporation does not answer the whole problem of Indian home rule. Section 17 grants to Indians still living in a reasonably compact community the right to organize for their common welfare, to adopt a constitution and by-laws, and to elect a tribal business committee. Among the most important powers conferred by this section is that which would prevent the sale, disposition, lease, or encumbrance of tribal lands or assets without the consent of the tribe. Under existing law, tribal moneys may be appropriated for the expenses of the Indian Service. It has been estimated that since 1900 the Government has spent \$500 .-000,000 of tribal money in per capita payments and administrative costs. Much of this money has gone to pay for routine activities of the Indian Service over which the Indians have exercised no control whatever, much has been spent for ill-advised irrigation projects which have benefited the whites rather than the Indians, without the consent of the tribe.

The Indians should unquestionably have a voice in the spending of their own money. The present system is in effect a totally indefensible system of "taxation without representation" and has led to the profligate and unproductive expenditure of vast sums of money. Most of this huge expenditure represented Indian capital, derived either from the sale of land or other assets or from claims arising out of Government mismanagement of Indian property. It should be axiomatic that no Indian capital should be spent

credit unions. Repayments on these loans would be credited | for any purpose except productive development of Indian to the revolving fund and be available for reloan. of capital for routine administration or for per capita doles should be stopped. The bill would give the Indians a veto power over such expenditures.

The psychological and moral effects of these provisions for Indian incorporation and home rule are bound to be farreaching. The Indian character has suffered subtly and profoundly through the long exclusion of the Indians from normal human activity in managing their affairs, developing their powers, and giving scope to their ambitions. This deterioration of character through civic and social disintegration has been intensified by the almost universal poverty of the Indians, a poverty which grows more acute as the Indian lands dwindle away. Already the new policy in Indian affairs is having a striking and beneficent effect on the Indians. Since January innumerable Indian councils, large and small, have been held throughout the Indian country to discuss and debate this bill. It is doubtful if any piece of legislation in the history of this country has been more thoroughly and intelligently studied and debated by the people whom it would affect than the pending measure. Considering the complexity of the problems involved and the enormous importance to the Indians of the issues at stake, this experience clearly shows that the Indians are fully capable of statesmanlike understanding and action. The process of self-government thus set in motion should not be allowed to disappear. The enactment of this legislation will permit a continuous and increasing exercise of civic power and cooperative action by the Indian peoples, and it will set the entire Indian population in motion to take the initiative for their own salvation and to cooperate intelligently with the Government.

The development of Indian capacity for home rule will be greatly speeded up by providing better opportunities for vocational, technical, and professional education for able Indians. Section 12 authorizes the appropriation of not to exceed \$250,000 annually for education of Indians in trade and vocational schools, of which not more than \$50,000 per year shall be available for high-school and college education. These funds would be granted as reimbursable loans.

I have already spoken of the difficulty which Indians experience in meeting the civil-service requirements for entering the Indian Service. It should be possible for Indians to enter the service of their own people without running the gauntlet of competition with whites for these positions. Indian progress and ambition will be enormously strengthened as soon as we adopt the principle that the Indian Service shall gradually become, in fact as well as in name, an Indian service predominantly in the hands of educated and competent Indians. This does not mean a radical transformation overnight or the ousting of present white employees. It does mean a preference right to qualified Indians for appointments to future vacancies in the local-Indian field service and an opportunity to rise to the higher administrative and technical posts. Section 13 directs the Secretary of the Interior to establish the necessary standards of health, age, character, experience, knowledge, and ability for Indian eligibles and to appoint them without regard to civil-service laws; and it gives to such Indians a preference right to appointment to any future vacancy. This provision in nowise signifies a disregard of the true merit system, but it adapts the merit system to Indian temperament, training, and capacity. Provision for vocational and higher education will permit the building up of an entirely competent Indian personnel.

Apprehension was expressed at various Indian councils that appropriations made under this act might be used as offsets against claims or suits of various tribes against the Government. Section 16 specifically disclaims any such intent on the part of Congress.

Section 14 excludes the Territories and insular possessions from the operations of the act, except that certain sections are made applicable to the Indians of Alaska.

Section 15 provides for the continuance of the so-called "Sioux benefits" to all Sioux Indians who would be eligible

but for the provisions of this act to receive allotments of | release the creative energies of the Indians in order that

A few Indian tribes asked to be exempted from the provisions of the bill. The committee have all thought it unwise to force even home rule and appropriations on tribes unwilling to accept them, and for that reason section 19 provides for a popular referendum among the various tribes within 6 months after the passage and approval of the act. The act shall not apply to any reservation wherein a majority of the adult Indians vote against its application.

For the purposes of this act, section 21 defines the persons who shall be classed as Indians. In essence, it recognizes the status quo of the present reservation Indians and further includes all other persons of one-fourth or more Indian blood. The latter provision is intended to prevent persons of less than one-fourth Indian blood who are not already enrolled members of a tribe or descendants of such members living on a reservation from claiming the financial and other benefits of the act. Obviously the line must be drawn somewhere or the Government would take on impossible financial burdens in extending wardship over persons with a minor fraction of Indian blood.

It may well be asked, What are the ultimate goals of the policy embodied in this bill?

It seeks in the long run to build up Indian land holdings until there is sufficient land for all Indians who will beneficially use it.

It will set up a gradual and voluntary revestment of allotted grazing and forest land, through purchase or assignment, into tribal ownership. Such ownership, combined with the consolidation of checkerboarded reservations, is an essential part of the proposed program of substituting Indian use of the land for the leasing system.

It seeks to make the Indians, as a group, self-supporting through agriculture, livestock growing, forestry, and other rural pursuits. With a proper land system, credits, and systematic guidance, the majority of the Indians are amply capable of achieving the goal of self-support and thus save the expenditure of enormous Government appropriations and tribal capital.

It seeks the functional and tribal organization of the Indians so as to make the Indians the principal agents in their own economic and racial salvation, and will progressively reduce and largely decentralize the powers of the Federal Indian Service.

In carrying out this program, the Indian Service will become the adviser of the Indians rather than their ruler. The Federal Government will continue its guardianship of the Indians, but the guardianship envisaged by the new policy will constantly strengthen the Indians, rather than weakening them.

This program will pave the way for a real assimilation of the Indians into the American community on the level of economic independence and political self-respect. The socalled "assimilation" of the past has been largely the Federal abandonment of pauperized and landless Indians to make their own way, as best they might, in the white community. The Indians are now segregated far more through poverty and inferiority feeling than through any possible geographical segregation. The program of self-support and of business and civic experience in the management of their own affairs, combined with the program of education, will permit increasing numbers of Indians to enter the white world on a footing of equal competition.

There is an extraordinarily wide and sympathetic public interest in this proposed legislation. The President himself has strongly endorsed the principles of the bill and has asked for its passage in this session. The Indians are overwhelmingly in favor of it. The responsible tribal councils representing about 155,000 Indians, after prolonged and full popular discussion of the bill, have voted in its favor; the tribal councils representing only about 17,000 Indians have voted against it. This Congress, by adopting this bill, can make a partial restitution to the Indians for a whole century of wrongs and of broken faith, and even more importantfor this bill looks not to the past but to the future—can

they may learn to take a normal and natural place in the American community.

Again I call the attention of the Members of the House to the character of this committee we have and assure you that if any of you are in doubt with reference to any problem submitted here in the bill, I should like to have you ask questions freely of the members of my committee or of me. I will answer such as I can, and I know that the other members will answer for me.

Mr. DICKSTEIN. Mr. Speaker, will the gentleman yield for a question?

Mr. HOWARD. Yes.

Mr. DICKSTEIN. This bill proposes to create self-government for certain Indian tribes.

Mr. HOWARD. So far as possible; yes.

Mr. DICKSTEIN. There have been quite a number of protests from my State in which it is stated that this bill will more or less compel them to go into the amalgamation whether they want to do so or not. Does the bill do this?

Mr. HOWARD. Under this bill no tribe of American Indians will be forced to come under its provisions unless a majority of that tribe shall by vote request to do so.

Mr. FREAR. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. Yes.

Mr. FREAR. Was there opposition to this bill when it passed the Senate?

Mr. HOWARD. I do not know for sure, but I think not. I think it passed practically by unanimous consent.

Mr. FREAR. Is there any minority report to the bill as reported to the House?

Mr. HOWARD. No; every member of our committee agreed to the bill as it was finally presented.

Mr. CHRISTIANSON. Mr. Speaker, will the gentleman vield?

Mr. HOWARD. Yes.

Mr. CHRISTIANSON. Is it not a fact that the House bill, as it appears before us, was written by those who objected most strenuously to the original Wheeler-Howard bill?

Mr. HOWARD. That is absolutely true.

Mr. CHRISTIANSON. And it represents the viewpoint of the critics of the legislation against which the attacks have been leveled?

Mr. HOWARD. That is right.

Mr. CHRISTIANSON. And when the bill, in its final form, was submitted to the committee, there was not a single dissenting vote.

Mr. HOWARD. That is right.

Mr. GLOVER. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. Yes.
Mr. GLOVER. I am always pleased to follow the distinguished gentleman who is now speaking and his endorsement of this bill is good enough for me, but I see from the report that this has the endorsement of the administration that has given careful and painstaking thought to this question.

Mr. HOWARD. And a special appeal in behalf of a wonderful man in the world has been made on various occasions. I do not like to mention that fact because I want this bill to pass on its merits, and I do not want anybody to vote against the bill simply because President Roosevelt thinks it is a good bill. [Laughter and applause.]

Mr. CARTER of Wyoming. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. Yes.

Mr. CARTER of Wyoming. Is the bill as reported out by the gentleman's committee different from the bill originally introduced?

Mr. HOWARD. Oh, entirely so.

Mr. CARTER of Wyoming. I thank the gentleman.

Mr. DONDERO. Mr. Speaker, will the gentleman yield for a brief question?

Mr. HOWARD. Yes. Mr. DONDERO. Does this bill—and I am not familiar with it—permit the Indian to live substantially as he desires to live?

Mr. HOWARD. That is the idea of it.

Mr. CARTER of Wyoming. Mr. Speaker, I yield 6 minutes to the gentleman from Michigan [Mr. Mapes].

Mr. MAPES. Mr. Speaker, the Christian Reformed Church has been doing missionary work among the Indians for something over 35 years. The members of that church, especially, are greatly interested in this legislation, and I may say, greatly alarmed about it. I have in my file innumerable petitions from the different Christian Reformed churches in my district and from the young people's and other organizations and societies in those churches, very definitely and positively opposing this legislation.

My understanding of the position of the church people—and I may say that other church organizations join with the Christian Reformed Church in this opposition—my understanding of their position is that they think that this legislation will have a tendency to de-Christianize and paganize the Indians rather than to help them. It will undo the work which it has taken the Christian missionaries years to do. Without reading all the language of the petitions which I have received let me read some of the pertinent sentences in them. They say:

The proposed bill if enacted into law will not at all be beneficial to the material, social, moral, and spiritual welfare of the Indians.

And again-

The minds of our Indian children should not be more polluted with these traditions than they already are. It is unconstitutional that the Government shall provide money for religious instruction

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. MAPES. I yield.

Mr. CHRISTIANSON. Will the gentleman point out any portion or clause in the bill that contravenes any provision of the Constitution.

Mr. MAPES. I have heard the gentleman from Minnesota discuss the bill on different occasions. I know his position. Within the limited time for debate, I cannot go into a discussion of the constitutional question involved. I am now endeavoring to state the position of the church people.

I understand there have been some changes made in the bill as it was originally introduced. It may be that some of the criticism of the Christian Reformed Church and others have been corrected. I am not informed about that; but I am attempting to present the position of the Christian Reformed Church and of other church people on this legislation as I understand it.

I have received no word that their position has changed in any respect on the legislation as presented to me by these innumerable petitions and innumerable letters from personal friends whom I know to be leaders of the Christian Reformed Church, and who I know have a knowledge of the Indian Service surpassed by none, and in whose judgment I have complete confidence.

A group of missionaries from the Presbyterian, Baptist, and Christian Reformed Churches to the Indians in New Mexico and Arizona state the following regarding the Wheeler-Howard bill:

This bill casts a halo of glory around Indian traditions. We read in this title I, section 2, of the Wheeler-Howard bill, "It is hereby declared to be the purpose and policy of Congress to \* \* \* preserve and develop \* \* \* Indian \* \* \* traditions." Now, we, as missionaries, favor very much the preservation of all that is best in the Indian's past, such as arts, skills, and culture, but with respect to these traditions Mr. J. C. Morgan, Navajo Indian and member of the Navajo Council, says, "Indian traditions are not fit for publication. I would not have these things taught to my children. The most degrading things are taught in these Indian traditions." If Congress takes this part of the bill seriously, namely, that which refers to traditions, it would mean the closing of every hospital on the reservation. Moreover, this section seems to abrogate the long-established principle of separation of church and state inherent in our Constitution.

And, further, we can well understand the feeling of Dr. Arthur C. Parker, Seneca Indian, director of the Rochester Museum of Arts and Sciences, when he characterizes the proposed legislation as "an attempt to upset the policy of normalizing the Indian population." He further states, "As an anthropologist, I should be very happy to see the tribes brought back to their former glory, but as a citizen interested in human welfare and the true advance-

ment of humanity and enlightenment the Collier scheme appears not only preposterous but a tragedy."

The SPEAKER pro tempore (Mr. Brown of Kentucky). The time of the gentleman from Michigan has expired.

Mr. CARTER of Wyoming. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. Kelly].

Mr. KELLY of Pennsylvania. Mr. Speaker, during a former Congress I served on the Indian Affairs Committee at a time when we were investigating the Indian Bureau. We worked continuously during a period of 14 months. Out of that experience I find it impossible to agree with the philosophy of this measure enunciated by my friend, Mr. Howard, of Nebraska. I consider this bill will establish a fundamentally wrong policy. It is a long step backward, which will do more injury to the Indians than anything that has been proposed in many years. The first section of this measure embodies its philosophy and ought to be sufficient to show the Members of the House what the bill really contemplates:

That hereafter no land of any Indian reservation, created or set apart by treaty or agreement with the Indians, act of Congress, Executive order, purchase, or otherwise, shall be allotted in severalty to any Indian.

In other words, for the future, the avowed policy of the United States shall be that the Indians are to be segregated in their reservations without individual ownership of homes. They are to be kept out of communication with the American community, and thus kept from being self-supporting and self-respecting Americans. However disguised, the operation of this bill will be that American Indians will be treated as wards and serfs under Indian Bureau control. Mr. Speaker, there is only one question to be asked of any Indian measure, and that is, Does it tend to lessen the domination of the Indian Bureau, does it tend to make the Indian more free from arbitrary control? Putting those questions to this legislation, the answer must be that it tends to make the Bureau domination more complete and secure. It tends to take any chance for freedom from the Indian. Many tragic chapters have been written in the record of our treatment of the original Americans. have learned nothing from past mistakes if the policy in this bill is to be adopted. Instead of going back to 1889 conditions, we should go forward, lessening the control of the Indian Bureau, until the American Indians are free citizens, living under exactly the same laws and conditions as apply to all other Americans.

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania has expired.

Mr. CARTER of Wyoming. Mr. Speaker, I yield one-half minute to the gentleman from New York [Mr. Beiter].

Mr. BEITER. Mr. Speaker, I regret exceedingly that I have not more time allotted in which to debate this bill. The original bill contained a provision exempting the Indians of the State of New York, and the Indians of California, Oklahoma, Montana, and North Carolina, all of whom are opposed to the passage of this bill. The bill we are now considering includes the New York Indians. I have received telegrams from Indians throughout America protesting and voicing opposition to the Wheeler-Howard bill, making a final appeal to me to oppose the bill.

In considering this proposed legislation, the question is: Does it provide that the Bureau control of person and property be removed and will its passage provide the remedy for many existing situations which have developed in the 100 years that the Indians have been under Bureau control. In short, does it make the Indian a free person, give him a voice in the administration of his own affairs and actually provide for self-government? Does it provide better protection for property rights than the Indians now enjoy?

Section 19:

This act shall not apply to any reservation wherein a majority of the adult Indians, voting at a special election duly called by the Secretary of the Interior, shall vote against its application.

The application of this provision would serve to abrogate all existing treaty rights of every Indian tribe. Treaties

were made with certain tribes. Under existing conditions, those tribes, or their duly constituted officials, have always had the power to say who were the members of the tribe and entitled to share in tribal properties, annuities, and tribal government. On many reservations today there are present Indians who are not members of the tribe owning the reservation but who continue to live there with the tribe. However, they do not share in any of the above-setforth tribal benefits. This provision of the bill does not state that only duly constituted members of the tribes shall vote at the election to decide whether this legislation shall apply or not. It says "a majority of the adult Indians." Now, if the vote is to accept this legislation, do these alien, so to speak, Indians become a part of the tribe owning that reservation, or will they still be alien Indians? And if they are alien Indians, what right have they to vote regarding the application of this law to that particular reservation when the legislation deals with the property rights, the tribal funds, the tribal government of the tribe?

Section 18 provides for the issuance of a charter of incorporation to the tribe. It states in part:

Provided, That such charter shall not become operative until ratified at a special election by three-fourths of the adult Indians living on the reservation.

Again, tribal membership is thrown into the discard and all adult Indians residing on the reservation are given the right to vote upon the charter. This clearly means that the charter shall be issued to a community consisting of all these adult members. Such a procedure clearly sets up a new organization which is not a tribal organization. This would successfully operate to abrogate all existing treaty rights, for the treaties were made with the tribes, the provisions that "all laws and treaties applicable to a tribe and its members shall continue to apply to such tribe incorporated under this act" to the contrary notwithstanding. Authority is taken away from the tribe as to who shall participate in this government, and the resulting chartered community would not be a chartered tribe but a new chartered community with no treaty rights.

Further than this section 21 provides that the term "Indian" shall include "all persons of one-fourth or more Indian blood." Under existing conditions, among some tribes, tribal membership is entirely through the mother. Where these tribes are concerned the same objections could be brought as are set forth about section 18 and section 19. It takes existing power and authority away from the tribes and its operation would be to include many people who do not now share in tribal property, lands, moneys, or governments.

Section 17 provides for the organization of these chartered communities and states in part—

which shall become effective when ratified by a majority vote \* \* \* at a special election authorized and called by the Secretary of the Interior under such rules and regulations as he may prescribe.

It further provides for the right to employ legal counsel, the choice of counsel and the fixing of fees—

to be subject to the approval of the Interior.

Is this freedom of self-government? The Secretary of the Interior now has power and authority to do any of the abovenamed things but the tribes do have some measure of protection through existing treaty rights. Taking into consideration the provisions which would abrogate treaty rights and successfully operate to destroy all existing tribal governments, it most emphatically spells only increased power and authority for the Secretary of the Interior. There is no guarantee how long the status provided for shall continue. Any succeeding Secretary of the Interior might decide to do something entirely different and prescribe different rules and regulations and recall the powers of self-government already granted. The newly formed chartered communities would be more completely at the mercy of one-man control, stripped of all treaty protection, than has ever before been the case.

Section 9 provides that-

Any number of members of any recognized Indian tribe, but not less than 10, shall have the right to form Indian chartered corporations to promote their individual and collective economic welfare and the welfare of the tribe.

At least the word "adult" members should be inserted here, for under the present wording a man and his wife and eight children might organize to promote their welfare and further take it upon themselves to promote the welfare of the tribe as a whole. This provision should be stricken out entirely, for it opens the way to too much welfare racketeering, and there has been enough of that in the past among Indians who were supposed to promote the welfare of the tribe and have only promoted their own individual welfare, and live in fine style while those whose welfare they seek to promote struggle on alone. There is terrible danger in this section. It should be entirely stricken out, or at least the words "and the welfare of the tribe" should be stricken out, for such a small group might well soon gain control of an entire Indian reservation, with full recognition of the Indian Bureau, to the exclusion of all others. And it would be under control of the Bureau, for this section further provides:

Such articles of association may be amended and bylaws adopted under such rules and regulations as the Secretary of the Interior may from time to time establish and promulgate—

And at the end of the section-

Provided, however, That none of such powers shall be exercised without the written approval of the Secretary of the Interior.

SEC. 5. The Secretary of the Interior is hereby authorized, in his discretion, to acquire through purchase, relinquishment, gift, exchange, or assignment, any interest in lands, water rights, or surface rights to lands, within or without existing reservations, including trust or otherwise restricted allotments, whether the allottee be living or deceased, for the purpose of providing land for Indians.

Under existing Bureau control, individual Indians would be forced to relinquish their lands whether they wished to or not, just as in the past they have been forced to sign powers of attorney giving the Indian agents the right to lease their lands before such lands were leased for them. It opens the way for taking away of land rights from Indians who have land and giving it to Indians who do not have land.

First. Passage of this bill would absolutely revoke the rights of free citizens granted to the Indians by act of Congress on June 2, 1924.

Second. Passage of this bill would destroy all existing treaty rights of the various tribes and leave the new chartered communities with no protection.

Third. This bill will not do what it is supposed to doprovide for the freedom of self-government by the Indians—because all power and authority is left in the hands of the Secretary of the Interior and the Commissioner of Indian Affairs, where it has been for 100 years past.

Fourth. This bill seeks to set the Indians apart as a separate race; means only continued segregation and would foster race prejudice.

Fifth. Passage of this bill would force the Indians backward into the status which existed 100 years ago.

Sixth. It does not give the Indians any voice in the control or management of their own affairs, the selection of employees or reservations, the spending of tribal funds, nor the right to employ legal counsel. All such statements contained in the bill are carefully followed by words to this effect: "as the Secretary of the Interior shall see fit, shall consider competent, in his discretion, or according to such rules and regulations as shall be prescribed by the Secretary of the Interior."

Seventh. It provides only for a bigger and better Bureau and increased and more detrimental power for the Indian Bureau than has ever before been passed.

I desire to insert as a part of my remarks two telegrams I received, which I offer as evidence showing that the Indians are opposed to the passage of this bill:

JUNE 11, 1934.

Hon. ALFRED F. BEITER.

House of Representatives, Washington, D.C.

My Dear Congressman: The Indians of America, standing on our constitutional rights, make a final appeal to you to oppose the passage of the Wheeler-Howard Indian bill.

ge of the Wheeler-Howard Indian bill.

Very sincerely yours,

Adam Castillo, president Mission Indian Federation, California; Levi Walker, Klamath Tribe, Oregon; Delos K.

Lonewolf, Kiowa, Apache, and Comanche, Oklahoma;

Alfred Minugh (individually), Gros Ventre, Mont;

Winslow J. Couro, Santa Ysabel Mission Indians, California; Joshua Jones, chief of Six Nation Confederacy,

New York; Jesse Lyons, chief of Onondaga Nation, New

York; Joseph Bruner, principal chief, Indian Nation

Confederacy, Oklahoma; Joseph Brooks, Siouan Tribal

Council, North Carolina; Alice Lee Jemison, secretary

to President Ray W. Jimerson, Seneca Nation, New York.

# [Night letter]

IRVING, N.Y., June 10, 1934.

Hon. ALFRED F. BEITER

Hon, Aiffred F. Beiter,

House Office Building, Washington, D.C.:

Revised Wheeler-Howard bill does not exclude the New York Indians. Either exclude us or grant us hearings in Washington. Before you take away our vested rights and liberties by law we are entitled to a hearing. It is un-American to do otherwise. We rely on the principles of government by the governed and equality before the law the same as other Americans. We are as interested in an American deal as a new deal.

RAY W. JIMERSON President Seneca Nation of Indians.

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. CARTER of Wyoming. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Speaker, when the World War broke out, among the first men in this country to rush to the colors were the Indians of the United States. The Indians furnished more men per capita than any other race, and they furnished more money per capita for the support of the war than any other race. Every general with the Allied Forces commended them for their heroism. I have a reservation close to my district known as the "Cattaraugus Reservation." The Indians are self-respecting, and they are keenly interested in any Federal legislation that may affect their rights. They have entered a protest against this bill.

Mr. CHRISTIANSON. Mr. Speaker, will the gentleman

Mr. REED of New York. I cannot yield now. I have a letter before me from the president of the Seneca Nation of Indians. I ask unanimous consent to extend my remarks by incorporating this letter.

The SPEAKER pro tempore. Is there objection?

Mr. CHRISTIANSON. Mr. Speaker, I reserve the right to object. I shall not object if the gentleman will yield for one question.

Mr. REED of New York. I cannot yield at this time.

Mr. GILCHRIST. What is the date of the letter?

Mr. REED of New York. I shall read the letter.

The SPEAKER pro tempore. The gentleman from New York asks unanimous consent to put this letter in the RECORD. Is there objection?

Mr. CHRISTIANSON. I object.

Mr. REED of New York. Mr. Speaker, then I shall read the letter, because the Members of the House have the right to know the views of the Seneca Indians with reference to this legislation.

The letter is as follows:

IRVING, N.Y., April 12, 1934.

Hon. EDGAR HOWARD.

Chairman House Indian Committee.

House Office Building, Washington, D.C.

MY DEAR CHAIRMAN HOWARD: One behalf of the interests of the Seneca Indians and all other New York State Indians, I wish to protest against our being included under section 2, title II, of the

bill H.R. 7902 which is now before your committee.

Section 2 provides that Indian schools with special curricula will be maintained for the Indians. We do not wish this to apply

to our schools.

For many years past our schools have been maintained by the State of New York. 'It is true that they do not represent equal opportunity with white schools for our children because Indian schools are classed with prison schools, reform schools, and schools for the feeble-minded. In that classificatin the appropriations

are approximately \$3 per month, per child, whereas for other rural schools the appropriations are about \$10 per month.

But regardless of the quality of the teachers and the limited equipment provided, scholastic standards are the same as for other schools, viz: New York regents standards.

This proposed legislation gives no guarantee that the Federal Government will maintain those standards. Rather, after our purpless are disabled from these special curricula schools it.

Government will maintain those standards. Rather, after our pupils were graduated from these special curricula schools, it would be necessary for them to attend another school for 1 to 2 years before they would be eligible to enter high school.

We do not wish to be included under section 2, title II of H.R. 7902. We are in favor, however, of the speedy passage of the so-called "Swing-Johnson bill" which has been before Congress for the past 4 years or so and was this year reintroduced as S. 2571. This bill provides for cooperation between the Federal and State Governments and definitely states that the education provided shall be the highest maintained by the State. Under that bill our schools would be improved.

schools would be improved.

On behalf of the interests of the Indian race, I wish to protest against the passage of any part of this bill for the following

reasons:

1. It absolutely revokes the rights of free citizens which were granted to the Indians in 1924 by act of Congress.

2. It is too long and complicated, is full of new rules and regu-

2. It is too long and complicated, is full of new rules and regutions, and is subject to Bureau interpretation.
3. It is mass legislation, which is not applicable to all tribes.
4. It provides for a larger and more powerful Bureau by way of new appointments at increased cost to the taxpayers and not only leaves all power where it has been for the past 100 years but also provides for increased and more detrimental power for the Bureau of Indian Affairs.
5. It provides only for continued segregation for the Indians and provides no adequate protection for Indian property in

and provides no adequate protection for Indian property in accordance with established laws.

6. The idea of establishing a separate court for Indians only in this land of supposed equality is ridiculous and it and the further provision for the appointment of Bureau attorneys to represent the Indians is an insult to all accepted standards of

7. The whole bill provides nothing but increased and continued Bureau control and the opportunity for experimenting on the Indians with radical, communistic ideas.

I respectfully ask that this protest, together with all protests, both Indian and white, be filed in the record of the hearings

both Indian and white, be filed in the record of the hearings before your committee.

The New York Indians, in company with all other Indians, would appreciate an opportunity to appear before your committee to express their opinions on this legislation. May I suggest that an open hearing date be set and announced well in advance so that we may so appear.

Thanking you for your consideration, I am,

Very truly yours,

RAY W. JIMERSON, President Seneca Nation of Indians.

Mr. REED of New York. I am opposing this bill because of the objections which the president of the Seneca Nation has filed against it with the chairman of the committee in charge of this bill.

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. HOWARD. Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin [Mr. O'MALLEY].

Mr. O'MALLEY. Mr. Speaker, in perfect frankness, I wish to say for the benefit of the gentlemen who have opposed this bill on the Republican side, that when the bill came before our committee in its original form, 56 pages of it, I was bitterly and unalterably opposed to it. Those of us who were opposed to some of the bad features finally cut it down to what it now contains, and in its present form I can see absolutely nothing but good for the Indians of our country from the revised legislation. I could not agree with the original bill, and I think any of my friends on either side of the House know that I oppose bad bills, regardless of which side they come from. I have never bragged about voting blindly for any legislation, no matter where it comes from. I think this bill, as our committee has rewritten it, is so much better than the Senate bill, that when it passes, and I am sure it will pass, I hope the House conferees will insist against any attempt to substitute any feature of the Senate bill.

The SPEAKER pro tempore. The time of the gentleman from Wisconsin [Mr. O'MALLEY] has expired.

Mr. HOWARD. Mr. Speaker, I yield to the gentleman from Washington [Mr. KNUTE HILL] 1 minute.

Mr. KNUTE HILL. Mr. Speaker, the gentleman from Michigan said that the churches were against this bill. A minister of the Gospel is a member of our committee. I am the son of a minister. We are heartily for the bill. May I suggest that the members of above-mentioned churches should read A Century of Dishonor, by Helen Hunt Jackson. They will find that we have treated the Indians shamefully in the past, and that is true even up to the present time. Now we have a President who is sympathetic toward the Indian and wants to see him justly dealt with. He is in favor of this bill. We have a Secretary of the Interior who is in favor of it. We have a Commissioner of Indian Affairs who is in favor of it. It will prevent further alienation of the Indian's land. It will permit the Secretary of the Interior to help the landless Indian. It is not compulsory but optional. Any tribe may refuse by vote to come under the provisions of the bill. It is the first step in the right direction, and we are taking it. The entire House committee is for it: the entire committee in the Senate is for it. The Senate has passed it, and I hope it will pass this House by a large majority. [Applause.]

Mr. CARTER of Wyoming. Mr. Speaker, I yield onehalf minute to the gentleman from New York [Mr.

O'CONNOR].

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point a letter sent to me by the Indians of New York State, in opposition to this

Mr. GILCHRIST. Reserving the right to object, what is the date of that letter?

Mr. O'CONNOR. June 10, 1934.

Mr. O'MALLEY. Where are those Indians from? Mr. O'CONNOR. Up State.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York [Mr. O'CONNOR].

There was no objection.

The letter referred to is as follows:

My Dear Congressman: Enclosed please find copy of a letter protesting the passage of the so-called "Wheeler-Howard bill"

protesting the passage of the so-called "Wheeler-Howard bill" which is self-explanatory.

The passage of this bill as it was reported out of the House Committee would serve to abrogate the treaty rights of the New York State Indians, which were established in 1784, when the Six Nation Confederacy made everlasting peace with the United States and were promised by George Washington that they would never be disturbed in their treaty rights.

We respectfully ask you to oppose this legislation when it comes before the House. Thanking you, we are,

Very sincerely yours.

before the House. Thanking you, we are, Very sincerely yours,

JOSHUA JONES, Chief of Six Nation Confederacy.

JESSE LYONS, Chief of Onondaga Nation.
ALICE M. JIMERSON,
Secretary to Ray W. Jimerson, President
Seneca Nation of Indians.

Mr. CARTER of Wyoming. Mr. Speaker, I yield to no Member of this House as far as my interest in the welfare of the Indian is concerned, whether it be as an individual Indian or a tribe. I have always stood for the rights of the Indians and that is the reason I am opposing this bill today.

I represent the Arapahoe and Shoshone Tribes, and I know these people to be the most noble—they are quick of intellect, clear thinkers, honest, brave, and fearless, and they have a passionate love for their children, so I am opposed to any measure that has any tendency to retard their development and advancement, and that is what this bill will do.

The policy outlined in this bill contemplates permanent communal Indian settlements, alien and exclusive, devoid of individual property rights, and subject to an autocratic overlord in Washington. It has been called "back to the blanket policy."

The history of American communities under more favorable circumstances than are set forth in this bill have had a life of short duration. Has not this Government done enough wrongs to the Indians without trying these radical social principles on them?

The Indians in my State are opposed to this bill and have sent me the following report:

FORT WASHAKIE, WYO., April 13, 1934.

REPORT BY SHOSHONE TRIBAL COUNCIL ON WHEELER-HOWARD BILL

The Indian self-government plan outlined by Indian Commissioner John Collier having been submitted to the Shoshone Indian Council and the members of the tribe, and its provisions having been fully considered and discussed, report, as follows:

No. 1. Whereas we feel that the plan does not create or promote

the individual initiative that is necessary to make our members

No. 2. Whereas it had been the policy of the Department for many years to get away from the plan of segregating Indians, which we believe is desirable, and the plan submitted would do

which we believe is desirable, and the plan submitted would do away with this policy.

No. 3. Whereas the present policy of handling Indians and their land holdings in our opinion can be made very successful provided, however, that there are some modifications to the present rules and regulations.

No. 4. Whereas we do not favor the unit plan of community successment as it is not constructive and not workable to the best

government as it is not constructive and not workable to the best interests of the Indians.

Whereas in conclusion adjudge that the entire structure No. 5. Whereas in conclusion adjudge that the entire structure of this bill gives or guarantees nothing to the Indian only under the supervising power of the Secretary of the Interior and the Commissioner of Indian Affairs, and we further adjudge this bill as a legalized procedure to acquire the Indian land, absolving the United States Government from any suit for nonfulfillment of treaty. It places the Indian in a position as a landless individual and removes him from the position of a landlord to a no-man by

its adoption. Now: therefore be it

Resolved, That we "members" of the Shoshone tribe of Indians residing on the Shoshone Indian Reservation in Fremont County, of the State of Wyoming, request that the Wheeler-Howard bills (H.R. 7902 and S. 2755) be amended so as to entirely exclude the said tribe of Shoshone Indians from the provisions of

said bill.

This resolution was accepted by 153. Opposed by 5. Signed by Shoshone council members.

LONNIE MCADAMS,

BEN PERRY, SAMUEL NIPWATER, JESSE DAY, WILLIAM ARAGAN, CHARLES A. DRISKELL, Chairman.

The Indian rights association do not endorse this bill,

and I will quote excerpts from a recent communication I received from that association:

COMMENTS OF THE INDIAN RIGHTS ASSOCIATION ON S. 3645—SUBSTITUTE FOR S. 2755 AND THE AMENDED H.R. 7902, KNOWN AS "THE WHEELER-HOWARD BILL"

The new bills have eliminated the Indian courts, and to that

extent have met the criticism we made of the original bill.

With regard to the subject of land policy for Indians, we feel, in substance, that the present bill will use the same measures the original bill proposed. The comments we made on that phase of the matter in Indian Truth for May 1934 are applicable to the present bill.

With regard to Indian self-government, although there is considerable change in the phraseology the principle of chartered Indian communities seems to have been retained in the present

draft.

In the short time available it has been difficult to analyze the charter provisions in the last drafts of the amended proposals to determine all of their implications, but it would seem to us that in substance and in purpose they are very similar to the charter and self-government provisions of the original Wheeler-Howard bill, and we would therefore make the same comment relative to

bill, and we would therefore make the same comment relative to them that we made with respect to the so-called "self-government provisions" of the original Wheeler-Howard bill.

So far as the other good features of the legislative program are concerned, we think there is nothing so urgently needed as to require the passage of this all-inclusive bill. This new version of H.R. 7902 has been substituted in the closing days of Congress for a bill that has been discussed by the Indians. Neither the Indians nor the public in general have had an opportunity to know about the changes or to give them any consideration, Rather than have the bill hastily passed before such consideration is possible, we believe that the whole subject should go over to the next session of Congress, and meanwhile an opportunity be given to acquaint the Indians with the proposed changes.

In reaffirming our position as stated in Indian Truth for May 1934 it is timely to repeat the following:

"Whether we wish it to be so or not, whether we encourage or discourage it, the amalgamation of the Indian with the white race

discourage it, the amalgamation of the Indian with the white race in the United States is in process. In many sections it has already gone far. In others it has hardly begun and we may look forward to certain sections being predominantly Indian for several generations. But these areas of Indian strength cannot indefinitely withstand the general forces that are working, even if they should desire to do so. \* \* \* desire to do so.

"The glass-case policy is impractical.
"All friends of the Indians should look forward to and work for complete civil liberty, political responsibility, and economic in-dependence of Indians. However, they will need for a consider-able time, varying in different localities and situations, the protection and tutelage afforded by guardianship; but this does not mean permanent guardianship and wardship. We should not hold such a goal before Indian people. They and we must look toward the time when they will contribute to the support of government and maintain themselves economically without special aid or consideration (as a racial group) from any government. No other aim shows respect for Indians or will develop self-respect within themselves."

You will note the original bill and the bill on which hearings were held before the Committee on Indian Affairs was introduced by Mr. Howard, by departmental request, which indicates he did not want to take the responsibility for its contents. Not long after the bill was introduced I began to notice in newspapers and magazines propaganda by the Commissioner of Indian Affairs in support of this bill. I always grow suspicious when propaganda is put out by the author of a bill to arouse or influence sentiment in its favor, so I decided to investigate and somewhat reluctantly, as I had been very favorably impressed with Commissioner Collier and had always heard him praised as a friend of the Indians.

If Mr. Collier is as friendly to the Indians as he is given credit for being, I think he should have tried to make atonement for the great wrongs that have been done to the Indians, instead of trying this social experiment on them.

I was somewhat astounded at the testimony given by Mr. Collier before the Committee on Indian Affairs. Let me read from the committee hearings:

Mr. Werner. His rights under the treaty cannot be abrogated. He has inherent rights under the treaty.

Mr. Collier. If he has property claims, he does not lose that by

leaving it.

Mr. Werner. This law may attempt to abrogate those rights; do what was done in the past, the very thing it ought not do.

Mr. Collier. How does it?

Mr. Weener. It apparently does not now. There are now in force solemn treaties between the Government and the Sioux Indians and the Government does not pretend to maintain those treaties at all. It has treated them like mere scraps of paper.

Mr. COLLIER. It has.

Mr. WERNER. Only because of its force and because it is larger and stronger and has more money, it does not help. When we Mr. Werner. Only because of its force and because it is larger and stronger and has more money, it does not help. When we forced them back from the country they owned we promised them, on the part of this Government, that they would be taken care of. It was agreed to do certain things and many of those things have not been done. The thing I would like this Government to do for Indians is to meet its pledge to them. That is the thing it ought to do and legislation should be passed by Congress authorizing a settlement of every obligation that it has incurred; the keeping of every promise that has been entered into.

Mr. Collier. I entirely agree with you, but first I point out that this bill does nothing to alter the treaty. It is another subject entirely. Every contractual right that the Indian has, he keeps. What you are talking about is another subject that is very big, which is that the Government not only has violated its treaties but the Government has gone on year after year procrastinating to defeat the just claims of the Indian tribes. It takes an Indian from 5 to 15 years to get into court on a claim. He goes into court as a rule under legislation that cripples his claim and prejudges his case against him claim and prejudges his case against him.

claim and prejudges his case against him.

We are coming to your committee and Congress with a bill designed to bring all of these Indian claims promptly to judgment, equitable as well as your legal claims, so that they can have their day in court and procure their final determination under these contracts. We have intentionally not put that into this bill for a very practical reason. If the Government gives the Indian a square deal in the matter of his treaties and his contractual claims, the Indian is going to roll up a judgment against the United States of more than a thousand million dollars.

Mr. Werner. That is right.

Mr. COLLIER. And we are going to go after that, but we do not

Mr. Werner. That is right.

Mr. Collier. And we are going to go after that, but we do not want to tie that into this bill.

Mr. Werner. I would like to see that tied to it.

Mr. Collier. No. We want to pass this bill.

It will be in for your consideration during this session, but I do not think there is a chance for passing it at this session.

Mr. Chavez. Could you bring it in before you reduced this claim to judgment if you do?

Mr. Collier. The Indian ought to be entitled to a day in

Mr. COLLIER. The Indian ought to be entitled to a day in court and to his judgment, but whether Congress will vote all the money here or hereafter is another question. Heretofore the Government has been dodging the claims, procrastinating with them so as not to get a judgment against it. We think that is wrong. The Indian is entitled to his judgment. When Congress will pay the judgment is another subject. I would anticipate that we probably cannot pass that bill at this session. That will be the big fighting issue in the next session.

He tells the committee if the Indians get a square deal that the United States will owe them over a billion dollars, and it will be the big fighting issue in the next Congress. This statement was made in the latter part of February of this year. About a week later he attends an Indian congress at Rapid City, S.Dak., and this is what he says to the In-

The legislation, the bill draft, which we have put forward as our own best idea has been before Congress since February 6. The House Indian Committee has held four long record hearings The House Indian Committee has held four long record hearings on the bill already. The Senate hearings have begun. Our power and your power to secure legislation will be greater at the present session of Congress than you can be sure it was at the last. We are pretty sure we can put through Congress anything reasonable that the Indians and the administration agree on. The difficulty with Congress lies principally in getting Congress to embark upon a large program of expenditure. This 5 or 10 million dollars as the beginning of an Indian credit system; this \$2,000,000 a year as a beginning for the Indian land purchasing; and the \$5,000,000 to be spent for the cost of organizing the Indian self-government are very large amounts, but I would say that we stand a better chance of getting these large grants at this Congress than we would at the next Congress. That is because—and I have every reason to think that—the national debt will continue to roll up at an awful speed. It will increase by billions.

Again, it is impossible to predict, of course, what will happen at the next congressional election, which is not very far away, as you know. Nobody knows what is going to happen next fall. I find that the need of the Indian for relief is very great.

I will agree with the Commissioner that the next Con-

I will agree with the Commissioner that the next Congress will not be as favorable to bureaucratic administration measures as this Congress. However, if the Commissioner is as friendly to the Indians as he says he is, he should try and make atonements for the wrongs done the Indians at this Congress, which he claims favorable, instead of using this Congress to try his socialistic experiment on the Indian.

I should like to read further from the hearings to give Mr. Collier's views on another subject:

Mr. WERNER. That policy is set up as against the present civil-

Mr. Werner. That policy is set up as against the present civilservice employment?
Mr. Collier. In part.
Mr. Werner. Is it to be construed that the policy of the Indian
Department is to be against the retention of the present civilservice status as it applies here?
Mr. Collier. No; it is against compelling the Indian to qualify
under provisions which only the white people can meet. However, we must not blind ourselves to the fact that the effect of
this bill if worked out would unquestionably be to replace white ever, we must not blind ourselves to the fact that the effect of this bill if worked out would unquestionably be to replace white employees by Indian employees. I do not know how fast, but ultimately it ought to go very far indeed.

Mr. Werner. That situation does not exist at this time, does it?

Mr. COLLIER. It could not.

Mr. Werner. The Indian has nothing whatever to say with reference to the retention or dismissal of a civil-service employee at this time?

at this time?

Mr. COLLIER. Nothing.
Mr. Werner. And it does not make any difference whether the civil-service employee is competent or incompetent, the Indian has nothing whatever to say.

has nothing whatever to say.

Mr. Collier. Or even non-civil-service employee. The Indian has nothing to say at all anywhere down the line.

Mr. Werner. In other words, a person employed on any of the several reservations can render highly detrimental service as against the interests of the Indians, and the Indian would not have any voice in the removal of that employee?

Mr. Collier. Correct; and if we put ourselves in the position of the Indian, we would see how it would outrage us; I, in my town of Mill Valley or you in your town if we had someone from

of Mill Valley, or you, in your town, if we had someone from Washington dictating to us about different things, how would we We would not endure it.

The Commissioner would not like to have a bureaucratic overlord in Washington telling him what to do, but he has no objection to having a Stalin in Washington over the Indians. He should invoke the Golden Rule, "Do unto others as you would have them do unto you."

The real governmental authority in this bill is handed over to the Secretary of the Interior, although you would not think so from the title of the bill. No real responsibility is imposed on the Indians. The Secretary of the Interior would have as much control over the Indians of the whole country, without any authority of Congress to interfere, as Stalin now has over the people of Russia. (See secs. 2, 3, 4, 7, 8, 9, 10, 11, 12, 13, and 14 of original bill.)

A number of members of the committee have told me that this bill as amended is quite different from the original Collier bill; and if that is so, the President will veto the billat least that is what Mr. Collier told the Indians at their congress in Rapid City, S.Dak.; I quote from his statement: This bill, along with the memorandum accompanying it—that mimeographed memorandum we have here—went to the President some little time ago. The President has examined the bill and some little time ago. The President has examined the bill and favors it. That announcement was made to the House Committee on Indian Affairs by authority about 5 days ago. The President knows that we are taking this question back to the Indians. If the bill should become twisted into a wrong shape by Congress, if the bill should be made into something else which does not do what we are telling you, but does something different, then I think you may be confident that the President will veto the bill. I have not wanted to talk about the President's part in this because that is almost overwhelming in its influence. But he is going to stand is almost overwhelming in its influence. But he is going to stand back of this thing.

Now, in order to keep his word with the Indians the Commissioner will have to ask the President to veto this bill; and if he does not then it is another wrong added to the long list that the Indian Service has perpetrated on their wards.

I would like to call attention to the report that states:

Section 16 protects all claims and treaty rights of the Indian tribes against impairment by this act.

If you examine section 16, you will find that the word "treaty" is not mentioned. In section 2 of the amendment, beginning with line 7 on page 48 and ending with line 14 of the same page, you will find the following:

The authority of the Secretary of the Interior to issue patents in fee or certificates of competency, or otherwise to remove the restrictions on lands allotted to individual Indians under any law or treaty, is hereby revoked.

The fact is that this bill gives the Secretary of the Interior the authority to violate terms of a treaty.

I think the Secretary in his zeal for this legislation was overstepping his powers when he tried to take away the constitutional rights of free speech from employees of the Indian Service when he sent the following letter:

> DEPARTMENT OF THE INTERIOR, OFFICE OF THE SECRETARY Washington, April 30, 1934.

To all employees of the Indian Service:

The authorities in Washington have endeavored during the past year to develop a coordinated, modern Indian policy. Its purpose is to conserve the health and estate of the Indians and to train them to manage their own affairs. This involves the elimination of repression, the stimulation of initiative, and an opportunity

of repression, the stimulation of initiative, and an opportunity for them to develop their own culture.

Those responsible for the policy realize the difficulties of any effort to adjust human relations, and consequently they do not ignore the right of those sincerely interested in the Indian to hold opposite views. It is not believed, however, that anyone can deny the need for establishing firmly a forward-looking policy instead of the random, divergent plans without number that have replaced each other for generations, frequently to the detriment of the Indians

It was anticipated that there would be resistance to any plan designed to increase the protective features of the Indian policy and at the same time to decrease Federal overlordship; but it was not expected that employees of the Indian Service would deliberately attempt to obstruct the program that has been developed by ately attempt to obstruct the program that has been developed by those carrying the administrative responsibility. I fully appreciate the faithful service of the great majority of the employees across many years, and their loyalty to the new program. Unfortunately, however, I have increasing evidence that there is a subtle, misleading propaganda against the new Indian program emanating from a minority of employees within the Indian Service. Their action can only be characterized as disloyal and pernicious.

My purpose in addressing you is to notify all of those engaged in this scheme to defeat our program that a continuance will be

My purpose in addressing you is to notify all of those engaged in this scheme to defeat our program that a continuance will be under penalty of dismissal from the Service. It is not intended to deny to any employee the freedom of expression or the right to petition Congress, but these privileges do not carry with them the right to interfere with administration by undercover methods. There is a point at which such interference can be defined as insubordination to the detriment of the Service.

If any employee wishes to oppose the new policy, he should do so honestly and openly from outside of the Service. This would mean his resignation. Any other course is unscrupulous and is detrimental to the Indians because it acts on the Service like a canker. This condition has existed in the ranks for many years and has been partly responsible for the failures of the past. It

and has been partly responsible for the failures of the past. It retards and defeats the most conscientious effort toward good administration, and it will be summarily eliminated, wherever found, by dismissal.

Sincerely yours,

HAROLD L. ICKES Secretary of the Interior.

I am opposed to any law that will retard Indian civilization, but I am for appropriations for health, work, education, and increasing the number of Indian employees in the Indian Service.

There are some good points in this bill that I could favor, but the bill as a whole is not to the interest of the Indians and therefore I cannot support it. I hope the membership of the House will vote against this bill.

I notice in the report a letter from President Roosevelt to the chairman of the Indian Affairs Committee in which he endorses the basic and broad principles set forth in the so-called "Wheeler-Howard bill." I am wondering why this letter was published in the report, as the bill reported out by the committee is an entirely different bill than the Wheeler-Howard bill, and this letter was based on the Wheeler-Howard bill.

It may be that Mr. Howard, who wrote the report, wanted to intimidate the Members of this House by saying, "You have heard your master's voice; now dare vote your political convictions." [Applause.]

[Here the gavel fell.]

Mr. COLLINS of California. Mr. Speaker, I ask unanimous consent that the gentleman from Wyoming may be allowed to proceed for 1 additional minute in order that I may ask him a question.

The SPEAKER pro tempore (Mr. Brown of Kentucky). The gentleman's time allowed under a suspension of the rules has expired.

Mr. HOWARD. Mr. Speaker, I yield to the gentleman from Wyoming 1 additional minute in order that the gentleman from California may ask him a question.

Mr. COLLINS of California. Mr. Speaker, I desire to ask the gentleman from Wyoming if it is not true that the bill that is now before the House for consideration is permissive in nature and these Indians having the right of franchise can, by vote, declare it of no effect. Does not that appear in section 19 of the bill?

Mr. CARTER of Wyoming. I think that section so provides; yes.

Mr. COLLINS of California. No. The gentleman's objections go to the original bill.

Mr. CARTER of Wyoming. I object to both bills.

Mr. MEAD. Will the gentleman yield?

Mr. CARTER of Wyoming. I yield to the gentleman from New York.

Mr. MEAD. In the original bill the New York State Indians were excluded from the provisions of the bill. This was evidently brought to the attention of the committee by Mr. Collier. I wonder why the committee included the New York State Indians when they themselves are opposed to the bill?

Mr. CARTER of Wyoming. I am not a member of the committee.

Mr. HOWARD. I yield 2 mintues to the gentleman from Oklahoma [Mr. HASTINGS].

THE REVISED AND AMENDED WHEELER-HOWARD BILL, 7902

Mr. HASTINGS. Mr. Speaker, on May 22, 1934, I discussed at length the provisions of the original Wheeler-Howard bill, H.R. 7902.

I invited particular attention to certain provisions which I urged should be eliminated. I discussed at length the harmful effect of the self-government features embodied in the bill, as applied to the Indians in Oklahoma, and particularly to the Five Civilized Tribes, where their affairs were practically wound up and with no forms of government recognized by the United States.

I objected also to the Indian court provisions as being unnecessary, urging that there were adequate court facilities in the State and Federal courts where the rights of all restricted Indians may be fully protected.

I emphasized then that I had no objection to additional appropriations to purchase land for the old and poor and landless Indians, if bought for their benefit in the nature of Indian subsistence homesteads without the self-government features. I called attention to the need for additional appropriations for health work, and made no objections to adequate appropriations for Indian education.

The revised bill, so far as the objections I made then and as applied to Oklahoma, eliminates the provisions I criticized.

Section 1 of the revised bill states a policy against the allotment in the future of land in severalty to Indians. All the Indian lands in Oklahoma have been allotted and this policy, of course, is subject to further study and legislation by Congress.

Section 2 continues the restrictive period on Indian allotted land until otherwise provided by Congress, but continues the authority of the Secretary of the Interior to remove restrictions on lands of members of the Five Civilized Tribes and makes no change in the procedure as to appointment of guardians.

Section 3 authorizes and directs that there be restored to tribal ownership the remaining surplus land of any Indian reservation heretofore open and makes provision for damages to be paid to the Papago Tribe for any permanent injury to the surface or improvements which they may sustain because of mining operations.

Sections 4 and 5, as amended, make it clear that the law of descent and distribution, the method of determining heirs, and the law with reference to the partitioning of lands, in force in Oklahoma, are not repealed, but remain in force, giving the Secretary of the Interior the preference right of purchasing for the benefit of other Indians the interest of restricted Indians in the land sold.

Section 6 authorizes the Secretary of the Interior to make rules and regulations for the operation and management of Indian forestry units.

Section 7 authorizes the Secretary of the Interior to add lands acquired under the act to existing Indian reservations.

Section 8 makes it clear that the act is not intended to affect Indian holdings or allotments on the public domain outside of an Indian reservation.

Section 9 authorizes the incorporation of a group of Indians of not less than 10 to promote and develop their individual and economic welfare. I think the number is too small, but the section provides for no self-government features.

Section 10 authorizes the appropriation of not to exceed \$250,000 per annum for the purpose of defraying the expenses in the organization of Indian chartered corporations.

Section 11 authorizes the appropriation of \$10,000,000 to be established as a revolving fund out of which the Secretary of the Interior may make loans to Indian chartered corporations for the purpose of promoting the economic development of such tribes and in defraying the expenses of administering such loans.

Section 12 authorizes the appropriation of a sum not to exceed \$250,000 annually for loans to Indians for the payment of tuition and other expenses in recognized vocational and training schools, and of this sum \$50,000 is made available for reimbursable loans to Indian students in high schools and colleges.

I do not hesitate to say what I attempted to emphasize on May 22 that I think the greatest mistake the present Bureau of Indian Affairs is making toward the Indian is in not utilizing all the present capacity of the various Indian boarding schools, both reservation and nonreservation, throughout the country.

Indian parents are anxious to send their children to these schools. They can be more than filled each year. Here each Indian child can receive elementary education and some vocational training which will aid him in meeting the responsibilities of citizenship thereafter. This could be done with but little additional expense, because the Government has the housing facilities sufficient to accommodate a large number of additional Indian students. If the restricted Indian children living on lands allotted to their parents scattered throughout the many former Indian reservations are not given an opportunity to attend boarding schools, few, if any, because of economic conditions, will attend the day schools. If these Indian boarding schools were continued to their present capacity 10 years more, the beneficial results would be seen and appreciated throughout every Indian tribe in the country.

Section 13 authorizes the Secretary of the Interior to establish standards of health, age, character, experience,

Section 1 of the revised bill states a policy against the knowledge, and ability for Indian employees without regard lotment in the future of land in severalty to Indians. All to the civil-service laws.

The amendment to section 14 exempts the various Indian tribes in Oklahoma from sections 2, 4, 7, 9, 17, 18, and 19 of the act.

Personally I do not have any objection to section 9, where Indians may organize for their economic welfare, provided it is made clear that they are governed by the State and Federal laws and are subject to State and Federal courts as they are under existing law. This would give them the advantage of appropriations authorized by sections 10 and 11 of the act.

No good purpose could be served by prejudicing the allotted Indian against his local government and courts through the establishment of self-government Indian reservations, segregating them into communities set apart from association with white citizens with whom they must continue to dwell.

Section 15 is a legislative construction of existing legislation with reference to the Sioux Indians.

Section 16 makes it clear that suits pending in the Court of Claims in behalf of certain Indians are not intended to be in any way interfered with by the enactment of this bill.

If judgments are rendered in any of the cases brought on behalf of the Five Civilized Tribes the proceeds should be paid out per capita to the members of the respective tribes entitled thereto in the same way that I secured an appropriation to pay the Creek judgment in the deficiency appropriation bill. This would leave no tribal property to be administered, except the coal and asphalt deposits belonging to the Choctaws and Chickasaws, and therefore there would be no necessity for any further tribal governments.

Sections 17, 18, and 19 contain certain self-government features from which the Indian tribes in Oklahoma are excepted. Some of the Indian tribes in the western States retain some form of Indian government, as a council or business committee, with authority to make representations on behalf of their respective tribes. While I do not object to representation on behalf of the Indians, I think every tribe, wherever located, should be encouraged to assume full responsibility and obligation of citizenship and be subject to State and Federal laws and courts.

Section 20 prohibits interference by any official or employee of the Government with any Indian tribe in the free use and exercise of the powers conferred by this bill.

Section 21 attempts to define the term "Indian" and also the term "Tribe."

As I have already indicated, with the self-government features eliminated, so far as Oklahoma Indians are concerned, and with the Indian court features stricken out of the bill, and with the amendments agreed upon, I do not object to assistance by the Government in the form of and to the extent of the purchase of land for landless and indigent Indians, and to additional appropriations for health work and for Indian education.

I tried to emphasize on May 22 that in my judgment the subordinate employees of the Indian Service might with safety be exempted from the civil-service requirements which would enable the Indian Bureau to employ more Indians who speak the language of their respective tribes and that I thought that they would be more helpful than employing so many highly trained college graduates but without practical knowledge of Indians.

Mr. HOWARD. Mr. Speaker, I yield one-quarter minute to the gentleman from Oregon [Mr. Pierce].

Mr. PIERCE. Mr. Speaker, I have in my State several Indian reservations, one of which is larger than some States. I should like to have had the opportunity of discussing this bill at length. May I say that I have Indians in my State as intelligent as the average Anglo-Saxon? They vote in large numbers and take part in civic affairs. We have in Oregon three granges on Indian reservations, with many Indian members.

The Indians that I represent here are quite capable of deciding what they want. They have asked me to vote

against the passage of this bill. Under such circumstances I shall vote "no."

Under permission to revise and extend my remarks I include protests signed by Indians:

RESOLUTIONS PASSED AT MEETING AT CHILOQUIN, OREG., MARCH 27, 1934

We therefore tender the following objectionable features as hereinafter set forth, which is construed to mean by us as not to be our best welfare and interest to the end that we may secure to ourselves civil liberties and economic independence

(a) While the bill proclaims local self-government and civil liberties, it does not recognize the first principles of self-government and civil liberties by depriving the right of representation in the

proposed legislation.

(b) The discretionary powers as vested in the Secretary of the Interior heretofore unreviewable would still remain unreviewable

Interior heretofore unreviewable would still remain unreviewable under the proposed legislation.

(c) The bill as proposed stipulates creating within self-government functions aside and apart from other social communities, thus stimulating and creating without question racial prejudice.

(d) The bill further provides that any community once organized, any member of such community can withdraw and abandon the corporation with fair compensation for his or her equity in the tribal estate, which must lead ultimately to bankruptcy or insolvency of the community and a final dissolution of the tribal estate so incorporated, which is inconsistent to the first phase of the said proposed bill, which declares the perpetuation of the tribal estate.

(e) It forever abrogates our treaty rights with the United States

(e) It forever abrogates our treaty rights with the United States Government and provides nothing to protect our property rights under the charter in the event that the charter is rejected.

(f) No provision is made where levying of assessment will not be a burden to the Indian community.

(g) "The power to sue and to be sued" is a very dangerous provision for the Indians.

Resolution

Whereas, we, the Klamath, Modocs, and Yahooskin Band of Snake Indians residing on the Klamath Indian Reservation in the State of Oregon, parties to the Treaty of October 14, 1934, and whereas the General Council of said Indians appointed S. E. Kirk, Boyd Jackson, J. L. Kirk, David Chocktoot, Werner Foster, and Clayton Kirk, under date of March 25, to study the proposed bill, and whereas said committee, after careful consideration of the proposed law, have made their recommendations hereto attached: Therefore be it

Resolved, That the said bill is not suitably designed to cover the situation surrounding the Indians of the said Klamath Reservation in Oregon. Therefore, the judgment of the said Indians is to comply with the recommendation of the committee named herein, and we, the said Indians, voice our expression opposing the enactment of the said proposed law.

S. E. KIRK, Chairman. BOYD E. JACKSON, Secretary. CLAYTON DICK. DAVID CHOCKTOOT.

Washington, D.C., June 9, 1934.

Honorable Sir: We the undersigned, duly constituted delegates, representatives, and headmen of our various tribes of the Indians of the United States, do hereby respectfully protest against the passage of the so-called "Wheeler-Howard bill" (H.R. 7902 and S. 3645), on the grounds that it violates the constitutional rights of the Indians to free speech, free press, and free assemblage.

It does not provide for the freedom of self-government. It is not necessary legislation, because the Secretary of the Interior and the Commissioner of Indian Affairs now have full power and authority to carry out most of the provisions of this bill.

Every tribe of Indians in the United States, practically, is in a deplorable condition today. This legislation, if enacted, would not remedy conditions which have been brought upon the Indians by 100 years of Bureau control.

by 100 years of Bureau control.

Do you wish 250,000 human beings continued in the bondage of slavery to a Bureau in which they have no voice?

We leave the matter of this proposed bill to your own best judgment, confident that you will gladly heed the call for help from the Indians themselves.

very respectfully yours,
Very respectfully yours,
Winslow J. Couro, Santa Ysabel Mission Indians, California;
Delos K. Lonewolf, Kiowa, Comanche, and Apache,
Oklahoma; Levi Walker, Klamath Tribe, Oregon; Joshua
Jones, Chief of Six Nation Confederacy, New York; Jesese
Lyons, Chief of Onondaga Nation, New York; Joseph
Brooks, Siouan council, North Carolina; Adam Castillo,
president Mission Indian Federation, California; Alfred
Minugh (Individually), Gros Ventre, Montana; Joseph
Bruner, president Indian National Confederacy, Oklahoma; Alice Lee Jemison, secretary to president, Seneca
Nation, New York.

Note.—Original letter on file with Chief Adam Castillo, 44 Indelendence Avenue, Washington, D.C.

pendence Avenue, Washington, D.C.

PENDLETON, OREG., June 12, 1934.

Hon. W. M. Pierce,
Congressman, Washington, D.C.
Dear Sir: We, the undersigned, as the chiefs and headmen of the Cayuse, Walla Walla, and Umatilla tribes of Indians residing

upon the Umatilla Indian Reservation in the State of Oregon, hereby object to the terms and conditions of Senate bill no. 3645, now pending before the Senate of the United States, and which purports to be a bill to conserve and develop Indian lands and resources; to establish a credit system for the Indians; to provide for higher education for the Indians; to extend toward the Indians the right to form business and other organizations; and for other purposes.

This act provides that no land of any Indian Reservation hereafter shall be allotted in severalty to any Indian; it extends the trust period placed upon Indian lands and extends the restrictions upon alienation. It authorizes the Secretary of the Interior tions upon alienation. It authorizes the Secretary of the Interior to restore to tribal ownership the remaining surplus land upon any Indian Reservation heretofore opened or authorized to be opened to sale or any other form of disposal by Presidential proclamation or any public-land laws of the United States. It clothes the Secretary of the Interior with discretion to acquire, through purchase, relinquishment, gift, exchange, or assignment, any interest in lands, water rights, or surface rights to lands, within or without existing reservations. It vests in the tribes and the tribal council the right and power to employ legal counsel, the choice of counsel, and the fees to be subject to the approval of the Secretary of the Interior. It prevents the sale, disposal, leasing, or encumbering of tribal lands or any interest in lands or other tribal assets without the consent of the tribe.

This act provides that the Secretary of the Interior may, upon

tribal assets without the consent of the tribe.

This act provides that the Secretary of the Interior may, upon petition by at least one-fourth of the adult Indians, issue a charter of incorporation to such tribe, provided that such charter shall not become operative until ratified at a special election of the adult Indians living upon the reservation. It provides that such charter may convey to the incorporated tribes the power to purchase, take by gift, or bequest, or otherwise, own, hold, manage, operate, and dispose of property of every description, real and personal, including the power to purchase restricted Indian lands and to issue in exchange therefor interests in corporate property, and such further powers as may be incidental with law, but no authority shall be granted to sell, mortgage, or lease for a period exceeding 10 years any of the land included in the limits of the reservation. reservation.

Under the proposed act an appropriation is authorized out of the funds in the Treasury Department not otherwise appropriated of such a sum of money as may be necessary, but not exceeding \$250,000 in any fiscal year, to be expended on the order of the Secretary of the Interior in defraying the expenses of the tribal organization created thereby.

The act provides there shall be appropriated \$10,000,000 from the Treasury as a revolving fund to be placed in the hands of the Secretary of the Interior under such regulations and rules as he may prescribe to make loans to Indian tribes or Indian charhe may prescribe to make loans to Indian tribes or Indian chartered corporations, and it apparently creates a lien upon all lands held by such corporation for the repayment of such money. In addition to these immense sums it provides for an annual appropriation of \$250,000 together with unpaid balances of previous appropriations made pursuant to said section for the payment of tuition and other expenses of Indians in recognized institutions of learning for higher schools and colleges, which shall be gratuitous or reimbursable under rules established by the Commissioner of Indian Affairs.

If this proposed legislation becomes a law, it will be detrimental.

If this proposed legislation becomes a law, it will be detrimental to the best interests of the tribes residing upon this reservation. It will deprive the children of Indians who live here from being allotted in severalty as their relatives have been allotted on lands still remaining undisposed of on said reservation. It extends the trust period on Indian lands and the restriction on alienation.

The Indians upon this reservation are citizens of the United States, entitled to all the rights, privileges, and immunities as such, and the Government has been educating them ever since the passage of the act conferring citizenship upon them in the duties of citizenship, the establishment of homes, and the management of their own property.

ment of their own property.

We look upon the proposed act as class legislation, not in harmony with the spirit of the Constitution or laws of the Republic. It deals with these Indians as an alien and foreign race. It ignores the fact that these tribes and their ancestors owned all the lands embraced in this reservation. They had peaceable and undisputed possession, and much blood was shed and millions of dollars was spent by the Government to force these Indians to relinquish their rights of occupation. They dealt with the Government at first as sovereign and independent nations. They settled their rights by negotiation and treaty, but, being the weaker party, they were forced to submit to being confined within the limits of a reservation and the acceptance of lands in severalty was forced upon them, and now, when they are accustomed to look upon these allotments as their individual property, it is proposed by the same Government to deprive the individuals

tomed to look upon these allotments as their individual property, it is proposed by the same Government to deprive the individuals constituting the membership of the tribes of all initiative, of all power of individual thinking and planning, and lastly to deprive them of the right to handle and manage their own property.

This act tends to place them at the mercy of corporations managed and controlled by men educated to manipulate the affairs of an entire people. This constitutes a reversal of the policy under which these reservations and these tribes have been handled and managed since the allotment in severalty for the Government divested the headmen of the tribes of all authority and the tribes of all power; it destroyed the ties that bound the individual to the tribe, and ever since that time the Indians have

been educated to look after their own affairs and to imitate the | ways of the white man.

When this law becomes effective, all property, both real and personal, will pass into the hands of a select few to manage and control it. The majority of the members will soon begin to retrograde instead of advancing. The greater part of the individuals will become serfs bound to the soil but having a lord and

master to regulate their business affairs.

master to regulate their business affairs.

It is proposed to make an appropriation from the United States Treasury of \$2,000,000 for the purpose of organizing these corporations. We observe there is no provision made for assistance to the individual in the act; no provision for the education of the common run of Indians who are incapable, perhaps, of receiving higher education, but who are capable of earning a living for themselves and their families and providing homes of their own if given the opportunity and the necessary education to enable them to successfully carry on the work of farming or stock raising, or other useful occupations.

We further observe there is no provision being made for the

or other useful occupations.

We further observe there is no provision being made for the purpose of training them in agricultural pursuits or in stock growing, at which, by nature and training, they are naturally adapted. No appropriation is being made for the improvement of their homes or their home life or for the teaching to them the rudiments of mechanical arts so that they may build homes and ornament and beautify the reservation upon which they reside.

These Indians can be made self-supporting without the expenditure of one-third of \$10,000,000 by the Government if it will only teach them the useful and practical things of life instead of teaching them poetry, music, and art as it has been doing in

teaching them poetry, music, and art as it has been doing in

the past.

The proposed legislation must necessarily lead the Indians to the conclusion that their system was right and that the Government's system was wrong, for the Government is now adopting a method of tribal control of property which it attempted for more than 30 years to entirely destroy, and by adopting this act the Government apparently concedes that the Indians are better qualified to administer their own property under tribal law than the Government, yet the Government, apparently, wants to retain unrestricted control.

Amos Pond, his (X) mark, Chief of Umatilla Tribe. JIM KANTNE Chief of Walla Walla Tribe. George Redhawk, his (X) mark, Chief of Cayuse Tribe.

ANDREW GEORGE. JAMES KARL KARL. Interpreter: A. J. BARNHART.

Mr. PIERCE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD and to include numerous protests from these Indians.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. HOWARD. Mr. Speaker, I yield 134 minutes to the gentleman from Wisconsin [Mr. FREAR].

Mr. FREAR. Mr. Speaker, I understand that the Klamath Indians of Oregon are among those Indians who object to coming under the bill and explain opposition expressed, but may I say that according to statements that have come to 164,000 Indians have voted in favor of the principles of the bill as originally reported with only 22,000 voting against, or in round numbers, about 7 to 1 in its favor. May I say also that the gentleman who is in charge of this whole measure, Mr. Collier, has been subjected to some criticism by the gentleman of the minority?

I traveled 4,500 miles with Mr. Collier several years ago, long before this matter came up, all through 20 or more Indian reservations of the West, including New Mexico and other Western States. We visited the Navajos, Apaches, Pueblos, Zunis, and many other tribes of Indians from Montana to Arizona and California. We discovered conditions out there that were indefensible, conditions approved and defended by Bureau officials. Exposure of Bureau methods resulted in getting rid of the Indian Commissioner and also the Assistant Indian Commissioner. We sought to recommend improvements in methods of handling and did all we could to revolutionize and change Indian conditions. I do not know of anyone who has done as much to better the surroundings and opportunities of his present wards than the present Indian Commissioner, and I am willing to trust Mr. Collier's judgment and the judgment of this splendid committee in preparing the bill and fashioning the legislation now before us. It may not be perfect, but I submit it will

be a decided improvement over existing law and result in bettering Indian conditions. The bill should be supported.

Mr. Speaker, I yield back the balance of my time.

Mr. HOWARD. I yield one-quarter of a minute to the gentleman from South Dakota [Mr. WERNER].

Mr. WERNER. Mr. Speaker, the gentleman from Wisconsin [Mr. Frear] has just spoken with reference to the vote of approval which the Indians have given this legislation. I assert that not a single Indian affected by this legislation has been privileged to register a favorable or an unfavorable vote on the bill that is being considered by the House today. Their votes were taken on the so-called "Wheeler-Howard bill", which bill the House Committee on Indian Affairs laid on the table in the committee where it is still resting. All that was salvaged of that bill was the number and the enacting clause. The members of the committee who were opposed to the original Wheeler-Howard bill-and they were in an overwhelming majority—set about to rewrite the bill and having concluded that task, favorably reported, by a unanimous vote, the bill which the House is considering at this time.

Mr. Speaker, we are not considering the Wheeler-Howard bill. That bill has long since been dead. We are, however, considering a bill that was written by a majority of the members of the committee who vigorously opposed the widely publicized Wheeler-Howard bill, and who today would oppose the Wheeler-Howard bill as originally presented to our committee if it was before the House. The bill which was passed by the Senate a day or two ago has many provisions which the House Committee on Indian Affairs are opposed to, and that is the reason, Mr. Speaker, why, in calling up the Senate bill today, the House bill was offered as an amendment to the Senate bill.

A majority of the House committee could not, and would not, in my opinion, support many of the provisions of the Senate bill, and should it be brought back to the House by the conferees many of us would be compelled to oppose the acceptance of the conference report. The House bill is in complete harmony with the administration's proposal that the Indians be declared in on the new deal. This legislation will bring to the Indians a new deal and a new day if the provisions of this bill which this House will pass today are sanely and wisely administered. There is opportunity in this bill for administrative forces in charge of Indian affairs to show their mettle. There is opportunity for something worth while to be done for the long-mistreated and neglected North American Indian.

Mr. Speaker, time does not permit a discussion of this bill, or of an analysis of the provisions of the Wheeler-Howard bill, which would clearly show that the members of the committee who are responsible for this legislation had in mind the protection of the rights of the Indian. This bill is in harmony with the President's letter to the honorable chairman of our committee, and I shall vote for this bill because I think it goes a long way toward solving the Indian problem.

[Here the gavel fell.]

Mr. CARTWRIGHT. Mr. Speaker, this bill has been revised, reprinted, amended, and so forth, so many times that it has little resemblance to the original Wheeler-Howard bill.

I have about 25,000 Choctaw and Chickasaw Indians in my district. They are a very intelligent class of people but I doubt if they are familiar with the latest issue of the House bill. The Choctaw Indians discussed the Senate bill in a convention at Goodland a few days ago and the principal chief of the Choctaws, Hon. Ben Dwight, wrote me a letter setting forth their reaction, which is as follows:

DURANT, OKLA., June 11, 1934.

Hon. WILBURN CARTWRIGHT, M.C.

House Office Building, Washington, D.C.

DEAR MR. CARTWRIGHT: Thanks for sending me the copies of the revised Wheeler-Howard bill. At our convention we considered the Senate bill no. 3645 and after a very thorough discussion of same the delegates, with the exception of two, were in favor of urging the passage of said bill with some few minor amendments and the amendment of section 15 so as not to exclude our Tribe from the other provisions thereof.

The Choctaws are very much in earnest about wishing to have the privilege of coming within the provisions of this bill and I hope that you can conscientiously work toward this end. Sincerely yours,

BEN DWIGHT.

I wish to say that Chief Dwight is three-fourths Choctaw Indian. He is highly educated, holding a degree from Leland Stanford and from Columbia. My whole object and intent is to represent these people, and what they want is what I want.

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. MEAD. Mr. Speaker, I ask unanimous consent to insert a letter indicating opposition to this bill from the New York State Indians who do not want to be covered by it.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CARTWRIGHT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD so that they may appear in the debate on this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. FREAR. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. FREAR. Mr. Speaker, I suggest that my friend the gentleman from Michigan [Mr. Mapes] has done slight credit to the intelligence and patriotism of the missionaries and the churches who know Indian conditions on their reservations. He has quoted certain missionaries who evidently are uninformed. I have visited these reservations and know whereof I speak. A statement by the secretary for Indian work of the Board of National Missions of the Presbyterian Church in the United States, Dr. J. M. Sommerndyke is nearer the truth when he writes:

In its purpose to conserve and develop Indian land ownership, the Wheeler-Howard bill represents the most constructive plan that has been proposed by any previous Administration of Indian affairs for the safeguarding of Indian land from complete alienation. It aims to correct the flagrant injustices of the land-allot-ment policy. In opening the way for Indian communities to assume self-government under Federal guidance—if and when such groups request such privileges and when, in the judgment of the Department of the Interior, they are competent to assume such responsibilities—the Wheeler-Howard bill aims to give the Indians an opportunity to exercise at least some of the prerogatives involved in the citizenship which was conferred upon them by a

involved in the citizenship which was conferred upon them by a previous administration.

In providing ways and means for the training of the rising generation of Indians to cope successfully with the problems of Indian social and economic life in conformity with the highest ideals of the civilization of which they are a part, the Wheeler-Howard bill wisely recognizes the necessity of a curriculum for Indian education that is adapted to their particular needs and problems. It marks the beginning of an era of social and economic advance for the Indians, which should result in an enhancement of their own self-respect; and if wisely and successfully administered it should win them the respect of their fellow Americans, regardless of racial distinction.

That statement, I may say, is based on personal observa-

A broad endorsement of the Wheeler-Howard bill by the director of the Bureau of Catholic Indian Missions, the Right Reverend Monsignor William Hughes, is in like praise of the bill; an endorsement by Bishop Freeman, of the Washington Cathedral in this city; a telegram from the supreme regent of the Catholic Daughters of America gives unconditional endorsement by the 200,000 members in 45 States; and I read the words of the missionary supervisor of the Episcopal Church for South Dakota, the Reverend Levi M. Rouillard, who says:

I am very much in favor of the new move taken by you on our behalf. I heard you speak, giving explanations of the Wheeler-Howard bill at Rapid City during the Plains Indian Congress. I

am rather disappointed, though, to hear negative views concerning the new move. \* \* \* They are constantly pumping prejudice into the Indians against the new move. But this is to assure you that I am back of you and wish to see you continue your fight to the finish.

The churches and their missionary representatives should want the Wheeler-Howard bill. They have not been misled by false reports or prosecuted the legalized robbery of Indian wards. They are not of the notorious bureaucracy which for two lifetimes has been sitting on the backs of the Indians. They want the Indians to live, to achieve a reasonable standard of living, and to be free men, and the evidence submitted shows that they want the Wheeler-Howard bill, which holds out a promise of a better Indian policy and protection to the ones so long exploited.

Mr. Speaker, letters from certain Indians have been read or offered for the RECORD, I am informed, to show that Indians quoted are not themselves in favor of this bill. But the printed hearings of the Indian Committee of this House display in documented and tabular form the actual Indian verdict on the bill, and that verdict is overwhelmingly favorable, whether the count be taken by tribal units or by individual votes.

The printed record also shows that the Indians know what it is they are endorsing. The record of the deliberations of the tribes at numerous congresses called to discuss the bill is a document estimated to contain more than a half million words. It has been supplied to the committees of the House and the Senate and has been widely distributed. The printed hearings of the House Indian Committee, I am informed, while voluminous, do not reveal the scrutiny of the bill any more exhaustive than that which the Indians themselves have carried out, as proved by the record of their congresses. The Indians have voted in favor of the Wheeler-Howard bill to the number of 164,287 and against it to the number of 22,586. As stated in debate, this is more than 7 to 1 favoring the bill.

I have given the record facts, and offer for the RECORD a statement given to the press on June 13 by the Interior Department which answers unwarranted criticism and deals with an opposition that I learn has become active in the lobbies of the House and the Senate in recent hours.

The eleventh-hour attack on the Wheeler-Howard Indian-rights The eleventh-hour attack on the Wheeler-Howard Indian-rights bill launched in the press by a Miss A. J. Jimerson, a mixed-blood Seneca Indian of New York, today was denounced as "a series of misstatements" by John Collier, Commissioner of Indian Affairs. "Miss Jimerson," Commissioner Collier stated, "denies, to quote her own words, 'that the Five Civilized Tribes of Oklahoma have endorsed the bill.' She refers to 'a memorial from the Five Tribes

her own words, 'that the Five Civilized Tribes of Oklahoma have endorsed the bill.' She refers to 'a memorial from the Five Tribes strongly protesting against its enactment. They constitute a majority of the Indians in Oklahoma.'

"None of the Five Tribes has in fact protested against the Wheeler-Howard bill. On the contrary, the Choctaw Nation as a whole, with 16,641 members, has endorsed it; the Chickasaw Nation as a whole, with 4,685 members, has endorsed it; the Creek Nation as a whole with 8,607 members, has endorsed it; and the Nation as a whole, with 8,607 members, has endorsed it; the creek full-blood organization of the Cherokees, known as the 'Kee-toowah Society', with 6,000 members, has endorsed it. The Seminoles, numbering 1,789, have not as yet gone on record.

"Miss Jimerson states 'there are present in Washington now

duly delegated representatives from many tribes of the United States who are bitterly opposed to the passage of this bill. \* \* \* These tribes from California, Oregon, Montana, North Carolina, and tribes from other States who have filed protests against this bill, represent more than half the Indian population of the United States.

United States.'

"The 'duly delegated representatives' of the Indians of California, whom Miss Jimerson refers to, are a white man named Frederick G. Collett, from San Francisco, and another white man named Purl Willis, from San Diego, Calif. Accompanying Mr. Willis are two Mission Indians, officers of the so-called 'Mission Indian Federation'; but that federation is not a tribe or a tribal council, nor composed of tribes or of tribal councils. These gentlemen have been appearing before the House Indian Committee in advocacy of legislation to bestow upon certain private attorneys a very large sum of money belonging to the California Indians, which money will be derived by these Indians from the pending Court of Claims suit which the State of California is prosecuting in their behalf. In excess of \$1,000,000, taken from the California Indians without their consent and paid to these private lawyers for no commensurate services rendered, is the stake for which these so-called 'delegates' are fighting. The Interior Department has supplied the facts to the House committee and the committee has blocked the audacious enterprise of these 'delegates.'

"As for North Carolina, its only tribe under Federal guardian-ship is the Eastern Cherokee, and that tribe has unanimously en-

dorsed the Wheeler-Howard bill, has petitioned for it, and has testified for it through tribal delegates who appeared at the

The total of Indians who have registered in favor of the Wheeler-Howard bill is 164,287. The total who have registered against it is 22,586. The records of the official votes have been

against it is 22,586. The records of the official votes have been printed by the House Committee on Indian Affairs.

"Miss Jimerson's remarks on the Wieeler-Howard bill do not describe the bill in a single concrete particular. She might be thought to have confused the Wheeler-Howard bill with some other bill; but her remarks do not fit any other bill any more accurately."

Mr. Speaker, I assume this statement is based on facts, and knowing the methods of those who exploit the Indians and others having slight knowledge of the general subject, I am certain those now vested with responsibility and authority are seeking to correct some of the wrongs and injustices practiced by the Indian Bureau during the last half century.

I am submitting a brief letter from Indian Commissioner Collier that explains and points out the essential new legislation presented in the Wheeler-Howard bill now before

Congress for passage.

UNITED STATES DEPARTMENT OF THE INTERIOR, OFFICE OF THE COMMISSIONER OF INDIAN AFFAIRS, Washington, D.C., June 15, 1934.

Hon. James A. Frear,

House of Representatives.

DEAR MR. FREAR: The essentials of the Wheeler-Howard bill, as originally introduced, are contained in the House and Senate drafts as reported by the committees of these bodies.

There are two important exceptions to this statement. The

subject of court jurisdiction and law-and-order enforcement, dealt with in title IV of the bill as introduced, awakened so much debate that upon the request of the Department's representatives consideration was adjourned until the next Congress. The other exception, a regrettable one, is that nearly all of the benefits of the bill are withheld from the Indians of Oklahoma, by both the Senate and the House drafts.

But leaving aside Oklahoma, the main essentials of the original bill are kept with full force in one or both of the drafts as reported by the two committees, specifically:

1. Future land allotment is prohibited.
2. The trust period is everywhere extended.
3. The acquisition of land for landless Indians is authorized, with \$2,000,000 a year appropriated for this purpose.
4. Tribal corporations are authorized and these may accept relinquishments of the title to allotted lands in exchange for cash

or for shares in the corporation.

5. A system of financial credit for Indians is established and

5. A system of inancial credit for indians is established and \$10,000,000 is authorized as a revolving fund for this purpose, 6. Indian tribes are permitted to organize. When organized, the Executive cannot rescind their organization, and the organized tribes are given important powers, particularly in matters affecting tribal funds and the expenditures of the Indian Service.

7. Indians who may qualify for the jobs of Indian Service are exempted from civil service requirements.

exempted from civil-service requirements.

8. The training of Indians in colleges and trade and professional schools for leadership of their people and for success in the outside world is provided for, \$250,000 a year being authorized.

9. The Secretary of the Interior is authorized and directed to

apply the principles of conservation to Indian forests and range lands, through comprehensive and effective language.

10. The undisposed-of surplus and ceded lands, about 2,000,000

10. The undisposed-of surplus and ceded lands, about 2,000,000 acres, are restored to tribe ownership.

The original bill sought to establish a profoundly changed Indian policy on lines clearly set down. The pending bill would establish this profoundly changed Indian policy on the lines set down in the original bill, although with many of the details and mechanisms are now worked out somewhat differently.

The overwhelming Indian referendum in favor of the bill as introduced fully applies to the pending bill. And could the referendum be held again, now that time has elapsed permitting a fuller understanding of the measure, I have no doubt that the referendum would be still more overwhelming. When the tribes vote on coming under the bill or staying out, I anticipate that at least 96 percent of the Indians will vote to come in. I hope that the Oklahoma Indians may be permitted to take part in this proposed Indian referendum, because if they are permitted to vote, the Oklahoma Indians will vote 4 to 1, or better, in favor of being allowed to enjoy the protections of the bill and to organize for their common welfare.

Sincerely wours their common welfare.

Sincerely yours,

JOHN COLLIER. Commissioner.

Mr. Speaker, I offer a few words further on the particular merits of the bill. Some years ago I served actively on the Indian Affairs Committee of this House. At my own expense I went to many reservations in many Western States, sitting in at their conferences and learning their complaints and problems. I gave energy and thought to this longvexed problem of the Indian first hand, and then sought to protect them from notorious bureaucratic mismanagement | Mr. Blanchard) there were—ayes 95, noes 30.

by blocking sale of Indian oil lands and preventing other Bureau methods of injury to Indian welfare and property.

The land-allotment system had worked out in an opposite manner from that which the founders of the system had intended. Instead of preventing the loss of lands by Indians it has in effect compelled the loss of land, and as the chairman of the committee pointed out a few minutes ago, it has cut the Indian landholdings down by more than 90 million acres, leaving only 47 million acres, and half of that is desert or semidesert land not worth a dollar an acre. That picture is more convincing than all the high-spun theories of self-interested critics. Instead of emancipating the Indian from bureaucratic control, the allotment system has wound him about with new and still more paralyzing paternalistic restrictions. Whatever the original purpose, the facts speak for themselves.

The Indian Service in the allotted areas is far more costly to the Government, we learn, than in the unallotted areas, and yet in the allotted areas the Indian lands continue to melt away while in the unallotted areas they increase. There has appeared to be no escape under the original allotment plan unless we repudiate Federal responsibility for these unfortunate wards. There has seemed to be no other way to end the ruining paternalism and stop the waste of several million dollars yearly spent in the real-estate administration of allotments by the Government. The bill which the House is now considering furnishes the answer.

The gentleman from Pennsylvania [Mr. Kelly] is, in my judgment, correct when he states, as he did a few minutes ago, that the Wheeler-Howard bill is a reversal of established policy. I testify to his sincerity and splendid service in the past for the American Indians, but that established allotment policy has forced Indian lands out of Indian ownership through allotment, according to all the information I have and to hold the individual allotted Indian in a period of serfdom during the intervening years until through sale of his lands by the Government he became landless; to deny financial credit to the Indians; to deny technical and higher education to the Indians; and above all else, to deny to the Indians the right or privilege of organizing to defend and help themselves. This is what the established policy has been charged with bringing about. These particular features of the established policy are what the pending bill reverses.

As I understand it, the bill in its earlier form as introduced had the same principles as the bill now awaiting a vote. What have been changed are the details and the mechanisms of the bill, but not the principles of the bill, and that, I understand, is why the President, by personal letter, Secretary Ickes, and Indian Commissioner Collier are urging the pending bill just as earnestly as they favored the original

I believe the bill will pass. I am confident that if it contains imperfections these will be remedied by Congress. And I feel encouraged over the future at this time, because I know that a new, a better epoch has dawned for our red fellow citizens. The chapter of past Government control of the American Indians is a continuous story of exploitation of Indian property and personal rights by the Indian Bureau that controlled both. I am saying this impersonally, of a notorious vicious policy, now reversed by Secretary Ickes and Commissioner Collier, both of whom seek to give these wards of the Nation complete protection. As one who has studied Indian needs on the reservation and at Washington headquarters, I predict the new policy will revolutionize conditions and bring about a better day and brighter hopes for the original owners of America to whom we owe protection. That is promised under the bill now before us and by new administrators who have Indian interests and welfare at heart.

## INDIAN SELF-GOVERNMENT

The SPEAKER pro tempore. The question is on the motion of the gentleman from Nebraska to suspend the rules and pass the bill as amended.

The question was taken; and on a division (demanded by

Mr. CARTER of Wyoming. Mr. Speaker, I make a point of no quorum, and I object to the vote on the ground there is no quorum present.

The SPEAKER pro tempore. Evidently there is not a

quorum present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll. The question was taken; and there were-yeas 258, nays 88, answered "present" 1, not voting 82, as follows:

## [Roll No. 191] VEAS-258

	YEA	5-258	
Abernethy	Doughton	Kennedy, Md.	Robertson
Adair	Doxey	Kenney	Robinson
Adams	Drewry	Kloeb	Rogers, N.H.
Allen Arens	Driver Duffey	Kniffin Kocialkowski	Rogers, Okla. Romjue
Arnold	Duncan, Mo.	Kopplemann	Ruffin
Ayers, Mont.	Durgan, Ind.	Kramer	Sabath
Ayres, Kans.	Eagle	Kvale	Sadowski
Bankhead	Eicher	Lambertson	Sanders, La.
Beam	Ellenbogen	Lambeth	Sanders, Tex.
Berlin	Elizey, Miss.	Lamneck	Sandlin
Biermann Bland	Englebright Evans	Lanham	Schaefer Schuetz
Blanton	Faddis	Lea, Calif. Lehr	Schulte
Bolleau	Farley	Lemke	Sears
Boland	Fiesinger	Lesinski	Secrest
Boylan	Flannagan	Lewis, Colo.	Shallenberger
Brown, Ga.	Fletcher	Lewis, Md.	Shannon
Brown, Ky.	Focht	Lloyd	Sinclair
Buchanan	Foulkes	Lundeen	Smith, Va. Smith, Wash. Smith, W.Va.
Buck	Frear	McCarthy	Smith, Wash.
Burke, Nebr.	Frey	McCormack	Smith, W.Va.
Busby	Fuller	McDuffie	Snyder
Byrns Cady	Fulmer Gilchrist	McFarlane McGrath	Spence
Caldwell	Gillespie	McGugin	Steagall Strong, Tex.
Cannon, Mo.	Gillette	McMillan	Stubbs
Carden, Ky.	Glover	McReynolds	Tarver
Carmichael	Goldsboreugh	McSwain	Taylor, S.C.
Carpenter, Kans.		Maloney, Conn.	Terry, Ark.
Carpenter, Nebr.	Goss	Maloney, La.	Thom
Carter, Calif.	Granfield	Mansfield	Thomas
Cartwright	Gray	Marshall	Thomason
Castellow	Green	Martin, Colo.	Thompson, Ill.
Chapman	Greenway	May	Thompson, Te
Chavez	Greenwood	Meeks	Tobey
Christianson	Gregory	Miller Milligan	Traeger
Cochran, Mo.	Griswold Guyer	Mitchell	Turner Turpin
Cole	Hancock, N.C.	Monaghan, Mont.	
Collins, Calif.	Hart	Montague	Underwood
Colmer	Harter	Montet	Utterback
Condon	Hastings	Moran	Vinson, Ga.
Connery	Henney	Morehead	Vinson, Ky.
Cooper, Tenn.	Hildebrandt	Moynihan, Ill.	Wallgren
Cox	Hill, Ala.	Murdock	Walter
Cravens	Hill, Knute	Musselwhite	Warren
Crosby	Hill, Samuel B.	O'Brien	Wearin
Cross, Tex.	Hoeppel	O'Connor	Weideman
Crosser, Ohio	Hoidale	O'Malley	Welch
Crowe Crump	Hope Howard	Oliver, Ala. Oliver, N.Y.	Werner West Tor
Cummings	Hughes	Owen Owen	West, Tex. Whittington
Dear	Imhoff	Palmisano	Wilcox
Deen	Jacobsen	Parker	Williams
DeRouen	James	Parsons	Wilson
Dickinson	Jenckes, Ind	Patman	Withrow
Dickstein	Johnson, Minn.	Peterson	Wolverton
Dies	Johnson, Okla.	Polk	Wood, Ga.
Dingell	Johnson, Tex.	Ramsay	Wood, Mo.
Dirksen	Johnson, W.Va.	Ramspeck	Woodrum
Disney	Jones	Rankin	Young
Dobbins	Kahn Kee	Rayburn	Zioncheck
Dockweiler Dondero	Keller	Reilly Richards	
Dondero			
	NA	TS-88	

Andrews, N.Y. Bacharach Bakewell Beck Beedy Beiter Black Blanchard Bloom Britten Brunner Burnham Carter, Wyo. Clarke, N.Y. Cochran, Pa. Connolly Cooper, Ohio Crowther Culkin

Cullen Knutson Kurtz Lanzetta Darrow Delaney Ditter Larrabee Lehlbach Eaton Edmonds Eltse, Calif. Fitzgibbons Luce McFadden Mapes Martin, Mass. Gavagan Griffin Hancock, N.Y. Martin, Oreg. Mead Merritt Millard Hartley Hess Higgins Mott Hollister Perkins Holmes Pettengill Jenkins, Ohio Peyser Pierce Plumley Kelly, Ill. Kelly, Pa Kennedy, N.Y. Powers Kinzer Ransley ANSWERED "PRESENT"-1

Rudd Simpson Sisson Snell Somers, N.Y. Strong, Pa. Sutphin Sweeney Taber Taylor, Tenn. Tinkham Wadsworth Waldron Whitley Wigglesworth Wolcott Wolfenden

Reed, N.Y. Reid, Ill.

Rogers, Mass.

Rich

	HOLV	O11110-02	
Allgood Auf der Heide Bacon Balley Bolton Brennan Brooks Brown, Mich. Browning Buckbee Burwinkle Burch Burke, Calif. Cannon, Wis. Carley, N.Y. Cary Cavicchia Chase Church Claiborne	Collins, Miss, Corning Darden De Priest Douglass Doutrich Dowell Edmiston Fernandez Fish Fitzpatrick Ford Gambrill Gasque Gifford Haines Hamilton Harlan Healey Huddieston	Kerr Kleberg Lee, Mo. Lindsay Lozier McClintic McKeown McLean McLeod Marland Muldowney Nesbit Norton O'Connell Parks Peavey Prall Randolph Richardson Scrugham	Shoemaker Sirovich Stalker Stokes Studley Sullivan Sumners, Ter Swank Swick Taylor, Colo. Terrell, Tex, Thurston Treadway Truax Weaver West, Ohio White Willford Woodruff
Clark, N.C.	Jeffers	Seger	

So two-thirds having voted in favor thereof, the rules were suspended, and the bill was passed.

The Clerk announced the following pairs:

On this vote:

Messrs. O'Connell and Weaver (for) with Mr. Carley (against).

Messrs. Healey and Gambrill (for) with Mr. Sirovich (against).

Messrs. Haines and Cary (for) with Mr. Stokes (against).

Messrs. Darden and White (for) with Mr. Studley (against).

Messrs. McKeown and Swank (for) with Mr. Treadway (against).

Messrs. Woodruff and Peavey (for) with Mr. Corning (against).

Messrs. Moslinitic and Cannon of Wisconsin (for) with Mr. Gif
port (against).

Messrs. Brooks and Clark of North Carolina (for) with Mr. Swick (against).

Messrs, Douglass and Gasque (for) with Mr. Fitzpatrick (against), Messrs, Hamilton and Lee of Missouri (for) with Mr. Lindsay (against).

Messrs. Harlan and Kerr (for) with Mr. Sullivan (against) Messrs. Randolph and Scrugham (for) with Mr. Doutrich (against). Messrs Richardson and Taylor of Colorado (for) with Mr. Truax (against).

# Until further notice:

Until further notice:

Mr. Bailey with Mr. Dowell,
Mr. Lozier with Mr. Seger.
Mrs. Norton with Mr. Bacon.
Mr. Brennan with Mr. Thurston,
Mr. Parks with Mr. Bolton.
Mr. Huddleston with Mr. McLeod.
Mr. Church with Mr. Cavicchia.
Mr. Burch with Mr. Fish.
Mr. Bulwinkle with Mr. Muldowney,
Mr. Fernandez with Mr. Stalker,
Mr. Kleberg with Mr. McLean.
Mr. Burke of California with Mr. Chase.
Mr. Brown of Michigan with Mr. Buckbee.
Mr. Shoemaker with Mr. De Priest,
Mr. Ford with Mr. Edmiston.
Mr. Willford with Mr. Browning.
Mr. Collins of Mississippi with Mr. Allgood,
Mr. Auf der Heide with Mr. Nesbit.
Mr. Claiborne with Mr. Jeffers,
Mr. Prall with Mr. Marland.

The result of the vote was announced as above recorded. A motion to reconsider was laid on the table.

Mr. BANKHEAD. Mr. Speaker, I move to lay on the table the rule providing for the consideration of this bill. The motion was agreed to.

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to make a very brief announcement.

Mr. Speaker, the gentleman from New Hampshire [Mr. Rogers] is chairman of a very important committee which for sometime has been conducting extended hearings on purchases of the War Department with a view to taking the testimony and submitting a report prior to the adjournment of the Congress. The gentleman from New Hampshire was so engaged on yesterday and therefore was absent on roll call no. 188, page 11524 of the RECORD, roll call 189, on page 11530, and roll call 190, on page 11545, and I make this statement in explanation of his absence during these roll calls.

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that the House insist upon its amendment to the Senate bill (S. 3645), just passed, and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska? [After a pause.] The Chair hears none and appoints the following conferees:

Messis. Howard, Knute Hill, Ayers of Montana, Gil-CHRIST, and COLLINS of California.

# PUBLIC GRAZING LANDS

Mr. DEROUEN. Mr. Speaker, I ask unanimous consent to vacate the proceedings whereby the House concurred in Senate amendments to the bill (H.R. 6462) to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry, dependent upon the public range, and for other purposes, and that the Senate be requested to return to the House the message of the House thereon.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

#### SETTLEMENT OF WAR CLAIMS ACT OF 1928

Mr. DOUGHTON. Mr. Speaker, I submit the following conference report on the joint resolution (H.J.Res. 325) extending for 2 years the time within which American claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the Mixed Claims Commission and the Tripartite Claims Commission, and extending until March 10, 1936, the time within which Hungarian claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the War Claims Arbiter, and ask unanimous consent for the immediate consideration of the report.

The conference report and statement are as follows:

# CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H.J.Res. 325), extending for 2 years the time within which American claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the Mixed Claims Commission and the Tripartite Claims Commission, and extending until March 10, 1936, the time within which Hungarian claimants may make application for payment under the Settlement of War Claims Act of 1928 of awards of the War Claims Arbiter, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 1 and the Senate recede from its amendment to the title.

That the House recede from its disagreement to the amendment of the Senate numbered 2 with an amendment as follows: Restore the matter proposed to be stricken out by the Senate amendment, and on page 2, lines 4 and 5, of the House joint resolution strike out "paragraph (h) of subsection (2)" and insert "subsection (h)"; and the Senate agree to the same.

R. L. DOUGHTON, SAM B. HILL, THOS. H. CULLEN, ALLEN T. TREADWAY, ISAAC BACHARACH, Managers on the part of the House. WILLIAM H. KING, WALTER F. GEORGE, JAMES COUZENS. Managers on the part of the Senate.

## STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H.J.Res. 325), extending for 2 years the time within which American claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the Mixed Claims Commission and the Tripartite Claims Commission, and extending until March 10, 1936, the time within which Hungarian claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the War Claims Arbiter, submit the following written statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

On amendment no. 1: The House provision extended for 2 years the time within which American claimants may make application for payment of awards of the Mixed Claims Commission and the Tripartite Claims Commission. The Senate amendment limited the extension to 1 year. The Senate recedes

On amendment no. 2: The House provision extended until March 10, 1936, the time within which Hungarian claimants may make application for payment, under the Settlement of War Claims Act, of awards of the War Claims Arbiter. The Senate amendment limited the time to March 10, 1935. The conference agreement adopts the House provision with a clerical change in a reference to a subsection.

The Senate recedes on the title of the joint resolution.

R. L. DOUGHTON, SAM B. HILL THOS. H. CULLEN, ALLEN T. TREADWAY, ISAAC BACHARACH. Managers on the part of the House.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that the statement may be read in lieu of the report. The SPEAKER. Is there objection to the request of the

gentleman from North Carolina? There was no objection.

The Clerk read the statement.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to. A motion to reconsider was laid on the table.

# UNITED STATES SUPPLY OF TIN

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 404, for immediate consideration.

The Clerk read as follows:

# House Resolution 404

Resolved, That the Committee on Foreign Affairs of the House of Representatives, or a subcommittee thereof, is hereby authorized and directed to conduct an investigation of (1) the extent to which the United States is dependent upon foreign nations for its supply of tin; (2) the ownership and control of the tin resources of the world; (3) the possibility of manufacturing the munitions, motors, and other items essential to the national defense and economic welfare of the country without tin, or by the use of any known substitute; (4) the extent to which the nation or nations owning or controlling the tin resources of the world are indebted to the United States for sums due and unpaid; (5) whether acquisition by the United States of foreign tin resources, in fair and mutually agreeable exchange for the debts owing the United

to the United States for sums due and unpaid; (5) whether acquisition by the United States of foreign tin resources, in fair and mutually agreeable exchange for the debts owing the United States by the nations owning or controlling such resources or otherwise, would improve the present and costly and dangerously dependent position of the United States with respect to this matter; and (6) all other questions in relation thereto that would aid Congress in any necessary legislation.

That said committee, or any subcommittee thereof, is hereby authorized to sit and act at such times and places within the United States, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, by subpena or otherwise, and to take such testimony as it deems necessary. Subpenas shall be issued under the signature of the chairman or any member designated by him and shall be served by any person designated by him. The chairman of the committee or any member thereof may administer oaths to witnesses. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully default, or who, having appeared, refuses to answer any question pertinent to the investigation heretofore authorized shall be held to the penalties provided by section 102 of the Revised Statutes of the United States.

Mr. O'CONNOR. Mr. Speaker, I yield 30 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. Speaker, this resolution has been reported by the Rules Committee, after holding hearings in reference to an investigation of the supply of tin for American industry and the manufacture of munitions.

fairs or a subcommittee thereof to investigate the matters referred to in the petition. As it was presented to the Rules Committee, there is practically no tin mined in this country. It is an indispensable metal in industry and especially in the manufacture of munitions, for which supply of tin we are wholly dependent on other countries. The product is controlled by agreement, as I understand it, a pool agreement, controlled by nations who still owe us war debts. I might profitably read a letter from the Department of State, addressed to the gentleman from Alabama [Mr. BANKHEAD], in reference to this resolution.

> DEPARTMENT OF STATE Washington, May 15, 1934.

The Honorable WILLIAM B. BANKHEAD,

Chairman Committee on Rules, House of Representatives.

MY DEAR MR. BANKHEAD: I understand that you have under consideration House Resolution 357, respecting an investigation of certain questions concerning the supply of tin to this country. I believe that the proposed investigation would serve a useful purpose, and I consider it desirable from the standpoint of national policy that it should be instituted.

Tin is a strategic metal in many phases of our industrial system, and this country is almost completely dependent upon foreign sources of supply for the very large quantities of tin required annually. This dependence has been accentuated in recent years by the operations of an international tin agreement and tin pool controlling 80 to 90 percent of the world's supply.

Sincerely yours,

CORDELL HULL.

Mr. McSWAIN. Will the gentleman yield?

Mr. O'CONNOR. I yield. Mr. McSWAIN. The situation to which the gentleman refers was called to the attention of the Committee on Military Affairs some time ago, and there is now on the calendar-and we hope to have it called up before adjournmenta bill to put an embargo on the exportation of our supply of tin until the inquiry contemplated by this resolution shall disclose the true situation, when we will determine what should be done.

As I see it, there is no inconsistency between this resolution and the embargo contemplated by the bill we have

Mr. O'CONNOR. The gentleman from South Carolina refers to the Faddis bill, which pertains to tin we have now in this country, and this present resolution goes into the question of a foreign supply.

Mr. SNELL. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. SNELL. I want to ask the gentleman how this happens to land in the Committee on Foreign Affairs to make an investigation of this kind? As I look over the different propositions for investigation, there is hardly one of them that comes under the jurisdiction of the Committee on Foreign Affairs. If you are going to make an investigation of this kind, it seems to me that the Committee on Military Affairs or perhaps the Ways and Means Committee would be the proper committee.

Mr. BANKHEAD. Will the gentleman from New York allow me to answer the gentleman?

Mr. O'CONNOR. I yield to the gentleman from Alabama. Mr. BANKHEAD. Let me say to the gentleman from New York that when this matter was first called to the attention of the Committee on Rules, we had no intimation whatever of the real importance of this question. We had no knowledge that the Committee on Military Affairs was giving it any investigation or that it proposed to make a recommendation in reference to the Government supply. The communication addressed to our committee came from the War Department and the Navy Department and the Secretary of State. The State Department indicated that either one of these agencies of the Government might properly be charged with making the investigation.

Inasmuch as the State Department has its consuls in foreign countries and that this information might be assembled very largely through the instrumentalities of correspondence and official information of that sort, without any intention whatever of depriving one of the national

The resolution authorizes the Committee on Foreign Af- | defense committees of any jurisdiction, we thought that this matter should be put under the jurisdiction of the Committee on Foreign Affairs.

Mr. SNELL. The gentleman will admit that none of these subjects the committee is going to investigate comes under the jurisdiction of the Committee on Foreign Affairs.

Mr. BANKHEAD. This information is not sought to be used for one particular branch of our Government, but is merely to assemble information which, if it were procured through the Committee on Foreign Affairs, would be passed on to the Army, the Navy, and the Marine Corps.

Mr. SNELL. Just one more question, and then I am through.

Mr. O'CONNOR. When this matter was first presented to the Committee on Rules the resolution authorized a special committee to investigate the subject. With the usual hesitancy of the Rules Committee to appoint special com-

Mr. SNELL. Yes; I have noticed that during this session. Mr. O'CONNOR. We thought it would be better to refer it to a standing committee and have the investigation conducted through a subcommittee. If the gentleman will examine the resolution carefully he will see, first, there is an international situation, and that is tin is controlled by international agreement to which we are not a party, and by an international pool. He will also see that tin is controlled by some nations who still are debtors for a "few dollars" in the matter of war debts. Those matters impressed the Rules Committee as a reason for sending the investigation to the Committee on Foreign Affairs, and for the further reason that information could be obtained through the aid and offices of the Secretary of State, who has contacts in all of these countries.

Mr. SNELL. As a matter of fact, we have military attachés in every one of these places who are more familiar with this subject than the Foreign Affairs members would be.

Mr. O'CONNOR. I do not think they are. I think the consuls general, or possibly our commerce representatives, would be much more familiar with it than the Army.

Mr. SNELL. But the gentleman's party has abolished all of the commerce representatives over there because it said we did not need them any more.

Mr. O'CONNOR. It is true they have been mostly abol-

Mr. SNELL. So they may not be referred to. Let me ask one more question. It is not intended that this committee will go to visit Burma and other foreign places where tin is produced, is it, to continue to set up this investigation?

Mr. O'CONNOR. The resolution restricts them to sitting in this country.

Mr. SNELL. In the District of Columbia?

Mr. O'CONNOR. No; not the District of Columbia.

Mr. SNELL. But it is not intended that they shall visit the tin mines of Burma?

Mr. O'CONNOR. They did not even ask that privilege. Mr. SNELL. I am surprised. This, then, will take care of all of the rest who feel the need of a summer vacation.

Mr. HILL of Alabama. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. HILL of Alabama. Does the gentleman from New York agree with the statement of the Chairman of the Committee on Military Affairs, Mr. McSwain, that there is nothing inconsistent between the pending resolution and the Faddis bill, reported out by the Committee on Military Affairs?

Mr. O'CONNOR. I do.

Mr. HILL of Alabama. I hope the gentleman will go further, and say that he is not only in favor of this resolution but also in favor of the Faddis bill?

Mr. O'CONNOR. I do. I have been anxious to see the Faddis bill called up.

Mr. ROBERTSON. Mr. Speaker, will the gentleman yield? Mr. O'CONNOR. Yes.

Mr. ROBERTSON. Would the committee have any objection to an amendment to the resolution on page 1, line 5, to insert, after the word "tin", the word "manganese"?

Mr. O'CONNOR. Oh, yes. I do not think we want to go into that. That is another story, and so is nickel. I think there is job enough on the hands of the committee going into tin at this time.

Mr. Speaker, I yield 10 minutes to the author of the resolution, the gentleman from Florida [Mr. Caldwell].

Mr. CALDWELL. Mr. Speaker, I am going to be as brief as I can in discussing the question. When these facts were called to my attention a year or two ago I thought that unquestionably they must have been exaggerated. I could not conceive of so serious a condition existing in this country. The United States of America is utterly and absolutely dependent upon foreign countries for a supply of the metal tin. Tin is an essential commodity without which we cannot manufacture automobiles, airplanes, bronzes, babbitts, solders, and tin plate. Neither can we without tin manufacture certain types of munitions that are absolutely essential to national defense.

Since the Declaration of Independence there has not been produced in the United States in excess of 1,450 tons of this metal. We purchase annually around 85,000 tons, or more than one-half of all the tin produced in the world.

We now produce none. Great Britain produces around 45 or 50 percent of the world supply and controls about 30 percent in addition. In other words, Great Britain controls from 75 to 80 percent of all of the tin produced in the world and we purchase over 50 percent of that production.

Perhaps the most expedient method of presenting the facts is to refer to certain correspondence I have had with the War Department, the Navy Department, the Department of the Interior, and the State Department in respect to this matter. I say that because it will give some official significance to my statements.

I asked the Secretary of the Interior on April 19 to advise me if the United States produced any considerable quantity of primary tin. I also asked that I be advised as to the principal sources of the imported tin and whether there is any substitute for tin. I also asked that I be advised what the effect upon industry would be if our supply was cut off. The Secretary of the Interior replied, and I will read the letter for the information of the House:

> DEPARTMENT OF THE INTERIOR Washington, May 1, 1934.

Hon. MILLARD CALDWELL

House of Representatives, Washington, D.C.

My Dear Congressman: I have received your letter of April 19

My Dear Congressman: I have received your letter of April 19 regarding tin.

The production of primary tin in the United States is negligible. Since 1920, the maximum yearly output of tin from domestic ores was 42 long tons in 1928 as compared with a consumption of over 70,000 tons of virgin tin in that year. There are no facilities for smelting tin ores in the United States at the present time.

From 1925 to 1929 the United States imported annually 78,000 tons of virgin tin, of which the Straits Settlements (British Malaya) supplied 63 percent, United Kingdom 21 percent, Netherlands 9 percent, and Hong Kong about 3.5 percent.

About 49 percent of the mine production of tin in 1929 originated in the British Empire, 25 percent in Bolivia, and 16.5 percent in Netherland India. The British Empire supplied 85 percent of the 1929 smelter output, Netherland India 7 percent, China 3.5 percent, and Germany about 3 percent.

percent, and Germany about 3 percent.

Financial control of the mine and smelter outputs in 1929 was

Interests	Mine pro- duction	Smelter production
BritishAnglo-Bolivian	Percent 33	Percent 41.0
Bolivian Dutch Dutch	17 16 23	8.0
Chinese American Others	23 3 8	5. 0 . 5 1. 5
Total	100	100.0

There are no satisfactory substitutes for tin in the automobile and food-canning industries. Some progress has been made in substituting other alloys for tin alloys used in automobile manufacture, but the effect is only to reduce the amount of tin

used. In general the substitutes do not completely replace tin. Glass and aluminum containers have been used to some extent in food packing, but by far the major part of foodstuffs can be packed satisfactorily only in tin containers.

Serious curtailment or stoppage of our supply of foreign tin would be very embarrassing to domestic industries. Since the war the search for substitutes to relieve us from our dependence upon foreign supplies has been carried on vigorously. While some satisfactory progress has been made, we are still far from a solution of the problem. Since tin is used chiefly in the manufacture of tin plate, solder, babbitt, bronze, and foil, it can readily be seen that any serious interruption of the flow of these widely used commodities would seriously cripple the manufacturing industries industries.

I am enclosing the following publications, which may be of further interest to you:
Tin in 1929.
Tin in 1931.

Tin in 1932.

Economic Paper 13, Summarized Data of Tin Production. I. C. 6564, Consumption of Primary Tin in the United States During 1930.

C. 6249, World Reserves and Resources of Tin. Sincerely yours,

HAROLD L. ICKES Secretary of the Interior.

Enclosure 430742.

On the same date I wrote the Secretary of the Navy as

APRIL 19, 1934.

Hon. CLAUDE A. SWANSON.

Secretary Department of the Navy, Washington, D.C.

MY DEAR MR. SECRETARY: Will you be kind enough to furnish me with the following information at your earliest convenience:

1. Is the metal tin considered a strategic material or one the

1. Is the metal tin considered a strategic material or one the use of which is necessary to properly maintain and operate the Navy in time of war?

2. Briefly, what are the principal items of munitions, equipment, and supplies which require tin for their manufacture?

3. In the event of war, would the stoppage of the supply of tin imported into the United States gravely affect the effectiveness of military supplies after existing supplies had been consumed?

Respectfully,

MILLARD CALDWELL.

He replied as follows:

DEPARTMENT OF THE NAVY,
OFFICE OF THE SECRETARY Washington, April 25, 1934.

Hon. MILLARD CALDWELL,

House of Representatives, Washington, D.C.

MY DEAR MR. CALDWELL: Referring to your letter dated April 19,
1934, on the subject of tin, the following information is furnished:

1. The metal tin is a strategic material and one the use of which is necessary to properly maintain and operate the Navy in time

2. The principal items of munitions, equipment, and supplies which require tin for their manufacture are:

(a) Containers for food, grease, oil, etc.
(b) Brass for bolts, nuts, screws, rivets, pipe, valves, fianges, etc.
(c) Solders and bearing metals (antifriction).
(d) Bronze—manganese bronze.
(e) Condenser tubes.

3. In the event of war the stoppage of the supply of tin imported into the United States would gravely affect the effectiveness of military supplies after existing supplies had been consumed. Sincerely,

H. L. ROOSEVELT. Acting Secretary of the Navy.

Mr. SNELL. Will the gentleman yield?

Mr. CALDWELL. I yield.

Mr. SNELL. It seems to me the gentleman, from his own information, has answered at least three of these questions. The gentleman has told us that we are entirely dependent on foreign countries for tin. He has told us who controls the tin of the world, and also that it would be easy to get from the Treasury Department how much England owes America. The gentleman has already answered three of the questions.

Mr. CALDWELL. I think, if the gentleman will bear with me, before I conclude he will concede the necessity for further investigation.

Mr. SNELL. I appreciate the fact the gentleman knows what he is talking about, but he has given definite information on three of these subjects.

Mr. DIRKSEN. Will the gentleman yield?

Mr. CALDWELL. I yield.

Mr. DIRKSEN. Conceding the necessity for additional information, would it not be better to have the Bureau of Foreign and Domestic Commerce or the Bureau of Standards, men trained in scientific fields, to approach this matter | and determine, first of all, this question of supply and distribution and then determine also the question of the possibility of substitution of some other material for tin in the arts and munitions?

Mr. CALDWELL. It is my opinion that the Bureau of Mines is not the proper agency to make this investigation, because, in the nature of things, it must involve the consideration of subjects that the Bureau cannot properly consider.

Mr. DIRKSEN. What about the Bureau of Foreign and

Domestic Commerce?

Mr. CALDWELL. The Bureau of Foreign and Domestic Commerce cannot go into those facts which are going to involve international questions and agreements between countries and secret agreements between certain corporations or industries in this country and those in other countries. They will not and cannot properly investigate those questions and then disclose the facts which they have se-

Mr. DIRKSEN. Do they not now require all information of an international nature in relation to metals and other products that is available to this Congress or any committee?

Mr. CALDWELL. They only acquire for publication that information the interested nations, corporations, and individuals are willing to give them for publication, and they cannot properly disclose anything else. If they do, their usefulness for the future will be destroyed.

Mr. DIRKSEN. How would the gentleman enlarge upon that situation or extend that authority by simply asking a

committee of Congress to do it?

Mr. CALDWELL. A committee can go into any question which the committee conceives to be relevant or pertinent to the question to be investigated.

Mrs. ROGERS of Massachusetts. Will the gentleman vield?

Mr. CALDWELL. I yield.

Mrs. ROGERS of Massachusetts. Why was this not brought to the attention of the Committee on Foreign Affairs? I think it properly should go to the Committee on Foreign Affairs first for action.

Mr. CALDWELL. I should say that the first step was the introduction of the resolution and next its reference either to such committee as the House may think best. I think it should very properly go to the Committee on For-

Mrs. ROGERS of Massachusetts. Before it is acted upon? Mr. CALDWELL. I think the resolution should first be adopted.

Mr. EDMONDS. Will the gentleman yield?

Mr. CALDWELL. I yield. Mr. EDMONDS. Does the gentleman have in mind, in introducing this resolution, to utilize tin for the coinage of money in this country?

Mr. CALDWELL. I think that may be very far afield. [Laughter.]

I now desire to call attention to a letter I wrote the Secretary of the Navy May 4, 1934, and read it for the information of the House:

MAY 4, 1934.

Re: JJ46-3/49-10(340419) Hon, CLAUDE A. SWANSON,

Hon. CLAUDE A. SWANSON,

Secretary Department of the Navy, Washington, D.C.

My Dear Mr. Secretary: I want to thank you for your letter of
April 25, giving me information on the metal tin as regards the
needs of the Navy. I shall greatly appreciate it if you will also
give me the following:

1. As I understand it, tin is indispensable to the manufacture

1. As I understand it, tin is indispensable to the manufacture or construction of essential equipment and supplies for the Navy; and the United States being able to produce no tin is entirely dependent upon other countries for its supply; that a certain amount of tin of lower grade is reclaimed from scrap here, but that this production would practically cease within a short time after importations of new tin were shut off, and that after that we should be without this metal altogether; and that no satisfactory substitute for many of its most important uses is known. Kindly advise if I am correct in this.

2. I further understand that due to the fact that it is essential

2. I further understand that due to the fact that it is essential in making of bearing metals, bronzes, solders, babbitt, and other

applications; that this metal stands in no ordinary category of simply a useful material; but, on the contrary, the satisfactory construction of new engines, gun bearings, certain ammunition, and other absolutely essential equipment, as well as the repair and maintenance of these, without which the effectiveness of naval operations would be most gravely affected—would be practically impossible. Will you be kind enough to advise whether this

is correct?

3. If my understanding of the situation, as set forth above, is substantially correct, would the stoppage of our tin supply from abroad for any considerable length of time gravely affect not only supplies for the Navy, in the ordinary sense of the word, but also essential elements of the fighting units, and place us at such a disadvantage in opposing the military and naval operations of an enemy supplied with tin as to present a most serious situation?

Respectfully,

MILLARD CALDWELL.

MILLARD CALDWELL.

Mr. O'CONNOR. Mr. Speaker I yield 5 additional minutes to the gentleman from Florida [Mr. Caldwell].

Mr. CALDWELL. Under date of May 5, 1934, Rear Admiral J. K. Taussig, Acting Chief of Naval Operations, replied to my letter, as follows:

> NAVY DEPARTMENT, OFFICE OF CHIEF OF NAVAL OPERATIONS, Washington, May 5, 1934.

Hon. Millard Caldwell,

House of Representatives, Washington, D.C.

My Dear Mr. Caldwell: Your letter of May 4 to the Secretary
of the Navy has been referred to this office for reply.

Your understanding of the situation regarding tin, as outlined

in paragraphs 1, 2, and 3, is correct.

Sincerely.

J. K. TAUSSIG, Rear Admiral United States Navy, Acting Chief of Naval Operations.

I now want to read a letter I wrote the Secretary of War April 30, 1934, as follows:

APRIL 30, 1934.

Hon. GEORGE H. DERN,

Secretary Department of War,

Washington, D.C.

MY DEAR MR. SECRETARY: I want to thank you for your letter of April 23 in reply to mine of April 19 requesting information as to the tin situation.

It is my action.

the tin situation.

It is my understanding that the United States is wholly dependent upon foreign nations for all the tin it consumes, and I assume that the statement in your letter that "This country would have to depend upon foreign imports to supply the major portion of its requirements" refers to the fact that scrap tin is recovered here and that this furnishes a certain amount of the tin consumed as long as new tin can be imported, but that shortly after the stoppage of importations the recovery of scrap would necessarily shrink and ultimately stop altogether. In other words, that as soon as existing stocks of tin, and what could be recovered from scrap were exhausted, we should be without any supply whatever, and if we could get no imports, the Army would be faced with a very grave situation.

I shall greatly appreciate it if you will advise as to whether my

I shall greatly appreciate it if you will advise as to whether my understanding of the situation, as stated above, is correct.

Respectfully,

MILLARD CALDWELL

The Secretary replied as follows:

WAR DEPARTMENT, Washington, May 4, 1934.

Hon. Millard Caldwell, M.C.,

House of Representatives, Washington, D.C.

MY DEAR MR. Caldwell: Acknowledgment is made of the receipt of your letter of April 30, 1934, referring to my letter to you of April 19 on the subject of the metal "tin."

You state:
"It is my understanding that the United States is wholly dependent upon foreign nations for all the tin it consumes, and I assume that the statement in your letter that 'this country would have to depend upon foreign imports to supply the major portion have to depend upon foreign imports to supply the major portion of its requirements' refers to the fact that scrap tin is recovered here and that this furnishes a certain amount of the tin consumed as long as new tin can be imported, but that shortly after the stoppage of importations the recovery of scrap would necessarily shrink and ultimately stop altogether. In other words, that as soon as existing stocks of tin, and what could be recovered from scrap, were exhausted, we should be without any supply whatever, and if we could get no imports, the Army would be faced with a very gray situation.

wery grave situation.

"I shall greatly appreciate it if you will advise as to whether my understanding of the situation, as stated above, is correct."

Your understanding of the situation as stated above is correct.

If any further information is desired, I hope that you will write me further.

Sincerely yours,

GEO. H. DERN. Secretary of War.

In reply to a letter written by me the Secretary of State, on May 3, 1934, wrote me the following letter:

DEPARTMENT OF STATE, Washington, May 3, 1934.

The Honorable MILLARD CALDWELL,

House of Representatives.

My Dear Mr. Caldwell: I have received your letter of April 27

My Dear Mr. Caldwell: I have received your letter of April 27 enclosing a copy of your resolution respecting an investigation of tin. House Resolution 357.

As you know, this Department would favor any legitimate means which might be employed to protect the supply and the price of the very large amounts of tin required by the United States each year. I believe that the proposed investigation would serve a useful purpose, and I appreciate your initiative in this matter.

There is enclosed a short memorandum regarding the position of this country with respect to tin, which may be of some small

of this country with respect to tin, which may be of some small assistance to you.

Sincerely yours,

CORDELL HULL.

(Enclosure: Memorandum.)

Returning now for just a moment to a fact upon which I touched a while ago, I want to remind the House that about 80 percent of all of the tin of the world is controlled by Great Britain; that our country uses and purchases annually more than 50 percent of all the tin produced in the world; and that Great Britain and other tin-producing nations owe us money. Those countries have from time to time suggested that they would welcome an opportunity to pay their debts in kind, and it occurs to me we now have a wonderful opportunity to determine just how serious they may be in making these offers. If the overtures to pay in kind constituted mere bluff, we can now with safety call that bluff.

If we should become involved in war, the results would be disastrous if Great Britain were on the other side or were placed in the position of being a neutral. It behooves us to carefully scrutinize this situation and determine how we can avoid the consequences.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. CALDWELL. I yield. Mr. O'CONNOR. I do not know whether the gentleman stated it, but I understand that at no time do we have enough tin in this country to last for 3 months. Am I

Mr. CALDWELL. It is my information there is not at the present time enough tin in the United States to run our industries more than 30 days, and if importations of tin were cut off today our industries would within that period be at a standstill.

Mr. HOLMES. Mr. Speaker, will the gentleman yield?

Mr. CALDWELL. I vield.

Mr. HOLMES. If I understood the gentleman correctly, the gentleman said we consumed about 87,000 long tons of tin annually in the United States.

Mr. CALDWELL. The gentleman is correct.

Mr. HOLMES. Will the gentleman state again the present production of tin in the United States?

Mr. CALDWELL. Practically none.

Mr. HOLMES. Do we produce no tin whatsoever in this country?

Mr. CALDWELL. I understand we produced none in the last year or two. Our highest production was in 1928, when we produced about 40 tons.

Mr. DIRKSEN. Mr. Speaker, will the gentleman yield?

Mr. CALDWELL. I yield.

Mr. DIRKSEN. It seems rather strange to me that this question was not raised under the impetus of the World War when there really was the possibility of the danger of the imports of tin being shut off.

Mr. CALDWELL. May I say to the gentleman from Illinois that that question gave the naval and military authorities of this country many uneasy moments. We were permitted to wage our warfare in that instance because of our alliance with Great Britain.

Mr. DIRKSEN. If this is such an acute question, why did it not come up long before now?

[Here the gavel fell.]

Mr. SNELL. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, this is the investigating Congress. We have passed more resolutions providing for sperecollection. On matters that regular committees of the House should take care of, on matters that the departments should take care of and submit to Congress in the regular way, we passed resolutions creating special committees and appropriating money for these committees to work with. I think we must have passed at least a dozen such resolutions and must have allocated upward of \$100,000 more money for investigations than has been done at any time in the last 15 years.

Now, let me get into the merits of this situation and this resolution a little bit. This is a matter in the nature of an embargo, or of a development, or of something of that sort. It is not a matter that relates to foreign affairs in the remotest degree. Why, a bill was introduced in the House of Representatives on the 21st day of April by the gentleman from Pennsylvania [Mr. Faddis] prohibiting the exportation of second-hand tin, scrap, and that sort of thing. That bill was by the Speaker referred to the Committee on Military Affairs, and that committee has reported the bill. Now, either that reference was bad and that report was bad and contrary to the rules of the House, or the wrong committee is picked out in this resolution.

Mr. CALDWELL. Mr. Speaker, will the gentleman yield? Mr. TABER. I yield.

Mr. CALDWELL. The bill to which the gentleman has referred prohibits the importation of tin scrap, does it not?

Mr. TABER. No. It prohibits the exportation of tin. Mr. CALDWELL. It has absolutely no connection with foreign nations?

Mr. TABER. I think that is true. I do not think this resolution either has anything to do with foreign nations or any operations that may result in dealings with foreign nations in a way to give the Foreign Affairs Committee jurisdiction.

I want to develop what seem to me to be some of the important features with reference to this tin situation. My information is, and it comes from those who have been there and who have gone into the situation to a considerable extent, that there is tin in Alaska.

It has been found in alluvial deposits along the river. Would it not appear to much better advantage if somebody from the War Department would go up there with the idea of trying to find out where that tin could be developed in our own territory than to try to refer this to the Foreign Affairs Committee, which can have absolutely nothing to do with legislation which might be brought in here with reference to the proposition? If I might be permitted to read from a document I have before me-the Commerce Yearbook for 1930, volume 1-and on page 393 there is the

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. TABER. As I said, the following quotation is taken from the Commerce Yearbook for 1930, page 393:

During 1929 almost one-half of the world's output of virgin tin was consumed by American industries, but less than 1 percent of this amount was produced from domestic mines, located chiefly A small output was reported for California, South

in Alaska. A small output was reported for California, South Dakota, and North Carolina.

Imports of tin in 1929 reached a record total of 195,165,000 pounds, 12 percent more than in 1928, and 22 percent more than in 1927.

\* \* The domestic supply derived from imports of virgin metal is materially augmented by the secondary tin recovery from scrap and junk. The production of secondary tin in the United States was 31,964 long tons in 1928. Stocks of tin in 1929, December, were 2,820 long tons against 2,428 long tons in 1928. 1928

Mr. CALDWELL. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Florida.

Mr. CALDWELL. Does the gentleman know anything about the scrap-tin situation in the United States today?

Mr. TABER. Yes. I might describe the situation a little bit. I may not know it all, but I know a little bit.

There are, as I understand it, a couple of plants, maybe three, that buy up the scrap tin and reduce it in the salvage of tin that is used in the arts. At the present time, as I cial committees of investigation than any Congress in my understand, those people who have scrap tin to sell have had the market run up. Whether it is because the domestic people, who have been accustomed to taking this and refining it, are not paying enough, or the foreigners are ready to pay too much, I do not know, but there seems a very considerable spread between what the foreigners are ready to pay and what the domestic-tin salvagers are paying. The market varies from day to day. At one time it was \$10 on the part of the domestic fellows, and \$12.50 on the part of the foreigners. Just what it is at this minute, I cannot say.

Mr. CALDWELL. May I give the gentleman the information?

Mr. TABER. Yes.

Mr. CALDWELL. Twenty-three dollars.

Mr. TABER. What are the domestic people paying?

Mr. CALDWELL. Of course, the domestic people must meet the price.

Mr. TABER. Are they paying this price too?

Mr. CALDWELL. They are paying it or not getting the tin. As a result, they are not getting it; and practically all of the scrap tin in this country is going to foreign countries.

Mr. TABER. Does the gentleman mean that is because our people cannot afford to pay enough?

Mr. CALDWELL. Yes.

Mr. TABER. Is the logical conclusion to be drawn from that that we can buy virgin tin cheaper than we can salvage the scrap tin?

Mr. CALDWELL. Of course, the gentleman will understand that secondary tin may only be used in certain work.

Mr. TABER. I understand that. It cannot be used in everything, but it can be used for a great many things.

Mr. CALDWELL, I think it is the result of low labor costs abroad.

Mr. TABER. The gentleman thinks they can salvage it cheaper than we can?

Mr. CALDWELL. Yes.

Mr. TABER. That might be so.

Mr. EDMISTON. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from West Virginia.

Mr. EDMISTON. In the investigation by the Military Affairs Committee, it seems very apparent that Japan has set out to bid this tin up until they wreck the de-tinning industry.

Mr. TABER. That might be, but it seems to me the proposition is more a proposition of going ahead and developing the tin industry up in Alaska and getting it on its feet where we will have a plentiful supply of tin of our own and not be dependent upon foreigners, than it is a proposition of dickering and dealing with the foreign people. I cannot see any reason at all for the passage of this resolution and then coming in here within the next day or two with a bill authorizing \$7,500 to \$10,000 to investigate a foreign condition about which, according to the statement of the gentleman from Florida, we know everything already there is to be known. I hope the House will vote down this resolution.

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. Meleod].

Mr. McLEOD. Mr. Speaker, a most important question confronts the country today which has not yet received the attention it deserves from the people and those who are entrusted with the duty of shaping the course of public legislation.

This question involves adequate relief from the enormous burden of taxation which our citizens are now forced to bear and which will be increased without doubt because of the vast expenditures made to finance the recovery fight.

There is now pending before the Committee on Ways and Means a resolution (H.J.Res. 337) which I introduced some time ago to pave the way to correcting a most serious situation which exists throughout the country.

This resolution takes cognizance of the vast possibilities for tax reduction which lay in the field of the State, the county, city, town, and village. Insofar as the Federal Government may act, this measure is designed to initiate proceedings by requesting the President to invite the governors

of States to a conference for the purpose of formulating and adopting a unified program to reduce the excessive costs of State governments and their local subsidiaries.

I have taken steps to inform the President of the pressing need for such a program, and in the event it proves impossible before adjournment of Congress to secure the consideration of this resolution it is my sincere hope that he will take action to hold such a conference on his own responsibility as soon as possible.

One billion dollars a year, according to recent estimates, is spent annually by the taxpayers of the United States to maintain outworn political offices and functions whose period

of usefulness lapsed many years ago.

Seventy percent of the citizen's tax dollar is used to support our more than 3,000 counties, some 200,000 separate governing and taxing bodies, and 900,000 elective officials. Modernization and reorganization of the structure of our State and local governmental units, without curtailment of a single necessary service, or the unjust reduction of a single salary, could be accomplished by a unified Nation-wide program carried on among the 48 States, and would result in a saving to each of the 25,000,000 families in the United States of at least \$40 annually.

During the past few years, some progress toward this end has been reached by a few States. Surveys and studies of county and local government were conducted in the past year in the States of Arizona, Delaware, Michigan, New Hampshire, North Dakota, Texas, Illinois, Mississippi, and Minnesota. However, the surface has hardly been scratched, and the disastrous world-wide depression has brought us face to face with the necessity of weeding out every superfluous item from the costs of maintaining and operating our different branches of government.

The breakdown of our local sources of revenue has rendered revision of local governmental units and the abolishing of obsolete functions and useless offices an imperative necessity. Bonded obligations of States, counties, and cities total approximately \$16,000,000,000. At the present time, over 1,000 taxing districts have defaulted on the interest payments on their bonded indebtedness. In some municipalities, a tax delinquency of as much as 80 percent has been reported.

These facts are bound to make the taxpayer question the necessity for maintenance of duplicate and overlapping public offices and services in his community. It has been shown that in many cases there are inmates scattered in several dozen asylums throughout a State who could be more efficiently and economically taken care of in one central institution. One case was reported where the staff and employees of a local poorhouse outnumbered the inmates. Expensive road-repairing machinery has been owned by each of a number of counties in a State and used but a few days in the year, when one set of machinery for the combined counties could have been used to better advantage and greater economy.

In my own State of Michigan the taxpayers pay the salaries of nearly 45,000 State and local officials. The entire country of England, with a population over seven times as large, has but 2,000 officials to do the same work.

In addition to city and village administrations, the people in my State are attempting to maintain 8,230 local governments, having 43,923 elective officers, who are spending approximately \$100,000,000 a year.

Besides the many thousands of appointive officials, Michigan has 27,512 elected officers in 6,878 school districts, 1,269 townships with 15,228 elected heads, and 83 counties with 1,183 elected officers.

At the very least it has been estimated that Michigan taxpayers would be saved fully \$25,000,000 annually, without curtailment of a single necessary service, by the modernization and reorganization of our local governmental units, eliminating and abolishing all useless and unnecessary offices and overlapping functions.

The situation in Michigan is not exceptional, nor are conditions there any worse than in other States. Although the State of Georgia owes the public-school systems more

than \$2,500,000, the harassed taxpayers of that State are supporting 159 county governments which have long outgrown their period of usefulness. It is said that in New York City alone there are five useless county governments with a sizable army of public officials, whose functions could be equally, if not better, performed by the city or State.

Inasmuch as the maintenance of State governments and their local subsidiaries requires 70 cents of every dollar paid for taxes, we owe it to ourselves, as well as posterity, to stop the diversion of the money we pay for taxes from vitally essential civic activities, such as fire and police protection and maintenance of normal educational advantages for our children.

It is self-apparent that in our present day of rapid transportation and swift communication, with old methods revolutionized by the automobile and train, the airplane, radio, telephone, and telegraph, the local governmental systems designed to meet the needs of the day of the stage-coach must be modernized to conform with our present-day requirements for simplification and maximum possible efficiency. Modern inventions have conquered time and distance to the extent that, whereas in days past our neighbors consisted of those living in our immediate vicinity, they now comprise practically all those living in the same State.

Perhaps the most serious manifestation of the results of the attempts to maintain intact our intricate and complicated systems of local government is the alarming curtailment of educational advantages for our children. Progress and normal development of civilization depend upon education for their growth. Adequate education has become more than ever necessary in order to derive the fullest possible advantage of life's opportunities, and we owe it to the happiness and well-being of the next generation to see that our children are not deprived of their school privileges which we have come properly to consider as their right.

The collapse of our public-school systems has served to emphasize the need for elimination of unnecessary governmental activities which cause the diversion of dwindling revenue from essential functions. This deplorable condition has, in many cases, been aggravated by the nineteenth century system of supporting schools, in which from 80 to 90 percent of the revenue comes from the general property tax, locally levied and administered.

Schools are our most completely local form of public service, and as such depend for existence chiefly upon our most completely local source of income—taxes on farms, homes, and so forth. During the past several years tax delinquency has run as high as \$100,000,000 in a single State. Another important factor to be taken into consideration when considering the plight of our public-school systems is the difference in wealth in various States. A tax of \$10 on every \$1,000 worth of property for school support would produce \$58 per child in one State and as much as \$457 in another. It is readily to be seen that States stagger under unequal burdens in trying to maintain equality of educational opportunity.

While the depression has been in full swing for several years, its effects did not at first reach our public-school systems. The schools did not begin to feel the pinch of economy until long after industry, trade, and agriculture were stricken by the forces of the depression. As a result, school terms have been cut, many schools have failed to open, and teachers remain unpaid or help swell the ranks of the unemployed. Nearly 2,000 rural schools in 24 States failed to open last fall, and estimates indicate that 1,500 commercial schools and colleges have closed.

The very existence of the public schools in hundreds of communities is hanging in the balance. This fact is particularly lamentable when we consider that the entire cost of running schools, including teachers' salaries, buildings, and all other miscellaneous expenses, amounts to less than 3 percent of the entire national income.

Lack of necessary funds has caused 1 of every 4 cities in our country to shorten its school term. Many rural

schools are expected to remain open for less than 3 months during the present school year. There has never been a time when rural schools have maintained adequate terms. In 1930 rural schools for over a million and a half school children were open for 6 months or less. This is in sharp contrast with school terms in foreign countries. Statistics compiled by the Office of Education show that the average term in the United States for city schools has been 184 days and for rural schools, 162 days. The average term in France is 200 days; England, 210 days; Sweden, 210 days; Denmark and Germany each. 246 days.

Although more teachers are needed today than ever before, it is estimated that over 200,000 are unemployed, and it is anticipated that this number will be increased by about 8,000 this year. During the time that 25,000 teachers have been dropped, a million more pupils have come into the schools. The prospects are that over 100,000 more children will be denied all educational opportunities this year because of closing schools.

Dismissals are causing teachers to instruct increasingly large classes. Five States have reported an average of more than 40 pupils per teacher. If we decided to operate city schools today with the same number of pupils to a teacher that we had in 1930, it would be necessary to immediately hire more than 26,000 additional teachers.

Nearly 730,000 more children were enrolled in high schools in 1932 than in 1930. The abolition of child labor in industry by means of the N.R.A. has resulted in placing another hundred thousand children on the high-school doorstep. Children are, of course, naturally least able to bear the hardships of the depression. A census of families receiving unemployment relief, made by the Relief Administration, reveals that two-fifths of all persons receiving jobless funds are under the age of 16. Of this number, approximately two-thirds are of school age.

Although it takes years of training and specialized study to qualify as a teacher, 1 of every 4 American teachers now employed is receiving less than \$750 a year. Indications are that this ratio will be lowered to 1 to 3 during this year. At the same time, more than 84,000 rural school teachers will receive less than \$450 for their work this year, while, in approximately 18 States, teachers are being paid in warrants cashable at discounts ranging from 5 percent up.

Our Nation's schools have been facing the impossible task of giving adequate instruction to an army of pupils which has increased since 1930 by more than a million, on current expenses which have decreased about \$368,000,000. To teach 25,600,000 public-school pupils, the United States 3 years ago spent over \$10,000,000 per school day. This year the schools are teaching a larger number of children on \$8,500,000 per school day, a decrease of about 20 percent, or \$2,100,000 per day.

It has been conservatively estimated that due to the depression and other causes, there are about 2,280,000 children from 6 to 15 years of age not receiving the benefits of a public-school education. If the compulsory-education laws were to be strictly enforced and educational advantages provided for this great number of children, it would be necessary to add 76,000 teachers.

In some communities, free public schools have of necessity become tuition schools, admitting only those children whose parents are able to pay the rate asked. For example, in one town of 15,000 population, grade-school tuition was reported as \$3 per child per month; high-school tuition, \$5.50 per month. In this town at least 200 children whose parents could not pay the tuition charges were being denied an education.

Relief funds have been made available to schools in many localities, but can, of course, at best, offer but a temporary solution to the problem. The time has come to strike at the root of the trouble and eradicate its source. Two hundred and fifty-nine school districts in 29 States have had to default on their indebtedness. In order to pay teachers when no cash was available, school districts have issued interest-bearing warrants, of which a total of \$40,000,000 remains unpaid.

The deepening crisis in education threatens the very foundation of modern civilization. The simple rudiments taught a hundred years ago are wholly inadequate and insufficient to mentally equip the individual to cope with present-day problems of existence. In our efforts to bring about recovery, we must not overlook the all-important fact that education is the keystone to continued progress and the maintenance of an advanced stage of civilization.

The enormous diversion of revenue to maintain the multifarious unnecessary and outworn public offices and overlapping duties which is sapping the vitality of our educational system, depriving us of other needed public services and at the same time draining our tax sources, must be stopped. An aroused public opinion is all that is necessary to start the ball rolling. The voters are in closer touch with questions of government than ever before, and when the realization is brought home to the taxpayers that approximately \$1,000,000,000 of their money is being wasted yearly, we shall obtain the support necessary to completely reorganize our local governmental units and discard all but essential and worth-while public services.

Sporadic attempts which are now being made to alleviate the situation are most commendable but are not sufficient to cure the evil. We must, in order to derive the maximum possible economy and efficiency and the resultant tax relief attainable, insist upon a program that will embrace every State in the Union. Under the Constitution, action other than that provided in my resolution cannot be taken by the Federal Government. This is a matter which must be undertaken by the individual States themselves.

Eventually, all States will, of necessity, revise their local branches of government. Action now will result in a great saving to the Nation's taxpayers, promote efficiency of operation of our local governmental units, and protect our educational system and other essential civic functions.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 10 minutes to the gentleman from Connecticut [Mr. Goss].

Mr. GOSS. Mr. Speaker, to my mind this resolution now being considered by the House is not only a dangerous precedent to establish but it will interfere with proper investigation in reference to the whole of our national defense, for the reason that House Resolution 275 created a subcommittee of the Military Affairs Committee, of which I happen to be a member, to investigate, among other things, "other matters in which the problem of national defense in whole or in part is involved."

About 3 weeks ago I had the opportunity to talk with the Chief of Staff at the request of some members of the subcommittee in reference not only to the subject of tin, but other materials necessary to the problem of national defense, and especially such products as are not mined or manufactured in the United States. That study is being made by the War Department this summer with the purpose in view of bringing out bills next fall, after a thorough investigation, covering not only tin, but nickel or any other products which are essential to the national defense.

Now, what happened? The gentleman from Florida [Mr. Caldwell] is a member of the Foreign Affairs Committee. Let us have the truth as to why this bill comes out of the Foreign Affairs Committee. Here is what happened. We have three or four detinning plants in this country.

Mr. McREYNOLDS. Mr. Speaker, will the gentleman yield there?

Mr. GOSS. Yes.

Mr. McREYNOLDS. I understood the gentleman to say that he was going to tell the truth about why this came out of the Foreign Affairs Committee.

Mr. GOSS. I have not come to the truth.

Mr. McREYNOLDS. That is what the gentleman stated and I want to state that that is not true. I want to give the gentleman the facts. This has never been before the Foreign Affairs Committee and the Foreign Affairs Committee has had nothing to do with it. This came out of the Committee on Rules.

Mr. GOSS. The gentleman from Florida, the author of the resolution, is a member of the Foreign Affairs Commit-

tee, and probably that will be the committee to investigate this matter.

Here is the real truth. We have 3 or 4 detinning plants in the United States that detin cans and other products; and these detinning operations detin about 27 percent of the amount of tin imported into the United States, which comes from around Japan. We might as well recognize the facts. In time of war it would be very difficult, if not impossible, for this country to get its tin from places near Japan.

Now, what has happened? Japan—and the records of the Department of Commerce will bear me out in this statement—has bid up the price on scrap tin to around \$23 a ton. Why has she done this? There is only one reason and that is to destroy the 3 or 4 detinning plants in the United States. This is the only reason—why not be frank about it?

The Department of Commerce gave us all these figures, and they are known to our military attaches; and I think the Chief of Staff of the Army is thoroughly capable of looking into this matter; and the Chief of Staff of the Army has been requested to look into the matter not only of tin, but of nickel or any other product that is essential to our national defense, so that when our committee reports to the House, as you have ordered us to do, next fall, before the incoming Congress, all the necessary bills will be prepared for the consideration of the House.

Now, why have the Foreign Affairs Committee discuss this matter or why have them investigate it when you have already instructed the Military Affairs Committee, that knows about the matter, to do the job—and I may say the work is already under way by the Chief of Staff.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. GOSS. I yield.

Mr. MAY. As a matter of fact, the House Military Affairs Committee is the proper committee to which all matters of national defense should be referred.

Mr. GOSS. Of course.

Mr. MAY. And if this is a matter of procuring a metal necessary to national defense, it ought to be investigated by the Military Affairs Committee.

Mr. GOSS. The gentleman is correct, and the gentleman is an able member of that committee. And I may say here that only 2 days ago the gentleman from Pennsylvania [Mr. FADDIS], who introduced H.R. 9275 to correct this very situation—his bill was under consideration before the gentleman from Florida ever put a bill in the House-2 days ago the gentleman from Pennsylvania [Mr. FADDIS] came to me and said. "The Speaker will recognize me to suspend the rules, undoubtedly, today or tomorrow and pass that bill "; but here comes along this resolution giving the Foreign Affairs Committee the opportunity of looking into this matter when the Military Affairs Committee studied the question in April, had open hearings where the Government departments were represented, and they gave us the facts about this Japanese matter without holding back anything from the House. This is why we asked the Chief of Staff to look into the matter.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield? Mr. GOSS. I yield to the gentleman from Alabama.

Mr. BANKHEAD. I trust this matter is not going to develop into a dispute as to the jurisdiction of the two committees of the House. Why does the gentleman from Connecticut differ with the statement of the chairman of his own committee, who states that there is no conflict at all between the two committees in the matter?

Mr. GOSS. I do not differ from the gentleman, but the chairman of our main committee has not been a member of the subcommittee, and the committee has asked us to go down to the War Department and have this study made by the Chief of Staff.

Mr. BANKHEAD. I have not read the Faddis bill, but I have been acquainted with its general tenor, and, I understand, that bill only relates to provisions with reference to an embargo against our domestic supply of tin.

Mr. GOSS. Scrap tin, I may say to the gentleman.

Mr. BANKHEAD. Scrap, or whatever is involved. This | resolution is world-wide and international in its scope

Mr. GOSS. I grant that, but I still say that the Military Affairs Committee of the House, whose duty it is to study the question thoroughly as to our national defense, should be the committee to decide the question and the Chief of Staff is already working on it.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. GOSS. I yield.

Mr. O'CONNOR. The gentleman realizes that we are concerned with something in this country besides the matter of military defense, and tin is an indispensable metal that is used in our industries, over which the Military Affairs Committee has no jurisdiction.

Mr. GOSS. That is true; and I suppose the reason the Foreign Affairs Committee is going into this is to kind of "soft soap" a little bit about Japan near where most of this comes from. The Military Affairs Committee will handle this matter without any gloves, and if it is necessary we will ask you to put on an embargo, but we are certainly the ones that should do it.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. GOSS. I yield to my colleague.

Mr. MAY. I am certainly not interested in the question of what committee handles this matter, but if a matter of national defense is involved and we are investigating some particular material like tin, to which this resolution refers. it should be borne in mind that this country has a very limited supply of manganese ore which is necessary in the manufacture of steel.

Mr. GOSS. Yes; that is true. Mr. MAY. Why not let some committee be instructed to investigate all of these matters if they affect our national defense?

Mr. GOSS. I may say to the gentleman that subcommittee no. 3, of the Military Affairs Committee, is charged with that duty and has already started its work. As I have told the House, 3 weeks ago I went down to interview the Chief of Staff and he is looking into the matter and preparing legislation for the consideration of the committee this summer.

Mr. CALDWELL. Mr. Speaker, will the gentleman yield? Mr. GOSS. I yield.

Mr. CALDWELL. I did not get the truth that the gentleman was going to give the House the benefit of in connection with this resolution. Just what is Japan's connection with it?

Mr. GOSS. I will say that Japan has put the price of scrap tin so high that it is impossible for our detinning plants to pay that price. The testimony before our committee was to that effect, and I will ask the gentleman from Pennsylvania [Mr. Faddis], if that is not so?

Mr. FADDIS. That is correct.

Mr. GOSS. And the Government officials testified to that?

Mr. FADDIS. That is correct.
Mr. EATON. Will the gentleman yield?

Mr. GOSS. I yield.

Mr. EATON. I want to call the gentleman's attention to the fact that all the tin plants of this country are closed down, and have been for a year, because of the exportation of scrap.

Mr. GOSS. Twenty-three dollars a ton. I will say that Japan can keep the price up to \$23 or can make it \$25, and close down the plants. Twenty-seven percent of the total amount of imports will be lost to this Government in time of war. I will ask the gentleman from Pennsylvania if that is not true?

Mr. FADDIS. That is true.

Mr. GOSS. That is the reason we are fighting this matter. Mr. CALDWELL. Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee [Mr. McReynolds].

Mr. McREYNOLDS. Mr. Speaker, I am sorry to see Republican members of the Committee on Military Affairs undertake to confuse the proposition before the House. The Committee. The Foreign Affairs Committee had nothing to do with it, but from the statements made there is no question but that an investigation should be made.

When the resolution was introduced it went before the Rules Committee, and they redrafted the resolution and substituted the Foreign Affairs Committee. As Chairman of the Foreign Affairs Committee, I will state that that committee does not care to make the investigation. It will be a hard job, and we will have to stay right here. I also want to say that, while we are not seeking it, if you put it up to our committee we are ready to do the job and report to this House. [Applause.]

I yield back the balance of my time.

Mr. O'CONNOR. Mr. Speaker, I yield 3 minutes to the gentleman from Alabama [Mr. BANKHEAD].

Mr. BANKHEAD. Mr. Speaker, I rise to make a brief statement to give the House the assurance that what the gentleman from Tennessee [Mr. McReynolds], the Chairman of the Committee on Foreign Affairs, has just stated, are absolutely the facts. The gentleman from Florida [Mr. CALDWELL] introduced this resolution independently on his own initiative, and, as has been stated by the gentleman from Tennessee, when this matter came before the Committee on Rules there was absolutely no showing of any interest in this matter by the Committee on Foreign Affairs, and no purpose on the part of that committee to change the resolution. The original resolution, as has been stated, provided for a select committee of seven, to be appointed by the Speaker, but, following the practice which the Committee on Rules usually tries to follow in these matters of investigation, instead of setting up independent and outside select committees, we tried to place the duty of investigation upon some legislative committee that might thereafter have to deal with some phase of the subject under investigation, and I absolutely absolve the Committee on Foreign Affairs or any member of it from any purpose or any intention to try to secure for themselves the jurisdiction of this investigation.

Mr. McREYNOLDS. Did any member of the Committee on Foreign Affairs appear before the gentleman's committee. except the author of this bill?

Mr. BANKHEAD. No.

Mr. GOSS. I refer the gentleman to line 7 of the resolution:

(3) The possibility of manufacturing the munitions, motors, and other items essential to the national defense and economic welfare of the country without tin.

In view of that, why did not this go to a national-defense committee?

Mr. BANKHEAD. At that time we had no knowledge of the Faddis resolution; and while we were reporting out this resolution, involving any possible phases of the utility of tin we thought, and Mr. CALDWELL, the author, and the committee agreed that it ought to be made broad enough to accomplish some real purpose without duplication of investigation by a separate committee. I cannot understand why, if the gentleman is interested in the passage of the Faddis bill, which I and all members of the committee are willing to agree on, he does not let this resolution pass, which in no way conflicts with the provisions of the Faddis bill, and then let us pass the Faddis bill on its own merits as an independent proposition.

Mr. GOSS. The gentleman's own committee set up this Committee on Military Affairs to investigate all matters of national defense, and that is the reason.

Mr. BANKHEAD. And we know that the gentleman's subcommittee is making a good job of it, and great value will come to the Government from the investigation.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield the remainder of my time to the gentleman from Illinois [Mr.

Mr. DIRKSEN. Mr. Speaker, assuming that the pending resolution is agreed to, I am not sure that we have solved the basic problem pointed out in this resolution. Nations, not unlike individuals, too often operate best under congentleman stated that this came out of the Foreign Affairs | straint; and if we relent the constraint and the acute condition that has been pointed out here this afternoon, and if we have carried out all the purposes specified in the resolution, what we have done is but to gather a little additional data and managed to bargain perhaps for some tin, but we have not solved the problem of effecting a certain lack of dependence upon the countries where tin is now found

Let me point out briefly some of the experiences we had during the war. We had no salvarsan in this country during the World War. That is the specific used for the cure of that dread social malady. It was not until through the instrumentality of submarine warfare that our supply of salvarsan, which was brought from Germany, was cut off, that we sent our scientists into the laboratories to operate with test tubes and Bunsen burners and finally bring about a domestic supply of salvarsan.

We used to bring all of our sulphur from Sicily until we learned of this total dependence on other countries, and we found deposits in this country and began to refine them and improve on the process.

We used to bring all of our camphor from Japan. We did not have a speck of it until we sent our scientists into the laboratories to fabricate synthetic camphor to take the place of the real camphor.

This resolution does not go to the heart of the matter. Suppose we do accept tin in exchange for some portion of our war debt, we are still dependent on them, and in the event of hostilities, in the event of some kind of campaign whereby it cannot be sent to this country, we are no better off, irrespective of all the information that we may accumulate under this resolution. Indeed we are worse off, insofar as we have relented the impetus to find a substitute, and we will drift inertly along until we send our scientists into the laboratories and find a substitute for tin, which can be done, in the light of our scientific experiences with all other substances.

Mr. O'CONNOR. If the gentleman will read subdivision 3, he will see that we have provided for that.

Mr. DIRKSEN. That can be done without this resolution. We have a great institution out there on Connecticut Avenue, the Bureau of Standards, that is a vast laboratory subsidized for that very purpose.

Mr. CALDWELL. Is the gentleman aware of the fact that for the last 100 years the best engineers and scientists of this country and the world have made every effort to find some substitute for tin but up to this time they have miserably failed?

Mr. DIRKSEN. Did we not say the same thing about rayon when we were constantly importing, and now we have the greatest rayon mills in the world? Did we not say the same thing about pulp paper, and we were importing great quantities, millions of tons every year in fact, and were dependent upon Canada and Great Britain? Let me say in that connection they had to get some philanthropist like Dr. Garvan, of the American Chemical Foundation, to go down into Georgia and send the long-leaf pine to the mills in Canada to fabricate it and process it and show that it could be converted into the finest grade of pulp paper? That was all done through individual enterprise, and still we continue to be dependent on these other nations. If there had not been some kind of constraint, even that amount of pioneering never would have been done. When we relent now, we will drift supinely along and will always be dependent on those who have a native supply of tin. We will never find a substitute. It is only when you put the lash on this country and on the backs of individuals in the realm of science that you get what you want and need.

Mr. CALDWELL. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. CALDWELL. Will the gentleman permit me to say that tin is much in the same category as gold? It comes out of the ground. It cannot be made. Efforts have been made to create substitutes, but without avail. There is a vast difference, a very marked distinction, between a basic metal and substitutes for things like paper.

Mr. DIRKSEN. There is no substitute for a camphor tree, such as they have in the Orient, yet we managed to fabricate synthetic camphor and are no longer dependent on Japan, and that argument does not hold water.

Mr. BANKHEAD. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. BANKHEAD. Would the gentleman have us embark on the enterprise of manufacturing synthetic tin?

Mr. DIRKSEN. No. I am seeking to bring about some kind of experience whereby they will find a substitute for it. Mr. BANKHEAD. Have they found any substitute for

gold or radium or silver?

Mr. DIRKSEN. Perhaps not, but that does not alter the fact that in industrial uses you will find it just as we have found it with chromium and steel and vanadium and these other things that have all supplanted the present metals, which we thought were not replaceable.

I yield back the balance of my time.

Mr. O'CONNOR. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken; and on a division (demanded by Mr. Taber) there were—ayes 61, noes 41.

Mr. TABER. Mr. Speaker, I object to the vote on the ground that there is no quorum present, and I make the point of order that there is no quorum present.

The SPEAKER. Evidently there is no quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 227, nays 96, not voting 106, as follows:

[Roll No. 192] YEAS-227

Abernethy Driver Adair Adams Duffey Duncan, Mo. Arnold Dunn Ayers, Mont. Durgan, Ind. Bankhead Eagle Eaton Berlin Edmiston Biermann Ellenbogen Ellzey, Miss. Faddis Black Bland Bloom Farley Boylan Brown, Ga. Fiesinger Brown, Ky. Brunner Flannagan Fletcher Buck Foulkes Frey Fuller Burke, Nebr. Fulmer Gasque Busby Byrns Caldwell Cannon, Mo. Gavagan Gillespie Carden, Ky. Carmichael Carpenter, Kans. Gillette Carpenter, Nebr. Cartwright Granfield Gray Castellow Green Celler Greenway Chapman Greenwood Gregory Griswold Chavez Cochran, Mo. Colden Cole Colmer Hart Hastings Henney Condon Hildebrandt Connery Cooper, Tenn. Cox Cravens Hoeppel Hoidale Crosby Cross, Tex. Howard Hughes Crosser, Ohio Imhoff Crowe Cullen Deen Delaney DeRouen Dickinson Jones Dickstein Kee Keller Kennedy, Md. Dobbins Kenney Doughton Doxey Kerr Kloeb

Kniffin

Drewry

Kocialkowski Kopplemann Kramer Lamneck Lanham Lanzetta Larrabee Lea, Calif. Lehr Lenr Lesinski Lewis, Colo. Lewis, Md. Lloyd Lundeen McCarthy McCormack McDuffie McFarlane McGrath McReynolds McSwain Maloney, Conn. Maloney, La. Mansfield Glover Goldsborough Martin, Colo. Martin, Oreg. May Meeks Miller Milligan Mitchell Monaghan, Mont Montague Montet Moran Musselwhite Hill, Ala. Hill, Samuel B. O'Brien O'Connell O'Connor O'Malley Oliver, Ala Oliver, N.Y. Owen Palmisano Jacobsen Jenckes, Ind. Johnson, Okla. Johnson, Tex. Johnson, W. Va. Parsons Patman Peterson

Peyser Pierce Polk

Ramsay

Ramspeck Rankin

Rayburn

Richards Robertson Robinson Rogers, N.H. Romjue Rudd Ruffin Sabath Sadowski Sanders, La. Sanders, Tex. Sandlin Schuetz Schulte Sears Secrest Shallenberger Shannon Sisson Smith, Va. Smith, W.Va. Somers, N.Y. Spence Steagall Strong, Tex. Stubbs Sutphin Tarver
Taylor, Colo.
Taylor, S.C.
Terry, Ark. Thom Turner Umstead Underwood Utterback Vinson, Ga. Vinson, Ky. Wallgren Walter Warren Wearin Weaver Weideman Werner West, Tex. Whittington Wilcox Willford Williams Wilson Wood, Ga. Woodrum Young Zioncheck

### NAYS-96

Allen Dondero Kelly, Pa. Ransley Andrew, Mass. Dowell Edmonds Eltse, Calif. Englebright Kinzer Reilly Andrews, N.Y. Knutson Rogers, Mass. Sinclair Arens Bacharach Bakewell Kvale Lambertson Lehlbach Snell Beck Beedy. Blanchard Strong, Pa. Focht Lemke Luce Sweeney Taber Foss Gilchrist Taylor, Tenn. Terrell, Tex. Goodwin Goss Blanton Ludlow McFadden McGugin Britten Guver Thomas Hancock, N.Y. Hancock, N.C. Mapes Martin, Mass. Tinkham Burnham Turpin Wadsworth Waldron Merritt Millard Cady Carter, Calif. Harlan Hartley Carter, Wyo. Christianson Hess Morehead Mott Moynihan, Ill. Welch Whitley Hollister Clarke, N.Y. Cochran, Pa. Holmes Wigglesworth Withrow Murdock Perkins James Connolly Pettengill Plumley Jenkins, Ohio Johnson, Minn. Culkin Wolcott Wolfenden Darrow Dirksen Kahn Powers Wolverton

### NOT VOTING-106

Corning Huddleston Scrugham Allgood Auf der Heide Ayres, Kans. Crowther Crump Jeffers Kelly, Ill. Seger Shoemaker Simpson Sirovich Smith, Wash, Bacon Cummings Kennedy, N.Y. Kleberg Lee, Mo. Bailey Darden Beam Boehne Dear De Priest Dingell Ditter Dockweiler Snyder Stalker Lindsay Boland Lozier Bolton Brennan McClintic Stokes Studley McKeown Brooks Douglass McLean Sullivan McLeod McMillan Brown, Mich. Doutrich Sumners, Tex. Browning Buckbee Bulwinkle Swank Fernandez Fish Fitzgibbons Marland Swick Thomason Marshall Burke, Calif. Cannon, Wis. Carley, N.Y. Thompson, Ill. Thompson, Tex. Thurston Fitzpatrick Mead Muldowney Ford Frear Gambrill Norton Parks Cary Cavicchia Traeger Treadway Peavey Prall Randolph Reed, N.Y. Reid, III. Gifford Truax West, Ohio White Wood, Mo. Church Haines Hamilton Harter Healey Claiborne Clark, N.C. Collins, Calif. Collins, Miss. Cooper, Ohio Rich Woodruff Higgins Hill. Knute Rogers, Okla.

So the resolution was agreed to. The Clerk announced the following pairs: On the vote:

Mr. Randolph (for) with Mr. Truax (against).
Mr. West of Ohio (for) with Mr. Doutrich (against).
Mr. Fitzpatrick (for) with Mr. Treadway (against).
Mr. Kennedy of New York (for) with Mr. Gifford (against).

# Until further notice:

Mr. Corning with Mr. Bacon.

Until further notice:

Mr. Corning with Mr. Bacon.
Mr. Beam with Mr. Woodruff.
Mr. Mead with Mr. Cowther.
Mr. McMillan with Mr. McLeod.
Mr. Kelly of Illinois with Mr. Reed of New York.
Mr. Douglass with Mr. Bolton.
Mr. Knute Hill with Mr. Swick.
Mr. Lozier with Mr. Simpson.
Mr. Thompson of Texas with Mr. McLean.
Mr. Boehne with Mr. Chase.
Mr. Thomason with Mr. Ditter.
Mr. Gambrill with Mr. Traeger.
Mr. Gambrill with Mr. Traeger.
Mr. Jingell with Mr. Seger.
Mr. Ayres of Kansas with Mr. Cavicchia.
Mr. Snyder with Mr. Stalker.
Mr. Thompson of Illinois with Mr. Buckbee.
Mr. Crump with Mr. Thurston.
Mr. Darden with Mr. Stokes.
Mr. Dear with Mr. Rich.
Mr. Boland with Mr. Frear.
Mr. Richardson with Mr. Muldowney.
Mr. Brooks with Mr. Higgins.
Mr. Fitzgibbons with Mr. Peavey.
Mr. Sullivan with Mr. Beild of Illinois.
Mr. Swank with Mr. Church.
Mr. McClintic with Mr. Ford.
Mr. McClintic with Mr. Studley.
Mr. Bulwinkle with Mr. Rogers of Oklahoma.
Mrs. Norton with Mr. Lee of Missouri.
Mr. Parks with Mr. Scrugham.
Mr. Clark of North Carolina with Mr. Healey.
Mr. Sirovich with Mr. Cannon of Wisconsin.
Mr. White with Mr. Hamilton.

Mr. Lindsay with Mr. Marland.
Mr. Wood of Missouri with Mr. Haines,
Mr. Griffin with Mr. Brennan.
Mr. Fernandez with Mr. Carley.
Mr. Carey with Mr. Harter.
Mr. Kleberg with Mr. Brown of Michigan.
Mr. Browning with Mr. Claiborne.
Mr. Burke of California with Mr. Cummings.
Mr. Jeffers with Mr. Auf der Heide.
Mr. Collins of Mississippi with Mr. Allgood.

The result of the vote was announced as above recorded. A motion to reconsider the vote by which the resolution was agreed to was laid on the table.

The doors were opened.

ATTENDANCE OF MARINE BAND AT NATIONAL ENCAMPMENT GRAND ARMY OF THE REPUBLIC (S.DOC. NO. 223)

Mr. VINSON of Georgia submitted a conference report (Rept. No. 2024), to accompany H.R. 9145, to authorize the attendance of the Marine Band at the national encampment of the Grand Army of the Republic to be held at Rochester, N.Y., August 14, 15, and 16, 1934, and at the national convention of the Disabled American Veterans of the World War, to be held at Colorado Springs, Colo., during the first week in July, and at the annual convention of the Thirtieth Division of the American Expeditionary Forces, to be held at Asheville, N.C., on September 28, 29, and 30, 1934, for printing in the RECORD.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H.R. 9145) to authorize the attendance of the Marine Band at the national encampment of the Grand Army of the Republic in Rochester.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

### CONFERENCE REPORT

The committee of conference on the dizagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9145) to authorize the attendance of the Marine Band at the national encampment of the Grand Army of the Republic to be held at Rochester, N.Y., August 14, 15, and 16, 1934, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate numbered 3 and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by said amendment insert the following: "and the National Convention of the Disabled American Veterans of the World War to be held at Colorado Springs, Colo., during the first week in July 1934"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by said amendment insert the following: "encampment and convention"; and the Senate agree to the same.

Amendment of title: That the House recede from its disagreement to the amendment of the Senate to the title of said bill and agree to the same with an amendment, as follows: In lieu of the amendment to the title of the bill proposed by the Senate insert the following: "An act to authorize the attendance of the Marine Band at the National Encampment of the Grand Army of the Republic to be held at Rochester, N.Y., August 14, 15, and 16, 1934, and at the National Convention of the Disabled American Veterans of the World War, to be held at Colorado Springs, Colo., during the first week in July 1934"; and the Senate agree to the same.

CARL VINSON,
P. H. DREWRY,
FRED A. BRITTEN,
Managers on the part of the House.
DAVID I. WALSH,
EDWARD P. COSTIGAN,
JESSE H. METCALF,

Managers on the part of the Senate.

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9145) to authorize the attendance of the Marine Band at the National Encampment of the Grand Army of the Republic to be held at Rochester, N.Y., August 14, 15, and 16, 1934, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On no. 1: Limits the conventions and encampments at which the Marine Band may attend to those of the Disabled American Veterans of the World War and the Grand Army of the Republic, instead of including also the convention of the Thirtieth Division of the American Expeditionary Forces, as proposed by the Senate, and confining attendance to the encampment of the Grand Army of the Republic only, as was proposed by the House.

On no. 2: Provides for attendance of the Marine Band at one encampment and one convention in order to conform with the provisions agreed to in amendment no. 1.

On no. 3. Authorizes an appropriation of \$11,000 for expenses, instead of \$3,700, as proposed by the House.

The title of the bill is amended to conform with the purpose of the measure as agreed to by the conferees.

CARL VINSON,
P. H. DREWRY,
FRED A. BRITTEN,
Managers on the part of the House.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider the vote by which the conference report was agreed to was laid on the table.

### COMMITTEE TO INVESTIGATE BANKRUPTCY COURTS

Mr. DUFFEY. Mr. Speaker, I ask unanimous consent for the present consideration of House Resolution 440.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. Duffeyl?

There was no objection.

The Clerk read as follows:

Resolved, That the Judiciary Committee of the House of Representatives, authorized to inquire into and investigate the matter of appointments, conduct, proceedings, and acts of receivers, trustees, referees in bankruptcy, and receivers in equity causes for the conservation of assets within the jurisdiction of the United States District Courts pursuant to House Resolution 145 and House Resolution 228, shall report to the House of Representatives not later than January 3, 1935, in lieu of June 30, 1934, the date specified in House Resolution 228.

The resolution was agreed to.

A motion to reconsider was laid on the table.

### FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate insists upon its amendment to the bill (H.R. 8910) to establish a National Archives of the United States Government, and for other purposes, disagreed to by the House, agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Barkley, Mr. Mc-Kellar, and Mr. Fess to be the conferees on the part of the Senate.

The message also announced that the Senate had ordered that the Secretary be directed to return to the House, in compliance with its request, the resolution of the House agreeing to the amendments of the Senate to the bill (H.R. 6462) to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 3231) to provide a retirement system for railroad employees, to provide unemployment relief, and for other purposes, agrees to a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Wheeler, Mr. Wagner, Mr. Brown, Mr. Hatfield, and Mr. Hastings to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 3645) to conserve and develop Indian lands and resources; to establish a credit system for Indians; to provide for higher education for Indians; to extend toward Indians the right to form business and other organizations, and for other purposes, agrees to a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Wheeler, Mr. Thomas of Oklahoma, and Mr. Frazier to be the conferees on the part of the Senate.

### FEDERAL BANKRUPTCY ACT

Mr. CELLER. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3779) to amend section 4 of "An act to amend an act entitled 'An act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, and acts amendatory thereof and supplementary thereto", approved June 7, 1934.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. SNELL. Reserving the right to object, this bill, I think, goes pretty far in legislation, and I would like to have an explanation of it.

Mr. CELLER. When we passed the corporate reorganization bill it went off on two angles. One provided for reorganization—

Mr. HANCOCK of New York. Will the gentleman yield? Mr. CELLER. I yield.

Mr. HANCOCK of New York. Is this the amendment which the Federal judges in the southern district of New York requested?

Mr. CELLER. Not only the Federal judges of the southern district, but the judges all over the country. It provides for the landlords filing their claims against bankrupt estates provided the case is pending in court now and that the 6 months within which the claims must be filed has not elassed.

Through inadvertence it was left out of the corporate reorganization bill. This perfects that bill and is quite essential if we are to avoid a great deal of expense and inconvenience in opening up the old estates.

Mr. OLIVER of New York. Mr. Speaker, if my colleague will yield, the Senate passed this bill yesterday.

Mr. CELLER. The Senate passed this bill yesterday, Mr. Speaker, and it was unanimously voted out by the Committee on the Judiciary.

Mr. O'CONNOR. Is this the bill about which we received so many telegrams?

Mr. CELLER. Yes; this is the one.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 4 (a) (7) of the act entitled "An act to amend an act entitled 'An act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, and acts amendatory thereof and supplemental thereto", approved June 7, 1934, is hereby amended by adding

at the end of said clause (7) after the words "Provided further, That the provisions of this clause (7) shall apply to estates pending at the time of the enactment of this amendatory act", the words "in which the time for filing such claims has not expired."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### NEEDY BLIND IN THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8517) to provide for needy blind persons of the District of Columbia, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the Senate amendments, as follows:

Page 4, line 3, after "needed", insert "Provided, That the provisions of this act shall not apply to both husband and wife: And provided further, That in the case of a dependent child living with its parents or parent, such compensation shall not exceed \$30 per month."

Page 8, line 12, after "act", insert "Provided further, That this

act shall expire on June 30, 1937."

The Senate amendments were agreed to.

A motion to reconsider was laid on the table. UNITED STATES NAVAL STATION, GUANTANAMO BAY, CUBA

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table for immediate consideration the bill (S. 504) to authorize the Secretary of the Navy to make a long-term contract for the supply of water to the United States naval station at Guantanamo Bay, Cuba.

The clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the bill as follows:

The Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized and empowered, at his discretion, to negotiate and enter into a long-term contract without regard to fiscal year, with the lowest responsible and capable bidder, to be determined by the Secretary of the Navy, for supplying the United States naval station at Guantanamo Bay, Cuba, with an adequate and satisfactory supply of water, suitable for all purposes, delivered into the water-storage reservoirs within said naval station, in such an amount as he shall deem adequate for the present and future needs of the station, and at such annual cost or rental as in his judgment may be for the best interests of the Government. Any contract entered into pursuant to the provisions of this act shall contain a provision authorizing the Secretary of the Navy within a reasonable period of time prior to the expiration of such contract to extend the contract for such additional period and on such terms as in his judgment may be for the best interests of the Government but in no event at a higher cost to the Government than under the existing contract, higher cost to the Government than under the existing contract, and said Secretary is hereby authorized to enter into such

extension.

SEC. 2. This act shall become effective immediately upon its passage and approval.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

EDUCATIONAL OPPORTUNITIES FOR THE CHILDREN OF SOLDIERS. SAILORS, AND MARINES

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 9143) to provide educational opportunities for the children of soldiers, sailors, and marines who were killed in action or died during the World War, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

tions made in accordance with this act shall be expended, under rules and regulations prescribed by the Board of Education of the District of Columbia, only for such children as the said Board, from time to time, may find to be in need of such aid and in such amounts as the said Board from time to time may determine in the case of each child."

The Senate amendments were agreed to. A motion to reconsider was laid on the table.

DISTRICT ALCOHOLIC BEVERAGE CONTROL ACT

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 9622), to amend subsection (a) of section 23 of the District Alcoholic Beverage Control Act, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the Senate amendment, as follows:

The Clerk read the Senate amendment, as follows:

Page 2, after line 5, insert: "(1) A tax of 35 cents on every winegallon of wine containing more than 14 percent of alcohol by
volume, except champagne, or any wine artificially carbonated and
a proportionate tax at a like rate on all fractional parts of such
gallon; (2) a tax of 50 cents on every wine-gallon of champagne
or any wine artificially carbonated, and a proportionate tax at a
like rate on all fractional parts of such gallon; (3) a tax of 50
cents on every wine-gallon of spirits, and a proportionate tax at
a like rate on all fractional parts of such gallon; (4) and a tax
of \$1.10 on every wine-gallon of alcohol, and a proportionate
tax at a like rate on all fractional parts of such gallon."

The Senate amendment was agreed to, and a motion to reconsider was laid on the table.

#### PROTECTION OF SEA LIONS IN ALASKA

Mr. BLAND. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8639) to repeal certain laws providing for the protection of sea lions in Alaskan waters, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the Senate amendments, as follows:

Strike out lines 6 and 7 and insert: "That sea lions shall not be killed in the waters of Alaska except under such rules and regulations as the Secretary of Commerce may prescribe, in order to prevent the extinction of sea lions as a species of interesting sea life in the waters of Alaska."

The Senate amendment was agreed to, and a motion to reconsider was laid on the table.

# THE COTTON INDUSTRY

Mr. BUCK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table for immediate consideration Senate Joint Resolution 138, to amend an act entitled "An act to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes", approved April 21, 1934.

Pending the putting of the request I desire to state to the minority leader and to the Members of the House that this Senate joint resolution is the same as House Joint Resolution No. 369, for the consideration of which I asked unanimous consent the other day, and to which request the gentleman from Georgia objected. The gentleman from Georgia has withdrawn his objection and I know of no reason why the resolution cannot now be considered.

The Clerk read the title of the Senate joint resolution. The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

There was no objection.

The Clerk read the Senate amendments, as follows:

Page 2, line 4, after "child", insert "in any 1 year."

Page 2, line 5, strike out all after "further", down to and including "Education", in line 9, and insert: "That appropriation and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes" (Public, No. 169, 73d Cong.), approved April 21, 1934,

is hereby amended by adding at the end thereof the following

new section:
"SEC. 25. (a) No tax-exemption certificates shall be issued to

"Sec. 25. (a) No tax-exemption certificates shall be issued to any person not engaged in production of cotton in the crop year during which such certificates are issued.

"(b) Whenever after apportionment under sections 7 and 8 any surplus number of bales remain of the amount allotted to any county under section 5 (b) such surplus bales shall be allotted, in such quantities as the Secretary of Agriculture determines, to such other counties within the State as the Secretary of Agriculture determines have an insufficient allotment. Said bales shall be apportioned nursuant to sections 7 and 8 within the respective be apportioned, pursuant to sections 7 and 8, within the respective counties to which allotted, but in no case shall any farm receive any of such allotment so as to receive a total allotment in excess its estimated production for the crop year in which such allotment is made

"(c) In computing the production of any State pursuant to section 5 (a) the total production of cotton for such State in the 5-year period, 1928-32, inclusive, shall be used regardless of the length of staple of such production."

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### REHABILITATION OF ORCHARDS

Mr. SUTPHIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table for immediate consideration, Senate Joint Resolution 106, authorizing loans to fruit growers for rehabilitation of orchards during the year 1934.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

Resolved, etc., That the Governor of the Farm Credit Administration is authorized to make loans to fruit growers for necessary expenses to renabilitate their orchards during the calendar year 1934, in the same manner and under the same terms and condi-1934, in the same manner and under the same terms and conditions (including penalties) as in the case of loans under the act entitled "An act to provide for loans to farmers for crop production and harvesting during the year 1934, and for other purposes", approved February 23, 1934; except that (1) a first lien on all crops grown or harvested during the years 1934 to 1938, both inclusive, shall be required as security for any such loans to a fruit grower, and (2) no such loan shall be made for a period of more than 5 years or in an amount in excess of \$5,000 to any one borrower. To carry out the provisions of this resolution there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$10,000,000, or so much thereof as may be necessary.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INTERNATIONAL TECHNICAL COMMITTEE OF AERIAL LEGAL EXPERTS

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table for immediate consideration Senate Joint Resolution 83, amending public resolution numbered 118, Seventy-first Congress, approved February 14, 1931, providing for an annual appropriation to meet the quota of the United States toward the expenses of the International Technical Committee of Aerial Legal Experts. The Clerk read the title of the Senate joint resolution.

Mr. BLANTON. Mr. Speaker, reserving the right to object, if this bill is passed, it will cost the Government of the United States an initial expense of \$3,000, and then it will cost a recurring expense of at least \$250 a year.

Mr. McREYNOLDS. Yes. We will have to have an appropriation.

Mr. BLANTON. May I ask the gentleman if he thinks that this is absolutely necessary?

Mr. McREYNOLDS. I think so, from the report that I get and from the insistence made on behalf of the administration.

Mr. BLANTON. Is it not possible that we could do without that for a while?

Mr. McREYNOLDS. We have not very successfully done so thus far. This happened last year. They had a conference last year and a gentleman went over there at his own expense. He has been appointed by the President to return as a representative of the Government, and there are three other men provided for, who are employed by the Government.

Mr. BLANTON. I have objected to so many bills that the gentleman from Tennessee has offered that I am afraid if I object to this one he might think there was something personal, and, therefore, I will not object. It is likely that this is a meritorious measure.

Mr. ELTSE of California. Mr. Speaker, reserving the right to object, this is an attempt to codify the aerial laws of the various nations?

Mr. McREYNOLDS. Yes.

Mr. ELTSE of California. What purpose will be served by having all of the laws of the nations codified?

Mr. McREYNOLDS. Whether they are codified or not, we are interested in the laws of other countries in reference to the air. Our planes fly to Mexico and to South America. In this conference we will have a chance to agree on the character of the statutes to be enacted with reference to the control of planes while in these various foreign countries. We are at present put to some disadvantage on the question of insurance, the question of liability, and in reference to other matters.

Mr. ELTSE of California. Does the gentleman think there is any possible chance of these nations getting together on a codification of laws?

Mr. McREYNOLDS. Yes; not so much on a codification, but on an agreement as to the laws that will apply to the

Mr. ELTSE of California. Is there any more reason why the laws should be codified so far as the aerial traffic is concerned than with reference to the automobile traffic or railroad traffic?

Mr. McREYNOLDS. Yes. We do not have railroads running into foreign countries. If a plane flies from here to Argentina, there may be conditions existing under the laws of Argentina that would work a hardship on us. What we want to be able to do is to take part with the countries of the world in determining what character of legislation should be passed in reference to the air, and I think it is highly important.

Mr. ELTSE of California. There is \$3,000 authorized under this bill for the first year?

Mr. McREYNOLDS. Yes.

Mr. ELTSE of California. And the work cannot be completed in 1 year?

Mr. McREYNOLDS. The word "annually" may be stricken out if the gentleman wishes.

Mr. ELTSE of California. Mr. Speaker, I object.

## NINTH PAN AMERICAN SANITARY CONFERENCE

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate Joint Resolution 59, to provide for the expenses of delegates of the United States to the Ninth Pan American Sanitary Conference, and ask for its immediate consideration.

The Clerk read the joint resolution, as follows:

# Senate Joint Resolution 59

Resolved, etc., That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$3,000, or so much thereof as may be necessary, for the expenses of three delegates of the United States, to be appointed by the President, to the Ninth Pan American Sanitary Conference to be held in 1933 or 1934, at Buenos Aires, Argentina, or at such time and place as may be determined hereafter. The expenses herein provided for shall include the compensation of expenses nerein provided for shall include the compensation of employees, travel, subsistence, or per diem in lieu of subsistence (notwithstanding the provisions of any other act), and such miscellaneous and other expenses as the President shall deem proper to be expended under the direction of the Secretary of State.

With the following committee amendment:

On page 1, line 3, after the word "hereby" insert the words "authorized to be".

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. SNELL. Mr. Speaker, reserving the right to object, I notice this provides for a conference to be held in 1933 or 1934. It cannot be very definite as to when the conference is to be called.

Mr. McREYNOLDS. It is to be called in 1934.

Mr. SNELL. The resolution states "1933 or 1934." How

important is this matter?

Mr. McREYNOLDS. I think this is one of the most important conferences that we are to have. It is the purpose of Dr. Cummings and another man to meet with the doctors of the Pan American countries on the question of South American diseases which spread throughout our country and from a sanitary and health standpoint it is most important because we get those tropical diseases from those countries.

Mr. SNELL. When is the conference to be called?

Mr. McREYNOLDS. Sometime this year.

Mr. ELTSE of California. Mr. Speaker, reserving the right to object, this bill has been on the Consent Calendar?

Mr. McREYNOLDS. Yes.

Mr. ELTSE of California. There were three objections offered at the time it came up for consideration on the Consent Calendar?

Mr. McREYNOLDS. Yes. The objectors are present. Mr. ELTSE of California. I happen to be one of them.

Mr. McREYNOLDS. The gentleman from Michigan is here and he told me that he regretted he made the objection the first time. I am speaking in the presence of the gentleman, and he stated that he regretted voting against the bill the last time.

Mr. WOLCOTT. Mr. Speaker, I confirm what the gentleman has just stated. After discussing the bill with the gentleman I had my mind changed by the worthy chairman of the committee. I think this is a desirable bill.

Mr. ELTSE of California. Mr. Speaker, I withdraw my

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

The committee amendment was agreed to.

The joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONTROL OF ALCOHOLIC BEVERAGES IN THE CANAL ZONE

Mr. LEA of California. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3696) authorizing the President to make rules and regulations in respect to alcoholic beverages in the Canal Zone, and for other purposes, and ask for its immediate consideration.

The Clerk read the bill, as follows:

Be it enacted, etc., That the President is hereby authorized to make rules and regulations in respect to the sale and manufacture of alcoholic beverages within, and the importation thereof into and exportation thereof from, the Canal Zone, including the authority to prescribe licenses and fees for the sale and manufacture of such beverages.

SEC. 2. Any person violating any provision of such rules and regulations shall be punished by a fine of not more than \$500 or imprisoned in jail for not more than 6 months, or by both, and in addition the license of such person may be revoked or suspended as the President may by such rules and regulations prescribe.

prescribe.

SEC. 3. All laws, rules, regulations, and orders in force prior to the date this act takes effect, insofar as they apply to the sale, manufacture, possession, transportation, importation, and exportation of alcoholic beverages in the Canal Zone, are repealed.

SEC. 4. This act shall take effect on the thirtieth day after the

date of its enactment.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider and a similar House bill, H.R. 8173, were laid on the table.

Mr. LEA of California. Mr. Speaker, in connection with the bill just passed I ask unanimous consent for the present consideration of a House concurrent resolution (H.Con.Res. 46) permitting this bill to be published in the Canal Zone Code.

The Clerk read the House concurrent resolution, as follows:

House Concurrent Resolution 46

Resolved by the House of Representatives (the Senate concurring). That the provisions of S. 3696, entitled "An act authorizing the President to make rules and regulations in respect to alcoholic beverages in the Canal Zone, and for other purposes", shall, with

necessary editorial changes, be incorporated and printed in the proper place in the Canal Zone Code, H.R. 8700, prior to its enrollment and signature.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

AMENDMENT OF THE FOOD AND DRUGS ACT, APPROVED JUNE 30, 1906

Mr. COLMER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3655) to amend the act entitled "An act for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes' approved June 30, 1906, as amended, and consider the same.

The Clerk read the bill as follows:

Be it enacted, etc., That the act entitled "An act for preventing the manufacture, sale, or transportation of adulterated or mis-branded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes", approved June 30, 1906, as amended, is amended by adding after

approved June 30, 1906, as amended, is amended by adding after section 10 thereof the following new section:

"Sec. 10A. The Secretary of Agriculture, upon application of any packer of any sea food sold in interstate commerce, may at his discretion designate supervisory inspectors to examine and inspect all premises, equipment, methods, materials, containers, and labels used by such applicants in the production of such food. If the food is found to conform to the requirements of this act, the applicant shall be authorized, in accordance with regulations prescribed by the Secretary of Agriculture to mark the food so the applicant shall be authorized, in accordance with regulations prescribed by the Secretary of Agriculture, to mark the food so as to indicate such conformity. Services to any applicant under this section shall be rendered only upon payment of fees to be fixed by regulations of the Secretary of Agriculture in such amount as to cover the cost of the supervisory inspection and examination, together with the reasonable costs of administration incurred by the Secretary of Agriculture in carrying out this section. Receipts from such fees shall be covered into the Treasury and shall be available to the Secretary of Agriculture for expenditures incurred in carrying out this section. Any person who forges, counterfeits, simulates, or falsely represents, or without proper authority uses any mark, stamp, tag, label, or other identification devices authorized by the provisions of this section or regulations thereunder, shall be guilty of a misdemeanor, and shall on conviction thereof be subject to imprisonment for not more than 1 year or a fine of not less than \$1,000 nor more than \$5,000, or both such imprisonment and fine." \$5,000, or both such imprisonment and fine.'

Mr. BLANTON. Mr. Speaker, I object to this bill. We want to have time to look into a matter of this kind. It is called up too hurriedly.

Mr. COLMER. Let me tell the gentleman what it is.

Mr. BLANTON. Is this any part of the Tugwell-Sirovich-Copeland bill?

Mr. COLMER. Not at all. This is an amendment to the pure-food law which will enable the packers of sea foods to have inspection service at their own expense.

Mr. BLANTON. Does it affect anything except sea

Mr. COLMER. That is all.

Mr. BLANTON. Does it come under the interpretation of pre-prohibition days or since those days as to what is or is not sea food?

Mr. COLMER. Either way the gentleman wants it—this applies to sea foods.

Mr. HOLMES. Mr. Speaker, reserving the right to object, I would like to have section 10A read.

The Clerk read section 10A.

Mr. HOLMES (interrupting the reading of the section). Mr. Speaker, I ask unanimous consent that the further reading of the section be dispensed with. I have no objection.

The SPEAKER. Without objection, the further reading of the section will be dispensed with.

There was no objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider and a similar House bill, H.R. 9786, were laid on the table.

#### CAROLINE M. EAGAN

Mr. BLACK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 194) to refund to Caroline M. Eagan income tax erroneously and illegally collected, with a Senate amendment, and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 1, line 9, strike out all after "1925" down to and including "taxes", in line 11.

Mr. BLANTON. Mr. Speaker, I reserve the right to object to ask one question. How much does this bill involve, approximately?

Mr. BLACK. Ten thousand nine hundred and fifty dol-

Mr. BLANTON. And why is such \$10,950 to be paid out by the Government?

Mr. BLACK. This bill passed the House and passed the Senate with an amendment reported by the committee. It is based on erroneous collection of taxes, based upon a mistake made by the Government agent in dealing with the beneficiary of this bill.

Mr. BLANTON. And the Government's liability is based on what kind of a proposition?

Mr. BLACK. Based on erroneous information given to this applicant for relief as to her rights.

Mr. BLANTON. Is it the result of some wrong treatment? Mr. BLACK. No: it is purely an income-tax matter.

Mr. BLANTON. The reason I am asking the question is because, as the gentleman knows, there was a bill that came out of his committee that we have been objecting to here for years, but on insistence we finally let it go by and the President had to veto it the other day.

Mr. BLACK. That bill did not come out of Claims Committee. That came from the District of Columbia Committee, and I am only a minor lieutenant on that committee.

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, I would like to ask the chairman of the committee why he takes up this private bill when there are others on the calendar?

This is a bill on the Speaker's desk and is a bill introduced by the gentleman from New Jersey [Mr. Bacharach]. It passed the House and went to the Senate and is now on the Speaker's table with a Senate amendment.

Mr. JENKINS of Ohio. It is not on a Private Calendar.

Mr. BLACK. No; it has passed the House.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

### FORT DOUGLAS MILITARY RESERVATION

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3618) to grant a portion of the Fort Douglas Military Reservation to the University of Utah, Salt Lake City, Utah, and pass the same. The Clerk read the title of the bill.

The SPEAKER. Is there objection? Mr. ELTSE of California. Mr. Speaker, I reserve the right to object. This has not been on the Consent Cal-

endar, has it?

Mr. McSWAIN. No; it has not yet been reached.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby granted to the University of Utah the following-described land, lying within the United States Fort Douglas Military Reservation and adjacent to the site of said university in the State of Utah, namely: Beginning at the United States Government stone monument at the northat the United States Government stone monument at the north-east corner of the University of Utah campus; thence running south along the west boundary of the United States Fort Douglas Military Reservation 2.632 feet, more or less, to the north line of falt Lake City Reservoir site; thence east along said north line of said reservoir site 715 feet; thence in a southeasterly direction 180 feet, more or less, along the boundary of said reservoir site to the southeast corner of said reservoir site; thence east 100 feet; thence north on a line 965 feet from and parallel to the west

boundary of the United States Fort Douglas Military Reservation 3,144 feet, more or less, to a point which is 965 feet east and 50 feet north of the point of beginning; thence west 1,120 feet to the west boundary of the United States Fort Douglas Military Reservation; thence south 50 feet; thence east 155 feet to the

point of beginning.

SEC. 2. That any and all right, title, or interest which the United States now has in and to the above-described land, be, and the same hereby are, released and granted to and vested in the State of Utah and the University of Utah, and this act shall be desired as a simple of the said land. Provided the State of Utah and the University of Utah, and this act shall be deemed a conveyance in fee simple of the said land: Provided, That the State of Utah or the University of Utah shall improve the said property and maintain the same for university purposes, and not otherwise, and that in case said land shall be abandoned by the State or the University of Utah for said purposes the said land and all improvements thereon shall revert to the University of Utah shall construct within 3 years and perpetually maintain a roadway along the eastern boundary of the above-described land hereby granted to the State of Utah and the University of Utah: Provided further, That the grant of said land shall in no manner carry with it any right or title in or to any portion of the waters of the Red Butte Canyon Creek: And provided further, That there is reserved to the United States the perpetual right to maintain, alter, rebuild, and enlarge the sewer which runs from the Fort Douglas Military Post across said tract of land, or to construct, and maintain a new sewer system across the same, should it be or become desirable to do so: And provided further, to construct, and maintain a new sewer system across the same, should it be or become desirable to do so: And provided further, That there is reserved to Salt Lake City, a municipal corporation organized and existing under the laws of the State of Utah, a perpetual easement and right-of-way for the operation, maintenance, repair, and renewal of the conduit and pipe line as now constructed over and upon the Fort Douglas Military Reservation in said State, the same being connected with the water-supply system of the said city; and also for the construction, operation, maintenance, repair, and renewal of all valve houses which may be deemed necessary in connection with said pipe line: And provided further, That the University of Utah shall erect and maintain a suitable fence between the military reservation and the tract granted.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider laid on the table.

A similar House bill, H.R. 9662, was laid on the table.

## KING HILL IRRIGATION DISTRICT, IDAHO

Mr. SAMUEL B. HILL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3151) to convey to the King Hill Irrigation District, State of Idaho, all the interest of the United States in the King Hill Federal Reclamation Project, and for other purposes, an identical House bill being on the calendar.

The Clerk read the title of the bill. The SPEAKER. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, what does the bill do?

Mr. SAMUEL B. HILL. This bill has to do with an irrigation district in the State of Idaho. The Government has already lost its money. It has spent about \$2,000,000. The district is in such situation that the Government, in order to get anything out of it at all, would have to put in a great deal of money.

Mr. MARTIN of Massachusetts. How much more money is it going to cost the Government?

Mr. SAMUEL B. HILL. It will not cost the Government

Mr. ELTSE of California. This bill was on the Consent Calendar the other day and I objected to it.

Mr. SAMUEL B. HILL. Yes.

Mr. MARTIN of Massachusetts. This is not to put us into the irrigation business any more, is it?

Mr. SAMUEL B. HILL. No; it is getting us out of it.

Mr. ELTSE of California. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the Senate bill as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized to enter into a contract with the King Hill Irrigation District, organized under the laws of the State of Idaho, by which said district and the United States shall rescind the agreements between them of March 2, 1926, November 14, 1923, January 11, 1922, June 17, 1920, and December 17, 1917, each party in such rescissory agreement to release the other from all obligations. tions, accrued or to accrue, under the said five agreements, and the United States as a part of said rescissory agreement to quitclaim to the said district all the right, title, interest and estate of the United States in or to said King Hill Reclamation project, including the water rights thereof and any real estate acquired or held by the United States in connection therewith.

The bill was ordered to be read a third time, was read the third time and passed and a motion to reconsider laid on the table.

A similar House bill, H.R. 9583, was laid on the table.

LOANS TO OYSTER PLANTERS BY CREDIT ASSOCIATIONS

Mr. SUTPHIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill, S. 3541, to authorize production credit associations to make loans to oyster

The Clerk read the title of the bill.

The Speaker. Is there objection? Mr. TABER. Mr. Speaker, I reserve the right to object. This has been reported by the Committee on Agriculture?

Mr. SUTPHIN. Yes.
The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, subject to the approval of the Governor of the Farm Credit Administration and under rules and regulations to be prescribed by the production credit commissioner, production credit associations organized under the Farm Credit Act of 1933 are authorized to make loans to oyster planters who Act of 1933 are authorized to make loans to oyster planters who are carrying on their operations under leases of oyster beds granted by any State or political subdivision thereof; to sell, discount, assign, or otherwise dispose of any loans made by them under the provisions of this act; and to do any and all other things necessary to carry these provisions into effect. With the approval of the Governor of the Farm Credit Administration and under rules and regulations to be prescribed by the intermediate credit commissioner, the Federal intermediate credit banks are authorized and empowered to discount for or purchase from any production credit association any note, draft, or other such obligation representing a loan or loans made under the provisions of tion representing a loan or loans made under the provisions of this act; and to make loans or advances direct to any such organization secured by such obligations.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on

BRIDGE ACROSS ST. CLAIR RIVER, PORT HURON, MICH.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3545) to extend the times for commencing and completing the construction of a bridge across the St. Clair River at or near Port Huron, Mich.

The Clerk read the title of the bill. The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the St. Clair River at or near Port Huron, Mich., authorized to be built by the Great Lakes Bridge Commission by an act of Congress approved June 25, 1930, heretofore extended by acts of Congress approved February 28, 1931, June 9, 1932, and June 13, 1933, are hereby extended 1 and 3 years, respectively, from June 13, 1934.

SEC. 2. The right to alter amend, or repeal this act is hereby expressly reserved.

expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

A similar House bill, H.R. 8577, was laid on the table.

# PROCTORS' AND MARSHALS' FEES

Mr. CELLER. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H.R. 9091) to amend the laws relating to proctors' and marshals' fees and bonds and stipulations in suits in admiralty.

The SPEAKER. Is there objection?
Mr. BLANTON. Mr. Speaker, I reserve the right to object. What is this bill?

Mr. CELLER. It provides a revised schedule for proctors' and marshals' fees in admiralty.

Mr. BLANTON. That is all it does?

Mr. CELLER. Yes.

Mr. TABER. Did the Committee on the Judiciary report on this bill?

Mr. CELLER. It reported it out unanimously.

The SPEAKER. Is there objection? There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 824 of the Revised Statutes (U.S.C., title 28, sec. 572) is amended by adding after the first paragraph of such section the following new paragraph:

"On appeals in admiralty, where the amount involved is not over \$1,000 a proctor's docket fee of \$20; where the amount involved is from \$1,000 to \$5,000 a proctor's docket fee of \$50; where the amount involved is over \$5,000 a proctor's docket fee of \$100. On such appeals cost of brief of successful party to be taxed, where amount involved is not over \$1,000 at not exceeding \$55; where amount involved is between \$1,000 and \$5,000 at not exceeding \$50; where amount involved is over \$5,000 at not exceeding \$75."

exceeding \$50; where amount involved is over \$5,000 at not exceeding \$75."

Sec. 2. Section 829 of the Revised Statutes, as amended (U.S.C., title 28, sec. 574; Supp. VII, title 28, sec. 574), is amended by striking out of such section the paragraph which reads as follows:

"When the debt or claim in admiralty is settled by the parties without a sale of the property the marshal shall be entitled to a commission of 1 percent on the first \$500 of the claim or decree, and one-half of 1 percent on the excess of any sum thereof over \$500: Provided, That when the value of the property is less than the claim such commission shall be allowed only on the appraised value thereof."

Sec. 3. Section 941 of the Revised Statutes, as amended (U.S.C.,

SEC. 3. Section 941 of the Revised Statutes, as amended (U.S.C., title 28, sec. 754), is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: "Provided, That the parties may stipulate the amount of the bond or stipulation for the release of a vessel or other property on libel in admiralty to be not more than the amount claimed in the libel, with interest, plus an allowance for libelant's cost: Provided further, That in the event of the inability or refusal of the parties to so stipulate the amount of the bond, the court shall fix the amount thereof, but if not so fixed then a bond shall be required in the amount hereinbefore prescribed in this section."

With the following committee amendment:

Page 2, after line 17, insert: "and inserting in lieu thereof the following: 'In all cases in which the vessel or other property is sold by a public auctioneer or by some party other than the marshal or his deputy, the fee herein authorized to be paid to the marshal shall be reduced by the amount paid to said auctioneer or other party.'"

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider laid on the table.

### THELMA LUCY ROUNDS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3636) with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the Senate amendments.

The Speaker announced the following conferees: Mr. BLACK, Mr. RAMSPECK, Mr. GUYER.

ACQUISITION BY UNITED STATES OF LAND OCCUPIED BY INDIAN SCHOOL AT WYANDOTTE, OKLA.

Mr. DISNEY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 555) to authorize the acquisition by the United States of the land upon which the Seneca Indian School, Wyandotte, Okla., is located.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. ELTSE of California. Reserving the right to object, will the gentleman explain this bill?

Mr. DISNEY. Mr. Speaker, this bill has the approval of the Indian Department and the Director of the Budget.

Mr. ELTSE of California. How much land is there in-

Mr. DISNEY. One hundred and sixty acres.

Mr. ELTSE of California. Where is it located?

Mr. DISNEY. Near Miami, Okla.

Mr. ELTSE of California. Is it near any city or town?

Mr. DISNEY. Within 8 or 10 miles of a town of 7,000 population.

Mr. ELTSE of California. What does the land immediately surrounding it sell for per acre?

Mr. DISNEY. About \$60 an acre. This is an average price.

Mr. HASTINGS. This is the appraised value.

Mr. DISNEY. This is the appraised value. The Government has had the use of it for the last 50 years, without ever paying the Wyandotte Tribe for it.

Mr. ELTSE of California. The Government built a school building on it?

Mr. DISNEY. Yes, sir. They built a couple of hundred thousand dollars of improvements on it without ever paying

Mr. ELTSE of California. Why are they giving it away? Why are they transferring it? What is the particular

Mr. DISNEY. It is the last land which the Wyandotte Indians have and they want to close the thing out and close their tribal affairs.

Mr. ELTSE of California. Is there any attorney representing these Indians?

Mr. DISNEY. Oh, no.

Mr. ELTSE of California. No part of this money will go to attorneys?

Mr. DISNEY. Not a dime; not anything like that.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to acquire for Indian school purposes, the east half southwest quarter, southeast quarter northwest quarter, east half northwest quarter and west half southwest quarter southeast quarter section 21, township 27 north, range 24 east, Indian meridian, Oklahoma.

Sec. 2. In order to carry out the provisions of section 1 hereof there is hereby authorized to be appropriated, out of any money in the Treasury of the United States not otherwise appropriated, the sum of \$10,000, which said sum when so appropriated and placed in the Treasury of the United States to the credit of the Wyandotte Tribe of Indians, shall operate as a full, complete, and perfect extinguishment of all their right, title, and interest in and to the lands above described and which sum shall be subject to disbursement under congressional authority for the benefit of the Wyandotte Tribe.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### PRISON INDUSTRIES

Mr. TARVER. Mr. Speaker, by direction of the Chairman of the Committee on the Judiciary I ask unanimous consent to take from the Speaker's table the bill (H.R. 9404) to authorize the formation of a body corporate to insure the more effective diversification of prison industries, and for other purposes, with Senate amendments, and concur in the Senate amendments.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. GOSS. Reserving the right to object, is that the C.C.C. bill?

Mr. TARVER. Oh. no.

Mr. GOSS. What is this bill?

Mr. TARVER. This is the prison industries bill. Mr. MARTIN of Massachusetts. Will the gentleman explain what the amendments are?

Mr. TARVER. The principal amendment adopted by the Senate provides that warrants issued by the Prison Industries Corporation shall be approved by the Comptroller General. That is, by the General Accounting Office. was drawn by the General Accounting Office and submitted to the Senate committee.

Mr. GOSS. Is that the only amendment?

Mr. TARVER. That is the only amendment. Mr. MAPES. Reserving the right to object, has anyone seen the amendment put on by the Senate?

Mr. TARVER. The amendment is, of course, in the engrossed copy returned by the Senate to the House. I do not have a copy of it. I can assure the gentleman, however, that its purpose is as I have stated.

Mr. TABER. Mr. Speaker, may the amendments be reported?

Mr. TARVER. Mr. Speaker, it appears that some of the gentlemen on the Republican side desire to examine the amendments a little further, and I therefore withdraw my request.

The SPEAKER. Without objection the gentleman from Georgia withdraws his request.

There was no objection.

### THE NEW DEAL

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. DINGELL. Mr. Speaker, in the closing days of this session a great deal has been said on the accomplishments of this administration, about the magnificent achievements of the Congress working in closest cooperation with Franklin D. Roosevelt, the President of the United States.

The new deal has been mentioned as the basis for every major piece of relief legislation passed in the extraordinary as well as the regular session of the Seventy-third Congress. I would like briefly to enumerate some of the outstanding

measures and refer to their particular value.

Might I say that the Roosevelt administration undertook to relieve the distress of the countless millions of our unfortunate people who suffered in the most tragic of all recorded depressions. The opposition is undertaking to undermine the confidence and the good feeling of our citizens, after having failed to block relief which was essential to our social and economic progress. One of the chief criticisms, of course, is trained upon the large volume of money expended in behalf of the rank and file, and against some of the measures which restrained the big and predatory interests which exploited the man who was ever in mind when the new deal was discussed.

This administration has expended billions to feed the hungry, to clothe the naked, and to aid the distressed in every walk of life. Homeless men and women and their happiness were the objectives of this great humanitarian

Congress has been lavish in its appropriations for constructive purposes as distinguished from the previous orgy of spending which was founded and intended for war and destruction. During the war it was necessary to spend money to destroy, to create misery and sorrow, pestilence and death. The depression of the Hoover administration caused a trail of broken hearts, suicides, ruined fortunes, greater even than that which we experienced following the declaration of war in 1917.

I am convinced that divine Providence alone indicated to the people of this Nation that Franklin D. Roosevelt, the great humanitarian, the President of the common man, was the man of the hour. The people responded wholeheartedly and gave him an overwhelming endorsement, and sent to the Halls of Congress a majority that overruled all opposition and all dilatory tactics. It was foreordained that a man of President Roosevelt's type must lead us out of the depression and it was because of the pureness of his heart and his thorough understanding of the needs of our people that he, without hesitation, laid before Congress a workable program which saved this Nation from continued chaos and from revolution. There is not a man within hearing of my voice who can state that the President and the Congress of the United States were motivated by anything except a desire to bring back the happiness and contentment of our people.

In this respect we have succeeded beyond our wildest dreams and today we face the future with renewed confidence. The billions spent during the war for destruction will never bring a return to humanity, but the billions spent for constructive purposes for the great masses of our American people will pay countless billions in dividends and in happiness and prosperity for all. In the final analysis, many of the projects are self-liquidating. Many of the undertakings will not only pay out every dollar expended or guaranteed by the Government but will, I am sure, show a profit.

I believe that the measures which were passed in the extraordinary session, such as the N.I.R.A., which relieved the unemployment situation to the extent of over 3.000,000 men; the C.W.A., which put to work over 4,000,000 men; the C.C.C., which has taken from the streets wayward young men in need of employment; and the farm relief and bank reform measures, extension of credit and other far-reaching legislation, saved this Nation from disintegration and

My limited time will not permit me, Mr. Speaker, to go very extensively into the accomplishments of this administration, but let me mention the farm loan act and the even greater home loan act, which in my State alone made more than \$110,000,000 in loans and saved thousands of home owners from being put out into the street. Let me say that these measures of relief cannot be gaged in dollars and cents, but rather in the happiness and in the saving of tears of the unfortunate wives and children of our citizens.

This administration has extended the scope of the Reconstruction Finance Corporation to aid corporations in distress; has extended loans to manufacturers, which have stimulated employment; has provided the Farm Mortgage Refinance Act, the Crop Loan Act; has extended the guaranty of bank deposits; provided the Municipal Bankruptcy Act for the relief of distressed cities; leveled its guns upon the wolves of Wall Street, who have gambled with the welfare of our people; passed the Communications Act, which will have a far-reaching effect upon the general welfare of our Nation.

This Government, under the direction of Franklin D. Roosevelt, was responsible for the solution of the liquor question and further amendments will be necessary to control the liquor situation; the gold-revaluation and the silver questions have been met by the administration with every promise of continued improvement in the health of our general economic scheme. The armed forces of this Nation have been strengthened, and thus the security of our people was further enhanced. The Railroad Retirement Act establishes a precedent never before conceived. The tariff situation, which all but destroyed the commerce of the world and which originated under the Grundy label, has been corrected in a sound manner. Thousands of banks have been reopened and are today secure in their operation. In my own city, Detroit, under the provisions of the Steagall bill, millions of hard-earned savings will be released to our citizens for use through normal commercial channels.

I observed on my recent trip to Detroit a change that is unbelievable. Where despondency and ruin stalked the homes of our people, where men and women and, worst of all, little children suffered worry and want, today there is happiness and contentment, a confidence in the future. Factories and mills, schools and even churches are once again enjoying prosperity which was intended should be theirs when the new deal was born.

The President is not yet satisfied that all that is needed has been done. A plan more comprehensive and far-reaching and more permanent is being worked out for submission to the next Congress. Every trace of the depression must be wiped out by the new deal, and prosperity and happiness set up in its place.

I shall remember with some pride the fact that I was a member of the Seventy-third Congress. However modest my role may have been, it was no small privilege to have contributed to the welfare of home owners, farmers, Government employees, ex-service men, bank depositors-to say nothing of the host of unemployed who have been put back to work through the progressive legislation of the new deal. For this privilege, I am grateful to the people of the Fifteenth District of Michigan who saw fit to choose me as their Representative in Congress.

I ask unanimous consent, Mr. Speaker, to attach to these remarks a detailed list of the important legislation which was passed in this Congress. [Applause.]

The A.A.A. Farm Relief and Inflation Act.
The Farm Credit Act of 1933.
The Farm Mortgage Refinancing Act.
The Crop Loan Act.

The crop-loan resolution.
The Jones-Connally Farm Relief Act.
The Bankhead Cotton Control Act.
The Jones-Costigan Sugar Act.
The cotton-cattle-dairy relief resolution.

The Air Mail Act of 1934.
The Permanent Appropriations Act.
The Emergency Banking Relief Act.
The Banking Act of 1933.
The State Bank Aid Act.
The Collateral Security Act.
The Municipal Bankruptcy Act.
The Corporate Bankruptcy Act.
The Communications Act of 1934.
The six Federal crime-control acts.
The Crime-Prevention Compact Act. The Crime-Prevention Compact Act.
The Arrest Facilitation Act.
The National Stolen Property Act. The Twentieth Amendment Adjustment Act. The Economy Act of 1933. The Independent Offices Appropriation Act.
The Wagner National Employment System Act.
The Roads Employment Act.
The Home Owners' Refinancing Act.
The Home Owners' Loan Act of 1934. The National Housing Act The Insurance Company Loan Act.
The Kick-back Racket Act.
The labor disputes joint resolution.
The Beer-Wine Revenue Act. The Liquor Taxing Act of 1934.
District of Columbia Alcoholic Beverage Control Act.
The gold repeal joint resolution.
The Gold Reserve Act of 1934.
The Silver Purchase Act.

The Farm Mortgage Foreclosure Act. Homesteaders' Relief Act. Air Mail—The Emergency Air Mail Act. The Air Mail Act of 1934.

The Silver Purchase Act.
The arms-sale resolution.
The National Guard Act of 1933.
The Vinson naval parity bill.
The Marine Corps Personnel Act.
The Foreign Stations Act.
The Foreign Stations Act.

The Foreign Stations Act.
The Equal Nationality Act.
The Tydings-McDuffle Philippine Independence Act.
The Tennessee Valley Authority Act.
The electric-rate investigation resolution.
The Philippine Currency Reserve Act.
The Public Utilities Review Act.
The Emergency Railroad Transportation Act of 1933.
The Railroad Assessment Act.
Railroad Retirement Act.
The National Industrial Recovery Act.

The National Industrial Recovery Act.
The Civil Works Emergency Relief Act.
The Reconstruction Finance Corporation Extension Act.

The Reconstruction Finance Corporation Extension Act.
The R.F.C. exports resolution.
The Wagner-Lewis \$500,000,000 Emergency Relief Act.
The Civilian Conservation Corps Reforestation Relief Act.
The Emergency Deficiency Act.
The Securities Act of 1933.
The Securities Exchange Act of 1934.
The Reciprocal Tariff Act.
The Gasoline Tax and Postage Rate Act.
The Revenue Act of 1934.

The Revenue Act of 1934. Rio Grande Treaty. Equal Rights Nationality Treaty.

Cuban Treaty. Trade in Arms Treaty Antiwar Treaty of Nonaggression. Convention of Rights and Duties of States. The Vocational Education Act of 1934.

The Johnson Debt Default Act. The Wild Life Conservation Act. The Fish and Game Sanctuary Act.

The National Housing Act.
The Frazier-Lemke Farm-Mortgage Act.
The Kerr Tobacco Control Act.
The Free Trade Zone Act. The Dill-Crosser Railway Labor Act.

### IMMIGRATION LEGISLATION

The SPEAKER. The Chair desires to state that after the passage of the resolution which the gentleman from Illinois [Mr. Sabath] will now call up, the Chair expects to recognize the gentleman from New York [Mr. DICKSTEIN] to consider en bloc several immigration bills.

INVESTIGATION OF ORGANIZATION AND ACTIVITIES OF REAL ESTATE REORGANIZATION COMMITTEES

Mr. SABATH. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 412.

The Clerk read as follows:

Resolved, That the Speaker of the House of Representatives be, Resolved, That the Speaker of the House of Representatives be, and he is hereby, authorized and empowered to appoint a committee of seven Members of the House to investigate the methods of organization, the activities and practices of real estate "reorganization" or "bondholders" committees, or similar or other groups, by use of the mails or otherwise, to determine whether misrepresentation or unfairness have been practiced in acquiring or representing such securities, in assessing expenses against the bondholders and disposing of, or managing the properties by such committees, trustees, receivers, or other persons against which the securities were issued as liens, and in the employment of attorneys or other persons, or in failing adequately to report to said security owners, and in what manner the rights and equities of bondholders and owners can be protected against undue and unjustified loss upon their investment. The committee shall report to the Congress as soon as practicable the results of its study together with its recommendations for necessary legislation.

Sec. 2. For the purpose of this resolution, the committee, or any

SEC. 2. For the purpose of this resolution, the committee, or any subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places in the United States, whether or not the House is sitting, has recessed, or has adjourned, to require, by subpena or otherwise, the attendance of such witnesses and the production of such books and documents, to administer such oaths, and take such testimony as it deems necessary and advisable.

Mr. SABATH. Does the gentleman from Michigan desire some time on this resolution?

Mr. MAPES. Yes. We would like the usual time on this side.

Mr. BLANTON. Will the gentleman from Illinois yield for a question?

Mr. SABATH. I will, with pleasure.

Mr. BLANTON. This is another one of those resolutions which permits a committee to incur a lot of expense, to employ help, and when they employ help it costs money. These committees have been employing lawyers at \$500 a month and secretaries at \$300 a month.

Mr. SABATH. There is nothing like that in this reso-

Mr. BLANTON. How much is going to be spent on this resolution?

Mr. SABATH. I really do not know. It would not be a very large sum.

Mr. BLANTON. Can the gentleman give us some idea of the maximum amount?

Mr. SABATH. I will say there is a country-wide demand on the part of millions of bondholders for this investigation.

Mr. MAPES. Mr. Speaker, a point of order. The SPEAKER. The gentleman will state it.

Mr. MAPES. Mr. Speaker, I doubt the correctness of this procedure. The gentleman from Illinois has not taken the floor on this debate yet; and if a Member under the guise of a question can discuss the whole bill, then the purpose of debate is nullified.

The SPEAKER. The gentleman from Illinois has the floor.

Mr. BLANTON. The gentleman from Illinois has the floor, and I was trying to get some information.

Mr. MAPES. Mr. Speaker, the time had not been divided when the gentleman from Texas asked his question.

Mr. BLANTON. The time of the gentleman from Illinois is running now. He is answering me in his own time.

Mr. MAPES. If that is the understanding I will not pursue my objection further.

The SPEAKER. The Chair understands the time of the gentleman from Illinois is running.

Mr. BLANTON. I want to go along with my friend from Illinois, if possible.

Mr. SABATH. I know the gentleman does, because this is a meritorious resolution.

Mr. BLANTON. But I want to know definitely whether it is going to cost any great big sum of money.

Mr. SABATH. No; not at all.

Mr. BLANTON. Can the gentleman give me some idea of how much the gentleman intends to ask for?

Mr. SABATH. I cannot.

Mr. BLANTON. Can the gentleman from New York [Mr. O'CONNOR], who knows something about it, tell us what he thinks this will cost?

Mr. O'CONNOR. Of course, any money the committee gets now will have to last until Congress meets again.

Mr. BLANTON. How much is it intended to ask for under this resolution?

Mr. O'CONNOR. I will be frank with the gentleman; I think at least \$25,000.

Mr. BLANTON. That sum is out of all reason.

Mr. SABATH. It will not cost that much.

Mr. O'CONNOR. The difficulty with these things, as the

for enough money in the first instance, or make statements that they do not need as much as they ultimately find necessary

Mr. BLANTON. Mr. Speaker, I want to remind the gentleman from Illinois and the gentleman from New York about the investigation of the Graham, of Illinois, committee which cost the huge sum of \$157,109.91.

Mr. O'CONNOR. Under a Republican administration. Mr. BLANTON. Yes; that was under the Republican administration. And I want to remind these gentlemen of the investigation of the Joe Walsh committee, which went out to the California coast in a train of Pullman cars and lived in them for months. That investigation cost the people about \$50,000.

Mr. O'CONNOR. Under a Republican administration.

Mr. BLANTON. Yes: that was under a Republican administration. And I would remind the gentleman of the coal investigation which cost the American taxpayers \$600,000 in cold cash. That also was under a Republican administration.

Mr. O'CONNOR. Under a Republican administration. Do not forget the Hoover investigation which cost \$500,000.

Mr. BLANTON. Yes; that Hoover Wickersham Committee was another one that cost the American taxpayers another \$500,000 in cold cash. And not one thing of value was accomplished by any of the said investigations.

Mr. SABATH. Mr. Speaker, I cannot yield further; I am sorry; I want to reserve the balance of my time.

Mr. BLANTON. Mr. Speaker, I doubt the wisdom of passing another resolution of this kind.

Mr. SABATH. Mr. Speaker, may I remind the gentleman from Texas that every resolution I have advocated has been productive of good, and none of them cost a great deal of money. In this instance we have petitions signed by 500,000 bondholders; and the demand from all over the United States for this investigation is universal.

It is aimed to investigate any and all abuses, if any, to protect the interest of the bondholders, many of whom feel that their interests have not been properly protected or safeguarded, and others who feel that they have been made to part with their bonds due to false representations; others feel that the revenues of the property for which they hold bonds have been dissipated.

As I have stated, over 500,000 bondholders have signed petitions asking for this investigation. At this time I do not wish to make any charges of wrongdoing or abuses, but hundreds, yes, thousands of letter complaints which I have received within the last 3 months would indicate that people have lost confidence in many of these bondholder or reorganization committees. They have charged that many have been organized by receivers of national banks, in many instances by receivers of State banks, and that there has been collusion of officers of banks with the receivers. some instances charges are made that there is collusion between auditors and bank examiners. In New York City the charges are that certain bond and guaranty and title companies are looking only to their own interests, disregarding the interests of the bondholders.

Mr. BLANTON. Mr. Speaker, I am not going to gum up the cards; I am going along with the gentleman on anything that is reasonable and proper, where there is any chance for good to come out of it; but we must keep the expense down.

Mr. Speaker, as I desire to discuss several questions connected with my service. I ask unanimous consent to extend my remarks in the RECORD and to incorporate some exhibits.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Mr. Speaker, merely because I have opposed selfish interests in Washington, and have prevented avaricious monopolies from pilfering large sums of public money from the people's Treasury, and have refused to obey orders from autocratic czars of the press, like William Randolph Hearst, Theodore Noyes, Eugene Meyers, the Associated Press, the United Press, and the International News gentleman well knows, is that these committees do not ask | Service, there has been a deliberate, concerted effort on their part to try to break me down, to discredit my work in Con-1 gress, and to get me out of the House of Representatives.

Thus far, they have failed.

Thus far, I have whipped them to a frazzle. Thus far, the people have stood by me. Thus far, I am still "carrying on." And if the people will continue to stand behind me, I make them my solemn pledge that eventually during Democratic administration, with the help of colleagues with whom I am working, we will clean up completely the waste, extravagance, and graft with which some of our Government institutions for so long have been infested.

"THE SAGE OF BITTER CREEK'

Sweetwater friends advise me that Judge Carl O. Hamlin, of Breckenridge, came to Sweetwater on Saturday, May 26, 1934, and conferred at length with Millard Cope, and the next morning, Sunday, May 27, 1934, there appeared in Cope's Sweetwater Reporter nearly a half-page attack, made anonymously, but alleged to be from "The Sage of Bitter Creek", which is almost as ridiculous as the former one Cope printed for Raymond Brooks, of Austin. It began, "The Sage of Bitter Creek came into town", and so forth. When sending me this paper, Sweetwater friends asserted that without doubt, this anonymous Bitter Creek Sage is no other than Carl O. Hamlin, who furnished the dope, in attacking me from ambush with identity concealed, and that the attack was written by Millard Cope, who acknowledged that he was its author.

Without a platform, and offering no constructive program, this "Sage of Bitter Creek" had Millard Cope offer for qualifications the bragging assertion that he "The Sage" was district judge for Stephens County, is a Baptist, a thirty-second-degree Mason, a Shriner, and a member of the American Legion. Are Hamlin and Cope trying to mix up the church, fraternalism, and the Legion in politics? The constitution of the American Legion specifically states that it shall not enter politics.

I detest religious intolerance. Every Catholic in Congress is my friend. But I cannot understand why Carl Hamlin advertises that he is a Baptist, when he deliberately picked a Catholic school to study law.

### CHURCH AND STATE MUST NOT BE MIXED

I am not going to bring my church affiliation into politics. It takes more than fraternal membership to qualify one for Congress. For many years I have been a Knight Templar Mason, a thirty-second degree Scottish Rite Mason, a Shriner, a Knight of Pythias, have filled all chairs in the Odd Fellows Lodge, and a member of the Canton, and a Woodman of the World, and am now in good standing in all of the above lodges, but I am not running for reelection because I belong to lodges. They are not political organizations. They keep out of politics.

And I am not going to drag them into politics. When I was district judge of Stephens County, I was also judge for the counties of Eastland, Callahan, Shackelford, and Taylor, and held all their courts, and received only \$3,000 per year, while Carl Hamlin received the raised salary of \$5,000 per year, for holding court in only one county, besides the \$150 per month he got from the Government which I caused to be taken from him.

If this "Sage from Bitter Creek" is such a good church member and such a loyal lodge member, why does he attack me from ambush, with his identity concealed? Why are he and Millard Cope taking advantage of me when I am at my post of duty 2,000 miles away, attending to the business of the people?

But of all the dastardly grasping at straws I ever heard of in politics before, the following is the most censurable. Prompted to do so by the "Sage of Bitter Creek", Millard Cope in said anonymous attack on me from ambush, with identity concealed, brought the name of my good wife into his dirty campaign by printing the following: "Mrs. Blanton at Capital." Where did he expect Mrs. Blanton to be, when since the first of last January I have been working here on the grind 16 hours per day, attending to the business of my constituents, and loyally backing our President in his recovery program. Naturally, Mrs. Blanton would be here with

her husband. Then under the above headline, wholly irrelevant to his anonymous attack upon me from ambush, the "Sage of Bitter Creek" caused Cope to print:

Mrs. Blanton has been active in the Congressional Club activities at Washington and is chairman of the evening card party

Such an irrelevant reference alone ought to keep fairminded people from voting for Hamlin, and ought to cause Houston Harte to discharge Millard Cope, and ought to cause good citizens of Sweetwater to withdraw their support from the Reporter as long as Cope is connected with it.

A rich woman in Washington gave a building to the wives of Senators and Congressmen as a place for them to get together and become acquainted. All during the war they worked there together, making hospital supplies. Twice a month during this session these ladies have provided an entertainment, and they elected Mrs. Blanton to handle and arrange it for them.

Either Carl O. Hamlin or Millard Cope would have considered this a great honor for his wife. Everyone who knows Mrs. Blanton knows well that she is not a society woman, and she has the warm affection of every woman in Washington connected with the Congressional Club. This reference to her was deliberately made in an attempt to injure

#### FROM EASTLAND TELEGRAM

I quote the following from the Eastland Telegram, in its issue of June 11, 1934:

HAMLIN ATTACKS BLANTON IN SPEECH AT SWEETWATER

Opponents of Congressman Thomas L. Blanton have unlim-

Opponents of Congressman THOMAS L. BLANTON have unlimbered their guns and are delivering broadsides at him.

Last Friday, Carl Hamlin, of Breckenridge, delivered a speech at Sweetwater in which he attacked Blanton. Some weeks ago O. F. Chastain, of Eastland, formally opened his campaign against Blanton in a speech at Stephenville.

Both Hamlin and Chastain have been actively campaigning for the past 6 months.

for the past 6 months.

Note that it says my opponents "have been actively campaigning for the past 6 months." And while they have been actively campaigning for 6 months, I have been on the job at my post of duty. And the following will show how my time has been spent.

Affidavits of Government employees, one who has worked in the same position for 53 years, and the other who has worked in the same position for 25 years, certified to by Hon. Harry Pillen, Assistant Sergeant at Arms:

WASHINGTON,

Washington,

District of Columbia:

Before me, the undersigned notary public, on this day personally appeared Samuel Robinson, who has worked for the Government for the past 53 years, and Preston L. George, who has worked for the Government for the past 25 years, both known to me to be credible citizens of Washington, D.C., who by me being duly sworn upon their respective oaths, state:

We perform night service and handle the speeches of Congressmen and Senators that go into the Congressional Record. And during the time of our respective employments stated above we have known all Senators and Congressmen. It is our opinion that Congressman Thomas L. Blanton is one of the hardest working Members who has ever served here in Washington; he has worked in his office many times until 1 and 2 o'clock a.m., and he regularly works until past midnight. In our opinion his secretary, Mrs. Louise Kennedy Marx, who came with him to Washington when he was first elected to Congress, is one of the most capable and efficient secretaries in Washington.

SAMUEL ROBINSON. PRESTON L. GEORGE.

Sworn to and subscribed by the said Samuel Robinson and Preston L. George, before me, the undersigned notary public, on this the 8th day of June, A.D. 1934.

Given under my hand and seal of office in Washington, D.C. [SEAL] HARRY PILLEN, Notary Public in and for the District of Columbia.

IS A FINE, NEW POST-OFFICE BUILDING A DEUCE?

The press states that Carl Hamlin was introduced at Sweetwater by a lawyer named Zollie C. Steakley, Jr., who said "All Blanton had dealt Sweetwater was deuces." If Zollie, who is a fine young fellow and from a good family, does not know any more about law than he does about deuces, he ought to apply for Government relief. The fine, new post-office building is one of the deuces I dealt to Sweetwater. It was the first building given my district. I had promised the first building to my loyal friends there. I made good my promise. All the Government money that has been spent in Sweetwater and Nolan County for hog reduction, for cotton reduction, for wheat reduction, for relief, for the improvements that mean much to Sweetwater people are all deuces I have dealt to Nolan County. And some of the best friends I have in the world live in Nolan County. In reporting Hamlin's speech neither Cope's paper nor any other mentioned any constructive platform planks, but in flaming headlines said:

"HAMLIN FLAYS THOMAS BLANTON"

Why, of course! That was dead easy for Hamlin. I was 2,000 miles away at my post of duty here in Washington "carrying on", eternally on the job, looking after the interests of my constituents. Because, to correct his misrepresentations he has been making about me for 6 months, I printed at my own expense and sent some excerpts of the RECORD to my district to give the people a glimpse of the work I was doing here, this "The Sage of Bitter Creek" stated that it had cost the taxpayers \$12,200 in postage and printing. He knew that was not true when he said it. It was just like the time he said he had never heard of a Lila Keith affidavit, when I proved conclusively that long before he made that statement he had been notified by the Veterans' Bureau that such an affidavit, filed the identical moment that his affidavits from his doctors were filed, had been removed from his file. It would have been more to the point if Carl Hamlin had told the people what became of that affidavit in which Lila Keith swore that the veteran had boils on his head and was nervous and suffered with heart and lung trouble, when Hamlin now admits that he has never suffered with any of these afflictions. But what has become of that Lila Keith affidavit? It was like Carl Hamlin's flimsy explanation to Mr. Simmons that he had to pay high insurance rates, when he has a \$10,000 Government policy at cheaper rates than any civilian in the United States pays for like insurance.

The following will show that mailing these excerpts to my constituents did not cost the Government one dollar:

> POST OFFICE DEPARTMENT, FIRST ASSISTANT POSTMASTER GENERAL Washington, June 15, 1934.

Hon. THOMAS L. BLANTON

House of Representatives.

My Dear Mr. Blanton: Receipt is acknowledged of your letter of June 12, 1934, asking the following questions:

"(1) Is it not a fact that the regular postal employees who receive, handle, and distribute mail in post offices, and the regular railway mail employees on trains, and the city letter carriers, and the rural mail carriers, are paid annual salaries by the year?

"(2) Is it not a feet that should I send to my district under

"(2) Is it not a fact that should I send to my district under frank copies of the Congressional Record, or reprints or excerpts thereof, or Government bulletins, to be distributed through the post offices of my district, that nothing additional is paid by the Government to the above-mentioned employees for handling these documents under frank, and that all they receive is their annual salaries?" salaries?

The answer to both is "Yes."

Trusting this is the information you desire, I am, Very truly yours,

V. C. BURKE, Acting First Assistant.

CONGRESSMAN BLANTON PAYS \$17,316.60 OUT OF HIS OWN POCKET

During my service here, in order to let the American people know something about their own business, and in trying to stop waste, extravagance, and graft in Government institution, the following certificate will show that out of my own pocket, and with my own money, I have paid out \$17,316.60 for printing alone. Some of it was in my fight to save Muscle Shoals, when Maj. F. H. LaGuardia, now mayor of New York, Col. John Phillip Hill, of Baltimore, and myself fought together to keep Henry Ford from gobbling up Muscle Shoals:

> United States Government Printing Office, Washington, D.C., June 15, 1934.

Hon. THOMAS L. BLANTON.

House of Representatives of the United States, Washington, D.C.

My Dear Mr. Blanton: Receipt is acknowledged of your letter of June 12, 1934, enclosing check for \$201.61, and requesting the full amount paid by you to the Government Printing Office during the time you have been in Congress.

The following statement is submitted, giving the information requested:

To December 10, 1927\_. December 10, 1927, to date\_\_\_\_\_

17, 316, 60

The communication you enclosed is returned herewith.

GEORGE H. CARTER, Public Printer.

I paid out the above \$17,316.60 for printing alone. On my many investigations I have conducted during the past 17 years I have spent thousands of dollars additional, namely: On Col. Charles R. Forbes and Secretary Fall, who were sent to the penitentiary; on Insurance Commissioner Miller, who was removed; on McNorris, and Colonel Fenning, Maj. William Wolff Smith, and many others, and it was all my own money coming out of my own pocket.

I greatly appreciate the tribute Mayor LaGuardia paid me, when Texans recently visited New York:

IN PRAISE OF TEXANS

Frederick William Wile in the Washington Star

When Mayor LaGuardia, of New York, the other day received the when Mayor LaGuardia, of New York, the other day received the delegation of 125 Texas boosters now touring the East he went out of his way to pay a handsome tribute to his old colleague in the House, Representative Thomas L. Blanton. "A lot of people may not like Blanton", said His Honor of Manhattan, "and he may irritate sometimes, but there is no more useful Member of Congress." Congress.

mayor, continuing the distribution of bouquets, added: "And there is no State in the Union that has a better, more informed, hard-working, or intelligent delegation in Washington than Texas." The mayor also recalled glowingly his long comradeship in the House with Vice President John Garner.

EVERY REFERENCE A MISSTATEMENT

"The Sage of Bitter Creek" said that when I was elected to Congress I said, "12 years was long enough." I still have my campaign literature in my scrapbook. What I did say was that the incumbent had been in Congress 12 years, had not accomplished anything, and that the best assignment he had been able to get was the Committee on Irrigation of Arid Lands; and as Texas had no Government lands, he could not be of any value to the district, as it would take him too many additional years to obtain an influential place on one of the big committees.

And what I said then, I say now. I served my apprenticeship on the Committee on Irrigation of Arid Lands, the Committee on Enrolled Bills, the Committee on Expenditures in an Executive Department, the Indian Committee, the Committee on Education, the Committee on Claims, and the Committee on the District of Columbia until I worked my way up and gained a place on the Appropriations Committee, where I can watch every dollar that comes out of the Federal Treasury, and stop waste and extravagance.

During my initial campaign, my colleague [MARVIN JONES] was making his first campaign in an adjoining district. His position on terms was identical with my own. He contended that his opponent had done nothing to justify retaining him, that during the long years he had been in Congress his best committee assignment was on the Indian Affairs Committee, and that the only Indian in his district was the wooden Indian in front of a cigar store in Amarillo.

Hon. HENRY RAINEY is now Speaker of the House because Illinois wisely kept him here 30 years. John Garner is now Vice President of the United States because Uvalde wisely kept him here 30 years. Joe Byrns is now Democratic majority leader of the House because Tennessee has wisely kept him here for 26 years. Bob Doughton is now Chairman of the Committee on Ways and Means because North Carolina has wisely kept him here for 24 years. Bill Bankhead is now Chairman of the Rules Committee because Alabama his wisely kept him here for 18 years. Carl Vinson is now Chairman of the Naval Affairs Committee because Georgia has wisely kept him here for 22 years. John McSwain is now Chairman of the Military Affairs Committee because South Carolina has wisely kept him here for 14 years. And SO HATTON SUMNERS is Chairman of the Judiciary Committee, Sam Rayburn of the Interstate and Foreign Commerce Committee, JOE MANSFIELD of the Rivers and Harbors Committee, FRITZ LANHAM of the Public Buildings Committee, MARVIN JONES of the Agriculture Committee, and BUCHANAN

and I are on the Appropriations Committee because Texas has seen fit to keep us here. And this seniority means much to Texas. It means much to our respective districts. Seniority is almost everything in Congress. Members have to begin at the foot of the class, and work their way up. We have already worked our way up.

MUST NOT PRACTICE LAW IN VACATION

Carl Hamlin says that Congressmen must not practice law in vacation, and that I left my work to try the case of R. C. Winters, and received a fee of \$5,148.73 in it. This is untrue. There are 21 farmers in Congress. Does Hamlin contend they cannot farm on their farms during the 6months' vacation? There are 18 editors of newspapers in Congress. Does Hamlin contend they cannot edit their papers during the 6-months' vacation? There are doctors, and dentists, and painters, and bankers, and brokers, and ministers, and teachers, and salesmen, and realtors, and engineers, and merchants, and contractors, and printers, and magazine publishers, and nurses in Congress. When it adjourns, they all go back to their respective businesses and avocations, and resume where they left off. Why does not Hamlin say he will stop all of them? What would he have them do in vacation? He has not said what he would do in vacation. So, there are 272 lawyers in Congress. When it adjourns, they go back to their offices.

During my first 12 years in Congress, I spent all my vacations in checking up every Department, Bureau, Commission, independent office, and institution of Government. learned every detail about Government business. I did not take a single law case. I put in every moment of my time. I mastered the rules and precedents of Congress. I did not go on a single junket. I have never taken a single junket. Everywhere I have been in checking Government business, I have paid my own expenses. I have paid for my own investigations. In the investigation I made of Col. Frederick A. Fenning, I paid out several thousand dollars of my own money out of my own pocket. I employed the men who helped me. I employed my own detectives. And so, likewise, with all of the other many investigations I have made, I paid the expense myself.

FORMED LAW CONNECTION AFTER SENATE RACE

After my race for the United States Senate in 1928, I formed a law partnership with my sons. My oldest son is married, and has practiced law for 9 years. My next son is also married and has practiced law for 7 years. When I returned to Congress, having a thorough understanding we would accept no Government business, I allowed my boys to retain my name in their firm, just to help them, as any other father would do to help his sons. And while in Congress I have tried about a dozen cases, but have never neglected any official duties. I have never accepted any fee, or any business, connected in any way with the Government, and out of respect for my feelings, neither of my sons has ever accepted any business connected with the Government.

Because all veterans' cases, home owners' loans, farm loans, and relief matters are handled by bureaus in Texas at Dallas, Houston, Austin, and San Antonio, I am forced, at my own expense, to equip and maintain a Texas office at Abilene in order to give my constituents prompt action, and the few law fees I have made in vacation have not paid my office rent, much less other expenses. During my last socalled "vacation", from June 16, 1933, until December 31, 1933, my office was filled daily with constituents, and I did not have time to go to even one picture show.

In the Winters case I did not receive one-twelfth of the amount Hamlin stated I received. Hon. R. C. Winters is my close personal friend. He was formerly State commander of the American Legion for the State of Texas. In his own sworn statement I will let him tell about my connection with his case, which was against corporations for killing his wife:

AFFIDAVIT OF R. C. WINTERS

Prior to the time my case was set for trial, Mr. Blanton had completed all of his hearings on all of the big appropriation bills, and there had been tentative agreements insuring passage of all matters that were coming up for 2 weeks, and Speaker RAINEY

wrote a letter to Mr. Blanton suggesting that he take 2 weeks' rest from the hard work he had performed since Congress met in December, and Mr. Blanton had my case set so that he could try it during his short vacation.

It during his short vacation.

I am a lawyer myself, but I employed Robert W. Haynie,
Thomas L. Blanton, Jr., of Albany, Tex., Matthews Blanton, and
Congressman Mianton to represent me and my son, and agreed to
pay them a joint fee of one-third, which went to all four of them and which was the usual and customary fee. They made a thorough investigation of my case, Congressman Blanton, in vacation, going to San Angelo in checking up my evidence and the evidence against me, and they filed the suit in the district court. The defendants had it moved to the Federal Court of the United

After my suit was filed, another lawyer came to my home and urged me to discharge my lawyers and let him handle my case, telling me that when the trial came up Congressman Blanton would stay in Washington and not show up. I told him I had

confidence in my attorneys.

Congressman Blanton did not receive one penny from the Congressman Blanton did not receive one penny from the Government in mileage, but paid his own expense to and from Abilene. When my lawyers were employed my wife's mother joined me in signing the contract. Congressman Blanton conducted the entire case and had against him, opposing me, the firms of Thompson, Knight, Baker & Harris and Eckford & McMahon, of Dallas, the Abilene firms of Stinson, Brooks, Duke & Hair, and Wagstaff, Harwell, Wagstaff & Douhit, and Davidson, Doss & McMahon, and the Sweetwater firm of Douthit, Mays & Perkins, all against me. My lawyers recovered for me a satisfactory judgment; and, in rendering same, Federal Judge Wilson heard evidence and approved said fee, finding that it was reasonable and just. The case was not appealed, and I am getting my money today for me and my son. Without additional charge, my lawyers qualified me as guardian of my son in the county court. money today for me and my son. Without additional charge, my lawyers qualified me as guardian of my son in the county court. Their services are entirely satisfactory to me, hence you have no occasion to interject yourself in my business. As it may keep you in the future from circulating false reports about Congressman Blanton respecting my case, I am making oath to the above facts. Very truly yours,

R. C. WINTERS.

Sworn to and subscribed by said R. C. Winters before me, the undersigned authority, on this August 1, A.D. 1933, at Abilene, Tex.

[SEAL]

RUBY SAYLORS, Notary Public in and for Taylor County, Tex.

MY ONLY VACATION

At the time I tried the Winters case, the last of April 1933, it was the only vacation and rest from official duties I had had for many months. I did not leave Washington until we had caught up with practically all of our work, and on the few votes occurring while I was away I was paired with a Republican, so my vote counted, and the following from the Speaker shows that I deserved this short rest:

> THE SPEAKER'S ROOMS, House of Representatives, United States, Washington, D.C., April 15, 1933.

Hon. THOMAS L. BLANTON

Hon. Thomas L. Blanton,

House of Representatives.

Dear Tom: Congress has been running at a very high rate of speed. I am warned by the House physician that a number of Members are overtaxing themselves.

I have been watching you and your work. You are overworking. You are rendering a splendid service. I know of no one who works harder than you. For the next few weeks there will not be so many important measures coming up, so I suggest that toward the end of the month you take a rest. I sincerely hope that you will accept this suggestion in the spirit in which it is intended.

Very truly yours.

Very truly yours,

HENRY T. RAINEY.

Just as John Garner used to call me to the chair, so does Speaker RAINEY, and I presided over this House today, called to the chair by Speaker RAINEY, which shows that I enjoy his friendship and confidence.

The following shows that in this session of Congress I have not missed a single roll call, but have been present and have answered all 194 roll calls:

HOUSE OF REPRESENTATIVES

Washington, D.C., June 15, 1934.

I, South Trimble, Clerk of the House of Representatives, United States, do hereby certify that there have been so far 194 roll calls in the House of Representatives since it convened last January, and that the records show that Congressman Thomas L. Blanton, of Texas, was present and answered each and all of said 194 roll calls.

SOUTH TRIMBLE Clerk House of Representatives.

MISREPRESENTATIONS IN 1932

Thousands of votes were taken away from me in the last campaign by my opponent, just before the primary, publishing in whole-page advertisements in the Fort Worth Star Telegram, costing over \$500 per issue, misrepresentations about me. He led people to believe that Speaker Garner and I were unfriendly. This shall not happen again. I quote the following just to show how unfair and unjust such misrepresentations were:

> THE SPEAKER'S ROOM,
> HOUSE OF REPRESENTATIVES, Washington, D.C., July 4, 1932.

Mr. Thomas L. Blanton, Jr.,
Albany, Tex.

My Dear Mr. Blanton: This will acknowledge yours of July 2, and I thank you for your good wishes and kind thoughts.

I note what you say in regard to your father, my good friend, the Honorable Thomas L. Blanton, with whom it has been my privilege to serve in Congress for many years.

As you know, your father is one of the best friends I have and I consider him a very valuable Congressman. To take anything I have said in the past concerning him, under very distressing conditions, would be unjust to him at the present time in view of the service he is now rendering.

With kindest regards and many thanks for your gracious letter, I am.

I am, Yours very truly,

JNO. N. GARNER.

And as soon as the primary election was over I received the following:

UVALDE, TEX., July 26, 1932.

Hon. Thomas L. Blanton, Abilene, Tex.

DEAR MR. BLANTON: As soon as Mr. Garner read the morning paper and satisfied himself about the various congressional dispaper and satisfied nimself about the various congressional districts, he went out to the woods, but before doing so asked me to write and express his gratification that you have such a good lead. The report is incomplete, of course, but he figures that you are out of the woods, and no further uneasiness need be felt. I hope that you can now have a good rest after the strenuous work of the past 8 months, and the anxiety of the campaign.

Love to Mrs. Blanton. I hope we can all have time next winter to call our souls our own.

to call our souls our own. Cordially your friend,

IMrs.1 E. R. GARNER.

SWEETWATER REPORTER'S FREE SUBSIDY

While Millard Cope and Carl Hamlin have misrepresented me by their erroneous statements that mailing excerpts of the RECORD has cost the Government \$12,200, when it cost the Government nothing, they have failed to tell about the subsidy this newspaper and Millard Cope get from the Government. During the past year, 1933, the Sweetwater Reporter mailed in the Sweetwater post office 6,734 pounds of newspapers absolutely free. It did not have to pay the Government one penny for same, as the big newspaper lobby pressed such a law through Congress. For its Weekly Reporter last year it sent through the Sweetwater post office 2,330 pounds of newspapers absolutely free, and for the 2,376 pounds it mailed outside counties it paid the Government only \$38.84 for the whole year of 1933. For the 2,396 pounds and 7,535 pounds of its Daily Reporter that it mailed to outside counties, Millard Cope's Reporter paid the Government last year only \$166.49 for the entire year. He does not mention this to his subscribers.

CLEBURNE HUSTON AND HIS STAMFORD AMERICAN

Stamford friends have sent me a copy of the Stamford American for June 8, 1934, carrying a double-column attack against me by Cleburne Huston. And he repeats "the sage of Bitter Creek's" misrepresentation about excerpts of the RECORD costing the Government. He does not tell his readers that he and his American enjoys a valuable subsidy from the Government. For the last year, 1933, he mailed in the Stamford post office 2,343 pounds of his American absolutely free, and he did not pay the Government one cent for handling and delivering it. On the 8,427 pounds he mailed to outside counties he paid the Government only \$129.81. And the Trinity Standard, which his daughter is taking charge of, last year mailed 1,077 pounds of newspapers absolutely free in Trinity County and paid only the small sum of \$19.92 on the 1,010 pounds it mailed to outside counties.

SENT ITS EDITORIAL TO ALL NEWSPAPERS

To show that Cleburne Huston wrote that editorial designedly to hurt me, he sent a copy of it to all the newspapers in my district, thinking they would publish it.

HEARST AND NOYES CONTROL ASSOCIATED PRESS

Directors of the Associated Press at their last meeting reelected Frank B. Noyes, of the Washington Star, president, and William Randolph Hearst, Jr., of the New York American, vice president. So if Congressmen do not obey Hearst and Noyes it is just too bad.

WHAT HIS STAMFORD PATRONS THINK

The following are some of the letters I have received from the patrons of the Stamford American:

> LYLES & WILLIAMSON, Stamford, Tex., June 13, 1934.

Hon. THOMAS L. BLANTON, M.C.,

Washington, D.C.
DEAR MR. BLANTON: I have read the editorial in the Stamford

American published Friday, June 8, 1934.

The editor has evidently confused his readers, by referring to the votes in counties in your previous election and to the use of the mails by all Congressmen at Government expense. I want you to know that I think this editorial is unfair, and I want you to know that I resent any unfair reference to you.

With best regards, I am,

Yours very truly.

W. P. LYLES.

STAMFORD, Tex., June 13, 1934.

Hon. Thomas L. Blanton,

Washington, D.C.
DEAR JUDGE BLANTON: I have noticed the editorial in the Stam-

DEAR JUDGE BLANTON: I have noticed the editorial in the Stamford American regarding you.

After reading this it is hard to tell just what our friend Cleburne Huston intended to convey, as his editorial is very satirical, yet he winds up by leaving the impression that he is listed as one of your friendly editors. He also refers to the free use of the mails. It is my understanding that the local newspapers also have considerable free use of the mails, of which he said nothing. This editorial seems very unfair to me, as your records show that you have never failed to assist anyone from your district whenever possible, regardless of how they may have voted. voted.

With best regards, I am, Yours very truly.

F. W. PECKHAM.

BRYANT-LINK Co., Stamford, Tex., June 13, 1934.

Hon. Thomas L. Blanton, M.C.,

Washington, D.C.

DEAR MR. BLANTON: Referring to the editorial in the Stamford

American.

As you know, I have never been a Blanton man. I believe you are a friend and I would go to you as quick for an accommodation as any man I know and be confident that it would be granted. I know you have in the past, and for that reason as much as anything else I am going to support you in your present

I don't think such editorials are doing you any harm. In fact, as unreasonable ones as was in the Stamford American really do you more good than harm.

Yours very truly,

R. L. PENICK.

STAMFORD, Tex., June 13, 1934.

Hon. Thos. L. Blanton, M.C., Washington, D.C.

DEAR JUDGE BLANTON: I have noticed the editorial in the Stamford American.

I regret to see our excellent weekly paper publish such a confusing and indefinite editorial. The editor evidently by his efforts at satire has confused his readers as to the position of his paper on your candidacy. By referring, however, to the votes in counties in your previous election, and by referring to use of the mails by all Congressmen, I think the editorial is unfair and I want you to know that I resent this unfair reference to you.

Yours very truly,

J. H. RUTHERFORD.

J. H. RUTHERFORD.

STAMFORD, TEX., June 13, 1934.

STAMFORD, Tex., June 13, 1934.

Hon. Thomas L. Blanton,
Member of Congress, Washington, D.C.

Dear Mr. Blanton: I have read the editorial in the Stamford American of Friday, June 8, 1934.

I deeply regret the unfair attack and am greatly surprised that Mr. Huston takes this stand. I am a large contributor to the advertising columns of the Stamford American, and I have informed Mr. Huston I resent this unfair practice.

With kindest regards I am

With kindest regards, I am, Yours very truly,

LOUIS ROSENWASSER.

MY FRIENDS WHOM I LOVE

I quote the following from many letters I have received from friends in Congress:

FROM THE CHAIRMAN OF THE RULES COMMITTEE

JASPER, ALA., August 17, 1932.

Hon. THOMAS L. BLANTON.

Hon. Thomas L. Blanton, Abilene, Tex.

My Dear Friend: I have been extremely solicitous about the result of your primary and now that I have received definite information of your renomination I write this to express my warm congratulations to you upon your victory. I felt assured all the time that the people of your district would not displace you at this important period in our legislative affairs.

With cordial regards and best wishes, I am,

Your friend.

W. B. BANKHEAD.

FROM CONGRESSMAN MOREHEAD, FORMER GOVERNOR OF NEBRASKA CONGRESS OF THE UNITED STATES,

House of Representatives Washington, D.C., June 14, 1934.

Hon. THOMAS L. BLANTON

Hon. Thomas L. Blanton,

House of Representatives, Washington, D.C.

Dear Friend Blanton: Your kindness in exchanging some documents with me makes it mighty convenient, as I can now supply this particular kind, and at the same time, others you receive from me you can use to good advantage. It is like pioneer days, when your mother and my mother could borrow from their nearest neighbor a cup of coffee or a pound of butter.

By the press I notice you are a candidate for reelection. It is not possible for our constituents to know the worth and outstanding qualifications of the Member who represents their district.

not possible for our constituents to know the worth and outstanding qualifications of the Member who represents their district. It requires courage, hard work, and ability to make a valuable Representative to the taxpayers. No other Member has been more faithful in being at his post of duty, or more zealously guarded the interests of the taxpayers than you have. I have seen many claims which are without merit defeated by your courage and familiarity with them. For the good of the taxpayers and for the sake of good government, I am exceedingly anxious to see you returned here. Your age and experience makes you a valuable man.

With best wishes, I am.

With best wishes, I am, Yours truly,

John H. Morehead, M.C., Ex-Governor of Nebraska.

FROM CHAIRMAN MILITARY AFFAIRS COMMITTEE

House of Representatives, COMMITTEE ON MILITARY AFFAIRS, Washington, D.C., July 18, 1932.

Hon. THOMAS L. BLANTON,

Hon. Thomas L. Blanton,

Abilene, Tex.

My Dear Judge Blanton: I am writing to express to you my profound appreciation of your splendid services to the country in connection with the long and laborious investigation of facts, leading up to the introduction of House Joint Resolution 355.

I believe it is the almost unanimous judgment of the country that you have rendered in this connection, as well as in many other respects, a most invaluable service for which the country can never repay you. Not enough of us have the diligence and the courage to dig beneath the surface and to follow a clue of crookedness to its lair.

On behalf of the American people I am thanking you for the courageous and heroic fight that you have always made for clean and honest government and against corruption and graft in every branch of Government.

With kindest personal regards, I am,

With kindest personal regards, I am,

Yours very truly,

J. J. McSwain.

FROM CONGRESSMAN WRIGHT PATMAN

Washington, D.C., June 15, 1934.

Washington, D.C., June 15, 1934.

Hon. Thomas L. Blanton,

House of Representatives, Washington, D.C.

Dear Tom: I want to commend you for your good work in behalf of the veterans of the World War and their dependents, also for the splendid service that you rendered in connection with protecting the rights, benefits, and property of the mentally disabled and shell-shocked veterans, who were having their estates dissipated and wasted by their guardians.

At this session of Congress, it was necessary that Members take a stand in favor of deserving, meritorious cases and against those cases that had brought the veterans' cause into disrepute before the American people. Therefore, it was necessary that we scrape from the veterans' ship all barnacles that were calculated to sink it or in any way impair its efficiency. I did not consider it right for a retired emergency officer, who lost an arm in service or who was disabled permanently to the extent of 30 percent, to receive from his Government from \$106 to \$520 per month, when for the same disability, the same service, under the same conditions, the sergeant, corporal, or private would only receive \$30 a month. The fact that these officers were receiving that money and at the same time many of them collecting big salaries monthly from the Government in addition to receiving hospitalization free caused the veterans' cause generally to lose much good will with the people.

One of the greatest acts of your service was to expose this dis-

One of the greatest acts of your service was to expose this discrimination, which was carrying rank beyond the war, and cause an adjustment to be made which will in the end be of material

aid and assistance to the cause of all worthy veterans and their

and and assistance to the cause of all worthy veterals and their dependents.

These retired officers now draw the same compensation for the same injury that enlisted men under the same circumstances received, except about 1,500, most of whom are battle casualties, were allowed to remain upon the roll. Under the peculiar circumstances surrounding their cases, I do not object to this, although it is a very bad precedent, but expect to continue to work with you in preventing the extension of this precedent or the reinstatement on the rolls of retired emergency officers that were alluminated therefrom as such. were eliminated therefrom as such.

Yours sincerely,

WRIGHT PATMAN.

FROM CONGRESSMAN HOEPPEL, OF CALIFORNIA

CONGRESS OF THE UNITED STATES, House of Representatives, Washington, D.C., June 15, 1934.

Hon. Thos. L. Blanton,

Member of Congress, Washington, D.C.

My Dear Colleague: As "an honest confession is good for the soul", and as we will soon be on our journey to our homes, I wish, as one of your Democratic colleagues, to give my impressions and observations regarding your public work.

Before I became a Member of the House, as a retired Army man and from a long-range view, I disapproved occasionally of your work in the Congress. Since I myself have been a Member and have had ample opportunity to observe your activities, I feel that, in justice to you, I must reverse my former opinion and acciaim you as one of the most outstanding, if not the most valuable Member in the House. If this observation was my own individual observation only, by no stretch of the imagination would I consider myself competent to judge but I can state positively that practically all of your Democratic colleagues feel as I do in reference to the high character of service which you are rendering your constituents as a Representative from the good State of Texas.

As the past commander of the Veterans of Foreign Wars the

ence to the high character of service which you are rendering your constituents as a Representative from the good State of Texas.

As the past commander of the Veterans of Foreign Wars, the United Spanish War Veterans, and the American Legion, and as a publisher of a veterans' periodical, I feel that you are one of the best friends that the worthy disabled veteran has in the Congress. It was indeed an inspiration to me to witness the very able and effective work which you did in piloting the bonus bill through the House, despite the opposition of many Republicans and some even on our own side. The splendid assistance which you gave me, plus the advice and counsel given on matters of interest to veterans which I was espousing, stamp you, in my opinion, as an asset to the veterans of our country.

I attended the sessions of the Seventy-second Congress and witnessed the able work which you were doing and also the very effective work which was being done by the Republican Representative, Mr. LaGuardia, who is now mayor of New York. Just as a personal touch, I may state that when I learned through the press that Mr. LaGuardia was defeated, I stated to my wife that I would rather have been defeated myself than have the Nation lose the services of such an outstanding exponent of the people's interest as Mr. LaGuardia, because, in instances of this kind, in a way partisanship should be overlooked. From this angle I can truthfully state that I would rather myself be defeated for reelection than to have your good State and the Nation lose the services of a man of your character, ability, prominence, aggressiveness, and sense of justice. These qualities, plus your long experience and the high respect and regard with which you are held by the leadership, evidence the fact that you are more valuable here in the Congress than you could be anywhere else, in public or private life. No one can visualize the indefatigable service you are rendering to your people and to the Nation more accurately than I, occupying as I do an offi

J. H. HOEPPEL.

FROM CHAIRMAN OF NAVAL AFFAIRS COMMITTEE UNITED STATES HOUSE OF REPRESENTATIVES, COMMITTEE ON NAVAL AFFAIRS, Washington, D.C., June 15, 1934.

Hon. THOMAS L. BLANTON.

Hon. Thomas L. Blanton,

House of Representatives.

Dear Tom: We have a custom here, and a very proper one, of eulogizing our colleagues. Usually we wait until they are gone to say nice things about them. But I am not going to do that in your case. I am going to say now what I think of you while you are still in the prime of life and vigorous.

I preceded you in Congress by 4 years. You first came here in the World War Congress, the Sixty-fifth. That was a veritable baptism for a new Member. Grave responsibilities faced you at the threshold. You met them courageously then as you have ever since. In your nearly 18 years continuous service, except for a brief interval, I have been, as doubtless others have been, a close observer of your activities in the House, and I say to you unqualifiedly that in my 11 terms, no man, in my judgment, has been a more useful legislator. I have marveled at your ability and readiness intelligently to discuss so many and diverse propositions;

and I have been amazed at your colossal energy of which you always seem to have a reserve. What's more is your rare courage. You never hesitate to attack what you regard as bad bills and to support those measures you regard as for the public welfare, without fear or favor. Friend and foe alike have come to appraise you

out fear or favor. Friend and foe alike have come to appraise you as sincere, honest, and conscientious in your convictions and actions—and fair. And they respect you.

If I may apply a term to you, one I think fits your case, it is this: You are a legislative gladiator. You are unceasingly fighting for the right and against the wrong, according to your judgment. Your activities have run a long and wide gamut, covering an infinite variety of questions, big and little. By experience and close application you have developed a knowledge of parliamentary law, a great asset, which you use skillfully. But if I were to single out any one thing above another in which you excel it is your crusading spirit against extravagance and for economy in the spending of the people's money. In this respect I might appropriately liken you unto Cerberus, all of whose attributes as a guardian of the Treasury you have, added to which is the saving grace of good humor. There is no telling how much money your efforts have saved the Public Treasury, but I dare say it runs into the millions.

efforts have saved the Public Treasury, but I dare say it runs into the millions.

You and I have not always agreed, just an honest difference of opinion, but we have remained friends. You have made some enemies. Who wouldn't, pursuing a courageous course? But, paraphrasing General Bragg's famous remark about Grover Cleveland I will say: "I love you for the enemies you have made."

Your legislative record would make a large book, if compiled, and it would be an honorable record of achievements. Perhaps it will be accorded full recognition and justice in the future. And it will make its impress upon the annals of Congress as it has upon my mind, as have the splendid qualities of the man whose it is—your good self, my friend, Tom Blanton, of Texas.

Yours very sincerely,

Yours very sincerely,

CARL VINSON. Chairman Committee on Naval Affairs.

FROM OUR TEXAS MEMBER OF THE WAYS AND MEANS COMMITTEE

CONGRESS OF THE UNITED STATES, House of Representatives, Washington, D.C., June 15, 1934.

Hon. THOMAS L. BLANTON.

House of Representatives, Washington,

Dear Judge: As you will recall, when Mr. Garner was elected Speaker of the House, I was elected by the Democrats of the House for place on the Ways and Means Committee, Mr. Garner having been a member of that committee at the time of his election as Speaker.

I proposed your name to the members of this committee, which I proposed your name to the members of this committee, which selects all committees, for a place on the powerful Appropriations Committee, and just as Congress is on the eve of adjournment, I want you to know that I appreciate the good work which you have done on that committee. You have saved the taxpayers of this Nation many dollars and your untiring efforts on that committee and in the House have been a source of gratification to me

With all good wishes, I am, Your friend,

MORGAN G. SANDERS.

EXCERPT FROM A LETTER WRITTEN BY CONGRESSMAN JOSEPH J. MANS FIELD, OF COLUMBUS, TEX., CHAIRMAN OF THE COMMITTEE ON RIVERS AND HARBORS, TO A CORRESPONDENT IN WASHINGTON

Judge Blanton came to Congress with me in the Sixty-fifth Congress, and our first work, of course, was pertaining to the war. I have differed with him on many occasions, but have also been alined with him on others, especially within the past 5 or 6 years. I consider him at present one of the ablest and most useful Members of Congress, and in his position as a prominent member of the Committee on Appropriations, he has been able to render services to the taxpayers of the country that could hardly be equaled by anyone else.

Yours sincerely,

J. J. MANSFIELD.

### SOME OF JUDGE CARL O. HAMLIN'S DECISIONS

About 3 years ago, my son tried a case before Judge Hamlin, without a jury, where a son was charged with defrauding his mother and other relatives out of their land. Judge Hamlin prevented my son from introducing most important testimony, evidencing such fraud, and forced him to appeal the case, and the appellate decision is Forty-eighth Southwestern Reporter (2d ed.) 724, decided April 22, 1932. From the opinion of the appellate court, holding that Judge Hamlin had erred, and reversing his decision, I quote the following:

# [From opinion of court]

The plaintiff, Blanche V. Stokes, aged 79 years, is the mother of the defendant, Albert W. Stokes. She and the other plaintiffs (except one who resides in Gray County, Tex.) resided in California. None of them lived in Stephens County, where the land in question was situated, and where the defendant, Albert W. Stokes, and wife reside. The plaintiffs and the defendant, Albert

W. Stokes, were the co-owners of the land; his interest amounting to 21½ percent thereof. The plaintiffs were known by said Stokes to be in straitened financial circumstances and desirous of selling the land. He represented himself as being in a like situation financially, and also anxious to sell for the best price obtainable. The land was surrounded by ranch lands owned by the defendant Ball, who had leased it for pasturage purposes for 25 or 30 years, and who had a preference right to buy it when it was placed on the market. the market.

and who had a preference right to buy it when it was placed on the market.

It is clear from the testimony that said Stokes designed to purchase or become the owner of the property, and he and the defendant Ball conceived the plan or scheme to effect that end and to do so without disclosing such purpose to the plaintiffs, the other co-owners of the land. At least said Ball, without apparent compensation or hope of reward, lent himself to the plan to enable said Stokes to acquire the property for \$4,500. The scheme originated after said Ball had indicated he would like to buy the land under his option.

Ball agreed that he "would not run the price up", and that he "would not try to get ahead of him." Such conduct on the part of Ball was evidently in keeping with his understanding with Stokes, arrived at in said conversation. The understanding went further, in that by it said Ball was to act as the agent of said Stokes, pretend to be the actual purchaser of the property, and to offer the plaintiffs and the defendant, Albert W. Stokes, as a top price for said land the sum of \$4,500, and thereafter deed the property, if acquired, to Stokes, who agreed to furnish the total consideration for the purchase of same. Ball further testified: "He (Stokes) was buying the land in my name, yes; all

total consideration for the purchase of same. Ball further testified: "He (Stokes) was buying the land in my name, yes; all that I had to do was just to make the offer. \* \* I went through Albany and made the bid. \* \* He said he would furnish the money and it would not cost me 1 cent."

While the deed was thus being prepared, the said Stokes and Ball engaged in conversation which was sought to be introduced on the trial of this cause. It was excluded, and that ruling of the court is the basis of the assignment now under consideration, and which controls the disposition of the appeal. That convertion of the same and which controls the disposition of the appeal. That conversation originated with the statement by Ball to Stokes that he (Stokes) was a trading man, and that he (Ball) would give him a nice profit for the land and leave the deed in his name. Whereupon it is testified that said Stokes inquired what Ball considered

upon it is testified that said Stokes inquired what Ball considered a nice profit, and that the latter stated he would double his money. The conversation then proceeding embraces the excluded testimony, and is, as stated in the bill, as follows:

The said Ball proposed to said Albert W. Stokes that if he would let him, the said Ball, keep the land, he would pay him \$9,000 for the same; that said Stokes said in reply that \$9,000 was not enough; that said Ball then proposed that he would pay him \$9,500 and that said Stokes said that that sum was not enough; that said Ball then proposed he would pay him \$10,000, which was \$5,500 more than Ball had paid for said land for said Stokes from the Stokes estate, and that the said Albert W. Stokes replied that he wouldn't sell it, as it was worth more money than that. money than that.

money than that.

The appellant was offering this testimony to prove, or as tending to prove, the fraudulent transaction itself. The court excluded the same, and there is before us the single question, namely: Did the court err in so ruling?

(1) Did the excluded testimony have a material bearing upon the issue of fraud involved in the alleged misrepresentation by Stokes of the value of the land; such misrepresentation being accompanied by an artifice employed for the purpose of throwing the plaintiffs and their agents of guard and possibly causing them not to rely solely on independent judgment and investigation in such matter? We believe the question should be answered in the affirmative, and are of opinion that the court erred in excluding the same. cluding the same.

MOTHER AND CHILD'S MONEY WITHHELD

I have just received the following affidavit from Boston:

I have just received the following affidavit from Boston:

STATE OF MASSACHUSETTS,

County of Middlesex, ss:

Before me, the undersigned authority, on this day personally appeared Mrs. Esther Medill, known to me to be a credible person, who being by me duly sworn, upon her oath, states:

My name is Mrs. Esther Medill and I am now residing at 3 Liberty Street, Marlboro, Mass. On December 19, 1932, while I was living in Breckenridge, Tex., my little 14-year-old daughter, Clare Medill, while returning from school was struck down by an automobile driven by a banker, and was seriously and permanently injured, suffering a fractured skull, dislocated back, injuries to her eyes, chest, and lungs, from which she will never recover.

In a suit for damages I filed in the 90th district court, presided over by Judge Carl O. Hamlin, the defendant in the trial, after the evidence had been introduced, compromised and settled the case before it reached the jury, and paid into said district court.

case before it reached the jury, and paid into said district court the sum of \$1,750 in cash as the award to my said minor daughter, and said money was paid over to Judge Hamlin's clerk, Miss Mabel Wood, on October 2, 1933, with the understanding that it was to be paid to me as the guardian of my minor child just as soon as

be paid to me as the guardian of my minor child just as soon as I qualified as guardian after reaching Massachusetts.

Doctors advised that I must take my daughter to a cold climate immediately, and I asked my local attorney, Mr. L. H. Welch, of Breckenridge, to arrange for me to be made temporary guardian so that I could leave at once and have said funds out of which to pay the necessary expenses. I was assured by my attorney, Mr. Welch, by Judge Carl O. Hamlin, and by Judge Bryan Atchison, of the probate court, that I could be made guardian in Massa-

chusetts just as soon as I got there, and that the money would be sent to Massachusetts as soon as I qualified there with the

be sent to Massachusetts as soon as I qualified there with the necessary bond.

On reaching Massachusetts I duly qualified in the probate court as guardian of my said minor daughter and made the necessary bond and took the necessary oath of office, and duly qualified in every way as guardian, and my attorney sent to said Judge Carl O. Hamlin and the clerk of his court, a full transcript, showing my letters of guardianship and qualification. And one excuse after another has been put up by Judge Carl O. Hamlin and my said local attorney, L. H. Welch, for not paying me the said money due, and I have been trying for 7 months to get this money I am in need of.

due, and I have been trying for 7 months to get this money I am in need of.

Besides having my permanently afflicted daughter to care for, as she is still suffering from the fracture to her skull and her dislocated back and injuries to her eyes, chest, and lungs, and has never been able to go to school again, I am also supporting and caring for my 80-year-old father.

Every time Judge Carl O. Hamlin and L. H. Welch have insisted on my doing something else before they will send me the money due me. I have had my lawyer, Mr. Frank P. O'Donnell, 717 Tremont Building, Boston, Mass., he being a first-class lawyer, to meet their requirements and send such papers to them as they demanded. And still they refuse to send my money which has been a great hardship upon me, my afflicted daughter, and my 80-year-old father.

Judge Carl O. Hamlin promised me that as soon as the guardianship papers were received by him, he would release my money to

Judge Carl O. Hamlin promised me that as soon as the guardianship papers were received by him, he would release my money to
me within 5 minutes, but he has not kept his promise, and it
looks now as if it is going to cost me more to get this money
that belongs to my minor daughter than it amounts to.

Inasmuch as Congressman Blanton represents the district
embracing Breckenridge, I am sending him this statement, asking
that he take steps to help me get my money, which has been held
long enough by Judge Carl O. Hamlin and his court officials and
their bank, with free use of it since October 2, 1933.

Mrs. Edith Medill.

Sworn to and subscribed before Fred B. Fletcher, justice of the peace, and duly authenticated under seal by William G. Regan, clerk of the district court of Middlesex County, Commonwealth of

Her Boston attorney, Mr. O'Donnell, and her Congressman, Hon. Frank H. Foss, have both appealed to me several times asking help in getting Judge Hamlin to turn this mother's money to her, and I have had threats of her carrying the matter to the United States Federal court, and their criticisms are a reflection upon our section. I have written to Judge Welch about it and I believe he will take decisive action, for this mother has waited for her money since October 2, 1933.

### EXPLANATIONS CARL HAMLIN MUST MAKE

Instead of spending his time flaying me, when he has no platform, Carl Hamlin must answer the following: First. Why did he secretly campaign against me in Stephens and Palo Pinto Counties in 1932, simply because I had performed my duty in removing 4,800 emergency officers without service disability from the big monthly payments they wrongfully drew from the Government, his being \$150 per month? Second. Why does he not do like Maj. William Wolff Smith did-pay back to the Government the thousands of dollars he has unlawfully received? Third. After I mentioned in my speech of March 2, 1934, his Lila Keith affidavit telling about his nervousness, and boils on his head, and bad lungs, which afflictions he now says he never had, why did he wait until April 5, 1934, before he denied having such afflictions? Fourth. Why did he publish on April 5, 1934, the emphatic statement that he had never heard of a Lila Keith affidavit, when on March 30, 1934, the Dallas bureau advised Carl Hamlin that such an affidavit by Lila Keith had been in his file, but that it had been removed therefrom? Fifth. Carl Hamlin must explain why this Lila Keith affidavit was filed on the same day and at the same hour in his file that other of his affidavits from his doctors were filed, and his claim that same pertained to another veteran is ridiculous. Sixth. Who took the Lila Keith affidavit from his file? Seventh. When he says he is not further appealing his claim for \$150 per month, why did he have his file sent to Dallas, which he wrote to have done on January 29, 1934, long before I mentioned Lila Keith? Eighth. Why is he having Capt. Watson B. Miller, who helped William Wolff Smith get his \$187.50 per month, send his different files here and there, and preparing his appeal, if he is not appealing? Ninth. If not the officers' lobby, who is furnishing the large sum of money

write Mr. Simmons that he had to pay more than civilians for insurance, when he has a gilt-edge gold policy for \$10,000 with the Government, for which he pays a very small quarterly premium? Eleventh. Why did he charge the people of Texas with \$34.85 extra, additional to his salary, for the 3 days he held court in Fisher County, during all of which time he was campaigning? Twelfth. Why did he help Chastain gerrymander my district, and why is he conferring with Chastain in a common fight against me when they are opponents, and why have they been campaigning against me for the past 6 months, when I have been on the job at my post of duty in Washington? Let him answer.

MY 10 COUNTIES THEY STOLE FROM ME ARE LOYAL

I ask my constituents to write Jim White, editor of the Brownwood Bulletin, Editor Collins at Llano, Editor Pharr at Lampasas, Editor Thompson at Goldthwaite, Editor Schwenker at Brady, Editor Patterson at Mullin, Editor Shepherd at Ballinger, and Editor Billie Smith at San Saba. and they will tell you that my 10 counties were gerrymandered away from me by Chastain and Hamlin, without their consent, and that they are loval to me now.

### [Editorial in last issue of Lampasas Record] WE LOSE BLANTON

In the redistricting of Texas by the legislature, Lampasas County was taken from the Seventeenth Congressional District and hence lost the Honorable Thomas L. Blanton; that is, lost the opportunity to help elect him again this year.

In the primary of 1932, despite the fact that Mr. Blanton spent most of his campaigning time in Washington attending to the people's business, he was given exactly two-to-one majority over his opponent, and it is the opinion of a number whom this writer has talked to that he would have done the same thing again this time regardless of who his opponent happened to be had we remained in his district. The people of Lampasas County have learned that Blanton is a Representative of his own people.

Mr. Blanton is one Congressman who fights the battles of the common people all the time. He is one Congressman who gives all his time to his official duties and never shirks or straddles the fence. He is one Congressman who is never too busy to hear the

all his time to his official duties and never shirks or straddies the fence. He is one Congressman who is never too busy to hear the petitions of his people and then to get to work on the thing they are after. He listens to the petitions for little things and to the petitions that affect the entire State or Nation. He has proved during the years that he is able to get things done and get them done right away when he is called on by any of his constituents, or when he knows they need to be done, regardless of whether he has been asked to. In other words, he is looking out all the time for his people

for his people.

Mr. Blanton has never taken part in the other fellow's political

Mr. Blanton has never taken part in the other fellow's political campaigns and has always received the support of prohibitionists, antiprohibitionists, Ferguson supporters, and anti-Ferguson supporters alike. In other words, the people whom he has served have learned that he represents them, and they all support him. This writer believes that the great majority of the people of Lampasas County regret the fact that they do not have a chance to vote for Mr. Blanton again, but that they would like to recommend him heartily to the new counties which have been added to his district. If the people of the Seventeenth District want a real Representative of the common people in Washington they can have it by electing Tom Blanton.

# LIKE FATHER LIKE SON

Carl Hamlin's father represented a Missouri district in Congress for 14 years. He accomplished nothing of consequence. When Missouri defeated and retired him on March 4, 1919, he had never gotten beyond one of the small committees. He has not been back since, though Missouri has a solid Democratic delegation, all 13 Congressmen being Democrats. But being a Member of the war Congress, he did help Carl to get into an officers' training school, which got for Carl a commission, and he did help Carl to stay in the United States, where there were no trenches and dangerous Germans. And Carl Hamlin cannot deny that he did stay in the United States throughout the entire war.

And unlike the thousands of men and officers, who, immediately after the armistice, November 11, 1918, cabled me to get them out promptly, Carl Hamlin remained in his swivel-chair captaincy until January 30, 1919. Why? Things were pleasant. He was enjoying himself. Under Army regulation, he had private soldiers to wait on him, to make up his bed and look after his quarters, to shine his shoes, and act "flunky" for him. He hated to give it up.

### LITTLE TRAINING FOR JUDGE

Carl Hamlin did not have long to practice after he got Carl is spending in this campaign? Tenth. Why did he out of law school before he was training to become a stayat-home captain, and he had only 2 years after he left his | remain-at-home captaincy until, through political influence, he got an appointment as district judge, for a one-county district embracing only Stephens County, with a \$5,000 salary from the State, when I used to hold his Stephens County court, and the court for Eastland, Callahan, Shackelford, and Taylor, and keep all the dockets up to date, for a salary of only \$3,000. If Carl Hamlin had given closer study to equity and law, he would not have denied the 79-year-old widow, Mrs. Stokes, her rights, and he would not have kept Mrs. Medill's \$1,750 from her since October 2, 1933.

IT IS STATE TAXES EUINING THE PEOPLE

It is ruinously high State taxes levied to pay big salaries to district judges with one county, idle, like Carl Hamlin, most of his time, for which State legislators like Oscar Chastain are responsible, that has bankrupted the farmers and other citizens of Texas. Instead of wasting his time gerrymandering my district, and taking 10 loyal counties from me, Chastain should have been fulfilling his pledges, and abolishing the useless courts and idle judges. But his brother-in-law is a judge, and his daughter works for a judge, hence he could not abolish any courts.

#### FRANK JUDKINS-WHO IS HE?

Friends wire me that today's Weekly Record, which is delivered free over Eastland County, attacks me for not supplanting Republicans with good Democrats. Is Frank ignorant? Is he unposted? Or is he just demogoging? He is really attacking the President of the United States. It is not new for Frank to be against the Democratic Party. I want the people to write to Odessa and learn of his record. I have appointed over 20 Democratic postmasters. Promptly after each vacancy is declared I appoint. I let my friends who are patrons of the Stamford office choose their postmaster. I let my friends who are patrons of the Carbon office choose their own postmaster. I let my friends who are patrons at Gorman choose there. I let the Democratic organization of Eastland County choose the postmaster at Desdemona and at Olden. The President has taken the position that our Democratic Party nationally is a minority party and must have help from Progressive Republicans, and because of the help which we received from Senator Cutting, of New Mexico; Senator Johnson, of California; Senator Norris, of Nebraska; and others, he feels bound to allow retiring Republicans to have a few months to adjust themselves before removing them after terms expire.

I am reminded of the foolish attack Frank Judkins recently made upon me in the Star-Telegram, and the answer to it by the editor of the Eastland Chronicle, which is the oldest established newspaper in Eastland County, appearing in the Star-Telegram, June 7, 1934, from which I quote the

following:

Mr. Judkins' law partner is a candidate against Mr. Blanton and that Mr. Judkins never has been a supporter of Mr. Blanton.

I cannot agree with Mr. Judkins.
During Mr. Blanton's long career in Congress he has been universally recognized as the leader in numerous hitter fights to protect the interests of the masses. In fact, it has been his unrelenting fight in behalf of the taxpayers, not only of his district but of the country as a whole, as much as anything else, that has caused him to have an opponent in each election since he has

Remembering his long, useful service in the House and having the utmost confidence in his ability and integrity, the voters of Mr. Blanton's district again will return him to Congress this fall

just as they have been doing.

I quote the following from the Eastland Daily Telegram of Sunday, June 10, 1934:

A CHALLENGE TO CHASTAIN

SWEETWATER, TEX., June 8, 1934.

Mr. Oscar Chastain, Eastland, Tex.

Dear Sir: Just above your picture, you head your campaign folder "If it's knowledge you want" followed by "Read what the friends of Chastain think." Then without quotation marks you print what purports to be an endorsement of you, praising your great knowledge, but not one name is signed to it, yet you assert that it was signed by 1,000 citizens of Eastland County.

I challenge your assertion. I demand that you produce the names and addresses. A reliable Cisco citizen asserts that you had this purported endorsement circulated in Cisco and could get only a few signers. I understand that you have a daily newspaper in

a few signers. I understand that you have a daily newspaper in

Eastland, and I now challenge you to publish in it the names and addresses of the 1,000 Eastland county voters you claim signed your said endorsement. I contend that you haven't got them. I

addresses of the 1,000 Eastland county voters you claim signed your said endorsement. I contend that you haven't got them. I am sending a copy of this to your newspaper, daring it to print same as an open challenge to you.

You brag about practicing law some and teaching school some and being in the legislature some, and that you have taught in Bryan, Stephenville, Thurber, Merkel, and Stamford. Don't these frequent changes indicate that you couldn't make good? I challenge you to tell why you had to change schools so often and why you have not been able to offer us voters a single thing that Branton has not already done for us. BLANTON has not already done for us.

Very truly,

J. H. FREEZE.

#### ANENT THE ABOVE

I received a letter, dated March 11, 1934, from one of the leading citizens of Cisco, Tex., stating:

Oscar Chastain employed a man to take an endorsement of him around to the business men of Cisco, and he got only a few signers. Some signed just to help the party carrying it. After numerous refusals, he took it back to Chastain.

So Mr. J. H. Freeze must "know his onions."

In conclusion I quote the following excerpts from the Washington Daily News, which is not my friend, and which attacks me regularly, but which shows that I have been against any raise in salaries and have been for retaining the salary cuts:

[From the Washington (D.C.) Daily News]

BLANTON, ARDENT PAY-CUT ADVOCATE, IS CUNNING FOE—STAND OF TEXAS CONCRESSMAN, WHO SINGLE-HANDEDLY KILLED DISTRICT AP-PROPRIATIONS BILL, IS NO SURPRISE

Representative Tom Blanton, the gift of Abilene, Tex., to American statesmanship, has come out against any present or future restoration of Government salaries to their predepression level.

Blanton is too well known around here for there to be any need

of a dissertation on why he is on this side of the question.

It is natural and fitting for "Terrible Tom" to take the contrary side of any attempt to give Government personnel a break, and it wouldn't look right if he didn't. And it would be foolish to underestimate this man's resourcefulness and parliamentary cunning.

### POWERFUL FOE

I saw him, single-handed, kill the District appropriation bill in I saw him, single-handed, kill the District appropriation bill in the last few minutes of the congressional session that ended March 4. After weeks and months in which he had blocked this measure from enactment, he seized the precise moment for the kill and by his lone objection drove the fatal dagger into the palpitating legislation.

Of course, the extra session provided the essential appropriations, but they were at Blanton's figures. Blanton had his way. Take care that he doesn't have it now.

One way to block Blanton is to help the News build up such

One way to block BLANTON is to help the News build up such a convincing case on the human side of the cost-of-living question that President Roosevelt and the majority of Senate and House will see fit to end the pay cut and give Uncle Sam the right to fly a Blue Eagle by repealing the pay cut law early in the January session.

When I have remained on the job and kept busily at my post of duty during the past 6 months, while my opponents were maligning, misrepresenting, and actively campaigning against me, I have felt it to be my duty to see that my constituents should have the real facts about my service and standing here, and I have gone to great expense and trouble to place the facts before them, and I have an abiding confidence and faith that they, when the crucial time comes, will care for my interests. I am tired from long hours. Many Congressmen who have no opponents will get a deserved rest. I will have no rest. But I have the approval of my own conscience, and the consolation of knowing that "I have fought a good fight, and I have kept the faith."

Mr. BLANTON. Mr. Speaker, in the Sixty-sixth, Sixtyseventh, and Sixty-eighth Congresses, under Republican administration, in addition to sums already mentioned as having been spent on investigations, there were the following sums spent by other committees on investigations, to wit: One spent \$10,047.13; one spent \$2,500; one spent \$1,143.94; one spent \$991.50; one spent \$150; one spent \$8,492.42; one spent \$5,816.85; one spent \$21,440.92; one spent \$16,948.16; one spent \$333.33; one spent \$5,650.17; one spent \$24,995.63; one spent \$24,102.71; one spent \$3,089.93; one spent \$9,627.03; one spent \$99.30; one spent \$6,912.02; and the Judiciary Committee spent on its three investigations-\$3,193.37 on one,

\$2,043.06 on another, and \$68.90 on another.

It is my very best belief and judgment that practically all the money spent above mentioned was wasted.

Mr. WARREN. Mr. Speaker, I think it should be understood before the House votes on this measure that the maximum amount that will be asked from the Committee on Accounts tomorrow for this investigation will be \$25,000.

Mr. SABATH. The gentleman is correct.
Mr. WARREN. It will not exceed that amount?

Mr. SABATH. No.

Mr. WARREN. Therefore, if this resolution should pass the gentleman will expect to get something like that sum?

Mr. SABATH. And no more.

Mr. WARREN. I think the House ought to have full notice before it votes on this resolution.

Mr. CELLER. Mr. Speaker, will the gentleman yield?
Mr. SABATH. I yield.
Mr. CELLER. Mr. Speaker, I would remind the gentleman from Texas that the gentleman from Illinois ordered an investigation which the gentleman from Texas favored, relating to an investigation of receiverships in New York City. In that investigation which resulted in successful legislation we spent \$3,100, and a bill was passed at this session of Congress curing the evils disclosed by the investigation.

Mr. BLANTON. But the gentleman knew all the facts before the investigation was ordered in that instance. So

Mr. SABATH. Mr. Speaker, I yield 30 minutes to the gentleman from Michigan.

Mr. MAPES. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, this resolution provides for the appointment of a congressional committee to investigate protective bondholders' committees. As a Member of the Rules Committee I was inclined to favor and support the resolution until the passage of the Stock Exchange Act, which directs the Stock Exchange Commission to do exactly the same thing that is proposed to be done through this resolution by a committee of Congress.

I have a great deal of sympathy with bondholders, and I have some sympathy with these protective committees. I think the bondholders should realize that it is hard for protective committees to get blood out of a stone and that many of the protective committees have not been furnished with anything to carry on with or to make the investigations and the reports which the bondholders desire to have them make. On the other hand, it is probably true that some of the so-called "protective committees" have been too tight in furnishing information to the bondholders and have to some extent ignored the requests of bondholders for information to which they were entitled.

At the same time, it seems to me that there is no necessity for unduly annoying the protective committees or causing them undue expense. As I have said, the Stock Exchange legislation provides that the Stock Exchange Commission shall do exactly the thing that this resolution provides that a committee of Congress shall do, with the possible exception that the Stock Exchange Commission is not required to report to Congress until the 1st of January 1936.

Mr. Speaker, those who have kept track of the stock exchange legislation know that in the Senate an amendment was adopted amending the Securities Act passed about a year ago, and, at the same time, a rather extensive amendment was adopted requiring reports to be made by these protective committees. In conference the amendment relating to protective committees was modified to require the new commission to investigate the protective committees and report back to Congress.

Mr. Speaker, in order that the House may know just what the stock exchange law provides in this respect, I will read the paragraph of the act relating to the subject, which was approved on June 6, 1934. Section 211 reads as follows:

The Commission is authorized and directed to make a study and investigation of the work, activities, personnel, and functions of protective and reorganization committees, in connection with the reorganization, readjustment, rehabilitation, liquidation, or consolidation of persons and properties, and to report the result of its studies and investigations and its recommendations to the Congress on or before January 3, 1936.

The only reason or excuse I can see for the duplication of this work by a committee of Congress is that it will be required to report before the expiration of this Congress, or before the 3d of January 1935, and this Commission is required to report on or before January 1936. It seems to me that that is not a sufficient reason for going to this additional expense and putting these protective committees to the additional expense and annoyance to which they will be put by having these two investigations made at the same time for the purpose of getting the same identical information. For this reason, Mr. Speaker, after the stock exchange bill was passed it seemed to me that the resolution, now before the House, ought not to be considered or passed.

Mr. BRITTEN. Mr. Speaker-

The SPEAKER pro tempore (Mr. BLANTON). For what purpose does the gentleman rise?

Mr. BRITTEN. May I inquire what the parliamentary position of the bill is at this moment?

The SPEAKER pro tempore. The parliamentary situation is that the bill is called up under a rule and the gentleman from Illinois [Mr. SABATH] has control of the floor.

Mr. BRITTEN. Will the gentleman yield me 5 minutes? Mr. SABATH. The gentleman on that side of the House has time to yield.

Mr. BRITTEN. I am in favor of the resolution and I should like to have 5 minutes.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Speaker, early in this session the gentleman from Wisconsin [Mr. O'MALLEY] introduced a joint resolution in connection with Senator McCarran to investigate the situation in reference to bondholders' committees of real estate, reorganizations, bankruptcies or receiverships. Thereafter the gentlemen from Illinois [Mr. Keller and Mr. Sabath] introduced similar resolutions.

The Rules Committee, after considering the matter for a month, determined that the question was of such moment that something should be done about it by this Congress. We understood that at least a million people in this country were complaining of the treatment they were getting through the reorganization of these big real-estate failures. The promoters of the committees had used the mails to form these committees, and to secure possession of the bonds. It was alleged that dividends were being withheld from the bondholders; the properties were being handled as the committee heads saw fit through the appointment of attorneys. receivers, trustees, and so forth, and paying unreasonable fees.

The Rules Committee brought out of its own accord this resolution, being a composite product of the three resolutions introduced by the gentlemen whom I have just mentioned. May I say that I have received possibly 10,000 letters from people who begged Congress to look into this situation. There have been parades of fifteen or twenty thousand or more people protesting that something should be done. These people live not only in the city of Chicago, but in the city of Milwaukee, the city of New York, and in many other places all over the country.

For instance, one of the outstanding frauds upon the public was the issuance of bonds on the National Press Building here in the city of Washington. Other outstanding examples were the Straus failure in New York, the Greenbaum failure in Chicago, and other similar failures, prior to which bonds had been sold to the American people because of the high rate of interest, of 7 or 8 percent, and then with the collapse of the real-estate situation, these bondholders' committees further are alleged to have defrauded the security holders under fraud or pretense and by using the mails and through other interstate communications, by getting possession of these bonds and since then having handled the properties just as the committee heads have seen fit.

I have never seen a situation in which so many people in our country are so vitally interested, and to a great extent they are widows and children whose investment and estate consisted of these real-estate bonds.

In answer to the gentleman from Michigan [Mr. Mapes], in the stock exchange bill, as it came before us, there were several provisions permitting that body to look into this situation thoroughly. Those provisions were stricken out and at the last moment, in conference, section 211 was placed at the very end of the bill, which, in very general terms, and with no such specifications as this resolution contains, authorized—not directed—this new commission to look into something like this subject and to report back in 1936.

The Commission has not as yet been appointed. After it is appointed, with its multitudinous duties, it will be 6 months before the machinery is set up, and everybody knows that the chief duty of the Commission will be to look into the practices of the stock exchanges. So, if this Commission ever did get to this subject, it would not be before 1936, and, in the meantime, at least 1,000,000 of our people might suffer further losses by reason of the practices that are alleged to be carried on by these reorganization committees, bondholders' committees, trustees, and receivers.

So the passage of this resolution is imperative if anything is going to be done to protect the million or more American citizens involved, and it must be done presently, and the proper time to do this work is in the recess of Congress so that the committee may report at the opening of the next Congress.

Mr. Speaker, it is my earnest opinion that there is no more beneficial work that any committee ever could perform than this attempt to protect the rights of over 1,000,000 of our men, women, and children in this country.

Mr. MAPES. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. BRITTEN].

Mr. BRITTEN. Mr. Speaker, very little can be said in addition to what the distinguished gentleman from New York [Mr. O'CONNOR] has just presented to the House. I hope that my colleagues on this side of the aisle will not aim to obstruct the passage of this resolution in the so-called interest of economy. This, to my mind, would be a false line of attack.

I agree with the gentleman from New York [Mr. O'CONNOR] about the investigation of the malpractices that have occurred during the depression, practically, at least, in violation of all laws, where poor women, trust estates, orphan asylums, and insurance companies have been robbed by artful devices of lawyers and so-called "bondholders' committees"—

Mr. COCHRAN of Missouri. Mr. Speaker, will the gentleman yield?

Mr. BRITTEN. Yes.

Mr. COCHRAN of Missouri. Has the gentleman any information to substantiate what he has just said?

Mr. BRITTEN. Yes; a lot of it.

Mr. COCHRAN of Missouri. Does the gentleman know that the penal code today provides for putting people in the penitentiary for using the mails to defraud, and if the gentleman will report any such case to the Chief Post Office Inspector, he will get action within a week. We now have a real Chief Post Office Inspector.

Mr. BRITTEN. Yes; and if that could be done under existing practice there would probably be a million of them put in jail under this one act.

Mr. COCHRAN of Missouri. You have a post-office inspector in Chicago who will investigate any such case you may report to him. I am afraid this investigation comes, as usual, too late. The damage has been done.

Mr. BRITTEN. I understand that; but here is what happens: A group of very clever attorneys will set up what they call a bondholders' committee or commission. They will call into conference a number of bondholders who are holding first-mortgage bonds on a large apartment building or large hotel building, as was the case here in the District of Columbia, and finally will be designated to act for these bondholders. They then worm themselves into the good graces of the owner of the building, and, before you know it, they themselves acquire the bonds for a song, wipe the interests of the owner completely out of existence, take every dime

away from him, and sooner or later themselves acquire the property. They will manage to get the bonds at 5 or 10 cents on the dollar, and they are doing it today and acquiring, either by direction or indirection, very valuable pieces of real estate for a fraction of their real value. I am satisfied that they are doing that same thing in New York and every big city in the United States. While this investigation is purely an investigation for the purpose of fact finding and reporting to Congress, I think much good will come from it. The mere investigation itself in a city like Chicago will do a tremendous amount of good. The gentleman from New York [Mr. O'CONNOR] referred to the Greenbaum and Strauss failures as though they were New York failures. They were national failures-one hundred, two hundred, three hundred millions dollars of securities scattered all over the United States

The fact that those bonds were made as loans on 60 or 70 or even 80 percent of the value of a piece of property to my mind is unimportant. It is usually this group of bondholders' committees that are the vile culprits in this case. They are the fellows who are doing the robbing and the stealing. I get letters every once in a while from some poor old soul who has a thousand-dollar first-mortgage gold bond. It may be one of the Strauss issue or the Greenbaum issue. She is offered 5 cents on the dollar for it; what should she do? What advice can I give her? The poor soul is in a position where she is about to be squeezed out of existence, and these tricky lawyers have the matter so framed that they are always just within the law. They do use the mails to defraud, but they are always just within the law.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield? Mr. BRITTEN. Yes.

Mr. BANKHEAD. It was represented before the Committee on Rules before we reported out this resolution that in many cases the parties in interest were absolutely unable to secure information concerning their own property, their own bonds.

Mr. BRITTEN. That is true.

Mr. BANKHEAD. I understand that one of the main purposes of this resolution is to give the committee power to subpena witnesses, to disclose information the bondholders ought to have.

Mr. BRITTEN. That will be it's most important function. Of course it would be silly for a group of sharp lawyers who are aiming to steal a piece of property to tell the various bondholders who their colleagues are. They do not tell anybody, and no one can get that information, except the man on the inside, and he uses it to his own advantage. This investigating committee will bring out a lot of valuable information.

Mr. MAY. Mr. Speaker, will the gentleman yield? Mr. BRITTEN. Yes.

Mr. MAY. Has the gentleman been informed of the fact that some cooperative banks in the South have agents in New York who buy up their bonds which they sold to investors at one hundred cents on the dollar, paying for them about 15 or 20 cents?

Mr. BRITTEN. I know of one case where they bought a bunch of bank bonds at 15 cents on the dollar and the poor soul who had them had to sell, because he needed the money.

Mr. MAY. Will this resolution authorize an investigation of that?

Mr. BRITTEN. Undoubtedly, and I think that is its principal purpose. I hope the Members on my side of the House will not vote against this bill on the ground of so-called "economy."

Mr. SABATH. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin [Mr. O'MALLEY].

Mr. O'MALLEY. Mr. Speaker, there are times when a person can be so full of a subject that he finds difficulty in deciding where to begin its discussion. Back on March 30, 1933, during the first few weeks of my term of office, I introduced House Joint Resolution 137 which provided for an investigation similar to that authorized in this Resolution

412 brought in here today by the Rules Committee. Briefly the purposes of my earlier Resolution 137 are summarized on page 3 of that resolution, which reads as follows:

Resolved, etc., That the House of Representatives of the United States, with the Senate concurring, does hereby declare a moratorium of 30 days after the passage of this resolution to be called on all reorganizations, refinancing, liquidation, and insolution. called on all reorganizations, refinancing, liquidation, and insolvency proceedings of bond, mortgage, debenture, stock, or security transactions of any kind whatsoever, during which time a joint committee of the House of Representatives and the Senate to consist of 7 members, 3 to be appointed by the Speaker of the House and 3 to be appointed by the President of the Senate and 1 to be named by the President of the United States, shall function to conduct hearings, take testimony, examine and swear witnesses, and be empowered with all administrative details essential to the conduct of an efficient investigation to determine the desirability of such reorganization committees and to report recommendations for the future conduct of liquidation, reorganization, and similar proceedings in an effort to salvage a greater percentage of investments made in such enterprises and restore the confidence of the American people in an economic stability; be it further—

Inasmuch as the pressure of legislative business tending toward recovery in the special session of the Seventy-third Congress was so great, my resolution for this investigation at that time was not acted upon. However, on February 5, 1934, in conjunction with Senator Patrick McCarran, of Nevada, I reintroduced my proposal for this investigation under the title of House Concurrent Resolution 31. This resolution was sent to the Committee on Rules and I enjoyed the privilege of appearing before that committee in behalf of its passage. The resolution now before us in the House is the result of the studied thought and consideration of our very excellent Rules Committee, and proposes an investigation into a colossal legal fraud that I have fought to bring about for more than a year and a half. The situation which calls for an investigation of this kind is simply this: From 1920 to 1929 billions of dollars' worth of bonds, secured by real property in this country, were sold to American investors, most of these investors being persons of small incomes. These people, lured into the purchase of these securities by offers of high interest and widely publicized propaganda of safety for their investment, put their small life savings entirely into this type of security.

When the depression came, many of these properties were unable to sustain the interest charges on the bonds or make any payments upon principal, but a great many of the properties were still operating and obtaining revenue sufficient to pay some money to the investors. A group of racketeers who have increased in numbers tremendously in the past few years, however, saw in the depression an opportunity to reap huge profits at the expense of these investors in these bonds and, using depression hysteria, forced, by means of false statements and absolutely misleading propaganda, a vast majority of these investors to turn their securities over to so-called "protective" committees, obtaining with the deposit agreements on these bonds powers of attorney that gave the committee absolute authority to manage and exploit the building securing the bonds. In thousands of different reorganization and bondholder protective schemes I have found few in more than a year and a half of investigation in which the bondholders, the people who built the buildings, have received anything at all upon their investment, although the buildings are operated, rents are being paid, and someone is collecting the

I hold here in my hands a booklet containing a list of buildings in the United States upon which real-estate bonds were floated. This book is 86 pages in content. Each page contains an average of 40 different buildings upon which separate bond issues have been floated which gives us a total of 3.500 real estate bond issues that I know of any I venture to say that 90 percent of these issues are in default and have been in default for from 3 to 5 years. This list covers every city and State in the country.

More than 1,000,000 of our American citizens have investments in these kinds of securities. These investments have been mishandled and misappropriated by committees of attorneys, inside operators, brokers, owners, and professional financial racketeers in scores of cases, and unless the Congress of the United States authorizes this investi-

gation, it would be doubtful if these hundreds of thousands of small investors will be able to get fair treatment and salvage anything of their hard-earned investments.

Perhaps no portraval of mine in words of the situation presented by this wide-spread legal fraud against the American investing public can so well describe the stupendousness of the deceit and downright and deliberate crookedness being practiced upon these investors than was described in a publication called "Real America", that sent out an investigator to write for this publication his impressions of this problem sometime after I introduced my resolution asking for an investigation of this kind. I append herewith some extracts from this article, which appear in the November 1933 issue of this publication.

### THE GREAT AMERICAN BOND FRAUD By Stuart Mills

America's small investors have sunk billions of dollars in bonds now worthless. They were rooked, first, by default of interest payments, then by depreciation of the bonds, and then by bondholders' protective committees, which by false promises are now making a final clean-up. \* \*

The last Congress enacted laws to provide for the orderly liquidation of insolvent banks, but it neglected to provide any protection for the hundreds of thousands of people who had put their life sayings into real estate mortrage bonds.

life savings into real estate mortgage bonds.

This neglect was through no fault of Tom O'Malley, Representative from the Fifth Wisconsin District, who fought for the forgotten and entirely disregarded widows, orphans, small business men, teachers, working men, who, up to now, have cleaned out by the operation of committees trafficking in these defaulted bends.

O'MALLEY took up the cudgels for the defaulted bondholders of the country with the introduction of House Joint Resolution 137, which demanded an investigation of bond racketeering and doubt-

ful reorganizations.

His investigation, prior to the introduction of his measure, disclosed that there was over \$5,000,000,000 worth of real estate mortgage bonds in default; that more than one and one-half billion dollars in foreign bonds are almost worthless; that billions of dollars' worth of municipal, corporation, and industrial bonds have defaulted and complete the picture of the greatest whole-sale default of securities ever experienced by the gullible investing public in any country.

In the House of Representatives, he introduced House Joint Resolution 137, with the idea of compelling the Federal Government to become active in protecting the interests of the security holders against unscrupulous, inefficient, or otherwise doubtful bondholding and reorganization committees.

bondholding and reorganization committees.

Had the Committee on Rules given a hearing to House Joint Resolution 137, they would have learned of the operations of the F. H. Smith Co., peddlers of bonds to the tune of \$600,000 on the Royalton Apartment Hotel in Philadelphia. This property was assessed at \$475,000. It carried a \$300,000 fire-insurance policy. The Girard Trust Co., acting as trustee for the property, bought it from the bondholders' protective committee, through an affiliate of five vice presidents, for \$121,000. The new owners are now asking \$300,000 for their bargain purchase. Identical attorneys represented the interests of trustee bondholders and protective committee, notwithstanding the American Bar Association forbids such practice.

tective committee, notwithstanding the American Bar Association forbids such practice.

The same F. H. Smith & Co., real estate brokers and bond sellers, were involved in litigation concerning more than 50 bond issues aggregating about \$30,000,000. Three former officials of the company were jailed as a result of the legal proceedings. Here the proposition was so attractive that the first committee was bought out by a second, and the two committees proceeded to sell out the bondholders (with emphasis on the sell out) in a series of complicated and inexplicable transactions.

For instance, the express of litigation on the 127 issues of the

For instance, the expense of litigation on the 137 issues of the G. L. Miller Co., New York, averaged but 7 to 10 percent of the investment of the bondholders. In the Hotel Watson case, Miami, bondholders received \$20 in cash and \$52 in new bonds for each \$100 deposited with the protective committee, while the expenses of the committee for making this settlement were \$35,488,03.

In Birmingham, Ala., a proposition which would have netted holders of bonds on the Third Avenue Building only \$41, was refused by a judge and today the bonds are selling below \$5 each. The Columbus Hotel at Miami was ready to give its bondholders \$31. This deal was refused. Today the bonds are worth from \$1 to \$2 each.

from \$1 to \$2 each.

The Girard Trust Co., Philadelphia, which managed the Royalton Apartments deal, is also trustee of other properties on which there are huge outstanding issues. The procedure of the protective committees in these cases will be interesting to observe.

A New York bondholders' committee liquidated a \$60,000,000 issue. An excess of \$4,000,000 was collected for attorneys' fees and expenses, in return for which bondholders received a complicated, unintelligible legal agreement under which they surrendered original certificates. original certificates.

In Chicago we find \$100,000 fees for receivers and fat salaries for haphazard bondholders' protective committees.

"I was just a goat or a sheep", said former Lieutenant Governor Oglesby, of Illinois. "Or maybe I am just a plain sucker. I fell for a lot of euphemistic letters from bond houses and bought a lot of bonds. When the bonds were defaulted I was pretty near threatened that unless I deposited my bonds the property would be sold and I would receive only 10 cents on the dollar."

The hearings in this \$1,300,000,000 investigation, conducted by the Illinois legislative committee, are amazing in their revelations. New York City has a \$5,000,000,000 real-estate bond investiga-tion involving the bonds floated by the bankrupt S. W. Straus

Samuel Seabury proposed the creation of a Federal agency

Samuel Seabury proposed the creation of a Federal agency to administer the property securing the defaulted real-estate bonds for the protection of bondholders, just as the courts hold assets for creditors in bankruptcy proceedings.

"If something of the sort is not done", he says, "the present legal machinery is so inadequate that hundreds of thousands of investors will be left to the rapacity of groups organized to buy up for a few cents on the dollar the interests which these people now own."

Perhaps through the concerted effect of defautted in the concerted offert of defautted.

Perhaps, through the concerted effort of defrauded investors, legislation such as proposed by Congressman O'MALLEY will pass in the next session of Congress.

Meantime Congress might consider the human angle of the matter. A Milwaukee man who thought he had saved enough to allow him to live the rest of his years in ease and comfort writes to

allow him to live the rest of his years in ease and comfort writes to me:

"I have my life's savings invested with — of Milwaukee and cannot get a dollar back. The protective committees that are appointed, as a rule, are fake committees (I am a member of one) and seem to work in favor of the owners instead of the bondholders. The committee of which I am a member is trying hard to help the owners skin the bondholders, but I alone out of five am blocking all their crooked moves. I am trying to protect the bondholders. We will all be defrauded to the last penny unless someone puts a stop to this racket.

"—— have over \$100,000,000 in real-estate mortgage bonds outstanding, most of them held by Wisconsin and Milwaukee people. Can you perhaps suggest something that we might do now, while you are working on something in Congress to prevent the building owners from swindling us out of our hard-earned money?"

From a woman who has sold to her friends nearly a quartermillion dollars worth of bonds, almost all of them in default:

"My heart is sick when I meet people who are compelled to ask
for city aid because of the defaults. Others are old and they
placed their entire confidence in the house of S. W. Straus, because of the slogan '47 years without loss to any investor' and
their confidence in me. \* \* \*

their confidence in me. \* \* \*

"It is suggested that boycotting reorganization committees by refusing to surrender securities might bring the situation to the lawmakers' attention. This is fine indeed, if we could only be sure that 51 percent of the securities did not get into their hands, empowering them to go ahead and act.

"Yesterday I received an income bond for \$500 with some stock in exchange for a first-mortgage bond on the Grand View Apartments of Sioux City, Iowa. The trust indenture of the bond carries enough 'ifs', etc., so that the committee can do whatever it chooses \* \* \* ""

In all kinds of handwritings, on all kinds of stationery, these letters come. A California man has labored hard for over 40 years and is now left stranded and at the hands of a "protective

years and is now left stranded and at the hands of a "protective committee", which has taken no action and made no payments. It ends on a pathetic note:

"To start all over again \* \* \* it is just impossible."

Another letter thanks the Congressman for his interest in behalf of defaulted bondholders and adds: "No doubt there will be another exodus to Grecian ports before such an investigation gets under way." under way.'

These are a few of countless letters on file. All of them are signed. Petitions have been sent to President Roosevelt. Representatives have been approached by the victims of glib-tongued

Reorganization committees have forms that are long and complicated and utterly incomprehensible to the average investor. They are skillfully and cleverly framed by shrewd lawyers, paid by the bondholders to diminish their remaining assets even more

and conceal the true state of things.

A typical example: "Moreover, nondepositing bondholders will not be entitled to share in the benefits of the agreement between

company and the committee."

That leaves little else for the defaulted security holder to do but to comply with such request, since his failure to do so may result in an entire loss. Consequently, until some kind of a halt

is called, these protective committees will go on mulcting the unsuspecting investor indefinitely.

The reorganization plans go into great detail in describing such things as trustee's sales, new mortgages, refinancing plans. In many cases the original issue was insecure. Yet protective committees continue to grasp the remaining cash for administra-

Further verification of the need for this investigation is contained in the almost Nation-wide publicity given this subject by many newspapers throughout the country. For instance, the Washington Times of Saturday, November 25,

1933, made the following comment concerning the need for an investigation of this kind at the time I appealed to the President for his consideration of some action that might halt the fraud in the handling of these real estate mortgage bonds by certain protective committees. The article to which I refer stated in part the following:

### MORTGAGE FRAUDS TOTAL BILLIONS By International News Service

President Roosevelt has under consideration appeals for Federal action to halt alleged frauds in real estate mortgage bonds amounting to billions of dollars

amounting to billions of dollars.

The movement for an investigation and creation of Federal agencies to protect the interests of bondholders is being led by Senator McCarran, Democrat, of Nevada, and Representative O'Malley, Democrat, of Wisconsin.

After a long study of the fate of investors in mortgage bonds on apartments, hotels, office buildings, and other real estate, the Members of Congress hold prompt investigation is necessary to prevent frouds.

prevent frauds.

Bills proposing an investigation and authorizing the Treasury to name liquidating agents for mortgages in default, but where receivers have not been named, will be introduced when Congress

#### FIVE-BILLION-DOLLAR DEFAULT

Representative O'MALLEY declared:

"We are directing our fight against reorganization committees which have been formed when interest has been defaulted, but receivers not named, and proposals made for reorganization.

"The most amazing legal frauds imaginable are being practiced. With \$5,000,000,000 of bonds in default, the situation is even more

serious than the bank closings.

"Men and women are losing their life's savings. The States are powerless to act because of interstate features which deprive them of full jurisdiction. Unless the Government acts the frauds will go on.

#### SEES CONSPIRACY

"The methods used in various parts of the country are so similar

"The methods used in various parts of the country are so similar that I am convinced there is a gigantic conspiracy being carried out. There are 2,000 reorganization committees operating."

O'MALLEY cited as examples of investigation:

A bondholders' committee bought for \$121,000 a building in Philadelphia on which \$600,000 bonds were issued. They turned around and prepared to sell the building for \$300,000.

A reorganization committee driven out of Wisconsin to Oklahoma held \$2,000 bonds of a physician for 2 years. Having had no word, he asked for return of the bonds, and was informed he would have to pay \$210 in fees.

would have to pay \$210 in fees.

In Illinois, he said, a hotel was mortgaged for \$100,000. The reorganization committee offered to settle with bondholders at 10

percent of the face value of their bonds.

The Oshkosh Northwestern, in a very able editorial, commented upon the subject of this investigation and urged its adoption by Congress. Likewise many other newspapers, not only in my own State but throughout the country, have urged the passage of an investigation resolution of this kind. The Christian Science Monitor, in its issue of August 18, 1933, deals very fully with the subject of these bonds and some of their comment concerning the need for an investigation of this problem by Congress is contained in their article, extracts from both papers follow:

# [From the Oshkosh Northwestern, Oct. 16, 1933] ACTION NEEDED ON BOND FRAUDS

Elsewhere in this issue is a news account of shocking developments relative to frauds revealed in connection with the exploitation of some half a million American holders of defaulted real-estate bonds. The story is from Chippewa Falls and it points to the need of prompt action by Congress to check ruthless operators who win the confidence of persons who considered investments in real estate first mortgages as reliable and safe.

The Chippewa Herald-Telegram says there should be a law to protect these holders of defaulted bonds, but unfortunately there is no such law. And it adds:

"Nor is there any other law under which such exploiting pirates can be brought to book. On the contrary, these vandals are using such laws as exist to promote their frauds.

can be brought to book. On the contrary, these vandals are using such laws as exist to promote their frauds.

"When the history of the present depression is written, one of its most amazing—and shocking—chapters will be the story of how thousands who believed they were investing their money in the ultimate of secure investments were 'legally' mulcted out of what equities they had left when the bubble burst.

"There has been a great public apathy in this matter mostly because a 'bond holder' is somehow associated in the mass mind with a 'plutograt' and most people have had troubles enough of

because a 'bond holder' is somehow associated in the mass mind with a 'plutocrat' and most people have had troubles enough of their own without wasting attention on people of wealth who may have guessed wrong."

As a matter of fact, while many well-to-do persons bought real-estate bonds, there is a vast group of people of moderate or small means who invested because the term "first mortgage" was a symbol of safety and conservatism. The list includes widows, elderly couples, and trustees who had small legacies in

their charge. Thousands invested about all they had in what they considered a safe and sane investment field.

They represent the backbone of America, the thrifty, hardworking citizenry who paid their way as they went along and who managed to save a little over and above their immediate needs for their old age. As the Chippewa Falls paper says, "They looked to spending the sunset of their lives in peace and comfort. They had earned the right to do so through years of honest toil. But now they are finding themselves victims of defrauding sharpers."

The situation, it is pointed out, is a major problem of national rehabilitation. It affects seriously the capital goods industries, like the building industry, that depended upon the "long term" money that came from a host of small investors. Congress needs to act as soon as possible to prevent a repetition of the frauds perpetrated upon these persons who sought security rather than a high return.

Full confidence cannot return until something decisive and

Full confidence cannot return until something decisive and definite is done about this matter. Building activities will not be restored until the first mortgage real estate bond business is

made healthy and honest and safe.

### [From Christian Science Monitor, Aug. 18, 1933]

CONGRESSMAN INTRODUCES BILL TO INVESTIGATE ALL PROTECTIVE ORGANIZATIONS-MANY INEFFICIENT AND CAUSE LOSS OF SAVINGS

WASHINGTON, D.C .- "Do not surrender securities to doubtful reorganization and bondholding committees", Congressman Thomas O'Maller, of Wisconsin, warned holders of defaulted security issues. Mr. O'Malley introduced a House joint resolution early in the special session of Congress calling for a complete investigation into the activities of all mortgage, bond, debenture, shareholder, and insolvency committees.

#### TRREGULARITIES ON FILE

Mr. O'Malley has on file evidence of gross irregularities on the part of committees, many indicating outright fraud in the administration of such reorganization projects. The Wisconsin Congressman, who is holding this material in readiness for a hearing on the measure, is reluctant to divulge the names of companies involved in the allegations and evidence in his possession. It is stated, however, that many large investment houses throughout the Nation have engaged in practices amounting to fraud and mismanagement to the detriment of investors, resulting in the loss of the life savings of hundreds of thousands of persons. Specific cases, cited by Mr. O'Malley, indicate that on a \$60,-000,000 bond issue in New York, there had been collected, up to several months ago, by the reorganization committee and attorneys in excess of \$4,000,000 as fees and expenses. A Philadelphia investment committee sold a property upon which there was \$600,000 in bonds for \$120,000 which was paid by a group of five vice presidents who made the bargain offer. The property was assessed at \$475,000. The same committee is in charge of the sale of two other properties in that city upon which there are bond issues aggregating \$2,400,000. In New Orleans \$12,000,000 worth of securities were auctioned off for \$900,000. A Chicago investment house put out an issue of \$1,725,000 on which \$1,644,000 had been paid. A committee was organized and outstanding old certificates were exchanged for new ones which had a face value of but \$338,000. There are scores of other cases instanding old certificates were exchanged for new ones which had a face value of but \$338,000. There are scores of other cases involving misrepresentation and mismanagement as well as fraud.

### MANY LETTERS RECEIVED

Congressman O'Malley has received hundreds of letters from victims from all over the country begging him to keep up the fight to salvage their life savings.

"While all of the reorganization committees are not guilty of

while all of the reorganization committees are not guitely of deliberate fraud, a majority of them have proved so inefficient that investors have been mulcted of their savings without a chance to protect themselves", Mr. O'Malley declared. "The O'Malley-McCarran measure is aimed at the unscrupulous committees and investment racketeers."

"The confidence of the people in investment securities must be restored and their savings protected, so that legitimate enterprises may not be hampered in securing the confidence of future investors enabling them to obtain funds to help carry out the President's great recovery program."

Now, Mr. Speaker, it is not my purpose to disclose at this time and place all of the evidences of this fraud which have come to my attention as a result of the hundreds of letters received by me urging this investigation after the introduction of my first resolution on the subject. However, at the proper time and place, and upon the creation of this committee, I shall submit for its consideration some of the astonishing evidences of corruption and fraud practiced against innocent and trusting investors which I believe will amaze the American people. I did not believe that there was any group of persons in this great country of ours that would take unscrupulous advantage of persons unfamiliar with the ways of finance, but in one year and half of my personal investigations, I have been astonished at the mismanagement and downright thievery of other people's

money that is being carried on through the actions of some of these so-called "investors protective committees."

I feel it is the duty of this Congress to authorize this investigation and find out why these people are being defrauded of their investments and why those responsible for this Nation-wide racket have not been brought to the bar of justice and required to make an accounting for every penny of the funds with which they have been entrusted. I hope that this House today will pass this resolution, create this committee, and that at the next session of Congress the recommendations of the committee will be such that never again in this country will a legal fraud such as is being practiced be possible.

Mr. SABATH. Mr. Speaker, I yield 3 minutes to the

gentleman from Illinois [Mr. Keller].

Mr. KELLER. Mr. Speaker, there are four reasons why this investigation should be had. First, the appointment of a strong committee of disinterested men will throw the fear of God into the hearts of the thieves who are robbing the people of this country, and in that way stop the stealing that has been and still is going on. That is the first thing.

The second is, that at present the people controlling these committees obtained control through the fraudulent use of the mails, and they have continued to keep control through the fraudulent use of the mails. As soon as the committee puts its fingers on them they will begin to scuttle and try to compromise and may pay back something of what they have stolen. That is the second thing.

The third thing is, these thieves-because they do not deserve any other name-are keeping control of these bondholders, or so-called "bondholders' committees", through one peculiar device. It will be brought out very plainly that these bondholders' committees themselves are self-appointed, from the insiders, every time. They are men who, as a rule, sold these bonds. Many times they did not own a single dollar's worth of the bonds when they began. How do they keep control? By a very simple process. Having the names of all the bondholders, they refuse to give those names to the fellow bondholders, so as to keep them apart and prevent any joint action on the part of the people who are interested in the same issue. Not only have they done that but they have done it successfully and through this means: When the bondholders' lawyers have gone in and gotten an order of court that they shall divulge the names of the bondholders, those men have defied the court by taking an appeal to the higher court, and continue refusing to give them up. A committee with any courage, as this one must have, will get that very list of bondholders and give it to the men who have been robbed and cheated and defrauded and wronged in every conceivable way. They may then have an opportunity to undertake their own protection.

The fourth thing I want to call your attention-you who are so much interested in the cost of it-is: that the bondholders committees have been handling perfectly tremendous amounts of money. And through one scheme or another they have been defrauding the United States Government out of many hundreds of thousands of dollars of income taxes which belong to the people of this country. Whatever you spend for this investigation, if it is carried on honestly and courageously, you will get back manyfold. You will have approximately the same result that you got through the investigation of the stock exchanges of the country. Where you spent a quarter of a million dollars you got back \$250,000,000. Whatever expense is incurred by this will bring back its cost many times over, and there is no possible excuse for not passing this resolution.

(Here the gavel fell.)

The SPEAKER pro tempore [Mr. Blanton]. The question is, shall the previous question be ordered?

The previous question was ordered.

The SPEAKER pro tempore. The question is on the passage of the resolution.

The resolution was agreed to.

On motion by Mr. Sabath a motion to reconsider the vote by which the resolution was agreed to was laid on the table.

#### PRISON INDUSTRIES

Mr. TARVER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table H.R. 9404, an act to authorize the formation of a body corporate to insure the more effective diversification of prison industries, and for other purposes with Senate amendments, and concur in the Senate amendments with an amendment.

The SPEAKER. Is there objection?

Mr. TABER. Reserving the right to object, Mr. Speaker, I have been over this, and there is one part of it that seems to me to delegate administrative authority to the Comptroller General. The gentleman from Georgia [Mr. TARVER] has suggested that that proviso be stricken out, and that he would move to concur with an amendment striking out that last proviso. With that understanding, I would not object.

The SPEAKER. Is there objection to the request of the gentleman from Georgia [Mr. TARVER]?

There was no objection.

The Clerk read the Senate amendments, as follows:

Page 2, line 2, after "Industries", insert "which shall be a governmental body."

Page 2, line 7, after "of" where it occurs the first time, insert "retailers and."
Page 2, strike out lines 22, 23, and 24, and lines 1 to 20, inclu-

sive, on page 3, and insert:

"Sec. 4. The Secretary of the Treasury is hereby authorized and directed, upon the formation of the corporation, to transfer to a fund to be known as the "Prison Industries Fund" all balances then standing to the credit of the prison industries working capital fund. All moneys under the control of the corporation shall be deposited or covered into the Treasury of the United States to the credit of said fund and withdrawn therefrom only States to the credit of said fund and withdrawn therefrom only pursuant to accountable warrants or certificates of settlement issued by the General Accounting Office. All valid claims and obligations payable out of said fund shall be assumed by the corporation. The corporation is hereby authorized to employ the aforesaid fund, and any earnings that may hereafter accrue to the corporation, as operating capital for the purposes enumerated in the said act of May 27, 1930, and in accordance with the laws generally applicable to the expenditures of the several departments and establishments of the Government, and also for the ated in the said act of May 27, 1930, and in accordance with the laws generally applicable to the expenditures of the several departments and establishments of the Government, and also for the payment of compensation in such amounts as the Attorney General may authorize to inmates of penal institutions or their dependents for injuries suffered in any industry: Provided, That in no event shall compensation be paid in a greater amount than that provided in the Federal Employees' Compensation Act of September 7, 1916, as amended. Accounts of all receipts and disbursements of the corporation shall be rendered to the General Accounting Office in such manner, to such extent, and at such times as the Comptroller General of the United States may direct for settlement and adjustment pursuant to title III of the act of June 10, 1921 (42 Stat. 23), and such accounting shall include all fiscal transactions of the corporation, whether involving appropriated moneys, capital, or receipts from other sources: Provided, further, That the Comptroller General of the United States is hereby authorized in his discretion to sanction the use of moneys provided and authorized by law for the operation of such corporation and to allow credit for items not otherwise allowable in accordance with law if and when established to be reasonably necessary to a proper functioning of the legally authorized activities of the corporation."

Mr. TARVER. Mr. Speaker, I move to concur in Senate amendments nos. 1 and 2, and to concur in Senate amendment no. 3, with an amendment striking out the proviso at the end of the amendment.

The Clerk read as follows:

Mr. Tarver moves to concur in Senate amendments nos. 1 and and concur in Senate amendment no. 3 with an amendment striking out the proviso.

The motion was agreed to.

# PUBLIC GRAZING LANDS

Mr. DEROUEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 6462) to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. DEROUEN, CHAVEZ, ROBINSON, ENGLEBRIGHT, and EDMONDS.

ENROLLMENT OF INDIANS OF KLAMATH INDIAN RESERVATION

Mr. PIERCE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1508) providing for the final enrollment of the Indians of the Klamath Indian Reservation in the State of Oregon.

The SPEAKER. Is there objection to the request of the

gentleman from Oregon [Mr. PIERCE]?

Mr. MARTIN of Massachusetts. Reserving the right to object, is this a unanimous report from the committee?

Mr. PIERCE. Yes; it is. The Senate has already passed the bill.

Mr. MARTIN of Massachusetts. I have no objection. There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to prepare, within 2 years after date of the approval of this act, a complete foll of the members of the Klamath and Modoc Tribes and the Yahooskin Band of Snake Indians having rights on the Klamath Indian Reservation in the State of Oregon who were living on the date of the passage of this act. Upon the completion of such roll it shall constitute the this act. Upon the completion of such roll it shall constitute the final roll of the members of the Klamath and Modoc Tribes and the Yahooskin Band of Snake Indians having rights on the Klamath Indian Reservation in the State of Oregon for all purposes, including the distribution of tribal lands, funds, or other property now existing or which may hereafter accrue. In the event of the death of any person whose name appears on the roll herein provided for, his interest in any allotment and in the tribal lands, funds, or other property of such Indians shall descend in accordance with the laws of descent and distribution of the State of Oregon; except that if any such person dies without heirs his interest shall revert to and become a part of the common tribal property. The Secretary of the Interior, after due notice and interest shall revert to and become a part of the common tribal property. The Secretary of the Interior, after due notice and hearing, may remove from such roll any names which are found to have been placed thereon through fraud or error, and he shall cancel the allotment and trust patent of any person whose name is so removed, whereupon the land covered by such allotment and trust patent shall become a part of the common tribal property.

SEC. 2. No person whose name appears upon the tribal roll of any other Indian tribe and who is recognized as a member of that tribe shall be enrolled as a member of any tribe or band of

any other indian tribe and who is recognized as a member of that tribe shall be enrolled as a member of any tribe or band of Indians belonging to the Klamath Indian Reservation in the State of Oregon. In case the Tribal Council of the Klamath Indian Reservation shall question the right of enrollment under this act of any person, they may communicate their objections to such enrollment to the Secretary of the Interior, and no name shall be finally enrolled by said Secretary in such case until he has fully determined said objection.

Sec. 3. Any enrolled member of the Klamath or Modoc Tribes or

has fully determined said objection.

SEC. 3. Any enrolled member of the Klamath or Modoc Tribes or the Yahooskin Band of Snake Indians having rights on the Klamath Indian Reservation in the State of Oregon who was living on the date of the closing of the allotment rolls in 1910 but failed to receive an allotment of land, and every person born since that date and living on the date of the passage of this act whose name appears on the final roll herein authorized shall be paid the sum of \$1,500 from available tribal funds on deposit in the United States Treasury, under such rules and regulations as the Secretary of the Interior shall prescribe, in installments not to exceed \$300 per annum.

SEC. 4. That in making said final roll as herein provided for, the Secretary of the Interior shall exclude therefrom all persons who are already enrolled at the Klamath Indian Agency in Oregon.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHAIN STORES DAILY DRAINING LOCAL COMMUNITIES OF MONEY MAKE EFFECTIVE RECOVERY IMPOSSIBLE

Mr. McGUGIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. McGUGIN. Mr. Speaker, any kind of a recovery program which fails to take into consideration the chainstore menace will never accomplish permanent recovery. If the chain stores continue daily to gather in all the profits derived from the sale of the things which the people eat and wear, and immediately transfer this money to central points, it will mean the continued impoverishment of the greater part of the country. As the billions of dollars of relief are spent in the local communities by the Government, it is daily poured into the chain stores and immediately finds its way back to New York or other central points.

The chain store is the instrumentality by which the financial sustenance is sucked out of thousands of local communities of the United States. We have surely found out by now that there is no way for this country to be a ! prosperous country and for our people to be happy with the local communities of the United States drained of their

The growth of the chain store did an irreparable damage to the thousands of local independent merchants, yet the losses which these men suffer are small as compared with the losses which their respective communities suffer. Then, in turn, as the local communities were impoverished, we found the nation itself impoverished.

The chain-store problem is not alone the problem of the local merchant. He is only a pawn in the game. These are facts which many of us have recognized for many years. Many of us have been outspoken in our views as to the menace of the chain store. Frequently our statements have not been answered by any refutation of the merits of what we have spoken. Frequently our words have been depreciated and personally we have been besmirched by the charge that we were mere radicals. However, in the fullness of time, this matter has become so serious that even Wall Street, the very citadel of wealth, is recognizing the fact that the chain-store system is not only bankrupting local merchants and local communities but is bankrupting all legitimate industry in this country. Even the conservative and reactionary Wall Street Journal has at last recognized the truth. In the issue of May 19, 1934, the Wall Street Journal had this to say:

The fact that home merchants of the Middle West left their balances in home banks to be loaned and circulated in the different individual communities, and that the growth of chain stores paralleled the coming of the depression are of too striking a significance to be brushed aside lightly.

There are various ways in which Congress and the administration can meet the chain-store problem. The truth is, if Congress and the administration will enact legislation which will insure common honesty and fair dealing in business the advantage of the chain store over the local merchant will be largely removed. In the first place there is no reason in the world why the chain stores should be permitted to buy more cheaply than the local merchants. At least, the chain stores should not be permitted to buy from the factories under any better terms than are enjoyed by the ordinary wholesaler. There is no legitimate reason why any manufacturer should be permitted to sell his goods at prices based on quantity in excess of carload purchases. There is no legitimate reason for any lower price in the purchase of 10 carloads of a product than in the purchase of 1 carload of a product. There is no more reason for a cheaper price for 10 carloads of manufactured goods than 1 carload than there would be for cheaper freight rates for the man who ships 10 carloads than for the man who ships 1 carload.

Congress can provide by law that the price by carload shall be the absolute minimum price which the manufacturer can charge and that any lesser price is an unfair trade practice and in restraint of trade. Under such legislation. the local wholesaler then can buy as cheaply as the chain store. The chain store cannot do away with the work of the wholesaler. It must bear the same expense of distributing that a legitimate wholesaler must bear. Therefore, whenever the legitimate wholesaler buying in carload lots can buy on the same terms that the chain store can buy from the manufacturer, then the wholesaler and the local merchant together can place their wares upon the shelf in fair competition with any chain store.

By legislation, the Congress and the administration should provide for standard weights and make it unlawful for any manufacturer to prepare any special size package for chain stores. At this time, practically every article is put into packages of two sizes. One size is the standard size and the other size is from 20 to 30 percent smaller. The ordinary customer does not distinguish between them unless both the standard package and the special package are displayed side by side. The chain stores buy these short-weight packages and sell them to the people and the people believe that they are the standard-size packages. This is a swindle upon the consuming public of the United States. It is an unfair trade | and condoning the breach of the ordinances of nature.

practice and an unfair competition practiced by the chain stores as against their independent competitors.

By legislation Congress and the administration can provide for common honesty and reasonable equality in the purchasing of manufactured goods. When these two things are provided by law, the chain stores will have lost the wholly unfair advantage which they now have over their independent competitors. The chain stores are not now and have never fairly and honestly competed with the independent merchants. The very success of the chain store has been based upon dishonesty, special privilege, and unfair advantage. It is by this policy that the chain store has built up a system which has destroyed thousands of independent merchants, has bankrupt local communities, and has contributed greatly to the present distress of the American people. In other words, it is by this policy that the chain stores have built up the system which even the Wall Street Journal now recognizes and criticizes.

The N.R.A., properly administered, could accomplish these two purposes which I have here said can be accomplished by the Congress and the administration. The N.R.A., through its retail code, could declare it to be an unfair trade practice for any price charged by the manufacturer to be less than the price charged for carload lots. The code could also provide that the manufacturing of special shortweight packages is an unfair trade practice.

The truth is, the entire recovery program has to date failed to take into consideration the menace of the chain store. Until it does recognize and correct the evils which the chain store has brought to this country, the recovery program is bound to fail in meeting its goal. This is not a criticism of the recovery program in the sense that I want to see the recovery program fail. On the contrary, I wish to see the recovery program succeed. It is as a friend of this administration and of this country that I am pointing out the failure to recognize the evils growing out of the chain stores. It is my hope that the recovery program, either by an act of Congress or by the administration of the N.R.A., will recognize this criticism and correct these evils; all this in order, not that the recovery program may fail but that the recovery program may succeed, all for the benefit of all of the people.

THE AGRICULTURAL PROCESSING TAX

Mr. DITTER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. DITTER. Mr. Speaker, the informative remarks of my colleague, Hon. John Taber, on The Processing Tax, deserves the consideration of all thoughtful citizens and should command particularly the attention of the people of those States upon whom this onerous measure levies its most severe exactions

A study of the figures showing the collections from this tax and the benefits paid to farmers thereunder discloses with startling exactness the discriminatory character of the legislation and the price which is being paid by Pennsylvania to enable the advocates of the Agricultural Adjustment Act the privilege of experimenting with the hypotheses of academic theories. From the sheltered atmosphere of the classroom, where the demagogic proclivities of the arbitrary pedagogue awes the timid student, the erstwhile instructor comes into public office and avails himself of the funds of the American taxpayer to establish an extravagant experimental laboratory. Under the guise of promised benefits to the farmers there is foisted, with the protection of an unsuspecting administration, upon the American people a measure, which for profligacy and wanton destructiveness has no equal in the annals of American legislation. With positive disregard of the laws of nature and in defiance of the providences of God, a program is formulated by which the industry of man is to be discarded and the bounties of providential care are to be frustrated. In their stead there is to be substituted a policy encouraging individual idleness

By algebraic equations and economic nostrums an effort is made to persuade the frugal farmer to inculcate a theory of birth control into his hogs and to introduce a system of crop control for his harvests. The litter of pigs shall be limited, the milk of the cows shall be reduced, and the harvests of grain shall be circumscribed. Some means must be found to compensate for this wild orgy in the realms of wasteful economic philosophy. Dissipation always demands its price. Profligacy in any form exacts its toll. "Willful waste makes woeful want" is an old adage but one which is still endorsed and accepted as truth by a substantial portion of our American people. There can be no denial of the willfulness of the waste incident to the wanton destruction of crops and the man-made limitations on the productivity of nature. The woefulness of the want is as inevitable as the certainty of the willfulness of the waste.

The tremendous cost of this program of experimentation to the people of Pennsylvania is appalling. I am proud of the agricultural sections of my district, Montgomery County, and of the people who have made these farm-lands productive areas and places of contentment and peace. I contend that for industry, thrift, frugality, and resourcefulness the farmer of Pennsylvania stands second to none in the country. He has contributed not only to the development of the material resources of the land, but by his influence the continued recognition of spiritual values has made a lasting and beneficent impression. It is manifestly unjust and unfair to penalize such commendable traits as industry, thrift, and frugality, traits of character, which have made steady, courageous, persevering citizens, by the imposition of a tax burden of a most iniquitous and inequitable nature. The arbitrary pronouncement from the Agriculture Department to the Pennsylvania farmer means but one thing-the assumption of an excessive tax burden with no compensating

The figures of the Bureau of Internal Revenue conclusively bear out this assertion. According to these authentic figures supplied by the Bureau of Internal Revenue, there was collected from Pennsylvania as processing tax under the Agricultural Adjustment Act from July 1, 1933, to April 30, 1934, more than \$8,000,000-to be exact, \$8,029,497.60. Eight million dollars levied on Pennsylvania as the cost of developing a spirit of profligacy and a program of destructiveness among our farmers. For this tribute the farmer of Pennsylvania eked out a benefit of a little more than \$600,-000-again, to be exact, \$662,275.09. In other words, for each dollar of benefit or return received under this fantastic scheme of productivity Pennsylvania paid more than \$12.12 as its toll. The net loss to Pennsylvania is the difference between the amount received and the amount contributed, or a deficit of \$7,367,222.51. Dollar for dollar, Pennsylvania is the loser of a tremendous sum. For each day of continuance of this adjustment act Pennsylvania is required to pay its tribute of thousands of dollars.

This can only come from one source—the taxpaying public. It can be laid in only one way—on the shoulder of the taxpayer of our State. There is but one source from which this tribute can be gathered—from the toilers of our Commonwealth. The cost of the Agricultural Adjustment Act to Pennsylvania is definitely proved to be more than \$7,000,000 a year, and for this tribute our Pennsylvania farmer receives the paltry sum of less than \$700,000 in a like period. Can such a cost be characterized in any other way than discriminatory?

The reason for this extraordinary exaction is not hard to find. The same authentic figures from the Bureau of Internal Revenue disclose one State with contributions of \$8,000,000 and the receipt of benefits of more than \$47,000-000; still another with a contribution of less than \$400,000 receiving benefits of more than \$3,500,000; of still another with contributions of less than \$900,000 and benefits of almost \$10,000,000; and still another providing revenues of less than \$700,000 and receiving benefits of more than \$10,000,000.

Certainly such a course cannot long continue as a national program. The infliction of extraordinary penalties on one State and the bestowal of excessive benefits to others must prove disastrous.

Pennsylvania rebels against this unjustifiable imposition of tax for purely experimental purposes. Pennsylvania has always accepted graciously its proper share of the cost of government. Pennsylvania always will discharge with fidelity its national obligations. But Pennsylvania asks that justice and equity be done to her people.

The spectacle of the crumbling ruins of the N.R.A. edifice looms before its architects to mock and to shame them. The progenitors of the Agricultural Adjustment Act can only have as their merited award the derisive condemnation of the industrious, frugal, and fair-minded American people.

### WE HAVE MADE NO PROGRESS TOWARD RECOVERY

Mr. TABER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include certain tables.

The SPEAKER. Is there objection to the request of the gentleman from New York.

There was no objection.

Mr. TABER. Mr. Speaker, I think we should consider just what the situation is in this country, what we are doing for it, and just what the result is, and whether or not we are making progress toward recovery.

May 1, 1933	May 1, 1934
4, 252, 443	3, 655, 000 600, 000
	220, 000
	285, 000
100,000	387, 000
4, 352, 443	5, 147, 000
	4, 252, 443

And so the number of families receiving support from the Government has increased almost 800,000 in 1 year.

Number on Government pay roll

	Mar. 1, 1933	Apr. 30, 1934
Civil service	563, 487	644, 108 285, 000
Persons employed in public works	100, 000 132, 000	387, 000 132, 000
Navy	90,000	90,000
Marine Corps.	16, 200 10, 000	16, 200 10, 000
Judicial	5, 000	5, 000
Total	916, 687	1, 569, 308

Showing an increase under the first 14 months of Democratic administration of 652,621.

There are at the present time 6,000,000 families receiving their support from the Federal Government. At the rate of  $3\frac{1}{2}$  to a family, this means practically 20,000,000 persons, or one-sixth of the population of the United States, receiving their support from the Federal Government at the present time.

Monthly cost of relief

	May 1933	May 1934
Direct relief. Public works Civilian Conservation Corps.	\$70, 000, 000 30, 000, 000	1 \$117, 600, 000 150, 000, 000 30, 000, 000
Total	-100, 000, 000	297, 000, 000

<sup>1</sup> The figure for direct relief for May 1934 includes only the Federal contribution. Local contribution figures are not yet available. The cost of the British dole at its peak reached \$400,000,000 per year. It is now \$350,000,000 per year, and so the British dole is costing at the present time for 1 year just a little bit more than we are paying or relief for 1 month. This certainly is invidious comparison.

The pledge of the Democratic Party was specific to reduce unnecessary expenses; to abolish unnecessary positions, commissions, and boards; and to reduce the expenses of the people. They have kept this pledge in their usual reckless manner by practically doubling the number on the Federal pay roll and by increasing the expenses of the Government beyond the wildest dreams of spenders of other days. This

reckless extravagance on the part of the Federal Government and this reckless disregard of the Democratic pledges has so destroyed the confidence of the people in the Government that business does not move. People are suffering because of lack of employment, which would be provided if we had a stable, conservative, and constructive policy.

#### EXTENSION OF REMARKS

Mr. BANKHEAD. Mr. Speaker, in the absence of the majority leader I took the privilege of conferring with the minority leader in the matter of making a general request for leave to all Members to extend their remarks in the RECORD. With a view of saving time, there being so many Members who desire to make these requests, may I not suggest to the majority leader that he make such a request now?

Mr. BYRNS. Mr. Speaker, I shall be pleased to.

Mr. Speaker, I ask unanimous consent that all Members be given the privilege to extend their own remarks in the RECORD until the printing of the last edition of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

## JOHN T. GARITY

Mr. PARKER of Georgia. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3096) for the relief of John T. Garity.

The Clerk read the title of the bill.

Mr. TABER. Mr. Speaker, reserving the right to object, has this bill been to any committee?

Mr. BLACK. A similar bill was reported by the Committee on Claims.

Mr. BLANTON. Mr. Speaker, may I ask the gentleman from Georgia how much money this bill involves?

Mr. PARKER. It does not involve any-

Mr. ELTSE of California. I can certify to that, for I have examined it.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the Senate bill, as follows:

Whereas John T. Garity, of Savannah, Ga., became surety upon the supersedeas bond of Wilson Jenkins in the sum of \$15,000 to secure the appearance of the said Wilson Jenkins pending a decision on a writ of appeal from the Circuit Court of Appeals of the United States; and

the United States; and
Whereas said Wilson Jenkins failed to answer to the final judgment rendered in said case; and
Whereas the bond signed by the said John T. Garity as surety
for the said Wilson Jenkins was forfeited and estreated; and
Whereas the said John T. Garity paid \$2,500 in May 1933 on

Whereas the said John T. Garity paid \$2,500 in May 1933 on account of said forfeiture as part payment on said bond; and Whereas the said Wilson Jenkins was apprehended on June 7, 1933, and then incarcerated in the Federal penitentiary in Atlanta, Ga., and is now in the custody and control of the prison authorities of the United States Government and is serving the sentence for which said bond signed by the said John T. Garity as surety was given for the appearance of said Wilson Jenkins; and Whereas said \$2,500 paid on said bond is more than sufficient to defray any expense incurred by the United States Government in connection with the apprehension of said Wilson Jenkins: Therefore be it

in connection with the apprehension of said Wilson Jenkins: Therefore be it Enacted, etc., That John T. Garity be, and he is hereby, relieved from all further liability as surety on the supersedeas bond signed by said John T. Garity for the appearance of Wilson Jenkins pending a writ of error from the circuit court of appeals for the fifth circuit to answer to a sentence and final judgment which had been imposed by the United States District Court for the Southern District of Georgia, Savannah division, said bond dated March 29, 1930, and which sentence he is now serving.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### EXTENSION OF REMARKS

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by including a magazine article written by our colleague, the gentleman from New Jersey [Mr. KENNEY].

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

# DEPORTATION OF HABITUAL CRIMINALS

Mr. DICKSTEIN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9725) to authorize the deportation of the habitual criminal, to guard against the separation from their families of aliens of the noncriminal classes, and for other purposes, as amended; the bill (H.R. 9760) to provide for legalizing the residence in the United States of certain classes of aliens, as amended; and the bill (H.R. 8312) to provide adjustment of status of certain aliens lawfully admitted without requirement of departure to foreign country, as amended; and I ask unanimous consent that these three bills may be considered en bloc in the interest of saving time

Mr. BLANTON. Mr. Speaker, if the gentleman's proposition is a unanimous-consent request to consider these bills en bloc that is all right; but if it is a motion to suspend the rules and pass three bills en bloc, it is a different proposition and should be out of order, for it has never been done before in the House, and would establish a bad precedent.

Mr. DICKSTEIN. Mr. Speaker, my purpose was not to tax the patience of the House with long debate. I am trying to cut it short. I am willing for three separate votes, one on each of the bills.

Mr. BLANTON. Then ask unanimous consent that they be taken up and considered en bloc.

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent for the present consideration en bloc of the bills, H.R. 9725, H.R. 9760, and H.R. 8312.

Mr. JENKINS of Ohio. Mr. Speaker, I object.

Mr. DICKSTEIN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9725) to authorize the deportation of the habitual criminal, to guard against the separation from their families of aliens of the noncriminal classes, and for other purposes, as amended.

The Clerk read the bill as follows:

Be it enacted, etc., That an alien who entered the United States either from a foreign country or an insular possession, either before or after the passage of this act, shall be deported at any time if he-

(1) Has been convicted of a violation of any State narcotic statute, except an addict who was not a dealer in or peddler of narcotics or their derivatives; or

(2) Has been convicted of two or more crimes involving moral

turpitude committed in this country on two or more separate oc-casions (even if the crimes were not punished by sentences of imprisonment), and the Secretary of Labor finds that deportation

(3) Knowingly encouraged, induced, assisted, or aided another for gain to enter the United States in violation of law, and if the Secretary of Labor finds that deportation of the alien is in the public interest.

SEC. 2. (a) Any alien found to be deportable under this act shall upon the warrant of the Secretary of Labor be taken into custody and deported in the manner provided in the Immigration Act of February 5, 1917 (39 Stat, 874).

(b) For the purposes of this act and all acts relating to the exclusion or deportation of aliens a conviction for possessing or carrying concealed or dangerous weapons shall be deemed a constraint of a crime involving more laturation.

ion of a crime involving moral turpitude.

SEC. 3. (a) The Secretary of Labor may, in his discretion, allow an alien otherwise deportable under any law to remain in the United States if he is of good moral character, and has not been convicted of a crime involving moral turpitude and has not engaged in subversive political agitation or conduct and if he—

(1) Has at any time been lawfully admitted to the United States for permanent residence; or

for permanent residence; or

(2) Has lived continuously in the United States for a period of not less than 10 years; or

(3) Entered the United States when he was under 16 years of age and has living in the United States a parent who has been lawfully admitted for permanent residence or is a citizen of the United States; or

(4) Entered the United States when he was under 16 years of age, and has lived here continuously for a period of not less than 5 years; or

5 years; or

(5) Has living in the United States a near relative who has been lawfully admitted for permanent residence or is a citizen of the United States.

United States.

(b) The burden of proof as to every fact requisite for the exercise of the discretion vested in the Secretary of Labor in the preceding subsection shall be upon the alien.

(c) The Secretary of Labor, at the end of each fiscal year, shall report to the Secretary of State the number of aliens of each nationality who at the time of entry were of the quota immigrant class who have not been admitted to the United States for permanent residence and who, during that year, have been allowed

to remain in the United States pursuant to the authority conferred in the preceding subsection. Thereupon the Secretary of State shall reduce for the next succeeding fiscal year the annual quotas of each nationality under the Immigration Act of 1924 by the number of such aliens of that nationality so allowed to remain. An alien shall not be regarded as having acquired a status of admission for permanent residence because of such reduction of quota or permission to remain in the United States.

SEC. 4. The Secretary of Labor may specifically designate persons holding supervisory positions in the Immigration and Naturalization Service to issue warrants for the arrest of aliens believed to be subject to deportation under this or any other statute: Pro-

be subject to deportation under this or any other statute: Provided, That no person shall act under a warrant issued by himself.

SEC. 5. Any employee of the Immigration and Naturalization

Service, under regulations prescribed by the Commissioner of Immigration and Naturalization, with the approval of the Secretary of Labor, shall have power to detain for investigation any alien who he has reason to believe entered the United States without inspection. Any alien so detained shall be immediately brought before an immigrant inspector designated for that purpose by the Secretary of Labor and shall not be held in custody for more than 24 hours thereafter unless prior to the expiration of more than 24 hours thereafter unless prior to the expiration of that time a warrant for his arrest is issued.

SEC. 6. The foregoing provisions of this act are in addition to

sec. 6. The foregoing provisions of this act are in addition to and not in substitution for the provisions of the immigration laws (including section 19 of the Immigration Act of February 5, 1917 (39 Stat. 874)), and shall be enforced as part of such laws.

SEC. 7. Clause (B) of paragraph (1) of subsection (a) of section 6 of the Immigration Act of 1924 (43 Stat. 153), as amended, which grants to quota immigrants, skilled in agriculture, their wives, and their dependent children under the age of 18 years, a preference within the quota is revealed. within the quota, is repealed.

The SPEAKER. Is a second demanded?

Mr. TAYLOR of Tennessee. Mr. Speaker, I demand a

The SPEAKER. Is the gentleman opposed to the bill? Mr. TAYLOR of Tennessee. Yes.

The SPEAKER. Will the gentleman vote against the hill?

Mr. TAYLOR of Tennessee. In its present form, I will.

Mr. JENKINS of Ohio. Mr. Speaker, I demand a second; I will vote against the bill.

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, this bill is one of a group which the Department of Labor submitted to the Committee on Immigration and Naturalization through its chairman, with a request that early enactment be effected. Hence the committee takes no credit for authorship of this bill or of the other bills, consideration of which has been requested this afternoon.

I understand that these bills are the result of a study made during the past year by a committee of 48 distinguished citizens of the United States selected by the Secretary of Labor for their nonpartisan viewpoints, who were aided by the technicians of the Immigration and Naturalization Service in the Department of Labor.

Let me say at this point that considerable commendation is due to the Secretary of Labor, the Honorable Frances Perkins, for her sincere efforts to secure a true picture of the real facts regarding any humanizing changes that may be necessary in our laws which relate to the aliens within our gates or who seek to come here to join relatives who have been admitted to our country.

Equal commendation is due, for his efforts toward the same ends, to our very able Commissioner of Immigration and Naturalization, Col. D. W. MacCormack. Together, Miss Perkins and Colonel MacCormack have conscientiously endeavored to look upon the general subject of immigration and naturalization as a human problem more than a legal problem. With that end in view, about the time Congress adjourned last June, Madam Secretary designated a committee that has come to be known as the "Committee of Forty-eight." She selected this nonpartisan group of men and women to inquire impartially into conditions at Ellis Island, and the welfare of immigrants generally, and to make recommendations for the guidance of the Department of Labor in this human problem.

The names of the personnel making up this committee reflect great credit upon the Secretary of Labor for her

judgment in the selection of a nonpartisan group. No further comment on this line is necessary than to publish the names of the men and women who made up this committee, under the chairmanship of Carleton H. Palmer, and I submit the list of that committee at this point. In passing I might say that since their appointment three members of the committee have died, namely, Thomas L. Brennock, Sara C. Clapp, John J. Dunn.

C. Clapp, John J. Dunn.

Personnel of the Ellis Island committee: Carleton H. Palmer, chairman; Joseph P. Chamberlain, vice chairman; Mrs. Daniel O'Day, vice chairman; Chester H. Aldrich; George W. Alger; Mrs. Vincent Astor; Mrs. George Backer; Dr. S. Josephine Baker; Bruce Barton; Mrs. Linzee Blagden; Thomas L. Brennock; Sara C. Clapp; Harvey Wiley Corbett; Frederic R. Coudert; Mary E. Dreier; Stephen P. Duggan; John J. Dunn; Haven Emerson; Mrs. Kendall Emerson; George G. Ernst; Mrs. E. Marshall Field; Harold Fields; James W. Gerard; Mrs. Charles Dana Gibson; Israel Goldstein; Sylvan Gotshal; Nathan Hirsch; Foster Kennedy; Franklin B. Kirkbride; Arnold Knapp; Max J. Kohler; Mrs. Alexander Kohut; Mrs. Henry Goddard Leach; Read Lewis; Francis J. McConnell; Mrs. Maurice T. Moore; Mrs. Robert E. Merwin; Morgan J. O'Brien; John E. Otterson; Mrs. Carleton H. Palmer; Angelo Patri; Mrs. J. Warren Perkins; William B. Poland; William J. Quinn; Charles E. Sinnigan; Fred B. Smith; George A. Soper; Roger W. Straus; Thomas D. Thacher; C. D. Wallach; Helen Arthur, secretary.

This Ellis Island committee, in addition to the assistance given them by the technical staff and officials of the Immigration and Naturalization Service and of the United States Public Health Service, received the benefits of long experience in immigration problems which had been gained over a period of years, from a group sometimes referred to as the "general committee of immigrant aid at Ellis Island", the personnel of which is as follows: Cecilia Rasovsky Davidson (chairman), Isaac L. Asofsky, Edith Terry Bremer, Florence G. Cassidy, Jane Perry Clark, Raymond E. Cole, Ruth Larned, Thomas F. Mulholland, Carlotta N. V. Schiapelli, Marian Schibsby, David W. Wainhouse, George L. Warren, Aghavnie Y. Yeghenian, Katherine E. Young.

Under date of March 13, 1934, the chairman of the Ellis Island committee, submitted to the Secretary of Labor, the report of the Ellis Island committee upon their researches and study of nearly 12 months of the intricate problems relating to the admission and treatment of aliens at Ellis Island and elsewhere.

I submit that anyone who reads this 149-page report will have a more intimate knowledge of the injustices, hardships, and inequities which the enforcement of our immigration laws inflict on human beings when the general subject of immigration is treated solely as a legal problem with a minimum consideration of the human problems involved. I consider this report of the Ellis Island committee a masterpiece of human understanding, and I wish thus publicly to acknowledge gratitude to the committee for their report and commendation for their unselflsh, nonpartisan study of one of the greatest needs of present-day governmental activity.

I just want to quote one or two paragraphs from this voluminous report which I believe may be considered as the key paragraphs:

1. The committee believes, however, that the family constitutes the foundation and strength of our society and that the right of husband and wife, parents and children to be united, cannot be disregarded. We are therefore recommending that proper provision be made for reuniting families. The problem of separated families has been an evil ever since the first quota law was passed in 1921. We believe the time has come to end it.

### UNITING SEPARATED FAMILIES

There is no doubt that mass immigration in times like these would be unwise. The committee believes that the strict interpretation and enforcement of the "likely to become a public charge" clause has worked out for the best interests of the country and usually of the would-be immigrant. It feels, however, that the economic factor is not the only one to be taken into account and that in the case of aliens seeking to join their families already established in the United States, the human factor deserves at least equal consideration. The integrity of the family is one of the cornerstones of our society and the right of family is one of the cornerstones of our society and the right of husband and wife, parents and children to be together is not to be disregarded. Numerous cases have been brought to the committee's attention where for no cause except the drastic enforcement of the "likely to become a public charge" clause, the wives, husbands, children, and parents of American citizens have been refused permission to join them in this country. The same is true of the close relatives of aliens who are lawfully resident here. This enforced separation has resulted in broken homes, in

placing a premium on bigamy, in efforts to evade the law, in exploitation, in causing American women and children to become public charges and in unhappiness and suffering out of all proportion to the number of persons involved.

In a country with the population and resources of the United States these cases can be taken care of without in any way impairing the effectiveness of our immigration laws and with due regard for the economic interests of those already here. As a regard for the economic interests of those already here. As a step in this direction the committee welcomes the recent ruling Attorney General which holds that the Secretary of Labor has authority under the immigration law to accept a bond guaranteeing that an alien will not become a public charge and that in such a case, an alien may not be denied an immigration visa on the ground that he is a person likely to become a public charge. This is a matter of discretion. In the case of close relations who are able to give such a guaranty the committee believes there should be a definite provision in the law itself.

After this report had been filed by the Ellis Island committee and sufficient time had elapsed thereafter for its printing, officials of the Department of Labor worked diligently under the direction of our able Commissioner of Immigration and Naturalization, in the drafting of proposed bills which the technicians of the Immigration and Naturalization Service felt would carry out many of the primary recommendations for legislative changes which the Ellis Island committee had indicated as most desirable.

In due time I received approved drafts of these proposed measures which were handed to me with the understanding that they were administration measures, and I considered them as such, doing everything I could to expedite their consideration before our committee with as little changes as seemed practicable to obtain the ends desired.

Our committee held extensive hearings on these bills, extending over several days, and I believe everybody who desired to be heard, pro and con, was given an opportunity.

Following the conclusion of the public hearings, the committee considered these bills in executive session, and I honestly believe all the objections that have been raised against the bills were eliminated from them in the form in which they were reported to the House and the form in which you are asked at this time to give your consideration.

Mr. Speaker, I have no quarrel with anybody, nor do I wish to suppress any Member's opinion, but, Mr. Speaker, this bill that we are now considering, H.R. 9725, is a measure that is sorely needed in order to effect simple justice with regard to the human problems involved in handling of the immigration question.

I should like, Mr. Speaker, to discuss at length the provisions of all of the bills recommended by the Department of Labor for early enactment into law, especially those which might be termed "the departmental program", but for the time being I will just say that before reporting these bills to the House, your committee changed the departmental drafts in the following particulars:

First, the bill requested by the Department, which sought to extend the nonquota status to mothers and fathers over 60 years of age, was withdrawn from consideration. Second, the so-called "registry bill", H.R. 9760, eliminated the provision in the departmental draft which permitted registry to persons without a country and who were subject to racial, religious, or political persecution, following 5 years' residence in this country.

Third. The deportation bill was amended so as to make it clear that section 19 of the act of 1917 and all other laws relating to mandatory deportation of criminals, anarchists, and immoral classes, continues to remain in full force and effect, and that the new deportation provisions specified that crimes must involve moral turpitude.

Now, Mr. Speaker, before I endeavor to analyze this present bill for you and the Members of this House, I wish to say that in my office in the House Office Building as well as in my office in New York, I have received thousands of letters from all over the country shortly after the introduction of these departmental bills, urging me to use all of my influence to secure the early enactment into law of these exceedingly meritorious measures. Choosing at random from my files I cite to you just briefly where these letters come from-here is a bunch from New Jersey, another lot from Minnesota, another group from Georgia. Here is a whole

Here are two different lots from Pennsylvania. Here is a group of very urgent demands from Missouri; and a lot of people in Virginia want these bills passed. And here is a large group from Texas. And let me call the attention of my colleague from Ohio that a lot of his constituents are anxious to see these measures enacted into law. Yes, Mr. Speaker, I have a bunch here from Connecticut; and there is a whole file from New York and New Jersey. And if I went further down this list, Mr. Speaker, I have no doubt that I could find urgent request that one or more of these measures be speedily enacted into law coming to me from constituents of Members of this House from California, Kansas, Colorado, and the great Northwest.

Just as a sample of what some of these letters contain, with special reference to this special bill we are now considering-I want to quote from a letter I received from an official in the Department of Education of the great Commonwealth of Massachusetts. I quote:

I hope that Congress will enact the bills that Colonel MacCormack, of the United States Immigration and Naturalization Service, has urged Congress to adopt. I am particularly interested in three bills which have been favorably reported by your committee. H.R. 9725, which will grant limited discretion to the Secretary of Labor in deportation cases, is as you know a much-needed piece of legislation. So many of these cases present difficult problems of social adjustment for the citizens and resident aliens that are left behind, that it seems only common sense to grant to the Secretary of Labor, discretion to ameliorate these hard conditions.

Now, Mr. Speaker, this correspondence speaks of cases, cases in which hardship results from the application of our immigration laws from the legal viewpoint rather than the human viewpoint.

In this connection credit must again be given to the Secretary of Labor and to the Commissioner of Immigration and Naturalization in their consistent efforts to separate the cases which come before them for deportation proceedings into the meritorious human cases, and the justifiable legal cases. For example, prior to January 1, 1934, the official of the Department of Labor, and perhaps in anticipation that Congress at this session would endeavor to inject a little human kindness in our immigration laws, suspended deportation action in about 665 cases, and of this number about 465 would probably be given the benefit of the discretionary power which this bill, H.R. 9725, proposes to invest in the Secretary of Labor. With the increasing hope that Congress would act in this matter, these suspended cases have been accumulating at about the rate of 100 per month. There are now 1,200 cases held in suspended status.

These cases which have been placed in the suspended class, clearly illustrate as a cross-section viewpoint of all the aliens in the United States, how unjust are some of the provisions of our existing laws. Before citing the facts of some of these for your information, I wish you would note the references which I have made previously in this address, to what I consider the keynote paragraphs of the Ellis Island committee's report—the essence of those keynote paragraphs is the maintenance in the United States of the immediate family circle, which many people consider the real foundation of our civilization and of our American system of government.

The so-called "departmental program" does not seek to open the immigration law; it does not affect a single immigrant seeking to come into this country, except possibly skilled agriculturists. It only seeks to clear up an internal trouble in this country—a problem which affects persons who are already in the United States.

In many of these so-called "hardship cases", the alien involved is a man or woman who came to this country 15 or 20 years ago, who has married an American citizen, and has raised a family of American-born children.

During the last 5 years many of these aliens have applied for American citizenship, and many of them have been surprised to find that upon filing their application for citizenship they were asked, "How did you get here?" and when the records were checked the Government could not find any evidence of entry, so technically he is in this counfile from Illinois. Here is a class from Massachusetts. I try illegally, and the Department was compelled to issue a

warrant of deportation because when they checked for his | citizenship they could not find evidence of his entry. These men are right in this country. They are fine people, they live in fine communities, and I know of at least 100 cases where Members of Congress have come to me and presented the pathetic condition of a certain man who has three or four children and who is going to be deported because some years ago he did not pay a head tax or went across the border. Under the present law the Secretary of Labor has no alternative other than to deport these people and to separate these fine families. The pictures out in the lobby are the best illustration for my argument.

I just want to quote, Mr. Speaker, the statement of facts prepared by the examiners of the Department of Labor with regard to several of the cases illustrated by the pictures which I have referred to on these charts; and, with regard to the alien involved, it is hoped that the discretionary power granted in this bill to the Secretary of Labor might have the effect of maintaining a limited family in this country.

#### SEARCH FOR WORK IN CANADA MEANS YOUTH'S DEPORTATION

The alien entered this country with his mother when he was under 16 and was lawfully admitted. In 1932, because of the depression, he lost his job and decided to seek work in Canada. After 14 months there he returned to his home in Astoria. He did not undergo inspection when he entered and was apprehended near Moores, N.Y., by the immigration border patrol. He must be deported to Scotland. The alien professes that he was ignorant of the formalities incident to admission.

#### DEPORTEE HAS LIVED HERE SINCE CHILDHOOD AND IS HEAD OF AN AMERICAN HOME

A similar case concerns a man who came to the United States with his father when a child and has lived here continuously with the exception of a few months. In 1924 he was arrested and deported. Several months after his deportation he slipped back into the United States. He has married an American woman. They have two children. Last year he attempted to enter the country legally by proceeding to Canada and applying for admission in the regular manner. He was arrested in deportation proceedings. It developed at the hearing that the alien had not only supported his own family but also a homeless woman and her two American-born children. her two American-born children.

# DAUGHTER OF UNITED STATES VETERAN FORCED TO RETURN TO POLAND

An alien was left in Poland when her father came to this country about 20 years ago. In 1932 she came to join her father, traveling on a nonquota visa. Previously, through coercion, the alien had married. She never lived with her husband, however, and the marriage was annulled by ecclesiastical authorities but not civilly. Because of this marriage she was not entitled to a nonquota status. She was admitted as a temporary visitor, but cannot be permitted to remain permanently. The father is a naturalized citizen of this country. He served in the Army from 1913 until 1919 and saw action in France. He has a business in Homestead Park, Pa., and is a respected member of the community. munity.

# FACES DEPORTATION AFTER 32 YEARS' RESIDENCE HERE

A case of this type is that of a 52-year-old Canadian. an lived in the United States for 32 years, established a good reputation, and reared a family of five American children. He spent Christmas with his 75-year-old mother in Canada. Shortly after this trip he was admitted to the St. Lawrence State Hospital in Ogdensburg, N.Y., for a mental condition. Notwithstanding his long residence, his filial visit in Canada renders him subject to deportation. deportation.

#### AGED FATHER SUBJECT TO DEPORTATION AFTER NEARLY 50 YEARS' RESIDENCE

Another case concerns an alien 68 years old, who spent almost half a century in the United States. He married, established a home here, betame the father of several children. In 1930 he went to Canada in search of work. Falling in this he decided to go to the home of his sons in Vermont. He was without funds and had to walk. He crossed the international boundary without being inspected and consequently is subject to deportation, despite the fact that the greater part of his life has been lived in the United States.

Contrasted with these cases in which the deportation of aliens is required under the present immigration law, and in which discretionary power sought to stay deportation, in the interest of continuity of home life and the continuation of the immediate family circle here, I submit, Mr. Speaker, that under existing law there are cases of habitual criminals, aliens who are a menace to the welfare of our several communities, aliens who in many cases have spent most of the time while in the United States behind prison bars, and yet who under existing provisions of the immigration law are immune to deportation, and there is no provision under

the present immigration law whereby the Secretary of Labor can institute deportation proceedings which would remove these aliens from our shores.

As an illustration, I wish to cite the following list of typical cases where deportation is not possible under present law, and which the Department of Labor desires legislative provision as included in this present bill, which would make it possible to compel the deportation under mandatory provisions of the law. I have no doubt, Mr. Speaker, that upon close study of the files of the Immigration and Naturalization Service, a number of cases of similar nature would be disclosed:

#### TYPICAL CASES WHERE DEPORTATION IS NOT POSSIBLE UNDER PRESENT LAW

The alien has lived 27 years in the United States. He has spent 10 years and 3 months in penal institutions, serving six sentences for grand larceny, attempted robbery, attempted burglary, attempted grand larceny, and unlawfully procuring marriage license. Deportation cannot be effected under existing law because he has not, since 1917, been convicted of two crimes involving moral turpitude for which he has received a sentence of more than 1

During his residence of 6 years the alien has served 3 years and 6 months in prison on three convictions for unlawful entry and burglary. He is not deportable because the one conviction for burglary. which he was sentenced for more than 1 year occurred more than 5 years after his entry and the other two convictions did not carry

sentences for 1 year or more.

This alien has lived here 27 years and has served over 5 years in prison. He has been arrested on 16 occasions and has been convicted of burglary, grand larceny, and possession of firearms. Although convicted of two crimes since 1917, he cannot be deported since one conviction was for the possession of firearms, which the courts have held is not a crime involving moral turnitude and

since one conviction was for the possession of firearms, which the courts have held is not a crime involving moral turpitude, and the other occurred more than 5 years after his entry.

The alien has lived in the country 9 years. He has been imprisoned on three occasions, serving a total period of 1 year and 7 months. His convictions were for shoplifting, possession of burglary tools, and petty larceny. The latter offense was committed after the alien had been in the United States 5 years. For each of the other offenses he received a sentence of less than 1 year; therefore leaving him nondeportable.

therefore leaving him nondeportable.

The alien's period of residence is not shown. Between the years of 1917 and 1933 he has been convicted 23 times for the offenses of vagrancy, disorderly conduct, and intoxication. In each instance he received a sentence of less than 1 year, and therefore is not deportable.

In 17 years of residence in the United States this alien has six convictions for vagrancy, disorderly conduct, indecent exposure, possession of drugs, and violation of parole, for which he has served over 4½ years. The conviction for the offense of possessing drugs was under a State statute, leaving the alien nondeportable.

# GANGSTERS AND RACKETEERS

Although deportation laws might be forged into a powerful weapon to curb the activities of gangsters, racketeers, and other criminals, they are at present inadequate in this respect. Failure to make greater headway in ridding the country of alien criminals has given rise at times to serious criticism on the part of those unfamiliar with the technicalities and loopholes in the existing law which permit undesirable aliens to evade deportation.

While we are trying to give some vested right to the Secretary in cases such as I have explained to you, where we should forgive and allow the man who is supporting a family of 3, 4, or 5, and who has committed no crime at all, because he must be morally and physically fit, and in the same bill we are strengthening our deportation law.

That is to say, Mr. Speaker, we are adding four more sections to the law which are going to rid this country of racketeers, dope peddlers, and alien gunmen who, under the present law cannot be deported because under the law. as it stands at the present time, a person can only be deported when he commits two felonies and suffers a conviction of 1 year and 1 day, and he must serve the sentence. Of course, I refer to aliens. We have thousands of gliens in this country, however, who have been here for 15 or 20 years, as these charts will show, who have committed all sorts of crimes and who are smart enough to plead to a misdemeanor, and under the present law we cannot pick them up. So, in one bill you are doing justice to a lot of fine men and women who by some technicality are compelled to be deported under the present law, but in the second breath you are going to rid this country of alien racketeers which is not provided for under the present law.

Mr. MOTT. Will the gentleman yield?

Mr. DICKSTEIN. I yield to the gentleman from Oregon.

Mr. MOTT. Did I understand the gentleman to say that a person who had entered this country without paying a head tax could not be permitted to pay it upon application for naturalization?

Mr. DICKSTEIN. No, sir; not under the present law.

Mr. MOTT. May I say to the gentleman that I practiced law in Astoria, Oreg., for 12 years, where we have hundreds of naturalization cases every year. I personally have had naturalization cases for many aliens who did not pay the head tax, and where there was any reasonable excuse for their not paying, in almost every case they were permitted to pay the head tax.

Mr. DICKSTEIN. That was done away with in the 1924

act that we passed and made a permanent law.

Mr. MOTT. Some of these cases I refer to were subsequent to 1924. That is the reason I asked the question.

Mr. DICKSTEIN. After 1924 they are practically all deportable. You will find cases on these charts where men have been here for 20 years. When they applied for citizenship, they could not find their record of entry, and the first thing you know the Department is compelled to pick them up as persons that cannot establish their legal entry. You are going to take this man away from his children, outside of the fact he did not pay the head tax. You have to take these children and the wife and send them to all parts of the world, and I say, will not you please look at the condition as it is and give the Secretary some power in order to relieve these cases?

Mr. MOTT. May I say to the gentleman that in my own experience the facts as I have found them are not in accordance with what the gentleman has stated, because in connection with the handling of many of these naturalization cases I found if for some reason the applicant for naturalization did not pay his head tax, where he was otherwise qualified for citizenship, the immigration authorities allowed him to pay the head tax and go ahead with his application.

Mr. DICKSTEIN. I told the gentleman a moment ago that that has not happened since 1924. We did do that before, but since 1924 it has not been permissible.

Mr. MOTT. And I am telling the gentleman it has been done subsequent to 1924.

Mr. CARPENTER of Kansas. Will the gentleman yield? Mr. DICKSTEIN. I yield to the gentleman from Kansas.

Mr. CARPENTER of Kansas. In verification of what the gentleman has stated, may I state that I had a case in my community of a young man that came from Canada, married a local girl, raised a fine family, and had a farm stocked up. He went back to Canada to visit his folks and then was denied reentry into this country. He lost his farm and everything else, and now they are stranded.

Mr. DICKSTEIN. Yes; there are 465 such cases; and if you deport the 465, the deportees will leave 987 relatives stranded in this country, and of these it is estimated that, perhaps, 665 will probably become public charges. Congress should correct these senseless and cruel provisions of the law.

This element, Mr. Speaker, is often overlooked when the question is raised regarding the desirability or undesirability of deportation proceedings. I mean the effect upon those whom the deportee leaves behind. In times of economic stress, many times the deportee is the sole support of a family, which may consist of four or five hungry mouths, which must be fed from public or private charity if the breadwinner is deported. Why should the breadwinner be deported if his deportation results from only a legal technicality with utter disregard of the human effect of a separation of a family? This bill, Mr. Speaker, would solve some of these difficulties, because Congress, as the representative body of the people of the several communities of this great country, would delegate to the Secretary of Labor-a trusted member of the President's Cabinet—a well-defined, limited discretion which would enable that officer to take official cognizance of the human element in individual cases and preserve the family circle.

Mr. CARPENTER of Kansas. I hope the gentleman gets his bill through.

Mr. BOLAND. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. BOLAND. Referring to the cases to which the gentleman has referred, I believe there are more of these cases of injustice in the anthracite coal fields than in any other part of this country. This has been my own personal experience with respect to such cases, and I shall support the gentleman's bill because I think there is a great deal of justice in it.

Mr. DUNN. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. Yes.

Mr. DUNN. The bill which is now before the House will correct the situation to which the gentleman has referred. Mr. DICKSTEIN. Yes.

Mr. Speaker, I reserve the balance of my time.

Mr. JENKINS of Ohio. Mr. Speaker, I yield 8 minutes to the gentleman from Texas [Mr. Dies].

Mr. DIES. Mr. Speaker, hearings were conducted on the original bill, H.R. 9336, which is very similar and not materially different from this bill.

In the first place, I want to say, in case there is any whispering that the President is for this bill, the President has not endorsed this bill and it is not an administration bill. I want to say this because in practically every instance—

Mr. LANZETTA. Is not this a department bill?

Mr. DIES. It is a bill framed by Secretary Perkins and by Commissioner MacCormack, but this is not an administration bill in the sense that the President of the United States is for it.

What do they propose to do in this bill? Here is a bill on which we conducted hearings and every patriotic organization in the country opposed it, including the American Federation of Labor, the American Legion, and over 100 other patriotic organizations, and the only ones who appeared in defense of this measure was the Ellis Island committee, composed of people in the city of New York, and the Commissioner of Immigration, who appeared in behalf of the bill.

Now, what does it propose to do? Here is what it proposes to do. It proposes to give the Secretary of Labor discretionary power to prevent deportation in cases where now they must be deported. It proposes to say to the Secretary of Labor that although the alien is subject to deportation, yet if the Secretary of Labor believes that it is in the public interest, if the Secretary of Labor believes that the man has a good moral character, she can withhold deportation. And they say this is a limitation and a check on discretion, but I submit to you there would be no way in the world to correct an abuse of such discretion, for what one man might consider in the public interest, another man might not consider in the public interest, and I am opposed to this bill because I do not propose to continue to give vast discretionary power to bureaucrats and to officials of this Government, especially in cases of this kind. When we want to deport someone, why not write it on the statute books and not make it discretionary with the Secretary of Labor to do so?

Under this bill they provide that if a man has committed two or three more crimes involving moral turpitude, he is subject to deportation if the Secretary of Labor finds that it is in the public interest, and if a man is smuggling aliens into the country he shall be deported if the Secretary of Labor finds it in the public interest, and if a man is carrying a dangerous weapon, under this bill the carrying of such dangerous weapon is construed as a crime involving moral turpitude, and he is subject to deportation.

Mr. LANZETTA. Will the gentleman yield?

Mr. DIES. Let me finish my statement. You can talk in your own time. I am getting time from the other side.

You say there are hardship cases, yet in the hearings before the Immigration Committee, I got the State Department to admit that only 2 percent of the relatives are being denied entrance to the United States. Think of that remarkable fact. Of all the relatives that are applying for admission to be reunited with their families, the facts are uncontradicted in the hearings—if the hearings had been printed—that only 2 percent of them are being denied.

They say there are 575 hardship cases. I do not know whether these are hardship cases or not. They appear to be from reading what someone wrote here.

Now, how many are there? We have been deporting 20,000 people until the past year when, I think, it fell to 14,000. Now, what did the Commissioner of Immigration admit? He admitted that there were only 5 percent that he considered hardship cases, and he has withheld deportation in six-hundred-and-some-odd cases where he considers it would be a hardship to deport them, and he says of that number approximately five-hundred-and-some-odd are hardship cases, and that is 5 percent; and some of these are carry-overs from the previous year. So only a small percentage of the total number subject to deportation, according to the Secretary, are hardship cases.

Now, it may be that the Secretary of Labor, in the exercise of discretion, might be just and might have in mind the interest of the country. I believe this is true, but what guarantee have we that when administrations change we will not, during one administration, have a so-called "liberal." I regard Miss Perkins as a liberal on the immigration question. I do not think her views coincide with my views on this question.

I am not criticizing or condemning her, but I object in all these classes, 1, 2, 3, 4, 5, 6, 7, and 8, to permitting the Secretary of Labor, who would delegate authority to some assistant, to sit there and say, here is an alien who has violated the laws of this country, here is an alien who is subject to deportation under the present law, and yet we are not going to deport him. What is going to happen? You know that political pressure will be brought to bear on the Secretary of Labor and the Commissioner of Immigration. You know in cities like New York and Chicago, with these aliens not wanting to be deported, working through political influence and alien organizations, they will bring to bear great political pressure on the Secretary, not to deport him and you know, further, that whenever you leave this matter to the discretion of the Secretary of Labor, you are treading on dangerous ground. We have gone pretty far in giving discretion to secretaries and executive officials.

Heretofore we have confined the delegation of this particular discretionary power to a year or 2 years, with safeguards and guarantees. When I had my bill before the committee, and that was endorsed by the restrictionist organizations in the country, providing for the reduction of quota, one provision of that bill was to permit reuniting families within the quota; but that was killed in the Immigration Committee, and the gentleman from New York [Mr. Dickstein] voted against it, and he has publicly stated so. When they talk about being in favor of restriction of immigration I say to you that this bill is not right, it is not the proper procedure, and the effort behind it is an effort to give to the Secretary of Labor the power to say who shall be deported and who shall not, and all this talk about checks and balances and limitations is nonsense.

What do you call "of public interest"? That is a great check! Moral character! What is moral character? One may be considered as having a moral character in New York who in my country would not be, and the reverse is true, one in my country who would be considered as having a moral character might not be considered to have one in New York. There are different standards.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. DIES. Yes.

Mr. MAY. Is it not a fact that under section 3 of this act the worst sort of a red from Russia might come across into Canada and have a relative across the line and slip over there and make his residence there, and, in the discretion of the Secretary, he might be permitted to remain?

Mr. DIES. I do not know what the Secretary is going to do, but I do not propose to write on the statute book a law giving the Secretary discretionary power to act in these cases. [Applause.]

Mr. McFADDEN. Mr. Speaker, this bill, if enacted into law, would in effect repeal the mandatory provisions of all laws regulating the deportation of aliens in the Immigra-

tion Acts of 1917 and of 1924 and make deportation optional with the Secretary of Labor, and although section 6 of the bill provides that it is an addition to and not in substitution for the provisions of the immigration laws, including section 19 of the Immigration Act of February 5, 1917, it is misleading, to say the least, in view of the language of section 3 of the bill. Section 19 of the act of 1917 provides that aliens entering who at the time of entry belonged to the excluded class, aliens entering illegally, aliens advocating the overthrow of the Government of the United States by force, aliens becoming a public charge, within 5 years after entry their cases not affirmatively shown to have arisen subsequent to landing, and certain specified classes of criminals, as well as other classes of aliens, shall, upon warrant of the Secretary of Labor, be taken into custody and deported.

Section 3 of the bill, however, clearly nullifies this mandatory language with respect to six enumerated classes of aliens, otherwise deportable, and permits the Secretary of Labor in her discretion to allow them to remain in the United States, provided only that she finds them to be of good moral character and not convicted of moral turpitude, or crimes and not to have engaged in subversive political agitation. It is to be noted that this last qualification would still permit the Secretary to allow an alien to remain who was known to be a member of an organization whose avowed purpose is to overthrow the Government by force, which is clearly not permissible under the present laws making such persons mandatorily deportable.

A careful examination of the six subdivisions of section 3 (p. 3 of the bill) will show that they cover a vast majority of all deportable aliens. From the wording of clauses (1), (5) it is quite clear that illegal entrants are not regarded as those whom the Secretary may not allow to remain as not being of "good moral character", for they obviously relate in several instances to persons who have "entered the United States" in any kind of way; this notwithstanding that under present law illegal entry is a prison offense.

Generally speaking, and excepting persons convicted of crimes involving moral turpitude, clause (1) makes it discretionary with the Secretary to keep in the country all those classes now mandatorily deportable, although legally admitted; and clause (5) allows him to retain here the great majority of the illegal entrants, since it covers every alien who has a near relative who was legally admitted to the country or who is a citizen. This means about four-fifths of all aliens in the country, since the annual reportion on immigration for years back show that this proportion of all legally admitted immigrants come "to join relatives." Thus, it clearly appears that the aliens whose deportation would remain mandatory under the misleading language of the bill would be a negligible number.

Clause 3 of section 3 would make a new statute of limitations for the deportation of aliens. Under present law no immigrant who entered legally since the first quota law was passed in 1921 is rendered immune from deportation by mere lapse of time. The clause in question would change this radically and would make an alien entering at any time nondeportable in the discretion of the Secretary of Labor, provided he has succeeded in hiding out for 10 years or has not been attended to by the authorities whose duty it was to deport him within that time.

The amendment of 1929 drawing the line at entrants before 1921 for those who could gain immunity from illegal entry, was professedly passed to take care of a considerably large number of immigrants who in fact had entered legally but whom our officials failed to register. Therefore, theoretically at least, there is no general statute of limitations as to legal entry at present. This is as it should be, for the continued residence in this country of an alien who entered in violation of our laws is a continued defiance of those laws and there can be no greater encouragement to illegal entry—the Achilles' heel of all immigration restriction—than condoning the act itself.

Clause 6 of section 3 would permit an illegal entrant to gain Executive clemency and escape deportation by giving evidence against another illegal entrant.

Clauses 4 and 5, although less important than those already referred to, would have the effect of actually separating families by allowing the alien children under 16 smuggled into the country by their parents to remain here while the parents (who presumably had entered illegally at the same time) might be deported.

Section 3 alone—the heart of the bill—is so destructive of our whole system of immigration restriction as to make it incumbent upon all Members of Congress who are sincere

restrictionists to vote as one man against it.

I submit to the Membership that we should not repeal these mandatory provisions of the acts of 1917 and 1924 and permit decision on such important matters to lie with the Secretary of Labor.

Mr. DICKSTEIN. Mr. Speaker, will the gentleman yield?

Mr. McFADDEN. I cannot yield.

Mr. DICKSTEIN. I will give the gentleman a minute to answer the question.

Mr. McFADDEN. Very well; I yield. Mr. DICKSTEIN. I want to assure the gentleman that we do not repeal one single section of the deportation law. We are adding four additional sections for deportation, and

I challenge the gentleman to deny that fact.

Mr. McFADDEN. I deny that fact and with the gentleman's own language. The law is being deliberately weakened to permit easy entry of one class of foreigner. I shall prove that his one purpose in the passage of this bill is to permit Jews from Germany to come in great numbers into the United States.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. McFADDEN. I ask the gentleman to yield me that

Mr. DICKSTEIN. I yield the gentleman 1 minute.

Mr. McFADDEN. Mr. Speaker, I want to say to the gentleman from New York [Mr. Dickstein] that on March 18. 1934, in Chicago, in a broadcast before the Jewish Immigration Relief Society over radio station WENR, he is said to have stated that he deplored the fact of the bars against aliens coming into this country, as it was a fundamental of American doctrine to welcome the oppressed peoples of the world and give succor to the needy. He said further that as drastic as the quota law was before Hoover came into office it became much worse under his orders, and he said that every Jew in Germany who wanted to come here would come under the law of exclusion as it is now read, because no matter how wealthy they had been over there Hitler would not let them take out one cent of their money, and that Hitler was confiscating their property. He stated that Hitler would not grant passports to these refugees nor would he allow them to stay on German soil. He said, "Therefore we Americans must change our law to make it possible for them to come here at once, as there is no other country where they can go." He said further that Hitler's persecution of the Jew was growing rather than diminishing, and soon these brothers, sisters, fathers, and mothers of ours will be murdered unless we immediately make it possible for them to leave. He said, "You Jews know that money for these poor oppressed Jews isn't keeping them out of America. Our people here are generous and will take care of that, but it is the law which we must change."

He said further that there had developed a lot of opposition to the plan of having guaranty bonds put up to assure the Government that these people would not become public charges, and that this opposition must be overcome. He said that Germany owes all her culture and her great progress to the Jews; that Germany could not exist as a nation without the Jews, nor could America. He said that most of those coming here would be men like Einstein, men of outstanding achievement, and so forth. He said that no time was to be lost in getting action on this matter, and that he pledged himself to work untiringly for the passage of a law that would allow these brethren a quick relief and welcome to our shores.

I submit that the gentleman from New York [Mr. Dick-STEIN], in this radio talk to the Jewish Immigration Relief | part of a whole scheme.

Society, had reference to this bill H.R. 9725, which is now under consideration, and I further point out that his expressions are clearly indicative of the sole purpose of this bill-namely, to permit Jews from Germany to have an unhindered entry into the United States. And I submit that the new four additional sections for deportation are placed in this bill for the sole purpose of giving the Secretary of Labor the right of determination without review as to what deportation should be made, and weaken the provisions of the immigration laws of 1917 and 1924. These laws should not be modified by giving this great discretionary power into the hands of any one person, particularly one that we now know to be a nonrestrictionist and one who is responsive to the fullest degree to those of the type of the gentleman from New York [Mr. Dickstein], who want to make easy entry for German Jews to come into the United States.

Mr. SABATH. Is the gentleman reading from his speech? Mr. McFADDEN. I am reading from the gentleman's [Mr. Dickstein's] radio speech delivered at Chicago, March 18 last. I will put the rest of it in the RECORD. It was delivered in the gentleman's own city of Chicago before the Jewish Immigration Relief Society at the Stevens Hotel.

The SPEAKER. The time of the gentleman from Penn-

sylvania [Mr. McFadden] has again expired.

Mr. McFADDEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to complete the answer to the question asked.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. McFADDEN. Mr. Speaker, I desire to call your attention to the fact that the gentleman from New York [Mr. DICKSTEIN] in his desire to amend the immigration laws, as this bill provides, to permit Jews from Germany to freely enter the United States, is supported by a national, if not an international, movement which is participated in by practically all of the Jewish organizations in the United States which organizations are tied in with a world-wide organization to move Jews out of Germany not only into the United States but to Palestine and to other countries. This organization was created under the auspices of the League of Nations, and its head is James G. McDonald, formerly president of the Foreign Policy Association of New York, who is now actively engaged in finding a domicile for German Jews. These efforts are tied in with the organization known as the "Internation! Boycott on German Goods", the head of which is Mr. Samuel Untermyer, of New York—a retaliatory method of protest aimed at the present German Government, which boycott, if it fulfilled its purpose, would destroy the present German Government.

Another movement closely associated in this enterprise is that of the National Conference of Jews and Christians, of 289 Fourth Avenue, New York, co-chairmen of which are Hon. Newton D. Baker, Prof. Carlton J. H. Hayes, and Mr. Roger W. Straus. This is a national organization instigated by the international Jews in the United States having for its purpose the uniting of Gentiles, Catholics, and Jews in protection of the movements which are now being organized throughout the United States in support of the Jewish plan, whatever that may be.

In furtherance of the promotion of the activities along these lines, and as a further protest against the present German Government, the Chairman of the Committee on Immigration last year began an unauthorized investigation of what he termed "Nazi activities" in the United States. I would call your attention also to the fact that the activities of the various Jewish organizations supplementing these activities have resulted in the creation of a special committee of the House of Representatives appointed by the Speaker, and this committee are now engaged in the investigation of these activities and communistic and any other organizations that may have for their purpose the overthrow of our present form of government.

I mention this for the purpose of showing the farreaching importance of this proposed amendment to the immigration laws of the United States. It is an integral

Mr. DICKSTEIN. Mr. Speaker, I am very much surprised at the statement made by the gentleman from Pennsylvania. I said to the gentleman, if my understanding is correct, this proposed law which you are being asked to pass, does not take away one solitary provision of the present law. It adds four new sections to the present law, which would include certain groups of aliens for deportation; that is, there are four additions to the present law. Nothing is being repealed.

Now, let me call attention to this fact: I say to you, and I mean it in all sincerity, that all of these men and women whose photographs you see here have not committed a single crime. Not one of them has committed a crime. They have been here for possibly 15 years. The only reason they are not now permitted to remain is because they failed to comply with certain technicalities of the law. Not one of those people has violated our criminal laws. They are in communities well respected by American people. All this law provides is to put some elasticity or some power somewhere. It should be given to the Secretary to say that if a person has committed no crime, aside from the fact that he has not paid the head tax, he should be allowed to remain in this

I ask the gentleman from Pennsylvania [Mr. McFadden] if he is prepared to deport these 1,200 heads of families and leave these fine women and children a burden upon the community.

Mr. McFADDEN. Will the gentleman yield?

Mr. DICKSTEIN. In just a minute. Now, let me give an illustration. Here is a 9-year old boy who was brought to this country by his mother when he was an infant. The mother, a native of Canada, secured entry for herself but not for her boy. The boy's father has been ordered deported to Rumania. The Department is compelled to issue a warrant of deportation against this infant who has been in this country most of his life. That boy must be deported, taken from his mother, who is now a citizen of the United States. The mother must be separated from either husband or son. Now, Members, you do not want things like that to go on. What you want is to clean house in this country. Get rid of the alien racketeers, the alien gunmen, the alien dope peddlers, and then you will be doing something for your country.

I appeal to you in the name of these families to pass this law.

I desire to read at this point of my remarks a brief analysis of these three departmental or administration bills and to call your particular attention to those parts of this description which give detailed information about the provisions of this bill now under immediate consideration (H.R. 9725).

#### THREE BILLS ADVOCATED

H.R. 9725. A bill to authorize the deportation of the habitual criminal, to guard against the separation from their families of aliens of the noncriminal classes, and for other purposes.

H.R. 9760. A bill to provide for legalizing the residence in the

United States of certain classes of aliens.

H.R. 8312. A bill to provide adjustment of status of certain aliens lawfully admitted without requirement of departure to

foreign country.

These bills are designed to strengthen the hands of the Govern-These bills are designed to strengthen the hands of the Government in dealing with undesirable aliens, particularly those of the criminal classes, and to guard against cruel and unnecessary disruption of families and the infliction of undue hardship upon people innocent of wrong.

In order that there may be no misunderstanding as to the purposes of these bills, I wish to point out at the outset—

(a) That the present laws with reference to anarchists and the immorel classes remain unchanged and that no discretion to awart

immoral classes remain unchanged and that no discretion to avert

- deportation is requested in such cases.

  (b) That no discretion to avert deportation in the case of crim-(a) That he discretion to avert deportation in the case of criminals is requested. The present mandatory laws remain unchanged. There are, moreover, certain new provisions which will enable the deportation of many alien habitual criminals who now escape due to the loopholes in the present law.

  (c) These bills do not—

  (1) Involve any departure from the present policy of strictly enforcing the "likely to become a public charge clause" of the
- present acts.

(2) Affect in any way the selective and restrictive immigration

policy of the United States.

(3) In any way add to immigration. It is expressly stipulated that for each quota immigrant permitted to remain there shall be a corresponding reduction from the quota of his nationality.

#### H.R. 9725-DEPORTATION BILL

1. Maintains section 19 of the act of 1917 and other provisions

of existing law re alien criminals in full force.

2. Adds four new provisions giving the Government a stronger weapon than any it has heretofore possessed to enable the deporta-

weapon than any it has heretofore possessed to enable the deposition of the criminal alien.

Section 1, page 1: Subjects violators of State narcotic laws to same deportation penalties as violators of Federal laws.

Section 1, paragraph 2, page 2: Permits the deportation for two crimes involving moral turpitude if in public interest, even if not involving sentence of imprisonment. (This is in addition to present mandatory provisions.)

Section 1, paragraph 3, page 2: Permits deportation if in public interest of aliens who assist other aliens to enter illegally.

Section 2 (B), page 2: Brings convictions for carrying or possessing concealed or dangerous weapons within provisions of immigration laws by deeming "conviction of crime involving moral turpitude."

Section 7, page 5: Another loophole in present law is closed by elimination of present preference to agriculturists, which has been

elimination of present preference to agriculturists, which has been subject to grave abuse.

Section 3 (A), pages 2 and 3: Provides the Secretary of Labor, in a limited group of cases confined exclusively to persons of good moral character who have not been convicted of a crime involving moral turpitude, with discretion with reference to deportation, primarily with a view to avoiding the unnecessary separation of families; limited to persons once legally admitted, persons having 10 years' continuous residence, children entering under 15 years, persons having near relatives.

Section 3 (C), pages 2 and 3: Aliens permitted to remain charged to quotas of nationality.

Section 4, page 4: Authorizes Secretary of Labor to designate persons holding supervisory positions in the Immigration and Naturalization Service to issue warrants. This would place responsibility where it belongs and provide more effective enforcement. Section 5, pages 4 and 5: Authorizes designated inspectors of Immigration and Naturalization Service to detain for 24 hours pending issuance of warrant aliens believed to have entered without inspection. This will immeasurably assist Service in effecting deportations. (At Del Rio, Tex., 84 warrants requested; 72 aliens escaped before arrival.)

Section 6, page 5: Specifies that the provisions of this act are in addition to any preference to agriculturistic for the provisions of the section is designated in the addition to any preference to agriculturistic for the provisions of this act are in addition to any preference are preference to agriculturistic for the provisions of this act are in addition to any preference are preference are preference to agriculturistic for the provisions of the provisions

Section 6, page 5: Specifies that the provisions of this act are in addition to and not in substitution for the present laws.

#### H.R. 9760-REGISTRY BILL

Provides for registration of aliens in whose case there is no record of admission for permanent residence who: (1) Have resided here 10 years; (2) are persons of good moral character; (3) are not subject to deportation or are permitted to remain under such authority as may be granted the Secretary of Labor.

If law permits alien to remain, little justification for denying experturity for altigonable.

opportunity for citizenship.

Best interests of country served by eliminating large group of unregistrable aliens who are part of permanent population.

#### H.R. 8312-CHANGE OF STATUS BULL

Permits aliens legally admitted for temporary residence who subsequently become entitled to nonquota or preference status to adjust their status without necessity first leaving country.

In quota cases deduction made from quota of nationality.

Beneficiaries must prove they are eligible for admission and pay head tax and visa fees as though entering from abroad. Sample case. Alien admitted as visitor or student Morries. case: Alien admitted as visitor or student. Marries American citizen. Becomes entitled to nonquota status. Present law provides that she must actually leave the country to obtain benefit of nonquota status. This is pure formality. Causes needless expense, suffering, and hardship.

# DISCRETIONARY CASES UNDER H.R. 9725

DESCRETIONARY CASES UNDER H.R. 9728

Deportation suspended to July 1—Approximately 100 per month since May 1933. Approximately two-thirds, or 800 to 900, would be given benefit of discretionary power, others required to depart. Every case prior to January 1, 1934, has been reexamined. Total suspended prior to January 1, 695.

Reexamination indicated that it would be unlikely that discretionary power would be exercised in more than 465 cases, representing 546 individuals.

Should these 546 persons be deported, they will leave behind them in the United States 987 members of their families, of whom 838 are United States citizens, children and adults.

838 are United States citizens, children and adults.
Six hundred and sixty-five of those left behind are dependent on the deportees for support and would, in all probability, become public charges—approximately four public charges for each three deportees.

deportees.

A final proof of the futility, aside from the cruelty of such deportations, lies in the fact that 439, or 80 percent, of the deportees in this group would immediately be eligible to return to the United States in a nonquota or preference status.

Considering such deportations in the light of the interest of the United States, it is clear that they represent merely a useless and costly formality. From the point of view of the aliens concerned and that of their dependents, deportation in such cases is a tragedy, involving the disruption of homes and in many cases the permanent separation of families.

It should again be emphasized that discretionary powers cannot

It should again be emphasized that discretionary powers cannot be employed under these bills in the case of the criminal, anarchist, or immoral classes, and that the only possible beneficiaries would be persons of good character who have not been convicted of crimes involving moral turpitude and who, for the most part, are guilty of only technical violations of the law.

#### SUMMARY

Deportation bill (H.R. 9725).

Registry bill (H.R. 9760). Change of status bill (H.R. 8312).

Mandatory provisions re criminals, anarchists, immoral classes remain in full force.
 No change re l.p.c. or restrictive or selective policy. No

increase in immigration. Deduction from quota.
3. H.R. 9725, stronger than any existing law.
(a) Violators of State narcotic acts.

(b) Deport for two crimes involving moral turpitude without regard to sentence.

(c) Convictions carrying or possessing concealed or dangerous

weapons, moral turpitude.
(d) Eliminates agricultural preference.

(e) Issuance warrants by supervisory officers.

(f) Permits detention illegal entries 24 hours.

(g) Discretion to permit to remain in cases of persons of (g) character not convicted of crime primarily to avoid separation of families.

(h) All aliens permitted to remain charged to quota.
 4. H.R. 9760 permits registry persons here 10 years, good character, not subject to deportation, or who have been permitted to

remain.
5. H.R. 8312 permits persons eligible to nonquota or preference status to adjust without leaving country.

Mr. BOYLAN. Will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. BOYLAN. This power is to be placed in the hands of a Cabinet officer?

Mr. DICKSTEIN. Yes, sir.

Mr. BOYLAN. Who is appointed by the President of the United States?

Mr. DICKSTEIN. Yes; the only trouble is that my good friends on the other side are afraid to trust Miss Perkins. They are afraid she will abuse this power.

I will say to them, Mr. Speaker, that this bill speaks for itself as to her desire to enforce the policy of deportation. She has put into this bill four new classes of aliens who will be subject to mandatory deportation proceedings. That answers conclusively the question as to whether or not she is a restrictionist on immigration matters.

Her action in seeking a thorough study of facts by the nonpartisan committee of 48 before adopting any change of policy in the enforcement of the existing immigration laws clearly shows she can be trusted with this discretionary power this bill seeks to vest with the Secretary of Labor.

Mr. BYRNS. I did not intend to say anything on this bill, but I was just called to the telephone by the Secretary of Labor who said she understood it had been stated that these were not administration measures. The President has not said anything to me about them, I am frank to say, but the Secretary of Labor asked me to say that the President had expressed a very great interest and his very great desire to have all three of these immigration bills passed. She said that this deportation bill, in her opinion, was the most important and most necessary of all the bills.

Let me read to you a letter from Commissioner MacCormack. Those of you who know him will recognize that he is not only a splendid gentleman, but he is a splendid officer of this Government. I will put the entire letter in the RECORD.

UNITED STATES DEPARTMENT OF LABOR, IMMIGRATION AND NATURALIZATION SERVICE Washington, June 15, 1934.

Hon. Joseph W. Byrns, M.C.,

House of Representatives, Washington, D.C.

My Dear Mr. Byrns: The present immigration laws permit some of the most dangerous alien criminals to escape. A check of arrests in a 15-day period in two cities disclosed 235 alien habitual criminals not subject to deportation. These included men charged with such offenses as murder homicide, grand largery, counterwith such offenses as murder, homicide, grand larceny, counterfeiting, enforced prostitution, and debauching the morals of

On the other hand the existing law deals with almost barbaric severity with persons of good character. Husbands are torn from their wives, children from their parents or guardians. Families are dispersed to three or more countries, the father to one country, the mother to another, and the children to a third. The Siberian exiles of Czarist Russia offer the nearest parallel in modern times to the deportation laws and policy of this country in recent years.

There is legislation now before the Congress which will go far

toward remedying these conditions.

H.R. 9725 will provide the Government with stronger weapons than any now possessed for dealing with the alien habitual criminal. It also provides limited discretionary powers to avert the separation and dispersion of families in the case of persons of good character.

H.R. 9760 enables the registration of persons of good character who have been here 10 years and who are not subject to deportation or who may be permitted to remain.

H.R. 8312 permits persons who are here on a temporary permit but who may acquire a nonquota or preference status (for instance a student who marries an American citizen) to change their status to that of permanent residence without imposing upon them the useless and costly formality of going back to their own country and returning with an immigration visa. These proposals involve no departure from our restrictive immigration policy. They involve no increase in immigration—each quota alien permitted to remain is charged to the quota of his nationality.

They involve no slighest liberalization of the deportation laws respecting criminals, anarchists, or the immoral classes; on the contrary, greater severity than ever before in the expulsion of the alien criminal.

The projects of law now submitted to the Congress were drafted

The projects of law now submitted to the Congress were drafted not by or at the behest of any alien group but by the technicians of the Immigration and Naturalization Service and based on their investigations and those of a nonpartisan group who have con-sidered this problem with a view to our national honor and wel-

fare and without racial, religious, or political bias.

There is no inconsistency in the unrelenting prosecution of the alien criminal who constitutes a menace to society while tempering justice with mercy in dealing with the alien of good

character.

The present laws admit of no such discretion being exercised. We have found in this past year hundreds of cases in which the execution of a warrant of deportation violates every instinct of

We have not attempted to care for such cases by stretching the law through administrative interpretation but have suspended deportation until July 1, 1934, to permit their submission to the law-making branch of the Government for its decision.

There is involved in the decision to be reached by the Congress not merely the fate of these persons and of the much greater number of their dependents to be left behind—for the most part American-born wives and children—but the larger question as to the continuance of a situation which has not reflected credit upon either the effectiveness or the humanity of our Government.

Very sincerely yours,

D. W. MACCORMACK, Commissioner.

Mr. MacCormack says this does not in any sense liberalize the deportation laws respecting aliens of the criminal or immoral classes. On the contrary, greater severity than ever before in the expulsion of the American criminal will

Mr. MacCormack told me yesterday that in one case he had had to deport the father to Rumania, the children to Canada, and the wife to another country, the name of which I now forget. I say, Mr. Speaker, since it does not involve an increase in the number of immigrants, for these people are here, many of them have married American women and have children, this law ought to be passed, because when we send the father back to a foreign country we leave the wife and children over here, possibly without support. Somebody has got to take care of them. This is in no sense a liberalization of the restrictive immigration laws, because the bill expressly provides that the number of those not deported shall be deducted from the immigration quotas of their respective countries. It is therefore not an increase of immigration. For this reason I think the Secretary of Labor is correct in her earnest desire to have this law passed. [Applause.]

[Here the gavel fell.]

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to insert Mr. MacCormack's letter in my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. TAYLOR of Tennessee. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. Dies].

Mr. DIES. Mr. Speaker, there is not a member of the Committee on Immigration who does not know it to be a fact that Commissioner MacCormack, when he appeared before the committee and when asked if the President had seen these bills and had supported them, said he had not. If the hearings were printed they would show that the President had not stated that he supported these bills, and had not read these bills; and this effort to jam legislation through Congress by saying the President has read it and is for it, when there is no competent evidence to that effect, I resent.

When any man tells you that this bill does not liberalize the deportation laws he does not know what he is talking about. They have 575 aliens subject to deportation held up

right now whom they intend not to deport if this bill is passed. The Department of Labor knows it liberalizes deportation, because it gives to the Secretary of Labor the discretion to say that all these cases shall not be deported.

Read the bill, starting with section 3; it says so on its face—that if the Secretary of Labor does not want to deport them in these numerous cases, she need not, although every one of them now is subject to deportation.

I challenge the majority leader, or anyone else, to prove that the President of the United States has read this bill and is for it.

Mr. BYRNS. I reported only what I had been told by the Secretary of Labor.

Mr. DIES. The gentleman has been quoting the President. The best way to convince us of the President' attitude is to bring us a statement from him. Let the majority leader find out.

Mr. BYRNS. Mr. Speaker, I gave the source of my authority, the Secretary of Labor. I have not talked to the President on the subject.

Mr. TAYLOR of Tennessee. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts [Mr. Connery].

Mr. CONNERY. Mr. Speaker, I find myself in a sort of embarrassing position. Offhand I would be in favor of the general principles of this bill, particularly the humanitarian side of the bill; but what I want to say to the House now, Mr. Speaker, is that I talked with President Green of the American Federation of Labor yesterday after talking to Commissioner MacCormack and Mr. Battle.

The position of the American Federation of Labor is absolutely against all three of these bills. They feel there is a great danger to labor in these bills and would prefer to let them go over to the next session of Congress, when they can receive proper consideration by the American Federation of Labor.

[Here the gavel fell.]

Mr. JENKINS of Ohio. Mr. Speaker, in answer to what my good friend the Democratic floor leader had to say, I shall be glad to read a copy of a letter from the President himself, written at the time this proposed legislation was first discussed. Mr. Green, of the American Federation of Labor, took the matter up directly with the President. I have here a copy of a letter which was taken from the letters introduced at the hearings. I shall not read Mr. Green's letter, but he raises the question with the President, and the President replied as follows:

My Dear Mr. Green: I have referred your letter of September 22 to the Secretary of Labor and enclose a copy of the report sub-mitted to me, which confirms my own understanding that there is no present proposal for relaxation of the restrictions on immigration, except such as have been made in favor of religious and political refugees.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

That is your authority.

Let nobody be moved off his feet by this appeal to party regularity. It does not mean a thing. You Members on the Democratic side for years voted for restricted immigration, long before our present President ever came into office.

Now, as far as Mr. MacCormack is concerned, he admitted at the hearings that he never knew anything about immigration, had had no experience whatever with immigration until he came into office as Assistant Secretary about a year ago.

Why should you think of receding from the position on restriction of immigration that you have always maintained? What is immigration? Every question on immigration must come from three sources. One is immigration into the country, another is naturalization when in the country, and another is deportation out of the country. Why does the Secretary of Labor want to change the deportation laws? The previous Secretary of Labor deported twice as many people every year as this Secretary of Labor has ever deported. That was done under the old laws. Why does not the present Secretary of Labor exercise powers under the old law and deport twice as many as she has deported? You

of law to cover that situation. There is an abundance of law. As far as gunmen are concerned, there is an abundance of law. The trouble with this bill is you are placing in the hands of one individual too much authority.

The Secretary of Labor, Miss Perkins, is not safe to follow by those who consider themselves as restrictionists. Her past record will not stand the test of proof that she is as much interested in restriction of immigration as she is in admitting refugees and in granting American citizenship indiscriminately. If this bill is passed it will change the laws of immigration and naturalization and supplant them by official decree. The immigration laws are not safe if administered by Miss Perkins and her associates in office and out of office, acording to their discretion. When any changes are made in the immigration laws, with which the American people are very much concerned, these charges should be made by the friends of the laws and not by those who are eternally attempting to tear down the laws and lay down

[Here the gavel fell.]

Mr. TAYLOR of Tennessee. Mr. Speaker, I yield the remainder of my time, which is 3 minutes, to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, when this bill came before the committee, 25 or 30 members of the Ellis Island Committee, including the very distinguished Mrs. Vincent Astor, appeared on behalf of the bill. The principal contention was that under existing immigration laws certain hardships were effected, resulting in the disintegration of certain families and that there should be some relenting in the severity of the law. I favor the principle that we are seeking to achieve as far as the many people who are innocent bystanders are concerned. So far as the severity of the law is concerned, I believe a very short amendment to the act of 1917 would have accomplished the purpose which is sought by this bill. So far as deportation of these hardened inveterate offenders are concerned, I differ with Colonel McCormack. I regard him as a most estimable gentleman and as a man of attainment and distinction. However, I differ with him in the respect that we should particularly define in the law the deportable offenses and then allow no discretion whatever. In seeking to effectuate that thought in this bill I think we have made a mistake. Time is not going to permit of a full exposition of this bill, but may I say if you will look at section 3 you will find that an alien who is otherwise deportable, provided he is of good moral character, has not been convicted of a crime, and has not been guilty of subversive agitation may be permitted to remain in this country in the discretion of the Secretary of Labor, even though the immigrant illegally entered the country, probably coming across the border. Now, remember that it is a deportable offense to enter this country illegally and yet you would confer discretionary power to permit that immigrant to remain in this country, provided certain other conditions were complied with, as recited in section 3.

If you will look at subsection 5 of section 3, you will find it would be possible for someone to come into this country under a temporary permit. At the end of a year such person would be deportable unless the temporary permit had been extended. Such person has not committed a crime; has not been guilty of any offense involving moral turpitude, and yet the Secretary of Labor is given discretionary power to permit such person to remain in the country. I might go on and exhaust all of the subparagraphs and show many conditions under which persons who illegally entered this country might be permitted to remain here, even though illegal entry is in itself a deportable offense.

May I say that this bill grants too much discretionary authority and is altogether too dangerous, and it may make this country the haven for a great many people who now live across the seas, even though we now have millions who are unemployed. I thoroughly sympathize with the Commissioner of Immigration. I believe he is a gentleman who is trying to do his best to deport these hardened offenders talk about deporting people who sell drugs. There is plenty | and trying to save intact these families that have been ruthlessly disintegrated under the severity of the law, but this | is not the kind of a bill with which to do it, because in applying a partial remedy to one evil it creates another evil which is infinitely greater.

[Here the gavel fell.]

The SPEAKER. The question is on the motion of the gentleman from New York to suspend the rules and pass the

The question was taken; and on a division (demanded by Mr. Dickstein) there were-ayes 57, noes 71.

Mr. DICKSTEIN. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The Clerk called the roll; and there were-yeas 92, nays 185, answered "present" 1, not voting 151, as follows:

# [Roll No. 193]

	11	MD94	
Adair Adams	Crosser, Ohio Crowther	Hughes Jenckes, Ind.	Moynihan, Ill. Musselwhite
Andrew, Mass.	Cullen	Kahn	O'Connell
Bakewell	Delaney	Kee	O'Connor
			O'Malley
Beam	Dickstein	Kelly, Ill.	
Beiter	Dingell	Kennedy, Md.	Oliver, N.Y.
Black	Duffey	Kennedy, N.Y.	Palmisano
Bland	Edmonds	Kenney	Peyser
Bloom	Eicher	Kerr	Ransley
Boileau	Ellenbogen	Kocialkowski	Rudd
Boland	Englebright	Kramer	Sabath
Boylan	Fiesinger	Lanzetta	Sadowski
Britten	Foulkes	Lehr	Schuetz
Brown, Ky.	Frey	Lesinski	Sears
Brunner	Gavagan	Lloyd	Sisson
Buck	Gillespie	McCarthy	Sweeney
Byrns	Gillette	McCormack	Wadsworth
Carpenter, Kans.	Granfield	Maloney, Conn.	Waldron
Celler	Harlan	Martin, Colo.	Wallgren
Chavez	Hart	Mead	Weideman
Colden	Higgins	Meeks	Whitley
Condon	Hoidale	Merritt	Willford
Connolly	Holmes	Monaghan, Mont	. Zioncheck
	NA.	YS-185	

Abernethy Allen Andrews, N.Y. Knutson Robinson Dobbins Dondero Rogers, Mass. Rogers, Okla. Kurtz Lambertson Arens Arnold Doughton Dowell Lambeth Lamneck Romjue Ruffin Ayres, Kans. Bankhead Biermann Drewry Duncan, Mo. Sanders, La. Sanders, Tex. Larrabee Lemke Lewis, Colo. Durgan, Ind. Sandlin Blanchard Blanton Eagle Eaton Ludlow McDuffie Schaefer Schulte Secrest Sinclair Smith, Va. Steagall McFadden McFarlane Brooks Edmiston Elizey, Miss. Eltse, Calif. Brown, Ga. Bulwinkle McGugin McMillan Burch Farley Flannagan Burke, Nebr. McReynolds McSwain Strong, Pa Burnham Busby Fletcher Focht Strong, Tex. Stubbs Maloney, La. Mapes Martin, Mass. Sutphin Taber Cady Fuller Glover Caldwell May Millard Cannon, Mo. Tarver Taylor, S.C. Carmichael Carter, Wyo. Cartwright Greenwood Miller Taylor, Tenn. Terry, Ark. Thom Gregory Griswold Milligan Mitchell Cary Castellow Guyer Montet Thomas Chapman Christianson Hancock, N.Y. Moran Thompson, Ill. Hancock, N.C. Morehead Tobey Turner Clarke, N.Y. Cochran, Mo. Hartley Hastings Mott Oliver, Ala. Turpin Umstead Underwood Henney Owen Parker Cochran, Pa. Hess Hildebrandt Hill, Samuel B. Connery Cooper, Ohio Cooper, Tenn. Cravens Crosby Cross, Tex. Parsons Patman Utterback Warren Perkins Peterson Pettengill Wearin Weaver Werner Hope Imhoff Jacobsen
Jenkins, Ohio
Johnson, Minn.
Johnson, Okla. Polk West, Tex. Whittington Crowe Culkin Powers Ramspeck Wigglesworth Wilcox Williams Darrow Dear Johnson, Tex. Johnson, W.Va. Rankin

#### Robertson ANSWERED "PRESENT"-1

#### Dumn NOT VOTING-151

Rayburn

Reece Reed, N.Y. Reilly

Richards

Wolcott Wood, Mo.

Beck Beedy Berlin Allgood Auf der Heide Ayers, Mont. Bacharach Boehne Bolton Brennan Bacon Bailey

Jones Keller Kelly, Pa.

Kinzer

Kloeb

Deen DeRouen Dickinson

Dirksen

Foss Frear Fulmer Browning Buckbee Burke, Calif. Gambrill Cannon, Wis. Gasque Carden, Ky.
Carden, Ky.
Carley, N.Y.
Carpenter, Nebr.
Carter, Calif.
Cavicchia Gifford Gilchrist Goldsborough Goodwin Chase Greenway Church Claiborne Haines Hamilton Clark, N.C. Harter Collins, Calif. Collins, Miss. Healey Hill, Ala. Hill, Knute Corning Cox Crump Hoeppel Hollister Cummings Howard Huddleston Darden De Priest Dockweiler Douglass James Jeffers Kleberg Doutrich Kopplemann Kvale Doxey Lanham Lea, Calif. Lee, Mo. Lehlbach Driver Evans Faddis Fernandez Lewis, Md. Lindsay Fish Fitzgibbons Fitzpatrick Lozier

Luce Lundeen McClintic McGrath McKeown McLean McLeod Mansfield Marland Marshall Martin, Oreg. Montague Muldowney Murdock Norton O'Brien Parks Peavey Pierce Plumley Prall Ramsay Randolph Reid, Ill. Richardson Rogers, N.H. Scrugham Seger Shallenberger Shannon Shoemaker Simpson Sirovich Smith, Wash

Smith, W.Va. Snell Somers, N.Y. Spence Stalker Stokes Sullivan Sumners, Tex. Swank Swick Taylor, Colo. Terrell, Tex. Thomason Thompson, Tex. Thurston Tinkham Traeger Treadway Truax Vinson, Ga. Vinson, Kv. Walter Welch West, Ohio White Wilson Withrow Wolfenden Wolverton Woodruff Woodrum

So (two-thirds not having voted in favor thereof) the motion to suspend the rules and pass the bill was rejected.

The Clerk announced the following additional pairs: On this vote:

Mrs. Greenway and Mr. Sullivan (for) with Mr. Evans (against). Mr. Cannon of Wisconsin and Mr. Lindsay (for) with Mr. Snell (against).

Mr. Sirovich and Mr. Fitzpatrick (for) with Mr. Hamilton (against). Mrs. Norton and Mr. Griffin (for) with Mr. Gifford (against). Mr. Somers of New York and Mr. Corning (for) with Mr. Treadway

Mr. Carley of New York and Mr. Prail (for) with Mr. Marshall (against).

# Until further notice:

Until further notice:

Mr. McKeown with Mr. Plumley.
Mr. Shallenberger with Mr. Hollister.
Mr. Lozier with Mr. Goodwin.
Mr. McClintic with Mr. Ghase.
Mr. Lanham with Mr. Bacon.
Mr. Douglass with Mr. Fish.
Mr. Mansfield with Mr. Beck,
Mr. Cox with Mr. Luce.
Mr. Huddleston with Mr. Beck,
Mr. Hill of Alabama with Mr. Swick.
Mr. Hill of Alabama with Mr. Kvale,
Mr. Hill of Alabama with Mr. Rogers of New Hampshire.
Mr. Thompson of Texas with Mr. Kvale,
Mr. Gambrill with Mr. Richardson.
Mr. Lea of California with Mr. Rogers of New Hampshire.
Mr. Boland with Mr. Ford.
Mr. Fitzgibbons with Mr. Algood.
Mr. Fitzgibbons with Mr. Algood.
Mr. Scrugham with Mr. Lewis of Maryland.
Mr. Scrugham with Mr. Lewis of Maryland.
Mr. Spence with Mr. Marland.
Mr. Spence with Mr. Marland.
Mr. West of Ohio with Mr. Pierce.
Mr. Wilson with Mr. Tromason.
Mr. Walter with Mr. Ramsay.
Mr. White with Mr. Tranax.
Mr. Kopplemann with Mr. McGrath.
Mr. O'Brien with Mr. Healey.
Mr. Berlin with Mr. Healey.
Mr. Berlin with Mr. Healey.
Mr. Berlin with Mr. Brown of Michigan.
Mr. Auf der Heide with Mr. Burke of California.
Mr. Carpenter of Nebraska with Mr. Knute Hill.
Mr. Claiborne with Mr. Nesbit.
Mr. Crump with Mr. Nesbit.
Mr. Crump with Mr. Bosh.
Mr. Filmer with Mr. Bosh.
Mr. Harder with Mr. Bosh.
Mr. Filmer with Mr. Botton.
Mr. Doxey with Mr. Botton.
Mr. Booken with Mr. Holeod.
Mr. Browning with Mr. Holeod.
Mr. Browning with Mr. Wolverton.
Mr. Gasque with Mr. Poss.
Mr. Kleberg with Mr. Goss.
Mr. Carden of Kentucky with Mr. Carter of California.
Mr. Garden of Kentucky with Mr. Carter of California.
Mr. Montague with Mr. Wolfenden.
Mr. Montague with Mr. Wolfenden.
Mr. Montague with Mr. Wolfenden.
Mr. Markin of Oregon with Mr. Reid of Hilmois.

Mr. Vinson of Kentucky with Mr. Collins of California,
Mr. Parks with Mr. Withrow.
Mr. Vinson of Georgia with Mr. Frear.
Mr. Woodrum with Mr. Welch.
Mr. Cummings with Mr. Traeger.
Mr. Collins of Mississippi with Mr. Simpson.
Mr. Clark of North Carolina with Mr. Thurston,
Mr. Frenandez with Mr. Muldowney.
Mr. Studley with Mr. Cavicchia.
Mr. Shannon with Mr. Buckbee.

Mr. ADAMS, Mrs. McCARTHY, and Mr. GILLETTE changed their votes from "no" to "aye."

Mr. DEROUEN and Mr. JOHNSON of Oklahoma changed their votes from "aye" to "no."

Mr. CHRISTIANSON. Mr. Speaker, the gentleman from Iowa, Mr. GILCHRIST, and the gentleman from California, Mr. Collins, are unavoidably absent attending a conference committee and have requested me to ask that they may be excused on this roll call.

Mr. BYRNS. Mr. Speaker, the special committee set up by the House to investigate purchases of War Department property, consisting of the gentleman from New Hampshire, Mr. Rogers; the gentleman from Michigan, Mr. James; the gentleman from Connecticut, Mr. Goss; the gentleman from Minnesota, Mr. Kvale; and the gentleman from Alabama, Mr. Hill, are absent, engaged in this investigation, and for that reason they ask to be excused on this vote.

The result of the vote was announced as above recorded. Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman has that permission.

#### THE ENROLLING ROOM

Mr. WARREN. Mr. Speaker, I offer a privileged resolution from the Committee on Accounts and ask for its immediate consideration.

The Clerk read as follows:

#### House Resolution 447

Resolved, That there shall be paid out of the contingent fund of the House of Representatives during the remainder of the present session not exceeding \$200 for additional clerical services in the enrolling room.

The resolution was agreed to.

INVESTIGATION BY THE COMMITTEE ON THE JUDICIARY

Mr. WARREN. Mr. Speaker, I offer another privileged resolution from the Committee on Accounts for present consideration.

The Clerk read as follows:

#### House Resolution 443

Resolved, That the further expenses of conducting the investi-gation authorized by House Resolution 145, incurred by the Committee on the Judiciary, acting as a whole or by subcommittee, not to exceed \$5,000, including expenditures for the employment of clerical, stenographic, and other assistance, shall be paid out of the contingent fund of the House, on vouchers authorized by the committee, signed by the chairman thereof or the chairman of any subcommittee thereof, and approved by the Committee on

Accounts.

SEC. 2. That the official reporters shall serve said committee at its meetings in the District of Columbia.

Mr. WARREN. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### OIL INVESTIGATION

Mr. BANKHEAD. Mr. Speaker, by direction of the Committee on Rules, I call up for immediate consideration House Resolution 441.

The Clerk read as follows:

# House Resolution 441

Resolved, That the Committee on Interstate and Foreign Commerce, as a whole or by subcommittee, is authorized and directed merce, as a whole or by subcommittee, is authorized and directed to investigate (1) the production, importation, storage, transportation, refining, purchase, and sale of petroleum and its products for the purpose of determining whether there is an excessive supply of petroleum and its products; whether such excessive supply, if it exists, injuriously affects commerce in petroleum and its products and has the effect of rendering unprofitable the operation of wells of small but settled production and will cause their abandonment before the maximum economic yield is obtained; whether premature extraction of petroleum from natural

resources, induced by absence of restrictions upon the quantity which may move in commerce, results in waste and inferior uses; whether restrictions should be placed upon the quantities of petroleum and its products which may move in commerce when an excessive supply exists, and, if so, whether such restrictions should regulate and coordinate commerce in petroleum and its products among the several States and with foreign nations, with fair and equitable apportionment among the States and among different operators and sources of supply; and whether commerce in petroleum and its products is of such a nature that it may be regarded as a unit for the purpose of establishing quotas irrespective of whether transactions are interstate or intrastate, or whether exportation or importation is involved; and (2) all other questions in relation to the subject of regulating commerce in patroleum and its products

other questions in relation to the subject of regulating commerce in petroleum and its products.

The committee shall report to the House (or to the Clerk of the House if the House is not in session) during the present Congress the results of its investigation, together with such recommendations for legislation as it deems advisable.

For the purposes of this resolution the committee, or any sub-

committee thereof, is authorized to sit and act during the present Congress at such times and places within the United States, whether or not the House is sitting, has recessed, or has adwhether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, and to take such testimony as it deems necessary. Subpenas shall be issued under the signature of the chairman of the committee or any member designated by him, and shall be served by any person designated by such chairman or member. The chairman of the committee or any member thereof may administer oaths to witnesse

Mr. BLANTON. Mr. Speaker, I make the point of order there is no quorum present for the purpose of asking a question.

I am vitally interested in this matter. Part of the life-blood of my district is the oil business. The independent oilmen now have their backs to the wall. They must have protection from hot oil monopolies. I want to know whether I am going to have any time on this resolution. I am entitled to discuss this matter, and I would like to have 10 minutes on it.

Mr. BANKHEAD. I cannot now agree to give the gentleman 10 minutes of the time. We have had other requests that I have agreed to.

Mr. BLANTON. Mr. Speaker, the independent oilmen of my country have been wiring and writing here trying to get some relief.

Mr. CELLER. Mr. Speaker, I demand the regular order. Mr. BLANTON. If I can get 10 minutes, that is all I want.

Mr. BANKHEAD. I shall yield the gentleman 5 minutes. The gentleman had not requested any time.

Mr. BLANTON. This is the first opportunity I have had to ask for time. I ask for it now. The gentleman will yield me 5 minutes?

Mr. BANKHEAD. Yes.

Mr. BLANTON. I will get 5 minutes from across the aisle, hence will withdraw the point of no quorum.

Mr. HASTINGS. Mr. Chairman, I ask the Chairman of the Rules Committee a question. Is this a rule?

Mr. BANKHEAD. No; this is not a rule. This is a privileged resolution from the Committee on Rules and it is entitled to be debated and then voted upon on its merits. The resolution does not require any rule.

Mr. HASTINGS. How much time is permitted under the rule?

Mr. BANKHEAD. We usually have 40 minutes debate; 20 minutes on a side.

Mr. HASTINGS. Like the gentleman from Texas [Mr. BLANTON], I feel that this is a very important resolution. It is one that vitally affects the oil industry. It affects the people of my State, and it affects the people of a good many other States. As a matter of fact it affects the entire Nation. I would really prefer that my friend would let us have a little more time, perhaps in the morning, when this resolution could be debated, so that we could express our views a little more at length.

Mr. BANKHEAD. This is not an oil bill.
Mr. HASTINGS. I think I fully understand it.

Mr. BANKHEAD. This resolution and another resolution which we hope to pass immediately after this, is called up tonight because of the fact that it is now confidently expected that we will conclude the session of Congress and adjourn tomorrow night. If this resolution is going to pass-I do not know whether it is or not, or the other resolution to which I have referred-it becomes absolutely necessary for the Committee on Accounts to meet and authorize an appropriation and get through a special resolution for the funds with which to conduct this investigation. How much time does the gentleman from Pennsylvania want?

Mr. RANSLEY. Mr. Speaker, we feel that we should have the full time.

Mr. BANKHEAD. Then I shall take this course in order to accommodate the gentleman. I am willing to extend the time to an hour on the resolution instead of 40 minutes and let the gentleman from Pennsylvania on the Republican side control 30 minutes and I shall control 30 minutes.

Mr. BLANTON. The gentleman should ask unanimous consent to have that, should he not?

Mr. BANKHEAD. It is not necessary, I think. I want my friends to feel that as far as I am able to, I want all sides to be given an opportunity to be heard. There is no intention on the part of the Committee on Rules to suppress any opportunity for debate within the hour. If the gentleman from Oklahoma wants a little time I shall give him as much as possible.

Mr. Speaker, I yield to the gentleman from Pennsylvania the control of 30 minutes on the resolution. It is not my purpose to undertake to explain this situation. This is a privileged report, and I want all the time in debate upon it to be devoted to a discussion of its merits and not to be taken up by members of the Committee on Rules. I yield 5 minutes to the gentleman from Maryland [Mr. Cole], the

author of the resolution.

Mr. COLE. Mr. Speaker, this resolution represents the unanimous decision of the Committee on Interstate and Foreign Commerce. That committee had before it the oil bill introduced by my distinguished colleague from Oklahoma [Mr. DISNEY], and the committee gave to that legislation as much consideration as time would permit. The question has been asked, and I think properly so, why the Disney bill was not reported out of this committee. We are dealing in this subject with the second largest industry in the United States, one of tremendous consequence. Eighteen States of the Nation are definitely affected as producing States, not to say anything of the great consuming public. The proponents of the bill, as well as the opposition, appeared in the hearings. I think I can say for every member of the Committee on Interstate and Foreign Commerce, which has presented to this House during the present session six of the major bills which you have approved. working almost day and night, that if they had believed the testimony presented to them was conclusive to have this Congress adopt as a policy the legislation set forth in the Disney bill, they would have done so. The committee, in executive session, decided not to report the Disney bill, but in lieu thereof to incorporate into a resolution almost the identical language found in the statement of policy in the Disney bill, and the committee to which this legislation has been referred to make an inquiry into it and report back to the next Congress not only its findings but definite legislation on the subject.

I hope Members of the House realize that this committee appreciates the difficult situation confronting these Texas oil fields and the oil fields of other States. We know that the petroleum code and the enforcement of the provisions of the Connally amendment to the Industrial Recovery Act call for real effort upon the part of the administration. deficiency appropriation bill carries a large amount for the enforcement of the petroleum code. That code is being litigated today in a very strenuous way. It has been through the District Court of Appeals, and is on the way to the Supreme Court of the United States. It is being litigated in other courts of the country. The constitutionality of the Disney bill was questioned by able lawyers appearing before our committee. The entire situation as to the necessity for consideration by Congress, the ability of the Federal Government by authority of Congress to cross State lines

and dictate in the manner the bill called for, are all questions of real importance, and we feel that a thorough investigation should be made.

I remind the Members of this House that in every investigation submitted by the House to the Committee on Interstate and Foreign Commerce it has been followed by the enactment of real legislation. You did that in the case of public utilities, of telephone companies, of railroad holding companies, and in many other instances I could refer to, and on pipe lines, as the gentleman from Indiana [Mr. Petten-GILL] suggests. The committee has given the matter serious thought. We met all morning and this is the mature and deliberate judgment of every member of the Committee on Interstate and Foreign Commerce, and the unanimous decision of the Committee on Rules of this House. I hope that Members of the House will adopt the resolution. [Applause.]

Mr. BANKHEAD. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. Blanton].

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. Blanton].

Mr. BLANTON. Mr. Speaker, unless we pass such oilcontrol legislation, as was proposed by Secretary Ickes, before this Congress adjourns, in just a few weeks you are going to see oil drop down to 25 cents a barrel. When that happens it will put out of employment in the various oil fields 200,000 men, heads of families, who are now making an honest living for their wives and children.

What is it that is standing in the way of this proper control of oil, where disregard has been had for the law, where the law has been ignored and set aside? "Hot" oil has been taken out in violation of regulations, by the hundreds of thousands of barrels.

I want to say that I am much disturbed about the situation. What power is it in the United States that comes here to the Nation's Capital, and stands in the way of a bill like the Disney bill? Oh, when I saw a certain gentleman from Texas, my native State, Hon. Roy Miller-I name him because he has great political influence—put up his lobby office and stay here week after week, representing the oil interests of combines like Andrew W. Mellon as far as my State is concerned, the Gulf Oil Co. of Texas-when he came here I knew that he was going to play havoc with the Disney bill.

Now, I am not reflecting on any member of the committee. I have no right to reflect on them. They use their own judgment just like I use mine. I am assuming that they act as their conscience dictates, but I want to say that whether they intended it or not, the slow manner in which they have held hearings and managed this business has been nothing more than tantamount to pigeon-holing this bill and chloroforming it and not giving it a chance to live.

We ought to kill this foolish resolution. It will cost \$25,000 to start with, and will accomplish nothing of any value. We men from the oil districts, every one of us, already know everything that that resolution would bring to light. What facts are there, that that resolution could bring to light that we do not already know? Name some. We already know all the facts about this "hot" oil. This resolution is a foolish piece of paper. It is a waste of money. It will waste \$25,000 to start with. We ought to kill this foolish resolution, and I hope that before this Congress adjourns the Speaker will recognize the gentleman from Oklahoma [Mr. DISNEY] and he will call up that oil control bill under suspension of rules and pass it [applause], and let this Government be supreme over the oil business, in controlling unlawful "hot" oil.

What right has Mr. Mellon to control this great commodity? What right has the Dutch Shell to do it? What right have these big oil monopolies to do it?

Oh, some of us can get so high up that they cannot answer a decent question when we ask it.

Mr. RAYBURN. Now, what does the gentleman mean? Mr. BLANTON. I mean every word I say. You can

refuse to answer my question as you did the other day, but I am going to call you down on it when you do it. know me, Sam. You do not need to try any of that monkey

business on me. That was a bluff you put up, but you did not bluff me.

Mr. RAYBURN. I know you.
Mr. BLANTON. I know you. You chloroformed this bill, and you know it.

Mr. Speaker, I asked the gentleman, the great Chairman of the Committee on Interstate and Foreign Commerce, when he was asking a favor of the House the other day-

Mr. COLE. Will the gentleman yield?

Mr. BLANTON. Not now. I asked the gentleman if he would tell us what was the condition of the oil bill. He said he would not yield. I told him he did not have to yield, that I held the floor under reservation of objection. Then he said he would not answer it. I said, "If you are not going to answer, you are not going to get your request granted. I will object." And I did object. Then he came out and said, "We have closed the hearings." Then I said, "Why could you not have answered a decent question first without all that monkey business?" What is there about this oil-control bill that should make Sam mad about it? He is a good fellow, and he knows that I will back him up in his district. I have friends from one side to the other of it that will go to the mat for him in every election. Why should he take that high-hat position with me? He knows it will not do any good with me. I am the same kind of a Texan he is. Both of us are just alike. We will both of us bluff sometimes. [Laughter.]

Mr. RAYBURN. I do not bluff. Mr. BLANTON. Yes; we do not bluff! But we chloroform oil bills all right. You chloroform them. Now, Sam-

Mr. BANKHEAD. Mr. Speaker, I rise to a point of order.

Mr. BLANTON. I withdraw that.

Mr. BANKHEAD. The gentleman should refer to the

gentleman from Texas in the proper manner.

Mr. BLANTON. I will withdraw it. I want to say that the gentleman from Texas [Mr. RAYBURN] should withdraw this futile resolution that will cost \$25,000 and accomplish nothing, and go back to that committee and send Roy Miller back home and tell him that Andrew Mellon and his Gulf Oil Co. must stay in Texas and let us run the people's business here, and then report the oil-control bill favorably, and pass it. I think he should have his committee bring that oil bill out and pass it tonight.

Now, I have no feeling in this, not a bit. My heart is free of any feeling. I have got in my heart an interest for those independent oilmen of my State. Ninety-five percent of them are for this oil control bill. It means their business life. If it is not passed it means the accumulations of a lifetime gone. That is what it means to them. Are you

willing to do good citizens that way?

Why, take Sam Butler, the son of our former good friend and colleague from Chester, Pa., who was the former Chairman of the Committee on Naval Affairs; Sam Butler is one of the independent oilmen in Eastland County; he has built up a spendid business there. If you do not pass this bill before we adjourn you are going to hurt Sam Butler, who has his life's savings invested in the oil business at Eastland, Tex.

Mr. DISNEY. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. DISNEY. The gentleman should, properly, at this juncture, call the attention of the House to the fact that a year ago oil was selling at 10 cents, 15 cents, and 20 cents a barrel, with the industry prostrated; yet today, under the code, the price has been brought back to \$1 a barrel.

Mr. BLANTON. And the gentleman knows that there is a movement on foot right now by Andrew W. Mellon, and his Gulf interests, to run the price down to 25 cents a barrel, put millions of barrels of oil in his storage tanks, and then run the price up afterward.

Mr. DISNEY. The gentleman means a quarter of a

Mr. BLANTON. Yes; a quarter of a billion barrels of oil; that is the capacity of his storage facilities.

Mr. O'MALLEY. Mr. Speaker, will the gentleman yield? Mr. BLANTON. I yield.

Mr. O'MALLEY. Is the Secretary of the Interior in favor of this resolution?

Mr. BLANTON. Why, certainly he is not; he drew the oil-control bill, or approved the one that was introduced. Mr. BLANCHARD. The gentleman said resolution, not bill.

Mr. BLANTON. I am talking about the oil-control bill. Secretary Ickes is for it, but he is not for this resolution. Mr. O'MALLEY. The gentleman almost lost my vote for it when he said he was for it.

Mr. BLANTON. He wants this bill passed to stop the "hot" oil and keep it off the market. Here is what is said in tonight's paper:

"Hot" oil flood is predicted by Ickes.

Now, on some things I do not agree with Secretary Ickes. I have talked to him as straight as any man ever talked to another about things I did not like, but this is one time that I am with him heart and soul.

Mr. DISNEY. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. DISNEY. All this nonsense about the bill being drawn by the Secretary of the Interior is quite beside the facts. The bill was drawn by a group of men composed almost entirely of independents.

Mr. BLANTON. I do not care who drew it. It is a good bill, and we need it passed. At least it was agreed to by

the Secretary and his oil experts.

Mr. DISNEY. The bill was drawn by these independent oilmen.

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. EAGLE].

Mr. EAGLE. Mr. Speaker, I live in the oil center, not only of Texas, not only of the South, not only of the United States, but, pardon me when I say it plainly, of the whole world. Texas produces daily 44 percent of all oil production in the United States, being 30 percent of the world's production, and the city of Houston is the very center of Texas oil production. This is not said in vanity but to let you know the profound interest I have in this matter. I will, as far as one can do so in 5 minutes, tell you something of the facts: The statements of facts just made by my good personal friend, the gentleman from Texas [Mr. Blanton] on this floor, are absolutely inaccurate, as far-fetched as the stars, and as deceptive as ever anything was unmtentionally made in this world.

We are all familiar with the carpetbag rule of the South, which came out of Washington, where soldiers undertook to make my white people subject to Negro people, and almost broke down civilization for 10 years, an era of universal corruption that now North and South alike regret. In the year 1918 the national prohibition amendment was ratified and again brought on carpetbagging, an era of universal corruption, in an effort to govern the individual habits and affairs of all our people by the Federal Government. Yet, that was mere pin money compared to this oil industry, which is the second industry in this Nation. Let us not have a third era of foolish and corrupt carpetbagging as to the oil-production industry.

I beg of you not to throw the destiny of the oil industry into the hands of Secretary Ickes. He does not know anything about oil production nor the oil industry; hardly the difference between an oil well and an artesian water well. You heard from Mr. BLANTON that Mr. Mellon's Gulf Oil Co. opposes this bill. That is not true. Its home is in my city. What is the fact? It is this: The Gulf Oil Corporation, owned by Mr. Mellon, with headquarters in my home city of Houston; the Standard Oil Co.'s principal production unit, the Humble Oil & Refining Co., has its buildings and headquarters in my city; and the Shell Oil Corporation owned by foreign money has its headquarters in my home city, Houston.

Those three are allowed by Mr. Ickes under the N.R.A. oil code to ship in from their own wells in South America to this country every day 121,000 barrels of oil and to take

out of their own storage tanks, now filled in the United States with their foreign oil, 279,000 barrels daily, and dump it on to the American market, making a total daily of some 400,000 barrels for them and 12 other major companies, denying the American producer who found the oil the right to produce that same 400,000 barrels daily, which is favoring the major oil companies and fostering a

It takes 2,700,000 barrels every day to supply the oil demands of the United States, to say nothing of foreign sales. Secretary Ickes, under the code, allows the American producer to produce 2,300,000 barrels. He wants to put a man in Texas or Arkansas or Louisiana or Wyoming or Ohio or Pennsylvania in jail for producing 20 barrels when Mr. Ickes says he must produce only 10. But he allows these great monopolistic majors to bring in and sell daily this 400,000 barrels. In Texas, if we should produce to capacity, it could produce 200,000,000 barrels daily, while the total oil produced under the Ickes plan daily now amounts to only one-half of 1 percent of that amount. And yet Mr. Ickes and the monopoly pretend that Texas production is ruining the oil industry. It is a false pretense.

The Legislature of Texas has met several times and has empowered the Texas Railroad Commission to regulate the operation of the wells. We are producing only 25,000 barrels a day more than Mr. Ickes says we are allowed by his code methods. We have one field 51 miles long and 9 miles wide

with 13,000 wells.

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. EAGLE. Mr. Speaker, we have 13,000 wells in that one strip. The Federal Government did not advance a nickel to make those wells. It did not furnish a geologist. They were brought in through the vision of the people of my State who thought they were doing a noble work for America by engaging in that work. Do you think 418,000 of my people actually engaged in the physical labor of those wells should be compelled or that they wish to come here hat in hand and sit on the outside of Secretary Ickes' door, when he does not know anything about oil, and have Mr. Ickes refer them to some oil assistant out of the Standard Oil group and affiliates in Wall Street who can tell my people to settle arbitrarily their destiny without recourse to appeal or court? It is a travesty and a tragedy proposed. Texas is not overproducing. This is the excuse which the major companies, the companies involved in the monopoly, are using for a sinister purpose. They have deceived Mr. Ickes and, he in turn, either knowingly or unknowingly, has sought to deceive the President and the Interstate Commerce Committee. It is the work of the oil

There are 80,000 wells in Pennsylvania. They produce a half barrel each per day. Those good people want 50 cents a barrel increase and they thought that Secretary Ickes would give it to them, and I believe he would. But there are 2,700,000 barrels used daily in America, and if they get the increase everybody else gets it. That would put an additional burden of \$1,350,000 each day on consumers in order to help the 40,000-barrel production in Pennsylvania and a barrel's production in other States. Is it worth the price, to wreck the second greatest industry in the United States and to penalize the consuming public \$590,000,000 a year to aid a few stripped wells to secure 50 cents per barrel more for their oil?

Adopt this resolution to secure all of the true facts and learn exactly what is actually behind this Ickes oil-control bill. Let us get all the facts. That is the meaning of the

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. Cooper].

Mr. COOPER of Ohio. Mr. Speaker, it is not necessary for me to say that the Committee on Interstate and Foreign Commerce of the House has had one of the most important programs of legislation that has been considered by this House during the last 15 or 20 years.

Among the bills presented to that committee was the socalled "oil bill." I can truthfully say that the committee gave a great deal of time to the consideration of this bill. The gentleman from Texas [Mr. Blanton] a moment ago stated that unless the oil bill is passed during this session of Congress the industry would be ruined. He also reflected on the committee when he intimated that Mr. Andrew Mellon's influence was brought to bear, which caused the committee to take this action. May I say to the gentleman from Texas that the statement was a reflection on every member of the Committee on Interstate and Foreign Commerce. This committee is not taking the dictation of Mr. Andrew Mellon or anyone else, but when we take up a bill for consideration we want to know what we are doing.

We tried to come to some conclusion on that bill, being the important measure it was, and it was the opinion of a great many members of the committee that we had better make some kind of an investigation and find out something about this great problem before we attempt to present legislation to the House. Furthermore, may I say that the committee is not given to reporting out bills and presenting them on the floor of this House unless we can express an intelligent, good reason why they should become law. [Applause.]

I want to compliment the gentleman from Texas [Mr. RAYBURN], chairman of the committee, for the work that he has done during this session of Congress. His colleague, the gentleman from Texas [Mr. Blanton], knows that he has had charge of the most important program of this administration during this present session of Congress. It does not come with very good grace for anyone to stand here on the floor of this House and cast a reflection upon the chairman of the committee, the gentleman from Texas [Mr. RAYBURN].

Mr. Speaker, this resolution provides that the Committee on Interstate and Foreign Commerce is directed and empowered to make a thorough study and investigation of this important question, so that when we reconvene in the next session of Congress we will have something to work upon.

Mr. DISNEY. Will the gentleman yield?

Mr. COOPER of Ohio. I will be glad to yield if it is on this question.

Mr. DISNEY. If the danger is so imminent to the oil business, what objection would there be to not only having the resolution, but enacting the legislation to run as far as perhaps a year. Could there be any serious objection to that procedure?

Mr. COOPER of Ohio. As I said a moment ago, the committee is not given to reporting legislation to this House and asking for its passage unless we can stand on the floor and express an intelligent, good reason why the legislation should be passed, and I do not believe I am casting any reflection on the committee when I say that we felt we were not competent to report the bill at this time.

I hope this resolution will pass.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. COOPER of Ohio. Yes.

Mr. MAY. In other words, what the gentleman is saying is that the committee felt that this industry being the second largest in the entire United States, it was more important to find out more about the industry and bring in the proper kind of legislation 6 months from now than to bring in a half-baked measure now.

Mr. COOPER of Ohio. Certainly.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield the gentleman 3 more minutes.

Mr. BLANTON. Mr. Speaker, will the gentleman yield for one question?

Mr. COOPER of Ohio. Not now.

Mr. Speaker, I also desire to say that there are thousands of people in the State in which I reside, the State of Ohio, independent operators of small oil wells, and people in western Pennsylvania, bordering on my district, who have pleaded with me to try to report this bill out and pass it. I would like to favor the people from my State. I would like to favor the independent oil producers by the passage

of legislation of this character, but it seems to me this is of such vital importance, not only to the people of Ohio and the people of western Pennsylvania, but, as has been stated here, this is the second largest industry in the country and it is is of such vital importance I think we ought to give it further study; and if this committee is permitted to make an investigation I think I can guarantee that when the next session of Congress convenes we will get down to work and will report a bill and the House can consider it.

Mr. FLETCHER. Mr. Speaker, will the gentleman yield?

Mr. COOPER of Ohio. Yes.

Mr. FLETCHER. The gentleman stated a moment ago it would be unfair to the industry in Ohio to pass a bill now.

Mr. COOPER of Ohio. No; I did not say it would be unfair. I said I would like to favor them.

Mr. FLETCHER. Why not favor them by passing the bill

Mr. COOPER of Ohio. Would the gentleman report a bill out of a committee if he did not know the extent to which it would go and if he was not familiar with its ramifications or the magnitude of the measure? I am sure the gentleman would not want me to vote to report a bill out of a committee under such circumstances.

Mr. FLETCHER. Does the gentleman think he would be in better position to report it at the next session of the Congress?

Mr. COOPER of Ohio. Yes.

Mr. RANSLEY. Mr. Speaker, I yield 10 minutes to the gentleman from Alabama [Mr. BANKHEAD], to use as he may

Mr. BANKHEAD. Mr. Speaker, I agreed to yield to the gentleman from Texas [Mr. McFarlane] 5 minutes, but can only yield him 4 minutes.

Mr. RANSLEY. Mr. Speaker, I yield the gentleman from Texas [Mr. McFarlane] 5 minutes.

WE SHOULD DEFEAT THIS RESOLUTION AND PASS THE PEDERAL OIL-CONTROL BILL REQUESTED BY THE PRESIDENT

Mr. McFARLANE. Mr. Speaker, I think the membership of the House wants to deal fairly on this question. I think you want to deal with all the people affected in this great industry, the oil industry, which is probably the largest single taxpaying industry in our country. Twice within the last 3 years we have seen oil in our section go to 10 cents for 42 gallons of crude oil, and the gentleman from Maryland [Mr. Cole], who made the announcement and who is the author of this resolution, has made statements about the work this committee has done, how hard they have been working, and I am sure they have been working hard. The statement has been made that they have not had the time to put on this legislation in order to give it the consideration it ought to have, and that therefore this resolution should be passed to give them additional information on this subject. Mr. Speaker, the Interstate and Foreign Commerce Committee did not have to receive this legislation and consider it. The Mines and Mining Committee wanted this legislation and would have been pleased to have had this legislation referred to their committee and to have considered it. if the Interstate and Foreign Commerce Committee would have waived their right to consider it. The Mines and Mining Committee of the Senate considered a similar bill and quickly reported it out, and it is on the calendar of the Senate. So I do not believe there is much merit in their argument about sufficient time to consider same, and so forth. They have heard everyone on both sides of this question who wanted to be heard, and they have all the information they need to report the Disney bill.

Going further, Mr. Speaker, the chairman of this great committee on May 22 received a letter from the President of the United States asking the committee's support of this legislation, and in that letter the President quoted the situation, which I believe every member of that committee and of this House can easily understand. Let me quote from the letter.

PRESIDENT'S MESSAGE RELATIVE TO FEDERAL PETROLEUM BILL

The President has addressed identical letters to Senator M. M. LOGAN, Chairman of the Senate Committee on Mines and Mining, and to Representative Sam Rayburn, Chairman

of the House Committee on Interstate and Foreign Commerce, and has sent copies of these letters to Senator Thomas of Oklahoma and Representative DISNEY. The President's letter read as follows:

MAY 22, 1934.

MY DEAR MR. CHAIRMAN: I have received a disturbing letter from the Administrator for the Petroleum Industry, Hon. Harold L. Ickes, informing me of the continued daily production of oil in excess of the maximum amount determined on by the Adminis-

trator pursuant to authority under the petroleum code.

The Administrator states that the records of the Bureau of Mines during the first 3 months of this year show a daily average production of illegal oil of 149,000 barrels. Technically speaking, this may not all have been "hot" oil, but in a real sense it is, since it is oil produced in excess of the allowable. While the final figures of the Bureau of Mines are not available for the months of April and May it is unquestionably true that there the months of April and May, it is unquestionably true that there is growing disregard for production orders issued under the Petroleum Code and that the trend of hot oil produced is upward. For example, it is stated on reliable authority that the daily excess production in the east Texas field alone is running at 60,000 to 75,000 barrels per day. Other estimators say that this figure should be much higher. The Oil and Gas Journal recently esti-

should be much higher. The Oil and Gas Journal recently estimated that there was illegal production in the country as a whole of 198,475 barrels per day during the week ending May 12.

If the principle of prorating production under a code is to be maintained, it seems necessary that the existing law should be strengthened by the passage of the bill which has been introduced in the Senate by Senator Thomas and in the House by Congressman DISNEY and supported by the Oil Administrator. It is a simple fact that as a result of the work of the Oil Administrator definite progress has been made both in eliminating.

Administrator, definite progress has been made both in eliminating unfair practices and in raising the price of crude petroleum to a reasonable level, which has brought added employment and more fair wages to those engaged in oil production.

I am frankly fearful that if the law is not strengthened, illegal

production will continue and grow in volume and result in a collapse of the whole structure. This will mean a return to the wretched conditions which existed in the spring of 1933.

I hope, therefore, that the proposed legislation can be enacted. I do not want to see this important American industry reduced to

the condition under which it was operating before the Oil Administration started its work.

Very sincerely yours,

(Signed) FRANKLIN D. ROOSEVELT.

That is what the President tells us, and that is not controverted by the testimony of the Bureau of Mines and of those who are gathering all the information available. All this information by the different governmental departments was presented before the committee, and the committee has not pointed out any additional information they need on this subject. I come from one of the largest oil-producing districts there is in my State, outside of this great east Texas oil field. There are more than 17,000 producing oil wells and more than 2,000 independent oil operators in my district. Not one single solitary protest have I received from any independent oil operator in my district concerning the present Disney bill. I have received dozens and dozens of letters and many telegrams from those independent oil operators asking that this legislation be enacted.

Who was it came before your committee here fighting this legislation? The gentlemen that I saw up here before that committee, according to the maps that were shown me and the information that I received, were, many of them, close friends of those in the east Texas oil fields who are producing hot oil. Naturally they do not want the oil in that field controlled. They want to produce every gallon of hot oil that they can.

Mr. DISNEY. Mr. Speaker, will the gentleman yield?

Mr. McFARLANE. Yes.

Mr. DISNEY. One witness went on the stand here and said that he was engaged in the production of hot oil.

Mr. McFARLANE. I thank the gentleman for his con-

Mr. BLANTON. The independents in the gentleman's district and mine are for the Ickes bill, not this resolution. Who is against it? The Mellon Gulf Co., the Dutch Shellall the big monopolies.

Mr. McFARLANE. And the chairman of the National Democratic Committee from Texas, Roy Miller, puts in all of his time up here trying to control patronage and fighting for legislation in favor of the big companies. I understand he represents the Gulf Oil Co. We fought him down before the Texas Legislature, he and his Texas Gulf Sulphur Co., in the same way. He is in charge of lobby activities for the

same Gulf Co. here. We always have to fight that crowd in Texas.

Mr. Speaker, I have helped drill a lot of dry holes myself as an independent operator. I am convinced that if the Disney bill is not passed this session we will again have 10cent oil, which will mean chaos in the oil field-all operations will be shut down and thousands thrown out of work. I have a wire here that I received this morning and I ask unanimous consent to insert it in the RECORD, and which I read to you now. This is from the largest and only independent oil operators association in my district. It reads as

WICHITA FALLS, TEX., June 15, 1934.

Hon. W. D. McFarlane, House Office Building:

We sincerely appreciate the support you have given the Federal oil control bill, but its failure to pass unquestionably will result in a break-down of the crude-price structure because of encouragement to "hot" oil violators, and will undoubtedly increase very materially the ranks of the unemployed. Reduction in crude and marketing prices will further result in demoralization of petroleum code which the operators have faithfully tried to observe. The legitimate refiners are now being compelled to make drastic reduction in force because of market conditions occasioned by hotoli violations, and we cannot understand why the administration will not insist on corrective action being taken by Congress to will not insist on corrective action being taken by Congress to avoid destruction in petroleum-code practices which will also affect allied industries. We, therefore, urge that you insist that members of committee appointed to investigate the oil industry be selected from the House and not from the Interstate and Foreign Commerce Committee.

NORTH TEXAS OIL & GAS ASSOCIATION, C. P. McGaha, President.

And also these telegrams, which read as follows:

Wichita Falls, Tex., June 13, 1934.

I represent the Petroleum Producers Co. with 60 employees and I represent the Petroleum Producers Co. with 60 employees and a pay roll in excess of \$10,000 per month. We have been and hope to continue to abide by all provisions contained in the petroleum code, although it is quite difficult under the present price of crude. The "hot" oil racket has been increasing to such an extent that a drastic cut in crude prices is imminent. In the event it will be difficult to observe code labor requirements and compel us to make material reduction in our force. I trust, therefore, you will insist that Congress pass the Federal oil-control measure with 2-very limitation trol measure with 2-year limitation.

JOHN F. O'DONOHUE.

WICHITA FALLS, Tex., June 13, 1934.

This company employing 45 men compelled to close down until some action taken to alleviate conditions now existing in oil industry principally due to overproduction and illegal production of oil in east Texas and elsewhere which is demoralizing refinery prices to such an extent that refineries cannot hope to operate. We believe only solution left is passing Federal oil-control measure now before Congress. Hope you will lend your assistance and induce Congress to take action.

OLNEY OIL & REFINING CO

Mr. KENNEY. Mr. Speaker, will the gentleman yield? Mr. McFARLANE. Yes.

Mr. KENNEY. Does the gentleman mean to convey the idea that Texas is not a law-abiding State and cannot control the oil situation, and that the whole State is controlled by oil bootleggers?

Mr. McFARLANE. Texas does not have a monopoly of law violators. Other oil-producing States have "hot" oil violators, the same as we have in Texas. The President tells us about the "hot" oil being produced, and this committee knows all about it. The gentleman's State has some of them, as has every other State; but when men come before the committees of Congress and admit that they are violating the law and say that the law cannot be enforced, then, I think it is high time for Congress to take notice of them and put some teeth into the law, to see whether we are going to turn this Government over to criminals.

Mr. KENNEY. Were there not many Members of Congress who appeared before the committee opposing this bill?

Mr. McFARLANE. Yes; two or three. Mr. KENNEY. Oh, a lot more than that.

Mr. McFARLANE. Two or three that I know of, and there were quite a few who appeared in favor of the Disney bill. This resolution is of no benefit—if passed it could not and would not give the committee any information they do not now have.

Mr. KELLER. Mr. Speaker, will the gentleman yield?

Mr. McFARLANE. I yield for a question.

Mr. KELLER. I would like to know whether any consideration is being given here to the fact that if the oil prices are permitted to go down, you will throw out of work a quarter of a million coal miners in this country and disrupt our industry as nothing else will do.

Mr. McFARLANE. I thank the gentleman for his contribution. There is no doubt about it that 10-cent oil means every coal mine in the country must of necessity close down because they cannot compete with fuel oil at this price.

The SPEAKER pro tempore. The time of the gentleman from Texas has expired.

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent to extend my remarks and to insert these telegrams.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. BANKHEAD. Mr. Speaker, I yield 4 minutes to the gentleman from Oklahoma [Mr. HASTINGS].

Mr. HASTINGS. Mr. Speaker, the oil industry is of such tremendous importance to the people of my State of Oklahoma, and for that matter, the entire Nation, that I feel justified in discussing the pending resolution. I do not want to lose my temper and I hope to find parliamentary language with which to discuss the resolution.

This resolution (H.Res. 441) was introduced June 14, 1934, and it authorizes the Committee on Interstate and Foreign Commerce, as a whole or by subcommittee, to investigate-

(1) The production, importation, storage, transportation, refining, purchase, and sale of petroleum and its products for the purpose of determining whether there is an excessive supply of petroleum and its products.

This information is published in the newspapers daily. Everyone knows when there is an increase or decrease in the production of petroleum. The oil administrator here in Washington has this information, which can be secured from him by telephone, and any member of the committee in 30 minutes could get any information on this point that a committee could get in 6 months.

Then the resolution follows:

Whether such excessive supply, if it exists, injuriously affects commerce in petroleum and its products and has the effect of rendering unprofitable the operation of wells of small but settled production and will cause their abandonment before the maximum economic yield is obtained.

This information could likewise be obtained within a short time. Two years ago, when I made an investigation, the records showed there were approximately 330,000 oil wells in this country, and that approximately 300,000 of them were producing less than 5 barrels per day. When the price of oil goes down to 15 or 20 cents per barrel, as it did 2 years ago, these small wells, many producing only 1 or 2 barrels, must be shut in, and if they are shut in and the casing pulled, the oil from these small wells is lost to the industry and the country forever, because it would be too expensive to reopen them again. The small producer, with a number of wells on the same hook-up, can afford to keep on pumping these small wells as long as the price of oil is around \$1 per barrel, but when the monopolists, through "hot" oil, flood the markets, and the price of oil is reduced, the small independent producers will go out of the picture forever. Everybody knows this that knows anything at all about the oil situation.

Following this, the resolution further states:

Whether premature extraction of petroleum from natural resources, induced by absence of restrictions upon the quantity which may move in commerce, results in waste and inferior uses.

Now everyone knows that an excessive production of petroleum leads to waste, through evaporation, sediment, and other causes, but information as to this is also to be had by the oil administrator and there is no need to investigate that.

Then the resolution continues:

Whether restrictions should be placed upon the quantities of petroleum and its products which may move in commerce when an excessive supply exists.

I am inserting here the entire resolution, which is as

Resolved, That the Committee on Interstate and Foreign Commerce, as a whole or by subcommittee, is authorized and directed to investigate (1) the production, importation, storage, transportation, refining, purchase, and sale of petroleum and its products for the purpose of determining whether there is an excessive supply of petroleum and its products; whether such excessive supply, if it exists, injuriously affects commerce in petroleum and its products and has the effect of rendering unprofitable the operation of wells of small but settled production and will cause their abandonment before the maximum economic yield is obtained; whether premature extraction of petroleum from natural resources, induced by absence of restrictions upon the quantity which may move in commerce, results in waste and inferior uses; whether restrictions should be placed upon the quantities of petroleum and its products which may move in commerce when an excessive supply exists, and, if so, whether such restrictions should regulate and coordinate commerce in petroleum and its products among the several States and with foreign nations, with fair and equitable apportionment among the States and among different operators and sources of supply; and whether commerce in petroleum and its products is of such a nature that it may be regarded as a unit for the purpose of establishing quotas irrespective of whether transactions are interstate or intrastate, or whether exportation or importation is involved; and (2) all other questions in relation to the subject of regulating commerce in petroleum and its products.

merce in petroleum and its products.

The committee shall report to the House (or to the Clerk of the House if the House is not in session) during the present Congress the results of its investigation, together with such recommendations for legislation as it deems advisable.

For the purposes of this resolution the committee, or any sub-committee thereof, is authorized to sit and act during the present Congress at such times and places within the United States, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, and to take such testimony, as it deems necessary. Subpenas shall be issued under the signature of the chairman of the committee or any member designated by him, and shall be served by any person designated by such chairman or member. The chairman of the committee or any member thereof may administer oaths to witnesses.

Of course, the whole resolution is camouflage. My good friend the gentleman from Texas [Joe Eagle] made a vehement speech, but like a great many lawyers in criminal cases, when they have no testimony of their own, spend their time in abusing and attacking the opposing witnesses. That is regarded as ingenious, but my friend from Texas cannot get away with that in discussing this resolution. He argues against long-distance government; I have heard that since I was a boy. He abused the carpetbagger, just as I have heard hundreds of lawyers do in speaking to juries. I ask any Member of the House to search his memory, and I challenge any one of them to repeat one thing my friend from Texas said that was in the pending resolution. He did not mention the resolution. He knew it was meant as camouflage. He knew, of course, that the resolution was to be used as an alibi for not enacting the Disney-Thomas bill, demanded by President Roosevelt.

I inserted in the RECORD on June 7 a letter from President Roosevelt appealing to Congress to enact legislation which would save the oil industry from destruction.

Now, what is the difference between this resolution and the Disney-Thomas bill? The Disney-Thomas bill gives the oil administrator the authority to make this investigation. He can send for books and papers and examine oil men under oath. And what is its purpose? The production of oil is now prorated among the several States and among the several oil areas. This is for the purpose of keeping down the production of oil. The production in excess of the amount allowed is called "hot" oil. In other words, oil illegally produced. The letter which I placed in the RECORD on June 7, from President Roosevelt, states that the information as shown by the records of the Bureau of Mines during the first few months of this year show an average production of illegal oil of 149,000 barrels per day. Of course, the Bureau of Mines, the oil administrator, and the Department of Commerce, have now all the accurate data and information that a committee appointed under the pending resolution could secure in 6 months.

The committee declined to report out the Disney-Thomas bill. It had teeth in it and would accomplish a purpose. It would enable the Secretary of the Interior to make additional regulations, and the representatives of the oil administrator could go to the wells and examine the gages and definitely ascertain the amount of oil produced, and in storage, and the amount run.

Now, when oil goes down again, as it did 2 years ago, those who are strong enough financially, and who can build storage, will buy up this excess of "hot" oil at the low price, and when the small, independent producers are put out of business, and when all the small oil wells are closed and ruined, then the monopolists will raise the price of oil and make millions out of it. The oil-producing States will lose a large amount of revenue. My State of Oklahoma receives 3 percent of the gross amount of oil produced, and there is a vast difference between 3 percent on \$1 oil and 3 percent on 20-cent oil. The revenue derived from this tax in a large part pays the running expenses of the State, and a part of this money is distributed to the school fund and other funds, and every community in Oklahoma, whether oil is produced there or not, receives some benefit. Many farmers in Oklahoma, when the oil industry is prosperous, are able to lease their lands, sometimes miles away from production, for amounts which enable them to pay taxes and other expenses. When the price justifies there is much wildcat work done in the oil fields and much labor is employed at good wages. The oil industry has done much to develop the State of Oklahoma. It has helped build and maintain roads and bridges, has built cities and towns, and has paid income taxes to the State and Federal Governments.

This is a matter of such tremendous importance to my State and to the Nation that I feel justified in strenuously protesting against inaction on the Disney-Thomas bill and the consideration, in lieu of that bill, of this idle gesture in the form of a resolution. Members of Congress, when they go home and the price of oil goes down, and the independents and small producers go into bankruptcy, the only alibi they will have is that they did not pass the Disney-Thomas bill, which would give the oil administrator the authority for which he and the President asked to save the oil industry, but gave the country this idle gesture in the form of a resolution to make an investigation.

A few days ago the House Committee on Interstate and Foreign Commerce held hearings for part of a day on the Disney-Thomas bill, which was approved by the oil administrator and which the President has strongly urged should be passed, and now in support of the present resolution the committee said that it did not have sufficient facts to act on the Disney-Thomas bill.

I want to repeat and to emphasize that there is not a fact sought to be secured through this resolution that the committee could not have gotten and could not get now within 48 hours from the oil administrator, the Bureau of Mines, and the Department of Commerce.

When the price of wheat was low because there was production for which we could not find a foreign market, and the price reached the low level of 25 cents per bushel at the thresher, Congress, without sending a committee all over the country, summoned representatives of the Agricultural Department, secured all the necessary facts, and passed the Agricultural Adjustment Act, which provided for reduction in acreage of both cotton and wheat.

This year when the Bankhead cotton bill, which provided for reduction of cotton production, was brought up, Congress did not send a committee all over the country to make inquiry and secure facts on which to base legislation, but secured the facts from the Department of Agriculture, and legislation was prepared, introduced, and enacted which has for its purpose controlling of production of cotton.

The Disney-Thomas bill has for its purpose placing teeth in the law to give the Secretary of the Interior, who is the oil administrator, additional power to inquire into the production of each well, and area, and State, and then to enforce the amount of oil allowed to be produced. In other words, make the operators quit running "hot" oil and keep the production in each State and community within the amount allowed.

A few days ago we enacted similar legislation for regulating production of tobacco. We did not send a committee to Virginia, North Carolina, or Kentucky to secure additional facts. They were already in the hands of the Department of Agriculture, and the legislation was prepared and passed.

When we want an excuse for not enacting legislation, then we must find some way around it. Frequently we appoint a commission to investigate and report. In this case we appoint a committee, without authority to do anything but investigate and report. The "hot" oil crowd, of course, will not be afraid of the members of this committee. The committee does not have authority to take action and is only authorized to sit and hear testimony, summon witnesses, and report. The bunch that is evading the law and running down the price of oil do not fear anything that the members of this committee may do.

I want to be frank with the House. I am in favor of preserving the oil industry. The independent producers are in favor of the Disney-Thomas bill. The big financiers in the oil industry do not favor it. They want to run "hot" cil. They do not want to comply with the rules and regulations of the oil administrator, and they do not want any legislation to be enacted by Congress with real teeth in it to compel them to comply with the law. They fear Federal legislation. They do not fear State regulation.

Members around me take the position that they are justified in voting for this resolution inasmuch as the Disney-Thomas bill has failed to be favorably reported from the committee, and that this is the best that can be gotten. I refuse to follow that kind of reasoning. My mental integrity will not permit me to vote for this camouflage resolution.

When I return home I will not need an alibi to present to the independent oil men, the laboring men, the farmers, and the business men, interested both directly and indirectly, in the oil industry, for my action here tonight. I am for the regulation of oil production and for legislation that will compel compliance with the rules and regulations limiting the amount of production in the various oil areas. I am not for this idle gesture. I am not deceived by the purpose of this resolution. I impugn the motives of no Member of Congress. There are many of them who are not familiar with the oil industry. They are under a great strain. The closing days of Congress have been most strenuous. Many of them are occupied with private bills and other legislation in which their districts and States are more interested. For that reason they do not have time to devote to an investigation relating to the oil industry.

However, when all the facts could be gotten in 48 hours, I cannot justify my action in voting for a camouflage resolution, which postpones the enactment of legislation for the regulation of the production of oil which is so vital and so necessary to enact at the present time. If "hot" oil is not being run, as stated by the President in his letter, why the objection to the Disney-Thomas bill? Those who want to comply with this law do not fear giving the oil administrator this additional authority.

Mr. BANKHEAD. Mr. Speaker, I yield 3 minutes to the gentleman from Indiana [Mr. Pettengill].

Mr. PETTENGILL. Mr. Speaker, I come from a congressional district that does not have an oil well in it. I think I reflect the views of every member of the committee when I say that our action is not to be interpreted that we have passed upon the merits of the Disney bill, either for or against, but simply that the jury is not yet ready to report a verdict and wants further information before it decides whether it should do so or not, one way or the other.

Here is the situation: At the present time, for the purpose of controlling the production of oil, there is the sovereign police power of the State of Texas that is capable of being invoked, and the Railroad Commission of the State of Texas that has the legal power to act in the premises. That commission claims it can control the situation and that it will control the situation. I do not know whether they will or not, but their official representatives say they can and will. Then we have the petroleum code as another agency for controlling the production of oil.

There was a decision by a three-judge court in Texas that seemed to take away from Secretary Ickes some of the power he thought he had under the petroleum code, but that was restored to him only recently by the circuit court

of appeals sitting at New Orleans, and with that power restored by the circuit court of appeals our committee felt that we should permit those existing agencies to control the situation if they can. If not, well and good. Then Congress will be called upon to act definitely in the matter. We felt that this resolution for the purpose of appointing a committee of inquiry to go down there, would act as a deterrent upon the illegal, bootleg production of oil; that it would be a club behind the door; that it would be notice to the bootlegging, illegal, "hot" oil artists, if there are any down there, that Congress will act next January if they do not behave.

Mr. DISNEY. Will the gentleman yield?

Mr. PETTENGILL. I yield.

Mr. DISNEY. If the danger to the second largest industry in the Nation is as imminent as men of respectable opinion consider that it is, what reason is there that we cannot have the resolution and the bill itself shortened as to time?

Mr. PETTENGILL. The gentleman from Oklahoma, for whom I have the greatest admiration, knows there is violent disagreement of opinion about that.

Mr. DISNEY. But there is nothing in the resolution that everybody does not already know.

The SPEAKER pro tempore. The time of the gentleman from Ohio [Mr. Pettengill] has expired.

Mr. O'CONNOR. Mr. Speaker, I yield 4 minutes to the gentleman from Oklahoma [Mr. DISNEY].

Mr. DISNEY. Mr. Speaker, there is nothing seriously wrong with this resolution. I do not care one way or the other. I am not opposing it. It is all right to pass it, but there is nothing asked for in the resolution that cannot be procured in a few days right here. Nearly every Member of Congress knows the inquiries already in the resolution. The men from the oil States know the answer to everything in the resolution to start with.

There are just three elements opposed to the "Disney bill", so-called. First, there are those people who are against any invasion of the States' rights; but let me call your attention to the fact that while the word "dictatorship" sounds long and loud it is only a play on words. In Texas you have an "oil dictatorship", so-called, in the corporation commission, which does not enforce its regulations. In Oklahoma we have an oil-regulatory body in the corporation commission, a dictatorship, if you please. In California they have none; they handle it by agreement amongst themselves. Then there is a second element, those people who are making millions of profits on "hot" oil, while the honest man and the royalty owner sits by, following the regulations, taking 35 barrels from his well when the "hot oil" man next to him produces 1,000 barrels a day from his well, sells it at 10 cents, 20 cents, 30 cents, 40 cents, at any price to make a profit, while the other man, obeying the law, selling at \$1 a barrel makes no profit whatever.

The honest men in east Texas are going to quit following the law. They are going to turn their wells wide open, and this industry is going to pot, just like it was a year ago.

Then there is a third element. Nobody can be opposed to the Disney bill, the regulatory legislation, except those who can profit by it, the "hot" oil men and the monopolists. Why the monopolists? Because whenever they can depress the business and run the price down they can fill their tanks with millions upon millions of barrels of oil and hold it for a higher price and make an enormous profit, just as they have done for years upon years, saving a natural resource for an eventuality that might occur any week; and then when the price goes to \$2.50 a barrel the monopolists will make a fabulous profit.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. DISNEY. I yield.

Mr. McFARLANE. If we vote down this resolution, we can pass the Senate bill tomorrow, can we not?

Mr. DISNEY. By a two-thirds vote we can pass the bill, if the Speaker will let us call it up.

Now, Mr. Speaker, let me say a word to the Democrats. The majority of the Republicans, from the coal States and other States, are for the Disney bill. You Democrats are the ones who are going to take the gaff in offering this resolution in lieu of my bill today. This administration is the one that is going to have the trouble for passing a nonsensical resolution instead of an oil regulatory bill. Why do you stand by such trashy talk, that the monopolists are in control of Secretary Ickes and of the President of the United States? If you want to brand the President as being under the control of Shell, Dutch, and Standard, do so: but I shall not. I shall not take that burden.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. Cooper].

Mr. COOPER of Ohio. Mr. Speaker, I want to make a short statement which I intended to make a few moments

Mr. DISNEY. Mr. Speaker, will the gentleman yield one moment to let me make one additional statement?

Mr. COOPER of Ohio. I am sorry I have not the time; I have only 2 minutes.

Mr. DISNEY. If the gentleman from Ohio will permit, 40 minutes' run of the East Texas oil wells-13,000 of themwould produce enough oil to last the United States an entire 24 hours.

Mr. COOPER of Ohio. Mr. Speaker, as I stated a moment ago, I want to make a short statement which I intended to make when I had the floor a short time ago and my voice gave out. It is my opinion that it will be impossible to pass any oil legislation at this session of Congress. The Committee on Interstate and Foreign Commerce has adjourned sine die; but even though the chairman were to reconvene that committee, there would be no possible chance of reporting the bill back to the House before Congress adjourned.

A few moments ago it was stated that the Senate will pass the oil bill tomorrow and then it will be sent over to the House and we will pass it. Does this House want to pass on such an important, vital, far-reaching question as the regulation of the oil industry without any consideration whatsoever? I do not believe this House wants to do that. Would it not be far better to let this committee make an investigation and survey of the entire oil industry so that we can have the information at hand when we reconvene in January and then intelligently draft a bill for the regulation of this industry and present it to the House for passage?

Mr. DISNEY. If the gentleman will permit, we have all this information already.

Mr. COOPER of Ohio. That was one of the things that was worrying the committee; they did not have the necessary facts.

Mr. DISNEY. If the committee cannot distinguish between the truth and the facts, then the committee's work

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. Dies].

Mr. DIES. Mr. Speaker, I have one of the largest oil producing and refining districts in the United States. I have independents in my district as well as major oil companies. May I say to the House that the number of independents that have written me shows that in the State of Texas, in my judgment, the majority of the independents want legislation. But it is not a question of what the independents want or what the major oil companies want. It is a question of what shall be the policy of the United States Government in reference to the conservation of a great natural resource.

In the State of Texas I have seen oil wells burning by the day. I have seen oil running down the ditches. There has been wanton and ruthless waste of natural resources in the United States. We at one time were a great timber country. They denuded us of our forests, wasting threefourths of the timber.

Getting to this resolution, I regret that we did not get

but that is neither here nor there. This is a simple proposition of investigating fairly and impartially all sides of this question. A committee appointed as provided in the resolution, in my judgment, will be helpful and may be able to prevent a collapse in the industry. I am convinced that unless something is done inside of 30 days the price of oil is going to decline. The pay rolls of the oil industry in this country increased \$289,000,000 a year under the oil code. If the price of oil goes to 5 cents a barrel, that means unemployment, and bankruptcy to the small producing companies of this country, but it also means unemployment to the four or five hundred thousand coal miners in the United States, because the coal industry cannot possibly compete with 5-cent oil.

Mr. DISNEY. Does the gentleman know that the production of crude oil went up 100,000 barrels a day recently?

Mr. DIES. I have seen in the city of Washington "hot" oil trucks along Sixteenth Street. I have seen people take their automobiles on Sixteenth Street and buy "hot" oil, pays no taxes. That is going on throughout the United States, and we all know it. I sincerely hope and urge that this resolution will pass by a large majority.

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Speaker, I yield the balance of my time to the gentleman from Texas [Mr. RAYBURN], the Chairman of the Committee on Interstate and Foreign

Mr. RAYBURN. Mr. Speaker, I could have no personal interest in oil. There is not now nor has there ever been a drop produced in the district that I represent. I could have no personal interest in this resolution because I will not accept membership on this committee.

We are faced with a practical question. There is one thing certain. There will be no oil legislation at this session of Congress.

Mr. DISNEY. Will the gentleman yield?

Mr. RAYBURN. No; I do not yield.

Mr. Speaker, the Senate 2 weeks ago reported an oil bill. Why has not pressure been put on the Senate? The Committee on Interstate and Foreign Commerce of the House of Representatives held hearings on this bill and then the chairman of the committee called the bill up. I voted to consider the bill in committee. The committee voted 12 to 5 not to consider the bill during this session of Congress. The committee knew that was not an expression of the Membership on the merits of the bill. Members said they knew from talks with Senators that there was no chance for this bill to pass the Senate at this session. The Membership of the committee expressed themselves that it would be indulging in an idle gesture to bring in the Disney bill at this session of Congress.

I have no personal interest in this. The House can do what it pleases. If the gentleman from Oklahoma, who sponsors this legislation, and if other gentlemen from oil districts want to vote down this resolution to develop the facts, it is all right with me.

Mr. DIES. Will the gentleman yield for a short question? Mr. RAYBURN. I yield to the gentleman from Texas.

Mr. DIES. I may say to the gentleman if this resolution does not pass, it means the collapse, in my judgment, of the price of oil.

Mr. RAYBURN. That is what we think, because we believe, knowing that even though the House acted, there would be no legislation at this session of Congress because a dozen Senators have said they would filibuster it to death. Therefore, it is this resolution, this deterrent on "hot" oil, or nothing. Take it or leave it. It makes no difference whatever to me or to the committee that has devoted its time and whatever talent it has to the matter.

There has been some talk about the information before the committee. May I say, that we had gentlemen who came before the committee and who jumped at each other like two mad dogs. Each one of them denied the statement that the other had made. We want information. Our committee is not going to act until it has reasonable information legislation this session, as recommended by the President, so that it can act intelligently, and this House, I am sure,

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does not want us to do other than just that. This is all we have a chance to do. It is not a question of whether we are in favor of "hot" oil. It is not a question of whether we want this industry to run riot. It is a question of doing all we have a chance to do at this session. Take it or leave it.

Mr. BANKHEAD. Mr. Speaker, I move the previous question on the adoption of the resolution.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the resolution.

The question was taken; and the Chair being in doubt, the House divided, and there were—ayes 112, noes 12.

Mr. BLANTON. Mr. Speaker, I object to the vote, because there is not a quorum present and I make the point of order there is no quorum present.

Mr. Speaker, a parliamentary inquiry. If we were to adjourn now, a vote in the morning would be the first thing on this bill?

The SPEAKER. Evidently there is no quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll. The Clerk called the roll; and there were-yeas 222, nays

36, not voting 171, as follows:

# [Roll No. 194] YEAS-222

	ILA	10-444	
Abernethy	Doughton	Kennedy, Md.	Reilly
Adams	Dowell	Kennedy, N.Y.	Richards
Allen	Duffey	Kenney	Robertson
Andrews, N.Y.	Duncan, Mo.	Kerr	Rogers, Mass.
Arnold	Durgan, Ind.	Kocialkowski	Rogers, N.H.
Ayers, Mont.	Eagle	Kramer	Rogers, Okla.
Ayres, Kans.	Edmiston	Kurtz	Rudd
Bankhead	Edmonds	Lambeth	Ruffin
Beiter	Eicher	Lamneck	Sabath
Biermann	Ellzey, Miss.	Lanzetta	Sadowski
Black	Englebright	Larrabee	Sanders, La.
Bland	Fiesinger	Lehr	Sandlin
Boehne	Fitzgibbons	Lemke	Schaefer
Boileau	Flannagan	Lesinski	Schulte
Boylan	Fletcher	Lewis, Colo.	Sears
Brown, Ga.	Foulkes	Lloyd	Secrest
		Lundeen	Shannon
Brown, Ky.	Frey		
Brunner	Fuller	McCarthy	Sisson
Buchanan	Fulmer	McDuffle	Smith, Va.
Buck	Gavagan	McGugin	Spence
Bulwinkle	Gilchrist	McReynolds	Strong, Tex.
Burke, Nebr.	Gillespie	McSwain	Stubbs
Byrns	Glover	Maloney, Conn.	Sutphin
Cady	Goldsborough	Maloney, La.	Taber
Caldwell	Goss	Mapes	Tarver
Cannon, Mo.	Granfield	Martin, Colo.	Taylor, S.C.
Carmichael	Green	Martin, Mass.	Terry, Ark.
Carpenter, Kans.		May '	Thom
Cartwright	Gregory	Mead	Thomas
Cary	Griffin	Meeks	Thomason
Castellow	Guyer	Millard	Thompson, Ill.
Celler	Hancock, N.C.	Miller	Tinkham
Chapman	Harlan	Monaghan, Mont	Turner
Clarke, N.Y.	Hart	Montet	Turpin
Cochran, Mo.	Henney	Moran	Umstead
Colden	Higgins	Musselwhite	Underwood
Cole	Hildebrandt	O'Connell	Utterback
Colmer	Hill, Knute	O'Connor	Vinson, Ky.
Connery	Hill, Samuel B.	O'Malley	Wadsworth
Cooper, Ohio	Hoidale	Oliver, Ala.	Waldron
Cooper, Tenn.	Howard	Oliver, N.Y.	Wallgren
Cravens	Hughes	Owen	Warren
Crosby	Imhoff	Palmisano	Weaver
Cross, Tex.	Jacobsen	Parker	Weideman
Crowe	James	Patman	Welch
Cullen	Jenckes, Ind.	Perkins	Werner
Darden	Jenkins, Ohio	Peterson	Whittington
Dear	Johnson, Minn.	Pettengill	Willford
Deen	Johnson, Okla.	Peyser	Wolcott
Delaney	Johnson, Tex.	Pierce	Wolverton
DeRouen	Johnson, W.Va.	Polk	Wood, Ga.
Dickinson	Jones	Powers	Woodruff
Dies	Kahn	Ramsay	Young
Dirksen	Kee	Ramspeck	Zioncheck
Dobbins	Kelly, Ill.	Rankin	
Dondero	Kelly, Pa.	Rayburn	
And a second second	STATE OF THE PARTY		

	**	1110 00	
Adair	Crowther	Griswold	McFarlane
Andrew, Mass.	Darrow	Hastings	Mitchell
Arens	Dickstein	Keller	Morehead
Blanton	Ditter	Kinzer	Moynihan, Ill.
Chavez	Dunn	Kloeb	Reed, N.Y.
Oochran, Pa.	Eaton	Kniffin	Rich
Collins, Calif.	Ellenbogen	Lambertson	Schuetz
Condon	Focht	Ludlow	Strong, Pa.
Connolly	Gray	McFadden	Taylor, Tenn.

	NOT V	OTING-171
lgood	De Priest	Lanham
if der Heide	Dingell	Lea, Calif.
charach	Disney	Lee, Mo.
con	Dockweiler	Lehlbach
iley	Douglass	Lewis, Md.
kewell	Doutrich	Lindsay
am	Doxey	Lozier
eck	Drewry	Luce
edy	Driver	McClintic
rlin	Eltse, Calif.	McCormack
anchard	Evans	McGrath
oom	Faddis	McKeown
land	Farley	McLean
olton	Fernandez	McLeod
ennan	Fish	McMillan
itten	Fitzpatrick	Mansfield
ooks	Ford	Marland
own, Mich.	Foss	Marshall
owning	Frear	Martin, Oreg
ickbee	Gambrill	Merritt
irch	Gasque	Milligan
irke, Calif.	Gifford	Montague
ırnham	Gillette	Mott
isby	Goodwin	Muldowney
nnon, Wis.	Greenway	Murdock
rden, Ky.	Haines	Nesbit
rley, N.Y.	Hamilton	Norton
rpenter, Nebr.	Hancock, N.Y.	O'Brien
arter, Calif.	Harter	Parks
rter, Wyo.	Hartley	Parsons
vicchia	Healey	Peavey
nase	Hess	Plumley
ristianson	Hill, Ala.	Prall
nurch	Hoeppel	Randolph
aiborne	Hollister	Ransley
ark, N.C.	Holmes	Reece
ollins, Miss.	Норе	Reid, Ill.
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Shallenberger Shoemaker Simpson Sinclair Sirovich Smith, Wash. Smith, W.Va. Snell Snyder Somers, N.Y. Stalker Steagall Stokes Studley Sullivan Sumners, Tex. Swank Sweeney Taylor, Colo. Terrell, Tex. Thompson, Tex. Thurston Tobey Traeger Treadway Truax Vinson, Ga. Walter Wearin West, Ohio West, Tex. White Whitley Wigglesworth Wilcox Williams Wilson Withrow Wolfenden Wood, Mo. Woodrum

So the resolution was agreed to.

The Clerk announced the following additional pairs: On this vote:

Mr. Sinclair (for) with Mr. Mott (against). Mr. Hope (for) with Mr. Blanchard (against).

#### Until further notice:

Mr. Hope (for) with Mr. Blanchard (against).

Until further notice:

Mr. McCormack with Mr. Snell.
Mr. Corning with Mr. Luce.
Mr. Busby with Mr. Bakewell.
Mr. Steagall with Mr. Fosns.
Mr. Sweeney with Mr. Fosns.
Mr. McKeown with Mr. Bacharach.
Mr. Mansfield with Mr. Beedy.
Mr. Gasque with Mr. McLeod.
Mr. McClintic with Mr. Doutrich.
Mr. Lea of California with Mr. Beck.
Mr. Kleberg with Mr. Fish.
Mr. Disney with Mr. Stokes.
Mr. Lanham with Mr. Marshall.
Mr. Martin of Colorado with Mr. Carter of California.
Mr. Gambrill with Mr. Bocon.
Mrs. Greenway with Mr. Eltse of California.
Mr. Milligan with Mr. McLean.
Mrs. Norton with Mr. McLean.
Mrs. Norton with Mr. Knutson.
Mr. Prall with Mr. Britten.
Mr. Huddleston with Mr. Culkin.
Mr. Williams with Mr. Hollister.
Mr. Parks with Mr. Muldowney,
Mr. O'Brien with Mr. Traeger.
Mr. Wilson with Mr. Ransley.
Mr. Woodrum with Mr. Seger.
Mr. Hill of Alabama with Mr. Peavey.
Mr. Truax with Mr. Reid of Illnols.
Mr. Vinson of Georgia with Mr. Wolfenden.
Mr. Taylor of Colorado with Mr. Treadway.
Mr. Swank with Mr. Plumley.
Mr. Shallenberger with Mr. Reece.
Mr. Lindsay with Mr. Simpson.
Mr. Shallenberger with Mr. Simpson.
Mr. Soullass with Mr. Simpson.
Mr. Smith of West Virginia with Mr. Thurston.
Mr. Collins of Mississippi with Mr. Swick.
Mr. Crosset with Mr. Haines.
Mr. Carley with Mr. Frear.
Mr. McGrath with Mr. Buckbee.
Mr. Sanders of Texas with Mr. Carter of Wyoming,
Mr. Thompson of Texas with Mr. Cavicchia.
Mr. White with Mr. Buckbee.

Mr. Thompson of Texas with Mr. Cavicchia. Mr. White with Mr. Gifford. Mr. Crump with Mr. Chase. Mr. Harter with Mr. Goodwin.

Mr. Claiborne with Mr. Hancock of New York.
Mr. Halnes with Mr. Hess.
Mr. Montague with Mr. Burnham.
Mr. Wilcox with Mr. Hartley.
Mr. Shoemaker with Mr. De Priest.
Mr. Wood of Missouri with Mr. Kvale.
Mr. Studley with Mr. Randolph.
Mr. Somers of New York with Mr. Smith of Washington.
Mr. Somers of New York with Mr. Smith of Washington.
Mr. Songer with Mr. Robinson.
Mr. West of Texas with Mr. Sirovich.
Mr. Richardson with Mr. Scrugham.
Mr. Koppleman with Mr. Lee of Missouri.
Mr. Lewis of Maryland with Mr. Murdock.
Mr. Nesbit with Mr. Hoeppel.
Mr. Gillette with Mr. Hamilton.
Mr. Fitzpatrick with Mr. Drewry.
Mr. Fernandez with Mr. Berlin.
Mr. Dingell with Mr. Belley.
Mr. Dockweller with Mr. Cannon of Wisconsin.
Mr. Driver with Mr. Docey.
Mr. Beam with Mr. Auf der Heide.
Mr. Carley of New York with Mr. Boland.
Mr. Ford with Mr. Carpenter of Nebraska.
Mr. Brennan with Mr. Church.
Mr. Carden of Kentucky with Mr. Brown of Michigan.
Mr. Burke of California with Mr. Cummings.
Mr. Burch with Mr. Cox.
Mr. Brewning with Mr. Jeffers.

The result of the vote was announced as above reconstructions. The result of the vote was announced as above recorded. A motion to reconsider the vote by which the resolution was passed was laid on the table.

# COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. STRONG of Texas. Mr. Speaker, I call up a privileged resolution from the Committee on Accounts (H.Res. 442).

The Clerk read as follows:

#### House Resolution 442

Resolved, That the expenses of conducting the investigation authorized by House Resolution 441, incurred by the Committee on Interstate and Foreign Commerce, acting as a whole or by subcommittee, not to exceed \$25,000, including expenditures for the employment of experts and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee or by any subcommittee thereof conducting such investigation, signed by the chairman of the committee and approved by the Committee on Accounts.

With the following committee amendment:

At the end of line 10, insert a new section to read as follows: "Sec. 2. That the Official Reporters shall serve said committee at its hearings in the District of Columbia."

The committee amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

## PERMANENT APPROPRIATIONS

Mr. GRIFFIN. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight to file the report of the conferees on the bill (H.R. 9410) providing that permanent appropriations be subject to annual consideration and appropriation by Congress, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

#### INVESTIGATION OF CAMPAIGN EXPENDITURES

Mr. BANKHEAD. Mr. Speaker, I offer a privileged resolution from the Committee on Rules, which I send to the desk. The Clerk read as follows:

# House Resolution 336

Resolved, That a special committee of five be appointed by the Speaker of the House of Representatives to investigate and re-port to the House not later than April 1, 1935, the campaign expenditures of the various candidates for the House of Representatives in both parties, or candidates of parties other than or independent of the Democratic or Republican Parties, the names of persons, firms, associations, or corporations subscribing, the amount contributed, the methods of collections and expenditures of such sums, and all facts in relation thereto, not only as to subscriptions of money and expenditures thereof, not only as to subscriptions of money and expenditures thereof but as to the use of any other means or influences, including the promise or use of patronage, and all other facts in relation thereto that would not only be of public interest but would aid the Congress in necessary legislation or in deciding any contests which might be instituted involving the right to a seat in the House of Representatives. resentatives.

The investigation hereby provided for in all the respects above enumerated shall apply to candidates and contests before pri-

maries, conventions, and the contests and campaigns of the general election in November of 1934, or any special election held prior to January 1, 1935. Said committee is hereby authorized to act upon its own initiative and upon such information which to act upon its own initiative and upon such information which in its judgment may be reasonable and reliable. Upon complaint being made before such committee, under oath, by any person, persons, candidates, or political committee setting forth allegations as to facts which, under this resolution, it would be the duty of said committee to investigate, said committee shall investigate such charges as fully as though it were acting upon its own motion, unless, after hearings on such complaints, the committee shall find that such allegations in said complaints are immaterial or untrue. immaterial or untrue.

immaterial or untrue.

That said special committee or any subcommittee thereof is authorized to sit and act during the adjournment of Congress, and that said committee or any subcommittee thereof is hereby empowered to sit and act at such time and place as it may deem necessary; to require by subpena or otherwise the attendance of witnesses, the production of books, papers, and documents; to employ stenographers at a cost of not exceeding 25 cents per hundred words. The chairman of the committee or any member thereof may administer oaths to witnesses. Subpenas for witnesses, shell he issued under the signature of the chairman of the nesses shall be issued under the signature of the chairman of the committee or subcommittee thereof. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties as prescribed by law.

as prescribed by law.

Said committee is authorized to make such expenditures as it deems necessary, and such expenses thereof shall be paid on vouchers ordered by said committee and approved by the chairman

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. I yield.

Mr. MARTIN of Massachusetts. Is this the usual resolution passed before adjournment in an election year?

Mr. BANKHEAD. Yes; it has been the uniform practice of the House and Senate to appoint such committees, and unless there are some requests for time, I shall move the previous question on the resolution.

Mr. WARREN. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. WARREN. I think I should ask the gentleman this question. As one who is opposed to 90 percent of all these resolutions we are passing and thinking that the House has run investigation-wild, I would like for the gentleman from Alabama to say how much he is going to come before us tomorrow and ask for this investigation.

Mr BANKHEAD. I will say to the gentleman from North Carolina that I, personally, do not expect to come before his committee unless I am invited to come. I am not the sponsor of the resolution.

Mr. WARREN. Will the gentleman from New York tell us how much he is going to ask for this investigation?

Mr. BLACK. I had intended coming before the Committee on Accounts and asking for a sum not to exceed \$10,000 and I doubt if we shall spend that much.

Mr. WARREN. I congratulate the gentleman upon his moderation.

Mr. BLACK. We have never spent that much.

Mr. BANKHEAD. I may say that this committee heretofore has spent very little money and we anticipate no particular reason why any large sum should be spent.

I move the previous question on the resolution, Mr. Speaker.

The previous question was ordered.

The resolution was agreed to and a motion to reconsider was laid on the table.

# FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Horne, its enrolling clerk, announced that the Senate insists upon its amendments to the bill (H.R. 6462) to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public grange, and for other purposes, disagreed to by the House, agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Adams, Mr. O'MAHONEY, and Mr. Nye to be conferees on the part of the Senate.

#### SALARIES OF RURAL LETTER CARRIERS

Mr. MEAD. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H.R. 8919) to adjust the salaries of rural letter carriers, and for other purposes, with a Senate amendment and move to concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 20, strike out "6" and insert "5."

Mr. RANKIN. Mr. Speaker, will the gentleman yield? Mr. MEAD. Yes.

Mr. RANKIN. What is the effect of this amendment?

Mr. MEAD. This is the rural letter carriers' bill and they changed the equipment allowance from 6 cents to 5 cents, and have left in the other two House provisions.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

# ADMINISTRATIVE FURLOUGHS, POSTAL SERVICE

Mr. MEAD. Mr. Speaker, I call up the bill (H.R. 9046) to discontinue administrative furloughs in the Postal Service, with Senate amendments thereto, and move to disagree to the Senate amendments and ask for a conference.

The SPEAKER. The gentleman from New York calls up the bill (H.R. 9046) with Senate amendments thereto, and moves to disagree to the Senate amendments and ask for a conference. The Clerk will report the Senate amendments.

The Clerk read as follows:

Page 1, line 7, strike out "any branch of."
Page 1, line 8, after "reduced", insert "beyond 5 percent in

any one year."
Page 2, strike cut all after "resignation" down to and including "law."

The SPEAKER. The question is on the motion of the gentleman from New York to disagree to the Senate amendments and ask for a conference.

The motion was agreed to.

The Chair appointed the following conferees on the part of the House: Mr. Sweeney, Mr. Brunner, Mr. Lamneck, Mr. KELLY of Pennsylvania, and Mr. Doutrich.

#### EXTENSION OF STAR ROUTES

Mr. MEAD. Mr. Speaker, I call up the bill (H.R. 7212) to remove the limitation upon the extension of star routes, with a Senate amendment thereto, and move to concur in the Senate amendment.

The SPEAKER. The gentleman from New York calls up the bill (H.R. 7212) with a Senate amendment, and moves to concur in the Senate amendment. The Clerk will report the Senate amendment.

The Clerk read as follows:

Page 1, line 11, after "contract" insert "at not exceeding 50

Mr. WOLCOTT. Mr. Speaker, is there any difference in the amount of travel between the two bodies?

Mr. MEAD. The Senate amendment is practically the same as the House bill except that the Senate contains a repetition of the 50-mile extension.

Mr. WOLCOTT. With a 50-mile limitation?

Mr. MEAD. And they reinstate the 50-mile extension at the beginning and the end of the bill. It means the same. The SPEAKER. The question is on concurring in the Senate amendment.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

#### ADDITIONAL FEE FOR REGISTERED MAIL, ETC.

Mr. MEAD. Mr. Speaker, I call up the bill (H.R. 7301) to authorize the Postmaster General to charge an additional fee for effecting delivery of domestic registered, insured, or collect-on-delivery mail, the delivery of which is restricted to the addressee only or to the addressee or order, with a

Senate amendment thereto and move to concur in the Senate amendment.

The SPEAKER. The gentleman calls up the bill (H.R. 7301), with a Senate amendment thereto which the Clerk will report.

The Clerk read as follows:

Senate amendment: Line 8, strike out all after "Provided," down to and including "Service" in line 10, and insert "That no refund shall be made of fees paid for this service unless request for refund is made and erroneous delivery of the article or articles was made by the Postal Service or nondelivery of the article or articles was due to some fault of the Postal Service."

The SPEAKER. The question is on the motion to concur in the Senate amendment.

The motion was agreed to.

A motion to reconsider was laid on the table.

SHIPMENT OF CERTAIN DRUGS TO BARBERS, ETC.

Mr. MEAD. Mr. Speaker, I call up the bill (S. 822) to amend the act entitled "An act to amend section 217, as amended, of the act entitled 'An act to codify, revise, and amend the penal laws of the United States', approved March 4, 1909", approved January 11, 1929, with respect to the use of the mails for the shipment of certain drugs and medicines to cosmetologists and barbers, a similar House bill being on the calendar, and ask unanimous consent for the consideration of the Senate bill.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the first proviso in the first sentence of the act entitled "An act to amend section 217, as amended, of the act entitled 'An act to codify, revise, and amend the penal laws of the United States', approved March 4, 1909", approved January 11, 1929, is amended to read as follows: "Provided, That the transmission in the mails of poisonous drugs and medicines may be limited by the Postmaster General to shipments of such articles from the manufacturer thereof or dealer therein to licensed physicians, surgeons, dentists, pharmacists, druggists, cosmetologists, barbers, and veterinarians, under such rules and regulations as he shall prescribe:".

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill, H.R. 54, was laid on the table.

# AIR-MAIL ROUTES AND CONTRACTS

Mr. MEAD. Mr. Speaker, I ask unanimous consent for the present consideration of House Joint Resolution 366, to simplify the administration of air-mail routes and contracts, which I send to the desk and ask to have read.

The Clerk read as follows:

Resolved, etc., That subsection (d) of section 3 of the act entitled "An act to revise air-mail laws, and to establish a commission to make a report to the Congress recommending an aviation policy", approved June 1934, is hereby amended by adding at the end thereof the following sentence: "The commission created under section 20 of this act shall review the designations made by the Postmaster General under this subsection, and include in its report to Congress its conclusions reached upon such review.'

SEC. 2. The first sentence of section 15 of such act is hereby amended to read as follows: "After March 1, 1935, no person holding a contract or contracts for carrying air mail on a primary route shall be awarded or hold any contract for carrying air mail on any other primary route, nor on more than two additional routes other than primary routes."

With the following committee amendment:

Page 1, line 6, after the word "June", insert the figures "12."

Mr. MEAD. Mr. Speaker, in connection with the consideration of this resolution, I would like to make some agreement with the gentleman from Pennsylvania as to time. I shall require only about 5 minutes on this side.

Mr. KELLY of Pennsylvania. Mr. Speaker, I believe we should have 10 minutes on a side.

Mr. MEAD. That is agreeable to me. I ask unanimous consent that the time be limited to 10 minutes on a side.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. Is there objection to the consideration of the joint resolution?

There was no objection.

Mr. MEAD. Mr. Speaker, after the air mail bill had been agreed to by the conferees it was discovered that a number of the contracts awarded by the Post Office Department would terminate by reason of the restrictives in the bill, and that it would be necessary to call for new bids in 3 months' time. Under the terms of the bill as passed by the House this resolution would not be necessary.

The House bill created a commission, validated existing air-mail contracts, and authorized the Post Office to make new air-mail contracts for 1-year periods. The Senate bill as it came before the House conferees restricted the holder of an air-mail contract to one contract and to no other contract. The conferees succeeded in liberalizing the bill so that the holder of a contract could hold two additional contracts. In other words, any air-mail contractor could hold no more than three air-mail contracts. After the contracts were awarded, Members of the House and Senate began to realize that a number of companies which had been giving service to various sections of the country, particularly to the West, would lose some of their contracts. In other words, at the expiration of 3 months every contractor would have to conform with the provisions of the bill.

A misunderstanding between the Department and the committee as to routes and contracts contributes to the need for this legislation.

Its passage will prove beneficial to the Federal Government and helpful to the industry.

The provisions of the bill as liberalized by the conferees limited a contractor to but three contracts. If a contractor held a primary contract he could not hold another primary contract, though he could hold two additional secondary contracts. The conferees listed as primary contracts the four transcontinentals, and the east and the west coastal routes. As an illustration of what would happen, United Air Lines, with a contract between Newark, N.J., and Oakland, Calif., with another contract from Seattle to San Diego, and with two additional contracts, one north from Salt Lake through Pendelton to Scattle, and the other south from Salt Lake to Los Angeles, would have to give up its coastal route. To avoid confusion it was decided to introduce this resolution which will permit the Post Office Department to realine logically and properly these air-mail contracts into specific routes.

As another illustration of the need of this resolution, American Airways bid on a transcontinental route from Newark through Washington and Memphis to Fort Worth, and then on to Los Angeles, but that route was let in two contracts. Therefore, American would be charged with holding two contracts on one route, whereas United and T.W.A. would only be listed as having one contract on one transcontinental route, because these contracts were let at one and the same time. To enable the Department to list American Airways and its route from Newark to Los Angeles as one contract rather than as two contracts, this resolution is necessary. This resolution permits a realinement of all routes, and a review of the realinement by the Aviation Commission, who will in turn report to the Congress at the next session.

I deem it a victory for the House, because in the House air mail bill, after we created the Aviation Commission we left much of this work to that Commission. But the Senate bill which we considered in conference was more restrictive and it was necessary not only to liberalize it in conference but it was deemed necessary to liberalize it further by this resolution. This resolution will give the Department and the Commission the power they would be given in the House bill.

Mr. BUCK. Will the gentleman yield?
Mr. MEAD. I yield.
Mr. BUCK. Will this bill permit a readjustment of these

routes prior to the report to the next Congress?

MEAD. Yes. The adoption of this resolution will leave the Air Mail Service as it is, subject to realinement of routes by the Post Office Department, to be reviewed by the Commission, and the action taken will be submitted to the Congress in the next session.

Mr. BUCK. In other words, this overcomes sections 3 and 15 of the original conference report?

Mr. MEAD. The gentleman is correct. It will not disturb the air-mail service in the West, where existing contracts will continue in effect until the Commission reports to the next Congress.

Mr. BUCK. I thank the gentleman.

Mr. MEAD. Mr. Speaker, I trust the resolution will be adopted. I yield back the balance of my time.

Mr. KELLY of Pennsylvania. Mr. Speaker, there never has been a more perfect illustration of the wrong way to do a thing than the procedure in connection with the Air Mail Service since February 9, when all contracts were canceled without hearing or chance for defense.

It has been a medley of mistakes. The Army Air Corps, unprepared and unequipped, was forced to undertake the Air Mail Service with tragic results. After the Army had been flying for weeks, a bill was submitted to give authority for such action. The planes were all grounded on account of loss of pilots, and later a modified schedule was operated. A new measure was proposed and scrapped by the Post Office Committee of the House. Another measure was introduced, and after many changes, was passed.

When the conference report on that last measure was before the House I pointed out that it was so impractical and contradictory that changes would have to be made before it could be made to work. Before the ink was dry on the pen with which the President signed the bill this pending bill was before the committees of the House and Senate.

The title of this measure is "A bill to simplify the administration of air-mail routes and contracts." If it simplified the maze in which the Air Mail Service is involved it would be a consummation devoutly to be wished. In a way it does carry out the title, for it reduces the number of air-mail operators by providing that the Postmaster General may consolidate eight routes into three. One of the chief reasons alleged for the cancelation of the former contracts was the consolidation of routes. Here it is being done to a still greater extent.

The main purpose is to give American Airways eight contracts, when the law we just passed prohibits any contractor from having more than three.

Mr. McFARLANE. Will the gentleman yield?

Mr. KELLY of Pennsylvania. I yield.

Mr. McFARLANE. Why should we not give it to them if they are the lowest and best bidders?

Mr. KELLY of Pennsylvania. Exactly. If competition in bidding is to be the principle followed, there should be no restrictions. The fact is, as I pointed out at the time, the revision was built on two opposite principles. It was a conflict of incompatibles. When the Air Mail Service had been established under competitive bidding over a period of 8 years, I believed that the time had come to make the operators common carriers and establish fair rates for the service given and pay on that basis to any qualified carriers.

However, the measure asked by the Department and passed by Congress provided for throwing open once more for bids all routes and all contracts. It was declared that small independent companies must be given a chance to get into the air-mail picture, and therefore no contractor should have more than three contracts.

American Airways was the lowest bidder on eight different contracts. If the original bill meant anything at all, that was exactly the contingency provided against by the limitation. The next action would naturally have been to order this contractor to select its three and throw the others open to further competitive bidding.

This bill is to prevent that action. American Airways is to get all the contracts, but they are to be merged into routes, three in number, and thus justice may be done.

Mr. Speaker, American Airways is no struggling, little independent, to be encouraged by a kindly hand in its infant weakness. On the contrary, this organization is, perhaps, the most powerful of its kind in the world. Its guiding genius is E. L. Cord, who owns the Cord Corporation, with its \$50,000,000 capital. He is president of the Auburn Automobile Co., with 500,000 shares of capital stock. He is chairman of the board of Stinson Aircraft, with 140,000 shares of capital stock.

Mr. Cord controls Aviation Corporation, one of the largest and most far-flung holding corporations in the aviation industry. When the Post Office Committee of the House was holding its investigation by direction of the House at the end of the Seventy-second Congress, we learned something about the Aviation Corporation. This holding company owned all the issued and outstanding stock of American Airways and all the issued and outstanding stock of Aviation Shares Corporations.

American Airways owned 86,000 shares of the capital stock of Thompson Aeronautical Corporation, which in turn owned all the stock of Transamerican Airlines Corporation.

Then the New York Aviation Corporation owned stock in the Bendix Aviation Corporation, Canadian Airways, General Aviation Corporation, Northwest Airways, Pan American Airways, Waco Aircraft Corporation, Western Air Express Corporation, and others.

No, Mr. Speaker, the independents are not especially benefited by this bill to give American Airways eight contracts. The representative of Mr. Cord, appearing before the Post Office Committee at a time when he held no air-mail contracts, declared the Cord interests would carry all the air mail of the United States at half the amount being paid. After Mr. Cord took control of Aviation Corporation and fell heir to the American Airways contracts we heard no more of such bargain rates.

What are these contracts that are to be realigned into routes to be operated by American Airways? Well, there is the Boston to New York, the New York to Fort Worth, and the Fort Worth to Los Angeles. These three can be consolidated into one route from Boston to Los Angeles. The rate bid on the route from Boston to New York was  $37\frac{1}{2}$  cents, from New York to Fort Worth 13 cents, and from Fort Worth to Los Angeles  $39\frac{1}{2}$  cents.

The second combination can be the contract from New York to Chicago via Buffalo and the contract from Chicago to Fort Worth via St. Louis. The bid on the first leg was 39½ cents and on the second 8 cents.

Other contracts can be consolidated into routes which would mean a total scheduled mileage of 5,000,000 miles annually, with payments of considerably over a million dollars on the present inadequate service schedules. Additions to the schedules will increase the amount paid.

Of course, there will be vast confusion in such a system. The same mail will be paid for at different rates of payment instead of one rate throughout the entire transcontinental line, as should be the case.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield? Mr. KELLY of Pennsylvania. I yield.

Mr. McFARLANE. Is it not true that the Cord group, mentioned by the gentleman, is one of the four largest holding corporations? I have no doubt that the gentleman is familiar with the others—United Aircraft & Transport, the Curtiss-Wright Corporation, and General Motors. Is not any of the three as large as the Cord group?

Mr. KELLY of Pennsylvania. There are other holding companies, and in my estimation none of them should have a permanent place in the air-mail system. Operating companies should be divorced from such interrelations, although of course it will require considerable time to bring about such action without sacrificing values through forced sales of securities held. Also, I believe General Motors is in a different category than these distinctive aviation holding companies.

Mr. McFARLANE. I understand that, but I am speaking of the financial set-up of the Cord group.

Mr. KELLY of Pennsylvania. The gentleman need not fear for the Cord group. It stands in the very front rank as to far-flung ramifications.

It is also true that United Aircraft will gain benefits from this bill, for it will be permitted to hold two lines which are designated as primary routes, even though the bill we so recently passed prohibited such holding after the first 90-day contract. Of course, United was the lowest bidder on both

routes and has a claim that it is entitled to both under the terms of the advertisements. This is another evidence that the bill recently passed contained a conflict in principle.

I do not say that this bill is not necessary. There will be other amending measures which will be just as necessary. It may be found that the contractors cannot divorce themselves from all their interrelations before the 1st of January. This will bring a serious problem which will have to be met in some way.

Mr. STUBBS. Mr. Speaker, will the gentleman yield?

Mr. KELLY of Pennsylvania. I yield.

Mr. STUBBS. I recognize the gentleman from Pennsylvania [Mr. Kelly] as an authority on air mail, but I want to say that commercial clubs and airports up the Pacific coast, through California, are crying for this resolution. They are asking that we adopt this resolution for they say it will give them relief.

Mr. KELLY of Pennsylvania. Certainly that is true. I stated that they would be crying for changes in the law when it was passed only a week or two ago. The trouble was that an attempt was made to pass a permanent air-mail law with no real consideration of the Air Mail Service. There was desperate need for attempting to end the muddle in which air mail had become involved. Without open acknowledgement of the mistakes that had been made and an honest attempt to remedy them the results which are evidenced by this amending resolution were inevitable.

Practically all the things which were complained of at the time of the cancelation of contracts have been repeated since. Favors to certain corporations were charged. This resolution grants favors to certain corporations. It was charged that consolidations were being arbitrarily made. Here are consolidations effected by Congress at the request of the Department. Parallel lines were pointed out as an injustice. There are at least seven parallel routes under the new set-up. Conferences in the Post Office Department were charged, and yet there have been conferences with contractors within the last year.

Mr. McFARLANE. I think the gentleman ought to clarify the statement about conferences being held.

Mr. KELLY of Pennsylvania. In 1930 conferences were held between the Postmaster General and the contractors over the terms of a new law which provided a change from the weight system to the space system of payment. That was declared to be collusion. Yet in 1933 conferences were held between Post Office Department officials and the contractors as to the distribution of the new appropriation figure set by Congress.

Mr. Speaker, the Air Mail Service has been one of the great achievements of the United States Postal Service. It should lead the world in scope and efficiency. I will join hands with any officials who will help to build the Service. I hope the Commission provided in the law passed recently will make a real contribution by outlining a sound and worthy program through which mistakes of the past may be corrected and which will assure the people of the United States the kind of comprehensive, self-sustaining service to which they are entitled. [Applause.]

Mr. MEAD. Mr. Speaker, I yield 3½ minutes to the gentleman from Illinois [Mr. DOBBINS].

Mr. DOBBINS. Mr. Speaker, the gentleman from Pennsylvania contends that the prediction he made in the debate on the air-mail bill, which has recently become a law, has now been fulfilled. The assertion which the gentleman from Pennsylvania made at that time was that all that had been done in the Post Office Department in the way of the letting of temporary contracts and all that was included in the new air-mail act was wrong and that it would be necessary to change it entirely by new legislation. What this pending resolution does, however, is to validate and confirm even further than was done in the new act the actions of the Post Office Department in letting contracts to the lowest responsible bidder.

It happened in the case of some contracts which have very lately been concluded that there is more than one contract on a single through route. As is now pointed out, the American Airways had a contract from Newark to Fort Worth and from Fort Worth to Los Angeles, together covering what is clearly and logically a single transcontinental route

This joint resolution logically permits two or more contracts over one route to be counted as a single contract, in applying the limitation against one person holding an excessive number of contracts. The only other provision in this section extends until March 1, 1935, the prohibition against multiple contracts. This will allow the contracts that have been lately let at such advantageous figures be continued in effect until the aviation commission established by the law can give us the benefit of its conclusions on the subject of numerous air-mail contracts being held by one person or corporation.

The other section merely provides for a review by this commission of the alinement of routes by the Postmaster General. No real criticism of this joint resolution has been offered; and none can be, for it is clearly in the interest of the Government, the people, and an improved Air Mail Service. I do not believe there is any valid objection whatever to the passage of the resolution.

Mr. MEAD. Mr. Speaker, I move the previous question on the adoption of the resolution.

The previous question was ordered.

The committee amendment was agreed to.

The joint resolution as amended was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

USE OF SEIZED MOTOR VEHICLES FOR OFFICIAL PURPOSES

Mr. MEAD. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3446) to authorize the Postmaster General to receive, operate, and to maintain for official purposes motor vehicles seized for violations of the customs laws.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That any vehicle forfeited to the United States by a decree of any court for violations of the customs laws be ordered by the court, upon application of the head of the department by which the seizure is made, to be delivered to the Post Office Department for use in the enforcement of the postal laws and regulations.

Any vehicle acquired under the provisions of this act shall be

Any vehicle acquired under the provisions of this act shall be utilized only for official purposes in the enforcement of the postal laws and regulations. The appropriation available for the maintenance of vehicles in the Postal Service shall be available for the payment of the expenses of maintenance, repair, and operation of said vehicles, including motor-propelled passenger-carrying vehicles. The said appropriation shall also be available for the payment of the actual costs incident to the seizure and forfeiture, and if the seizure is made under any section of law under which liens are recognized, for the payment of the amount of such lien allowed by the court.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table, and a similar House bill, H.R. 7302, was laid on the table.

### FALSE RETURNS OF POSTMASTERS

Mr. MEAD. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3765) to enable the Postmaster General to withhold commissions on false returns made by postmasters.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That that part of the act of June 17, 1878 (20 Stat. 141), which comprises section 45 of title 39, United States Code, is hereby amended to read as follows:
"In any case where the Postmaster General shall be satisfied that a postmaster has made a false return of business, or that a

"In any case where the Postmaster General shall be satisfied that a postmaster has made a false return of business, or that a postmaster has mailed or caused to be mailed matter in order to obtain commissions on cancelations of stamps, it shall be within the discretion of the Postmaster General to withhold commissions on such returns and to allow any compensation that under the

circumstances he may deem reasonable or proper. The form of affidavit to be made by postmasters upon their returns shall be such as may be prescribed by the Postmaster General."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table, and a similar House bill, H.R. 7310, was laid on the table.

# ADJUSTMENT OF CLAIMS OF POSTMASTERS

Mr. MEAD. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3766) to amend the act entitled "An act authorizing the Postmaster General to adjust certain claims of postmasters for loss by burglary, fire, or other unavoidable casualty", approved March 17, 1882, as amended.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. McFARLANE. Mr. Speaker, reserving the right to object, may we have some explanation of this bill?

Mr. MEAD. Mr. Speaker, within recent years we have called upon the postmasters to sell internal-revenue stamps and migratory-bird stamps. This bill adds to the items that can be adjusted in connection with losses accruing to the postmaster from the sale of the items, as well as losses resulting from recent bank failure. It carries on the existing law, and merely adds to the list of items that can be adjusted by the postmaster the several items that I have explained.

The SPEAKER. Is there objection?

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the first sentence of the act entitled "An act authorizing the Postmaster General to adjust certain claims of postmasters for loss by burglary, fire, or other unavoidable casualty", approved March 17, 1882 (22 Stat. 29), as amended (U.S.C., Supp. VII, title 39, sec. 49), be, and it is hereby, amended to read as follows:

to read as follows:

"The Postmaster General may investigate all claims of postmasters, Navy mail clerks, and assistant Navy mail clerks for the loss of money-order funds, postal funds, postal-savings funds, postage stamps, stamped envelops, newspaper wrappers, postal cards, postal-savings cards, postal-savings cards stamps, stamps, postal-savings certificates, United States war savings certificate stamps, United States Government thrift stamps, war tax revenue stamps, internal-revenue stamps, Federal migratory bird hunting stamps, and funds received from the sale of such stamps belonging to the United States in the hands of such postmasters, Navy mail clerks, or assistant Navy mail clerks, and for the loss of key-deposit funds, funds deposited to cover postage on mailings, and funds received as deposits to cover orders for stamped envelops, in the hands of such postmasters, Navy mail clerks, or assistant Navy mail clerks, and for losses of customs charges collected on dutiable mail articles occurring after April 1, 1924, resulting from burglary, fire, or other unavoidable casualty, and for the loss occurring after April 1, 1924, by bank failure of any such funds deposited in National or State banks, and if he shall determine that such loss resulted from no fault or negligence on the part of such postmasters, Navy mail clerks, or assistant Navy mail clerks, or credit them with the amount so ascertained to have been lost or destroyed, and may also credit postmasters, Navy mail clerks, or or destroyed, and may also credit postmasters, Navy mail clerks, or assistant Navy mail clerks with the amount of any remittance of money-order funds, postal funds, postal-savings funds, funds received from the sale of United States war-savings certificate stamps, United States Government thrift stamps, war-tax revenue stamps, Federal migratory bird hunting stamps, and internal-revenue stamps, or other public funds, made by them in compliance with the instructions of the Postmaster General, which shall have been lost or stolen w

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table, and a similar House bill, H.R. 9120, was laid on the table.

#### FEE ON SECOND-CLASS MATTER

Mr. MEAD. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3764) to reduce the fee to accompany applications for entry as second-class matter of publications of limited circulation.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. O'MALLEY. Mr. Speaker, reserving the right to object, I have an amendment to offer to this bill, simply because under the provisions of the present law the fee which is charged for entry on second-class matter is not returned if the entry is refused. I think there should be some provision for returning half of the fee. It seems to me this is a bit of petty larceny on the part of the postal laws and the Government. We exact a fee of \$100, then do not return anything in case the entry is rejected and the applicant is out of pocket \$100 with nothing to show for his

Mr. MEAD. I may say to the gentleman from Wisconsin that if his amendment is acceptable on both sides of the aisle I shall accept it.

Mr. KELLY of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. MEAD. I yield to the gentleman from Pennsylvania. Mr. KELLY of Pennsylvania. I may say to the gentleman from Wisconsin, while it is true that the fee that is paid by the applicant on his first application is not returned, if he makes a succeeding application then that fee is regarded and held until it is paid.

Mr. O'MALLEY. I have had the matter up with the Post Office Department in the last few days, and my direct information, not only from them but from a good many publishers, has been that each application must be accompanied with a fee of \$100. It takes about 20 minutes to examine an entry on a small publication. I have letters in my file where they tell me the law as it now stands prevents return of the fee. Here are the provisions of the law of 1932:

#### TITLE 39, SECTION 226A, SUPPLEMENT 7, CODE

Same. Fees for entry of publications as second-class matter: Each application for entry of a publication of second-class matter shall be accompanied with a fee of \$100. Each request for re-entry of a publication as second-class matter on account of a change in title, frequency of issue, office of publication, or for other reasons, and each request for additional entry of a publica-tion as second-class matter shall be accompanied with a fee of \$10; each application for registry of a news agent shall be accom-panied with a fee of \$20. (July 7, 1932, ch. 445, 45 Stat. 647.)

This is the law as amended in 1932 and I have just taken it out of the book in the reference library.

Mr. KELLY of Pennsylvania. The gentleman is correct in that they do not return it, but on the second application from the same applicant they do regard that fee as having been paid for the second application.

Mr. O'MALLEY. They require an additional \$10 for each reentry. Does the gentleman think it is fair to require anybody who wants to enter under the privileges of secondclass matter to put up \$100 merely upon the chance or gamble of getting such entry allowed?

Mr. KELLY of Pennsylvania. No; I do not think so. I think the gentleman has a point there and it should be returned or held for another application.

Mr. BLANTON. What is meant by "reentry" is where they have a permit and it is taken away and then they make an application for reentry, they are then charged \$10.

Mr. O'MALLEY. Under this law the Post Office Department tells me each application must be accompanied by \$100 and if you fail to get entry allowed you lose the \$100.

Mr. BLANTON. That is the original application. Mr. O'MALLEY. I do not think any legitimate business should be put to the expense of gambling \$100 upon the say so of any Government official.

Mr. BLANTON. They put the Government sometimes to an expense of \$100 in investigations respecting the application. But I favor the gentleman's amendment.

Mr. KELLY of Pennsylvania. If the gentleman from New York will yield, in the original request of the Department it

Mr. MEAD. Correct.

Mr. KELLY of Pennsylvania. Our committee brought in \$50. What is the amount carried in the Senate bill?

Mr. MEAD. Twenty-five dollars.

Mr. KELLY of Pennsylvania. And the gentleman's motion is to accept the \$25?

Mr. MEAD. The gentleman from Wisconsin [Mr. O'MAL-LEY] has suggested an amendment of \$25 for the small papers of 2,000 and under, \$50 for those of 5,000 circulation and under, and \$100 for all others and that we return onehalf if the application is rejected. I think the amendment

Mr. KELLY of Pennsylvania. The amendment is fair and should be adopted.

Mr. MEAD. The committee is willing to accept the amendment of the gentleman from Wisconsin.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the first sentence of the act entitled "An act to provide for fees for entry of a publication as second-class matter, and for other purposes", approved July 7, 1932 (47 Stat. 647; 39 U.S.C., Supp. VII, sec. 226a), is hereby amended by striking out the first semicolon and inserting in lieu thereof a colon and the following proviso: "Provided, That the fee to accompany applications for entry as second-class matter of publications having a circulation of not more than 2,000 copies shall be \$25."

Mr. O'MALLEY. Mr. Speaker, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. O'MALLEY: On page 1, line 11, insert, after "\$25", the words "and of publications having a circulation of not more than 5,000 copies, shall be \$50: Provided further, That one-half of all fees collected under this section shall be returnable to the applicant upon failure of the applicant's publication to obtain entry under the provisions of this section."

Mr. TABER. Mr. Speaker, I move to strike out the last

Mr. Speaker, I doubt if such a bill as this is necessary. You know, in some places all that is necessary for these institutions, lodges, and the churches to do to get their postal notices out is to get the use of the frank of a Member of Congress. If you do not believe it, I have in my hands the documentary evidence:

Congress of the United States, House of Representatives, Official usiness—Free. G. FOULKES, M.C. Mr. R. Vernon, Washington Building, City.

It is postmarked "Washington, D.C., June 6, 1934, 7 p.m." DEAR FRIEND:

This is on the other side:

In a public meeting at the Washington Institute Church of Christ, 1753 Corcoran Street NW., Washington, Thursday night, June 7, at 8 p.m., Representative George Foulkes, of Michigan, will discuss legislation and other official business now pending before Congress. The subject of his address will be "The New Deal, the Old Deal, and America's Future." You are cordially invited to be present.

GEORGE FOULKES, Congressman.

Now, Mr. Speaker, frankly, I never supposed that this was a proper use of the frank. I supposed that we were only to use it in responding to letters and in writing letters about official business, or sending official documents, or in sending out parts of the Congressional Record.

I hope that what I regard as abuses of the franking privilege will not take place any more.

Mr. MEAD. Mr. Speaker, I move the previous question. The previous question was ordered.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to and the joint resolution as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

INDEPENDENT OFFICES APPROPRIATION ACT OF 1935

Mr. MEAD. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H.R. 9867), amending the Independent Offices Appropriation Act of 1935, which I send to the desk and ask to have read.

The Clerk read as follows:

Be it enacted, etc., That in the administration of the provision of subparagraph (1) of section 24 of the Independent Offices Appropriation Act, 1935, amending section 201 of part II of the Legislative Appropriation Act for the fiscal year 1933, all service rendered by postal employees prior to July 1, 1932, and subsequent to June 30, 1932, shall be credited to the employees and such employees promoted to the grade to which they would have progressed had section 201 (suspending automatic increases in compensation) of part II of the Legislative Appropriation Act, fiscal year 1933, not been enacted.

With the following committee amendment:

SEC. 2. Amend the second proviso of section 4 of the act entitled "An act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes", approved February 28, 1925, as amended (U.S.C., supp. VII, title 39, sec. 104), by striking out the colon at the end of the proviso and inserting a period in lieu thereof and the following: "Any fractional part of a year's substitute service will be included with his service as a regular clerk in determining eligibility for promotion to the next higher grade following appointment to a regular position."

The SPEAKER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. DINGELL. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. Dingell: In line 7, following the word "postal", insert "and other officers and"; in line 8, following the word "the", insert "officers or"; in line 9, following the word "such", insert "officers or."

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman explain his amendment?

Mr. DINGELL. Mr. Speaker, I have discussed this with the gentleman from New York [Mr. Mead], Chairman of the Committee on the Post Office and Post Roads, and we find that the bill covers just postal employees. Its purpose in the first instance was to circumvent a decision of the Comptroller General which denies, contrary to the intent and purpose of Congress, certain advances in line of promotion. This bill provides only for postal employees. I am sure it was the intent and purpose of Congress at the time of passing the economy act that any service accumulation, any automatic promotion during that period of time would not be lost, and this bill tends to correct that injustice.

Mr. MARTIN of Massachusetts. How much more does the gentleman extend it by his amendment?

Mr. DINGELL. It covers the Army, the Navy, and the Marine Corps and the Coast Guard, and other officers in the service of the United States Government. It is purely a matter of correction. It does not give back any money in the past. Where an employee had served, say, 10 years, the Comptroller General held that promotional privileges of that period are lost.

Mr. MARTIN of Massachusetts. If we should adopt the gentleman's amendment it would probably mean that the bill would be lost in the shuffle of the adjournment, would it not?

Mr. DINGELL. I do not think so. I am sure the Chairman of the Committee on the Post Office and Post Roads will accept the amendment. I do not see how the bill will be compromised. The Senate bill is in absolute harmony with this provision.

Mr. MARTIN of Massachusetts. Is it a House bill or a Senate bill?

Mr. DINGELL. This is a House bill.

Mr. MEAD. The bill was originally introduced with the amendment as it was.

Mr. MARTIN of Massachusetts. I am not objecting to the amendment, but I do not want to see the postal people lose their promotion through the adoption of an amendment of this kind at this late hour.

Mr. MEAD. I really believe the bill will be adopted by the other branch because the request that came to our committee also went there and it contains the language that the gentleman now seeks to insert in the bill.

Mr. MARTIN of Massachusetts. The gentleman is willing

to take the responsibility?

Mr. MEAD. Yes.

The SPEAKER. The question is on agreeing to the amendment offered by the gentleman from Michigan.

The amendment was agreed to.

Mr. MEAD. Mr. Speaker, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment by Mr. MEAD: Insert the words "or carrier in said delivery service" in line 13, on page 2, following the words "as a regular clerk".

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

#### C. F. COLVIN

Mr. HOIDALE. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 1804) to authorize the transfer of certain real estate by the Secretary of the Treasury to C. F. Colvin in settlement of the Northfield (Minn.) post office site litigation, and for other purposes.

The SPEAKER. The Chair cannot recognize the gentleman for Private Calendar bills tonight.

CONVEYING CERTAIN BUILDINGS, ETC., TO THE REPUBLIC OF HAITI

Mr. McREYNOLDS. Mr. Speaker, I call up the bill (S. 3739) authorizing the President to convey certain buildings, material, and equipment to the Government of the Republic of Haiti, which I send to the desk.

Mr. MARTIN of Massachusetts. Reserving the right to object, will the gentleman explain what the bill is?

Mr. McREYNOLDS. It is a bill offered at the request of the President of the United States. When the Marines and naval forces were taken out of Haiti, certain property belonging to the Government, consisting of buildings, old rifles, and so forth, were left there. This bill is to authorize the President to turn over to them such as he may desire.

Mr. MARTIN of Massachusetts. Now, about the rifles, how many are there of them?

Mr. McREYNOLDS. I suppose something like 2,800.

Mr. MARTIN of Massachusetts. Mr. Speaker, I am going to object to this bill at this time.

Mr. McREYNOLDS. Well, the member of the committee who raised that question said she would not raise that tonight.

Mr. MARTIN of Massachusetts. I am going to object to it now. The gentleman can call it up tomorrow.

Mr. McREYNOLDS. Will the Chair recognize me to move to suspend the rules and pass the bill?

The SPEAKER. Not at this time.

Mr. MARTIN of Massachusetts. Mr. Speaker, I will withdraw my objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the President is authorized to convey to the Government of the Republic of Haiti, without cost to that Government, such buildings, materials, and equipment owned by the United States in Haiti as may appear to the President to be appropriate.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That the President of the United States is hereby authorized, in his discretion, to transfer permanently and deliver to the Government of Haiti, without charge against that Government all right,

title, and interest of the Government of the United States in such hereinafter-named property, now in Haiti, as may appear appropriate to the President of the United States:

"(a) Equipment, supplies, materials; (b) buildings on land belonging to the Government of Haiti and land leased from private owners; and (c) three emplyteutic leases and one permanent experience force particularly four parells of land used by the United States. owners; and (c) three emphyteutic leases and one permanent easement covering four parcels of land used by the United States as a radio station at Port-au-Prince, Haiti.

"Sec. 2. The Government of Haiti shall assume all obligations of the Government of the United States under said leases and

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read as follows: "An act to authorize the President to transfer to the Government of Haiti without charge to that Government certain property of the United States in Haiti."

#### A. W. HOLLAND

Mr. BLACK. Mr. Speaker, I call up the conference report on the bill (S. 551) for the relief of A. W. Holland.

The Clerk read the conference report.

The conference report and statement are as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 551) for the relief of A. W. Holland, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment.

L. M. BLACK, Jr., ROBERT RAMSPECK, U. S. GUYER.

Managers on the part of the House.

J. W. BAILEY, ARTHUR CAPPER, Managers on the part of the Senate.

#### STATEMENT

H.R. 996, for the relief of A. W. Holland, was favorably reported by the House Committee on Claims in the amount of \$900. When this bill was called on the Private Calendar of the House an identical Senate bill, S. 551, which had passed the Senate, was substituted for H.R. 996 and amended by reducing the amount to \$600 instead of \$900 on March 1, 1934.

The Senate disagreed to the amendment of the House and asked for a conference. The House agreed to the conference, and Messrs. Black, Ramspeck, and Guyer were appointed as conferees on the part of the House. Messrs. BAILEY, TRAMMELL, and CAPPER were appointed as conferees on the part of the Senate.

The bill was sent to conference May 21, 1934. The conferees met on June 5, 1934, and it was agreed that the House

recede from its amendment.

L. M. BLACK, Jr., ROBERT RAMSPECK, U. S. GUYER, Managers on the part of the House.

Mr. BLACK. Mr. Speaker, I move the adoption of the conference report.

The conference report was agreed to.

A motion to reconsider the vote by which the conference report was agreed to was laid on the table.

# LAURA GOLDWATER

Mr. BLACK. Mr. Speaker, I call up the conference report on the bill (H.R. 4253) for the relief of Laura Goldwater.

The clerk read the conference report. The conference report is as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4253) for the relief of Laura Goldwater having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment.

LORING M. BLACK. ROBERT RAMSPECK, W. A. AYRES.

Managers on the part of the House.

J. W. BAILEY, M. M. LOGAN, ARTHUR CAPPER,

Managers on the part of the Senate.

Mr. BLACK. Mr. Speaker, I move the adoption of the conference report.

The conference report was agreed to.

A motion to reconsider the vote by which the conference report was agreed to was laid on the table.

#### CLAIMANTS AT LEAVENWORTH, KANS.

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 2418) for the relief of certain claimants at Leavenworth, Kans., occasioned through damage to property inflicted by escaping prisoners, with Senate amendment, and agree to the Senate amendment.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The Clerk read the Senate amendment, as follows:

Line 10, after "appropriated" insert: ", out of any money in the Treasury not otherwise appropriated,".

The Senate amendment was agreed to. A motion to reconsider was laid on the table.

# EMERSON C. SALISBURY

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2414) for the relief of Emerson C. Salisbury, with Senate amendments, and concur in the Senate amendments.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The Clerk read the amendments, as follows:

Page 1, line 4, after "to", where it occurs the second time, insert "Frank Salisbury, executor of the estate of."

Page 1, line 4, after "Salisbury", insert "deceased."

Page 1, line 5, strike out "of Leavenworth, Kans."

Amend the title so as to read: "An act for the relief of Frank Salisbury, executor of the estate of Emerson C. Salisbury, deceased."

The Senate amendments were agreed to. A motion to reconsider was laid on the table.

#### PAUL I. MORRIS

Mr. BLACK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2669) for the relief of Paul I. Morris, with a Senate amendment, and agree to the Senate amendment.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read as follows:

Line 5, strike out "\$764" and insert "\$660."

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

# EXTENSION OF REMARKS

Mr. CALDWELL. Mr. Speaker, I ask unanimous consent to revise and extend my remarks by incorporating in the RECORD certain correspondence referred to this morning in the discussion on the tin resolution.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

#### LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to: Mr. Lozier, for today, on account of illness.

Mr. Kenney, for 3 days, on account of important business.

#### IMMIGRATION BILL

Mr. THOMASON. Mr. Speaker, I was absent from the Chamber a short while this afternoon when there was the roll call on H.R. 9725, the Dickstein immigration bill. Had I been present I would have voted "nay."

#### EXTENSION OF REMARKS

Mr. O'MALLEY. Mr. Speaker, in connection with my request to extend my remarks on House Resolution 412, I ask unanimous consent to include in the extension certain clippings to verify some of the statements I made.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. The gentleman has that permission. Mr. KELLY of Pennsylvania. Mr. Speaker, I make the same request.

The SPEAKER. The gentleman has that permission.

Mr. BYRNS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BYRNS. Mr. Speaker, I have been asked with reference to the request I submitted a while ago whether Members will be permitted to extend their own remarks on more than one address.

The SPEAKER. It will include as many addresses as they desire to extend in the RECORD up until the last issue makes its appearance. They can, however, extend only their own remarks and cannot include excerpts.

Mr. HASTINGS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.
Mr. HASTINGS. Mr. Speaker, will that extend to a revision of remarks such as I made on this oil resolution?

The SPEAKER. It will include such a revision of remarks but will be limited to the gentleman's own remarks.

#### OIL INVESTIGATION

Mr. BYRNS. Mr. Speaker, on the occasion of the last roll call the following Members were absent, constituting the conference committee on the part of the House. They were in conference with the Senate conferees: The gentleman from California [Mr. LEA], the gentleman from Ohio [Mr. CROSSER], the gentleman from Missouri [Mr. MILLIGAN], the gentleman from Massachusetts [Mr. Holmes], and the gentleman from Tennessee [Mr. REECE].

I ask that they be excused for not having answered to the roll call.

#### SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and under the rule referred as follows: S. 3705. An act to extend the boundaries of the Grand

Teton National Park in the State of Wyoming, and for other purposes; to the Committee on the Public Lands.

#### ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the

H.R. 194. An act to refund to Caroline M. Eagan income tax erroneously and illegally collected;

H.R. 1503. An act to amend the act entitled "An act to create the California Débris Commission and regulate hydraulic mining in the State of California", approved March 1, 1893, as amended:

H.R. 1567. An act amending section 1 of the act of March 3, 1893 (27 Stat.L. 751), providing for the method of selling real estate under an order or decree of any United States court:

H.R. 3243. An act for the relief of Harry E. Good, administrator de bonis non of the estate of Ephraim N. Good,

H.R. 3296. An act for the relief of Carl F. Castleberry;

H.R. 3318. An act to reimburse Earl V. Larkin for injuries sustained by the accidental discharge of a pistol in the hands of a soldier in the United States Army;

H.R. 3793. An act for the relief of Anthony Hogue;

H.R. 4446. An act for the relief of E. E. Hall;

H.R. 4659. An act for the relief of Carleton-Mace Engineering Corporation:

H.R. 4666. An act for the relief of Jerry O'Shea;

H.R. 4838. An act for the relief of the Massachusetts Bonding & Insurance Co., a corporation organized and existing under the laws of the State of Massachusetts;

H.R. 4952. An act for the relief of Theodore W. Beland;

H.R. 4957. An act for the relief of F. M. Peters and J. T.

H.R. 5018. An act to correct the naval records of former members of the crews of the revenue cutters Algonquin and Onondaga:

H.R. 5369. An act providing for the issuance of patents upon certain conditions to lands and accretions thereto determined to be within the State of New Mexico in accordance with the decree of the Supreme Court of the United States entered April 9, 1928;

H.R. 5809. An act to provide compensation for Robert Rayford Wilcoxson for injuries received in Citizens' Mili-

tary Training Camp;

H.R. 5864. An act to authorize the payment of expenses of delegates of the Yakima Confederated Tribes of Indians while on a mission to represent such tribes before Congress and the executive departments at the seat of government, and for other purposes;

H.R. 5947. An act authorizing adjustment of the claim of

the Western Union Telegraph Co.;

H.R. 6037. An act to exempt from taxation certain property of the National Society of the Sons of the American Revolution;

H.R. 6238. An act for the relief of M. R. Welty;

H.R. 6284. An act for the relief of John R. Novak;

H.R. 6324. An act for the relief of Mabel Carver;

H.R. 6350. An act for the relief of Arthur Smith;

H.R. 6366. An act making appropriation to restore water of high mineral content on land owned and controlled by the Federal Government;

H.R. 6497. An act for the relief of James Henry Green; H.R. 6622. An act authorizing the Secretary of Commerce to lease certain Government land at Woods Hole, Mass.;

H.R. 6625. An act for the relief of Charles Farr;

H.R. 6696. An act for the relief of William T. Roche:

H.R. 6781. An act to authorize appropriations to pay the annual share of the United States as an adhering member of the International Council of Scientific Unions and associated unions:

H.R. 6898. An act authorizing the city of Atchison, Kans., and the county of Buchanan, Mo., or either of them, or the States of Kansas and Missouri, or either of them, or the highway departments of such States, acting jointly or severally, to construct, maintain, and operate a free highway bridge across the Missouri River at or near Atchison, Kans .:

H.R. 6998. An act for the relief of Capt. Frank J. McCormack:

H.R. 7067. An act for the relief of St. Anthony's Hospital at Michigan City, Ind.; Dr. Russell A. Gilmore; Emily Molzen, nurse; and the Hummer Mortuary;

H.R. 7107. An act for the relief of Frank Baglione;

H.R. 7121. An act authorizing the Secretary of the Treasury to pay Dr. A. W. Pearson, of Peever, S.Dak., and the Peabody Hospital, at Webster, S.Dak., for medical services and supplies furnished to Indians:

H.R. 7161. An act to provide for the refund or abatement of the customs duty on altar candlesticks and cross imported for the Church of the Good Shepherd, Memphis, Tenn.;

H.R. 7230. An act for the relief of J. B. Hudson;

H.R. 7264. An act for the relief of M. N. Lipinski;

H.R. 7272. An act for the relief of John W. Adair;

H.R. 7348. An act to amend section 3937 of the Revised Statutes;

H.R. 7372. An act for the relief of Donald K. Warner;

H.R. 7387. An act for the relief of Royce Wells;

H.R. 7428. An act providing for the transfer of certain lands from the United States to the city of Wilmington, Del., H.R. 4579. An act for the relief of Dr. Charles T. Granger; and from the city of Wilmington, Del., to the United States; H.R. 7631. An act for the relief of Arthur A. Burn, Sr., and J. K. Ryland:

H.R. 7670. An act relating to conveyance of letters by private hands without compensation, or by special messenger employed for the particular occasion only;

H.R. 7697. An act for the relief of William Chinsky;

H.R. 7781. An act for the relief of Rosemund Pauline Lowry:

H.R. 7816. An act for the relief of Oswald H. Halford, Hunter M. Henry, William C. Horne, Rupert R. Johnson, David L. Lacey, William Z. Lee, Fenton F. Rodgers, Henry Freeman Seale, Felix M. Smith, Edwin C. Smith, Robert S. Sutherland, and Charles G. Ventress;

H.R. 7893. An act for the relief of Ralph Lavern Walker; H.R. 7953. An act for the relief of the Dallas County Chapter of the American Red Cross;

H.R. 8108. An act for the relief of Jeannette Weir;

H.R. 8115. An act for the relief of May L. Marshall, administratrix of the estate of Jerry A. Litchfield;

H.R. 8328. An act for the relief of the heirs of C. K. Bowen, deceased:

H.R. 8460. An act to amend section 392 of title 5 of the United States Code;

H.R. 8513. An act to authorize the coinage of 50-cent pieces in commemoration of the boyhood home of Gen. Thomas J. (Stonewall) Jackson;

H.R. 8514. An act authorizing the Secretary of the Treasury to convey a part of the post-office site in San Antonio, Tex., to the city of San Antonio, Tex., for street purposes, in exchange for land for the benefit of the Government property:

H.R. 8517. An act to provide for needy blind persons of the District of Columbia;

H.R. 8587. An act to extend the benefits of the Employees' Compensation Act of September 7, 1916, to William Thomas;

H.R. 8639. An act to repeal certain laws providing for the protection of sea lions in Alaska waters;

H.R. 8644. An act to provide warrant officers of the Coast Guard parity of promotion with warrant officers of the Navy;

H.R. 8650. An act for the relief of B. J. Sample;

H.R. 8688. An act for the relief of Stella E. Whitmore;

H.R. 8700. An act to establish a Code of Laws for the Canal Zone, and for other purposes;

H.R. 8727. An act for the relief of the First State Bank & Trust Co., of Mission, Tex.;

H.R. 8728. An act authorizing the Secretary of War to lease or to sell certain lands and buildings, known as Camp Eagle Pass, Tex., to the city of Eagle Pass, Tex.;

H.R. 8833. An act to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the founding of the Colony of Connecticut;

H.R. 8909. An act to authorize the Secretary of the Treasury to amend the contract for sale of post-office building and site at Findlay, Ohio;

H.R. 8930. An act to provide for the construction and operation of a vessel for use in research work with respect to ocean fisheries:

H.R. 9007. An act to amend section 11 of the District of Columbia Alcoholic Beverage Control Act;

H.R. 9143. An act providing educational opportunities for the children of soldiers, sailors, and marines who were killed in action or died during the World War;

H.R. 9234. An act to amend section 601 (c) (2) of the Revenue Act of 1932;

H.R. 9326. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near York Furnace, Pa.;

H.R. 9371. An act to authorize the incorporated town of Douglas City, Alaska, to undertake certain municipal public works, including construction, reconstruction, enlargement, extension, and improvements of its water-supply system; and construction, reconstruction, enlargement, extension, and improvements to sewers, and for such purposes to issue bonds in any sum not exceeding \$40,000;

H.R. 9401. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Middletown, Dauphin County, Pa.;

H.R. 9402. An act to authorize the incorporated town of Fairbanks, Alaska, to undertake certain municipal public works, including construction, reconstruction, and extension of sidewalks; construction, reconstruction, and extension of sewers, and construction of a combined city hall and fire department building, and for such purposes to issue bonds in any sum not exceeding \$50.000;

H.R. 9571. An act granting the consent of Congress to the county commissioners of Essex County, in the State of Massachusetts, to construct, maintain, and operate a free highway bridge across the Merrimack River, in the city of Lawrence, Mass.;

H.R. 9617. An act to authorize the reduction of the required distance between liquor distilleries and rectifying plants and to authorize higher fences around distilleries;

H.R. 9622. An act to amend subsection (a) of section 23 of the District Alcoholic Beverage Control Act;

H.R. 9645. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Washington, Mo.;

H.R. 9646. An act to authorize the acquisition of additional land for the Upper Mississippi River Wild Life and Fish Refuge:

H.R. 9721. An act authorizing the Spencer County Bridge Commission, of Spencer County, Ind., to construct, maintain, and operate a toll bridge across the Ohio River between Rockport, Ind., and Owensboro, Ky.;

H.J.Res. 295. Joint resolution authorizing appropriation for expenses of representatives of United States to meet at Istanbul, Turkey, with representatives of Turkish Republic for purposes of examining claims of either Government against the other and for expense of proceedings before an umpire, if necessary;

H.J.Res. 325. Joint resolution extending for 2 years the time within which American claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the Mixed Claims Commission and the Tripartite Claims Commission, and extending until March 10, 1936, the time within which Hungarian claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the War Claims Arbiter; and

H.J.Res. 341. Joint resolution authorizing an appropriation for the participation of the United States in the International Celebration at Fort Niagara, N.Y.

The Speaker announced his signature to enrolled bills and a joint resolution of the Senate to the following titles:

S. 852. An act to amend section 24 of the Trading With the Enemy Act, as amended;

S. 1735. An act to amend an act approved May 14, 1926 (44 Stat. 555), entitled "An act authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims";

S. 2248. An act to protect trade and commerce against interference by violence, threats, coercion, or intimidation;

S. 3147. An act to amend the act approved June 28, 1932 (47 Stat.L. 337);

S. 3230. An act creating the Florence Bridge Commission and authorizing said commission and its successors and assigns to construct, maintain, and operate a bridge across the Missouri River at or near Florence, Nebr.;

S. 3404. An act authorizing loans from the Federal Emergency Administration of Public Works for the construction of certain municipal buildings in the District of Columbia, and for other purposes;

S. 3723. An act to amend the Mineral Lands Leasing Act of 1920 with reference to oil- or gas-prospecting permits and leases:

S. 3530. An act relating to Philippine currency reserves on deposit in the United States; and

S.J.Res. 130. Joint resolution to amend section 72 of the Printing Act, approved January 12, 1895, and acts amendatory thereof and supplementary thereto, relative to the allotment of public documents, and section 85 of the same act fixing the date of the expiration of the franking privilege to Members of Congress.

# EXTENSION OF REMARKS

#### SENATE RESTORES UTILITY COMMISSION APPROPRIATION

Mr. COCHRAN of Missouri. Mr. Speaker, when the Senate Committee on Appropriations reported the deficiency bill it carried an item providing for a sum that would restore the Budget estimate for the Utility Commission of the District of Columbia. The Senate had previously restored this sum in the District of Columbia appropriation bill but it was stricken out in conference.

I contended when the bill was before the House and I contend now that if this amount is not restored then the Utilities Commission will be helpless to properly perform the duties assigned to it under the law. This Commission, a true representative of the people of the District, should not be handicapped.

It has been contended by those that would reduce the appropriation below the Budget estimate that this commission has not brought about results that would warrant the

present personnel being retained.

First let me say you have a new commission just appointed by President Roosevelt, with Raymond Keech, an outstanding public servant, now vice chairman. Keech's work as People's Counsel has been commended by even those who are opposed to the increase provided in the deficiency bill.

As evidence that this commission is functioning in a manner that results in financial benefit to the people of the District of Columbia, I call attention to the decision of Judge Adkins of the Supreme Court of the District of Columbia yesterday, June 14, in the case of the Chesapeake & Potomac Telephone Co. against Public Utilities Commission, etc., et al.

In this opinion which sustained the order on the Commission, telephone rates in the District of Columbia are reduced 10 percent. As a result of the decision there will be, as of June 15, 1934, \$786,711 for refund to telephone users in this jurisdiction. Furthermore, on the basis of this opinion, rates will be reduced annually \$500,000. This case was bitterly contested not only before the Commission but also in court.

In addition to this case, I direct your attention to the case of Potomac Electric Power Co. against Public Utilities Commission, decided by the Supreme Court of the District of Columbia in 1932. This opinion was the result of order of the Commission modifying the sliding-scale arrangement under which rates for power are computed. As a result of this decision, rates were further reduced to the extent of \$300,000 for the year 1932. A change in the formula likewise resulted in substantial reductions for the years 1933 and 1934 and should continue for the years to follow.

These two cases alone, both of which were contested in court, have resulted in savings to users and consumers of service in the District to the extent of over \$2,000,000.

This, without question, warrants the House in sustaining the action of the Senate.

NATIONAL WATER CONSERVATION IMPERATIVE—MISSOURI RIVER— DEVILS LAKE DIVERSION PROJECT

Mr. LEMKE. Mr. Speaker, I wish to call the attention of the Members of Congress and the people of this Nation to the necessity of water conservation. This Nation is going dry. Over half of our States have been listed as being in the drought area. It is time for us to awaken. The cause of this drought is due largely to overcultivation, overgrazing, and the drainage of lakes and water basins in the Great Plains States.

Before the advent of the white race in this region there were hundreds upon thousands of lakes, rivers, rivulets, creeks, coulees, and gullies, with an abundance of water the year around, while today many of these rivers and practically all of the rivulets, coulees, and gullies have gone dry, and hundreds and thousands of these lake bottoms are being farmed and cultivated. Many of these lakes and water

basins were drained by State and county governments in order to increase the cultivatable land.

This damage was done not deliberately, but because of ignorance of the final result-of the final accounting. It was done following the advice of James J. Hill, railroad empire builder, who informed us that in less than 50 years there would be a shortage of food to feed our own people not only that, but a shortage of food throughout the world. Others of these lakes and basins were drained during the World War, when the Government demanded that the farmers produce more and more in order to win the war. Others because of the greed of man and the simple fact that he could not foresee the inevitable consequences which were sure to follow his action. So today water conservation is one of the most important problems confronting this Nation, ranking in importance over reforestation or forestation, because without water there can be no forests or vegetable life and, in the long run, no animal life.

Some of the soil and fertility of these drought-stricken States have been picked up by the winds and carried across the continent. A calamity has befallen these States that we cannot as yet fully comprehend, a condition that will be repeated and become permanent unless the water tables are restored. A disaster of this magnitude challenges the ingenuity and patriotism of our people. There is no question but that when once we realize the cause of this catastrophe that we will and can fully meet it—the American spirit of determination and progress will be equal to the occasion.

In all of these Plains States, and in fact in every State in the Union, nature has provided us with hundreds and thousands of watersheds and storage basins which, at a very small expense, could be turned into hundreds and thousands of lakes by building dams at the proper places so as to catch the water during rains or melting snows. This water is now being permitted to wander away to the ocean, where it serves no useful purpose. More than that, in its mad rush to reach the ocean, it occasions, at times, great property loss through floods, thus, not only leaving the place where it is needed by plant and animal life but destroying millions of dollars of property where it is not needed or wanted, and at the same time making possible a great American desert.

This is both a national and a State problem. The future welfare of both depends upon a proper solution. The Federal and State governments must cooperate; they must both become water-minded. The larger projects on the large and principal rivers must be financed and carried on by the Federal Government. The Federal Government must dam these rivers and divert some of the water to the larger lakes. The smaller projects, such as putting in small dams to impound the water in natural watersheds and basins and the distribution from the dams in the larger rivers to the small rivulets, creeks, coulees, and gullies, must and can be successfully done by the States.

I believe that my own State—North Dakota—with the cooperation of the American Game Association, was the first State in the Union that seriously took up the creation of artificial lakes. After nearly all of the 5,000 lakes that we once possessed were either drained and ditched into rivers and carried into the ocean or evaporated and dried up, North Dakota began to build artificial lakes. We now have in the neighborhood of 200 of these lakes completed, and, in spite of the severe drought, most of these lakes have plenty of water for domestic use. The trouble is that in place of 200 we should have had 5,000. In short, by the end of this year, with the aid of the C.C.C. camps, we will have added 25,000 acres of water to the State.

The people and the State of North Dakota have for years asked the Federal Government to construct a dam at Big Bend in the Missouri River near Garrison, N.Dak., and divert into Devils Lake, the flood waters which now find their way into the Atlantic Ocean with devastating destruction at times along the lower Mississippi Valley. The spillway crest of this dam would be approximately 148 feet above the present river bottom, with the top of the dam at an elevation of 168 feet above river bottom. When full to level of the spill-

way crest, it would impound approximately 10,100,000 acrefect of water in a new lake approximately 140 miles long, with an average width of 1½ miles, to be known as "Dakota Lake." The entire cost of this dam, including property taken and tunnel for diversion of the flood waters into Devils Lake, is estimated by competent and eminent engineers at \$65,377,518. (See report on Missouri River Dam and Diversion Project, prepared by Burns & McDonnell Engineering Co., Kansas City, Los Angeles, and Cincinnati.)

Last fall Representatives and Senators, Governors and ex-Governors, prominent men and women, who believe in the welfare of this Nation, of North Dakota, South Dakota, Minnesota, and of nearly every State bordering on the Missouri and Mississippi Rivers, joined in a most urgent request that the Public Works Administration use some of the public-works funds appropriated during the special session, for the purpose of constructing this project. Millions of dollars have been given to projects of less importance, while this, the most important project ever presented to the Federal Government, is still awaiting action. I say most important-far more important than Muscle Shoals or any other public project now pending before the Public Works Administration, because human life, human happiness, and the welfare of this Nation are wrapped up in this project.

Just why projects of less value and less importance should always receive preference over the more worthy is, of course, a question that we may attribute to human short-comings and understandings. It is perhaps because projects that require Federal aid generally also require a considerable sum of money, and it seems that Government officials always have shied and always will shy at large sums, and that the real meritorious projects are generally overlooked and millions of dollars spent on so-called "lesser projects", or should we say "pork barrel" projects.

If this project had been started and completed when first presented to the Federal Government it would not now be necessary to appropriate \$525,000,000 for drought relief because this project was presented some years ago and if this water had been impounded, then hundreds and thousands of artificial lakes would have been constructed in North Dakota, South Dakota, and Minnesota. The people would have become water-minded enough to do this and the table waters would again have been raised, and the drought would certainly not have been so extensive and so severe. The \$525,000,000 could now be used for water conservation purposes almost exclusively and several billions of dollars' worth of crops which have been lost and farm animals that have starved, or that it has become necessary to destroy to prevent starvation, would have been saved to this Nation, and human despair and desolation could have been

Even if last fall the Public Works Administration had seen fit to at least make a start on this project, there would be a different morale among the people of our Great Plains States. Why delay this project longer? We are confident that the administration is for this project; in fact, we know that it is. No administration ever took such a keen interest in water conservation, reforestation, and forestation as the present administration. In fact, everybody is for it. This is not a "pork barrel" issue—not a political issue—but a nonpartisan, national issue. We are all for it. Why not cut loose from the red tape and get busy? Why not start this project? It will have to be done and it is going to be done, because it is essential to the future happiness and prosperity of the people of this great Nation. American ingenuity, American patriotism, and American determination are not only going to demand that this project be completed, but will demand like projects in other States of the Union. This is a national question.

In 1880, when the Government land survey of North Dakota was made, there were approximately 5,000 lakes of sufficient size and importance to be recorded on the original maps and a somewhat similar number of rivers and rivulets, gullies, and coulees. Early records and reports of Indians, trappers, and settlers show there was an abundance of water

supply, with many lakes of fresh water, flowing springs and streams, and an abundance of game, fish, and wild life.

During the past two or more decades the drying up of lakes, the disappearance of springs, the diminishing flow and run-off of rivers, and the lowering of ground-water levels have caused an increasingly alarming situation, with many cities facing the problem of obtaining an adequate water supply. In addition, farmers' wells are failing and many of them are compelled to haul water many miles for stock and domestic uses.

One of the outstanding examples of the decrease of surface water is Devils Lake. In 1883, when the Government survey of the lake was made, it had an area of 115 square miles and a maximum depth of 35 feet. In 1912 it covered an area of about 60 square miles and had a maximum depth of 21 feet. In 1933 it had a depth of not more than 7 feet with an area of less than 30 square miles, a decrease in depth of 25 feet and in area of over 90 square miles in 50 years. In other words, the table waters in North Dakota have fallen 25 feet in 50 years. Is there any wonder that the trees on these prairie lands are dying? Is there any wonder that throughout the regions of North Dakota, South Dakota, Minnesota, Nebraska, and other adjoining States there is real alarm?

The Red River of the North, the Sheyenne, the James, and other rivers cease flowing during the major part of the year, while these streams used to have an abundant flow the year around. While all this is going on we are permitting the mountain waters that pass through the State by way of the Missouri River to help occasion floods in the lower Mississippi River valley. Let us do the intelligent thing—the only thing— and divert these waters where they belong—in these drought-stricken States. Let us use some of the Public Works money for the Missouri River-Devils Lake diversion project.

In conclusion, if this is done, we in North Dakota and in adjoining States will create hundreds and thousands of artificial lakes by the construction of small dams. Devils Lake will again be refilled to somewhere near its original level; the Sheyenne, the James, and the Red River of the North will be kept flowing; Lake Traverse, in Minnesota, will be refilled—electricity and power will be furnished to the cities, towns, and farms. We will assist in preventing the devastating floods on the lower Mississippi. We know that this project can be put on a self-liquidating paying basis and save the people of this Nation billions of dollars in wealth.

Last, but not least, these States are now thoroughly waterminded and aroused to the need of water conservation, and they now have determined upon a permanent program. Game refuges will be established every few miles, with trees, grass, and brush to preserve the snows and rains as well as to protect game and wild life. Give these States this project now and they will again show the way to prosperity, contentment, and happiness.

Give us this project and then in the next session of Congress we will pass the Frazier-Lemke bill—the bill that was delayed by the gag rule of this session-refinancing the farm indebtedness at 11/2 percent interest and 11/2 percent on the principal until paid, not by issuing bonds, but by issuing Federal Reserve notes. In addition, we will pass the cost-of-production bill for that part of the farm products consumed within the United States. With this triplebarreled program, the farmers will again have sufficient rain and moisture to produce sufficient crops and get a sufficient price to be able to pay Uncle Sam \$6,345,000,000 in interest in 47 years, under the Frazier-Lemke bill-a splendid investment for Uncle Sam. This is a national as well as a State problem. The Federal Government and the States must and will cooperate in bringing about this water-conservation program.

#### LOANS TO FRUIT GROWERS

Mr. WOLVERTON. Mr. Speaker, the object of this joint resolution (S.J.Res. 106) introduced by Senator Kean of New Jersey, is to authorize the Farm Credit Administration to make loans to fruit growers for necessary expenses to

rehabilitate their orchards during the calendar year 1934, in the same manner and under the same terms and conditions as in the case of loans under the act entitled "An act to provide for loans to farmers for crop production and harvesting during the year 1934, and for other purposes", approved February 23, 1934.

The severe storms in August 1933 and the very severe winter of 1933-34 either destroyed or inflicted substantial damage to fruit-bearing trees throughout the entire State of New Jersey. Other sections of the country were likewise seriously affected, including New England, New York, Pennsylvania, Delaware, Maryland, Ohio, Indiana, Illinois, and Michigan.

In the State of New Jersey-and the same is also true elsewhere—the peach crop for the present year was almost, if not totally, destroyed. Not only did the unusually severe cold weather of last winter destroy the prospect of any yield during the year 1934, but in addition thereto so damaged the trees that their future usefulness will be entirely destroyed unless immediately treated and rehabilitated. The cost of this work is beyond the present ability of our farmers to pay. They cannot procure loans from banks, because, through destruction of this year's crops, there is no possibility of payment until the returns are had from the season of 1935. This type of loan is too long for the average bank in an agricultural section to carry. In addition to the losses and financial difficulties the outgrowth of the severe cold of last winter, the worst in 50 or more years in this section of the country, there is also the further loss suffered by these farmers as a result of the heavy storms of last summer, 1933, which destroyed their fruit crops to such an extent that practically nothing was received. It can, therefore, be easily seen that with no income since 1932 and none in prospect until 1935, the heavy expense of saving these orchards for future usefulness cannot be carried by these farmers unless means are provided to enable them to obtain leans from the Farm Credit Administration.

This joint resolution seeks to apply to them the principle adopted in the case of the emergency crop production loans in the drought- and storm-stricken areas. The loans as provided for in the resolution shall bear interest at a rate not to exceed 5½ percent per annum, and they may be made for a period of not more than 5 years and for a principal sum of not more than \$5,000 to any one borrower. The resolution further provides that a first lien on all crops harvested during the years 1934-38 shall be the basis of security for the loan.

The general provisions of the Emergency Crop Production Loan Act, such as those providing for applications for loans, collections, penalties in connection with charging fees for assisting in the preparation of applications, and so forth, are made applicable to loans made under this resolution.

To carry out the provisions of the resolution there is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$10,000,000, or so much thereof as may be necessary.

During the years that I have served in this House, representing the First District of New Jersey, I have been sympathetic to and have supported the appeals that have come from the farmers of other sections of our country, when economic and natural causes have brought distress to them. This is the first time during all these years of service that it has been necessary to specifically direct your attention to a condition that affects the farmers of New Jersey, different in character than that which prevails generally throughout the country. Our farmers have been courageous in their struggle against the distress brought on them by the economic conditions prevailing throughout the Nation, but, they cannot, in addition thereto, withstand the losses that have come upon them through the action of the elements; consequently, they ask of this House favorable consideration of the present resolution. Knowing as I do the courage, honesty, and integrity of these men, I can assure the House that these loans, if granted, will be returned to the Government without loss. I can give this assurance be-

rehabilitate their orchards during the calendar year 1934, in cause the record of repayment made by New Jersey farmers the same manner and under the same terms and conditions as in the case of loans under the act entitled "An act to proby the House."

# AMENDMENT TO THE RAILWAY ACT

Mr. HESS. Mr. Speaker, I understand that this bill was developed by the Federal Coordinator of Transportation in keeping with the directions to him through the mandate contained in the Emergency Railroad Transportation Act, which provides that he shall study railroad labor relations. It does not introduce any new principles into the Railway Labor Act, which Congress passed in 1926. That act provided that railway employees should have the right to organize and bargain collectively through representatives of their own choosing.

A large number of railway employees have been denied an opportunity to exercise that right because the Railway Labor Act has not clearly set forth provisions essential to make it effective. This bill clearly states that the employees shall have the right to organize and bargain collectively, and I am sure that there is no Member of this House that would find objections to that. It simply provides that railway employees shall be free to join the labor union of their choice. It does not favor any particular variety of labor union so long as it is the employees' labor union and is free from the control of the employer.

Dummy unions have been established in the railroad industry for certain classes of employees. I understand that huge sums of money are expended by the railroads to control these company unions. In many instances nothing whatever is contributed by the employees in the way of financial support to these company unions. This expense is borne by the public indirectly in the freight and passenger rates they pay.

The bill seeks to make it illegal for railroad corporations to use their funds to maintain company unions. If railroad employees are to enjoy the right of collective bargaining, then they should be represented by true representatives in a position to serve them.

The bill further provides that boards of adjustment shall be created upon which labor and management will be equally represented. These boards are to adjust controversies that develop between railway employees and the managements over the application of their contracts concerning wages and working conditions. The present Railway Labor Act provides for substantially the same machinery, with this difference, however, which is a very important matter; at the present time these boards, which have been established, deadlock because they are evenly divided and as a result the agreements the employees have with the railroads are practically nullified because railroads can violate them at will and there is no effective machinery to decide the controversy.

This bill provides for the addition of neutral or impartial persons to the boards and thereby makes it possible for the boards to reach decisions. There is but little expense to the Government and what there is will be taken care of through such economies as the United States Board of Mediation will be able to make because it will now no longer be necessary for that Board to undertake to aid the parties to settle these disputes through mediation and arbitration. The expense of such proceedings is now borne by the Federal Government.

I am heartily in favor of this legislation and think it is a step in the right direction. I hope that Members of Congress will vote for its passage. It will aid in maintaining industrial peace and assure to railway employees the opportunity of exercising that right which is theirs to organize and bargain collectively.

THE ORDERLY USE AND PRESERVATION OF THE PUBLIC RANGE

Mr. TAYLOR of Colorado. Mr. Speaker, under the leave to extend my remarks in the Record, I include some statements made by me and others on April 26, 1934, before the Senate Committee on Public Lands and Surveys in relation

to H.R. 6462, a bill to provide for the orderly use and preservation of our remaining public range, as follows:

Representative TAYLOR. Mr. Chairman and gentlemen of the committee, this bill as now framed is the result of efforts begun

along this line many years ago.

along this line many years ago.

It is needless for me to say that I do not claim the individual authorship of it, although I helped to write it originally and have been supporting it ever since that time. During the Seventy-second Congress it was handled by the then Chairman of the Public Lands Committee of the House, Mr. Colton, of Utah. It was passed through the House as the Colton bill. It came over to the Senate, just before Congress adjourned, and this committee gave us a brief hearing, and then they took no further action on the bill.

When this Seventy-third Congress convened I reintroduced the same bill. It had section 13 in it, that none of us liked, but which was forced in on us by the people who were very bitterly opposed to the bill in the House, and passed in the House with that section in it; therefore I introduced the bill at this session exactly as it passed the House, and I thereafter reintroduced it

leaving that section out.

Gentlemen of the committee, I want to revert back a third of a century and present what is uppermost in my mind. I have lived in the West all my life; most of you will remember that soon after Theodore Roosevelt became President, he commenced a national conservation crusade to conserve the timber of our country from exploitation, and to preserve the public range and prevent erosion. He vigorously carried on that crusade for several years. We people in the West fought him to the utmost limit. Even with our vigorous western vocabulary we could not find words vehement enough to express our denunciation of the Pinchot-Roosevelt policy of taking over the control of the public domain. We felt that that was our inherited birthright—I mean the unrestricted that that was our inherited birthright—I mean the unrestricted right to graze our stock upon the free open public domain. But notwithstanding our vigorous opposition he boldly carried on his policy for several years, and finally put about 130,000,000 acres of the public domain into forest reserves. That was done over the vigorous protest of practically everybody in the West.

The result has been that the Forest Service has administered that vast domain ever since. I think I am safe in saying that today there isn't a corporal's guard of people anywhere in the West that would think of turning that domain back to the free, not prestrained use exploitation and look to be eccupied by

west that would think of turning that domain back to the free, open, unrestrained use, exploitation, and loot to be occupied by force and by the law of the jungle. The result has been to preserve the timber, to preserve the grazing, to apportion the grazing rights fairly, to protect the big and the little fellow, and it has prevented endless bitter strife. For illustration, I might mention that when I was district attorney of northwestern Colorado, 1887-89, I prosecuted eight different murder cases at one term of court,

I prosecuted eight different murder cases at one term of court, the greater number of them being the outcome of fights over the use of the range, mostly between cattle and sheep grazers.

We now have that great example before us; and I believe that history will record that the two greatest things that President Theodore Roosevelt ever did were (1) making possible the construction of the Panama Canal, and (2) the creation of this 130,000,000 acres of forest reserves throughout the 11 Western States.

Now President Franklin D. Possevelt and his Secretaries Secretaries.

acres of forest reserves throughout the 11 Western States.

Now, President Franklin D. Roosevelt and his Secretaries, Secretary Ickes, of the Interior, and Secretary Wallace, of Agriculture, are trying to do the same thing for the 173,000,000 acres of our remaining public domain. It is practically that and nothing more. We are earnestly trying to preserve that great national asset from wanton destruction. We are trying to systematize the use of it, to bring order out of chaos; to stabilize the livestock industry in an orderly and lawful way the same as it is in the forest reserves. If any of you listened to Speaker Rainer the other day over the radio, you heard him deliver a splendid and learned address on Conservation and Civilization. I inserted his address in the Congessional Record of April 17. He specifically mentioned the present conditions in a number of countries of the world. He called attention to the fact that the great Sahara Desert was at one time covered with dense verdure and was populated by a vast number

attention to the fact that the great Sahara Desert was at one time covered with dense verdure and was populated by a vast number of people and that it evidently then was a prosperous country. I call your attention to the fact that we are rapidly permitting the creations of small Sahara Deserts in every one of our Western States today. We have such a condition in the southern part of Colorado at this time, where there is nothing left but sand, which drifts back and forth hither and yon with every breeze.

Now, gentlemen of the committee, we of the West do not want that condition to increase, as it is doing. The public-spirited, farsighted people of this country, whether you call them conservationists or not, are patriotically trying to preserve a very great national heritage. It is a great national conservation policy and nothing else. There is no intention or thought of putting any

nothing else. There is no intention or thought of putting any hardships upon any of the people of the West.

Secretary Ickes says he has the necessary force and he fully believes that he can administer this whole 173,000,000 acres for \$150,000 a year in conjunction with the Forest Service. Of course, whether that estimate is correct or not is not a matter for us to hestate over. It is a question, gentlemen of the committee, whether or not you want to permit this administration to preserve what is left of this great remaining heritage of our country, 173,000,000 acres of open public domain.

Now, that is the bald proposition before you. Do you admit that order and property control is right or do you want to continue the present reckless and wantonly destructive exploitation and waste of it? I might mention that there were some 15,000

sheep from the State of Oregon in my congressional district for 2 or 3 years. There is no restraint on them whatsoever. They eat out both the summer and the winter range of the local people, and destroy the mountain roads and are a frightfully devastating nuisance.

But that is not the worst of it. There are thousands of small ranchmen, local settlers, on all the little creeks; and those large nomadic herds, paying little or no taxes, and roaming around nomatic herds, paying little or no taxes, and roaming around carrying on their grazing operations unrestrained, eat out the forage right up to the very gardens and doors of the local settlers. They do not leave enough range for local people's milk cows or their work horses or their small bands of stock. There is no regulation, order, system, or control over them whatsoever. I cannot resist feeling that the opposition to this bill comes very largely people who do not want any regulation or control over the public domain.

I fully realize that there has always been more or less criticism of the Forest Service and that many perfectly honest people are opposed to or apprehensive of the policy of extending that system to the remaining public domain and fear additional charges and regulations. But I believe I represent a thousand people who will be ultimately benefited by this law to one that will be injured

As you are all fully aware, there are a great many different ways of killing a bill. The most common way is by inserting amendments of killing a bill. The most common way is by inserting amendments that destroy it. This bill has been shot at from all directions and at all times. It started years ago with a short bill of about a dozen lines, just turning over to the Interior Department jurisdiction of this remaining public domain. Then many Members wanted various restrictions and detailed regulations, until now we have 12 pages, mostly consisting of regulations. The Forest Service is not handicapped in that way. The Agricultural Department is not put in a strait-jacket and hamstrung in that manner. The forest reserves were created and afterward just turned over to the Agricultural Department, and they have ever since been administered and controlled by regulations which they made, and they tered and controlled by regulations which they made, and they have made them only as they needed to work them out to meet practically existing conditions or conditions as they developed, and they have been a great success and are now, generally speaking, satisfactory.

It is true that the Forest Service has been very actively engaged in that work for something like 28 years, and we cannot expect this problem to be worked out at once.

Now, the reason that this bill provides for dual control is that we tried for years and years to get the Secretary of Agriculture and the Secretary of the Interior to come together and agree upon some bill of this kind. But each one of them insisted upon having the jurisdiction over this land. The Forest Service said they were handling the forest reserves and that this should be placed under their control. The Interior Department said they had charge of lands so far as surveys, and patenting them, and granting homesteads, and granting oil and mineral and other rights were concerned, and they refused to give up jurisdiction to the Agriculture Department. Agriculture Department.

I was opposed to the transfer of the forest reserves from the Interior Department to the Agricultural Department, because many of us felt that the Interior Department better understands and has a more liberal policy toward the public-land settlements than has the Agricultural Department. As doubtless some of than has the Agricultural Department. As doubtless some of you have learned, it is pretty nearly as hard to get a homestead out of the forest reserves as it is for a camel to get his nose through the eye of a needle. We do not believe that the Interior Department would interfere with the proper or reasonable settlement of the public domain. That Department has always encouraged honest settlements and homesteads. But let me say this terrestrate the server have the server that the server tha couraged nonest settlements and homesteads. But let me say this to you about this remaining public domain: Whether land there is now left has been walked over for 50 to 75 years and no human being has ever thought of it as worth taking. In addition, half of all the homesteads that have been taken up in recent years have been abandoned, as shown by the records, and many thousands more are abandoned that are not shown on the many thousands more are abandoned that are not shown on the records. If you will pardon a personal reference, I may say that for a number of years I was given a great deal of credit for being the author of the 640-acre stock-raising homestead law. After a long struggle I did pilot it through the House, and it was approved by President Wilson on December 29, 1916. There have been 125,000,000 acres of public domain set aside as subject to entry under that law, and there has gone to patent something like 25,000,000 acres under that law; and I dare say that more land has gone to patent under the stock-raising homestead law than under any other law Congress has ever enacted, except the original 160-acre homestead law. There are some 17,000,000 acres now under application. That was and is a splendid law, if honestly used, and generally speaking it has been very popular and beneficial, wherever its intentions and terms have been complied with. But in recent years the law is often used not in good plied with. But in recent years the law is often used not in good faith for a home, but as a subterfuge to hold a range.

The way they do is this: People go and file on 640 acres and then they do not live on it or do anything with the lands for several years; and when his time is up and he is required to do something, or if he is investigated, he relinquishes, and some associate of his files on it, and he holds it as long as he can without spending anything on it. That is the way they are holding the lands as a subterfuge for the purpose of maintaining the grazing privileges of those lands. I understand some of them have been prosecuted and convicted for frauds of that kind.

Gentlemen of the committee, there is scarcely any vacant land anywhere in the West today that a man can make a living for himself and family on, either 160 acres or 640 acres. Those lands are arid and only fit for grazing, and poor grazing at that. There are 10,000 patented claims on better land that are abandoned at the present time throughout all that country and gone to tax the present time throughout all that country and gone to tax title, and many thousands more are abandoned before final proof. Everywhere throughout that country you will see abandoned cabins, wrecks of disappointed hopes, broken hearts and blasted ambitions, the remnant of a shack or a piece of ground that has been cleared and broken up and planted once and is grown up in Canadian thisties. Some day some of that land, if it can be irrigated, may support a home. But not at this time.

When anybody says we will deprive the poor soldier of the privilege of getting a home. I say that under bresent conditions in my

When anybody says we will deprive the poor soldier of the privilege of getting a home, I say that under present conditions, in my
plain western language, that is all the "bunk." Settling on that
dry, barren land now is a tragedy. As a matter of fact, there isn't
anything there that any soldier or anybody else could make a living on; and if he could, why, God bless him, the Secretary of the
Interior can and will let him get it under this law.

Senator ASHURST. Mr. TAYLOR, you remember that Daniel Webster once said almost the same thing regarding Oregon; that he
wouldn't give a dollar for all of it.

Representative TAYLOR I know that, but I am talking of the
present time and of present conditions in regard to the public
domain. It is an outrage to induce families to go on to that kind

present time and of present conditions in regard to the public domain. It is an outrage to induce families to go on to that kind of land now. This bill provides quite thoroughly and exhaustively for the Interior Department to allow settlements and homesteads of the public domain. There is no intention whatsoever of preventing settlement on any land that is fit for a home if anybody wants to. If there is any land that a man can settle upon and make a living upon, he has a right under this bill to take it. But when half of them are being abandoned, and a very large part of all others are unoccupied, it is very good evidence of the condition there. It is not a valuable privilege to take that kind of land these days. You may drive all through that country and you will find land that has been filed upon and yet there is nobody living on it. They do not even pretend to live on it. They cannot make a living there. So we would not be doing an unkindness to anybody even if we should put some restrictions upon homesteads of that kind at the present time and under present conditions. But that kind at the present time and under present conditions. But I insist that this bill will not prevent legitimate homesteading. The Secretary of the Interior has repeatedly stated he has no such intention.

It was only about 2 years ago that we got the Secretary of Agriculture and the Secretary of the Interior to come together on this measure. It was in the Hoover administration. President Hoover measure. It was in the Hoover administration. President Hoover and Secretary Hyde and Secretary Wilbur enthusiastically got behind this bill, and they supported it as vigorously as Secretary Ickes and Secretary Wallace are supporting it now. And the Forest Service and the General Land Office have actively joined with them. All executive departments of our Government interested have united in an effort to conserve this land, to stop ruinous erosion, to prevent the wanton destruction of the verdure on it. Wherever a large band of sheep is grazed on semibarren land, unless they are kept moving they often even pull up the roots.

There is nothing left but sand dunes. I have ridden through

There is nothing left but sand dunes. I have ridden through miles and miles of country where a few years ago sheep were being pastured, and today there isn't anything there. I am not going to attempt to go into detail about overgrazing or the havoc of erosion. I have not made a definite survey of all the States, but I know from what I hear as to the sentiment in regard to this bill. I have thousands of letters about this bill coming from every State in the West, and there is, of course, a divided sentiment. The people who would be most benefited by this bill are the local taxpayers, the little farmers and small stockmen; the actual residents and taxpayers who help to maintain the country. As to these people I would say that from 90 to 95 percent of them are in favor of this policy of control, but as to the very large sheepmen who send out a Basque or Greek or some other nonresident with a band of sheep as a shepherd, those men go out with a large with a band of sheep as a snephera, those men go out with a large bunch of sheep and they roam all over the country, they are not especially concerned about the principle of conservation. They are instructed by the owner of the sheep to take care of their flock for that particular season, and therefore are not interested in preserving the range.

I am not blaming those people. The range is free. I am not complaining about sheepmen. Many of them are good friends of mine. I am speaking about conditions on the open range. I am mine. I am speaking about conditions on the open range. I am the Chairman of the Interior Department Appropriation Committee, that handles practically all the money that goes to the West, and all the activities of that Department, from the Arctic Circle to the Equator, and it is a part of my official duties to visit the public domain, the national parks, the reclamation projects, the national monuments, all Indian reservations, agencies, and schools, and many other things. And I was born and reared in the West, so I naturally know that country pretty well. I know some measure of this kind is imperatively necessary. I feel, gentlemen of the committee, you have absolutely got to come to it sconer or later. I feel that public sentiment is going to force Congress to pass this legislation. Every year you put it off you are doing the stockmen a great injury. There is no such thing as stabilizing the stock business under present conditions, when no one knows whether he will have any range next year or not, where one cannot know whether some man will have force or influence enough to take it from him and hold it. The owner of a bunch of cattle or sheep has no security, and cannot permanently

prosper unless he has a definite grazing range late in the fall and winter and spring when he cannot be in the forest reserves.

Now, as to the forest reserve, they have a definite range there

reserved for them

It is a very valuable asset; the banks will loan the owner money on the stock, because the banks will know that the owner of the bunch of cattle or sheep will have a place to go and something upon which he can absolutely depend. A great many banks have gone broke on loaning too much money on both cattle and sheep. A very large number—quite a percentage of the stock on the public domain—do not belong in the State where they graze part of the year. That is, they may stay in their own State a part of the year, but they roam about and go over State lines and graze in other States a part of the year.

Gentlemen of the committee, this matter resolves itself down to the question whether or not you are willing to join with President Roosevelt, as he has earnestly asked you to do, and with his Cabinet officials in trying to help them do a great public service to the West and to our country. Everyone admits that Theodore Roosevelt rendered a gigantic service to our Republic when he prevented from ruination and preserved for all time that 140,000,000-acre empire in the forest reserves. Are you going to

140,000,000-acre empire in the forest reserves. Are you going to prevent Franklin D. Roosevelt from going down in history as having rendered almost an equally great service to our country in preserving for posterity our remaining 173,000,000-acre empire? Gentlemen, that is my judgment. That is the way I look at this matter after all these years of observation. My father owned a stock farm in Illinois and a cattle ranch on the plains of northwestern Kansas and he was a cattleman all his life. I was born and raised on the frontier, and I sat in the saddle a large part of the time for several years during my boyhood days, and I have the time for several years during my boyhood days, and I have lived among these conditions all my life. I was one of the most vociferous opponents to the creation of the forest reserves. Why, we thought that was the limit of tyranny, to make us pay for the use of the grass, telling us where we could put our stock and

use of the grass, telling us where we could put our stock and where we could not.

And we fought it clean up to and through the United States Supreme Court, and we lost our case there. We were forced to accept that decision. But times, conditions, and people change. We of the West have slowly and reluctantly come to see the importance and the wisdom of Theodore Roosevelt's and Governor Pinchot's policy and the foresight of the conservation sentiment of the country.

Now we are heroically and, we think, patriotically trying to repeat that policy as to the remaining fastly deteriorating and vanishing public domain of our country. We feel it is a worth-while public service we earnestly are trying to render to these Western States.

Western States.

Western States.

We are getting exactly the same kind of opposition that we so forcibly put forth at that time, and we respect our opponents; but I believe that 5 years from now, and probably in less time, if you enact this bill into law, the whole country will say, "God bless you." I believe it will go down in history as one of the greatest achievements of the Franklin D. Roosevelt administration if you preserve these 173,000,000 acres of public domain from destruction and from becoming practically a desert. It is a great heritage. It is a great asset. And it does seem to me that we ought to be willing to join in preserving it.

When I meet a man who is not willing to abide by a lawful and orderly use of public property, I cannot agree with him. The law of force, the rule of the jungle, these days does not sound good to me. If a man is not willing to respect the rights of his neighbors, if he is not willing to help prevent overgrazing and irreparable erosion, and let everybody know where they can put their stock, and how many they can graze, and be able to rely upon

ble erosion, and let everybody know where they can put their stock, and how many they can graze, and be able to rely upon it, I cannot appreciate his view. I think that the time has come to compel the fair, honest, systematic, and orderly use of our public domain, and the prevention of the destruction of it, as is now being done by every other great nation.

This proposed legislation means nothing more to me personally than to every one of you gentlemen sitting around this table. With the exception of your distinguished chairman, Senator Wagner, of New York, you are all western men. I feel that if the Senate, if this committee, is not yet ready to go on with this program and try to preserve this asset, try to assist the President and his officials in carrying out the policy that the prior administration favored—and I might say that all prior administrations have been in favor of this policy, but they have not been able to come to an agreement as to where it should go. I say, if you are not yet ready to go on with this program, I think you will be making a mistake. I think the only reason this bill was not enacted years ago was because the the only reason this bill was not enacted years ago was because the Agricultural Department insisted upon having charge of it and Agricultural Department insisted upon having charge of it and the Interior Department insisted upon having charge of it, with the result that we could not get anywhere. And a very effective way to kill this bill is to try to introduce an amendment that will get the two Departments at loggerheads with each other. That would be the natural and inevitable consequence of that kind of an amendment. They are now working in entire harmony, and they say they can handle this proposition in harmony together.

The grazing situation is about this: For about 4 or perhaps 5 months of the year there is grazing in the forest reserves, and the rest of the year it is done down in the lower country—

Senator Adams (interposing). Congressman Taxlor, let me ask you this: If we should be faced by the difficulty from a legislative standpoint of such an amendment, in your judgment is it desirable to have the administration of the two areas separate or to have them joined?

Representative Taylor. The last section of this bill, section 13, is very broad. It gives the President of the United States complete authority to make such adjustments and bring about such har-

authority to make such adjustments and oring about such harmonious arrangement between the two Departments as is necessary to carry out the proper conservation policy of the bill.

Senator ADAMS. He has authority now by Executive order to transfer administration from one to the other.

Representative Taylor. I understand the Solicitor of the Interior Department made an investigation of that question and decided that there might possibly he some question as to whether cided that there might possibly be some question as to whether or not the President had ample authority to go as far as he felt or not the President had ample authority to go as far as he felt he ought to go. So they concluded as a matter of policy to pass it up to the Congress. I think the Secretary and the Solicitor concluded that if we western people were not willing to trust them to harmoniously administer this matter as between them selves, which they very positively say they can do and will do, then that the matter should be put up to the Congress. Representatives of the Forest Service are here, as well as representatives of the General Land Office, and can speak for themselves; but they all promise that they can and will economically and harmoniously handle this public domain together. The President of the United States will have full authority under this bill to make whatever adjustments he sees fit in the interest of the country. And I feel States will have full authority under this bill to make whatever adjustments he sees fit in the interest of the country. And I feel that we ought to give him that authority and take the chances. This Congress has conclusively demonstrated to the world that the Members of the Congress of the United States are not rubber stamps; that we can override the President very quickly whenever he does anything we do not approve. And I apprehend if the West felt that this law was not being properly handled as it should be by whatever department handles it that we would change it. But I have no such apprehension on earth as that.

I feel, with the 28 years' experience that the Forest Service has had, and the Interior Department working in conjunction with them and getting the benefit of those 28 years' experience, I do not see how anybody can have any apprehension about the orderly and economical handling of this domain. Nobody wants to penalize those people, but they do have to have some regulation during

ize those people, but they do have to have some regulation during the 7 or 8 months of the year when they are not on the forest reserve. Whether or not this fee is properly divided, or whether or not these forest-reserve people, when the stock leaves there, will follow them into the lowlands and look after them, I do not know. As to the details of how they shall orderly attend to this matter, it seems to me we should give them the authority and give them a trial. I do feel that we have put in a lot more details and minor regulations into this bill than are at all necessary. But they have been put in out of an abundance of precaution. The mining interests and everybody who has any rights want their rights respected and preserved, and they are all being preserved under the terms of this bill.

Senator Adams. Congressman Taylor, I do not mean to interrupt the trend of your thought, but let me ask you this: In the rupt the trend of your thought, but let me ask you this: In the bill there are provisions in reference to what are designated as "Indian ceded lands." I will say that I have had some correspondence about that matter, and some expressions of apprehension that settlers in your congressional district would be at a disadvantage by reason of one or two of the provisions, I think, of section 11, giving to the Indians a preferential right upon what is designated as "Indian ceded lands." What have you to

sav about that?

Representative TAYLOR. That section was not in the original bill Representative Taxlor. That section was not in the original bill. It was put in by the House committee just before the bill was reported out. I do not know just what the purpose of it is. It certainly has no proper or rightful application to the former Ute Indian lands in the State of Colorado; and if it could in any way be construed as applying to those lands, the section should be taken out of the bill by all means because it would create false hopes and be an unwarranted and unlawful trouble maker, and unless it has some definite application to some other Indians or some other lands besides ours your committee should take it out of the bill.

If the committee will pardon the digression for a moment, I may say that the former Ute Indian Reservation in western Colorado originally contained something like 12,000,000 acres. Those Indians occupied that territory for a great many years. After the Meeker and Thornberg massacres in 1879 the Government selected other lands over in the Territory of Utah for that band of the Utes—the Uncompahgre Utes—and removed them from the State of Colorado over into the Territory of Utah. That was the most warlike and the largest band of the Utes. The other main band—the Southern Utes—were left on their reservation in southwestern the Southern Utes—were left on their reservation in southwestern Colorado, where they have ever since resided and they have an ample reservation.

ample reservation.

The Federal Government entered into an agreement with the Ute Indians on June 15, 1880 (21 Stat. 199), which made and agreed to that change of residence and many other matters and provided in substance that whenever any part of that land was thereafter disposed of by the Federal Government, the Ute Indians should be paid \$1.25 an acre for it; and I think about 2,000,000 cares of it have thus one into private ownership and the Uter. acres of it have thus gone into private ownership and the Utes have received \$1.25 an acre for all of it.

have received \$1.25 an acre for all of it.

President Theodore Roosevelt, during his administration, by Executive order put about 130,000,000 acres of the public land into forest reserves, nearly 14,000,000 acres of which was in Colorado. Between three and four million acres of it are in what was formerly the Ute Indian Reservation. Soon after those forest reserves were created in our State, two or three enterprising attorneys conceived the idea that the putting of that former Ute Indian land into forest reserves thereby created, under the terms

of that treaty, a claim against the Government for \$1.25 an acre. I never believed that either the terms or intentions of that treaty at all authorized or justified that claim. That forest reserve lands had not gone into private ownership. The Government had not in any manner parted with title to it or surrendered any control over it. The Government still owned it absolutely and had jurisdiction to survey, classify, grant homesteads, preemption claims, coal claims, oil rights, various mineral rights, rights-of-way, and retained complete dominion over the land. The reason for putting those lands in the forest reserves was to better preserve and improve them and protect the timber on them from for putting those lands in the lorest reserves was to better preserve and improve them and protect the timber on them from destruction and exploitation. It was for the purpose of doing exactly what I am trying to do with the 173,000,000 acres of our remaining public domain in the bill now before the committee—namely, to provide for its systematic and orderly use and preservation from overgrazing, erosion, and utter destruction, and to provide for its interpretation of the committee of the commi namely, to provide for its systematic and orderly use and preservation from overgrazing, erosion, and utter destruction, and to provide for its improvement and development. It was not to make money out of the forest reserves. They cost many millions of dollars a year to protect them over and above the receipts from their use. This bill of mine will not create any revenue. It is purely a conservation measure, similar to the forest reserves. Nevertheless, a bill was passed in Congress and approved March 4, 1909, authorizing the Ute Indians to present that claim to the Court of Claims. The attorneys did so, and the Government attorney or attorneys apparently promptly coincided with the opinions of the lawyers representing the Utes and agreed to a consent judgment for the amount claimed without any trial at all; and, after an accounting, the Court awarded the Ute Indians a cash balance judgment of \$3,516,231.05, the price of the land at \$1.25 an acre, and also gave the lawyers a fee of \$210,973.86 for their services in obtaining the consent judgment, and ordered the United States Treasury to promptly pay it to them in cash. The Utes received and have since consumed all of that money and a great deal more. Those judgments appear in volume 45, page 440, and volume 46, page 225, of the Court of Claims reports, under dates of May 23, 1910, and February 13, 1911.

The result is that has been the law ever since that time, and whenever any of that former Ute Indian land has been put in a forest reserve, either the Federal Government or the Forest Service has paid \$1.25 an acre for it to the Ute Indians. Now, that is the

forest reserve, either the Federal Government or the Forest Service has paid \$1.25 an acre for it to the Ute Indians. Now, that is the source and amount and the only claim that the Ute Indians have source and amount and the only claim that the Ute Indians have or could have against or for any or all of that land. They could not possibly have any grazing rights preferences of any kind upon it now. Those Utes residing in Utah are at a distance of a hundred miles or more from the lands, and their rights are definitely fixed by that treaty. The southern Utes residing in Colorado have a very large amount of grazing lands, more than they have any use for, and they lease them to white stockmen. I should say that that treaty and that decision are both very lengthy and very interesting and instructive. They so back to the treaty should say that that treaty and that decision are both very lengthy and very interesting and instructive. They go back to the treaty with Mexico of Guadaloupe Hidalgo of February 2, 1848, and to the first treaty the Government ever had with the Ute Indians on December 20, 1849, which was before the Territory of Utah was created on September 9, 1850, and long before the Territory of Colorado was organized on February 28, 1861. So that the rights and obligations between the Federal Government and the Ute Indians are very definitely determined and fixed, and no provisions should be put in this or any bill that would or could unsettle them.

Should be put in this or any bill that would or could unsettle them.

I may remark, incidentally, that the date of that enabling act,
March 4, 1909—the day President Taft was inaugurated—was the
day Senator Henry M. Teller, of Colorado, retired from the United
States Senate and the day I entered the House of Representatives. The opening up of that vast empire of western Colorado to white settlement was one of the greatest services to our State that Senator Tellar ever rendered during his nearly 30 years' service in the

United States Senate.

I believe that whenever times change, and whenever there is a real demand for more of the public domain, for more homesteadrear definant for more of the public dollarin, for more homesceading, that Congress will open up suitable portions of some of the forest reserves to homesteading. There are probably 20,000,000 acres of land in the forest reserves today that are infinitely better than any of the land outside of it for agricultural purposes. And some time, when we need it, Congress has the power and will open D. I feel that the higher country, where there is more rainfall, where there is richer soil, and where there is a better class of land than the land this bill applies to outside of the reserves will be opened up as it may be needed. But it is practically hermetically sealed up at the present time, so far as homesteads are concerned. And yet sooner or later some of it will be opened up for homesteading.

Senator O'Mahoney. Congressman Taylor, was there any discussion in the House committee or on the floor of the House with respect to section 7 of the bill, which vests in the Secretary authority to classify the land, as to whether or not it shall be entered for homesteads, and therefore that clothes him with the power, by such classification, to control homesteading or to pre-

Representative TAYLOR. Yes; that was fully considered. Congress gave the same power to the Secretary of Agriculture. He

Senator O'MAHONEY. What I am driving at, Congressman TayLOB, is that this bill gives or rather goes to the fundamental question of principle. It changes the whole attitude of the Federal
Government toward the public domain so far as homesteading is

concerned, does it not?

Representative Tayloz. Yes; but it treats it as more valuable at the present time for grazing than for anything else. We think

that is true, but we give the Secretary full authority whenever he deems any of this land is more valuable for homesteading than

deems any of this land is more valuable for homesteading than for grazing purposes to take it out.

That language has been very carefully gone over and we thought it sufficient. We do not want to interfere in any way with the proper development of our country. I would be about the last person on earth who would want to interfere with the development of the West. There is a great deal of good land in the forest reserve; I travel over my district nearly every year in an automobile, zigzagging all over the western half of our State. I can ordinarily tall within a mile or so whether I am in the forest reserve or outserve; I travel over my district nearly every year in an automobile, zigzagging all over the western half of our State. I can ordinarily tell within a mile or so whether I am in the forest reserve or outside. When I get outside it is as barren as it can be. In some places so barren that a horned toad or a sand lizard could not live on it. On the other hand, when I get into the forest reserve the verdure is preserved, and it is kept so, and they have order and system, and they have preserved a marvelous asset for our country, in addition to the timber. I feel that we can in a somewhat different way, because it is a different character of land, exercise the same beneficial supervision over this land and gradually restore it. But it will take some time, of course. When the grass is all eaten off, it takes time to bring back the verdure. But there is a good deal of it left yet. But this bill ought to have been passed 20 years ago. At the same time we can do a great service and save a lot of it if we will pass the bill now. I believe it will be a godsend to the large herds and the large sheepmen as well as to the little fellow. Many of you do not remember, perhaps, that Senator Stanfield, of Oregon, was for a few years a very large sheepman; some 10,000 to 15,000 sheep of his roamed over my district for several years; those sheep came from Oregon. Many sheep come into my district from New Mexico, and I think Arizona, and I know they come in from Wyoming and Utah. Senator Harch. Don't you think that any Colorado sheep come down into New Mexico?

Representative Taxlor. I expect they do in the wintertime. I

down into New Mexico?

Representative Taylor. I expect they do in the wintertime. think it is a mutual custom. I know it is a mutual thing be-tween ourselves and Utah. I know that we have a thorough agreement as to about 350,000 head of sheep that range a part agreement as to about 350,000 head of sheep that range a part of the time in Utah and a part of the time in Colorado. I feel it will be a great asset to the sheep industry if the owners of sheep can know where they can put them. And, as I have already said, banks will be more liberal to loan money if they know where range is to be had for stock upon which they loan money.

I hope you gentlemen will understand that I am not complaining of adjoining States. I feel that it will be mutually beneficial to conserve this range and to have it orderly grazed. That is my thought about it. And I think it belongs to our people in the West primarily and that we should take care of it. If we do not do it certainly we cannot expect the eastern people to come forward and make us do it.

do it certainly we cannot expect the eastern people to come forward and make us do it.

Senator O'MAHONEY. Congressman TAYLOR, what is your opinion of the probable effect of this bill upon the small stockman as compared with the owner of large herds?

Representative TAYLOR. Oh, I think proportionately it will be tremendously beneficial to the little fellow. Now, on all the creeks, as you know, the creek bottoms are taken up all over the country. But the big herds do not have any respect for those people there. As long as it is public domain they graze right up to them, and But the big herds do not have any respect for those people there. As long as it is public domain they graze right up to them, and it takes a mighty tight fence to keep them out. They do not leave any range for the farmer or small stockman who has a few head of cattle and some work horses and milch cows. He has no other grass. Sometimes all the grass he can get is by way of getting a 640-acre homestead and fencing it.

Senator O'Mahoney. How will this bill be beneficial to the little

Representative Taylor. His preference right is expressly stated in the bill. That preference means a lot to him. The big fellow cannot eat him out of house and home.

Senator Adams. What section is that?

Representative Taylor. The little fellow has a preferential right to the adjoining range. The grass there is his own. It is in section 3 page 4

section 3, page 4

section 3, page 4.

I most heartily join in all the encomiums expressed concerning the homesteader. No one can have more sincere admiration and genuine affection for them than I do. My father was a homesteader, when he had only one neighbor within 20 miles. He first went to the Territory of Colorado in 1871, 5 years before it was a State. In fact, I proved up upon a desert-land claim myself, and I still own it. The praises and eulogies upon the American homesteader will continue as long as our Republic survives. The West was built and its present proud development restrives. The West was built and its present proud development rests most largely upon the courage, privations, and frightfully hard work of the pioneer homesteaders. That generation of pioneers of the West wrote, we think, the noblest chapter in the history of the world.

But my dear sirs, if those hardly pioneers had had to go onto the kind of land that is contemplated within this bill, the West the kind of land that is contemplated within this bill, the West would still be a barren wilderness. Even the Indians could not have lived upon it, and there never could or would have been any appreciable development of that country. It is no sacred privilege to give a man an opportunity to go on a plece of land that cannot be irrigated and never can have enough rainfall to raise a crop upon it and starve to death. One of the most heart-breaking sights in the world is to witness a man taking his family onto a piece of barren land that by no possibility could afford him a living, and to see the thousands of abandoned homesteads all over the arid Western States. Trying to induce people to settle that kind of land is tragic cruelty; and I do not want this bill to contain language that will force the Secretary of the Interior to

permit homesteads upon land that everybody knows is utterly unfit for homesteading, and that could not be taken for that purpose in good faith. I know that this committee does not want to encourage or tolerate fraudulent or sham homestead entries that encourage or tolerate fraudulent or sham homestead entries that might be made for the purpose of holding up the man who has a permit to graze upon them, and we should not put in language that would permit it. I think every western man knows that to-day there are thousands of 640-acre so-called "stockraising homestead" entries that have nobody living on them, and apparently nobody intends to ever live on them. If they did, they could not make a living upon them for themselves and their families, if they have any. So I feel that this bill should be written in view of the conditions that now actually exist, without any imaginary glorification of the dry-land homesteader.

I would like to have the committee also consider my statement before the Public Lands Committee of the House, pages 68 to 81

of their printed hearings and in the Record of March 24.

The bill tries to and I am sure it does protect all vested water rights, and in fact vested rights of all kinds.

Senator O'Mahoney. But the thought was that there was no in-

Senator O'Mahoney. But the thought was that there was no intention to embody a future classification of such rights.

Representative Taylor. No; but if there is any unappropriated water anybody can take it and appropriate it for any useful purpose. But if it is appropriated this bill does not authorize any interference with it.

Senator O'Mahoney. You would have no objection to a modification of the language in order to obtain that right, would you? Representative Taylor. No; none whatever. The General Land Office and the Forest Service officials are here and will give you their views if you care to examine them. They know the details

Office and the Forest Service officials are here and will give you their views if you care to examine them. They know the details of the working out of all these public-land matters.

The doctrine of priority of appropriation of water is thoroughly settled in those arid land States. The land is not worth scarcely anything unless it has a water right. The great mass of the land affected by this bill is dry and not susceptible of irrigation at all. It would cost more than the land is worth to get water on it, even if there was any possibility of getting it.

There was no intention to prevent anybody from developing our country. There was no intention to destroy anybody's rights. If the language in the bill does not protect them we will be glad to have it done.

have it done

Senator Erickson. The last administration and the Garfield

Senator Erickson. The last administration and the Garfield Commission recommended turning over all these lands to the several States. What objection could there be to that?

Representative Taylor. That Hoover-Garfield Commission held a great many meetings. The Deficiency Subcommittee of the House Appropriations Committee I am on appropriated the money for it. They never really all agreed on anything. But they finally did make a recommendation that the surface right to the remaining public lands be conveyed to the States. Whereupon all, I think, of those 11 States immediately flew up and said that they would not accept that kind of mere surface title.

Answering your question further, Senator Erickson, I will frankly say to you that in my judgment, you could no more pass a bill through Congress conveying all the public domain from the blue sky to the center of the earth to the several States than you could fly to the moon at this time. Bills of that kind have been introduced in Congress for the more than 25 years that I have been in Congress. Your Senators and Representatives from Wyoming and Montana have had bills of that kind pending here practically all of that time.

The people throughout the North, East, and South, both in and

The people throughout the North, East, and South, both in and The people throughout the North, East, and South, both in and out of Congress, are emphatically opposed to that measure. For that reason it is an utter impossibility to pass that kind of a bill. No bill of that kind has ever passed through either the Senate or the House. In fact, I do not think any bill of that kind has ever been even reported out of any committee. The people of this country are not yet willing to give to the Western States all of the hundreds of millions of dollars' worth of oil, coal, metalliferous minerals, gas, and a great many other valuabe substances beneath the surface of the lands in our States. I have always been in favor of that bill and some day we may be able to pass

that bill, but not now.

Senators, many of us from the West, have been working on this very matter for a great many years, and this bill is the best compromise we can possibly get. This bill passed the House by a roll-call vote of 265 to 92.

The question here is whether you want to do anything or do nothing for the future preservation and orderly use of our vast remaining public range and let it be ruined.

At the present time scarcely any of this land has any value whatever for homestead purpose. Our first thought is to conserve it. It is an effort in that direction. It will take time to do so. We may have as many changes in the future as we have in the

past.

Congress will still be here functioning for many years to come. It will always contain honest and intelligent men who will be just as much alive and alert to our welfare as we are. If this proposed policy doesn't work out right it will be changed. Now, unless you gentlemen disapprove of the Forest Service, and its policies, and disapprove of the policy of conserving our western country, I do not see how you can have any basis or reason for not applying practically that same policy to the remainder of Uncle Sam's unirrigable and almost barren public land.

Senator O'Mahoney. That is just what I am driving at. I am trying to get your answer to the proposition. I am trying to point out the fears that our people have. First, the Federal Govadministration of the forest reserves.

Representative TAYLOR. Yes. And we of the West had 10 times

more fears then than anybody has now of this measure, because we have that object lesson and example before us.

Senator O'MAHONEY. All right. Then they take the oil lands and the coal lands. Now they are taking the grazing lands. The next step will be the mineral lands. That is the fear that our people entertain.

Representative TAYLOR. Well, I respectfully point out to you gentlemen that they (the Federal Government) cannot take the next step, in the matter of mineral lands or anything else until and unless we (the Congress of the United States) let them do so. Senator O'Mahoney. Well, I am simply bringing up the fears of

Senator O'MAHONEY. Well, I am simply bringing up the leas of our people.

Representative Taylor. Certainly Congress is never going to abdicate its authority or lose its intelligence or patriotism, or its loyalty to the West. I cannot share in your fears. I cannot share in or comprehend the apparent distrust or at least, apprehension of the good faith or at least judgment of the Secretary of the Interior. There are about 10 times as much restrictions on him in this bill as there is on the Secretary of Agriculture in his administration of the forest reserves.

Senator O'MAHONEY. Well, I am simply bringing up the least of the senator.

Representative Taylor. To Market a supplied the senator of the senator of the senator of the senator.

administration of the forest reserves.

Senator Hatch. Congressman Taylor, I have not studied this bill carefully, but I am wondering if there is anything in it that interferes with present rights under the leasing law, or that would change that condition at all.

Representative Taylor. Not a thing. Every kind of a present right is respected and protected. My thought, gentlemen of the committee, is that we ought to take the bill up and read it section by section and deliberately consider it in that orderly way, and also examine these various officials from the Interior Department who are here now. However, I am not presuming to suggest the manner in which you consider the bill.

The Chairman. Well, that is what I thought we would do later

The Chairman. Well, that is what I thought we would do later on. But I wanted to give you an opportunity to make your statement before the committee.

Senator Adams. Congressman Taylor, may I ask one question, and one that you do not need to answer if you do not want to: If this committee should conclude that it would like unified management, would like to have the forest lands and the grazing lands administered under one administration, would you prefer that the bill be amended to put it within the Agricultural Department or within the Interior Department?

Representative Taylor. Well, Senator, frankly, I feel that that jurisdictional matter ought to be left to the President and his administration. I do not feel that I ought to make or approve any suggestion contrary to the terms of this bill.

Senator Adams. Well, do you think that the Congress ought to abdicate as to that?

Representative Taylor. No. I do not think Congress is abdi-

Representative Taylor. No. I do not think Congress is abdicating any of its rights in this bill. Of course Congress has the right to designate either Department or make any other change in the bill. But when these two Secretaries, who have the welfare of our country at heart, come to an agreement, which Congress has never, before 2 years ago, been able to get them to do, and are now in entire accord on this bill and earnestly appealing to you to pass it, I feel that we should go along with them. I am confident it would kill the bill if those two Departments should now be forced into a controversy over it.

Senator Adams. Well, will the next two Secretaries be together on it?

on it?

Representative Taylor. Well, if they do not, the Congress can and will then handle these matters as it thinks proper and necessary. If one or the other of them does not comply with this act, or for any reason they do not function harmoniously together as the present Secretaries are willing to and assure us they will do, then the Congress can take the matter in hand and make such adjustments as they see fit.

Senator Adams. I will say that we all share with you your admiration for them, but there have been Secretaries in the past for whom, we did not have the same admiration.

miration for them, but there have been Secretaries in the past for whom we did not have the same admiration.

Representative Tayloa. Yes; I fully realize that, I have had business and rather close acquaintance with both the Secretary of the Interior and of Agriculture for a great many years and with rare exceptions they have been very high-class men.

The substance of this bill was approved by Presidents Harding, Coolidge, and Hoover and it is now the official Roosevelt administration conservation bill. I know you will give due consideration to the letter of President Roosevelt to this committee urging you to pass this measure; also the very frank and convincing statements of Secretaries Ickes and Wallace, which are before you. I also call your attention to some tables before you showing statistics of the public range, and to the table showing the entries under the 640-acre homestead law.

The Charrman. Have you anything further to say. Congressman

The Chairman. Have you anything further to say, Congressman

TAYLOR?

Mr. TAYLOR. No, sir; except to say, in conclusion that I am profoundly confident that if you accede to the earnest appeal of President Roosevelt in his letter to you and pass this bill, you resident to write a very far-reaching and great conserva-

will be helping to write a very far-reaching and great conserva-tion chapter in the history of our country.

Mr. Chairman, the House today is taking up the stock-market control bill for the regulation of the stock exchanges. It will probably run 4 or 5 days. The Speaker has asked me to preside over the House during the consideration of the bill, so I will have to be excused from the committee hearings all the rest of this week

THE WHITE HOUSE, Washington, April 18, 1934.

Hon. ROBERT F. WAGNER,

Chairman Committee on Public Lands and Surveys, United States Senate.

MY DEAR SENATOR WAGNER: Congressman Taylor's bill, H.R. 6462, which has recently passed the House and is now before your committee, authorizing the Secretary of the Interior to regulate grazing on the public domain, embodies a principle which has my hearty approval, and I would appreciate the support of the proposed measure by the members of the Senate Committee on Public Lends and Surveys proposed measure by the Public Lands and Surveys.

FRANKLIN D. ROOSEVELT.

Sincerely yours, Franklin D. R. Table showing statistics of the public range [Acres-000 omitted]

	Vacant, unre- served public land	Principal public-range areas			
State		1-cent land	1- to 2- cent land	2- to 3- cent land	Total
Arizona	13, 204 16, 576 7, 546 10, 510	8, 480 10, 200 600 3, 600	3, 914 3, 400 5, 400 5, 400	652	13, 046 13, 600 6, 000 9, 000
Montana Nevada New Mexico	6, 177 51, 270 13, 078	35, 890 1, 884	37 15, 380 8, 216	3, 663 2, 500	3, 700 51, 200 12, 600
North Dakota Oregon South Dakota	146 13, 612 517	1, 170	9, 945	585	11, 700
Utah	25, 011 710 14, 327	16, 175 3, 900	7, 465	1, 240	24, 880 13, 900
Total	172, 083	81, 899	66, 957	9, 940	158, 796
square mile Stock-raising classification		Too poor	Too poor	Too poor in part	

Table showing number and area of homestead entries allowed and patented, beginning with the fiscal year 1918, the year the first stock-raising homesteads were allowed

NUMBER AND AREA OF HOMESTEAD ENTRIES ALLOWED

Tree of the same o	Stock raising		All others		Total	
Fiscal year	Number	Acres	Number	Acres	Number	Acres
1918	734	236, 578	38, 426	7, 761, 531	39, 160	7, 998, 109
1919		5, 558, 756	25, 976	5, 011, 184	41, 011	10, 569, 940
1920	20, 979	8, 228, 749	30, 106	5, 787, 012	51, 085	14, 015, 761
1921	25, 653	10, 313, 733	19, 896	3, 767, 012	45, 549	14, 080, 745
1922		7, 070, 176	12, 348	2, 137, 906	30, 270	9, 208, 082
1923		4, 257, 990	8, 871	1, 414, 057	19, 590	5, 672, 047
1924		2, 812, 664	7,500	1, 171, 491	14, 506	3, 984, 155
1925		2, 298, 039	6, 045	890, 647	11, 658	3, 188, 686
1926		2, 250, 485	5, 536	750, 918	10,790	3, 001, 403
1927		2, 663, 799	4, 907	695, 383	10, 888	3, 359, 182
1928		2, 751, 213	4, 896	727, 006	10, 774	3, 478, 219
1929	7, 268	3, 567, 010	4, 750	745, 415	12,018	4, 312, 425
1930		4, 125, 120	4, 728	795, 722	13, 248	4, 920, 842
1931		4, 201, 766	4, 602	722, 280	13, 099	4, 924, 046
1932	7, 291	3, 543, 582	3, 719	506, 272	11,010	4, 049, 854
1933	4, 884	2, 358, 231	2, 885	355, 798	7, 769	2, 714, 029
Total	157, 234	66, 237, 891	185, 191	33, 239, 634	342, 425	99, 477, 525
Sen paracelli	NUMBI	ER AND AREA	OF HOMES	STEADS PATE	NTED	One is a second
1919	21	4, 938	38, 798	8, 844, 069	38, 819	8, 849, 007
1920		376, 066	44, 042	9, 826, 905	45, 453	10, 202, 971
1921	4, 299	1, 249, 593	31, 144	6, 923, 209	35, 443	8, 172, 802
1922		2, 919, 820	31, 653	6, 712, 816	40, 052	9, 632, 636
1923		2, 590, 759	18, 312	3, 719, 171	25, 705	6, 309, 930
1924		2, 932, 158	12, 229	2, 407, 792	19, 996	5, 339, 950
1925		2, 507, 122	7, 364	1, 376, 017	13, 780	3, 883, 139
1926		2, 513, 676	6, 505	1, 163, 786	12,995	3, 677, 462
1927	6, 152	2, 400, 605	5, 498	1, 019, 549	12, 100	3, 420, 154
1928	3, 460	1, 387, 278	3, 324	540, 591	6,784	1, 927, 869
1929		1, 350, 385	3, 322	539, 641	6, 593	1,890,026
1930		1, 057, 262	2, 461	376, 643	4, 991	1, 433, 905
1931		1, 051, 593	2, 510	371, 431	4, 972	1, 423, 024
1932	2, 460	1, 099, 643	2, 201	338, 432	4, 661	1, 438, 075
1933	1,917	885, 453	1,747	257, 758	3, 664	1, 143, 211
Total	64, 448					

Note.—Attention is directed to the fact that the data as to patented entries do not involve entries allowed during the corresponding fiscal year. Inasmuch as residence is ordinarily required for 3 years and the life of the entry is usually limited to 5 years, it accordingly follows that the entries patented during any particular year were allowed during the preceding 3 to 5 years.

The figures relating to homesteads canceled and relinquished cannot be given with any degree of accuracy. Our records of entries canceled because of failure to submit final proof within the period allowed by statute, of entries canceled for cause, and of entries canceled upon relinquishments, include all classes of entries, and the relinquishment record also includes partial relinquishments as well as relinquishments of entries. Furthermore such records relate to number of entries only (no data as to areas involved), being compiled merely for monthly work-report purposes.

The following table gives the land grants made by Congress to | European allies to recognize and repay these obligations, each of the States shown:

State	Total land grants by Federal Gov- ernment to States	Land area of each State in acres	Percent of land grants to area of each State
Alahama	2, 258, 264	32, 818, 560	6.8
Arizona	10, 539, 263	72, 838, 400	14.4
Arkansas	9, 372, 993	33, 616, 000	27.8
California	8, 425, 861	99, 617, 280	8.4
'olorado	4, 433, 538	66, 341, 120	6.6
Florida	21, 969, 954	35, 111, 010	62.5
daho	3, 632, 157	53, 346, 500	6.8
	3, 639, 225	35, 867, 520	10. 1
Ilinois	4, 306, 253	23, 068, 800	18.6
	3, 019, 685	35, 575, 010	8.4
	3, 606, 783	52, 335, 360	6.8
Kansas Louisiana	11, 024, 628	29, 061, 760	37. 9
Michigan		26, 787, 200	23. 8
Minnesota	8, 372, 276	51, 749, 120	16. 1
Mississippi	4, 951, 261	29, 671, 680	16.6
Missouri	5, 574, 483	43, 986, 280	12.6
Montana	5, 869, 618	93, 568, 640	6. 2
Vebraska	3, 458, 711	49, 157, 120	7.0
Veoraska	2, 723, 647	70, 285, 440	3.8
New Mexico	12, 656, 028	78, 401, 920	16. 1
North Dakota	3, 163, 551	44, 917, 120	7.0
Ohio	2, 493, 005	26, 073, 600	9. 5
Oklahoma	3, 095, 760	44, 424, 960	6.9
Oregon	4, 353, 534	61, 188, 480	7.1
outh Dakota		49, 195, 520	6. 9
Jtah	7, 464, 276	52, 597, 760	14.1
Washington	3, 044, 471	42, 775, 040	7.1
Wisconsin	6, 220, 509	35, 363, 840	17. 5
Wyoming	4, 138, 569	62, 460, 160	6, 6

Note.—The bill H.R. 6462 passed the House Apr. 11, and passed the Senate June 12 and sent to the President June 15, 1934.

#### THE FOREIGN DEETS DUE THIS COUNTRY-FUTURE SOCIAL REFORMS

Mr. COLMER. Mr. Speaker, within the past few days President Roosevelt has delivered to the Congress two messages which, in my opinion, will go down in history as masterpieces among the messages of the Presidents of all time. Covering, as they do, two entirely different and distant subjects concerning the national welfare, they reflect, on the one hand, the courage and honesty of the man, and on the other, the humanitarian principles and foresight of a truly great President.

# THE FOREIGN DEBTS DUE THIS COUNTRY

The first of these messages deals with the indebtedness to this country of the foreign nations of the world. It was a strong statement by a strong man. It, as usual, was clear, unequivocal, and forceful. Undoubtedly it reflects the sentiment of the American people. It will be heralded throughout the country with enthusiasm and unstinted approval. Again the President reminds the debtor nations that this money was loaned to them at a time when they were struggling for national existence and subsequently for the purpose of assisting them in the restoration of their normal affairs. Moreover, his pointing out to these debtor nations that they were spending money in competitive armaments which ought to be paid to the taxpayers of this country was most timely. This should have a most salutary effect. Nations should not undertake another war until they have paid for the last one. There is a strong sentiment in Congress to require these debts to be paid, and the President's message was received in the Congress, on the whole, with enthusiastic

One wonders why, after all, there is any question in the mind of anyone that these debts should not be paid. This money was loaned to these foreign nations in good faith and they borrowed it on the same basis. When the people of these United States through the American Government first went to the financial aid of the foreign nations, the Germans were hammering at the gates of Paris. This financial assistance was followed with a sacrifice of American blood on a substantial scale. There is no question in the minds of the unbiased but that the cause of the Allies would have been lost without this timely assistance from the American people.

Subsequently, and after the Armistice, America continued to make colossal loans to these allies, as pointed out by the President, for the purpose of assisting them in the restoration of their normal affairs. It must appear to any fairminded person that the shameful failure of our former

incurred in their dire extremity, keenly evidences, in a high degree, a lack of appreciation.

The taxpayers of America are due the stupendous sum of \$11,747,186,781.17, which includes some \$386,000,000 due from the German Government. This colossal sum is the aggregate amount due from 19 foreign nations. But of the total of nearly \$12,000,000,000, nearly four billion is due from France and nearly four and a half billion from Great Britain and two billion from Italy. In other words, out of a total of nearly \$12,000,000,000 of debts due this country from some 19 foreign nations, ten and a half billion of this money is due from the three principal benefactors of our financial and man-power assistance rendered them during and immediately following the great World War.

Mr. Speaker, I am delighted with the firm stand that our President has taken on this matter. And whatever course others may pursue, I reiterate my position that as long as I am a Member of the American Congress, I shall not vote to cancel as much as one dollar of these foreign debts due to the American people.

#### FUTURE SOCIAL REFORMS

Turning from the sordid matter of debts and foreign relations, the other message of Mr. Roosevelt, referred to above, is a masterpiece in its broad humanitarian principles and social reform. It deals with the many perplexing questions which affect the social and economic life of our people. It must be perfectly manifest to those of our citizens who reflect upon the problems of our country and the world that we are living in a new era, under changed and strained conditions. This always follows in the wake of such a stupendous catastrophe as that which befell the civilized world between 1914 and 1918. The economic wealth of the world cannot be destroyed as it was in that period without the inevitable social and economic problems to be confronted after such a major war. Then, too, and no doubt accentuated by the war itself, our economic problems of unemployment have been aggravated by the perfection of newly discovered methods of production by machinery. The result has been unemployment on a large scale, social unrest, and a continual tendency of a rural people to migrate steadily to the urban centers.

With a clear vision and an active mind, President Roosevelt has timely recognized the far-spread evil now present as a result of these causes. With characteristic action and courage, he has in this latter message pointed out his determination to right the social wrongs and exhibited his plan to the Congress with the request that at the next session of the Congress the needed legislation be enacted to put these plans into effect.

Happily there is included in his plan the much desired and needed legislation for the care of the unemployed and the aged, which means old-age pension and unemployment insurance. These messages must be hailed by the American people with comfort and approval.

#### PRESIDENT ROOSEVELT

Mr. Speaker, the American people are to be congratulated that in this great national crisis they have as the captain of their ship of destiny, selected by the most substantial landslide of votes ever given a Presidential candidate, Franklin Delano Roosevelt. There must be an unseen but divine hand that guides him. He has, with the assistance of a sympathetic Congress, wrought the semblance of a miracle in the 15 months he has been the President of the United States. He has fed the hungry and clothed the naked. He has largely employed the unemployed. He has saved for the oppressed home owner the roof over his head and that of his family. He has prevented the foreclosure of the farmer's farm. He has given the tiller of the soil an adequate price for his agricultural products, the laborer a living wage, and the merchant a market for his wares. But, above all, he has restored the confidence of the American people in their Government and in themselves. He has changed darkness and despair into sunshine and hope.

I am happy that I have had an opportunity in this grave national crisis to contribute my humble part as a Member of Congress in all this and to uphold his hands and follow his leadership in the battle that is being waged against the

economic depression.

President Roosevelt has converted lethargy into action. Intensely human himself, he has sounded the challenge of humanity to humans. He has clearly pointed out the rights of man to men. With courage and simplicity, he is blazing the path of a new order in the lives of men which all nations will achieve in God's appointed time.

All hail this courageous captain and leader of our national

All honor to the man of the hour, Franklin Delano Roose-

#### THE NEW DEAL AND AURORA DAM

Mr. GREGORY. Mr. Speaker, 15 years ago the American people were victoriously emerging from the greatest war the world has ever known. Under the superb and matchless leadership of Woodrow Wilson, the Nation had been placed upon a lofty pinnacle toward which the people of the earth turned their war worn, tear dimmed, weary eyes to behold the radiant forms of truth and justice, freedom and right-eousness.

The American people were in a delirium of delight because peace had come and prosperity was abounding throughout the land. But in a little while a strange and mysterious change came over the hearts of our people. Materialism began to assert its sway and the spiritual values of former days were forgotten. The great champion of democracy who had been hailed as the savior of mankind from the perils of autocracy was hounded to his grave, and the political party to which he gave his allegiance was driven from power. With the advent of the Harding administration, there began an orgy of corruption in high places such as no civilized people had ever known. Those in authority permitted the establishment of an oligarchy of greed which defied the spirit of the Constitution and trampled upon the rights of the whole people. The high priests of privilege and plunder stalked with arrogant tread into the very Halls of Congress and compelled the enactment of laws which enabled the favored few to rob the millions. The cruel, heartless power of wealth established a sordid despotism in this country which exacted tribute from every avenue of human endeavor. Refusing to heed the warnings of history, these buccaneers of high finance continued to reap where they had not sown. The rich became richer and the poor became poorer.

The burdens of the people became unbearable, and the public conscience was once more awakened. The people of any country have always been the arbiters of their own destiny. They may have endured hardships while despots ruled, because they did not choose to exercise their inherent power. Since the beginning of time no just government has existed which has not been bulwarked, buttressed, and supported by the plain people. Therefore, when our people saw their property taken from them without just recompense, they arose against those who had embezzled the power by which they had enriched themselves. The battle for restoration of popular government in America was on, and the plain people gladly acclaimed the leadership of a crusader whom the privileged class could not terrify, an evangel who dared at all times to speak the truth-Franklin D. Roosevelt. Under the inspiring leadership of this man the people won a victory which the future historians will record as the beginning of an era of prosperity and happiness such as the American people have not heretofore enjoyed.

## PERILOUS CONDITION OF THE NATION

No head of any government ever faced greater tasks than those which confronted Franklin D. Roosevelt on March 4, 1933, when he took the oath of office as President of the United States and the Democratic Party came into control of the legislative branch of our Government.

Thousands of farmers were being driven from their homes under mortgage foreclosure proceedings, and those who were able to retain their homes found no market for the products of their toil, because the hungry millions were unable to buy; banks were crashing and sweeping away the savings which

millions of our people had prudently laid away to provide for their support in their declining years; great factories were closed and the myriad wheels of industry were idle; merchants with commendable pride and a high sense of honor were trying to avoid the bankruptcy courts; our great systems of transportation were threatened with dissolution because of the lack of freight to carry; millions of sturdy Americans, homeless and unemployed and without food to sustain their wasting bodies, were tramping up and down the streets of every city in the land; the credit of the Republic was in great danger. Robbed of everything but their faith in Franklin D. Roosevelt the toiling masses of America displayed a courage as sublime as that of any soldier at the red front of battle. But for this faith and this courage. liberty would have perished and organized society would have yielded to the sway of the mob where the strong only could survive.

#### PROGRESSIVE ACHIEVEMENTS

Immediately after taking the oath of office the new President set himself to the task of restoring order out of chaos. He called the Congress into extraordinary session and demanded action. In the 15 months which have passed since that memorable day when the Seventy-third Congress convened more legislation for the benefit of the great masses of the people has been enacted into law than has been accomplished in a similar period of time in any legislative body in any age or clime. It is true that many of the laws enacted since Mr. Roosevelt became President are of a temporary nature to meet present emergencies. As conditions of the country become better and as we approach normal times these emergency laws will be repealed or cease to be effective by reason of the limitations of their operation provided at the time of their passage. Many of the other laws are of a permanent nature and will be a protection to the people long after the present emergency shall have

It is well known to all that at the time of Mr. Roosevelt's inauguration thousands of banks had failed and runs were being made upon those which still remained in business which would have led to the collapse of the entire banking system. The President directed that all banks be closed in order that an investigation of their solvency might be made and the faith of the people in their banking institutions might be restored.

The Congress promptly passed certain banking legislation recommended by the President, and as a result of these laws thousands of banks were reopened. The powers of the Reconstruction Finance Corporation were greatly enlarged and through the medium of this great organization the frozen assets of banks throughout the United States were made liquid. Later on laws were enacted to insure depositors in banks and since these laws became effective not a single bank failure has occurred. Within the last few days additional legislation has been passed which will further strengthen banks that are now open, and will enable closed banks to pay millions of depositors for the losses they have sustained. Through loans to mortgage companies and building-and-loan companies made by the Reconstruction Finance Corporation, thousands of homes have been saved to their owners. Today our transportation facilities are in a much stronger position, and the increased business which they are receiving as a result of the general betterment of conditions throughout the United States has so increased the income of railroads that they should be able to be placed upon a sound financial basis. The Reconstruction Finance Corporation has also been of great value in saving many of our large insurance companies. The preservation of these institutions is of vast benefit to the people of this country, because millions of people had placed their savings in these institutions in order to provide themselves with a means of maintenance in old age and to protect their families in the event of death.

Objection has been raised to loans made to the insurance companies, but it must be remembered that these companies hold a large part of their investments in loans upon farms and other real estate throughout the United States. The failure of these companies would not only have meant great

tion of their families but also to a very large group of people who would have lost their homes and property if the insurance companies had been compelled to foreclose mortgages which they held. The Reconstruction Finance Corporaation has also extended great relief to the farmers in crop loans, and loans to cooperative associations which have marketed the crops of farmers. Through the establishment of the Farm Credit Administration hundreds of thousands of American farmers have been enabled to borrow money which enabled them to save their homes and to continue in their chosen avocation. The Agricultural Adjustment Administration has been of great benefit to the farmers, and through its operations wheat, cotton, tobacco, and corn are now selling for more than twice the price received before the Roosevelt administration took charge of the affairs of the Nation. The cash income of the farmers during the last 15 months has increased more than a billion and one-half dollars. The goal of the present administration has not yet been reached and we are not wholly satisfied with the results thus far obtained, but what critic of the administration would ask us to go back to the closing days of the Hoover administration?

The farm situation has not only greatly improved, but vast strides have been made in industry. Large increases in business have been shown in practically every line of industrial activity, and labor has had its share in this increase. The enactment of the National Industrial Recovery Act has restored jobs to millions of American workmen and has added largely to the pay envelops of these worthy groups. No one would want to go back to the chaotic days of 1932.

Our income-tax laws have been strengthened in order to prevent the rich from so manipulating their tax returns as to escape their just proportion of the burdens of the Government. The Securities Act is protecting the public in the selling of stocks and bonds of little or doubtful value. This means that millions of dollars yearly will be saved to the people of America. Speculation which was so prevalent during the Hoover administration, and which resulted in the great collapse of 1929, cannot be repeated, because in the future the stock exchanges will be under Government supervision and regulation. Many of the ills which our country has suffered are due to the high-tariff laws adopted while the Republicans were in power. At this session of the Congress we have given the President the power to adjust tariff regulations and to break down the barriers which have destroyed our foreign commerce.

While the Home Loan Bank Board was established in the latter days of the Hoover administration, its powers were limited and it did not really become effective until amendments to the law were enacted by the Democratic Congress. As a result of the broadening of the powers of the Home Loan Bank Board more than 200,000 home owners have been able to save their homes and more than \$50,000,000 in loans each week are now being made as a further protection for home owners. Relief has not only been granted to desperate owners of homes and farms, but millions of American people who were shelterless and without food have been given great relief.

One of the principal points of the platform upon which the Democratic Party was swept into power was the pledge to reduce normal running expenses of the Government. This pledge has been kept faithfully, and with the passing of the depression it is expected that the Government will have a balanced Budget and will be able to live well within its decreased income.

I am glad to say that it has been my happy privilege to support the President in all of these progressive measures, and that I have approved his efforts to reduce the cost of Government not only by trying to exert such influence as I may possess, but also by casting my vote for a reduction of the expenses of the Government.

The various relief agencies established throughout the country to take care of our unfortunate fellow citizens well demonstrates the humanitarian side of our great President and of those who have faithfully followed the programs laid

loss to those who carry policies of insurance for the protection of their families but also to a very large group of people who would have lost their homes and property if the insurance companies had been compelled to foreclose mortgages which they held. The Reconstruction Finance Corporation by him. While these relief measures are of a tempotrary nature, the President has given to Congress far-reaching programs which, if adopted by the Congress, will result in better homes and in greater security for the lives and property of our people.

# TENNESSEE VALLEY AUTHORITY AND AURORA DAM

One of the first great experiments of this nature was the creation of the Tennessee Valley Authority. During the World War Woodrow Wilson brought about the development of the great power plant at Muscle Shoals. At that time this great property was acquired for military purposes with the distinct understanding that it should serve the needs of the people when peace should return. Since I have been a Member of Congress I have repeatedly voted for bills which directed the operation of Muscle Shoals for the development of cheap electric power and for the manufacture of cheap fertilizer for the farmers of this Nation. Each time a bill of this character has been passed a Republican President has overriden the wishes of the people as expressed through their Representatives in Congress, and for 12 years this great plant laid idle.

Under the Democratic administration a vast development has been undertaken in the Tennessee Valley. Not only has the great plant at Muscle Shoals been put into operation, but great dams are now being built on the Tennessee and other rivers for the development of power for the use and benefit of all the people and not for the purpose of the enrichment of a few utility companies. With the close of this session of Congress there will have been made available for the Tennessee Valley Authority a large sum of money for the construction of additional power dams in the Tennessee Valley. One of these power dams is in my own congressional district and is popularly known as the Aurora Dam. I have devoted much time and effort during the present session of Congress to secure an appropriation for the construction of Aurora Dam, and I am happy the building of this dam is now definitely assured. The building of this dam will mark the beginning of a new era of prosperity in my congressional district and adjoining territory. Thousands of men will be employed in the construction of this dam and in the clearing of land which will be necessary for the overflow which will be caused by the formation of a lake more than 150 miles in length. The expenditure of the large sum of money necessary for the completion of Aurora Dam will mean much to the thousands of unemployed in this immediate section, but its more lasting benefit will be found in the reduction of electric power rates and in the development of great industrial enterprises desiring to take advantage of the cheap power which will be afforded.

Western Kentucky and western Tennessee are rich in their mineral resources. No finer ball and sagger clays can be found anywhere than is found in abundance in the vicinity of the proposed Aurora dam. Already large industrial interests are contemplating the erection of plants in this section to develop its great mineral resources. Desirable as these industries may be from a financial standpoint, I am more deeply interested in the opportunity which the construction of the dam at Aurora will afford to the people in cities and on the farms to obtain electric power at a fair and reasonable price. When this great power project is completed the people of my district will enjoy benefits which would have been denied to them so long as they were compelled to depend upon private utility companies to furnish them with power. In the development of this great project it is the ultimate purpose to make electricity available at every farm home. With this cheap current the burdens of the housewife will be greatly reduced. She may not only have the convenience of electric lights in her home but likewise will have electric appliances to aid her in her housework. The man on the farm will also be able to procure many labor-saving devices as a result of the availability of this cheap electric power. Thus the farmer and his family may enjoy comforts and conveniences which only a few in cities now have.

demonstrates the humanitarian side of our great President and of those who have faithfully followed the programs laid the United States, it has been discovered that the utility

companies have been exacting an unjust tribute from the users of electric power. They have induced millions of Americans to invest in their watered stocks. I have received many letters from elderly men and women in my own congressional district who have invested their savings in these utility companies whose stock is now worthless. These old people are in the same condition as thousands of other worthy people who are left penniless in their declining years. The collapse of the Insull power interests is a striking illustration of the manner in which investors in utility stocks have been treated, and likewise shows that the consumers of power have been required to pay unconscionable prices for the services which they have received. With the development of the Aurora Dam the people of my section will be able to obtain power for about one-third of the price now being paid to utility companies. This statement is not a prophecy of mine, but is founded upon actual facts. The Tennessee Valley Authority is selling power from Muscle Shoals, and a number of counties in the northeastern section of Mississippi have contracted for this power. The price which they are paying to the Tennessee Valley Authority for power in Mississippi has been reduced to less than one-half of the price heretofore paid to utility com-

In my own congressional district the price paid for electric power ranges all the way from 8 to 15 cents per kilowatthour. While my people are paying these exorbitant prices to utility companies, people in Mississippi, who have the advantage of power furnished by the Tennessee Valley Authority, will pay a maximum price of 3 cents per kilowatthour. My heart rejoices to know that in the near future the people of my own congressional district are to have electric power in their homes and in their places of business at prices which they can well afford to pay.

I shall always feel happy that I have had the privilege of contributing my services to the people of my congressional district in procuring the construction of Aurora Dam, which will not only be a blessing to the people of my day and time but will be handed down to the generations which are yet to come. The people of my congressional district have worked with unflagging zeal for the construction of this great power plant at Aurora, and I am deeply indebted to them for the valuable assistance which they have given to me in properly presenting the claims of the people of Kentucky and Tennessee who will be benefited by the construction of this great project.

## CONCLUSION

Within a few days the Seventy-third Congress will have adjourned. Throughout the session of this Congress I have loyally followed the leadership of our great President. If there are groups in my district who are dissatisfied with some of the laws which have been enacted at the request of the President, I am sure no group can question his honesty and sincerity in endeavoring to use the powers of Government in an effort to be of real and lasting service to mankind. The American people chose him as their Commander in Chief to fight against entrenched privilege, to route the depression, and to restore to the people the sacred rights which their forefathers left to them as a glorious heritage. Through the kind partiality of the people of the First Congressional District of Kentucky I have been permitted to serve as a lieutenant in the battle which our intrepid leader has been fighting. I could not see my way clear to desert the people's champion and my leader at any stage of the battle.

I am a Kentuckian and many times I have gazed with pride upon the great seal of my State painted in luminous colors in the Hall of the House of Representatives. That shield has upon it the figures of two men with hands clasped and around them is the motto: "United we stand; divided we fall."

Not only as a Kentuckian but as an American, I appeal to my fellow countrymen to stand loyally by Franklin D. Roosevelt, for "united we stand; divided we fall."

## THE SUGAR-BEET INDUSTRY

Mr. KNIFFIN. Mr. Speaker, there is, perhaps, no industry in the United States, the importance of which is less

understood and less appreciated, by the rank and file of the American people, than our domestic beet-sugar industry.

Coming, as I do, from a district where sugar-beet growing constitutes one of our major agricultural activities it may be assumed, and properly so, that I am vitally concerned regarding the success and development of this essential industry. I submit, however, that the time has come when it behooves the Members of Congress, the people of the United States and especially those who are vitally interested in the agricultural and industrial welfare of this Nation to become informed relative to the economic importance to this country of this great industry, whether or not they represent or reside in sugar-beet producing areas or districts.

I repeat, the time has come when the American people must recognize and realize the agricultural and industrial importance of this vital industry. I have sufficient confidence in the intelligence of the American people to believe that once they come into a full realization of the importance of our domestic sugar industry to agriculture, to labor, to industry, to self-preservation, and to the economic welfare of the United States they will not only demand that the production of beet sugar from sugar beets grown on American farms by American farmers and processed in American factories by American labor and be continued, but they will insist that no obstacle or barrier be created which would tend to retard the development and expansion of our beet-sugar industry.

Sugar is one of our most essential articles of food. Thirteen percent of the energy expended by the American people in their work and play is derived from the sugar they consume. In other words, sugar is essential to the well-being of every man, woman, and child within the confines of the United States. In the light of these facts it would seem that the United States should strive to eliminate the necessity of being dependent upon foreign nations for the major portion of its sugar requirements. Further, it is obvious that America must at all times be assured of an adequate supply of this essential commodity at reasonable prices. In this connection I submit that we can provide no greater assurance that our sugar requirements will, at all times and under all conditions, be supplied, than by maintaining and developing a healthy and vigorous sugar industry in continental United States.

It has been charged in certain quarters that our domestic beet-sugar industry is expensive and inefficient. Presumably this charge is made on the theory that the cost of producing sugar from sugar beets, grown and processed in the United States, is greater than the cost of producing sugar from sugarcane grown by peon labor in foreign countries. I concede that, because of the standards of living in the United States, American farmers and American labor cannot produce sugar as cheaply as it can be produced in countries where peons labor from dawn till dark, under a foreign flag, and under conditions that approach slavery. On the other hand, I do not subscribe to the theory that because sugar can be produced cheaper in a foreign country than we can produce the article in the United States that our domestic sugar industry can be properly declared to be expensive and inefficient.

If our domestic beet-sugar industry is to be so charged, then practically every other agricultural industry in the United States should be likewise declared expensive and inefficient, since there is not a crop grown on the farms of the United States which cannot be grown at a lower cost in one or more foreign counties.

I submit that no American industry which can and does supply the American people with an essential commodity at a price far below the price charged for a like commodity in any other country in the world can be rightfully declared inefficient. In the case of sugar, it is a known fact that the American people are able to obtain their sugar requirements at a cost lower than any other people. (Congressional Record, Apr. 4, Hon. Prentice Brown's speech, p. 6029, shows comparative prices of sugar.)

Our Canadian neighbors are unable to produce but a very small part of their sugar needs and are therefore at the mercy of the internationalists and foreigners who control the supply. As a result of their plight they are at this moment required to pay approximately 50 percent more for sugar than we are.

Further, need I remind you that our domestic beet-sugar industry has played an important part in keeping the price of sugar within a range which makes it possible for the American people to purchase sugar at a price below that of any other peoples? In other words, a careful study of sugar prices reveals the fact that whenever the cane sugar grown in foreign countries and marketed in the United States does not have to compete with beet sugar grown and processed in the United States, the price of the article to the consumer almost immediately advances. I honestly believe that if we did not have a domestic beet-sugar industry the American people would today be compelled to pay from 10 to 15 cents per pound for sugar. Further, I am firmly convinced that, while the protection afforded our domestic beet and cane sugar industry may appear to the uninformed as a tax upon the American people, levied solely for the benefit of a few hundred thousand sugar beet and sugarcane growers, if we did not have a domestic sugar industry the American people would be forced to pay exorbitant prices for sugar. In other words, every dollar presumably paid out by the consumers to protect our domestic sugar industry actually saves them from being forced to pay several times that sum in the form of higher sugar prices. For example, in 1920 sugar retailed at 30 cents a pound, and it was not until beet sugar came into the market that the price was brought down to normal levels.

In other words, 1 month after the first beet sugar entered the market the price declined to less than 6 cents a pound. In the meantime hundreds of millions of dollars had been extorted from American consumers for no better reason than that the tropical producers of foreign-grown cane sugar had a monopoly of our market.

I have observed that anyone who raises his voice in the defense of our domestic sugar industry is almost immediately reminded that the United States has an obligation to Cuba and the Philippines which must be considered. I fully recognize this obligation, but I submit that if the United States is under obligation to assist Cuba or the Philippines it is a national obligation to be borne equally by all the people and not by one particular area or one particular group.

I do not claim to be an authority on sugar, nor shall I attempt to speak for the sugar-beet growers in the western area of the United States, but I am more or less informed relative to the economic importance of the beet-sugar industry of Ohio, Michigan, Indiana, and Wisconsin, and I submit that unless we give full recognition to the importance of this industry we will have to admit that we have failed to serve the best interests of our people.

The American people are beginning to appreciate that the continuance and development of our domestic beetsugar industry are essential to the agricultural and industrial welfare of this Nation, and I, for one, am firmly convinced that they will not sanction nor condone any action which will curtail or retard this vital industry. To advance the argument that we must crucify our sugar industry and thus deny our farmers the right and opportunity to engage in the production of a nonsurplus and profitable crop in order to appease the greed of the sugar producers in foreign lands will be to invite unanswerable protests. Personally, I deny that we have the right to retard the development of this industry, and I shall continue to raise my voice in protest against any action that will work a hardship upon the American farmer in order to bring back prosperity to the sugar producers of a foreign country.

Last year 22 of the 25 beet-sugar factories in Ohio, Michigan, Indiana, and Wisconsin were in operation, and a total of 29,118 farmers seeded 241,500 acres of land to this essential crop. I would remind you that sugar beets is one of the few nonsurplus crops grown in the United States, and I would particularly call your attention to the fact that during the last 3 years sugar beets was the only major crop

grown in Ohio, Michigan, Indiana, and Wisconsin which brought the farmers a cash return in excess of production costs. Thus, by reason of our having a beet-sugar industry, 241,500 acres of land, which otherwise would have gone into the production of nonprofitable or surplus crops, were devoted to the production of a profitable and nonsurplus crop.

As a result of the reduction in the amount of beet sugar the American producers are to be permitted to market under the present quota system, thousands of farmers will be denied an opportunity to engage in sugar-beet culture, tens of thousands of acres of land will have to go into the production of surplus and nonprofitable crops, and several of our beet-sugar factories will stand idle. Let us not forget that every idle beet-sugar factory will stand as a monument to the theory that the rights of remote tropical labor in foreign countries supersede the rights of the American farmers. Let me remind you that a day of accounting will come, a day when the American farmers, when the American people, will demand to know why an American industry which does not contribute to the production of surplus crops should be sacrificed for the benefit of foreign cane-sugar producers and a handful of American investors in foreign countries. Let me remind you that a day of accounting will come; a sugar-beet growing under the American flag are contrary to the intent and avowed purpose of the Agricultural Adjustment Act, and we should be exceedingly careful not to permit the sacrifice of American agriculture and American industry because of the selfish interest of a few large bankers in this and other countries.

While it is true that the agricultural phase of the domestic beet-sugar industry is of primary importance, let us ever remember that the subject of American labor is materially involved. I am reliably informed that it requires 8 manhours of labor to produce 100 pounds of sugar; thus every hundred pounds of refined sugar brought into the United States means that 8 hours of employment are denied to American labor. I am also informed that every 100 pounds of raw sugar brought into the United States means that approximately 7 hours of employment are denied to American labor. In other words, the importation of either raw or refined sugar from foreign countries is, in effect, the importation of foreign labor which must of necessity compete with American labor. On what theory can we justify the importation of foreign labor, in the form of foreigngrown cane sugar, while millions of Americans walk the highways of rural America and the streets of our cities seeking employment? What excuse are we going to give to the women of America who know not where to turn for food for their children because the head of the family has been denied employment as a result of acts which resulted in the closing of our factories? Mr. Speaker, I am in sympathy with any program which will tend to improve the conditions of mankind everywhere, but I will not approve nor will I refuse to lift my voice in protest against any program or proposal designed to further the welfare of foreign agriculture and foreign labor at the expense of the American farmer and the American wage earner.

According to information which comes to me from reliable sources the beet-sugar industry in Ohio, Michigan, Indiana, and Wisconsin resulted in the utilization of 37,530,304 manhours of American labor last year. Our farmers and factories gave employment to a total of 35,220 wage earners, thus, taking into consideration the sugar-beet-growing farmers, the beet-sugar industry in the four States provided employment for 64,338 persons and, in addition, to thousands of coal miners, limestone quarrymen, coke-oven operators, textile workers, cotton growers, truck operators, railroad men, bag makers, machinery builders, and the producers of miscellaneous supplies and materials. I find, for example, that in 1933-34 the 22 beet-sugar factories consumed 379,929 square yards of cotton filter cloth; 379,811 tons of coal, coke, and limerock; 243,645 barrels of fuel oil; 6,376,543 sugar and pulp bags; and \$1,882,958 worth of miscellaneous supplies. Our railroads and trucking companies will receive over \$3,242,868 for transporting sugar beets, sugar, pulp, molasses, and supplies. The employees of the | ness, hunger, and poverty as the result of the failure of sugar-beet growers and beet-sugar companies received in excess of \$5.000,000 in the form of wages, while our farmers will receive approximately \$11,000,000 for their crop. I mention these figures, Mr. Speaker, not to burden the RECORD, but rather to show that we cannot limit our consideration of the importance of the beet-sugar industry merely to the millions of dollars it brings to our farmers.

True, millions of dollars may be paid to our farmers in the form of benefit payments, but let us not forget that these payments in the final analysis will come out of the pockets of the American people. Neither should we forget that every pound of sugar we import from foreign countries means the denial of employment to American workingmen in our beet fields, our beet-sugar factories, our coal mines, our railroads, our trucking companies, our foundries and machine shops, our bag mills, our chemical plants, and the denial of business to hundreds of American industries.

In conclusion, may I remind you that the figures I have presented in this address refer only to the beet-sugar industry in Ohio, Michigan, Indiana, and Wisconsin (the socalled "eastern area") and only represent in part the economic importance of an industry which produced only 4,691,283 of the 17,666,531 bags of sugar consumed annually by the people of Ohio, Michigan, Indiana, and Wisconsin. In other words, the beet-sugar production in these four States is less than 25 percent of the total sugar consumed by the citizens of these States. Therefore, I submit, Mr. Speaker, that it is unsound, unfair, and unjustifiable that the production of beet sugar in this or any other area should be restricted to a point anything less than the potential production capacity of the present beet-sugar factories.

Further, as one who appreciates the value of this essential industry to both agriculture and industry I desire to go on record as favoring the development and expansion of this great industry rather than its curtailment and elimination, as have been suggested. I take this position on the theory that every pound of sugar produced in the United States contributes to the agricultural and industrial welfare of this Nation, provides employment for American wage earners, reduces the acreage to be devoted to the production of surplus and nonprofitable crops, and finally, because the maintenance of a healthy and vigorous domestic sugar industry is our best assurance that the American people will, at all times and under all conditions, be able to purchase this

essential article of food—sugar—at a reasonable price.

Mr. Speaker, I stand squarely for no limitation whatever upon our domestic producers of sugar. The most we have ever produced in any one year only amounted to about onethird of our domestic requirement. We need the industry very badly, and I maintain that we should permit our people here at home to produce all that they can produce and then permit our insular possessions and Cuba to supply the rest of it.

## AMENDING RAILWAY LABOR ACT

Mr. LARRABEE. Mr. Speaker, I am greatly impressed by the report of the Committee on Interstate and Foreign Commerce in asking passage by this House of the bill (H.R. 9861), a bill to amend the Railway Labor Act of May 20, 1926.

After giving this bill as much study as time has permitted I am of the opinion that it is imperative that such legislation be enacted into law at once as assurance against possible labor strife in connection with the all-important railway-carrier system of the Nation.

Fortunately enough there has been little trouble of this nature, recently, but we have seen, through observation of labor disputes growing into strikes of serious nature in fields of industry and even in the realm of agriculture, a significant forecast of what might happen if, through some misfortune, labor warfare should tie up, even for a brief period, the Nation's most important carrier system.

History should have taught us by now that railroad labor disputes may tie up indefinitely practically all of the Nation's industrial structure, throwing millions of men and wemen in all branches of commerce and industry into idle-

great railroad network and its facilities to move the necessities of other commerce and industry.

I believe I can see in this bill, which merely amends the old law, but which at the same time provides what we now believe to be very vital amendments, the best assurance of continued harmony of relations between employee and employer in the Nation's railway system. Certainly then, such assurance is the best insurance obtainable against any serious tie-up of the transportation system.

The committee has held extensive hearings on this bill and has deliberated this subject at great length. I am glad, I am indeed happy, to accept and support their report and their recommendation that this bill be passed.

We are assured that this bill is pleasing to railway labor, as this branch of labor, through the representatives of the 21 standard railway labor organizations, has registered its approval of the bill during the committee hearings.

This bill, I believe, will prohibit interference with freedom of association among employees and prevent the denial of the right of employees to join a labor organization of their own choosing as a condition precedent to their employment.

It will, I believe, provide complete independence of carriers and of employees in regard to self-organization.

It will, I believe, provide prompt and orderly settlement of all disputes growing out of grievances and out of interpretation or application of agreements concerning rates of pay, rules, or working conditions, so as to avoid any interruption of commerce or of proper operation of any carrier engaged in such activity.

This bill does not introduce new principles into the existing Railway Labor Act, but amends the act in order to correct defects which have become evident after years of experience. It does not change the methods of conference. mediation, and voluntary arbitration to settle major disputes over wages and working conditions, which are provided in the Railway Labor Act of 1926, now in effect.

It does provide that employees shall be free to join any labor union of their choice and likewise be free to refrain from joining any union if that be their desire, and forbids interference by the carriers' officers with the exercise of such rights.

Although this bill provides that labor unions shall be free from employer influence and control, it does not give preference to any particular union or class of unions.

The necessary machinery is set up for the taking of a secret ballot to enable the board of mediation to determine what representatives the employees desire to have negotiate for them with managements of the carriers in matters affecting their wages and working conditions.

More than all this, it forbids the use of carriers' funds to maintain, aid, or control the labor organizations of the employees, and specifically prohibits carrier managements from requiring employees to sign "yellow dog" contracts, requiring them to join company unions.

The Railway Labor Act of 1926, now in effect, provides that representatives of the employees, for the purpose of collective bargaining, shall be selected without interference. influence, or coercion by railway management, but it does not provide the machinery necessary to determine who are to be such representatives. These rights of the employees under the present act are denied by railway managements by their disputing the authority of the freely chosen representatives of the employees to represent them.

A considerable number of railway managements maintain company unions, under the control of the officers of the carriers, and pay the salary of the employees' representatives, a practice that is clearly contrary to the purpose of the present act, but it has been difficult to prevent it because the present Railway Labor Act does not carry specific language in respect to that matter. This bill is expected to correct that defect.

The second major purpose of this bill is to provide sufficient and effective means for the settlement of minor disputes known as "grievances", which develop from the interpretation and/or application of the contracts between the labor unions and the carriers, fixing wages and working conditions. The present Railway Labor Act provides for the establishment of boards of adjustment by agreement. In many instances, however, the carriers and the employees have been unable to reach agreements to establish such boards. Further, the present act provides that when and if such boards are established by agreement the employees and the carriers shall be equally represented on the board.

Many thousands of these disputes have been considered by boards established under the Railway Labor Act; but the boards have been unable to reach a majority decision, and so the proceedings have been deadlocked. These unadjusted disputes have become so numerous that on several occasions the employees have resorted to the issuance of strike ballots and threatened to interrupt interstate commerce in order to secure an adjustment. This has made it necessary for the President of the United States to intervene and establish an emergency board to investigate the controversies. This condition should be corrected in the interest of industrial peace and of uninterrupted transportation service.

This bill, therefore, also provides for the establishment of a national board of adjustment to which these disputes may be submitted if they shall not have been adjusted in conference between the parties.

#### MACKINAC STRAITS BRIDGE

Mr. DONDERO. Mr. Speaker, the purpose of the bill before the House, H.R. 9653, is to grant to the State of Michigan, or its assigns, authority to construct a bridge or a series of bridges across the Straits of Mackinac.

For nearly 30 years, business and the call of the great north country in my State has taken me to and across that majestic expanse of blue water many times. The Straits of Mackinac, as many of you know, separates the Upper Peninsula of Michigan from the Lower Peninsula and connects Lake Michigan with Lake Huron. At the narrowest point between the two peninsulas it is over 4 miles wide, with water 250 feet deep, which flows through the straits with considerable current.

There are a number of islands in the straits, one of which bears its name. Mackinac Island is known to many of you and is also known throughout the entire country, not only for its natural beauty, but also for its historic interest. The flags of three nations have fluttered from the summit of its limestone cliffs. It is one spot in the Nation where grease and gas have not disturbed the peace and tranquillity of a nature-loving people. Stop lights, speed laws, and traffic officers are unknown and unnecessary on that island. It is still the land of the horse and carriage. Automobile horns have not yet profaned the silence of that delightful abode. Mackinac Island is an emerald gem on the breast of a sapphire sea. Its sister islands and the region round about the straits remain in their pristine glory the same today as when the red man stole through their forest isles. Its natural beauty is without equal on the bosom of the unsalted seas. It is "the land of the sky-blue waters" of which the poet wrote. God touched it with a generous hand and left it one of the choice creations of His handiwork.

This bill would lay the foundation for a scheme to mar and disfigure that priceless heritage of the people. This is but a plan to get the camel's nose under the tent. The purpose is to build a bridge or series of bridges-four of themfrom one island to another to connect the two peninsulas. at an estimated cost of \$35,000,000 of the people's money. It is proposed to erect steel and concrete piers and cantilever spans across and over the south channel of the straits at a point 20 miles southeast of the narrowest point between the two peninsulas by erecting a bridge 6 miles long from the mainland of the lower peninsula east of Cheboygan to Bois Blanc Island; constructing a road about 12 miles long across Bois Blanc Island, connecting that island with another bridge to Round Island, and continuing with still another bridge from Round Island to Mackinac Island, and with a further bridge from Mackinac Island to the mainland of the Upper Peninsula, totaling about 11 miles in bridges.

A survey was made by the United States Coast and Geodetic Survey under the Department of Commerce, and a report filed March 6, 1934. Dr. C. M. Cade, State administrator and engaged at Michigan State College, at East Lansing, Mich., represented the Coast and Geodetic Survey. In his report he says:

That the Michigan State Highway Department has in years past studied this idea and seemed to feel that the bridge, if built, should be in a position as shown in red on the accompanying blueprint. However, they did not report favorably on the project, although it was declared to be possible. The present State highway commissioner is reported to be not interested.

If the bridge is built, it will have to be with P.W.A. funds, as

there is no other source.

The position shown in red on the map filed with the report is across the narrowest part of the Straits of Mackinac and at least 20 miles from where it is proposed to build the first link in the chain of bridges under the plan sub-

The only conclusion that any reasonable person can come to is that it is impossible to build a bridge at the narrowest point between the two peninsulas because of the great depth of the water, the rapid current, and the crushing force of the ice.

Monster car ferries built of steel are used to carry trains back and forth across this body of water, and they have become lodged in the ice for several days at a time and in danger of being crushed from the mighty power of the mountains of ice passing through this channel.

#### WHAT IS THE NECESSITY FOR THIS BRIDGE?

On the south shore of the straits is Mackinaw City, with a population of less than a thousand people. The State of Michigan has constructed at that point one of the finest steel and concrete docks in the whole country. On the north shore of the Lower Peninsula, at the city of St. Ignace. the home of our colleague and my good friend, Mr. Brown of Michigan, a similar dock has been constructed. The State owns and operates three fine, specially constructed steamers to accommodate the traveling public between the two points, and at a very moderate charge-\$1 to \$1.50 per car.

The taxpayers of my State have invested nearly a million and a half dollars in that splendid service, and I challenge anyone to show that it is inadequate or unsafe. What is to become of this investment if this proposed plan is adopted?

The State administrator said in his report:

I consider this project as one of the biggest things of its kind in history, even fantastic in its conception.

The only thing that could possibly justify the proposal would be the traffic that would use it. For the year 1933 the records of the State Highway Department of Michigan show that the total revenue received was \$188.472 and the total expense was \$164,000 and this does not include interest on the investment made by the State of Michigan, leaving a balance of \$24,000. The record shows that 95,000 passenger cars, 6,000 trucks, 6,000 trailers, and 192,000 passengers crossed the straits from April 10 to December 15, 1933, which practically covers the entire season. No one claims that an adequate and proper service is not maintained at the present time. A bridge or a series of bridges is entirely unnecessary.

The Department of Agriculture in a communication to the Chairman of the Interstate and Foreign Commerce Committee, dated May 26, 1934, and signed by Rexford G. Tugwell, made this statement:

The Department is advised that an application is now pending with the Federal Emergency Administration of Public Works for the loan of funds with which to finance the proposed project.

So the money is to be furnished by the people of the United States.

A further provision of the Mackinac Straits Bridge Authority, created by an act of the Legislature of the State of Michigan this year, is for the issuance of not to exceed \$35,000,000 in revenue bonds to be amortized within a period not to exceed 20 years from the date of the completion of the bridge.

If we take the figures for 1933, which show approximately 100,000 cars crossing the straits and double it, believing that 1933 might have been a poor year, it would cost \$16.25 per car to cross this bridge, whereas the State charges today from \$1 to \$1.50 each. In other words, the interest on the investment at 4 percent, which would amount to \$1,400,000, with an estimated cost of \$100,000 per year for maintenance, repairs, and operation, and \$1,750,000 per year for amortization of the bonds, the annual requirements would be more than \$3,000,000 when the record for 1933 shows that the State of Michigan had a balance of \$24,000 after paying operation expenses and without figuring interest on the money invested.

If revenue bonds are sold to the public for the purpose of building this bridge, high-pressure agents and salesmen will use the passage of this bill creating authority for the construction of the bridge as a convincing argument of the soundness of the proposition and the Government of the United States would indirectly become a party to this scheme to defraud the people.

It is visionary and unsound in principle and from every angle as a business proposition.

The ride by boat across this magnificent expanse of water is one of the most delightful and one of the most enchanting experiences of the tourist and traveler who visits that part of my State.

Let us defeat this bill and put a stop right here and now to this wild and reckless proposal to spend more millions of the taxpayers' money on a project that is unnecessary, unwise, and unsound. I appeal to you, my colleagues, to vote against this bill and preserve unscarred the natural beauty of that bewitching land, for the people of today and the unborn generations of tomorrow.

FARMING AND AGRICULTURE AND OUR SPECIALIZED SYSTEM OF INDUSTRY

#### OUR SPECIALIZED SYSTEM OF INDUSTRY

Mr. GRAY. Mr. Speaker, we are living today under what may be termed a specialized system of industry, and under which every man is dependent upon some other man for some service to be performed, for some part of the comforts and conveniences, some part of the vital necessaries required to live. This specialized system of industry is based upon and predicated upon the means and facilities afforded men for the exchange of their services and what they produce for other services and what others produce and without which means and facilities the system could not function for a single day.

# MONEY AS A MEDIUM OF EXCHANGE

It was by the invention of money as a means or medium of exchange that it was made possible for the people to exchange their services and what they manufactured or produced, and which enabled men to specialize as experts and thereby to produce more and better of all the necessaries and comforts of life, with time to devote to the sciences and arts and thereby for progress and advancement to the planes of a higher and more exalted civilization.

## ALL DEPENDENT UPON FARMING AND AGRICULTURE

It must further be realized and understood that our specialized system of industry is a growth and development of farming and agriculture, is built upon and around farming and agriculture, is first dependent upon farming and agriculture, and without farming and agriculture, the parent of our industrial system, no other trade, business, or calling could survive or exist for a single day.

# LIKENED UNTO A TREE

Our specialized system of industry may be likened unto or compared with the growth or development of a tree, the roots, body, or trunk of which correspond to farming and agriculture and the branches, twigs, and leaves representing the different trades and callings, which have grown up and clustered around or thrown out from the body of the tree, the roots, body, branches, twigs, and leaves all forming one complete whole. All the different parts of the tree are dependent upon the roots' taking water and nourishment from

the ground, to be carried by the plant-life currents going upward through the body, to replenish and carry plant food for the growth and development of its parts. The different trades and callings of industry, the different professions and occupations of our specialized industrial system can no more thrive and exist without farming and agriculture than the branches, twigs and leaves of the tree can grow and survive independently and separately without the roots, body, and trunk of the tree.

If a tree is suffering impairment in growth, or is failing, dwarfed, or dying from drought and want of water, neither the tree, nor the perishing twigs and leaves themselves can be revived, nourished, or saved by sprinkling the failing branches and leaves for the water to be carried downward through the tree. The prompt, direct, and only way to replenish and save the tree, its branches, leaves, and twigs is to restore water to the roots of the tree. The water thus restored to the roots will be carried upward by the vital life currents of the tree through the trunk to restore the branches, leaves. and twigs, and every dependent part of the tree. It is folly and equally impossible to restore prosperity to industry by stimulating factory production, or starting industrial employment, or any other dependent part of industry which has grown up and around agriculture, without first restoring farming and agriculture.

Any evil impairing the roots of a tree or causing a failure of plant food in the soil at the roots of a tree will be reflected and shown in the branches and leaves dependent and suffering from the failure at the roots. Restoration of the failing, dying tree must come up from the roots to restore the branches, twigs, and leaves. And any evil impairing farming and agriculture, any abuse to burden the farmer and agriculture, taking away farm earnings and income, farm buying and consuming power, will be reflected in the impairment and the failure or destruction in every other dependent trade and calling, because all business and industry are dependent upon farming and agriculture. The restoration of industrial prosperity must first come up from farming and agriculture, from a return of farm earnings and income and a restoration of the farm buying and consuming power.

## MONEY AS A MEASURE OF VALUE

But money, in our specialized system of industry, serves more than as a medium of exchange to enable the people to exchange their services and what they produce for others' services and what others produce. Money serves as a measure of value of the services and commodities as exchanged, measuring the value of services and commodities required to exchange for other services and commodities, measuring the amount of services and commodities required to pay taxes, debts, and mortgages, and to pay and satisfy contract obligations.

## DIFFERENCE IN CONTROLLING PRICES

There is a difference in controlling and maintaining prices of industrial and manufactured commodities and the value of farm and agricultural products. Prices and values of manufactured products are fixed, adjusted, and maintained arbitrarily, by the determination of producers or by agreement among the manufacturers and are thereby controlled and maintained at will. But by reason of the number of independent farmers, no such determination by agreement is possible and prices of farm products and commodities are left to be fixed and determined by the volume and supply of money in circulation controlling the general commodity price level and under which farm prices rise and fall as the money in circulation is increased and decreased. If the volume and supply of money is increased, farm prices will rise with the increased volume of money. If the volume and supply of money is decreased, farm prices will fall with the decreased supply of money. If the volume of money is reduced one-half, prices of farm produces will fall one-half. If the volume and supply of money is doubled farm prices will rise and be doubled, and are at all times subject to control by the volume and supply of money, all other elements and conditions being equal.

#### FARM PRICES WHEN PANIC CAME

When this crisis fell upon the farming industry with a greater volume of money and with the higher normal values and price levels prevailing, the farmers were selling not more than one-fourth of their crops with which to pay taxes and interest, and leaving them with the other three-fourths or more with which to buy, take, and consume the products of factory, mill, and workshop. But when money was secretly contracted, first in 1920 and again in 1930, and reduced in volume and supply, forcing down values and the price level. the farmers were compelled to sell all, or four-fourths of their crops and products with which to pay taxes, interest, and fixed charges, leaving them with no part with which to buy and consume the products of factory, mill, and workshop, which destroyed the buying and consuming power of 40,000,000 farm population and dependents, with employers and employees in industry unable to consume their own output and production.

#### FARMERS' FAILURE REACHING BACK TO INDUSTRY

And finally, this failure and destruction of the farmers' buying and consuming power, reaching back through the different trades and callings, left the retail merchant without demand, the wholesale house without sales, and the factory, mill, and workshop without orders; the wheels of industry slackened and slowed down and brought unemployment to industrial labor and destroyed the buying and consuming power of another thirty millions and their dependents. The whole industrial system, resting upon farming and agriculture, was left paralyzed in stagnation, and the people in want, suffering, and distress in the midst of plenty and great abundance; and the fatal circle of hard times was realized in every trade and calling in the throes of panic and depression.

#### PANIC CAME FIRST TO FARMERS

It is the history of this panic or depression that the hard times began with the farmers, came first with the fall of farm values and prices, forcing down and taking away the farmers' earnings and income, destroying the farmers' buying and consuming power. And finally and ultimately, reaching back through our specialized system of industry, brought unemployment to the laboring masses and destroying the buying and consuming power of men in other trades and callings until all industry was paralyzed, until the panic was made full and complete.

## HOW THE PANIC CAME

The time allowed will not permit even a brief recital of the money manipulations and withdrawals of currency and credit from circulation, first in 1920 and again in 1930, under which currency was contracted over a billion and a half dollars and credit over \$15,000,000,000 in less than 1 year's time, all of which I have before presented in detail, with times, places, and names given, and the destructive effects resulting, in my remarks of May 2 and June 6, 1933, which are available on request. The fall of farm values and prices following this withdrawal of currency and credit is briefly told by the editor of the Prairie Farm Journal, who describes the vortex of farm prices coming immediately after the contraction of money as follows:

In 1920 in almost the twinkling of an eye the condition was reversed, prices fell to a ruinous low level. The exchange of commodities almost stopped. No one could sell anything at a price that was considered fair; wheat fell in price in 8 months from \$3 to \$1.60 per bushel. Corn fell from \$1.50 to \$0.35 per bushel; hogs, cattle, and all farm livestock and other farm products fell in proportion.

## WHERE FIRST RESTORED

Prosperity must first be restored where prosperity was first destroyed. Prosperity was first destroyed with the farmers. Prosperity can best be restored with the same power and means which was used to destroy prosperity. The power of money was used to destroy prosperity and the power of money must be used to restore prosperity. The steps and course which were taken to impair and destroy prosperity must be retraced and taken in reverse order to bring back and restore prosperity. The volume and supply of money which was contracted and withdrawn from circulation must now be restored

back to circulation. As the withdrawal of money from circulation forced down values and the farm price level, so the restoration of money back into circulation will raise farm values and the price level.

#### THE NEW ADMINISTRATION

In 1932 the people, still suffering in distress, called the new Democratic administration in power. Congress was promptly convened in special session, and on full inquiry and due consideration, Congress and the President found that the depression had been caused by a failure of the buying and consuming power; that the failure of the buying and consuming power had resulted from a fall of values and the price level; that to provide a restoration and relief there must be a raise of commodity values, a restoration of the price level and the wage scale, to bring a return of money earnings and income back to the people. Congress and the President further found, as shown by the monetary measures enacted, that the fall of values and the price level had come from a contraction of currency and credit and that a recovery from the panic required a restoration of money in circulation to bring a raise of values and a return of earnings and income

#### THE REMEDY PROVIDED

To replenish the supply of money and credit, Congress enacted the relief currency provisions as embodied in the act of May 12, 1933, which provided for four different kinds of currency to restore money and credit withdrawn from circulation. Under the power and authority conferred by the act, the President has declared for the revaluation of gold as the means to be resorted to to replenish the volume and supply of money, and thereby to raise values and the price level and restore the buying and consuming power. The revaluation of gold in effect doubles the gold supply as a basis for money, with the same results and use for money as produced by the discovery of new gold mines and doubling the supply of gold and thereby the supply of primary money.

The release of the dollar from the millstone of monopolized and cornered gold, the prohibition and abrogation of the gold clause from bonds, contracts, and obligations, are the greatest strokes to relieve the people from the burden of impossible debts since Moses rebuked the pagan worship of the brazen image of the golden calf, and the human conscience revolted in protest against the money-changer's money and the miser's relentless pound of flesh. The enactment by this Congress of the Currency Act of May 12, 1933, and the declaration of the President for the revaluation of the gold supply is the most forward step taken in currency relief legislation in 100 years. No other Congress or President since Jackson's time has possessed the courage, resolution, and will to defy the special money interests, to renounce the pagan money idolatry and the worship of the brazen image of gold as President Roosevelt and this Con-

# THE CONSTITUTION

Clause 5, section 8, article 1, of the Federal Constitution vests Congress with the power to coin and issue money and regulate the value thereof. But Congress has surrendered and abdicated this sacred constitutional power, to issue money and regulate the value thereof, to the Federal Reserve Board and banks-a private banking corporation, without obligation to the people or responsibility for public welfare. And the power over money remains today in the control of a monster money octopus, issuing, regulating, and controlling the value of money, in disregard of the will of the people and in defiance of Congress and the President-a rival power of the Government itself. The same international financiers and bankers who were in control of our money system when the blight of this panic fell upon this fair and prosperous land, are today in control of our money supply, dictating the volume and value of money and directing the extensions of credit at will.

be used to restore prosperity. The steps and course which were taken to impair and destroy prosperity must be retraced and taken in reverse order to bring back and restore prosperity. The volume and supply of money which was contracted and withdrawn from circulation must now be restored.

delayed. These private international banking interests, left exercising the power to control the money supply, are neutralizing the operatings of the law. They are trifling with the people. They are parleying with the people. They are toying with the people, as kings once toyed and trifled with their helpless dependent subjects.

There can be no enforcement of the currency laws, there can be no recovery from this panic, until the power vested by the Constitution in Congress to issue and regulate the value of money is taken away from private money corporations and restored to the sworn and chosen representatives of the people. This Congress preserves the authority to recover back this surrendered power to issue and control the money of the country from the international banking corporations, for direct exercise by Congress and the President. And this Congress should not adjourn until this power is taken away from private bankers and recovered back to Congress and the President, where the Constitution placed it and where it rightfully belongs.

It has been truly said of farming and agriculture: destroy the farms and the agricultural industry and leave the towns and cities stand and the towns and cities will perish, will fall to debris and decay. But destroy the towns and cities and leave farming and agriculture and the towns and cities will rise again from the debris, ashes, and chaos, because farming and agriculture are the fountainhead and source, are the foundation and basis of all business and enterprise, of all prosperity, industry, and wealth. can be said with equal truth that prosperity and industrial recovery must come to the towns and cities from farming and agriculture, the source of all wealth and prosperity. Prosperity and industrial recovery must come and can only come from a rise of farm values and the price level, from a return of farm earnings and income, from a restoration of farm buying and consuming power, the power to take, buy and consume the products of factory, mill and workshop and the industrial labor of the towns and cities.

## ALL MUST WAIT UPON FARMING

All business and industry are dependent upon farming and agriculture, all industry and enterprise must wait until prosperity comes back to agriculture, until earnings and income are restored to the farmers. The manufacturer must wait in his office for orders to start factory, mill, and workshop. The merchant must wait for customers to buy and take his goods and wares. The banker must wait at his wicket window for payment of this overdue interest and notes. The laboring man must wait and waiting, must stand idle. He cannot secure another day's labor, nor collect another dollar of wages or pay until there is a restoration of the farmers' buying and consuming power, a restoration of the farmers' power to buy and take the products of industry and industrial labor.

All men must wait upon farming and agriculture, because all wealth and prosperity must first come from the ground, from the bosom of Mother Earth, from which fountainhead and source all men are fed, clothed, and sheltered, and from which every vital necessary to sustain life and every comfort and convenience comes and from which every joy and pleasure flows, and all the charities that sooth, heal, and bless spring—all from the bosom of Mother Earth.

Agriculture came as the first business. Farmers came as the first business men, as the workers in partnership with nature, the attendants upon the great fountain source from which flow all comforts and blessings and upon which to administer and from which to dispense all sustenance of life and existence.

There can be no recovery or prosperity to any part of our system of industry until there is a restoration of the farm buying and consuming power and there can be no restoration of the farm buying and consuming power until there is a rise of farm values and the price level, and there can be no restoration and return of farm commodity values and prices until there is a restoration of the volume of money back in circulation. Either or any of the four currency measures provided for in the Farm Relief Act of May 12, 1933, including the revaluation of gold as declared for by

the President, will restore the money supply, raise farm values and the price level, and restore farm buying and consuming power.

#### THE SPECIAL MONEY INTERESTS

The special money interests, apprehensive of the currency relief program entered upon and completed for enforcement, are demanding that Congress adjourn and leave them in control of the money system to maintain high money values and low property and commodity values and thereby to hold their ill-gotten gains. But the common people of the country, if they are wise and awake to their interests, should insist that Congress remain in session until the power to issue money and control the volume and value thereof is recovered from the strangle hold of international financiers and manipulating bankers; until the money supply is restored to the people; until farm values and the price level is raised; until earnings and income are restored to the farmers; until the buying and consuming power, the tax, interest, and debt-paying power is restored to the farmers of the country; until this Congress has completed the work for which it was elected and commissioned to perform and normal prosperity is restored to the people.

#### PROSPERITY WILL BE RESTORED

If Congress and the President would act now to recover from private corporations the power vested by the Federal Constitution in Congress and the President to issue money and to regulate and control the value thereof, and the currency relief measures, enacted to restore the money supply, approved of and declared for by the President, were administered and carried into force to restore the depleted supply of money and credit, farm commodity values would rise, farm prices would be doubled by next fall crop market time, with a return of farm earnings and income and a restoration of farm buying and consuming power.

The effect upon the people and the country would be like magic. The doors of factory, mill, and workshop would stand ajar—swing open. The wheels of industry would start. The whir of machinery in motion, the din of saw and hammer would sing the song of prosperity returning amid the glad hosannas and rejoicing of 120,000,000 people.

Every dollar paid out to stimulate industry or to revive industrial employment before restoring the farmers' buying and consuming power, is an expedient for temporary relief, a form of dole and public charity, with administration costs and interest added, paid from taxes and borrowed money, piling still higher taxes and the tax burden, only with conditions to relapse when payments stop.

Prosperity must come first to the farmers.

## A VICTORY FOR COMMON SENSE

Mr. FOULKES. Mr. Speaker, it is gratifying to note the victory that was won for common sense in the United States Senate yesterday when, by a vote of 53 to 24, the nomination of Dr. Rexford G. Tugwell for the position of Under Secretary of Agriculture was confirmed.

I had, of course, no fear as to the outcome of the fight, but it is gratifying, now that it is over, to reflect on the significance of it. As Senator George W. Norris well said, if Tugwell had been defeated, it would have been one of the greatest triumphs for special privilege the country had ever seen. Seldom in the history of our country had the exploiting forces been more solidly lined up against a man than they were against Rexford Tugwell. Recognizing in him a remarkably courageous, efficient, and progressive official whose sympathies are sincerely and completely with the forgotten man and who believes America should be governed in the interest of the plain people rather than the parasites of Wall Street, they made a bitter-end fight to block his confirmation. That they failed is good news to every friend of industrial as well as political democracyevery citizen who wants to see the new deal actually bring the fullest opportunities for all.

In appointing Professor Tugwell, President Roosevelt, as I have previously stated, did one of his finest, most commendable official acts. In confirming him, the Senate lived up to the highest ideals of citizenship and humanitarian government.

#### INDIAN LEGISLATION

Mr. DIMOND. Mr. Speaker, it is a matter of considerable regret to me that I have not been able, on account of limitation of time, to express at length my views with respect to this bill, S. 3645, for which has been substituted the bill recommended by the committee in the report of H.R. 7902. I suppose at least 20 of the Members of Congress who are vitally interested in legislation for Indians also desire to speak on this bill, but are prevented from doing so by limitation of time under parliamentary procedure, and the Chairman has very generously given as much time as possible to the several Members who wish to speak on the measure.

Various objections have been made to the passage of the bill. Alaska and the native peoples of Alaska are vitally interested in all Indian legislation. I have heretofore addressed the House upon conditions in Alaska with respect to my native neighbors and friends, and I shall not here repeat what I have said before. One objection made to the passage of this bill is evidently based upon the conception that because the Indians of America have been unjustly treated in the past we ought not now endeavor to right the wrong that has been done them. It has been said in words or substance that if all the measures considered for the relief of the Indians were passed, the relief in money afforded by these bills would run in the billions of dollars. I have never been able to convince myself that justice should be denied because the results may be devastating to those who have committed the crime. It is my considered opinion that if the Indians of Alaska-and by Indians I include, of course, the Eskimos-were treated justly by the United States Government, the amount really due to them and that equitably would be required to be paid to them would run in excess of \$100,000,000. But we ought not be frightened or deterred from doing justice by this conclusion.

I suppose we have all read Helen Hunt Jackson's book, A Century of Dishonor. Nobody has ever challenged successfully the statements of fact contained in this work. Another Century of Dishonor might be written as to the treatment of the native inhabitants of Alaska. The fact that somebody must pay for injustice, the fact that somebody must make restitution for rights and properties taken and invaded, is no reason why the Government of this great Nation should not do justice, should not make restitution.

This bill, if enacted into law, and I anticipate it will be, goes only a short distance in righting the wrongs that have been done to the Indians all over the United States, including the Territory of Alaska. It is, however, a step in the right direction. It is a beginning at least. And I am much comforted by the conviction that we have in high official positions, in the offices of the Secretary of the Interior and of the Commissioner of Indian Affairs, men who will always sacrifice expediency to the demands of right and justice. And, therefore, I am hopeful, and indeed confident, that this is but a step on the road which will ultimately lead to the doing of a fair measure of equity to the original inhabitants of the United States and Alaska.

The bill before us has much to commend it. It will give to the Indians an opportunity for cooperation and self-government that they have not heretofore enjoyed. So far as Alaska is concerned, not so many of the provisions of the bill can apply. But anything that looks toward increased opportunities for education and self-help is bound to be beneficial to the natives of Alaska as well as to the Indians of the United States.

May I here remove, if I can, a misconception about the Indians of Alaska, a misconception as to their mental aptitude. It is my own view, based upon careful examination and inquiry, that the mental capacity of the natives of Alaska is at least equal to that of the white people of the United States.

As I understand this bill, it will not lead to the segregation of the Indians of the United States and Alaska. Indeed the purpose of the bill is just the opposite. The Indians of the United States and the Indians of Alaska are citizens and they ought in all cases, and I think they will in all cases, exercise their rights of citizenship in every respect.

As I see it, the paramount need of the Indians of Alaska, and the paramount need of peoples everywhere, is proper education-education in its broadest sense and terms. This bill, I am happy to say, contains special provisions for the education of the Indians. It is a mistake to believe that the Indians should be educated only in vocations. After all, I am confident that the education for the Indians should be just as broad, just as all-embracing, as the education for the white people of the United States. If our ordinary courses of education prescribed by the schools and colleges and universities of the United States are right, are the best for the Caucasian races who inhabit the United States, they ought to be equally good for Indians. What we are endeavoring to build is a nation, and not a clan or tribe. The Indians are Americans, the original Americans, and I know that in Alaska they do not wish to be segregated, they do not wish to have a life or civilization of their own, but they really desire to be a part of the body social and politic, and I intend, as long as I am a Delegate from Alaska, to do everything within my power to help them in their endeavors.

#### WHEELER-HOWARD BILL

Mr. BEITER. Mr. Speaker, the Wheeler-Howard bill provides only for increased control of Indian Affairs by the Department of the Interior and carries appropriations of \$12,500,000 per year to further this control. The Department now has full power and authority, according to a letter sent Mr. John Dady, superintendent Mission Agency, Riverside, Calif., on August 14, 1933, by Commissioner Collier, and approved by the Secretary of the Interior. This letter I quote in part:

The following instructions and information are for your guidance, and this letter may be exhibited to Indians and others in your discretion:

(1) Executive authority in Indian matters is vested in the Commissioner of Indian Affairs, subject to review by the Secretary of the Interior. You, as superintendent of the Riverside Agency, are directly responsible to the Commissioner of Indian Affairs.

(5) There exist certain statutes giving an extremely broad power to the Commissioner of Indian Affairs, the Secretary of the Interior, and the President to forbid white persons from going onto Indian land and to forbid Indians from entering upon reservations other than their own. Severe penalties can be evoked. It is not the policy of this administration to employ these broad authorities at the present time. It is believed that ample means of correction exist in the statutes, of general application, which forbid and punish acts and conspiracies designed to obstruct the Government's work and to impede law enforcement.

It would seem that such a statement from the Commissioner would indicate that the Indians are now under full control of the Indian Bureau, subject to review by the Secretary of the Interior.

This bill, it has been stated, is optional among the Indians. They can take it or leave it alone. But the question arises, Will they be allowed, under the present complete authority of the Bureau, to do as they think best? A telegram from the Yuma Tribal Council in California, seems to indicate that the Bureau intends to establish these communities regardless of what the Indians themselves wish. This telegram dated June 15, the day the bill passed the House, states in part:

Bureau has field man by name of Gates who claims his purpose to organize us into communities. Members his committee threaten to take our homes away because we oppose Collier bill. Much suffering, strife, and turmoil as a result. We have already petitioned for removal of Agent Jolley.

I am opposed to such methods of securing approval of measures by the Indians. Delegates from California have stated to me that the meetings held in California among the Indians were under the control of the Indian agent, that he tried to prevent the spokesmen of the various missions from speaking, and attempted to have only one man speak for the whole group, but that the various spokesmen protested against this method, and that the meeting broke up without being put to a vote of the delegated spokesmen. Other instances have been called to my attention where Indians who were employed either by the Bureau or the LE.C.W. have not dared to raise their voice against this bill because they would immediately lose their jobs. While this

situation may not be true of all the tribes whom Commissioner Collier has stated have approved of this measure, it does open the way to speculation as to just how many of the tribes who supported this measure did so under duress.

It would seem contradictory to the advice given to the Indians by Commissioner Collier at Fort Wingate, N.Mex., on July 7, 1933, as reported by the Arizona Republic, Phoenix, Saturday morning, July 8, 1933, when he stated to the

Take the utmost responsibility and initiative in your own affairs, and let the Government no longer play the authoritative role but serve as a service agency only.

It would seem reasonable to presume that some of the very bitter opposition to the passage of the Wheeler-Howard bill may have had this advice as a foundation.

It would be difficult to determine just what the policy of the Commissioner in regard to the Indians is in view of the fact that he advised them on July 7, 1933, to "let the Government no longer play the authoritative role", and, on the other hand, on August 14, 1933, advised a superintendent of an agency that "executive authority in Indian matters is vested in the Commissioner of Indian Affairs."

It would seem a matter of great interest to the taxpayers of America that \$12,500,000 per year are to be appropriated to carry out the provisions of this bill which has been opposed by intelligent Indians themselves from all over the United States.

Mr. Speaker, I am in receipt of a copy of letter signed by a committee of Indians representing many thousands of their people. Their names and the tribes they represent are as follows: Adam Castillo, president Mission Indian Federation, California; Levi Walker, Klamath Tribe, Oregon; Alfred Minugh (individually), Gros Ventre, Montana; Winslow J. Couro, Santa Ysabel Mission Indians, California; Delos K. Lonewolf, Kiowa, Comanche, and Apache Tribes, Oklahoma; Joseph Brooks, Siouan Tribe, North Carolina; Joshua Jones, chief of Six Nation Confederacy, New York; Joseph Bruner, principal chief Indian Nation Confederacy, Oklahoma; W. G. Walker, Chock-Chance Tribe, director, Indians of California, Inc.; Alice Lee Jemison, secretary to Ray W. Jimerson, president Seneca Nation of Indians, New York.

The letter was addressed to the President of the United States. The signers of this letter appeal to the President to veto the Wheeler-Howard bill. I quote the letter in part:

We, the undersigned, duly delegated representatives of our dif-ferent tribes of Indians of the United States, respectfully appeal to you to veto the Wheeler-Howard bill, pertaining to Indian af-fairs, which was just passed by the Seventy-third session of

This bill is supposed to give the Indians self-government. The first principle of government by the governed is a voice in that government. This is not the bill which was discussed with the Indians on the reservations. It has been completely changed by both the Senate and House Committees on Indian Affairs since it was introduced into Congress. The Indians of the United States do not know what provisions are embodied in the bill as it was

We respectfully call to your attention the statement which was we respectfully call to your attention the statement which was made to the Indians by Hon. John Collier when he met with them in council at Rapid City, S.Dak., March 2 to 5. Commissioner Collier stated: "The President has examined this bill and favors it. The President knows that we are taking this question back to the Indians. If the bill should become twisted into a wrong shape by Congress, if the bill should be made into something else which does not do what we are telling you, but does something different, then I think you may be confident that the President will veto the bill."

We respectfully call to your attention the fact that some of the Indians who wished to be excluded from the bill and filed that request with the Senate and House Committees on Indian Affairs were not so excluded, while other tribes were excluded.

This bill will keep the Indians segregated and apart from the rest of the population of the United States. Not all of the Indians in the United States wish to be kept segregated and apart. We wish to be Americans.

Already this bill is causing strife and suffering upon the reserva-

tions, and Indians who opposed it are being intimidated and threatened with the loss of their land.

Confident that you, the legally constituted guardian of the American Indians, will hear the voice of your wards, we send you this memorial, asking that you veto this bill.

Mr. Speaker, I also quote from a letter I received, dated June 15, 1934, signed by Alice Lee Jemison, secretary to Ray W. Jimerson, president Seneca Nation of Indians.

I sincerely regret that the New York Indians were not excluded from the provisions of the Wheeler-Howard bill as they have always previously been excluded from blanket legislation certain treaty rights.

We of New York State—and I speak as a representative of at least 4,700 of us—do not feel that this would have happened if we had had the opportunity of appearing before either the House or Senate committees.

On receipt of your letter dated April 18, 1934 to Hon. Ray W. Jimerson, president of the Seneca Nation of Indians, wherein you stated that the House Committee on Indian Affairs would advise stated that the House Committee on Indian Affairs would advise you when a hearing date would be set, I was instructed by President Jimerson to so notify all other tribal councils in New York State that they might prepare to come to Washington. That letter to these tribal officials further stated that I would immediately advise them when word from you was received. But the next word we received was a reply to an inquiry from me addressed to the House committee wherein it was stated that the bill would be favorably reported out and that the hearings were closed.

On April 30, 1934, President Jimerson sent a night letter to Senator Copeland and to Senator Wheeler asking the Senate committee to either exclude the New York Indians or grant them hear-

mittee to either exclude the New York Indians or grant them hearings. On May 9 President Jimerson received an acknowledgment from Senator Wheeler, dated May 8, wherein it was stated:

"This bill is now to be studied by a subcommittee to be appointed shortly with a view to recommending to the whole committee as to the legal and other aspects of the bill, and until such a report is submitted by the subcommittee no further hearings will be held on the bill."

And as far as we know, Congressman, that is where the bill must still be, for we have received no notice that the hearings have been reopened.

We are very grieved that this attitude should have been taken by the committees. Always before this our treaty rights have been respected. One of our Senecas made the remark that history says that George Washington never told a lie, but Congress has now made a liar out of him by not excluding the Six Nations from this

Mr. Speaker, I sincerely trust that the next Congress will immediately amend this bill to exclude the New York Indians.

## UNEMPLOYED EXCHANGE ASSOCIATION

Mr. CARTER of California. Mr. Speaker, at this time we are again considering appropriations of money from the Federal Treasury for relief of the unemployed in the several States. I wish to bring to the attention of the House the results of an experiment in my district carried on by unemployed people themselves, in which they are avoiding charity and direct relief, and are earnestly seeking a new way of life by their own efforts.

I am bringing this to your attention, not as an argument for immediate changes in our national relief program set-up but so that each of us may think about the problem of unemployment from another point of view. It is the point of view of the men or women who, through no fault of their own, now find themselves without means of support and who are delaying to the utmost that dreaded day when they will be compelled to ask for direct relief, and who are slowly exhausting their own resources and the resources of their immediate friends and relations.

In the whole matter of unemployment we have thus far followed old thought patterns, developed during our prosperous years. Then we had only the "technically unemployed" and a few natural indigents ever present in our social structure. Today we have in the ranks of our unemployed, perhaps permanently, the man and woman over 40 years of age, dropped from industrial rolls because of the growing productiveness of the machine per man power.

The experiment of which I speak, now being carried on by unemployed people in my district, while comprising only a microscopic speck in the whole mass of our Nation's unemployed, is nevertheless of importance. The experiment is so being regarded by educators and sociologists throughout the country, very much as a biologist would study a single cell under a microscope.

This experiment began about two years ago when six family heads sat around a table and voluntarily formed themselves into an association for the purpose of exchanging their labor and their skill for those things which they needed-the necessities of life.

In the beginning they gave themselves the name, "Unemployed Exchange Association." But after a few weeks the initial letters U.E.A. were changed to read U.X.A. because it was found that X, the old algebraic symbol for the unknown, more nearly represented that value which arose when several people got their minds together on a common problem.

From this small beginning of 6 family heads, the association has now grown to provide 100 percent of the health and dental services, 80 percent of the diet, 20 percent of the clothing, and about 5 percent of the housing needs of its membership, now comprising the heads of over 600 families, a total of some 3,000 children, women, and men.

All this has been accomplished by the people themselves by exchanging their labor and skills directly. No county, State, or Federal aid whatever was given, except a grant of \$5,000 by the Federal Emergency Relief Administration, under the

terms of the Emergency Relief Act of 1933.

And it is extremely significant that this group of unemployed people carry the \$5,000 on their books as a "loan" which they expect to pay back into the Federal Treasury. The group also insists on working for the Federal surplus foods distributed to them through the county relief. And at this time they are thus buying the surplus food at the rate of about \$800 per week, and paying for it in trucking and other services at the rate of \$500 per week.

From the figures supplied me by the leaders of the association, I find that the group's activity has saved the county, State, and Nation over \$400,000, which would have been paid out of relief funds had the association not been formed.

If the people in one neighborhood can do that for themselves, what could the unemployed of the Nation do if it were organized along the lines of this group?

But the really impressive thing about this experiment to me is the fact that in the face of need and despair the members saw that without organization they could not accomplish their purpose, and so in the face of need and despair they deliberately devoted the major portion of their energies to building a new set of human relationships.

Already in this experiment several important discoveries have been made. Time will not permit me to list all of them, but I shall call your attention to three which seem of fundamental importance:

First. After trying various types of management—many forms of master and servant relationship—only pure democracy really works.

Second. No opposition has been met with from the surrounding community except from Communists and other left-wingers.

Third. By demonstration, discussion, and trial a new form of adult reeducation is being developed, which leads to better citizenship.

In these days when we are turning to a pattern of highly centralized government, it is significant that these people, grappling with the cold facts of life, find that pure democracy works better than any other form of management.

The leaders of the group informed me that when they were convinced that the tendency of the people was toward democracy they immediately set to work to find an organizational pattern which would permit of a free expression on the part of each individual. The result was a conference method of operating sections.

That is to say, the people engaged in the various basic functions of the group were organized into operating sections, for example, transportation, food production, food trading, salvaging, bookkeeping, graphic art production, fuel, housing, health and dental service, educational activity, manufacturing, special contact work, and so forth.

Not more than 25 workers are enrolled in a given section because it has been found that not more than 25 people can actually sit around a table and engage in a real conference.

Each section elects its own leader or coordinator. The coordinators of all operating sections together form the coordinating assembly or governing body of the group.

No restriction is placed upon an individual member moving from one section to another, except that he or she must

be elected into membership of the section by a majority vote. By this method each member gradually finds the kind of work he likes best, and at which he is most efficient.

Every member of the group is on the same social and economic basis. An hour's work by an accountant, doctor, lawyer, engineer, or any other specialist, is regarded to be of the same value as that of the agricultural worker, the woodchopper, carpenter, plumber, mechanic, or any other kind of skilled worker.

No distinctions are made in race, creed, or sex. Anyone who is unemployed may join. And if he is in immediate need the group will extend him a credit of 2 hours on its commissary until he can get to work and earn credits.

No scrip is used in this experiment, but for each hour's work the member is credited with 100 on the auditor's books. The members refer to their credits as "100 points per hour."

Commissary prices are computed as follows: Prime cost, plus transportation cost, plus a factor of inflation. Inflation is introduced only to balance prices. Points of inflation are carried in the inflation and deflation ledger account of the association.

When I asked about this feature of their economics, the auditor informed me that early in the experiment a man, whom we shall designate as A, worked 1 hour for a wood stove. It happened to be a good stove. Next day or so another man, B, worked 2 hours for another wood stove not quite so good. It cost 25 points to move each of the stoves into the commissary. Result: The good stove was priced 125 points, the poor one, 225 points.

About that time-

Said the auditor-

along came the typical American housewife. So we changed the price tags around until we got the blind staggers. Then we invented the factor of inflation.

Overhead expense is taken care of by a monthly assessment of each member for "operating labor time." At the present time operating labor time is around 1,200 points per month. This figure is determined each month by the auditor, and approved by the coordinating assembly, by totaling the hours of work on the part of bookkeepers, special contact men (who set up all trades), and others engaged in non-productive work necessary to maintain the association.

Five executive officers are elected for a 6-month term by the general assembly, which means every member has a vote. These offices are auditor, chairman of general assembly, vice chairman of general assembly, secretary of general assembly, and chairman of the coordinating assembly.

The auditor is responsible for the keeping of all records; the secretary keeps minutes of meetings and acts as custodian of all records; the general assembly chairman is responsible for all social and cultural activity; the vice chairman is an alternate; and the chairman of the coordinating assembly is charged with the responsibility of operations when the coordinating assembly is not in session.

Officers may be removed by a majority vote of the general assembly, except in the case of the chairman of the coordinating assembly, who may also be removed any time by failing in a vote of confidence in his assembly.

Stability is maintained in the management of the group by the influence of its general school, in which any member of the association may enroll, but only those qualified for leadership can graduate.

By common consent, when democracy fails in any part of the group the general school sends a representative to govern until order is restored and production resumed.

Every graduate from the general school must be a specialist in some particular basic function necessary to maintain the group life. Graduates are of two classes, A and B. A graduates are few and only those who show the highest qualities of leadership. B graduates comprise the administrative types who lack the creative faculties to make plans but who have shown the ability to execute plans.

After 2 years' activity, this group of unemployed people have found practically no opposition to their efforts to find a new way to live excepting from communists and other extreme left-wingers of opinion. Merchants, industrial

establishments, and a few public-service corporations are trading freely with the group.

The general idea of unemployed people trading their labor and skills for things they need to live appeals to the mass of the American people, except in the few instances mentioned among those of extreme left opinions.

Early in the experiment it was found that very few of the members had any ideas as to where their food supply came from. Farmers stranded in the city were sought out and from them some information was secured. Agricultural experts in the University of California were called upon. Slowly the mind of the group was turned in quest for food from the grocery store to the farm.

Two ranches are now being operated by this group of unemployed, one of them a fruit ranch of 176 acres. Another delta farm of 256 acres will soon be under cultivation, where the major portion of the green-vegetable supply is to be raised.

It was found that so little is known about food production by people who live in cities that the general school of this group is now at work preparing booklets for printing to be circulated among children. One of the titles, which I happen to remember, is, "The Onion Who Came to Town." These booklets will be humorously illustrated by the graphic arts section of the group, and written so that children will enjoy them while learning facts about food production and distribution. It is the hope of the group leaders that adults will learn from the booklets, too.

A nursery school is also maintained by the group, where mothers leave their children in competent hands while they earn credits working at hand looms and in other handicraft activities. Here the doctors in the group call every day and examine the children, and by this method the health of the children has been kept to a satisfactory level. During one month 20 children had their tonsils removed in a hospital, where painting and carpentry were traded for hospital services.

During one series of operations the surgeons ran short of ether. But that did not stop them. The special-contact section set up a deal to trade some concrete stepping stones for the needed ether, and the work went on.

Strange as it may seem, the work of sculptors has helped to keep children in good health. This was done by trading sculpturing to orange growers for oranges. During one month 100 tons of oranges were secured by these methods. Little resistance is met in trading art work. One of the leaders explained: "Those who have, have everything they need but more works of art."

Group activity now covers about 10,000 square miles. Eighteen trucks and as many contact cars are constantly on the move. Every day about 9,000 pounds of food are brought into the group's commissary and issued to members. One tank car of gasoline is used every month.

To my mind this experiment in unemployed self-help, which began 2 years ago with a bundle of newspapers earned by cleaning out a basement, is an example of the resourcefulness of the American people in a time of great stress, which is worthy of our consideration here in the House.

By their own efforts the people in this group of unemployed are in a great measure providing for themselves, are reeducating themselves to meet the new problem of their lives, are an example to the Nation, and by their acts are creating the pattern for a law-abiding, constructive citizenry.

I ask every Member of this House to keep this experiment in mind, for in the near future self-help among the unemployed may yet show us the permanent solution to our problem of unemployment.

THE FORGOTTEN VETERAN OF TWO OR MORE WARS MATERIALLY AIDED BY OUR PRESIDENT AND GENERAL HINES

Mr. HOEPPEL. Mr. Speaker and Members of the House, there is no class of veterans in the United States today more entitled to consideration at the hands of the administration than the continually serving individuals of our regular services. Always the nucleus of an expanded Army, excep-

and loyal to an outstanding degree, this worthy group, when placed on the retired list, has suffered pathetically and oftentimes tragically as a result of the apparent indifference to their welfare and lack of consideration in their behalf by the Congress.

Since the period of the Civil War, veterans who served in the Army, Navy, and Marine Corps in time of peace, including Indian War veterans, have received a very insignificant service-connected disability pension compared with the cost of living. While the pensions granted to peace-time veterans in this category may have been adequate prior to the Spanish-American War, the increased cost of living since that period, and especially since the World War, has made the amounts paid as pensions to this type of veteran entirely inadequate

I am pleased to state that on my petition and that of others, in which General Hines, the Veterans' Administrator, extended every helpful encouragement, pensions to this class of veterans have now been increased 50 percent over those formerly received. Pensions to the dependents of peace-time veterans have also been increased 50 or more percent, according to the number of dependents. Included in this category are 19,000 disabled peace-time veterans from all branches of the services, plus approximately 14,000 World War veterans disabled in service, but who were removed from the compensation rolls because they enlisted after the armistice.

#### HOSPITALIZATION BENEFITS ALSO EXTENDED

Because of the gag rule, I was unable to offer any amendment in this session of Congress to grant hospitalization in Veterans' Administration facilities to this class of veterans. Senator Tydings, of Maryland, however, at my request, introduced such an amendment to Public, No. 78 of this Congress and as a result thereof, peace-time, service-connected disabled veterans may now enter Veterans' Administration facilities on an equality with service-connected disabled World War veterans.

Another exceedingly humane and beneficial provision in reference to hospitalization rights in Veterans' Administration facilities was recently secured. On my personal request to the President, reciprocal hospitalization is now authorized for retired officers and men of the Army, Navy, and Marine Corps. Heretofore, retired Army personnel requiring hospitalization were permitted to enter Army hospitals only while retired personnel of the Navy and Marine Corps were permitted to enter naval hospitals only. Through the kind and gracious consideration of the President, officers and men of these services may now enter either an Army or Navy hospital. While patients at such hospitals, however, they must pay a daily maintenance charge for subsistence.

As an individual who retired from the Army as an enlisted man after 30 years service, and as editor of the Army and Navy Advocate, published at Arcadia, Calif., and devoted to the interest of retired officers and men of the Army. Navy, and Marine Corps, I am thoroughly conversant with the problems of the services, and I have for years endeavored to remove the various discriminations which operate against this small group of worthy long-service veterans.

I am now making a determined effort to obtain a further concession from the President to grant to retired officers and men of these services reciprocal hospitalization in all Veterans' Administration facilities, including the right to enter any soldiers' home anywhere in the United States on an equality with other veterans. Recognizing as I do that the President has evinced the deepest interest in the retired personnel, I am very optimistic and I anticipate the issuance of regulations which will bring these benefits to this group in order to spare them the discomforts and expense of traveling long distances, when ill, to enter the few existing Army and Navy general hospitals. If, as anticipated, the President issues a regulation granting reciprocal hospitalization in any Government facility to the retired personnel, it will be a godsend to these men, many of whom are aged and tionally competent because of long experience, and faithful decrepit and seriously disabled due to long periods of service

on the Western plains, in Cuba, the Philippines, China, and during the World War.

Prior to the enactment of the economy bill, the retired personnel were entitled to equality in hospitalization with all other veterans. This authority I secured for them under the act of July 3, 1930, as a result of which, approximately \$200,000 per annum was saved to these worthy veterans because of the benefits of hospitalization extended to them by the Veterans' Administration. The anticipated regulation, to which I have just referred, as explained to me, will be more liberal in its application to the retired personnel than the former law which was repealed.

RETIRED PERSONNEL HAVE BEEN THE FORGOTTEN VETERANS

Prior to November 1928, when I launched the Army and Navy Advocate, the retired personnel were indeed the forgotten men of America. Aged and infirm, because of long service under tropical and other trying conditions, the majority of them possessed very little physical strength to espouse their cause legislatively. With the advent of my publication, I was successful in obtaining recognition legislatively, first, by obtaining hospitalization privileges in the Veterans' Administration facilities, as I have mentioned, and in addition, I was successful in obtaining commissioned and enlisted World War rank on the retired list for all men who served as emergency officers during the World War in any branch of the service. I also secured the passage of a bill to award the Distinguished Service Cross to former holders of the Certificate of Merit, which corrected a glaring injustice perpetrated on retired enlisted men who had distinguished themselves by extraordinary valor in battle.

In this session I introduced a bill to save retired officers and enlisted men of the Navy and Marine Corps from the reduction of 20 cents per month for hospitalization from their already inadequate retired pay. This bill, which is now before the President for his signature, will no doubt meet with his approval, thus saving to the 17,000 officers and men on the retired list of the Navy and Marine Corps at least \$33,000 per annum. In addition, all officers and men retired in the future from these services will be spared this unnecessary reduction heretofore required under an archaic law enacted prior to the death of our beloved Washington.

SAVED ENLISTED MEN FROM PAY CUT

Very few retired enlisted men are cognizant of the fact that, due to my efforts, they were saved from a deduction of 8½ percent in their retired pay in the fiscal year 1932. While this large group of men were spared this deduction, very few of them ever stop to consider the effort and expense which was necessary in order to save them from this loss.

I was the first Congressman to urge enactment of legislation repealing the 15-percent pay cut. We were fortunate in securing 10-percent restoration of this pay cut to take effect July 1, 1934, thus adding to the distressingly low incomes of the retired personnel.

It was my pleasure also to publish the first directories of retired enlisted men ever published in the history of our Army and Navy. Through this publication, comrades and shipmates who had served together in the yesterdays were enabled to contact each other, thus bringing a ray of sunshine and comfort to them in their declining years by the renewal of acquaintanceship through correspondence. In one known instance comrades were reunited who had not seen or heard of each other for 50 years.

Some other advantages secured were reciprocal post exchange provisions and authority for the retired personnel to purchase from quartermaster or naval supply stores, thus saving them, with their low retired pay, from exorbitant prices.

Quite a number of individuals, who were receiving insignificant retired pay after 30 years' service and who had subsequently entered the civil service, were assisted in securing civil-service retirement plus a pension, thus augmenting their annual income, even though at the same time they forfeited their enlisted retired pay. Many other individuals were assisted to increased pay rightfully due them.

WIDOWS ASSISTED AND DISCRIMINATIONS CORRECTED

Pensions beyond number were secured for deserving widows. Because of the difficulties frequently encountered in establishing right to pension, my office initiated and urged the preparation of pre-widow pension forms, so that the wife of a veteran may have the assistance of her husband in assembling all the necessary data for a claim for pension as his widow. Thus, in the event of the death of her husband, a valid claim can be filed immediately, reducing expense of the Veterans' Administration in adjudicating the claim and saving the widow from a great deal of anxiety and uncertainty in the preparation of a claim after her husband's death, not to mention the financial distress incident to indefinite delay in the award of a pension.

Discriminations practiced against retired enlisted men who were employed in private or public service have been corrected by the score through the efforts of the Army and Navy Advocate.

ELIMINATION OF EXISTING DISCRIMINATIONS HOPED FOR

No one can deny that the cost of living has increased quite materially since 1903. Notwithstanding this fact, the enlisted men on the retired list receive the same amount as allowance for subsistence, quarters, and clothing as they received in 1903. Today enlisted men in the active service, under similar conditions, receive approximately four times more for this maintenance cost than do retired enlisted men. This is one of the most flagrant discriminations which must be removed in the interests of a square deal to the old-time veteran of two or more wars.

Another objective is to extend to approximately 160 men, who served as naval officers during the World War and who commanded vessels, the right of retirement with the pay of retired warrant officers. Approximately 2,100 individuals who retired as enlisted men and who served as commissioned officers during the World War have been granted this consideration, but due to an unfair decision of the Comptroller General enlisted men transferred to the Fleet Naval Reserve and subsequently retired have been denied this fair and equitable consideration.

A further discrimination which exists today against a very worthy group is the provision in law which prevents warrant officers in active service from receiving the longevity increase in pay as officers. For pay purposes and in matters of rank, and so forth, they are considered as officers, not only by the War Department but by the Comptroller General in his various rulings. Nevertheless, on account of an oversight in legislation, Congress as yet has failed to give officers' longevity increases to these warrants officers.

ACTIVE SERVICE LEGISLATION ALSO SECURED

It was my privilege to introduce a bill to repeal the 3-year tenure of service in the Tropics and I am now pleased to state that, through my efforts, officers and men are no longer forced, without their own consent, to remain more than 2 years in Panama, the Philippines, China, and so forth. Aside from the economy involved, the enactment of this law was a great moral victory for our Democratic administration in repudiating as it did the 3-year Tenure of Service Act, enacted in the closing days of the Republican regime. Not only officers and men of the active service but their families and others should be very appreciative of the administration's sympathetic interest in their welfare through the approval of this act.

# SERVICES GIVEN WITHOUT REMUNERATION

Only too frequently individuals are recipients of certain benefits and enjoy certain privileges, little realizing the efforts which have been expended by some individual or group toward this objective. For almost 6 years I have given my services as editor and manager of the Army and Navy Advocate, published at Arcadia, Calif., a distinctive veteran periodical, the first and only one of its kind published in behalf of the retired personnel of the services. As a Representative in the Congress, with an enlarged sphere of influence and greater opportunities for service, I have continued the publication of the Advocate, at considerable expense and inconvenience to myself, so that my comrades and their dependents might be fully informed of the various

aspects of the legislative problems in the Congress affecting their interests. The subscription price was purposely kept at a minimum—a dollar a year—with the hope that every retired officer and man would subscribe to this periodical in order that, through concerted effort based on full information of the issues involved, the fight in the Congress for simple justice to the Nation's defenders and their dependents might be carried on more effectively. Having given of my time unstintedly as editor and manager of the Advocate without monetary compensation, I feel repaid as I survey my accomplishments in this field in having been able to bring aid to my comrades who have served our colors throughout the years.

Peculiar as it may seem, nevertheless it is true that only too frequently men will spend large amounts to belong to certain organizations or groups in their immediate vicinity and at the same time fail to support an organization or group at a distance which is interested entirely in their welfare. Notwithstanding the lack of support given me by the majority of the individuals for whom I have labored consistently, I am grateful for the gracious appreciation of the more alert and active of my comrades who have supported me and who continue to cooperate with me by continuing their subscriptions, regardless of their financial difficulties.

One of the lessons in the strategy of war is that the entire army cannot be at the front in active combat. Those who have been in the front lines with me in my endeavor have never faltered, even though we have often looked to the rear, hoping for the support of the reserves to ease our economic battle as we continue to fight for the progress of the whole.

ACCOMPLISHMENTS, SECOND SESSION, SEVENTY-THIRD CONGRESS

Mr. BYRNS. Mr. Speaker, it is a privilege to have served as a Member of the Seventy-third Congress, the most important Congress, in my opinion, that has assembled in our generation, and one worthy to rank with those outstanding legislative bodies which mark the creation of new eras in the struggle for human progress. There has been a rebirth in this Nation of that Jeffersonian principle which places human rights above property rights and we, as Members of this Congress, have contributed our share toward that endeavor. The new deal-as President Roosevelt has so aptly characterized it-is no longer a theory. It is an established fact. It may be modified; it may be changed; but I am convinced that as surely as the sun rises in the heavens this Nation will never revert to a condition or sanction a system of government which permitted 2 percent of our population to hold 80 percent of our wealth.

It is fitting and proper as this session draws to a close that we review the accomplishments of the Seventy-third Congress and its major activities during the little more than a year that the administration of President Franklin D. Roosevelt has been in power.

At the extraordinary session of the Seventy-third Congress the machinery for the new deal was set up. In reviewing the accomplishments of that short session at its close on June 16 last year, I took occasion to point out the deplorable conditions which faced this Nation at the time the President was inaugurated and Congress was called into extra session, and stated:

It was manifest that a return to prosperity could not be brought about by the old methods—a new deal was necessary, and the President so declared in his preelection campaign. When Mr. Roosevelt was inaugurated President on March 4 a bank holiday had been declared in many States of the Union. In fact, nearly every bank had either closed its doors or was on the verge of doing so. Business and industry were at their lowest ebb since the beginning of the economic depression. Agriculture was in the depths of despair. Millions of idle men and women were walking the streets in increasing numbers looking for jobs. The people had lost confidence in the ability of their Government to bring about a recovery. Economic chaos threatened the country to a more alarming extent than in the darkest days of the preceding years. \* \* \* Never in the peace-time history of the American Republic did the Nation face a situation so grave, and I doubt if it is any exaggeration to say that not even in any war emergency which we as a people have ever faced was there a time when the peril to our institutions and to our well-being

was as great. More than 10,000,000 of men and women were, through no fault of their own, out of employment, and no work was to be found anywhere. Industry was paralyzed, credit was destroyed, agriculture was at the very brink of bankruptcy, and millions of citizens, on the farms, in the villages and towns, and in the cities, were threatened with the loss of everything they had saved through a lifetime of toil and struggle. \* \* This was the situation when President Roosevelt assumed the guidance of our national destiny at noon on that fateful 4th day of March. A Nation, indeed the whole world, stood by to listen to his inaugural address, to hear what of comfort or of hope he could hold out to a stricken people in their hour of peril.

I shall not at this time undertake to recapitulate the achievements which I enumerated then but, I think it not inappropriate to list some of the outstanding problems dealt with at that session: Government economy, balancing the budget, reduction of tariffs by negotiation, unemployment relief and reemployment, farm and mortgage relief, waterpower development in the public interest, securities control, correction of banking weaknesses, repeal of prohibition and modification of the Volstead Act.

That the ship of state, under the skillful guidance of President Roosevelt has veered away from the shoals of rugged individualism which threatened its existence is susceptible of ample proof. Someone has said that you fall into a depression but you have to climb out. We are doing that. Business generally is on the up-grade. All lines of trade and industry have felt the stimulus and are responding to new hope which has supplanted the feeling of despair. Farm income has increased 39 percent during the last year.

We are climbing out of the depression and, while we have not yet reached the goal, it is in sight. More than that, under the wise and beneficent direction of President Roosevelt, this administration is laying the foundation for a well-ordered governmental system, which, if followed, will make impossible recurrent panics such as that through which the world is now passing. Our forefathers recognized, when they drafted the Constitution and adopted the Bill of Rights, that changing conditions of life must be met and solved by each new generation. They were not afraid to adopt new theories and policies far more revolutionary in their day than anything we have before us now, and I am proud that this administration and this Congress has the same sort of courage as that with which they were endowed.

"But", say the partisan critics—advocates of rugged individualism and the raw deal—"all this is going to cost a lot of money." They profess to fear national bankruptcy and undertake to conjure up all sorts of ghosts with which to frighten the people. Of course it is going to cost money. Not a tenth as much, perhaps, as the value of the public domain and the natural resources improperly diverted into private hands through their misguided policy of letting well enough alone. Still, it will be a sizable amount even in this day of vast expenditure. But, thank Heaven, we can provide it. During the approaching campaign this plaint will be heard repeatedly from men who have no program of their own and nothing to offer but criticism.

In reply let me point out that many of these new agencies which have been set up by President Roosevelt with our approval are either self-sustaining or self-liquidating. Reconstruction Finance Corporation has advanced millions of dollars to industries gasping for credit, but, in every instance, it has been a loan made on securities of unquestioned value, and this money will be repaid. In fact, it is now being repaid with interest, as monthly reports to this Congress will show. The same is true of advances made through the Home Owners' Loan Corporation and Federal Land Banks. Even in the days of laissez faire, to which some of these gentlemen profess to think we should return, there were no sounder financial institutions than the properly operated building-and-loan associations, and there is no better security today nor sounder guaranty of peace and prosperity than home ownership. Those loans, too, will be repaid. "But", they say, "the Agricultural Adjustment Administration is paying out millions to farmers for curtailing production of wheat, cotton, corn, and tobacco." That is true, but they do not mention the processing taxes

provided to supply these funds and make these expenditures almost entirely self-liquidating.

Now as for other agencies forming part of the new deal, such as the Emergency Conservation Works, the Civil Works Administration—which made good the pledge that no man willing to work should go hungry—this administration has a source of revenue not hitherto available. It should be borne in mind that the increased Federal revenues to be derived from excise taxes on the legalized sale of liquor are estimated at close to \$620,000,000 per year. If this entire sum were devoted to financing the recovery program of President Roosevelt it would be sufficient to amortize approximately a 10-billion-dollar bond issue, or far more than the critics of the administration themselves say it will cost. To what better cause could this money be devoted than to the relief of distressed citizens?

Then, too, while we are on this subject of governmental expenditures it should be borne in mind that the normal annual income of our 125,000,000 people is approximately \$90,000,000,000. During the depression it dropped to about \$37,000,000,000, or considerably less than one-half. If we can restore that normal annual income, which we can and are doing, there will be no hardship imposed in paying any slightly higher taxes which may become necessary through expenditure of money for reemployment and relief of distress.

#### RECIPROCAL TARIFF ACT

But I want to speak of some of the outstanding accomplishments of this Congress. Among those in the first rank I would put the Reciprocal Tariff Act. With authority to enter into reciprocal trade agreements with other nations, I believe President Roosevelt will be enabled to revive our foreign trade, which, during little more than a decade, has dropped from between three and four billion dollars to a handful of millions. I am happy to say that our foreign trade has been increasing for nearly a year, and when these treaties, are negotiated it will expand more rapidly and we will find increasing markets for our surplus products.

It seems to me quite fitting that the United States should take the lead in this attempt to restore world-trade conditions, for it was our country, during the period when the Republican Party controlled its destinies, which first erected a high-tariff wall and established a policy of industrial isolation. No heed was paid to the warnings of the Democratic Party leaders by the men who framed the Fordney-McCumber or the Hawley-Smoot tariff laws. Intent only on building our already high tariff walls even higher, they made it impossible for other nations to trade with us and in retaliation those nations in turn set up their own tariff barriers until today, save in a few commodities, world trade has almost vanished from the seas.

And there should be no fear that this power will be unjustly used. I think we can safely say that no trade agreement will be entered into with a foreign nation which does not give full and adequate protection to any industry in this country which actually needs it and is otherwise worthy.

## SECURITIES EXCHANGE ACT

Another outstanding achievement of the Congress at this session is the stock-market control law. To the unrestrained orgy of speculation culminating in the collapse of October 1929 may be attributed much of the suffering and misery through which the people of this Nation have since passed. In its wake came a procession of failures in finance and industry, ruined lives, lost homes and farms, constriction of all avenues of credit, and almost complete deflation of the Nation. It imposes a system of Federal regulation on all stock and bond exchanges in the interest of the investing public.

## THE GOLD RESERVE ACT

Under this act the monetary gold in Government vaults has practically doubled in value, adding more than \$2,000,-000,000 to our Treasury reserve. With the power given the President to revalue the dollar, favorable exchange balances with other countries will be maintained and, as a

result, our exports will continue to increase. American interests will be protected abroad and ultimately this large accumulation of profits will be employed in reducing our national indebtedness.

#### SILVER PURCHASE ACT

The Silver Purchase Act declared it to be the policy of the United States Government that the proportion of silver to gold in the monetary stocks should be increased with the ultimate objective of maintaining one-fourth of the value of such stocks in silver. It gives to silver a better place in our monetary system.

#### THE LABOR DISPUTES ACT

This act authorizes the President to appoint boards to investigate facts and issues arising in controversies between employers and employees. These boards are authorized to conduct elections by secret ballot of employees in various industries to determine who shall represent them in collective bargaining over wage scales and working conditions.

#### RAILROAD RETIREMENTS

Congress also passed the Railroad Retirement Act which, by establishing a uniform retirement system for railroad employees, is designed to promote efficiency in service and safety for the public in interstate transportation. It makes possible the more rapid advancement of employees and guarantees security to the aged worker. This retirement fund is created through the joint contribution of employers and employees.

The Railroad Labor Disputes Act, passed in the closing days of the session, sets up the machinery to settle disputes between employers and employees, and is intended to prevent interference with transportation.

#### FARM LEGISLATION

Included in the important legislation passed at this session for the benefit of the farmers was the bill authorizing payment for certain basic major agricultural products, later amended to include cattle and sugar beets. These payments are to be made from processing taxes levied, and are intended to reduce surpluses and result in better prices for the farmer. It is an emergency measure and demonstrates conclusively the determination of the President and his administration that the farmers of this Nation shall have a square deal in the new deal.

Congress also placed the full force of Government credit back of the Federal land bank bonds in order to insure lower interest rates for the farmer, and increase his opportunity to obtain necessary credit.

It created the Federal Farm Mortgage Corporation, with a capital of \$200,000,000, to aid in the refinancing of farm debts

It authorized the Governor of the Farm Credit Administration to make loans to farmers during 1934 for crop production and harvesting and provided a fund to make loans for feed and livestock in drought- and storm-stricken areas. The sum of \$40,000,000 was provided to carry out the purposes of this act.

The Jones-Costigan Sugar, the Bankhead Cotton Control, and the Kerr Tobacco Control Acts were passed at the urgent demands of the producers themselves, to enable them to stabilize their markets against undue and excessive fluctuations and to balance production and consumption more effectively.

## SECURITY OF THE HOME

The first instinct of primeval man was the establishment of a home and to provide for its security. Contented and happy home owners are essential to a nation's survival. The haunting fear of the auctioneer's hammer has undermined that sense of security which American home owners formerly enjoyed. The President and Congress afforded the Nation a new hope for peace and contentment in the passage of the Home Owners Loan Act at the first session, and it was broadened and made more effective at the present session by the passage of an act placing the full force of Government credit back of the Home Owners Loan bonds, thus insuring their ready market and a reduction of the interest to be paid by the home owners.

comprehensive plan of home financing and mortgage insurance. It further provides that financial institutions making loans for financing alterations, repairs, and improvements upon real property are to be insured up to 20 percent of the total of such loans. It establishes a program of mutual mortgage insurance and authorizes the establishment of mutual mortgage associations with authority to purchase and sell first mortgages and borrow money for that purpose through the issuance of securities. It seeks to make available private capital for much-needed housing improvements throughout the country, will put new life into the building trades of the country, provide employment for labor, and give a very necessary impetus to the business of every related industry.

#### AID TO INDUSTRY

During the final days of the session Congress enacted necessary and vital legislation which provided for direct loans to private industry from the Reconstruction Finance Corporation and also made available additional credit through the Federal Reserve Bank System.

#### REVENUE ACT

Under the act passed May 10, 1934, it is estimated that \$167,000,000 additional revenue will be derived during the fiscal year 1935 and \$417,000,000 during the full year's operation from increased taxes on capital stock, estates, gifts, income, capital gains and losses, and other miscellaneous items. It shifts some of the burdens from the small incometax payers to those whose incomes are derived from unearned sources. It has plugged up many of the loopholes through which the beneficiaries of large incomes had evaded taxation under previous laws.

#### APPROPRIATIONS AND EXPENDITURES

Critics have declared for political purposes that Congress has appropriated a greater amount than was ever heretofore appropriated in peace time. In all fairness these appropriations should be divided into three classes:

First. The ordinary or current appropriations of the Government, and it may be said to the credit of the administration and the Congress that the regular appropriations for the next fiscal year are \$1,000,000,000 less than was appropriated for the last full fiscal year under Mr. Hoover's administration.

Second. Those appropriations which have been made for providing loans to agriculture and industry and which are self-liquidating. They were made necessary by chaotic conditions resulting from the depression which began in the fall of 1929, shortly after President Hoover was inaugurated. These loans are made upon good security, yield a low rate of interest for carrying charges, and eventually will be repaid.

Third. Appropriations which were necessary to relieve unemployment and human distress and for which this administration cannot be held responsible. It is the plain duty of the Government to provide for those who through no fault of their own are unable to provide for themselves and no taxpayer will complain because of these expenditures. This duty to humanity prompted the President to recommend and the Congress to provide appropriations necessary to care for the great drought-stricken area in the West.

We have provided funds for the continuance of the Reconstruction Finance Corporation, Public Works Administration, the Federal Emergency Relief Administration, and other relief agencies for the current as well as the next fiscal year.

In addition to the measures heretofore mentioned, we have enacted legislation continuing the bank guarantee so as to protect the average depositor and insure the solvency of banks. It is significant that despite doleful predictions not a single bank has failed since this law was passed a year We have amended the judicial code, enlarging the authority of the Federal Government in its determination to wipe out racketeering and kidnapers, as well as other interstate criminal activities. We have passed a law barring defaulting nations from the money marts of this country;

We passed the National Housing Act which provides a | and we have once more made good our international pledge when we again tendered the Philippines their independence. We have passed an air mail bill correcting the shameless practices of the previous administration and saving the Nation several millions of dollars. We have passed the corporate and municipal bankruptcy acts under which corporations and municipalities may, under certain conditions, readjust their finances. We have passed the Naval Construction Act authorizing the Navy up to the full limit of the London Treaty. We have passed the Communications Act, setting up a special commission for Federal regulation of the telephone, telegraph, and radio.

Congress passed the Rankin bill granting pensions to widows and orphans of World War veterans who had direct service-connected disabilities of 30 percent or more but who died from other causes. It also made more liberal provisions for veterans of the Spanish-American and World Wars.

There are many other legislative acts which could be enumerated if time permitted. In fact, it may be said that the session of Congress now closing was even more important and enacted more vital measures than the previous session of the Seventy-third Congress which up to its time was the most important and enacted more far-reaching legislation than had been enacted by a session of any peace-time

All these things and more we have done so that the average man—the one who all too often has been forgotten—might find a greater measure of prosperity, peace, and better living for himself and his posterity.

Before we separate I wish to take this occasion to thank the Democrats of the House for the honor conferred on me in making me your majority leader and for the courtesies, consideration, and generous support I have received at your hands. I also wish to thank the minority leader, Congressman SNELL, and his associates on the other side of the chamber. Despite the trying conditions and the opportunity afforded for great divergence in opinion, the deliberations of the House have been conducted on a high plane. The best evidence that the business of Congress has been carried forward in an orderly and effective manner is shown in the vast amount of legislation enacted.

We will leave soon for our homes and in a few short months will submit our records to the scrutiny of the voters in our respective districts. Our destinies as well as those of the Nation are in their hands and I for one await their verdict in November with confidence.

#### ACCOMPLISHMENTS OF SEVENTY-THIRD CONGRESS AND THE NEW DEAL

Mr. MEAD. Mr. Speaker, a general review of the accomplishments of the Seventy-third Congress shows a splendid coordinated effort on the part of Congress and President Roosevelt to lead this country back to a normal, healthy, and lasting prosperity. The entire legislative program, although vast and varied in its nature, demonstrates a successful attempt to balance economic inequalities and differences between the American producer and consumer.

Something like a war spirit has characterized the aggressive manner in which this administration has tackled the task of creating reemployment and instilling confidence and optimism in the hearts and minds of the people.

The Members of the Seventy-third Congress have experienced a greater measure of responsibility as they have felt the eyes of the Nation focused upon them. Both worker and industrialist have looked expectantly to the Federal Government for assistance. During the early months of the administration, politics took a back seat, and every lawmaker found himself overwhelmed with a busy legislative program. An alert constituency gave him no rest day or night in their eager demands for immediate action.

The Seventy-third Congress established a record for economic progress which stands unequalled by any other Congress in American history. It is true that the progress accomplished required a vast expenditure of public funds. but the saving of a nation warrants the action taken.

When President Roosevelt was inaugurated, we were on the verge of a national calamity; banks were closing, food strikes and riots were taking place, mob violence had already occurred in several sections of the Nation, and the army of unemployed had reached close to 15,000,000. Unless prompt and effective action was taken, the situation could not have been saved, and more radical and drastic steps would have become necessary. The President's inaugural speech, coupled with his courage, his leadership, and his demand for quick action saved the day and the country as well from a most serious situation.

Following his inauguration, President Roosevelt sprang into action, and the following day, March 5, 1933, declared a Nation-wide banking holiday. It was a bold, courageous move, which undoubtedly averted a severe banking and financial panic. He immediately called the Congress into extraordinary session, and asked that rapid steps be taken and funds provided for the carrying out of the promised new deal and the national recovery program. On March 13 the great majority of banks reopened, and normal trading and exchange was resumed.

The new Congress, overwhelmingly Democratic and strongly in sympathy with the President's wishes, worked feverishly during the special session to provide the necessary legislation to speed the recovery program on its way.

One of the Democratic campaign pledges was realized when, on March 22, 1933, Congress passed the beer bill, which permitted beverages of 3.2 percent, and paved the way for added Federal revenue.

During the 4 months of the special session came a rapid succession of relief and economic recovery measures. Greatest in importance was the establishment of the National Industrial Recovery Administration, first of the Roosevelt reforms. The N.R.A. was a purposeful effort by the Government to regulate private business. The administration was authorized to advise and approve codes of fair competition between industries. It outlawed cutthroat competition and afforded a new protection to American labor and American consumers. The same act likewise appropriated funds for a huge public-building program. This was followed by a \$500,000,000 appropriation for direct human relief and the Farm Credit Act to provide for farm refinancing. The former Home Loan Board was expanded under the Home Owners' Loan Act. Both the farm-loan and homeloan systems have been effective in relieving tax and mortgage difficulties among the Nation's small property owners. Permitting long-term financing at a reasonable interest rate, these measures have been among the foremost in combating the depression.

One of the President's dreams materialized with the passing of the reforestation bill, which authorized a conservation program to be executed by the Civilian Conservation Corps. The C.C.C. has put thousands of unemployed youths to work and is proving a unique and successful experiment, serving a threefold purpose; it has created employment for those enrolled; it requires the recruit to send back to his needy parents a substantial portion of his wages; and it is resulting in a constructive upbuilding of our national parks, forests, and roads. Work of this nature enriches the Nation now and pays big dividends to future generations.

In line with this policy of reconstruction and self-betterment came the passage of the Subsistence Homestead Act. This experiment provides a new principle in national planning. In force now a little over a year, it has gone far in aiding the stranded unemployed populations in our large industrial centers. It authorizes the Government to purchase and allot homesteads to the jobless industrial groups. It permits an opportunity for self-preservation by supplying small garden plots. The produce from these gardens supplements the small earnings of the families. It is developing a strong back-to-the-soil movement and may be the solution to one of America's gravest social problems.

The long-vexing question of what to do with Muscle Shoals was terminated with the prompt enactment of a bill setting up the Tennessee Valley Authority, which, in addi-

tion to utilizing the power at Muscle Shoals, provided for a development of the entire Tennessee Valley.

Completing the required governmental set-up for a stimulation of business and employment, and embodying in the legislation a number of important social reforms, the first session of the Seventy-third Congress adjourned on June 16, 1933.

The summer and fall were mainly punctuated by three important events. On November 8, 1933, President Roosevelt announced his plans for the Civil Works Administration. The C.W.A. was a temporary relief program to provide hungry, jobless men with employment during the hard, cold winter months. It produced an immediate wholesome effect, by offering work to men in every walk of life. It was a necessary expedient to maintain confidence until the slower-working but more permanent recovery plans attained results.

On November 17 the United States officially recognized Soviet Russia, and diplomatic relations were resumed for the first time since the birth of the government.

Ratification of the twenty-first amendment to the Constitution was completed on December 5, when the last of the necessary two-thirds of the States of the Union declared in favor of the repeal of the eighteenth amendment. Repeal of the dry law spelled the doom of bootlegging and racketeering and added a new stimulation to business recovery as the breweries and distilleries hummed again with activity and increased employment.

Congress reconvened on January 3, 1934, to begin the long session of the Seventy-third Congress.

The first half of this session was devoted almost entirely to the debate and passage of necessary departmental appropriation bills. Most outstanding was the Independent Offices Appropriation Act, which restored 10 percent of the Federal pay cut included in the Economy Act of the previous year, and liberalized regulations governing veterans' pensions.

A measure authorizing immediate payment of the bonus of World War veterans also passed the House, but was defeated in the Senate.

In February Congress allotted \$950,000,000 for human relief, to be principally handled by the Federal Emergency Relief Administration.

An \$850,000,000 fund was provided to perpetuate the Reconstruction Finance Corporation and expand its power to loan to industry. Further aid was provided for small industries by a measure passed at the close of the session, which specifically benefits struggling small business concerns.

Congress this session passed a monetary measure which struck a medium between the reactionary conservatives and the radical inflationists. The Gold Reserve Act authorized the President to devaluate the gold dollar at 59.06 percent. The object of the act was to restore confidence in our monetary system. It has resulted in a heavy return of capital to the United States.

On February 9 the administration announced the cancelation of the air-mail contracts, basing their action on charges of fraud and collusion on the part of the contractors in the past. This led to the passage of the emergency air mail bill which authorized the Army Air Corps to supply the Nation's Air Mail Service. The annulment of the air-mail contracts aroused heated partisan controversy throughout the session and a careful investigation by House and Senate committees. The investigations were climaxed late in the session by the adoption of a bill restoring the air service to private companies and creating a Presidential commission to study the entire aviation problem. An expanded Air Mail Service, including 19 additional cities and 4 additional States, at a saving of approximately \$8,000,000, has resulted from this action.

The Wagner Labor Disputes Act, setting up a board of adjustment to supplement the Board of Mediation, failed to pass and was replaced by a milder measure calling for a study of labor conditions and a report back to Congress next session.

After a colorful and intensive survey of stock-market exchange practices Congress adopted the Securities Exchange Act in spite of strong objections by powerful interests. It checks wild speculation on the exchanges and must be included as one of the administration's outstanding achievements.

A retirement act for railroad employees was approved in the closing days of the session. This humanitarian measure will permit the aging worker to retire and will provide employment for the more vigorous young employee who heretofore has been denied work.

With the new deal agencies operating smoothly, Congress has adjourned, but every Member will watch closely during the coming months and observe the results of his handiwork.

#### TARIFF AND THE NEW DEAL

Mr. DOUGHTON. Mr. Speaker, despite the protests and warnings of many of our domestic industries and more than 1,000 of America's leading economists, the Hawley-Smoot-Grundy tariff bill was enacted into law in June 1930 after having been before the Congress for more than 17 months.

At that time the Republican proponents of that measure predicted and promised it would bring added prosperity to

American agriculture, industry, and labor.

Three years later, however, when President Roosevelt and a Democratic Congress came into control of the executive and legislative branches of the Government, we found our country on the brink of absolute economic ruin; millions of our citizens vainly seeking employment to provide the barest necessities of life; banks closing daily, impounding the life savings of many of our people. Starvation, destitution, and fear in the minds of our people, coupled with the utter lack of leadership of those then in control of the Government, had increased and accentuated the unparalleled conditions of distress. Farmers were being forced to dispose of their crops at ruinous prices far below the cost of production, and millions of homes were being lost through foreclosures.

Such was the condition and picture of despair constantly in the thoughts of the American people. Such was the condition existing after 12 years of Republican high protective tariffs, which we were told would bring added prosperity, two cars in every garage, and a chicken in every pot.

Immediately following the inauguration of President Roosevelt the Congress placed in his hands broad discretionary powers affecting the internal and domestic business affairs of the country, and under his leadership and the exercise of those powers we have again placed our banking institutions upon a sound and substantial foundation. During the period from January 1, 1933, to March 4, 1933, there had been a total of 462 National and State bank failures. For the same period in 1934 not a single National or State bank operating under the Bank Deposit Guaranty Act has suspended operations, and during this same period deposits in national banks alone increased \$1,200,000,000. We have also seen the price of agricultural products steadily increase. Likewise, we have seen our industries resume the production of those commodities which our people and the peoples of the world demand. The purchasing power of our people has steadily increased. In other words, we have seen hope and confidence displace gloom and despair.

## OUR DIMINISHING FOREIGN TRADE

Between 1929 and 1932 world trade declined 60 percent, while that of the United States declined 70 percent. In other words, in 1929 the total exports of the United States were \$5,241,000,000, whereas in 1932 they declined to \$1,611,-000,000. The exports of the rest of the world in 1929 were \$27,794,000,000, in 1932 they were \$11,115,000,000.

This shrinkage in our foreign trade has been responsible to a large extent for our unemployment situation and the continuance of the depression and can be attributed to the passage of the Hawley-Smoot-Grundy Tariff Act. Immediately following the passage of this act, practically every other commercial country in the world either increased its tariffs or erected other import restrictions in retaliation against the United States. In addition, practically all the

other commercial countries have placed in the hands of their executives broad powers to enter into reciprocal-trade agreements, and to change promptly their tariffs to meet the ever-changing business and economic conditions. Many trade agreements have been entered into between other countries which have resulted in inestimable damage to American agriculture, industry, and labor, which depend upon our foreign markets for the disposition of their surplus production. In normal times 7,000,000 of our people are directly dependent upon foreign trade for their livelihood.

#### NECESSITY FOR FOREIGN MARKETS

The necessity for expanding our foreign markets if we are to bring about any measure of permanent recovery should be apparent to everyone. In normal times we export from 55 to 60 percent of our cotton, 40 percent of our tobacco, 30 percent of our lard, 18 to 20 percent of our wheat, and many other agricultural commodities. We export 40 percent of our typewriters, 29 percent of our printing machinery, 28 percent of our sewing machines, 23 percent of our agricultural machinery, 20 percent of our locomotives, 14 percent of our automobiles, engines, and parts, as well as many other industrial products.

In 1932 the total exports of the United States were the lowest since 1905. The following table shows how serious

has been the decline in our foreign trade:

ports of:	Lowest since
Cotton (except for year 1931)	1903
Cotton manufactures	1911
Meat products	
Animal fats and oils	
Wheat and wheat flour	1905
Oil cake and meal	
Tobacco, unmanufactured	
Rubber manufactures	
Iron and steel mill products	
Copper and manufactures	
Machinery of all classes	
Automobiles, engines and parts	1015
Leather	
Sawmill products	
Other wood manufactures	
Other wood manuactures	1090

President Roosevelt, desirous of doing everything possible to bring about a real and permanent recovery, and knowing the vital importance of foreign markets, asked that he be given powers similar to those possessed by the executives of practically every other country in order that the United States might be in position to compete successfully in the negotiation of reciprocal-trade agreements and regain such markets for our surplus products. The granting of such powers to the President and the negotiation of such agreements is the only practical and feasible method for assisting those dependent upon foreign markets. Unless we expand such markets, we will be compelled to remove approximately 50,000,000 acres of farm lands from cultivation and permanently close down many of our industries, or at least greatly curtail their production.

There is nothing radical or particularly new in reciprocity. President McKinley advocated it in his last utterance when he said:

The period of exclusiveness is past. Commercial wars are unprofitable; reciprocatory treaties are in harmony with the spirit of the times; measures of retaliation are not.

The policy of reciprocity dates as far back as 1794, and there have been many instances in which similar and even broader powers have been delegated to the President. Numerous acts have been enacted, and as a matter of fact, sections 337 and 338 of the Hawley-Smoot-Grundy Tariff Act contains provisions delegating powers to the President equally as broad as those President Roosevelt sought. Under these prior acts many proclamations were issued by Presidents Adams, Jackson, Polk, Fillmore, Buchanan, Lincoln, Johnson, Grant, and Hayes. However, the Republicans in Congress, in the hope of securing some partisan advantage, endeavored to implant fear in the minds of our people by asserting that the enactment of the measure and the placing of such powers in the hands of the President meant the destruction of many industries in the United States. Such

rebuke of the American people as a gross insult and reflection upon the high patriotic motives of the President, who in his message to the Congress stated:

\* \* You and I know, too, that it is important that the \* \* You and I know, too, that it is important that the country possess within its borders a necessary diversity and balance to maintain a rounded national life, that it must sustain activities vital to national defense, and that such interests cannot be sacrificed for passing advantage. \* \* \* I would emphasize that quick results are not to be expected. The successful building up of trade without injury to American producers depends upon a cautious and gradual evolution of plans.

The exercise of the authority which I propose must be carefully weighed in the light of the latest information so as to give assurance that no sound and important interest will be seriously discovered.

ance that no sound and important interest will be seriously dis-turbed. The adjustment of our foreign-trade relations must rest on the premise of undertaking to benefit and not to injure such interests. In a time of difficulty and unemployment such as this, the highest consideration of the position of the different branches of American production is required.

Senator Harrison, of Mississippi, in a recent address over the radio, correctly portrayed the position of the Republicans in Congress and their attitude toward the new deal in tariff legislation, when he stated:

As is quite well understood by everyone, partisans all too often play politics in an election year with important administration proposals. A party candidate must have some issues, some platform on which to run; and if he is not big enough to be constructive, then he may well be destructive. If he cannot praise, he presumes to condemn; if he cannot build, connives to tear down; if he lacks a message of hope, he delivers one of fear; if he cannot advocate a program of national and international cooperation, he seeks to promote national and international discord, distrust, and hostility.

Notwithstanding this partisan opposition the reciprocal trade policy has been adopted. It is only one of the many constructive moves of this administration to bring about national recovery.

It is deserving of, and I am confident will receive, the cooperation of every interest and industry in this country and that its successful operation will prove of inestimable benefit to American agriculture, industry, and labor.

AN EXPLANATION OF THE TRAIN-LIMIT BILL AND THE 6-HOUR DAY BILL FOR RAILROAD EMPLOYEES

Mr. MEAD. Mr. Speaker, this bill makes it unlawful for a train of any type to operate with more than 70 cars.

Trains now may carry as many as 200 cars, each car on the average measuring about 40 feet. This means a train over a mile and a half long.

This measure is advocated by the railroad employees and labor organizations, who feel that shorter and more numerous trains would increase employment. It is also generally held that the main hope of the railroads lies in speedy, efficient service. Faster trains are essential.

The carriers argue that long trains can be operated more economically. The advocates of this legislation, however, believe that the carriers would gain enough additional revenue through quicker, better service to more than compensate for the slight increase in operation costs.

The various hazards of long trains have also been brought out. There is approximately 15 inches of slack between each car on a train. In 100 cars that would total 125 feet. This means that 125 feet of slack must be taken up each time a train of 100 cars comes to a dead stop. The resultant shock is damaging to the whole train mechanism. It also constitutes a physical menace to the men employed on the train. Special railings have been built in cabooses for the men to cling to when a long freight train comes to a stop.

Communities throughout the Nation favor this bill. Trains over a mile long often block several crossings when they are forced to stop, and even as they move slowly along. In any case their necessarily slow rate of speed and extremely long length is a highway nuisance. Motorists and chambers of commerce everywhere hold a grudge against long, slow trains,

This is an age of speed and efficiency. The railroads must keep pace with the times or they are doomed. The new train "Zephyr" running between two western cities is built for speed and so constructed that no additional cars can

assertions deserve, and, in my opinion, will receive, the be attached. This particular company in seeking speed. service, and comfort has realized that a limited length is an essential for progress in this direction. Each day the motor service is taking away business from the railroads. They must meet this growing competition. If the carriers insist on retrogressive policies, it is the Government's duty to dictate in the best interest of public service.

> H.R. 7430-A BILL TO ESTABLISH A 6-HOUR DAY FOR EMPLOYEES OF CAR-RIERS ENGAGED IN INTERSTATE AND FOREIGN COMMERCE, AND FOR OTHER PURPOSES

> This bill is to establish a 6-hour day in the railroad industry without reduction in the basic rates. It is practically identical with the measure passed in 1916 paving the way for an 8-hour day. The same arguments are being used in opposition to it.

> The primary purpose of the bill is to increase employment without reducing wages. It is a step in harmony with the plans of the present administration. It will better the social and economic conditions of the railroad employee and stimulate permanent economic recovery.

> The bill imposes a fine against those carriers who do not comply. It also provides for a Presidential commission to study the benefits of the 6-hour day and to report their findings back to Congress within a year.

> A careful calculation of the increase in productivity of labor on the railroads has been made for the years 1915-26. During this period it is shown that the output per man-hour of all employees increased 40.5 percent. This increase in productivity has been due to steady technological improvements. More powerful locomotives, longer freight trains, cars of greater capacity, and added tonnage per car are among the factors that account for this increase. The advance in railroad efficiency, during the past years, was accomplished by steady improvements and new inventions to limit man power. It has resulted in a greater labor productivity on the part of the employees and a resultant dwindling off of the number of workers. The inauguration of the 8-hour day in 1916 came near balancing the problem of productivity and employment at that time. Since 1916 mechanical progress has speeded up productivity at an alarming rate.

> The wide gap between consumption and production constitutes one of the fundamental causes for our recent depression. The history of the shorter workday shows us that it is the only solution to this problem. By their increased productivity, railroad workers have suffered mounting unemployment as well as wage cuts. If a 6-hour day was established without a reduction in pay, it would make possible the reemployment of those men who were dropped as a result of their own increased productivity. In addition, they would all be able to maintain the same standard of living they have previously enjoyed under the 8-hour day.

> In a report to Congress in December 1932 the Interstate Commerce Commission supported the policy of a 6-hour day for railroad employees. The Commission's survey was impartial and its findings convincing. In its report the Commission estimated that the establishment of a 6-hour day would afford employment to 300,000 to 350,000 in a comparatively normal year like 1930; and employment to 60,000 to 100,000 in a year of abnormal conditions like 1932. The Commission endorses this bill.

> When the 8-hour day was instigated in 1916 the carriers declared that it would bankrupt them. However, after its establishment they succeeded easily in readjusting their schedules and the result was vastly beneficial to all concerned.

> The N.R.A. and the other emergency units of the present administration is correctly tackling the existing economic troubles by urging shorter hours, higher wages, and increased employment. The railroads do not come under the jurisdiction of the N.R.A. They are under the direct supervision of Congress. The enactment of this bill is necessary to help complete the President's program of economic and social readjustment. The carriers must make their contribution to relieve the present crisis.

COMMUNISTIC PROPAGANDA IN THE UNITED STATES

Mr. McFADDEN. Mr. Speaker, the recognition of Russia by the United States was consummated by President Roosevelt and M. Litvinoff, alias Finkelstein, representing Russia, at the White House in Washington last November when a joint statement was signed, and Mr. Litvinoff gave President Roosevelt solemn assurance that there would be no further propaganda carried on in this country. This was understood to mean communistic propaganda in praise of the present Russian governmental experiment. With hardly any discussion of the merits or demerits of recognition the United States Senate confirmed the treaty. Only a few days had elapsed when Litvinoff made certain statements in Italy that he made no concessions here.

Russia came to us with a treaty in one hand and what in the other? Russia posed as a pacifistic nation, although she has a military force that by comparison makes France and Germany look like nations of Boy Scouts.

November 21 last when the present new Russian Ambassador to the United States was interviewed he said that no communistic propaganda will emanate from the Soviet Embassy in Washington. He said further:

Communism is not a thing that can be imported to one country by another. It is not a question of foreign relationship but a domestic problem. In any event, I can assure you, gentlemen, there will be no communistic activity on the part of any of our officials in America.

The New York Herald Tribune, under a Moscow, June 9, 1934, date line, states:

The announcement that the Seventh Congress of the Third Communistic International will convene here next month calls for the reconstruction of the whole question of world revolution and the relation to it of the comintern, on the one hand, and the Union of Soviet Socialist Republics, on the other, established in Moscow in 1919, with the avowed purpose of overthrowing the existing order in all countries and of organizing a world Federation of Socialist Soviet Republics. \* \* Trotsky has established a Fourth Communistic International, which, we are told by its proponents, boasts an increasing number of adherents in France, the United States, Holland, and Spain. Stalin, like Molotov, continues as a member of the comintern's executive committee. \* \* \* In any treatment of the future of the Union of Soviet Socialist Republics and the comintern in their relation to the world revolution careful consideration must be given to the increasing diplomatic activity of the Soviet Government throughout the world.

Diplomatic activity, of course, means the new recognition of Russia on the part of the United States.

Russia now is considering entering the League of Nations. In the light of this, what is to be the future of the comintern and what part is the Union of Soviet Socialist Republics to take in the world revolution?

The Russians say that a revolution-

Can develop only as a result of an unstable domestic situation. They say that while the economic situation in the Soviet Union will improve gradually the situation of the workers in the capitalistic countries like the United States will become worse gradually and that eventually the stage for communistic revolutions abroad will be advanced—

And that-

The communistic revolution will come after capitalistic countries have gone through a period of fascism; and they mention Italy as an example.

The corporate state is fascism, and in the United States today a correct interpretation of the new deal, with all of its alphabetical departments, is the introduction of the corporate state, or fascist, form of government.

Russia is quite content because she has worked out these things in her own way. The Soviet authorities are now prepared to watch and wait and to continue their diplomatic activities

On December 2, 1933, Matthew Woll, vice president of the American Federation of Labor, said:

I am not optimistic as to our relations with the communistic government of Russia. Pleasantries in Washington (having reference to the M. Litvinoff treaty negotiations with President Roosevelt) have not changed the character of the Soviet Government. The pledge given by Maxim Litvinoff (alias Finkelstein) has not divorced the Third Internationale from the Russian Soviet Government. These two and the Communist Party of Russia continue

as the three joint elements of a unified communistic control in which each of the three parties is incapable of independent action not in accord with the program and desires of the others.

Speaking of the treaty agreement, Mr. Woll continued:

This agreement frankly does not assure harmonious relations with revolutionary communism. \* \* \* Communism is communism \* \* \* as long as its philosophy remains, the conflict between communism and democracy must go on. To think of it as stopped by an agreement signed by two men in Washington is to forget all of the lessons we have learned and to overlook all of the facts available.

There is in the Litvinoff agreement no promise to repudiate the communistic philosophy, no promise to repudiate the doctrine that it is a communistic obligation to deceive the rest of the world, no promise to repudiate the Third Internationale, no promise to cease doing any of the things that have made communism the enemy of all the rest of the civilized world. \* \* \* There is even no repudiation of the Moscow order published in America while Litvinoff conferred in Washington (at the White House with President Roosevelt) and which order was published in Moscow on October 23, 1933, by the central office of the Communist Party of the U.S.S.R., 2 days after the publication of the correspondence between President Roosevelt and President Kalinin. Omission of any reference to this Moscow order is all the more remarkable because of the bitter attack made in it upon President Roosevelt and the N.R.A. program. The fact that the American Federation of Labor was likewise attacked may perhaps be of little importance to some. This document was headed "Roosevelt Starvation Program." It was addressed to communistic and revolutionary groups in the United States and was officially approved by the soviet censorship bureau. It contained detailed orders and instructions to oppose President Roosevelt's program, to exploit the wave of discontent, to convert this discontent into a gigantic struggling proletariat, to formulate the plans of a counterrevolutionary organization without delay, and immediately to instigate open revolts, fights, and strikes against the administration's measures.

Do I need to call your attention to the strikes, the labor disputes, fights, and revolts that are now taking place in the United States?

And I quote further from Mr. Woll's statement:

It is clearly evident that, regardless of recognition, regardless of promises given and pledges made, Soviet Russia is as determined as ever to create internal strife within our Nation and to foment world revolution. \* \* Do I believe communistic propaganda will cease? Most assuredly, I do not. I am confident there will be plenty of communistic propaganda, ordered to accord with the Moscow pattern. \* \* \* We have opened the door, and something is bound to enter.

Russian propaganda is freely circulating in the United States. There is no governmental interference. Influences quite in sympathy with the overthrow of constitutional government in the United States have seen to it that the Department of Justice is not placed in a position to counteract the activities of the Communists, the world revolutionaries, and those hundreds of organizations in the United States who are working to involve the United States in foreign entanglements which will eventually lead this country into communism and world revolution.

As one specific proof of the activities of the Russian Government I now desire to call your attention to a booklet entitled "Why Communism?" by M. J. Olgin, published by Workers Library, publishers, box 148, station D, 50 East Thirteenth Street, New York City; first printing December 1933, second printing February 1934; first revised edition March 1934. I call your attention to the fact that the first edition of this publication followed within 30 days after the treaty between President Roosevelt and Maxim Litvinoff was entered into, and that the second printing and the first revised edition followed almost immediately thereafter.

I quote from this book, page 44:

We Communists say that there is one way to abolish the capitalistic state, and that is to smash it by force. To make communism possible the workers must take hold of the state machinery of capitalism and destroy it.

On page 45, chapter 5, A Program of Action and Economic . Struggle is outlined, after referring to the capitalistic form of government. I quote:

This leads us to the road along which the working class can arrive at the destruction of the capitalistic state—revolutionary struggle. The working class is placed in this capitalistic society in a position where to live it must fight. This fight, to be effective, must be aimed not only at the capitalists but also at the state. And once the fight is effective enough, it must inevitably lead to the smashing up of the state.

tory, mine, and mill. It is first of all a fight for higher wages, for shorter labor hours, for better working conditions. It is a fight for unemployment insurance, for social insurance generally, by which is understood that the state pays a minimum wage to those out of work, to the sick, the injured, and the aged.

The similarity of this with the present-day happenings in the United States is very marked. Are we in the midst of just such a situation as is set forth on pages 45 and 46 of this booklet?

On page 57 the following statement appears:

We live in an atmosphere of imminent war. All national policies are now directed toward the preparation for war. What are these so-called "conservation camps" if not training grounds for the future army to be used in the war? What is this militarization future army to be used in the war? What is this militarization of the schools and colleges if not preparation for war? What are these numerous war games on the water and in the air, on the land and in the sea if not preparations for war? What is this mobilization of the industries of the United States, with administrators ready in every section, with the machinery so timed as to make it possible to put the whole country on a war basis within a few hours? What are these repeated declarations by Cabinet members that the Navy was needed for the purpose of "expanding American commerce"? What is this modernization of the Army, modernization of battleships, and the huge increase in the aerial forces of the United States if not in preparation for war?

Roosevelt's government is a war government. And it is in order to screen these war preparations from the public view for a while that pacifistic phrases are used. Roosevelt talking of world peace! Socialists applauding, trying to make the people believe that Roosevelt is an angel of peace. Reformist union leaders singing in unison with Roosevelt's apostles of peace. A mutual admiration society for laying a smoke screen. Gabriel over the White House. \* \* A militaristic propaganda under the slogan, "Stand behind the President", \* \* reminds one of war the under White and with the president of the NEA is been and the standard of the NEA is been and the second by the second peace. behind the President", \* \* \* reminds one of war time under Wilson. \* \* The administration of the N.R.A. is backed by Wilson.

the war industries and administration of the N.R.A. is bacter by the war industries and administered by leading war mongers.

Here as elsewhere we Communists remain political realists. We say to the workers, "Words are chaff; they mean nothing; they mean less than nothing; deeds count. The deeds of the Roosevelt government are war deeds."

On page 60 we find the following directions to American employees from the Communist Party:

Workers in ammunition plants, go on strike! Shut down your plants! Prevent governmental strike breakers from resuming work! Railroad men, refuse to handle war materials or to transport troops! Keep guard over your railroad yards and depots lest transportation facilities be used by governmental agents! Marine workers, do not load either men or ammunition! Truck drivers, refuse to assist in war work! Workers of other industries, help the strikers. Farmers, refuse to give your foodstuffs and raw materials to be used for the slaughter!

We Communists do not close our eyes to the fact that this means civil war.

Victory in the civil war spells the doom of the capitalistic state.

Is it not about time our Government takes action to stop this kind of propaganda?

From page 61 I quote:

Congress has ceded its prerogatives of lawmaking to one man, Roosevelt, who is a virtual dictator, acting through a number of boards appointed by him. All this vast economic legislation that has been introduced now is not of congressional origin and has not received congressional approval. In foreign policies Congress has long become nothing but a rubber stamp, while the treaty power is in the hands of the President and his advisers. There was once prevalent in America the theory of the balance of power between the legislative, judicial, and executive branches of the Government. It is no accident that the executive branch has gained acendancy over the rest. This is in keeping with the interests of Wall Street. It assures quick action. It makes for quiet deals away from the glaring light of publicity. It makes it unnecessary to dicker with numerous legislators who may have to reckon with the moods of their electors, although by and large it has not been difficult for Wall Street to keep Congress in line. It clears the ground for further developments along the road of an open dictatorship. an open dictatorship.

Here we have the communistic interpretation of the present development under the new deal; a severe arraignment, and no action is taken by the administration.

I quote further from this analysis appearing on page 62:

Wherever capitalistic democracy is displaced by open capitalistic dictatorship for the primary purpose of crushing the revolutionary labor movement that threatens capitalistic rule and for the purpose of fusing the state with big business in order to overcome the crisis of capitalism, there we have fascism. Fascism is brute force against a rising working class which begins to challenge

the capitalistic power. Fascism at the same time attempts to organize industry and commerce on behalf of the owners of wealth.

It is interesting, in connection with the consideration of this paragraph, to compare the present scope and operation of the N.R.A. and its codes in an attempt to organize industry and commerce on behalf of the owners of wealth in the United States. I again quote from page 62 of this booklet:

The iron hand that is used against the workers and poor farmers is aimed to force them to accept lower wages and worsened working conditions in order thus to secure greater profits for the employers. Government regulation of industry and commerce, Government subsidies and aid from the Treasury, i. e., from the taxes squeezed out of the masses of the population, also have the purpose of increasing the profits of the great industrialists and bankers. Fascism is a form of government which reduces the overwhelming majority of the population to abject poverty and degradation so that a few heads of large corporations may prosper. prosper.

And from page 63, I quote:

Fascism, however, may assume different forms and may appear in varying degrees. We in the United States witness the growing Fascization of the State. Those attempts to prevent workers from striking; those N.R.A. codes supposed to organize industry and commerce by State regulation; that "partnership" between government and industry and government and labor that has been proclaimed as the policy of the Roosevelt administration; that reign of terror that is sweeping the strike areas of the country—what is it if not the manifestation of fascistic tendencies? That dictatorship of one man so eagerly acquiesced in by everybody. \* \* We certainly have a fascization of the governmental apparatus. everybody. \* \* We governmental apparatus.

To say the least, these are interesting observations by Communists on the new deal.

From page 77 I quote:

Armed workers and soldiers and marines seize the principal governmental offices, invade the residences of the President and his Cabinet members, arrest them, declare the old regime abolished, establish their own power, the power of the workers and

And still our present Government permits this kind of propaganda to freely circulate, clearly advocating overthrow of our Government.

In this textbook you have an example of a directed action issued as propaganda by the Communist Workers, publishers, who, I understand, publish the Communist, the monthly organ of the Communist Party in the United States of America.

I now quote from page 95 of this Communist booklet:

Hand in hand with the Communist Party and under its guid-Hand in hand with the Communist Party and under its guid-ance functions the Young Communist League, the revolutionary organization of the Young Workers and many other organizations. There is a Communist Party in every country of the world. All of them work for the same end, and all of them adapt their activities to conditions existing in their country.

And from the last page I quote:

The seat of the comintern is Moscow, because this is the capital of the only workers' and peasants' government in the world, and the comintern can meet there freely. As the workers become the rulers of the other countries the comintern will not have to confine its meeting to Moscow alone.

The Communist Party of the U.S.A. is thus part of a world-wide organization which gives it guidance and enhances its fighting power. Under the leadership of the Communist Party, the workers of the U.S.A. will proceed from struggle to struggle, from victory to victory, until, rising in a revolution, they will crush the capitalistic state, establish a Soviet state, abolish the cruel and bloody system of capitalism, and proceed to the upbuilding of capitalism. socialism

This is why every worker must join the Communist Party.

Here is a document, only one of many now being freely circulated in the United States, which violates the agreement entered into by the Russian Ambassador, Maxim Litvinoff, and President Franklin D. Roosevelt as evidenced by the treaty which was used as the basis to secure ratification by the United States of the Soviet Russian Government. The author of this book, which is Russian Communist propaganda, is Dr. M. J. Olgin, a Russian born Jew, who has a long history of revolutionary activities in the United States. He has been in the United States since 1915, took a Ph.D. degree at Columbia University. He has been editor of many radical publications in the Soviet Russia and in all Russia before coming here, and in 1924 was a candidate for the New York State Assembly on the Communist Party ticket.

Students of radicalism know that the present Soviet government in Russia was organized by aliens and usurpers and not representative of the thoughts and ideals of the 150,000,000 citizens of Russia, and that the controlling body Ogpu in 1930 in Russia was as follows:

Stalin (Georgian), head of the Soviet political bureau; Micojan (Georgian), agriculture; Monjinsky (Polish), head of the Ogpu; Ricoff (Russian), head of committees; Litvinoff (Russian Jew), foreign affairs; Tomsky (Polish Jew), trade union control; Kamenev (Russian Jew), concessions department.

The Soviet Government of Russia, in 1914, was composed of 565 persons, as follows:

Russians	32
Poles	2
Czechs	1
Letts	34
Finns	3
Armenians	10
Georgians	3
Hungarians	1
Germans	10
Jews	469
Total	565

Note the preponderence of Jews in the Russian Government.

It is significant to note that the recent overthrow of the German Government by the Hitler movement was caused by the preponderance of Jews in the German Government, in the universities, as lawyers, as physicians, as bankers, complete domination of all exchanges, in commerce, in the theater, moving-picture industry, in politics. And now in the present United States Government it is noticed that an increasing number of Jews occupy high key positions in all departments. In this connection I quote from an article appearing in the Washington Herald under date of June 2, 1934, as follows:

## COMMUNIST STATE FORECAST FOR UNITED STATES

New York, June 2.—Ten thousand persons in Madison Square Garden heard Earl Brodder, general secretary of the Communist Party, declare tonight that the forces that created the Soviet Union "are going to create a Soviet power in Germany and the United States." Brodder spoke at a meeting under the auspices of 100 Jewish organizations to celebrate the conferring of autonomy upon Biro-Bidjan, in eastern Siberia.

I want to remind loyal Americans that it is well to remember the boring-from-within tactics pursued by these aliens and usurpers who pursued tactics in Soviet Russia which caused the downfall of their Government and set up the present Communist-Jewish controlled government which is now in operation in Russia, and to point out that the same kind of aliens and usurpers are now at work in the United States to establish a form of government other than constitutional government, and in order to do this they are seeking to paralyze industry, to destroy patriotism, and, finally, to secure the overthrow of government itself in the United States.

The publishers of this communistic book by Olgin, the Workers' Library, is the official propaganda medium in the United States of the Communist Party of the United States, and is unquestionably subsidized by Moscow along with the International Book Publishing House, as is indicated in the financial report of the executive committee of the Communist International Plenum meeting, September 1932, by an item of \$756,900 under the heading of "Expenditures" as subsidies to party newspapers, publishing houses, and cultural educational work.

There have been many Members of both the House and Senate of the United States who have frequently declared that communism in our country was not dangerous to our form of government and the putting over of it was never intended through a program of force and violence. This pamphlet by Olgin refutes this idea in bold form, because on page 44 of this booklet we find the following language:

We, Communists, say that there is one way to abolish the capitalistic state, and that is to smash it by force.

The last paragraph in this book which I have quoted is a positive declaration at variance with Litvinoff's—Finkelstein's—statement made to the press of the country and supposedly to the President that there is no relation between the Communist Party of the United States of America and the All Union Bolshevik Party of the Union of Soviet Socialist Republics.

Proper Government agencies should immediately investigate this particular piece of propaganda, which is one of the most dangerous that has ever been put out in the United States. The circulation of this propaganda is proof that recognition of Russia was obtained under false pretenses.

#### ATRSHIPS

Mr. HARTER. Mr. Speaker, as a member of the Joint Congressional Committee to Investigate Airship Disasters I attended many hearings and studied a great deal of evidence concerning the value of airships as a means of national defense and as commercial vehicles for use in transoceanic commerce. After due deliberation and study our committee concluded that the merits of airships most assuredly made them worthy of continued support and development in the interests of the national welfare, and we suggested a training and operational program with this end in view.

I am, of course, deeply perturbed that little or nothing has been done toward the carrying out of the constructive program proposed by the joint committee, particularly in view of recent developments which have shown the committee's findings to be sound. The net result has been a loss of at least a year in advancing our airship program, and still

more time will be lost unless we act promptly.

Since our committee reported the Graf Zeppelin has been continuing her nonchalant transoceanic flights, boosting German prestige and commerce, and, incidentally, furnishing a financial return to her operators. She has been so successful that German and Dutch interests are now combined to establish an airship service from Europe to Batavia, with occasional trips to both North and South America. American capital may be expected to contribute financial backing for this service. If we had been more farsighted. we might be in a position to offer not only capital but a merchant marine of the air as well. The nations which pioneer in the fostering of world-wide air commerce will hold a virtual monopoly on it in the future, and here we sit idly by and watch the creation of a foreign merchant marine of the air, bringing Europe to our very door and, by virtue of the speed and comfort of this new and modern method of travel. encouraging our business men and world travelers to travel on foreign ships, to the further detriment of our own merchant marine.

Recently the public press has criticized our Post Office Department for sending European mail on foreign-flag ships, rather than on some of our own much slower boats. As the system now operates the sender of a letter may specify the ship on which he wants his letter to cross to Europe, and thus has an option to choose one of the faster foreign-flag ships if he so desires. This privilege is a valuable one, and is carefully used by our business houses which fully appreciate the value of the time saved en route.

It is a fact, regrettable but true nevertheless, that our American merchant marine is unable to compete with foreign vessels on terms of speed. We do not own any large, modern, high-speed ocean greyhounds, nor would I advocate that we attempt to enter into the trans-Atlantic steamship race. Such ships are fundamentally uneconomical and require large subsidies for their operation—subsidies which must be charged off against national pride and prestige.

The need for high-speed ocean crossings really applies to a small percentage of the total passenger traffic and to the first-class mails. There is no reason why this class of transoceanic traffic cannot be handled by large rigid airships, and there is every indication that in contrast to the excessive subsidy required by the supersurface liner an airship fleet may be operated as a paying proposition, if reasonable charges are made for passengers, mail, and express.

I am thoroughly convinced that a fleet of merchant airships operating under the American flag will make it possi-

ble for us to regain that maritime prestige which we so successfully held in the days of the clipper ships.

I have so far confined my remarks to the commercial importance of the airship and its potentialities in the field of world commerce, for I feel that these are things which we can all appreciate and fully understand.

The military usage of large rigid airships comes under the direction of the Navy Department, and their merits in this respect can be fully understood only by persons skilled in the arts of military science and tactics. It is easy, however, to visualize the value of an airship as a strategic scout, cruising thousands of miles from its home base, patrolling thousands of miles of ocean per day, and keeping our fleet and shore bases advised of the existence or nonexistence of enemy forces in certain strategic localities. In this connection let me remind you that at the conclusion of the recent maneuvers in the Caribbean the U.S.S. Macon left Miami, Fla., and was at her permanent base near San Francisco 48 hours later. This was an effective demonstration of the speed with which these aerial scout cruisers can be brought into action and offers a vivid contrast with the time required to traverse the same distance with a surface scout cruiser. The contrast would be even more striking if we granted the possibility that enemy forces might block the canal, thus bottling our whole surface fleet in the Atlantic.

I mention these things because there has been so much false information on airships given out by people who are poorly informed on all phases of the matter. It is my feeling that we should pay more attention to the opinions of persons who have flown airships and who are qualified to speak from knowledge rather than from pure conjecture. One such person is Commander Wiley, sole surviving officer of the U.S.S. Akron, who is soon to become captain of the U.S.S. Macon. He is a man who has had experience in airships since the inception of an American airship program; and through all his career and after all his experiences he still is persistent in his faith in the rigid airship. Because I feel that he is well informed and speaks from knowledge gained in the hard school of experience, I believe his paper in the May issue of the United States Naval Institute Proceedings to be of great value, and I ask unanimous consent to have it inserted in the RECORD.

The paper referred to is as follows:

[Reprinted from the United States Naval Institute Proceedings, vol. 60, no. 5, whole no. 375, May 1934]

VALUE OF AIRSHIPS

By Lt. Comdr. H. V. Wiley, United States Navy

Among the arrows in the quiver of our national defense the rigid airship seems neglected, largely because of little knowledge of its capabilities. In presenting this article the purpose is to give in-formation concerning airships, and it is the intention to confine the contests to facts so far as humanly possible. It is well known by serious-minded proponents of the dirigible or any other new endeavor that extravagant and imaginary claims of enthusiastic friends do more harm than good and leave so much misinformation and delusion that a careful analysis of the real value of the project cannot be made. It is unfortunate that the general public, and even naval officers, have little reliable knowledge of airships.

Most people have had to depend upon the public press for their ideas and knowledge of these scouts of the air. These press re-ports are usually written by persons not familiar with the tech-nical aspects of aviation and bring out more of human interest than of knowledge useful to a naval observer. The Zeppelin type is so new and unusual and grips the imagination of the public to such an extent that news of any casualty becomes a front-page story. A few years ago a mistaken order during ground handling of the Akron caused damage which cost \$8,000 to repair. This was big news. During the same week on one day three Navy planes, one of which cost \$60,000, were demolished in the neighborhood of Washington and this news took only 2 inches of one column. Thus the public gets its information concerning airships.

So far as real naval tests and problems are concerned, there have been few opportunities for the collection of facts and data on performance, and even for this meager employment the reports unfortunately have been confidential and available to only a few. Of course, there is no reason for publishing it to the world if our Navy has a new weapon of value, but at the same time, unless this information is available to our naval officers, our assets in airships will be unknown, and snap decisions, perhaps of condemnation, will prevail. The higher commands thus would not be familiar with this weapon's potentialities and therefore unable to employ it to advantage and give it a fair trial. If all the facts are taken into consideration, it can be shown that in scouting problems so

far actually worked out the Zeppelin has acquitted itself with great credit and shown valuable ability.

One of the first objections to the use of airships is the cry of

One of the first objections to the use of airships is the cry of vulnerability. The airships are comparatively vulnerable, but not to the extent of the seemingly common opinion of the man in the street. Many think that a few machine-gun holes in the gas bag and the machine is done for. They do not realize that there is little pressure even in the top of a gas cell (and none at all at the bottom) and that gas escapes very slowly through a hole, thus allowing time for repairs or return to base. Witness the four large (32 inches in diameter) gas valves in the top of a large gas cell of the Macon, and still, with all valves open in all cells, several minutes are required to make a very supreciable change in the lift cell of the Macon, and still, with all valves open in all cells, several minutes are required to make a very appreciable change in the lift of the airship. A few years ago a man dropped a file in a propeller and did not report it for fear of punishment. Two days later it was noticed that the cell near the propeller had lost 2 percent of its gas. On examination 19 holes from 1 to 9 inches long were found in it. Many machine-gun holes will not do serious damage to the buoyancy, nor can they do much harm to the structure.

The danger of the present gasoline installation is that of a gasoline fire from incendiary bullets. In spite of the fact that great attention has been given to the installation of fire-extinguishing apparatus, a gasoline fire might be a very serious thing and cause an emergency landing and destruction of the ship.

and cause an emergency landing and destruction of the ship. However, a light diesel engine is being developed, and it is hoped that soon a change may be made to the use of heavy oil instead of

gasoline, which will reduce this hazard to a great extent.

The delivery of a bombing attack is a different thing. Although The delivery of a bombing attack is a different thing. Although the structural members are far apart and one bomb probably would not be serious, several bombs might be compared to a torpedo hit on a cruiser so far as buoyancy and structural damage are concerned. During the World War, Zeppelins returned to base badly shot up and with nearly one-third of the gas cells deflated. Similar to the bombing attack is the encountering of antiair-craft fire of high-explosive shell. The remedy, of course, is to avoid localities where such may be expected, and the usefulness of the airship is limited thereby—if there exists any usefulness of the airship is limited thereby—if there exists any usefulness in trying to be in those localities.

Another cry sometimes raised is the vulnerability to weather. Another cry sometimes raised is the value ability to weather. This has been almost totally overcome by weather information, greatly improved air-keeping structural qualities, and skill of handling. There are some atmospheric disturbances that tear down trees, wreck buildings, etc. However, the strain on an air-ship in the air in a storm is comparatively light for it is submerged in the moving medium and, if it had no motion from its engines, would suffer only from the turbulence of the atmos-phere. Strains will be set upon the structure if the ship prophere. Strains will be set upon the structure if the ship progresses at high speed from one air current to another, but these stresses are well cared for in modern airship design. If the ship is attached to the ground, as is a tree or building, it will suffer the full effect of the wind. To illustrate the difference there is cited the experience of the Shenandoah several years ago. While moored to the mast the upper fin covering was exploded (due to lack of ventilation holes) and this threw the ship off wind. An ensuing 75 miles per hour gust broke her away from the mast, tearing out the nose and the forward two gas cells. As soon as she was in the air, the engines were kept at low speed with the ship headed into the wind. All strain on the structure was immediately eased, and in spite of the serious damage, loss of lifting gas, and with half the rudder gone, she was able to return to the landing field when the wind abated.

Ground handling also has been greatly improved by the working

Ground handling also has been greatly improved by the working out of mechanical means which give greater security in bad weather as well as reduce the required ground crew to not more than threescore men. The knowledge gained by our operations has also led to the proper location of hangars and operating bases, taking into consideration the surrounding terrain, etc., so that at these properly located bases an airship can moor or depart in any given 24-hour period and can show a very high percentage of onschedule operations. It may have to delay departure at times, just as surface vessels await favorable tides. On the other hand, it may be able to take off in certain conditions of fog, etc., when other aircraft are held on the ground.

The size of target and its visibility are also held as disadvantages, and so they are. It is admitted at once that the Zeppelin has no business within range of a surface ship, but ordinarily there is no reason for it to come within range. The airship will remain is no reason for it to come within range. The airship will remain out of range the same as any ordinary carrier which must remain undamaged to perform its full mission. It can do its work as a scout out of range. In a fog or low visibility it takes the same handicap as a surface vessel, but this does not condemn its usefulness any more than it condemns any other scout cruiser. No warship can be of much use in a fog. Certain types of clouds and visibility are a very great aid to the airship. Clouds afford concealment from which momentary emergence may be made for examination of the locality. In addition, the use of a spy basket or observation car enables the airship to cruise in the clouds and lower an observer with a telephone below the cloud layer. He can report his observation, conn the airship as desired, and even direct the dropping of bombs from the invisible carrier. It is often the case, particularly on the Pacific coast, that high fog or low ceiling practically causes the cessation of airplane flying both from ships and from the shore. In the case of a fleet approaching the land, the admiral wishes to know the concentration of aircraft on the fields in the vicinity and whether or not they are operating. The forces on shore wish information of the approaching fleet. Both are in the dark. This illustration is taken from an actual Both are in the dark. This illustration is taken from an actual

circumstance that occurred in maneuvers a few years ago, and perhaps has occurred since. For either side, the airship with its spy basket could obtain the information so urgently desired.

Even if we should assume the airship so vulnerable that the chances of her destruction are more than 50 percent, if she makes an effective contact with an enemy fleet, is she not still worth the investment? In nearly every scouting exercise the scouting vessels suffer losses of a few destroyers and/or cruisers in making or developing contact and gaining information. This is taken as a or developing contact and gaining information. This is taken as a matter of course and little comment ensues. Such casualties are expected. War cannot be waged without taking risks. Even one destroyer represents more men and more dollars invested than an airship. Would it not be better to sacrifice an airship than a destroyer or cruiser? The chances are that the Zeppelin will have forwarded accurate and comprehensive information before she can be driven down.

Another disadvantage sometimes cited is the comparatively low altitudes to which the dirigible is confined. There is no valid altitudes to which the dirigible is confined. There is no valid reason for this objection. Any experienced airplane pilot will tell you that 90 percent of his scouting is done at altitudes below 1,500 feet. The horizon is 90 miles distant from an altitude of 6,000 feet, but the atmosphere is seldom clear enough to see that far. During the World War airships could ascend above the altitude to which most planes could fly, but such is not the case with modern planes. Since the airship cannot get higher than a fighting plane, it is of no consequence if it can ascend only 10,000 or 15,000 feet, for there is no other reason to gain these altitudes except the seldom encountered circumstance of seeking concealment in very high clouds. Airships can be built for an altitude of 25,000 feet if such is required in their employment. They can climb as fast or faster than the average plane of today, but this loses all advantage if a higher altitude cannot be reached. However, a loaded bomber or patrol plane still can be outclimbed both in rate of climb and altitude.

Criticism of the speed of the airship as compared with the plane

Criticism of the speed of the airship as compared with the plane is hardly justified. Higher speeds for airships are desirable, and improvements are made progressively in this direction. However, the discrepancy between the speeds of the two aircraft is not so great as to limit the value of the dirigible to a great extent. The speed available is sufficient for nearly all missions in view. Even

great as to limit the value of the dirigible to a great extent. The speed available is sufficient for nearly all missions in view. Even if speeds of 300 miles per hour were available, an increase over this still would be desirable.

The main use of speed for the airship other than that of scouting over large areas in short time is to escape from airplane attack. For the service plane of today the discrepancy in speed between it and the airship is about 30 knots. If one takes the plane's radius into consideration and the maximum distance the plane desires to go from its carrier, it can be seen that in average plane desires to go from its carrier, it can be seen that in average visibility the airship can come close enough to obtain visual information and still escape. In addition, other considerations come into play regarding the dispatch of planes to attack an airship. Many times the planes are required to remain in the immediate vicinity of the carrier for protection of that craft from aircraft or other attack. Again, approaching darkness may make the execution of attack on the airship undesirable. The planes may be required for other missions, such as impending action of surface forces, so that it is not desired to have them pulled out of the area.

On days of good visibility the airship can remain well clear of dangerous areas and still give effective information of what is going on in these localities. In a recent problem the air scout was able to take station where it could see both the convoy and main body of an attacking force, which were separated by 100 miles. On this day effective visibility from the airship was 70 miles. In another case the airship made contact reports unobserved from a distance of 55 miles. Remember that the airship

has a comfortable crow's nest and higher-power glasses.

At distances at which the airship can identify surface craft she should be seen equally well. However, she is close enough to observe the area and far enough to escape planes launched for pursuit. Taking this into consideration along with other demands upon the planes, it is understood why it may be possible for an airship to maintain observation without being attacked. This has happened in exercises. It is realized that a number of planes will be necessary to overcome the fighting planes and machine guns of the Zeppelin, and the enemy commander will have several important premises to consider before he detaches a number of

important premises to consider before he detaches a number of planes to drive off the airship.

The hoped-for performance of airships has not been realized as soon as promised by their supporters. This is true in any line of pioneering and development. All such efforts have their trials and tribulations. The submarine and torpedo have the same history. The airplane has progressed faster because more effort and resources have been expended upon it. The simplane also has tory. The airplane has progressed faster because more effort and resources have been expended upon it. The airplane also has been helped by commercial development. Given the same impetus in development of design, new construction, and employment as heavier-than-air, the airship would be far superior to what it is today. Practically all the development of the airship since 1920 has been by our Navy Department. This includes hangars, mechanical ground handling, reduction of ground crews, production of detached operating bases at small cost (stub mast), and design and operation of the craft. Working out problems has been intensely interesting to the personnel involved.

While solutions to some of the problems seemed very slow, a review of accomplishments shows a record of which our Navy can be proud. Delays were disheartening, but advance really has been steady and rapid. We have gained knowledge primarily from ex-

erience, but many other sources have contributed, and we always

have gained lessons from casualties.

Their primary mission is long-range scouting. We send cruisers, destroyers, and submarines out long distances to obtain information of the enemy. In most cases airships could get the information much more quickly and without the detachment of so many combatant ships from the fleet concentration. Even if the dirigible were of value only for negative information, it is worth If it can assure the commander in chief that the enemy is not in a certain area, it allows him to concentrate his surface vessels in the most probable area with the consequent valuable advantage. Information has everything to do with disposition of our own forces. In several of the fleet problems the defending forces have been divided into several small groups and scattered over large areas contiguous to the coast, and no knowledge of the movements of the approaching fleet was available to them. Feculomical was of surface assets and demand for informations. them. Economical use of surface vessels and demand for informa-tion from long-distance scouts point to the necessity for the use of the rigid airship. Fast scouts are in demand and here we have one with speeds somewhat comparable to that of the air-plane and of vastly greater radius. In addition the habitability of the airships affords space for complete navigation facilities, communication facilities equal to that of any cruiser, and hence the forwarding of accurate information over long distances immediately after contact is made. The navigation of airships is diately after contact is made. The navigation of airships is approximately as accurate as that of surface ships.

Cruising in fog, rain, darkness, low temperature, etc., offers no more disadvantage than the surface craft experiences. In addition, the ability to slow down and even to hover can be used to advantage in certain circumstances.

Many missions besides long-range scouting may be executed

under favorable conditions. Tactical scouting can be carried out efficiently when the airship lies back and sends in its planes. During darkness, tactical scouting by any form of aircraft is almost impossible. Reconnaissance, bombing, photographic missions, submarine patrol, offshore patrol, convoy escort, decoy work can all be carried out. If demanded, transportation of officers and troops, and even important supplies, can be undertaken on short notice. Thirty tons of supplies, ammunition, or troops could be transported from San Francisco to Hawaii by the Macon within 33 hours. What would six ships do?

within 33 hours. What would six ships do?

So far little has been said concerning the carrying of planes. The uses of airship-based planes compare to those of any other carrier. While the surface carrier is generally well protected by combatant vessels of its own fleet, the airship ordinarily has to operate independently and depend upon its armament and planes for defense. Occasionally it can seek protection of its own fleet as does the surface carrier. The airship mounts heavy machine guns and can give a good account of itself against a small number of planes. Except in unusual circumstances, a large squadron of of planes. Except in unusual circumstances, a large squadron of planes would not be sent to attack an airship.

The use of airplanes from a carrier is much more valuable and continuous than from other ships. The airship carrier even has certain advantages over the surface carrier. It does not have to head into the wind to launch or to recover its planes, as both craft are floating in the same medium and, relative to each other, there is no wind. Planes can be operated from it at night with facility equal to that of daylight operation and without bright lights on the airship.

lights on the airship.

The use of planes to enlarge the scouting area gives enormous advantage to the airship. With five planes, the outfit at present (and more could be provided on present or future ships), one plane can be stationed continuously on each side of the airship. If the visibility is 40 miles and the planes are 80 miles abeam of the airship, this allows the sweep of an area 240 miles wide at a cruising speed of 60 knots.

Covering 172,000 square miles in a day's work is quite a feat for a vessel costing less in men and money than a destroyer! X cruisers or other surface scouts would be required to do the same! How much is it worth to have X ships concentrated with the fleet and not far away on a scouting line?

and not far away on a scouting line?

Now, it is a mistake to take one example and say that the dirigible is worth X cruisers. Sometimes this is so, and sometimes not. But for some circumstances and for limited periods it might be worth 50 cruisers. The performance of airships may be so far superior to anything else existing we cannot afford to gamble by not having them with the fleet.

If two scout cruisers costing thirty millions and with 1,200 offi-If two scout cruisers costing thirty millions and with 1,200 officers and men are sent to scout a certain area or maintain a certain line, they can cover about 0.3 as much as one airship costing three millions. The speed of the surface vessel is such that they can advance the line only a few miles a day. If the area is well out to sea, the airship will have it searched and begin its return before the cruisers arrive. The airship can cover in 3 days what the cruisers do in 10 days. Range in visibility does not always permit this superiority, the airship's area being reduced a greater percentage of its total than that of the cruisers' as visibility decreases. It is not contended that airships can supplant cruisers, and the need for cruisers is as great as ever in our Navy.

One suggested employment of the Zeppelin type is to guard a One suggested employment of the Zeppelin type is to guard a train or convoy and supply information of impending attacks, thus allowing concentration of the screen and protecting force. This might also prevent the detachment of part of the escort to chase suspicious ships. Of course, if the airship station itself directly over the convoy at all times it would mark the convoy's position, but such would not be done. In addition, the enemy does not know whether or not the airship is with the convoy, and it may be a decoy to lead them away or tempt them to divide |

forces. We are notoriously short of modern destroyers and will never have the desired number of fast cruisers which are important at the scene of action and needed for support of destroyer attacks and tactical work. Using airships as scouts allows more use of these surface scouts near the main body, and we need more destroyers and cruisers. Where speed and radius are paramount, nothing takes the place of the airship. It can travel long distances rapidly and give quick, accurate, positive, and up-to-the-minute information immediately. Scouting is important—information is everything! Witness the demands for more cruisers, for more airplanes, and for flight-deck cruisers. Accepting certain objections and weaknesses which are much over-balanced by the demonstrated usefulness, is it not advisable to have airship scouts demonstrated usefulness, is it not advisable to have airship scouts for what value is now apparent?

If airships promise so much to us, why has Great Britain aban-

If airships promise so much to us, why has Great Britain abandoned her program; Italy confined herself to small semirigids; France and Japan done nothing at all? This may be answered with one word—helium! No other country has this noninflammable gas, and a hydrogen-filled craft has no place where it is liable to be attacked. This knocks out the argument and foreign propaganda of those who hold up the examples of other powers which are making no attempt to develop lighter-than-air craft. Nevertheless, it is noted that those countries do expend considerable money in trying to locate helium resources, and helium is in little demand except for lighter-than-air craft.

England does consider airships of value, but principally on ac-

England does consider airships of value, but principally on account of economic conditions has abandoned them. However, she has naval bases suitable for cruiser and converted merchant-vessel operation all over the world. She has no intention of scouting an enormous area of desert sea like the Pacific. Another thought that applies to these countries of small area and close proximity to probable enemies is that their home hangars and operating to probable enemies is that their home hangars and operating areas are so close to the enemy that they could be the principal targets of the first enemy attacks. Their bases are within a short airplane hop of the powers on the Continent. These countries are not isolated by the large expanse of oceans that surround the United States. In the Pacific an enemy fleet could disappear for a few days or weeks and arrive either at Panama or Puget Sound without being intercepted. Italy and France have no such possible scouting problems confronting them. Italy has no naval problem that requires airships with 8,000- or 9,000-mile radius. Her airplanes can cover her immediate coasts. Japan probably would go ahead with them if she had the helium. The Pacific is too big for us to scout completely with any number of scout too big for us to scout completely with any number of scout cruisers we could build. It has been calculated that 12 rigids could cover continuously any possible fleet approach to our Pacific coast. Thus, we find the airship the only scouting vessel within our means that might cover these vast areas in which a hostile fleet might be proceeding. The location of that fleet would determine the entire strategy of the commander in chief and his disposition of our fleet.

What price information? The fleet may be equal or superior to the enemy, but it cannot be victorious if it must be split into a number of divisions and disposed to protect each possible destination of the enemy. Public sentiment has demanded and would demand such protection of our coasts.

demand such protection of our coasts.

The Navy has assisted and does aid industrial development by its endeavors along certain lines. The development of airship operating and ground handling by our Navy has paved the way for commercial transoceanic airship transportation lines. The Graf Zeppelin uses the mooring facilities developed by us on its scheduled trips from Germany and Spain to South America. Economic conditions have delayed the establishment of these commercial lines. If we give further encouragement to them by further progress we develop an asset of untold value in time of war. A compass lines. If we give further encouragement to them by further prog-ress, we develop an asset of untold value in time of war. A com-mercial airship can be quickly adapted to naval purposes. We control the helium. We have an airship construction company completely outfitted and ready to work. We could keep it alive and prevent the disbanding of its talent if we ordered two more ships at once. More than one ship in operation is needed to demonstrate their uses and possibilities. Two ships can do more than twice as much as one. Prices for labor and materials are the lowest in history. What dividends we would receive if we provide our Navy much as one. Prices for labor and materials are the lowest in history. What dividends we would receive if we provide our Navy with a small airship force and establish a commercial project which affords us aerial cruisers instantly available in case of hostilities! We all realize the need of a merchant marine. Here is a chance to suport our knowledge of its value. We must give the airship a fair chance to demonstrate its worth. We cannot, in the present state of the art, expect it to go out under every condition and serve every day without asking favors. It has not been tried properly and is still being developed. We learn by using and doing. The one ship has little opportunity to prove its capabilities capabilities.

We now have a complete airship operating and repair base on each coast, in addition to the commercially owned construction dock in Ohio. There are available now servicing bases in Florida, Cuba, southern California, and Panama with the investment already made. Little further investment is needed in bases or other assets. Our urgent need is more ships to operate for training and development. With these assets and this background was other assets. Our urgent need is more ships to operate for training and development. With these assets and this background we should go ahead building at once. No studious naval officer is convinced of the lack of usefulness of this arm to the fleet. The doubters all say, "I'm willing to be convinced by demonstration." Now is the time to have a demonstration at small cost. The dividends may be very great and give our Navy a tremendous advantage. If we were to embark on a naval war today, we would

order more airships and start feverishly to train crews. We would wish to use every arrow in our quiver, and here is one that flies far and true.

MONEY; LABOR-HOUR MONETARY SYSTEM—TO STABILIZE AND STANDARDIZE MONEY AND LABOR PRICES—BRIEF OUTLINE OF H.R. 9931

Mr. SADOWSKI. Mr. Speaker, what is money, and what should it be and do?

Money has always been and is today a commodity. It is the manipulation of that commodity that is the root of all

All panics, depressions, and most famines have been due to commodity money. In fact, the history of the panics is nothing but the history of commodity moneys. We have had panics ever since the commodities gold and silver have been used as commodity moneys. As Thomas Edison said, "It is not gold that makes the dollar; it is the dollar that makes the gold."

Before the panic of 1893 the history of silver money in panics or depressions was the same as the history of gold. In our present depression, generally considered to be from the year 1929 down to date, no one has handled gold as money in trade. There never has been and none is available for the purpose.

The history of the panics of 1819, 1856, and 1873 shows that then, when silver was at a parity with gold as basic money, there was neither gold or silver available to the people, and at times not even a single silver dime in circulation.

Both hid together. When we read in our school histories that "specie payment was resumed" it means that gold and silver again began to be used as money.

In those days when a man went to a barber shop for a shave, then 10 cents, and handed the barber a dollar bill, as the barber had no change to hand back to his customer, he would have to give him a due bill for the 90 cents, and the customer would have to take that to the shoemaker and others with whom he dealt and ask them to accept the barber's money. That is part of the history that it is well for us to recall today, of the times when there was the free and unlimited coinage of both gold and silver that many of my colleagues want back again.

I have heard it predicted that if and when a bill should pass for the unlimited coinage of silver that within 90 days from the time we thus again made silver a commodity money that we would not find anybody with even a quarter for the price of a shave.

When this Seventy-third Congress convened silver was worth as a mineral only 22 cents an ounce. Today it is still worth 22 cents mineral value, but has gone up to 64 cents as speculative or gambling value because of the talk about its remonetization. If we remonetized it at 16 to 1, then 22 cents worth of mineral silver would bring \$1.29. Just the magic touch of remonetization would change an article of 22 cents mineral value to become an article of \$1.29 value overnight-with no labor spent, no wealth added-just \$1.07 worth of legislative inflation, similar to the inflation of an automobile tire with 5 pounds of air in it to 80 pounds from a minute's pressure of the air pump.

Again, if gold were demonetized today throughout the world it would fall in exchange value so that \$1 of present gold money value would become merely 10 cents worth of mineral value. In other words, it would merely be adding 90 cents worth of wind or "blue sky" value called "inflation" to 10 cents worth of gold, to make it into what we

call a dollar of 100 cents' value.

A bill has been introduced in this session to monetize four leading farm crops. Had this bill become a law those crops would have doubled in price overnight, just as silver has done. Why? Because those crops would have become basic money. What a blessing that would have been to every farmer, to get twice as much for his crops as now, just because the law made them basic money, and what a harvest it will be to the few silver-mine owners if and when silver is remonetized and their 22 cents of mineral value becomes worth \$1.29 of money and other commodities. Just think what a real benefit it would be to from five to ten million

farmers if the crop monetization bill were to pass and double the price of all they had to sell.

When 10 cents worth of gold is taken and monetized at \$1, as is now the case, think of the benefit that gives the few Wall Street gold-mine owners, and then remember that when 10 cents worth of gold goes up to \$1 as money, how the workers' time and everything the rest of the people make for sale, being on the other end of the teeter board, goes down.

If the Frazier-Lemke bill becomes a law, it will practically monetize real estate and double the value of land overnight and every farm mortgage in America would become as good as gold certificates or Government bonds.

To review: As the monetization of gold makes the few gold-mine owners millionaires at the expense of everybody else, the remonetization of silver would make another somewhat larger circle of mine owners very wealthy overnight at the expense of the rest of us, which, of course, would be a very slight improvement over making only the gold-mine owners the sole beneficiaries of our commodity money system. Just as monetization of farm land would double the price of that land it would correspondingly help every farmland owner at the expense of the non-farm-land owners, which, of course, would be a great improvement over making only gold- and silver-mine owners the sole beneficiaries of a commodity-money system. And then to monetize farm crops by doubling the price of those crops overnight would be a commodity money system that would help the farmers that much, but still be at the expense of all the rest of the

But, Mr. Speaker and fellow Congressmen, I have something to offer you today very much better than the commodity-money articles I have just mentioned, and it is incorporated in bill H.R. 9931 that I have just introduced into Congress to monetize labor. My measure, if made a law, would double the price of both nonfarm labor and the products of the farmer overnight, and would leave not more than a mere 4 percent of the people and those "who toil not neither do they spin" and yet are "arrayed like Solomon in all his glory", with 80 percent of our national wealth now at their command, as the only ones who could claim to have been discomforted by the law. It would be a law that would help the 96 percent of the people who need help.

It would merely, farmerlike, be putting rings in the noses of the hogs that have been both rooting up the whole garden and also getting away with all the swill. Of course, there would be a lot of squealing by the hogs in having the noseringing act performed on them, but that would not hurt society as a whole or any part of it.

Mr. Speaker, by this bill I call upon this Congress and the people of America to render unto the "gold-sheviki" of Wall Street their gold and to render unto the laboring masses their rightful inheritance of labor money.

Now, labor money, of course, is acknowledged to be what is called "printing-press" money. All money is printing-press or die-press money, and the vilest kind of printing-press money is the private Federal Reserve bank money. It is the vilest and rankest and the most dishonest money the world has ever known, more so than the wildcat money of 100 years ago.

It is often said—and I have heard it said here on the floor of Congress—that gold and silver are the moneys of the Constitution. This is positively not true. It is paper money that is both the money of the Constitution and the money that made the Constitution, for without the old continentals there would have been no Republic and no Constitution. Without the much banker-abused French assignats the French Revolution would have been impossible and civilization would have been retarded accordingly. Of course, paper money was despised by Napoleon, but the English paper money enabled Napoleon to be put on St. Helena and gave to England the period of her greatest prosperity. Paper money won the Civil War and also the World War, and incidentally its contraction gave us the after-war panics of 1873 and the present one.

Paper moneys of the past have served their purpose and secured good results not possible by metallic moneys, but, nevertheless, they were paper moneys that were far from being ideal, for, with the exception of the French assignats, they were based on debts.

Labor money would be based on real wealth. The continentals, the wildcat money, green-backs, national-bank notes, and Federal Reserve notes were and are all based on debts—the more money the more debts and inflation and the less real value.

Labor money would be based on created wealth; the more money the more wealth, the very reverse of our present monetary system. Every operation of our present debtmoney system that brings about the money stringency and depression would be put in reverse by the substitution of the wealth-money system this bill proposes. Because if we inflate our debt money, we inflate our debts and increase the burden of interest, while with an increase of wealth of labor money we would increase our wealth and at the same time decrease the interest burden. At present with the debt money we try to do business with, the more money there is in circulation the less it will buy per dollar, while with wealth or labor money there would be more wealth created and consequently more things that we could buy and enjoy.

The value of commodities can always be juggled, and, of course, that applies equally to commodity money, and be given fictitious market values. The demonetization of silver proved the mineral value of a silver dollar to be but 22 cents; and if gold were demonetized, gold would also drop down to its true mineral value. For there is only one thing that enters into or relates to commodities and to prices that is stable and has never changed, and that is time.

The kind of dollar this bill would give the people, and which by comparison I term the ideal dollar, would represent 1 hour of stabilized minimum or common labor. For the price of labor-time can easily be stabilized.

Briefly stated, labor stabilization would be brought about under a wealth or labor-time standard by the Government taking up the slack in employment by offering all persons not otherwise employed work on public or emergency projects at a wage that would not compete with private industry paying \$1 an hour, yet high enough to compel private industry to pay the same rate of \$1 per hour for common or unskilled labor. This emergency Government wage would be variable and act like an automatic thermostatic valve, rising if private wages were to rise above that figure.

For I claim, Mr. Speaker, that, inasmuch as all wealth is created by labor, it is only natural, sensible, scientific, and honest for us to legislate to measure all wealth by labor, and labor can only be properly and justly measured by time.

This money would be stabilized, since it would be representative of actual wealth created in the earning of the money, so that at all times there would be direct wealth back of every dollar paid out. That is why I am calling it "wealth" money, and to distinguish it from what I call our present "debt" money.

Without the stabilization of money effected by this created wealth back of every dollar, as the quantity of money going into circulation increases there would be, as now, a corresponding decrease in what the money would buy. Present money fixers try to hold or stabilize values by what is called "controlled" currency. But the mess of 1929 to 1934 that we were wallowing in shows the inefficiency of the attempted methods of the present price and money fixers. The basic reason for the break-down of the present controlled-currency system is that it has so little real wealth back of it and so much debt and interest to pay. From about 10 cents' worth of gold in its control it is possible for the Federal Reserve System to issue \$25 worth of debt- and bankcredit money, so that when money is increased today the debts are also increased; with the more money the more debts, interest, bonds, and bondage and the more unstable our money becomes.

The Federal Reserve bank, a private corporation, now has the controlling power over our currency. It reduced our currency over 31 percent, and thus caused the panic.

The control of the volume of money should be in the! hands of every citizen individually and should not be abridged by any person or persons, not even by the President or by Congress itself. There can no more be a healthy commercial body by controlling the volume of money than there can be a healthy physical body by controlling the volume of air that body needs. Nobody goes to bed worrying that maybe tomorrow there will not be enough fresh air to go around for everybody to get all they need, and in a similar way nobody in our fair land should go to bed worrying for fear that there would not be enough circulating medium available the next day and every day for all to be employed and get all that they needed in exchange for the available work and money. For it would be just as sensible for us to vote here to give a small group of men a franchise to put a gag on the breathing apparatus of the individual, if that were possible, and make the people pay a fee for the measured and controlled volume of air they breathed as it is to give the private Federal Reserve bank the right to issue and control money, as we do, and allow them to charge an interest rate for the use of the money in circulation.

The ideal money that this bill, H.R. 9931, would make law would give every citizen the same right to control money now given by the Government to the private Federal Reserve banks. And every citizen could then take this labor time, or collateral wealth based on labor, and have it coined into money. If there were no work available in private industry, any citizen would go to his Government and secure emergency work. The Government would utilize the time of the citizen to create wealth, actually taking his labor and coining it into money behind which was the wealth he created. The citizen would take his money, representative of wealth created for use and consumption, and pass it out into circulation for whatever he needed or wished to buy with it. The wealth would exist and be a benefit to society, and the more he worked the more wealth money there would be available for society. In the case of the present controlled debt money, debts are created by the issuance of money and remain as a curse to society.

The proposed ideal monetary system provides for the redemption of the currency regularly, by retirement from circulation in the payment of it to the Government for taxes and for services rendered. For any currency that is not redeemable would be like the old continentals, the war greenbacks, the French assignats and mandats, the German post-war marks, and so forth, which all fluctuated to the advantage of those who controlled the fluctuations, and to the disadvantage and robbery of the people as a whole. The United States Government would always accept the currency it paid out for wealth created, at full face value, and never repudiate its own obligations as it did in connection with the repudiation of the greenbacks that brought about the historic Black Friday, and as the German Government did in connection with the repudiation of its own postwar marks.

This bill provides for the stabilizing of common or unskilled labor at \$1 per hour, with skilled, hazardous, or undesirable labor at a higher rate as demand would dictate.

This bill would not stabilize labor by codes, strikes, or bargaining, but by the Government acknowledging the inherent right of man to life, liberty, and the pursuit of happiness by guaranteeing work to all at all times and in all places, at Government emergency work, at a price low enough not to compete with private industry, yet high enough to compel private industry to pay \$1 per hour for common or unskilled labor.

This bill would all but end bankruptcies for it would end the gamble in business. Ninety percent of people who go into mercantile pursuits fail, say the commercial agencies. Yet 90 percent of those who do fail were in no way to blame for their failures. The gambling money system made them fail.

This bill would save the renters of the Nation one-third by eliminating taxes and interest on mortgages.

This bill would double the purchasing power of the farmer and laborer by ending interest. Go into any store

today and purchase one dollar's worth of processed merchandise and more than 33 cents goes for interest, 15 cents for taxes, and 10 cents goes for excessive profits, yet the independent retailer does not get enough. This bill would wipe out interest and automatically give the producing classes twice their present income and a better deal for the one-horse business man.

This bill would end the power of Wall Street because that group lives and fattens on interest, bonds, and bondage.

This bill would pay the soldier-bonds debt immediately. This would be one way of getting money into circulation besides doing justice to the soldiers.

This bill would offer every mortgagor money on his home at 1 percent or less and save Detroit 22 percent on its tax burden.

This bill would give Detroit and every other governmental subdivision all the money it wants at less than one-sixth of 1 percent.

This bill would break the way for the Money Order Division of the Post Office to become the checking medium of the people by compelling the Government to use money orders in its own transactions.

This bill would end strikes and their expense to society, for the Government would strike for the working people.

This bill would automatically end any fear of disturbance and would substitute an era of peace and prosperity never before enjoyed by the masses, for they could freely exchange their labor and wares for their neighbors', because there would be a plentiful supply of money at all times.

Today we learn of strikes and more strikes, and wars and more wars. This bill if passed will end strikes by having the Government strike for 96 percent of us. It will end wars, for they are only monetary and trade misunderstandings.

This bill allows the workers themselves to set the price of every trade or class of work. The Government only announces a fair wage that the laborers themselves make by volume.

Ten men in the Department of Labor by this bill could handle and settle every labor dispute for the whole Nation, for there would be none.

## THE NEGRO'S SHARE IN THE NEW DEAL

Mr. COCHRAN of Missouri. Mr. Speaker, in response to an inquiry from one of my constituents as to how the colored citizens of the Nation have feared under the new deal, I had occasion recently to make an investigation and believe the facts gleaned will be of interest, especially to those Negro voters who, in the last election, broke away from their traditional political moorings to vote for President Franklin D. Roosevelt.

Ever since the Civil War the Republican Party has had the Negro vote pretty much in its vest pocket, and to a greater extent than many people realize owes its long tenure of power to that very fact. In nearly every election during the past 20 years the Negro vote has represented the balance of power in such important States as Illinois, Indiana, Ohio, and not infrequently, in my home State of Missouri. These States alone have a combined strength of 76 votes in the electoral college, and in addition, the Negro vote has been an important factor in other States upon which the Republican Party has relied in the past for its dominance in national affairs.

Despite their allegiance to that party, however, the Negro got precious little consideration, and there is an obvious reason for this. The Republican Party and its predecessor, the Whig Party, since the days of Alexander Hamilton has stood for entrenched wealth; for property rights as against personal rights. Few Negroes are rich, and yet it was only these few who could derive any substantial benefits from a continuation of Republican policies.

It was during the Smith campaign in 1928 that a number of leading Negroes awakened to this fact; to a realization that the best interests of their race would be served by the Democratic Party, the party that stands for the common man; for human rights above property rights. In the last

election this swing of the Negro voter from the Republican to the Democratic Party was even more pronounced, and I, for one, do not believe they will go back simply to serve some self-seeking politicians. Certainly they have no reason to do so for the new deal has meant a square deal for the Negro.

As an illustration, during the decade from 1920 to 1930 the Republican Party was in control of this Government, and during that period, according to Charles Hall, expert statistician in the Bureau of the Census, the colored farmers of the Nation lost 3,785,757 acres of land. This is 5,915 square miles, an area twice the size of the State of Delaware, and it was, for the most part, good, rich, farming land. Not one thing was done by the Federal Government to save these men their homes. Thanks to the recovery program of President Roosevelt and the Democratic Congress, however, means are at hand to save to their owners the 36,758,484 acres remaining in the possession of colored farmers. They have access, on an equal footing, to relief afforded by the Farm Credit Administration, the Agricultural Adjustment Act, the Federal Emergency Relief Administration, and kindred agencies for financial aid. More than that, there are men of their own race to whom they can appeal. Prof. H. D. Hunt is with the Farm Credit Administration, while T. M. Campbell, of Tuskegee, and J. B. Pierce, of Hampton Institute, are the colored representatives with the Agricultural Department.

Largely as a result of the activities of Dr. Ambrose Coliver, special assistant to Harry L. Hopkins, Administrator of Federal Emergency Relief, the school terms for colored children in the South has been lengthened 2 months and the salaries of over a thousand school teachers were increased. There have been 4,000 needy colored students who have received from \$8 to \$20 a month each so they could continue their studies in 120 colored colleges, including Lincoln University at Jefferson City, Mo. In Chicago 114 colored teachers, both men and women, have been receiving \$100 a month for conducting adult classes in the drive the Federal Government is making to stamp out illiteracy. As a result of this drive it is estimated that at least half a million colored citizens and their children have been benefited.

Howard University and Freedman's Hospital, Washington institutions, have received \$2,000,000 from Public Works funds for improvements and betterments. Wendell Phillips High School, on the south side of Chicago, was completed through an allotment of \$500,000 from the same source. Home-owners' loans have been utilized by colored citizens, the same as the whites, to save their homes.

The Virgin Islands have received substantial allotments of public funds from the Federal Government, and there has been no discrimination practiced in employment of colored men and women under the P.W.A., the C.W.A., and similar agencies including the C.C.C. camps.

Among the appointments made by President Roosevelt was that of Dr. William T. Thompkins, of Kansas City, to be recorder of deeds in the District of Columbia, and this nomination was treated with marked consideration, Dr. Thompkins being confirmed by a unanimous vote in marked contrast to the difficulties encountered by Dr. Rex. Tugwell and Dr. Thorp, both of whom are white.

Other colored men who have been named to places of honor and responsibility in this administration include Eugene Kinkle Jones, executive secretary of the National Urban League, appointed adviser on Negro affairs by Secretary Daniel C. Roper, of the Department of Commerce: Robert L. Vann, named special Assistant Attorney General under Attorney General Homer C. Cummings; Forest B. Washington, Atlanta School of Social Science, named advisor on Negro affairs to Harry L. Hopkins, of the Federal emergency relief; Earl R. Moses, who holds a degree of M.A. from the University of Chicago, named assistant statistician in the Bureau of Research; L. A. Oxley, of North Carolina, named arbitrator in the Department of Labor by Secretary Perkins; while Wilbur A. Hastie and Theopolus Mann have been named attorneys in the Department of the Interior by Secretary Harold L. Ickes.

While these are individual honors, the colored citizens generally have benefited by the Roosevelt policies. In every law passed by Congress for direct relief or otherwise the Negro shares equally with his fellow citizens. The revival of the steel and packing industries brought them employment, while the regulations of the N.R.A. insured them against discrimination in wages and hours.

From all this I feel that the new deal and the Democratic Party have justified themselves and given fair return to the Negro voters who supported them 2 years ago. For the first time in the history of the Nation the economic and social welfare of the colored citizens have been given the same consideration as all other citizens. There is no color line in the new deal.

# INTEREST IS WALL STREET'S POUND OF FLESH

Mr. ROGERS of Oklahoma. Mr. Speaker, the taking of interest is the art or science of taking something for nothing while making the payer believe you have accommodated him.

Agriculturally it is the science of the potatolike planting of one silver dollar for one year, and then being able to dig up the dollar with 10—in Oklahoma the average interest charge to farmers is 10 percent—red cents hanging to it.

It is the art of the Wall Street highwayman of legally taking one-half of every dollar earned by the workingman and one-half the value of every product raised by the farmer for the highwayman's gain. It makes every producer a slave to the interest taker of as much as the producer himself receives.

The system would not be more vicious if every time a farmer took a load of cotton or wheat to market, when the purchaser counted out the money a highwayman stood there and "held up" the producer, demanding "one-half the money or your life."

It would be as if when the employer handed out the pay envelops a respectable highwayman with a mask demanded half the contents of the pay envelops or the life of the worker.

The crime appears when the producer sells his wares for one-half the real value and then purchases the same wares with Wall Street's processing interest tax of 33 cents on the dollar added. When you buy \$3 worth of average processed merchandise at the store \$1 goes to the Wall Street interest-taking highwayman. One-half that interest dollar should have gone to the farmer when he sold his produce and the other half to the laboring man for his services.

The farmer could receive twice the present price for farm products that are processed and the workingman twice the price for his work without changing the retail price one penny if interest were eliminated.

But you say, "Cannot money earn money?" No; it can only steal. We have been brought up to believe that legal robbery is proper.

When these interest-taking highwaymen want money for their own use to make it "grow", they borrow \$1,000 from the Government for 30 red cents, then charge industry, including agriculture, 200 times as much, or \$60. Industry, including agriculture, pays a fee of \$59.70 to the robbers. Industry adds that robber's fee to the price of its processed merchandise, and you pay it at the store when you buy.

Not only do the highwaymen "gyp" the public but they "gyp" the Government as well. Every day the Government is loaning truck loads of this money for 30 cents on the thousand dollars and then when the usual return channels do not furnish enough money to run the Government, the Secretary of the Treasury borrows the Government's own money and pays to Wall Street a varying rate of from \$28.75 to \$42.50 per thousand dollars for it. Call it \$30 for an average. We loan it for 30 cents and borrow it back for \$30, representing a loss of \$29.70 to the Government on its own money. In other words, the Government pays 100 times as much to use its own money as it receives, and we call that "business sagacity." The test of being a great Treasurer of the United States is to be able to make this steal deal without cracking a smile. That is why Andrew

Mellon was known as the greatest Treasurer since Alexander Hamilton-he was so serious about it that he never smiled.

The price of interest charges is just like the price of eggs. When there is plenty of money floating around the interest rate is low. When money is exceedingly scarce it bears a very high interest rate. When all the hens lay, eggs go down. When the hens go on a strike, egg prices advance.

The money lenders have learned this trick, so they always

keep money scarce in order to take more interest.

What we need is a plentiful supply of money-so plentiful that the interest rate would fall lower and lower, until no one could secure more than 1 to 3 percent for petty hazardous loans; so much money that the loan companies which charge 3 percent per month would be glad to get 3 percent per year. Put enough money in circulation and there will be no interest charge except the charge for labor and hazard involved-and this is all there should be.

My illustrious namesake, Will Rogers, the humorist, says: "The trouble with this country is Old Man Usury." Rogerses agree.

The Bible condemns interest from cover to cover. Let me call your attention to God's word on the subject. I will use American Standard Version.

There is that beautiful piece of poetry in the fifteenth chapter of Psalms. It reads:

Who may sojourn in Thy pavilion, O Lord? Who may dwell upon Thy holy hill?

He who walks blamelessly, and does right. He who does not put out his money on interest, Nor take a bribe from the innocent. He who does such things shall never be moved.

I will quote additional passages:

If you lend money to my people, to any poor person among you, you must not behave like a creditor toward him; you must not charge him any interest (Exodus 22:25).

Take no interest from him in money or in kind (Leviticus 25:36).

You must not exact interest on loans to a fellow countryman of yours; interest on money, food, or anything else that might be exacted as interest (Deuteronomy 23:19).

Within you men take bribes in order to shed blood; they take interest and increase; they oppress their neighbors by extortion. And me you forget (Ezekiel 22:12).

Martin Luther said the usurer should be hanging from the gallows.

While it may be argued that the Christian Church allows interest taking, we may call attention to the fact that Jesus came to fulfill the law, not to destroy it. His failure to discuss interest taking was owing to the fact that no Jewish leader defended the practice. The early church reflected the unwritten teachings of the apostles and church fathers, for the church stood foursquare against interest taking for 15 centuries. The exaction of money for the use of money is a pagan custom. The Mohammedan, Christian, and Jewish religions all viewed it as a sin. The Greek and Roman philosophers condemned the taking of interest. Aristotle said money was barren and could not increase. Plato said it was against the nature of things. Cato classed it with homicide.

So far as the New Testament records go there is no direct mention of Jesus' opposition to usury or interest. We have, however, a background of Mosaic law condemning it, and the condemnation of the prophets in unmistakable language. Then we have Jesus' statement that He came not to condemn the law but to fulfill the law, placing Himself squarely behind the laws forbidding interest. In Luke 6:35 Jesus lays down the Christian standard as "Lend, hoping for nothing again."

The only Bible reference that can be claimed as a defense of interest is the story of the reward for service in the parable of the talents. Here Jesus used the illustration of the wicked money lender rewarding his wicked servants to illustrate how the faithful servants would be rewarded in the realm of heaven. He did not recommend wicked interest taking here any more than He recommended wicked stewards in the sixteenth chapter of the same book.

In driving the money-lending bankers out of the temple Jesus called them (in the King James translation) "A den interest is to become annihilated ourselves.

of thieves." In the German translation it reads, "Moerder Grube", or a trench or cave of murderers. For centuries the Catholic Church stood almost solidly against interest, classifying the sin as one of the most heinous.

Interest steals from society and eats up the wealth and prosperity of nations. It is simply a mathematical impossibility to continue it for more than a short time without a

financial break-down

To illustrate how the cancerous growth of interest works this destruction, a table is here given which shows the growth to date of a single dollar if loaned at the birth of Jesus in the year A.D. 1 at 6 percent compounded annually, viz: The year 1, \$1.06; the year 2, \$1.12; the year 3, \$1.19; the year 4, \$1.26. By the year 12 it amounts to \$2.01. In 24, \$4.02; in 48 it will have grown to \$16.32; in 96 it will have grown to \$266.34; in 192 it will have grown to \$70,937; in 384 it will have grown to \$5,032,057,969. By 1936 it would have become when enumerated 6 quindecillions 913 quatuordecillions 170 tredecillions 171 duodecillions 192 undecillions 611 decillions 82 nonillions 296 octillions 286 septillions 188 sextillions 809 quintillions 244 quadrillions 72 trillions 412 billions 784 millions 553 thousand and 729 dollars, and all would grow" from one lone dollar.

Do you know that if by some magic wand you could wave and at one stroke this whole earth could be changed into one solid lump of gold you could not pay the bill those figures indicate?

If you should wave that magic wand and turn the sun into a ball of gold it would not pay the interest bill on \$1.

Nay, more, if you would wave the wand and a thousand suns should turn to pure gold, you still could not pay the bill.

Every nation that has tried to pay interest has disappeared from the face of the earth. It cannot be figured with a pencil so civilization and interest can co-exist for long in any country, in any clime.

Civilization begins to centralize through interest until one man or a very small group of men control all wealth; then there is revolution or decentralization, and the cycle begins again.

We are centralizing now.

Every move we make in government or in business is toward centralization, which can but prepare us for the explosion that is sure to come unless we stop usury.

Panics are all planned by the interest-takers to hurry centralization by eliminating the small banks and small business houses, and in these particulars the present depression is a huge success.

Our annual production of wealth is \$45,090,000,000. Of this amount we pay fifteen billion, or one-third, to usury.

We are in debt a quarter of a trillion of dollars at 6-percent interest, and that is fifteen billions of annual interest.

If an eighth-grade arithmetic pupil will figure the problem, he will find that in less than 12 years our quarter of a trillion dollars debt will be a half trillion and our annual interest burden will be thirty billions a year.

A hundred years ago if a man took interest he used the money for his own living. Today the interest takers cannot spend their collections, so they must double every dozen years. I am not talking about the man who has \$1,000 in the bank drawing his \$30 interest while he pays \$50 interest annually on his groceries. I am talking about the Morgans, Baruchs, Rockefellers, Mellons, and others of their ilk who cannot spend the usury they bleed from American citizens. This Nation cannot long stand the present high-interest rates. With the new public debts we have "put on" the people, the 33 cents interest on every dollar's purchase will increase to not less than 40 cents before 1936 and to around 60 cents by 1940 and to 70 cents by 1946. To cut the interest rate will only prolong the agony of death.

We must become converted politically, renounce the sin of interest, and follow the precepts of the Bible and the renowned philosophers or face a bloody revolution, the horror of which no man knows.

Interest is a destroyer of civilization. Not to destroy

or be destroyed.

THE CONSTITUTION OR ITS DISAPPROVAL-WHICH?

Mr. McFADDEN. Mr. Speaker, let us suppose that one of the Presidential candidates in 1932 had promulgated as a platform the following:

First. I propose to undermine confidence in the business leadership of the country generally by parading before the American public, through Congress and commission investigations, outstanding examples of mistakes and malfeasance in all lines of business. I propose that these exposés shall be staged in such a way as to give them utmost publicity possible, with a view to creating the impression that these cases of wrongdoing, whether intentional or not, are typical of all business. I shall in my inaugural address charge the depression and the ills of the public generally to the business leadership of the country and shall state in that inaugural address that the business leaders have been not only incompetent and stubborn but also dishonest in many activities.

Second. I propose to encourage and extend Government competition with many lines of private business and to institute governmental control and regulation of business activities through at least 50 new bureaus and commissions which I will set up in Washington.

Third. I shall oust the more experienced Government employees and supplant them with new appointees, exempted so far as possible from civil-service examinations and chosen by my political campaign manager, and I will add at least 50,000 additional Government employees to the Federal pay roll in the first year of my administration.

Fourth. I propose not only to abandon the gold standard but to debase our currency, repudiate the promises of the Government to pay in gold, make it a crime for private citizens to have gold in their possession. I shall call upon some college professors to establish by experiments a new monetary system with no definite and fixed value for the monetary unit.

Fifth. To assist agriculture I shall pay a bounty for the killing of many million pigs and sows and the plowing up of one-fourth of our cotton acreage; and I shall furthermore distribute to farmers from the Federal Treasury sums aggregating several hundred million dollars, in such a fashion that the farmer will receive greater revenue for nonproduction than he will for production. Cotton being one of our principal export commodities, I shall take steps to artificially raise its price so that American cotton will be at a disadvantage in world markets and thus stimulate the expansion of cotton production in foreign countries. In other farm commodities I shall fix the prices regardless of the supply and demand.

Sixth. I propose to demonstrate my faith in the Russian experiment in Communism by recognizing Russia, by reducing the Russian debt to the United States, and by lending the Russian Communist Government a few hundred million dollars from our Treasury.

Seventh. In order that I may not be hampered by the prejudiced viewpoint of adherence to the old system, I shall dispense with and ignore the advice of experienced business and political leaders and surround myself with brilliant and clever young men who have nothing to lose by abandoning the old system but who are bitterly opposed to that system and zealously devoted to the creation of a new order. To these young men I shall entrust the drafting of the important new legislation for carrying out my policies, and this legislation I will drive through Congress, urging the necessity for this new legislation as a part of my program to meet the emergency. I can thus destroy the old order under the guise of trying to save it in an emergency.

Eighth. I propose to tell our people that this being the age of plenty they should work less and produce less and demand more for what they do, and to emphasize my belief in this program I shall employ millions of idle people to do unnecessary work and pay them therefor higher wages than are paid by private employers for useful work.

Ninth. I shall advocate the redistribution of wealth,

There is no other alternative. We must destroy interest | against the distributors, and while urging the producers and distributors to increase wages and maintain prices the consumers will be told that they are being robbed.

Tenth. I shall prevent the criticism of my policies: First, by continual emphasis upon the terrible condition from which I am trying to save the country; second, by controlling the radio through the Federal Radio Commission; third. by establishing such intimate relations with the Washington newspaper correspondents as will cause them to interpret my actions and policies as I desire them interpreted, and by threatening their publishers with loss of advertising and circulation through popular revolt if they criticize. To the more obstreperous I shall throw down the challenge that it is unpatriotic to criticize the President in times of such emergency.

Eleventh. To avoid the constitutional barriers I shall cause attacks to be made upon the strict interpretation of the Constitution as being out of date and no longer adequate to protect the people, and where the judiciary seems unwilling to approve my legislation I shall cause them to be attacked in the press and threaten them with investigations and popular disapproval.

Twelfth. I shall seek control over all the affairs of the Nation and shall strip the States of all their rights of local self-government. This shall be accomplished by the regimentation-persuasively, if possible, if not, then by coercion, threats, and intimidation-of industry under codes, compelling the business interests of the Nation to engage in private contract to grant my bureaus and administrative authorities complete control of their affairs, constituting them legislators, judges, and juries whose actions and decisions shall be conclusive; and if any recalcitrant member of any industry dares challenge the constitutionality of the act of Congress under which I proceed, my young lawyers will meet them in court and assert my right to do this, and deny their right to challenge it because they have agreed by private contract to my terms and cannot attack the constitutionality of an act under which they have sought to do business.

Finally, I will stultify States, counties, cities, industrial establishments, and individuals by establishing Federal loan agencies that will extend credit to them and mortgage their assets, so that I will have their property in my hands as security for their debts, so that they dare not challenge my actions. This power of debt I will use to the utmost. Thus the Constitution shall be subject to my will, because there will be none left to oppose my interpretation.

Thus my power will be complete and I shall proceed to demonstrate to the Nation what I, and my young intellectual professors and lawyers, can do in the way of experimentation.

LOSS TO GOVERNMENT ON LOW POSTAGE RATES TO NEWSPAPERS AND MAGAZINES

Mr. PATMAN. Mr. Speaker, I have prepared the following questions and answers from information which I have obtained from official sources:

Q. For the fiscal year 1933 did the Post Office Department collect as much in revenue as it expended?

A. No; that Department was operated at a loss to the taxpayers of \$101,926,849.73 during that period.

Q. How much did the Government lose on first-class

A. There was no loss on first-class mail; in fact, there was a profit of \$104,859,190.06 made on first-class mail and local delivery letters.

Q. Which class of mail caused the greatest loss, and what

A. Second-class mail, consisting of newspapers and magazines, caused a loss of \$88,202,962.37. Daily newspapers caused \$30,481,517.76 of this loss, free-in-county publications caused \$8,271,232.36 of the loss, and other newspapers and magazines the remainder.

Q. Why is this loss caused?

A. These publications get a special postage rate. They do not pay anything for postage on newspapers delivered in the county where published, except on copies delivered by arouse the workers against their employers, the producers city carriers. During the fiscal year 1933 it cost the Government 10.89 cents to deliver a pound of second-class mail, while the Government only received 2 cents a pound for this service, a loss of 8.89 cents a pound.

Q. Why has Congress adopted the policy of allowing these publications such a low rate compared to cost of service?

A. It is said that George Washington first advocated it, on the theory that the dissemination of knowledge and current information should be encouraged even to the extent of a Government bounty; that such publications receiving such privileges would be under obligation to the public to furnish correct information and be absolutely fair in every way because they were receiving these benefits at the expense of the Government and the people.

Q. Should the law be changed and a rate charged that would not cause a loss to the Government?

A. Where such publications are making excessive profits through the use of this privilege, there is much to be said in favor of capturing a part of such excessive profits to pay the loss they cause the Post Office Department. Nothing should be done, however, that would retard the distribution of current information or that would retard the dissemination of knowledge, even if a loss to the Post Office Department is caused. Unless weekly papers were permitted to enjoy these privileges they would be forced out of existence by the State and national publications, and subscription rates would be so high the public would not pay them. It is not in the public interest for this great means of communication to the people to be in the hands of a few.

Q. Do you know how much the Government lost during this period on some of the leading publications?

A. The following table discloses this information:

For the fiscal year ending June 30, 1933

	Total num- ber of pounds	Excess ex- penditures by Govern- ment over revenues re- ceived
New York Times New York Herald Tribune. Saturday Evening Post Chicago Tribune. Colliers, the National Weekly Time, the Weekly News Magazine, Chicago.	10, 681, 389 4, 201, 687 24, 276, 222 8, 718, 317 22, 757, 889 5, 677, 639	\$949, 575, 48 373, 529, 97 2, 158, 156, 13 775, 058, 38 2, 023, 176, 33 504, 742, 10

## THE NEW DEAL

Mr. SADOWSKI. Mr. Speaker, more than 150 years ago our forefathers proclaimed in the Declaration of Independence that the supreme function of government is to make secure for men the inalienable right of life, to liberty, and the pursuit of happiness. Moreover, the fathers declared that whenever any form of government becomes destructive of these ends, it is the right of the people to alter or abolish it and to institute a new government, laying its foundations on such principles and organizing its powers in such form as to them shall seem most likely to effect their safety and happiness. These are the two basic principles of human liberty laid down by the fathers of our country.

Under the past Republican administrations of Coolidge, Harding, and Hoover we had seen a condition created in America that wrecked and ruined our citizenry. A profit system was established which placed the few in control of gigantic monopolies and put profit above human life. The system established was destroying our historic gains and the achievements of our human civilization. Factories stood idle, crops were rotting in warehouses and on the fields, while labor stood in bread lines awaiting their turn for a bowl of soup. Under this system of profit a virtual economic monarchy was established, with the bankers and great industrialists enthroned as kings, absolutely irresponsible and devoid of all human feeling toward the plight of millions of honest, hard-working, and God-fearing American citizens.

Billions of dollars were taken away from our citizens in profits and usury. Wages of labor were slashed and the farmer reduced to a state of serfdom. The marvels of the machine age were used not to lift the burden of toil from the shoulders of labor but to speed up beyond human en-

durance and to finally throw labor jobless upon the street. The natural resources were wasted. Farms were mortgaged and sold under the hammer. The city workers were evicted from their homes. Truly, a nation was starving in the midst of plenty.

Mass production and machine production immediately following the war were out of all proportion to the trend in purchasing power of the millions employed in manufacturing. Increased earnings by the mechanization of industry were placing more and more wealth in fewer hands and the corresponding decrease in the purchasing power of the average citizen was curtailed until we reached the saturation point, and no market was to be found. Our distress was not so much due to overproduction as it was to underconsumption. Unemployment had reduced the purchasing power of our people.

Then came Franklin Delano Roosevelt, preaching the fundamental doctrine of our forefathers. Here was a redblooded American who dared to face the American kings of profit and usury and tell them they were wrong; that the conditions in the country were intolerable, and that the citizens of this great country would have a new deal. His sincerity of purpose, his personal integrity, his honest feeling for humanity were so great and overwhelming that in November 1932 he was elected President of these United States of America by the greatest majority ever accorded any President in the history of our Nation.

Confronted with the greatest human relief need that has ever faced the Federal Government was one of the major assignments for the President and Congress to meet. With about 15,000,000 men and women out of work, although they were willing and able, and alarming conditions of unrest in every corner of the Nation, Congress, under the leadership of President Roosevelt, appropriated large sums of money for work relief and public works measures that would immediately take out of the ranks of the unemployed 4,000,000 men and women. These persons put their pay roll checks into the purchasing power of the Nation, and it was not long until industry had called back 2,000,000 persons to work, and inside of 1 year's time more than 6,000,000 people had been taken off the unemployment lists.

Allow me to list briefly some of the major legislative enactments passed by the Seventy-third Congress:

The President was given war powers of regulation and the transaction in currency, gold, and silver, including foreign exchange and authority to fix restrictions on banking business of Federal Reserve members. A \$2,000,000,000 stabilization fund was created out of the gold profit and the President was authorized to revalue the gold dollar. The lending life of the R.F.C. was extended for 1 year and the borrowing power was increased \$850,000,000. The R.F.C. was authorized to make direct loans to industries and on assets of closed banks. The Federal Deposits Insurance Corporation was extended and the amount of guarantee raised to \$5,000.

The Federal Farm Mortgage Corporation was created, with a \$200,000,000 capital subscribed by the Treasury and guaranteed interest and principal on bonds of this Corporation up to \$2,000,000,000.

The Home Owners' Loan Corporation was created, guaranteeing bonds of \$2,000,000,000 to provide funds for home financing. The Federal Housing Administration was established, insuring against loss on loans for repairs, to insure for a premium first mortgages on real estate, and so forth.

Established the Federal Securities and Exchange Commission to regulate the sale of securities. The bankruptcy act was also revised.

The President was authorized to negotiate reciprocal tariff bargaining agreements with other nations; and enacted laws to encourage and revive foreign trade.

Authorized the President to name boards to investigate disputes arising under section 7 (a) of the National Industrial Recovery Act and to conduct secret elections among employees to determine whom they wish to represent them in collective bargaining.

Passed the railroad pension bill which gives to men who have given their lifetime service to the transportation sys-

tems of this Nation security for the rest of their lives. Also amended the Railway Labor Act to guarantee to workers the right to organize for collective bargaining. Over \$3,000,000,000 was appropriated to the C.W.A. and Federal Emergency Relief Administration for relief activities and C.C.C. activities and the extension of public works. Also provided for increased employment by appropriating Federal aid for highway and road construction.

Took care of presumptive service-connected cases of World War veterans at 75 percent of their former benefits, and restored Spanish War veterans and their widows at 75 per-

cent of former pensions.

The Federal Communications Commission was established to have jurisdiction over all transmission of intelligence by telephone, telegraph, radio, and wireless.

Drastic crime legislation was enacted to put a stop to the crime wave that has been sweeping the country, and rewards authorized for any hoodlum designated as a public enemy.

The Agricultural Adjustment Administration, the cropproduction loan measure, the Bankhead cotton bill, and other agricultural measures were enacted to aid agriculture in this country.

The Tennessee Valley Authority was created to operate Muscle Shoals properties, construct dams, and so forth.

The Vinson Act was passed authorizing construction of a navy up to treaty limits and to maintain it there.

Saw the end of prohibition and the legalization of the sale of alcoholic beverages. From the sale of alcoholic beverages a new source of revenue was opened to the Government.

And so we sum up: President Roosevelt and this Democratic Congress can well be proud of their work during the last 15 months and can look to the future with confidence.

First. On the side of relief we have extended material aid to millions of our fellow citizens.

Second. On the side of recovery we have helped to lift agriculture and industry from a condition of utter

Third. In addition to this we have taken positive action to prevent a recurrence of a collapse in our economic structure by reorganizing, rebuilding, and safeguarding our economic life there where it was necessary.

Fourth. We have eliminated the abuses of the past and have worked diligently for the greatest good for the many. Fifth. We have striven to bring our Government back to

# the ideals, objectives, and practices of our forefathers. FUTURE PROGRAM

President Roosevelt, in his message to Congress on June 8,

Among our objectives I place the security of the men, women, and children of our Nation first. This security of the individual and the family concerns itself primarily with three factors. People want decent homes to live in; they want to locate them where they can engage in productive work; and they want some safeguard against misfortunes which cannot be wholly eliminated in

guard against mistortunes which cannot be wholly eliminated in this man-made world of ours.

In a simple and primitive civilization homes were to be had for the building. The bounties of nature in a new land provided crude but adequate food and shelter. When land failed our ancestors moved on to better land. It was always possible to push back the frontier, but the frontier has now disappeared. Our task involves the making of a better living out of the lands that we

have.

So, also, security was attained in the earlier days through the interdependence of members of families upon each other and of the families within a small community upon each other. The complexities of great communities and of organized industry make less real these simple means of security. Therefore, we are compelled to employ the active interest of the Nation as a whole through government in order to encourage a greater security for each individual who composes it.

With the full cooperation of the Congress, we have already made a serious attack upon the problem of housing in our great cities.

serious attack upon the problem of housing in our great cities. a serious attack upon the problem of housing in our great cities. Millions of dollars have been appropriated for housing projects by Federal and local authorities, often with the generous assistance of private owners. The task thus begun must be pursued for many years to come. There is ample private money for sound housing projects; and the Congress, in a measure now before you, can stimulate the lending of money for the modernization of existing homes and the building of new homes. In pursuing this policy we are working toward the ultimate objective of making it possible for American families to live as Americans should.

In regard to the second factor, economic circumstances and the forces of nature themselves dictate the need of constant thought as to the means by which a wise government may help the necessary readjustment of the population. We cannot fail to act when hundreds of thousands of families live where there is no reasonable prospect of a living in the years to come. This is especially a national problem. Unlike most of the leading nations of the world, we have so far failed to create a national policy for the development of our land and water resources, and for their better use by those people who cannot make a living in their present positions. Only thus can we permanently eliminate many millions of people from the relief rolls on which their names are now lions of people from the relief rolls on which their names are now found.

The extent of the usefulness of our great natural inheritance of land and water depends on our mastery of it. We are now so organized that science and invention have given us the means of more extensive and effective attacks upon the problems of nature than ever before. We have learned to utilize water power, to reclaim deserts, to re-create forests, and to redirect the flow of population. Until recently we have proceeded almost at random, making many mistakes. \* \*

Human knowledge is great enough today to give us assurance of success in carrying through the abandonment of many millions of acres for agricultural use and the replacing of these acres with others on which at least a living can be earned.

The rate of speed that we can usefully employ in this attack on

others on which at least a living can be earned.

The rate of speed that we can usefully employ in this attack on impossible social and economic conditions must be determined by businesslike procedure. It would be absurd to undertake too many projects at once, or to do a patch of work here and another there without finishing the whole of an individual project. Obviously, the Government cannot undertake national projects in every one of the 435 congressional districts, nor even in every one of the 48 States. The magnificent conception of national realism and national needs that this Congress has built up has not only set an example of large vision for all time but has almost consigned to oblivion our ancient habit of pork-barrel legislation; to that we cannot and must not revert. When the next Congress convenes I hope to be able to present to it a carefully considered national plan covering the development and the human use of our natural resources of land and water over a long period of years.

In considering the cost of such a program it must be clear to all of us that for many years to come we shall be engaged in the task of rehabilitating many hundreds of thousands of our American families. In so doing we shall be decreasing future costs for the direct relief of destitution. I hope that it will be possible for the Government to adopt as a clear policy to be carried out over a long period the appropriation of a large, definite, annual sum so that work may proceed year after year not under the urge of temporary expediency but in pursuance of the well-considered rounded objective.

The third factor relates to security against the hazards and vicissitudes of life. Fear and worry, based on unknown danger, contribute to social unrest and economic demoralization. If, as our Constitution tells us, our Federal Government was established among other things "to promote the general welfare", it is our plain duty to provide for that security upon which welfare depends.

depends.

NEXT WINTER WE MAY WELL UNDERTAKE THE GREAT TASK OF FUR-THERING THE SECURITY OF THE CITIZEN AND HIS FAMILY THROUGH SOCIAL INSURANCE

This is not an untried experiment. Lessons of experience are available from States, from industries, and from many nations of the civilized world. The various types of social insurance are interrelated, and I think it is difficult to attempt to solve them piecemeal. Hence I am looking for a sound means which I can recommend to provide at once security against several of the great disturbing factors in life, especially those which relate to unemployment and old age. I believe there should be a maximum of cooperation between States and the Federal Government. I believe that the funds necessary to provide this insurance should be raised by contribution rather than by an increase in general taxation. Above all, I am convinced that social insurance should be national in scope, although the several States should meet at least a large portion of the cost of management, leaving to the Federal Government the responsibility of investing, maintaining, and safeguarding the funds constituting the necessary insurance and safeguarding the funds constituting the necessary insurance

I have commenced to make, with the greatest of care, the necess

I have commenced to make, with the greatest of care, the necessary actuarial and other studies necessary for the formulation of plans for the consideration of the Seventy-fourth Congress.

These three great objectives—the security of the home, the security of livelihood, and the security of social insurance—are, it seems to me, a minimum of the promise that we can offer to the American people. They constitute a right which belongs to every individual and every family willing to work. They are the essential fulfillment of measures already taken toward relief, recovery, and reconstruction. and reconstruction.

This seeking for a greater measure of welfare and happiness does not indicate a change in values. It is rather a return to values lost in the course of our economic development and ex-

Ample scope is left for the exercise of private initiative. In fact, in the process of recovery, I am greatly hoping that repeated promises that private investment and private initiative to relieve the Government in the immediate future of much of the burden it has assumed will be fulfilled. We have not imposed undue restrictions upon business. We have not opposed the

incentive of reasonable and legitimate private profit. We have sought rather to enable certain aspects of business to regain the confidence of the public. We have sought to put forward the rule of fair play in finance and industry.

It is true that there are a few among us who would still go back. These few offer no substitute for the gains already made, nor any hope for making future gains for human happiness. They loudly assert that individual liberty is being restricted by Government, but when they are asked what individual liberties they have lost they are put to it to answer.

We must dedicate ourselves anew to a recovery of the old and sacred possessive rights for which mankind has constantly struggled—homes, livelihood, and individual security. The road to these values is the way of progress. Neither you nor I will rest content until we have done our utmost to move further on the content until we have done our utmost to move further on the

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, June 8, 1934.

In spite of all of the efforts of our great President and this Democratic Congress we hear certain rumbling and destructive criticism. Where is it coming from? Why, from the old gang that we remember so well. Certainly, you have not forgotten the "prosperity-just-around-the-corner boys" who sat around twiddling their thumbs while the Nation was down on its knees. They advocated the infamous policy of "laissez faire", the policy of avarice and greed. A policy of plunder for the few and starvation and serfdom for the rest of the Nation. They are the reactionaries who stood pat for privileges for the few. They have no plans for the future. They have no constructive ideas. They are devoid of any feeling for humanity. The policy of the new deal and of social justice terrifies them. They can only squeal like the hog that has been driven away from the

The issue before the American people is still the same Republican misrule, misery, ruin, and disaster against the Democratic new deal, Roosevelt, progressiveness, liberalism, and social justice for all.

THE ACCOMPLISHMENTS OF THE SEVENTY-THIRD CONGRESS

Mr. HAINES. Mr. Speaker, at no time in the history of our great Nation was any Congress faced with responsibility as great as that of the present session. When the present administration assumed control of the Government on March 4, 1933, Mr. Roosevelt found it necessary to call us into special session to rebuild the Nation, for rebuilt it had to be, due to a complete break-down in our economic system and the loss of confidence on the part of the people.

On March 9 an emergency banking bill was proposed, passed, and signed in 7 hours, which had immediate effect throughout our entire country, restored confidence in our banks, and brought out of hiding millions of the people's money, so necessary in the conduct of business. By March 20 we enacted a law designed to save nearly \$1,000,000,000 in the running expenses of the Government. Millions of farmers were facing bankruptcy and the loss of their farms, and most of them in despair, not knowing what to do or where to go. The Agricultural Adjustment Act offered both relief and rehabilitation of agriculture. An act establishing forestry camps for wayfaring young men, direct unemployment relief, farm and home mortgage relief, an act allowing an orderly reorganization of the finance of our railroads, and an act of an emergency nature to conserve the Nation's monetary reserve followed in quick succession as Congress moved to improve the economic conditions of the country. Our railroads are owned by a great host of our people, who hold the securities, held also by widows and orphans, colleges and universities, many of them in trust funds for dependents, and representing the lifetime savings of people, so that it was so very necessary that this great Government go to the rescue and save as much as possible for this host of our citizenship. Today farmers are better off than they have been for many years, and while all that I favored was not enacted into law, at the same time I voted for every relief measure that was aimed to help farmers, business men, and the great laboring group of our citizenship. There were some long-range measures even in our special session. Out of it came the National Industrial Recovery Act, the keystone of the administration's entire economic program. We sought to increase wages, spread employment, eliminate the

sweatshop and child labor. Thank God we have already accomplished much of this, and in one day we almost eliminated child labor from our industrial operations, doing in this one day what other nations have spent many years to accomplish.

Child labor has been a blot upon our fair name as a people and the sweatshop a disgrace to our intelligence and the day in which we live. Industry asked to have codes of fair competition written into the act, which is nothing more nor less than self-government of business. Much is yet to be accomplished under this program, and it is my hope and prayer to God that business men and labor will unite under a banner of mutual welfare, so as to eliminate much of the strife and grief experienced by so many of our people. Mr. Speaker, I feel that one of the greatest blunders we ever made in this country of ours was the ridiculous reduction of wages to labor. Unless we raise the purchasing power of our people, insure them of jobs in which they can earn their bread by the sweat of their brows, not only living wages but at wages that will permit them to enjoy the luxuries so dear to our people, we cannot hope for complete recovery. This is a program aimed in the right direction, and all that it requires is full and complete cooperation of all our people.

The act we passed is all right; it will accomplish that which we seek only by full and complete cooperation on the part of both leaders of labor and leaders in industry. Mr. Speaker, we came here in January for this regular session of the Congress and our record has been made, and a record of which we can all feel proud, for each one of us was deeply concerned to do that which we believed to be in the best interests of all our people, under the leadership of our great President, who has always manifested a deep interest in the welfare of all the people rather than in the special interest of selected groups.

Mr. Speaker, I desire to enumerate here the record of this regular session of the Seventy-third Congress:

First. The Gold Reserve Act, through which the monetary gold in the Government's vaults was practically doubled in

Second. The Silver Purchase Act, which gave the white metal more of a place in our monetary system.

Third. The Revenue Act of 1934, whereby it is sought to plug up the many loopholes through which the beneficiaries of large incomes had avoided taxation.

Fourth. The Securities Exchange Act, imposing a system of Federal regulation on all stock and bond exchanges.

Fifth. The Corporate and Municipal Bankruptcy Acts. under which corporations and municipalities may readjust

Sixth. The Loans to Industries Act, under which the Federal Government may go to the assistance of solvent industries unable to finance themselves through regular banking channels.

Seventh. The Naval Constructions Act, authorizing a Navy up to the full limit of the London Treaty.

Eighth. The Communications Act, setting up a special commission for Federal regulation of the telegraph, telephone, and radio.

Ninth. The Anticrime Acts, implementing the Federal Government for a more vigorous drive on gangsters and gangdom.

Tenth. The Sugar and Cotton Control Acts, supplementing and strengthening the Agricultural Adjustment Administration in enforcing production control.

Eleventh. The Tariff Act, authorizing the President to negotiate reciprocal treaties to stimulate trade with other nations.

Twelfth. The National Housing Act, seeking to pry loose private capital for much-needed housing improvements in the country.

Thirteenth. The Labor Adjustment Act and the new Relief and Public Works Appropriations Acts, which we passed in the closing hours.

In addition to this, Mr. Speaker, we passed legislation to assist railroad workers, to pension them after a certain experience and term of service, aimed to assist these men | ness, to those, of course, who are solvent and unable to after giving their lives to the service of the companies in whose employ they have been so long.

I wish that I had the time to take up each one of these acts and discuss them, but I do not want to abuse the privileges given to me. However, I do want to say that I have been faithful in my service to the people I represent, attending all the sessions of Congress, with but a few exceptions, and only absent at such times as official duties called me elsewhere.

I have voted for what I believed to be in the best interests of my own people; for, Mr. Speaker, I feel it my first duty to represent my own people, feeling that when I do this I also do what is best for the entire citizenship. Through our activities in this session we have placed the Nation upon a sound financial basis, enabling our people to more successfully trade with all the nations of the world. We cannot build a wall around ourselves and hope to prosper. We want to trade with the balance of the nations, for we have our surpluses to sell to them, and they have commodities that are indispensable to us; so that through the revaluation of the gold content of the dollar we have enabled our people to more successfully combat competitors in all lands. We have saved many of our States and municipalities from complete financial break-down in our appropriations and contributions to them so that they could care for their own. When one knows of the hundreds of communities that have defaulted in the payments of the obligations, their inability to feed, house, and clothe their people, and that through the help of Congress these have been cared for, one need not be ashamed of the accomplishments.

It is true that we have spent money. It is also true that the credit of the Nation was never better than it is now, as is indicated by the continued oversubscription of every bond issue offered by this Government.

We have put our house in better order than it has been for many years, for were it not for the emergency expenditures to keep our people from starving, from losing their farms and their homes, we would not now have a deficit in the Treasury of the United States. The truth of the matter is that we have a more nearly balanced Budget than for many years, and only because of these great emergencies in the Nation has it been necessary to appropriate sums of money to relieve these terrible conditions. No one in this great land of ours wants the people to go begging, and no one is going to starve. . The President assured the Nation of this in his inaugural address, and he has kept the faith. Much has been said, Mr. Speaker, about the large appropriations made in this session of the Congress. It must, however, be remembered that most of this money is not being spent. but is being loaned to our own people and will come back to us. In fact, many of the corporations set up under these acts will show a profit to the Government. We loaned billions to banks, because these banks represented the savings of our people. We loaned millions to railroads, and a great deal of this has already been returned. We loaned millions to insurance companies, because these companies likewise held the savings of many of our people, their obligations also being in the hands of our investing public, consisting not only of the rich but the poor and middle class who hold the obligations. We loaned billions to our farmers, and loaned more to them than any other of our people. Our farmers are sound and, given an opportunity, will repay equally as do others that we loan money to.

We have loaned millions to small home owners, permitting them to save their humble firesides, entering into agreements with mortgage holders to defer foreclosures, and in thousands of cases taken these mortgages off their hands. I have long ago urged that the Government go to the rescue of the small business men of the Nation, and I am pleased that we did this, for now the same opportunity that we gave to banks, insurance companies, farmers, and corporations is given to the small business men in the Nation, for in our one act (Loans to Industries Act) we have provided to loan money for these to continue operating their busi-

finance themselves in the conduct of their affairs.

In the special session of the Seventy-third Congress it was necessary for us to pass the so-called "Economy Act." I voted for this act with the understanding that it was necessary to save the credit of the Nation. I did not vote for this act to take pensions away from deserving veterans of our wars, nor would I ever be a party to doing this. I think this Nation is grateful to the men who entered the services of their country, and I would never be a party to taking away from them the benefits that this Nation should give to them. The President was the first to realize that this act went too far, and it was not long until he made more than 60 special regulations to take care of the abuses heaped upon deserving veterans, so that immediately when any veteran felt he was mistreated, he was given every consideration, and which led to these special orders of the President.

Mr. Speaker, I have always been interested in the welfare of our veterans. In my offices I handle hundreds of cases and employ two secretaries back home to look after their interests. When I realized that an injustice was being done to many veterans, I joined with others in our branch of Congress to correct these mistakes. I have no apology to offer anyone for voting to override the President's veto of the independent offices appropriation bill, for I would do so again, under the same circumstances. Those of us, Mr. Speaker, who come in personal contact with veterans every day know their problems and are better able to be the judge as to the equity in legislation.

I am so pleased to know that many of our veterans have again gone on the pension rolls, and I may say right here, Mr. Speaker, that I know of no veteran in my district who is being overpaid; indeed, I have many in whom I am still interested and feel that they are deserving of more pension than they now receive. It was most pleasing to me, Mr. Speaker, when we passed the bill to give pensions to widows and orphans of veterans who were being paid a pension but who did not die of service-connected disabilities.

This bill should have been passed long ago, and it will always be to the credit of President Roosevelt that he immediately recognized this need and urged us for immediate passage of the bill. Many of my people, particularly the farmers in my district, have asked me to support the Frazier-Lemke bill. I had no opportunity, as you know, to vote on this bill, for it was never brought before our branch of Congress. I believe that the purposes being sought in that proposal are worthy of much consideration, and had I been given an opportunity to vote on the same I felt it would have been my duty to do so, for I reiterate what I have already stated—that a Member of Congress is not to vote his own sentiments always but be guided by what he believes to be the majority sentiment of the people he represents. I am sure that some day we will solve the problem, not only of the farmer but of our laboring and business men, who are perhaps just as badly hurt as any of our others.

I am glad, however, that part of the Frazier-Lemke proposal was passed by the Congress in the passage of the bill granting extensions, under the bankruptcy powers of Congress, to distressed farmers for payment of their debts and mortgages and permitting them to hold on to their farms by giving them a moratorium for some years and accepting token payments, which will permit many of our farmers to better themselves.

I am sure, after having associated with my colleagues in this great session, that no group of men were ever more concerned about the welfare of all the people, for everything that we thought to be wise was given most sympathetic consideration, and I believe that much valuable legislation was passed. Our Seventy-third Congress is now history. Time alone will tell whether or not we did the best. We tried. No matter what the opposition will have to say of us, we tried. Instead of inaction, we acted. Instead of believing that the laws of economics were like the laws of gravitation, we made an effort toward recovery. Compare

this with the record of the previous Congress and I am sure | that we will have nothing to apologize for.

I must say, however, Mr. Speaker, that there are som? parts of the recovery program that I am not in sympathy with. I leave it, though, to the judgment of others, firm in my convictions that later on we are going to change some things by either repeal or amendments. I am so glad to have the last message from our great President, in which he gives us a social program to think about during our vacation, and I endorse what he wants us to think about and am most hopeful that in the next Congress we can enact laws to take care of the old folks, the unemployed, and correct much of the bad housing conditions prevalent in the Nation.

We simply dare not think of saying to men and women that because they are over a certain age there is to be no more employment in the plants of the Nation for them. In God's name, Mr. Speaker, what are we to do with these? If denied an opportunity to work, what is to become of them? Surely not the poorhouse or the county home? I say again, God forbid. If we are not going to permit them to work, then we must take care of them some other way. I am so glad that our great Democratic Party is pledged to a program to take care of these, and I want to join with all in subscribing to this great program which will lead to social justice.

We have a great Nation, and we are destined to even greater accomplishments, Mr. Speaker, if we think of all our people. The Democratic Party must always be a party for the masses. If we prove otherwise, we are doomed to die.

But die we will not, for our great heroes of the past will have their spirits guide us in doing the things that are best. Our proud history is that in every great crisis in this Nation our party has been called to correct evils that grew up. is not a pleasant experience to rebuild anything, for the disappointments and the obstacles one has to overcome are great. We do have a great host of our people who want the same conditions to prevail, the same privileges granted to them that they enjoyed in the past and which is responsible for our present economic ills.

They still live in the past and will try to hold on to those special privileges, but under the guidance of a leadership that we need not be ashamed of, Franklin D. Roosevelt, and the support of loyal men and women everywhere, we shall emerge from this depression of economic experience a better and a wiser people; and when historians shall say anything about me, I hope it will be said that I tried, that I gave the best that was in me, that I never failed to consider the people I represented, with but the hope of making their lot a happier one and their joys more complete.

## UNEMPLOYMENT AND OLD-AGE INSURANCE

Mr. CELLER. Mr. Speaker, up to comparatively recent years, no wide-spread demand has manifested itself in this country for any form of organized attack upon unemployment or financial provision for security in old age. It was always assumed that these matters lie within the province of the individual and the family. Each individual, supposedly unhampered by class restriction, by tradition, or by inequality of opportunity, has been free to develop his own abilities and to achieve success through the exercise of individual initiative.

It was consequently a corollary to this alleged individual freedom, that each member of society was regarded as responsible for only his own welfare; and while it is of course true that public support has been extended in such cases where physical or mental handicaps have made it impossible for the individual to properly care for himself, nevertheless it was always expected that every normal person would so provide for himself and his family that neither he nor his immediate relatives would at any time become charges upon the public.

Times, however, as well as conditions have radically changed, and as a result these former conceptions of opportunity and individual responsibility are no longer held tenable. In any event, the finer and the truer social outlook is the one which says "I am responsible for my brethren."

The old doctrine of laissez faire and rugged individualism have been happily superseded by the spirit of the new deal. In the words of our great leader, Franklin Delano Roosevelt, in his message to Congress, June 8, "security against the hazards and vicissitudes of life" is one of the basic duties of our Government. He said further:

Fear and worry based on unknown danger contribute to social unrest and economic demoralization. If, as our Constitution tells us, our Federal Government was established among other things "to promote the general welfare", it is our plain duty to provide for that security upon which welfare depends.

Next winter we may well undertake the great task of furthering

the security of the citizen and his family through social insurance

Social and unemployment insurance is not an untried experiment. States, industries, and many of the nations of the civilized world have endeavored in one fashion or another to provide insurance against the greatest disturbing factors in life, the security of one's livelihood during one's active years and assurances of support during one's declining years.

Bearing in mind all that I have said heretofore, I introduced on April 11, 1934, H.R. 9069, "to provide for the establishment of unemployment and social insurance, and for other purposes." I set forth herewith in full the provisions of my bill.

[H.R. 9069, 73d Cong., 2d sess.]

A bill to provide for the establishment of unemployment and social insurance, and for other purpose

Be it enacted, etc., That this act shall be known by the title "The Workers' Unemployment and Social Insurance Act."

SEC. 2. The Secretary of Labor is hereby authorized and directed to provide for the immediate establishment of a system of unemployment and social insurance for the purpose of pro-viding insurance for all workers and farmers unemployed through no fault of their own in amounts equal to average local wages. Such insurance shall be administered by workers and farmers and controlled by them under rules and regulations prescribed by the Secretary of Labor in conformity with the purposes and provisions of this act, through unemployment insurance commissions composed of the rank-and-file members of workers missions composed of the rank-and-file members of workers' and farmers' organizations. Funds for such insurance shall hereafter be provided at the expense of the Government and of employers, and it is the sense of Congress that funds to be raised by the Government shall be secured by taxing inheritance and gifts, and by taxing individual and corporation incomes of \$5,000 per year and over. No tax or contribution in any form shall be levied on workers for the purposes of this act. In no case shall the unemployment insurance be less than \$10 per week plus \$3 for each dependent. plus \$3 for each dependent.

plus \$3 for each dependent.

SEC. 3. The Secretary of Labor is further authorized and directed to provide for the establishment of other forms of social insurance in like amounts and governed by the conditions set forth in section 1 of this act for the purpose of paying workers and farmers insurance for loss of wages because of part-time work, sickness, accident, old age, or maternity.

SEC. 4. The benefits of this act shall be extended to workers and farmers without discrimination because of age, sex, race, or color, religious or political opinion or affiliation, whether they be industrial, agricultural, domestic, or professional workers, for all time lost. No worker shall be disqualified for the benefits of this act because of refusal to work in place of strikers, at less than normal or trade-union rates, under unsafe or unsanitary conditions, or where hours are longer than the prevailing union standards at the particular trade and locality, or at any unreasonable distance from home.

As will be noted from a careful study of the provisions of

As will be noted from a careful study of the provisions of the bill, the establishment of such unemployment and social insurance is made national in scope. In this regard, of course, there should be a maximum of cooperation between the States and the Federal Government.

The enactment of this legislation into law will, I feel, do much toward giving to every individual the right which belongs to everyone-provision against the dread of unemployment and the fear of a financially insecure old age. This, ultimately, will give to every citizen a true measure of genuine security which in turn will result in more widespread prosperity and happiness.

It must be remembered that better knowledge of the human body and the great progress of medical science, the highly successful powers of healing on the part of doctors and surgeons, the excellent public-health services of our municipalities, States, and Government all have contributed to make life longer. During the past few decades the length of human life has greatly increased. This advance, however, has carried with it great handicaps and disadvantages.

Although life may be lengthened, it does not follow that one's usefulness and ability to make a living are increased. Old age has always brought its sorrows. Lengthening of old age increases our travail. Well does the Bible say that—

The days of our years are threescore years and ten; and if by reason of strength they be fourscore years, yet is their strength labor and sorrow; for it is soon cut off and we fly away.

It is incumbent upon us in this modern world that has made possible the lengthening of one's shadows in the twilight of life, to assuage this labor and sorrow. We must make old age more bearable. Few people can work laboriously or hard in old age. We must therefore care for the aged and make their declining years comfortable and happy. They cannot at that time of life be the drawers of water and the hewers of stone. Others must fetch and carry for them. We must provide for old-age insurance. We must so arrange that contributions be made by all, while they are young and able-bodied and capable of working, to a common fund which shall be used to succor and relieve and help the feeble and weak during the sunset of their lives.

I shall introduce a bill during the next Congress providing for legislation to cover these purposes, along with the reintroduction of the aforementioned unemployment insurance bill.

President Roosevelt's far-reaching, far-seeing plans for old-age insurance are quite in contradiction to the old Spartan method of treating the aged. You may recall that in ancient Sparta, potential social dependents were practically eliminated by exposing them to the elements. Similar practices have been adopted by other primitive peoples. This was done primarily to conserve their scanty resources for the able-bodied and self-supporting members of the tribe. As civilization advanced, these drastic methods of dealing with the problem were abandoned. No remedial measures were applied, however, and those unfortunates who lacked family support were forced to turn to begging as a means of livelihood or in other sad ways throw themselves upon the mercies of the populace.

Today, however, in almost every civilized country, there has developed a sense of social responsibility toward dependents which has resulted in provision for their support either by private charity or by governmental agency. In this age of modernization, we have a superabundance of that which nourishes and clothes the body. We should, therefore, be well able to protect, clothe, and feed the aged. There can no longer be any possible reason for the neglect of the old or for the destruction of the old as in the case of primitive peoples. The Spartan way is indeed a far cry from the new deal's high-reaching attitude toward the weak, the aged, and the feeble.

By the enactment of such provisions for the aged and the aforementioned measure for the establishment of unemployment and social insurance, we will, I feel, proceed far in the direction of a true utopian society.

### THE PRESIDENT'S GOLD POLICY HAS WORKED

Mr. PETTENGILL. Mr. Speaker, when the history of these stirring times is finally written, it is my judgment that the greatest praise will be given to the President's monetary program. The chief factor in our recovery has been the suspension of specie payments in the spring of 1933 and subsequent revaluation of the gold dollar. The sheer audacity and courage of the President's action has been matched only by its wisdom.

The program was designed to raise prices, and it has raised prices. It was intended to save America from universal bankruptcy and repudiation, and it has done so. It was intended to prevent intolerable strains on the social structure, and it has prevented them. For the salvaging by creditors and debtors of some permanent values from the avalanche of deflation of the Hoover administration, the credit must chiefly go to this program. It was here that the road forked between recovery and revolution. There is no question about it.

### FORKS OF THE ROAD

The Tories of finance are confounded by the figures in orthodox gold theory, but that it has not gone far enough. their own counting rooms. Possibly the most consistent Personally, I am inclined to think the President in January

critic of the administration is the Chicago Tribune. In its issue of June 20 the Tribune published a chart under the heading "Trend of American Commodity Prices Since the Opening of 1933." It shows the forks of the road on the date the President suspended gold payments abroad as well as at home—April 19, 1933.

One road is called "Average Commodity Prices in Terms of Current Dollars Reported by the United States Bureau of Labor Statistics." The traveler along that road has moved up grade 24 percent.

The other road is called "Commodity Prices in Terms of Old Gold Dollars." If we had traveled that road we would have gone down grade 29 percent.

The upper road shows us where we are with Roosevelt, climbing out of the depression. The lower road shows us where we would have been with Hoover—sliding further into the valley of deflation, repudiation, riot, civil commotion, possible revolution.

The financial page of the Tribune tells its editorial page that it is false to the fact.

What did the gold policy mean for farm products? Within a year the price of wool had advanced 176 percent, oats 143 percent, barley 138 percent, rye 136 percent, corn 130 percent, wheat 111 percent, potatoes 106 percent, cotton 84 percent, flaxseed 78 percent, beans 74 percent, sweet-potatoes 59 percent, apples 37 percent, lambs 37 percent.

Taking all farm products, and considering the country as a whole, the exchange value of farm products in terms of things that farmers buy advanced 20 percent last year. The Department of Agriculture index of purchasing power rose from 50 in January 1933 to 60 in January 1934, and is approximately at the latter figure now.

The farmers of the country profited almost immediately by the gold policy. Their income has risen and their property values have improved in many sections.

But it helped the city people also.

The total value of all American stocks listed on the New York Stock Exchange increased 85 percent during the year ending March 1, 1934. All American bonds, except Government, advanced 28 percent. The total value of all American securities, both stocks and bonds, except Government, listed on the New York Stock Exchange advanced 65 percent. This advance restored to solvency hundreds of banks and millions of citizens and put them in a position to proceed in business.

### RESTORED PURCHASING POWER

I have quoted the foregoing paragraph from the leading article in American Agriculturist of May 26, signed by Frank E. Gannett, the publisher. Mr. Gannett, who is also the owner of one of the most influential chains of daily newspapers in the United States, challenges any who say the gold policy has not worked. Of the tremendous rise in farm prices and farmers' purchasing power Mr. Gannett says:

This increase in the value of their personal property restored hope to the farmers of the United States and put them in a position to buy the goods they most badly needed and begin to pay on their debts. From this restored farmer purchasing power came the chief support for business recovery.

The administration has pulled many other levers, it is true. But the money lever is the main one. As to the others there is less certainty of a demonstrated result. As to them more time must be given to prove their permanent worth. I do not now attempt to appraise them. It is, however, worth noting that England and Australia, for example, are on the way out without using any emergency measures like N.R.A. or A.A.A. But they did revalue their currencies. They raised their price of gold. And this indicates that the money lever is the most powerful.

Archimedes said that with a lever long enough he could move the world. Roosevelt is the modern Archimedes. By raising the United States price of gold, for the first time in a hundred years, he has moved America out of the bog of depression onto the firm foundations of recovery.

If the program, thus far, were to be criticized with some claim of justice, it would not be that it has gone so far from orthodox gold theory, but that it has not gone far enough. Personally, I am inclined to think the President in January

should have gone to the very maximum authorized by Congress and repriced gold at \$41.34 an ounce, instead of stopping at \$35. The difference would have been an extra 18 percent in the improving price level of basic commodities. He may yet do so; or Congress when it reconvenes in January may direct that to be done.

### NO LONGER A SCARECROW

If gold is further repriced it should cause no alarm. We have not yet repriced gold as far as most countries have done. The Ogden Millses of the Nation have raised so many scarecrows without teeth that we may face another without fear. All of their terrible prophesies of the awful results to follow if we "tampered with gold" are now "one with Nineveh and Tyre." Our gold policy has restored confidence. We lost our confidence when we followed Mills and Hoover. We regained it when Roosevelt did what they said should not be done.

That something had to be done on March 4, 1933, is manifest. Deflation had to be stopped. The price level had to be restored so that taxes, interest, bond issues, mortgages, and other debts, rent, freight, and other billions of fixed obligations and fixed charges could be hoped to be paid.

That what was done was the best thing to have done is proven by the results.

For the country as a whole, what the farmer has received for his products has gone up faster than other commodities. To the extent that this is true, and it is particularly noticeable in the case of cotton, wheat, tobacco, and wool, the previous disparity between agriculture and industry has been lessened. It is, however, unfortunately true that many farm crops—dairy products, for example—have not moved forward with the average of all farm commodities.

It is important to close the gap between agriculture and industry, not only as a matter of simple social justice to our farmers who, as a class, have suffered deflation the longest, but also for industry itself. The farmer must be able to buy in the city in order that the dole lines of the cities may grow shorter, and, pray God, shortly disappear entirely.

The economists describe this condition as "economic unbalance" or "disparity." I think I know what they mean, but it looks simple to me when I think of a place to play baseball or "three old cat." The game requires a level surface, where everyone can throw the ball to each other. In the big leagues they work a long time to level off the diamond. A level field in baseball is what a balanced price structure is in economics.

The first baseman is the farmer. The second baseman is the wage earner, let us say. At third is the manufacturer. They exchange goods—throw the ball—to each other, and the game can go on, day after day.

But suppose there is a cave-in around first base. The surface sinks 10 feet. The first baseman can no longer throw the ball, or catch it. The game has to stop until the ground around the sunken base is filled in. Or it could go on if the whole diamond fell uniformly.

The President has been trying, with success, to relevel our economic baseball diamond.

### PRICE PRINCIPLES EXPLAINED

In order to understand why this can be done by raising the price of gold, it is necessary to understand a few simple principles.

Without going into any long explanation, the facts can be stated very simply that when the nations went to war in 1914, they largely abandoned the gold standard and ceased to bid actively for the world's stock of gold. Throughout the world, then, gold tended to become less valuable, and prices of commodities rose. Indeed, they rose to almost incredible heights.

Then came the reverse process. After the war the countries of the world began to return to the gold standard, completing this readjustment by 1928. They had to bid for gold to build up their monetary stocks.

The world's annual production of gold reached its all-time peak of 22,758,000 ounces in 1915, then fell, and for the 10 years 1918–27 was 40,586,000 ounces (\$838,912,620) less than the previous decade, with a low of 15,452,000 ounces in 1922.

Earlier falling off of gold production synchronized with the long period of falling prices and hard times in this country, culminating with the panic of the early nineties. Then gold production increased rapidly, due to discoveries in the Klondike and South Africa, and invention of the cyanide process. This outpouring of gold was Mother Nature's answer to the demand of Bryan in 1896 for more and cheaper metallic money.

For 85 years, with the exception of only one 5-year period, commodity prices fell or rose with the increase or decrease from the gold mines. Production figures, synchronizing roughly with historical facts of good and bad times within our knowledge, lend support to the theory that gold having become scarce, and therefore dear, accounts in part at least for the world collapse of the price structure in recent years.

Within a year after France went back on gold in 1928 the world panic was on. Gold began to increase in value because of increased demand. To express it the other way around, commodity prices began to fall.

It was this crash in prices which ushered in the depression. That is the first and main point to get straight. This terrible time which we speak of as the "great depression" has been first and last a phenomenon of maladjustment in prices and values.

#### CAVE-IN AT FIRST BASE!

When one of these great crashes in commodity prices occurs, there is a certain train of events which always follows. In the first place, prices of raw materials and primary products such as wheat, corn, oats, cotton, wool, copper, rubber, and so on, go down first and farthest. Prices of finished and processed goods which have a large element of fixed costs in them resist the decline; many of them do not go down at all or only after a number of years. So you have the situation of this abnormal gulf opened between the position of all producers of raw materials and the industrial groups which transport, manufacture, and distribute goods and services. That is how our first base caved in.

With virtual prostration of the producing groups everywhere, trade goes stagnant. This of course means unemployment, which aggravates the whole situation by curtailing consumption. And all this picture of dislocated prices and production we call by the name of "depression." It is all a direct result of something that has upset the vital monetary factor, which is like the governor of an engine, holding all these things in balance.

One of the most serious consequences of this situation is that there remains standing up in the air a veritable peak of debts, high taxes, high transportation charges, high interest rates, and a host of other inflexible prices, costs, and charges which have been built up to the high level and which do not decline along with the flexible commodity prices. So long as you have these things so out of their normal adjustment, that is, so long as you have prices of basic commodities way down and these other things—debts, taxes, and so on—way up, business cannot go forward, production cannot go forward, the ball game is stopped.

President Roosevelt took command when we were in the midst of the most acute deflation in history. It was not caused by overproduction, nor primarily by speculation, nor by an act of God. It was and is a monetary malady. The trouble was caused by this disturbance of the all-important medium of exchange—gold.

There are just two ways to treat this malady. President Roosevelt knew it. One is to reduce inflexible prices—debts, taxes, wages, services, interest rates, and so on—down to the new level of low commodity prices. The other alternative is to raise the prices of commodities back up to a level where they are again in some kind of reasonable balance with the inflexible portion of the price structure.

In other words, what we must have is somewhere near a level diamond, so that everybody can again play ball.

Mr. Hoover and Mr. Mills tried to adhere to the orthodox procedure of bankruptcy, foreclosure, default, and the various forms of scaling down debts and charges to the lowered commodity price level. The country had reached the stage of moratoriums, riots, armed resistance to foreclosure sales, strikes, bonus marchers, and proposals for very radical legislation. Finally it had reached the stage of a complete break-down in its banking machinery. When President Roosevelt took office the country was on the verge of chaos. It could not go on.

The reasonable thing to do was what 33 other countries had already done—suspend the gold standard and ease this terrible pressure which had steadily been making gold so valuable that our people could no longer exchange their goods and services for gold, or its money equivalent, on a living basis.

#### WHY 11-CENT COTTON?

To understand what has happened, let us take as an example something we wear and handle every day, such as cotton

If we had no money, but owned some wheat or corn or copper or scrap steel, and traded them for a bale of cotton, we would find that cotton is today no more nor less valuable, in trade, than it was 6 or 7 years ago.

But try trading the bale of cotton for gold, the world's measure of value, and we discover the following facts:

In February 1929 a bale of cotton brought, in any market in the world, exclusive of freight, insurance, and tariff duties, approximately 5 ounces of gold. At \$20 an ounce for gold, this meant \$100 a bale or 20 cents a pound for cotton.

By February 1933 the same bale was worth  $1\frac{1}{2}$  ounces. With gold at \$20, this meant \$30 a bale, or 6 cents a pound for cotton.

Today the bale of cotton still exchanges anywhere in the world for approximately 1½ ounces of gold, or the dollars, francs, pounds, pesos, yen, and so forth, into which the gold can be converted. With gold at \$35 instead of \$20 an ounce, the cotton brings \$52.50 a bale or 11 cents a pound.

Why? Because, and only because, President Roosevelt raised our price of gold from \$20 to \$35 an ounce, so that the 1½ ounces of gold bring the seller of cotton more dollars. The value of cotton, measured in gold, has not gone up, but the price of cotton, measured in dollars, has gone up—nearly double.

The same thing has happened with other basic commodities. From February 1933 to February 1934 the price of gold was advanced 69 percent, and the average dollar price of the 30 important basic commodities included in the New York Journal of Commerce wholesale price index rose 67 percent.

These commodities are wheat, corn, oats, rye, barley, flour, beef, pork, lard, eggs, butter, cheese, sugar, coffee, cocoa, cotton, wool, silk, burlap, print cloth, copper, zinc, lead, tin, silver, hides, rubber, linseed oil, turpentine, and petroleum. Some of these have advanced more, others less. But the average increase for the group, as stated, was 67 percent against the increase in the price of gold of 69 percent.

What more will it take to satisfy the critics?

### SPONSORS ARE PLEASED

If the designers of a fire engine said it would lift a stream of water 69 feet, and it actually lifted the stream 67 feet, you would say that the experiment was a success. So would I.

Basic commodities, such as wheat, wool, cotton, and so forth, go down fastest, and farthest, on the decline. They rebound fastest on the rise. Following them more slowly are commodities, raw materials, and manufactured goods into which much labor enters; then follow houses, buildings, rents, real estate, and so forth.

That process of price restoration is going on now. Because it is going on, we see daylight ahead.

The farm organization leaders and the industrialists with whom they cooperate as the "Committee for the Nation" have consistently supported President Roosevelt in taking this courageous step. In a recent bulletin the committee says:

The gold-pricing or dollar-revaluation program, so far as it has been permitted to be effective, has fully justified the predictions of its sponsors. It is the dynamic force that has lifted us thus far out of depression.

The vitalizing effect of the gold policy is well understood by the farm organizations. Through their official journals and through such publications as Prairie Farmer, Poe's Pro-

gressive Farmer, American Agriculturist, and so forth, the rural population have a clearer conception of the importance of the money problem than many big-city bankers.

A farmer's products, mostly basic commodities, exchange for gold or for paper money or bank-credit money which in turn is exchanged directly or indirectly for gold. If President Roosevelt had heeded the warnings of Mr. Hoover and Mr. Mills and kept the gold ounce legally worth only \$20.67, farmers and other producers would be selling their commodities at the Chicago Tribune's "old gold dollar" bankruptcy prices. They would not be getting enough dollars to live on, let alone pay taxes and interest. They would be sunk so deep that they couldn't see to throw the ball to second base.

When the farmer receives \$35 instead of \$20 for each gold-ounce's worth of crops and animals, he can begin to lift his head out of the depression around first base.

The difference for the farmer between gold at \$20.67 and \$35 or \$41.34 an ounce is the difference between insolvency and having a surplus to buy an Oliver plow, a Studebaker car, O'Brien's paint, and other things he needs.

And it means that farmers can buy 10,000 other things translated into what is grown and made in every congressional district in America. It means whether the game goes on or stops.

#### ONLY WAY TO RECOVERY

### As Walter Lippman says:

There is no other way that recovery can take place. Trade is an exchange of goods. If some products fall violently in price, and others do not, the exchange cannot take place. To it (rebuilding the price structure) we owe what recovery we have achieved.

I am not prepared to say the gold policy has been the only cause of rebuilding the price structure. I am certain, however, that it has been the chief cause.

Those who say the monetary policy of the administration is a fantastically novel and dangerous "experiment" simply admit their ignorance of the facts.

Confronted by the panic caused by a wild scramble for gold, and in the absence of new Klondikes or King Solomon mines, nearly every nation in the world has either formally repriced the gold base of its currency by statute, or has permitted its currency to find its natural level in the trade channels of the world. We have done the same.

On June 7, 1934, the following increases in the price of gold were in effect:

### Percent above former price

United States	69
Canada	67
England	61
South Africa	61
Sweden	
Norway	77
Finland	88
Denmark	99
New Zealand	101
Australia	102
Argentina	110
Janan	170

France, Belgium, and Italy are several hundred percent above pre-war. Only two tiny nations remain on their prewar gold currencies, Netherlands and Switzerland.

Warren, of Cornell, one of the President's advisers, states that for a hundred years the world's production of physical goods, wheat, steel, rubber, coffee, copper, and so forth, has been increasing about 3.15 percent a year. He, Gustav Cassel (the Swedish economist), and others argue that if price levels are to be stable, gold production available for monetary use must keep pace with total production of all commodities, because in passing from producer to consumer the world's goods move through what might be called a "gold door." If that door is too narrow, congestion sets in like a crowd at a theater door, and we see the paradox of a panic of plenty, starvation in the midst of superabundance, production without consumption.

### EQUIVALENT TO NEW MINES

Warren states that gold production has not kept pace with commodity production. In other words, the money work of the world has increased faster than the gold money of the world. Warren states that in order to keep pace with business, total gold production should be around 32,000,000 ounces annually, or 50 percent greater than even peak production has actually been.

If the world had had this production, it could have gone on with gold at the old statutory prices—the United States at \$20.67 an ounce, England at 84s. 93/4d. an ounce, and so forth

In the absence of increased production we give the gold we have an increased dollar price by statute, or Presidential proclamation.

That is the underlying theory of the President's gold policy. By a different method we obtain a result, in dollars, that is equivalent to discovering new gold fields and keeping gold at the old price.

Some orthodox economists and bankers still say that "stabilization" is necessary to a return of confidence. Do they mean stabilization in foreign exchange value, or in

domestic purchasing power?

When the dollar stabilized in international exchange, where was the confidence? With a stabilized dollar—stable as to gold content but unstable in purchasing power—we came to the brink of economic and social collapse. The longest dole lines America ever knew came while our dollar was exchangeable for 23.22 grains of gold. That fact cannot be erased by talk today of "crack pots" and "baloney dollars."

What have the critics had to offer in the four years preceding Roosevelt that is really constructive? It is worth noting perhaps that the big bankers who clamor for hard money were the issuers of billions of soft securities. If they had all been honest in what they sold the public, more attention would be paid to their views of what is honest money.

We had a credit inflation before October 1929, but the bankers got 15- to 20-percent call-money interest for the credit. So it makes a difference whether you have inflation by use of credit or fundamental money.

On the international gold standard we sacrificed internal stability for stable exchanges for foreign trade. Our foreign trade, while important, has been running not more than 8 or 10 percent of our total business. When our dollar is tied to foreign currencies it is affected, both for foreign and domestic business, by foreign influences which control the control the foreign currencies to which we are tied. These influences include, among many others, the effect of speculating in foreign exchange. The question therefore is whether we want to stabilize our domestic business of about 90 percent and let our 10-percent foreign trade find its own means of settlement, or vice versa. The question is, Shall the 10-percent tail wag the 90-percent dog, or shall the dog wag his own tail?

### GOLD NEVER IS STABLE

Some people still shake their heads and say "We cannot enter into time contracts unless we know the future value of money." The answer is that no time contracts were entered into while deflation was going on. Now that reflation is going on, people are anxious to take advantage of the rising price level, buying today and selling at a better price next month or in 6 months. Within limits, periods of rising prices are always periods of prosperity and active business.

These people also labor under the money illusion that when gold is given a certain price by statute, its value in exchange for other commodities is also fixed. This is one of the oldest superstitions in the world. They assume that the gold dollar is an unchangeable yardstick of value by which future contracts may be measured.

But gold is a commodity the same as coal. And the supply of and demand for gold rise and fall the same as the supply of and demand for gold rise and fall the same as the of gold therefore depends upon the supply of and demand existing for both commodities.

The supply and demand for coal may remain constant yet the price of coal will change with the demand and supply of

gold, and vice versa. An ounce of gold can no more remain constant in value than a ton of coal.

When gold becomes plentiful, as it did with the Klondike and South African discoveries after 1896, it becomes cheap, and prices of other commodities rise. When gold becomes scarce, or the demand for it increases, as it has in recent years, it becomes dear, and the gold price of commodities falls; that is, you will exchange more bushels of potatoes for the scarce ounce of gold or its equivalent in dollars, and therefore the price of each bushel of potatoes falls so long as the ounce of gold is not divided into more dollars.

If a ton of coal or bushel of wheat or a pound of tobacco or a beaver skin were made the unit of value we could see readily enough how that unit would change in value on account of changes affecting the unit itself. But because an ounce of gold has been given a fixed statutory price for nearly a hundred years, we have come to believe that wheat and coal and tobacco and beaver skins rise and fall, but gold does not.

The changing price level is another name for inflation and deflation—surely the worst disease outside of war that affects the social body. What misery lies in its wake—foreclosures, bankruptcies, tax sales, suicide, revolution! Seventy percent of bank failures are probably due to deflation—fixed dollar obligations as against depreciating assets. Deflation destroys debtors and gives their properties to their creditors, who are themselves destroyed if deflation goes too far. Inflation enriches debtors and wipes out the savings of thrift. In the process of the economic cycle billions of dollars of hard-earned values change from one class to another, both equally helpless in this maelstrom of finance.

#### TYPICAL CASE OF DEFLATION

After the experience of the last few years it is scarcely necessary to speak of the evils of deflation. But let us make a simple case of rising dollars and falling goods. A farmer, in Olive Township, let us say, grows wheat. His average annual crop is 200 bushels. He borrows \$1,000 at 6 percent in 1920 to build a barn. At that time wheat is, say, \$2 a bushel. His taxes are, say, \$100 a year. When the debt is contracted 30 bushels of wheat will pay his interest and 50 bushels will pay his taxes. That leaves 120 bushels for which he gets \$240, which he spends at the store. Because the farmer spends, the merchant employs help and sends orders to the factory to replenish his stock, and the factory employs men who in turn buy flour from the mill which buys the farmer's wheat. With a stable price level that process may go on forever.

But wheat goes to \$1 a bushel. It now takes 60 bushels to pay the interest and 100 bushels to pay the taxes. That leaves only 40 bushels for which the farmer gets only \$40 to spend at the store in place of \$240. Because he spends \$200 less the merchant reduces his help; orders to the factories fall off; factory wages are cut; the wage earners buy less flour; the farmer's market is reduced. Demand for wheat drops and wheat goes to 50 cents a bushel. It now takes the entire crop to pay the taxes. There is nothing left to pay the interest. And nothing whatever with which to buy goods.

The mortgage holder sends foreclosure notices and begins to reduce his own buying. The merchant gets no trade; he negotiates with his landlord for a reduction in rent; pressed by the bank, he sacrifices his inventories for ready cash and the avalanche of descending values is on.

The debt of the farmer, which could have been paid originally with 500 bushels of wheat, must now be paid with 2,000 bushels or not at all. Caught in the dilemma of falling values and faced with the imperative necessity of meeting fixed obligations or losing the old homestead, the farmer grows more and more wheat. But this increases the supply and still further drives prices down. This is the vicious cycle of deflation.

As far as the farmer is concerned, his promissory note has been forced upward fourfold. There has been an invisible increment of his debt burden by four times. He begins to think there is something wrong with gold; he cries for silver or greenbacks; and, gentlemen, you cannot blame him. He has done everything. He has been sober, industrious, frugal, thrifty, honest. It has been to no avail.

Meantime, factory workers are on the dole line and talking of a new order of things. Unemployment is the mother of revolutions. The bank is not able to collect from the merchant; it closes its doors and the pestilence spreads like the tentacles of a cancer. Taxes are not paid and schools close. Churches and hospitals face foreclosure as well as farms and factories. Social as well as financial values are destroyed.

#### OBJECTIVE AN HONEST DOLLAR

It is considerations such as these which led Sir Josiah Stamp, director of the Bank of England and chairman of one of England's largest railways, to say:

Money, as a physical medium of exchange, made a diversified civilization possible \* \* \* and yet it is money, in its mechanical rather than its spiritual effects, which may well, having brought us to the present level, actually destroy society.

It was facts like these which led 35 nations at the Economic Conference at Geneva in 1922 to adopt unanimously a resolution, in part as follows:

The essential requisite for the economic reconstruction of Europe is the achievement by each country of stability in the value of its currency,

and suggested steps

to avoid those wide fluctuations in the purchasing power of gold which might otherwise result.

This is what the President is trying to accomplish for America. He wants to stabilize the commodity-buying and debt-paying power of the American dollar. He wants an honest dollar—honest to both creditor and debtor. He is on the right track. Let us follow him and support him.

#### AMENDING RAILWAY ACT

Mr. LOZIER. Mr. Speaker, for several months the Committee on Interstate and Foreign Commerce considered bills to amend the Railway Labor Act so as to expedite settlement of disputes between carriers and their employees. Among the measures considered at great length was H.R. 9689, known as the "Rayburn bill", which was said to embody the views of Hon. Joseph B. Eastman, of the Interstate Commerce Commission, and who is now Federal Coordinator of Transportation, and many provisions of which were acceptable both to the carriers and railway labor organizations.

After extensive hearings and thorough investigation, the committee favorably reported as a substitute H.R. 9861, introduced by Representative Crosser of Ohio, and which measure is believed to be an improvement over the Rayburn bill, as it eliminates certain objectionable features carried in H.R. 9689 and adds other progressive forward-looking provisions which put teeth in the law and make it workable and worth while.

In other words, the Crosser bill, H.R. 9861, represents the final and mature judgment of the Committee on Interstate and Foreign Commerce, and I am informed by members of the committee and by those authorized to speak for the employees that the new Crosser bill, H.R. 9861, is acceptable to the 21 standard railway labor organizations. From my study of this bill I am convinced that it is fair to labor and not unfair to carriers. For the welfare of both carriers and employees it is not only desirable and expedient but, in my opinion, absolutely necessary to establish a system for the peaceful settlement of disputes between railways and their employees. Strikes, lock outs, and other labor disturbances are economically wasteful and spell disaster to both the carriers and their employees. Both the carriers and their employees must make concessions for the public good in order to insure industrial peace in the transportation world and to promote the interest and welfare of both the railroads and their employees.

While this bill does not embody a perfect formula for the arbitrament of disputes between the carriers and their employees, it nevertheless strengthens the existing law, and its wise and sympathetic administration will, in my opinion, materially aid in preventing strikes and lockouts, creating a better spirit between the carriers and their employees, and by encouraging the peaceful settlement of disputes promote the financial interest of both the employees and the carriers. The President has unequivocally stated that he favors this legislation, and I am supporting it, not simply because the President wants it, but also because I believe that it embodies a workable formula and sound public policy.

#### AGRICULTURAL ADJUSTMENT ADMINISTRATION

Mr. McGRATH. Mr. Speaker, let us be frank about this opposition to the Agricultural Adjustment Administration. No Member of this House, in my judgment, can honestly oppose the work of this splendid organization once he has made an intelligent investigation of what the Administration has been doing and is doing for the farmer. Critics have tried, by juggling figures, to make it appear that the farmer has received no actual benefits from the efforts of the Administration, notwithstanding the income of the farmers has been increased 39 percent in a little less than a year. We have heard much about the iniquities of the processing tax and the danger that lies in marketing agreements. Whence comes this opposition? Not from the farmers—the producers—nor yet from the consumer. It comes from just where we could expect it to come—from the so-called "processors and distributors"—the boys who have been engaged all these years in ruthlessly crushing the farmer and gouging the public. They are the ones who are making all the outcry against the A.A.A., who are yelling their heads off about regimentation and licensing everybody under the sun; they are the ones who have stirred up all this opposition in Congress; who have persuaded their hired men to try to put the Administration out of business.

Anyone who knows anything about farms or farming, anyone who has ever even made a casual investigation of agricultural history, knows that the one big problem the farmer has had to face and that the consumer has had to face is that of preventing an unreasonable spread between the producer and the consumer. Chester Davis, Administrator of the Adjustment Act, in a recent radio address, answering the attacks of Senator Byrn, of Virginia, made the statement that this opposition "brings to the surface the traditional conflict between the farmers, on the one hand, and the processors and distributors on the other." That is just the trouble; that is the genesis of all the opposition to the Agricultural Adjustment Administration. Senator Byrn and other opponents of the Administration have falsely charged that if certain amendments to the Agricultural Adjustment Act were adopted by the Congress every farmer in the country would have to take out a license. What ridiculous nonsense! Why, Mr. Speaker, the farmers are the ones who are most insistent upon the extension of marketing agreements over all crops. There is no better illustration of the benefits of marketing agreements both to the farmer and the consumer than what has happened out in California, where the farmers in the last year, under the first A.A.A. marketing agreements, have gained more than five and one-half millions of dollars. So satisfied are these Pacific coast farmers with these marketing agreements that they are planning this season to sell approximately 85 percent of their fruit crops under agreements.

It was in California that some of the first marketing agreements were negotiated. We all know that much of our canned fruits come from California. Back in 1929 and up until 1932 there was a steady decline in the farm values of all California's agricultural products until the total value in 1932 was only half what it was prior to 1929. Approximately 67 percent of California's agricultural income is derived from the sale of fruits, nuts, and vegetables. It does not take any knowledge of higher mathematics to demonstrate that with this largely reduced value of their products the California farmers were face to face with disaster. That was the situation the Agricultural Adjustment Administration found when it tackled this big problem of trying to restore prosperity to the farmer.

Let me give you a little history of what has happened in California. Mind you, California is the biggest producer of specialty crops in the United States, and it was California that pioneered in the negotiation of voluntary proration programs. When the Federal Government came along under the Agricultural Adjustment Act, it gave these producers of specialty crops an opportunity to obtain through the centralizing powers of the Federal Government the development of regional and national programs. Now California's growers have asked marketing agreements for a majority of their fruits. These agreements or licenses were requested not only by groups of producers but also by processors and handlers of the fruits. Under these agreements or licenses every processor and handler is bound by the terms of the license, whether he is a signer of the agreement or not. These agreements, in the form of contracts between the Secretary of Agriculture and the parties concerned, are designed principally to increase prices to the producers.

In 1932 less than one-half of the peach crop of California was harvested, and the price paid for the harvested crop was about \$6.50 a ton-hardly more than it cost to pick and haul the peaches, and absolutely nothing was received for the unharvested crop left on the trees. The Agricultural Adjustment Administration went to work to remedy this situation. It found that enough no. 1 peaches would be available to pack 12,500,000 to 13,000,000 cases; it found that such a large quantity dumped on the market would result in such a low price to the grower as to ruin the industry. Therefore what could it do? It went to work and brought about an agreement to limit the pack to 10,000,000 cases. Each canner under the agreement was given an allotment to pack a certain number of cases, the pack being based on previous sales, potential sales, ability, and outstanding contractual commitments. The canners agreed to pay \$20 a ton for these no. 1 peaches, and, in addition, contributed to a surplus-control fund that was used in the purchase of no. 1 peaches which were surplus above the quantity needed in the packing of the 10,000,000 cases. For these unharvested peaches the grower was paid \$15 a ton out of the surplus-control fund. The difference in price was based on the harvesting expenses, which naturally were not incurred in the unharvested crop. This agreement became effective on August 17, 1933, and affected over 5,000 growers and 305,000 tons of fruit. The farm value for the 1933 crop was estimated at \$5,731,000, as compared with \$1,739,000 for 1932. Does it take any prophet or son of a prophet to understand that this increase in the California fruit farmers' income was due directly to the work of the Agricultural Adjustment Administration? It has been estimated that the benefits definitely accruing from this marketing agreement have been close to \$3,000,000, and this agreement was in effect only for the 1933 season.

In the latter part of September of last year the Agricultural Adjustment Administration effected an agreement for the growing of Tokay grapes, and it resulted in an increase of from 8 cents to 9 cents a package. The benefits derived from this single agreement reached a total of \$500,000. It was the same way with walnuts. At the beginning of 1933 the walnut industry was confronted by the problem of what to do with its big surplus, the 1933 supply having been one of the biggest in history, owing partly to an excessive carry-over from 1932. To meet this situation a marketing agreement was negotiated by the Agricultural Adjustment Administration to limit the supply of walnuts to be sold in the shell to the domestic and Canadian markets. Approximately 1,500 growers were affected, and the estimated benefit to the growers from this agreement in 1933 is placed at \$2,000,000.

Likewise with the olive growers, 4,300 of them having produced about 12,000 tons of olives. Under the agreement brought about by the Agricultural Adjustment Administration the olive growers, it is estimated, will profit to the extent of \$400,000.

Agreements for the marketing of citrus fruits, oranges, and grapefruit, affecting 20,000 growers in California and Arizona, will result in direct benefits of approximately \$8,000,000. In addition to those just mentioned, marketing agreements in California now in effect for fresh deciduoustree fruits, dates, and raisins, the following industries have

requested agreements: Prunes, Gravenstein apples, and canning pears.

This is the story, in part, of the experience of California farmers in less than 1 year under the Agricultural Adjustment Administration with its marketing agreements.

Today marketing agreements and licenses are in effect or are pending in 44 States. These marketing agreements, or licenses, if you please, cover fluid milk and cream; tobacco, peanuts, and rice; California deciduous-tree fruits; California, Florida, and Texas citrus fruits; gum, turpentine, and gum resin; grapes, peaches, canned and fresh asparagus, olives, walnuts, and raisins.

In addition to the marketing agreements, supplemented by licenses, which cover 30 farm commodities in 32 States, the distribution of milk in 28 large cities is handled under license, the purpose of which is to establish and enforce payment of a satisfactory price to the milk producers. It has been estimated that the benefits to come to farmers by reason of these marketing agreements or licenses in the 1933–34 marketing season will be approximately \$30,000,000.

So pleased are the farmers, as well as a majority of the licensed distributors, with the first year's experience with these marketing agreements that they have in each case insisted that the Agricultural Adjustment Administration vigorously and promptly enforce all its agreements.

Why, Mr. Speaker, for my part I cannot understand how any reasonably intelligent Member of this body, in the light of what has already happened, in the face of the proved benefits that have come to the farmers through these marketing agreements, can honestly criticize or oppose what the Agricultural Adjustment Administration is trying to do for the farmers and for the people generally.

WHAT THE NEW DEAL MEANS TO THE FARMERS OF AMERICA

Mr. JONES. Mr. Speaker, I have been requested by a number of Members to present a statement to the House outlining briefly the farm program under the new administration. At the request of one of the Members I am making this address in question-and-answer form with the hope that this may prove more convenient for anyone who is interested.

### QUESTIONS AND ANSWERS

- Q. Were the prices of farm products satisfactory just before the beginning of the new-deal program?
- A. The prices of farm products were the lowest and most unsatisfactory they had been in nearly half a century.
  - Q. What were conditions generally?
- A. Banks were closing by the thousands. Mortgages were being foreclosed by the hundreds of thousands on the farms and in the towns and cities, and millions of blameless people were shuffling in the breadlines. The total farm indebtedness amounted to \$12,000,000,000. Interest and taxes were delinquent, and ruinous surpluses overhung the market.
- Q. Did the new administration try to correct these conditions?
  - A. Yes
- Q. What measures adopted by the administration were intended primarily to relieve the desperate plight of the farmer?
- A. The Agricultural Adjustment Act, the Farm Credit Act, the Crop Production Loan Act, the Cattle Purchase Act, the drought-relief measures, and others.
- Q. Were the farmers consulted before the legislation was adopted?
- A. Yes. Representatives of practically every major farm organization in America, as well as many individual farmers, were present when the principles of the legislation were agreed upon, and are consulted frequently in administering the program. It is truly a farmers' program.
- Q. Have farm conditions improved since the enactment of these measures?
  - A. Very much.
- Q. What is considered the proper basis for the farm purchasing power in the administration's efforts to increase farm prices?

normal period in which the prices received by the farmer for his products were at a proper ratio to the prices he had to pay for the products it was necessary for him to buy.

Q. At the beginning of the new administration, how did the prices received by the farmer, as related to the prices he had to pay, compare with this pre-war level?

A. The farmer was receiving only 50 percent as much as he received in pre-war times.

#### BETTER FARM PRICES

- Q. What was the average price of wheat on the farm in December 1932?
  - A. Thirty-one cents per bushel.
- Q. What is the average price of wheat on the farm at the present time?
- A. Seventy-nine cents per bushel. For the first time over an extended period, domestic-wheat prices have been materially above world-wheat prices.
- Q. Are there any other benefits the wheat farmer receives?
- A. Yes. If he takes part in the adjustment program, he receives 28 cents per bushel on that part of his crop which is consumed in this country. This is in addition to what he sells his wheat for in the open market.
- Q. What was the farmer receiving for corn in December 19322
  - A. Nineteen cents per bushel.
  - Q. What is he receiving for corn today?
  - A. He is receiving 56 cents per bushel at present.
- Q. What was the price received by the farmer for cotton in December 1932?
  - A. Five cents per pound.
  - Q. What price is the cotton farmer receiving today?
  - A. Eleven cents per pound.
  - Q. Are there any other benefits the cotton farmer receives?
- A. Yes. He receives an additional 41/2 cents per pound on that part of his cotton consumed in this country if he cooperates with the program.
- Q. What was the price received by the farmer for hogs in December 1932?
- A. The farmer received \$2.73 per hundred pounds. This was the lowest hog price in more than 50 years.
  - Q. What price is the farmer receiving for hogs today?
  - A. Over four dollars.
- Q. What other benefits are received by the farmer who takes part in the hog program?
- A. In addition to the increased price he receives an additional amount, which is about \$2.25 per hundred pounds, if he takes part in the hog program.
- Q. What was the average price received by the farmer for milk products at the beginning of the new administration and what is he receiving today?
- A. In March 1933 he received \$1.10 per hundred pounds. The latest figures show him now to be receiving \$1.47.
- Q. What was the price which the farmer received for rice in December 1932 and what is he receiving today?
- A. In December 1932 rice was bringing 40 cents per bushel; at the present time it is bringing 77 cents.

### TOTAL BENEFIT PAYMENTS

- Q. In addition to these increased prices, what has been the total amount of benefit payments received so far by
- A. Up to June 1, 1934, the farmers of America had received over \$250,000,000.
- Q. What will the farmers receive in benefit payments by the end of the present year?
- A. It is estimated that they will receive probably \$750,-
  - Q. How is this money to be repaid?
- A. At present through a processing fee which is paid by the manufacturer or processor.
- Q. Does this fee interfere with the sale of the farmers' commodities abroad?
- A. No. The processing fee is not paid on that part of his

- A. The pre-war period of 1909 to 1914 is considered a fore does not interfere in any way with the sale of his products outside of the United States.
  - Q. Does this fee materially increase the cost which the consumer pays?
  - A. Very slightly. The fee has increased the cost of bread only one-third of a cent per loaf, cotton work shirts only 31/2 cents, overalls only 81/4 cents. At the same time, as a result of the farmer's increased ability to buy, thousands of new jobs have been created and people throughout the country have thus felt the benefits.
  - Q. Why is it necessary to pay these premiums to the farmers?
  - A. The producers of our major farm products cannot gain any substantial advantage from the general tariff policies of the United States. At the same time they must pay the additional increased cost of the supplies which they buy. The premiums are intended to adjust this difference and to place the farmer on an equality with industry.

### FARM FINANCES

- Q. How many farms were foreclosed per year during the years prior to the beginning of the new administration?
- A. During the past 6 years there had been an average of approximately 140,000 foreclosures per year. For the year ending in March 1933, 39 out of every thousand farms were foreclosed.
- Q. Were these foreclosures reduced during the first year after the new program went into effect?
- A. Very materially—largely through the efforts of the Farm Credit Administration. Within a little more than a year since it was established the Farm Credit Administration has refinanced nearly a billion dollars in farm loans and is now refinancing them at the rate of more than a billion dollars per year. This organization's work has also stimulated some refinancing by other institutions.
  - Q. What is the Farm Credit Administration?
- A. It is the new agency which undertakes to make available all types of credit needed by the farmer.
  - Q. Has this been done before?
- A. This is the first time in the history of the world that a complete credit structure has been formed for agriculture separate and apart from the commercial credit structure.
  - Q. How many types of credit does it furnish?
- A. Four. The Federal land banks make loans on land. The cooperative banks make loans to cooperatives for financing the marketing of their products. The Production Credit Associations furnish the current credit the farmer needs to operate. The intermediate credit banks are the discount banks which assist in financing the operations of both the Production Credit Associations and cooperative banks.
- Q. What rate of interest do these institutions charge the farmer?
- A. The land banks charge 41/2 to 51/2 percent; the cooperative banks from 3 to 5 percent; the Production Credit Associations from 5 to 6 percent.
- Q. What is the average of the interest rates of these various institutions?
  - A. About 5 percent.
- Q. Are the rates charged by these various institutions lower than the farmers had previously been paying?
  - A. Very much lower.
- Q. What was the average interest rate paid by the farmer prior to the establishment of these institutions?
- A. In many instances the rate actually paid has been above 10 percent, and one survey shows that farmers in certain sections have paid over 20-percent interest on cash
- Q. Is the Farm Credit Administration a permanent organization?
- A. Yes. It is intended to form a sound and permanent agricultural credit structure and thus foster an independent

### SCALING DOWN OF DEBTS

Q. Is provision made for a scale-down of farm debts in products which is shipped into the world market, and there- cases where the obligations are greater than can be paid?

A. Yes. Creditors have voluntarily reduced the amount owed them by the borrowers in about 16 percent of the loans which have been refinanced by the commissioners and the Federal land banks. In cases where there were scale-downs, the average amount of reduction in each farmer's indebtedness was 26 percent.

Q. Has any effort been made to assist the farmer to secure satisfactory adjustments of his debts?

A. Yes. Governors in 42 States have appointed conciliation committees.

Q. Has any effort been made to prevent foreclosures?

A. Yes. Moratorium laws have been provided in 20 different States, and the Congress has amended the Bankruptcy Act so that in cases in which the farmer is bankrupt or unable to pay his debts he may secure a moratorium until a settlement may be had.

Q. Is it intended that these arrangements shall be permanent?

A. No. This bankruptcy measure applies only to existing indebtedness. It does not apply to indebtedness hereafter

Q. Why was it so limited?

A. It is realized that in the long run farm credit must be kept on a sound basis. Otherwise it will not be possible to have the essential long-range credit available. While in this kind of time it is necessary to clear debts, the farmer wants to pay his debts just the same as anyone else. He will take pride in doing so when conditions and the prices of his products make it possible.

Q. Has any other financial assistance been rendered dis-

tressed farmers?

A. Yes. Feed and supplies have been furnished in the extreme drought-stricken areas by relief agencies. Also crop-production loans have been made available for farmers who, because of bad conditions prevailing during the past 3 years, have been unable to obtain credit elsewhere. While this assistance is temporary, it has helped to save these farmers from a desperate situation.

Q. Is it claimed by the administration that these various

acts are perfect in their operation?

A. Not at all. Constant effort is being made at all times to improve their operation and to improve conditions for the farmer.

Q. Is it the desire of those in charge of the administration to regiment the farmers?

A. No. This charge is sometimes made by those who favor the old order, which dictated the prices of the products which were sold to the farmer as well as the prices of the products which were bought from the farmer. The strange thing is that these same propagandists who are arguing in the farm sections that the farm program is not successful are at the same time making assertions in the cities to the effect that the cities pay the processing fee and that too large a percent of the proceeds is going into the farm States. Instead of regimenting, the Government only undertakes to furnish the vehicle through which the farmer may control his own business.

AN EXECUTIVE WHO UNDERSTANDS

Q. Has the President shown any interest in the farm program?

A. He has shown great interest; in fact, it is largely the program which he fashioned.

Q. Does he claim that it will cure all the farmer's troubles immediately?

A. No. He has repeatedly stated that he is determined that farm prices shall be restored, and that although some mistakes will be made, these will be corrected and the efforts continued until the balanced condition is gained and the purchasing power of the farmer restored.

Q. Has anything like this been tried before?

A. Many fairy stories have been told and rosy promises have been made, but this is the first time in many years that any actual results have been obtained for the farmer.

Q. Are these measures of a temporary or permanent nature?

A. Many of them are temporary, but such as prove wise and effective will probably be woven into the permanent program.

Q. Is the curtailment program intended to reduce our production of farm products to our domestic needs?

A. No. A continuing supply is essential and world markets are vital to the farmer as well as to the business man.

Q. What is the purpose of the curtailment program? A. Its purpose is to reduce the overwhelming surplus which had hung over the market for years and had wrecked prices for the farmer. At the beginning of the program there was enough cotton in the carry-over to supply all of the needs of this country and the foreign demand for Ameri-

can cotton if we had not grown any cotton whatever in this country for a whole year.

Q. Was it intended to surrender the world market of our farm products?

A. No. It was intended that we should at all times produce all of these products which the world market would absorb. It is also realized that the search for new uses and new markets for our surplus commodities is an essential part of the long-range program.

Q. How, then, was the farmer to get the increased price for his commodities?

A. By the payment of the premiums or benefits on that part of his production which is consumed in this country.

THE MAIN PURPOSE

Q. What is the main purpose of the complete agricultural program?

A. To secure a better price level for the products of the farm. Satisfactory credit conditions are important. A scale-down of the amount of indebtedness is sometimes important for the purpose of clearing the decks. But the President has made it clear at all times that the main objective is a satisfactory price level for farm products, so that farm debts may be paid and a balanced condition for the entire country restored.

Q. What was the total amount received by the farmers of America for the products which they sold in the year prior to the beginning of the administration's adjustment

program?

A. Three billion nine hundred and seventy-nine million

Q. What was the total amount received by American farmers for their products during the first year of the new administration?

A. Five billion five hundred and thirty million dollars, an increase of \$1,551,000,000-39 percent over the previous

Q. Does anyone who is interested wish to go back to the conditions which prevailed in the previous administration?

A. Let the farmers answer.

### TOBACCO-TAX REDUCTION

Mr. UMSTEAD. Mr. Speaker, during the month of March 1934 a subcommittee of the Committee on Ways and Means of the House of Representatives conducted a hearing on the subject of tobacco taxes and tobacco products. On March 31, 1934, I appeared before said committee and made the following statement:

Mr. UMSTEAD. Mr. Chairman, near the conclusion of this patient and thorough hearing that you have conducted with reference to tobacco taxes, I appear for the purpose of stating that I am in favor of a tax reduction on manufactured cigarettes. I have heard some members of the committee several times this week ask questions with reference to the cultivation and production of tobacco. If you desire information as to the actual production of

tobacco as it is produced in the piedmont section of North Carolina, I will gladly submit myself to any questions you may ask.

Mr. Vinson. I think it would be a good thing for this record if you would deal with that phase of it. Suppose you take it from the time it is planted through the various stages of its cultivation,

growth, and marketing.

Mr. UMSTEAD. Mr. Chairman, I shall be glad to do so. been 18 years since I last produced or raised any tobacco. I may leave out, and no doubt will, many of the operations. I shall discuss this matter without notes. I was called away from this hearing this week to attend a funeral and have therefore been unable to present a prepared statement.

I was reared on a small tobacco farm in the northern part of Durham County, and my father reared and educated his family from the proceeds of his labor on a small tobacco farm. About 25 years ago it was stated in the geographies we studied that the

25 years ago it was stated in the geographies we studied that the finest tobacco in the world was produced in the Dutchville section of Granville County, N.C. This was about 12 miles from my home. That section of the State lies in what is called the "Old Bright Tobacco Belt." Mr. Chairman, in the wintertime the farmer cuts his wood, or his "flue wood", as we call it.

In February or March he selects the location of and burns his plant bed. That means that he piles wood on the ground selected for the bed, which usually contains from 60 to several hundred square yards, and burns the wood on top of the soil. He then digs up the soil and gets the ground in excellent condition; then it is enriched by fertilizer. When this is done he sows tobacco seed in the bed, and then after a while he covers the plant bed with cloth to protect the tender little plants which come up from the seed. When the plants get large enough he weeds the plant bed, which means that the farmer gets down on his knees and pulls the grass and weeds out of the bed in order that the tender little plants may grow. Frequently it is necessary to tender little plants may grow. Frequently it is necessary to water these plant beds. When the plants in the bed are of the proper size the covering is taken off. A farmer may have one or any number of these plant beds. proper size the covering is taken off. A farmer may have one or any number of these plant beds, and the location of the beds has to be selected with great care.

From the time the bed is burned until the time the plants get large enough to be taken from the bed and transplanted or set

large enough to be taken from the bed and transplanted or set out in the tobacco fields the farmer is going through the process of preparing his land for planting. This means plowing it, harrowing it, and getting the soil in as fine condition for the crop as possible. The fertilizer for the crop must be hauled by wagons or trucks from the nearest railway station to the farm. When the land is ready to prepare for the actual planting it is laid off in rows by running a furrow with a plow. The rows are from 3 to 3½ feet apart. The fertilizer is then hauled into the field and the farmer distributes the fertilizer (or sows it) along in the 3½ feet apart. The fertilizer is then hauled into the field and the farmer distributes the fertilizer (or sows it) along in the furrows above mentioned. Sometimes compost or manure is used with fertilizer. If manure is used it has to be dug out of the stables, chopped up, and hauled to the tobacco fields in a wagon or truck, and either scattered over the land or drilled in the furrows or rows. The fertilizer is then covered by bedding or ridging the land. After the land is bedded the farmer takes a hoe and chops and packs (or pats) the hills along the ridge of the bed about the same distance apart, which is usually approximately 3 feet.

mately 3 feet. mately 3 feet.

The plants are then drawn from the beds, carried in baskets or wagons to the field and are dropped one by one beside the hills on the rows. The plants are usually dropped by children. The planter goes along the rows and plants the tobacco with tobacco pegs. If the weather is dry, the tobacco has to be watered when it is transplanted. The water is hauled in barrels from a creek or some water source; it is dipped up with buckets, poured in the barrels, and hauled to the tobacco field. It is then dipped out of the barrels with buckets and a small quantity poured alongside each tobacco plant by using a tin can. I know of no out of the barrels with buckets and a small quantity poured alongside each tobacco plant by using a tin can. I know of no harder work than watering and planting tobacco. Under normal seasons and conditions it is a little over 3 months from the time the tobacco is planted until the time it is cured. In my section most of the tobacco is planted during the month of May, and most of it is cured during the month of August. Of course, the seasons affect this and there is some tobacco cured in July and some in September. From the time the tobacco is planted until the time it is cured there is always something to do to it. I will not undertake to go through all the varying phases as the crop is worked.

will not undertake to go through all the varying phases as the crop is worked.

Mr. Vinson. I think it would be very interesting to the subcommittee, the full committee, as well as the people down in the Treasury, if you would describe those various steps and processes in the cultivation of tobacco. I think it might prove of value to the people in the Agricultural Department.

Mr. UMSTEAD. Mr. Chairman, I will endeavor to do as you request. As I stated before, the tobacco is planted in what we call a ridge or bed, and that ridge or bed has the fertilizer under it or in it. At no time in the cultivation of the crop is the said fertilizer disturbed in the bed. When the tobacco is first worked. or in it. At no time in the cultivation of the crop is the said fertilizer disturbed in the bed. When the tobacco is first worked, its roots are just beginning to shoot out a little—it is a very tender plant. The first time it is plowed a part of the dirt is taken away from the plant; that is, the dirt is thrown away from the bed; then, the tobacco is worked with a hoe by first chopping away the grass and then by pulling fresh dirt up to the tender, small tobacco plants. This is called "weeding tobacco."

In the meantime it is necessary to replant the tobacco, that is to say where a plant dies it must be replaced with another

to say, where a plant dies it must be replaced with another plant from the plant bed, and sometimes it has to be replanted plant from the plant bed, and sometimes it has to be replanted several times before a good stand of tobacco is obtained. The extent to which the first plants live is determined by the quality of the plants, the seasons, and also by the prevalence of cutworms and other destroying influences. After the plant grows and gains strength, its roots extend down until they come in contact with the fertilizer. After it begins to grow the first process of taking the dirt away from the plant and away from the bed is reversed and the dirt turned back to the plant again. Frequently the tobacco is worked with a hoe after the dirt has been thrown back to the plant with a plow. The farmer then goes through succeeding processes of plowing the tobacco either with a regular plow, cultivator, or small harrow, always going up and down between the rows. Grass must be kept from between the rows and from between the hills to produce the best results. It is worked

, at regular intervals until about the time it is topped, and then at regular intervals until about the time it is topped, and then it is worked the last time, which last working is called "laying it by." All of this work is necessary for the plant in its growth and to keep away the weeds and grass. Please bear in mind that I am aware of the fact that the operations which I have undertaken to describe to you have undergone considerable change within the last few years. Fertilizer drills, tobacco planters, and other three of machiner was haber events when the describe the described when the content of the c other types of machinery are being extensively used now in certain sections.

Mr. VINSON. But there are still places where they do not.

Mr. Vinson. But there are still places where they do not.
Mr. Umstead. There are still places where they do not use
planters and other machinery. I say to you gentlemen that the
little farmer is still doing the work on his farm with his hands.
The farms in Piedmont, N.C., are small, with small fields or
"patches." In the eastern part of my State the fields are large,
containing frequently 50, 75, or 100 acres of tobacco in one field.
By the way, in my section we refer to the size of a man's crop
not in terms of acres but in terms of thousands of hills. About
4000 hills represent an acre of land. 4,000 hills represent an acre of land.

Mr. Shallenberger. How many acres do you figure is the aver-

age for a family to take care of?

Mr. Umstran. Governor, that would depend, of course, upon the size of the family or the number of people in the family who could work in the crop, the soil, and many other circumstances and conditions. It would be affected by the number of available mules and horses on the farm and the assistance obtainable at critical times in the production of the crop. In eastern North Carolina the land is easily cultivated, the fields are eastern North Carolina the land is easily cultivated, the fields are large and a family can cultivate much more tobacco than in Piedmont, N.C., where the fields are comparatively small and the land is rougher. It must be borne in mind that on the average small tobacco farm there are times when it is necessary for even the women and children to work in the crop and, as a matter of fact, this condition is widely prevalent throughout the tobaccoraising sections.

Mr. Vinson. You had gotten to the point where the tobacco

crop was laid by.

crop was laid by.

Mr. UMSTEAD. When the tobacco crop has been worked the last time (or "laid by") the actual operation of tilling the soil is at an end; however, you are not through with the tobacco. It has to be topped, wormed, and suckered. By topping tobacco I mean breaking out or pinching out the top of the stalk in order to make the plant spread out and to cause the leaves to take on thickness, size, and weight; otherwise the stalk will run up, and the leaves at its top will be thin and small. After it is topped, suckers begin coming out where the leaves join the stalk. The suckers do not come out just once and stop coming when you pull them off, but one of the unfortunate characteristics of the tobacco plant is that suckers keep coming two or three and sometobacco plant is that suckers keep coming two or three and sometimes four times. They must be taken from the stalk and there is no harder work done by man, in my judgment, than that of suckering tobacco. In addition to topping and suckering tobacco it has to be regularly wormed. The worm eggs are laid by tobacco flies all about the field on the plants. These eggs produce worms which grow from the size of a pin to large worms the size of a man's finger. These worms seriously damage tobacco by eating the leaves, if they are not taken from the plant and killed. There are more of them some years than others, and more of them in some fields than in others during the same crop season.

Mr. Shallenberger. Do all kinds of tobacco have to be suckered?
Mr. Umstrad. All the tobacco produced in my section does have
to be suckered. I have seen some tobacco which had not been
topped. This is the exception, however, and not the rule.
Mr. Vinson. Before you leave that subject, just what effect does
the operation of suckering tobacco have on the hands of the man

who does the work?

Mr. UMSTEAD. As I stated above, tobacco suckering is hard work. It is necessary to go between two rows, turning first to the right and then to the left, going up and down the stalks and pull the suckers off. This has to be done carefully to keep from breaking the leaves off with the suckers, particularly if the suckers are large. It is necessary to stoop over all the time and turn rapidly from one row to another.

Mr. Vinson. How high is the tobacco at that stage and how low

do you have to stoop?

Mr. Umstead. I should say from 2 to 4½ feet high in my section. Of course, you have to stoop down as low as the ground and reach as high as the tobacco grows. The height of the tobacco stalk depends upon the topping and whether it is topped high or low depends upon the strength of the soil, the type of tobacco, the amount of fertilizer or manure that you have in the land, and in some measure upon the grower's estimate of the seasons. It also, in some measure, depends upon the type of tobacco you are attempting to produce. Tobacco is a gummy plant when it is growing and dirty after it is cured. When you plant when it is growing and dirty after it is cured. When you worm tobacco, top it, sucker it, prime it, cut it, or whatever you do with it until it is cured in the barn it leaves a black, dirty, sticky gum on your hands. It is hard to get off. About the best method I know of is to rub a little kerosene oil on the hands before trying to wash the gum off with soap and water.

We now come to a discussion of housing or curing the tobacco. This involves a discussion of tobacco barns in which tobacco is

cured. Most of the tobacco barns were formerly made of logs. There are many frame barns, however. As I recall it, the average barn is about 18 by 18 feet and high enough to provide for four tiers of poles in the body of the barn before reaching the eaves of the roof. The lowest tier or pole, of course, has to be high enough from the ground for the tobacco hanging on it to be a safe distance from the flues and pipes. There are four rooms, or sections, so-called, in each barn which are really only rows of poles going across the barn from side to side and far enough apart in a vertical direction for the tobacco to hang on without reaching to the next pole and far enough apart in a horizontal direction so that the sticks will reach from one pole to another. Frequently the barns are made of logs, and many of them are covered with hand-made boards. Instead of buying lime the farmer makes up a clay mixture of soil and water and dobs or plasters the barn with it. There were frequently in the old days "barn raisings" in every community, which meant that the neighbors would come in and help a farmer build his barn.

In one side of the barn is a door; and for the purpose of trying to describe the flues in the barn we will say that the door is on the south side. On the west side of the barn are the mouths of the furnaces running from the outside through an opening in the wall 8 or 10 feet inside. These furnaces are made of rock or brick and are usually about 2 feet wide and about 20 inches high. One of them is near the south wall and one near the north wall. These furnaces are either built entirely of brick or the walls are built of brick or rock and covered with sheet iron.

From the end of the furnace near the south wall inside the barn a large pipe 10 to 12 inches in diameter runs along near the south wall, across the barn to the east wall; then along the east wall to the middle of the barn, and then across the middle of the barn back to and through the west wall of said barn, protruding out from the wall about 3 or 4 feet on the outside. In like manne the piping runs from the end of the furnace near the north side of the barn along near the north wall to the east wall; then along the west wall to the middle of the barn, and then across the middle of said barn back to and through the west wall, protruding out from the wall about 3 feet on the outside. This affords a complete circulation of heat through the barn from both furnaces, both of which, of course, are fired from the outside. These furnaces, flues, and pipes have to be very carefully arranged so as to eliminate the danger of the barn catching fire when the tobacco is being cured. This is a very inadequate description of a tobacco barn. It is probably the best I can do offhand with no way to illustrate the things I am trying to describe. We come now to the actual housing or curing of tobacco.

After the tobacco has grown to maturity, it ripens first at the

bottom of the stalk, and by ripening I mean it begins to get yellow. When this happens it must be either primed or cut. If it is cut, tobacco sticks have to be used. These are small sticks it is cut, topacco sticks have to be used. These are small sticks approximately 4 or 4½ feet long and about ½ inch thick and an inch wide. Many of the sticks are hand-made, while some of them are sawed. We used to think that fine tobacco had to be cut. Perhaps it would be better to explain what is meant by cutting tobacco. It is necessary to have a sharp tobacco knife, which is something like a small butcher knife, and with it the stalk is split down from top to bottom and cut off several inches from the ground. The first two fingers of the left hand, if the cutter is right-banded are run down the split stalk, and when it is cut off right-handed, are run down the split stalk, and when it is cut off the stalk is thrown or placed with the left hand across the stick which is held at the side of the cutter by a stick holder. There has to be a stick holder for every cutter, except that occasionally one person will hold sticks for two cutters. This is seldom done, because it is exceedingly difficult for one holder to serve two firstclass cutters.

The cutter must know his business. He must look at a plant and decide at once whether that plant ought to be cut or not in his judgment it is ripe, he cuts it. If not, he leaves it. Taking two rows at a time, he will cut a stalk here and two or three He may cut 5 or 6, one after another, or he may walk past there. He may cut 5 or 6, one after another, or he may walk past 10 or 15 stalks in a row without touching one of them. Cutting tobacco is a difficult job, because it not only requires skill in the actual operation of splitting the stalk, but it requires skill in the selection of the tobacco plants which are ready to be cut. Frequently women hold the sticks. From 5 to 12 plants of tobacco are placed on a stick, depending upon the size of the tobacco and the length of the sticks. When the stick is filled, leaving the proper amount of room at each end to hang the stick in the barn, it is laid down in the field against the tobacco row; the wagon then comes in the field and the driver of the wagon usually packs the tobacco on the wagon. Men, women, and children are used to pick up the sticks of tobacco from the ground and pass them to the man on the wagon. When the wagon is properly loaded with the man on the wagon. When the wagon is properly loaded with the sticks of cut tobacco, the tobacco is then carried to the barn. the sticks of cut tobacco, the tobacco is then carried to the barn. I have heretofore described the barn. The load of tobacco is driven up to the barn door. It is passed by the driver or some other person from the wagon into the barn door. The stick of tobacco is taken at the door by another person in the barn and passed by him to the man who is up in the barn on the tier poles that go from one side of the barn to the other about 4 feet apart in a from one side of the barn to the other about 4 feet apart in a horizontal direction and about 3 feet in a vertical direction. The person placing the sticks of tobacco on the tier poles is not only stretched from one pole to another but he has to climb from one tier to another in order to properly place the sticks of tobacco in said barn, and so the process goes until the barn is full of tobacco. The average barn holds about four to five hundred sticks of tobacco.

All of these operations have to go on with great rapidity. If the tobacco is yellow and ripe, it has to be cut. If it lies in the field too long in the hot sunshine before the wagon removes it, it will be scorched and injured by the sun. If it is raining, the work is even more difficult and disagreeable, and in that event

great care has to be exercised to keep from breaking the leaves of the tobacco, which are brittle and easily broken when first cut

if it is a cloudy or rainy day.

If it is not cut, it has to be primed, and most of it, I am informed, is now being primed. I understand that in eastern North Carolina, and in other bright-leaf, flue-cured sections, cutting tobacco is practically unknown. I have never had any experience in those areas. In the "Old Bright-Leaf Belt", or the piedmont section, tobacco is still cut to some extent, although even there most of it, I am told, is now primed. I stated before that tobacco ripens first at the bottom of the stalk and then up the stalk. When it is primed the first leaves are taken from the bottom and only those leaves which are ripe enough to cure.

Mr. SHALLENBERGER. When you prime tobacco you take the leaves

Mr. Shallenberger. When you prime tobacco you take the leaves off by hand, do you not?

Mr. Umstead. Yes. You not only prime by hand, but everything that is done to it from the time it is planted until the time it is put on the warehouse floor is done by hand. The leaves are pulled or broken from the tobacco stalk. Perhaps 1 leaf will be taken from 1 stalk and 3 or 4 leaves from another stalk, depending upon the number of leaves which are ripe enough to cure. The leaves are then put in little piles and then someone comes along with a cart or wagon and hauls the tobacco leaves either to the shade at one side of the field or else to the barn. Then the leaves are put together in bundles of 5 to 10, depending upon the size of the tobacco, and handed to a tier. The tier has a stick, the ends of which rest in a frame or holder built for that purpose, ends of which rest in a frame or holder built for that purpose, and loops the bundles of tobacco on either side of said stick with twine. Of course, in the priming process no stalk is removed from the field at all, whereas when you cut it the stalk is removed at one time together with all of the leaves. When you prime it, you are not through with the stalk until you get the last leaf off.

Mr. Vinson. Who generally does the tying work?

Mr. Umstead. The tying work may be done by most anyone and

is frequently done by the womenfolk and children. After the tobacco is tied the sticks of tobacco are then placed in the barn in the same manner as it has been cut. The curing process then

begins.

Mr. Vinson. There have been a lot of statements made about tobacco growing being one of the hardest jobs in the world, and I wanted you to submit for the record some proof of that statement in detail.

Mr. UMSTEAD. When the barn has been filled with tobacco, the fires are built under the furnaces immediately. You start off with a very little heat. The tobacco has to be first properly mellowed. If the barn is filled by the middle of Monday afternoon, for instance, it takes until Thursday to finish curing that barn of tobacco, and it must be watched Monday night, Tuesday night, and Wednesday night. During 3 days and nights it is necessary for Wednesday night. During 3 days and nights it is necessary for someone to go in the barn about every 30 minutes and look at the thermometer hanging in the center of the barn to see what the heat is. The fires in the furnaces must be regulated so as to keep the temperature at the desired point. This must be carefully done all through the curing process. The heat is gradually increased until the barn becomes so hot that it is very uncomfortable to go inside. This is necessary because every bit of the saping the topogo steams and stalks must be dried out. It is called the tobacco stems and stalks must be dried out. It is called "killing out tobacco." If it is not "killed out" thoroughly, it will mold and injure in the packhouse. After the tobacco is "killed out", it has to be moved as soon as possible so that the barn can be again filled with green tobacco in order that the curing process may continue to go on.

When "killed out" the tobacco is as dry as a bone.

the door to the barn has to be opened so that the moisture can get into the barn to get the tobacco in "order", so that it may be handled without crumbling. If the seasons are right, enough moisture will get into the barn; but if it does not, it is necessary to sprinkle water on the barn floor. Most of the time the cured to sprinkle water on the barn floor. Most of the time the cured tobacco is taken from the barn before daybreak, and frequently lanterns are used. In the curing season this has to be done in order that it may be emptied and ready to be filled again with green tobacco. It is almost a question of working all day, sitting up half the night, and getting up the next morning before daybreak. Every man on a tobacco farm takes his turn sitting up with the barns at night. One man will sit up from 9 to 11, another from 11 to 1, and so on. The length of the watches depends upon the number of dependable men who know how to pends upon the number of dependable men who know how to regulate the heat. On almost every farm there is one man who has charge of the curing; that is, he directs the regulation of the heat in the barn. He watches the tobacco and gives directions as to the progress of the curing. This goes on all during the entire curing excess. the entire curing season.

Mr. Shallenberger. How long does it take to cure it, ordinarily? Mr. Umstead. About 3 days and 3 nights per barn. This varies

Mr. Umstead. About 3 days and 3 nights per barn. This varies slightly, of course.

Mr. Vinson. About how many pounds are cured in one space?

Mr. Umstead. That question is about as difficult to answer as the question as to what it costs to raise a pound of tobacco.

Mr. Vinson. Could you give a minimum and maximum?

Mr. Umstead. I would be afraid to, having been away from it so long. It would involve, in the first place, a standard-size barn. It would also depend upon the type of tobacco and whether it was primed or cut. I want to emphasize the fact that this curing process, whether it involves 5 acres or 50 acres of tobacco, extends largely over a period of 4 to 7 weeks, involving many details which I have failed to include. Of course, the seasons have a lot to do with the curing period. Sometimes it ripens rapidly and sometimes slowly.

When the curing is finished, usually the markets are beginning to open. The grading or "stripping" of the tobacco then begins. It is necessary to get the tobacco in "order", which means that it must be made soft enough to handle properly. Most every tobacco farm has an "ordering" house; and if the season is dry, it is sometimes necessary to apply steam to the tobacco to get it in "order." This is done, of course, by heating water over a furnace and sending the steam through a pipe into the "ordering" house. Whether the tobacco has been cut or primed, it has to be graded. If primed, of course it is already off the stalk. If cut, of course it has to be taken off the stalk. The grader then sits down with a pile of tobacco leaves on a box between his knees and grades the tobacco. He has to be somewhat of an expert.

Mr. Shallenberger. Is this the buyer?

Mr. Umstead. No; this is the farmer grading his tobacco and getting it ready to take to the market.

Mr. Shallenberger. Do they tie each grade up by itself?

Mr. Umstead. Yes. The grader sits there and picks up the leaves of tobacco, and by one glance at the leaf he decides which grade it belongs in with a rapidity that would astonish you. He throws the leaves in from 3 to 6 piles, each pile of which is a separate grade. When I raised tobacco there were usually 6 or 7 grades, but I am told that I would know nothing about grading tobacco now because of the changes which have taken place in the grades. Then the tobacco is tied in small bundles, a little smaller than a half dollar.

Mr. Shallenberger. You mean that is the diameter of the

half dollar.

SHALLENBERGER. You mean that is the diameter of the Mr. bundle?

Mr. Umstead. No. That is the diameter of the head of the bundle. The stems are bunched together at the top and tied.

Mr. Shallenberger. We are getting into details now that I know nothing about. I understood that they put all tobacco of certain grade into one big bundle.

Mr. UMSTEAD. No; each grade is tied into small bundles.
Mr. UMSTEAD. No; each grade is tied into small bundles?
Mr. UMSTEAD. To take it to market. In Piedmont, N.C., tobacco is carefully graded. In the past it has not been graded with as much care in the eastern part of my State, and, I am informed, in South Carolina and Georgia. I have great respect and regard for my neighbors, but my section of North Carolina taught them most what they know about the raising of tobacco.

When a sufficient quantity of the tobacco has been graded or "stripped" to take to the market, it is loaded either on a wagon, automobile, or truck and carried to the market, where the owner automobile, or truck and carried to the market, where the owner desires to sell it. There may be a number of markets available. In my day, of course, it was all carried to market on wagons, and it was an all-day trip to travel the distance of 16 miles to the nearest tobacco warehouse. The tobacco is carried to a warehouse and weighed by grades. The floor manager of the warehouse allots the farmer as much space as is necessary for his piles of tobacco. The tobacco is placed on the warehouse floor one grade in a pile. The piles are usually about 3½ or 4 feet in diameter, and the height of the pile depends upon the quantity. These piles are placed close together in long rows across the warehouse floor.

Mr. Shallenberger. The farmer has to pay for that service?
Mr. Umstead, Yes; he pays commissions to the warehouse and also an auctioneer's fee.
Mr. Vinson. What is that fee?

Mr. Umstead. I am not familiar with it now; it has slipped my

memory.

Mr. Shallenberger. Let me ask you one other question. You have told us the process of getting the tobacco on the floor. The buyer comes along and makes his bid and buys it according to sample. How is the farmer paid?

Mr. Umstead. On the warehouse floor there are many rows of tobacco with the piles in the rows, as I have heretofore described. The number of rows depends, of course, on the size of the ware-The number of rows depends, of course, on the size of the ware-house, the size of the market, the number of farmers in town selling tobacco on that particular day, the popularity of the ware-houseman, and other circumstances. There is the tobacco, hundreds of farmers, buyers, representing the companies, speculators, and others who may be interested. The warehouseman, who runs the sale, usually makes the first bid in order to start the sale. Sometimes if no buyer bids on the tobacco, the warehouseman has to take it and resell it, maybe at a loss or maybe at a profit. The buyers move from one nile to another with great ranidity and buyers move from one pile to another with great rapidity and remain at one pile only a brief moment. Each farmer is usually standing by his pile of tobacco when it is sold. The time is at hand when he is to sell that for which he has worked and labored the whole year. In good weather and bad, during the winter, spring, and through the hot summer months, and frequently under great difficulties he has worked long hours and endured many spring, and through the hot summer months, and frequently under great difficulties, he has worked long hours and endured many hardships to produce the tobacco about to be sold. He has put into it all of his skill, all of his energy, and frequently all of his resources. When placed upon the warehouse floor, it passes from his control. The buyers approach, and with the wink of an eye or the nod of a head, or the giving of a sign, determine the dollars and cents the farmer is to receive for his tobacco. I have had that experience, and I shall never forget it.

Mr. Shallenberger. Does he sell his whole crop right there?

Mr. Umstead. No, sir; not necessarily.

Mr. Shallenberger. Does he sell it on a sample?

Mr. Umstead. No, sir.

Mr. SHALLENBERGER. He sells what is right there at that time?

Mr. Umstead. Yes. Mr. Shallenberger. Whatever is there is sold?

Mr. UMSTEAD. That is right. The farmer may take his crop to market in one or a dozen loads, depending upon his wishes and the

market in one or a dozen loads, depending upon his wishes and the size of his crop.

Mr. Shallenberger. Does he then get his money?

Mr. Umstead. Yes. The buyers approach a pile of tobacco and bid whatever they want to give for it. Each pile has a tag on it with the seller's name and the number of pounds placed there when the tobacco was weighed. When the buyer buys a pile of tobacco the name of his company and the price per pound is entered on the tag. Then another man comes along, picks up the tag, and puts down the number of pounds and the price per pound and carries forward the total on a bill, on which all the piles of tobacco belonging to one man are figured. The total is carried forward and the bill sent at once to the cashier at the warehouse window and there a check is drawn and given to the farmer. The warehouse settles with the companies at the end of the day's work.

Mr. Shallenberger. That is a good deal like we sell cattle in the

Mr. Shallenberger. That is a good deal like we sell cattle in the market. I thought the farmer might have his crop at home and simply bring a sample to the market.

Mr. Umstead. No, sir; we do not sell it by sample.

Mr. Vinson. In regard to the price that this tobacco brings, the question of the lighting has much to do with the price it brings, has it not?

Mr. UMSTEAD. The lighting?
Mr. VINSON. Yes.
Mr. UMSTEAD. Mr. Chairman, I see what you mean; but, so far as my experience with warehouses in my country is concerned, I suppose that could have had something to do with it, but not a great deal.

Mr. VINSON The American Country of the content of the content of the country o

Mr. Vinson. That does have something to do with it, the ques-

Mr. Vinson. That does have something to do with it, the question of the angle?
Mr. Umstead. Yes; it might.
Mr. Vinson. There is another element that enters into it, and that is the question of whether the buyer of the tobacco had a good, comfortable night's sleep or whether he got out on the wrong side of the bed that morning.
Mr. Umstead. That is possible.
Mr. Vinson. And some grades of tobacco in the morning will bring a price different from that which they bring after lunch.
Mr. Umstead. Frequently it so happens.
Mr. Vinson. And the farmer, while he has had control of the tobacco crop for some months, when he brings it in on the warehouse floor loses control, and he takes what they give him?
Mr. Umstead. Mr. Chairman, he is absolutely at their mercy. There is no way that I know of by which the farmer can control the price, once he has put it on the warehouse floor.
Mr. Shallenberger. Some of these men who have testified here said that they sold hundreds of thousands of pounds of tobacco. Did they bring it in?

Did they bring it in?

Mr. UMSTEAD. Yes, sir; that is the way they sell it.
Mr. VINSON. Of course, they have to handle that tobacco, and
they bring it in and sell it on the auction floor, and it is largely
dependent upon the condition of the buyer's liver as to the price
that the farmer gets, as well as his directed instructions which he

that the farmer gets, as well as his directed instructions which he also gets.

Mr. Umstead. I want to conclude in a moment if I may. I have endeavored to describe for you gentlemen, in some measure, the tremendous labor that is required in the actual production of a crop of tobacco. I say to you that I do not believe there is any large agricultural crop which is more difficult to produce than tobacco or which requires longer hours or harder work.

Mr. Vinson. I want to reiterate my appreciation and the appreciation of the subcommittee for your contribution. Those who know about the growing of tobacco falsely assume that that knowledge is had by folks who will have much to do with the granting of this relief. I know that that knowledge is not possessed by a large number, and I want to express the appreciation of the subcommittee for your valuable contribution.

Mr. Umstead. I thank you, Mr. Chairman, and remind you again that this statement is intended in its details to be applicable only to my section of North Carolina. May I now, in conclusion, make

that this statement is intended in its details to be applicable only to my section of North Carolina. May I now, in conclusion, make a brief statement with reference to the actual tax reduction? In my judgment, you gentlemen have been conclusively shown this week that the tax on manufactured cigarettes is both excessive and oppressive. If that is so, then something ought to be done about it. This administration's program with reference to agriculture has been, I think, for the first time in my recollection, a concrete commitment on the part of the Federal Government to the proposition that agriculture must be protected and relief brought to it before relief can come to the country at large. It is undertaking to aid agriculture. In the matter of tobacco, it is seeking, as it is in the case of other crops, to reduce production in order to raise the price. Here you have an opportunity to raise the price in another way, by reducing the tax and increasing the consumption. other way, by reducing the tax and increasing the consumption. I am opposed to a graduated tax because, in my judgment, a graduated tax would be a clear-cut discrimination against the large, far-reaching, bright-tobacco-producing belt of this country, which includes my own section and my own State. I am in favor of a flat reduction.

I say frankly to you, gentlemen, that I think there is but one basis on which to put this matter, and that is that the farmer, the man who produces the tobacco, should receive the benefit of the tax reduction. I feel this very keenly and am tremendously interested in it. I own no interest in any tobacco company, and I own no farm land; however, there is a great injustice being done a large group of American citizens. A great Govern-

ment, if it is imposing an oppressive tax, cannot justify the continuance of that wrongful tax. I appeal to this subcommittee for relief and beg of you that whatever may be your recommendation to the Ways and Means Committee, that the action taken be based upon the proposition that the benefit to be derived from the reduction of the tax shall go to the place it ought to go, to wit, the farmers who produce the crop. It would ought to go, to wit, the farmers who produce the crop. It would be a patriotic thing for relief to be granted to a large producing group of farmers who have contributed by their own labor a product the tax from which has swelled the Treasury of the United States during the past 15 years and during which time those who have produced the crop have been ground into the dust of despair. Before closing, Mr. Chairman, I want to pay my respects to the service rendered the tobacco farmers by my colleague, Hon. J. Bayard Clark, who, I understand, will follow me in a statement to this committee. He was one of the first men in North Carolina who sensed the condition of the tobacco market last fall, and he initiated a movement which resulted in tre-mendous benefit to the farmers of my State and culminated in the present Government program, which resulted in much higher prices during the last season.

I again thank you for the patience which you have displayed throughout this hearing, and I urge you with all the earnestness I can command to do your best to afford some measure of relief to the tobacco farmers of America.

Mr. Vinson. We appreciate very much your contribution to the bearings.

hearings.

#### THE NEW DEAL

Mr. PEYSER. Mr. Speaker, if the record of the Seventythird Congress is an extraordinary one, the explanation of its activities is an obvious one. If what has taken place in the form of new-deal legislation has been looked upon as extraordinary, there is a reason as, undoubtedly, the conditions were extraordinary. It is true that this Congress, through the laws it has passed, has granted to President Roosevelt more power than has ever been granted any other Executive; but we must bear in mind that those powers were granted for a limited time and can only be renewed by another act of Congress, and those who passed this legislation are elected by the voters of the country. difference in a grant of power as extended during the Seventy-third Congress, as compared with that in many other countries, is that that power can be recovered at any time after the expiration of the specific limit placed upon it.

I need not tell you what has transpired during this historymaking Seventy-third Congress because you have been here watching its progress in the same manner as I have, but it is evident that everything that has been done, aside from the usual and necessary appropriations, has been done with one purpose in mind, and that is to carry out to the fullest measure the proposals of a new deal which would lead to the recovery of the entire Nation from the depression that has been upon us for more than 4 years.

I will not enumerate the different acts that have been passed and are now the laws of the land, but will only refer to a few of the outstanding recovery measures. Included in this important legislation is the Loan to Industries Act; the Communications Act: the Tariff Act: the National Housing Act; and the many measures of relief and public works. The home owners' financing and the farm owners' financing were both acts that have already demonstrated their values for the help of the home owners and the farmers who, in the absence of such legislation, might have been driven to extreme desperation.

We need only to read the message of President Roosevelt, under date of June 8, to learn what is in the mind of the administration for the assistance of the Nation at large. In this connection I beg to be recorded as agreeing with and pledging my complete cooperation to bring to a successful conclusion the aims announced in the President's message, from which I quote only a few passages:

Among our objectives I place the security of the men, women, and children of the Nation first. This security for the individual and for the family concerns itself primarily with three factors. People want homes to live in, they want to locate them where

People want homes to live in, they want to locate them where they can engage in productive work, and they want some safeguard against misfortune which cannot be wholly eliminated in this man-made world of ours.

With the full cooperation of the Congress we have already made a serious attack upon the problem of housing in our great cities. Millions of dollars have been appropriated for housing projects by Federal and local authorities, often with the generous assistance of private owners. There is ample private money for sound housing projects; and the Congress, in a measure now

before you, can stimulate the lending of money for the modernization of existing homes and the building of new homes. In pursuing this policy we are working toward the ultimate objective of making it possible for American families to live as Americans

Fear and worry based on unknown danger contribute to social unrest and economic demoralization. If, as our Constitution tells us, our Federal Government was established, among other things, "to promote the general welfare", it is our plain duty to provide that security upon which welfare depends.

Next winter we may well undertake the great task of furthering

hext winter we may well undertake the great task of furthering the security of the citizen and his family through social insurance. This is not an untried experiment. Lessons of experience are available from States, from industries, and from many nations of the civilized world. The various types of social insurance are interrelated; and I think it is difficult to attempt to solve them piecemeal. Hence, I am looking for a sound means which I can recommend to provide at once security against several of the great disturbing factors in life—especially those which relate to unemployment and old age. \* \* Above all, I am convinced that social insurance should be national in scope \* \* \* leaving to the Federal Government the responsibility of investing, maintaining, and safeguarding the funds constituting the necessary insurance reserves. ance reserves

We must dedicate ourselves anew to a recovery of the old and sacred possessive rights for which mankind has constantly struggled—homes, livelihood, and individual security. The road to these values is the way to progress. Neither you nor I will rest content until we have done our utmost to move further on that

I am glad, Mr. Speaker, that I have been privileged to participate in this history-making Seventy-third Congress not only by standing by and casting my vote in support of what I considered constructive legislation but also in casting my vote in opposition to measures which, in my humble judgment, were not for the best interests of my constituents.

I am doubly proud in having sponsored, among others, one bill which is now a law and which has been functioning for about a year. I refer to the United States Employment Service bill, known as the "Wagner-Peyser Act." This measure, as you know, was sponsored in the Senate by the able Senator from New York, Hon. ROBERT F. WAGNER, and I had the honor and the privilege of sponsoring it in our own body. This measure is far-reaching, and within the next year when the States, through legislative acts within their own borders, have legislated to cooperate with the Federal Service, it is my belief that the problem of unemployment will be largely relieved, greatly simplified, and, certainly, put on a basis where every citizen will take advantage of its operation. It is going to be helpful during the days when labor is seeking employment, and will be doubly helpful when things are such that the employers will be seeking labor.

In conclusion, I want to say that I believe we are now on the right road; that we have left the rough and rocky detour and are now riding along the highway to improved conditions and greater opportunities.

I thank you.

### ANTILYNCHING LEGISLATION

Mr. CELLER. Mr. Speaker, the recent wave of lynchings in the United States has given rise in this country to bewilderment and indignation. Sober-minder persons began to feel a genuine anxiety in the thought and knowledge that these criminal acts had perhaps a more disturbing significance than would appear on the surface. This concern with which Americans regarded last year's outbreak of lynchings does not grow out of the belief that their fellowcountrymen are violent by nature. It is more the result of a feeling that the courts, in that particular community where a lynching has occurred, have failed in their sworn duties to deal out quick and deserved punishment. Faith in the usual and traditional modes of action has waned, and the mob, seeking quick justice against that which they feel was a horrible crime, refuses to accept the normal American role of discipline and fixed standards, forgets its respect for order and efficiency, and takes the law in its hands.

It is clear that the dreadful situation created by these lynchings cannot and dare not be tolerated. It is far too perilous to more things than the lives of possible victims. In its deeper phases we clearly see, I believe, an open and direct menace to the proper respect for law and order, without which a government can never properly function.

All right-minded American citizens must surely feel that the more than regrettable outbreak of mob rule and passion in the closing months of 1933 presented a challenge that must be accepted and answered.

Early in the history of civilization, courts were established to achieve order and to mete out justice. To permit lynchings, to permit attacks upon orderly government by commending, as was done in some cases, a murderous mob of lynchers, by promising in advance immunity to criminals convicted by due process of law as being leaders of a lynch mob, the citizenry openly admits that it can no longer govern itself in proper fashion.

It has conclusively been proved that not only does lynching fail to discourage crime, but to the contrary it stimulates lawlessness-stimulates the very crime that it is mistakenly supposed to prevent. Those who lead a mob to lynch, though it be to avenge the most atrocious of crimes, should nevertheless be brought quickly to arrest, to trial, and to conviction, if the sovereignty and integrity of a government is to be maintained.

Because we have been taught through years of experience that rarely, if ever, do local or State authorities act against mobs, a Federal law against lynching is absolutely necessary. Federal intervention, it seems, is the only power local communities fear.

For these reasons, on January 8, 1934, I introduced in the House of Representatives, H.R. 6559, "to assure to persons within the jurisdiction of every State the equal protection of the laws and to punish the crime of lynching." The provisions of this measure are stated below:

#### [H.R. 6559, 73d Cong., 2d Sess.]

A bill to assure to persons within the jurisdiction of every State the equal protection of the laws, and to punish the crime of

Be it enacted, etc., That the phrase "mob or riotous assemblage", when used in this act, shall mean an assemblage composed of three or more persons acting in concert, without authority of law, for the purpose of depriving any person of his life, or doing him physical injury.

Sec. 2. If any State or governmental subdivision thereof falls, neglects, or refuses to provide and maintain protection to the life or person of any individual within its jurisdiction against a mob or or person of any individual within its jurisdiction against a mob or riotous assemblage, whether by way of preventing or punishing the acts thereof, such State shall by reason of such failure, neglect, or refusal be deemed to have denied to such person the equal protection of the laws of the State, and to the end that the protection guaranteed to persons within the jurisdictions of the several States, or to citizens of the United States, by the Constitution of the United States may be secured the provisions of this act are

enacted.

SEC. 3. (a) Any officer or employee of any State or governmental subdivision who is charged with the duty or who possesses the power or authority as such officer or employee to protect the life or person of any individual injured or put to death by any mob or riotous assemblage or any officer or employee of any State or governmental subdivision having any such individual in his charge as a prisoner, who fails, neglects, or refuses to make all diligent efforts to protect such individual from being so injured or being put to death, or any officer or employee of any State or governmental subdivision charged with the duty of apprehending, keeping in custody, or prosecuting any person participating in such mob or riotous assemblage who fails, neglects, or refuses to make all diligent efforts to perform his duty in apprehending, keeping in custody, or prosecuting to final judgment under the laws of such State all persons so participating, shall be guilty of a felony, and upon conviction thereof shall be punished by a fine not exceeding \$5.000 or by imprisonment not exceeding five years. not exceeding \$5,000 or by imprisonment not exceeding five years,

not exceeding \$5,000 or by imprisonment not exceeding five years, or by both such fine and imprisonment.

(b) Any officer or employee of any State or governmental subdivision, acting as such officer or employee under authority of State law, having in his custody or control a prisoner, who shall conspire, combine, or confederate with any person to injure or put such prisoner to death without authority of law, or who shall conspire, combine, or confederate with any person to injure or put such prisoner to death without authority of law, or who shall conspire, combine, or confederate with any person to suffer such prisoner to be taken or obtained from his custody or control for the purpose of being injured or put to death without authority for the purpose of being injured or put to death without authority of law shall be guilty of a felony, and those who so conspire, combine, or confederate with such officer or employee shall likewise be guilty of a felony. On conviction the parties participating therein shall be punished by imprisonment of not less than five years or

shall be purished by imprisonment of the judicial district wherein the person is injured or put to death by a mob or riotous assemblage shall have failed, neglected, or refused to apprehend, prosecute, the laws of the State where the injury is inflicted or the homicide is committed, any and all persons who participate therein: Provided, That it is first made to appear to such court (1) that the

officers of the State charged with the duty of apprehending, prosecuting, and punishing such offenders under the laws of the State shall have falled, neglected, or refused to apprehend, presocute, or punish such offenders; or (2) that the jurors obtainable for service in the State court having jurisdiction of the offense are so strongly opposed to such punishment that there is no probability that those guilty of the offense can be punished in such State court. A failure for more than thirty days after the commission of such an offense to apprehend or to indict the persons guilty thereof, or a failure diligently to prosecute such persons, shall be sufficient to constitute prima facie evidence of the failure, neglect, or refusal described in the above proviso.

SEC. 5. Any county in which a person is put to death by a mob or riotous assemblage shall forfelt \$10,000, which sum may be recovered by suit therefor in the name of the United States against such county for the use of the family, if any, of the person so put to death; if he had no family, then of his dependent parents, if any; otherwise for the use of the United States. Such action shall be brought and prosecuted by the district attorney of the United States of the district in the United States district court for such disrict. If such forfeiture be not paid upon recovery of a judgment therefore.

be brought and prosecuted by the district attorney of the United States of the district in the United States district court for such disrict. If such forfeiture be not paid upon recovery of a judgment thereof, such court shall have jurisdiction to enforce payment thereof by levy of execution upon any property of the county, or may otherwise compel payment thereof by mandamus or other appropriate process; and any officer of such county or other person who disobeys or fails to comply with any lawful order of the court in the premises shall be liable to punishment as for contempt and to any other penalty provided by law therefor.

SEC. 6. In the event that any person so put to death shall have been transported by such mob or riotous assemblage from one county to another county during the time intervening between his seizure and putting to death, the county in which he is seized and the county in which he is put to death shall be jointly and severally liable to pay the forfeiture herein provided.

SEC. 7. Any act committed in any State or Territory of the United States in violation of the rights of a citizen or subject of a foreign country secured to such citizen or subject by treaty between the United States and such foreign country, which act constitutes a crime under the laws of such State or Territory, shall constitute a like crime against the peace and dignity of the United States, punishable in like manner in its courts as in the courts of said State or Territory, and within the period limited by the laws of such State or Territory and within the period limited by the laws of such State or Territory and within the period limited by the laws of such State or Territory and we her prosecuted in the courts.

said State or Territory, and within the period limited by the laws of such State or Territory, and may be prosecuted in the courts of the United States, and upon conviction the sentence executed in like manner as sentences upon convictions for crimes under the laws of the United States.

SEC. 8. If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

In 1922 a bill proposing a Federal law against mob violence was introduced by Representative L. C. Dyer, of Missouri. It passed the House in 1922, but was killed by a filibuster in the Senate.

In the next Congress, I shall reintroduce my anti-lynching bill and shall endeavor to have it enacted into law.

If we wish our country to prosper, we must have government by law instead of government by mobs. Lynch law has no place in the civilized community. It must be stamped out. I firmly believe that the enactment of this bill will go a far way toward erasing this stain upon American justice.

### A LIFE LINE TO THE INDIAN

Mr. HOIDALE. Mr. Speaker, when the white man from Europe landed on the American Continent, the natives not only extended a hand of welcome, but actually knelt at his feet and worshiped him. The covetous nature of a white man promptly asserted itself. Soon, and as fast as his might would permit, he proceeded to take what for centuries had belonged to another people by right of possession and occupancy. Not only did he acquire the lands, but he despoiled the forests, disseminated the game, looted the mines, and reduced the great empires and all they contained to his own selfish ownership.

The white man for centuries as a result of competition with his neighbors had been learning the importance of getting, keeping, having, and controlling the necessities of life and the means of producing them, or in other words, he knew the significance and value of private ownership.

The Indian, living sparsely on a vast continent, had learned exactly the opposite. The desire to divide his fish, his fowl, his fur, or his wigwam with his fellow men became a part of his nature. His mode of living actually prevented him from acquiring and keeping property. It did not take long for the white man, ambitious, avaricious, superior in numbers, with the aid of gunpowder, simply to take what he wanted-about all that was here. The scalpings, the arson, the depredations, and the crimes often charged to the Indian generally were the result of a feeble effort on his part at self-defense or to strike back in retaliation for the despoilation and slaughter meted out to him.

In our early history, the Government of the United States by legislation, by treaty, and by judicial and departmental interpretation appointed itself guardian of the Indians. Whether this was because of generosity or to salve the conscience of the conquering heroes need not be decided. The guardian at an early time located its wards on reservations in the rough, mountainous, arid, and less desirable areas of the country, places that the white man thought he would not want. As the decades passed and the population grew, and when it was discovered that the Indian had some lands suitable to agriculture, some oil, timber, and other natural resources of value, ingenious methods were devised to relieve him of his property.

The General Allotment Act of 1887 alone has been responsible for tremendous losses to the Indians. Apparently some expert in social science concluded that the Government should make farmers of its Indian wards so this act was passed authorizing the allotment of a tract of land to each Indian. Its purpose really was to destroy the tribal status and to substitute private for tribal ownership. Trust patents containing restrictions on alienation were issued to the respective allottees. These restrictions in comparatively short periods of time usually were removed and the Indians, true to their nature, promptly sold their lands for anything they could get. This act was supported by many wellmeaning people who had the welfare of the Indian at heart, and who believed that it would provide him a private home and make him an independent, self-sustaining citizen, but the guardian merely gave its ward an opportunity to sell and the white man a chance to buy so that the result very largely has been the separation of the Indian from his property.

The administration of Franklin D. Roosevelt shows a sincere desire to reverse the Indian policy of the past, and, in the future, to serve the Indian as a true and faithful guardian. H.R. 7902 prohibits the further allotment of lands in severalty. Its objective is to conserve the Indian

estate and not to squander it. Moreover, this bill appropriates \$2,000,000 from the Public Treasury to purchase lands for the benefit of the Indians; authorizes the incorporation of Indian business associations; appropriates \$250,000 annually to pay the expenses of promoting such organizations; appropriates \$10,000,000 to be used as a revolving fund for loans to such associations; appropriates \$250,000 annually to provide vocational training for Indians-such appropriations to be reimbursable under departmental rules. It contains provisions designed to stimulate the employment of Indian labor and the appointment of Indians to positions in the Indian Service. Furthermore, the bill authorizes any Indian tribe to formulate and organize a tribal government and to elect tribal business committees to conduct its business under rules and regulations prescribed by the Secretary of the Interior.

However, under the provisions of the bill a charter of incorporation issued by the Secretary of the Interior is not effective under the law until approved by a majority of the adult Indians on the reservation concerned. The bill does not apply to any reservation where a majority of the adult Indians at a special election vote to the contrary.

The bill is not perfect. Some of the provisions must be tested by experience. The way is open for error and abuse. Operations under it will need the ever watchful eye of efficient departmental supervision.

VOTING RECORD OF WESLEY E. DISNEY, OF OKLAHOMA—"I STOOD BY THE PRESIDENT"

Mr. DISNEY. Mr. Speaker, I have compiled my record in the Seventy-second and Seventy-third Congresses, in the latter Congress in more detailed particulars, and am setting it forth in these remarks. A mere voting record is not sufficient to give the constituent proper understanding of his Congressman's record. For that reason I am taking this method of outlining my activities in the Record:

I have consistently opposed and voted against unnecessary increased expenditures and additional taxes. It has been necessary to support emergency measures as were necessary to provide work and relief to avoid privation on the part of the people. Tariff legislation that is beneficial to agriculture has received my earnest consideration and I have on all occasions voted for such acts as would benefit the whole people—the farmers, tradesmen, and laborers of all classes—to protect them against any lowering of the standard of American living.

Currency expansion has received my special thought and attention as I am convinced that is the means of the distribution of our wealth in such manner that the present indebtedness may be paid on the high basis on which it was incurred, convinced as I am that when our indebtedness is out of the way, business will start upward again—and probably not until then. With that in view, I voted and supported the silver legislation, the soldiers' bonus bill, and other currency-expansion measures, with no thought of ever supporting any program for flat money or greenback issues without reserve. With this in view, I have also supported what is known as the "cost-of-production plan" for minimum prices for agricultural products.

In the Seventy-second Congress the following are some of the outstanding features for which I voted: Philippine independence, against the moratorium on war debts, for the "lame duck" amendment, for the highway bill, for the antiinjunction labor bill, for the soldiers' bonus, for the Flood-Control Act.

### RECORD IN 1933 SESSION

Then came the momentous 1933 special session, in which I voted for the Agricultural Relief Act, the Farm Mortgage Relief Act, the cost-of-production plan for agricultural products, for the Reforestation Act, the Emergency Banking Act, the reduction of postal rates, the railroad bill for benefits to employees, and the Unemployment Relief Act.

I also voted for Muscle Shoals and Tennessee Valley Authority development, for the Home Owners' Loan Corporation plan, for the Thomas Act for the expansion of currency, and the Connally amendment to the N.R.A.

I also voted for the Securities Act, "make the seller beware", and for the bill prohibiting exportation of arms and munitions of war under certain circumstances.

I voted for the insurance of bank deposits, one of the most outstanding and epoch-making bills in American banking.

I also voted for the bill to go off the gold standard, and again for Philippine independence.

### RECORD IN 1934 SESSION

In the 1934 session, my votes followed the same line as in the first session.

I voted for the bill to devaluate gold in order to protect our currency against cheap foreign currency, and for the revenue act to reenforce the income-tax laws.

My vote for the Dies silver bill, known as the "American agricultural surplus" bill, and for the reciprocal trade agreement bill and for the general silver bill were in line with the administration's plan.

Again I voted for the bonus bill, for the immediate payment of the adjusted-service certificates and the controlled expansion of the currency.

I voted for the Civil Works Administration and for the Women's Equal Rights Act, removing sex discrimination in citizenship.

I voted for the bill for the control of the stock exchange, that gambling institution which has done so much to bring us into the depression of 1929-33.

The bills guaranteeing the Farm Loan Bonds and the bonds of the Home Owners' Loan Corporation, and the National Housing Act received my favorable votes.

I voted for the Vocational Education Act.

The bills involving utility rates received my votes; namely, the Johnson bill to prevent interference by the Federal courts with the State courts in rate cases, and the communications commission bill by which the Government rearranges the matter of Federal investigations in rates. I voted for all bills for investigations into utility rates.

The bill to restore the pension benefits to the World War veterans and the Spanish-American veterans received an "aye" from me.

The public roads bill and the bill to prohibit the selling of munitions of war to belligerent nations, the bill to establish foreign-trade zones received a favorable vote from me.

Loans to foreign debtors in default and the purchase of the securities of their government were forbidden in what is known as the "Johnson bill" for which I voted.

Competition of prison industries with free labor was banned in a bill for which I voted, and I also voted for the railway pension bill, the Railroad Labor Act for settlement of labor disputes, and the rural route bill.

I voted for the Federal credit union system to provide for small loans and the amendment to the bankruptcy bill to provide relief for farm-mortgage owners.

I voted for compensation for widows and children of veterans receiving compensation for disability directly incurred in active duty in the World War and who died from non-service connected disabilities.

I voted against the conference report on the Bankhead cotton bill, which I consider to discriminate against Oklahoma.

I have been intensely active in flood-control matters and matters relating to the development of the natural resources of the Arkansas River Basin; in the Spavinaw Forest Reserve; in the Fairfax-Kaw City and Grand River hydroelectric project; in the Hulah Dam project at Bartlesville, Okla.

I located the H.O.L.C. headquarters for the State in my district against tremendous opposition odds.

Every letter has been promptly answered and I have given the most careful attention to the slightest request made of me by any of my constituents.

A wide and favorable acquaintance amongst the Members of Congress, the department heads, and members of the Cabinet, and other people in Washington whom it is necessary to know to get things done for Oklahoma, it has been my good fortune to acquire in the last 4 years.

Seniority counts in Congress. Texas has the Vice Presidency and six of the most important committee chairmanships in the House of Representatives, simply because she has kept her men here for long tenures, without putting new and inexperienced men in the place of trained and experienced Congressmen.

It will be a pleasure upon request to furnish copies of this record to those constituents who may be interested in procuring it.

LEGISLATION OF THE BANKING AND CURRENCY COMMITTEE IN THE SEVENTY-THIRD CONGRESS

Mr. BROWN of Michigan. Mr. Speaker, it was my good fortune to become a member of the Banking and Currency Committee of the House. It is well known to all that by far the most important legislation enacted during the Seventy-third Congress came out of this committee.

The course of legislation in the Congress is almost entirely determined in committees and my position on this committee enabled me to be where the most important measures enacted by the Congress were first considered.

The Banking Act of 1933, which carried with it the insurance of bank deposits, I have discussed in another speech, and desire at this time to devote myself to the other important bills which became law, with special emphasis on their interest to northern Michigan.

The loans-to-industry bill is a measure largely designed to assist industry in the smaller communities. Industries such as the pulpwood industry, with its mills located at Escanaba, Munising, Manistique, Alpena, and Menominee, are of such proportions that the banking facilities in the towns where they are located are not large enough to take care of their needs. These concerns have had to do their banking in the larger centers, such as Chicago, Milwaukee, and Detroit. The loans-to-industry bill will make available to these concerns the assets of the Reconstruction Finance Corporation.

In this connection, a most important piece of legislation, which it is said has administration support, is before the House Banking and Currency Committee. It will enable the Reconstruction Finance Corporation to loan for the purpose of reforestation.

To fully discuss this subject would take much more time than is available to me. Briefly, however, it is the first step toward the financing of reforestation. It is my good fortune to be in a position, through my committee assignment, to further this legislation, and if I return to Washington I feel that I can greatly assist in bringing the measure into effect. I know of no bill of greater importance to northern Michigan.

I was able to amend the loans-to-industry bill so that the great fishing industry of my district and State could be assisted by the Reconstruction Finance Corporation. As the bill was introduced and as the law existing before its introduction stood, the fishing industry could not be assisted by loans. On the floor of the House I offered an amendment which included fishing within the benefits of the act, and the amendment was unanimously adopted and thereafter passed in the Senate. Many other northern Michigan industries will be aided by this bill.

The Banking and Currency Committee also had the socalled "housing bill" in charge, and I devoted my time to the perfection and enactment of this bill. It is of great interest to northern Michigan because it is a direct aid and encouragement to the building industry. It should stimulate our cement industry, located particularly in the counties of Emmet and Alpena; and the quarries located in the counties of Antrim, Cheboygan, Presque Isle, Alpena, Mackinac, Schoolcraft, and others. It should encourage the timber industry, which is spread generally throughout my congressional district, and will greatly aid the iron industry. particularly the furnaces located in Antrim, Luce, and Delta Counties. Delta County should also greatly profit from the increased transfer and shipment of ore. The workers of the railroads throughout the district should also be assisted by this bill, because of the increase in the handling of freight.

Briefly, the bill provides assistance for the building of homes, the building of apartments, and encourages the repair of existing buildings. Credit is provided and insurance of risks is also provided. It is hoped and believed that billions of dollars will be loosened and put into the channels of trade by this measure.

I was able to get into the law the policy I have followed throughout my term in Congress of preventing further tax exemptions. My amendment to the bill was adopted on the floor of the House and approved in the Senate. It provides that the private mortgage institutions created to finance the building must pay the same taxes as other financial institutions and individuals. I have been greatly disturbed for many years by the policy of permitting various concerns to escape taxation. There was not a dissenting vote to my amendment.

Although I have consistently supported the administration, there have been times when I felt forced to disagree. In many instances, on the housing bill, the bank bill, and the loans-to-industry bill, the position of myself and others in insisting upon changes in the original administration bills resulted in improving the legislation.

I am very proud of the fact that my own suggestion to the President, made when he called the Banking and Currency Committee before him, to raise the \$2,500 deposit insurance to \$5,000 was acceded to by him and enacted into law. I am also very proud of the fact that Chairman Steagall and myself were the subcommittee which drafted the legislation known as the "Steagall aid to closed banks" bill, which enables the Government through the Reconstruction Finance Corporation to give the greatest possible assistance consistent with reasonable security to depositors in closed banks. The bill as we drafted it was passed by the House, and the only change made in the final enactment of the bill by the Senate and House was the shifting of the agency for the relief of depositors in closed banks from the

Federal Deposit Insurance Corporation to the Reconstruction Finance Corporation, which was merely a change of administration and not of substance. I had spent much time on this bill and realized as soon as I learned of the change of administration that the largest closed bank in the country would not be aided to any extent by the bill. I refer to the First National Bank of Detroit. I immediately drafted H.R. 9904, and on Monday, June 11, introduced it in the House. It was referred to the Banking and Currency Committee and reported out unanimously on Tuesday, the 12th of June. On Wednesday, the 13th, I secured its passage in the House and had it messaged to the Senate on the 14th. I took the matter up with Senator Couzens and Chairman Fletcher of the Senate Banking and Currency Committee, and on Thursday, the 14th of June, the bill was reported favorably to the Senate; and through the prompt action of Senator Couzens my bill passed the Senate the next day, June 15, and upon signature of the President will become the law. It is stated that this is a record for the rapid enactment of a bill. If this law had not been enacted, the additional assistance to the First National Bank of Detroit would have been limited to between twenty-five and thirty million dollars, whereas the amount that can be safely loaned that bank is many times this figure. The result is that not only will the depositors of the First National Bank of Detroit be greatly aided, but those depositors in the smaller banks of Michigan which had accounts in the First National of Detroit will likewise be assisted.

### UNEMPLOYMENT INSURANCE

Mr. WOLVERTON. Mr. Speaker, the necessity for some form of security against the distressing effects of unemployment is one of the most outstanding needs made apparent by the depression. Furthermore, our experiences have brought us face to face with the fact that when one class suffers to any considerable extent it affects others as well. We realize now as never before our interdependence upon each other. Recognizing this fact, it is easy also to appreciate that whatever is done to promote the welfare of one has to some extent a beneficial effect on another.

There is no more striking illustration of the harmful effects accruing to all when a substantial portion of our population is adversely affected than the distress which has come to every class as a result of the unemployment of our industrial workers. Consequently, when we plan and provide for security of employment, or relief against enforced unemployment and idleness, our efforts prove beneficial to all even though it is the worker who may be directly benefited. A full realization of this fact removes all such remedial provisions from the criticism so often directed to so-called "class legislation."

Consideration of unemployment insurance, security against unemployment, or other forms of relief for workers should be approached from this standpoint of the mutual advantages to be gained, and a full appreciation that the benefits are general as well as special in character. To approach the subject from such a standpoint is helpful in creating a better understanding and a more sympathetic treatment by all concerned. Our interests are so intertwined one with the other that to consider it otherwise is to encourage class hatred and possible failure. It is gratifying, however, to realize that there is an ever-increasing willingness to accept and study this and other problems in a spirit of unity. So long as this spirit shall prevail social justice will advance rapidly and to the benefit of all our people.

The distressing circumstances that have accompanied unemployment during the period of the depression create a definite and unescapable obligation to provide against their recurrence in the future. There is an expectation upon the part of our people that some method, either State or Federal in character, or joint and cooperate functions to be exercised by both, will be provided.

To deal effectively with the problem a method must be established that will insure as far as possible regularity of employment as well as security of relief for the worker for periods when there shall be an unavoidable lay off. The

task is no easy one. Creating purchasing power, effect of new and improved machinery, seasonal trends, and all the other varied and numerous attendant circumstances and influences must be considered. Each is an element that enters into a proper solution. Both our awakened sense of responsibility and the keen realization of the distress that has been experienced by the unemployed and their families during the days and years of the depression create an unconquerable desire to solve the problem. It must be solved in such a way that never again will the honest toiler, able and willing to work, suffer such losses and distress of heart and mind as he has had to bear the last 4 years.

It is because of this that so many Americans have come to believe in unemployment insurance as a way to provide income for workers who are laid off their usual jobs. Unemployment insurance benefits, even though modest in amount, would provide a purchasing power in the community, thereby creating a market into which manufactured goods, representing work and labor, would be turned; and it would enable the family of the unemployed worker to maintain itself and its standard of living. It would eliminate devastated homes and prove a bulwark of security against distress and fear.

We have no such legislation in the United States today except a meager experiment in Wisconsin, but we must not be deterred by the difficulty of the task. There is a human element in the problem, an element that affects the lives and happiness of present and future workers. We must not turn a deaf or unresponsive ear to their cry. It is the enactment of legislation such as this which will give courage, hope, and a renewed determination to the crushed and broken in spirit Let each of us be ready and willing to do our part. America will be a better and a stronger nation for our having done so.

HOUSING AND SLUM CLEARANCE AN AID TO WORK RELIEF AND BETTER CITIZENSHIP

Mr. WOLVERTON. Mr. Speaker, it has been my hope and belief that there would come out of the experiences of this unparalleled depression some outstanding accomplishment for the common good. Already there has been a recognition of policies and principles, the fundamental purpose of which has been to advance social justice and which gives promise in the days to come to promote the general welfare of our people. There must not be any retreat from this advanced ground gained for human rights.

Likewise, I have hoped that there might be in every community something of a material character that could be pointed to with pride as an accomplishment perfected during the dark days of depression. It might be the construction of an electric-light plant to supply electric energy at reduced rates to the public, a waterworks, an improved sanitary sewer system to promote the health of the community, additional school buildings, playgrounds and recreational parks, increased hospital facilities for the destitute and poor, slum clearance, and low-rent housing projects for workers and small-salaried employees. Any one of such projects might well be a monument in the community to which the citizenship could point with pride.

The advantage of this type of expenditure of governmental and municipal funds would be not only that it provides a useful expenditure but it would be a kind of construction, giving a character of employment, in which the worker could take pride in the knowledge that he was doing something worth while. Furthermore, there is no kind of work that gives employment to so many varied trades and occupations as building construction—the stone mason, bricklayer, carpenter, painter, plumber, electrician, plasterer, tile setter, worker, and so forth-together with all who are engaged in the preparation and sale of the lumber, bricks, stone, millwork, hardware, glass, paint, and a myriad of other materials, reaching all the way from forest, mine, and mill to the building under construction. Workers, skilled and unskilled, would be called into service at wages that would make decent living conditions possible.

Even a superficial consideration of the subject will reveal that housing or building construction of similar character makes heavier demands for labor than any other industry. It is estimated that at least 40 to 50 percent of the total cost goes to labor on the job, and another 20 to 30 percent goes to labor engaged in preparing materials. This should give housing and building construction an important place in the recovery program.

Aside from its desirability as a means for providing a work program, there is a real need. No industry nor the occupations identified therewith has suffered more as a result of the depression than building construction work. As an indication of this fact, with respect to housing, the Department of Labor has published statistics for 257 representative cities. Between 1921 and 1929 the average number of new dwelling units built was 388,000 per year. In 1930 it was as low as 125,000; in 1931 it was 98,000; and 27,000 in 1932. Since the average rate of 388,000 probably represents something near the need for new buildings and replacements we are now 914,000 dwellings in arrears merely in the 257 cities represented. In addition the decrease in building operations of other types has been equally pronounced. The arrears for the country as a whole must be stupendous.

Housing and building construction should have a central place in any continuous Public Works program that seeks to build up a steady basis for employment. It is undoubtedly the most promising means now available for establishing

permanent employment.

The wiping out of slums or improper living quarters closely allied thereto should also be a part of such a program. Crime, disease, illiteracy, and all else that tends to undermine and weaken our national character thrive in areas where improper living conditions exist. Likewise there is no comparable area in any community that costs the taxpayer and charity organizations so much to maintain and from which so little revenue for governmental purposes is obtained. Such districts constitute a tax drain upon every community. Their elimination could be justified upon economical grounds alone and without any consideration being given to the higher or more substantial reason of providing living quarters that would create a better type of citizenship.

It will be unfortunate indeed if we do not utilize for slum clearance and construction of low-cost living quarters a substantial part of the vast funds now being expended as a part of the recovery program. There is no expenditure that can be made that will give greater promise of financial return to either the Federal Government or the municipality undertaking such a project or will give larger dividends from the standpoint of better citizenship resulting

therefrom.

Notwithstanding the fact that for upward of 2 years or more Federal legislation and Federal funds have been available for the purpose, yet nothing worth while has been done to accomplish it. Valuable time has been taken up by conferences, discussions, after-dinner speeches, radio talks, and group meetings to formulate plans. The sum total of all this effort has been practically nothing. Few projects have been started and none completed in this entire country. The time has come to stop conferring and begin work. Federal, State, and municipal authorities should immediately enter upon an aggressive program of cooperation. Further delay is unwarranted. The time for action has come.

The strength of our national life is determined by the character of our citizenship. The whole cannot be any better than its parts. The parts are the individual citizens. Each is an influence for good or evil. As they are good or bad in the aggregate so will be the Nation. Recognizing this fact, there comes upon those in authority a responsibility to provide the means by which a higher and better citizenship can be attained by every class of citizen. The duty is just as great to the humble citizen living amidst the squalor of a slum district as to the citizen of more substantial means whose property rights are given the protection of law. I emphasize this fact because living conditions have a large and important part in determining the character of the in-

dividual and the type of citizenship that results. There is a direct relationship between housing and good citizenship. It is not too much to say that the time will come when decent housing will be recognized as a test of a nation's civilization. Let us as a nation accept the challenge.

THE ISSUE OF THE 1934 ELECTIONS

Mr. SNELL. Mr. Speaker, when President Roosevelt was inaugurated, he found every banking institution in the United States, with the exception of those under Federal jurisdiction, closed by reason of bank holidays declared by the several State executives. The President's first official act, issued early March 6, 1933, and effective as of that date, declared a bank holiday not only for those institutions already closed by State authorities but for all Federal banking institutions.

The reason for that unprecedented situation was public fear. It was a panic. In 80 percent of the cases it was not justified, because 80 percent of the banks of the country at that time were sound and solvent. They had been run honestly as well as legally. This statement is proved by the fact that at the close of the bank holiday declared by President Roosevelt 80 percent of the banks immediately reopened.

The President assured the public in a Nation-wide radio address Sunday evening, March 12, 1933, that, beginning the next day, banks would begin to reopen. He emphasized the fact that no bank would be permitted to reopen until and unless it had been examined by agents of the Federal Treasury and found to be 100 percent sound and able to meet all

normal, legitimate banking demands.

By March 25, 3 weeks after the President declared his bank holiday and 12 days after the banks began to reopen, 80 percent of the banking institutions in the United States which had been closed either by order of State authorities or by the President were open and doing business on an unrestricted basis. Subsequent events proved three-fourths of those which did not immediately reopen, or did so on a restricted basis, were fundamentally sound and had been run honestly. In fact, they were simply the victims of their own honesty. They had loaned on good securities which at the time the loans were made had a value which not only complied with banking laws but also with sound banking practices. After those loans had been made values depreciated and the banks were face to face with the problem of dumping those securities on the market and closing out the individual borrowers to their permanent loss and in all probability absolute ruin, or hold them in the hope of an improvement in general business conditions. Furthermore, to have dumped the securities on the market would have only made a bad matter worse, because that would have still further depreciated the value of all securities.

The President's bank-holiday order was wise. The assurance he gave the people that no bank would be permitted to reopen unless it was sound was wise. During that holiday period public hysteria disappeared. When the banks reopened there was no stampede upon the part of depositors to withdraw their money which had been held impounded during the period of the holiday. To the contrary, millions of regular bank customers redeposited money they had withdrawn in their fear just prior to the declaration of the

bank holiday.

Public confidence returned and people began to do business as usual. Every week from that time, April 1, 1933, until the first week in August, showed not only consistent and continuous improvement in practically every field of private enterprise, but the rapidity of the recovery was without parallel in the history of the United States. In fact, in no like period of time in the history of any country had there been such an increase in the material prosperity of any people. Statistics furnished by official Government publications, compiled under the direction of officials of this administration—see table A—show that beginning with the reopening of the banks in March 1933, prices of farm products began to go up, the purchasing power of the farmer's dollar began to go up, wholesale commodity prices began

to go up, industrial activity increased, industrial employment and wages increased, freight-car loadings increased, department-store sales increased, private-building construction increased, imports and exports increased. Those increases in agricultural, industrial, commercial, financial, and transportation activities continued without recession or intermission until late in July or the first of August.

Table A.—Indices showing trend of farm prices, wholesale prices, retail prices, industrial activity, pay rolls, employment, business activity, imports, and exports under the new deal

(All figures, with the exception of farm purchasing power and farm prices, are taken from the monthly publication of the Department of Commerce known as Survey of Current Business. Farm purchasing power and farm prices taken from monthly publication, The Agricultural Situation, issued by the Bureau of Agricultural Economics. April 1934 is the last month for which complete figures are given in the last issue (June 1934) of Survey of Current Business. May 1934 is the last month for which the June issue of The Agricultural Situation gives figures for farm purchasing power and farm prices.)

	March 1933	July i_1933	August 1933	Sep- tember 1933	De- cember 1933	April 1934
Farm purchasing power. Farm prices. Wholesale prices. Pay rolls. Retail prices, foods. Department-store prices. Cost of living. Industrial production Manufacturing employment Freight-car loadings. Department-store sales. Imports. Exports.	purchasing power 50 prices 50 esale prices 60. 2 olls 36. 9 1 prices, foods 91 rtment-store prices 69. 7 of living 71. 8 trial production 57 efacturing employment 56. 6 ht-car loadings 62 rtment-store sales 57 rts. 28		64 72 69. 5 56. 8 107 82. 5 76. 9 91 76. 4 69 77 50 38	60 70 70.8 59.1 107 86 77.9 84 80 68 70 48 40	59 68 70.8 54.5 104 88 77.3 73 74.4 67 69 42 48	1 61 1 74 73. 3 67. 3 107 89. 4 78. 4 85 82. 3 65 77 42 50

<sup>&</sup>lt;sup>1</sup>Index numbers for farm purchasing power and farm prices are for May 1934.

Government figures further show that in July or August of 1933 the purchasing power of the farmers' dollar as well as the average of farm prices were higher than they have been at any time since then until a few days ago, when farm prices began to increase due to the injury being done by the drought in the great central western agricultural sections.

The Government figures show that industrial activity was greater in July 1933 than it has been at any time since; that freight-car loadings were higher than they have been at any time since; that department-store sales were higher in August 1933 than they have been at any time since until April of this year, when they only equaled sales in August 1933.

The Government figures show that imports, which are an accurate index of the consuming power and industrial activity of a country because goods are imported either to be consumed directly or to be fabricated or processed into other products, reached the highest point in August 1933 that they have touched since this administration came into power.

These figures are of the utmost significance, in view of the claims now being advanced by spokesmen of this administration.

The N.R.A. has just completed its first year of official existence. To celebrate that occasion it issued a formal statement under the name of its Director, Gen. Hugh S. Johnson. In an endeavor to establish its claim of having contributed largely to recovery in the industrial, commercial, and financial world, it set up a comparison between conditions as they existed in March 1933 and March 1934. It attributed all increase in industrial activity, employment, wages, retail sales, and so forth, during that period to the operations of the National Industrial Recovery Act.

The last few weeks have also witnessed the closing of the first official year of a number of other emergency set-ups under this administration, such as the Public Works Administration and the Agricultural Adjustment Administration. Like the N.R.A., those organizations issued statements claiming for themselves a very liberal share of the credit for whatever material improvement the country has made since March 1933.

Dr. Raymond Moley, conceded to be the closest and most trusted adviser of the President, even though he no longer

is a member of the administration's official family, in a recent article in his magazine, Today, also sets up a comparison between conditions as they were in March 1933 and as they exist today, and claims for the new deal all the credit for the improvement shown.

These claims, no matter by whom made, collapse in the face of the Government's own figures. As indicated above, neither agriculture nor industry are in as good shape as they were when the emergency measures of this administration were placed upon the statute books and became effective.

The first major emergency measure intended to contribute to economic recovery was the Agricultural Adjustment Act, which was signed by the President May 12, 1933. It was a revolutionary measure calling for the set-up of entirely new machinery to carry out its provisions. That machinery was not in operation until well toward the middle of July. Therefore, any recovery in agriculture prior to July 1933 cannot be credited either to that particular act or any other legislation by the Democratic administration. Yet the Government's own figures show that all the improvement in farm prices and the purchasing power of the farmers' dollar that has taken place since Roosevelt was inaugurated took place between March 1933 and the date the Agricultural Adjustment Act began to be in full force and effect.

They further show that following the enactment of the Agricultural Adjustment Act farm prices steadily declined, as did also the purchasing power of the farmers' dollars, until after the first of this year. Due to the fear of the effects of the drought in the great Middle West agricultural section, some farm prices began to advance early this spring and, as a corollary, so did the purchasing power of the farmers' dollar. But even as late as April this year neither the average farm prices nor the purchasing power of the farmers' dollar had reached the high point they enjoyed in July 1933 before the Agricultural Adjustment Act became fully effective.

The other major emergency act, characterized by the administration itself as the heart of the whole recovery program, and designed to do for industry what the Agricultural Adjustment Act was designed to do for agriculture, was the National Industrial Recovery Act. It was signed by the President July 16, 1933. Therefore, any recovery in industry prior to that date could not possibly be attributed to the effects of that act. Yet again the Government's own statistics show that all of the increase in industrial activity which has taken place during the life of this administration took place between March 1933 and July of that year, which was before the Industrial Recovery Act became a law. The figures further show that, instantly it became a law, industrial productivity began to decline, as also did freight-car loadings and imports, and that these activities have never recovered to the point they were before the passage of the Industrial Recovery Act and the setting up of the National Recovery Administration.

It is especially significant that while the United States began to lose ground in almost every field of endeavor in July and August 1933 and continued to lose ground throughout the remainder of the year, and insofar as official figures have been completed, up to and through the month of April this year, other countries have enjoyed a much happier experience. In common with the United States, the leading commercial and industrial countries of the world showed a marked improvement during the first part of 1933. Unlike the United States, that improvement continued throughout 1933 and has continued, with some unimportant variations, through the first part of 1934.

Such are the facts. They cannot be successfully denied. They challenge every claim made in behalf of the policies and theories of the new deal. The spokesmen for this administration ignore these facts because they cannot satisfactorily explain why there was more recovery in this country in the 4 months prior to the enactment of any of the recovery measures than there has been in 1 year since those measures became effective. They cannot satisfactorily explain why 25 percent of the recovery made in this country

prior to the enactment of the recovery measures was lost following their enactment and enforcement. They cannot explain why other countries which have no new deal with its recovery program made steady gains since July 1933, while this country was losing ground.

They cannot charge the failure of the recovery program to lack of cooperation upon the part of the American people or to crippling opposition upon the part of the minority party. The opposition of the minority party to the enactment of many of the new-deal policies did not change the course of national legislation. The Democratic majorities in both branches of Congress enacted the administration program exactly as it was sent from the executive offices. It, therefore, cannot be said that any of the new-deal legislation was rendered ineffective and fell short of the expectations of the administration because it had been emasculated by the Republican minority in its course through either branch of Congress. The recovery legislation placed upon the statute books by this administration has proved a disappointment, because of one of two things: Either its inherent defects or its maladministration upon the part of those who conceived it, sponsored it, commanded its enactment, and demanded a free hand in its adminis-

Surely the failure of the program of the Roosevelt administration cannot be charged to lack of funds to insure its proper enforcement. The fiscal year will close within a few days. According to the latest available Treasury statement, as of the close of business June 15, the total actual cash expended by this administration up to that date during this fiscal year was \$6,669,095,044. The Treasury statements covering several weeks back show that the daily actual cash expenditures are averaging \$23,967,081 for every calendar day. There is no reason to assume this average rate will decline during the remaining 15 days of this fiscal year. That being the case, the fiscal year will show over \$7,000,000,000 of money actually paid out of the Federal Treasury by this administration during this fiscal year—the greatest peace-time expenditures ever known in the history of the United States.

These expenditures will be over \$4,000,000,000 in excess of receipts, which in themselves, according to the latest available Treasury statement, are over \$1,000,000,000 greater than the receipts during the last fiscal year of the Hoover administration. In other words, the Roosevelt administration during this fiscal year has raised over \$1,000,000,000 more revenue than was raised during the previous fiscal year, spent it in behalf of its recovery program, and then borrowed \$4,000,000,000 more which it spent in an effort to make its program work.

We now know the reason the so-called "recovery program" has failed so conspicuously is because it was not intended to succeed. The motive back of most of the new-deal legislation—which was conceived somewhere in the executive branch of the Government, written outside the committee rooms of Congress, and sent to the Democratic leaders in Congress with orders to pass it without modification—was not the bringing back of material prosperity to the American people but what the new deal is pleased to call "social reform."

It has become perfectly apparent that the purpose of the Roosevelt administration is not the healing of our economic ills but the destruction of our economic system. We have it upon the authority of no one less than the President himself, in a message delivered to Congress this month, that "it is childish to speak of recovery first and reconstruction afterward"; and that the principal objective of his administration is to rebuild our entire economic system. This is entirely consistent with the utterances and writings of the spokesmen of the new deal, chief of whom is Professor Tugwell, Under Secretary of Agriculture.

The administration has self-styled its own program as "economic planning." Secretary Tugwell is on record as stating that:

New discipline, revised legal structures, unaccustomed limitations on activity are all necessary if we are to plan. \* \* \* It

amounts practically to the abolition of business. That is what planning calls for.

Continuing, Secretary Tugwell is on record that before we begin a program of economic planning—

We have a century and more of development to undo. \* \* \* The first series of changes will have to do with statutes, with constitutions, and with government. \* \* \* And it will require the laying of rough, unholy hands on many a sacred precedent, doubtless calling on an enlarged and nationalized police force for enforcement.

The next series of changes will have to do with industry itself. It has already been suggested that business will logically be required to disappear. This is not an overstatement for the sake of emphasis. It is literally meant. The essence of business is its free venture for profits in an unregulated economy. Planning implies guidance of the uses of capital. This would limit entrance into or expansion of operation. Planning also implies adjustment of production to consumption. There is no way of accomplishing this except through a control of prices and of profit margins.

But it is perfectly obvious that it is quite impossible thus to wreck the economic system upon which America has builded and has become prosperous without at the same time wrecking our Federal Constitution, which is the charter of our political and economic system. Secretary Tugwell, in his publication Our Economic Society, issued this year, and which is labeled "The factual background and the theoretical framework for the new deal, states that—

Economic planning is possible only when there is public owner-ship and control of the means of production.

The Secretary recognizes this runs counter to American ideals and traditions, for he states:

The real obstacle to economic planning is the set of ideals that we have carried over from an earlier day. \* \* \* We continue to think in terms of individualism and competitive profit seeking.

In the same book Secretary Tugwell sets forth the entire philosophy of the new deal, a philosophy which the President himself has repeatedly stated, namely, the philosophy of experimenting with the processes of government and with our industrial, commercial, agricultural, and financial structures, in the blind hope that some of the experiments may prove successful. Secretary Tugwell states it as follows:

The solution of the problems of our economic life can be found only through maintaining an experimental attitude toward those problems and through accepting a suggested solution for them only if it works.

The President states it thus:

If we cannot do this one way, we will do it another. Do it we will.

The American Constitution was not written for the purpose of running a government by guess. It makes no provisions for either the executive or legislative branches of the Government to operate by what this administration has been pleased to call "trial and error." Secretary Tugwell admits this in the following language:

The difficulty of attaining the experimental habit of mind toward social or economic arrangements arises largely from an emotional attachment to the instruments of social life. An illustration of such feeling is the unreasoning, almost hysterical, attachment of certain Americans to the Constitution.

Looking back over the period of 15 months since this administration came into power, it should be perfectly apparent to everyone that the steady, determined policy of the administration has been the destruction of the existing economic system, rather than an attempt to correct any shortcomings which may have been occasioned because of changing conditions. It also should be perfectly apparent that in order to carry out its purpose of wrecking our present economic system it has, as a necessary antecedent, sought to set aside or nullify the United States Constitution wherever and whenever it was an obstacle to its program.

As a result of this fixed policy of the Roosevelt administration, the control of our Federal Government, involving the regulation of practically all private enterprise, is rapidly passing from the legislative body which represents, or should represent, the people, to the executive branch of the Government.

of the Government should be vested the power "to lay and collect taxes, duties, imposts, and excises.

Subservient Democratic majorities in both branches of Congress yielded that power to the President or his executive agents. It yielded directly to him the power to levy duties and imposts by its enactment of the so-called "reciprocal tariff law", by which the President is authorized and empowered to fix imposts and duties, without any right of review by Congress or without the guaranty of those affected by his rulings being granted a hearing. If, in the President's pleasure, they are granted hearings, they may be held as star-chamber proceedings without the right of

In the Agricultural Adjustment Act Congress abdicated its taxing power in that it conferred upon the Secretary of Agriculture the power to levy taxes upon processors of agricultural products, the rate of taxation to be fixed in his discretion. This power was exercised less than 6 months during the calendar year 1933, but in that brief period processing taxes amounted to \$150,000,000. Since that time the number of basic commodities, upon the processing of which taxes are to be levied, have been doubled. It is fair to assume, then, that this tax alone will lay a burden of over \$300,000,000 a year upon a limited number of industrial

The National Industrial Recovery Act gave the President of the United States the most far-reaching and unlimited powers of any legislation ever passed by Congress. Under these broad powers the National Recovery Administration was set up. This organization has now imposed upon those coming under codes a tax which it is estimated will exceed \$100,000,000.

In these three instances we have striking examples of the taxing power passing out of the hands of the legislative branch, which is supposed to represent the people, into the hands either of the President or of bureaucratic officials neither elected by the people nor even holding a commission from Congress. This is a destruction of the fundamental principles of representative government, that a free people cannot be taxed except through their duly elected representatives, responsible to them alone. It was to accentuate this fundamental principle that the Federal Constitution provided (1) that in Congress alone should be vested the power to levy taxes, duties, and imposts; (2) that all tax measures must originate in the House of Representatives, which (3) must be elected every 2 years by the people in order that it may be compelled to render an accounting to the people for the manner in which it has handled its responsibilities.

The Constitution provides that in the legislative branch of the Government is vested the power to coin money and regulate the value thereof. It is impossible to overstate the importance of the representative branch of the Government retaining this power. Money is the medium of exchange among civilized peoples. To debase it is to rob the laborer of his hire, the husbandman of the value of the products of his soil as well as his labor, and the thrifty of the value of their savings or investments. To tamper with our circulating medium or to manipulate it is to render all future commitments so uncertain as to reduce all commercial intercourse to the level of pure speculation. Contracts of any kind calling for the future payment of money, either as compensation for services, labor, or products, become a mere gamble.

Such a situation exists today by reason of the Democratic Congress surrendering to the President sole control of our monetary policy, including the power to devalue the dollar, to go off the gold standard, to nationalize both gold and silver-which means its confiscation by the Governmentand even to start the printing presses and issue paper money practically without limit. Congress abdicated its constitutional power to control the Nation's money in the Emergency Banking Relief Act, which became effective March 9, 1933, being the first one of a series of so-called "emergency

The Constitution provides that in the legislative branch | act permitted the Secretary of the Treasury to confiscate all gold and gold certificates. It permitted the issuance of an unlimited number of Federal Reserve bank notes based, not upon gold or silver reserves but merely upon securities held by Federal Reserve banks.

The abdication of its constitutional powers was continued by the Thomas amendments to the Agricultural Adjustment Act, approved May 12, 1933, which authorized and empowered the President to devalue the dollar as much as 50 percent and to start the printing presses for the issuance of paper money in the amount of \$3,000,000,000, based on no security at all except the mere flat of the Government.

The Constitution vests in Congress the power "to regulate commerce with foreign nations and among the several States."

The reciprocal tariff law transfers from Congress to the President the power to regulate foreign commerce.

Title I, section 1, of the National Industrial Recovery Act specifically states the purposes of the act are to regulate interstate and foreign commerce. Section 2 specifically abdicates the right and power of Congress in this respect by authorizing the President to carry out the title of the act through such agencies as he may establish, operating under such rules and regulations as he may prescribe, and officered by such individuals as he may select, who will assume such duties and responsibilities as he may designate. That section even goes so far as to provide that employees of the agencies set up under this act shall be appointed without regard to civil service or the Classification Act.

No single piece of legislation ever enacted by any Congress, either in peace time or war, ever so completely abdicated the constitutional powers of the legislative branch of the Government and vested in the Executive of the United States such arbitrary and unlimited power.

Under the powers transferred to him by the National Industrial Recovery Act, all business and industry are brought under the rigid control of an executive bureau which may fix the hours of labor, rates of wages, rules of competition, price of products, conditions and methods of distribution of all classes of commodities, the right of an industrial plant to put in modern machinery or to make extensions, as well as its right to operate certain seasons of the year, plus a score of other regulations.

The National Industrial Recovery Act also abrogates the sanctity of contracts, in that it provides that even though an industry or group of industries adopts a code which is approved by the President, the President may, at any time within his discretion, modify any of the conditions agreed to in the code, and those under the jurisdiction of the code have no recourse whatever in the matter. In other words, under the National Industrial Recovery Act bureaucratic officials of the N.R.A. and the President virtually write and enforce all Federal legislation for industry and commerce.

Moreover, the President has held that the unlimited authority granted him by this act warrants him in suspending or revoking any Federal law which comes in conflict with the rules and regulations set up by the N.R.A. An example of this is furnished in the President's annulment of the Federal statute providing competitive bidding in connection with purchase of Federal supplies and equipment or public construction, and so forth, and the awarding of contracts to the lowest responsible bidder. The President has arbitrarily ruled that law, which is clearly in the interest of public economy and honesty, as well as in protection of honest concerns doing business with the Government, is to be ignored where the lowest bidder has not accepted an N.R.A. code or is not flying the Blue Eagle of the N.R.A. The material or equipment which he has agreed to furnish the Government may be the best obtainable in the market. Prices he quotes and the other conditions he offers may be the best terms offered the Government. There may be no question whatever regarding the responsibility of the bidder or his ability to comply with the conditions of his bid. But if he has not agreed to abide by whatever arbitrary rules and regulations a Federal bureaucracy has established for measures" enacted by the last Democratic Congress. That his particular industry, the President of the United States,

under power assumed by him by reason of the abdication of Congress, rules such a bidder cannot conduct any business with the Federal Government.

Furthermore, the President has nullified the Budget law. which provides that all estimates for expenditures of public funds must be submitted to the Director of the Budget for his approval before they are expended. From the very beginning, the various emergency set-ups ignored that law. The President admitted that fact in his annual Budget message to the Congress January 3 this year. He said:

Up to now there has been no coordinated control over emergency expenditures. Today, by Executive order, I have imposed that necessary control in the Bureau of the Budget.

Heretofore, emergency expenditures have not been subject to audit by the Comptroller General of the General Accounting Office. Today I am, by Executive order, reposing in him the authority to conduct such an audit and to continue to audit each such expenditure. Hereafter, therefore, just as in the departmental expenditures, there will be, in emergency expenditures, a pre-budget and a post-audit.

By reason of the fact that the Bureau of the Budget has had

no control in the past over the various expenditures, obligations, and allotments made by the emergency organizations, the task of preparing the present Budget has been the most difficult one since the Budget and Accounting Act went into effect in 1921. These difficulties, in future years, will be substantially minimized by the control which I have established.

The same day he issued the order, which read, in part, as follows:

By virtue of the authority vested in me as President of the United States, it is hereby ordered that no further obligation shall be incurred for the expenditure of any emergency appropriation or other available emergency fund \* \* \* until estimates of expenditures from such appropriations or funds for the remainder of the fiscal year ending June 30, 1934, and the fiscal year ending June 30, 1935, shall have been approved by the Director of the Bureau of the Budget.

Following the protests of the bureaucratic officials of the several emergency set-ups, the President quietly rescinded that order 3 days later.

This action not only broke his public official pledge to the Congress and to the American people but it also gave his official sanction to the nullification of the Budget law, which itself was enacted to protect the taxpayers from unregulated and unwarranted expenditure of public funds.

The Constitution provides that "no money shall be drawn from the Treasury but in consequence of an appropriation made by law, and a regular statement and account of receipts and expenditures of all public money shall be published from time to time." This provision has, under this administration, become merely a figure of speech. Acting in response to a direct demand from the executive branch of the Government, the Democratic Congress turned over to the executive end of the Government billions of dollars to be expended by the executive agencies of the Government for whatever purpose and in whatever manner they desired. It has developed that millions of dollars have been expended by various bureaus for purposes which previous Congresses had decided were not necessary and, in some cases, against public policy. Under the guise of emergency, hundreds of millions of dollars of public funds have been thrown to the winds. Some of the money which Congress turned over to the absolute control of the President has been allocated by him to finance private incorporations which are neither directly nor indirectly answerable to the Congress. Furthermore, by the Gold Reserve Act, which became effective January 30, this year, the Congress turned over to the Secretary of the Treasury \$2,000,000,000 to be used in secret by him in whatever way he desired and for which he should not make any accounting for 3 years. That was a direct nullification of that section of the Constitution which mandates "a regular statement and account of receipts and expenditures of all public money."

No such betrayal of the rights of a free people has ever been recorded as that committed by the Democratic Congress which was elected to represent and protect the people. It ceased to be a coordinate branch of the Government. It became merely a rubber stamp for the Executive. It retained for the legislative branch of the Government only minor peace-time powers. It went as far as it could to set

up a dictatorship, excusing itself upon the ground an emergency existed and hiding behind the plea that, after all, the dictatorial powers it had vested in the President would not, in his wisdom and benevolence, be used. It was content, even eager, upon receiving orders from the Executive end of the Government to abase itself until it has become a body with less power than some of the bureaus and bureaucrats which have been set up by reason of its abdication.

The Democratic Congress subscribed to the un-American philosophy of Secretary Tugwell, who exclaimed that the principal difficulty in destroying our present economic system, putting the Government in control of all production and eliminating the individual as a factor in social and economic life, was "an unreasoning, almost hysterical, attachment of certain Americans to the Constitution." Secretary Tugwell would not find many such "hysterical Americans' among the Democratic majority in either branch of Congress. That Congress not only did practically all it could to destroy the safeguards set up by the United States Constitution, protecting the rights and liberties of the individual citizen, but it traveled far along the road toward Government control of all business and means of production, the elimination of private property, the regimentation of every private industry, the rigid discipline of the daily activities of the private citizen, and "the laying of rough, unholy hands on sacred precedents, doubtless calling on an enlarged and nationalized police force for enforcement", which Secretary Tugwell remarked in his recent work, described as the factual background and theoretical framework for the new deal."

Despite the pledge the Democratic Party made in its platform to remove government "from all fields of private enterprise except where necessary to develop public works and natural resources", there is no field of private enterprise into which the Federal Government was not thrust by legislation enacted by the last Democratic Congress.

First and most important, of course, was the invasion of all private enterprise, embraced in the field of business and industry, by the National Industrial Recovery Act. Through instrumentalities set up by that act every activity of every industrial and commercial enterprise in the United States is policed. According to the President's Executive order agencies of the Federal Government may not patronize, in the purchase of any of its supplies or equipment, any concern which has not subscribed to a code or the President's unemployment agreement.

This same proviso was embodied in the President's unemployment agreement, thereby binding all those who signed that agreement, whether a small individually owned store or a Nation-wide corporation, to boycott any and all concerns which did not subscribe to the N.R.A. This introduction into American social and economic life of that vicious, un-American weapon of a boycott, which is the most odious practice of European dictatorships, should condemn in the minds of all liberty-loving, upright citizens the entire new-deal administration, insofar as it is reflected in the practices of the N.R.A. Under the N.R.A. all the details of a business concern and all the processes in an industrial plant between the purchase of raw material to the sale of the finished product are rigidly regimented by rules and regulations not written by Congress but promulgated by bureaucrats.

What the National Industrial Recovery Act has done in the way of policing private enterprise in the field of industry and commerce, the Agricultural Adjustment Act, the Cotton Control Act, and the Tobacco Control Act have done to agriculture. No longer is the American farmer a free man. No longer is he allowed, under penalty of criminal prosecution, to till the acres of his own land which is his own property, honestly acquired and paid for out of the sweat of his own toil and the accumulations of his own thrift. It is incredible that the American farmer will long tolerate the practices which the "brain trust" have imported from Russia and sought to fasten upon him. For centuries the European peasant has bowed his neck and meekly accepted the yoke of arrogant officialdom, submitting without protest to the petty tyrannies and the burdensome exactions of a clique of officials located somewhere at the seat of his government.

But the American farmer should keep in mind during the approaching campaign that it was the Democratic Congress, carrying out the orders of a Democratic Executive and his "brain trust", which has sought to fasten upon American agriculture this system of serfdom, and which is asking a vote of approval at the hands of the American farmer in order that this Russian importation may become a permanent factor in the life of American agriculture.

The last Democratic Congress enacted legislation regulating exchanges selling stocks, securities, and commodities. Many of the provisions of this new legislation were needed. They were not opposed even by those officially connected with the various exchanges of the country. The dangerous part of the legislation, however, was clauses which will enable the new bureau, created by the legislation for the purpose of carrying out its provisions, to interfere with and to control, in a great measure, the business of all corporations whose stocks or securities are listed and sold on the stock exchange.

The last Democratic Congress enacted legislation looking to the control of all wire and radio communications. This carried with it the control of all corporations or companies engaged in such enterprises. It is claimed there is nothing strange in the provisions of this law; that it marks no departure from well-established practices of the Federal Government. It is argued that it is merely the extension to all wire communications of the principle involved in the interstate commerce law, which regulates all transportation companies. That is true, in a measure. But the menace in this law lies in the fact that it contains provisions which, in the hands of its administrators, may establish a censor-ship over the public press and the radio.

By various legislative enactments the last Democratic Congress has put the Government in complete control of all of our banking system and with it the granting or extension of all private credit. This also is an introduction into the American economic system of vicious practices which prevail in many European dictatorships. Under this system banking credit is not extended to the individual, the firm, or the corporation upon the basis of their assets, or their good character, or their ability, or, in the case of the business enterprise, its goodwill, its actual or reasonably sure market, only and except those seeking credit also subscribe to the political theories and practices of those who sit in places of authority.

Proof of this is found in the agreement drawn up for the banks by the Reconstruction Finance Corporation in September 1933, publication of which was made in the newspapers of October 1, 1933. That agreement stipulated that banks obtaining money from the R.F.C. for the purpose of making industrial loans would not be permitted to make any loans to any industry which had not subscribed to the rules and regulations set up by the N.R.A. or had not subscribed to the President's reemployment agreement.

This policy is further emphasized in the act passed this week, giving the R.F.C. authority to make industrial loans over a period of 5 years. It now develops that one of the conditions imposed by the R.F.C. is that industries extended credit under the provisions of that act must be members of the N.R.A.

As if all this bureaucratic control of the activities and processes of commerce and industry, agriculture, and finance were not sufficient to give this new-deal administration a stranglehold on all private industry and individual initiative, there has been erected a system of private corporations officered by appointees of the President and financed out of the Public Treasury by his direction. The articles of incorporation for these various set-ups were taken out in the State of Delaware. The recital of the powers and privileges of these various corporations forms the most astounding chapter in the economic history of this country. They put the United States Government squarely into every conceivable kind of private business as either a potential or

actual competitor of every individual, partnership, or corporation which is engaged in business.

Contrary to the publicity-seeking characteristics of the new deal, the setting up of these corporations, their purposes, their power, their officers, the method of their financing, have been kept from the American people insofar as any of the multitude of publicity agencies of this administration are concerned. There has been an attitude of secrecy, a lack of candor upon the part of the administration regarding these privately organized but publicly financed State corporations. Even the manual put out by the National Emergency Council, purporting to be the official administration textbook of all the Federal activities, studiously and adroitly conceals from the public the real characteristics and the significant import of these Delaware corporations.

The four outstanding Delaware corporations officered by appointees of the President, financed out of the Federal Treasury, and organized for the purpose of conducting any and all varieties of private business in the United States are, named in the order of the dates of the issuance of their certificates of incorporation, the Federal Surplus Relief Corporation, October 4, 1933; the Public Works Emergency Housing Corporation, November 16, 1933; the Federal Subsistence Homesteads Corporation, November 21, 1933; and the Electric Home and Farm Authority Corporation, January 13, 1934.

To show how the public has been misled by the officials of this administration regarding these corporations, the administration's statements regarding the organization of the Federal Surplus Relief Corporation will serve as an illustration. The preliminary announcement of the set-up of this Corporation was made from President Roosevelt's special train October 1, 1933, while en route to Chicago to address the American Legion Convention. It was handed to the press by the President's personal secretary, Mr. Stephen T. Early, and began as follows:

The President announced today he has instructed Harry L. Hopkins, Federal Relief Administrator, to take the leadership in prompt organization of a nonprofit corporation, of which Mr. Hopkins is to become chairman, for the purpose of buying the necessities of life and distributing them among the needy unemployed.

From that time on nothing was given out by administration circles regarding that Corporation, which obtained its charter in the State of Delaware 3 days after this announcement was made. It was incorporated under the title Federal Surplus Relief Corporation, with its principal office and place of business in the city of Wilmington, Del.

Instead of being merely a handy agency to buy surplus food products and redistribute them among the unemployed, thereby helping both the farmer and the idle laborer, it is quite another organization. It is empowered:

(a) "To perform any and all functions and exercise any and all powers that may be duly delegated to it" by either the Agricultural Adjustment Administration or the Public Works Administration or the Federal Emergency Relief Administration.

(b) It is empowered to accept grants and deliveries in any State, district, Territory of the United States, "or in any and all foreign countries of moneys, commodities, lands, or other property of any class, nature, or description."

(c) It is empowered "to carry on any or all of its operations and business and without restriction or limit as to amount to purchase or otherwise acquire, hold, own, mortgage, sell, convey, or otherwise dispose of real and personal property of every class, nature, and description in any State, district, Territory of the United States, or in any and all foreign countries."

Section 8 of the articles of incorporation stipulates that "all the books, records, papers, vouchers, and documents of this corporation shall, at all reasonable times, be open to the inspection of each member of the corporation", which clearly indicates that the incorporators regard this as a private corporation whose records are not to be public property. Obviously it would not be necessary to put that clause in if they regarded their affairs as being on an equal footing with

those of any of the regular Government departments or and protection have been wiped out. A subservient Demobureaus.

Section 6 provides the corporation "is to have perpetual existence."

Section 9 provides "the corporation reserves the right to amend, alter, change, or repeal any provision contained in this certificate of incorporation" in any manner provided by the statutes of the State of Delaware.

Without going into details regarding the powers given the other three Delaware corporations, it may be said that, in the aggregate, these privately incorporated organizations, financed by Federal funds and officered by Presidential appointees, invade practically every field of private enterprise, prepared to enter into active competition with whatever class of private industry or business they are authorized to conduct.

Among them they are incorporated to engage in manufacturing of all kinds of commodities; in the wholesale distribution and retail sale of those commodities, even to selling them on the installment plan and conducting a chattelmortgage-loan business in order to carry the customers; to engage in public transportation; to engage in the manufacture and distribution of gas and electricity, heat and steam; to construct, buy, sell, maintain, operate, or lease any and all kinds of structures, either factories, apartment houses, private residences, business blocks, storage plants, warehouses, and any and all structures of every description; to perform and do any and all acts done and performed by architects, engineers, general contractors and construction companies; to buy and sell real estate either in this country or in any foreign country; to buy and sell personal property either in this country or in any foreign country; to buy, sell, hold, use any franchises, patents, copyrights, inventions, licenses, concessions, trade-marks, either in this country or any foreign country; to construct power plants, operate mines, buy and sell or operate farm lands and commercial establishments; to enter into, make, and perform contracts of every kind and description with any person, firm, association, or corporation, either in this country or any other country; to make loans to any person, firm, association, or corporation in this country or any other country; "to manufacture, trade, and deal in goods, wares, and merchandise and personal property of every class and description"; to engage in a general brokerage business, buying and selling and turning to account or realizing upon any kind of securities, stocks, bonds, and so forth, created or issued by individuals, associations, corporations, syndicates, and so forth, "irrespective of their form or the name by which they may be described"; to underwrite in any manner any corporation and to guarantee the payment of dividends upon any stock, and the principal or interest, or both, upon any bonds or other obligations of any corporation; conduct mergers of corporations; to mortgage or sell any real or personal property or other assets.

This is done by the administration which was elected upon a platform which promised to remove the Federal Government from every field of private enterprise. It is being done under the direction solely of the President of the United States, who stood before the convention which wrote the platform and stated he was 100 percent in favor of it. Due to these privately incorporated organizations, any manufacturer may wake any morning to find the Government of the United States, financed out of the Federal Treasury, is his active competitor. Any merchant may learn any day of the Government's establishing a competitor next door to him or across the street, selling goods made by a Government factory and selling them on the installment plan, the whole operation financed and carried by the Federal Treas-Construction companies, transportation companies, public-utility companies, individual contractors, manufacturers of builders' supplies of any and all description are living in daily menace of such Government competition.

These are all in addition to the invasion of the field of private enterprise under other legislation which has been enumerated.

On top of all this, the American people find that after 15 months of the new deal their constitutional guaranties

and protection have been wiped out. A subservient Democratic Congress has surrendered its constitutional power to levy taxes and tariffs, to control the kind and volume of the Nation's money, to regulate the expenditure of the public's funds, to regulate foreign and interstate commerce.

What is the effect?

Let labor give its testimony. In the June issue of Monthly Survey of Business, issued by the statistical department of the American Federation of Labor, in giving figures showing that there were still 10,600,000 unemployed in April of this year, the following comment is made:

It is clear, with the end of spring activity, that business is not yet ready to go ahead on its own and must still depend on Government funds. Business firms still do not feel justified in borrowing money for expansion or the replacement of equipment that would put millions of men to work and start business going, and banks are not ready to loan money for such undertaking.

\* \* Business men have not enough confidence in the future to undertake the financial commitments necessary for the work. In the last month business confidence has collapsed, and many firms are reducing their activities to the barest minimum.

What caused this loss of confidence? Chiefly the difficulties of major economic adjustments now in process. Business men postpone every possible expense because they see ahead no sure promise of profit. Regulation of industry by the codes, regulation of the stock market by new legislation, regulation of banks for deposit insurance, all necessitate major adjustments on the part of business. Added to this is the uncertainty as to what further regulation and what monetary measures Congress might pass and the lack of any satisfactory agency with authority to adjust labor difficulties.

The survey states that in the heavy or durable-goods industries alone there are 3,300,000 individuals out of work and that unemployment is centered in those durable-goods industries. The survey further states that there are 2,700,000 more unemployed who would be put back to work if the durable industries became active. This additional 2,700,000 would be employed in transportation and consumers' goods activities.

What is holding up the durable-goods industries? A committee representing those industries was selected March 7, 1934, at the request of General Johnson, Director of the N.R.A., for the purpose of making an investigation and a report regarding the situation in the durable-goods industry. This committee made its report as of May 14, 1934. Here are some of the things it stated:

Business cannot make long-range plans without assurance that our monetary policies will not be subject to sudden and arbitrary changes. Such changes destroy confidence and work against economic recovery. \* \* A stabilized dollar is needed in order that business may again plan for the future.

Here is another one of its conclusions:

Government can do no one thing as important as to encourage a widespread public confidence by exhibiting its own firm faith in recovery and by refusing to countenance measures that are inconsistent with our existing economic system.

And here is another of its conclusions:

Measures for coercive Government control of industry are inconsistent with American principles, and such measures can have no other effect than to kill confidence and indefinitely delay recovery.

In another statement issued by this committee, under date of April 12 and addressed to the N.R.A. code authorities and code committees, it pointed out that in the durable-goods industries, directly and indirectly, there were 5,000,000 unemployed, and that the first requirement "for even partial recovery in these industries" is "the restoration of confidence in the Government's future policies."

In that same statement the committee said:

The conclusion is clear that we are gradually enforcing the nationalization of productive wealth. Increasing amounts of Government money in productive enterprises must inevitably result in an increasing degree of direction, regulation control and operation by Federal agencies.

Labor testifies that the failure of the recovery program is due to the program itself; that it breeds fear instead of confidence; that it tears down instead of building up; that it adds to the confusion and uncertainty instead of making the way clear and the path smooth.

Industry testifies the failure of the so-called "recovery program" is due to the fact it has destroyed confidence

among those who would employ 5,000,000 men now idle, that | it has destroyed this confidence by giving support to measures that are inconsistent with our existing economic system, that it has introduced the principle of coercion and compulsion into the American economic system, and that these elements are foreign and obnoxious to the American individual.

But these things which labor and industry say are preventing recovery are just the things which Secretary Tugwell, acting as spokesman and interpreter of the new deal, states must be done. Again read his words as to what the program of economic planning under the new deal means:

New discipline, revised legal structures, unaccustomed limitations on activity, are all necessary if we are to plan. \* amounts practically to the abolition of business. \* \* is what planning calls for. That

We have a century and more of development to undo. The first series of changes will have to do with statutes, with constitutions, and with governments. \* \* And it will require the laying of rough, unholy hands on many a sacred precedent, doubtless calling on an enlarged and nationalized police force for

The next series of changes will have to do with industry itself. It has already been suggested that business will logically be required to disappear. This is not an overstatement for the sake of emphasis. It is literally meant.

In his inaugural address President Roosevelt stated the factor which had to be combated was fear. Yet 15 months of his administration have only increased and accentuated fear.

Fear among all Americans who revere their Constitution and regard it as a guaranty of their liberties.

Fear among every individual who knows that the Government he was taught to respect and to which he looked for protection has practically disappeared, to be replaced by a government of bureaucrats whom he did not elect, over whose actions he has no control and from whom he can demand no accounting.

Fear among everyone who has any investment because by this time it is perfectly apparent that the main objective of this new-deal administration is to punish those who have earned and saved money, to redistribute wealth by taking it from those who have been thrifty and passing it to those who have been and still are shiftless.

Fear among those who have investments in any sort of productive enterprises because the avowed purpose of the new deal, under the Tugwell philosophy, is to wipe out the system of private profits, which means wiping out dividends and all other forms of return on investment in any kind or productive enterprise, commercial, industrial, financial, or otherwise.

Fear among those who have acquired property in any form; they have seen the President of the United States issue an edict confiscating all gold money and gold certificates, and making, by Executive decree, a criminal of the American citizen who dared defy that edict. No one disputed that those who possessed gold possessed it lawfully and honorably. When they came in possession of it and at the time of the President's edict, it was the standard of our monetary system. It was legal tender over every counter in the country. It merely represented property, something the holder of it had acquired either through sale of his labor, his services, or some of his material assets. That he preferred to hold what he had accumulated in the form of gold was nothing criminal. It was not reprehensible. It was merely the exhibition of thrift and integrity. It was on all fours with every other kind of property insofar as it represented the honest possession of a competence honestly

They have seen a subservient Congress give the President power to do exactly the same thing in regard to silver

They have seen the executive agencies of the Government confiscate an arbitrary percentage of American farms under an edict that the man who owned the farm could not use that percentage of it to assist him in earning a livelihood statement as of June 15, 1934, we find the following facts:

and reaping a return from his investment. They have seen these same agencies issue an edict that on the remaining portion of his farm the farmer could not sow and reap certain crops; or, if he did, they could be planted and harvested only in limited quantity.

They have seen another Federal agency arbitrarily decree that an industrial plant must close down because it refused to acknowledge either the legality or the economic common sense of a regulation set up by that agency.

They have seen other industrial plants denied the permission to increase their efficiency, to improve their equipment. because such action ran counter to another arbitrary rule set up by this agency.

They have seen thousands of wage earners, eager to work. able to work, satisfied with the conditions, wages, and hours of their employment, forced into idleness because of the edict of some Washington bureaucrat clothed with a little brief authority by the new-deal administration.

All this is being done in the name of "planned economy." But seeing these things a matter of daily occurrence, what feeling of security can rest in the minds of any American that tomorrow his property, be it land or gold, may not be seized under some new regulation of new-deal bureaucracy?

Why should anyone having an accumulation desire to invest it in any sort of enterprise that might reap a reward for themselves and furnish employment to others, in the face of the announced policy of the new deal and its master spokesman, that one of the prime objects of this administration is to abolish private property and transfer all private enterprise to Government control and operation?

We are reminded of a passage in the Federalist, written almost 150 years ago:

What prudent merchant will hazard his fortunes in any new what product will hazard his fortunes in any new branch of commerce when he knows not but that his plans may be rendered unlawful before they can be executed? What farmer or manufacturer will lay himself out for the encouragement given to any particular cultivation or establishment, when he can have no assurance that his preparatory labors and advances will not render him a victim to an inconstant government? In a word, no great improvement or laudable enterprise can go forward which requires the auspices of a steady system of national policy.

It is this system which the new deal desires continued. It is approval of these policies and a commission from the people to continue them that it seeks in the approaching congressional elections. In order to gain favor it is using funds out of the Federal Treasury literally to purchase its continuance in power.

Already high officials of this administration are traveling over the country, telling the public how much money the administration is pouring into their communities in the form of relief work, bonuses, loans, and so forth, and then raising the question as to whether it would not be base ingratitude upon the part of the voters of that community, in view of the favors granted them by the administration, to refuse to give it a vote of confidence.

Such tactics should condemn the new deal in the mind of every reputable citizen rather than furnish a motive for his support of it. It should be an insult to the intelligence and the patriotism of every American citizen to whom such a plea is addressed, either directly or indirectly, either by word of mouth or by written propaganda turned out from any one of the more than 100 press bureaus established in Washington under this administration and paid for out of the funds of the Federal Treasury.

In the first place, the hundreds of millions of dollars which this administration is pouring into the several communities does not belong to it. It belongs to the American people. Every dollar given away for any purpose the American people have to replace through the medium of heavy taxes. It might be interesting to reduce this situation to some common denominator that is readily understood.

This fiscal year began July 1, 1933. It closes June 30, 1934. Taking the figures from the United States Treasury Receipts, expenditures, and deficit for the first 350 days of the fiscal year ending June 30, 1934

(July 1, 1933, to June 15, 1934)	
Receipts	\$2, 907, 571, 953
Expenditures	6, 669, 095, 044
Deficit	3, 761, 523, 091
Reduced to per diem basis:	
Receipts	8, 307, 348
Expenditures	19, 054, 557
Deficit	10, 747, 209
On basis of per minute:	
Receipts	5, 769
Expenditures	13, 232
Deficit	7, 463
	And the second s

In the first 350 days of this fiscal year under the new deal the Government spent \$2.29 for every \$1 it took in.

Pledged to eliminate Government commissions and bureaus or reduce their number, pledged to public economy to the extent of reducing the expenditures of our Government 25 percent, this administration has within 350 days created the greatest peace-time deficit ever known in the history of America. It has set up between 40 and 50 new bureaus, each one with the avowed purpose of spending the taxpayer's money and regimenting his life and activities. Congress in its closing days authorized the creation of four more bureaus to spend money to put private enterprise in a strait-jacket. To man these new bureaus the new deal has added to the Federal pay roll 80,621 employees. On February 28, 1933, 4 days before this administration came into power, the number of Federal employees, both within and outside of the District of Columbia, was 563,487. As of April 30, 1934, the total number of Federal employees was 644,108. These figures are taken from the official reports of the United States Civil Service Commission.

Furthermore, it is a matter of national scandal that this addition in the number of Federal employees is not necessary for the conduct of the Government's business, even with the addition of between 40 and 50 new bureaus. The bulk of this additional Federal pay roll is purely political patronage. The bulk of the increase in the number of employees is in the new bureaus, all of which, under legislation, are exempt from civil service, and all of which are being jammed with henchmen of followers of this administration. This is evidenced by the figures given out as of April 30, 1934, by the United States Civil Service Commission. (See table B.)

Table B.—List of Federal agencies not under civil service, together with the number of employees they had as of April 1934

Department or office	In District of Colum- bia (total)	Outside District of Columbia	Grand total
Merchant Fleet Corporation	372	96	'468
Railroad Administration	7		7
War Finance Corporation	264	29	2
Farm Credit Administration	2, 439	5, 239	293 7, 678
International Joint Commission	2, 303	0, 200	6
International Boundary Commission, United		7777777	
States, Alaska, and Canada	5		5
International Boundary Commission, United		AND STATE	
States and Mexico.		26	26
Reconstruction Finance Corporation	1,471	1,731	3, 202
Federal Home Loan Bank Board	299 159	1 29	300 188
Civil Works Administration	362	15	377
Federal Surplus Relief Corporation		5	183
Federal Coordinator of Transportation	99	24	123
Tennessee Valley Authority	24	9, 149	9, 173
Federal Emergency Administrator of Public	Super S	141 00	
Works	2, 147	1, 432	3, 579
National Industrial Recovery Administration. National Labor Board	2, 989	705 89	3, 694 137
Central Statistical Board	13	09	13
National Recovery Review Board	29		29
Home Owners' Loan Corporation	1, 552	12, 246	13, 798
Emergency Conservation Work:	310		
Director's office	40		49
Agriculture	81	12, 873	12, 954
InteriorLabor	154	5, 822	5, 976
War	558	5, 438	5, 996
Treasury, Public Health	303	8	8
Commodity Credit Corporation	51	15	66
Export-import banks	4		4
Office of Special Adviser to the President on Foreign Trade	39		39
Total	13, 402	54, 972	68, 374

At the close of business June 30, this year, this Government will have an interest-bearing public debt of not less

than \$29,500,000,000—a greater public debt than existed at the end of the World War. The closing days of this Congress authorized a specific increase of \$1,500,000,000 to this public interest-bearing debt. The President himself estimated that to meet the promises this administration has made for the coming fiscal year there will be a deficit next year of not less than \$3,000,000,000, which would add that amount to the interest-bearing public debt.

So the American people face the carrying of a public debt of not less than \$35,000,000,000. Already 40 percent of our national income, which means the total amount of income of all people of all classes, represented by wages, fees, dividends, and so forth, is consumed in taking care of the expenses and interest charges of our National, State, and local governments. Notwithstanding that fact, this administration continually piles up new taxes to eat up more of our aggregate income and wealth.

The last session of Congress, by the new revenue act, added \$417,000,000 to the Nation's taxes.

In addition to this, the Secretary of Agriculture, under the vast powers given him by Congress, during the last 5 months of 1933 added \$150,000,000 in processing taxes on seven agricultural products. The last session of Congress increased this number by 6, making 13 agricultural products upon which processing taxes will be levied this year. It is very conservative upon this basis to assume that this year the Secretary of Agriculture will levy over \$300,000,000 of special taxes on our Nation's industries.

The National Recovery Administration, under the power vested in it by the President, who, in turn, exercised his authority by reason of Congress abdicating its rights, is now levying upon all those under a code a special tax which it is estimated will amount to \$150,000,000.

In addition, the increase in gasoline taxes and prices as the result of the N.R.A. and the oil code is \$1,000,000 a day to the motorist, or \$365,000,000 a year. This is an increase over and above what the motorist previously paid.

Summing it up, we find this administration, which promised to bring about economy and a lightening of the burdens upon the people, has added \$417,000,000 in taxes directly by an act of Congress, \$450,000,000 more in special taxes levied against industries which are passed on to the people in the price of everything they buy, and \$365,000,000 levied upon those who own and operate motor vehicles. This is an additional burden of \$1,232,000,000 placed upon the backs of the people by this administration in less than 1 year, and despite this additional revenue it is paying out every minute of the 24 hours of every day \$7,463 more than it is collecting.

Well might the people of today exclaim in the language of the Declaration of Independence:

He has erected a multitude of new offices and sent hither swarms of officers to harass our people and eat out of their substance.

The issue before the people to be settled at the coming congressional election is whether or not they approve of these practices which are bankrupting our Government, making impossible recovery of material prosperity, and leading to the certain destruction of the liberties of every American citizen.

It is said the new deal appeals to the youth of the land, that it fulfills their ideal of what a government should be. I challenge the accuracy of that statement. There is nothing in the new deal which should appeal to any young man or young woman desirous of winning for themselves a place of responsibility, honor, and independence; of accumulating for themselves a competence and of leaving to their children political and economic conditions better than they themselves have experienced.

What is there in the new deal that appeals to the rising generation? Under its philosophy of government they are all to be cut according to the same model. No one is to be permitted to step ahead of his associates. Ability is to count for nothing. Initiative is ruled out. Individualism is to be made a penal offense under the regimentation visioned and partly realized by the new deal.

The rising generation desiring to enter into any line of business or industry or agriculture would find advancement upon the basis of intelligence, industry, thrift, and diligence is forbidden beyond a certain point, which point is fixed by a bureaucrat in Washington.

How he might run his business or his factory or his farm would be made the subject of a series of bureaucratic orders. The wages he might pay for his labor and the prices he might ask for his products would be determined neither by the industry or value of those he hired or the quality of the article he produced and the public demand for it, but by a regulation decided upon by some bureaucrat in Washington who had no first-hand knowledge or practical experience in operating any of the enterprises for which he writes rigid regulations.

If the philosophy of the new deal prevails—and it will prevail if the people this fall elect another subservient Congress—the young man of today who will become the business man of tomorrow will have no voice whatever in the management of his business. The conditions under which he may buy and sell, the hours he may keep his place of business open, the conditions under which he may operate his business, even to the character of his advertising, will be communicated to him in an order from Washington.

The young man of today who may become the farmer of tomorrow will be told how much of his land he must keep unproductive, receiving from it no income whatever. He will be told what kind of crops he may raise upon that portion of his farm which he is permitted by a Washington bureaucrat to cultivate. There will be a limit set even upon the amount of such products he may raise. He will be told the conditions under which he must market those products. Nothing is to be left to his judgment or his needs.

In other words, the rising generation will have the door of opportunity closed. They will all be reduced to a mere cog in the machinery of a Russianized form of government. They will all be working for the State rather than for themselves. They will all be reduced to the dead level of that mediccrity which prevails in every country which denies to the individual the right to exercise his talents to the utmost—to risk, to venture, to pioneer, and, if successful, to reap the profits of his initiative.

In addition the rising generation will face the necessity of paying off the debts incurred by this new deal, even though its philosophies are rebuked next fall. This burden alone will make it increasingly difficult for the future generation to get ahead. Nothing renders industry and thrift, both upon the part of the individual and of the community, so futile as the taxgatherer, who makes his regular rounds to take from those who have practiced thrift and industry their accumulations. Nothing so deadens ambition as the certain knowledge that one will not be permitted to enjoy the fruits of one's efforts, but will be compelled to turn it over to pay the bills of a profligate Government.

And, finally, the rising generation, if the philosophy of this new deal is approved at the polls, will face a bureaucratic Government which has practically nullified our Federal Constitution. That is the most serious of all prospects, for the Constitution was written not for the rich or the strong or those who occupy places of authority or sit in the seats of the mighty, but for the humble citizen.

The moment the guaranties of the personal rights of the individual citizen are abolished by the nullification of the Constitution, it then becomes a struggle for the survival of the strongest and the most powerful. Every man is then free to invade the field of every other man's rights. Such a process has but one conclusion. Those who have the power, the wealth, and the cunning control the Government and compel all others to do their bidding. Surely the youth of this country are not prepared to endorse any administration which seeks to bring about any such conditions.

The American people today face much the same general situation they faced in the years immediately prior to the Civil War, the years which witnessed the organization of the Republican Party. The American people of today would do well to emulate the example of the American people of that

period. They realized the real issue was the continuance of this Government under the Federal Constitution. Nothing else mattered. All other issues were trivial. All over this land in that period men gathered in informal meetings and in formal conventions and resolved that, regardless of their former party affiliations or their individual views upon economic policies, they would band themselves together and stand and fight until it was determined that this country should remain a nation of free people, with a constitutional government that protected the liberties of the most humble citizen and guaranteed to him the right to win his way in the world to whatever heights his ability, his thrift, his sobriety, his industry entitled him.

The Republican Party stands for that philosophy of government. That right and opportunity it guarantees to the young man and young woman of today if it is permitted to control the destinies of this Nation.

### EXTRAVAGANCE

Mr. TABER. Mr. Speaker, the money that the first and second sessions of the Seventy-third Congress have made available to the administration to spend on new-deal experiments presents an unheard-of picture of extravagance.

In throwing together the figures which make up this story we are obliged to include every item where the Congress has made funds available to the administration to spend or to loan where either a direct charge comes on the Treasury or a bond obligation comes on the Treasury.

The total for the first session, ending June 16, 1933, was \$4,619,097,956.25. The total for the second session was \$17,596,167,376.88, and the grand total for the Seventy-third Congress was \$22,215,265,333.13.

I am submitting with this a detailed statement of what this money was for. Every single item is covered by a law. There is not one cent of this money which either has not been spent, or cannot be spent by the Executive without asking the permission of Congress. There is not one cent of obligations to be incurred that cannot be incurred by the Executive without any further permission or action by Congress.

It is a record of extravagance and disregard of any sense of responsibility to the taxpayers of the United States beyond the wildest dreams. The Federal deficit for these 2 fiscal years, 1934 and 1935, will run approximately \$16,000,000,000. They have made these appropriations without having any money in the Treasury to meet them, or any prospects of any money except such as comes from sale of Government securities.

The very size of these appropriations tends to destroy business confidence and to prevent the recovery which those of us who have been fighting for recovery want to see. We will never be able to stop these expenditures unless we put taxes enough on the people each year to meet what we are paying out, and wake them up to a sense of what is going on here in Washington.

The Government admits to a national debt now of \$1,000,000,000 above the war-time peak, but in figuring that up they have omitted all existing liabilities on guaranteed bonds which run into several billions of dollars.

For purposes of comparison I have prepared a table, which I submit, showing the appropriations by Congresses covering the Seventy-first, Seventy-second, and Seventy-third Congresses so that the people can see what has happened in the Seventy-third Congress under the Democratic administration. Each Congress covers a period of 2 years. The Seventy-first and Seventy-second Congresses were under a Republican President.

The Seventy-third Congress shows the result of the Democratic spending program with average appropriations of \$11,000,000,000 a year:

 Seventy-first Congress
 \$8,706, 203, 659. 81

 Seventy-second Congress
 9, 102, 421, 764. 87

 Seventy-third Congress
 22, 215, 265, 335. 13

Including governmental corporations, our national debt is at least thirty billions. It is increasing at the rate of approximately forty million for each day of the week, including Sunday. If it continues at the same rate for a year, our national debt will be between forty-two and forty-five billions at the end of the fiscal year 1935.

The spending program is destroying confidence in business. It is keeping people out of legal gainful employment and throwing countless millions on relief rolls. It is preventing the return of prosperity, and the only way we can ever bring recovery about is to stop such gigantic spending.

The salvation of the country lies in the election of a Republican Congress this fall.

## APPROPRIATIONS BY SEVENTY-THIRD CONGRESS First session

First session	
Capital stock, Federal Deposit Insurance Corpo	
ration	\$150,000,000.00
Agricultural Adjustment Administration	_ 100, 000, 000. 00
Emergency Banking Act	2,000,000,00
Miscellaneous items	22, 600, 600, 66
District of Columbia	
Federal savings-and-loan associations	
Independent offices	_ 625, 642, 286. 00
Federal land banks	_ 50,000,000.00
First deficiency bill	994, 597, 55
Fourth deficiency bill	3, 610, 062, 630. 04
Total	4, 619, 097, 956. 25
Second session	
Regular:	
Agriculture	62, 621, 673.00
District of Columbia	35, 411, 177. 94
	E00 E74 714 00
Independent offices	
Interior	
Legislative	
Navy	_ 284, 658, 799.00
State, Justice, Commerce, and Labor	_ 88, 884, 522.00
Treasury and Post Office_ \$819, 721, 370, 0	0
State, Justice, Commerce, and Labor Treasury and Post Office \$819, 721, 370.00 Treasury permanent 1, 363, 494, 072.00	Ō
	- 2, 183, 215, 442.00
War	316, 228, 991. 00
Total	3, 616, 145, 232. 94
Extra:	
Relief and C.W.A.	_ 950, 000, 000. 00
Salaries of governmental employees	_ 90, 000, 000. 00
Veterans' increases	_ 100, 000, 000. 00
Farm loan	
Crop-production loan	
Cash in deficiency bill	
DEC to deficiency bill	
R.F.C. in deficiency bill	. 750, 000, 000. 00
Appropriation of allocated funds in P.W.A	
allotments carried in deficiency bill	_ 1,500,000,000.00
Gold stabilization fund	2,000,000,000.00
Chinch-bug appropriation	
Housing insurance fund	200, 000, 000. 00
Insurance on mortgages on existing loan	
and low-cost housing projects	1,000,000,000.00
Savings-and-loan insurance corporations	100, 000, 000.00
Increase in bond canacity of Home Owners	The state of the s
Loan Corporation	1, 200, 000, 000.00
Home Owners' Loan Corporation bone	1
guaranty	2,000,000,000.00
Federal farm-mortgage bond guaranty	
	23, 862, 750. 78
Philippines—bill to pay bonus on money	
Miscellaneous deficiency resolution	121, 000. 00
Miscellaneous deficiency resolution	121, 000. 00
Miscellaneous deficiency resolution  Second session, extra Second session, regular	121, 000. 00
Miscellaneous deficiency resolution	121, 000. 00 13, 980, 022, 143. 94 3, 616, 145, 232. 94
Miscellaneous deficiency resolution  Second session, extra Second session, regular  Total, second session	121, 000. 00 13, 980, 022, 143. 94 3, 616, 145, 232. 94 17, 596, 167, 376. 88
Miscellaneous deficiency resolution  Second session, extra Second session, regular	121, 000. 00 13, 980, 022, 143. 94 3, 616, 145, 232. 94 17, 596, 167, 376. 88
Miscellaneous deficiency resolution  Second session, extra Second session, regular  Total, second session	121, 000. 00 13, 980, 022, 143. 94 3, 616, 145, 232. 94 17, 596, 167, 376. 88 4, 619, 097, 956. 25

ON THE MERITS OF THE JENKINS AMENDMENT TO THE CARTWRIGHT ROAD BILL

Mr. JENKINS of Ohio. Mr. Speaker, the Jenkins amendment provides that of all money provided in the Cartright bill, 25 percent is to be used for the improvement of rural mail routes, school bus routes, and country roads generally.

The Cartwright road bill marks a long step forward in road legislation. The legislation that provided \$400,000,000 for roads in 1933 was a part of the National Industrial Recovery Act. The Cartwright bill is a road bill all to itself. It deals only with roads. It provides \$200,000,000 for road construction. This money is to be allocated much as was provided in the N.I.R.A. Act. That act provided, in effect, that the funds should be allocated, 12½ percent to be distributed among the States according to population and the balance

to be distributed to the States according to area, mileage of roads, and population. Under this allocation, Ohio was allotted approximately sixteen millions. The law was ambiguous as to how this money should be divided when once secured by the States. It provided that the money might be spent "on secondary or feeder roads to be agreed upon by State highway departments and the Secretary of Agriculture."

The State director of highways in Ohio interpreted this language to mean that "feeder roads" meant State feeder roads. This interpretation would confine expenditures from this \$16,000,000 fund to the principal or primary roads and would prevent expenditures on secondary or county and township roads. I maintained that this was not the reasonable interpretation, and my views were shared by many of my constituents. By way of preparation for protest, Mr. Chauncey Fife, then the highly esteemed and highly qualified county surveyor of Gallia County, but now deceased, and myself made investigations that confirmed our early opinions. To compel a change in the system of distribution carried on by the State highway department we made an appraisal of public sentiment among county and township officers and among rural mail carriers and school-bus drivers and school authorities generally, and found that the sentiment was overwhelmingly opposed to the discrimination that was being practiced against county roads. This sentiment was crystallized by meetings of many interested persons in many different sections of my congressional district. Finally a delegation of about 150 persons visited Governor White, demanding that at least 25 percent of all moneys received from the Federal Government should be used for feeder roads, including school-bus routes and rural mail routes. The Governor received the party cordially and gave indications that he approved their demands. Before a definite decision could be exacted from the Governor or his director of highways the C.W.A. plan of emergency relief was put into effect, and relieved the situation somewhat; but it did not decide the question or establish any definite plan of distribution.

When the Cartwright bill came up for consideration in the United States House of Representatives it carried the same indefinite language with reference to distribution of the money as the former act carried. I determined that the language should be changed and made more favorable to those who live on and travel the country roads. I therefore proposed the Jenkins amendment, which is as follows:

Provided further, That not less than 25 percent of the apportionment to any State shall be applied to secondary or feeder roads, including farm to market roads, rural free delivery mail roads, and public school bus routes.

The Jenkins amendment was opposed by those in charge of the passage of the Cartwright bill, but after a vigorous fight and when the merit of the amendment was appreciated it passed by an overwhelming vote. Because of the fact that this amendment brings relief to all the rural sections of the United States it means tremendous improvements to country roads and has been given much favorable newspaper comment. The effect of this amendment in Ohio will be that it will provide that 25 percent of all money received by the State from the Government must be spent on the country roads. If this Jenkins amendment had been in force last year the State Highway Department of Ohio would have been compelled to spend \$4,000,000 on country roads, while as a matter of fact only about \$600,000 was spent on them.

The county commissioners and county engineers and county trustees and other interested officers and individuals should immediately inform themselves on this subject so that they might better be able to know and to protect their rights.

The first installment of \$200,000,000 as provided under the Cartwright bill will be ready for distribution in the near future. Ohio should get approximately \$8,000,000 out of this. Two million of this eight million must be spent on country roads.

I am sure that the people of my district and of my State will approve of the change of distribution provided in this

Jenkins amendment. It will prevent politically minded sound policy to pursue, particularly if complete Pan Ameri-State highway directors from using all this money to perpetuate political machines. One-fourth of this money will have to be spent where the county commissioners and county engineers and township officers will know about it. Likewise one-fourth of the money will go toward employing men who live in the country and who would like to get a few days' work with their teams to earn money with which to pay their taxes and other obligations. And again, money spent on main thoroughfares is spent largely for machinery and material, while money spent on country roads is spent largely for labor.

CONGRESS DELEGATES TO THE PRESIDENT ITS POWERS ON THE TARIFF AND TREATIES

Mr. McFADDEN. Mr. Speaker, in a speech that I delivered in the House of Representatives on January 20, 1934, I referred to the advisability of the United States launching a bilateral treaty-making policy and outlined how these negotiations should be instigated and carried out. Since giving more mature thought I am thoroughly convinced of the soundness of this suggestion and that it is the only

only for the United States but for the North, Central, and South American countries.

Now that the Congress has, through the various enactments, given President Roosevelt full authority, it will be interesting to note just how he deals with this treaty-making policy affecting the United States so vitally in its relationships.

I desire now to call your attention to a speech which I delivered on March 22, 1934, which appears on page 5053 of the Congressional Record, wherein is inserted a tabulation entitled "World investments of Great Britain and the United States", which appears on pages 5061 and 5062. In that tabulation, in the heading of "Countries", you will find under the subheading "British Dependencies" that Canada is indebted on investment accounts to Great Britain in an amount of \$3,100,740,000 and to the United States in an amount of \$4,389,000,000. I am now calling your attention to the detailed particulars of these investments made by Great Britain and the United States, which are contained in the following tabulations:

Condensed statement showing amounts of capital invested in each Province of Canada by the United States of America, Great Britain, Canada and all other nations

	United States of America	Great Britain	Canada	All other na- tions	Aggregate
Ontario	395, 038, 749 66, 986, 956 32, 633, 470 22, 323, 163 13, 893, 061 22, 323, 163	\$341, 829, 553 469, 385, 535 79, 505, 214 38, 773, 674 26, 529, 356 22, 447, 916 26, 529, 356 14, 585, 037 1, 020, 359	\$732, 551, 123 1, 005, 839, 094 170, 289, 187 83, 095, 335 56, 854, 725 48, 107, 837 56, 854, 725 30, 314, 078 2, 186, 721	\$11, 815, 340 16, 224, 049 3, 126, 386 1, 340, 247 917, 001 775, 932 917, 001 493, 775 35, 269	\$1, 373, 876, 822 1, 886, 517, 427 319, 887, 743 155, 842, 744 106, 629, 245 90, 224, 746 106, 629, 245 57, 415, 747 4, 101, 124
Total railways.		1, 020, 577, 000 24, 88	2, 186, 122, 843 53. 32	35, 645, 000 00, 86	4, 101, 124, 843 100
PULP, PAPER, AND LUMBER  Quebec. British Columbia New Brunswick Nova Scotia Manitoba Saskatchewan Prince Edward Island	219, 875, 022 58, 235, 928 37, 033, 787 9, 287, 638 2, 112, 281	\$43, 589, 532 58, 267, 426 15, 432, 645 9, 829, 945 2, 461, 263 553, 759 267, 355 54, 674	\$61, 319, 026 81, 906, 967 21, 709, 709 13, 823, 153 3, 462, 351 787, 437 376, 100 76, 914	\$2, 528, 899 3, 380, 455 895, 344 570, 206 142, 703 32, 475 15, 510 3, 171	\$271, 924, 723 363, 459, 870 96, 273, 646 61, 322, 181 15, 354, 105 3, 491, 952 1, 667, 843 341, 074
Total pulp, paper, and lumber		130, 462, 619 16. 03	183, 526, 657 22, 55	7, 568, 943 0. 93	813, 865, 391 100
Ontario . METAL INDUSTRIES  Quebec . British Columbia . Manitoba . Alberta . Nova Scotia . Saska tchewan . New Brunswick . Prince Edward Island	164, 179, 310 38, 210, 110 18, 615, 183 10, 777, 209 12, 736, 702 6, 858, 224	\$20, 955, 630 15, 281, 451 3, 553, 346 1, 731, 117 1, 002, 225 1, 184, 443 637, 780 1, 184, 448 45, 555	\$206, 033, 198 149, 898, 997 34, 938, 067 17, 020, 135 9, 853, 763 11, 645, 355 6, 270, 576 11, 645, 355 447, 899	\$5, 216, 030 3, 853, 437 884, 457 430, 889 249, 462 294, 819 158, 748 294, 819 11, 339	\$457, 546, 518 333, 213, 225 77, 583, 985 37, 797, 321 21, 882, 659 25, 861, 324 13, 925, 328 25, 861, 324 994, 666
Total metal industries.  Percentage		45, 576, 000 4. 58	447, 751, 345 45. 03	11, 394, 000 1, 14	994, 666, 341 100
Ontario	65, 849, 400 94, 731, 300 26, 942, 830 3, 249, 590 2, 131, 000 1, 784, 700	\$23, 845, 000 12, 744, 300 12, 477, 940 5, 388, 560 3, 976, 000 1, 411, 200 1, 947, 300 1, 753, 700	\$99, 298, 230 67, 659, 600 70, 889, 260 34, 978, 491 10, 769, 700 1, 397, 700 2, 347, 500 139, 170, 719	\$32,770 78,700 289,500 47,149 27,800 5,100 18,500 69,281	\$302, 938, 900 146, 332, 000 178, 388, 000 67, 357, 000 18, 020, 900 4, 945, 000 6, 098, 000 142, 943, 000
Total mining	376, 397, 000 +43, 41	63, 544, 000 +7. 34	426, 511, 200 +49, 19	568, 800 + 0.06	867, 021, 000 100
CENTRAL ELECTRIC, ELECTRIC PAILWAYS, AND TELEPHONES Ontario Quebec British Columbia Manitoba Alberta Saskatchewan Nova Scotia New Brunswick Prince Edward Island Yukon	159, 632, S18 39, N30, S86 28, 558, 998 20, 439, 326 19, 717, 861 12, 313, 546 10, 155, 261 554, 704	\$48, 251, 498 37, 574, 780 9, 330, 034 6, 719, 032 4, 821, 018 4, 639, 496 2, 897, 775 2, 289, 473 130, 518	\$144, 104, 619 147, 281, 029 30, 601, 031 26, 333, 057 18, 894, 269 18, 182, 862 11, 358, 804 9, 364, 693 511, 524 872, 000	\$6,009,015 4,679,373 1,163,039 836,763 600,387 577,781 360,875 297,573 16,254	\$448, 434, 000 349, 203, 000 86, 794, 03 62, 445, 000 44, 805, 00 43, 118, 00 26, 931, 00 22, 207, 00 872, 00
Total Percentage	541, 239, 378 +49, 83	116, 762, 674 +10, 75	413, 483, 888 +38, 07	14, 541, 060 +1, 33	1, 086, 027, 00

Condensed statement showing amounts of capital invested in each Province of Canada by the United States of America, Great Britain, Canada, and all other nations—Continued

		CONTRACTOR OF THE PARTY OF THE	Application of the second	abalanda ilinasista katala la		- Continuous
	The first promite six summer for	United States of America	Great Britain	Canada	All other nations	Aggregate
Quebec Manitoba British Columbia Saskatchewan Alberta Nova Scotia	TRADING ESTABLISHMENTS	40, 770, 620 12, 651, 554 11, 608, 582 10, 941, 219 9, 426, 608 5, 606, 638	\$30, 217, 068 22, 629, 368 6, 995, 900 6, 419, 171 6, 050, 140 5, 212, 278 3, 092, 958 2, 717, 753 380, 364	\$323, 273, 371 240, 975, 381 74, 844, 734 68, 674, 667 64, 726, 644 55, 762, 882 33, 164, 502 29, 075, 534 4, 069, 285	\$2, 422, 292 1, 852, 631 560, 812 514, 580 484, 997 417, 832 248, 502 217, 863 30, 491	\$410, 558, 000 306, 228, 000 95, 053, 000 87, 217, 000 82, 203, 000 70, 819, 000 42, 119, 000 5, 168, 000
		151, 252, 000 +13. 31	83, 722, 000 +7. 36	894, 567, 000 78. 74	6, 750, 000 0. 59	1, 136, 291, 000
Ontario Quebec British Columbia New Brunswick Nova Scotia Alberta Manitoba Saskatchewan	MISCELLANEOUS INDUSTRIES	126, 598, 979 51, 960, 481 12, 747, 455 11, 647, 525 8, 328, 621 6, 633, 868 2, 213, 002	\$272, 104, 055 148, 541, 496 61, 021, 669 14, 970, 434 13, 678, 692 9, 781, 017 7, 790, 723 2, 598, 919 337, 702	\$135, 049, 983 73, 583, 669 30, 286, 118 7, 430, 089 6, 788, 975 4, 854, 491 3, 866, 674 1, 289, 890 167, 609	\$7, 628, 481 4, 202, 631 1, 710, 752 419, 608 383, 484 274, 212 218, 414 72, 861 9, 467	\$646, 481, 482 352, 926, 775 144, 979, 020 35, 567, 676 32, 498, 676 23, 238, 341 18, 509, 679 6, 174, 672 802, 334
Total		452, 116, 450 +35. 84	530, 824, 707 +42, 08	263, 317, 498 +20. 88	14, 920, 000 +1. 18	1, 261, 178, 655 100
Land and mortgages		_ 113, 825, 000	\$146, 187, 000 215, 742, 000 657, 342, 000	\$1, 221, 200, 419	\$12, 360, 000 51, 700, 000 15, 300, 000	\$242, 331, 000 381, 267, 000 2, 723, 196, 419
		4, 389, 000, 000 +32. 25	8, 010, 740, 000 +22, 12	6, 036, 480, 850 +44, 36	170, 747, 803 1. 27	13, 606, 968, 653 100
Condensed statement sh	owing aggregate distribution of capital invested in each Province of C	Canada by the Unit	led States of Amer	ica, Great Britain	, Canada, and all	other nations
Provinces	Category	United States	Great Britain	Canada	All other nations	Aggregate
(1)	(2)		(4)	(5)	(6)	(7)
Ontario	(A) Railways.  (B) Central electric, electric railways, and telephones  (C) Trading establishments	287, 689, 806 250, 068, 868 54, 645, 269	\$341, 820, 553 48, 251, 498 30, 217, 068	\$732, 551, 123 144, 104, 619 323, 273, 371	\$11, 815, 340 6, 009, 015 2, 422, 292	\$1, 373, 876, 822 448, 434, 000 410, 558, 000
Total		592, 403, 943	420, 289, 119	1, 199, 929, 113	20, 246, 647	2, 232, 868, 822
	(D) Pulp, paper, lumber (E) Metal industries (F) Mining (G) Miscellaneous industries	_ 225, 341, 660	43, 589, 532 20, 955, 630 23, 845, 000 272, 104, 055	61, 319, 026 206, 033, 198 99, 298, 230 135, 049, 983	2, 528, 899 5, 216, 030 32, 770 7, 628, 481	271, 924, 720 457, 546, 518 302, 938, 000 646, 481, 482
			360, 494, 217	501, 700, 437	15, 406, 180	1, 678, 890, 720
			780, 783, 336	1, 701, 629, 550	35, 652, 827	3, 911, 759, 542
Quebec	(A) Railways (B) Central electric, electric railways, and telephones (C) Trading establishments	40, 770, 620	469, 365, 535 37, 574, 780 22, 629, 368	1, 005, 889, 094 147, 261, 029 240, 975, 381	16, 224, 049 4, 679, 373 1, 852, 631	1, 886, 517, 427 349, 208, 000 306, 228, 000
	Total	595, 502, 187		1, 394, 125, 504	22, 756, 053	
	(D) Pulp, paper, and lumber. (E) Metal industries. (F) Mining. (G) Miscellaneous industries.	- 164, 179, 340 65, 849, 400	58, 267, 426 15, 281, 451 12, 744, 300 148, 541, 496	81, 966, 967 149, 898, 997 67, 659, 600 73, 583, 669	3, 380, 455 3, 853, 437 78, 700 4, 202, 631	363, 489, 870 333, 213, 225 146, 332, 000 352, 926, 775
Total		576, 502, 741	234, 834, 673	373, 109, 233	11, 515, 223	1, 195, 961, 870
			764, 404, 356	1, 767, 234, 737	34, 271, 276	3, 737, 915, 297
British Columbia	(A) Railways (B) Central electric, electric railways, and telephones. (C) Trading establishments.	66, 986, 956 39, 690, 896 11, 608, 582	79, 505, 214 9, 339, 034 6, 419, 171	170, 269, 187 36, 601, 031 68, 674, 667	3, 126, 386 1, 163, 039 514, 580	319, 887, 743 86, 794, 000 87, 217, 000
Total			95, 263, 419	275, 544, 885	4, 804, 005	493, 898, 743
	(D) Pulp, paper, lumber (E) Metal industries (F) Mining (G) Miscellaneous industries	58, 235, 928 38, 210, 110 94, 731, 300 51, 960, 481	15, 432, 665 3, 553, 346 12, 477, 940 61, 021, 669	21, 709, 709 34, 936, 067 70, 889, 260 30, 286, 118	895, 344 884, 457 289, 500 1, 710, 752	96, 273, 646 77, 583, 980 178, 388, 000 144, 979, 020
Total		243, 137, 819	92, 485, 620	157, 821, 154	3, 780, 053	497, 224, 646
		A SOUTH PARTY OF THE PARTY OF T	187, 749, 039	433, 366, 039	8, 584, 058	991, 123, 389
Manitoba	(A) Railways (B) Central electric, electric railways, and telephones. (C) Trading establishments (D) Pulp, paper, lumber (E) Metal industries. (F) Mining (G) Miscellaneous industries	2, 112, 281 18, 615, 180	38, 773, 674 6, 719, 082 6, 995, 900 559, 759 1, 731, 117 3, 976, 000 7, 790, 723	83, 095, 353 26, 333, 057 74, 844, 734 787, 437 17, 020, 135 10, 769, 700 3, 866, 674	1, 340, 247 836, 763 560, 812 32, 475 430, 889 27, 800 218, 414	155, 842, 744 62, 445, 000 95, 053, 000 3, 491, 952 37, 797, 321 18, 020, 000 18, 509, 679
Grand total			66, 546, 255	216, 717, 090		391, 159, 696

Condensed statement showing aggregate distribution of capital invested in each Province of Canada by the United States of America, Great Britain, Canada, and all other nations—Con

Provinces	Category	United States	Great Britain	Canada	All other nations	Aggregate
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Nova Scotia	(A) Rallways (B) Central electric, electric railways, and telephones (C) Trading establishments. (D) Pulp, paper, lumber (E) Metal industries (F) Mining (G) Miscellaneous industries	E 606 039	\$26, 529, 356 2, 897, 775 3, 099, 958 2, 461, 263 1, 184, 448 5, 388, 560 13, 678, 692	\$56, 854, 725 11, 358, 804 33, 164, 502 3, 462, 351 11, 645, 355 34, 978, 491 6, 788, 975	\$917, 001 360, 875 248, 502 142, 703 294, 319 47, 149 383, 434	\$106, 629, 24, 26, 931, 006 42, 119, 00 15, 354, 10, 25, 861, 32, 67, 357, 00 32, 498, 676
Grand total		100, 862, 472	55, 240, 052	158, 253, 203	2, 394, 623	316, 750, 350
Alberta	(B) Central electric, electric railways, and telephones	9, 426, 008 10, 777, 209	22, 447, 916 4, 821, 018 5, 212, 278 1, 002, 225 1, 753, 700 9, 781, 017	48, 107, 837 18, 894, 269 55, 762, 882 9, 853, 763 139, 170, 719 4, 854, 491	775, 932 600, 387 417, 832 249, 462 69, 281 274, 212	90, 224, 746 44, 805, 000 70, 819, 000 21, 882, 653 142, 943, 000 23, 238, 341
Grand total		69, 863, 525	45, 018, 154	276, 643, 961	2, 387, 106	393, 912, 746
New Brunswick	(A) Rallways (B) Central electric, electric railways, and telephones (C) Trading establishments (D) Pulp, paper, lumber (E) Metal industries (F) Mining (G) Miscellaneous industries	22, 328, 163 10, 155, 261 4, 914, 850 37, 093, 787 12, 736, 702 2, 131, 000 12, 747, 455	26, 529, 356 2, 389, 473 2, 717, 753 9, 829, 945 1, 184, 448 1, 411, 200 14, 970, 434	56, 854, 725 9, 364, 993 29, 075, 534 13, 828, 153 11, 645, 355 1, 397, 700 7, 430, 089	917, 001 297, 573 217, 863 570, 296 294, 819 5, 100 419, 698	106, 629, 245 22, 207, 000 36, 926, 000 61, 322, 181 25, 861, 324 4, 945, 000 35, 567, 676
Grand total		102, 107, 218	59, 032, 609	129, 596, 249	2, 722, 350	293, 458, 426
Saskatchewan	(A) Rallways (B) Central electric, electric railways, and telephones. (C) Trading establishments. (D) Pulp, paper, lumber. (E) Metal industries. (F) Mining. (G) Miscellaneous industries.	10, 941, 219 1, 008, 878 6, 858, 224	14, 585, 037 4, 639, 496 6, 050, 140 267, 355 637, 780 1, 947, 300 2, 598, 919	30, 314, 078 18, 182, 862 64, 726, 644 376, 100 6, 270, 576 2, 347, 500 1, 289, 890	493, 775 577, 781 484, 997 15, 510 158, 748 18, 500 72, 861	57, 415, 747 43, 118, 000 82, 203, 000 1, 667, 845 13, 925, 328 6, 098, 000 6, 174, 673
Grand total		54, 546, 741	30, 726, 027	123, 507, 650	1, 822, 172	210, 602, 590
Prince Edward Island	(A) Railways.  (B) Central electric, electric railways, and telephones.  (C) Trading establishments.  (D) Pulp, paper, lumber.  (E) Metal industries.  (F) Mining.	858, 775 554, 704 687, 860 206, 315 489, 873	1, 020, 359 130, 518 380, 364 54, 674 45, 555	2, 186, 721 511, 524 4, 069, 285 76, 914 447, 899	35, 269 16, 254 30, 491 3, 171 11, 339	4, 101, 124 1, 213, 000 5, 168, 000 341, 074 994, 660
	(F) Mining. (G) Miscellaneous industries.		337, 702	167, 609	9, 467	802, 334
			1, 969, 172	7, 459, 952	105, 991	12, 620, 198
	(A) Central electric, etc			872, 000		872, 000
Dominion	(A) Finance and insurance (B) Land and mortgages (C) Federal, provincial, and municipal bonds	83, 784, 000 113, 825, 000 829, 354, 000	146, 187, 000 215, 742, 000 657, 342, 000	1, 221, 200, 419	12, 360, 000 51, 700, 000 15, 300, 000	242, 331, 000 381, 267, 000 2, 723, 196, 419
Grand total		1, 026, 963, 000	1, 019, 271, 000	1, 221, 200, 419	79, 360, 000	3, 346, 794, 419
	GRAND RECAPIT	ULATION		OWELL BY ST		WHEELER WATER
Quebec British Columbia Manitoba Nova Scotia Alberta New Brunswick Saskatchewan		\$1, 393, 693, 829 1, 172, 004, 928 361, 424, 253 104, 448, 951 100, 862, 472 69, 863, 525 102, 107, 218 54, 546, 741	\$780, 783, 336 764, 404, 356 187, 749, 039 66, 546, 255 55, 240, 052 45, 018, 154 59, 032, 609 30, 726, 027	1, 767, 234, 737 433, 366, 039 216, 717, 090 158, 253, 203 276, 643, 961 129, 596, 249 123, 507, 650	\$35, 652, 827 34, 271, 276 8, 584, 058 3, 447, 400 2, 394, 623 2, 387, 106 2, 722, 350 1, 822, 172	\$3, 911, 759, 542 3, 737, 915, 297 991, 123, 339 391, 159, 696 316, 750, 350 393, 912, 746 293, 458, 426 210, 602, 596
Prince Edward Island	Finance and insurance Land and mortgages Federal, provincial, and municipal bonds	3, 085, 083 83, 784, 000 113, 825, 000 829, 354, 000	1, 969, 172 146, 187, 000 215, 742, 000 657, 342, 000	872, 000 7, 459, 952 	105, 991 12, 360, 000 51, 700, 000 15, 300, 000	872, 000 12, 620, 198 242, 331, 000 381, 267, 000 2, 723, 196, 419
The state of the state of		4, 389, 000, 000	3, 010, 740, 000	6, 036, 480, 850	170, 747, 803	13, 606, 963, 653

# Estimate of national wealth of Canada, 1929, by Provinces and classes [000's omitted]

		io	o 5 Califord	41						
Classification of wealth	Canada	Prince Edward Island	Nova Scotia	New Bruns- wick	Quebec	Ontario	Mani- toba	Saskatch- ewan	Alberta	British Colum- bia
Central electric stations.  Electric railways.  Telephones	\$554, 327 240, 111 291, 589	\$447 766	\$8,397 10,077 8,457	\$13, 775 3, 063 5, 369	\$221, 135 67, 846 60, 227	\$221, 135 109, 673 117, 340	\$25, 734 16, 364 20, 347	\$7, 445 4, 322 31, 351	\$13, 256 6, 265 25, 284	\$42, 717 22, 501 22, 443
TotalRailways	1, 086, 027 4, 101, 124	1, 213 4, 101	26, 931 106, 629	22, 207 106, 629	349, 208 1, 886, 517	448, 148 1, 373, 876	62, 445 155, 842	43, 118 57, 415	44, 805 90, 224	87, 666 319, 887
Aggregate	5, 187, 151	5, 314	133, 560	128, 836	2, 235, 725	1, 822, 024	218, 287	100, 533	135, 029	407, 553
Manufactures	1, 418, 040 1, 136, 291	1, 301 5, 168	36, 778 42, 119	40, 221 36, 926	439, 539 306, 228	661, 790 410, 558	31, 460 95, 053	6, 842 82, 203	26, 803 70, 819	173, 306 87, 217
Aggregate	2, 554, 331	6, 469	78, 897	77, 147	745, 767	1, 072, 348	126, 513	89, 045	97, 622	260, 523

Estimate of national wealth of Canada, 1929, by Provinces and classes-Continued

Classification of wealth	Canada	Prince Edward Island	Nova Scotia	New Burns- wick	Quebec	Ontario	Mani- toba	Saskateh- ewan	Alberta	British Colum- bia
Farm values	\$6, 308, 353 867, 021 1, 877, 000 33, 935	\$67, 015 1, 600 725	\$134, 725 67, 357 58, 000 7, 447	\$141, 130 4, 945 78, 700 4, 157	\$1, 133, 343 146, 332 706, 000 2, 334	\$1, 778, 476 302, 938 422, 500 3, 479	\$569, 841 18, 020 24, 500 1, 317	\$1, 413, 120 6, 098 67, 700 122	\$875, 110 142, 943 97, 500 547	\$195, 593 178, 388 420, 500 13, 795
Aggregate	9, 086, 309	69, 340	267, 529	228, 932	1, 988, 009	2, 507, 393	613, 678	1, 487, 040	1, 116, 100	808, 276
		GRANI	RECAPITU	LATION				QE LE	P. S. P.	169, 16
Utilities	\$5, 187, 151 2, 554, 331	\$5,314 6,469	\$133, 560 78, 897	\$128, 836 77, 147	\$2, 235, 725 745, 767	\$1, 822, 024 1, 072, 348	\$218, 287 126, 513	\$100, 533 89, 045	\$135,029 97,622	\$407, 553 260, 523
AggregateNatural products	7, 741, 482 9, 086, 309	11, 783 69, 340	212, 457 267, 529	205, 983 228, 932	2, 981, 492 1, 988, 009	2, 894, 372 2, 507, 393	344, 800 613, 678	189, 578 1, 487, 040	232, 651 1, 116, 100	668, 076 808, 276
Total	16, 827, 791	81, 123	479, 986	434, 915	4, 969, 501	5, 402, 765	958, 478	1, 676, 618	1, 348, 751	1, 476, 352

These tabulations contain a cendensed statement showing amounts of capital invested in each Province of Canada by the United States, Great Britain, Canada, and all other nations, giving the aggregate amounts of capital invested in each category of business enterprise in each Province. In these tabulations entitled "Condensed Statement Showing Aggregate Distribution of Capital Invested in Each Province of Canada by the United States, Great Britain, Canada, and All Other Nations", I give the aggregate capital amounts invested in each category of business enterprise.

You will observe that the latter tabulations contain the name of each Province according to the importance of the amounts invested in each Province, namely, Ontario, with a capital of \$3,911,759,542, of which \$1,393,693,829 is invested by the United States and \$780,783,336 is invested by Great Britain and \$1,701,629,550 is invested by Canadian citizens and \$35,652,827 is invested by the citizens of all other nations.

The Province of Quebec comes close second in importance of capital investments, British Columbia comes third, and so on. All the Provinces of Canada are included in all these tabulations.

The future of all these investments is related to the important bill which has just been enacted by the Congress which gives to the President of the United States the right to make treaties with foreign powers on the question of tariffs and international exchange between Canada and the United States and other countries.

In connection with these cardinal matters I now desire to call your attention to the following economic factor involving the future development of the trade that should exist between the United States and all the South American Republics, all the Central American Republics, Mexico, Newfoundland, and Canada.

The total of United States investments in South American Republics amounts to \$2,722,591,000, as stated in my remarks of March 22, 1934, on page 5304, Congressional Record.

The total of United States investments in Central America amounts to the sum of \$2,055,910,000.

The total of United States investments in Canada amounts to the sum of \$4,389,000,000.

The aggregate of the investments of the United States in all the countries of the American Continent amounts to \$9,167,501,000.

The aggregate of the world investments of the United States is \$14.519.945.000.

In other words, 63 percent of the world investments of the United States are located in the countries of the American Continent, of which about half is invested in Canadian enterprise and half in all the Latin American Republics. With the exception of Canada, all these Latin Republics are members of the Pan American Union.

When it is realized that the investments of the citizens of the United States in Canadian enterprises are equal to the aggregate of these investments in all the Latin American Republics, this matter of treaty bargaining, which has been given by the Congress to the President of the

United States, is of very vital importance in the future relationship between all these nations.

Considering the economic potentialities of all these nations of the American continent as well as the future existence of the Monroe Doctrine, I have no hesitation whatever to state that the treaty bargaining powers given by the Congress to the President should not have been given to him absolutely, but that the question of tariff and exchange between all the nations of the American continent should have been reserved to the House of Representatives and the Senate exclusively. It is too much power to place in the hands of any one man, although he be a President of the United States.

I want to emphasize with all the power that I possess, now that the President has been given these powers to enter into bilateral treaties with any and all nations of the world without the sanction of the House of Representatives and the United States Senate, that there is the gravest danger in the exercise of these powers that the United States may lose all their investments in every country of the world.

This paramount economic factor must be envisaged in every and all cases affecting our future relationship with all those countries which are indebted to us.

Because of the fact that the United States is the second largest creditor Nation of the world today, it is essential that all the trade treaties of the United States should be repealed at once. All our trade treaties in force today were enacted at a time when we were a debtor nation. The principles governing our unconditional and conditional "most-favored-nation treaties" do not apply today in the least toward a solution of our financial and economic problems.

All these trade treaties met all our desiderata at the time they were enacted because we were a debtor Nation, but today that we are a creditor Nation we are in a position to enter into bilateral trading treaties with all those nations which are our debtors. At present we have unconditional "most-favored nation treaties" with Germany, Spain, Norway, Austria, Czechoslovakia, Jugoslavia, Finland, Greece, Hungary, Lithuania, Rumania, Albania, Bulgaria, and Estonia in Europe; Brazil, Chile, the Dominican Republic, Guatemala, Honduras, and El Salvador in South America. There are also a certain number of conditional most-favorednation treaties still in effect. A survey of the tabulation entitled "World Investments of Great Britain and the United States of America", embodied in my remarks of March 21, 1934, appearing on pages 5061 and 5062 of the Congres-SIONAL RECORD of that date, should convince anybody and everybody that all the nations of the world with which we have in existence trade treaties which were enacted many years before the year 1914 when we were a debtor nation. are now our debtors.

Under present circumstances it is evident that if we attempt to negotiate any new trade treaties 39 countries would be in a position to claim any concessions that our Government might make in bargaining agreements. Twenty-six of these foreign countries would claim the benefits given automatically under the unconditional most-favored-nation treaties, and 13 nations could secure similar benefits by offering compensation equal to that given by any other party to the bargaining treaty. It is obvious, therefore, that

it will be practically impossible to enter into any beneficial | British Government is using its influence to have all the trading treaties with these foreign nations while these old treaties are in force.

I would call your attention that for all proctical purposes reciprocal trade treaties died in the United States in 1911 when Canada rejected the trade agreement made with President Taft, known as the "Canadian reciprocity agreement." The reciprocal trade policy of bargaining was finally deleted from our tariff structure in 1922 when we were well advanced as a creditor nation. In that year sweeping changes of policy were adopted and effected. Our Government very unwisely abandoned all thought of exchanging tariff favors with those individual nations which were and are still our debtors and embarked upon what is known as the "unconditional most-favored-nation policy." The policy of conditional and unconditional most-favored-nation treaties is a British institution, which does not fit in today with the financial and economic position of the United States as the second largest creditor nation of the world.

May I express the hope that the President may have at heart the best interests of the United States, and will start off with a new deal in international trade treaties by repealing at once all existing trade treaties with all foreign

Now that he has full power from the Congress, will he recognize that it is time to start thinking about entering into bilateral trade treaties with all our debtor nation friends in South America, in Central America, with Canada and Newfoundland; and, finally, with those European nations which are not in default on their rightful obligations to the United States?

I hope that the President will see that it is our duty at the present time to eradicate all entanglements which fetter ourselves and all the small, defenseless debtor nations of the world. All these entanglements are the product of dishonest foreign statesmen and international money changers.

It is unthinkable that through a misunderstanding or through international influences the President might pursue the wrong course in dealing with this trade situation which might result in the loss of our foreign trade because we do not enter into proper trade agreements.

I would direct your attention to the fact that this administration already has given all the nations of the world a tariff reduction by reducing the gold content of the dollar to its present weight of 13.7142 grains of fine gold.

The powers recently given to the President will enable him, under the terms of this tariff bill, to enter into trading treaties which will be practically free-trade treaties with all those foreign nations which his fancy will choose as favorites. May I express the hope that his fancy may be guided by what is to be for the best interests of the people of the United States, particularly when we understand that the tariff bill just passed, which gives the President this authority, is a British tariff bill. This bill is the product of the international money changers, and as such will enable the British international money changers to dominate the trade of the United States in its relationships with all the debtor nations of the world. I would call your attention to the fact that Great Britain has been legislating measures since before the World Economic and Monetary Conference which was held in London last year with a view to the curtailment of American trade expansion in the debtor nations in the American Continent in particular. Great Britain has been constantly pursuing a policy of control over the raw materials of those countries which are her debtors to the exclusion of all American influence. Take the recent tin combine, rubber combine, coffee control, and so forth.

Now, I am going to examine the situation that obtains in Canada, where the United States has a large investment of capital.

The Canadian Government is apparently adopting an international restrictive bill entitled "The International Products Marketing Act of 1934." This bill is a duplicate of a similar bill passed last year by the British Government. This bill is a prototype of similar legislation which the

British dominions and all their debtor nations pass into legislation

Careful study of this measure should be made by every American who is interested in tariffs, exchange, and trade bargainings.

The motives back of this legislation are to protect British and Canadian trade at the expense of the United States. Under the provisions of what I believe to be this unconstitutional bill, the Government of Canada is authorized to set up a board of trade dictators, similar in all its provisions to the British agricultural act of 1933. They will have power and authority under section 4, among various iniquitous powers-

(g) To require full information relating to the production and

(g) To require full information relating to the production and marketing of the natural product from all persons engaged therein and to require periodic returns to be made by such persons, and inspect the books and premises of such persons;

(f) To require any or all persons engaged in the production or marketing of the regulated product to register their names, addresses, and occupations with the board (of dictators), or to obtain a license from the board, and such license shall be subject to cancelation by the board for violation of any provision of this act or regulation made thereunder;

(j) The board may collect charges for services rendered (a) in respect of all or any portion of the regulated product marketed under its direction;

under its direction;

Under section 12, restriction of imports and exports:

(1) The Governor in Council may, by order or regulation published in the Canada Gazette, restrict the importation into Canada of any natural product which enters Canada in competition with a regulated product, and the Governor in Council shall have power to make regulations to provide for the licensing, by the minister, of importers, or otherwise to enforce any order made hereunder.

(2) The Governor in Council may, by order or regulation published in the Canada Gazette.

lished in the Canada Gazette

(a) Provide that any natural product shall not be exported from Canada without a license.

(b) Prescribe the forms of licenses, the terms and conditions thereof, and the persons who shall have authority to issue the same.

(c) Imposes penalties for breach of any such order or regulation or of any license issued thereunder, and, generally, make such provision or authorize the doing of such acts or things as may in his discretion be deemed necessary or expedient for giving full effect to any orders, regulations, or licenses made or issued hereunder.

All these restrictive provisions of law mean that all American concerns operating in Canada or which own a controlling capital interest in Canadian concerns will be under the direct power and authority of a board of economic dictators. who will decide and determine what the business policies of all these innumerable American concerns will be.

The position thus created becomes one of international moment, to say the least, between Canada and the United

The United States have invested in Canadian industries the following sums of capital:

Pulp, paper, and lumber companies  Metal industrial companies  Mining companies	489, 945, 000
Trading companiesMiscellaneous industrial companies	151, 252, 000
Total industrial investments Total public utilities Total government bonds Total finance, insurance, etc	1, 400, 019, 378 829, 354, 000
Grand aggregate	4, 389, 000, 000

You will observe that the total industrial capital invested by American citizens in Canada amounts to \$1,962,017,622. This invested capital is the only capital that produces a transferable income into the United States. The income earned by public utilities, Government bonds, and finance investments cannot be transferred into the United States of America unless the industrial companies' production is exported into the United States in an amount in value equal to the aggregate annual income payable in the United States of America on all the capital invested in Canada by American citizens.

Therefore, if the Canadian Government, under the operation of this marketing bill, resorts to restrictive orders and regulations, licenses, and so forth, according to secret orders emanating from England, does it not stand to reason that such industrial companies' operations will be hampered to such an extent that these companies will not be able to carry on their businesses on a profitable basis. This means that if the industrial companies are unable to pay their way, the income on public utilities, government bonds, and so forth, will not be transferable into the United States of America.

In the last resort, this means that all American investments in Canada will become depreciated in value and finally become worthless.

I am unable to find any other reasoning out of this terrible entanglement which the Bennett administration, abetted by the Chamberlainites and his group in London and in the United States, are perpetrating against all those honest American investors who have placed their savings in Canadian investments.

I wonder what Great Britain would do if the United States resorted to such diabolical and sinister machinations?

THE WELFARE OF OUR RAILROAD WORKERS SHOULD BE OF GREAT INTEREST TO THE CONGRESS

Mrs. JENCKES of Indiana. Mr. Speaker, the necessity of providing proper legislation which will make for the welfare of our American railroad workers should be of the greatest interest to every Member of the Congress. America is a Nation of great distances. The people must depend upon the loyalty and efficiency of our American railroad employees for safe transportation of life and property. It is needless to bring to the attention of the Congress the fact that the human element is a most important factor in the safe transportation of lives and property over our transportation systems. We all agree that this is a well-known fact. However, the evil forces of the depression have made their harmful presence felt in the lives of our American railroad workers and their families. Curtailment of earnings, uncertainty of employment, and doubt concerning the future of the transportation industry are problems which tend to lower the morale and efficiency of those whose abilities and wellbeing and state of mind are essential to the safety of life and property of our citizens who use our transportation

The Congress has a very grave responsibility of considering the welfare of our railroad workers and the importance of their labor for public safety. Railroad workers are no different than any other strata of our American citizenship. They are just as loyal and just as efficient. They react or respond to the same influences which tend to depress or encourage. The difference is that railroad workers are responsible for life as well as property. A worried railroad worker may become an inefficient railroad worker which might result in the loss of life or property. Therefore it behooves the Congress to give particular attention to the legislation now before us, which will, to a certain degree, correct those conditions which greatly influence the state of mind and well-being of our thousands of railroad workers. While it is true the passage of these measures will not be the solution of all of the troubles of our railroad workers, I am confident their passage will make for a great degree of added efficiency, and certainly relieve the minds and hearts of this great group of workers.

We have before us various measures for the benefit of railroad workers which have been introduced by our distinguished colleagues and which have been endorsed by the railroad brotherhoods as measures which will be helpful in the national recovery. Let us give favorable consideration to all of these measures without delay and thereby provide peace of mind and a certain amount of relief to those loyal workers who make it possible for us to travel in comfort and safety.

I thank you.

I AM GLAD TO HAVE ASSISTED THE VETERANS TO GET JUSTICE

Mr. JENKINS of Ohio. Mr. Speaker, probably no Congress in the history of the Republic has worked out so much veterans' legislation as the Seventy-third Congress.

The Economy Act was the beginning of President Roosevelt's attack upon the veterans, and it was passed by Congress within a few days after he took office. This bill was passed under great misrepresentations. Those who made them were speaking for the President. Within a month or two after its passage it was known that the President was not going to administer the Economy Act as was represented by his spokesmen.

On May 10, 1933, I made a speech on the floor of the House of Representatives pointing out that the President had not followed the course promised by his spokesmen. I think this was the first speech made in either the House or the Senate against the President's course. My speech opened the door and many similar speeches were made. These crystallized public sentiment until we secured a modification of the President's policy. On June 10, 1933, we had a terrific battle seeking to pass the Cutting-Steiwer amendment but failed by a small vote because of the power of Presidential opposition. The RECORD will show that I took a prominent part in this battle. That the veterans of all wars appreciated my efforts is proven by the favorable mention made by them in their newspapers. This fight resulted in the President modifying his drastic orders in many respects. The Spanish-American War veterans were restored in part and the World War veterans who were service connected and those who were drawing compensation as presumptives were also restored in part. These restorations were begrudgingly made, and would not have been made except for the battle which we put up in their behalf. I am proud of the part I took in it.

When the second session of the Seventy-third Congress convened early in January 1934, it was evident that direct legislation for relief could not be forced through the committees controlled by Mr. Roosevelt. The friends of the veterans assumed to tack veterans' relief legislation on to an appropriation bill. To thwart this, the Rules Committee of the House, in line with the administration's well-known opposition to veterans' legislation, brought out the infamous "gag rule" which prevented the tacking of any veterans' legislation on any appropriation bill. No such "gag rule" had ever before been presented to any Congress. But under the power of a 3-to-1 Democratic majority it was forced through, although many Democrats would have been glad to vote against it if they had not been forced to vote for it. This prevented any legislation from being commenced in the House. But the Senate tacked on an amendment to the independent offices appropriation bill. When this came to the House we adopted it. Again I took an active interest in securing the adoption of this amendment. This fact is attested to by the Congressional Record and by numerous references by veterans' newspapers and by the legislative representatives of the various veterans' groups designated by them to represent them in Washington.

While we were not able to restore to all the veterans all they had lost we were able to bring them millions of dollars. A complete restoration of all service-connected cases, established on March 19, 1933, was accomplished. A 75-percent restoration of practically all Spanish War cases and presumptive World War cases was accomplished. The President, true to his opposition to veterans' relief, vetoed this bill. The whole world knows what happened to his veto. The House voted to override his veto by a tremendous vote. I also voted to override his veto and did it with pleasure. He had been wrong on this matter from the beginning.

Thus it is seen that while the Seventy-third Congress under the President's directions took much from the veterans he was forced to give most of it back and this was done by Congress. The veterans should and do give Congress the praise which is due it. Any Congressman who stood up and fought for the veterans in the face of Presidential opposition is entitled to their gratitude and no doubt will receive it.

In the last days of the Seventy-third Congress a bill for the relief of the widows of World War veterans was passed. The veterans of the World War who live in my district have for a long time known of my efforts in behalf of legislation of this kind. I have talked with them many times about it and have introduced several bills to that effect. In my work as Congressman, I have made a specialty of serving veterans and their widows. I have served thousands of them, have never turned down a single case—served them all without a single penny of compensation. I have spent much of my own money in serving them; and, to their everlasting credit, I must say that they have always appreciated it

There is no reason why something should not be done to assist the widow of a World War veteran if she has a family of children. This new law does not go as far as the Jenkins' bill which secured favorable consideration in many conventions of World War veterans. This bill provides that if a veteran with a family dies while he is drawing a service-connected disability pension for 30-percent disability or more that his widow and family are entitled to a pension, and this regardless of whether he died of the disability for which he was drawing a pension. I voted for this bill as it was in line with what I had fought for for years.

In the last session of the Seventy-third Congress we also had an opportunity to vote for the payment of the bonus. I voted for it because I felt that now that the Government is paying out billions in many directions it had better pay off the veterans' bonus which is an obligation that it has assumed and must pay ultimately.

The President has begun to realize that the temper of the American people is to deal fairly with those who showed their willingness to fight and die for their country. I am glad to have done my best in behalf of the veterans of all wars and of their widows.

### FARMERS AND THEIR PROBLEMS

Mr. HOIDALE. Mr. Speaker, as we look back upon the year covered by the Seventy-third Congress, which began on March 9, 1933, no person will deny that at no time in the history of our Nation has any Congress or any administration tried so hard and so earnestly to do something to help the farmer get out of the ditch.

The many problems that had to be met were very difficult. The farmers were not turned away, as had sometimes happened in years gone by. They were invited to come to the Capital to present their troubles and their plans and remedies. They did come, but, very naturally, they could not agree on any one plan. Some of them wanted one thing, and others wanted something else. Many farm experts from agricultural schools, farm journals, and practical farmers were called upon to express their views. The Government at Washington was not only willing but anxious to find the best plan—the thing which would be of greatest help to the farmers. Roosevelt had no other object and no other purpose.

And so, with no sure guide to follow, we entered upon a program that was at least in part new and experimental. But the point is that something was done, and something of great benefit was accomplished.

Let those who carelessly criticize the Government farm policy shut their eyes just long enough to get a mental picture of what conditions would have been, not only among the farmers themselves but among all people in the State of Minnesota, had it not been for the millions that the Government has poured into our State under the allotment plan. It is easy to see where we would have been without that money.

And you must remember, too, that there will not be any taxes to pay in the future on account of this money. That money has already been raised and paid. The farmers got it from the Government. They put it in circulation, and we had improved conditions instead of complete ruination.

When the drought fell upon us the help that came so quickly did not come from the State. It came from the Government at Washington. There was cooperation; there was action. There are some who find fault. There always will be, but where in all the history of our Government has anything been done on such a big scale in such quick time?

Much has been done along the line of improving farm financing. Interest rates have been reduced, and further reductions will be made from time to time and as soon as it is possible to do so. The aim is to place all farm loans upon a long-time basis, so that the farmer can pay as much as he wants to upon his loan, but is in no danger of having his farm foreclosed for faiture to pay the principal. The interest rate is still too high, but when we get that down to a low point the farmers will have nothing to complain of so far as real-estate mortgages are concerned.

We have stopped the banks from failing. Before long we will stop foreclosure of farm mortgages. We cannot continue to have the farmer live in dread of losing his farm or his stock or the tools that he works with by reason of foreclosure under short-time loans that give him no chance to work out.

Of course, there will always be some who will be in trouble, no matter what conditions are; but with times as they have been for the past years the average farmer could not keep even. Taxes, interest, and expenses have been eating into his savings; and to keep going he has been compelled to go further into debt. We must stop this. If we do not, our farmers of the future will not be the independent, carefree citizen that we have always talked about.

When I speak of farm conditions, I speak from personal experience and from an interest in farming from the days of my boyhood. I grew up on a farm in western Minnesota, where I toiled upon the frontier through my early years. At the age of 20 years I started the first Farmers' Alliance country paper in the State—the Western Guard, published at Dawson. In this paper I put up a battle in those early days for the rights of the farmer; and all through my life, in speeches and otherwise, I have kept up my interest in agriculture. All my savings were put into farms, and I have suffered with all those who put their trust in agriculture.

I have in my pocket now a Government check under an allotment contract on a farm owned by me in North Dakota. The check amounts to more than the income from the grain raised on the farm, and many a farmer has received more from the Government than he has received from his crop.

We all know that much has been done to help to relieve agriculture, but there is much yet to be done; and I know that when we get together here again next January we will go at the task again and keep at it until the farmer is established in his proper place.

There is one good and encouraging sign, and that is that all people—except those who are crazy—now understand and admit that we must get justice for the farmer before we can have real prosperity in America.

And so I say to the farmer: The worst is over and help is on the way.

### THE AVOIDABLE BLUNDERS OF THE C.W.A.

Mr. BACON. Mr. Speaker, despite the economic miracles promised for the new deal-promised but long postponedwe are confronted with the certainty that most of the 10,000,000 now unemployed will remain unemployed next winter and for many months thereafter, until the gradual processes of world economic recovery, if they are allowed to operate, take up the slack. We must face the choice between permitting wide-spread destitution to continue, or of affording some form of relief, no matter what the cost. To this there can be but one answer. We shall also be faced with the decision as to whether relief shall be in the form of direct public dole or of the opportunity for useful employment. To this again the answer is clear. Fifteen months of the new deal, with its liberty-crushing regimentation, affecting nearly every class, from the business man to the humble share-cropper, have not been sufficient to kill the individualism and traditional self-respect of our people. A dole, as compared with a job of some kind, would be as abhorrent to most Americans this year as it was last.

The C.W.A. was launched last November to meet just such a situation as we shall have next November and thereafter. It was altogether admirable in its general purpose:

Jobs to rescue the spirits of those who had been driven to ! the humiliations of public charity; more jobs for the selfsustaining unemployed who would otherwise eventually be forced to seek relief. But worthiness of purpose must not be confounded with soundness of method. The C.W.A. wrote a tragically pathetic page in the history of American government. Designed as it was to meet desperate conditions in an American way, it ended in the disgrace of a politician's paradise, unhonored and unsung, and more than a month before its allotted time. The scandals that attended this colossal experiment, the blunders of its administration, the Alice-in-Wonderland quality of many of its undertakings, the unthinkable wastes of public money that should have been spent to secure a maximum of relief-all these cannot be exculpated and passed over because the motive behind it was apparently sound and praiseworthy. On the contrary, although some credit may be given to the administration for having put into motion an obvious and widely desired program, it merits serious criticism for the devil-may-care irresponsibility with which it permitted an important and costly public effort to commence with every handicap and to proceed through a discreditable history to an inevitable

This is not to say that the C.W.A. did not serve a worthy purpose in relieving an important degree of destitution. Any rapid disbursement of a billion dollars placed into the hands of individuals, no matter how wastefully, could not fail to improve the lot of millions of humans, if only temporarily. But it did good in such a manner that it is unthinkable that this enterprise should not be repeated next winter. This makes it important for the future as well as the past to find out what was wrong with the method adopted.

The original and basic sin in the history of the C.W.A. is that it was launched with melodramatic suddenness in order to meet a situation that should have been acknowledged and planned for months earlier, and that could even have been foreseen as inevitable on election day 1932. The burden of relieving destitution among millions of unemployed, particularly during a winter that was certain to be the hardest one of the depression, was inescapable. Yet the decision to establish the C.W.A. was delayed for 8 long months after inauguration, and its announcement only a month before the program was to be put into operation cannot be ascribed to anything else than the failure to get into action of the muchheralded Public Works program.

Anyone with the slightest knowledge of engineering and the construction business could have seen on 10 minutes' reflection that a vast national program of public works could not be expected to be in actual operation within 8 months' time. It is presumed that such knowledge was present. Therefore it can only be assumed that to delay in adopting the C.W.A. program and properly preparing for it must have been due to a care-free gamble on the employment and price-raising effects of the N.R.A.—a gamble of theory against the miseries of men.

Even assuming that the N.R.A. might have possibilities of accomplishing its objects, the slightest knowledge of the practical organization of our vast industries should have foreseen the impossibility of such a series of complex relationships being established and started working within anything less than a year.

Specifically, Administrator Hopkins was required to set up his spending organization with unprecedented haste, and he miraculously succeeded in having the entire program of employing 4,000,000 persons in operation only 35 days from the time he was given this assignment. The feat was certainly a remarkable one, but wholly unnecessary except from the viewpoint of administration showmanship. Any realist could have foreseen its consequences.

Realism, however, apparently has small share in guiding the administration's course. The laws of the world economic cycle were to be set aside by Executive flat and replaced by the black magic of the new deal. The administration had found business weak and industry prostrate, so it forthwith tied them hand and foot with punitive regulatory measures and then sought to conjure up from | tended to give a left-handed boost to the economic recovery

them millions of jobs through the N.R.A. To supplement these expected miracles, Congress was requested to appropriate \$3,300,000,000 for public works, on the assumption that this contribution would fill the pail of employment to the brim. A speculative boom ensued, which broke in July. Unemployment continued to be slightly reduced, however, until it reached its low of something more than 10,000,000 persons in September. After that, according to the estimates of the American Federation of Labor, it started again to increase.

At this point the administration suddenly appeared willing to acknowledge the fact that there would be unemployment and destitution during the winter, its program notwithstanding. Specifically, on November 9 the Civil Works Administration was established under Federal Emergency Relief Administrator Hopkins by Executive order. The plan was to give employment to 2,000,000 employable persons on the relief rolls and to 2,000,000 more from among the selfsustaining unemployed. The projects and the administrative machinery were set up accordingly, almost overnight. Ex-Governor Smith immediately charged, editorially, that this was an "alibi" for the incompetence of the Public Works Administration and declared the obvious truth that any program so hastily devised could not ultimately lead to 'anything but confusion."

Such proved to be the case. Without properly planned methods for the selection of projects and personnel, without adequate machinery for disbursing funds for wages and materials, and without sufficient check upon human frailties in the handling of huge sums, the early weeks of the C.W.A. were attended with widening ripples of scandal reaching into almost every State of the Union. The Administrator, whose personal efficiency and integrity are beyond question, practically confessed that the situation had got out of control. In an interview reported in the Baltimore Sun, January 23, 1934, he is quoted as follows:

We are spending tens of thousands of dollars just to investigate charges of graft that fairly fill the air. The lid is liable to blow off at any minute. \* \* \* Some of our directors are incompetent; we will remedy that. \* \* \* Some of our projects are "lousy" and we know it. \* \* \*

The confusion was not only administrative but it even extended to the most rudimentary decisions on matters of policy and objective. The general decision to substitute useful work for relief was relatively simple to make. But the formulation of a wage policy in conformity with this required making more subtle decisions, and such decisions evidently were never clearly reached in the minds of those in authority.

In the first place there was, or should have been, the issue between wages based upon subsistence requirements, placing emphasis upon work as a means of relief, and wages commensurate with the value of the services performed and corresponding with normal employment conditions in private enterprise or in the Government service. At the outset minimum wages and maximum hours were prescribed, distinguishing between the character of the work and between the southern, central, and northern zones set up. Conflicts promptly ensued between wage schedules fixed by the C.W.A. and employment on farms and in private industries operating under N.R.A. codes. Employment with the C.W.A. in many cases was even more attractive and better paid than regular civil-service positions with the Federal Government. A wave of indignant protest from injured parties, especially those who were placed at a disadvantage in hiring labor, compelled the Administrator to reduce the maximum for working hours in order to bring the earnings of C.W.A. workers out of competitive range with other employment. This action was obviously a makeshift compromise only forced on the administration after harm had been wrought, when it should have been easily foreseen in advance.

No express stand was taken on the relative functions of the C.W.A. plan in the relief and recovery program. Two assumptions as to this are plausible. Either the C.W.A. was inaugurated for the chief purpose of spending public funds to best advantage in the relief of millions of destitute, and without humiliation to them, or else the enterprise was in-

to which other experimental and expensive measures were dedicated. If the first interpretation is sound, then the C.W.A. departed from its purpose by distributing funds without reference to financial status and need and by paying more than the Federal Government considers adequate remuneration for its own regular employees. If the latter theory motivated the administrative employment policy, then the attempt should be judged as an economic measure as well as a humanitarian one. There is no way of knowing what proportion of the difference between subsistence needs and wages paid by the C.W.A. found its way into the purchase of goods that would not otherwise have been purchased. Possibly this speeded recovery by increasing the general level of demands. But there is credible, though imponderable, evidence that a considerable portion of the surplus wage money was used in the repayment of private debts, and did not, necessarily, go directly into durable or consumable goods. In this case the C.W.A. achieved maximum efficiency in neither relief nor recovery.

Still another consideration may be advanced in examining the apparent confusion of purpose of the Civil Works Administration, other than the general principle of giving work instead of charity. The program was designed (a) to take 2,000,000 employable persons off the relief rolls. In pursuing this it would have been logical not only to give work to all employable persons on relief but to spread the expenditure in order to keep such persons off the dole and to give work to all persons needing it. This in itself would be a large and humanitarian undertaking. But the policy also provided (b) for employing 2,000,000 more persons from among the self-sustaining unemployed, on the theory that persons able and willing to work should be given that opportunity before they were driven to seek direct relief. Beside the total of 4,000,000 people employed at the peak of the program there were also, according to the United States News, 7,000,000 other employable unemployed. To have been consistent these also should have been given jobs, and at the prevailing rates of C.W.A. pay it would have cost \$100,000,000 a week, or more than \$5,000,000,000 to keep them on a year.

Originally it was announced that the C.W.A. was launched in order to provide useful jobs until recovery and the progress of the Public Works program, for which \$3,300,000,000 had been appropriated, should take up the slack. May 1 was given as the date for its termination. At the end of January Administrator Hopkins announced, however, his intention of discontinuing the whole program a month earlier. This announcement was made without any basis of evidence that either industrial recovery or public works would be sufficiently advanced by that date to relieve the unemployment situation. On the contrary, unemployment remained undiminished, and the May figures of the American Federation of Labor show no net improvement since September 1933. Demobilization was carried out despite protests, strikes, and some serious disorders. Here we have a curious example of planlessness in giving jobs to a portion-hardly more than a third of the unemployed-in many cases without reference to need, and then discharging them at an arbitrarily fixed date, having no reference to actual conditions.

One of the reasons assigned for this action was the expressed belief that the advent of warm weather in southern States would mitigate the hardships of destitution. But here again logic is lacking, since a large portion of Federal Relief and Civil Works funds were distributed in southern States where winter does not materially increase the needs for clothing and shelter and where winter crops supply the northern markets with food. It seems, then, that either the C.W.A. was a mere makeshift from its hasty beginning to its unexpected ending or else that it was abandoned for another reason, namely, that the rapid rise of administrative break-down and scandal threatened such disaster and discredit to the administration that it dared not continue. There is little question that a request for sufficient funds to continue would have been granted by a generous and docile Congress.

Thus we find a theoretically sound and desirable emergency effort conceived under unpropitious circumstances, launched with a needlessly dramatic flourish, thoroughly vague as to its practical objectives, and clouded from start to finish with bewildering paradoxes. It could not fail to produce a measure of immediate benefit simply by placing approximately a billion Federal dollars in circulation, much of it in the hands of persons with little or no other means of selfsupport. But it appears to have been the most blundering sort of improvisation undertaken in a sublimely shortsighted irresponsibility. The details of its tortured life and inglorious death have occupied thousands of columns in the press for months past. I need not recall to mind some of the outstanding cases. In recapitulation, however, it is impressive to review the general types of charges and allegations that were reported almost since the first week of the undertaking. They include fanciful selection of projects giving the dignity of useful labor an Alice-in-Wonderland aspect; almost incredible instances of administrative incompetence, working hardships upon the employed and discriminations against deserving classes of needy applicants; supervisory stupidities involving waste and destruction, and minimizing the social utility of work done at great public cost; political parasitism by which nearly unsupervised disbursements were diverted to personal political advantage; a sordid multiplicity of petty graft and large corruption bringing disillusion and discredit upon a generous humanitarian undertaking intended to raise the morale of a depression-weary people.

Politicians were prompt to make the C.W.A. a means of political profit by using their influence in the selection of the field personnel. Administrator Hopkins admitted that "political interference has been a difficulty." And he pointed out that not only were cases of such interference difficult to prove, but also that "the answer of anybody who would be charged or had been charged is-and it is a pretty complete answer-' Well, you put the men to work, didn't you? We did not hold you up'; and they did not." The New York Times calls this relief the blackest single spot in the whole new-deal picture. This state of affairs leads to two significant conclusions. The first is that the hastily assembled administrative machinery of the C.W.A. was of a nature especially susceptible to the injection of political chicanery into the relief effort. No doubt this could have been avoided to a large measure by more careful preparation and organization.

The second feature is the danger that through political parasitism of this nature a Frankenstein monster, as one paper described it, may be raised up to bedevil the political futures of Members of Congress. It might become a system by which a few self-interested politicians could enforce their ethical standards upon otherwise scrupulous men in public life by using Federal relief jobs as a competitive ballot magnet. The consequences of such a situation are fraught not alone with dangers to the effectiveness of a civil-works program in affording a maximum of relief, but also with the menace of creating a class vested with the political power of intimidating a bloc in Congress to support continued outpourings of Government funds for similar purposes.

Finally, any relief program of the nature of the C.W.A. that may be created or discontinued by Executive order out of funds not especially earmarked for the purpose may be used as a powerful political weapon to the detriment of the minority power that would be unable to promise similar monetary rewards for support at the polls. Should a renewal of the program be announced or hinted prior to the 1934 elections, the public funds to be spent would constitute an invincible campaign war chest. Yet the need for some such program may well become evident next November and be acknowledged by both parties.

It is self-evident that at least one or two more winters will find the country with millions of unemployed having progressively less reserves to fall back upon and becoming, therefore, increasingly dependent for life itself upon the bounty of the Government. It is also obvious that although

disinterested opinion appears unanimous that social insurance must be adopted as a preventive, it will be for future long-range use and could not assume the burden of supporting the masses already out of employment.

From this it follows that a vast program of relief, either through work or dole, must be planned, and sooner or later put into effect as a relatively continuing institution capable of fulfilling its purpose until normal recovery absorbs the surplus of labor, and until social insurance and some sort of vocational rehabilitation for the technological unemployed are effectively in operation.

According to a recent announcement, the administration plans a novel step in the direction of such relief, namely, to take over a number of factories and to go into the manufacture of an unspecified variety of articles at an unspecified cost to be provided for out of relief funds. In the absence of more specific information on this at the present time, such a plan must be dismissed as the answer to the relief problem. For if this undertaking is launched on a scale sufficient to absorb more than ten million unemployed, then we shall have reached the complete Sovietization of America and no observations upon unemployment relief would be pertinent anyway. If, on the other hand, this manufacturing is to be applied on a moderate scale, it will only represent another example of political charlatanism having nothing fundamental to do with unemployment.

Accepting the theory that, insofar as practicable, work is preferable to direct doles, the history of the C.W.A. affords some useful lessons that should be considered in the formulation of future relief programs. The experience, I believe,

points to the following suggestions:

Insofar as possible, the number of Federal officials in charge of administering civil works should be kept at a minimum, and they should be chosen on the basis of merit through civil service or other examination. Probably the funds should be apportioned to the States on an equitable basis, to be administered by the State agencies responsible for public works, subject to strict Federal regulation and audit. A percentage of the State allocations could be set aside to cover the additional administrative burden upon the State.

This would tend to reduce political interference, dishonest administration, and fanciful selection of projects.

Regulations as to wages and hours should be so framed that employment would not tend to foster the notion that the Government owes everyone an easy job at good wages.

Regulations should insure that in no instances Civil Works employment might become more attractive than any form of private employment prevailing within the general region.

In order to achieve the maximum spread of relief benefit for the public funds expended—with especial view to the fact that every dollar unnecessarily wasted in the effort increases the danger to the national credit—regulations should specify that although no pauper's oath or other declaration should be required, the principle of need and dependency should be observed in the distribution of employment.

Wages paid should be fixed at decent family subsistence rates, irrespective of the character of the work or training of the employee. Subsistence here should be estimated according to geographical sections and the distinctions between rural, town, and city populations. Although this principle appears harsh and disadvantageous to the skilled and white-collar worker as compared with the unskilled laborer, it would prevent equally unfair discriminations against some unorganized professional persons, such as existed under the C.W.A. Moreover, it preserves the purity of the relief principle against the temptation to play favorites.

The policy of favoring projects involving substantial purchases of materials locally produced by private industry should be adhered to in order to stimulate local enterprise to the point of bringing about reemployment. This would also tend to eliminate projects of small or no lasting social benefit, such, for example, as the manicures for prisoners and golf and bridge lessons reported to have been administered by C.W.A. employees.

Instead of extending to employees the benefits of the compensation laws, involving huge contingent and continuing pension expenses, a percentage of the State allocations should be set aside on an acturial basis as an accident-insurance fund providing for lump-sum payments in case of injury or death.

In contrast with the vacillations of the C.W.A., with its final premature demobilization, the intention to adhere to a reasonably continuous policy should be declared to afford workers a feeling of security and the opportunity to readjust their lives on a decent subsistence basis until such a time as better jobs become available outside. The financial implications of planning such a continuing policy for a certain period, and the resulting strain upon the national credit are so great that special emphasis should be kept on confining employment to the needy, keeping administrative costs at a minimum, and paying wages no higher than subsistence requires.

It is believed that such a program would be effective in combining relief with work that would preserve the self-respect of the relieved. In the long run the psychological effect would probably be far healthier than was the C.W.A. plan of offering many kinds of jobs, many of them soft and well paid, and then permitting them to vanish without rhyme or reason.

Finally, I believe that regulations to achieve these purposes could be framed and applied, and that they would go far in removing the wastes, abuses, and maladministration that obtained in the politicians' paradise, as the C.W.A. was frequently termed. By placing as much responsibility as possible upon established branches of the State governments little graft would flow into the pockets of Federal appointees. Moreover, if State officials are accountable for relief, the average voter will have a much more direct avenue for complaint and recourse, and the selection or refusal of suggested projects will not be explainable on the grounds of dictation from a distant and unapproachable national capital. The opportunities for making a creditable record or for incurring local ridicule will provide the incentive for greater efficiency and discretion in administration.

Let us not commit such a colossal blunder next winter as we did last.

# OUR FUTILE AND INCONSISTENT FARM POLICY

Mr. HOPE. Mr. Speaker, although volumes have been written on the subject of farm relief, the basis of all the farmer's troubles in recent years can be stated in one sentence, namely, he has been selling in a low market and buying in a high market. The purpose of all legislative and other efforts to remedy farm conditions since the War has been to get farm prices and other prices into their proper relationship or, as it has been described, to secure a parity price for farm products.

The actual price of farm products counts for little, and what really matters is the purchasing power of those products in other goods. Dollar wheat sounds better than 50-cent wheat, but if the price of other articles doubles while wheat is going from 50 cents to a dollar, the farmer is no better off than before.

During the years since the war there has been much complaint of low farm prices. As a matter of fact, during most of that time farm prices were high as compared with pre-war, but relatively not so high as other prices. In other words, the farmer's trouble came less from low prices for his own products than from high prices for the things which he bought.

The present administration recognized this situation and announced in the beginning that its purpose was to restore parity prices for agriculture. In that endeavor it has had the loyal support of Congress, of all the great farm organizations, the almost unanimous cooperation of the 6,000,000 farm families of the country, and with few exceptions the support of the press and other opinion-forming agencies. A great organization, composed for the most part of able, sincere, and earnest men, has been set up to carry into effect the Agricultural Adjustment Act. Prices of some

agricultural products have advanced materially, farm incomes have increased, but the fact remains that at the present time the relative position of agriculture, from the standpoint of price, is no better than it was a year ago.

Let us look at the figures as compiled by the Bureau of Agricultural Economics of the Department of Agriculture. These figures as to price and purchasing power are based upon a comparison of farm prices and purchasing power now as compared with the period of July 1909 to August 1914. This 5-year period is used because agricultural economists generally recognize that the relationship between agricultural and other prices was more nearly upon a fair and equitable basis during those years than any time since. These figures show that for May 1934, the index number of the farmer's purchasing power was 61, as compared with 100 for the 1909-to-1914 period. In other words, as compared with its pre-war value the farmer's dollar is worth 61 cents. That is also exactly what it was worth in May 1933. So the average farmer is today just where he was 1 year ago, in spite of all the emergency and other legislation which has been passed, in spite of the devaluation of the dollar, and notwithstanding the expenditure of more billions than any nation ever spent in 1 year in time of peace.

It is true that farm prices have advanced during this time. In May 1933 the index number of all farm prices was 62; in May 1934 it was 74, 12 points higher. The difficulty, however, comes from the fact that the index number on commodities which the farmer buys has risen from 102 in May 1933 to 121 in May 1934, thus canceling every penny of advantage gained by increased farm prices. The above figures as to price and purchasing power cover all agricultural products. There is a great deal of difference in the purchasing power of different classes of these products. In the case of some of them, particularly products in the South and on the Pacific coast, such as fruits and vegetables, cotton and cottonseed, there has been an increase not only in price but in relative purchasing power. In the case of grain and dairy products there has been about enough increase in price to absorb the increase in living costs, while in the case of meat animals there has not only been a decrease in purchasing power but an actual lowering of the dollars-andcents price received.

Attention should be called to the fact that the figures herein cited do not take into account benefit payments which have been made to farmers in compensation for acreage reductions, nor should they be included. Whatever form these payments take, or by whatever name they may be called, they are essentially rent paid upon land taken out of production. These payments are the only income which the farmer derives from the acreage in question. If he reduces his wheat acreage 15 percent, or his cotton acreage 40 percent, he will have that much less cotton and wheat to sell, so while it is perfectly proper to include these payments in computing the total income of the farmer, they cannot be used in determining the price level of the products which the farmer actually sells.

At this time the figures for June are not available. Undoubtedly, due to the effects of the greatest drought in our history, they will show some increase in farm prices. At the same time it is almost certain that they will show an increase in other prices, so that even in the face of a disastrous crop failure which has entirely destroyed the purchasing power of some farmers the buying power of those who have crops has not increased to any appreciable extent.

The most significant feature of the entire situation is that from April 1933 to July 1933, before any of the emergency legislative program had been put into effect, there was an increase in not only agricultural prices but purchasing power as well. In April 1933 the farm dollar was worth 52 cents. By May it had gone to 61; in June it was 62; in July, 71; in August it dropped to 64; and as already stated is now back to 61.

It is easy to see what happened. By August the N.R.A. campaign had gotten under way and the price of products

these products was 107 in July; by August it was 112; in September, October, November, and December it was 116: in January, 117; and it is now 121.

It is not necessary to cite these figures to farmers, they know the story only too well. Every farmer who has bought a pair of overalls, a bill of lumber, a pound of nails, a piece of farm machinery, or any other of the many articles in common use in the household and on the farm, knows that the increased price of what he buys had nullified any possible advantage gained from higher farm prices. In other words, every farmer knows that in spite of all the propaganda and publicity which has been put out to the contrary he is still holding the sack.

The above is not said in criticism of the Secretary of Agriculture or the able and earnest men who are in charge of the Agricultural Adjustment Administration. The trouble is that they have been given an impossible task. With the N.R.A. and its codes increasing industrial prices, the A.A.A. has no more chance of catching up and bringing agricultural prices to parity than a greyhound has of catching the mechanical rabbit at a coursing meet.

In fact, the failure to make any progress toward parity prices merely affords another illustration of the inconsistency and futility of many phases of the new-deal program. As far as the farm situation is concerned, everyone in authority knows that agriculture cannot be placed on a sound basis until its prices bear a fair relationship to other prices. That might be done by increasing farm prices to the level of other prices, by bringing other prices to the level of farm prices, or by bringing farm prices up part way and industrial prices down part way. Certainly, no sensible person would think it could be accomplished under a plan which not only permits but encourages industrial prices to go higher, yet that seems to be the policy which is being followed. The idea of the administration is apparently to be a good fellow to everybody, therefore, after the machinery was set up by which it was hoped to increase farm prices, it was easy for big business and industrial leaders to persuade the President and his advisers to set up the N.R.A. Whether those who sponsored and urged the N.R.A. deliberately had in mind the idea of perpetuating the price disparity between agricultural and industrial prices or not, the result has been the same.

I have been speaking mainly of the immediate effect of the N.R.A. policy on agriculture. Harmful as that might be, the permanent effects are likely to be much worse. The great enemy of the farmer has always been monopoly. He has paid inordinate prices for many of the things which he had to buy because the seller fixed his own prices. The N.R.A. has resulted in the entrenchment and protection of monopoly in this country to an extent never dreamed of before. It has handicapped and in many cases put out of business the farmer's best friend, the small-town merchant, and has made stronger the position of the big chain store, so that, bad as the immediate effect of this policy has been, the ultimate effect may be even worse.

But the inconsistency of trying to reconcile the N.R.A. and the A.A.A. is only one of many inconsistencies as far as the agricultural policy of the administration is concerned. Take the matter of acreage reduction. Under the plan of the A.A.A. millions of acres of good land are being temporarily withdrawn from production, and farmers are being paid rent or its equivalent in benefit payments as compensation for the same. Plans are in the making for the purchase of millions of acres of so-called "marginal lands." Well and good, perhaps, but at the same time we are doing the utterly inconsistent thing of spending further millions for the purpose of bringing new land into cultivation under irrigation and reclamation projects. The Public Works Administration has authorized the allocation of funds for various reclamation projects through the West totaling in all \$227,000,000, of which \$103,000,000 is to be immediately available. This vast authorization is more than has been spent on reclamation by the United States from the beginning of the reclamation program down to the present. It which the farmer buys started up. The index number of is problematical just how much new land will be brought into cultivation by this new expenditure or of the effect | which it will have on crop production. In view of the history of past reclamation projects, it is quite probable that the Government is wasting most of this money and that the actual amount of land to be brought into production will not have much effect.

There was a time in this country when water could be put upon desert land at a cost which would justify the expenditure and enable a farmer to make a living. That time is long since passed, as the history of the Reclamation Service well illustrates. It is said that cost per acre of putting water on some of the projects which have been authorized by the Public Works Administration will run as high as \$350 per acre. It is implied, however, that all of this expenditure will not be charged up to the land, and that it is hoped to pay a part of the expense through the sale of power. No one knows of any place where the power can be sold; but even assuming that there were a market, the cost allocated to the land will be at least \$80 or \$90 per acre. Many reclamation projects in which the cost per acre has been \$50 or less have never been successful, and it is utterly impossible for any project to be a success with overhead charges of \$80 or \$90 per acre to start with. More than that, it is hardly less than criminal to induce settlers to go on this land and undertake the impossible task of making a living on it. The irony of the situation is shown by the fact that it is proposed in many cases to buy up land now in cultivation in the same areas in which irrigation projects are proposed to be established, on the ground that the dry land is submarginal, whereas anyone who is familiar with conditions in the Western States will concur in my assertion that in almost every instance the farmers upon the so-called "dry land" have made more money and have had better success than those upon the irrigation projects. The fact of the matter is that practically all of the land under our Federal reclamation projects today is marginal land in the sense that it cannot possibly be profitable to cultivate it and pay the necessary charges involved in putting water on it. It is much more marginal than the dry land in the same area which it is proposed to retire from cultivation.

Whatever the effect of these reclamation projects may be as to bringing additional land into cultivation, it is certainly hard to reconcile the expenditure of over \$200,000,000 for that purpose, when at the same time we are paying further hundreds of millions to take good land out of cultivation.

Another ironical feature of the situation is that the most successful crop which can be grown upon reclamation projects is sugar beets. Yet the present administration is committed to a policy of holding our sugar production at its present level, which will prevent the use of any of this reclaimed land for the purpose for which it was best fitted.

Consider also the situation in the Department of Agriculture itself. On the one hand there is the Agricultural Adjustment Administration, which is engaged in the project of reducing wheat acreage and production 15 percent in order to get rid of the wheat surplus. In the same Department there is the Bureau of Home Economics, doing its best to increase the wheat surplus by preparing, printing, and distributing dietary circulars urging consumption of less wheat.

If time permitted, other instances might be cited to illustrate that it is apparently the settled policy of this administration not to let its right hand know what its left hand

American farmers are not fools. They are perfectly willing, indeed, glad, to cooperate with the A.A.A. in its efforts to reduce surpluses and improve farm prices. They are not willing, however, to do their part in reducing acreage and production when other Departments of the same Government are nullifying and neutralizing any good effects which may come from the farmers' cooperation. It is time for someone to check up on the various theorists who appear to be working at entirely cross purposes in developing the policies of this administration. Up until now the policy seems consistent only in one respect, and that is that everything which exists is assumed to be wrong and must be changed. Those who appear to be in authority apparently know little and care less as to what the effect of these changes is going to be. The American farmer, however, is not inclined to play the role of guinea pig and submit himself to unlimited experiments merely to permit someone to see how they are going to work out. He is going to demand common sense and consistency in any program in which he has a part. Certainly no one can criticize him in taking this position.

# DECORATION DAY ADDRESS

Mr. HOIDALE. Mr. Speaker, under leave to extend my remarks, I desire to place in the RECORD a Decoration Day talk delivered by me over the radio at Washington, because it expresses, broadly speaking, my personal attitude toward veterans and veteran legislation.

The address is as follows:

With thousands of others I stood this morning with bared head

before the Tomb of the Unknown Soldier at Arlington.
What thoughts passed through the minds of these men and women who, with heads bowed in silent prayer, paid tribute to the unknown?

Who was he whose remains have been enshrined in this tomb of mystery?
What was his name and from what city, hamlet, or countryside

did he come?

Nobody knows.

Did he leave behind a mother, a brother, a sister, or a sweetheart?

Nobody knows

Is there somewhere in this land, for which he sacrificed all, a wife whose husband never came back or are there somewhere, per-haps, children whose father never returned?

The answer to these questions will forever rest in the bosom of impenetrable mystery until the last trumpet sounds the eternal

All we now know and all we will ever know is that he was one of many who gave all there was to give without leaving behind a trace to connect him with the fireside from which he had been

a trace to connect him with the fireside from which he had been torn on the day he embarked on his last long voyage.

But nameless though they be, there rests upon those of us who are here today a debt of gratitude difficult to meet in full.

No doubt this thought impressed the multitude that visited the Tomb at Arlington on this Memorial Day.

As we look back over vistas of our Nation's history, we see the ranks of soldiers of other wars, each holding a place of honor and affection in the hearts of our people.

ranks of soldiers of other wars, each holding a place of honor and affection in the hearts of our people.

The soldiers of our early wars have all responded to the final bugle call. The few heroes of the Civil War who still linger with us are honored, respected, and loved by our people. Soon these patriots of Lincoln's day will have joined those who served and bled under the leadership of Washington. Their services to the Nation will never be forgotten by the American people.

Let us not forget that it is always easier to have a grateful memory for those who have departed than it is to do our full duty toward those who are still with us. I think it can be said of the American people that they have been fairly liberal in their

duty toward those who are still with us. I think it can be said of the American people that they have been fairly liberal in their treatment of our soldiers in the past, and there is no good reason for believing that this attitude will be reversed. We Americans want fair play, and if at times there is a failure to do what is right, the reason for such failure is found in lack of information and lack of understanding. We must not forget that fair play means a fair-minded attitude in all parties concerned. It cannot be one-sided.

So I repeat on this day of devotion what I have often said.

So I repeat on this day of devotion what I have often said before to our soldier boys: Do not overlook the value that lies in public opinion and public sentiment. Sympathy and support once lost are not easily regained.

When our soldiers returned from foreign lands, they were heroes

When our soldiers returned from foreign lands, they were heroes in the eyes of all. They enjoyed the esteem and love of our citizens. We want that feeling of good will to endure to the end. The most unfortunate thing that could happen to America would be the creation of a spirit of antagonism between veterans and any considerable part of our citizens. What I mean to point out is that a spirit of good will toward the veterans can only be held through an equally fair spirit on the part of the veterans themselves.

I have no doubt as to the fair attitude of the rank and file of the soldiers, but there is danger that a number of individuals and smaller groups claiming to speak for the veteran will prejudice public sentiment not only against themselves but against those as well who are free from blame. This is something that should be guarded against, not only in the interest of the sol-diers but also in the interest of the country as a whole.

What we must seek for and what we must find, as nearly as possible, is a proper basis upon which to establish justice and fair dealing. In many cases the Government has no doubt been fair dealing. wronged, and in many other cases injustice has been suffered by individual veterans. To weed out the wrong and to establish the right is not an easy task, but I have faith that there is a general disposition to be just and that the near future will bear out this faith. Injustice will not be tolerated, but, in spite of all we can do, perfection cannot be reached. We must be patient, reasonable and fair. Let us not speak words in haste and anger which able, and fair. Let us not speak words in haste and anger which may give us cause for regret in days to come.

Much dissatisfaction has been expressed by soldiers over the

Economy Act, and in some instances the administration has been

charged with a disposition to be cruel and unjust to service men. I feel satisfied that our President intends to see that justice is

The best interests of the service man himself require that Government support should be given only to those who are deserving. The service man is interested in weeding out fraud wherever it is found, because every case of fraud results in public opposition and public prejudice, to the injury of those who really are

deserving and worthy of help.

The best thing the service man can do for his own good is to help the Government in its efforts to separate worthy and deserving cases from those which are not deserving. That is what the ing cases from those which are not deserving. That is what the Government is now trying to do, as I understand it. When that has been done, public sentiment will fall in behind any reasonable claim made by veterans, and we shall then have the good feeling and good will that should exist.

Memorial Day should serve to remind us of our obligations to those who are still with us. It should serve to bring us together on a basis of better understanding and more enduring friendship.

I said in this radio speech what I have often said to veterans at meetings at which I have been invited to speak.

My attitude has not changed. I have stood and still stand for a full measure of justice to all deserving service men, and I believe that veterans who seek to punish friends, who conscientiously endeavor to perform their duty, make a great mistake. The public will stand by those who are fair and reasonable in their attitude and in the performance of their

In the administration of veterans' affairs we have had cases of great injustice to deserving men and their families. In dealing with millions, it is difficult to avoid such mistakes. But mistakes should be corrected as soon as they are discovered. The aim should always be to do justice. All veterans are entitled to that, and in that the public will back them.

LOWERING OF THE GOLD CONTENT OF THE UNITED STATES DOLLAR AND ITS EFFECT ON TRADE RELATIONS

Mr. McFADDEN. Mr. Speaker, I desire to refer to the following addresses recorded in the Congressional Record January 20, 1934, pages 970 to 976; January 24, 1934, pages 1292 to 1299; March 22, 1934, pages 5053 to 5066. The remarks that I am now making complete the tabulation referred to in my January 20 and March 22 addresses. I now insert a statement showing to what extent the devaluation of the United States dollar will improve Canadian trade balances with the United States of America.

The devaluation of the American dollar, under the provisions of the Gold Reserve Act of 1934, will benefit substantially Canada's trade balances with the United States of America.

On the assumption that the volume and prices of our merchandise exports to the United States during the year 1934 through 1941 will be limited to approximately the same volume and prices that obtained during the year 1926 through 1933, and that our export trade to the United States will follow the same trend backward from 1933 to 1926. Canada's merchandise balances in the United States will be on the credit side in lieu of being on the debit side as heretofore. During the fiscal years ending March 31, 1926, through 1933, Canada's debit balances in the United States were as follows:

1926	\$121, 848, 094
1927	206, 830, 860
1928	221, 200, 258
1929	345, 612, 454
1930	\$309, 722, 460
1931	The State of the S
1932	106, 313, 859
1933	88, 401, 287

By inverting the year 1933 for the year 1934, the year 1932 for 1935, the year 1931 for 1936, the year 1930 for 1937, the year 1929 for 1938, the year 1928 for 1939, the year 1927 for 1940, the year 1926 for 1941, the money consequences of the devaluation of the American dollar will be that the above debit merchandise balances from 1926 through 1933 will be converted into credit merchandise

from 1926 through 1933 will be converted into credit merchandise balances in favor of Canada.

For example, take the year 1932; our exports that year were \$245,671.587 and our imports were \$351,985,446. The debit balance against Canada was \$106,313,859. Under the Gold Reserve Act of 1934 the American dollar is fixed at 0.590620 percent of its former fixed weight in terms of gold prices. It follows, therefore, that if Canada will export merchandise to the United States and to all her dependencies to the extent of \$245,671,587 in the year 1935, this latter sum will become \$415,955,414 in American paper dollars. The difference between \$415,955,414 and \$245,671,587 represents a gross profit of \$170,283,827 in American paper currency. By deducting from \$170,283,827 the debit balance of \$106,313,859, there will remain a net credit balance of \$63,969,968 in favor of Canada.

In other words, if our exports become \$415,955,414 in American

\$106,313,859, there will remain a net credit balance of \$63,969,968 in favor of Canada.

In other words, if our exports become \$415,955,414 in American depreciated currency, and the value of our imports from the United States amount to \$351,985,446, representing dollars having a fixed value of 0.590620 percent, as fixed by the Gold Reserve Act of 1934, it is obvious mathematically that Canada will have a net merchandise credit balance of \$63,969,968 in American paper currency—that is to say, \$37,781,941 in American gold bullion.

The following tabulation shows the amounts of gross profit that will accrue to Canada each year, the net credit balances in American paper currency, and the equivalent of these American paper dollars in American gold bullion. These gold-bullion credits are the absolute property of our producers and exporters. If our producers and exporters withdraw these gold-credit balances from the United States and deposit them with our Canadian banks, there is no valid and legal reason why the Government of Canada should confiscate this gold and pay the owners thereof at the rate of \$20.67, when gold may be arbitrarily fixed in value at, say, \$35 per fine ounce. The profits between these two prices is the absolute property of the producers and/or exporters of Canada. Canada.

Years	United States gold standard of 1900			United States gold standard of 1934					
	Canadian exports	Canadian imports	Excess imports	Canadian exports	Canadian imports	Gross profit	Excess imports	Net excess export profit	Net excess gold credit
1934 (1933) 1935 (1932) 1936 (1931) 1937 (1930) 1938 (1929) 1939 (1928) 1940 (1927) 1941 (1926)	\$144, 383, 741 245, 671, 587 365, 427, 743 538, 408, 701 523, 062, 334 498, 338, 696 480, 815, 269 487, 290, 091	\$232, 785, 028 351, 985, 446 584, 955, 642 848, 131, 161 868, 674, 788 719, 538, 954 687, 646, 129 609, 138, 185	\$88, 401, 287 106, 313, 859 219, 527, 899 309, 722, 460 345, 612, 454 221, 200, 258 206, 830, 860 121, 848, 094	\$244, 461, 313 415, 955, 414 618, 718, 876 911, 599, 168 885, 615, 681 843, 755, 199 814, 085, 654 825, 048, 408	\$232, 785, 028 351, 985, 446 584, 955, 642 848, 131, 161 868, 674, 788 719, 538, 954 687, 646, 129 609, 138, 185	\$100, 077, 572 170, 283, 827 253, 291, 133 373, 190, 467 362, 553, 347 345, 416, 503 333, 270, 385 337, 758, 317	\$88, 401, 287 106, 313, 859 219, 527, 899 309, 722, 460 345, 612, 454 221, 200, 258 206, 830, 860 121, 848, 094	\$11, 676, 285 63, 969, 968 33, 763, 234 63, 468, 093 124, 216, 245 126, 439, 525 215, 910, 223	\$6. 906, 247 37, 781, 941 19, 941, 241 37, 485, 447 10, 005, 630 73, 364, 598 74, 677, 712 127, 520, 895

Condensed statement showing Canada's world-trade balances under devaluation of her dollar to United States of America dollar under Gold Reserve Act of 1934

	Gold	Standard Act o	f 1900	Gold Standard Act of 1934					
Years	Canadian imports	Canadian exports	Excess exports (+) excess imports (-)	Canadian imports	Canadian exports	Aggregate excess im- ports	Net excess imports	Exportable gold	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
1934 (1963) 1935 (1932) 1936 (1931) 1937 (1930) 1938 (1929) 1938 (1929) 1940 (1927) 1941 (1926)	\$406, 271, 329 578, 503, 904 906, 612, 695 1, 248, 273, 582 1, 265, 679, 991 1, 108, 956, 466 1, 030, 892, 505 927, 328, 732	\$473, 799, 955 587, 565, 517 817, 028, 048 1, 144, 938, 070 1, 388, 896, 075 1, 250, 598, 034 1, 267, 573, 142 1, 328, 700, 137	+\$67, 528, 626 +9, 061, 613 -89, 584, 647 -103, 335, 512 +123, 216, 984 +141, 641, 568 +236, 680, 637 +401, 371, 405	\$687, 872, 623 979, 485, 801 1, 535, 018, 616 2, 113, 496, 972 2, 142, 966, 867 1, 877, 614, 144 1, 745, 441, 239 1, 570, 093, 684	\$473, 799, 955 587, 565, 517 817, 023, 048 1, 144, 938, 070 1, 388, 896, 075 1, 250, 598, 034 1, 267, 573, 142 1, 328, 700, 137	-\$281, 601, 294 -400, 981, 897 -628, 405, 921 -865, 223, 390 -877, 287, 776 -768, 657, 678 -714, 548, 734 -642, 764, 952	-\$214, 072, 668 -391, 920, 284 -717, 990, 568 -968, 558, 902 -754, 070, 792 -627, 016, 110 -477, 868, 097 -241, 393, 547	\$126, 435, 598 231, 475, 958 424, 059, 589 572, 050, 258 445, 369, 291 370, 328, 254 282, 238, 455 142, 571, 856	
Total	7, 472, 518, 304 934, 064, 788	8, 259, 098, 978 1, 032, 387, 372	+786, 580, 674 +98, 322, 584	12, 651, 989, 946 1, 581, 498, 743	8, 259, 098, 978 1, 032, 387, 372	5, 179, 471, 642 647, 433, 955	4, 392, 890, 968 549, 111, 371	2, 594, 529, 259 324, 316, 157	

place between the United States and Great Britain and her colonies evidenced by the tightening of world trade by trade agreements and the changing monetary policies of the United States, Great Britain, and other nations make pertinent the relationships particularly between Canada and the United States. American capital invested in Canada is responsible for the high standard of living in Canada. It is pertinent for Americans to know that Canada is the only to study and understand this statement thoroughly.

The changing relations in trade and finance now taking | country in which American capital dominates the labor element. It is well for us to remember also that all American investments in the Latin American Republics are subservient to the domination which the British hold over the laboring classes in these countries. I am placing in the RECORD at this point a tabulated statement of the wages and salaries paid during the year 1930, which is an average year of Canada's pay rolls, by each category of industry in which foreign capital is invested. It is well for American investors

Provinces	Category	United States	Canada	Total	Great Britain	All other	Total	Aggregate
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Ontario	(B) Central electric, electric railways, tele-	\$18, 588, 293 18, 007, 886	\$47, 331, 796 13, 752, 462	\$65, 920, 089 31, 760, 348	\$22, 085, 804 3, 883, 345	\$763, 418 480, 453	\$22, 849, 222 4, 363, 798	\$88, 769, 31 36, 124, 14
phones. (C) Trading establishments (D) Pulp, paper, lumber (E) Metal industries	(C) Trading establishments (D) Pulp, paper, lumber (E) Metal industries (F) Mining	17, 755, 244 39, 184, 098	122, 189, 440 6, 618, 957 35, 826, 597 16, 938, 042 32, 957, 556	142, 844, 017 24, 374, 201 75, 010, 695 31, 885, 804 89, 559, 950	11, 421, 314 4, 705, 183 3, 643, 922 2, 527, 449 66, 420, 209	915, 569 272, 979 907, 004 20, 662 1, 862, 543	12, 336, 883 4, 978, 162 4, 550, 926 2, 548, 111 68, 282, 752	155, 180, 90 29, 352, 36 79, 561, 62 34, 433, 91 157, 842, 70
	Total Percentage	185, 740, 254 31. 95	275, 614, 850 47, 42	461, 355, 104 79. 37	114, 687, 226 19, 73	5, 222, 628 0. 90	119, 909, 854 20. 63	581, 264, 95 10
Quebec	(A) Railways.  (B) Central electric, electric railways, telephones.	\$15, 594, 905 12, 465, 977	\$39, 709, 663 9, 520, 155	\$55, 304, 568 21, 986, 132	\$18, 529, 190 2, 688, 249	\$640, 479 332, 594	\$19, 169, 669 3, 020, 843	\$74, 474, 23 25, 006, 97
	(C) Trading establishments. (D) Pulp, paper, lumber. (E) Metal Industries. (F) Mining. (G) Miscellaneous industries.	12, 475, 343 12, 731, 059 17, 526, 076 6, 594, 286 39, 222, 507	73, 802, 293 4, 745, 997 16, 024, 349 7, 472, 312 22, 837, 868	86, 277, 636 17, 477, 056 33, 550, 425 14, 066, 600 62, 060, 375	6, 898, 461 3, 373, 762 1, 629, 836 1, 114, 998 46, 025, 744	553, 003 195, 735 405, 681 9, 116 1, 290, 645	7, 451, 464 3, 569, 497 2, 035, 517 1, 124, 114 47, 316, 389	93, 729, 10 21, 046, 55 35, 585, 94 15, 190, 71 109, 376, 76
	TotalPercentage	116, 610, 155 31, 14	174, 112, 637 46, 50	290, 722, 792 77. 64	80, 260, 240 21. 43	3, 427, 253 0. 93	83, 687, 493 22, 36	374, 410, 28 10
British Columbia	(B) Central electric, electric railways,	\$3, 764, 859 4, 272, 880	\$9, 586, 548 3, 263, 160	\$13, 351, 407 7, 536, 040	\$4, 473, 243 921, 433	\$154, 624 114, 002	\$4, 627, 867 1, 035, 435	\$17, 979, 27 8, 571, 47
	telephones. (C) Trading establishments. (D) Pulp, paper, lumber. (E) Metal industries. (F) Mining (G) Miscellaneous industries.	4, 828, 322 8, 009, 290 4, 141, 361 5, 658, 806 2, 074, 291	28, 563, 643 2, 985, 774 3, 786, 507 6, 412, 271 1, 207, 785	33, 391, 965 10, 995, 064 7, 927, 868 12, 071, 077 3, 282, 076	2, 669, 906 2, 122, 481 385, 125 956, 821 2, 434, 083	214, 029 123, 141 95, 863 7, 824 68, 256	2, 883, 935 2, 245, 622 480, 988 964, 645 2, 502, 339	36, 275, 90 13, 240, 68 8, 408, 85 13, 035, 72 5, 784, 41
	Percentage.	32, 749, 809 31. 70	55, 805, 638 54. 02	88, 555, 497 85, 72	13, 963, 092 13. 51	777, 739 0. 77	14, 740, 831 14, 28	103, 296, 32 10
Manitoba	(B) Central electric, electric railways,	\$3, 792, 955 2, 845, 817	\$9, 658, 089 2, 173, 325	\$13, 451, 044 5, 019, 142	\$4, 506, 625 613, 691	\$155, 778 75, 929	\$4, 662, 403 689, 620	\$18, 113, 44 5, 708, 76
telephones. (C) Trading establishments (D) Pulp, paper, lumber (E) Metal industries.	telephones. (C) Trading establishments. (D) Pulp, paper, lumber (E) Metal industries (F) Mining (G) Miscellaneous industries	3, 598, 850 401, 701 3, 659, 284	21, 290, 272 149, 750 3, 345, 737 2, 150, 608 3, 390, 615	24, 889, 122 551, 451 7, 005, 021 4, 048, 512 9, 213, 769	1, 990, 048 106, 452 340, 294 320, 908 6, 833, 195	159, 530 6, 177 84, 704 2, 624 191, 615	2, 149, 578 112, 629 424, 998 323, 532 7, 024, 810	27, 038, 70 664, 08 7, 430, 01 4, 372, 04 16, 238, 57
	Total	22, 019, 665	42, 158, 396 52, 98	64, 178, 061 80. 65	14, 711, 213 18. 48	676, 357 0. 87	15, 387, 570 19. 35	79, 565, 63 10
Alberta	(A) Railways. (B) Central electric, electric railways, telephones.	THE PERSON NAMED IN	\$10, 087, 338 1, 351, 953	\$14, 048, 869 3, 122, 241	\$4, 706, 920 381, 757	\$162,700 47,233	\$4, 869, 620 428, 990	\$18, 918, 48 3, 551, 23
	(C) Trading establishments	3, 015, 580	17, 839, 728	20, 855, 308	1, 667, 518	133, 674	1, 801, 192	22, 656, 50
	(E) Metal industries	1, 058, 533 3, 419, 142 1, 113, 166	967, 832 3, 874, 398 648, 157	2, 026, 365 7, 293, 540 1, 761, 323	98, 434 578, 127 1, 306, 248	24, 507 4, 727 36, 631	122, 941 582, 854 1, 342, 879	2, 149, 30 7, 876, 39 3, 104, 20
	Total	14, 338, 240 24. 61	34, 769, 406 59, 68	49, 107, 646 84. 29	8, 739, 004 15	409, 472 0. 71	9, 148, 476 15. 71	58, 256, 12 10
askatchewan	(B) Central electric, electric railways,	\$4, 989, 844 1, 207, 508	\$12, 705, 753 922, 163	\$17, 695, 597 2, 129, 671	\$5, 928, 716 260, 395	\$204, 933 32, 217	\$6, 133, 649 292, 612	\$23, 829, 24 2, 422, 28
	telephones. (C) Trading establishments. (D) Pulp, paper, lumber. (E) Metal industries. (F) Mining. (G) Miscellaneous industries.	2, 756, 168 134, 031 274, 991 451, 806 1, 692, 810	16, 305, 085 49, 965 251, 428 511, 964 985, 663	19, 061, 253 183, 996 526, 419 963, 770 2, 678, 473	1, 524, 072 35, 518 25, 572 76, 393 1, 986, 433	122, 175 2, 062 6, 367 627 55, 703	1, 646, 247 37, 580 31, 939 77, 020 2, 042, 136	20, 707, 50 221, 57 558, 35 1, 040, 79 4, 720, 60
	Total		31, 732, 021 59. 31	43, 239, 179 80. 82	9, 837, 099 18. 38	424, 084 0. 80	10, 261, 183 19. 18	53, 500, 36 10
Nova Scotia	(A) Railways. (B) Central electric, electric railways,	\$2, 794, 727	\$7, 116, 279	\$9, 911, 006	\$3, 320, 574	\$114, 780	\$3, 435, 354	\$13, 346, 36
	telephones. (C) Trading establishments. (D) Pulp, paper, lumber. (E) Metal industries. (F) Mining. (G) Miscellaneous.	2, 700, 412	914, 056 7, 924, 708 329, 238 1, 357, 917 3, 059, 969 664, 657	2, 110, 948 9, 264, 279 1, 212, 414 2, 843, 092 5, 760, 381 1, 806, 161	258, 106 740, 739 234, 043 138, 113 456, 600 1, 339, 501	31, 934 59, 382 13, 580 34, 379 3, 734 37, 564	290, 040 800, 121 247, 623 172, 492 460, 334 1, 377, 065	2, 400, 98 10, 064, 40 1, 460, 03 3, 015, 58 6, 220, 71 3, 183, 22
	Total	11, 541, 457 29. 07	21, 366, 824 53, 83	32, 908, 281 82, 90	6, 487, 676 15, 34	295, 353 0. 76	6, 783, 029 17, 10	39, 691, 31
New Brunswick	(A) Railways	\$2, 227, 189 704, 018	\$5, 671, 142 537, 652	\$7, 898, 331 1, 241, 670	\$2, 646, 249 151, 819	\$91, 471 18, 785	\$2, 737, 720 170, 604	\$10, 636, 05 1, 412, 27
	telephones. (C) Trading establishments. (D) Pulp. paper, lumber. (E) Metal industries.	1, 114, 140 2, 226, 872 261, 098	6, 591, 089 830, 153 238, 726	7, 705, 229 3, 057, 025 499, 824	1 3243 34 35	49, 388 34, 238 6, 045	665, 471 624, 364 30, 325	8, 370, 70 3, 681, 38 530, 14

Provinces	Special se	Categor	ry	744	United States	Canada	Total	Great	Britain	All other nations	Total	Aggregate
(1)	Dello de la la	(2)			(3)	(4)	(5)	(	6)	(7)	(8)	(9)
New Brunswick	(F) Mining. (G) Miscells	neous			\$491, 534 2, 448, 838	\$556, 981 1, 425, 871	\$1, 048, 5 3, 874, 7		33, 111 73, 595	\$630 80, 583		\$1, 132, 306 6, 828, 886
	Total. Percentage				9, 473, 689 29. 07	15, 851, 614 48, 63	25, 325, 3 77.		85, 263 21. 43	281, 186 0. 87		32, 591, 750 100
Prince Edward Island	(A) Railway (B) Central teleph	electric, ele	ctric railwa	ys, and	\$477, 632 74, 657	\$1, 216, 207 57, 015	\$1,693,8 131,6		67, 502 16, 099	\$19,618 1,993		\$2, 280, 956 149, 766
	(C) Trading (D) Pulp, po (E) Metal in	establishm aper, lumbe idustries	)r		165, 603 32, 674 32, 123	979, 683 12, 180 29, 370	1, 145, 2 44, 8 61, 4	54	91, 573 8, 658 2, 987	7, 34 500 74	9, 163	1, 244, 200 54, 017 65, 225
	(F) Mining. (G) Miscella	ineous			226, 226	131, 723	357, 9	49 2	65, 466	7,44	3 272, 912	630, 86
	Total Percentage				1, 008, 915 22, 80	2, 426, 178 54, 82	3, 435, 0 77.	93 62	52, 285 21, 52	37, 64 0, 8		4, 425, 026 100
		1000		15-751	GRAND SU	MMARY		100			my s	
Dominion of Canada: Ontario					\$185, 740, 254 116, 610, 155 32, 749, 809 22, 019, 665 14, 338, 240 11, 507, 158 11, 541, 457 9, 473, 689 1, 008, 915	\$275, 614, 850 174, 112, 637 55, 805, 688 42, 158, 396 34, 769, 406 31, 732, 021 21, 366, 824 15, 851, 614 2, 426, 178	\$461, 355, 11 290, 722, 7 88, 555, 4 64, 178, 0 49, 107, 6 43, 239, 1 32, 908, 2 25, 325, 3 3, 435, 0	97 13, 9 61 14, 7 46 8, 7: 79 9, 8: 81 6. 4:	87, 226 60, 240 60, 240 11, 213 39, 004 37, 099 87, 676 85, 263 52, 285	\$5, 222, 628 3, 427, 258 777, 739 676, 357 409, 477 424, 084 295, 365 281, 186 37, 648	83, 687, 493 14, 740, 831 15, 387, 570 9, 148, 476 10, 261, 183 6, 783, 029 7, 266, 452	\$581, 464, 958 374, 410, 288 103, 296, 322 79, 565, 631 58, 256, 12: 53, 500, 36 30, 691, 31 32, 591, 75; 4, 425, 026
Grand total					404, 989, 342 30. 51	653, 837, 614 49, 26	1, 058, 826, 9 79.		23, 098 19. 33	11, 551, 725 10, 90	268, 374, 821 20, 23	1, 327, 201, 777
Stat	ement showing	salaries and	wages by F	rovinces (	of Canada and	by categories o	f industries i	n each Prot	ince of C	anada in ye	ars 1930-31	
Provinces	Pulp, paper, lumber	Metals	Mining	Centra electri station	c cellaneous		Steam railways	Electric railways	Tele		ish- (7 8 0 10)	Agregate
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
OntarioQuebecManitoba	\$29, 352, 363 21, 046, 553 13, 240, 686	\$79, 561, 621 35, 585, 942 8, 408, 856 7, 430, 019	\$34, 433, 915 15, 190, 714 13, 035, 722 4 372 044	\$12, 285, 6, 162, 2, 172, 2, 001	699 \$157, 842, 70 591 109, 376, 76 661 5, 784, 41 487 16, 238 57	2 \$313, 676, 300 4 187, 362, 564 5 42, 642, 340 9 30, 706, 200	\$88, 769, 311 74, 474, 237 17, 979, 274	\$11, 164, 64° 8, 722, 05° 3, 173, 02° 1, 899, 39°	7 \$12, 673, 9 10, 122, 5 3, 225, 2 1 807	800 \$155, 18 325 93, 72 789 36, 27 883 27 03	0, 900 \$267, 788, 66 9, 100 187, 047, 72 5, 900 60, 653, 98 8, 700 48, 859 43	58 \$581, 464, 958 21 374, 410, 288 22 79, 565, 631

Total\_\_\_\_

Prince Edward Island

Nova Scotia\_\_\_\_ New Brunswick

6, 220, 715

1, 005, 370

534, 167

Column 6. Summary report: The Manufacturing Industries of Canada, 1931, pp. 41-48.

Column 7. All Provinces: Canada Year Book, 1932, p. 543, and Statistics of Steam Railways of Canada, 1932.

Column 8. All Provinces: Statistics of Electric Railways of Canada, 1932, p. 19.

Column 19. All Provinces: Telephone Statistics of Canada, 1932, p. 2.

Column 10. All Provinces: Statistics of Retail Trade in Canada, 1930, as stated in each report concerning retail trade in each Province.

Column 12. All Provinces: Canada Year Book, 1932, p. 749, table 34, in comparison with amount of assessed income of Canada, 1930. The totals of columns 6 and 11 are equal to the aggregate in column 12.

69, 720, 701 137,305,060 83, 302, 600 26, 306, 956 307, 710, 244 624, 545, 561 268,347,374 26, 954, 994 32, 085, 948 375, 267, 900

14, 2. 7, 546, 70. 14, 881, 673 12, 706, 897 809, 122

23, 829, 246 13, 346, 360 10, 636, 051

You will observe in this statement that the United States, on a percentage basis of all foreign capital invested in the whole of the Dominion of Canada, contributes a general average of 30 to 51 percent as against Great Britain's 19 to 33 percent.

1, 460, 037 3, 681, 389

The importance of these tabulations will be immediately apparent because they prove conclusively that the labor element holds the key to the determination to the financial and economic situation which will necessarily arise in the not distant future between Canada and the United States. This is particularly true if the Bennett-Chamberlain oligarchy should carry out their contemplated plans. And we must not lose sight in this connection of the statement made on the floor of the House of Commons in London by Neville Chamberlain in connection with the President's proposal to devalue the gold dollar. He said:

According to the information we have, the depreciation of the dollar has not yet seriously affected British trade. I am carefully watching the situation in all its aspects and consideration will be given from time to time whether any action is necessary; and if so, what? A tariff increase is not the only device the Government has in mind if and when action becomes necessary to offset depreciation of the dollar. There are still provisions of the Ottawa agreements that have not yet been made use of but that might be invoked to allow various parts of the British Empire to take joint action to protect themselves against the rest

of the world in matters of trade. It is not in the interests of the nation that any publicity be given to the House of Commons in regard to the operations of the exchange-stabilization fund.

45, 953, 659 24, 809, 637

19, 884, 858

702, 656, 216 1, 327, 201, 777

39, 691, 310

10, 064, 400 8, 370, 700 1, 244, 200

Mr. Chamberlain had well in mind the bill that the British House of Commons passed on May 30, 1933, known as the "agricultural marketing bill." Under the provisions of this bill all the food supplies of Great Britain were put under the control of five food dictators. These "economic generals" are absolute deciding factors in regard to the importation of all foodstuffs and raw materials into Great Britain. This gives Great Britain, if she so desires, the opportunity to direct any market whence foodstuffs and raw materials come. Competition between nations thus becomes crushed. The result is that prices can be kept down at levels which will enable Great Britain to live on while those nations which do not come within the circle of her economic areas will be left to suffer further depression and deflation.

Through the operation of her exchange-equalization fund the British Government is given the right to control all exchanges of all the debtors of Great Britain. This power enables Great Britain to stifle the export trade of all her oversea debtors. Such an example of the operation of this power is that Brazil and Argentina have not been able quite recently to satisfy the exchange requirements of American

exporters' consignments of goods to either of these two countries among many other countries where the same sort of conditions prevail.

The present Prime Minister of Canada, who is in favor with Neville Chamberlain, and his other cohorts at 10 Downing Street, know perfectly well that Great Britain has no intention of stabilizing the pound sterling, nor of even suggesting the revaluation of the gold content of the pound sterling. The actions which have been taken by the legislators in Canada and Great Britain in the recent past indicate preparedness on the part of Great Britain for a long, drawnout economic battle. I refer particularly to the imposition in Canada by Great Britain of a central bank and the control of all exchanges and the marketing act for Canada patterned after the British act.

The powers that have been given to the President by the two sessions of Congress, which have just closed, give him almost absolute authority to deal with the international-trade situation, and through the exchange-stabilization fund authority to deal with the exchange situation. It means much to the American people as to how the President deals with this situation when he meets clever statesmen of the type of Chamberlain and Bennett.

THE RECORD OF THE SEVENTY-THIRD CONGRESS UNEQUALED FOR THE ENACTMENT OF IMPORTANT LEGISLATION BY ANY CONGRESS IN TIME OF WAR OR PEACE

Mr. O'CONNOR. Mr. Speaker, the Seventy-third Congress is about to adjourn sine die, after 266 days in session, the shortest Congress, except one, on record, but only after having passed greater and more far-reaching and more important legislation than ever was enacted by any Congress or any parliamentary body in the world.

To summarize even briefly the work of this Congress is a tremendous task, but I do desire to point to some of the outstanding legislation which has been enacted in the Nation's legislative branch during the past 15 months.

When our great and beloved President, Franklin D. Roosevelt, took office on March 4, 1933, the country was at the lowest ebb of the depression through which it had gone for nearly 4 years. It was then estimated that 13,000,000 of our workers were unemployed, and at that moment every banking institution in the country was closed. The President thereupon immediately called a special session of the Seventy-third Congress, which continued in session until June 16, 1933.

# THE SPECIAL SESSION Emergency banking act

On March 9, 1933, this act was proposed, passed, and signed within the short space of 7 hours. It gave the President power to close all national banks and to reopen them under license. It also reempowered the Secretary of the Treasury to require the return to the Treasury of all gold and gold certificates held by anybody.

# The economy act

This bill to carry out the pledges of the platform adopted at the Democratic National Convention in Chicago was enacted on March 20, 1933, and resulted in a saving of \$1,000,000,000 of the ordinary expenses of the Government.

# Prohibition

The year 1933 saw the complete repeal of national prohibition. On March 22, 1933, Congress legalized beer, and in the fall the other beverages became legal by reason of the repeal of the eighteenth amendment.

# Civilian Conservation Corps

On March 31, 1933, an act was approved setting up reforestation camps to employ 325,000 young men. This major relief has been considered by most people one of the greatest relief measures adopted to reduce unemployment and at the same time afford healthy and worth-while work for the youth of the country.

# Agricultural Adjustment Administration

On May 12, 1933, this act was approved, the purpose of which was to increase the prices of farm commodities and stock through allocation of production and withdrawing land from ant loss.

production. It also provided for the refinancing of farm mortgages at  $4\frac{1}{2}$  percent in the amount of \$2,000,000,000 with interest on the bond issues guaranteed by the Government. The act also provided for the issuance of Federal Reserve credits in the amount of \$3,000,000,000 and gave the President power to alter the monetary system.

## The Gold Standard

By an act of June 5, 1933, the Government went off the gold standard as to all Government and private obligations. This was a far-reaching enactment, but made necessary by the monetary policies of other nations and was intended to and did result in the increase of commodity prices.

#### Securities Act

On May 27, 1933, the President approved this act requiring registration with the Federal Trade Commission of all stock and bond issues proposed to be sold in interstate commerce. The act has worked beneficially to protect the investing public from false and fraudulent misrepresentations which had cost billions of dollars in the previous few years.

#### Muscle Shoals

After about 15 years of various attempts on the part of the Federal Government to put to work this great enterprise, which had cost our people about \$150,000,000, an act was passed authorizing the Government to proceed with the development of this great Tennessee Valley project, which has already resulted in the reduction of the cost of electricity to the people of that great territory, and its results will be felt throughout the country.

#### Home Owners' Loan Act

One of the greatest and most beneficially successful pieces of legislation ever enacted by any parliamentary body was this act which was approved April 27, 1933. It provided for the loan of \$2,000,000,000 to the people of the country, who were pressed with mortgages on their homes. The success of this legislation is acknowledged by everybody.

## Railroad reorganization

In this special session of the Seventy-third Congress, on June 16, 1933, the President approved an act permitting the reorganization and consolidation of railroads so that the public might benefit by reduced rates and better transportation.

# National Recovery Act

On June 16, 1933, the President approved the National Industrial Recovery Act, the most far-reaching piece of legislation ever adopted in this country or any other country in the world. This act was made necessary because of the condition of business throughout the country and the unfair practices of many businesses which took advantage of the depression to chisel. It was intended through the adoption of codes in the various industries to provide for fair practices, to increase wages, and to shorten hours of work, thereby spreading employment. One of its great achievements has been immediately to abolish child labor, for the elimination of which the States and the National Government have struggled for many years. This act also authorized the use of \$3,300,000,000 for works of a public nature. most of which has already been allocated by the Public Works Administration. Of this amount \$400,000,000 was set aside for highway construction, which has afforded employment to hundreds of thousands of the unemployed. The act also provided for the regulation of the petroleum industry, so that no producers would have an advantage over others.

# Insurance of deposits in banks

On June 16, 1933, this act was approved, which insured deposits in all national banks and all other banks which desired to take advantage of the system up to \$2,500. This measure was intended to and has resulted in restoring confidence in our banks, so that during the past year bank failures have been very few compared with the thousands of failures during the previous year. This act also provided for the elimination of bank affiliates which had sold bonds and stock issues to its customers with a tremendous resultant loss.

## Farm Credit Act

On June 16, 1933, a law became effective to provide loans to the farmers for the production and marketing of their crops. Hundreds of thousands of farmers have been benefited by the provisions of this legislation.

# Aid to Insurance Companies and Banks

Following the enactment of legislation to authorize the Reconstruction Finance Corporation to purchase the preferred stock of banks, the President, on June 10, 1933, authorized that same Corporation to use \$50,000,000 to purchase the preferred stock of insurance companies, many of the large companies having failed with great loss to the public. This act also authorized loans to State workmen's compensation funds to provide for payments to injured employees.

## Emergency Relief

On May 12, 1933, the Reconstruction Finance Corporation was authorized to use \$500,000,000 of its funds for emergency relief, which has been distributed throughout the country and has tided over families which had no other source of income.

# " Kick-back"

On June 13, 1933, Congress passed a law making it unlawful for any contractor on public works to demand that any employee give back any part of his wages.

# National Employment System

On June 6, 1933, the President approved an act establishing national employment agencies in cooperation with the States. The administration of this act has done much to relieve unemployment.

The foregoing are the major enactments of the first or special session of the Seventy-third Congress. Most of those enactments were designed as emergency measures to meet the depressed condition in which the country was when the administration took office. That practically all of them have worked out for the benefit of those intended to be helped, no one can deny.

# THE REGULAR SESSION

Under the twentieth or "lame duck" amendment to the Constitution of the United States, which became effective on June 5, 1934, Congress for the first time met on January 3 of this year instead of on the first Monday in December, as heretofore. Hereafter Congress will meet on January 3 of each year following the election in the preceding November of all Representatives and one-third of the Senators. Under the new amendment such Members of Congress will not be prevented from actually participating in legislation until 13 months after their election, as heretofore, and the Members of Congress who were defeated in November will not continue to participate in the National Government until the following March.

# Principal as well as interest guaranteed by the Government on Farm-loan Bonds and Home-loan Bonds

On January 31, 1934, an act was approved guaranteeing the principal of the farm-loan mortgage bonds, and on April 27, 1934, the principal of home owners' loan bonds were approved. These two acts provided an investment market for these two issues of billions of dollars of Government bonds, which thereby became guaranteed by the Government, both as to principal and interest. These two acts have contributed greatly to the solution of the problem of the farm owner and the home owner with mortgages on their properties.

# Air Mail

Early in this year such a scandalous situation existed as to the existence of monopolies in contracts to carry the mails by airplanes and fraudulent practices in obtaining these contracts that Postmaster General James A. Farley, after lengthy hearings before a Senate committee, canceled all the air-mail contracts. On March 27, 1934, the President approved a temporary measure authorizing the Postmaster General to make short-term contracts for carrying the mail by air, and on June 12, 1934, an act was passed authorizing the Postmaster General to make 1-year contracts for the same purpose. In this act the air-mail post-

age rates were reduced, and the contracts, when awarded, afforded a saving of millions of dollars to the Government, which had heretofore been illegally given to a few favorite contractors.

#### Sugar

In order to protect the American beet-sugar industry, an act was approved on May 9, 1934, including sugar beets and sugarcane as agricultural commodities under the Agriculture Act and apportioning the domestic production as to the importations. This legislation should do much to encourage this domestic industry which has been in an unfavorable position in competing with foreign sugar producers.

#### Cattle

On May 25, 1934, an act was approved authorizing the Secretary of Agriculture to use \$150,000,000 to destroy diseased cattle, purchase cattle to be distributed for relief purposes, and to improve the cattle industry throughout the country. This legislation has had a very beneficial result not only to the beef-cattle farmers but to the people in distress throughout the country for lack of meat products.

# Bankhead Cotton Bill

This act approved April 21, 1934, is an attempt to reduce the production of cotton in the country to about 10,000,000 bales a year by compulsory reduction of acreage as compared with the voluntary reduction which has been in existence during the past year and which has not proved universally successful because of the chiseling by some of the producers of cotton. This act provides for a tax on overproduction, which should deter those who are not patriotic enough to join in the general program to aid the farmer.

#### The Kerr Tobacco Bill

There is now pending before the President for his signature a bill which applies the same principle to tobacco that the Bankhead bill applied to cotton, and the Tobacco Act should go a long way to help the 400,000 tobacco farmers of the country.

# Taxation

The Revenue Act of 1934 approved May 10, 1934, was enacted principally to plug up the loopholes in the existing tax law, which permitted evasion of taxation, remarkable instances of which were brought out during an investigation by a Senate committee. On the average person the act places no additional burden, and it eliminates several nuisance taxes. It increased estate taxes, provided for a limited publicity of income-tax returns, and prohibited consolidated returns by corporations.

# Revaluation of the Dollar

An act approved January 30, 1934, authorized the President to revalue the gold dollar at from 50 to 60 percent of its then value. This has been done, and the gold dollar is now worth about 60 cents as compared with its previous value. The purpose of this act was to meet the international situation as to money and to help raise commodity prices. As far as our domestic situation is concerned and for all purposes of exchange within our own country the dollar is still worth 100 cents and should give no cause for concern to any of our people. The bill also provides for a stabilization fund of \$2,000,000,000 to be used to maintain the value of the dollar at the price fixed by the Executive.

# Silver

The very vigorous and widespread demand for the monetization of silver was answered by Congress in passing the Silver Purchase Act, which is now before the President for his signature. This act would compel the Treasury to maintain one-fourth of its reserve against outstanding paper money in silver and authorizes the purchase of silver at fixed prices and in a way so that none of the recent speculators in silver can profit.

# Bankruptcy Acts

The distress in which business, large and small, corporations, municipalities, farmers, and other individuals found themselves persuaded Congress to enact legislation enlarging the provisions of the National Bankruptcy Act. On May 24, 1934, an act was approved authorizing municipalities

to go into bankruptcy during a period of 2 years to straighten out the situation as to their indebtedness.

On June 7, 1934, an act was passed permitting corporations to reorganize under more liberal provisions than those

provided by the Bankruptcy Act then in force.

There is now pending before the President for his signature the so-called "Frazier-Lemke Bankruptcy Act" pertaining to farmers, which permits them to go into bankruptcy and make an agreement with their creditors or upon failure to be able to do this, the act permits the farmer to remain on his farm for a period of 5 years, upon paying a rental fixed by the court, and gives him first preference to redeem his farm upon paying the appraised value.

## Crime bills

A number of bills were enacted by Congress at the request of the President and the Attorney General, many of which have been to date approved by the President, designed to meet racketeering and kidnaping and crime conditions in more than one State or between the States, where the States themselves with their limited authority were helpless adequately to pursue or prosecute the offenders. The desperate career of Dillinger and other outlaws gave rise to the necessity for these measures.

# Stock-Exchange Control Act

After a score or more of years of demand of our people for some control over the stock exchanges of our country, the President approved on June 6, 1934, the National Securities Exchange Act, a bill to regulate the stock exchanges so that the investing public might not again be defrauded of the billions which it has lost in the last few years. This is one of the most far-reaching pieces of legislation enacted at this session, and should go a long way to cure the many evils of the stock exchanges and at the same time should work to their benefit.

## The Communications Act

The President has before him now for signature an act to regulate telegraph, telephone, cable, and radio. The regulation of these methods of communication was intrusted to several commissions. This bill also contains provisions as to broadcasting which should prevent the discrimination which has existed in some instances between the various broadcasting stations.

# Tariff

While no general tariff legislation was even considered at this session of Congress, it was thought necessary, in view of the loss of our many billions of dollars in foreign trade, to authorize the President to enter into trade agreements with foreign nations so that our foreign trade might be restored, and business and employment thereby increased. This act was approved June 12, 1934, and should go a long way to better our foreign-trade relations with the other nations of the world.

# Deposit insurance law

The President has before him for his signature an act increasing the amount to \$5,000 that deposits in banks may be insured, as compared with the limit of \$2,500 contained in the act of 1933. This bill should help further to restore the confidence of our people in their banks.

# Direct loans to industry

One of the weaknesses of the proper functioning of the Reconstruction Finance Corporation, with billions to lend for the benefit of business and industry, has been that it was not authorized, under the law, to loan directly to any business or industry, but could loan only through a bank, a mortgage company, or an insurance company. There has been a demand for over a year that this law be amended so that the business man, who has been denied relief through his bank or mortgage company, might obtain needed working capital and thus employ more men. The bill to accomplish this is now before the President and should be of great benefit to business and industry throughout the country and increase employment.

# The National Housing Act

This was one of the most important measures passed during the 73rd Congress and is before the President now for his signature. Its purpose is to supplement the Home Owners' Loan Act and to induce institutions and people with money to lend it for the repair of homes and on mortgages. The act provides for the Government insuring such loans up to 80 percent, and increases the amount allocated to the Home Owners' Loan Corporation by \$1,000,000,000. The act also provides for aid to building-and-loan associations by the Government purchasing their shares and certificates. One of the big features of the act is the establishment of National Mortgage Associations which will purchase mortgages insured by the Government and thus relieve the situation in the several States in reference to failure of mortgage and title companies.

# Philippine Islands

On March 24, 1934, an act was approved finally providing for the complete independence of the Philippines within 10 years, with provisions to protect those islands from foreign interference and providing for limited importations of their products free from duty until the expiration of the 10-year period. This was a fulfillment of the pledges in the Democratic Party platforms for over 30 years—to grant independence to the Philippines and to stand against imperialism.

## Labor disputes bill

The President has before him for signature, and will undoubtedly sign, the Joint Resolution passed in the closing hours of the session, permitting him to set up boards to settle labor disputes and to enforce their regulations. Although this measure may not contain all the teeth which organized labor desired and which was included in a bill pending before Congress for some time, the resolution should go a long way toward preventing and adjusting labor disputes until Congress can enact more thorough legislation. The bill protects the right of labor to strike in justification of its grievances.

## Railroad Pension Act

This bill was passed in the closing session of Congress and readjusts the pensions of railroad employees, making more equitable provisions for the retirement of the 1.100.000 railroad workers.

# Railroad Labor Act

This bill, which was likewise passed in the closing days of Congress, amends the existing Railroad Labor Act to take care of many situations which have arisen since that act became a law in 1926. It provides for boards to adjust disputes between the railroads and their employees and prohibits the railroads from interfering with or organizing unions or forcing employees to join or not to join any company union or any one of the 21 standard railroad-labor organizations. The "yellow-dog" contract is prohibited, and the employee is left to determine what, if any, organization he will join.

# New ships for the Navy

The act approved March 27, 1934, authorized the President to order the construction of plane carriers, destroyers, and submarines, so that our Navy might maintain its parity with the other nations under the naval treaties. Acts were also passed May 29, 1934, improving the condition of the Marine Corps personnel and regulating promotion in the Navy.

# Johnson Debt Default Act

This act prohibits the sale in this country of securities originating within those nations which are still in default to us on their war debts.

# Treaties

The Senate ratified several treaties with other nations. On May 24, 1934, the treaty adopted at the Pan American Conference at Montevideo, providing that there should be no restriction based on sex or nationality, was ratified. On May 31, 1934, the Senate abrogated the existing treaty with Cuba of May 22, 1923, including the Platt amendment, and provided for more amicable relations with that Republic. On June 15, 1934, the Senate approved the treaty made at Geneva in reference to the international shipment of arms and ammunition, the treaty signed at Rio de Janeiro providing for settlement of disputes and controversies with-

out war, if possible, and the treaty signed at Montevideo pertaining to the freedom of states in their own affairs.

## Equal rights for women

On May 24, 1934, an act was approved giving to children born abroad of an American woman the same rights to citizenship as to children born abroad to an American man.

## Crop Loan Act

An act was approved April 7, 1934, amending the Agricultural Adjustment Act so as to include additional basic commodities—beef, dairy cattle, peanuts, rye, barley, flax, and sorghum—within the benefits of that act and appropriated \$200,000,000 to finance surplus reduction, that amount to be replaced by processing taxes. This act also appropriated \$50,000,000 to reimburse farmers for tubercular cattle destroyed by the Government.

# Permanent Appropriations Act

The President has before him for his signature an act which provides that practically all appropriations shall be subject annually to the approval of the Bureau of the Budget and Congress, rather than continue as permanent appropriations. This act should materially reduce the cost of Government.

## Independent Offices Appropriation Act

On March 28, 1934, this act was passed over the President's veto. It restored the pay of Government employees by 5 percent as of February 1, 1934, and an additional 5 percent on July 1, 1934, and authorized the President to restore the remaining 5 percent when he determined the cost of living justified it. This act also increased the benefits to be paid to veterans of the World War and the Spanish-American War by about \$200,000,000 and corrected many instances of inequality and injustices which had developed in the administration of the Economy Act of 1933.

#### Civil Works Administration

On February 15, 1934, an act was approved appropriating \$950,000,000 for the continuance of the civil-works program and direct relief.

# Reconstruction Finance Corporation

By an act approved June 20, 1934, the Reconstruction Finance Corporation was authorized to borrow an additional \$850,000,000, to be used for loans, and by an act approved March 26, 1934, the Corporation was authorized to foster export trading.

# Aid to vocational education

By an act approved May 21, 1934, \$3,000,000 was appropriated to aid vocational education both in the agricultural and urban sections of the country.

# Wild-life conservation

On March 10, 1934, two bills were approved to protect wild life throughout the country and provide for fish and game sanctuaries.

# Investigations

During the recess of Congress committees of the House of Representatives will investigate the following matters, among others:

Taxation, including evasions, new sources of revenue, and a more equitable distribution of taxes.

Foreign propaganda directed against the safety of our Government from Nazi, Communistic, or other sources.

Real-estate bondholders reorganization committees and their dealings with the investments of millions of our citizens

Oil, its production, prices, surpluses, and means of control. Election expenses in the coming congressional campaign. Tin, its source of supply and its control abroad as affecting our industries and national defense.

Receivership practices in Federal courts.

The foregoing is a mere summary of what the writer considers the most important legislative measures passed in the Seventy-third Congress. Other Members of Congress and persons outside may well consider other measures of equal or greater importance or may regret that the Congress did not enact, or the President approve, other proposals to aid the farmer, or the home owner, or the Indians, or business,

or the railroads, or labor, or the oil or mining industries, and so forth.

Just before Congress adjourned the President sent to Congress one of the greatest messages ever sent by any country's Chief Executive, in which he set forth a definite plan he has in mind to take up in the next Congress, a program of legislation especially of a social character, such as old-age pensions, unemployment insurance, shorter hours of labor, and similar proposals, which were not thoroughly enough prepared or capable of being considered during the Seventy-third Congress. That the President's heart is behind such social legislation has been apparent in his entire public service.

There are, of course, some of our citizens who complain of some of the laws we passed or of the method of administration of some of those measures. That is but natural. No law could possibly satisfy every individual in this country. One can imagine that Dillinger does not endorse the crime bills. Laws are passed to provide the greatest good for the greatest number, and in the process it is almost inevitable that someone be hurt.

The Seventy-third Congress, however, set a record for passing laws to help the vast majority of our citizens in every section of the Nation. The worker, the farmer, the home owner, the consumer, the producer, the business man, the investor, and other large groups were always in the minds of the Nation's legislators.

It is estimated that as a result of the acts of the present Democratic administration since it took office on March 4, 1933, 4,000,000 workers have been given employment. This recovery in employment may not be apparent in every city or town or in every trade, but taking the Nation as a whole the results cannot be denied. The prices paid to the farmers for their products have risen, bank failures are practically negligible, and business has generally improved, as all statistics or indexes will show. In the Hoover administration "prosperity" was always "just around the corner", but when you turned the corner it was always around the next corner, so that instead of ever catching up with it we were plunged into 4 years of the greatest distress and misery this Nation or any other nation has ever experienced.

It can at least be said of the present Democratic administration, under the leadership of President Roosevelt, that while the unnatural and unhealthy prosperity of 1928 may not be just around the corner, we have got several jumps ahead of Old Man Depression. We are around the corner ahead of him, and he will not catch us again.

Of course, it has cost the Federal Government many billions of dollars to get us so far out of the depression. It is also true that never before in peace time have such huge sums been expended by a government. We call it peace time, but we have been waging a war. It is a war against the ravages of social and economic enemies, the casualties in which have been greater than those of any war of guns. To date we have the enemy well on the run.

Our Commander in Chief has the confidence of every man. woman, and child in our army of 130,000,000 recruits. Naturally a war like that costs money, and the present and the future taxpayer must meet the cost. Congress and the Executive are always aware of this and careful to make the burden as light as possible. But the taxpayer should always remember that he does not pull out of the air or pick off trees the money with which he pays his taxes. That money comes from the humblest and the poorest people in our country. If those people are left in a destitute condition, the taxpayer has no income or profits with which to pay his taxes, and such a condition unremedied would reduce Mr. Taxpayer to the same low station as the helpless ones in our land. In the last analysis, every cent expended by our Government comes out of and from every single human being in our population.

During the coming campaign much may be said by the Republican Party concerning the huge expenditures by the Government. While those expenditures are huge, they are about \$3,000,000,000 less than the President estimated at the beginning of the year would be necessary. Our National Budget has been balanced as to ordinary and current ex-

penditures, a condition that did not exist for 5 years under Republican administration. It is our extraordinary and long-term expenditures for relief that have added to our national debt, which is still less than during the World War. A national debt of twenty-five or thirty billions of dollars, as compared to the value of the vast resources and wealth of our country, should not cause any untold alarm even among our business men or bankers. The average individual is in debt to a greater proportion.

This great stride toward recovery has been accomplished under Democratic leadership in both branches of the Congress. Much that has been said or will be said during the coming campaign about the Republican minority cooperation is not the fact. Whenever the Republicans did cooperate they did so reluctantly and with their fingers crossed, hoping the worst would happen to our best intentions. There was political sniping and filibustering against the proposals of the administration. Heads of departments. appointed by the President, were constantly attacked, ridiculed, and even their patriotism questioned by the Republican minority. That is the kind of cooperation the administration received from the Republican Party. Luckily, the Democratic majorities in the House and Senate were so overwhelming that the administration measures could be enacted in spite of any Republican opposition. The American people should maintain those Democratic majorities by their votes in the coming congressional election if they want the program of recovery, so well on its way, continued under the unparalleled leadership of our President.

## AS I VIEW IT-THE WORK OF THE SEVENTY-THIRD CONGRESS

Mr. PIERCE. Mr. Speaker, it is fitting and proper that at the close of a session, each Congressman is given the opportunity to extend his remarks and print the same in the CONGRESSIONAL RECORD. It is an opportunity accepted by those supporting the administration as well as those in opposition. It gives the citizens a chance to read and consider presentations summarizing, from various viewpoints, the most interesting economic, social, and political legislation of the Congress. I accept the opportunity and cherish the hope that the views of a farmer-Congressman of eastern Oregon will add, in some slight degree, to the fund of information furnished, and more especially do I hope that this review will prove helpful to those of my constituents who have closely followed the activities of this Congress during its two sessions, the special session of March to June 1933 and the regular session of January to June 1934.

# CONDITIONS FACED BY THE ADMINISTRATION

March 4, 1933, marked an epoch in our history, possibly in world history. "I warrant, an I should live a thousand years, I never should forget it." Every bank in the United States closed; practically every industry facing financial ruin; most farmers financially wrecked and hopeless; wheat 25 cents a bushel, corn 10 cents, cotton 6 cents; gold going into hiding by the millions. The greatest economic machine that the ingenuity of man had ever developed was on the point of complete breakdown. The situation might well be compared to a battlefield where every division had suffered defeat, and panic had seized both officers and men, when, late in the afternoon, a man came onto that field of confusion and took command. His first orders were to close officially all banks, many of which had previously been closed by the States; to conserve his ammunition, the gold, by refusing to allow it to leave the country; to call a council of war of his advisers, the Congress, to assemble in special session at the earliest possible date.

# FIRST STEPS TOWARD RECOVERY AND CHANGE

I remember very clearly how I watched the first bill I had ever seen pass Congress. There were no copies, it had not been printed, there was no roll call. It was the banking bill, giving the bankers powers for which they had clamored for a century, the passage of which could be excused only on the ground of emergency. Then came the economy bill, cutting too deeply, too hastily drawn, and later, wisely amended. Order was restored in the economic world and it began again to function.

The most notable acts of this special session, which was called for emergency legislation, may be briefly summarized: The Banking Act; Agricultural Adjustment Act; Farm Mortgage Act; Home Loan Act; National Recovery Act (public works and industrial recovery); Securities Act; insurance of bank deposits; creation of the Tennessee Valley Authority as a great experimental power project; appropriation of large sums for the relief of the unemployed and the definite acceptance of the responsibility for their welfare. All these acts were the outcome of the recognition of abuses which had caused the crash, or of realization of the immediate necessity of saving farms, homes, the business structure, and the credit system.

I have, in committee and on the floor of the House, gone along with the administration, not as a blind follower but voting with the President to uphold his hands in the hour of distress, even when I would have personally chosen a different course. I sometimes yielded my personal convictions for what I considered to be a unified effort for the public good, demanding the support of all who understood the emergency. Only twice did I depart from this policy—once to redeem a pledge best redeemed now for economic recovery, and once to make amends for wrongs wrought through the emergency enactment of the Economy Act.

As a member of the exclusive Agricultural Committee, I sat at the table when the domestic allotment plan of farm relief was decided upon, and helped in framing the Agricultural Adjustment Act, the Farm Mortgage Act, and all those other measures which have so beneficially affected the farmer. Many times my farmer instinct rebelled against the method chosen, and I presented, as forcefully as possible, the farm point of view, often being overridden and yielding in order to accomplish all possible, sometimes winning important points from a practical standpoint. Citizens should never forget that, under our form of government, all legislation is a matter of compromise. Very few acts go through as first drawn, and very seldom does a Member get just what he wants. All have to give and take.

In general, success has crowned the recovery efforts of the administration, and we have a semblance of prosperity in most business and occupations, with real prosperity in many places, giving hope and courage to all. Wheat and corn are worth, to the farmer, almost three times what they were in March 1933. No one claims that miracles have been wrought, but, at least, order and hope have been restored and a way has been determined upon.

# THE NEW POINT OF VIEW

All are beginning to realize that this is not a "depression" but, indeed, a new era, comparable in a way to the time, four centuries ago, when the people of western Europe commenced to sail the seas. They discovered that the oceans were highways instead of barriers, and the entire world outlook was changed-economic, business, social, and religious. We are living in one of the most interesting periods of history when an outworn system is being subjected to essential and wholesome change and renovation in the interests of justice and humanity. We should not lose sight of the fact that, practically up to the birth of our country, it was a hungry world, illy clad and housed, with few machines to aid human hands and multiply their power. Each farm home was practically self-sustaining, raising its own wool, spinning its own cloth, curing its own meat, living independently of the business world, and conducting the world's industries inside the homes. Ours developed as a farm civilization, with 90 percent of our people engaged in agriculture when our institutions of government were being discussed and formulated. In a hundred years all this has changed, and we are today highly industrialized, with each individual and each group dependent on the others. As long as we had new, open, raw land, we could find place and hope for the land-hungry of our growing population. We enjoyed the world's markets for our excess production of farm and factory. It is all different now. The 15 millions of unemployed who were seeking jobs in March 1933 were largely the result of the substitution of the machine for human hands. Ancient civilizations were built on

human slavery—ours is built on machines. The transition | legislative history—the Stock Exchange Act, the revision period was the time of our great growth and development, when we were moving toward the culmination of our economic catastrophe, freely predicted by close students of the system which was never planned for justice and human welfare but came about from our great natural wealth and its ruthless exploitation. We cannot abandon the machines and return to primitive society, neither must we allow the wheels to wreck us because we do not control them and distribute their products with some degree of equity.

ACHIEVEMENTS WORTH NOTING AND THE GOAL

One of the finest achievements of this administration has been the C.C.C. camps. Each year these camps have taken out of the ranks of the unemployed more than a quarter of a million young men and given them a new view of life, the happy frame of mind of the man with a job, the certainty of food, clothing, work, and wages the larger part of which are earmarked for otherwise destitute ones at home in the crowded cities where jobs cannot be had. It has cost about \$1,000 for each boy enrolled, but it has been worth the money. Fully 1,000,000 people have been beneficially affected each year by this effort.

Never before has there been in Washington an administration sufficiently courageous and far-seeing to begin the development of the greatest hydro-electric-power river of America—the Columbia. The hundred millions of dollars earmarked for the development of the power resources of this mighty stream have made possible a project the story of which will ring through history and will mark the President as one of the great forward-looking men of the world.

Whatever may finally become of the N.R.A. is of small moment compared to its service in the education afforded the business men of our country. Our industrial and business system, which was never before consciously organized, unified, and harmonized, has been set forth as it is and in many respects, modeled into the thing it should be. Lessons have been learned that can never be forgotten. Child labor has been shown up as the ugly and senseless and cruel thing it has always been, and we have learned the way to deal with it and eliminate it.

Never has there been in such high and powerful position an Executive more considerate of the rights of those who have only the labor of their hands to contribute to the common welfare. The Congress has to its credit the two acts affecting railway labor and standing as examples of what must come for all industry—the Railway Pension Act and the amendments to the Railway Labor Act, both of which had my ardent support. The social legislation which is being formulated for early attention next session as part of the administrative program definitely provides for oldage pensions and unemployment insurance, without which our system cannot function with justice and happiness. I have, in Oregon, long advocated both these measures, and shall, in Congress, give them my strongest support. It is also the program to perfect and work out, on a satisfactory basis, the difficult matter of an act on industrial disputes and their arbitration, as begun by the Congress just closed. The 6-hour day and the 30-hour week remain for settlement in a session which will, almost certainly, be devoted largely to labor legislation, money, the lowering of interest rates. taxation and revenue, and the railway acts now being studied by the Coordinator. The next Congress will also seal the fate of most of the emergency legislation including the N.R.A. and the A.A.A.

The problem of the unemployed is still only partially solved, but the Government has accepted the responsibility and will meet it. This most intricate and far-reaching problem will require for its solution the keenest minds, the most unselfish statesmanship, and the highest degree of true patriotism. Work and decent wages for the unemployed will do more to solve the farm problem than all the allotment plans and production-control programs ever dreamed of.

In the realm of business, and for the interests of the average man, we have in the last session passed a series of protective and regulatory acts without precedent in our

of the Securities Act, the Industrial Loan Act which makes capital available for small industries and for business, the Housing Act, supplementing the Home Loan Act of the special session and intended to help the home owner and stimulate industrial activity. Undoubtedly there have been many mistakes made by the Home Owners' Loan Corporation, but can you imagine the condition of the country without it? The intention of Congress and the administration was to relieve distressed home owners, but those entrusted with the operation of the system have frequently been guilty of maladministration and inefficiency and have sometimes betrayed the trust. I have been making investigation of every case of injustice and delay brought to my attention and shall join with those who seek to improve the system so it will be really beneficial, and to punish all officials, high or low, who have been negligent or guilty of wrongdoing.

I would summarize the outstanding acts of the regular session of the Seventy-third Congress, just concluded, as follows: The Gold Reserve Act, the Silver Purchase Act, the Reciprocal Tariff Act, the Stock Exchange Act, revision of the Securities Act, Industrial Loan Act, Housing Act, Labor Disputes Act, Railway Pension Act, Cotton Control Act, Sugar Control Act-Taylor Grazing Act, from a western standpoint, must be added.

## MONEY AND CREDIT

The President had the courage and decisiveness to abandon the gold standard and advance the price of gold, devaluating the dollar for the purpose of raising commodity prices. Gold was ordered out of hiding and taken over by the Government. I do not believe the time has yet arrived when we can abandon gold and silver as basic money. The gold ounce is still the world's yardstick for measuring value and paying balances between nations. It will probably so remain for generations to come. I think the sensible thing to do is to recognize silver as basic money and freely to coin it at our mints, as it was coined for almost a century of our national life. Of course, it would cheapen money and raise the value of commodities. That is what must be done if even a reasonable portion of the debts are ever to be paidindividual, municipal, national. It is believed by many that the silver act passed by the Seventy-third Congress will be a stepping stone to a still wider use of this valuable metal as a part of our metallic money base. Those who believe in the importance of higher commodity prices are hopeful that the inclusion in our money base of silver to the amount of 25 percent, as now provided by law, will prove most helpful in advancing general prosperity. Had the advice of Bryan been followed in 1913, when the Reserve Bank was established, guaranty of all deposits in national banks would have been included, and we would not have had such bank disaster as that which wrought havoc. Deposits in banks are today guaranteed by this Government through an insurance method and we have no bank failures. Confidence in the solvency of the banks has been restored. I have publicly and constantly advocated this system of bank-deposit guaranty since 1908, and am happy to have had a hand in making it possible under the law. I supported the act increasing the amount of guaranty from \$2,500 to \$5,000.

The money question will be again before the Congress. I shall stand for the opening of mints for the free and unrestricted coinage of silver at a ratio of not greater than 16 to 1. For convenience, the silver should be stored in bars and currency issued against it. I do not wish to see this Government issue irredeemable paper currency. All admit that a currency with a 40-percent metal base would be safe. I believe the Government should cease issuing bonds and issue currency up to the full 2½ times the metal on hand. It would increase commodity prices and stop burdensome accumulation of interest which now adds so much to governmental operating cost. My speech of May 17, 1934, in the RECORD and reprinted at my expense discusses this matter fully.

The amendment to the act creating the Reconstruction Finance Corporation extending loans to industries will be most beneficial, as it is almost impossible, now, to secure credit for the operation of small industries and business concerns.

#### TAXATION AND REVENUE

The Seventy-third Congress has not only made history, but it has enacted more far-reaching legislation than any other Congress ever assembled. The keynote for every act has been the hope of benefit to the common man. It is no time to announce that the battle has been won. The fact is that entrenched privilege has retreated in only a few places and is ready to renew the battle for special privileges for the favored few, indeed, there is ample evidence that the battle is now raging in the contest for seats in the next Congress, and money is being freely spent to restore the old order to power.

The Seventy-fourth Congress will assemble next January confronted with a startling deficit. For every dollar of current revenue there is now an expenditure of \$2.50. The Budget must be balanced and we must not place on the shoulders of future generations a burden they cannot bear, as the future will bring its own pressing needs. The fight that looms before the country next winter is the struggle over the manner of raising this revenue. Shall it be by a sales tax on necessities, raising billions from those who have least with which to pay, or, shall the money come largely from those who enjoy great fortunes gained by special privilege, and from great inheritances? Among those who think about public questions we hear much talk about the manner of redistribution of wealth. We will hear more about this in the future. For my views on this, and on the best method of raising the necessary revenue, I refer those interested to my speech in Congress on February 20, 1934, printed in the Congressional Record and reprinted, at my own expense, in leaflet form for free distribution to all who wish it.

Should my commission be renewed, to represent in Congress the Second District of Oregon, I shall continue my efforts to balance the Budget as outlined in that speech. I shall not participate in the crime of urging any sales tax, alike in principle whether State or national, and an infamous attempt to secure tax evasion for the rich by piling the burden on those who struggle for existence. I look toward a reorganization of our economic system which will give to all citizens some share of wealth which will enable them to participate in the privilege of helping to bear a just share of the costs of Government. I shall work with those who are fighting to eliminate tax-exempt bonds of State and Nation.

# FARM FINANCE

During the closing hours of the last session, a law was passed giving farmers a virtual moratorium of 6 years on farm foreclosures, through amendment to the farm bankruptcy bill. This will give more help to hard-pressed farmers than any other act of the session, and will practically eliminate deficiency judgments. During the days of the great Woodrow Wilson this Government stepped in between the farm debtor and his creditor, commencing to lend on farm lands and property at greatly reduced interest. Conditions in the banking world have made it necessary for our Government greatly to extend its lending activities, as other sources of credit for business and farming have failed to function. Our farm loan system is crude, slow, and inadequate, but what would have become of us without it? I have long advocated a Government lending agency in each county, making every form of loan on land, crop, and chattel. I have strongly opposed the taking of 5 percent from every loan to be used as a guarantee fund to help secure the debts of borrowing neighbors. Most of this 5 percent will be lost, making expenses and interest unbearably high, and putting the burden of losses on those least able to bear it. I supported, in committee hearings, this past session, before those controlling the activities of the Farm Credit Administration. the Carpenter resolution calling for thorough congressional investigation of the operation of that system with its confusion, delays, and apparent injustices in appraisals and otherwise. We have made only a beginning in farm credit. We cannot tolerate the continuance of the slow and blundering operations and the high interest charges now imposed.

One of the most constantly discussed bills before the last Congress was the Frazier farm mortgage bill fixing interest at 11/2 percent annually, with a like amount to apply each year on the principal. It provides that, if bonds cannot be sold to provide money at this rate, currency is to be issued by the Government, to be legal tender and to be paid the farmer who gives the mortgage. This currency is secured by the land and is to be paid off and retired at the rate of 1½ percent each year. I think the bill should pass in an amended form, and I was one who signed the petition to compel discussion before the House in an effort toward passage. Farm relief can never be an actuality until there is legislation bringing interest on money within reasonable limitation. I shall ever work aggressively toward this end. I also desire to place the control and administration of the system in the hands of farmers and those in sympathy with the farm outlook.

#### MORE ACTS OF INTEREST TO FARMERS

The Stock Exchange Act and the amendments to the grain futures bill, defeated in the Senate, were bold attempts to control these gambling activities so as to retain the good many believe they do by affording a ready market for stocks and a price for all grain. I belong to the school of thought that believes we do not need these institutions for so-called "hedging." If it were within my power, I would so control their activities that the farmer would not lose most of the benefits that should be his by reason of short crops. I am sure that both the act passed and the bill defeated would be found valuable in greatly curtailing the activities of parasites on industry and agriculture.

The passage of the Taylor bill followed a 10-year effort to control the public domain of 173,000,000 acres which still belong to the United States. This valuable grass area is now nearly ruined by uncontrolled over-grazing. Under this new law, which I helped pass and for which I spoke on the floor, districts will be formed, a small fee collected, and the range parcelled out so as to protect prior rights. It will prevent making a desert out of this vast area, larger than Oregon.

I very much doubted the ultimate value of the cotton, sugar, and tobacco control acts. The cotton and tobacco acts seek to control by heavily taxing production beyond the allotment fixed by the Secretary of Agriculture. I very reluctantly voted for these measures, but, as they were desired by the representatives of the districts affected by them, I went along, giving them the right to try out a system of controlled production. I fear the result of this experiment so far from our traditions.

The list of basic commodities on which processing taxes may be imposed for the payment of curtailment bounties was increased by six items, including cattle, and thus extending some relief to this hard-pressed industry.

Congress sought also to help solve the problem of the farm surplus by selling more abroad, and, for this purpose, enacted the Reciprocal Tariff Act giving the President bargaining powers to facilitate the negotiation of agreements which will develop foreign markets for our goods. I believe he will use this power to help the farmer.

I have, in three speeches in Congress, gone carefully into the questions here briefly mentioned, and will send to any inquirer any one or all those discussions reprinted at my expense—Financing farm mortgages, Crop-production loans, and Presidential power to make trade agreements.

# HELP FOR FARMERS NOT LIMITED TO ENACTMENT OF LAWS

The work of a Representative is not altogether concerned with measures of national importance on the floor of the House or in committee. An active man participates in the passage of important legislation and he fights for those measures helpful to his State and district. Much of his time is spent in consultation with officials in the administrative departments of Government securing more favorable rulings, explaining local situations, and intervening on behalf of his constituents who have now so many points of contact with the Government. Acquaintance with those in the departments and intimate knowledge of the affairs of

the State and district have enabled me to help in matters of appropriations and rulings which have meant much to the farmers of my district. I appeared before the Budget officials and in committee for various appropriations including the Hermiston Experiment Station, extension service and educational bills, and most important to eastern Oregon, the appropriation for control and destruction of predatory animals. I helped to organize western Congressmen for this fight and was one of the final committee of three Representatives which secured approval of the Budget Commission of this important appropriation.

To my astonishment, I discovered an order of the Grain Grading Board had been made lowering by a third the toleration of smut in wheat. This would have cost the farmers of the Northwest thousands of dollars. After a hard and bitter fight, and organization through my efforts of representatives of all wheat districts affected by this ruling, it was rescinded and the toleration restored practically to its former figure.

The processing tax on jute was a matter of much concern as it increased the prices of jute bags used by farmers. It took the united efforts of many men from the Northwest in Senate and House and months of argument and discussion to bring about the remission of this tax, and an act of Congress to make it apply to the floor stocks on hand for this year. I was very active in this fight.

It also took months of effort, aided by some of the excellent weekly papers of my district, to secure an order making possible the use of local, State-inspected meat in the C.C.C. camps and the outlawing of the Argentine canned meats. This will mean much to Oregon this year.

Farmers were also benefited by my fight on the floor for the passage of the bill which makes it possible to have a joint truck and water rate on the Snake and Columbia Rivers, putting these rivers in the same class as the Mississippi as to transportation privileges. The Congressional Record has recorded this and my other efforts for our people.

Applications for money for public works are carefully looked after by the Congressmen who present arguments, secure information, and explain the need for important projects such as waterworks, sewers, and public buildings. This is a time when most communities and many people have some sort of relations with government and the right sort of Representative can be most helpful in Washington.

I was fortunate in securing the friendly cooperation of my colleagues in the House, so I had a successful experience in passing my bills relating to forests, irrigation, The Dalles bridge, and some very just and long-deferred claims.

I have been constant in attendance at all sessions of the House and at meetings of the very important Committee on Agriculture of which I am fortunate to be a member. I have participated in discussion in the House and have made five prepared speeches devoted to discussion of problems of agriculture, money, and taxation. Following the custom of Congress, I have had these speeches reprinted at my expense for distribution among those whom I represent. I have appreciated the opportunity for service and have voted in the public interests.

If my record of public service meets with the approval of my constituents, as I hope it will, I shall return to Washington next January with renewed courage and energy to fight for those things which are essential to our welfare. I shall continue to stress the importance of farm prosperity as essential to recovery in business and industry.

GOVERNMENT COMPETITION WITH PRIVATE INDUSTRY—THE CONDITION AND THE REMEDY

Mr. RICH. Mr. Speaker, I wish to review some phases of the work regarding Government competition with private industry. It is greatly to be regretted that the Seventy-third Congress adjourned without undertaking to remedy the conditions of unfair competition of Government establishments with private enterprise and to establish an accurate and practical method of determining the comparative cost of public and private operation in the same field. This is the more deplorable because the Congress had received from a committee of its own appointment the evidence of the nature

and extent and the injurious effects of Government competition with private business, and has voted billions of dollars for an infinite variety of Government operations without establishing a definite and uniform method of determining the costs of these vast undertakings. The need for this no one denies. It is delayed or prevented only by those who, while loudly asserting that government can perform many functions more cheaply than private enterprise, obstruct every effort to set up the means of making an accurate comparison. It is not only the right but the duty of Congress to control with scrupulous care the detail of appropriation, for upon it devolves the perilous obligation of taking from the American people, through taxation, the unparalleled sums essential to support the stupendous program of public expenditure and either balance the Budget or impair the national credit.

We have no source from which to obtain public revenue save the pockets of our people. We have no way to secure income save through our own effort. What, then, shall be the condition if the Government, created solely for political purposes, enters the economic field and not only competes unfairly with the citizen, whose servant it is and from whose income it is supported, but also makes the very burden which the Government imposes upon it a handicap by which to take from him the opportunity to provide the needs of his Government at fair prices and undertakes to supply those needs out of its own establishments by keeping no record of their extravagant cost?

I desire as briefly as I may to recall to my colleagues the investigation of Government competition with private business, the findings made, the remedies proposed, the circumstances which led to the neglect of opportunity to apply them and the imperious need to remedy this condition.

Pursuant to House Resolution No. 235 adopted by the Seventy-second Congress, first session, there was appointed by the Speaker, on May 31, 1932, a special committee—

For the purpose of investigating Government competition with private industry and all other questions in relation thereto that would aid the Congress in any necessary remedial legislation.

The work of the committee attracted national attention. It extended over a period of 8 months. Public hearings were held in Washington, Kansas City, St. Louis, Lawton, South Bend, Memphis New Orleans, New York, and Chicago. Some 625 witnesses, representing over 225 forms of competitive business activity, were heard, resulting in a record of 37 typewritten volumes of testimony and 6 additional volumes of exhibits and formal statements.

The committee consisted of Hon. Joseph B. Shannon, chairman, Hon. E. E. Cox, Hon. Samuel B. Pettengill, Hon. William H. Stafford, and Hon. Robert F. Rich.

The committee takes a pardonable pride in the fact that its exhaustive inquiry was executed at an expenditure of \$13,500. It made comprehensive findings and recommendations which are set forth at length in its report and were summarized in an epitomized statement available to the Members of Congress. These investigations disclosed the wide-spread and intensive character of Government activities competing with private business, revealed the injury done to individual initiative, enterprise, and self-support, and indicated the extravagant cost of many of these public operations. It was conclusively shown that under the system of authorizing competitive estimates from Government establishments in competition with the bonded and responsible bids of private producers, it often occurred that the work given to the Government establishment could not be performed under the estimate but was executed at greater cost than that at which it was offered to be done by the private producer. The work was thus lost to the citizen and executed for the Government to be paid for out of a deficiency appropriation at unnecessary public expense. It became obvious that the work which was being done by public establishments was continually expanding, and every Member of Congress knows that in the name of emergency relief and recovery the field of Government activity in production and service has expanded during the past year beyond all parallel. Yet every Member of Congress knows equally well that we have no means at hand of determining the cost of these operations, and, outside of those directly aimed at relief, the Government is steadily marching larger armies into the area formerly occupied by private enterprise.

As to what operations ought to be or may properly be undertaken by Government there may be difference of opinion, but surely none of us can disagree with the proposition that it is the business of Congress as trustee of the people's money to know how it is spent and what is the cost of what is done. Most of all, we must surely agree that if the Government uses the citizen's money to injure him by unfair competition or by continuing, under an artificial pretext, to lower cost, to do work or service for itself which the citizen can do better or more cheaply if the actual costs are disclosed, it not only does the citizen grievous injury individually, but it is collectively imposing a greater burden of taxation to support such a condition upon all citizens.

The investigations of our committee disclosed very clearly that by virtue of the manner in which accounts are kept in public establishments, by frequently including in costs only direct charges for material and labor, all the other costs which actually entered into the operations of the Government establishment were ignored. Thus, the Government underbid its citizen by proceeding as though all other elements of cost which were actually present were not there. It went further. If the Government establishment suffered a capital loss. Congress replaced the establishment, and the capital loss never appeared against the future product. Or a single establishment charges many of the elements of its cost to appropriations other than the one under which it directly operates a particular project, and thus escapes those elements of cost carried by another board, bureau, or department. Government establishments carry no insurance, pay no taxes, charge neither obsolescence nor depreciation, to mention a few things. The citizen who competes with them and whose money supports them is made, in competition, the victim of the very conditions which he must meet to support the Government establishment. Thus, the Government establishment constantly, by ignoring the true elements of cost, produces at less than cost by a deceptive and fraudulent system of cost accounting and deprives the citizen of the opportunity to secure a fair share of Government work which would be his under conditions of fair competition. This is a form of competition steadily condemned by the courts, the Federal Trade Commission, and every code of fair competition established under the Recovery Administration, with the approval of the President.

Our investigating committee found this condition wide-spread and we were not satisfied merely to point to these circumstances. We undertook the practical execution of our conclusions by providing a remedy. After much study and consultation a carefully drafted bill was prepared and introduced (H.R. 6038) in the first session of the Seventy-third Congress.

The purpose of this bill was to establish and maintain an accurate method of cost accounting, procedure, and cost reports for the executive departments of the United States. This was done by requiring all such departments to establish an agency to maintain an accurate system of accounting that would disclose the cost of all factors entering into their operations. The elements of cost were carefully identified and defined in accordance with the best recognized accounting practice in the business world. All Government agencies were required, in making reports and estimates, to include these items, and, if they were not included, to give the reason why. In making estimates as against competitive bids, the Government agencies were required to include allowance for all these defined items of cost, regardless of the appropriation to which they were charged. In this way, the estimates would disclose every item incurred by private bidders for the subject matter of competition. Thus, bidding between public establishments and private bidders was put on a fair and just competitive basis. Furthermore, all Government agencies were required to report to Congress on all work undertaken during the year, which report would show the cost of such work and the relation of costs to esti-

mates submitted. Thus, Congress would know the cost of governmental operation, accurately ascertained. Finally, the Comptroller General of the United States, as the personal agent of Congress, was given the authority to make the provisions of the bill effective and to apply reasonable rules and regulations to that end. Thus, the invaluable assistance of the chief fiscal agent of Congress, whose business it has been since we have had a Government to see that appropriations are expended as provided, was given the authority to enforce the plan established and to aid all Government agencies in conforming to it.

The bill was referred to the Committee on Expenditures in the executive departments. The chairman of the committee sought the opinion of the heads of the executive departments and Government agencies, who very naturally antagonized the effort to place them under stricter supervision in accounting. Their criticisms, however, in many instances, clearly indicated that they understood the bill as little as they liked it. When hearings were finally obtained upon the measure, its terms were clearly explained and vindicated, and it was supported by the most representative commercial and industrial organizations in the United States, the National Association of Manufacturers, the United States Chamber of Commerce, and trade and business organizations throughout the country. The only opposition appeared from the departments whose contact we were undertaking to correct and control.

The testimony of the Comptroller General of the United States is of special importance. He is the independent agent of Congress whose business is to see that its will is obeyed in matters of public expenditure. He completely refuted the declarations of various department heads that the proposal was either unnecessary, impracticable, or would multiply personnel and increase expense. It showed, on the contrary, that it was not only practicable, but, in his opinion, essential, if accurate information with respect to Government costs was to be obtained and the operation of the plan would require few, if any, additional employees. He further asserted that any additional cost, if such cost resulted, which he doubted, would be more than justified by the great benefits resulting.

Our special committee welcomed every helpful suggestion to improve the bill. A number were received, and, in addition, substitutes were offered by the departments themselves, but, on their face, they had the obvious intent of preventing the establishment of the control the bill was intended to effect. The chief purpose of a number of suggested amendments was to confuse the issue and befuddle the committee. This became so clear that our committee felt it necessary to address a communication to the members of the Committee on Expenditures in the Executive Departments, which we did on May 29, 1934.

Here, then, was the condition presented: A committee of the Congress had patiently investigated the whole subject of Government competition with private industry. It had submitted an elaborate and exhaustive report upon the entire subject. It had proposed a bill to remedy the conditions presented. There was every evidence that the House and the committee had the will to legislate. On two occasions the House, on a test vote, had, by overwhelming majorities, insisted that the Government should not establish a single plant which it conceived to be deliberately intended to compete with private enterprise. In the very last days of the session a further attempt was made to secure favorable consideration of the establishment of a single manufacturing plant limited to a particular product for the Post Office Department. Knowing the state of mind of the House, the Committee on Rules, in the face of an emphatic protest, declined to give a rule. There was every evidence that the Committee on Expenditures in the Executive Departments was prepared to report the bill, with perfecting amendments.

Experience with the attempt to place limitations upon appropriations has plainly indicated that it is not a practical method of control and that a variety of opinions are maintained by Members of the House with respect to par-

ticular operations. But few, if any, Members of the House disagree with the proposition that the Government ought not to compete unfairly with its own citizens. Congress is entitled to know the cost of Government operations, and that this cannot be known except through an accurate method of cost accounting in which the elements of cost are defined and the Government agencies are required to observe those elements in accounting and competition.

I regret that the chairman of the Committee on Expenditures in the Executive Departments neglected an opportunity to remove the Government from competition with private industry. Had he called together his committee to permit it to vote upon the bill to give or deny its approval of the proposal before them, after the elaborate testimony to which they had listened, and in the face of the opinion of the Comptroller General of the United States, there can be no doubt that the committee would have voted out a thoughtful and well-considered practical effort to meet this condition. Unhappily, the chairman of the committee gave more heed to the critical antagonism of the department to be regulated than to the Comptroller General of the United States, speaking from his years of experience as the servant of Congress. I have a high regard for the public service of the committee chairman. I deeply regret that he failed to act at a time when he would have rendered a great service to his country and remedied a condition which has resulted in continuing injustice to the great business constituency we in part represent.

The issue presented is not, however, to be downed. It becomes more important than ever, in the light of existing circumstances. Billions of public money are being appropriated for every form of governmental activity. Federal agencies are being established to perform every kind of a business function. To the extent that they unfairly compete with or enter the fields of business activity, they injure private enterprise and impede recovery. Moreover, I say without hesitation that the executive departments are escaping congressional control. The Congress does not know how its appropriations are expended, how the activities of Government compare with similar private operations, or whether their funds are expended economically or extravagantly. It is the traditional duty of the legislative branch to control the purse. It is abandoning that duty when it surrenders the purse strings to executive allocation. There can be no permanent economic recovery until Government quits lending and spending. All governmental expenditures are justifiable only as they stimulate the recovery of private enterprise, but if private enterprise is to be the victim of uncontrolled Government competition, its recovery is obstructed and delayed instead of being stimulated and aided by congressional control of the character of Government action. Every consideration of our traditions, the function of our Government, the circumstances of this depression, the obligations of Congress as the master of appropriation, demand that we shall effectively prevent Government operations becoming the unfair competitors of private enterprise and that we shall establish an effective means of ascertaining for our own information and that of the country, through a uniform and practical system of accounting, the cost of every Government cperation.

# SAVE THE OIL INDUSTRY

Mr. DISNEY. Mr. Speaker, that the petroleum industry of the country may be a danger spot, threatening the collapse of many phases of our national movement toward industrial recovery, has been observed by more than one careful student of our economic life. This industry, the second in importance, should be one of the most helpful agents in bringing back prosperity. It was among the first to lead the way back under the stimulus of the excise taxes imposed in 1933. It then gave promise of increased employment and enlarged purchasing power for millions of people in the oil States. This would have reacted upon the manufacturing States of the Union and have greatly accelerated our recovery from the depression. The adoption of the petroleum code has kept this industry from collapse through oversupply of crude oil, although that code has not been

completely successful due to violations in some flush areas and due also to some doubt in regard to the binding force, if not the constitutionality, of regulations which are issued by the oil administrator under the code.

It was because of this situation that I presented at this session of Congress, by request of administration representatives, the Federal petroleum bill, H.R. 9676. The necessity for this measure had been increasingly recognized by most of those concerned with the industrial welfare of the Nation, as well as those whose principal and direct interest is in the petroleum industry. This measure is only the latest of a series of bills which I have from time to time presented to Congress, partly with the idea of riveting the attention of the Nation at large as well as of the Members of Congress on the need of careful thought to solve these questions, but also with the hope that definite and specific legislation might be adopted in order to meet these vitally important issues.

Even without the general depression in all phases of American business, the oil industry would have experienced a depression of its own. The unique character of its problems is such that it requires a special form of treatment unlike that required for any other form of industry. The production of crude oil, while usually grouped in the same category as mining, is quite unlike mining operations regardless of the viewpoint from which we consider it. The coal, the mineral, or the metal in the mine may be produced or not produced at the will of the owner. If it is not produced, it is safely held underground awaiting the time when production might seem profitable or desirable. It faces only one danger, that of flooding. Even flooded mines, however, may be pumped dry. The deposits in such a mine are not subject to exploitation by any neighboring miner. From the surface to the center of the earth, all the minerals or metals within the boundary of a specific tract of land belong to the owner and cannot be touched by another except through theft.

An oil well is quite different. It must be continuously produced. Suspension of activities and closing of the well may make it impossible ever to produce petroleum from that well. Production at too rapid a rate may damage the well. Furthermore, petroleum is not subject to the superficial boundaries of the surface area owned or leased by the operator. It is found in a pool to which others have access. When wells are drilled in the pool, the one who does not operate his well may find that his neighbors have drained the oil away through their own wells. He has equal rights to the oil in that common source of supply, but his neighbors may rob him of his share without his having any recourse in law such as is open to the operator of the mine who finds his coal or metal appropriated by a competitor. Furthermore, the best storage place for petroleum is underground. Storage above ground is expensive. It is also wasteful. The more volatile elements in the oil will evaporate.

The production of oil in excess of the consuming power of the Nation, plus the amount required for export trade, is unsound economically from the standpoint of the general public. Its only advantage is to wealthy individuals or corporations who may be able to purchase oil for which there is no other market and which is on sale at bargain prices, holding that oil in storage until the price has so far advanced as to give them an unearned but substantial profit.

The American people, both in their private capacities and as a Nation, have a distinct interest in the welfare of the petroleum industry. Aside from the numbers to whom it gives employment, this industry is one of the most profitable sources of public revenue, both State and Federal, which we know. It carries a heavy burden of taxation from the well mouth to the consumer. It has been estimated that it bears 166 separate taxes. If, for no other reason than that the petroleum industry is a hen which lays golden eggs, it should be preserved. The purchasing power of the oil-producing States of the Union is also another reason why this industry

should receive thoughtful consideration by Congress. When the oil industry is fairly stable, the many millions of dollars received by that industry, distributed through pay rolls and through purchases of various materials, is an important element in providing customers for the industrial States of the Union and in providing traffic for the railroads carrying these purchases from the East to the oil-producing States.

Aside from food, clothing, and shelter, petroleum products possibly enter more intimately into the lives of the American people than any other. The consumer has a very real interest in the welfare of this industry. Any policy which, by waste of this natural resource or by permitting its control by a few monopolistically inclined corporations, would very directly affect the millions of consumers of petroleum products. It is therefore important that there should be such type of control as would prevent waste and also prevent the domination of this industry by a few wealthy corporations through the elimination of the less wealthy operators.

I should like to make clear at the very opening that while this measure was introduced at the request of and with the approval of the present administration, and while the present oil administrator, the Secretary of the Interior, is in hearty accord with its provisions, this plan for Federal supervision of the petroleum industry does not represent any desire of a bureaucracy to obtain control of one of the Nation's most vital industries. The Federal administration, as I understand it, is not seeking to place itself in a position of authority where it may direct an industry which vitally concerns most of the inhabitants of over 20 States of the Union and whose products probably enter more directly into the daily lives of the whole people than any other products save those concerned with food and clothing. Instead of the present administration reaching out for power in this matter, the Federal administration is here accepting a responsibility and a duty. Through its approval of this measure, the administration is taking upon itself a thankless task, fraught with most burdensome obligations, involving unremitting, detailed labor. The Federal administration, through approval of this measure, is, in part, fulfilling its pledge to restore employment, renew lost purchasing power, and revive

The petroleum industry of the Nation, with the possible exception of 5 percent of that industry, endorses the idea of a controlled supply of petroleum. That endorsement does not indicate any lack of ability on the part of the industry to solve its own problems. It does mean that the industry recognizes that 3 to 5 percent of the producing branch of that industry, through methods best described as racketeering, can make ineffective all the self-sacrificial restraints accepted by the overwhelming body of that industry. The industry also recognizes that State laws and local regulations cannot be effective in establishing stability in an industry which is national.

The policies set forth in H.R. 9676 are not novel. They are, in substance, those recommended at the March 1933 conference of the oil industry of the Nation, held under the auspices of the Secretary of the Interior, when representatives of the large companies usually called the "majors", representatives of all of the independent petroleum associations of record in the country, and representatives of governors of the oil-producing States came to an agreement that if the industry was to escape complete ruin certain programs must be carried out. Those programs involved control of production within the limits of our demand for consumption in the country and export from it, control of withdrawals from storage, control of imports, and so forth. These vital phases of that accepted program were tested through the administration of the code of fair competition for the petroleum industry. Under that code we have given these policies a reasonable trial. The result has not been perfect. All the ills of the industry have not been cured. "Hot oil" is still being run. Through court procedure and through other obstructive methods those opposed to a constructive policy for the advantage of the whole industry have done all in their power to thwart the purposes of the National Industrial Recovery Act and of the oil code adopted thereunder.

Sufficient success has been realized, however, in the administration of these policies to demonstrate their value and also to evidence the importance of giving to these policies the status and prestige of specific legislation. The courts are likely to accord to an act of Congress and a definite declaration of the policy of Congress a standing which, naturally, would not be given to a regulation or to an Executive order.

Furthermore, regulations and Executive orders may be recalled by the same authority which issued them. An act of Congress can be repealed only by Congress. If there is one thing which the petroleum industry needs more than anything else it is confidence and security. That confidence and security can be developed better when significant policies affecting the whole industry rest upon such an act of Congress rather than upon any code, administrative order, or regulation. This is especially true when the matter concerns imports, since each advance made by the industry may be wiped out completely by a simple order canceling the present limitations upon imports of cheap foreign oil.

The measure before the Seventy-third Congress for consideration, H.R. 9676, begins with a certain finding. Even a most casual study of the statistics of the industry demonstrate the truth of these findings that an excessive supply of crude petroleum and its products has damaged this industry and has also threatened to cause the abandonment of wells of settled production, which are the most important known petroleum reserves possessed by the Nation. This has been admitted for a long time by all, with the exception of a small handful who have believed that their own personal profit lay in unrestrained production regardless of price and regardless, too, of the effect such unrestrained production might have upon the ultimate recovery of this valuable and irreplaceable natural resource.

These wells of settled production produce only by pumping. This is the place to which all wells eventually come unless they become dry and cease producing. Flush fields produce large quantities of petroleum which is brought to the surface by the gas. Operation of these wells requires little labor after the well has been drilled. Stripper wells or wells of settled production, on the contrary, produce comparatively small quantities of oil and require more labor since they must be pumped. These wells, however, are among the most valuable natural resources possessed by the Nation. They constitute an invaluable treasure. If their abandonment should be forced through the overproduction of cheap oil from flush pools, then the entire American people face a serious economic loss. Such a policy would permit us skimming off the cream and throwing away all else. In view of the fact that we cannot be certain that there will be a continuous discovery of new flush fields sufficiently large to supply this Nation's needs for petroleum in the future, we must carefully safeguard the known supplies of petroleum which are reached only by these wells of settled production.

Some of these wells, notably those in the Pennsylvania grade area, produce oil from which the finest lubricants are made, Pennsylvania now supplying nearly 40 percent of the total market for motor oil. While the value of the oil produced in Pennsylvania is very high, the receipts from a single well are very low because of the small amount of oil produced per well, dropping as low as one-eighth of a barrel per day. When the supply of crude petroleum is much in excess of the demand for consumption in this country or for export abroad, the price of that product falls to a level below the general production cost. That means that it falls far below the production cost of wells of settled production. Should that condition long continue, these stripper wells or wells of settled production must inevitably be abandoned.

In spite of all attempts, both official and unofficial, to bring order into the petroleum industry, that industry has been forced to operate on uneconomic lines up to the time when the petroleum code went into effect. Because of the peculiar character of oil and its migratory nature, overproduction was practically forced upon many operators as the

only alternative to surrender of their rights to the oil beneath their properties since their neighbors were draining the common pool. Discussing this question, Edwin G. Nourse and associates in America's Capacity to Produce, a study just issued by the Brockings Institute, say:

Until the adoption of the system of proration for the control of output the annual capacity of American oil wells was, for practical purposes, measured by the annual production. Under existing conditions the owner was powerless to hold back supply. Some qualification of this statement is necessary, but broadly speaking, it will be accepted by most oil men. Production might be lost before a gusher was brought under control or before pipe-line facilities reached a new field. On one occasion a strike of the oil workers shut down a fourth of the California field for a few weeks, but with rare exceptions competitive drilling and the ever-present danger of drainage forced the operator to flow or pump his wells at full capacity. In time a well reached the border line of profit where a fall in price would throw it in the red, but still the owner was reluctant to shut down for fear the well would be spoiled by infiltration of water or clogging of the sand. From 5,000 to 15,000 wells are abandoned or shut down every year, however, and the number increases in years of low prices. Return of high prices may bring thousands of them back into production.

These authors make an important point in regard to the pendulum movement of overproduction followed by low prices then by reduction in drilling, with the cycle beginning again when the consumption had restored equilibrium and profits were once more possible, only to be followed by renewed overproduction, and the vicious circle continued. In the same chapter, they write:

For practical purposes the actual production of the American oil industry may be taken as its capacity down to the year 1927. The fact that oil wells produced at full capacity before 1927 does not mean, however, that the industry was not confronted with a problem of overproduction. The truth is that the industry has experienced repeated periods when production was so far in excess of consumption that the only solution was the building of huge storage facilities and the accumulation of stocks far exceeding, in terms of days' supply, those of any other nonagricultural raw material. This condition resulted in a period of distress, which usually continued until the flush pools causing the glut had been exhausted and the check to drilling resulting from low prices had proceeded far enough to curtail production. Meanwhile the steady growth of consumption helped to restore equilibrium.

Therefore, section 1 of this proposed measure declares, as the policy of Congress, that the commerce in petroleum products is found to be of such a nature that it must be regarded as a unit, irrespective of whether transactions are interstate or intrastate commerce. To regulate this commerce, section 1 declares, restrictions must be placed upon quantities which may move in commerce when excessive supply exists, and that fair and equitable apportionment must be made among the States and among the different operators and sources of supply.

Section 2 gives the necessary authority to the Secretary of the Interior to make investigations and collect data and also to require reports and to make such inspections as his judgment finds necessary to effectuate the purposes of the act.

Section 3 provides for cooperation of the Secretary of the Interior with State executives, officials, and agencies, and authorizes joint hearings to be held with any duly authorized State agencies, the Secretary of the Interior being given specifically certain judicial authority, as is later more clearly set forth in section 10. This is not a pro forma section. Although not stated in so many words, this section is intended to protect and safeguard the rights of the various oil-producing States. In view of the fact that this measure was written and introduced in Congress before the Fifth Judicial Circuit Court of Appeals of the United States handed down its opinion in the Amazon and Panama cases, it is interesting to note that that appeal emphasizes the idea which underlies this proposed section 3, the court stating:

The Central Government was not created to be an opponent and a rival of the State governments, but to be a supplement and a protection to them. Its enumerated powers, although supreme and sometimes exercised to the dissatisfaction of some State, are not misused when, by a happy concord of duty, these governments can cooperate.

Since State laws in some States require certain hearings to be held in order that valid orders regulating production within the State may be made, this authority given the

Secretary to participate in such hearings or in any other hearings relating to the industry is of more than ordinary importance. It gives to his attendance, either in person or by deputy, an official status.

In the same section, the Secretary of the Interior is given authority to cooperate with and to encourage the establishment and continuation of unofficial national, regional, State. and local committees of the petroleum industry. Under the petroleum code the planning and coordination committee has organized committees of the character mentioned, which now include over 7,000 men who are intimately acquainted with every detail of the petroleum industry. Among those committees are many which are solely and directly concerned with production problems. Even without this portion of section 3 authorizing the Secretary of the Interior to cooperate with such committees, he could do so. The direct authorization, however, would give to these committees and to their relation with the Secretary a desirable standing. Through these committees the Secretary will be enabled to obtain the most expert advice and the best-informed opinion available in the Nation. The fact that these committees include every known point of view in the industry and that the membership embraces all classes of operators from the smallest to the largest, makes it important that the Secretary of the Interior should have some authority to encourage the maintenance of these committees, from the planning and coordination committee down, or of any of them which might be able to render such valuable service to him in his difficult task. Paragraph (c) of this section merely authorizes the Secretary to obtain from governmental departments and bureaus such material as they may have available concerning the petroleum industry.

Section 4 of this proposed measure, dealing with imports, is one of the most vital in the entire bill. Upon it depends the success of the remainder of the bill. No system of production control could be either complete or effective unless there is a definite limitation of imports. If the domestic producer is to be restrained from producing more than a comparatively small percentage of his potential, justice and equity demand that the importer of foreign oil should also be subject to positive limitations. The more successful become our efforts to restore the American petroleum industry on a stable basis through limitations of domestic production to the actual demand for consumption and export, the more profitable it becomes to import cheap foreign oil. Each advance in the price of the domestic product would increase the desirability, in the eyes of the importer, of increased importations. The present excise taxes, which have been continued in the new revenue act, are not sufficiently high to keep out foreign oil, when the profit to be realized is so much in excess of the excise tax.

In the past, the American price structure has been rapidly broken down by foreign oil. While it is true that these importations have not been very large in total quantity, the threat of such importations has repeatedly been sufficient to send the price for domestic oil below the actual cost of production. Furthermore, it is a well-known fact that 5 percent of a commodity in commerce is sufficient to break down the price of any product. When we join to the amount of imports that formerly came into this country, the threat of greatly increased imports, the menace to a proper economic price structure is obvious. At present these imports are limited by the same authority which limits American production, and may be rescinded by the same authority which promulgated it. By writing into the statute a positive limitation on the amounts of petroleum and its products which may be imported, and giving to the Secretary power to even further limit importations, the industry will be relieved from that continuous threat which has prevented it from feeling any degree of security in the past.

This section 4 authorizes the Secretary, through quotas if necessary, to limit the importation of petroleum and its products, including natural asphalt, to such quantities as will prevent those imports from supplying an undue proportion of the domestic consumptive and export demand, and thus interfering with current domestic production. This leaves much to the discretion of the Secretary. There is,

however, a restraint upon that discretion. At present, by Executive order, the average daily importation of crude petroleum is limited to the daily average for the last 6 months of 1932. With a few changes in phraseology, this present status of imports is continued definitely until the end of 1935. Up to that time, this section provides:

| national scale the requirements for domestic consumption and for export. The same section continues then, giving the Secretary of the Interior authority, using such determination as a basis, also to determine the proper portion of such demand from any State, pool, or source of supply. Seven factors are specified, to which the Secretary is required to

The Secretary of the Interior shall not permit in any month the importation of crude petroleum or the products thereof in a greater quantity in barrels total than the average monthly rate of crude petroleum and products thereof in barrels total imported in the last 6 months of 1932: Provided, That where gasoline (finished or unfinished) is or was imported then in the computation of barrels total a barrel of gasoline shall be deemed the equivalent of two barrels.

Except for making the count in "barrels total" and providing that a barrel of gasoline shall be counted as two barrels in the barrels total, this limitation on imports is that which was agreed upon at the March 1933 conference of the industry, to which reference has already been made. It was accepted at that time by the importers as a fair quota, and was likewise accepted by the independents, many of whom had for a long time been waging a continuous campaign against the unlimited and free importation of foreign oil and its products. The representatives of the governors of the oil-producing States also accepted that limitation as proper. When agreement of these three elements of the industry, representing every important element in the industry, has been reached upon this important import question, I believe we are justified in accepting the standard which is thus fixed and which has prevailed to the present day.

There is in this section a new element introduced. Natural asphalt is specifically included among petroleum products which shall be subject to this limitation. This is made necessary by the growing demand on the part of some importers for larger importations of foreign asphalt. That demand has largely resulted from the enormous appropriations of various States and of the Federal Government for highway construction. A Federal appropriation of \$400,-000,000 is now being expended, supplemented by additional appropriations from the various States. By express provision of the Bureau of Public Roads, foreign asphalt may be used in the construction of these highways, although one of the purposes of that appropriation was to encourage the employment of American labor and therefore the use of domestic products was supposed to be encouraged. It has been admitted by the Chief of the Bureau of Public Roads in the Department of Agriculture that there is a sufficient quantity of domestic asphalt available for all the requirements of highway construction. The quality of much of this asphalt is unquestioned. It has been used from the below-zero temperatures of British Columbia to the tropic temperatures of Central America without being adversely affected by rapid or severe weather changes. The limitation placed upon the imports of natural asphalt in this bill, and the corresponding limitation on all petroleum, including asphalt-bearing oils, will give to the importer a share in the domestic market created by the \$400,000,000 appropriation now being expended, and the new \$200,000,000 appropriation recently passed by the House, but will not confer upon the foreign asphalt producer that almost exclusive monopoly of the best part of our domestic asphalt market which he now enjoys. This is an addition to the present import limitations but is a very vital and important one. It should add to employment, it should open a market to domestic asphalt-bearing oils which does not now exist, and it should assist in solving some of the serious refinery problems which have been disturbing another phase of the petroleum industry.

Section 5, which bears the title "Demand and Quotas for Movement in Commerce", gives to the Secretary of the Interior authority to determine the demand for domestic consumption and for export for petroleum and its products. It is of vital importance to the industry that some disinterested and impartial authority should determine just what constitutes this demand. No single State can do it. No private or unofficial authority could hope to have its estimates accepted as free from influence of interested parties. Only a Federal authority would be in a position to determine on a

and for export. The same section continues then, giving the Secretary of the Interior authority, using such determination as a basis, also to determine the proper portion of such demand from any State, pool, or source of supply. Seven factors are specified, to which the Secretary is required to give due consideration in determining these portions of demand. Without specifying each of these seven factors, I would call attention to paragraph (3) which requires the Secretary to consider "State conservation laws and the orders of State regulatory agencies for the regulation or allo-cation of petroleum production." Two other factors are also noteworthy. They are numbers (5) and (6), number (5) requiring consideration to be given to the physical and economic conditions of fields, pools, and so forth. This is especially important, since it involves, among many other things, the preservation of wells of settled production which tap the most valuable oil reserves of the Nation. Number (6) requires consideration of imports.

Paragraph (b) of this section gives the Secretary of the Interior authority to prescribe quotas of crude petroleum for movement in commerce. While there is a certain novelty about the theory of prescribing "quotas for movement in commerce", it is, in reality, simply an expression of the authority of Congress to control interstate commerce. In consideration of this section, I would suggest that the committee refer to the declaration of policy which is proposed in section 1 of this bill. This section also provides for the establishment of plans for the scientific development of new sources of supply, and makes it unlawful to place in commerce petroleum produced in excess of the declared quota or any product derived from such petroleum.

Section 6 gives the Secretary authority to prescribe quotas for production in or from any State, pool, field, lease, and so forth. There is a proviso in this section which is of great importance. This proviso sets forth that the whole section shall remain inoperative within any State so long as valid production regulations prove effective. In other words, duly constituted State authorities have all the power to establish quotas within a State, so long as those quotas do not exceed the Federal allocation of production to that State.

Section 7 gives the Secretary of the Interior authority to require certificates of clearance, if he should deem it necessary.

Section 8 follows the usual form in authorizing the Secretary of the Interior to make such rules and regulations as may be reasonably necessary to carry out the purposes of the act.

Section 9 directs the holding of hearings before quotas are prescribed, although giving to the Secretary of the Interior power to prescribe testimony quotas if an emergency exists, without notice or hearing, and also authorizes the Secretary of the Interior to adopt orders or findings of State regulatory agencies without a hearing. Other hearings are also authorized if deemed necessary.

Section 10 grants to the Secretary the power to examine witnesses, administer oaths, issue subpenas, and to order testimony by deposition.

Provisions for court review of orders, rules, and regulations under this act are made in section 11, which provides, in addition, that no injunction or restraining order is provided.

Section 12 prescribes court procedure against those failing to obey orders, regulations, and so forth, under this act.

Section 13 provides for penalties for violation of the act or any order, rule, or regulation issued pursuant thereto.

Section 14 sets up the Petroleum Administrative Board composed of not more than seven members appointed by the Secretary of the Interior, whose salaries are to be paid out of revenues collected from the industry under the special taxes imposed in the Revenue Act of 1934, and authorizes that Board to employ various qualified persons, the Secretary of the Interior being given authority to delegate any or all of his power to this Board.

Section 15 makes certain the continuance of the code of fair competition for the petroleum industry where it is not inconsistent with this act.

The remainder of the act contains a saving clause providing for prosecution for offenses committed prior to the effective date of the act under any provision of law or code which might be repealed by this act.

Section 17 provides that the validity of the remainder of the act shall not be affected by any provision in it being held unconstitutional.

Section 18 makes certain necessary definitions.

Section 20 provides that the act shall be in force for 2 years from its passage and approval. This time limit has been inserted on the theory that if the act does not appear to be practical or effective in its operation to justify its continued operation, it would become ineffective after 2 years. On the other hand, the act is thus assured a life of 2 years as a minimum period in which it might demonstrate its value both to the Nation and to the industry.

#### OIL INDUSTRY AIDED RECOVERY

The domestic petroleum industry, in spite of the demoralization which had characterized it previous to the adoption of the petroleum code and from which it has been endeavoring to emerge, has given unusual cooperation to the present program for industrial recovery. In spite of the fact that it had not yet attained even a cost-recovery basis, it increased employment, decreased hours of labor, increased the total amount of wages paid, and also the wage per man. It thus made available large sums of money throughout the oil-producing States for the purchase of commodities provided by other States in the Union. The industry is still maintaining those advances made for the benefit of labor and in aid of national recovery. It is doing this in spite of the fact that it is still far from a stable condition. Some sections of the industry, notably the independent producer and the independent refiner, are threatened with a breakdown in the price structure which may mean ruin to many of these. The plight of the independent marketer is involved with that of the producer and refiner. These phases of the domestic petroleum industry are seeking some degree of security such as would be afforded by a specific act of Congress definitely stating the authority for production control instead of this being dependent wholly upon Executive orders. The stay recently granted by the New Orleans court has made the situation of the administration of the code rather precarious.

It is commonly admitted that very large quantities of oil are being produced in violation of the allocation orders issued by the petroleum administrator. Until there is final action by the courts it appears to be difficult to secure enforcement of these orders, especially in view of the attitude taken by some State officials. Should there be a wide-spread and increasing overproduction inevitably the price structure would collapse and the wells of settled production would be faced with the alternative either of selling their product at less than its cost or else of considering abandonment of these properties which reach the most valuable petroleum reserves of the Nation. The importance of the wells of settled production, which would be protected by legislation of the type which I propose, has been set forth recently by Ray M. Collins, formerly State umpire for oil in Oklahoma, who made the following estimate for Oklahoma:

That in the next 20 years the 54,000 stripper and semistripper wells will produce 540,000,000 barrels while the 3,580 flush wells will ultimately produce 425,000,000 barrels of oil; that there are between 15,000 and 18,000 men employed to operate the 54,000 wells and only 10,000 men employed on the 3,580 flush wells.

From this it is quite evident that these wells of settled production must be preserved in the interest of the national welfare and also that labor has a very direct and vital interest in the preservation of these wells since more labor is required to produce a given quantity of oil from wells of settled production than from wells in the flush areas.

The cooperation in the national recovery program which has been furnished by the wells of settled production is worthy of special comment. Figures which were gathered by the Independent Petroleum Association of America from these wells of stripper production show comparative figures relative to employment conditions in their operations before

and after the code became effective. This data gathered from stripper-well areas in 10 States show that the total employment for the wells and fields reported increased 34 percent in January 1934 over June 1933 and 46 percent in March 1934 over June 1933. In the same period the total monthly pay rolls increased 55 percent in January 1933 over the preceding June, and in March of this year had increased 79 percent over the preceding June. The average pay per month per man in January 1934 was 13 percent more than the pay in June 1933 and 17 percent more in March.

The petroleum industry is not the only one which has an immediate concern in the adoption of legislation which will preserve that phase of the Nation's business. The industrial States of the Union are also concerned, since they must depend, in a large degree, upon the continued purchasing powers of the oil States. So too the railroads of the country will be seriously affected by any policy which diminishes the amount of goods they carry from the industrial States to the oil States should the oil industry return to the condition in which it was a year ago. Furthermore, the coal industry cannot hope for recovery if millions of barrels of oil are consumed as fuel, replacing coal in the markets normally supplied by coal. In the absence of production control, which would balance production with the consumptive demand of the Nation, it is inevitable that large quantities of petroleum, which might otherwise have more important uses, is consumed merely as cheap fuel.

In order to give more specific authority than that which is now afforded by the petroleum code or by Executive orders for the rehabilitation of the petroleum industry, in order to prevent the entry into this country of large quantities of cheap foreign oil which might take possession of our domestic markets, in order to insure to labor continued and increased employment with shorter hours and with higher pay than it has been recently receiving, in order to maintain the purchasing power of approximately 20 States of the Union in which the oil industry is today prominent, in order to prevent further damage to the coal industry, in order to aid our railroads and our merchant marine, and, in general, to stimulate further the progress being made toward national industrial recovery, positive legislation definitely setting forth the terms under which this great natural resource can most equitably be produced is of the greatest consequence. Unless some method may be found by which to prevent a small and recalcitrant minority in that industry from wrecking the constructive work which is being attempted by the great majority, most serious damage may be done to the entire program for restoration of our national prosperity.

# THE OPEN ROAD TO NATIONAL RECOVERY

Mr. KEE. Mr. Speaker, no one can controvert the fact that when the Democratic Party on the 4th day of March 1933 entered upon the administration of the affairs of the country, the people required and demanded immediate action. Not only was this the prayer and demand of a suffering people, but it was also the requirement of the political, social, and economic condition in which the country had been placed by reason of many years of totally incompetent and inefficient administration. The condition existing on that March day of last year when Franklin D. Roosevelt faced the countless thousands of his hopeful and expectant countrymen massed in Capitol Square, and with upraised hand took the oath of his high office, is too vividly remembered to require rehearsing. However, it is well, perhaps, to sketch an outline swiftly—that we may not forget.

At that time approximately 14,000,000 men of this country, dependent upon their daily wage for a living, were out of employment. The wheels of industry had ceased to turn; desolation brooded over the silent factories; no flames flared from the furnaces; no smoke poured from the stacks; locomotives rusted in the yards of the great railways and empty cars stood idle upon the sidings; mine tipples were silent and deserted, and drift and shaft no longer echoed the sounds of toil; the highways were crowded with countless thousands of able-bodied men tramping from city to city

and from town to town in a vain search for a means of | granted to the President, the death knell was rung to the livelihood; the streets of every city, great and small, reechoed day and night to the tramp of an army of unemployed vainly seeking a chance to earn a living for themselves and families; hunger and want not only marched in the ranks of this great jobless army, but hunger and want and cold and hardship and privation knocked at the doors of countless homes and, entering, laid wanton hands upon womanhood and childhood; banks and other financial institutions were daily crashing and the lifetime savings of millions of thrifty people were being swept away. The auctioneer's hammer daily rang the knell to the dreams of home owners, and farms had become but a cheap commodity in the marketplace; no ray of hope came to pierce the gloom of the nights of misery and no rainbow of promise appeared in the clouded skies of the days of despair.

This was the situation when, on the 4th day of March 1933, the man whom the people had selected as their leader, in accepting that leadership said:

The people of this country demand action—action now, and they shall have it.

Let us for a moment look at the record showing how that promise has been kept. This record is that of the special and regular sessions of the Seventy-third Congress and it is indelibly written into our country's history.

Two days after the inauguration of Franklin D. Roosevelt he declared a bank holiday and closed the doors of every banking institution in the United States. He said, in effect:

We will take stock of your condition. If you are sound and fit to operate we will let you reopen. If you are merely weak we will give you aid. If you are insolvent you can no longer handle the people's money.

We all know the result of that drastic action. There was no further crashing of banks. Stock was taken and the sound and solvent banks were almost immediately reopened. The weaker banks were aided and assisted to the extent that within a short while the banking system of the country was upon a working basis and enjoying the renewed confidence of the people.

Within 5 days after the inauguration of the new President a special session of Congress was called and assembled on the 9th day of March 1933. No delay was had in taking the action which had been promised. All precedents were shattered by the rapidity of this action. Backed by the tremendous public sentiment which had carried this administration into power, the Congress lost no time in placing upon the statute books the remedial legislation demanded by the emergency.

Almost immediately after the assemblage of Congress came the passage of what is known as "the Emergency Banking Relief Act" which met the banking situation as it then existed. This was followed by the National Economy Act which authorized the President to reorganize all Government bureaus and commissions in the interest of economy. Sweeping reductions were made in Government salaries and remunerations and slashes were ordered in other governmental departments. This legislation was immediately followed by the passage of the act legalizing the sale of light wines and beers, thus modifying the harshness of the unenforceable Volstead Act. Followed quickly the enactment of Public, No. 5, which established the Civilian Conservation Corps and in its operation placed 300,000 young men in healthful and gainful employment in the forests of

From thence on the great plan for national recovery was rapidly crystalized into legal authorization. By successive enactments the President was authorized to suspend gold specie payments, remonetize silver, ban gold exports, issue \$3,000,000,000 in currency and reduce the gold content of the dollar. He was also empowered to cancel the "gold clause" in all public and private contracts. In addition to this, and for the purpose of industrial relief, the President was given authority to set aside antitrust laws in order to permit industry to enter fair-trade agreements to economize in the marketing of its products. By further authority

sweat-shop system of the country and to cut-throat competitive practices.

AGRICULTURAL RELIEF

At the special session of Congress the great needs of the farmers of the country were recognized and their pleas for relief were heeded. A farm relief organization was created and given power to fix prices, regulate marketing of crops, rent surplus acreage, and to pay bonuses to farmers for reducing production. Authorization was granted to exchange Government-owned cotton for pledges to reduce acreage of cotton planting. The sum of \$2,000,000,000 was appropriated to refinance farm mortgages at low interest rates over a long term of years. Government farm credit agencies were consolidated under a new administrator to provide fresh means and avenues of low credit rate for farmers.

All of this legislation of the special session in behalf of agriculture was supplemented at the regular session by the passage of yet more important measures of farm relief. At the regular session there was enacted the A.A.A. Farm Relief and Inflation Act providing for direct agricultural relief by authorizing the Secretary of Agriculture to force increased farm prices through certain means provided in the act. Arrangement was made for farm-mortgage relief through the refinancing of farm mortgages at 41/2-percent interest for which purpose the issuance of more than \$2,000,000,000 in Government bonds was authorized, the Government guaranteeing the interest. A broad inflation program was authorized involving expansion of Federal Reserve credit to the extent of \$3,000,000,000 in treasury notes secured solely by the credit of the United States Government. The Reconstruction Finance Corporation was authorized to make loans to drainage, levee, irrigation, and similar districts to the extent of not exceeding \$50,000,000.

By the enactment of the Farm Credit Act loans were authorized for the producing and marketing of agricultural products. A production credit corporation and bank for cooperatives was created in each of the 12 Federal land bank cities with a capital of \$7,500,000. Important provisions were made authorizing the purchase by intermediate credit banks of agricultural or livestock notes from national or State banks and other similar institutions, and authorizing loans to be made on warehouse receipts, mortgages, and other documents covering agricultural products or livestock.

The Federal Farm Mortgage Corporation was created by the Farm Mortgage Refinancing Act. The Crop Loan Act authorized the Governor of the Farm Credit Administration to make loans to farmers during 1934 for crop production and harvesting, and to make loans for feed for livestock in drought- and storm-stricken areas. Forty million dollars was appropriated to carry into effect the Crop Loan Act. The Jones-Connally Farm Relief Act provided for the inclusion of beef and dairy cattle and certain other basic commodities within the benefits of the A.A.A. and appropriated \$200,000,000 to enable the Secretary of Agriculture to finance the carrying out of the provisions of the act. Fifty million dollars was appropriated to reimburse farmers for cattle slain for the purpose of eradicating tuberculosis and to enable the Secretary of Agriculture to make advances to the Federal Surplus Relief Corporation for the purchase of dairy and beef products for relief purposes.

The Bankhead Cotton Control Act was passed for the promotion of the orderly marketing of cotton in interstate and foreign commerce and for the stabilization of the cotton markets. To the same purpose was the Jones-Costigan Sugar Act which accomplishes for sugar the same benefits as those given to cotton in the act last named. The sum of \$150,000,000 was appropriated to carry out the provisions of the last two measures.

By enactment of the Farm Mortgage Foreclosure Act a means was provided to enable farmers to secure loans for the purpose of repurchasing farm property which had been sold from them under foreclosure of mortgage.

#### PUBLIC WORKS

At its special session, Congress authorized the largest Public Works program in the country's history. The sum of \$3,300,000,000 was set aside to carry out the purposes of the act. Of this amount, \$400,000,000 was allocated for public-highway construction in the various States, and the balance was set aside to provide Federal aid in the construction of State and municipal projects, as well as to make construction loans to industry. The National Industrial Recovery Act provided for the adoption by all industries of codes of fair competition; guaranteed to labor the right to collective bargaining; it prohibits "yellow dog" contracts; establishes maximum hours, minimum rates of pay, and guarantees proper working conditions. This act is a proclamation of emancipation of labor. It writes the end, not only to the sweatshop, but to the use of child labor in the industries of this country.

#### HOME OWNERS

The passage of the Home Owners' Refinancing Act whereby the Home Owners' Loan Corporation was created with a capital stock of \$2,000,000 and the authorization of a \$2,000,000,000 bond issue gave to the small home owners of the country their first opportunity to save their homes from sacrifice at the auctioneer's block. At the regular session of Congress the bonds of this Corporation were, by an amendment to the original act, guaranteed both as to principal and interest by the United States Government. By an additional amendment at the regular session the Corporation was authorized to advance cash to an aggregate not exceeding \$200,000,000 to home owners for the purpose of making necessary repairs, rebuilding and enlargement of their homes. The National Housing Act, passed at the regular session and now before the President for his signature, provides a comprehensive plan of home financing and mortgage insurance, and creates a savings and loan insurance corporation to insure the accounts of Federal savings and loan associations.

# MONETARY

By joint resolution passed at the special session, the gold clause in all Federal and private obligations was canceled and these obligations were made payable in legal tender. By the Gold Reserve Act passed at the regular session the President was authorized to revalue the dollar at 50 to 60 percent of its existing statutory gold equivalent. A \$2,000,-000,000 stabilization fund was created out of profit accruing to the Government as the result of the deflation of the dollar. This fund was placed in charge of the Secretary of the Treasury who was vested with authority to use it in such manner as might be deemed expedient for stabilizing the dollar abroad. The coinage of gold was declared to be at an end and the metal itself, in bullion form, is to be held in the Treasury as backing for paper currency. Title to all the gold in the Nation, including that held by the Federal Reserve banks, was vested in the Treasury of the United States.

The Silver Purchase Act, now before the President for his signature, declares it to be the policy of the United States that the proportion of silver to gold in the monetary stocks of the Nation should be increased, with the ultimate objective of having one-fourth of the value of such stocks in silver. To attain this end the Secretary of the Treasury was authorized and directed to make purchases of silver when such purchases become necessary to the maintenance of the ratio provided, and to make sales of silver whenever the monetary value of the stocks of silver becomes greater than 25 percent of the monetary value of the stocks of gold and silver. This act also authorizes the issuance of silver certificates and the placing of them in actual circulation, making such silver certificates legal tender for all debts and dues. The act also contains other important provisions with respect to the remonetization of silver and its reestablishment as a basic money for the people.

# BANKING

In addition to the banking legislation enacted at the special session and which provided for the insurance of individual bank deposits up to \$2,500, the regular session

enacted the Banking Deposit Insurance Act which provides for an extension of this deposit insurance until July 1, 1935, and increased the amount of deposits so insured to the sum of \$5,000. This act also empowered the Reconstruction Finance Corporation to make loans upon or purchase the assets of any bank closed between December 31, 1929, and January 1, 1934, upon terms to be prescribed by the Corporation. This provision will undoubtedly result in the payment of substantial amounts to the depositors in closed banks, the affairs of which have not been yet liquidated.

#### RELIEF

It was already recognized by the present administration that all other plans heretofore followed, or attempted to be followed, for the relief of the distressed during the period of the depression were wholly inefficient. All forms of relief which did not go directly to those in need of it were ineffective. Already in the special session there had been made an appropriation of \$500,000,000 for direct relief. This amount was granted by the Government to the various States to feed, clothe, and house the unemployed. There was created a new Federal system of employment bureaus to cooperate with the States in finding employment for those without means of support. The reforestation camps were established for the benefit of the unemployed. The Tennessee Valley Authority was created and the great sum of \$240,000,000 heretofore invested by the Government in the Muscle Shoals project, and from which the Government has heretofore received no returns, was put to work. Added to this was a provision for not only the expansion by the Government of this great project, but the development of a gigantic program for developing the Tennessee River Valley. This resulted, and will result, in the placing in employment of thousands of the heretofore unemployed, and in furnishing electric power to a vast area at prices which will serve as a yardstick with which to measure the charges of privately owned utilities.

At the regular session there was passed the Roads Employment Act which is now before the President for his signature, which authorizes an appropriation of \$300,000,000 for road work in the year 1935 and \$100,000,000 in the year 1936. In addition to this, there is an authorization of \$125,000,000 for road work in each of the years 1936 and 1937, which is available when met by the various States by an appropriation of a sum equal to that allocated to the respective States. This act also appropriates \$24,000,000 to be spent during each of the next 3 years on roads through public lands, national parks, and Indian reservations. During the regular session, by the passage of the Civil Works Emergency Relief Act, there was appropriated an additional \$950,000,000 available until June 30, 1935, for a continuation of the Civil Works program and for direct relief purposes.

# NATIONAL DEFENSE

By an act approved by the President-on June 15, 1934, the National Guard was made a part of the Army of the United States and subject to active duty in time of war or national emergency. The Vinson naval parity bill authorizes the construction of our Navy up to the limit provided by the naval limitation treaties entered into by this country. Various other enactments were made affecting the personnel of the Marine Corps, promotions in the Navy, and the assignments of officers and enlisted men to foreign stations.

# SECURITIES

At its special session, Congress passed the Securities Act which amounts to nothing more nor less than a national "blue sky" law designed to insure to the purchasers of securities that when they make their purchases in the open market they will receive securities of sound value. At the regular session there was enacted the Securities Exchange Act, which placed in the Federal Government a strong control over the stock exchanges. This measure is designed to prevent a recurrence of that disastrous period of speculation which immediately preceded the plunging of this country into its past years of depression.

# REVENUE

Congress, by its Revenue Act of 1934, while increasing taxes on capital stock, estates, gifts, and certain other

objects of taxation, removed part of the burden on smallincome taxpayers and shifted it to the higher incomes.

#### RATLROADS

By the Emergency Transportation Act, Congress established a system of railroad control and created a Coordinator of Transportation to work in cooperation with the railroads and with labor, but not at the expense of the wage earners. Thus has been set up the machinery to establish economies in railway management, to promote financial reorganization of carriers, to reduce overhead expenses, improve railway service, and to correct existing evils in railway operation.

The Railroad Retirement Act, passed by Congress and now before the President for his signature, provides for the retirement of railway employees who have been in the service for a period of 30 years or who have reached the age of 65 upon a pension or annuity. This annuity will be based on the period of service of the employee so retired. The fund out of which this pension or annuity will be paid is to be provided by contributions from the employees and from the respective railway corporations—the employees contributing an aggregate of one-third of the fund and the railways two-thirds of such fund. The act is to be administered by a railroad retirement board created by the measure. This act is one of wide-reaching importance and significance to the railway labor world.

#### CONCLUSION

Numerous other measures of extreme importance to the people of the country were enacted by the Seventy-third Congress. It would be impossible within a short period to give a comprehensive picture of the far-reaching effect of this legislation. Not unmindful of the youth of the land Congress provided by the Vocational Education Act for an appropriation of \$3,000,000 annually for 3 years for agricultural, economic, trade, and industrial education. Congress also by the passage of the Wild Life Conservation Act pledged the Federal Government to an effort to preserve and increase the wild life of the country. Another measure along this same line authorized the establishment of sanctuaries to be devoted to the increase of game birds, game animals, and fish.

Another important measure, and one which may perhaps be destined to become the most important, is the Reciprocal Tariff Act which empowers the President to raise or lower tariff rates by not more than 50 percent, and authorizes him to enter into reciprocal-tariff trade agreements with foreign nations. This measure was planned for the expansion of the trade of the United States with foreign countries, to promote reciprocal-trade relations, and to open up foreign markets to American surplus products and commodities.

When we look back over the record of the Congress which is just closing, we cannot help but be astounded at the number and importance of the various measures of legislation enacted and written into the law of the land. It is not ours to prophesy what may be the ultimate result of this legislation upon the affairs of the Nation. We do know, however, that a great part of this legislation, and of the machinery set up by it has been in effect and working over a period of 1 year and that during that period the country has been gradually emerging from the depression. Millions have been returned to employment, distressed conditions have been relieved, industry has been revived, the wheels of transportation are turning, distress is no longer universal, and hope has entered the hearts of the American people. We may have blazed a new trial-we may have entered upon a new road, but it is an open road and we are again upon our way. The shadows of a night of despair are lifting and the dawn of a new day beckoning us on. Our leader is undaunted and unafraid-let us also be without fear.

# POLITICAL USE OF FEDERAL FUNDS

Mr. HOIDALE. Mr. Speaker, the sordid story of how ditions in some of our slum areas are unspeakable. One sink Federal funds have been used by the State Administration of North Dakota for political purposes and for the purpose families with their water supply. Oil lamps must be used for

of lining the pockets of State officials is fresh in the mind of the public.

Governor Langer, together with four members of his political gang, have been convicted, and are facing prison sentences. The slimy snake of graft and greed has horned in on the funds which have been furnished by the Federal Government to the State for relief purposes. No Federal officer or employer is involved in the steal.

Millions and hundreds of millions of Government relief funds have been sent out from Washington to help people in distress. The National Government could not undertake to handle the distribution of these funds direct, to good advantage and economically. It naturally made use of the agencies and machinery of the State governments. It had a right to depend upon the honesty and good faith of State administrators.

The President and the departments in Washington that have had charge of the distribution of these funds have taken the high ground that the distribution of emergency relief money should not be based upon political considerations. They say that a person in need is entitled to relief regardless of the party to which he belongs. That is not only reasonable, but it is the right and patriotic thing to do.

Now it appears, from information obtained from Minnesota that has just reached Washington, that Forestry Director Conzet of the Olson administration has sent out a circular letter to State forest rangers in which he gives instructions for the hire of emergency help under new allotments of Federal funds for fire-prevention work.

Mr. Conzet in his circular tells these rangers working under him that it will not be necessary to conform to usual practices in hiring these men "if you meet with the chairman or possibly chairman and secretary of your county Farmer-Labor organization and have the person you are employing approved by them in writing." He adds, with unblushing candor: "This letter of approval must accompany your notice that the man is being put to work."

It seems plain from these instructions that the reports are true that have been heard for months that a person must be a member of the Farmer-Labor Party in order to get a job paid for by relief money. These instructions are far from the fair position taken by the administration at Washington. Even if no State or private funds are being used for the purpose of employing these men, it would be wrong and entirely unfair to say that no one except those who belong to the Farmer-Labor Party shall have a chance to work at such labor as is done in clearing up the forests to prevent fires.

# A NATIONAL HOUSING AND SLUM-CLEARANCE PROGRAM

Mr. CEILER. Mr. Speaker, one of the most important features in the program of the new deal is the plan to provide for national housing and slum clearance. Poor housing conditions and slum areas are a positive menace to the community in particular and to the Nation in general. Such conditions and areas breed disease and crime and illiteracy and all else that so strongly tend to undermine and weaken our national character. While we have made considerable progress in the matter of supplying to our people food, clothing, and transportation, for one reason or another we have not, up to the present time, enacted legislation to make possible a Nation-wide drive to build better and healthier houses and to rid the country of all its slum areas.

The home, it has often been said, is the very backbone of our society. It is, in fact, the very superstructure upon which all civilization rests. And because the administration appreciates and understands this fact so well, there has been enacted legislation to provide better living quarters for thousands and thousands of our citizens who are now forced to live in so-called "homes", in reality, of a character inferior to many stables, cow barns, and public garages. Conditions in some of our slum areas are unspeakable. One sink in the hallway must ofttimes suffice to provide many families with their water supply. Oil lamps must be used for

light. Air spaces are often few and far between. Children reared in such squalid surroundings do not have the proper chance in life. Slums must be eradicated so that the children may be given clean and wholesome places in which to live and to play and to grow.

Aside from this very important truth, there is the further fact that a Nation-wide housing and slum clearance program will provide employment for millions of our citizens. A very large portion of the unemployed throughout the country are, in one way or another, associated with labor ordinarily employed in the building and construction world. Statistics prove that more than 6,000,000 people now on the relief rolls are normally identified with the building and construction trade, one of our basic industries. Such program, calling into play all phases of this industry will give employment, directly and indirectly, to practically all classes of labor-to the plasterer, the plumber, the electrician, the painter, the iron and steel worker, the carpenter the architect, the gardner, the interior decorator. Moreover, with newer housing there inevitably is brought along a demand for modern equipment, such as better lighting facilities, electric refrigeration, radios, telephones, modern furniture, rugs, pictures, kitchen utensils. In a word, there will be called into service many of the present unemployed skilled and unskilled workers. All along the line of the American scene there will be improved conditions. The benefits of such a program, carried out properly, will be felt throughout the length and breadth of the land.

The challenge of the slums can and must be met. For over and beyond the fact that only in this way can we establish permanent employment, lies the fact of even greater significance, that only through a properly carried out program of housing and slum clearance will the fine American home be preserved as a permanent institution.

APPORTIONING OF APPOINTMENTS IN THE DEPARTMENT OF AGRI-CULTURE AMONG THE SEVERAL STATES, TERRITORIES, AND THE DISTRICT OF COLUMBIA

Mrs. JENCKES of Indiana. Mr. Speaker, as a member of the District of Columbia Committee of the House of Representatives and as one who is deeply interested in the welfare of the people of the District of Columbia, I desire to bring to the attention of the House of Representatives some facts concerning the apportioning of appointments among the several States, the Territories, and the District of Columbia on the basis of population as ascertained at the last preceding census, a policy that has been adopted by our American Government. I think that this policy is fundamental in government. If we were to do otherwise, and fill the greater number of places in the Federal service at the seat of government with residents of the District of Columbia or territory adjacent thereto, people of distant States, including my own State of Indiana, might well take the position that they were not a part of a centralized government at Washington but that the Government at Washington is run by residents of the District of Columbia and close-by territory, to the end that residents of distant States might even lose interest in

I have noticed, too, criticism directed to certain appointees in the Department of Agriculture, because they have been sponsored by the chosen representatives of the people. This criticism may do a great injustice to those people who have entered the Government service in our emergency organizations, many of whom are highly educated and experienced and really represent a high type of personnel.

It is unfair to criticize the employees of the Agricultural Adjustment Administration, where a very high standard of efficiency has been set. I have made some investigation on my own account and find there are literally hundreds of people in the Agricultural Adjustment Administration with A.B., B.S., M.S., and even Ph.D. degrees, as well as former successful business men, who previously made from five to twenty thousand dollars a year, who, on account of the depression, have accepted minor clerical positions in the Agricultural Adjustment Administration. The Government is profiting through the employment of these men and women, who, on account of conditions, are required to accept places much beneath their education and experience.

These employees frequently work all day on Saturdays and on Sundays as well, in order to expedite the work of their departments, and the Members of the Congress who have sponsored them are responsible to the people for their proper performance of duty.

In the early days of the Agricultural Adjustment Administration that organization had 1,494 employees, out of a total of about 3,400, with legal residence in the District of Columbia or the two adjoining States. Such inequitable distribution originally was caused, I fully appreciate, by the fact that the Agricultural Adjustment Act was passed late in the crop year of 1933, and it was necessary to build an organization quickly, absorbing many of the old Census employees.

The Agricultural Adjustment Administration has been trying to correct the inequitable distribution of personnel without interfering with efficiency, and in so doing they are only carrying out the expressed policy of the Congress.

I submit that no one is as capable of judging the efficiency of employees of the Agricultural Adjustment Administration as is the Administrator of the Agricultural Adjustment Act or the Secretary of Agriculture. The President has placed full responsibility upon these executives, and they are responsible to the President for their employees. It is claimed that partisan politics is being played in that organization in the extreme, while as a matter of fact their only desire is to have people who are in full accord with the aims, purposes, and ambitions of the administration and who will give the new deal a fair deal. I find in that organization 4 ex-Members of Congress; 3 are former Members of this body, and 2 of the 4 were elected to the Congress as Democrats and 2 as Republicans.

The Secretary of the Department of Agriculture is making a sincere effort to administer the affairs of the Department in accordance with a policy which has been adopted as part of the national recovery.

American agriculture is passing through a crisis. It is imperative at this time that result-producing efficiency be demanded in behalf of our American farmers in every effort our Government makes in order to speedily aid American agriculture.

I feel it my duty to sound a note of warning now, that the Congress will never desert the policy of apportioning the appointments in the Federal service at the seat of government among the States, Territories, and the District of Columbia on the basis of population, and any agitation in Washington to tear down that policy can do nothing but create a feeling of antagonism on the part of the Congress and the American people toward the District of Columbia and its people. I would not want this to happen. I know that in the Agricultural Adjustment Administration the evident intent of the Congress as regards apportionment of appointments among the States, as expressed in the Civil Service Act of January 16, 1883, likewise section 213 of the Economy Act relative to employment of man and wife at one and the same time, is being strictly adhered to, and they have also set a high standard for appointments.

We should never lose sight of the fact that it is the District of Columbia of the United States of America, rather than the United States of America of the District of Columbia.

I am moved to make these observations, Mr. Speaker, because I believe that there is a growing resentment among some of the Members of the Congress because of the large number of appointments that are made of residents of the District of Columbia and think that the criticism of the appointments from distant States is not productive of good feeling or good results. We must never allow people of the distant States to feel that they do not have equal representation at the seat of government with areas in and about Washington. I say this as a friend of the people of the District of Columbia.

I think it not unreasonable that the Government executives should have the right to select people who are in sympathy and full accord with the aims and ambitions of the President and his administration, and that the several sec-

tions of the country be properly represented in making appointments.

I submit herewith for insertion in the RECORD a list of clerks with college degrees who are now employed in the Agricultural Adjustment Administration at salaries ranging from \$1,260 to \$1,800 per annum, showing the name of the now in a more or less defenseless position.

employee, State from whence he came, university or college from which he graduated, as well as the degrees attained. This list was prepared at my request, in order that the public might make a proper defense to the criticisms that have been heaped upon a highly educated group who are

List of clerks who have college degrees now employed in the contract records section and the office of the Comptroller, Agricultural Adjustment Administration, at salaries ranging from \$1,280 to \$1,800 per annum

\$1,260 CLASS Legal residence College or university from which graduated Degrees attained Name of employee National University
Columbia University
Oklahoma Agricultural and Mechanical
Kansas State College
Garfield Memorial Hospital
Cumberland University
(University of Missouri
George Washington University
(University of Georgia
Georgetown University
University of Utah
University of Utah
University of Webraska
Louisiana State Normal
Bethany College
University of West Virginia
George Washington University
Columbia College, Dubuque, Iowa
Marywood College, Scranton, Pa
Indiana University Training School for Nurses
Syracuse University
(Barnard College
Columbia University
University of North Carolina
Kansas State Teachers College
Ohio State University
Record incomplete
Russell Sage Collega
University of Richmond
University of Tennessee.
University of Oregon
Howard University, Washington, D.C. Argel, Manuel A...
Daly, Edward F...
Davis, Edward T...
Dreiling, Edwin J..
Gobrecht, Hilda E.
Golladay, Virginia. A.B. B.C.S. B.S. A.B. R.N. Illinois Wyoming\_ Oklahoma\_ Kansas. Pennsylvania A.B. A.B. M.A. A.B. LL.B. Gurley, Marie .... Missouri Hartsfield, A. M ... A.B. B.S. A.B. A.B. Utah.... Nebraska. Florida... Hogan, Richard J..... Hranac, M. Edith.... Johnson, Mrs. Adele M... Johnston, Gayle ... Ohio Larson, Morris A.

Leonard, Fredrick S.

Myers, Mrs. Dorothy C.

Nichols, Gladys L.

Parker, Bernadine G. A.B. A.B. R.N. A.B. North Dakota Pennsylvania. Penn, Mary..... Tennessee A.B. Penn, Mary
Purrington, Sara G
Reedy, Marie E
Shepard, Hazel
Smith, Mrs. Alice P
Smith, Solace A
Smith, Willie J
Stinson, Flora Mary
Thompson, John L
Warner, Marjorie M
Whitfield, Bernice C A.B. B.S. M.A North Carolina. Pennsylvania M.A.
B.S. (education).
B.S.
A.B.
A.B.
B.S. (economics).
B.S. (economics). Oregon
New Jersey
Virginia
Tennessee
Massachusetts Addams, Harvey J .... Kansas A.B. A.B. Doctor of Jurisprudence, LL.B. Ayers, Willard C .... West Virginia... Baker, N. Meyer ... District of Columbia A.B. A.B. A.B. B.S. Barry, John P ... Massachusetts Beaumont, Edmund W.
Benjamin, L. G., Jr.
Berman, Michael J.
Bishop, Clair R.
Block, Raphael, H.
Bradford, James E.
Branch, Wm. V. Maine.
South Carolina.
New York.
Nebraska.
Arkansas.
Virginia.
North Carolina. A.B. Ph.B. University of Nebraska
University of Chicago
William and Mary College
Record incomplete
(University of Wisconsin
University of Missouri
University of Missouri
University of Maryland
Oberlin College
Washburn College, Topeka
Georgetown Law
Duke University
University of Pittsburgh
George Washington University
(Allbright College, Reading, Pa
(Catholic University,
Columbus University
University of Missouri
Notre Dame
Simmons University, Abilene, Tex
University of Utah
Notre Dame University, Fayette, Iowa
Lyale University
University of Utah
Notre Dame University, Fayette, Iowa
Lyale University
(Upper Iowa University, Fayette, Iowa
Lyale University
Georgetown University
Shepherd College
University of West Virginia
Winthrop College
University of Wisconsin
American University
Syracuse University
Syracuse University
Syracuse University
Syracuse University
Syracuse University
Southeastern University
Southeastern University
Law School
Oklahoma College
University of Southern California
Eastern Carolina Teachers College
National University Law School
Oklahoma College for Women B.S. LL.B. B.S. M.A. A.B. A.B. Briggson, Fred O.... Wisconsin... Brogdon, Norma Rowe
Brogdon, Norma Rowe
Burnett, Katherine W
Call, Thela
Canning, Thomas J
Carrigan, Wm. A
Carson, Milton R
Carter, Joseph A Maryland.... Missouri.... A.B. LL.B. Kansas..... Massachusetts. Arkansas..... Pennsylvania Missouri..... M.A. and B.S. B.S A.B. LL.B. LL.B. Pennsylvania Castiello, Joseph F ... Arkansas... Missouri... Indiana... Chamberland, Henri L. A.B. A.B. A.B. A.B. A.B. A.B. Ph.D. B.S. LL.B. Childers, Dorothy N.
Christianson, Carl G.
Clark, Floyd M.
Clay, Oliver L.
Cleary, William H. Texas.... Utah.... Minnesota. Cole, Erma E.... Iowa----Cordiner, Margaret E...
Costello, Hilary.
Cowan, Mrs. Margaret.
Cribbins, Thomas P...
Crouch, Thomas G.
Curry, Paul O.
Donnelly, Urban M... Wyoming Massachusetts Arkansas Connecticut Virginia Pennsylvania Connecticut A.B. B.S. (civil engineering). B.C.S. Everhart, Herbert W ... West Virginia. A.B. B.S. (agriculture). Faulkner, Sallie E ... South Carolina. Faulkner, Sallie E.
Floyd, Ruth
Foster, John B., Jr.
Freeman, John F.
Friedman, George
Geier, Benjamin G.
Gerth, Arthur W.
Getz, Howard
Godfrey, Elizabeth
Goshorn, Walter S.
Guiler, William P.
Hickey, John H.
Hitchens, James L. Georgia
Illinois
Kentucky
New Jersey
Wisconsin
Missouri A.B. A.B. and B.S. B.C.S. LL.B. and B.S. LL.B. and B.S.
A.B.
A.B.
B.S.
A.B.
A.B.
A.B. and M.A.
B.S. (electrical engineering)
LL.B.
B.S.
M.S.
A.B. Pennsylvania.
Montana.... Ohio\_\_\_\_\_ New York New York New Jersey District of Columbia Hookom, Don W. Horn, Letha J John, Henrie E Johnson, Sara S Katz, Mae Phillip Kennedy, Esther M Kansas California North Carolina District of Columbia Oklahoma A.B. A.B. A.B. LL.B. B.S.

List of clerks who have college degrees now employed in 'he contract records section and the office of the Comptroller, Agricultural Adjustment Administration, at salaries ranging from \$1,800 per annum—Continued

\$1,440 CLASS—continued Legal residence Name of employea College or university from which graduated Degrees attained George Washington University

(Harvard University

Harvard Graduate School

Catholic University
Southeastern Missouri State Teachers College
St. Francis College
University of Wisconsin
George Washington University
Holy Cross College
University of Alabama
Catholic University
Flora McDonald College
Notre Dame Kohner, Elizabeth L ... District of Columbia Massachusetts\_ Krixtein, Simon.... Kroger, John F... Lamb, Charles F... Leap, James B.... Lehman, John W. Missouri Kansas Wisconsin District of Columbia Lehman, John W
Lewis, Hyman L
Maley, Austin P
Mathews, George
McCarthy, Timothy W
McDonald, Cornelia
McKeever, Francis E
McLucas, John D
McQueeney, Edward J
Mealy, John B
Miller, Thomas H
Mitchell, Burl K
Moon, George W
Morris, Katherine
Murray, Bud M
Mutzieer, John G District of Columbia.
Pennsylvania.
Tennessee.
Connecticut.
Alabama.
New York.
Colorado.
Maryland.
District of Columbia.
West Virginia.
Illinois. Oniversity of Alabama
Catholic University
Flora McDonald College
Notre Dame
University of Colorado
Benjamin Franklin University
Columbus University
National Law School
East Illinois State College
Pennsylvania State College
Pennsylvania State College
Swarthmore College
Colorado Agricultural College
(University of Missouri
George Washington University
University of Missouri
Pennsylvania State University
Marquette University, Milwaukee, Wis
Georgetown University
Marquette University
Marquette University
Marquette University
Washington College of Law
Ohio State University
Washington College of Law
Hiram College
Pomona College
Columbia University
Western Maryland
Ames State College
Columbia University
University of Maryland
Boston College, Minneapolis
(University of Maryland
Boston College, Minneapolis
(University of Southern California
University of Southern California
Fordia State College
Oo.
Erskine College Pennsylvania\_ Maryland\_\_\_\_ Colorado\_\_\_\_ Missouri Mutziger, John G. Myers, Gibbs..... Nance, Edna Mae... District of Columbia. Nance, Edna Mae... Ney, Henry F... Niland, Edward M... O'Brien, Charles H... Arkansas..... Pennsylvania.... Maine-O'Brien, Joseph A., Jr.. Rhode Island ... A.B. B.S. South Carolina. New York.... Owen, Margarite.... Panossian, Aram G. LL.B. B.S. M.S. Master of Patent Law. Parker, Ruth Elizabeth. Ohio ..... Phifer, Charles W..... Presti, Arthur A..... \_\_\_do\_\_\_ A.B. B.A. M.A. Pritchard, A. O., Jr. California .. Richmond, Velma I... Rohick, Marie A.... Romig, Margaret S... Ross, Charles R. Russell, Francis S... Schubert, Wallace L. M.A. B.A. M.S. B.S. B.A. B.A. B.A. B.A. Sellers, Jean.... Jakota do South Carolina District of Columbia Georgia Utah Conne California Shannon, Kenneth J.
Shaw, Ethry E.
Shaw, W. Frances
Sheppard, Clara
Silverman, Dave.
Sims, Clifford
Sims, Glifford
Sims, George Dyson.
Smith, C. Ronald
Smith, Michael Paul.
Snider, Ellen F.
Sourwine, Mary N.
Stanton, Elizabeth D.
Stephens, Daisy W.
Stanton, Elizabeth D.
Stephens, Daisy W.
Sturgis, Mrs. Mary S.
Sugar, Jeanette C.
Terlizzi, Carmelo L.
Torrens, Helen B.
Walter, Eva May.
Warren, Clifton C.
Weaver, Amelia
Weisblut, Harold J.
Welborne, William J.
Welsott, Mary A.
Whitaker, Daisy S.
Whitehead, Ruth M.
Wieland, Joseph H. University of North Dakota
Florida State College.
do
Erskine College.
Benjamin Franklin University
Oglethorpe University, Atlanta, Ga
George Washington University.
Utah Agricultural College.
Catholic University
Wilson Teachers College, District of Columbia.
University of Norvada
Southern College, Birmingham, Ala.
University of North Carolina.
University of Maryland.
do
University of Pittsburgh
State Teachers College, Cape Girardeau, Mo.
George Washington University.
Texas Agriculture and Mechanics
Vanderbilt University
Washington University, St. Louis, Mo.
University of Arkansas.
George Washington University
Hollins College.
Howard-Payne College, Brownwood, Tex.
St. Johns University
Georgetown University
Howard College, Birmingham, Ala.
University of North Carolina
American University.
Florence State Teachers College.
George Washington University. Shannon, Kenneth J. B.C.S. B.A. B.A. B.C.S. B.A. A.B. Connecticut... Ohio..... Nevada..... A.B. (economics). B.S. Louisiana North Carolina Maryland District of Columbia Pennsylvania... Minnesota.... Illinois... Texas
Mississippi.
Missouri
Arkansas
District of Columbia.
South Carolina.
Texas. Wieland, Joseph H. North Dakota Alabama\_\_\_\_\_\_North Carolina\_\_\_\_\_\_New York\_\_\_\_\_\_Alabama\_\_\_\_\_District of Columbia\_ \$1,620 CLASS Aal, Cary Wolcott... Aitkens, Irene..... Alewine, Wm. M... District of Columbia. George Washington University ... do
do
do
Winthrop College
University of North Carolina
University of Orlahoma
Columbia College, Columbia, S.C.
Hanover College, Hanover, Ind
North Texas State Teachers College
Stayer College.
George Washington University
do
University of Miami
University of Missouri
George Washington University
[Leland Stanford]
(George Washington University
Function University
Princeton University
Princeton University
Princeton University
Southeastern University
Benjamin Franklin University
Benjamin Franklin University
Jo
University of Michigan Louisiana..... Georgia..... North Carolina Alexander, Frances M Alford, Leonard B.
Aman, Maude E.
Amick, George E.
Anderson, Ervin
Apperson, Charles T.
Armstrong, Wm. R.
Asmuth, Minnie Louise,
Aufort, William R.
Bachman, George V.
Bailey, Linwood K. Oklahoma..... South Carolina Indiana..... Texas
Virginia.
Maryland
Wisconsin
Florida
Iowa
North Dakota. Baker, Charles E.... California .... Ballantine, H. T., Jr.
Bankhead, John E., Jr.
Barnes, Charles M.
Bartle, Wm. J.
Battle, Pulaski Elmo
Becker, Milton S.
Beltz, Howard H. Oklahoma.... Texas.
Arkansas
District of Columbia.
Georgia
Virginia.
Ohio.

List of clerks who have college degrees now employed in the contract records section and the office of the Comptroller, Agricultural Adjustment Administration, at salaries ranging from \$1,260 to \$1,000 per annum—Continued
\$1,620 class—continued

Name of employee	Legal residence	College or university from which graduated	Degrees attained		
Bentley, Osce M.	Alabama	Howard College, Birmingham	B.S.		
Bergner, John F. Bergstron, Kenneth.	Pennsylvania Minnesota	Southeastern University Gustavus Adolphus College of St. Peters, Minn	B.C.S. A.B.		
Bernstein, Rena	District of Columbia.				
Biggins, Wm. J	Montana District of Columbia	National University George Washington University	A.B.		
Biggins, Wm. J. Biggs, Harold W.	Louisiana	University of Chicago	B.S. LL.B.		
Biggs, Rosalie DBinkley, Charles H		Stanford University	A.B.		
Binkley, Charles H. Block, Edward L.	New York	New York University	B.S. (mechanical engineer- ing).		
Bogan, John ABoland, Wilson I	Illinois	Catholic University	B.S. A.B. (accountancy and sta-		
Boone, John Simeon	North Carolina	Duke University University of Oklahoma	tistics).		
Booth, August M	Oklahoma	University of Oklahoma Notre Dame University	LL.B. A.B.		
Bordan, Leroy	do	Georgetown University Bessie Tift College of Forsyth, Ga.	Ph.D.		
Bordean, Leroy Boterweg, Mrs. Cora C Botzenhardt, August, Jr	Georgia Montana	Bessie Tift College of Forsyth, Ga	A.B.		
Bradley, Sydney E	District of Columbia.	University of Montana Benjamin Franklin University	B.C.s.		
Brennan, R. S., Jr	Missouri Indiana	Southeestern University	A.B.		
Brown, O. Elvadney	Missouri	State Teachers College Warrenchurg Ma	Page		
Buchanan, Leah	Ohio	University of Missouri. Ohio State College	B.S.		
Bucher, Mary L	Arkansas	Georgetown University	LL.B.		
Burke, Martin L	North Carolina	National University Benjamin Franklin University	DOG		
Burnett, James T. Burrows, Chas. R.	Ohio	Otterbein College William Jewell College, Liberty, Mo Benjamin Franklin University	M.S.		
Burton, Lucius W Bushnell, Curtis M	Oklahoma	William Jewell College, Liberty, Mo.	A.B. B.C.S. (accounting).		
Caplis, Solomon	Maryland		A.B.		
Cargdon, Richard G Carroll, Jerome D	New Jersey	George Washington University Georgetown University	A.B. Ph.D. and LL.B.		
Carter, James A	South Carolina	The Citadel, Charleston, S.C.	B.S. (chemistry).		
Carter, Wm. K	Minnesota District of Columbia	Catholic University Middlehury College	A.B.		
Cathey, Robert A	North Carolina	Middlebury College. University of North Carolina. Alabama Polytechnic Institute.	B.S. (civil engineering).		
Chadwick, John R.————————————————————————————————————	AlabamaOhio	Alabama Polytechnic Institute	B.S. A.B.		
Clark, Leva	Nebraska	George Washington University Teachers College, Kearney, Nebr Winthrop College, Rock Hill	A.B.		
Clement, Elizabeth M	South Carolina	Winthrop College, Rock Hill	B.S. A.B.		
Collins, John F., Jr.	Alabama	Emory University, Atlanta, Ga. St. Bonaventure College, New York.	A.B.		
Consedine, Wm. R		St. Bonaventure College, New York	A.B.		
Coster, Albert H.	The state of the s	(University of Tennessee Southeastern University	B.C.S.		
Covey, Lucille V		Marietta College (Butler University			
Coxen, Mrs. Anne		University of Maryland University of Mississippi	M.A.		
Craig, Torrey A	Mississippi Massachusetts	University of Mississippi	A.B.		
Crowley, Sylva K	Maine	Trinity College, District of Columbia. Strayer College.	A.B.		
Dalton, Edward	Virginia Texas	Strayer College Simmons University, Abilene, Tex	B.C.S. A.B.		
Davenport, Wayne Davison, Harvey A	Pennsylvania	Teachers Normal University of Illinois	A.B.		
Dean, Paul J		University of Illinois			
Deboskey, Mrs. Jane		George Washington University Benjamin Franklin University	M.S.		
Delaney, Thomas V		Benjamin Franklin University	M.C.S. A.B.		
Dickie, Martin R	Michigan	Bethany College. University of Michigan Shenandoah College, Reliance, Va. Utah State Agricultural College.	B.S. (civil engineering).		
Dinges, Harold R. Dittmore, Marlin	Virginia Idaho Idaho	Utah State Agricultural College	B.C.S. B.S.		
Dougherty, Edward P.	Michigan	University of Detroit	M.S.		
Ducey, John M	Rhode Island	Holy Cross College	A.B. Ph.B.		
Dupler, Parker	Pennsylvania	Innieta College Huntingdon Pa	I A R		
Easley, Robert H	Texas South Carolina	Princeton University The Citadel, South Carolina University of Vermont	A.B.		
Easterling, Carson L Eastman, Florence M Edberg, Howard O	Vermont	University of Vermont	B.S.		
Emmerich, Harry	Kentucky	University of Nebraska University of Kentucky	A.B.		
Endicott, Benjamin	Arizona	University of Kentucky Virginia Military Institute			
Evans, Mrs. Ada L		Morningside College	B.A. A.B.		
Farrell, Thomas A	SCHOOL SECTIONS OF STREET, STR	Georgetown University	LL.B.		
Fickel, June MFiguers, Thomas N	Tennessee	Simpson College	B.A. LL.B.		
Forman, Nyna Fowler, Rachel P	West Virginia	University of West Virginia.	M.S.		
Franck, Edward E	North Carolina	University of North Carolina			
Fritz, Alvin F Fulton, Dorothy M	Pennsylvania Nebraska	Temple University University of Nebraska			
Galloway, James H	South Carolina	University of South Carolina	B.S.		
Gannaway, J. W., Jr	New York	Grinnell College City College of New York	B.B.A.		
Gelfeld, Albert	District of Columbia	National University	LL R and M L		
Getz, Benjamin L	Pennsylvania	Lehigh University  (St. Johns College	B.S. A.B.		
Gilbert, Howard W	(Absolute)	Lehigh University  St. Johns College University of Maryland.	M.S.		
Goldberg, William D	Ohio District of Columbia	George Washington University	B.S.		
Goldburg, Arthur D.	New York	Southeastern University	B.C.S.		
Goldman, Joseph L		George Washington University University of Wisconsin	B.A. and B.L.		
Goodman, J. Roe	Kansas	Friends University	A.B.		
Goodman, Robert	Wisconsin	University of Wisconsin Bliss Teachers Normal	B.A.		
Graff, Edward E	do	Ohio State	A.B.		
Graves, Charles G. Greene, Robert P., Jr.	Nebraska Louisiana	Bellvue College Louisiana State University			
Greenfield, Max H	Michigan	Detroit Institute of Technology	B.C.S. (accountancy).		
Grogan, Lawrence A.	Massachusetts	Boston College.			

List of clerks who have college degrees now employed in the contract records section and the office of the Comptroller, Agricultura! Adjustment Administration, at salaries ranging from \$1,260 to \$1,300 per annum—Continued
\$1,260 CLASS—continued

Name of employee	Legal residence	College or university from which graduated	Degrees attained		
perin, Mary M	District of Columbia	(Trinity College	A.B.		
addad, Lester M		University of North Carolina	M.A. B.S.		
aggerty, LeRoy F	Connecticut	Georgetown University	Ph.B.		
all, Charles A	Massachusetts	Harvard University	B.S. (chemical engineering		
all, Clifton Gall, Clifton S	New Hampshire Pennsylvania	University of Maryland University of West Virginia			
ammack, Bert, L	Georgia	Oglethore University Mercer University, Macon, Ga Bowling Green Business University Southeastern University Cumberland University	Bachelor of Journalism.		
anson, Jesse B	do	Mercer University, Macon, Ga	B.C.S.		
arned, Joseph Darris, William F	Kentucky	Bowling Green Business University	B.C.S. (accountancy).		
arris, Jesse M	Tennessee	Cumberland University	LL.B.		
auck, John Faycraft, Sylvester J	Maryland	I ale Law School	1,L,D,		
aycraft, Sylvester J	Minnesota District of Columbia	University of Minnesota	B.S. (business). B.C.S. (administration).		
ealey, Grace Kellmuth, Sybel M	Virginia	Benjamin Franklin University Eastern College, Front Royal, Va. University of North Carolina Colorado State University Emory and Henry College, Emory, Va. University of Nebraska.	A.B.		
ander Loie Rrigge	Alahama	University of North Carolina	A.B.		
enning, John M. enry, Virginia Stone irst, Edward Byron. isle, Clinton M., Jr.	Colorado	Colorado State University	A.B.		
enry, Virginia Stone	Wyoming	University of Nebraska	A.B.		
sle, Clinton M., Jr.	Wyoming District of Columbia	Southeastern University	A.B. B.C.S. (accountancy).		
sie, John W		Southeastern University University of Maryland	AH		
olt, Myrtlebltzman, Maurice D		Elon College, Elon, N.C. Benjamin Franklin University.	A.B. Master of Commercial		
		The state of the s	ence.		
pper, Herman Wskins, Joseph A	Missouri	University of North Carolina			
oward, L. Vashti	Virginia	Dadford State Was about Callens	D C (admostical)		
oward, L. Vashti	Arizona	Georgetown University	A.B.		
		(Carlton College Farmington Mo	B.S. (education), A.B. B.S. (civil engineering).		
int, William L		Georgetown University Ohio Northern University (Carlton College, Farmington, Mo Rasearch University, Washington, D.C Ohio State University	B.C.S.		
ırwitz, Morris S	Nebraska	Ohio State University	District of Chomics 1		
ntchison, David L	Missouri	Iowa State University	neering. B.S. (civil engineering).		
land John	Maryland	Strayer College St. Thomas College, St. Paul, Minn Teachers College Benjamin Franklin University Northeastern Missouri State Teachers College. Mount Union College, Alliance, Ohio University of South Carolina. Benjamin Franklin University Pannsylvania State College Pannsylvania State College	B.C.S.		
ekelen, Henry Jekson, Juanita	Wisconsin	St. Thomas College, St. Paul, Minn	B.C.S.		
mes, John H	Missouri District of Columbia	Renjamin Franklin University	A.B. B.C.S.		
quiss, Keith	Iowa	Northeastern Missouri State Teachers College.	B.S. (education).		
nes, Lambert E	Ohio	Mount Union College, Alliance, Ohio	A.B.		
nes, Lillian Ardan, Edward L., Jr	District of Columbia.	Renignation Franklin University	A.B. B.C.S. (accounting).		
antz, Arlington H	Pennsylvania	Pennsylvania State College	B.S. (electrical engineer)		
ester, Earl L	Nebraska	I Neoraska wesievan University	A.D.		
ells, Robert H	Wisconsin Maryland	Hamline College, St. Paul, Minn	B.S.		
erns Norman S	Pennsylvania	Pennsylvania State College	A.B.		
enny, Andrew erns, Norman S mzer, Charles W	Virginia	Pennsylvania State College Roanoke College, Salem, Va. University of Michigan	B.S.		
ais, Karl H	Michigan	University of Michigan	A.B.		
line, Charles W	Connecticut	Massachusetts Institute of Technology	LL.B. B.S. (civil engineering).		
ornhauser, Lester L	Ohio	Ohio State University	A B		
oren, Samuel ornhauser, Lester L osowsky, Jack L ramer, Harold H	Nebraska	University of Nebraska	B.S. (civil engineering). Bachelor of Business Adv		
ramer, Haroid H	Massachusetts	Boston University	istration.		
urtz, Vernon	Idaho		LL.B.		
acy, Grace D AFarge, Charles A andsiedel, E. Erna	Indiana	Franklin College, Franklin, Ind.	Ph.B. A.B.		
rarge, Charles A	Washington Iowa	Iowa State University	A.B.		
velle, Vincent F	Ohio	Notre Dame	Bachelor of Commercial		
	STOCK OF STOCKS AND STOCKS AND STOCKS		ence (accounting).		
hman, Howard Wbanoff, Leo					
TT TT	Arkansas	Duquesne University, Pittsburgh, Pa	B.S.		
ndsay, John Thomas	Wisconsin	Duquesne University, Pittsburgh, Pa. Marquette University, Milwaukee, Wis	LL.B.		
ndsey, Byers	Arkansas	- Arkansas College	A.B.		
ne, Solnsenmeyer, George A		University of Wisconsin	B.S.		
ttlejohn, James P	South Carolina	Clemson Agricultural College	B.S.		
fton, Robert E	Indiana	Depauw University	B.S. LL.B.		
bore, Alberterly, George A	District of Columbia	University of Illinois	B.S.		
nch, John K., Jragruder, John K.	New York	University of Illinoisectady, N.Y. University of Virginis. University of Virginis. Holy Cross College.	A.B.		
agruder, John K	Virginia	University of Virginia	A.B.		
aher, William Fangun, Clara B.	Connecticut	Holy Cross Coilege George Washington University	A.B.		
anley, Oscar L	Missouri	doorgo washington oniversity	D.D.S.		
anley, Oscar Larilley, Anselm X	New York	Villanova College	B.S. (civil engineering).		
ayer, John M., IIIazzola, Alphonse	Pennsylvania New York	George Washington University. Niagara University, Niagara Falls, N.Y	A.B. B.S.		
Allister, J. Hector	do	Holy Cross College	A.B.		
cAllister, J. Hector cCordic, Mrs. Lulu B	Virginia	Dakota Wesleyan University	A.B.		
cElholm, Dorothea McFarland, Mrs. Lulu R	Massachusetts	Boston University Guilford College, Guilford, N.C.	B.S. (education).		
cGarry, Daniel E	New York	George Washington University	A.B.		
Guire, Frank	Rhode Island	Georgetown University	LL.B.		
cGuire, James C	The state of the s	Chicago University			
cIntosh, L. Eileen		Boston Conservatory	Bachelor of Music.		
cTigue, James J	Massachusetts	Boston Conservatory Georgetown University	LL.B. ;		
eehan, Leo J	Michigan	St Lawrence University	I B S		
enzie, Hermine		Georgetown University	LL.B.		
illor Konnoth K	Michigan	George Washington University	A.D.		
iller, Pauline	District of Columbia	Benjamin Franklin University	B.C.S.		
illigan, Mary L	Michigan Delaware	University of Michigan University of Delaware	B.S. A.B.		
onroe, H. Dana	Texas	Baylor University	A.B.		
oore, Stuart S	New York	Columbia University	B.L.		
oore, Thomas L.	do		B.S.		
oran, F. A. orrissey, Theo. N.	Oklahoma	Southwestern State Teachers College. Georgetown University. Southwestern College, Memphis.	B.S. LL.B.		

List of clerks who have college degrees now employed in the contract records section and the office of the Comptroller, Agricultural Adjustment Administration, at salaries ranging from \$1,800 per annum—Continued \$1,600 CLASS—continued

Name of employee Legal residence		College or university from which graduated	Degrees attained	
Aurray, R. N. Aurry, Freeman F.	South Carolina	Wofford College		
Murry, Freeman F	Maine Virginia	Benjamin Franklin University University of Maryland	B.C.S. B.S.	
Jeary, Bernard A	Connecticut	Georgetown University North Carolina State College, Raleigh	B.S.	
leas, Mrs. Frieda	Tennessee	North Carolina State College, Raleigh	M.S. and B.S.	
Veville, James F	ACTUAL CONTROL DESCRIPTION OF THE PERSON OF	Georgetown University (St. Bonaventure College, Olean, N.Y.	A.B.	
		Georgetown University Catholic University	LL.B.	
Forton, Edwin'Boyle, William J	Wyoming	St. Mary's College	B.S	
Brien, J. Frank	do	St. Mary's College Columbus University	LL.B.	
'Donoghue, Bernardine'Hara, Robert E.	Indiana	Notre Dame University	Ph B	
'Kelly, Willie D		Southern College, Lagrange, Ga.   Columbia University   University of California.	A.B.	
'Neil, Annette C		University of California	A.B.	
wen, Eugene D		[Cornell College	A.B.	
almer, Helen O		North Carolina College for Women Benjamin Franklin University	M.A. B.C.S.	
arnell, Furniss L	South Carolina	Wofford College	AB	
atterson, Walter P	Michigan	University of Detroit Southeastern University	B.C.S. (accounting)	
Paul, Edwin HPaull, Hugh G. E		Benjamin Franklin University	B.C.S.	
ayne, Clarke B	Indiana	Indiana State Teachers College	B.S.	
Payne, Eleanor D	Virginia	Alabama College of Montevallo	A.B.	
Peterson, Blanche Phelan, Winfield S	Kansas	Park College, Parkville, Mo. Campbell College.	A.B.	
Phelan, Winfield S Pollack, Abraham	New York Rhode Island	Brooklyn Polytechnic Institute	B.S. (chemistry). B.S. (agriculture).	
Pollock, A. Scott		University of Maryland	A.B.	
Pollock, Philip Basil	North Carolina Oklahoma	University of North Carolina.  George Washington University.	A.B. and M.A. A.B.	
Potter, Francis P.	Pennsylvania	Viilanova College, Pa	B.S. (civil engineering)	
Potts, Iry N	Ohio	Ohio State University	B.S.	
Protzman, Cecille M	Colorado	Vassar College Kansas State	B.S.	
Purdy, Bronson H	New York	Dartmouth University Mount St. Joseph's College	A.B.	
Rainey, Charles A	North Carolina	Mount St. Joseph's College Florida Agriculture College	A.B.	
Rector, William E	District of Columbia	Benjamin Franklin University	B.C.S.	
Reilly, James J	Nebraska	Notre Dame University Marywood College.	B.C.S.	
Reilly, Mary D	Georgia	Carnegie Institute of Technology	A.B.	
Reinert, Henry Reynolds, Anna Louise		Coores Washington University	AD	
Reynolds, Charles J	California	Georgetown University	A.B. M.A.	
Rhodes, F. Marion		St. Ignatius College   Georgetown University     State Teachers College, Cape Girardeau, Mo.   Davidson, College   College   Cape Girardeau, Mo.   Davidson, Callege   Cape Girardeau, Cape Girardeau, Cape Girardeau, Cape Girardeau, Cape Girardeau, Cap	A.B.	
Richards, Edward H	District of Columbia.	Davidson College Benjamin Franklin University	and D.M.	
Rittenour, Marion R	do	George Washington University	A.B.	
Robideaux, Phyllis		University of Chicago	A.B. Ph.B.	
Rose, Helen M		{University of Chicago. George Washington University.	M.A.	
Rosedale, Lucille I.	Louisiana	Southwest Louisiana Institute	A.B.	
Rush, Eugene	Maine	National University	L.L. B.	
Savage, Theodore H	Pennsylvania	University of Pittsburgh	A.B.	
Scarbrough, LouisSchell, Edward J	Washington Missouri	University of Washington University of Illinois	A.B. B.S. (civil engineering)	
Schmidt, Henry G	Maryland	Johns Hopkins University.	B.S.	
Senf, Chatherine	Ohio.	Antioch College, Yellow Springs, Ohio	D C (agricultura)	
Shaw, Thomas C	South Carolina New York	Georgetown University Ouachita College, Arkadelphia, Ark University of North Carolina Pennsylvania State College	B.S.	
Sheehy, Helen E	Arkansas North Carolina	Ouachita College, Arkadelphia, Ark	A.B. A.B.	
Sherer, Howard	New York	Pennsylvania State College	A.B.	
	Washington	Chiversity of washington	A.O.	
Sias, Hester V				
Signor, John E	New York	Benjamin Franklin University	B.C.S. (accountancy)	
Simmons, Benjamin S	Kentucky		A.B. B.S.	
Smith, Floyd F	Pennsylvania	Columbia University	B.C.S.	
Smith, James K	Texns Mississippi	University of North Carolina Southeastern University	B.S. B.C.S. (accountancy)	
Smith, Oram P	District of Columbia	Benjamin Franklin University	M.S.	
mith, Robert H.	North Dakota	North Dakota State College	B.A.	
Smith, William C	Illinois	Mississippi State College. Yale University	B.S. Ph.B.	
itarr, Abraham	New York	Yale University City College of New York	B.S.	
stephenson, Marion E	District of Columbia.	Benjamin Franklin Universitydo	B.C.S. B.C.S.	
tolark, Edward J	Pennsylvania	do	B.C.S.	
tone, Wayne Cugar, Aaron	Oklahoma District of Columbia	University of Oklahoma Georgetown University		
nghrua Cecile V	Kansas	Kansas State University	A.B. and M.A.	
wanson, Edwin Awearingen, Carrie H	Nebraska Mississippi	State Teachers College	B.S.	
weet. Ben A	Kentucky	Columbus University	B.C.S. (accountancy).	
Weet, James S.	New York	Columbia University	B.S. (civil engineering)	
Call, Asael	Idaho	University of Idaho	B.S.	
Caylor, Robert A.	Texas	Texas Technological College	A.B.	
Chomas, E. Clyde	North Carolina Alabama	University of Virginia	A.B.	
Churlow, Winifred		Columbia University	B.S.	
Ciarnay Flirebath V	Ventualer	(1) Carson Newman	A.B.	
Cipton, James C.	Kentucky North Carolina	University of Louisville University of North Carolina	B.S. A.B.	
Figton, James C. Fodd, Joseph Joplin Fownsend, Robert Frample, Robert G. Frample, Robert G.	Kentucky	University of Kentucky	B.C.S.	
Trampe, Robert G.	District of Columbia Illinois	University of PenasylvaniaUniversity of Illinois	B.S. LL.B. and A.B.	
		Detroit Teachers College	B.S.	
Priggs, Matthew L	do California Missouri	Georgetown University Southwestern Missouri State Teachers College	Bachelor of Foreign Ser B.S. and B.A.	
Inderwood, Martha	District of Columbia	Benjamin Franklin University	B.S. and B.A.	

List of clerks who have college degrees now employed in the contract records section and the office of the Comptroller, Agriculturat Adjustment Administration, at salaries ranging from \$1,860 to \$1,800 per annum—Continued

\$1.620 CLASS-Continued

Name of employee	Legal residence	College or university from which graduated	Degrees attained
Van Hoosier, Rose D	Indiana	Indiana State University	B.A.
Van Winkle, Lewis C	Oregon	Willamette University of Salem	B.A.
Villegas, Dominador R	California	Heald's Engineering School	R S (aivil anginoaring)
Violett, Robert T	District of Columbia	Benjamin Franklin University	B.C.S.
Wade, Thomas D		Providence College	A.B.
Walker, Fred		Murray State College	B.S.
Walleher, Floyd E	Alabama	Washington Missionary College, Takoma Park, Md	A.B.
Walsh, Frank R		Benjamin Franklin University	B.C.S.
Waring, George S	Arkansas	Spring Hill College, Mobile, Ala	RQ
Waterman, Richard		Benjamin Franklin University	M.C.S.
Webb, Robert M		Toyas Tagchers College	A B
			A.B.
Wendt, Laura	SHALLES CONCENTRATION OF THE PARTY OF THE PA	University of Texas	M.A.
Wertz, Dorothy D	Ohio	American University	A.B.
Whims, Edmund J	Pennsylvania	Lehigh University	R S (civil engineering)
White, Victor Rush, Jr	Alabama	Alabama Polytechnic Institute	B.S.
Whybrew, Waldo E	Minnesota	Northeastern Missouri Teachers College	B.S. (education).
Willis, Arthur B	District of Columbia	Benjamin Franklin University	B.C.S.
Wilson, Agnes W	Indiana	George Washington University	A B
Wilson, John L	Alabama	Alabama Polytechnic Institute	B.S. (civil engineering).
Wilson, Paul M	Maryland	Benjamin Franklin University	B.C.S.
Witt, Irene M	Wisconsin	Oshkosh State College, Oshkosh, Wis	B.S.
Wolfe, Edgar A	Oregon.		B.S. (mechanical engineer
A STATE OF THE STA	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		ing).
Wolohan, Eugene C	New York	St. Johns College, Brooklyn, N.Y.	A.B.
Woodward, Bernice	Kentucky	Washington College of Law	LL.B.
		[Lewis Institute of Technology	B.S.
Yap, Diosdado M	Illinois	RNational University	M.S.
	A CONTRACTOR OF THE PARTY OF TH	George Washington University	M.A.
Yates, William A	New York	Georgetown University	LLB.
Young, Myrtle A	California	Grove City College, Grove City, Pa	A.B.
Youngman, Emma P.	Pennsylvania	Bucknell University	AR
Zablocky, Helen E	do	Rider College, Trenton, N.J.	B.C.S.
Zibart, Carl F	Tennessee	Vanderbilt University	A.B.

Total, 502.

List of calculating-machine operators appointed in the Agricultural Adjustment Administration between Mar. 1, 1934, and June 15, 1934, together with the grades attained in the examination

[These are prize students from underquota States, and it will be noticed that no operator was appointed with a rating of less than 90 percent.]

Name	State	Grade
		Percen
Arbanas, Lois	Michigan	100
Atkins, Gus T.	Tennessee	
Barr, Sarah M	New York	
Bourland, W. George		
Butler, Grace D.	Rhode Island	
Cain, Estelle C	Alabama	
Catterall, Chloris		
Charters, Betty M.	Ohio	
Corrigan, Aun Rita T	Delaware	
Cuddy, Irene D	Connecticut	
Cully, Marcella	New York	
Culvey, Ruth R		
Dean, Elizabeth		
DeRosa, Celeste		
DeSale, M. Louise (Mrs.)		
Dimmick, Kenneth	Pennsylvania	
Dyer, Oliver W		
Engberg, Pauline	Minnesota	The second secon
Englert, A. Elizabeth	Pennsylvania	
Fortner, Lois Jane	Ohio	98
Fowler, Hazel A		
Frick, Arlene M		
Glass, Ruth M	Tennessee	rander 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Griffith, Murle	West Virginia	70.2
Haines, M. Regina		
Harper, Helen M (Mrs.)	Connections	
Harrison, George C	Ohio	
Hoehnen, Rose E	Minnesota	
Hooton, Olline		
Judge, Helen M	Rhode Island	
Juneal, Lois W	Colorado	
Kimbrough, Mildred L	Tennessee	
Kollruss, Kathryn	Arkansas	98
Lewis, Velma S.	do	
Lucas Iannia M	Massachusetts	98
Lytle Thalms V	Pennsylvania	90
Lytle, Thelma V McCreery, Helen S McFall, Mary Ruth McGlone, M. Henrietta	Rhode Island	92
McFell Mory Ruth	Missouri	98
McClore M Hopriette	Idaho	96
Morke Puth D	Massachusetts	92
Marks, Ruth D. Mastandrea, Josephine M.	Ohio	
Mullaney, Emily M	New York	
Mullanay Viola G	Rhode Island	98
Mullaney, Viola GNauman, Myles H	Pannsylvania	95
Nickolson, Helen T.	do	94
O'Brien Rosemary	Ohio	94
O'Lone, Rosemary C	New Jersey	92
O'Brien, Rosemary O'Lone, Rosemary C O'Sullivan, Mortimer S	New York	98
Pichette, Elizabeth T	do	98
Poole, Lloyd C	Michigan	90
Poole, Lloyd C	New York	
Powell, Restrice	Arkansas	
Randolph, Manessa A	Tennessee	90
Ringes Fred F	Ohio	92

List of calculating-machine operators appointed in the Agricultural Adjustment Administration between Mar. 1, 1934, and June 15, 1934, together with the grades attained in the examination—Continued

Name	State	Grade
Roche, Mary M. Rogers, Alice M. Rosenthal, Minnie L. Ryan, Eleanor F. Ryerson, Marie G. Samuelson, Alice J. Schofield, Florence K. Smith, John J. Sperle, Mary D. Stark, Gladys V. Taylor, Mary J. Tolley, Mary J. Trotter, Louis J. Vander Sys, Irene. VanDeusen, John. Warren, Clifton C. Waters, Lillian R. Wessels, Katherine E. Wessels, W. Kim. White, Margaret C. Wiggin, Etta J. (Mrs.)	Massachusetts Arkansas Florida Idaho Indiana California North Carolina Illinois Texas Minnesota Texas California Alabama Michigan New York Texas New York North Carolina Alabama New York North Carolina New York North Carolina New York	Percent 99 99 99 99 99 99 99 99 99 99 99 99 99
Williams, Alice A Witmer, Eleanor M Witt, Della W. (Mrs.)	West Virginia Michigan	100

Total, 80.

Mrs. JENCKES of Indiana. After reviewing the above list, I am constrained to say that the employees of the Agricultural Adjustment Administration have been selected with discriminating care, and I doubt very much if anywhere in the whole Federal service you will find a body of workers in the minor clerical grades with the high education possessed by the clerical staff of that organization or employees who are better suited to the jobs to which they are assigned.

It affords me great pleasure, Mr. Speaker, to say a word in defense of those citizens who are striving in a result-producing manner to uplift American agriculture in order that the world may be pulled out of the depression which none of us have escaped. It is well, too, Mr. Speaker, that we recognize the fact that there can be no real recovery until the American farmer can be brought back to a reasonable degree of prosperity, for when the farmer prospers he buys what the city man produces, thus giving the city dweller work and wages to buy the product of the farm. There can be no real recovery in the industrial centers until

that recovery is brought about by the backbone of the Republic, the American farmer. We must protect our producers of the food we eat. We will never have a real and lasting prosperity until our citizenship takes decisive steps to surround the source of our food, which is represented by our American farmers, with conditions which will stabilize American agriculture and provide proper reward for those who toil in the fields in order that our citizens may have an abundance of food.

A NEW DECLARATION OF INDEPENDENCE—A MODERN MAGNA CARTA FREEDOM FOR AMERICAN FARMERS FROM TYRANNY, CONFISCATION, AND OPPRESSION OF THE SHYLOCKS AND MONEY LENDERS

Mr. TRUAX. Mr. Speaker, I have not swallowed, willingly, the half-baked theories and policies of Henry A. Wallace, Dr. Rex. Tugwell, and their army of Wall Street lawyers, professors, theorists, crack-pots, and nit-wits. Many of you have read my observation on the Canadian Dionne quintuplets, when I said it was lucky that "they were not born in this country, as Secretary Wallace would probably have wanted to plow under two of them."

You may also recall that a few days ago, when Congress appropriated a million dollars to exterminate the chinch bugs, I offered an amendment to spend half of the money to "exterminate the bugs" in the Department of Agriculture. This amendment carried by a unanimous vote, although it is not so recorded in the Congressional Record.

I said on March 22, 1933, on the floor of the House when we passed the farm relief bill:

Mention has been made that this measure is revolutionary. is no more revolutionary than the hearts of the farmers of this country today. We have fixed up the banks, and I say to you country today. country today. We have fixed up the banks, and I say to you that your banks are builded upon our fertile soil. You may close all of your banks, place a conservator in every one of them, but restore farm prosperity and the money will flow once again into the bank vaults. Deny this prosperity to the farmer, deny him the cost of production, and the spiders of disaster will weave their webs of dissolution in the windows of all of the banks of the

This bill may not be perfect. If we had the privilege of submitting amendments, I would submit an amendment which would leave out all of the \$10,000 experts and substitute instead real hard-headed dirt farmers, who know what they are talking about. But it is not for us to make amendments.

On March 27, 1933, I again said:

If the high-salaried farm leaders, if the well-paid professors and instructors in the colleges of agriculture, if the directors of ex-periment stations and farm doctors and research men and bug periment stations and farm doctors and research men and bug hunters in the experimental stations, and if the county agents were as successful in obtaining cost of production for farm prod-ucts as they are in telling the farmer how to run his business, there would be no need for farm-relief legislation today.

I maintain that this bill is the most forward-facing, the most far-reaching, and within 1 year will be the most fruitful of all the emergency legislation that we are passing. It is a new declaration of independence. It means freedom from the evil influence of the gambler and speculator; it means the end of the domination of the big bankers; it means the repudiation of the leather-spectacled plutocratic editors of the city press who solemnly prate of the inescapable penalties of overproduction and eventual consignment of the farmers to that sacred old white ox—the law of supply and demand. Is our tax governed by the law of supply and demand? Is the interest we pay to the money lenders governed by the law of supply and demand? Is the price of machinery that we buy from the harvester trusts based on the law of supply and demand?

During the past 10 years the farmers of this country have been deluged with a torrent of words. It is now time to quit talking and to act. Agriculture is dying. As proofs journey through any agricultural State, observe the homes, the buildings, unpainted for a decade. See the roofs rusting, the fences falling, the weeds growing up. Read the daily papers, note the number of farms confiscated by the money lenders and sold by the sheriffs. There is yet time to save the patient if heroic and emergency remedies are quickly applied.

Mr. Speaker, the farmers of this Nation had supreme faith in Franklin D. Roosevelt. Following his Kansas City speech they looked upon him as the Moses who was to lead them out of the wilderness of gloom and despair. Following his election on November 8, a new light began to shine in the homes of millions of distressed people in the wide-open spaces, and likewise in the homes of the millions of distressed workers in the cities. They knew that at last a real friend of the farmer and of the city worker was headed for the White House; the news that finally a man sat in the Presi-

dential chair who at least was willing to try to solve this age-old problem-the disparity between agriculture and other industries.

Mr. Speaker, on June 13, 1933, the last day of the special session, I expressed regret at the failure of the President and Congress to rescue the farmers and home owners from the money lenders' strangling cord by a moratorium against foreclosure. I said:

These stricken people are the casualties of the economic war that we are now winning. These people, marching in the vast army of the dispossessed, forming the parade of the living dead, can see no rift in the black clouds of despair; for them the sun does not shine. Middle-aged men, old men who have passed their threescore and ten, their wives, their dependents—they march on to the poorhouse, to charity, to more fortunate relatives, to suicide.

They could have been saved, but we did not save them. The way was shown; the trail was blazed; but, perhaps, because the great majority of Congress had never faced the stark, grim, naked reality of being sold out by the sheriff, they failed to realize the necessity for complete and speedy action

necessity for complete and speedy action.

May God will it that never again will honest and hard-working property owners be so wantonly and ruthlessly destroyed and de-voured by the financial wolves and twentieth-century Shylocks. For those who have gone, whose bleaching bones lay scattered along the broadening highways of resumption of business, of incomes, and prosperity for others, let us hope these casualties of the economic war will not fulfill the prophecy of Edwin Markham—

"O masters, lords, and rulers in all lands How will the Future reckon with this Man? How answer his brute question in that hour, When whirlwinds of rebellion shake the world? How will it be with kingdoms and with the money kings— With those who shaped him to the thing he is— When this dumb Terror shall arise to judge the world, After the lapse of the centuries?"

Mr. Speaker, the foregoing was uttered just 1 year ago. A miracle has happened in the short space of a year. On June 18, 1934, the Congress of the United States passed H.R. 9865, a new declaration of independence for the American farmer. When this law becomes effective, I can but wonder what will become of the ruthless money lender when the breath of gold leaves his feculent body and a financial death stops the rattling of his grasping brain, for he is unfit for the higher realm of life and too foul for the one below. He cannot be buried in the earth, lest he provoke a pestilence; nor in the sea, lest he poison the fish; nor swing in space, like Mahomet's coffin, lest the circling worlds, in trying to avoid contamination, crash together, wreck the universe, and bring again the noisome reign of chaos and Satan.

H.R. 9865, passed by both branches of Congress on June 18. last day of the second session of the Seventy-third Congress,

Be it enacted, etc., That section 75 of the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States", as amended, is amended as follows: In section 75, entitled "Agricultural Compositions and Extensions", after subsection (r), add a new subsection (s), to read as follows:

"(s) Any farmer failing to obtain the acceptance of a majority in number and amount of all creditors whose claims are affected by a composition or extension proposal, or if he feels aggrieved by the composition or extension, may amend his petition or answer asking to be adjudged a bankrupt. Such farmer may, at the time of the first hearing, petition the court that all of his property,

of the first hearing, petition the court that all of his property, whether pledged, encumbered, or unencumbered, by liens or otherwise, be appraised, and that his exemptions as prescribed by the State law, subject to any liens thereon, be set aside and that he be allowed to retain possession of any part or parcel or all of the remainder of his property and pay for same under the terms and conditions set forth in this subsection (s).

"(1) Upon such a request being made in the petition or answer, at the time of the first hearing, appraisers shall be designated and appointed. Such appraisers shall appraise all the property of the debtor at its then fair and reasonable value, not necessarily the market value at the time of such appraisal. The appraisals shall be made in all other respects, with right of objections, exceptions, and appeal, in accordance with this act: Provided, That in case of real estate either party may file objections, exceptions, and

and appeal, in accordance with this act: Provided, That in case of real estate either party may file objections, exceptions, and appeals within 1 year from date of order approving the appraisal. "(2) After the value of the debtor's property shall have been fixed by the appraisal as herein provided, the referee shall issue an order setting aside to such debtor his exemptions as prescribed by the State law, subject to any existing mortgages or liens upon any such exemptions to an amount equal to the value, as fixed by the appraisal, of the value of such exempt property as is covered by any mortgage or lien, and shall further order that the posses-

sion, under the control of the court, of any part or parcel or all of the remainder of the debtor's property, shall remain in the debtor subject to a general lien, as security for the payment of the value thereof to the trustee of the creditors, if a trustee is appointed, such a lien to be subject to and inferior to all prior liens, pledges, or encumbrances. Such prior liens, pledges, or encumbrances. such a lien to be subject to and inferior to all prior liens, pledges, or encumbrances. Such prior liens, pledges, or encumbrances shall remain in full force and effect, and the property covered by such prior liens, pledges, or encumbrances shall be subject to the payment of the claims of the secured creditors holding such prior liens, pledges, or encumbrances up to the actual value of such property as fixed by the appraisal provided for herein. All liens herein on livestock shall cover all increase, and all liens on real property shall cover all rental received or crops grown thereon by the debtor, as security for the payment of any sum that may be due or past due under the terms and provisions of the next paragraph, until the full value of any such particular property has been graph, until the full value of any such particular property has been

paid.

"(3) Upon request of the debtor, and with the consent of the "(3) Upon request of the debtor, and with the consent of the lien holder or lien holders, the trustee, after the order is made setting aside to the debtor his exemptions, shall agree to sell to the debtor any part, parcel, or all of the remainder of the bank-rupt estate at the appraised value upon the following terms and conditions, and upon such other conditions as in the judgment of the trustee shall be fair and equitable:

"a. Payment of 1 percent interest upon the appraised price within 1 year from the date of said agreement.

"b. Payment of 2½ percent of the appraised price within 2 years from the date of said agreement.

"c. Payment of an additional 2½ percent of the appraised price.

years from the date of said agreement.

"c. Payment of an additional 2½ percent of the appraised price within 3 years from the date of said agreement.

"d. Payment of an additional 5 percent of the appraised price within 4 years from the date of said agreement.

"e. Payment of an additional 5 percent of the said appraised price within 5 years from the date of said agreement.

"f. Payment of the remaining unpaid balance of the appraised price within 6 years from the date of said agreement.

"Interest shall be paid on the appraised price and unpaid balances of the appraised price yearly as it accrues at the rate of 1 percent per annum, and all taxes shall be paid by the debtor.

"The proceeds of such payments on the appraised price and

"The proceeds of such payments on the appraised price and interest shall be paid to the lien holders as their interests may appear, and to the trustee of the unsecured creditors, as their

appear, and to the trustee of the unsecured creditors, as their interests may appear, if a trustee is appointed.

"(4) An agreement having been reached as provided in subsection (3), the debtor may consume or dispose of any part or parcel or all of said property whether covered by the general lien to the trustee, if a trustee is appointed, or subject to pledges or prior liens or encumbrances held by secured creditors, provided he pays the appraised value of such part or parcel or all, as the case may be, to the secured creditors, as their interests may appear, and the trustee of the unsecured creditors, as his interests may appear, if a trustee is appointed, or he may put up a bond approved by the referee in bankruptcy that he will make payments, as provided for herein, of any property so consumed or disposed of.

"(5) In case the debtor fails to make any payments, as herein provided, to any or all of the secured creditors or to the trustee of the unsecured creditors, then such secured creditors or the trustee may proceed to enforce their pledge, lien, or encumbrances

trustee may proceed to enforce their pledge, lien, or encumbrances in accordance with law. It shall be the duty of the secured creditors and of the trustee of the unsecured creditors to discharge all liens of record in accordance with law, whenever the debtor has paid the appraised value of any part, parcel, or all of his

property as herein provided.

"(6) Having complied with the provisions of subsection (3), the

debtor may apply for his discharge as provided in this act.

"(7) If any secured creditor of the debtor, affected thereby, shall "(7) If any secured creditor of the debtor, affected thereby, shall file written objections to the manner of payments and distribution of debtor's property as herein provided for, then the court, after having set aside the debtor's exemptions as prescribed by the State law, shall stay all proceedings for a period of 5 years, during which 5 years the debtor shall retain possession of all or any part of his property, under the control of the court, provided he pays a reasonable rental annually for that part of the property of which he retain possession; the first payment of such rental to be made within 6 months of the date of the order staying proceedings, such rental to be distributed among the secured and unsecured creditors, as their interest may appear, under the provisions of this act. rental to be distributed among the secured and unsecured credit-ors, as their interest may appear, under the provisions of this act. At the end of 5 years, or prior thereto, the debtor may pay into court the appraised price of the property of which he retains pos-session: Provided, That upon request of any lien holder on real estate the court shall cause a reappraisal of such real estate, and the debtor may then pay the reappraised price, if acceptable to the lien holder, into the court; otherwise the original appraisal the lien holder, into the court; otherwise the original appraisal price shall be paid into court, and thereupon the court shall, by an order, turn over full possession and title of said property to the debtor and he may apply for his discharge as provided for by this act: Provided, however, That the provisions of this act shall apply only to debts existing at the time this act becomes effective.

"If the debtor fails to comply with the provisions of this subsection, the court may order the trustee to sell the property as provided in this act."

# I FOLLOW THE PRESIDENT

Mr. CELLER. Mr. Speaker, the new deal Seventy-third Congress, which has just closed, should indeed be proud of its achievements. I, as a Member of that Congress, shall

run for reelection on my record made therein. My colleagues and I in the House have willingly and graciously followed our masterful leader, Franklin Delano Roosevelt.

Because I followed the President, there are in my district some benighted individuals, and one whippersnapper in particular, who seek to oppose my nomination by the Democratic Party and my subsequent election. I assure the gentleman, who seeks particularly to oppose me in the primaries, that his words in opposition to me-which involve words of opposition to President Roosevelt's policieswill fall on deaf ears. Up to date he has been attacking me. He has no grounds save "coffee grounds." I assure him that his amateur campaign against me will be as ineffectual as snow falling upon an iceberg.

There should of course be differences of opinion. That is what makes a horse race. I like a good race. I like a good fight. I seek, however, a foeman worthy of my steel. Unfortunately, the man who has the temerity to enter the field against me is one whose weapons are mental brickbats, sawed-off shotguns, sling-shots-in short, the tools of a marauder, the weapons of a political brigand, for his stock

in trade is falsehood, chicanery, and deceit.

He wears a political coat of many colors. One day he wants a Democratic nomination, the next day he seeks a Republican nomination, the third day he covets the Fusionist label. He will doubtlessly wind up with a con-Fusionist nomination. He surely is not worthy of my steel. I shall hereafter ignore him and treat him with the contempt that his arrogance, distortions, and bully-ragging deserves.

The Seventy-third Congress met in special session at the call of the President, at noon, March 9, 1933, and remained at its task until June 16, 1933. Under the terms of the Norris "lame duck" amendment we met again in regular session at noon, January 3, 1934. Our record of activity has never been approached by any peace-time Congress in the lifetime of the Nation. No Congress has created for the country more benefits. It has been the very embodiment of the new deal. One of our last acts was to appropriate more than \$2,000,000,000 to be used to rescue the jobless and the needy. We have always been at the call and command of the President. However, the President once was overridden. His veto of the economy bill was not sustained. I, however, was 1 of the 70 in the Lower House who stood by the President through thick and thin and sustained this veto which involved the independent offices bill. The President disapproved of it not only because it added \$288,000,000 a year to the Government's financial problems, but also because it restored a form of veterans' benefits-the "presumptive" disabilities—which the President refused to countenance. That \$288,000,000 would have been used for aid and relief to the unemployed.

# ACHIEVEMENTS OF THE SPECIAL SESSION

One of the very first acts of the Congress was the result of the banking holiday. Our banking system was in chaos. Within a few hours after he was inaugurated, the President. with great courage, declared a banking holiday. All the banks of the Nation were closed. We gave the President the right to do this and made him virtual dictator over our entire banking system. We empowered the President to reopen banks where they were known to be sound. We did all this in the public interest. By March 20, 1933, we had enacted laws to save nearly \$1,000,000,000 in the ordinary expenses of the Government.

Two days later we struck a body blow at prohibition, when we legalized beer. This was done by the Cullen Act, which not only added to our rapidly depleted revenue, but was a death warrant to prohibition.

We then passed the Agricultural Adjustment Act which gave both relief and rehabilitation to agriculture. We set up the C.C.C. camps, called the Civilian Conservation Corps. This involved the erection of forestry camps for unemployed and wayfaring young men. We provided for direct unemployment relief through the P.W.A. and the C.W.A. We gave the country, farm, and home, mortgage relief. We provided for the orderly reorganization of the finances of the railroads. As an emergency measure we passed the monetary gold-reserve bill.

We adopted the National Industrial Recovery Act, which changed the very economic life of the Nation—all for the better. This rehabilitated business, destroyed child labor, decreased unemployment, increased wages, expanded purchasing power, and enabled thousands of business men to continue in business.

Passage of the Tennessee Valley Authority Act was our first effort in the conservation of our national resources. This act will eventually provide for cheaper electrical power development for almost the entire South.

I herewith set forth in greater detail the most important measures that were enacted during the special session of the Seventy-third Congress. These, it will be seen, were en-

acted primarily to deal with an emergency.

The A.A.A., Farm Relief, and Inflation Acts, which were approved May 12, 1933, provides among other things for direct relief for agriculture by authorizing the Secretary of Agriculture to force increased farm prices either through the allocation of production or through the leasing of land for the purpose of withdrawing it from production, and to license and tax processors of agricultural products to pay the cost of this program. Under the terms of this act, relief was also provided for mortgages on farms.

The Farm Credit Act of 1933, signed by the President June 16, 1933, made provision for organizations within the Farm Credit Administration to make loans for the production and marketing of agricultural products and to extend agricultural finance facilities to regional and local agencies. There was also created under the terms of this act a production credit corporation and bank for cooperatives in each of the 12 Federal land bank cities.

The Emergency Banking Relief Act, approved March 9, 1933, vested in the President and made applicable to peace-time emergencies the tremendous World War powers of regulation over transactions in credit, currency, gold, and silver. Amongst its other provisions this act authorized the President without evoking the war powers to fix restrictions on the banking business of Federal Reserve members.

Another important measure of the special session of the Seventy-third Congress is the Banking Act of 1933, which was approved June 16, 1933. This act provides for the coordination of Federal Reserve open-market activities. There was created under the provisions of this act the Federal Bank Deposit Insurance Corporation, and provided for a deposit insurance fund made up of \$150,000,000 appropriated by the Federal Government plus stock subscriptions. Provision is further made for a temporary deposit insurance fund from January 1, 1934, to June 30, 1934, insuring individual deposits up to the amount of \$2,500.

The essential provisions of the State Bank Aid Act, approved March 24, 1933, is as follows: During the then existing emergency in banking, any State bank or trust company not a member of the Federal Reserve System for 1 year, might borrow directly from Federal Reserve banks by depositing satisfactory collateral, the same as member banks, under the Emergency Banking Act.

The Collateral Security Act, approved March 9, 1933, extended for 1 year, or until March 3, 1935, the time in which Federal Reserve banks may be permitted to use United States bonds as security for the issuance of their notes and credits.

The Economy Act of 1933, approved March 20, 1933, repealed existing laws relating to benefits for World War and Spanish war veterans, and authorized the President to establish a new pension system within broad limits. Under its provisions the salaries of Senators and Representatives were reduced from \$10,000 to \$8,500 a year.

The Beer-Wine Revenue Act, approved March 22, 1933, granted permission to brewers and wine makers to take out immediate manufacturing permits, and levied a tax of \$5 on every barrel containing not more than 31 gallons; reenacted portions of the Webb-Kenyon Act; made the Hawley-Smoot Act's import duties applicable to importations.

The gold repeal joint resolution, approved June 5, 1933, canceled the gold clause in all Federal and private obligations and made them payable in legal tender.

The Silver Purchase Act, declared among other things, that it was the policy of the United States that the proportion of silver to gold in the monetary stocks of the United States be increased, with the ultimate objective of having and maintaining one-fourth of the monetary value of such stocks in silver.

The Tennessee Valley Authority Act, approved May 18, 1933, was created to maintain and operate properties owned by the United States near Muscle Shoals.

Under the provisions of the Insurance Company Loan Act, approved June 10, 1933, the Reconstruction Finance Corporation was authorized to subscribe to insurance companies preferred stock of any class.

The Kick-Back Racket Act, approved June 13, 1933, made it unlawful to prevent anyone from receiving the compensation contracted for in connection with the construction of public works financed by loans or grants from the United States Government.

The Wagner National Employment System Act, approved June 6, 1933, provided for the establishment of a national employment system and for cooperation with the States in the promotion of such a system.

Under the provisions of the Home Owners' Refinancing Act, approved June 13, 1933, the Home Owners' Loan Corporation was created. The Home Owners' Loan Act of 1934, approved April 27, 1934, authorized the issuance of \$2,000,000,000 of bonds by the Home Owners' Loan Corporation which might be sold or exchanged for mortgages.

The Emergency Railroad Transportation Act of 1933, approved June 16, 1933, established a system of railroad control headed by a Federal Coordinator of Transportation to work in cooperation with the roads and with labor to effect economies, but not at the expense of wage earners.

The National Industrial Recovery Act, approved June 16, 1933, declared it to be the policy of Congress in the then existing national emergency of widespread unemployment and disorganization of industry, to encourage national industrial recovery, to foster fair competition, and provide for the construction of useful public works. It covered all industries engaged in or affecting interstate or foreign commerce, and provided for a comprehensive program of Public Works construction. Its record-breaking achievements of the past year may be glimpsed from the chart on the following page.

The Wagner-Lewis \$500,000,000 Emergency Relief Act, approved May 12, 1933, authorized the Reconstruction Finance Corporation to make \$500,000,000 available out of its funds for emergency relief purposes, to be spent by the Federal Emergency Relief Administration created by the act.

The C.C.C. Reforestation Relief Act, approved March 31, 1933, authorized the President to provide work for unemployed American citizens in the construction of works of a public nature in connection with the reforestation of lands belonging to the United States or to the States.

The Securities Act of 1933, approved May 27, 1933, required filing with the Federal Trade Commission and for transmission to prospective investors, the fullest possible information concerning new security issues sold in interstate commerce or through the mails. This act also carries penalties for violation of its provisions.

The Gasoline Tax and Postage Rate Act, approved June 16, 1933, continued the Federal 1-cent-a-gallon gasoline tax another year beyond July 1, 1933. This act further authorizes the President until June 30, 1934, to proclaim such modification of postage rates on mail matter as, after a survey, he might deem advisable by reason of increase in business, the interests of the public, or the needs of the Postal Service.

# ACHIEVEMENTS OF THE REGULAR SESSION

The measures adopted in the regular session of this Congress were more solidly progressive. I herewith enumerate some of the more important pieces of legislation which we adopted at the regular session of the Seventythird Congress.

The Civil Works Emergency Relief Act, approved February 15, 1934, appropriated an additional 950 million dollars available until June 30, 1934, for continuation of the civil works program and for direct relief purposes under the authority of the Federal Emergency Relief Act of 1933.

The Reconstruction Finance Corporation Extension Act, approved January 20, 1934, continued the functions of the Reconstruction Finance Corporation as a lending body for 1 year, or until February 1, 1935, after which it would become only a liquidating corporation. It also provided for increasing the borrowing power of the Reconstruction Finance Corporation by \$850,000,000.

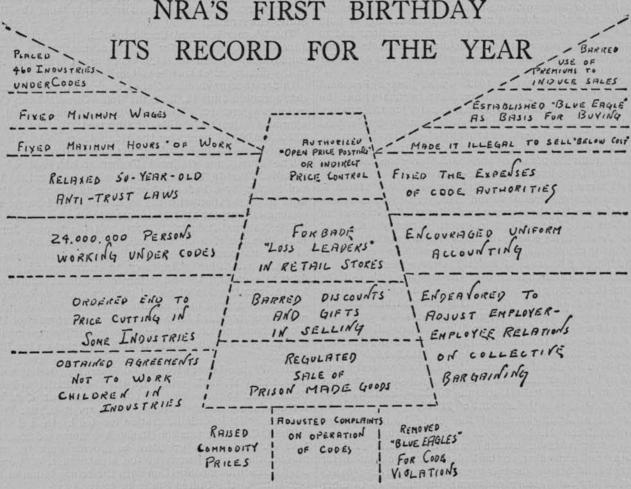
The Reconstruction Finance Corporation exports resolution, approved March 26, 1934, declared it to be the sense of Congress that in any loans made by the Reconstruction granted to mothers the power Finance Corporation, or other Federal instrumentalities to

The Liquor Taxing Act of 1934, approved January 11, 1934, was designed to yield \$500.000.000 annually in revenue.

The Independent Offices Appropriations Act, passed over the Presidential veto March 28, 1934, provided for the partial restoration of the 15-percent pay cut of Federal employees and reinstated the form of veteran benefits known as "presumptive" disabilities.

Under the terms of the Vinson naval parity bill, approved March 27, 1934, authorization was given to build up the Navy to the full limit of the London Treaty. One of the new ships, I am pleased to say, will be built in the Brooklyn Navy Yard providing employment for many men in our borough.

The Equal Nationality Act, approved May 24, 1934, amended the Cable Immigration Act of 1922 relative to citizenship and naturalization so as to remove all discrimination against women in the nationality laws. It also granted to mothers the power to transmit American citizenship to children horn abroad



foster exports of agricultural or other products, provision should be made that such products should be carried exclusively in vessels of the United States unless the Shipping Board Bureau, after investigation, certified to the Reconstruction Finance Corporation that such vessels were not available in sufficient numbers or on necessary sailing schedule or at reasonable rates.

A comprehensive program of home financing and mortgage insurance was provided for by the National Housing Act. It seeks to pry loose private capital for much-needed housing improvements throughout the country.

The labor disputes joint resolution authorized the President to establish a board or boards to investigate issues, facts, practices, and activities of employers or employees in controversies arising under section 72 of the National Industrial Recovery Act.

The Public Utilities Review Act, approved May 14, 1934, amended section 24 of the Judicial Code with respect to the jurisdiction of district courts of the United States over suits relating to orders of State administrative boards.

The Public Utilities Review Act, approved May 14, 1934, amended section 24 of the Judicial Code with respect to the jurisdiction of district courts of the United States over suits relating to orders of State administrative boards.

The Arrest Facilitation Act, approved June 6, 1934, appropriated as a reward or rewards for the capture of anyone charged with violation of the criminal laws of the United States or any State, or of the District of Columbia, the sum of \$25,000 to be spent at the discretion of the Attorney General of the United States.

The National Stolen Property Act, approved May 22, 1934, extended the provisions of the National Motor Vehicle Theft Act of 1919 to other stolen property.

The Permanent Appropriations Act, now before the President for signature, provided, amongst other things, that a larger number of specified annual appropriations shall be subject to annual consideration and appropriation by Congress. Moreover, it requires the Comptroller General of the United States to make a survey of certain appropriations and funds in the custody of Government officers, in

which the Government is financially concerned, and to report to Congress annually his recommendation for changes in existing laws.

The Bank Deposit Insurance Act, provided that beginning July 1, 1934, the amount eligible for insurance should be \$5,000 of the deposits of each depositor instead of the present

In the regular session of the Seventy-third Congress, very important legislation was enacted in the matter of bankruptcy. May 24, 1934, the Municipal Bankruptcy Act was approved. This measure provided that during an emergency period of 2 years, cities and local taxing units might petition Federal courts for approval of plans for readjustment of their duties, if endorsed by holders of 51 percent of their outstanding obligations. It is further stipulated under the provisions of this act that the plan of readjustment should not be confirmed by the judge until it had been approved by creditors holding two-thirds in amount of each class of claims affected by the plan, and also of those holding three-fourths in amount of all securities.

The Corporate Bankruptcy Act, approved June 7, 1934, permitted corporations to reorganize with the consent of the majority of their creditors under the guidance of the courts and allowed financial compromises in many instances when a majority of the creditors had agreed but were balked by minorities. Further provision is made that a petition for reorganization of a corporation might be filed by any creditor or stockholder if approved by holders of 25 percent in amount of any class of creditors, and not less than 10 percent in amount of all claims against the debtor. Moreover, provision is also made that when corporations were not really insolvent but were unable nevertheless to meet maturing obligations, agreement to the petition must come from stockholders representing 10 percent of any class of stock and 5 percent of the total.

In addition thereto, there is contained in this act a prohibition against the appointing as receiver of any person related to any judge of a United States court; and another prohibition against the appointment as attorney for a receiver of any person who was such a relative or member of a law firm of which any member was a relative of such

Section III of this act stipulates that district courts or any of their judges should apportion appointments as receiver equitably amongst all eligible persons, firms, or corporations within the district. This section is the result of the investigation conducted by a subcommittee of the Judiciary Committee with myself as chairman into activities of the Irving Trust Co. of New York as monopoly receiver. This section prevents the recurrence of any such monopoly and compels Federal judges to apportion receiverships and trusteeships amongst persons, firms, and corporations.

The Communications Act of 1934 created a Federal Communications Commission of seven members to regulate the national, interstate, and foreign communications services by telegraph, telephone, cable, and radio. Amongst its other provisions, there is one abolishing the Federal Radio Commission and transferring its functions, as well as regulatory authority over telephone and telegraph, now vested in the Interstate Commerce Commission, to the new Communications Commission

The Judiciary Committee of the House reported out 14 crime bills, and these were enacted into law. I introduced 11 of these measures. Punishment is provided for killing, assaulting, resisting, opposing, impeding, or interfering with Federal officers while performing their official duties-running down crime. The powers of government were provided. under the commerce clause of the Constitution, to punish extortion by means of telephone, telegraph, radio, oral message, or otherwise. The act forbidding the transportation of kidnapped persons in interstate commerce is amended to provide punishment by death if the verdict of the jury so recommends, or by imprisonment for such term as the court shall determine. Another crime control act makes it unlawful for any person to flee from one State to another for the purpose of avoiding prosecution or giving testimony in cases involving murder, kidnapping, burglary, robbery, mayhem, or extortion accompanied by threats of violence.

Punishment of 10 years imprisonment is also provided for causing or assisting in prison mutiny, riot, or escape. Punishment is provided for certain offenses committed against banks, organized or operating under laws of the United States, or any members of the Federal Reserve System.

Under the Crime Prevention Compact Act, approved June 16, 1934, the consent of Congress was granted to any two or more States to enter into agreement or compacts for cooperative effort and mutual assistance in the prevention of crime and in the enforcing of their respective criminal laws and policies, and to establish such agency, joint or otherwise, as they may deem desirable for making effective such agreements or compacts.

The Securities Exchange Act of 1934, approved June 6, 1934, provided for the regulation of securities exchanges and over-the-counter markets operating in interstate and foreign commerce and through the mails, and the prevention of inequitable and unfair practices on such exchanges and markets. Amongst its other provisions is one establishing a bipartisan Securities and Exchange Commission of five members, appointed by the President with Senate consent. to administer the act, and also to take over from the Federal Trade Commission the administration of the Securities Act of 1933.

The Reciprocal Tariff Act, approved June 12, 1934, authorized the President for a period of 3 years to negotiate trade agreements with foreign governments without the traditional advice and consent of the Senate. Moreover, the President is empowered by proclamation to raise or lower tariff rates by not more than 50 percent.

The Revenue Act of 1934, approved May 10, 1934, it is estimated, will yield \$167,000,000 additional revenue during the fiscal year 1935 and \$417,000,000 during a full year's operation from increased taxes on capital-stock, estates, gifts, income, capital gains and losses, personal holding companies, reorganizations, consolidated returns, partnerships, and miscellaneous. Under the provisions of this act some of the burden on the small income taxpayers in the "earned income" class is removed and shifted more to those whose incomes come from "unearned" sources, particularly dividends and tax-exempt securities.

The Vocational Education Act of 1934, approved May 21, 1934, provided for the further development of vocational education as an emergency measure during the depression by appropriating \$3,000,000 annually for 3 years, commencing July 1, 1934, one-third to be allotted to agricultural education, one-third to home economics, and the remainder to trade and industrial education.

In addition the President signed the Celler foreign trade zones bill, which permits the expansion of our export and import trade by setting up foreign trade zones at ports of entry. One of my prized possessions is the pen with which the President signed this measure.

# THE FUTURE

The President's program has not been completed; much remains to be done. The people must see to it that there be returned to Congress men who will follow the President. My opponent will not follow the President. He boasts that his opposition to me is because I followed the President and upheld his veto.

In his message to Congress on June 8, the President said. amongst other things, that social insurance and Federal old-age pensions laws must be considered in the Seventyfourth Congress convening in January 1935.

\* security against the hazards and vicissitudes of life is one of the basic duties of our Government.

Fear and worry based on unknown danger contribute to social unrest and economic demoralization. If, as our Constitution tells us, our Federal Government was established, among other things, "to promote the general welfare", it is our plain duty to provide for that security upon which welfare depends.

Next winter we may well undertake the great task of furthering the security of the citizen and his family through social insurance.

I have been a Representative in Congress for 12 years. I believe I have faithfully served the people of my district. The record of the past Congress in which I served has been stupendous. I did my full share in carrying the burdens. I participated with every ounce of energy within me to

carry out this gigantic program of relief and war on depression. Judging from the barren record of my would-be opponent, it seems inconceivable that he could assume to carry out, much less understand, the task that awaits a Representative in Congress during its next or Seventy-fourth session. I am not worried about the result of the primary or campaign. I have confidence in my abilities to carry on and to carry out the will of my constituents. I have confidence in the intelligence of the voters. They will recognize that which is genuine and spew out that which is sham. I shall again represent the people of this district.

SURVEY TO DETERMINE THE LOSSES IN THE MEDITERRANEAN FRUIT FLY ERADICATION CAMPAIGN IN FLORIDA

Mr. PETERSON. Mr. Speaker, ladies and gentlemen of the House, it is my desire to call to the attention of the Members of the House S. 1800, which is a bill providing for an investigation and report of losses resulting from the campaign for the eradication of the Mediterranean fruit fly by the Department of Agriculture. I am very much disappointed that we were not able to get final action by the House at this session, and I feel that undoubtedly the gentleman who objected did not understand the exact situation, so I am making this statement for the purpose of calling to my colleagues the true situation, with the hope that in the ensuing session of Congress we may have their assistance in passing this bill.

The Mediterranean fruit fly was detected in Florida on April 9, 1929. It was discovered in the back yard of an experiment station conducted by the Federal Department of Agriculture. In view of the great ravages by this pest in other places where it had been found, shortly, most stringent rules were promulgated. Experts of the Federal Department of Agriculture had figured that at the end of 4 or 5 months the offspring of a single female would amount to 10,000,-000,000 females, not counting the males. Therefore you can readily see that the Federal Department in its quarantine regulations, in a frenzied desire to protect apples, peaches, cherries, and soft-skinned fruit, vegetables and berries of the north, made rigid regulations. There are those that thought that the eradication campaign was merely to protect our own citrus fruit. Such is not the case, because greater damage would have been done to the soft-skinned fruits of our northern neighbors.

Some have advanced the theory that this was an effort to get money into the State. Such a statement is absurd, because the entire amount spent by the Federal Government is considerable less than we pay for labor alone in the citrus groves of my State in a 1-year period.

The citrus industry and the vegetable growers tried to cooperate with the Federal Government. The State authorities cooperated with the Federal Government. There was untold suffering, for much of which no possible claim for reimbursement is contemplated. The bill before us specifically provides for a survey only. It has been reported favorably by the Committee on Agriculture, had the approval of the Secretary of Agriculture and of the Director of the Budget. It is for the purpose of assembling information only, and whether there is ever reimbursement or not, the Federal Government should assemble this information.

There were various types of losses:

First. Actual destruction of fruit in quarantine areas. Second. Injuries to trees by high-powered poisonous spray.

Third. Severe rules and regulations designed to prevent the spread of infestation, and the requirement of processing fruit, curtailing of shipping seasons, and the areas to which shipments might be made.

Fourth. The actual destruction of fruit in zones other than the first zone, in those cases where the Federal Department of Agriculture had designated certain fruits and vegetables as host plants and later determined that they were not host plants.

For the information of the Members of the House I will state that a host plant was one in which it was thought that the fly would propagate, and the Federal Department of Agriculture made a list embracing a great number of

different fruits and vegetables as host plants. Subsequently, it was determined that many of these were not host plants. As a simple illustration: Cowpeas and pepper were first thought to be host plants, and farmers were required to plow up these particular kind of crops. When it was determined they were not host plants it was too late to plant that season. I am not asking the Federal Government to take snap judgment. I am merely asking in the interest of fair play that the people of my State who suffered that the fruit and vegetable industry of the Nation might be safe, and in which State happened to be the battleground, he given a fair hearing.

Some have ventured the thought that the campaign was carried on by the State authorities. Sober and material reflection will show to you that certainly the State of Florida would not quarantine shipments beyond its State line. The Federal Government made the quarantine regulations. We, of course, through our own police powers desired to cooperate, assisted in carrying out the Federal quarantine regulations. These facts are clearly established in the hearing on H.R. 5016 before a subcommittee of agriculture of the House of Representatives in the Seventy-third Congress and a hearing conducted by the special subcommittee of the House Committee on Appropriations acting under H.R. 139, the Seventy-first Congress, this testimony showing clearly that Dr. Newell was designated by the Federal Department of Agriculture to take charge for the Federal Government. These hearings likewise showing clearly that the designation of host plants was made by the Federal Department of Agriculture, and included among those and many others green beans, eggplants, apples, pumpkins, cucumbers, squashes, cantaloups, strawberries, blackberries, and so forth, many of which were later determined not to be host plants, and from which you can readily see that we were fighting not alone to protect our own industry but to protect fruits and vegetables that do not even grow in Florida, because an examination of the list will also show apples, pomegranates, and cherries, which are not grown in our State at all.

I do not want to say too much, but do want to invite your attention to the hardships worked upon the people of my State for the benefit of the entire Nation. Mistakes were made naturally in the wild frenzy to protect agriculture. Experimentation had to be carried on, but we feel that fairness and justice entitle us to have the Federal Government definitely make a survey to determine what losses, if any, were due to the mistake of the Federal Government. The hearings clearly show that quarantine regulations were promulgated by the Federal Government.

If there be in the mind of any Member of this House any particular question, I would appreciate it if he will take the matter up with me. It is my intention to send a copy of this statement to each of my colleagues during the vacation period in order that they may clearly familiarize themselves with this meritorious bill.

The people of my State suffered. The small farmers, feeling that the Federal Government would treat them right, submitted to great hardships, and I do not exaggerate when I state that in many instances such submission practically meant starvation to those affected. The larger growers likewise cooperated and in many instances the losses incurred in that season caused the business failures of many otherwise prosperous growers.

I sincerely trust that my colleagues may join me in passing this bill.

# A REVIEW OF SERVICE RENDERED

Mr. ABERNETHY. Mr. Speaker, at the end of my present term I shall retire from Congress after more than 12 years of service. During those years it has been my pleasure to serve the people of my district, my State, and Nation. I have tried to be an efficient Congressman and to answer every call made upon me. At no time during those years of service have I ever been sparing of myself. Day or night I have worked hard in the interest of my constituents. Those long years of overwork brought on a period of ill health, but in the few months I was away from active

duty my district did not suffer for want of attention and at all times I have kept in constant touch with the affairs of my district. The fact that I overworked myself in the interest of my district and became ill for a short period of time was made a political issue against me in the last campaign, and set up certain conditions that succeeded in encompassing my defeat.

Favorite-son candidates were encouraged to run against me from several counties in my congressional district, thus cutting into my strength. Many friends all over the district have written me stating that they had cast complimentary votes for their local candidates, fully intending to support me in the second primary. Furthermore, I did not have sufficient money to perfect an extensive and militant organization which was necessary to overcome the false rumors which had been circulated over the district in connection with the condition of my health. The opposition came to me at a time when I was in the midst of one of the most important sessions in the history of our Nation. My duty required me to stay in Washington, and I was unable to take the time to make an active campaign in behalf of my candidacy. These are just some of the circumstances which prevented me from entering the second primary. Illness and financial reverses had made such drains on me. I was unable to match the huge sums of money spent against me in the primary. Conditions arose in certain counties in my district in which many hundreds of illegal votes were cast against me, and which would have no doubt justified a contest. Many friends insisted on my filing a contest. This I did not care to do, as I had more interest in the welfare of my party and preserving harmony than I did in my own personal interests.

I have given the best years of my life in the service of my district. My defeat can mean no bitterness for me for I have had the pleasure of befriending many people and those thousands who, out of sheer gratitude and friendship, came to the polls and cast their vote for me on June 2 are a sufficient reward for anything I may have done. After all, the greatest reward in public office is not financial, but is the satisfaction of giving your best and of being of help to friends and constituents.

Looking back in retrospect I can take a pardonable pride in my record. I have accomplished many things for my district. The development of the inland waterways in my district has been aided by my efforts. I have befriended many veterans in my district and have at all times taken an active interest in the welfare of the soldiers who offered their all in the service of their country.

I have secured many appropriations for my district, including a beautiful new post office in my home city of New Bern, an addition to the post office at Goldsboro, a national military park at Moore's Creek Battle Ground, a new post office at Mount Olive, and a memorial to William Rufus King at Clinton. I secured from the Government historic Fort Macon and an adjoining tract of land for the purpose of a State park, which is now being developed and improved by the Civilian Conservation Corps Camp which I helped to establish there. I made a recommendation to the Forestry Service of the Department of Agriculture some time ago for the location of a purchase unit or area, either in Pamlico, Craven, or Carteret County. I am glad to say there is a purchase unit organized in the Croatan area of Craven County. There are many other things I have accomplished for my district which I do not have the time to detail now. Besides these I have been constantly doing individual services for constituents in my district.

A particular pleasure to me is the fact that the creation of the port terminal at Morehead City has become a reality. I have been actively interested in the port developments of eastern North Carolina for more than 30 years and have actively worked to that end. In 1927 I drew an act which passed through our legislature to establish a port commission in Carteret County and Hon. W. H. Bell, then representative in the State legislature from Carteret County, secured the passage of this act. This act will be found in the Public, Local, and Private Laws, North Carolina, session 1927, chap-

ter 245. The creation of the port commission has made possible the realization of the development of the port at Morehead City and an impartial review of the records will disclose that I contributed my part toward this work. A short while ago I had the pleasure of conferring personally with President Roosevelt in behalf of the port terminal at Morehead City and I believe that my efforts in behalf of the port have been of assistance in securing this final approval. Details of the creation of the port terminal commission are set forth in a speech of mine delivered in the House of Representatives in the Congressional Record of June 27, 1929, page 3441.

I conducted my campaign on a high plane. I have said no unkind or harmful word against anyone. Much abuse and false rumors were used against me in a concerted effort to cause my defeat. I have known too many reverses in past years to be disheartened or discouraged by a temporary setback. I shall continue to maintain an active and militant interest in behalf of my district, State, and Nation. No one can take from me the pleasure I have had in serving my district for more than 12 years. It has been my privilege to have been a Member of the Seventy-third Congress, which will rank as one of the greatest sessions in our Nation's history and which gave birth to the recovery program of our great President. Throughout our entire country's history times of turmoil, strife, and depression have brought forth great men—Washington, Lincoln, Wilson—and now we have Franklin Delano Roosevelt, who I believe will rank among our greatest Presidents

His interest in the welfare of the average man and woman, his unselfish ideals and his whole-hearted and inspired leadership have brought us out of a period of chaos and have opened a way to a brighter future for us all. To have been able to serve under this great President and contribute my part toward his recovery program and to receive from him personally his appreciation and thanks, are sufficient reward for any efforts I may have made.

The friendships I have made in Congress I shall always cherish. My colleagues have always been most helpful and considerate. They are a wonderful set of fellows and it makes my heart heavy to think of leaving them. The personnel of this House, including the clerk and his assistants, have been most helpful at all times. Hon. Henry T. Rainey, our Speaker, and Hon. Joseph W. Byrns, our Democratic leader, have been my personal friends. I wish for the leadership of this House and for all my colleagues, both Republicans and Democrats, health, happiness, and success.

To all my constituents in my district whose patience, cooperation, and friendship through the years have made possible whatever success I may have had I wish for them every good thing for the days to come and may God bless them every one.

THE FEDERAL GOVERNMENT MUST AID THE SCHOOLS IN THEIR PRESENT EMERGENCY

Mr. JENKINS of Ohio. Mr. Speaker, under leave to extend my remarks in the Record, I include the following address to be delivered by me before the Ohio State Teachers Association at Cedar Point on June 25, 1934.

Mr. Chairman, ladies, and gentlemen, it is an honor and a responsibility to address the teachers of Ohio in these days when the winds of adversity are blowing hard.

The American public-school system has been the inspiration of

The American public-school system has been the inspiration of many a song and story and of much fervid eloquence. It has been the theme of many able discourses. The advantages of an education have been impressed upon our youth by reference to the accomplishments of our learned men and women. The field of education is like a field of wheat—there is the preparation of the ground and there is the gathering of the golden grain. The public-school system has its work of preparation and its harvest season. In the past we have been much engrossed with the harvest that the public-school system produced and have not brought the preparation so much to the front. We aimed at superior scholarship, greater technic, new methods of teaching, more selective curricula, and other similar improvements that would tend to popularize the school system. But today school authorities are much more alarmed about the preparatory season than about the harvest season. "What shall the harvest be" is not so important as whether the planting of the seed will be accomplished. We are taught that the fruits of the spirit excel those of the material world. But out of it all it seems that money is the great barometer by which most of our public as well as our personal

activities are measured. The lack of money has caused more misery and anguish to more people in the past few years than we can easily comprehend. Debt has stalked across our land and his course is marked by innumerable bankruptcies, foreclosures, suicides, and other misfortunes. Few people or industries have escaped his withering touch. This pernicious financial anemia that we call "debt" is sapping the lifeblood of the Nation also.

Our school system that has been such a compliment to the genius of the American people is in grave danger. It is on trial. Yes; our great Republic is also on trial.

The question is whether the Government can by extending its credit assume the burden of the heavy load of debt that the people, because of their failure to pay their taxes, have transferred to the shoulders of the States and municipalities. The perpetuity of the Republic depends quite as much upon the capacity of the

of the Republic depends quite as much upon the capacity of the people to pay their taxes as it does upon their patriotism. The Congress that just adjourned voted an additional debt of about seven thousand millions and extended the national credit by guaranteeing about the thousand millions in additional objections. Congress that just adjourned voted an additional debt of about seven thousand millions and extended the national credit by guaranteeing about ten thousand millions in additional obligations. Today the national debt, direct and indirect, is greater than it ever was in the history of the Republic. Not in the history of the world has any nation taken on such financial obligations in peace times as our Republic has taken in the past 15 months—and all this in the face of constantly decreasing values. If the appraisals of the property of the country were increasing, an increasing public debt could be assimilated. But with appraisals of 30 to 50 percent, the public debt of the Nation and the various political subdivisions is fast approximating the appraisal value of the Nation's property. These public debts added to the private debts will exceed the appraisal value of all the property in the country.

The real importance of our public schools and of public education has never been appreciated so much as it is now when we are confronted with the danger of serious curtailment and possible complete failure of the system. Our public-school system is distinctively an American institution, and is a vital part of the Nation itself. Under our system of government however, it was not intended that the Federal Government should assume the responsibility of financing or managing the public schools.

it was not intended that the Federal Government should assume the responsibility of financing or managing the public schools. The basis of our form of government is the State. The State has assumed the full responsibility for the financing and manage-ment of the schools. It has divided this responsibility with the counties and municipalities. Failure by the State to discharge this responsibility is a condition precedent to Federal assistance, whether financial or otherwise. This failure must reach the pro-portions of an appearance.

whether financial or otherwise. This failure must reach the proportions of an emergency.

How stands education in this respect? Is there such an emergency as would justify the Federal Government in taking an interest in the matter? Great changes have taken place in the past few years in the attitude of the people toward the activities of the Government as they relate to the people. The pioneer asked little from his Government. He took his family and his belongings and marched forth to carve for himself a home in the western forests. He carried the banner of progress and development for his country and secured nothing in return except a home and a right to be an American citizen. But today nearly every man in every in-

and secured nothing in return except a nome and a right to be an American citizen. But today nearly every man in every industry and every institution has dropped his working tools and is looking toward Washington, whence cometh his help.

But must an emergency be one which is free from the fault of auyone or any group before it can be considered such an emergency as will admit of Federal action? No. An emergency is a factual condition and not an ethical one. If an emergency exists, then the hydron of remembilities thinks.

factual condition and not an ethical one. If an emergency exists, then the burden of responsibility shifts.

Does an emergency exist? I think there is not much doubt about it. Is the emergency so great as to warrant Federal assistance? I think there is no doubt about it. While this condition might have been averted, that does not alter the existence of the emergency. Admitting the emergency and the duty of the Government to assist, how shall this be done? This raises several serious questions. Shall the Government make a gift of money or shall it loan the money to the States, since this is a primary duty of the State to provide educational facilities? And shall this money, whether a gift or a loan, come from Emergency Relief Funds or from statutory enactments? Lack of finances is not a new thing in Ohio school situations. All the lack of funds in Ohio does not come from the present depression.

Ohio does not come from the present depression.

In 1923 and when I was a member of the Ohio Senate we who were from the poorer sections of the State where tax valuations were low, but where the maximum levies were made, were confronted with the fact that our tax revenues were not sufficient to operate our schools, even though we allotted more than one-half of our tax revenues to school purposes. At that time I introduced a bill providing for an appropriation of \$1,250,000 to be applied toward equalizing school advantages so that the weak districts might have their schools open and the teachers paid. This bill passed. This was the first legislation of its kind. From that time forward similar provisions have been made for weak districts. passed. This was the first legislation of its kind. From that time forward similar provisions have been made for weak districts, I also introduced a bill in the Ohio Senate which became a law and which provided for a system of equalization which is the basis of the present system. A few days ago in Washington a great school authority was speaking favorably of our Ohio school equalization system and it was a pleasure for me to remind him of my activity as a pioneer in school-relief legislation in Ohio. At that time I coined the slogan, "We must educate the children where we find them, and tax wealth where we find it." Many other States have had weak districts which required State aid. When the counties failed the State responded. When the counties failed the State responded.

During the last session of Congress several bills were introduced asking Federal aid for the schools of the country—none of these

bills were passed. Extensive and interesting public hearings were held before the Committee on Education. The National Committee for Federal Emergency Aid for Education presented its case in a very intelligent manner with many persuasive facts and much convincing data seeking to show the necessity for immediate action by way of the enactment of laws carrying approximately \$150,000,000 in Federal aid. These hearings are printed, and I would recommend them to you as being well worth your careful study. But Congress adjourned without meeting the request of this committee. Congress has many disappointing ways about it. This mittee. Congress has many disappointing ways about it. This committee, on the other hand, being active school men, will not be halted by this disappointment. They will continue their efforts for practically every State and every locality is handicapped in one

be halted by this disappointment. They will continue their efforts for practically every State and every locality is handicapped in one way or another.

Millions of delinquent taxes appear on the tax books of every taxing district of the country. Approximately \$50,000,000 would be required to pay the unpaid salaries of teachers. Approximately 50,000 fewer teachers were employed in 1934 than in 1933, and this in spite of the fact that the school population increased about 200,000 annually. Teachers' salaries have dropped until in many States the average salary is less than \$50 per month for 6 or 7 months per year. In many sections schools failed to open the past school year. Appraisal of property has been reduced in practically every State. In Ohio appraisals were reduced from thirteen and one-half billions to nine billions.

All these facts prove that an emergency exists and that only the Federal Government can reach it. The National Committee for Federal Emergency Aid for Education prefers the enactment of legislation. The President having refused to accept the plan providing for direct legislation favored a plan that would provide money from the general relief funds. Mr. Hopkins, the Federal Relief Director, has indicated his willingness to set aside money from the general relief funds. The deficiency appropriation bill, passed the last night of the congressional session just closed, carried an item of forty-eight millions for schools. It is claimed that this will not be enough. No doubt more will be made available from the relief funds when need is shown. Just a few days ago—June 14, I think—the Federal Government paid the State of Ohio \$497,619. This was to apply toward paying salaries of teachers in rural districts and in municipalities of 5,000 population or less. This cleared up all deficiencies in 71 counties and in 493 districts, 430 of which are in State-aid districts.

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The Douglass bill which provides for an earmarking of \$75,000,000 of general relief funds for schools was reported out favorably by the Committee on Education of the House of Representatives, and was on the calendar when Congress adjourned. For some time before adjournment it was evident that no legislation providing direct aid to public schools would be enacted by the Congress then in session. The subject was well considered by the committee but the opposition of the President was an obstacle difficult to overcome.

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What of the future? There is no question that emergency relief will be granted for the coming year. The amount will depend upon the total amount for distribution and the need and the fervor of those demanding it.

Whether the Seventy-fourth Congress which will convene next January will favor direct legislation is uncertain. There are many who will oppose any attempt by the Federal Government to supplant the States in the control of the public schools. They will not oppose emergency relief but they are opposed to extending the Federal powers. The determining factor will be the wishes of the President, if a majority of Congress will be of the same political party with the President.

It might be interesting to recount the growth of public sentiment with reference to Federal aid. There is no doubt that in a republic public sentiment is a thing that will grow and that it is the most potent force in government.

ment with reference to Federal aid. There is no doubt that in a republic public sentiment is a thing that will grow and that it is the most potent force in government.

When the depression first set in and Federal aid was first considered, public sentiment was opposed to it. It was claimed that it smacked of the British dole. Mr. Hoover fought valiantly against it. Every effort was made to find some plan whereby the Government could aid without aiding directly. The Red Cross was encouraged to extend its field of activity. Local charities were encouraged. The President was sympathetic but hesitated to establish a precedent.

The Federal Farm Board had about 275,000,000 bushels of surplus wheat. This belonged to the Government. I conceived the idea that this wheat could be distributed through the Red Cross to be ground into flour for the needy. I introduced the first bill providing for the transfer of 50,000,000 bushels of this wheat to the Red Cross. The House of Representatives was Democratic and of course my bill was not passed, but a similar bill was passed bearing the name of a Democrat. This was followed by other bills until all the wheat was thus used. This was followed by legislation advancing \$200,000,000 to the several States for road improvements and public improvements, but this was to be repaid or ments and public improvements, but this was to be repaid or charged against the future allotments for road purposes which the Government had been making for several years. This emboldened the Government, when \$300,000,000 more was voted under more liberal terms. Then came the P.W.A. and the C.W.A., when all restraint was removed and when the sky was the limit for appropriations.

To my mind aid for the schools is more essential than aid to many that have received it. The public schools are so dear to the American people that they will sanction any reasonable efforts to keep them open. Whether aid from the emergency relief will be the best course or whether aid by special legislation will be the best course is now difficult for me to decide in view

of Presidential opposition. Should the depression lift it is reasonable to suppose that emergency relief will be adequate. Should it continue I think the welfare of the school children will have such an appeal that the President would be inclined to change his course if it was inimical to the best interest of the children of the Nation. My experience as a teacher and in the common schools, high schools, and as a university student, makes it easy for me to sympathize with any legislative movement that is for the best interests of the schools and the school children. My record in the Ohio Senate and in the United States House of Representatives has been one of sympathy with your programs as will be attested by those who have followed school legislation in these bodies. I feel that the great cause in which your lives are centered and on which your hearts are set will not be permitted to suffer unduly and that if legislation providing Federal aid appears to be the best and wisest course when Congress convenes again, such legislation should be attempted. In the meantime let us hope that the generous hand of Uncle Sam will bring to this great cause such relief as is just, considering that justice should always precede generosity.

### THE NEW DEAL AND THE OLD DEAL

Mr. COCHRAN of Missouri. Mr. Speaker, it is my precious privilege to have had a part in the work of inaugurating President Roosevelt's new deal for the American people and I covet the still greater honor and gratification of having a share in its complete realization.

The people of this country can testify to the benefits which have come from President Roosevelt's sympathy and striving for the reemployment of the millions who were jobless less than 14 months ago, for the farmers who were in poverty in the very midst of plenty, for the little merchant and dealer who faced, or actually suffered, bankruptcy and ruin. Not fewer than 25,000,000 men, women, and children were in want when President Roosevelt took charge of the Government a year ago last March. Their misery was President Roosevelt's pathetic inheritance from Hoover. I do not wish, nor do I intend to be unfair to President Hoover. I do not contend, therefore, that he should be blamed for causing the depression, but I charge him and the eastern element of the Republican party with responsibility for the continuance and aggravation of the depression. Mr. Hoover not merely omitted but he positively and repeatedly refused to take any adequate measures for the employment of those millions disemployed by the collapse of industry, or for the relief of lesser business, or for the betterment of conditions on the farms. He would not consent to a program of public works. Indeed, he opposed and denounced the suggestion. He was equally hostile to the various proposals for the assistance to small business and to agriculture. In this opposition he was abetted by other Republicans who should have understood and attempted to relieve the plight of wageworkers, farmers, and small business men. Instead, Mr. Hoover and his helpers held and practiced the creed that those at the top-the powerful banks and corporations of Wall Street—should be aided first and most, so that those below, including the millions without work or means might, somehow, sometime eat the crumbs that fell from the tables of those favorites.

If Mr. Hoover sincerely believed that the prosperity, or the bare existence, of the masses could best be assured by enriching those already possessing all the riches, then his heart must be acquitted at the expense of his head. If this belief of his was not bad ethics it certainly produced a terrible calamity. After 4 years of this false philosophy, the United States was closer to wreck and ruin—closer to a revolt of the people—than at any other juncture of its history since the Civil War. Only the election of Franklin D. Roosevelt, I am firmly convinced, prevented a subversion of our Government.

President Roosevelt has justified the confidence with which a great majority of the American people received him as a candidate and with which they have continued to regard him as their President. His first major act after his inauguration was the formulation of the emergency banking bill, designed to halt the closing of banks and the loss or impounding of the people's last remaining capital. That bill was proposed, passed, and signed in 7 hours. At once there was a new birth of confidence throughout the country. That confidence begot courage. The people were inspired. Their hopes mounted still higher as they saw the President pro-

pose to Congress, one after another, a whole series of reconstructive measures that have reversed the trend.

Whatever may be my lot in the future, it will ever be one of my proud recollections that I was a Member of the Seventy-third Congress—the Congress to which President Roosevelt confided the legislative labors of national recovery. That Congress was Democratic in respect to a majority of its membership and its leadership. It was loyal to the President and, therefore, to the people. It gave him complete and cordial cooperation. It shared with him the credit of halting the depression and reviving business and industry.

Time does not permit me to recount in any considerable detail the remedial and restorative legislation enacted by the Seventy-third Congress, which adjourned only a few hours

What I deem first in importance is the National Recovery Act, for its benefits have thus far been the most wide-spread. That act has ended child labor and given new charter to little business and new recognition to the worker. No one contends the N.R.A. has proved to be perfect, but every class of those dependent on industry—employees as well as employers—concede its immense usefulness in the present and its still greater value in the future.

Next in significance as a stimulus, not only to agriculture but also to general business, was the legislation given to the farmer. Several great and salutary agencies were created. The Agricultural Adjustment Administration provided for direct relief to agriculturists of all kinds and sections. It arranged for the refinancing of mortgages on farms, with interest at the rate of 4½ percent, through the issuance of \$2,000,000,000 in Federal bonds. It authorized a program of inflation involving the expansion of Federal Reserve credits by as much as \$3,000,000,000.

Then followed the Farm Credit Act of 1933, the Farm Mortgage Refinancing Act of last January, the Crop Loan Act of February 1934, and the crop-loan resolution appropriating \$40,000,000 for advances to farmers for production and harvesting during this year.

These were not all the help the Seventy-third Congress gave to agriculture. In addition to these, it passed the Jones-Connally Farm Relief Act, the Jones-Costigan Sugar Act, the cotton-cattle-dairy-relief resolution, the Farm Mortgage Foreclosure Act, and the Homesteaders' Relief Act.

One of the most beneficent of the measures given to the people was that creating and financing the Home Owners' Loan Corporation. This agency has a capital of \$2,000,000,000 to lend to those whose homes have been put in jeopardy by the depression. Loans equal to 80 percent of the value of the property, not exceeding \$14,000, are authorized.

I am sure you will remember how I fought for 2 years for the guaranty of home-loan bonds—we guaranteed the bonds this year. Already many thousands of our people have saved their homes by recourse to this Federal assistance.

Labor also was recognized in these enactments of the Seventy-third Congress. Aside from the provisions of the National Industrial Recovery Act, this Congress passed the bill establishing a national employment system to cooperate with the States and appropriated for its maintenance one and a half millions for the first year and \$4,000,000 annually thereafter. It passed also an act appropriating \$300,000,000 for the construction of highways in 1935, and one hundred millions for construction in 1936, and providing certain other funds to be expended in partnership with the several States.

In the last days of the final session there was enacted the bill prohibiting and penalizing the practice of obliging workers employed on Federal contracts to return to their employers part of their pay, thus compelling them to accept compensation below that fixed in the scales. After that came the bill authorizing the President to establish boards which shall investigate and settle disputes arising under section 7-A of the National Recovery Act.

So much for legislation of general and permanent character.

Heed was given also to the emergencies that existed, and especially to human suffering. The Wagner-Lewis Act of 1933 made \$500,000,000 available to the Federal Emergency Relief Administration. In the act of February 1934 nine hundred and fifty millions additional was allocated until June 1935. These funds not only saved many thousands from suffering and death but at the same time put money in circulation and increased consumption, thus stimulating general business.

Other emergencies were met by this Congress in an act appropriating about a billion and a half dollars for various needs. This act provided \$899,000,000 for relief and public works; five hundred and twenty-five millions for the benefit of those in the drought-stricken regions of the country, and eighty-five millions for the building of roads. This same bill authorizes the Emergency Relief and Public Works Administrations to draw on the Reconstruction Finance Corporation for an additional billion for more public work to relieve the unemployed.

I have cited only the major measures; those which I think were at once the most imperative and humane, and which undoubtedly have done most to accomplish what was of first importance—restoration of public confidence and morale. There are other most useful measures on the list, but to

these I shall not advert on this occasion. I voted for every one of these bills; for every one of these legislative efforts to save people from suffering; to prevent revolution; to assure recovery. I opposed every measure that President Roosevelt opposed. I not only have no apologies for my record in regard to these bills, but I have a deep consolation in the remembrance that my vote for these measures of restoration contributed to their enactment. I had then and I still have firm faith in President Roosevelt-in his masterful ability-in his resolve to make lawful and successful use of the powers of government in restoring our people to prosperity and happiness. I believe in the new deal, and I ask no higher privilege than that of having a part in giving it general and lasting application. I am anxious to continue to support the President and to further his policies.

Already we have heard cries of "communism" at the mere mention of these measures I have discussed here this evening. It is communism, we are told, to feed the hungry, to give work to the jobless, to extend credit to the farmer, to stabilize prices for the merchant. Such acts of Congress, we are informed, are a perversion of our political system. Certain of the beneficiaries of the old order predict that if the new deal shall be perpetuated we shall have socialism. These opponents of the President need to be told that these measures not only do not imperil the Government—they actually have saved it. The stuidity of these obstructionists in causing the conditions and dangers the country has been experiencing in the last 4 years is only exceeded by their obtuseness at a time when President Roosevelt is keeping the Government safe for them as well as for all the rest of us.

There is but one kind of communism which we need to fear. It has had a great responsibility for what happened from 1929 to 1933. If it is not curbed, it will be answerable for still worse evils hereafter. I mean the system that Grover Cleveland 40 years ago called a "communism of pelf." Cleveland's prediction that this "communism of pelf" would sometimes, if left unchecked, make "private enterprise a mere appurtenance to a vast machine" had been fulfilled in 1929.

The Insulls and Mitchells and Harrimans were in control. They were in high favor at Washington. The Government was doing no wrong and courting no disaster when it served their interests. You will recall that when, in December 1929, it was apparent to most observers that the disaster of the previous October had wrought a terrible damage to the whole foundation and superstructure of business, Mr. Hoover called together all—or nearly all—the captains of industry. For the most part they were the men who gave money and momentum to his campaign when he was telling us that the poorhouse was soon to vanish and two chickens were about to appear in every pot.

Mr. Insull was in that gathering at the White House. He also held the view that conditions were fundamentally sound. He was so optimistic, indeed, that a few weeks later he floated a new—and enormous—issue of worthless paper in exchange for the earnings of workers and the surpluses of little-business men. About the same time Mr. Hoover began to suspect the presence of prosperity "just around the corner", but he did nothing to coax it into sight.

The men whom Mr. Hoover consulted at the White House that December, and whose advice he presumably followed from then until he went into retirement, were those who deprecated every suggestion that the Government owed to the people and to itself the duty of taking some steps to prevent the depression from becoming downright destruction. They feared communism if the Government did anything to help the jobless; to feed the famishing. It was not communistic of the Government to give them tariffs according to their own specifications; to spend millions every year in quest of foreign markets for their goods; to lend hundreds of millions to their railroads; to let them manipulate the public credit for their own selfish, and sometimes criminal, purposes. No; it was only when the benefits of governmental intervention were sought for the poor and helpless that there were cries of "dole" and "communism."

You are hearing, and will continue to hear, those cries during the coming campaign. Mellon, Insull, Harriman, and Mitchell will perhaps be silent, for they are somewhat pre-occupied with legal matters just now, but their proxies will be very vocal. Fortunately, those croakings are no longer capable of causing fear. The people have learned as one lesson of this terrible quadrennium of suffering that the thing which these exploiters condemn is pretty certain to be honest and worthy. Their clamor against President Roosevelt and his program will receive no ear from the average man or woman. Most of us remember what happened under Hoover when he was taking their advice, and we are quite well aware of the change for the better that has come with Roosevelt.

If these groups and individuals could influence popular opinion sufficiently, they would elect a Congress that would obstruct the President at every turn and forestall every further proposal of his to enact measures of relief for workers, farmers, and small business men. They have made a beginning by gaining control of the Republican National Committee and the Republican congressional campaign committee. They doubtless will supply money for the expenses of such congressional candidates as are willing to pledge obedience to their commands. Whether or not the average man and woman is conscious of the fact, there is no doubt that these exploiters are fully aware of the truth that this campaign and the next will be more than a struggle between Democrats and Republicans. They know that it is a conflict to decide whether the new deal or the old order is to triumph and endure in the United States. The old order was their order; the new deal is the charter of economic liberty and security for the average man and woman.

If they shall have Congress in their keeping next winter, as they now have the command of the Republican committees, they will make the clock stand still if they cannot indeed turn it back to the old days and the old ways. With Congress under their domination, there would be no more appropriations for public works, with their need for men and materials; there would be no loans to farmers; no help through the N.R.A. for little business; no relief for those otherwise without food or shelter; no care or concern for those millions who recently were taken care of by the Government. The President would be rendered helpless. And beyond that I dislike to vision, for, if I should look even a little way past that point, I fear I should see the stupidity which brought the depression bringing the thousand times greater disaster of revolution.

There is one way in which to guarantee the continuance of the work of recovery begun by President Roosevelt. That is to nominate and elect men and women who accept and advocate his policies.

We are at a critical juncture. Retreat—even hesitation—will cost us all we have gained and endanger the future.

We must go forward with the President and to the goal he has set. The reward of this loyalty to him and devotion to his ideals and objectives will be the achievement of a larger measure of social justice than the world has ever known. We shall be repaid by the insurance of workers against the consequences of unemployment; of the average man and woman against the terrors of losing the home; of the aged against destitution which haunts their years of feebleness.

I pledge my support to the President and to all these objectives. President Roosevelt can count on my voice for every item of his program. I am sure the people will uphold the President, not for his sake alone but for the sake of this country and its 125,000,000 souls.

#### A NEW DEAL FOR RAILROAD WORKERS

Mr. TRUAX. Mr. Speaker, for many years railroad workers have been fighting for a just and square deal. Always in the past their fight has been a losing one and most emphatically so since the World War, which period has witnessed huge consolidations and vast mergers of the railroads by a few bloated millionaires.

Outstanding among these mushroom railroad magnates are the Van Sweringen brothers, of Cleveland, Ohio. Recent disclosures by the Department of Justice investigators in the collapse of the Union Trust Co. of Cleveland revealed that these railroad kings obtained their huge fortunes by swindling stockholders and depositors in the Union Trust and in the Alleghany Corporation; that they borrowed immense sums of money from the house of Morgan and that the choice collateral of the Union Trust Co. was plundered to buy Liberty bonds to the extent of \$10,000,000 which were retained by Morgan as collateral for the Van Sweringen loan. Leave it to old John Pirate—he will always get his even though widows and orphans are robbed of their nickels and pennies.

This was the insufferable condition of blatant plutocratic rule under which railroad workers labored in the past. The railroad czars adopted the nefarious policy of "we own the right-of-way; we own the rolling stock; we own the watered stock; we own the workingman." They borrowed millions from the Government without reducing the salaries of their \$100,000-a-year officials. They kept going deeper into the red because they were too greedy and stubborn to reduce rates or to install modern equipment and conveniences.

All this has been changed during the Roosevelt administration. Railroads have been forced to humanize their relations with their employees. Not willingly did they surrender to the new order of things. Unwillingly they will be forced to accept the new legislation enacted into law on the last day of the session. I refer to the railroad pension bill and the Railway Act amendments, first initiated by a petition signed by 145 Members discharging the committee from further consideration of the bill.

I am proud to state that my name was on that petition the same as it was on all other petitions that would benefit labor, farmers, or war veterans. The most credit for the passage of these two bills should go to my colleague "Fighting Bob" CROSSER, of Cleveland, and his courageous young assistant, Hon. Joseph P. Monaghan, from Montana. I am pleased to append a letter from Congressman Monaghan expressing appreciation for my humble efforts in the fight for the railroad bills.

> CONGRESS OF THE UNITED STATES. HOUSE OF REPRESENTATIVES,

Mr. Charles V. Truax, M.C.,

House Office Building, Washington, D.C., June 1934.

My Dear Charlie: I take this means of expressing to you appreciation for your signing the petition declaring a policy against adjournment until disposal of pending remedial legislation.

Your so doing played no small part, I assure you, in the victory which was achieved yesterday when the House passed the railroad pension bill and the Railway Labor Act amendments.

With every wish for your future success and assurance of my high esteem, I am,

Sincerely yours

Sincerely yours,

P.S.—Mr. CROSSER said that your action will be brought to the attention of those vitally interested in the success of the measures he sponsored.

Mr. Speaker, having been a workingman myself all my life, my sympathies quite naturally are with the millions of toilers who have to somehow, some way, earn a living for themselves and their families. In this crisis, in this depression, in this panic, which has bankrupted millions of farmers, small-business men and merchants, and which 4 years ago caused 15,000,000 men to walk the streets for a job when no job was to be found, when millions of frail, underfed mothers and children humbly bowed their heads in prayer before retiring and prayed that the morrow might bring forth something better, something different, a job or an income, I have carefully weighed and analyzed every piece of legislation that has been introduced in the House of Repre-

In a great majority of the legislation thus considered and acted upon there were always two sides to consider; the one side was the side of the wageworkers, the struggling masses, who create all of the wealth and in the end pay all of the taxes. The other side is the side of the idle holders of idle capital, the money kings, the Sir Francis Drakes, Captain Kidds, and Blue Beards of Wall Street as represented by Morgan & Co., Kuhn, Loeb & Co., the Rockefellers, the Harrimans, the Mellons, who do the least in creative or constructive work and collect the most from the toiling masses.

This infamous band of blue-blooded millionaires have deliberately swindled thousands of poor working people out of the little homes which their toil had paid for and driven them forth to perish. They have ruthlessly trampled the life out of labor unions in the past, and in years gone by across the doors of their mills, factories, and shops was written in letters of nether fire, "Abandon hope, all ye who enter here."

Nearly every dollar of their millions has been coined from the lifeblood of labor. They might well be called "financial cannibals." The term is tame. It were like calling Medusa dreadful, Primo Carnera uncomely, or the devil displeasing. It would require a Mirabeau to express in a single phrase the character of men so graceless in greed, so insensate to all the nobler promptings of the soul. Hence I determine as best I can which legislation is best for the wageworkers and poorest for the blue-blooded capitalists, then I raise my voice and cast my vote on the side of the workingman, and keep on "raisin" and "castin" until hell freezes over.

If in all of the 197 roll calls in the first and second sessions of the Seventy-third Congress, I once cast a single vote that was detrimental to labor, I should be pleased to have it pointed out so that such a mistake will not occur again. A few days ago it was my privilege and honor to address the Central Labor Union of Washington, D.C. They said I made a forceful talk which was enthusiastically received by labor. They also said that-

What is regarded as one of the most brilliant addresses by an invited guest at the Washington Central Labor Union was delivered at the meeting this week by Hon. Charles V. Truax, Congressman at large from the State of Ohio.

gressman at large from the State of Ohio.

Congressman Trauax was reported by delegates and members of the legislative committee to have proven one of the most consistent as well as a most able friend of wage earners in the United States House of Representatives.

In his address Monday evening, Congressman Trauax reviewed his association with organized labor, since childhood, when his father was a union carpenter; his work as a farmer and his activities in the interest of farmers. He was director of agriculture in Ohio for several years before being sent to Congress and it is now reported that citizens of his State are contemplating sending him to the United States Senate this year.

He commended President Roosevelt and spoke favorably of the pending Wagner labor-disputes bill and the Connery 30-hour week

pending Wagner labor-disputes bill and the Connery 30-hour week bill. Congressman Truax, during the present session of Congress, introduced a bill to declare a moratorium on loans on homes and farms, with provisions for reduced interest rates. He also introduced a bill which would permit the Government to make loans direct to individuals, including wage earners, in time of need. has consistently fought for basic farm prices that would insure a living income for farmers, and eventually the 5-day work week and other progressive measures as sponsored by organized labor, believing that workers on the farms and workers in the factories and elsewhere have similar interests.

Congressman Truax has, according to E. J. Roche, of the Central Labor Union legislative committee, signed every petition in Congress in behalf of labor and has voted favorably on every bill in which wage earners have been concerned.

The speech was enthusiastically applauded throughout and, at its conclusion, a unanimous standing vote of thanks was extended to Congressman Truax in appreciation for his splendid address and his loyalty to the interests of those who toil for a living.

# WORK OF THE WAYS AND MEANS COMMITTEE DURING THE SEVENTY-THIRD CONGRESS

Mr. DOUGHTON. Mr. Speaker, during the special and regular sessions of this Congress the Committee on Ways and Means has considered and reported more bills and resolutions of a major character to the House than in any like period since the World War. Many of these measures dealt with subjects other than the raising of revenue, and their enactment form a vital part of the President's recovery program.

#### TAXATION OF NONINTOXICATING LIQUOR

Five days after Congress was called into special session, following the inauguration of President Roosevelt, H.R. 3341 was reported to the House. This measure amended the Volstead Act and provided for the raising of revenue by the taxation of certain nonintoxicating liquors containing not more than 3.2 percent of alcohol by weight. Eight days later the same was signed by the President and became law.

### EXTENSION OF GASOLINE TAX

On April 18, 1933, the committee reported H.R. 5040, to extend the gasoline tax for 1 year and to modify postage rates on mail matter. This measure also provided that the tax on electrical energy levied on the consumers under the 1932 Revenue Act should be paid by the producer instead.

#### NATIONAL INDUSTRIAL RECOVERY ACT

On May 23, 1933, the national industrial recovery bill was reported to the House, the provisions of which declared it to be the policy of Congress, in the then existing national emergency of wide-spread unemployment and disorganization of industry, to encourage national industrial recovery, to foster fair competition, and provide for the construction of useful public works. This measure formed the very foundation of many of the important recovery activities of the administration. It provided for the creation of the National Recovery Administration, the Industrial Recovery Board, and the Federal Emergency Administration of Public Works.

Under the provisions of this measure codes of fair competition have been set up and provision was made that the violation of such codes should be deemed unfair competition, to be restrained by United States district courts.

One of the most important reforms brought about by the enactment of this law has been the abolition of child labor and the elimination of the sweatshop conditions existing in many of our industries. Labor has been guaranteed the right of collective bargaining, prohibition of "yellow dog" contracts, and establishment of maximum hours, minimum rates of pay, and proper working conditions.

This measure provided that the Federal Emergency Administration for Public Works might function for 2 years, and authorized the Administrator to prepare a program covering highways, water systems, conservation and development of natural resources, prevention of soil erosion, water power and electrical transmission development, river and harbor improvement, flood control, low-cost housing and slum clearance, and other needful improvements.

Additional taxes were levied by the provisions of this bill. An additional one-half cent was added to the gasoline tax; the capital stock and excess-profits tax; a 5 percent dividends tax, and effective January 1, 1933, it eliminated the carry-over of net-loss deductions for previous year, and also increased the consolidated corporation returns tax rate from three-fourths to 1 percent for the years 1934 and 1935, as well as extending the life of certain existing excise taxes.

### AMENDMENT TO SETTLEMENT OF WAR CLAIMS ACT

House Joint Resolution 183 was also reported from the committee and enacted. This resolution extended the time in which applicants could file claim for awards made under the Settlement of War Claims Act of 1928. A similar resolution was also reported and enacted during the regular session, extending the time an additional 2 years in which to make application.

#### STUDY OF REVENUE LAWS

Just prior to the adjournment of the special session, the House authorized the Committee on Ways and Means as a whole or by subcommittee to make a study of the revenue laws with a view to plugging the existing loopholes whereby many were legally avoiding the payment of income taxes.

During the interval between the adjournment of the special and the convening of the regular session a subcommittee devoted weeks of intensive study and investigation to this subject. During this period the repeal of the eighteenth amendment was ratified by the required number of States, and study was also given the subject of liquor taxation, and prior to the convening of the regular session the entire committee returned to Washington and conducted hearings on liquor taxation and revenue revision.

#### LIQUOR TAXING ACT OF 1934

On January 3, 1934, the first day of the regular session, H.R. 6131, the liquor taxing bill, was reported to the House. This measure was enacted into law on January 11, and was designed to yield the Treasury approximately \$450,000,000 revenue during the fiscal year 1935.

### AMENDMENT TO NATIONAL INDUSTRIAL RECOVERY ACT

H.R. 7599 was reported to the House on February 5, 1934. This measure amended the National Industrial Recovery Act by authorizing the President, through the Public Works Administration, to make loans to nonprofit corporations to finance or aid in financing the repair or reconstruction of homes and other properties damaged or destroyed by earthquakes, storms, floods, and other natural causes during the years 1933 and 1934.

#### REVENUE ACT OF 1934

After devoting several weeks of consideration to the report of the subcommittee and the evidence presented during the public hearings, H.R. 7835 was reported to the House on February 12, 1934.

In the form in which this measure was finally enacted into law it is estimated that \$417,000,000 of additional revenue would be received by the Treasury during a full year's operation of its many provisions. This measure reestablished the principle of earned income allowance and removed some of the burden on small-income taxpayers and shifted it more to those whose incomes came from "unearned sources' particularly dividends and tax-exempt securities; provided a different treatment of taxing capital gains and losses, with an estimated additional yield of \$30,000,000 annually. Repealed the bank check tax effective January 1, 1935. Removed the tax on candy and soft drinks: jewelry of \$25 value and under, as also the tax on furs valued at \$75 or less. This measure also plugged up many loopholes through which many had been avoiding payment of income taxes. Abolished the consolidated returns for all corporations except railroads, and tightened up provisions relating to reorganization of corporations. Provided for publicity of certain facts relating to each income return, including the amount of gross income and credits against net income and the total tax paid. Provided a new basis for taxing personal holding companies and reenacted the capital stock and excessprofits tax.

### RECIPROCAL TRADE AGREEMENTS

H.R. 8687, to amend the Tariff Act of 1930, was reported to the House on March 17, 1934, and the same was approved by the President on June 12. Under the terms of this measure the President is authorized for a period of 3 years to negotiate trade agreements with foreign countries and to raise or lower existing tariff rates by not more than 50 percent. This measure is designed to check the rapid decline in our foreign trade and to provide the machinery whereby our country will be in a position to compete with other countries in negotiation of trade agreements and thereby bring about the expansion of our foreign markets for our surplus agricultural and industrial products.

### FOREIGN-TRADE ZONES

H.R. 9322, to provide for the establishment, operation, and maintenance of foreign trade zones in the ports of entry of the United States, to encourage and expedite foreign commerce, was reported to the House on May 9, 1934. This

measure likewise has been approved by the President. It is | designed to establish zones similar to those existing in other countries throughout the world, to improve our foreign trade, and to bring about improvement in customs administration. These zones will be of inestimable benefit to our shipping and domestic industries. Their establishment has long been advocated by American industry and port authorities in every section of the country.

AMENDMENT TO SECTION 601 (C) (2), REVENUE ACT OF 1932

H.R. 9234 was reported by the committee on May 17, 1934. This bill extends the exemption to malt sirup, malt extract, and liquid malt sold by the manufacturer or producer to a dealer who resells it, directly or through another dealer, to a baker or manufacturer or producer of malted milk, medicinal products, food, cereal beverages, and so forth. Under the present law some manufacturers were at a serious disadvantage in competition with manufacturers who maintained their own distributing agencies and made direct sales, thereby securing the exemption from the tax. This measure equalized the competitive situation and accords equal opportunity to all and special privilege to none.

AMENDMENT TO THE TRADING WITH THE ENEMY ACT

H.R. 4798 was reported by the committee. This measure merely extended the period of limitations with respect to claims filed with the Commissioner of Internal Revenue by the Alien Property Custodian for refund or credit for income. war-profits, or excess-profits taxes erroneously or illegally assessed or collected from a limited number of claimants whose property was in the custody and control of the Alien Property Custodian. Its enactment is a matter of good faith and simple honesty in affording these claimants their day in court, since they at no time had a right to defend themselves during the time the property was in the trusteeship of the Government.

#### THE SILVER PURCHASE ACT

H.R. 9745, to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes, was reported by the committee on May 28, 1934. The provisions of this measure declare it to be the policy of the United States that the proportion of silver to gold in the monetary stocks of the United States should be increased, with the ultimate objective of having and maintaining onefourth of the monetary value of such stocks in silver. This act authorized the Secretary of the Treasury to issue silver certificates and place same in actual circulation, in such denominations as he might prescribe.

This measure constitutes an important step in aid of recovery and paves the way for international cooperation in aid of general world recovery and in promoting further steps to better the means of exchange among the great trading nations. With a proper proportion of silver in our monetary stocks, we may look toward a coordinated use of that silver to check changes in the purchasing power of the dollar. The enactment of this measure will open world markets for the products of American agriculture, industry, and labor.

REGULATION OF DISTILLERIES AND RECTIFIERS

H.R. 9617, to authorize the reduction of the required distance between liquor distilleries and rectifying plants and to authorize higher fences around distilleries, was reported to the House. This measure amended the provisions of law which have been on the statute books for more than 50 years, and will enable the Government to give closer supervision over such plants, as well as added protection against trespassers.

REGULATION OF TRAFFIC IN CONTAINERS OF DISTILLED SPIRITS

House Joint Resolution 370 to protect the revenue by regulation of the traffic in containers of distilled spirits was reported and enacted into law. This measure was designed to afford means whereby a surveillance may be had over the manufacture and use of bottles. There is at the present time a very large illicit trade in the manufacture of such containers and it is believed that an adequate control of the manufacture, sale, and distribution and possession of liquor bottles by duly qualified distillers and rectifiers, and by supervision over the principal dealers and jobbers, both in new and used bottles, will deprive the illicit distillers of the

principal means which they now employ of introducing untaxed spirits into the regular lawful channels of commerce.

Another measure designed to protect the revenue and to stamp out the illicit manufacture of distilled spirits was reported from the committee and enacted into law. House Joint Resolution 373 authorizes the Commissioner of Internal Revenue to require persons disposing of substances used in the manufacture of distilled spirits, such as corn sugar, cane sugar, and malt sugar, to make correct returns to him showing the names of persons to whom the disposition is made, the quantity disposed of, and other information in connection therewith. With such information the Commissioner will be able to determine whether taxes due on distilled spirits manufactured from such substances have been paid, and will also provide a formidable means of combating illicit distilling by enabling the Commissioner to trace such substances into the hands of the illegitimate manufacturer.

PAYMENT BY GERMANY ON AWARDS OF THE MIXED CLAIMS COMMISSION

House Joint Resolution 365, to amend the settlement of War Claims Act of 1928, was reported by the committee and passed by both the House and Senate, and is now awaiting action by the President. This resolution provided for withholding further payments to German nationals from the German special-deposit account in the Treasury, for such period or periods as the President determines Germany to be in arrears in the payments of principal and interest under the debt-funding agreement entered into between Germany and the United States on June 23, 1930.

#### TAXATION AND REGULATION OF FIREARMS

H.R. 9741 was reported by the committee on May 28, 1934. This bill provided for the taxation of manufacturers, importers, and dealers in certain firearms and machine guns, to tax the sale or other disposal of such weapons, and to regulate the interstate transportation of the same. This measure will give the Department of Justice added powers to cope with the growing frequency of crimes of violence, and will be helpful in depriving the gangster of his most dangerous weapon, the machine gun.

### SMUGGLED WATCHES

House Joint Resolution 322, providing for the disposition of smuggled watches, watch movements, and parts, when confiscated by the Government under the customs laws, was also passed by both the House and Senate. This resolution is designed to give protection to the domestic jeweled watch manufacturers and the legitimate importers against the destructive competition growing out of the disposition of such merchandise at public auctions. It will also discourage the smuggling of such merchandise into the commerce of the United States.

Many other important matters were considered by the committee during the session just adjourned. Extensive hearings were held on the subjects of unemployment insurance, taxation on community-property incomes, and the reduction of internal-revenue taxes on tobacco products.

### TAX ON STEAMSHIP TICKETS

Mr. IGLESIAS. Mr. Speaker, I desire at this time to call attention to H.R. 9862, pending before the Ways and Means Committee, which is a highly meritorious measure. This bill is an amendment to the Revenue Act of 1926, as amended, to exempt persons traveling between Puerto Rico and the mainland from the payment of a stamp tax on steamship tickets by adding a new sentence at the end of section 442 (a) thereof to read as follows:

As used in this subdivision the term "United States" includes

The Chief of the Bureau of Insular Affairs of the War Department has prepared the following memorandum:

WASHINGTON, D.C., June 1934.

Subject: Tax on steamship tickets.
Section 442 of the United States Statutes at Large provides as follows:

"Sec. 442. Tax on steamship tickets.

"(a) Subdivision 5 of schedule A of title VIII of the Revenue Act of 1926, is amended to read as follows:

"'5. Passage ticket, one way or round trip, for each passanger, sold or issued in the United States for passage by any vessel to

a port or place not in the United States, Canada, Mexico, or Cuba, if costing not exceeding \$30, \$1; costing more than \$30 and not exceeding \$60, \$3; costing more than \$60, \$5. This subdivision shall not apply to passage tickets costing \$10 or less."

(b) Subsection (a) of this section shall take effect on the expiration of 30 days after the enactment of this act."

The following statement as published in passages tayling of the

expiration of 30 days after the enactment of this act."

The following statement, as published in passenger tariffs of the American Mail Line, shows the status of this stamp tax when applied to tickets purchased for official use:

"United States Government, State, or political subdivision thereof, officials, employees, including military and naval forces, when traveling in an official capacity and their transportation is paid for by the United States Government, State, or political subdivision thereof, are exempt from paying tax on tickets issued to them. All accredited diplomatic representatives of foreign to them. All accredited diplomatic representatives of foreign countries and members of their staff and household are also exempt from paying tax on tickets sold to them."

Schedule A-5, Regulations No. 71, relating to stamp taxes, published by the Treasury Department, Internal Revenue Act of 1926,

covers the above provision.

In a memorandum for the Chief of the Bureau of Insular Affairs, dated January 4, 1934, from the Judge Advocate General, it is

stated in part:

The stamp tax thus imposed necessarily applies to pas "The stamp tax thus imposed necessarily applies to passage tickets from continental ports of the United States to Puerto Rico, because the term 'United States', as used in the Revenue Act of 1928, is expressly defined by section 701 of that act to include 'only the States, the Territories of Alaska and Hawaii, and the District of Columbia' (45 Stat. 879; U.S.C.A. 26: 2701). It follows, in the opinion of this office, that the Bureau of Internal Revenue could not legally, by amendment of existing regulations, annul or forego collection of the tax on tickets to Puerto Rico."

Enwarpa A STOCKTON Jr.

EDWARD A. STOCKTON, Jr.,
Assistant to Chief of Bureau.

So, you see, it is obvious that this bill, H.R. 9862, as a matter of justice and fairness, ought to be approved by this Congress.

#### THE NEW DEAL

Mr. DITTER. Mr. Speaker, the closing days of the Seventy-third Congress bring to all of us a spirit of retrospection. The platform of the Democratic Party 2 years ago, as well as the declarations of its spellbinders, provide a rather interesting contrast to the legislative course pursued since that party came into power.

With apologies to Mary Howitt, I submit the following

lines:

### THE " NEW DEAL"

"Will you walk into my parlor?" said the spider to the fly;
Are the words of invitation of seducers ever nigh.
The parlor and its beauties, its comforts, and its ease
Are tendered to the innocents, their lives and rights to seize.
The spider has his cunning, his web one cannot feel
As skillfully and artfully he weaves a bright 'new deal.'

"Will you walk into our party?" Democrats were heard to say;
"Our platform is a covenant; on it we mean to stay.
Each plank accept as solid; it's short but it is true,
The voters of the country can all expect their due.
To farmers and to workers, to all imbued with zeal
We promise a panacea as we weave this bright 'new deal.'

We've a cure for every failure, our store of pills is great; But remember what we promise are the things which can't abate. Covenants are sure and sacred, party platforms must be so; It's a contract with the people in plain words that all may know. When we come into our power, whether it be woe or weal, By the pattern of our platform we will weave this bright 'new deal.'"

So the words were glibly uttered, in convention, in debate, By the candidates and speakers, pledging party's future fate. On all issues, for all problems, Democrats declared their place, To entice the distressed voter in the Nation's hectic race; As the spider used his cunning, so the voters were to feel All enraptured and delighted by the web of this "new deal."

- "Come into our fairy parlor, see the taxes fade away,
  Useless bureaus and commissions shall no longer hold their sway.
  Governmental costs will lessen, 25 percent at least we'll save;
  Balanced Budget, drastic savings, timid voter do be brave.
  Give to us your vote and favor, your approval and your seal,
  Watch the taxes lift and vanish in the web of this 'new deal.'
- "See the beauties of our tariff, facts we'll find to make it true, Not one man but a commission will determine what is due. Free of Presidential power, rates and duties we will make; Shame upon the older methods made for all the workers' sake. Come into our party's parlor, even stay and have a meal, Try this tariff, sure and certain in the web of this 'new deal.'
- "Oh we've other charms and pledges", as the spider snared the fly,
- "A sound dollar real and staple with which you may go and buv.

To the veterans we'll be gracious, justice to them must be done. Government must keep from business, private interests these

should run:

Strengthen all the antitrust laws, these will help the common weal.

Cast your eye, oh trusting voter, on the web of this 'new deal'. "Now we have you in the webbing, as the spider had the

fly; he pledges and attractions will forsooth now have to die. All the

Debts and taxes must be increased, bureaus grow to heights unknown.

Spending billions is our hobby though the taxpayers writhe and

groan. Spend and spend, that is our slogan, never mind the pinch you feel;

Billions squandered, billions wasted, just to weave this bright 'new deal.

'Now that you are in the webbing all our platform falls Filmy the away. theories, brain-trust notions are the order of the

Constitutions are resilient, made to stretch like rubber

bands, Tariffs must be made by one man. Take them from the Con-

gress' hands.

Look to Russia, see the planning, disregard our old ideal,

No more tariffs, mere trade treaties make the web of this

'new deal.'

Now that you are in the webbing, promises we need not keep, Not our party's nor our country's; they've been cast into the deep

Rubber dollars, what's their value? Oh, that can't be told us yet,

We must bend and stretch and pull them, so they'll cover every debt.

German marks were of this fashion; we'll inflate but we'll

How much air we pump into them in the web of this 'new deal.' Now that you are in the webbing, you must give us all your

gold: Though you earned it, bought or mined it, it's not yours to keep and hold.

Shout your protests, cry for freedom; tories, rebels, must give

You've no right to even differ with our orders or our sway. Private rights? Oh, they have vanished under regimented wheel; Liberty? Oh, that we'll stifle in the web of this 'new deal.'

"Now that you are in the webbing, soldiers' rights must crumple,

too.

Justice? That's a campaign promise, it will vanish as the dew.

Cut the veteran; that's our program, we need funds for party pelf:

Democrats must have a pork barrel, to maintain and succor self, Soldiers, just forget our pledges, rouse your fervor and your zeal, Take this pittance, seek no justice, in the web of this 'new deal.'

"Now that you are in the webbing, business men, there's much in store:

Every merchant, every tradesman must hang N.I.R.A. on his door. More control and more dictation, every rule you must obey; What you charge and how much profit, Washington alone can

say. Antitrust laws, oh, forget them, N.I.R.A. does not like their feel:

It's monopolies that help us in the web of this 'new deal.'

Now that you are in the webbing, to the Nation gold you loaned During war days' stress and tumult, bought a bond you thought

you owned.
'Gold I'll pay in sure redemption', promised dear old Uncle Sam,"
And he meant it and believed it, never dreamed that such a slam

Would upset, distort and break it, breach the promise, spoil the seal.

"But this promise must be broken in the web of this 'new deal."

There are many new attractions which we never did unfold In our platform or our speeches; it is well they were not told. We've created new commissions, bureaus seem to leap and grow, Names no longer are availing, just by letters one can know. To remember would be futile; how your head would ache and reel.

So just trustingly accept them in the web of this 'new deal.'

"Then, of course, we did not tell you of our regimenting plan.

By which wheat and corn and cotton were included in our ban;

And the cows' milk must be curtailed, the pigs should have no

young; To this economic planning we would fain have praises sung. All your rights you've given over; they've been trampled under heel

By AA's and other letters in the web of this 'new deal.'"

Now the voters want their freedom; broken planks have given | way,

Unkept covenants and pledges their distress does not allay, Mounting covenants, colossal taxes, Constitution cast aside, Regulate, control, and dictate—on these three all tyrants ride. We want freedom! It's our birthright; for it martyrs strove with zeal.

Lift us, free us, grant deliverance from the web of this "new deal,"

#### NATIONAL VETERANS' CONFERENCE

Mr. LUNDEEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a letter from Doak E. Carter, chairman of the National Veterans' Conference Committee, Victory Post, No. 4, the American Legion:

WASHINGTON, D.C., June 13, 1934.

The Honorable ERNEST LUNDEEN,

Member of Congress.

Dear Sir and Comrade: This committee, under the authority of Victory Post, No. 4, the American Legion, is calling a national conference of representatives of all patriotic veteran organizations and units, to be convened in Washington during October for and units, to be convened in Washington during October for indoctrinating all of the veterans of the World War and Spanish-American War, regardless of their veteran organization affiliation, with the spirit of cooperation and coordination of veterans' objectives, thereby affording the membership of each organization the opportunity to take such action within each particular organized group as will permit and lead to the promotion of a planned national policy to the end that veterans will not always be vulnerable in the face of attack and that the veterans may again he restored to that high level of patriotic idealism which again be restored to that high level of patriotic idealism which was once theirs."

By reason of your consistently favorable attitude toward the eteran this committee feels that it may ask your assistance in this matter

Such a conference will, no doubt, have a great and lasting effect upon veteran thought and activities and upon the welfare of the Nation. So far as we know, this is the first meeting of its kind ever proposed.

Trusting that you will help us, we are, Sincerely yours,

DOAK E. CARTER, Chairman National Veterans' Conference Committee, tory Post, No. 4, American Legion, Department of the District of Columbia.

I favor a national conference of veterans of all wars to consider a veterans' legislative program. The conference proposed by the committee of the Victory Post of the American Legion will offer an opportunity for the veterans to express themselves directly and in a coordinated manner.

This is the first time, in recent years, so far as I know, that the veterans of the Nation have been asked to meet in a general conference, and much good will come from this deliberation. Inasmuch as all patriotic veteran organizations and united organizations are being invited to attend. the findings of the conference will be a cross-section of the opinions of all veterandom. Such an activity will result not only in the consolidation of veteran efforts behind a unified. reasonable program, but will also furnish the Congress with a great deal of highly desirable information. Such a conference successfully consummated will establish a precedent of united expression which heretofore has been sadly lacking in the representations of the various veteran organizations.

A program can be readily drawn setting forth the desires. aims, and intentions of the mass of veterans. Such a program will materially contribute to the solution of the great problems now confronting the veterans of America.

### HON. WILLIAM E. HUMPHREY OF WASHINGTON

Mr. SAMUEL B. HILL. Mr. Speaker, on February 14, 1934, Hon. William E. Humphrey died in Washington, D.C., aged 72 years. Mr. Humphrey was a Representative in Congress from the State of Washington for 14 years, from March 3, 1903, to March 3, 1917, and later was 8 years a member of the Federal Trade Commission.

He was born near Alamo, Montgomery County, Ind., March 31, 1862, and was educated in the schools of that State. He was admitted to the bar in 1887 and commenced the practice of law in Crawfordsville, Ind. He moved to Seattle, Wash., in 1893 and continued the practice of law there, being corporation counsel of the city of Seattle from 1898 to 1902.

He was elected as a Republican to the Fifty-eighth and the six succeeding Congresses and was not a candidate for an eighth term. He was appointed February 25, 1925, by President Coolidge as a member of the Federal Trade Commission and was reappointed to that commission in 1931 by President Hoover.

Mr. Humphrey was of that forceful type of character who pioneered in the settlement and development of the Pacific Northwest. He was a lawyer and attained eminence in that profession before he entered the field of national politics. Always a Republican of the stalwart type, he was a leader in the House of Representatives in maintaining and advancing the principles and policies of his party and attained a national prominence that was both the admiration and envy of men of lesser note. Mr. Humphrey was the essence of loyalty. He never betrayed a cause or a friend. He always rendered the best service that was in him to his State and Nation. His death marked the passing of a human landmark of rugged honesty, efficiency, and loyalty. The memory of his life and associations and the results of his public service will long remain as a monument to a devoted friend of humanity and an outstanding character in American public life.

#### RECESS

Mr. BYRNS. Mr. Speaker, I move that the House stand in recess until 10 o'clock tomorrow.

The motion was agreed to; accordingly (at 9 o'clock and 47 minutes p.m.) the House stood in recess until tomorrow, Saturday, June 16, 1934, at 10 o'clock a.m.

### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. MONTAGUE: Committee on the Judiciary. H.R. 9914. A bill to amend section 4 of "An act to amend an act entitled 'An act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, and acts amendatory thereof and supplementary thereto", approved June 7, 1934; without amendment (Rept. No. 2018). Referred to the House Calendar.

Mr. WILLFORD: Committee on War Claims. Senate Joint Resolution 102. A joint resolution authorizing and directing the Comptroller General of the United States to certify for payment certain claims of grain elevators and grain firms to cover insurance and interest on wheat during the years 1919 and 1920 as per a certain contract authorized by the President; without amendment (Rept. No. 2019). Referred to the Committee of the Whole House on the state of the Union.

Mr. STEAGALL: Committee on Banking and Currency. S. 1639. An act to establish a Federal Credit Union System. to establish a further market for securities of the United States, and to make more available to people of small means credit for provident purposes through a national system of cooperative credit, thereby helping to stabilize the credit structure of the United States; with amendment (Rept. No. 2021). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLOOM: Committee on Foreign Affairs. House Resolution 247. Resolution to provide for defraying the expenses of the American Section, International Boundary Commission, United States and Mexico; without amendment (Rept. No. 2022). Referred to the Committee of the Whole House on the state of the Union.

Mr. McREYNOLDS: Committee on Foreign Affairs. H.R. 9883. A bill to authorize an annual appropriation to pay the pro rata share of the United States of the expenses of the Pan American Institute of Geography and History; without amendment (Rept. No. 2023). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. House Joint Resolution 371. A joint resolution authorizing the creation of a Federal Memorial Commission to consider and formulate plans for the construction, on the apex block, Constitution | REPORTS OF COMMITTEES ON PRIVATE BILLS AND and Pennsylvania Avenues, in the city of Washington, D.C., of a permanent memorial to the memory of Thomas Jefferson, third President of the United States and author of the Declaration of Independence; without amendment (Rept. No. 2025). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee on the Judiciary. H.R. 1617. A bill to provide for the appointment of an additional district judge for the southern district of Texas: without amendment (Rept. No. 2026). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee on the Judiciary. H.R. 3664. A bill to provide for the appointment of an additional district judge for the eastern and western districts of Missouri; without amendment (Rept. No. 2027). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee on the Judiciary. H.R. 4583. A bill to repeal section 2 of chapter 333, Fortyfifth Statutes; without amendment (Rept. No. 2028). Referred to the Committee of the Whole House on the state of

Mr. SUMNERS of Texas: Committee on the Judiciary. H.R. 6136. A bill to provide for the appointment of an additional district judge for the northern district of Georgia; without amendment (Rept. No. 2029). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee on the Judiciary. H.R. 6478. A bill to provide for the appointment of two additional district judges in the United States District Court for the Southern District of New York; without amendment (Rept. No. 2030). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee on the Judiciary. H.R. 7524. A bill to provide for the appointment of an additional district judge in the United States District Court for the Eastern District of Michigan; without amendment (Rept. No. 2031). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee on the Judiciary. H.R. 8142. A bill to provide for the appointment of an additional district judge for the eastern district of Oklahoma; without amendment (Rept. No. 2032). Referred to the Committee of the Whole House on the state of the Union.

Mr. HAINES: Committee on the Post Office and Post Roads. H.R. 8999. A bill to amend the postal laws relating to the appointment of acting postmasters; with amendment (Rept. No. 2033). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee on the Judiciary. H.R. 9458. A bill to provide for the appointment of an additional district judge for the eastern district of Virginia; without amendment (Rept. No. 2034). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee on the Judiciary. H.R. 9746. A bill to amend section 938 of the Revised Statutes to vest the courts with discretion to refuse to order the return of vessels seized for violation of any law of the United States; and to amend subsection (b) of section 7 of the Air Commerce Act of 1926, as amended, to provide for the forfeiture of aircraft used in violation of the customs laws; without amendment (Rept. No. 2035). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee on the Judiciary. H.R. 9948. A bill to provide for the appointment of an additional district judge for the southern district of California; without amendment (Rept. No. 2040). Referred to the Committee of the Whole House on the state of the Union.

Mr. LANZETTA: Committee on Immigration and Naturalization. H.R. 6852. A bill for the admission to citizenship of aliens who came into this country prior to February 5, 1917; with amendment (Rept. No. 2041). Referred to the House Calendar.

RESOLUTIONS

Under clause 2 of rule XIII,

Mr. McSWAIN: Committee on Military Affairs. H.R. 3528. A bill granting a pension to Marie Beck: without amendment (Rept. No. 2020). Referred to the Committee of the Whole House.

### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. RANKIN: A bill (H.R. 9936) to compensate widows and children of persons who died while receiving monetary benefits for disabilities directly incurred in or aggravated by active military or naval service in the World War; to the Committee on World War Veterans' Legislation.

By Mr. TARVER: A bill (H.R. 9937) to create a national memorial park at and in the vicinity of New Echota, in the State of Georgia, and for other purposes; to the Committee on the Public Lands.

By Mr. McCANDLESS: A bill (H.R. 9938) to authorize the Governor of the Territory of Hawaii to remove certain officers and members of boards without the advice and consent of the Senate of said Territory; to the Committee on the Territories.

By Mr. KNUTE HILL: A bill (H.R. 9939) authorizing the States of Washington and Idaho to construct, maintain, and operate a free highway bridge across the Snake River between Clarkston, Wash., and Lewiston, Idaho; to the Committee on Interstate and Foreign Commerce.

By Mr. KNUTSON: A bill (H.R. 9940) to guard and protect the people of the United States against famine and shortage of food; to provide for the purchase and safekeeping by the Government of stocks of wheat, rye, corn, oats, and barley for use and consumption in times of economic distress due to shortage of food supplies; and for other purposes; to the Committee on Agriculture.

By Mr. McDUFFIE: A bill (H.R. 9946) providing for the ratification of Joint Resolution No. 59 of the Legislature of Puerto Rico, approved by the Governor May 5, 1930, imposing an import duty on coffee imported into Puerto Rico; to the Committee on Insular Affairs.

By Mr. BUCHANAN: A bill (H.R. 9947) to provide for the classification of cotton by grade and staple for producers, to furnish farmers timely information on market supply, demand, location, conditions, and market prices for cotton, and for other purposes; to the Committee on Agriculture.

By Mr. SUMNERS of Texas: A bill (H.R. 9948) to provide for the appointment of an additional district judge for the southern district of California; to the Committee on the

By Mr. SIROVICH: Resolution (H.Res. 446) stating that the Government of the United States in its executive departments is a great business enterprise, with a Capital, number of employees, and scope of functions beyond any commercial organization in the Nation; to the Committee on Expenditures in the Executive Departments.

By Mr. SABATH: Resolution (H.Res. 448) providing for the expenses of the investigation authorized by House Resolution 412; to the Committee on Accounts.

By Mr. BLACK: Resolution (H.Res. 449) providing for the expenses of the investigation authorized by House Resolution 336; to the Committee on Accounts.

By Mr. BYRNS: Joint resolution (H.J.Res. 375) to effectuate further the policy of the National Industrial Recovery Act: to the Committee on Labor.

### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CALDWELL: A bill (H.R. 9941) for the relief of Walter L. Rosasco; to the Committee on Military Affairs.

By Mr. DOWELL: A bill (H.R. 9942) for the relief of Frank L. Williams; to the Committee on Claims.

Also, a bill (H.R. 9943) for the relief of Mrs. Harry E. Craven; to the Committee on Claims.

By Mr. WALTER: A bill (H.R. 9944) for the relief of the Bethlehem Fabricators, Inc.; to the Committee on Claims.

By Mrs. McCARTHY: A bill (H.R. 9945) granting a pension to Estella May Duckworth; to the Committee on Pensions

### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5160. By Mr. FOCHT: Petition of Local Union, No. 1851, United Textile Workers of America, praying support of Wagner bill; to the Committee on Labor.

5161. By Mr. FOSS: Petition of the General Court of Massachusetts, favoring enactment of the Hatfield-Wagner bill, providing for a retirement system for railroad employees; to the Committee on Interstate and Foreign Commerce.

5162. By Mr. KENNEY: Petition in the nature of a resolution of the Senate and General Assembly of the State of New Jersey, requesting the Federal Government to pass such measures and take action necessary to blot out lynch law and vouchsafe to every citizen life, liberty, and the pursuit of happiness as guaranteed in our Bill of Rights; to the Committee on the Judiciary.

5163. By Mr. LEHR: Petition of the rural carriers of Jackson, Mich., for the appointment of substitute postal employees to regular positions; to the Committee on the Post Office and Post Roads.

5164. Also, petition of the National Federation of Post Office Clerks Ladies' Auxiliary, Jackson, Mich., for the appointment of substitute postal employees to regular positions; to the Committee on the Post Office and Post Roads.

5165. Also, petition of the National Association of Substitute Post Office Employees, Branch No. 62, Jackson, Mich., favoring the appointment of substitute postal employees to regular positions; to the Committee on the Post Office and Post Roads.

5166. Also, petition of the National Association of Letter Carriers, Branch No. 232, Jackson, Mich., favoring the appointment of substitute postal employees to regular positions; to the Committee on the Post Office and Post Roads.

5167. Also, petition of the National Federation of Post Office Clerks, Branch No. 273, Jackson, Mich., favoring the appointment of substitute postal employees to regular positions; to the Committee on the Post Office and Post Roads.

5168. By Mr. LINDSAY: Telegram from the Chase Bag Co., New York City, urging support of Department of Agriculture amendment to Agricultural Act to permit refund on floor stocks of cotton burlap and paper bags; to the Committee on Agriculture.

5169. Also, telegram from Locals 63 and 142, New York Amalgamated Clothing Workers of America, New York City, urging passage of the Connery 30-hour-week bill; to the Committee on Labor.

5170. Also, petition of the National Association of Cotton Manufacturers, Boston, Mass., opposing House bill 419 and Senate bill 256; to the Committee on Interstate and Foreign Commerce.

5171. Also, petition of Nathan D. Perlman, vice president American Jewish Congress, New York City, urging enactment of House bills 9364, 8312, and 9725; to the Committee on Immigration and Naturalization.

5172. By Mr. RUDD: Petition of the Stone Mason's Union, No. 47, B. M. & P. I. U. of America, 96 Wilson Avenue, Brooklyn, N.Y., favoring the passage of the Wagner disputes bill (S. 2926); to the Committee on Labor.

5173. Also, petition of the Montefiore Hospital Alumni Association, New York City, favoring the passage of House bill 7598, the Lundeen bill; to the Committee on Labor.

5174. By Mr. STRONG of Pennsylvania: Petition of the mayor of the city of Johnstown, Pa., requesting a congressional investigation with a view to placing responsibility for the failure of the banks of that city; to the Committee on Banking and Currency.

5175. By the SPEAKER: Petition of Donald Cross and others, supporting Senate bill 3231 and House bill 9596; to the Committee on Labor.

## SENATE

### SATURDAY, JUNE 16, 1934

(Legislative day of Wednesday, June 6, 1934)

The Senate met at 9 o'clock a.m., on the expiration of the recess.

### CALL OF THE ROLL

Mr. ROBINSON of Arkansas. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following
Senators answered to their names:

Adams	Couzens	Johnson	Reynolds
Ashurst	Cutting	Kean	Robinson, Ark.
Austin	Davis	King	Robinson, Ind.
Bachman	Dickinson	La Follette	Russell
Bailey	Dieterich	Lewis	Schall
Bankhead	Dill	Logan	Sheppard
Barbour	Duffy	Lonergan	Shipstead
Barkley	Erickson	Long	Smith
Black	Fess	McCarran	Steiwer
Bone	Fletcher	McGill	Stephens
Borah	Frazier	McKellar	Thomas, Okla.
Brown	George	McNary	Thomas, Utah
Bulkley	Gibson	Metcalf	Thompson
Bulow	Glass	Murphy	Townsend
Byrd	Goldsborough	Neely	Tydings
Byrnes	Gore	Norbeck	Vandenberg
Capper	Hale	Norris	Wagner
Caraway	Harrison	Nye .	Walcott
Carey	Hastings	O'Mahoney	Walsh
Clark	Hatch	Overton	Wheeler
Connally	Hatfield	Patterson	White
Coolidge	Hayden	Pittman	
Costigan	Hebert	Pope	

Mr. ROBINSON of Arkansas. I announce the absence of the Senator from California [Mr. McAdoo] occasioned by continued illness, and the absence of the Senator from Florida [Mr. Trammell], the Senator from Indiana [Mr. Van Nuys], and the Senator from New York [Mr. Copeland] who are necessarily detained from the Senate.

Mr. HEBERT. I wish to announce that the Senator from Pennsylvania [Mr. Reed] is absent on account of illness and that the Senator from New Hampshire [Mr. Keyes] is necessarily detained from the Senate.

The VICE PRESIDENT. Ninety Senators have answered to their names. A quorum is present.

### PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a telegram in the nature of a petition from United Umbrella Workers' Local Union, No. 19164, American Federation of Labor, of New York City, N.Y., praying for the passage of Senate bill 2926, the so-called "labor disputes bill", without any amendment, which was ordered to lie on the table.

He also laid before the Senate a letter from Hilda Phelps Hammond, chairman of the Women's Committee of Louisiana, enclosing telegrams from Edith R. Battey, Democratic national committeewoman for Montana, Billings, Mont.; Mrs. E. C. Young, Spokane, Wash.; and Mrs. Bertha M. Fields, Marietta, Ga., endorsing a paper in the nature of a petition signed by sundry national committeewomen, praying for a prompt, full, and fair investigation in open hearings of the charges filed by the Women's Committee of Louisiana against the Senators from Louisiana, Mr. Long and Mr. Overton, which, with the accompanying paper, was referred to the Committee on Privileges and Elections.

### PETITIONS OF THE PHILIPPINE LEGISLATURE

The VICE PRESIDENT laid before the Senate a letter from Hon. Pedro Guevara, Resident Commissioner from the Philippines, transmitting copies of Concurrent Resolutions Nos. 52, 54, and 56, adopted by the third special session of the Ninth Philippine Legislature, which, with the accompanying papers, was ordered to lie on the table and to be printed in the Record, as follows:

Congress of the United States, House of Representatives, Washington, D.C., June 16, 1934.

The VICE PRESIDENT,

Washington, D.C.

Sir: I have the honor to transmit herewith copies of three concurrent resolutions, nos. 52, 54, and 56, adopted during the third special session of the Ninth Philippine Legislature, received through the mail this morning. Most respectfully yours,

PEDRO GUEVARA.

Concurrent Resolution 52

Concurrent resolution petitioning the Congress of the United States of America to reconsider its action on the excise tax on Philippine coconut oil or in case Congress fails to reconsider its action, requesting the President of the United States to veto the same

Whereas in its present session the Congress of the United States of America passed the revenue bill providing among other things the levying of an excise tax of 3 cents gold on each pound of Philippine coconut oil, or on oil extracted from Philippine copra imported into the United States of America;

Whereas notwithstanding the 2 cents gold differential tax provided for by the American Congress in favor of Philippine coconut oil, the imposition of 3 cents gold on oil coming from the Philippines will necessarily increase to more than 300 percent the market value thereof in America, thereby practically eliminating said commodity from that market: nating said commodity from that market;

Whereas up to the present the American market is the only best available market for the Philippine copra and coconut oil so that the exclusion of this commodity from said market will consequently kill the copra industry in the Philippines;

Whereas according to the statistics of the Departments of Agriculture and Commerce more than 4,000,000 Filipinos are depending for their living on the copra industry, while on the other

pending for their living on the copra industry, while on the other hand the government income derived therefrom amounts to more than 4,000,000 pesos per year, which amount will be entirely lost to the government of the Philippine Islands once the copra industry is paralyzed;

Mhereas the imposition of the excise tax on Philippine coconut oil is contrary to the letter and spirit of the provision of section 6, paragraph (b) of the Tydings-McDuffie Act accepted today by the Philippine Legislature under the provision of section 17 thereof; which section 6, paragraph (b), in the opinion of the Philippine Legislature constitutes a covenant and which for all intents and purposes is in the nature of a commercial treaty between America and the Philippine Islands insofar as their economic and trade relations are concerned. Now therefore be it

between America and the Philippine Islands insofar as their economic and trade relations are concerned: Now, therefore, be it Resolved by the house of representatives (the Philippine Senate concurring), To petition, as it does hereby petition, the American Congress to reconsider its action on the pertinent portion of the revenue tax of the United States of America imposing an excise tax of 3 cents gold on each pound of Philippine coconut oil by completely eliminating therefrom said tax, or at least excluding from the imposition thereof Philippine coconut oil intended for industrial and not for human consumption purposes:

tended for industrial and not for human consumption purposes;

Resolved further, That should this petition fail to be granted
by the American Congress, the President of the United States of America is hereby respectfully requested to disapprove or suspend the effect of the portion of the revenue bill imposing the excise tax above mentioned, or to exclude the Philippine Islands from

the effect of said tax;

Resolved finally, That copy of this resolution be furnished through the Resident Commissioner in Washington, Hon. Pedro Guevara, to the President of the American Senate, the Speaker of the House of Representatives, and the President of the United States of America.

Adopted,

Manuel Quezon,
President of the Senate.
QUINTIN PAREDES,

Speaker of the House of Representatives. Finally adopted by the senate on May 1, 1934.

FERMIN TORRALBA Secretary of the Senate.

This resolution which originated in the house of representatives was finally adopted by the same on May 1, 1934. [SEAL]

José la O, Acting Secretary of the House of Representatives.

### Concurrent Resolution 54

Concurrent resolution petitioning the Congress of the United States to reconsider its action making retroactive to January 1, 1934, the provisions of the so-called "Jones-Costigan bill"; requesting the President of the United States to disapprove said bill, failing its reconsideration by Congress, or to suspend its application to the Philippine Islands during the calendar year 1934; and for other purposes

Whereas the Congress of the United States has recently passed a bill, commonly known as the "Jones-Costigan bill", to include sugar beet and sugar cane as basic agricultural commodities under the Agricultural Adjustment Act; Whereas section 9 of said bill provides for the retroactive effect thereof to the 1st day of January 1934, notwithstanding the fact

that in the case of Philippine sugar more than 1,030,000 short tons have already been shipped and sold prior to the enactment of said bill, and there still remain to be disposed of, of the crop to be harvested prior to July 1, 1934, approximately 400,000 short tons of sugar;

Whereas the inclusion of the sugar already shipped to the United States prior to the enactment of the Jones-Costigan bill in the quota to be given to the Philippine Islands for the calendar in the quota to be given to the Philippine Islands for the calendar year 1934 would necessarily result in a tremendous surplus which will have to be carried over to 1935, which surplus, together with the 1934-35 crop, would leave no appreciable quota for 1936, thus vitally crippling the sugar industry of the Philippines and causing grave consequences to the millions of inhabitants dependent upon said industry, and would further render impracticable a just and equitable enforcement of the provisions of said bill among the sugar producers in the Philippines: Now, therefore, be it

\*Resolved by the house of representatives (the Philippine Senate concurring), To respectfully petition, as it does hereby petition, the American Congress to reconsider its action on the pertinent portion of the said Jones-Costigan bill making its provisions retroactive to January 1, 1934;

\*Resolved further, That should this petition fail to be granted by the American Congress, the President of the United States of America is hereby respectfully requested to disapprove said Jones-Costigan bill; and, failing this, to suspend the application of the provisions of the said bill to the Philippine Islands during the calendar year 1934, under the authority granted him in section 7 thereof:

calendar year 1934, under the authority granted him in section 7 thereof:

Resolved further, That in the event the Jones-Costigan bill should be enacted into law and the President of the United States should be enacted into law and the President of the United States should extend its provisions to the Philippine Islands, that the Secretary of Agriculture of the United States be, and he hereby is, respectfully petitioned to fix a quota of 400,000 short tons of sugar for the Philippine Islands for the second semester of the calendar year 1934 without regard to the shipments and sales made prior thereto, and that the regular quota for the Philippine Islands under the provisions of said bill be made to take effect starting with the calendar year 1935; and

\*Resolved finally, That a copy of this resolution be furnished through the Resident Commissioner in Washington, Hon. Pedro Guevara, to the President of the United States, the presiding officers of both Houses of the United States Congress, and the Secretary of Agriculture of the United States.

\*Adopted, May 4, 1934.

Adopted, May 4, 1934.

MANUEL QUEZON. President of the Senate.
QUINTIN PAREDES,

Speaker of the House of Representatives. Finally adopted by the senate on May 4, 1934.

FERMIN TORRALBA Secretary of the Senate.

This resolution, which originated in the house of representatives, was finally adopted by the same on May 2, 1934.

José LA O,

Acting Secretary of the House of Representatives.

### Concurrent Resolution 56

Concurrent resolution petitioning the Congress of the United States to classify cigars manufactured in the Philippine Islands States to classify cigars manufactured in the Philippine Islands on the same basis as cigars manufactured in the continental United States under House bill no 8735 introduced by Congressman Haines in the Congress of the United States, amending section 400 (a) of the Revenue Act of 1926 reducing the tax rate of \$2 paid on cigars weighing more than 3 pounds per thousand to \$1, the reduction to be applicable only to cigars manufactured in the continental United States, and for other numbers.

purposes

Whereas a bill has been introduced by Representative Haines in the Congress of the United States (H.R. 8735) amending section 400 (a) of the Revenue Act of 1926 reducing the tax rate of \$2 paid on cigars weighing more than 3 pounds per thousand and retailed now at not more than 3 cents each, to \$1, and this reduction is to be applicable only to cigars manufactured in the continental United States;

Whereas this bill is a discrimination against Philippine cigars imported into the United States as they would pay double the internal-revenue tax paid by similar cigars made in the continental United States, and thus violate the reciprocity provisions contained in section 301 of the United States Tariff Act of 1930 which provides that Philippine merchandise coming from the Philippines into the United States will pay taxes equal to the internal-revenue taxes imposed in the United States upon like articles; articles:

Whereas the tobacco trade between the United States and the Whereas the tobacco trade between the United States and the Philippine Islands is truly reciprocal due to the importation into the Philippine Islands of American cigarettes, Florida and Georgia wrapper, Virginia tobacco for cigarette manufacture, tobacco machinery and supplies for tobacco factories, including cartons, cellophane, flaps, bands, etc.;

Whereas this bill is an indirect amendment of the economic provisions of the Tydings-McDuffie Act, now accepted by the Philippine Legislature.

Provisions of the Tydings-McDuffie Act, now accepted by the Philippine Legislature;

Whereas said bill would cause the complete ruin of the cigar trade of the Philippine Islands in the United States, would work hardships on the tobacco farmers in the Philippine Islands, and would reduce our government revenue to a considerable extent: Now, therefore, be it

Resolved by the house of representatives (the Philippine Senate concurring), To petition, as it does hereby petition, the United States Congress to classify cigars manufactured in the Philippine Islands on the same basis as cigars manufactured in the continental United States under House bill no. 8735 reducing the tax on cigars produced in the continental United States from \$2 to

Resolved finally, That copies of this resolution be furnished, through Resident Commissioner Pedro Guevara in Washington, to the President of the United States, the presiding officers of both Houses of the United States Congress, and the Secretary of Agriculture of the United States.

Adopted May 5, 1934.

Manuel Quezon,
President of the Senate.
QUINTIN PAREDES,

Speaker of the House of Representatives. Finally adopted by the senate on May 5, 1934.

Secretary of the Senate.

This resolution, which originated in the house of representatives, was finally adopted by the same on May 5, 1934.

> JOSÉ LA O Acting Secretary of the House of Representatives.

ANTILYNCHING LEGISLATION

Mr. COSTIGAN. Mr. President, it is necessary for me to enter this discussion long enough to make two very brief

It is becoming regrettably evident that well-matured plans look to the adjournment of the Congress without an opportunity being provided for the consideration of the fundamentally important antilynching bill, Senate bill 1978, introduced by the Senator from New York [Mr. WAGNER] and myself.

We have patiently and persistently pressed for consideration of this measure, which was favorably reported from the Judiciary Committee and is now on the Senate Calendar. We have every reason to believe that a substantial majority of both branches of Congress desires and would approve the measure. Public opinion supports it with overwhelming endorsements. It is demanded by every consideration of orderly government, humanity, and wisdom. We know, and leaders here know, that the President of the United States has expressed his strong desire for its enactment at this session: but it is more than evident that the constant priority given other bills by those having legislation in charge here will not include this civilized and civilizing reform. For lack of that assurance, with others, some of us oppose and will vote against final adjournment.

For the moment I defer further comment on these distressing developments, and offer for printing in the RECORD without the signatures and to lie on the table a last-moment petition for the enactment of the antilynching bill. It is signed by G. W. A. Murray and about 560 other citizens of the State of New York.

There being no objection, the petition was ordered to lie on the table and to be printed in the RECORD, without the signatures, as follows:

We, the undersigned residents of the State of New York, in view of the failure of the several States to cope adequately with the problem of lynching and to assure the citizens of the Nation of problem of lynching and to assure the citizens of the Nation of due process of law and the protection of life and limb, believing that the Federal Government is morally and constitutionally obligated to act for the abolition of the evil under which more than 5,000 Americans of all races and both sexes have been murdered by mobs since 1882, do hereby endorse and express our approval of the Costigan-Wagner antilynching bill (S. 1978). We do further petition and urge our legislative representatives, Senators ROBERT F. WAGNER and ROYAL S. COPELAND, and Representative ROBERT L. BACON, not only to vote for this bill but to work vigorously and assiduously for its passage, and we urge that the President of the United States use all his power and influence to the end that the bill be voted upon and enacted as law at the present session of the Congress of the United States. present session of the Congress of the United States. Dated, May 1934.

Mr. LONG. Mr. President, for a number of years, as is well known, lynchings occurred in the South. Now they have gone more or less to other climes, to the West and to the North. Those sections have had trouble with lynching, and, of course, we are, indeed, in sympathy with their efforts

to exterminate it. It is merely a matter of a State performing its duty, which, of course, it can perform better than any other authority. In my State of Louisiana I had the honor to have been Governor for 4 years. The State touches the Gulf of Mexico. There was not a lynching in the State during the period I was Governor.

I was indeed sorry to see that there were lynchings in California; I was indeed sorry to see the riots that oc-curred in such places as East St. Louis; but it is a salutary fact that we find lynching practically a forgotten matter in my section of the country, and I am sure that the States of the West and North which are now experiencing trouble will profit by what we have done and will exterminate lynching as well as we have done in Louisiana.

#### THE ADMINISTRATION'S SUGAR ACT

Mr. COSTIGAN. Mr. President, so much misinformation has been circulated about the administration's sugar law passed at this session of the Congress, and with reference to the popular understanding and support of it by sugar growers in this country, that it appears desirable, if only for historic accuracy, to ask, as I now do, to have printed in the RECORD and lie on the table certain typical communications in the form of telegrams, letters, resolutions, and newspaper articles received, out of many, from informed citizens and groups of citizens about the legislation. First, I offer the following representative letters and telegrams, in whole or in

The VICE PRESIDENT. Without objection, the matter will lie on the table and be printed in the RECORD.

The matters referred to are as follows:

THE MOUNTAIN STATES BEET GROWERS Marketing Association, Greeley, Colo., January 26, 1934.

Hon. Edward P. Costigan,

Senate Chamber, Washington, D.C.

Dear Senator: I am enclosing an article published in the Greeley Tribune Republican. This paper has been kind enough to publish several articles for me in support of the sugar bounty, though editorially they oppose the bounty idea.

Being vice president of the Mountain States Beet Growers Mar-

keting Association, and living only 2 miles from the office, I have had a pretty good opportunity to study the sugar-beet question.

I have supported you and your plan from the start. It looks to me as though something practical could be worked out for sugar either under A.A.A. or by separate legislation.

Yours truly,

Chas. O. Plumb.

GREELEY, Colo., February 20, 1934.

Hon. Edward P. Costican,

Senate Office Building, Washington, D.C.

Dear Senator: It is my duty and my pleasure to commend your position in respect to the Nation's sugar industry. I yield to none in my fervor for the welfare of our good State and would not have commented the suffer unnecessary penalties, but am conour Commonwealth suffer unneces sary penalties, but

our commonweath stater unnecessary penatics, but an convinced, and long have been, that the present sugar policy of the Government is wrong and vicious.

As a citizen of Colorado, I am proud of the courage, thought, and vigor you are giving to this issue. I have no fear that you require my applause, but neither do I doubt your appreciation of my appraisal of the part you are playing.

So having been a close student of the beet-sugar industry for

So, having been a close student of the beet-sugar industry for 30 years, face to face, I may be excused for an opinion: The legislation outlined in the bill you have introduced offers the best way, at least for the time. The economics of the whole Nation call for substantially the plan you have outlined, and the industry therefore owes you its gratitude. Whether it yields commendation now or not, the near future should approve your course.

With every good wish,

GEORGE M. HOUSTON, Former Mayor of Greeley, Colo.

THE MOUNTAIN STATES BEET GROWERS MARKETING ASSOCIATION Greeley, Colo., April 18, 1934.

Hon. EDWARD P. COSTIGAN,

Hon. Edward P. Costigan,

Senate Chamber, Washington, D.C.

My Dear Senator: Beet farmers are grateful to you for your efforts to save the industry. A year or so ago I could not bring myself to believe that the bounty plan, while admittedly practical, would ever secure the Nation-wide endorsement necessary to secure its enactment into law. But the complete collapse of our present protective policy has fully demonstrated the necessity of adopting other modes of sustaining the industry. And along with protecting the whole industry through benefit payments, we have a plan in the pending legislation of protecting the individual beet farmer in his contract relations with the sugar company. company.

Our work is, however, not completed with the passage of your bill. We must now be very persistent in securing for the beet farmer the rights and benefits accorded him in the law.

Growers have pushed aside the uncertain Great Western contract and not planted beets, choosing rather to take the risks of planting late than to accept the company contract which might place the Government in the position of having to ratify the company contract, or let the beets waste in the field.

At this data there is not in excess of 10 percent of the beets

company contract, or let the beets waste in the field.

At this date, there is not in excess of 10 percent of the beets planted, while thousands of acres are ready.

I kindly wish that you would most earnestly urge the Department of Agriculture to have a statement or ruling ready to the effect that the Secretary will assure beet farmers signing the contract, after the law is passed, that he will see to it that they are accorded every benefit intended for them under the law.

The growers are willing to trust the Secretary and will abide by his decision. With the passage of the law, the beets must go in the ground at once, for it is late already. A word from him upon the coming into effect of the law is all that is absolutely necessary, and details of contracts and what not can stand aside for a little while.

You may assure the Department that our beet farmers will cooperate. Kindly see that arrangements are made so that we can plant at once and still be assured that the Secretary will protect growers no more or no less than the law contemplates.

Again, will you be so kind as to have the Department wire us

their ruling or statement just as quick as possible after the passage of the law. In the event there is hesitancy, a wire from you will be helpful and appreciated.

Sincerely yours,

J. D. PANCAKE. Secretary.

NIWOT, COLO., March 30, 1934.

Senator EDWARD P. COSTIGAN,

Washington, D.C.

Honorable Sir: Workers in the Colorado sugar-beet industry are behind you in your effort to gain for us the rights of existence.

We deeply appreciate your patriotic stand for your constitu-

ents and fellow men.

JOHN B. TAFOYA,
Secretary Colorado Beet Workers Association.

DENVER. COLO., April 23, 1934.

Senator Edward P. Costigan,

Senate Office Building, Washington, D.C.

Dear Senator Costigan: On behalf of organized labor of Colorado, I desire to congratulate you upon the passage of the Costigan-Jones sugar bill.

While the wild labor provisions do not appear to be all that we

gan-Jones sugar bill.

While its child-labor provisions do not appear to be all that we desired, we recognize a great forward step toward the eradication of child labor in the passage of this bill.

\* \* Your radio broadcast on sugar and your consistent fight in the interest of the producers and laborers in the sugarbeet industry have earned and received commendation from all the thinking people of the State.

With best wishes, I am,

Sincerely yours,

John E. Goss.

JOHN E. Goss.

Secretary-Treasurer Colorado State Federation of Labor. WASHINGTON, D.C., April 9, 1934.

Hon. EDWARD P. COSTIGAN,

United States Senate, Washington, D.C.

My Dear Senator: I am writing you with reference to the proposed sugar legislation, that is, the bill S. 3212, introduced by you March 28, 1934. This bill has, as you know, been amended and passed by the House. We feel this proposed legislation holds out great promise of giving long-needed relief to our beet farmers and at the same time it lays a foundation for a solution of the entire sugar problem of the United States. Most comprehensive legislation involves some compromises on the part of the parties directly affected, as does this proposal. But the situation of our farmers is acute and the need for action is imperative. I strongly believe this to be the very best and fullest measure of relief that it is now possible to obtain for our farmers under existing conditions. Further, I firmly believe the plan is workable and sound and that with friendly and capable administration it holds out possibilities for greater prosperity than has been enjoyed by our beet farmers heretofore. Once we have the legislation and operate under it, the weak spots will be discovered and they can and should be corrected by supplemental additional legislation. By this additional legislation we will also hope to obtain for our farmers a larger share of the American sugar market. United States Senate, Washington, D.C.

I know of your keen interest in this problem and want to take this opportunity to thank you for the cooperation you have given and your able championship of our cause. Without the able and kindly assistance of yourself and many others of our friends in both branches of the Congress, the continental sugar industry of the United States would surely face disaster.

With kind personal regards, I am,
Sincerely,

Chas. M. Kearney,
President National Beet Growers' Association.

GREELEY, Colo., Merch 23, 1934.

Hon. Edward P. Costigan,

Senate Chamber, Washington, D.C.:

Replying to your telegram just received, will kindly say we have confidence that you and other members of Colorado congressional delegation and other friends laboring for the best interests of the delegation and other friends laboring for the best interests of the beet industry will secure best terms possible in pending sugar legislation to insure its early passage, and we accept the results of all your efforts, feeling that you and your associates have welfare of individual beet farmer at heart.

MOUNTAIN STATES BEET GROWERS' MARKETING ASSOCIATION,
A. L. LITEL, President.

J. D. PANCAKE, Secretary.

GREELEY, Colo., March 27, 1934.

GREELEY, Colo., March 27, 1934.

Hon. Edward P. Costigan,
Senate Chamber, Washington, D.C.:

Appreciate telegram of 26th reciting efforts to expedite sugar legislation. No attempt yet made to negotiate beet contract with Great Western, though planting season here. Holly Co. offering contract among Delta and Grand Junction growers containing provisions for making reduction in beet payments in event of tariff reduction or for company paying processing tax. One blanket provision stipulates company may modify or amend contract terms touched by national legislation or Government regulation, including restriction of output or sugar sales. Obviously amount of additional payments for past crop to our farmers depend upon Washington legislation. No one can estimate impending disaster awaiting beet farmer if sugar legislation falls or is delayed too long. Growers deeply appreciate your efforts to obtain purchasing price guarantee per ton.

Mountain States Beet Growers' Marketing Association,
J. D. Pancake, Secretary.

ROCKYFORD, COLO., March 24, 1934.

ROCKYFORD, Colo., March 24, 1934.

The Honorable Edward P. Costigan,
United States Senator, Washington, D.C.:

The Southern Colorado Beet Growers' Association meeting at
La Junta today respectfully urge you to hasten sugar legislation.

Time for planting makes it imperative that we growers know our
status for this year. Anything you can do to expedite matters
will be greatly appreciated.

Southern Colorado Beet Growers' Association,
H. H. Hampton, Secretary.

DENVER, Colo., April 5, 1934.

Hon. EDWARD P. COSTIGAN.

Senate Office Building:

Resolved, That we urge the speedy passage of the pending sugar bill in the Senate as passed in the House, with such amendments, if any, that may improve the position of the growers; and, further, that we have confidence in the administration of this legislation by the Department of Agriculture; and that the several associations will await passage of this bill before taking further steps in attempting to negotiate a contract for 1934.

MOUNTAIN STATES BEET GROWERS' MARKETING ASSOCIATION.

COLORADO-NEERASKA COOPERATIVE BEET GROWERS.

MONTANA-WYOMING BEET GROWERS' ASSOCIATION.

WHEATLAND BEET GROWERS' ASSOCIATION. WYOMING. Senate Office Building:

WHEATLAND BEET GROWERS' ASSOCIATION, WYOMING.

Senator E. P. Costigan,

United States Senate, Washington, D.C.:
Growers' mass meetings northern Colorado unanimously appeal to Congress for immediate favorable consideration of Jones-Costigan bill. Desperate condition exists. Planting season half over.

ALBERT DAKAN,
Secretary Beet Growers' Committee.

LONGMONT, COLO., April 14, 1934.

Hon. Edward P. Costigan,

Senate Chamber, Washington, D.C.:

Sincerely urge prompt action on Costigan-Jones bill. Farmers should be planting beets if returns are to be satisfactory. Further delay will tend to reduce tonnage and sugar content. Good beet crop means much to farmer, labor, and business. Experience has demonstrated progressing waste then progress. demonstrated poor crop worse than none.

First National Bank.

LONGMONT NATIONAL BANK.

BRIGHTON, Colo., March 16, 1934.

Hon. Edward P. Costigan,

United States Senator, Washington, D.C.

Dear Senator: I have attended quite a number of beet-growers meetings in the past month or so, and can assure you as president of the Brighton local of the Mountain States Beet Growers' Association, that any letter or resolution you have received from me has always been officially presented at the beet-growers meetings and in every instance have been unanimously adopted by the real beet growers, which leads me to believe that the large majority

of beet growers would readily accept the administration's sugar bill rather than create a controversy which they realize if prolonged can be very detrimental to their interest.

Sincerely yours,

BERT THORNTON.

Mr. COSTIGAN. Next I present for the RECORD the following resolutions adopted by various sugar-beet growers.

The VICE PRESIDENT. Without objection, they will be printed in the RECORD.

The matters referred to are as follows:

JANUARY 30, 1934.

Hon. Edward P. Costigan,

United States Senator, Washington, D.C.

Dear Sir: Whereas we, the beet growers and dairymen of the State of Colorado, feel the necessity for immediate action on the part of the administration;

Whereas it must be admitted there is a crying need for an adjustment of the new deal if that deal is intended to help the

beet growers and the dairymen of the United States;
Whereas the farmers, either through financial conditions or
otherwise, are forced to accept any price offered by the manufacturers of farm products and in every instance the price offered
and which the farmers have to accept is considerably less than the cost of production;

Whereas we are forced to buy manufactured commodities in a market which is protected by the administration through a costplus system, which, if some adjustment beneficial to our interests is not made in the near future we can no longer continue

Whereas the only market available for farm products is an organized buyers' market where competition is eliminated;
Whereas having been placed in a position to sell our farm products in an unrestricted market and forced to buy manufactured commodities in a market protected by law leads us to believe that if there is not an immediate adjustment we can hardly hope to continue as farmers even though a farm be given

whereas we are not recommending or asking for any particular plan, but we believe that you as Senators and Representatives from the State of Colorado fully understand our condition and will make every effort possible to bring to the attention of this administration the necessity of some plan to relieve us of these unfair and deplorable conditions;

Whereas we commend the effort of Senator Costigan in seeking to make sugar a basic commodity and recommend that Senator Adams and our Congressmen work to that effect. The administration is not the cause of our present condition but has the power to adjust matters so our condition may be changed. Failure to use that power places the responsibility on the administration.

Truly yours,

DAIRYMEN'S COOPERATIVE ASSOCIATION. Forwarded by Bert Thornton, Brighton, Colo.

To the United States Senators and Congressmen from the State of Colorado:

Whereas as beet growers for several years, experience has taught us that to get the best returns from a crop of sugar beets they should be planted anywhere from the last week in March to the should be planted anywhere from the last week in March to the 15th of April. We, the real beet growers, whose only chance for a fair price for our beets realize that chance is dependent on governmental regulation of the sugar industry. We appreciate the efforts of our friends and representatives in Washington on the sugar question. To prolong the controversy could be detrimental to our interests. What we can gather from the newspapers it appears to us that the quotas in the Costigan bill are the things that are creating the argument.

As time for planting is drawing near we would recomend that the bill give the President full power to alter or amend the quotas as he may deem necessary.

as he may deem necessar

We are confident the President will give us a quota fair to our interests and the interests of the Nation as a whole.

This resolution was adopted by a body of beet growers of the Weld County local of the Colorado Farmers' Protective Association March 1, 1934.

JAMES I. SMITH, President. W. S. SPALLINGS, Secretary.

BRIGHTON, Colo., March 8, 1934.

To the United States Senators and Congressmen from the State of Colorado.

Senator E. P. Costigan, United States Senator from Colorado, Washington, D.C.

Whereas we, the real beet growers, realize the importance of having sugar made a basic commodity, and therefore earnestly urge the passage of the Costigan bill to that effect.

Our condition has become so distressing that even a temporary relief at this time is much better than no relief at all. We do not believe that President Roosevelt, the administration, or Senator Costigan desires or intends to eliminate the sugar industry of the United States, so long as that industry is a benefit to the producer and laborer as well as to the sugar companies.

Time must be considered if the beet growers are to receive any benefit for the year 1934 through governmental regulation of the sugar industry. We have but a very short time left between this date and the time for signing contracts and the planting of

Therefore we earnestly recommend that either the quotas recommended by the President be adopted or the Costigan bill so amended as to give the President full power to alter or amend

the sugar quotas as he may deem necessary.

There has been considerable criticism against the administration on the sugar question. As beet growers, we in no way resent the President's recommendation to Congress on a sugar

Should Congress adjourn without giving us some relief from our distressing condition, the sugar companies would be bene-

fited.

As beet growers, we have concluded no act of Congress could possibly hurt us any worse in the future than the acts of the sugar companies have in the past.

COLORADO FARMERS PROTECTIVE ASSOCIATION OF ADAMS COUNTY.

By Mrs. W. E. SHERAET, Secretary.

To the United States Senators and Congressmen from the State of Colorado:

As beet growers of the State of Colorado whose livelihood are dependent on the production of sugar beets and the price thereof,

we realize we can no longer continue to grow beets at a profit under present prices paid by the sugar companies.

Therefore, we urgently request that our friends and representatives in Washington give any sugar legislation serious thought at the time. We respectfully urge the adoption of the administration's giver hill.

tion's sugar bill.

tion's sugar bill.

If that bill became law, it may not grant us all the benefits we should have, or all the advantages we desire; nevertheless, it should relieve a very distressing condition in the production of beets, which condition is bound to become worse for the beet and cane growers, should Congress fail to pass any sugar legislation.

As time for planting is so near, we can hardly afford to disregard the importance of time.

We believe any amendment to the Costigan bill which would materially change the President's recommendation to Congress on a sugar plan would have the opposition of the administration and prolong a controversy detrimental to our interest.

and prolong a controversy detrimental to our interest.

We, the real beet growers, whose interest will be affected by

any sugar legislation, again urge the immediate adoption of the administration's sugar bill.

This resolution was adopted March 14 near Greeley, Colo., at a

mass meeting of beet growers.

Presented by Bert Thornton, Brighton, Colo.

Finally, there are submitted, in full or abbreviated form, the following newspaper editorials and article.

The VICE PRESIDENT. Without objection, they will lie on the table and be printed in the RECORD.

The matters referred to are as follows:

[From the Rocky Mountain News, Denver, Colo., Apr. 6, 1934] WELL DONE

Since its inception some 30 years ago, the beet-sugar industry

since its inception some 30 years ago, the beet-sugar industry in the Rocky Mountain region has been insecure. It depended for its existence upon an item in the tariff act—an item which might be stricken by any Congress. Neither the grower nor the refiner was given any assurance of permanence.

Under the Costigan bill, which has passed the House and is certain of approval by the Senate, that situation is altogether changed. By this measure, the domestic sugar industry will be stabilized. No longer will it be dependent upon a tariff and subject to constant fluctuations with every change in administration. ject to constant fluctuations with every change in administration. Beet sugar will be declared an essential commodity; a return will be guaranteed by a processing tax; the domestic industry will be protected by quotas so that the market cannot be destroyed by an influx from Cuba or the Philippines; child labor will be wiped out of the beet fields; the farmer will be assured a fair return, as will

of the beet helds; the farmer will be assured a fair return, as will the beet workers.

As the News pointed out at the time the measure was introduced, such stabilization has long been the vital need of this industry. So far as the Rocky Mountain territory is concerned, this achievement is of tremendous importance.

As perhaps was to have been expected, the Costigan bill was subjected to violent attack at the start. Some of the criticism came from sincere friends of the industry who objected to the tentative quota for domestic beet sugar. Some of the criticism was furely political.

tentative quota for domestic beet sugar. Some of the criticism was purely political.

That these objections have been met satisfactorily is proved by the approval of the bill on the part of all Colorado Members of the House of Representatives of other beet-raising districts. Representative Fred Cummings, of Fort Collins, who was described in Wednesday's session as "the man who knows more about beet sugar than any other Member of the House", is one of the original critics who finally gave his enthusiastic support.

Increase in the quota to 1,550,000 tons, of course, had something to do with the change in sentiment. Of even greater weight, however, was the realization that some sort of stabilization was essential as an assurance of the future. When the Costigan bill

was being considered during the hearing Representative Cummings asked bluntly: "What do you propose to do, give us a shot in the arm with this proposal and then put us out of business while we are unconscious?" He now has a better understanding of the attitude of the administration toward the industry, and there is significance in the fact that he announced his candidacy for reelection immediately after voting for the bill.

reelection immediately after voting for the bill.

Further amendments may be necessary in the Senate. Certainly the measure should explain clearly who is to pay the processing tax. In addition, the domestic industry should be given further protection in the allocation of any increased consumption.

Relatively, however, these are minor points. For the first time in history the beet-sugar industry will be placed on a permanent, stable basis; the grower will be assured a fair return, and both grower and refiner will be safeguarded against a flood of sugar from abroad. Senator Costioan is to be congratulated on his major achievement of major importance to his State.

[From the Grand Junction (Colo.) Daily Sentinel, Apr. 10, 1934] A SENATOR AND HIS STATE

A Senator and His State

We live in a sugar-beet country. We have had considerable to do and to say concerning the western Colorado sugar-beet industry for more than a quarter of a century. We have done our best to keep both sugar factories over here running. The Grand Junction factory, however, was closed up all the years of the Hoover administration and only opened under the first year of the Roosevelt administration. We have helped the company, year after year, increase acreage and do many other things, and at times have been accused of being entirely too friendly with the company. We have inaugurated and carried on campaigns to work up enthusiasm in this part of the State when to start on there was no enthusiasm at all among the people. We are mentioning these things simply to emphasize the point that the Sentinel cannot be accused of being unfriendly to the beet-sugar factory operators or to the industry itself. Our record of such a friendship is of long standing and consistent.

With these remarks we want to couple our conscientious belief that Senator Ebwand P. Costigan has had and has now the best interests of the people as a whole at heart in his stand on the beet-sugar question. We also want to go on record as saying that we do not believe the so-called "Costigan-Jones bill", which has passed the House and will pass the Senate this week, is injurious in the slightest way to the beet-sugar industry. We believe this measure will stabilize the industry, will put it on the safest basis it has been on at any time, and will be helpful both to the refiner and the man who grows the beets. Perhaps the bill is a little more considerate of the beet grower than of the refiner; if that is true, we can see no objection and we agree with Senator Costigan when he said:

"It is refreshing to find at last an administration which gives

when he said:

"It is refreshing to find at last an administration which gives first place to the welfare of farmers rather than the prices of stocks and bonds. Here is a plan which makes some help possible for farmers without increasing the burdens on consumers. It provides, through quota restrictions and tariff reductions, the first

check in many years on unregulated and destructive production and competition."

We take the following from a recent and accurate statistical summary of the domestic sugar situation and what the Government seeks to accomplish by means of the program involved in

ment seeks to accomplish by means of the program involved in the Costigan-Jones bill:

Present price of beets per ton, \$5.32.

Prospective 1934 price in absence of program, \$4 maximum.

Prospective price under administration program, \$6.50 a ton.

(Present fair exchange value.)

Current income of United States beet growers, \$58,988,000.

Prospective income, in absence of program, \$34,800,000. Prospective income if program is adopted at present fair exchange value, about \$63,000,000.

tive income if program is adopted at present fair exchange value, about \$63,000,000.

We agree with the Denver News when it says editorially:

"Under the Costigan bill, which has passed the House and is certain of approval by the Senate, that situation is altogether changed. By this measure, the domestic sugar industry will be stabilized. No longer will it be dependent upon a tariff and subject to constant fluctuations with every change in administration. Beet sugar will be declared an essential commodity; a return will be guaranteed by a processing tax; the domestic industry will be protected by quotas so that the market cannot be destroyed by an influx from Cuba or the Philippines; child labor will be wiped out in the beet fields; the farmer will be assured a fair return, as will the beet workers."

We predict that the Costigan bill, endorsed by the administra tion, will in the long run bring a greater degree of prosperity to the beet growers of Colorado than they have ever enjoyed. The Senator is rendering a notable service to his State.

[From the Denver (Colo.) Rocky Mountain News, May 10, 1934] STABILIZED AT LAST

Signing of the Costigan-Jones bill means that the Federal Gov-

signing of the Costigan-Jones bill means that the Federal Government at last is definitely committed to the support and maintenance of the domestic sugar industry.

As the News pointed out when the measure was introduced, the stabilization plan represents the principal hope of continued existence so far as the beet branch of the industry is concerned. The real threat to the domestic industry lay in the constantly increasing importations from Cuba and the Philippines. This dumping

finally broke the market. To protect itself, the beet industry had only a tariff, subject to a change at any passing whim of Congress—and, under this tariff, Cuba, its principal competitor, received preferential treatment, and the Philippines paid no duty of any kind.

of any kind.

Today the position of the sugar-beet industry is fixed on a firm basis through the quota system. The production of Cuba and the insular possessions for the United States market is established by congressional enactment. There can be no more dumping. The Federal Government is now back of the sugar business.

Already the benefits of the measure are apparent. Despite the efforts to misrepresent the effects of the bill and to dissuade the growers from planting a crop, in the Rocky Mountain territory the farmer will receive \$6.50 a ton for beets—not as much as in banner years, but at least 20 percent more than he would have received had it not been for this enactment. Every sort of commercial activity in this part of the country will be the gainer—retail and wholesale business, coal mining, the railroads, and other forms of endeavor whose connection with beet growing and sugar refining is remote. The measure and its results are a great victory for Senator Costigan and the administration, and the News is happy to have been able to contribute toward winning it.

[From the Denver (Colo.) Rocky Mountain News, Feb. 17, 1934] COLORADO'S SUGAR QUOTA

Colorado's sugar-beet quota under the Costigan bill is not high enough to satisfy some Colorado people. That is not surprising. The Rocky Mountain News, being in sympathy with the aspirations of the Colorado beet producer and refiner to expand the sugar industry, would like to see a more liberal quota for the State. But we cannot expect a piece of legislation, affecting such widespread interests, to be written exactly according to our orders. At least the stabilization plan is a base for additional development. And it must be acknowledged that for the first time a national administration has recognized the plight of the beet farmer and is extending a helping hand.

farmer and is extending a helping hand.

So far as Colorado's quota is concerned, if we think it isn't high enough, Michigan thinks it is too high.

Here is what Senator Arthur H. Vandenberg, of Michigan, told

Here is what Senator ARTHUR H. VANDENBERG, of Michigan, told the Senate yesterday:

"Colorado producers would be given preferential treatment under the plan to use the production of the last 3 years as the basis for domestic quotas, because plants in that State have been able to operate closer to capacity than has been the case in Michigan, where sugar factories were closed during most of that period."

Certainly this is an indication that Colorado is not getting very much the worst of the deal under the Costigan measure.

[From the Denver (Colo.) Rocky Mountain News, Apr. 14, 1934] SUGAR AND A LIVING WACE

By keeping up his fight for proposals safeguarding the rights of the field workers, Senator Costigan is proving himself the true friend of the beet-sugar industry. The Vandenberg amendments, which have been accepted by the Senate, tend to weaken the Costigan bill. We trust they will be eliminated before the measure is adopted in final form.

Most objectionable of these amendments is that changing the power of the Secretary of Agriculture to eliminate child labor to authority to limit or regulate such labor.

That is tantamount to a declaration of the right of the beet industry to continue child labor, after child labor has been eliminated.

nated from other industries, including the cotton mills.

In justice to the refiners, it should be stated that they have opposed child labor in principle, and have never employed children in their plants. They have recognized that the existence of child labor is the greatest single argument leveled against the domestic sugar business, and in resolutions have called for its shollition. abolition.

To be sure, resolutions by the refiners and the employment of adults in the refining process by no means meet the actual prob-lem. A living wage for adults depends upon the return to the farmer for his beets, and that return depends upon the contract between the farmers and the manufacturers.

So far, there has been no contract between the refiners and the agricultural cooperative associations in this territory. Some independents have signed, but the association members insist that the agreement offered by the companies is not a contract but an option, under which the grower is not given a guaranteed market. For most of the beet raisers of this district, the Great Western Sugar Co. is the only possible purchaser.

The seed should be in the ground not later than tomorrow. The deadlock over the terms, unless it is broken, will interfere

greatly with this year's production. And, without attempting an offhand solution to a rather complicated question, it is self-evident that the growers cannot be blamed for being unwilling to risk expense and labor without a guarantee for a definite return for their crop.

It may readily be that the growers are the principal advocates of another amendment which strikes out the clause giving the Secretary of Agriculture authority to fix minimum wages in the fields. In many cases the farmer who grows beets has been barely able to meet expenses; in a few he has lost money. With this situation, he is naturally reluctant to be told just what he must now his harvest hands. pay his harvest hands.

But here again the vicious circle can be traced. Unless the grower gets a sufficient return from the refiner he cannot pay a living wage. And until the industry does pay a living wage it

will not be properly stabilized.

In his battle for the field workers, therefore, Senator Costigan is fighting for the entire industry. We wish him well in his efforts to defeat the amendments that threaten the vital purpose

### [From the Denver (Colo.) Rocky Mountain News, Apr. 27, 1934] THE SILVER LINING

While the chains that bound the sugar-beet growers and the sugar refiners have been broken and the way has been opened for the planting of beet seeds in the Rocky Mountain district, there is still much to be desired, and there is yet hope that the signing of the Costigan-Jones bill and the announcement of regulations by the A.A.A. will mean that a full crop will come from the ground.

the ground.

It is true that negotiations between the Great Western Sugar Co. and the farmers' cooperative associations have been broken off. Nonetheless the cooperative organizations have announced to their members that they are free to plant on a restricted basis. Many independent growers have already signed up, after accepting the sugar company's contract with the hedge provision.

So Colorado at least can look forward to the operation of its sugar mills this fall, and to the usual impetus to business that accompanies the harvesting, processing, and refining of this important crop.

accompanies the harvesting, processing, and refining of this important crop.

It is to be presumed that crops harvested on acreage not devoted this year to the growing of beets will, in a measure, offset the curtailed beet production, and the situation is far from being the hopeless one it is painted in some quarters.

Meanwhile, it is up to Washington to act.

The President should sign the Costigan-Jones bill without further deliberation about the off-shore quotas. The Secretary of Agriculture should announce, as quickly as possible, the regulations which are to be imposed under his control, and the resultations which are to be imposed under his control, and the sugar-beet industry as proposed under the Costigan-Jones measure.

When that is done, the clouds which have hovered over the sugar-beet industry will have been blown away. The beet farmer and the refiner will then begin to receive the benefits from an industry built on a solid foundation, and business can go ahead

industry built on a solid foundation, and business can go ahead with a certainty as to the future.

### [From the Denver (Colo.) Rocky Mountain News, May 1, 1934] VICTORY

Settlement of the sugar-beet controversy, together with the establishment of the domestic-sugar industry on a definite, stabilized basis, is the best business news for this territory since the upturn which followed the change in national administrations.

The annual dispute between grower and processor over the contract price for beets has been an old story. This year, however, the arguments took on added significance because, under the Costigan-Jones bill, the Federal Government for the first time was to take a hand in the business, to guarantee that it be protected against the dumping of insular cane sugar on the continental market, to assure the farmer a fair return and, in short, to maintain production over a term of years.

Because of this peculiar situation, the planting of the beets and

Because of this peculiar situation, the planting of the beets and the harvesting of a crop became matters of vital concern not only to those directly involved in the industry but to the entire Rocky

Mountain region.

Relatively little labor is required in the harvesting and marketing of a wheat crop. Much of the field work is done by machinery, and the railroads carry only the finished product.

Far more is involved in the sugar business. Hand labor is necessary for most of the topping and cutting. The beets are shipped to the factory in bulk. Hundreds of miners are required to take out the coal which is used during the refining season in northern Colorado alone. During the third of a century in which the industry has been in existence in this part of the country an intricate structure has been built upon which thousands depend for their livelihood.

For this structure to be endangered by a deadlock over the beet price and by the refusal of the farmers to plant seeds would be a calamity under any conditions. For such a thing to happen when the Government was about to get behind the industry and guarantee its future would have been disastrous.

Because of a knowledge of this situation, the News was the first metropolitan newspaper to make the beet-sugar situation a major issue and to attempt to clarify the problems faced alike by the farmer and the processor.

That task has not been easy. The provisions of the Costigan-

That task has not been easy. The provisions of the Costigan-Jones bill have been deliberately distorted, and the grower was told that its passage would be fatal to his welfare.

Temporarily, this campaign had a harmful effect. It intensified the dispute over the beet price; in many cases, it delayed planting.

Today, the farmer has a better understanding of the situation. The Federal Government has entered the picture, even before the Costigan-Jones bill has become law. The administration has seen to it that the Rocky Mountain grower will get a better price for his product and, under the agreement, that the refiner will be given an adequate return.

Most important of all, assurance is given that the industry will proceed under governmental protection. The calamity howlers have been answered and hushed. Senator Costican has won a great victory for the beet-raising district—a victory to which the News is proud to have been able to contribute a part.

[From the Denver (Colo.) Rocky Mountain News, May 1, 1934] BEET PLANTERS MAKE UP TIME—CROP WILL BE IN GROUND BY END OF WEEK, AND LOSS BELIEVED AVERTED

The sugar-beet crop in the Rocky Mountain region is expected to be in the ground by the end of the week, with every indication there will be slight loss because of the delay in planting caused by the fight over the contract between growers and refiners.

The Great Western Sugar Co. reports its 22 factories are being swamped by farmers wanting seed so they will lose no more time.

N. R. McCreery, Colorado district manager of the company, said 110,000 acres were planted in Colorado.

168,000 acres were planted in Colorado.

#### SPEED UP IN OTHER STATES

Figures were not available for Nebraska, Montana, and Wyoming, but it was reported that planting was going ahead rapidly. There were 72,000 acres of beets in Nebraska last year, 8,500 in the Wheatland, Wyo., district, and 40,000 in the Lovell-Billings district of Montana and Wyoming.

W. D. Lippitt, president of the Great Western Sugar Co., returned yesterday from the Chicago conference.

### SPLENDID VICTORY

He said everything possible would be done to aid the farmers in

He said everything possible would be done to aid the farmers in getting a good crop.

J. D. Pancake, secretary of the Mountain States Beet Growers Marketing Association, also returned to his home in Greeley.

"It was a splendid victory for the growers", he said. "It was especially gratifying to be assured of special concessions to insure this region of the pre-war parity price.

"Farmers are busy throughout the four States getting their seed in the ground and I do not think there will be any great loss because of the delay in planting.

"The soil is in excellent condition and if the farmers will see that the seed gets plenty of moisture I do not believe they will know the difference from planting weeks earlier."

#### WAIT QUOTA ALLOTMENT

Both the growers and the sugar companies are awaiting the signing of the Costigan-Jones bill with interest as it is expected it will bring immediate quota allotments.

Lippitt said yesterday he had not been notified of any arrangement for making the acreage allotments.

It is expected Dr. A. J. S. Weaver, head of the sugar division of the Agricultural Adjustment Administration, will announce the number of acres that can be seeded in the various beet-growing sections of the Nation.

It is not expected there will be any cut in the acreage in the

Rocky Mountain States.

It is believed the Costigan-Jones bill will be signed tomorrow, according to dispatches received from Washington last night. The bill has been given the approval of Secretary Wallace and awaits only the signature of the President.

### [From the Fort Collins Leader, May 11, 1934]

PRESIDENT SIGNS SUGAR BILL TO AID GROWERS AND INDUSTRY—HE SIGNED COSTIGAN-JONES LAW WEDNESDAY—PROCESSING TAX WILL GIVE BEET GROWERS \$6.50 PER TON THIS YEAR—CROP OUTLOOK

The dawn of a better day for northern Colorado, and particularly for her beet growers, was made certain Wednesday, when President Roosevelt made history for the sugar industry in the United States as he signed the Costigan-Jones sugar-control bill to stabilize the industry and to insure for beet growers a larger return for their beets. for their beets.

for their beets.

In the presence of a group of Congressmen and Government officials the President placed his signature to the law recently passed by Congress, then announced that the tariff on imported sugar would be reduced one-half cent a pound, and that the processing tax would not exceed that amount. By this method consumers will not be forced to pay more for their sugar, while beet growers in the United States will benefit from the processing tax of 50 cents per 100 pounds.

The Costigan-Jones bill sets a quota of 1,550,000 tons of beet sugar as the amount to be produced in the United States; it provides for a processing tax or bounty to be collected on each sack of refined sugar sold, which tax will be used to increase payments to beet growers to insure them a parity price for their beets. The amount they will receive this year, under the law, is figured at \$6.50 per ton. The reduction in the tariff and the collection of the processing tax will become effective in 30 days. Signing of the bill by President Roosevelt was hailed with delight throughcut northern Colorado. The following comment is typical of the sentiment expressed:

sentiment expressed:

J. D. Pancake, Greeley: "This bill assures farmers a living-wage price for their crop. It stabilizes the sugar markets of the United States and puts the whole sugar industry on a solid foundation. It's a lifesaver for the entire industry, and everything looks fine for the domestic beet-sugar farmers. The crop outlook is splendid."

### CONDITION OF BEET CROP FAVORABLE

N. R. McCreery, Colorado manager for the Great Western Sugar Co., is reported from Sterling as saying that the Colorado beet crop "looks better at this stage of the year than it has on the same date in the last 3 years. There is no reason now to be pessimistic about the Rocky Mountain beet-growing States producing their quota under the new sugar-control measure this year. \* \* \* I do not believe that any great reduction of the total tonnage is to be expected, on the basis of the present outlook." look."

This comment is regarded as highly significant, in view of the fact that some concern has been expressed that production might fall off considerably this year because of late planting, thereby permitting an increase of import quotas to take care of normal consumption demands.

### REPORTS OF COMMITTEES

Mr. CAPPER, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 3064) to amend the Packers and Stockyards Act, 1921, reported it with amendments and submitted a report (No. 1449) thereon.

Mr. POPE, from the Committee on Agriculture and Forestry, to which was referred the bill (H.R. 9829) to amend the Agricultural Adjustment Act with respect to the processing tax on hogs, reported it with amendments and submitted a report (No. 1452) thereon.

Mr. BAILEY, from the Committee on Claims, to which was referred the bill (H.R. 5543) for the relief of T. Brooks Alford, reported it without amendment and submitted a report (No. 1453) thereon.

Mr. TYDINGS, from the Committee on Territories and Insular Affairs, to which were referred the following bills, reported them each without amendment and submitted a report thereon, as indicated:

S. 3791. An act to authorize the Governor of the Territory of Hawaii to remove certain officers and members of boards without the advice and consent of the senate of said Terri-

S. 3799. An act to ratify Joint Resolution No. 59 of the Legislature of Puerto Rico, approved by the Governor May 5, 1930, imposing an import duty on coffee imported into Puerto Rico (Rept. No. 1451).

### ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on the 15th instant that committee presented to the President of the United States the following enrolled

S. 852. An act to amend section 24 of the Trading with the Enemy Act, as amended;

S. 1735. An act to amend an act approved May 14, 1926 (44 Stat. 555), entitled "An act authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims "

S. 2248. An act to protect trade and commerce against interference by violence, threats, coercion, or intimidation; S. 3147. An act to amend the act approved June 28, 1932

S. 3230. An act creating the Florence Bridge Commission and authorizing said commission and its successors and assigns to construct, maintain, and operate a bridge across the Missouri River at or near Florence, Nebr.;

S. 3404. An act authorizing loans from the Federal Emergency Administration of Public Works for the construction of certain municipal buildings in the District of Columbia, and for other purposes; and

S. 3723. An act to amend the Mineral Lands Leasing Act of 1920 with reference to oil- or gas-prospecting permits and

### BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. NYE:

(47 Stat.L. 337):

A bill (S. 3800) to regulate corporations in interstate commerce; to the Committee on Interstate Commerce.

By Mr. FLETCHER:

A bill (S. 3801) for the relief of Webster & Hull; and A bill (S. 3802) for the relief of C. W. Zaring & Co.; to the Committee on Claims.

### By Mr. CUTTING:

A bill (S. 3803) to provide the necessities of life for those citizens of the United States who through the disability of age and the mischances of a complicated industrial civilization have lost their power to support themselves; to the Committee on Education and Labor.

(Mr. O'MAHONEY introduced Senate bill No. 3804, which appears under a separate heading.)

#### A FEDERAL THRIFT SYSTEM

Mr. O'MAHONEY. Mr. President, the Postal Savings System of the United States went into effect in 1911 and enjoyed a gradual and steady growth during the first 7 years of its existence. The deposits increased from \$10,-614,000 in 1911 to \$167,652,000 in 1918. From 1918 to 1929 the amount of deposits remained practically constant.

After the collapse of 1929, however, the people of the country turned to the System for safety. During the year 1930 the total deposits increased from one hundred and sixty-four million to two hundred and forty-five million. and during the following year the total jumped to six hundred and five millions. Anyone who had taken the trouble to study the expansion of the postal savings during the years following the crash and during the months preceding the bank holiday of the spring of 1933 could have foretold what was to come.

The increase of deposits in 1932 was almost \$300,000,000. On March 31, 1933, they had reached the stupendous total of \$1,113,921,638. As much as \$45,000,000 was added to the total deposits during a single month in 1932 and the monthly increase was never less than \$10,000,000.

It was generally expected that when the Federal law was passed establishing the Federal Deposit Insurance Corporation and guaranteeing the deposits in private banks there would be an immediate decrease of the total entrusted to the Postal Savings System. The guaranty law had gone so far as to change the character of postal savings and making them in effect time deposits.

### NO DECREASE IN POSTAL SAVINGS

Strangely enough, however, there has been practically no decrease in the postal savings. The year 1933 ended with a total deposit of \$1,208,884,000, and on March 31 of this year the total was \$1,199,982,000.

Mr. President, we may take satisfaction, of course, in the fact that the increases have stopped and that confidence in the banking system of the country has undoubtedly been restored, but the fact that deposits have not been falling off sharply seems to indicate that the people of the country, the poor people, those who accumulate savings with difficulty, have not yet recovered from the tremendous shock which they suffered in the panic of 1929. They are still reposing their confidence in their own Federal Government for the protection of their savings.

Does it not seem prudent that the Federal Government. recognizing this confidence in the Federal agencies, should now afford to these people a method of cooperating with them in the conservation of their earnings?

I am aware that the subject is involved and difficult, and for that reason I made no attempt to introduce a bill early in the session, believing that other pressing measures should first be considered. The problem, however, is one which should, in my opinion, be given very careful study during the summer, and which should be taken up for consideration in the next Congress.

The tentative bill which I am introducing is for the purpose of affording a basis for the study of this problem. It provides for the creation of an installment investment service under the direction of the Government designed primarily to offer to the men and women of small means an opportunity for safe and permanent investment. The plan is so drafted as not to conflict with private banking. It is an attempt to restore in another form the thrift system which was established during the war.

### NOT IN COMPETITION WITH BANKS

This new Federal thrift system would neither parallel nor compete with services now offered by commercial or savings banks, but, on the contrary, would prove of benefit to these | institutions.

Sooner or later the commercial banks of the country will be called upon to meet a reviving demand for commercial accommodations, and then it will be highly desirable to discontinue further Government financing through them and to shift elsewhere at least a part of the estimated \$15,000,-000,000 Government securities which member and nonmember banks now hold.

The Federal thrift system will be competent to absorb at least a large part of these obligations, thus performing a highly constructive service for the commercial banks, as well as for the industry and business of the Nation.

The plan will not duplicate but will definitely extend the present service of the savings bank. The funds which the system will gather in and direct into the channel of permanent Government investment will largely be new capital which was never in, and probably never would have found its way to, a savings account.

The Federal thrift system, moreover, is intended to provide a long-term installment investment plan only, and consequently it sharply limits the certificate holder's right to withdraw cash impulsively. As part of his financial plan, each certificate holder will therefore be specifically urged to carry an immediately available cash fund in the form of a savings account, adequate for any emergency which he may reasonably anticipate.

Governmental leadership in thrift promotion in a field which does not compete with but is collateral to that of the savings bank will renew confidence in the now-discredited formula "save as you earn", and will secure the speedy regeneration of the thrift convictions and habits of the Nation

Just as the Government war-time insurance taught millions, who previously believed that \$1,000 fraternal life insurance provided maximum protection, to think in terms of a \$10,000 unit, so will the Federal thrift plan widen the national thrift horizon in every direction.

The plan will, through local post offices, penetrate many localities and small communities which are not now, and probably never will be served in any way by corporate sav-

### TO AID THE AVERAGE CITIZEN

The economic health of the Nation rests squarely on the economic well-being of those millions of average American men and women who can attain financial independence only through frugality and who must have the support of a simple, convenient but systematic conservation program, leading to a clearly perceived goal.

This class constitutes 90 percent of the population of the country, which can least afford to risk the product of its selfdenial and is wholly unable to distinguish between fraudulent or speculative or sound securities that are constantly offered it in exchange for its laboriously accumulated capital.

Systematic thrift is not a difficult habit to acquire, but the safe investment of funds so conserved, always a troublesome problem, has now become so difficult for those whose income and financial experience are limited as seriously to disturb the thrift habits and convictions of the Nation.

The Federal thrift system would perform a social service of tremendous value by providing simple, effective machinery through which persons whose income will always be small may systematically and permanently invest as they earn in an interest-accumulating Government obligation and thus conveniently and confidently apply to the upbuilding of economic independence a vast sum which is now devoted to no productive purpose.

By providing the means for permanent as well as safe investment the system would also, for those who make use of it, entirely eliminate that tragic and terrific toll to which the product of American thrift is annually subjected through injudicious investment by those who, least able to lose, are also least experienced financially.

By developing and preserving a great number of panicproof, income-bearing competences, the Federal thrift system would stabilize the purchasing power of millions of

individuals and family groups and would thus materially lessen the destructive effect of future maladjustments between production and consumption.

The wide distribution of a Government obligation as contemplated by the system would constitute the best possible pledge of national security.

I ask that there may be printed in the RECORD as part of my remarks a table showing the total amounts deposited to the credit of postal-savings depositors by months from the close of February 1932 to April 30, 1934.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Feb. 28, 1932	\$692, 621, 153
Mar. 31, 1932	705, 998, 708
Apr. 30, 1932	722, 845, 926
May 31, 1932	742, 645, 132
June 30, 1932	784, 820, 623
July 31, 1932	829, 505, 163
Aug. 31, 1932	848, 495, 873
Sept. 30, 1932	858, 721, 518
Oct. 31, 1932	871, 894, 890
Nov. 30, 1932	885, 170, 409
Dec. 31, 1932	901, 556, 818
Jan. 31, 1933	943, 377, 250
Feb. 28, 1933	1,007,079,059
Mar. 31, 1933	1, 113, 921, 638
Apr. 30, 1933	1, 159, 794, 016
May 31, 1933	1, 180, 334, 934
June 30, 1933	1, 187, 183, 373
July 31, 1933	1, 178, 379, 073
Aug. 31, 1933	1, 179, 383, 811
Sept. 30, 1933	1, 181, 521, 815
Oct. 31, 1933	1, 188, 981, 322
Nov. 30, 1933	1, 198, 712, 400
Dec. 31, 1933	1, 208, 884, 255
Jan. 31, 1934	1, 200, 799, 058
Feb. 28, 1934	1, 200, 045, 924
Mar. 31, 1934	1, 199, 982, 555
Apr. 30, 1934 (estimated)	1, 197, 898, 851

Mr. O'MAHONEY. I ask also that the bill itself may be printed in the RECORD.

The bill (S. 3804) to provide for the issuance of Federal thrift certificates, to encourage a program of installment investment and accumulation, and for other purposes, was read twice by its title and ordered to lie on the table; and there being no objection, it was also ordered to be printed in the RECORD, as follows:

### S. 3804

A bill to provide for the issuance of Federal thrift certificates, to encourage a program of installment investment and accumula-tion, and for other purposes

tion, and for other purposes

Be it enacted, etc., That the Postmaster General is authorized, in the manner hereinafter provided, to provide for the issuance of Federal thrift certificates through any United States post office designated by him, or any member bank of the Federal Reserve System designated by him with the approval of the Federal Reserve Board, hereinafter referred to as "participating banks."

SEC. 2. (a) Federal thrift certificates shall be in such form as the Postmaster General shall prescribe, and upon application to any participating bank or designated post office shall be issued in

SEC. 2. (a) Federal thrift certificates shall be in such form as the Postmaster General shall prescribe, and upon application to any participating bank or designated post office shall be issued in units of \$500 or multiples thereof, but not exceeding \$5,000, on a schedule of monthly, semimonthly, or annual payments. Such certificates shall bear interest, compounded on the current value of the certificate at a rate provided for in the certificate at the time of issue, but in no case exceeding 3½ percent per annum, except during periods of delinquency as hereinafter provided. Interest on installment investments shall be exempt from all Government, State, and local income taxes. Any number of certificates, up to 10, may be issued in the name of any one person, but no person may have certificates outstanding in his name which call for a total investment exceeding \$600 a year.

(b) The Postmaster General, upon the payment of one installment investment, shall issue to any participating bank desiring to extend Federal thrift certificates to any of its customers making such payment, and/or any designated post office, certificates in appropriate form; and such bank or post office may register such certificates in the name of, and deliver them to, individual investors, and may, as the agent of the Postmaster General, accept subsequent installment payments on such certificates.

SEC. 3. Each certificate shall represent an interest, to the

SEC. 3. Each certificate shall represent an interest, to the amount of its current value, in the proceeds of a trust fund, to be established by the Postmaster General, consisting of (1) obligations of the Government of the United States, (2) obligations issued by any instrumentality of the United States, and (3) obligations acquired in due course by any such instrumentality and guaranteed by such instrumentality. The total value of the securities in the trust fund, calculated at par, shall at all times at least equal the current value of all outstanding thrift certificates. Funds accumulated by the Postmaster General through the cates. Funds accumulated by the Postmaster General through the

payment of installment investments by certificate holders shall be used, to the extent necessary, for the purpose of increasing such trust fund.

trust fund.

SEC. 4. The United States hereby guarantees payment in accordance with the terms of Federal thrift certificates and the exact observance of other terms thereof.

SEC. 5. Installment investments shall be made at the bank or post office which originally issued the certificate, but such place of payment may be changed upon application of the certificate holder, under rules and regulations prescribed by the Postmaster General. Appropriate notices of installments to be paid, receipts for installments paid, and communications regarding installments past due shall be mailed to the holder under rules and regulations prescribed by the Postmaster General.

for installments paid, and communications regarding installments past due shall be mailed to the holder under rules and regulations prescribed by the Postmaster General.

SEC. 6. The holder of any certificate may postpone his installment investment for any period not exceeding 2 years, without penalty, except that during such period interest on the current value of the certificate shall be credited at the rate of 2 percent per annum in lieu of the rate fixed by the certificate. Such holder may fully reinstate his certificate at any time within the 2-year period without making up past-due payments by paying one installment; and thereupon the due dates of all future installments and the maturity date of his certificate shall be extended for a period equal to the length of time the past-due installment was in arrears. If all payments are continuously in arrears for a period exceeding 2 years, the payments may not be resumed and the certificate reinstated, but interest at the rate of 2 percent per annum will be credited to the current value of the lapsed certificate so long as the holder does not withdraw his accumulation. The current value of a lapsed certificate may be withdrawn in cash at any time, or such value may be applied as an advance payment on a new certificate.

SEC. 7. In cases of emergency, as determined under rules and regulations prescribed by the Postmaster General, the holder of a certificate which is not lapsed may apply to have its current value divided into 6 equal parts, not more than 1 of which may be withdrawn in any 1 month. Any amount so withdrawn shall be deducted from the current value of the certificate, but the holder may, at his option, repay such amount. No interest shall be charged on the amount so withdrawn.

SEC. 8. Each certificate may be called by the Postmaster General at its current value on any interest-compounding day. If not so

may, at his option, repay such amount. No interest shall be charged on the amount so withdrawn.

Sec. 8. Each certificate may be called by the Postmaster General at its current value on any interest-compounding day. If not so called, such certificate shall mature upon the making of the last specified installment investment, at which time (1) its maturity value shall be payable in cash, or, at the option of the holder, (2) such certificate may be extended and reextended at the same rate of systematic investment or at a new rate determined with a view to accommodating the holder's convenience and capacity.

Sec. 9. It is hereby declared to be the policy of the Congress that the sale of Federal thrift certificates shall be primarily a corporate bank function and only secondarily a Post Office Department operation; and to that end no post office shall be designated as a fiscal agent for such purposes except in counties (1) where no bank exists, or (2) where no bank has been designated, or (3) where a designated bank exists but is not functioning in a manner satisfactory to the Postmaster General.

Sec. 10. All gross operating profit, represented by the difference between the interest earned on the deposited collateral and interest credited upon the thrift certificates shall, in proportion to the securities deposited as collateral against certificates issued by participating banks, be payable to such banks; and, in the case of post office receipts, to the Treasury as part of the postal revenues, except so much thereof as may be necessary for administrative expenses of the Post Office Department under this act, including reimbursement of funds expended in connection with the issuance of certificates, and printing and engraving of the same.

Sec. 11. The Postmaster General shall prescribe rules and requ-

the same.

SEC. 11. The Postmaster General shall prescribe rules and regulations for carrying out the provisions of this act.

INVESTIGATION OF CHARGES AGAINST SUPERINTENDENT OF SHILOH NATIONAL PARK, TENN.

The VICE PRESIDENT laid before the Senate the resignation of the junior Senator from South Carolina [Mr. BYRNES], who had been appointed under the terms of Senate Resolution 198 a member of the select committee to investigate charges against the superintendent of the Shiloh National Park, Tenn.

The VICE PRESIDENT appointed the junior Senator from Alabama [Mr. Bankhead] to fill the vacancy, occasioned by the resignation of Mr. Byrnes, on the above-named select

committee.

ADDITION AND ENROLLMENT OF DEFICIENCY BILL

Mr. DAVIS. Mr. President, I submit a concurrent resolution and ask unanimous consent for its immediate consideration. It is merely to provide for an omission in the deficiency appropriation.

The VICE PRESIDENT. The concurrent resolution will

The VICE PRESIDENT. Is there objection?

There being no objection, the concurrent resolution (S.Con.Res. 23) was read, considered, and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Clerk of the House of Representatives is authorized in the enrollment of the bill (H.R. 9830) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes; to insert on page 2, after line 23, of the House engrossed bill the following:

bill, the following:

"For payment to Susan I. Brumm and Joan L. Brumm, sisters of George F. Brumm, late a Representative from the State of Pennsylvania, \$8,500."

### COMMUNISTIC ACTIVITIES-REPORT BY WILLIAM GREEN

Mr. GIBSON. Mr. President, William Green, president of the American Federation of Labor, has made a very informative report in respect to communistic activities in the United States. I ask unanimous consent that it may be printed in the RECORD.

The VICE PRESIDENT. Is there objection? The Chair hears none, and is is so ordered.

Mr. GIBSON. Mr. President, unanimous consent was granted me for printing in the RECORD a report to the President made by William Green, president of the American Federation of Labor, dealing with communistic activities in the United States. I submit the report herewith.

The report referred to, with an accompanying abstract, is as follows:

### A MEMORANDUM TO THE PRESIDENT OF THE UNITED STATES

Mr. President, in these pages there is offered to you evidence of subversive activity on the part of Communists in the United States and of a direction of such activity from Moscow, where a group of international organizations, of which the Communists, or Third International, is but one, operate under the command of the one dictatorship.

The purpose of this evidence is not to serve as a basis for The purpose of this evidence is not to serve as a basis for argument against the course now being pursued by the Government, but to show the necessity—the imperative necessity, in labor's opinion—of securing positive guaranties that such activity will cease and that none of the various agencies of international Communist propaganda will function in the United States under direction by or with the assistance of the Soviet Government or its immediate subsidiary organizations.

It must be pointed out that this memorandum is not complete.

It must be pointed out that this memorandum is not complete. Engaged, as we are in the work devolving upon us under N.R.A., the necessary time for a complete survey has not been at our disposal. Nor have we been able to detach men to make inquiries and reports. Largely we have had to draw upon reports already in our files. Could we have made a complete survey of the field at this hour, it is certain that it would be possible to present a picture of astounding proportions.

The effort has been to adhere to a statement of fact, but it has not been possible in all cases to resist the temptation to offer observations on events herein recounted. However, argument is not intended. It is not deemed necessary to offer argument to you, for labor has every confidence in your determination to safeguard the United States and its free institutions, including its trade-union movement. No doubt not even the submission of these facts is necessary, but it would seem a negligence of duty did we not present this material for your consideration. It is the hope that it will be considered in the spirit in which it is offered, which is one of helpfulness. which is one of helpfulness.

Very truly,

WILLIAM GREEN. President the American Federation of Labor.

FROM RUSSIA TO AMERICA

Here follows a list of Moscow's "internationals" and their American subordinate branches:

THE MOSCOW INTERNATIONAL

Workers International Relief.

Sovkino.

Friends of the Soviet Union. (Profitern) Red International Labor Unions. League against Imperialism.

Red Pioneers.

Young Communist International.

Farmers and Peasants International.

Educational Workers League. Labor Sports Union.

MOSCOW'S AGENT IN THE UNITED STATES

Workers International Relief (cultural department). Amkino.

Friends of the Soviet Union.
Trade Union Unity League (21
principal revolutionary unions).
All America Anti-Imperialist League.

Young Pioneer of America. Young Communist League of

America. United Farmers League.

Educational Workers League. Labor Sports Union (144 workers' athletic clubs).

THE MOSCOW INTERNATIONALcontinued

International Labor Defense.

Workers Theater. Society for Cultural Relations etween Russia and Foreign

Countries.
International Union of Revolutionary Writers.

International of the Godless.

MOSCOW'S AGENT IN THE UNITED STATES—continued

International Labor Defense (10 or more sections; 2 or more branches)

Intourist (world tourist).
Workers Theater.
American Society for Cultural Relations with Russia,

Workers Cultural Federations (200 or more clubs and cultural organizations with 600 or more branches).

Proletarian Anti-Religious League.

During all the years since the establishment of the Soviet regime in Russia, propaganda in the United States has been conducted not only through agencies directly set up by the Communist high command but through agencies and organizations in which non-Communists of good standing and repute have been

which non-Communists of good standing and repute have been induced to participate.

Throughout the whole period Communists have made it a cardinal point to unite with every protesting minority and to engage in every effort directed against established institutions of our country. There has grown up a great group of organizations—Communists and semi-Communists.

A careful study of these organizations shows that they are so related through interlocking directorates that apparently some hundred organizations are dominated by an interlocking group of directors numbering not more than 60. In this group of 60, perhaps 10 are sufficiently influential to dominate important situations. situations.

There is no essential Communist interest in the Mooney case, There is no essential Communist interest in the Mooney case, nor is there any in the freedom of the Filipinos movement, nor in anti-injunction legislation. There is certainly none in the abolition of capital punishment; yet these are examples of the type of organizations in which there has been and is active Communist participation on a hundred or more fronts. Their tactics may perhaps be called the "tactics of irritation", since the purpose is to create dissatisfaction as widely as possible and to bring into disrepute the authorities and the established institutions of the country.

As an example, the American Civil Liberties Union may be

institutions of the country.

As an example, the American Civil Liberties Union may be cited. Its announced purpose is the defense of those who fall afoul of laws when engaged in endeavors for which the law should offer protection. Its practice is almost exclusively the defense of Communists. Among those who have joined it in protest against the use of police action to suppress communism are such Americans as Prof. Charles A. Beard, Susan Brandeis, Dr. Henry Sloan Coffin, Dr. John Haynes Holmes, and Dr. John Dewey, all of them non-Communists, all belonging to various so-called "liberal" or "progressive" groups. Dr. Dewey participates in the activities of the Civil Liberties Union and heads the Peoples' Lobby, which seeks to influence legislation. This in turn is interlocked with the National Council for Prevention of War, which cannot be characterized other than as a pacifist organization. Dr. John Haynes Holmes belongs to more radical organizations than he can attend. organizations than he can attend.

To pursue the subject of interlocking directorates to its conclusion would require almost a volume. Evidence in extreme can be produced, if desired. The facts of the situation are not disputed, though obviously there is no agreement as to their

disputed, though obviously there is no agreement as to their implications.

The "united front" is fundamental in Communist agitation and propaganda tactics. It means unite with every dissident cause, and it is in pursuit of this aim that Communists have penetrated and infiltrated into organization after organization, in every case bending every effort to induce each organization to bear more and more to the left, to become more and more explosive and hostile in its utterances.

When Moscow orders "Forward march!" the Communists in

When Moscow orders "Forward, march!" the Communists in

When Moscow orders "Forward, march!" the Communists in the United States execute the command, like so many companies of disciplined troops. All over the Communist world the disciplined companies do likewise. For those who do not obey there is excommunication and sometimes the sentence of death.

Sentence of death has happened, as eventually we shall see. That the Communists of America follow the orders of Moscow was clearly and candidly announced by William Z. Foster, the principal leader of communism in the United States, when he testified before the commission presided over by the Honorable Hamilton Fish, by authority of Congress.

"You take your orders from the Third International, do you?" Mr. Fish asked; and Mr. Foster replied:

"The question, 'Do we take our orders from the Communist

"The question, 'Do we take our orders from the Communist International?' is a question which reveals the utter distance of the capitalist conception of organization from that of the worker. the capitalist conception of organization from that of the worker. The Communist International is a world party, based upon the mass parties in the respective countries. It works out its policy by the mass principles of these parties in all its deliberations. It is a party that conducts the most fundamental examination of all questions that come before it, and when a decision is arrived at in any given instance this decision the workers, with their customary sense of proletarian discipline, accept and put into effect." Those who are at all familiar with Communist circumlocution and somewhat orientalized terminology will grasp the significance of the Foster definition. But Mr. Foster elected to make the sit-

uation even clearer by quoting authority. He read to the congressional committee from page 34 of the Communist International Program, this explicit threat of extinction to all who support

democracy, which the Communists habitually call capitalism:

"The conquest of power by the proletariat does not mean peaceful capturing of ready-made bourgeois state machinery by means of a parliamentary majority."

Mr. Foster continued to read:

"The bourgeoisie resorts to every means of violence and terror to safeguard and strengthen its predatory property and political domination. Like the feudal nobility of the past, the bourgeoisie cannot abandon its historical position to the new class without a desperate and frantic struggle; hence the violence of the bourgeoisie can only be suppressed by the stern violence of the proletariat."

Translating the passage read by Fester

Translating the passage read by Foster, we observe that since those people that have and believe in democracy will fight to defend their freedom and their democracy, just as they fought heroically to achieve it, they must be exterminated by the terrorism of the red hosts. Because they defend their homes they must

be slaughtered.

ism of the red hosts. Because they defend their homes they must be slaughtered.

That is the program for communism, not in Russia, or in China, but in the United States—in Manhattan, in old Brooklyn, in Boston, where the famous Tea Party inspired patriots and still inspires them, in Chicago, in Fort Worth, in Indianapolis, in Oshkosh, Red Wing, and Cheyenne. That is the program toward the fulfillment of which every organized Communist in America looks, as once the steel-helmetted soldiers of Das Vaterland looked toward Der Tag. To gain as much light as possible, let us quote from the Foster testimony a few more illuminating sentences. He said:

"The workers of this country and the workers of every country have only one flag and that is the red flag. \* \* The workers, the revolutionary workers, in all the capitalist countries are an oppressed class who are held in subjection by their respective capitalist governments, and their attitude toward these governments is the abolition of these governments and the establishment of soviet governments. \* \* I stated very clearly the red flag of the revolutionary class, and we are part of the revolutionary class, and we owe no allegiance to them."

Communism in America is the pet child of the Moscow master strategist, Stalin. In May 1929, in a speech, he said:

"I consider the Communist Party of the United States one of the Communist parties to which history has given decisive tasks from the point of view of the world revolutionary movement. The revolutionary crisis has not yet reached the United States, but we already have knowledge of numerous facts which suggest that it is approaching.

"It is necessary that the American Communist Party should

that it is approaching.

"It is necessary that the American Communist Party should be capable of meeting the movement of crisis fully equipped to take the direction of future class wars in the United States. You must prepare for that, comrades, with all your strength and by every means; you must constantly improve and believe the that it is approaching. every means; you must constantly improve and bolshevize the American Communist Party. You must forge real revolutionary cadres and leaders of the proletariat who will be capable of leading the millions of American workers toward the revolutionary class wars."

Not until January 1930, more than 6 months after its delivery, Not until January 1930, more than 6 months after its delivery, was that speech made known to any save those who heard it. At the same time there was read a detailed report with reference to work in the United States. The occasion was the tenth session of the executive committee of the Communist International, and the author of the report was Moltov, members of the presidium of that international. Let us quote:

"The comintern has given particular attention to the situation in the Communist Party of the United States.

"A special delegation of the executive committee of the coming

"A special delegation of the executive committee of the comin-"A special delegation of the executive committee of the comintern was sent to the last congress of this party (Workers' Party, United States). Afterward for several weeks there sat at Moscow a commission of the presidium of the executive committee of the Communist International which specially studied the situation in the Communist Party of the United States. The presidium of the executive committee of the Communist Party radically renewed the direction of the American Communist Party and created within it the conditions of a real Bolshevist development of the party and a reinforcement of its authority among the working masses."

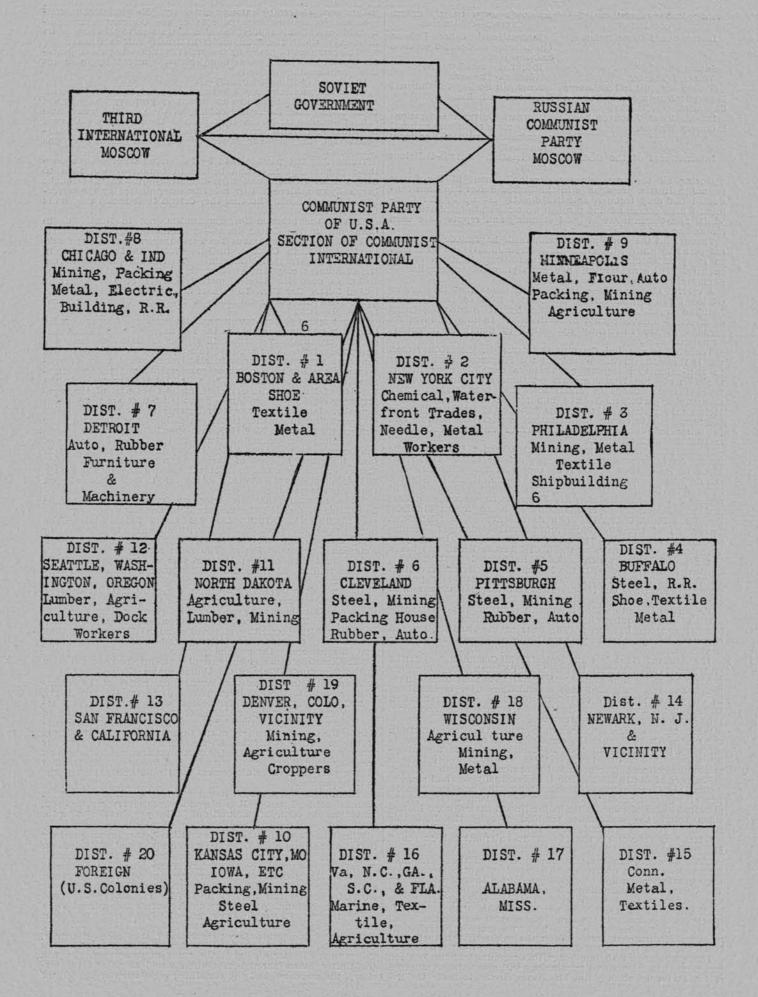
Communism is not a sect, it is not a local political party, or a national political party. It is a world revolutionary organization, united on one plan, knit around one philosophy, headed toward a

single goal.

When the Communists say "revolution", they mean precisely that and nothing else. They do not mean a national election, such as tore the American Government away from the Republican Party and gave it to the Democratic Party when Mr. Roosevelt succeeded Mr. Hoover. Nor do they even, as we have seen, mean such an election as might tear the National Government away from Mr. Roosevelt and give it to Mr. Foster. Mr. Foster would not, under communism, have any use for such a government as he would inherit. He would have immediately to resign and win control all over again by force of arms.

would inherit. He would have immediately to resign and win control all over again by force of arms.

When the Communists say "revolution", they mean slaughter, destruction, terrorism, utter demolition, and the creation of a Communist dictatorship upon the ruins of democracy. To win the United States through revolution would be to add the territory, the resources, and the remaining population of the United



States to the realm that now suffers under the dictatorship of which Mr. Joseph Stalin is the head. That there is no immediate prospect of such an eventuality does not change the intention of the Communists nor swerve them from their determination to achieve that object if they can find the way and the means for the doing of it. To have potential assassination in your midst is not consoling, to say the least.

And the fact that communism cannot achieve a successful revolution in the United States by no means indicates that it may not produce an abortive one. There is no reason whatever to assume that, at what they consider an opportune moment, they will not try.

There is, on the contrary, every reason to assume that they will try. And they will try, if and when they do, around or under cover of some event which deeply stirs the people—perhaps under the cover and with the false encouragement of some such movement as the bonus march or national hunger demonstrations.

To what extent the Communists may be materially prepared for a thrust in violence the non-Communist cannot know and does not know.

not know.

Revolution, or the attempt thereat, in the United States on the part of international communism is distinctly a thing that can happen. It is on the program. It is the end-all and the cure-all as envisioned by the Communist Party in America, in harmony with and in unison with the Communist Party of Russia and its intimately related copartner, the Communist International.

When the Communists of all lands execute the command. If and when the Communist International, in response to the Russian Communist dictatorship, believing that the hour has struck, sends to American communism the command, "Fire!", the guns of revolution will blaze upon our streets and the issue then will be settled in the blood of our people.

be settled in the blood of our people.

The Workers Party, the United States section of the Communist International, is merely the head and front of the red movement

in our midst.

The active branch of the red movement in the American indus trial field is the Trade Union Unity League, headed by William Z. Foster, the perennial Communist Presidential candidate.

The Trade Union Unity League can scarcely be said to rank second to the Workers' Party. In name it is subsidiary, but there is no more important Communist in the ranks of the United States

second to the Workers' Party. In name it is subsidiary, but there is no more important Communist in the ranks of the United States organization than Foster, though there may be and have been Communists sent to America from Moscow outranking him.

The Trade Union Unity League has no less than 28 subordinate divisions. It is important to identify these, even at the risk of being tiresome. Here is information that ought to be cataloged in the home of every American, and particularly of every American wage earner—a blacklist of hated interlopers and destroyers. The branches or divisions of the Trade Union Unity League are:

Agricultural Workers Union, Amalgamated Clothing Workers' Industrial Union; Building Maintenance Workers' Industrial Union; National Construction Workers' Union; Cleaning and Laundry Workers' Industrial Union; Goods and Packing House Industrial Workers' Industrial Union; National Food Workers' Union; Jewlery Workers' Industrial Union; National Metal Workers' Industrial Workers' Industrial Union; National Metal Workers' Industrial Workers' Industrial League; National Railroad Workers' Industrial League; National Auto Workers' Industrial Union; Lumber Workers' Industrial Union; Independent Shoe and Leather Workers' Union; Painters' Industrial Union; Rubber Workers' Industrial Union; Painters' Industrial Union; Furniture Workers' Industrial Union; Miners, Smelters, and Oil Workers' Industrial League; Unemployed Councils; Children's Trade Union League; Workers' Ex-Service Men's League; Negro section; women's section; youth section; shop neuclei; local unions.

Does this complete the list of Communist organizations and sub-

Does this complete the list of Communist organizations and sub-Does this complete the list of Communist organizations and subdivisions in the United States? Does this portray the extent of the net spread by Moscow? It does not. We shall continue with the enumeration of official Communist organizations in the United States, although the complete list can never be known outside the Communist headquarters, because of the rapid order in which new organizations are set up.

Examination of the list to follow discloses the fact that many of the organizations, names are made to interlock with a wide

of the organizations' names are made to interlock with a wide chain of non-Communist organizations through the inclusion of

chain of non-Communist organizations through the inclusion of a minority of non-Communist directors, or directors who are "pink" or sympathetic.

We proceed now to the list, regarding it as another chapter in the directory of invading enemy forces:

Workers International Relief; National Council for the Protection of Foreign-born Workers; American Negro Labor Congress, or the League of Struggle for Negro Rights; United Farmers League; Friends of the Soviet Union; Labor Sports Union, which is a section of the Red International of Sports Unions; John Reed Club; United Council of Working Class Housewives; United Council of Working Class Women; Workers Library Publishers; International Publishers; Young Communist League of America; Young Pioneers of America; Russian Cooperative Association; Bezboshnik, which is the Russian Godless Society; United Workers boshnik, which is the Russian Godless Society; United Workers Cooperative Association, which conducts camps; Russian Mutual Aid Society; Hungarian Sick and Death Benefit Society; International Workers Order; Proletarian Dramatic Association of America; Soviet Union Information Bureau; Amkino, United States bernach of Sovkino, promoter of Soviet motion pictures; Workers Schools; International Labor Defense, section of the International Red Aid; Sacco and Vanzetti Branch; Mooney-Billings Branch; John

Porter Branch, colored; Lenin Branch; Olgin Branch; Freiheit, and other similarly named branches; Emergency Committee for Southern Political Prisoners; Independent Workers Order, which is the left wing organization within the Workmen's Circle.

In addition to this list there are foreign languages for all of the important languages, including, in the order of importance in

membership strength, the following:

Jewish, Eussian (Slavic), Lithuanian, Hungarian, Finnish,
Czechoslovakian, Ukrainian, Yugoslavic, Polish, German Scandinavian, Italian, Mexican, Greek, Rumanian, Armenian, Portuguese,
Spanish, South American, English, Irish, Scotch, French Estonian,
Lettish, Chinese, and Japanese.

Lettish, Chinese, and Japanese.

In addition to these organizations and to the 12 daily newspapers, there are 30 Communist weekly and monthly publications having second-class mailing privileges. Of these, 9 are printed in the English language, 21 in foreign languages. And 15 other publications, including 3 published in Moscow, are regularly distributed through various channels other than second-class mail. The weeklies and periodicals circulating through second-class mails have a circulation of about 110,000 copies per issue. Those otherwise distributed offer no check on their circulation, and it cannot even be approximated. Of these latter eight are in the English language.

cannot even be approximated. Of these latter eight are in the English language.

Over all of these Communist organizations and newspapers stands the Communist International, exercising its discipline, demanding and getting obedience even in the small matters, inflexible in every matter of revolutionary policy and tactics.

William Z. Foster, the active and dominating head of the Trade Union Unity League, is a member of the executive committee of the Red International of Labor Unions. He is no more ardent, however than others who occupy positions of party responsibility.

however, than others who occupy positions of party responsibility.

Moissaye Olgin, who edits the Freiheit, the Communist daily newspaper of largest circulation, testified before the committee headed by Congressman Fish: "I am a Communist and that is a revolutionist. I am fighting under the red flag to displace

American capitalism by a government of workers and farmers."

Louis Bebrits, editor of Uj Elore, ranking next to the Daily
Worker in circulation, testified: "I cannot imagine a revolution without the same methods as the Russian workers and farmers

The sole inaccuracy in the testimony of these two authorities is that the masses of Russian workers and farmers had nothing to say about or do with the tactics used by the Communists in overthrowing the Kerensky government set up by the council of workmen and soldiers' deputies. In fact, thousands of the victims came from among their ranks.

came from among their ranks.

came from among their ranks.

In examining the list of Communist organizations in the United States we have thus far taken no account of the myriad organizations called "shop nuclei" nor of Workers' Party local branches. These are in every community of consequence. Every American familiar with unions, fraternal orders, or other national groups will grasp the idea of the local branch of the Workers' Party. But the shop nuclei is another matter not so familiar to Americans.

The nuclei is just what the word implies. The principal task of the Trade Union Unity League is to organize shop nuclei. The nuclei organization is the equivalent of a secret-service organization in American industry. One man in a workshop may form a nuclei unit. Usually the nuclei is composed of 2 or 3 or 4. These nuclei members are known to each other. They do not make their nuclei identity known to their shop mates.

Nuclei members report to Communist leaders outside the plant the state of mind of their fellow workers, and the proper barrage of leafiets or speeches, or both, is turned loose. On the other hand, the nuclei members seek to sow the proper kind of discord within the shop. There is organized teamwork between nuclei members and the outside Communist organization. A part of the test of nuclei members is that they shall not reveal them. members and the outside Communist organization. A part of the task of nuclei members is that they shall not reveal themselves in such a manner as to lose their jobs. If one is discovered and discharged, an effort is made to place another Communist into the plant in his place.

Shop nuclei are created without in any way disturbing the Workers' Party branch organizations. The role of the nuclei members in the event of revolution—for that is their eventual purpose in being—would be vital. They would become the local managers, at least at the outset.

The nurpose in depicting the great range and variety of Com-

The purpose in depicting the great range and variety of Communist organizations is not to hint at any probable eventual success in revolution, for that is now out of the question, but to show the extremely thorough preparations being made by the Communist machine for an event which they believe is destined

The authority of Moscow over Communists in the United States extends to trial and punishment for offenses against orders issued by the Moscow headquarters. The death penalty has been inflicted in the United States and has been passed upon others who have escaped execution by one device or another. That the O.G.P.U. is empowered to pass the death sentence and to execute it even in foreign lands is not disputed by Communist authorities. The death penalty has been inflicted in France and Italy, as well as in the United States. This is a new and peculiar kind of extraterritoriality. The testimony of at least two witnesses that they, though living in the United States, were under a Soviet sentence of death, is a matter of record. Early in August of 1931 sentence of death, is a matter of record. Early in August of 1931 Mr. George Djamgaroff occupied the witness stand in a Federal court in Washington, D.C. He recalled that in September 1930 he had testified at length before the Fish committee regarding the

activities in America of agents of the O.G.P.U. As a witness in a United States Federal court, he testified that he was under sentence to be shot; that the sentence has been imposed by the secret tribunal of the O.G.P.U. in Moscow. There is likewise the secret tribunal of the O.G.P.U. in Moscow. There is likewise the case of Mr. Basil W. Delgass, who testified in 1930 with Mr. Djamgaroff. Both, incidentally, testified under oath. Mr. Delgass testified that for 3½ years he had been vice president of the Amtorg Trading Corporation and that at the time of his testimony he was under sentence by the O.G.P.U. to be shot. His offense was in refusing to return to Russia when ordered by the Soviet to do so. His resignation was for the double purpose. Soviet to do so. His resignation was for the double purpose of escaping the necessity of giving manufactured testimony and removing himself from an organization the orders of which he could no longer obey. Though he was in New York, he was tried in Russia and sentenced to death.

The Bessedovski case in Paris is too well known to need men-The Bessedovski case in Paris is too well known to need mention here. He was the Soviet Chargé d'Affaires in Paris. His house was entered by would-be executioners; he escaped and lived to write an astounding account of O.G.P.U. intrigue. In the course of his narrative he stated that the expenses of the O.G.P.U. in the United States would not exceed \$50,000,000 per year.

There is likewise the case of Voikov, tried by an O.G.P.U. court, sentenced, and shot in Poland, the country to which he had been ambassador.

been ambassador.

Eugene N. Levin, secretary and consul general of the Soviet Embassy in Rome, was tried in the Embassy itself by O.G.P.U. agents sent there for the purpose, found guilty, and shot on the

Embassy in Rome, was tried in the Embassy itself by O.G.P.U. agents sent there for the purpose, found guilty, and shot on the spot.

Mr. H. A. Jung, of Chicago, declares that one of his agents watched the decoding of a cablegram on January 18, 1930, which carried Moscow's assurance that greater attention would be paid to the United States and that \$1,250,000 would be spent on propaganda alone. If that money was expended, it can be assumed that O.G.P.U. agents supervised the operation. That they have long been on duty in the United States, even as spies in American factories, is too well known to be disputed.

As for additional assassinations, the drowning of a Russian named Chourgin, head of Amtorg, some 4 years ago, and of Sklianski, who had been but 2 days on American soil as a surreptitious arrival from Moscow, has never been explained. It has been assumed by many that Chourgin was the intended victim, Sklianski the intended executioner and the accidental covictim.

The O.G.P.U.'s threatening finger came boldly into the tradeunion movement. Mr. Benjamin Schlesinger, late president of the International Ladies Garment Workers, visited Russia in 1922. On his return he was followed by an agent of the O.G.P.U., and in his own office in New York City he was told that unless he and his union deserted the American Federation of Labor immediately Moscow agents would at once set up a rival union and exercise every effort to destroy Mr. Schlesinger, his fellow officers, and the union. On the floor of an American Federation of Labor convention Mr. Schlesinger confirmed these statements. The Moscow agent was ordered out of his office, and from that day forward clearly defined Moscow-directed efforts to destroy the International Ladies Garment Workers were in evidence.

Again in New York City in 1932 the O.G.P.U. assassination went into action. Mrs. Tatiana Kouteynikeff, a White Russian refugee, was sitting before her dressing table in her sixth floor apartment at 68 Lennox Avenue. Her husband and son were sleeping in an

known, nor have the assailants been captured.

Aready I. Pogdeff, a young Amtorg agent, was found dead under the window of his room in the Hotel Cartaret in April 1930. It was reported that he had fallen or leaped to his death, but a friend, Gregory R. Bernadsky, went to the police and charged that Pogdeff had been slain by the O.G.P.U. for disobeying an order to return to Russia, and that Pogdeff had expressed the fear that he would be killed in fulfillment of an O.G.P.U. death sentence passed upon him for disobediance.

passed upon him for disobedience.
Stalin has asked: "Well, what are 400,000?"
There are many other cases of executions and of attempted exe-There are many other cases of executions and of attempted executions, including such noted cases as that of Gregory Sokolmkoff, first Soviet Ambassador to the Court of St. James; twice ordered back to Moscow, he refused to obey the second order, whereupon a trio of intended executioners went to seek him in London. His cleverness undoubtedly saved his life.

Paul Milukoff, head of the constituent assembly, disbanded by Lenin, has declared that no less than eight Soviet Ambassadors or agents have been either shot or imprisoned upon being recalled to Russia.

From a pamphlet written by George Agabekoff we take the following:

"One Chatzky was the G.P.U. first resident in America and lived there up to 1929. In 1929 he returned to Moscow and at the present time is in charge of the Anglo-American branch of the foreign department of the G.P.U.

"Inasmuch as there is not yet a Soviet legation in America, Chatzky went there as an Amtorg worker. His task in America was to familiarize himself with the attitude of the Government of the United States of America toward the Union of Soviet Re-

publics and to endeavor to influence American public men and, if possible, members of the Government—that is, to have them assent to the official recognition of the Soviet Government.

"It is difficult for me to say whether Chatzky was successful or not in his endeavors, but on his arrival in Moscow he was much praised by those higher up."

We quote further:

We quote further:

"Reports of the English envoy to Washington as to the activities of the American Government were a permanent source of information to the G.P.U. It is necessary to say that at the service of the foreign department of the G.P.U. there were reports service of the foreign department of the G.P.U. there were reports of almost all the English representatives abroad (envoys accredited to foreign governments and commissioners to the countries under British protectorates). I was convinced of this many times. English diplomats, without their knowledge, rendered valuable service to the Soviet Government through their detailed reports to the Foreign Office \* \* \* The reports of British diplomats to the Foreign Office \* \* \*. The reports of British diplomats accumulated in 1929 occupied a whole big closet in the G.P.U." A special department exists in the Moscow headquarters of G.P.U. for the forging of passports and other credentials and documents. All witnesses agree that American passports are favored by this forgery machine.

It is a matter of official record, already cited, that the under-ground machine in America is never to be disbanded. The reason ground machine in America is never to be disbanded. The reason for this determination to carry on a subterranean organization, where identities are secret, becomes clearer as the role of G.P.U. is examined. G.P.U. likewise has its underground agents in America. These are unknown to the agents who come to do spy work in the guise of Amtorg agents. G.P.U. never lets its right hand know what its left is doing.

Amtorg rises to the heights of indignation and rejects any implication of secret operations.

In the records of the Fight committee there is this colloque:

In the records of the Fish committee there is this colloquy:
"The Charman. Do you know the business manager of the Amtorg, Mr. Ziavkin?
"Mr. Delgass. Yes; I met him once or twice. He is a recent importation, you know; before him we had Mr. Grafpen, office

"Mr. Delgass, res; I mee film once of twice. It is a recent importation, you know; before him we had Mr. Grafpen, office manager of Amtorg.

"The Chareman. Do you know anything about Mr. Ziavkin and any positions he held in Russia, or where he came from?

"Mr. Delgass. He came from Rostov on Don. He was there and was picked up there by Mr. Bogdanov, who at that time was secretary of the Northern Caucasus Party Division. Whether he was a member of the Checka or not, I cannot tell you exactly."

But the evidence was forthcoming. Affidavits later were offered and are of record, sworn to by men who knew Ziavkin as the terror of the Don, local chief of G.P.U. men who observed his operations there and to whom he boasted of his powers. He was identified by affidavit of persons in New York who knew his position and record in Russia, two of these affiants being parents of an employee of Amtorg. The parents of this employee made their affidavit as to the record of Ziavkin at Quarantine, before they knew of their daughter's employment. Ziavkin was a high and unusually bloodthirsty G.P.U. executive in Russia, and it is beside the point that he may be said to have been removed from his G.P.U. connections before coming to Amtorg. G.P.U. does not take men into its inner councils and then remove them.

Grafpen, Ziavkin's predecessor, may or may not have been a

men into its inner councils and then remove them.

Grafpen, Ziavkin's predecessor, may or may not have been a Soviet G.P.U. spy, but he was one of the leading Communist propagandists and long a prolific writer in International Press correspondence, one of the official Soviet outlets for propaganda in foreign lands. The probability is that Grafpen never was far from G.P.U. Lengthy quotations from Grafpen's authentic writings as an inner-circule Communist are in the records of the American Federation of Labor, of the American State Department, and of the Department of Justice. They have been available without recourse to any unusual effort at procurement.

Hendler, a former G.P.U. agent, now fugitive from Soviet authority, offered testimony to the effect that he had been asked to help establish secret channels between Amtorg and an arm of the Ber-

establish secret channels between Amtorg and an arm of the Ber-lin branch of G.P.U. He asserts that he found the proper man, one Mikhail, who received his instructions and promptly proceeded to New York, landing illegally. He testifies further that he attended a meeting at which it was arranged to send to Amtorg three men who would pose as Amtorg employees in legitimate capacities but would report to G.P.U. Other witnesses have identifications and property of the capacities of the capacities are capacities but would report to G.P.U. Other witnesses have identified the capacities are capacities but would report to G.P.U.

capacities but would report to G.P.U. Other witnesses have identified three such men.

Amtorg has its agents in every branch of the Communist movement, not excluding the Young Communists and the Young Pioneers, and from these likewise G.P.U. recruits assistants who perform services of value. It is an established fact that the purpose of G.P.U. is to leave no portion of the vast Red machine uncovered, and it follows, almost as a matter of necessity, that G.P.U. agents are in America to spy on the work of the red leaders themselves, as well as to spy on and pervert, where possible, American institutions and operations.

We have at hand the program and the orders for Communist

American institutions and operations.

We have at hand the program and the orders for Communist conduct in such outbreaks as the hunger march of last winter, the bonus march, the Illinois coal march, and other demonstrations in the growing chain of such operations.

We have just had under examination the Red operations in the Illinois coal fields. Before taking up further operations of that type, let us observe how the rules were laid down in advance. As we study these rules we shall see that these events point toward revolution when the Communists believe the time is ripe.

On July 15, 1931, the dictatorship at Moscow issued instructions to the Communist Party in the United States detailing the tactics of street fighting, the use of barricades, the methods of arming

mobs, and the purposes to be held in view. A review of these instructions and of the progress thus far made in carrying them out was published in Pravda, in Moscow, on September 13, 1931, approximately 1 year prior to this time. The year thus elapsed has illuminated further the Red progress in precise pursuance of the orders so issued and thus appraised by the war lords in Moscow.

The Moscow instructions ordered the extension of Communist secret organization in the United States, a strong illegal party machinery, secret archives, secret printing presses, and the special training of groups of three and four, whose duty it should be to take the leadership in demonstrations, strikes, street fights, and all manner of demonstrations.

The theory of creating the habit of demonstration and of creat-

all manner of demonstrations.

The theory of creating the habit of demonstration and of creating violence in demonstrations, gradually leading up to armed insurrection, was carried forward to a new point in these instructions. Armed fighting was specifically directed, but the Reds were instructed to procure their arms during the battles, not before.

The logical interpretation to put upon such instructions is this; If arms are not available before the battle, they can be and should be procured during the fight. If the Red troops cannot procure runs, then they should wage war with clubs, stones, and whatever.

guns, then they should wage war with clubs, stones, and whatever else may be available until guns can be procured.

It is made clear that these measures are preliminary, pending the hour of actual insurrection, at which time it may be assumed the Reds will have made provisions for effective arms and am-

The history of demonstrations since issuance of these instructions shows clearly that they have been carried out to the letter. Pertinent extracts from these instructions, issued in Moscow for the guidance of troops in America, follow here:

"The strengthening of the clever police machinery of the bourgeois governments in their fight against the Communist movement requires of this letter also

requires of this latter also a more complex organization, one which is more flexible, and which works more precisely. This organization must inevitably be supported by a strong illegal party machinery. Today, the question of an illegal organization must occupy the center of attention of all the Communist parties of the capitalistic countries, without exception. The Communist parties should employ methods enabling them to reinforce, despite police repression, the revolutionary mobilization of the masses."

There are direct and specific orders for the use of every demonstration as a revolutionary movement and the sequence of events has shown that the Reds in America have followed orders. Gradually leading up to directions for the strategic infiltration of Communist secret groups into non-Communist organizations, leading up to directions for the committing of sabotage and for fighting in riots and explanations of the value of barricades, the instructions proceed as follows:

"To fulfill this task, it is necessary to create, in the first place, requires of this latter also a more complex organization, one which

"To fulfill this task, it is necessary to create, in the first place, "To fulfill this task, it is necessary to create, in the first place, immediately parallel to the legal machinery of the party which will continue to exist, an illegal machinery which will take over the functions of the legal machinery as the latter is destroyed by the police and will also fulfill the special functions arising out of the aggravation of the class war." Always the Reds call the conflict war, because they are realists—desperate, determined, realists. We go on to observe the orders set forth for the creation of the illegal machinery, which, it must be supposed, is by now perfected and in operation in operation.

"A. A place must be found for the archives of the party.

"B. Illegal printing works must be organized in which it will be possible to print the organs of the party in the case of the suppression and prohibition of the party newspapers and period-

"C. Machinery must be organized for the distribution of the

illegal literature of the party.

"D. The way must be prepared for the passage to illegality of certain groups of militant directors of the party.

"E. Addresses and places must be arranged for secret correspondence and secret meetings of directing organs of the party and also for lodging illegal militants of the party enabling interviews with other militants working also legally.

"F. A minimum quantity of militants must be trained, possessing the elementary rules of the technique of illegal work (service of illegal printing works, coding, technique of liaison, written and spoken, technique of the preservation of the illegal part of the machinery of the party, etc.)."

But we have not done with this remarkable document. We read

But we have not done with this remarkable document. We read on, astonished only if we have had our eyes closed to the gathering storm and the evolution of the Communist attack:

"Similarly," we read, "measures should be taken so that:

"A. There shall be no document left in the legal premises of the

party which may give cause for repressions against the party on the basis of police rules and regulations.

"B. All the militants of the party should know what are the documents which should remain secret and what information should not be given to the police.

"C. That some of the militants of the party should abstain from going to the establishments of the party which function legally. These organizations of the party should in general serve the legal possibilities of the contact and liaison of the party with the masses so that symmathizers and in general nonparty works. the legal possibilities of the contact and haison of the party with the masses, so that sympathizers, and in general, nonparty work-ers, having no contact with the organizations of the party reduced to illegality, may establish at these addresses such a liaison and transmit information of interest to the party and in the same way receive replies to questions which interest them. As institutions of the party thus existing openly one may cite the three following:

"1. The premises of the committee of the party where, at cer-"1. The premises of the committee of the party where, at certain hours, the representatives of the party are to be found who come to them for the affairs of the party. As regards these premises it should be a general rule that the militant leaders of the party should avoid being found there and the same rule should apply to meetings of the party committees and militants.

"2. Another legal means of the party no less important—quite the contrary, in fact—which should be largely made use of for open liaison between the party reduced to illegality and the masses is the legal journal of the party, supported by a large network of worker and peasant correspondents.

"3. Finally, a third organ is the Communist faction in Parliament and in the municipal councils."

These are remarkably explicit directions. They are not sugges-

These are remarkably explicit directions. They are not suggestions. They are orders. Moscow does not issue mere suggestions. Moscow demands obedience. Moscow will determine when the hour shall have struck, if ever it does, for the opening of general hostilities.

But the orders continue, leading onward to the plain, and unmistakable directions to destroy factory machinery and to block industrial operations in a manner as vital to every to block industrial operations in a manner as vital to every American workman as to every American factory manager and owner. After instructions for the naming of substitute editors to replace editors who may be arrested for allotting of funds to pay and to replace suppressed issues of party papers, we read on in these battle orders from Moscow:

"It is the duty of the party (and one of its chief permanent tasks of reorganization) to create its factions in the mass organizations directed by the social Fascists and by the frankly revolutionary leaders

leaders.

"While fighting with all their strength for the possibility of carrying on their mass work openly, the Communist Parties should from now on keep one of the branches of their activities secret. This is the work in the undertakings, the work of the factory

The factory cells absolutely must organize themselves immedi-The factory cells absolutely must organize themselves immediately as illegal organizations and work with illegal methods; as, indeed, with all the work of the party, this reorganization of the factory cells must be accompanied by a maximum reinforcement of their mass work in the undertakings", by which the Reds mean factories

factories.

The final paragraph of instructions which we have quoted is clearly, unmistakably, and indisputably the order of Moscow that American workmen, organized in secret units of three and four men to the unit, shall wreck and ruin American factory machinery wherever it will serve the purpose and wherever it can be done. The whole tenor of the complete order is that the Reds are to push forward in the development and enlargement of the war front, spreading violence into new channels, through a secret organization in comparison with which any other secret secret organization, in comparison with which any other secret organization America has ever known has been but play acting. In the factory they must organize illegally, and they must do

illegal work. Illegal work can be no other than revolutionary work. It is backed by the implacable hatred of Moscow and the subjects of Stalin in America must obey. Failure to obey means excommunication at the least and execution at the most.

We have found that certain orders have been issued for the mobilization of a secret army composed of small units.

The Russian edition of the Communist International, official organ of the Third International, continues the directions in its issue of June 30, 1931, under the caption, "The Fight for the Street."

We here summarize those instructions, vital to every American, because they are today's directions to the Reds' forces in America. The present demonstrations should serve as training for civil war. The "tactique" of the organization of demonstrations should be used in opposition to all efforts to disrupt demonstrations. The first centers of assembly should be workers' quarters, labor halls, and assembly places least accessible to the police. Only occasionally are demonstrations in the centers of cities successful. But in such cases the Communist must act by surprise and form demonstration in a quasi-spontaneous manner out of elements

which have, by prearrangement, arrived individually.

Demonstrations also should take place in the bourgeoisie and

rich quarters.

Mark this well:

"It is especially recommended to organize marches of workers and starving poor in quarters inhabited by the rich.

"The police always seek to concentrate their forces; the tactics of the Communists should therefore consist in forcing the police to disperse their forces." It is recommended to "surprise the adversary" and "compel him to act in small groups."

"Initiative groups" are to take the leadership in demonstrations.

"Initiative groups" are to take the leadership in demonstrations and all other reds must follow the lead of such groups. The and all other reds must follow the lead of such groups. The strategy is, of course, to place closely knit groups here and there in crowds, and through the teamwork of the red secret groups assume the leadership of the entire gathering, leading it in direc-tions in which it would otherwise not go. These tactics we have already observed and discussed.

already observed and discussed.

The Communists confirm the judgment, saying, "Thus, the police will be incapable of stifling the demonstration at birth, since they will never be capable of encircling all the meeting places with superior forces." These tactics have been applied repeatedly.

"Special groups may be organized to act behind the police detachments and draw their attention away from the real center

of the demonstration", the orders proceed, adding that "physical resistance" to the police is especially important. Such resistance has grown during the past 2 years.

"Nonresistance amounts to betrayal of the principles of the class war", the Reds are told, which is to say, failure to engage in such battles amounts to treason to communism, which means to Staling How means have been purpled by secret expenses. to Stalin. How many have been punished by secret agents of

the G.P.U. cannot be known.

And then comes this arresting paragraph:

"It must be recalled that while, at the time of the armed insurrection, the watchword is 'the offensive at all costs', revolutionary demonstrations are only a 'training of war' and not real

The hunger marchers, the street fights, the demonstrations be-The hunger marchers, the street fights, the demonstrations before city halls, the riots, and the protest gatherings are all training operations for the war to come. Thus, the Reds have their cantonments, engaging in practice, not with dummies, but with American policemen and American civilian citizens. The aim in these preliminary demonstrations is to learn tactics, to grasp the technique of the kind of war that is expected to follow. We are told so in so many words. As, to quote:

"Consequently, in the course of these demonstrations, it is not a question of attacking at all costs, but of showing great flexibility and scientifically combining the offensive with defense and retreat."

It was shortly after these instructions were issued that J. Louis Engdahl, once a lithe and slender newspaper reporter, now grown heavy and bulky in the role of Communist leader, declared in a

public speech:

"We workers say, hail to mutiny in the United States Navy. Hail to mutiny in the United States Army. Hail to mutiny in the United States air forces. When we call for mutiny, Wall Street knows it is of tremendous significance. \* \* \* What we need is another Potemkin, to lead a revolution here. Since our armed forces are made up of workers, the Stars and Stripes, or, as they

forces are made up of workers, the Stars and Stripes, or, as they call it, the Star-Spangled Banner, will in time give way to the red banner of the workers of America."

We return to the instructions from Moscow to discover the meaning of the "armed forces" to which Engdahl referred. He meant himself to be taken literally, for he spoke the truth, just as the Reds do when they discuss their war for the conquest of democracy among themselves. By their candor they deceive the most. Read now from Moscow's orders:

"As regards the arming of the demonstrators the following tactics are recommended: To publish in advance the watchword, 'armed demonstration', is to play at insurrection in an abused

'armed demonstration', is to play at insurrection in an abused fashion. It is out of the question that demonstrators demand to be armed in advance and refuse to march without arms. Those who demand arms of the Communist Party are simply incapable of arming themselves

How then are the Reds to procure arms, if not by issue in ad-ance? Observe the Red orders:

Now, experience has shown that demonstrators can arm themselves perfectly well in the course of the demonstrations (paving stones, arms snatched from the police, etc.).

stones, arms snatched from the police, etc.).

"To forbid such a mode of arming is manifestly absurd. There is nothing against the spontaneous arming of the demonstrators, but only against their general arming as the result of a watchword launched in advance and in the course of a period which is not yet ripe for armed insurrection."

The Communist International, which is the tool of the Russian Communist Party and the superior of the American Communist Party, now not only sanctions, but orders violent operations in the United States—sabotage and wreckage in factories and armed clashes in the streets, in which the reds are to arm themselves as best they may but avoiding the charge of being prearmed. They best they may, but avoiding the charge of being prearmed. They are preserving the distinction of definition, so that until insurrection comes they may be classed by the authorities as mobs and not as rebels.

The instructions continue, pointing out the use of barricades. "They serve as a means of defense", it is shown, and "as a means of attack when it is possible to encircle the police by several barricades."

Detailed instructions are found for the operation of "special groups" or cells of the secret militants in demonstrations. These are to operate apart from each other, yet within communication range and in concert. "These groups as a whole should form the backbone of the demonstration. This arrests the break-up of the demonstration at the moment of police attacks and enables the organization of counter attacks. It is desirable to get the members of these special groups together in advance and distribute uniform instructions. It is forbidden to form 'organizing bureaus' for the demonstration."

reaus' for the demonstration."

Still further instructions have been issued by the executive committee of the Communist International, in which the American Communist Party is represented, ordering Communists "to intensify their drive in noncommunist" countries and ordering the cells of the secret organization to press forward in the campaign of "violence"

Moreover, these secret cells are ordered to block every effort at economic recovery from the depression, and additional special and secret instructions for this work are known definitely to have been issued.

This document has been printed in six languages, as are most of the important documents, and it orders, under date of August 15, 1931, preparation for simultaneous revolutionary outbreak in the leading capitalist countries of the world, which places the United States at the head of the list.

Propagandists are ordered to increase their subversive work Propagandists are ordered to increase their subversive work among army troops and in the navy and to organize cells of the most trusted and devoted reds "in the more important public services, railways, telegraph, telephone, electric power stations, water and gas works", which imposes a tremendous but patriotic and gladly accepted duty and responsibility upon the shoulders of America's loyal workers, and more particularly upon the shoulders of her loyal and patriotic trade-union membership, for among them is the menace best understood.

These cells are explicitly ordered "during the inevitable

These cells are explicitly ordered "during the inevitable strikes", which may be legitimate protests upon the part of patriotic workers "to perform acts of sabotage in order to disorganize food supplies and other essentials of life." The organization of "combat forces with instructions for terrorizing" is particularly commanded.

particularly commanded.

"We are marching with Bolshevik tempo; we shall not stop", exults one of the leaders of bolshevism in Moscow, as these instructions are dispatched to the reds of the world, advising them at the same time that the "new world war" will be ordered, whether in 1931, 1932, or 1933, at an hour "most inconvenient" for the established nations of the world. And, with brutal cynicism, he concludes that the time will not make much difference to those who "will be destroyed."

It is not for the purpose of delving into history that we go back to 1922 to find the young millionaire, Charles Garland, possessed of the conviction that he must divest himself of the greater portion of his fortune and place it at the disposal of others by the creation of the American Fund for Public Service, since more

creation of the American Fund for Public Service, since more popularly known as the Garland Foundation. Endowing this institution with about \$900,000, the young man ceased to be a

institution with about \$900,000, the young man ceased to be a figure of any great consequence.

While the initial capital was less than a million dollars, the fund has been able to give away outright more than a million dollars and to loan something in excess of another half million. The explanation for this is that the capital of the fund was mostly in the form of stock in the First National Bank of New North City and the constitute of the York City and the operations were for the most part confined to a period of rising bank-stock prices.

The importance of the Garland Fund at this time lies in the

fact that institutions which it endowed and which it enabled to exist continue their operations on the foundation laid with the

money thus provided.

In April 1923 the American Federation of Labor issued a state In April 1923 the American Federation of Labor issued a statement calling public attention to the operations of the Garland Fund, citing the character of the work and those agencies which it helped, and stating the methods which it had taken to discover these facts. Repeated reexamination of the situation has shown no reason to change anything said in that statement of 1923. The Workers' Education Bureau, an institution affiliated with the American Federation of Labor had, for the specific purpose of securing an authentic statement of the policies of the Garland Foundation, and with the full knowledge of the American Federation of Labor, applied for financial assistance. The application was filed on February 25, 1923, and an answer was received on March 26, 1923. The trustees of the Garland Foundation, over the signature of Mr. Roger Baldwin, stated:

"At last we came to the consideration of workers' education at our meeting on March 21. In view of the report we had from Stuart Chase, the board defined its policy in dealing with such applications in the following language:

applications in the following language:

"'The American Fund for Public Service, Inc., in its support of labor education, shall favor those organizations and institutions which instill into the workers the knowledge and the qualities which will fit them for carrying on the struggle for the emancipation of their clear in every spine or the struggle for the emancipation of their clear in every spine or the struggle for the emancipation of their clear in every spine or the struggle for the emancipation of their clear in every spine or the struggle for the emancipation of their clear in every spine or the struggle for the emancipation of their clear in every spine or the struggle for the emancipation of their clear in every spine or the struggle for the emancipation of the struggle for the struggle for the emancipation of the struggle for the struggle fo

"'As it seems to us pretty clear that the work of the Workers' Education Bureau does not come within this definition, we came to the conclusion that we could not make the appropriation you request. We do not see our way clear to financing any enterprise

request. We do not see our way clear to financing any enterprise except those definitely committed to a radical program of the character indicated in that resolution."

The American Federation of Labor said: "It is thus made clear by Mr. Baldwin's letter that the American Fund for Public Service is interested in the promotion of 'education' only when a revolutionary purpose is to be served."

At the time of this action the trustees of the Garland Foundation was Board Federat News Public News Theorem.

At the time of this action the trustees of the Garland Foundation were Roger Baldwin, Norman Thomas, Robert Morse Lovett, Harry F. Ward, Scott Hearing, William Z. Foster, Sidney Hillman, Mary E. McDowell, James Weldon Johnson, and Lewis Gannett. At that time, as during the intervening time, the board of trustees has been partly Communist and partly non-Communist, but always sufficiently communistic to throw the influence of the Garland wealth in that direction. Institutions which have benefited by the Garland fund are the Federated Press, whose Washington representative has been likewise the representative of the Soviet Telegraphic Agency; the pro-Communist Messenger; the pro-Communist Searchlight; and the pro-Communist Labor Age. Brookwood College has likewise been a beneficiary to the extent of, roughly, \$200,000. The Fur Workers Union of New York City, which has been in constant turmoil because of Communist inroads, and which the American Federation of Labor has been compelled to completely reorganize in order to destroy Communist control, was given \$45,000. The struggle with Communism on this union continues to this day, and there can be no doubt that a goodly portion of the trouble can be traced to the money given to the organization by the Garland Foundation when Communists in that union were in the ascendancy. Among the trustees during the latter years have been such well-known Communists as Robert

W. Dunn, Benjamin Gitlow, Elizabeth Gurley Flynn, and Freda |

W. Dunn, Benjamin Gitlow, Elizabeth Gurley Flyini, and Freda Kirchwey.

One of the most ambitious projects of the trustees was the establishment of the Vanguard Press in New York City, with a capital of \$135,000. The Vanguard Press has been assisted materially in other ways. The Garland Foundation has caused many studies to be made, the results of which have been published by the Vanguard Press, along with a list of books literally filled with volumes helpful to the cause of revolution. The Studies of American Imperialism was one of the studies thus conducted, at a cost to the fund of \$35,000 while a series of Studies on Russia cost ican Imperialism was one of the studies thus conducted, at a cost to the fund of \$35,000, while a series of Studies on Russia cost \$13,000. Such other institutions as the Committee on Militarism in Education, the League for Industrial Democracy, the American Civil Liberties Union, the International Labor Defense, the United Front Textile Committee, The Women's International League for Peace and Freedom, the Daily Worker, and the New Masses have been beneficiaries. Practically all of these are operating at this time, continuing the spread of Communist propaganda and conducting subversive activities in whichever row is assigned to them by the Communist high command.

by the Communist high command.

Lenin remains the great guide in the development of all Communist policies in the United States as well as elsewhere. In a book published after his death, Lenin wrote: "Whatever serves to advance class warfare is moral." He also stated: "We must know how to apply, at need, knavery, deceit, illegal methods, hiding truth by silence, in order to penetrate the very heart of the trade unions (in the United States) to remain there and to accomplish there the Communist task."

The record of Communist congrations in the United States is

The record of Communist operations in the United States is filled with examples of this duplicity; the practice of deceiving Americans for the benefit of the Communist purpose.

Americans for the benefit of the Communist purpose.

One minor but peculiarly reprehensible example was in the gathering of funds for alleged strike relief. For example, the International Labor Defense reported the raising of \$89,793.20 for strikers at Gastonia. In its published reports, the I.L.D. reported payment of only \$11,959.64 in actual relief, while of the remainder \$10,033.87 was not accounted for in any manner.

J. Lewis Engdah, general secretary of the International Labor Defense, would not take oath to tell the truth when testifying before the Fish congressional investigating committee—"because I do not believe in bourgeois hypocrisy." Not a single Communist witness called by that committee took oath. Communist young people are taught to shield their fellows in the pursuit of Communist objectives. munist objectives

Communists who have come over from Russia to the United States to work for the Amtorg Trading Corporation and other Soviet agencies have frequently renounced their Communist Party membership upon arrival here, resuming it upon departure. In Ten Years of the Communist Party in Chicago, an official Communist Party document, we find this: "Our illegal apparatus must be perfected down to the lowest units." Illegal work is deceptive work.

A favorite device in the campaign of deception is the misrepresent

communist Party document, we find this: "Our illegal apparatus must be perfected down to the lowest units." Illegal work is deceptive work.

A favorite device in the campaign of deception is the misrepresentation of those opposed by them, particularly representatives of the American Federation of Labor. These are commonly designated as "fakers" and "tools of the capitalists." Chicago leaders have been called "police informers." Officials of the Chicago Federation of Labor have been termed "fake progressive leaders." The late Samuel Gompers and President Green have alike been termed "arch fakers." "Parasites" and "agents of the bosses" are terms that are commonly applied to the elected leaders of the United Mine Workers. The investigation by the Fish committee was held to be "a plot for armed invasion of Soviet Russia." American Federation of Labor officials are continuously denounced as "reformers", "fakers", and "bureaucrats", while the American Federation of Labor officials are continuously denounced as "reformers", "fakers", and "bureaucrats", while the American Federation of Labor policy is commonly called "class collaboration", so that it may sound hateful in the ears of wage earners. A case illustrating what might be termed "the very extreme of duplicity" took place about a year and a half ago at a point not 200 miles from Chicago. A manufacturer asked the civil authorities to provide protection against bombling depredations and apprehension of the bombers if possible. For some peculiar reason the case was given no attention by the newspapers. Some 24 persons were arrested and it developed that they were the very guards employed to protect the property against bombling. Confessions of four of them revealed that all of the 24 were Communists and that they were guilty of the bombing which they had been hired to prevent. Here, indeed, were armed forces on American soil.

For the past 2 years the Communist organization has conducted a continuous campaign, instructing its leaders throughout the United States i

the placing of blame upon the regular trade-union leaders, this being one of their principal revolutionary tactics.

There is much evidence that for several years there has existed in the United States a criminal group under Communist control. Whether it holds membership or is in service under subsidy is not clear, nor does it matter. Evidence accumulated by the American Federation of Labor indicates that we have in our

midst a skeleton terrorist force trained, instructed, and ready for expansion on short notice. The point which it is our desire to bring out is that the Communist Party in the United States, subordinate to the Third International at Moscow, is not a politisubordinate to the Third International at Moscow, is not a political party in the true sense of the word, is not crusading for the improvement of human conditions through lawful means, and that its leaders are not self-sacrificing priests of the new social ideal; but that the party and its leaders constitute an actual revolutionary war machine, refraining from the tactics of actual warfare, as we have known those tactics, only until they deem the moment to have arrived. Against all of this the American Federation of Labor has stood as the first line of defense and has borne the continuous brunt of battle

Federation of Labor has stood as the first line of defense and has borne the continuous brunt of battle.

The Soviet regime of Moscow regards the soil of all the world as its own territory, the present status of nationhood being temporary, pending dispossession of all except the proletariat.

"The Red army", the Soviets proclaim, "is the army of the international proletariat; the O.G.P.U. the police of the proletariat." And the Soviets further proclaim, "Nothing is Russian in the Soviet Union in the 'national' meaning of the word; everything is proletarian—that means international."

Further, the world is warned that, "Relying on the Soviet Union, the proletariat of each country can defend and extend its achievements even during the present reactionary period."

That the Soviets will defend and help revolutionists of other lands through the active participation of the Red army is repeatedly stated. To America the meaning of that is that, if and when there is an outbreak of sufficient revolutionary character in the United States to convince the Red chiefs of a chance of success, the Red army of the Soviets in Russia will be thrown into the conflict. into the conflict.

But in other ways the Soviet authority passes over and seeks to obliterate national boundaries. In actual fact the Soviet authority exercises ruling authority over all that part of American population which is Communist and compels obedience to its edicts, while Communists in America swear that their first allegiance is

while Communists in America swear that their first allegiance is to the red flag, the symbol of Communism, and not to the American flag. The flags stand for the laws of the lands over which they float. They are symbols of nationality.

The Communist Party of Russia, or its subordinate creature, the third international, commonly and constantly issue mandatory orders which must be followed by the Communists of other nations. In England the Communists were told: "The Communists of the Communists were constantly in the Communication of the Communication munist Party of Great Britain is a section of the Communist International and is bound by its decisions." Whether Ramsay MacDonald recognizes Russia or the soviets or not, the soviets wield authority in Ramsay MacDonald's country, a new form of extraterritoriality which the world has so far but dimly come to comprehend.

When Foster and Lovestone, once bosom partners in communism, fell out over party policy, Moscow decided the issue for Foster and ordered Lovestone out. Not only that, but Moscow determined the status of all who followed Lovestone, made the law for their banishment, and enforced it.

The Communist International, an official Moscow organ, said of the Lovestone followers: "They falled to notice that the Communist International is a Leninist International, and those who manage it are Leninist managers." To Lovestone, Stalin himself

"For the time being you are still formally in the majority, but tomorrow there will be no majority at all and you will be completely isolated if you try to struggle against the decisions of the presidium of the executive committee of the Communist International."

International."

That means that it was the intention of Stalin's Communist International to transform the minority of the party in the United States into the majority and to wipe out the old majority, as far as any standing in the Communist world was concerned. Pages of decisions and arguments were published at that time in the Communist newspapers of the United States upon orders from Moscow. The Moscow decision had all the effect of a Supreme Court decision.

Some 3 years ago about 200 American manufacturers and exporters were in session in New York City to determine by what means they could increase their trade with the Soviet regime in

About the same time the cables brought to America news of a supposedly secret circular containing instructions from Moscow to the Communists in the United States. These instructions were apparently so mild that no reason for secrecy was apparent. A series of demands was presented, including all of the customary demands of the avowed red propaganda. A concluding sentence demands of the avowed red propaganda. A concluding sentence said: "It is necessary to carry out the decision about a radical change in the work of the party and the lead of the united workers." Camouflage was clearly indicated. As a matter of fact, as it later came to be known, the actual instructions, as has been noted elsewhere in this memorandum, were for a growing militarization of the Communist propaganda list in the United States. With the so-called "secret instructions" in mind, let us observe the secret which took place in the Mahoning Valley about 2 years

an event which took place in the Mahoning Valley about 2 years ago. In observing this event let us have in mind the recent and well-publicized operations of Communists in the steel and coal industries in opposition to codes inaugurated under the National Recovery Administration.

The activity in question centered in Warren, Ohio, ordinarily a suite and recovery administration.

quiet and peaceful community. There is in Warren a plant of the Republic Steel Corporation, a thoroughly union shop, with a col-lective agreement between the management and the Amalga-

mated Association of Iron, Steel, and Tin Workers. By infiltration and the establishment of Communist nuclei, Communists were mated Association of Iron, Steel, and Tin Workers. By infiltration and the establishment of Communist nuclei, Communists were able to perfect two distinct organizations within this plant and to create much dissatisfaction. These operations extended over a period of several months until finally in September 1932 the Communists managed through the circulation of an outright lie to precipitate a strike involving a number of the members of the regular trade union. The lie was to the effect that a wage cut had been ordered by the management in violation of its wage agreement. The strike call was so issued as to lead many men to leave their work under the impression that the genuine trade union had called the strike. Immediately, in pursuance of the customary Communist tactics, Communists from many other cities congregated in Warren. By actual observation it was estimated that more than half the pickets never worked in the mill and never saw it until they were ordered there by the Communist leaders. For several days the Communist newspapers continued to print the charge that the strike was against wage reduction.

The Amalgamated Association, the legitimate union, true to its agreement, fought the Communist invasion and finally routed it, keeping its agreement with the plant and eventually restoring operation.

What the Communists had accomplished was to inflict a heavy expense upon both the union and the plant and to mislead a considerable number of workers into purely propaganda mis-

adventure.

adventure.

At the same time, Communists were working to destroy the union of longshoremen in New York to such purpose that the organization was compelled to put forth most vigorous efforts to retain its unity and its control of the situation. The fact is that the longshoremen union has never since been free from Communist invasion and that even today it is under the necessity of waging constant warfare for the protection of its membership against revolutionary operations.

In every case thus far, Communists have been in the minority.

In every case thus far, Communists have been in the minority in our unions, but the significance of this is never fully understood, unless it is remembered that Communist tactics always call for control by minorities through the use of violence, terrorism, and whatever methods may seem best designed to achieve

It would be too long a story to recount all of the struggles which our unions have had with Communist invaders, even if the facts were available. The truth is the facts are not all available and could not all be had without the expenditure of much effort and considerable time. The unions which have been cited are but a few of those which have been attacked and which have been compelled to defend themselves at heavy cost.

The United Textile Workers have been forced to expend much money, and some lives have been sacrificed.

The International Ladies Garment Workers have been compelled.

The International Ladies Garment Workers have been compelled to fight vigorously to maintain the organization in freedom from Communist influence.

Many of the building trades have been threatened in various communities, in some cases seriously. In this connection, it should be noted that the tactics of Communists and of gangsterism have been strangely identical, and it is fair to wonder whether the two

are always dissociated.

The American Federation of Labor knows perfectly well, as does everyone else who has given the subject even casual study, that the Communist philosophy is completely revolutionary; that its ultimate goal can never be changed, and that its tactics are dictated at every moment by the expediency of that moment; consequently, a pledge given today does not indicate Communist performance tomorrow unless the expediency of tomorrow makes that performance then desirable. For that reason, the following radiocram which fleshed through the air in 1919 when Spartagism radiogram, which flashed through the air in 1919 when Spartacism was at its Red height in Germany, stands in the mind of labor as the text of orders held in waiting to be flashed to the United States or to any other country when Moscow deems the hour to have struck:

have struck:

"The present is the period of destruction and crushing of the capitalist system of the whole world.

"The aim of the proletariat must now be immediately to conquer power. To conquer power means to destroy the governmental apparatus of the bourgeoisie and to organize a new proletariat governmental apparatus. This new apparatus must express the dictatorship of the proletariat.

"The dictatorship of the proletariat must be the occasion for the immediate expropriation of capital and the elimination of the private right of owning the means of production through making them common property.

"In order to protect the socialist revolution against external and internal enemies and to assist the fighting proletarians of other countries it becomes necessary to disarm entirely the bourgeoisie and its agents and to arm the proletariat."

It cannot be otherwise than true today, as it has been in all of

It cannot be otherwise than true today, as it has been in all of the past, that "apparent compromises with 'bourgeois' govern-ments or countries have proved temporary and tactical." It is this proven truth which influences labor to be forever sceptical and proven truth which influences labor to be forever sceptical and forever on guard where communism and its promises are concerned. Labor feels deeply that the aims of communism must remain unchanged, and it knows that every promise communism makes is in some sense a victory for communism. The American trade-union movement has stood steadfastly against communism and all of its manifestations and operations. It has been compelled to wage unrelenting warfare to defeat the propaganda of communism within its own ranks. That warfare continues even to the present hour and it is in many respects more bitter today

than at any time since the constituent assembly was overthrown in Russia by Lenin and Trotsky.

That funds have come from Russia for the financing of propa-

ganda in the United States we can have no doubt. It perhap would require the best operations of the United States Secret Serv ice, nonexistent, to discover all of the methods used and to trace down all of the money that has been transmitted.

There is knowledge of one method used during the life of Lenin There is knowledge of one method used during the life of Lenin and under his direction. He cabled to his American representative, saying that he must at once raise \$2,000,000 to pay for coal purchased from a Chicago firm. (Coal no longer is so purchased.) He asked whether the American agent could sell 5,000,000 gold rubles in the United States at 51.44 cents. One cargo of coal was approaching Vardoe, another had put to sea from New York for Murmansk, the third was due to sail for Archangel. Lenin advised his agent in New York that at the price he named the rubles should bring \$2,225,000, and he directed the American agent to retain \$225,000 for his own uses in the United States. Inasmuch as the agent was high in authority in the direction of Soviet propaganda, it is not to be assumed that the money was used for purely personal purposes. purely personal purposes.

The entire history of the Communist Party in the United States has been a history of opportunistic operations. It has been absolutely in accord with the philosophy of the Communist International. When it has served the purposes of international communism to be quiescent it has been thus, and when it has served

munism to be quiescent it has been thus, and when it has served the same purpose to be militant and aggressive it has been thus. Repeatedly the Communist International has proclaimed the priority of the United States in its ghastly affections.

The Communist Party in the United States was organized in Chicago in September 1919. It was at that time a simple propaganda organization. While the Workers Party of today is a machine for the carrying on of active war against democracy, the first Communist Party was a party for the spreading of the belief in communism. While the propaganda was for a revolution by force, it was, to illustrate, a propaganda for the creation of the army, while the present Workers Party is the army which exists for the purpose of creating war.

The only hope of its legality was, particularly at the outset, deprived by war-time laws. It functioned as an underground organization. Most Americans now living know nothing about the operation of the secret revolutionary political party, except those who were and now may be in the Communists' underground organization. There are many evidences that the earlier underground

who were and now may be in the Communists' underground organization. There are many evidences that the earlier underground Communist Party was thoroughly schooled in secret operations and for a considerable period of time published an underground newspaper, the origin of which no Government agency ever ran down. It was said of this newspaper that it never was printed twice in the same place. Not only was the Government, which then had a secret service empowered to deal with such things, unable to discover where or how this underground newspaper was published, but it was never able to find out how it was distributed, though it did possess itself of a few copies. One copy of one issue was in the possession of the American Federation of Labor at the time Senator Borah held his hearing on Communist activities.

For 2 years the underground party was the sole agency of the authorized Communist movement in the United States. In December 1929 the Workers' Party was organized as an open political cember 1929 the Workers' Party was organized as an open political party of legal standing and as a branch of the Communist International. In 1925 the name was officially changed from Workers' Party of America to Workers' Party (Communist) of America. The repeal of the war-time laws in 1924 made its open existence possible. Since 1925 the Department of Justice has had no authority nor personnel nor funds with which to conduct investigation and maintain contact with revolutionary propaganda. So far as can be learned, the organization of the legal party had no bearing on the existence of the undergrand organization which probably the existence of the underground organization, which probably continues in existence today. It was at the time specifically ordered that the underground organization be neither disorganized nor abandoned. It was ordered that it be maintained, and while it is apparently engaged in no active operations at this time it undoubtedly is ready for action at any moment. What might be the task of such an underground organization and what might be the reason for its maintenance can safely be left to conjecture. Obviously it could not be a purpose sanctioned by the laws of the

Nation.

The existence of this illegal party has been all but forgotten by the public generally. However, if we are to take the records of the Communists themselves it must be not only still in existence but must be, in case of any confliction of view, the real master in the making of policies and in the enforcing of discipline.

The Communist Party, known today as the "Workers' Party", is organized into 20 districts, each with an important industry, group of industries, or group of natural resources as its center. There is nothing accidental about this form of organization by districts and industries. Establishment of the Workers' Party as a legal organization marked the beginning of a program to launch a drove of subsidiary and collateral Communist organizations in the United States. Many of these will be named elsewhere. They ramify into almost every phase of social activity, industrial activity, and community life. In the making of policy, the Workers' Party, which in turn is subordinate to the Communist International, is the guiding and dominant force.

Propaganda is continuously conducted through all of the usual

Propaganda is continuously conducted through all of the usual propaganda methods, but with the printed word occupying a leading place. There are about 12 daily Communist newspapers in the United States, of which one, the Daily Worker, is in English. The largest circulation is that of the Morning Freiheit, Jewish, with a

circulation of 64,000 or more. Communist newspapers are estimated to have a circulation of about 350,000 in the United States, and the estimate is no doubt conservative.

and the estimate is no doubt conservative.

Whether the Communist International actually subsidizes propaganda in the United States by the transfer of cash at this time cannot be definitely proven, except and unless by governmental sources possessed of sufficient authority. Much credible evidence of such support has been obtained, and there is every reason to believe that this support has been continuous from the period when a decree was published by the Soviet regime appropriating 2,000,000 rubles for propaganda in the United States 2 months after the overthrow of the Kerensky government.

For the sake of the record and to indicate the point of view, which, of course, has not changed, that decree here follows:

"An ordinance assigning 2,000,000 rubles for the needs of the revolutionary internationalist movement.

revolutionary internationalist movement.

revolutionary internationalist movement.

"Taking into consideration that Soviet authority is grounded on the basis of the principles of international solidarity of the proletariat and the brotherhood of the toilers of all countries; that only on an international scale can the struggle against war and imperialism lead to complete victory, the Soviet of people's commissaries considers it necessary to come forth with all aid to the assistance of the left internationalist wing of the workers' movement of all countries, entirely regardless of whether these countries are at war with Russia or in alliance or whether they retain their neutrality.

retain their neutrality.

"With these aims the Soviet of people's commissaries ordains the assigning of 2,000,000 rubles for the needs of the revolutionary internationalist movement, at the disposition of the foreign representatives of the commissariat for foreign affairs.

eign representatives of the commissariat for foreign affairs.

"President of the Soviet of people's commissaries, Ulianoff (Lenin); people's commissary for foreign affairs, L. Trotski; manager of the affairs of the Soviet of people's commissaries, Bonch-Bruevich; secretary of the Soviet, N. Gorbounov."

The official record shows publication of this ordinance or decree, which it was, in no. 31, Gazette of the Temporary Workers and Peasants' Government, December 13, 1917.

Expenditure of this money was entrusted to the division then under the supervision of Leon Trotski, whose real name is Bronstein, who had then but recently left New York and who is now in

It is only a year since Joseph Stalin, addressing the American commission and the executive committee of the third international, said: "The Third International has enabled the Communist Party of America to reach a stage where it can actively prepare the masses for a future revolution."

To be sure Moscow dreams in excess of performance, but Moscow does not dream or speculate as to the direction in which it cow does not dream or speculate as to the direction in which it plans performance when performance becomes possible. Whatever may have been the temporary meanderings necessitated by circumstances and expediency there has been from the beginning a constancy of direction, of program and of effort toward the Bolshevik aim of a Communist world.

Before his exile, and while he was still one of the three most powerful figures in Moscow. Troteki said that the proletarian

powerful figures in Moscow, Trotski said that the proletarian revolution will always form a basis of Soviet foreign policy, and thus far he has been right about it.

There are times when the Communists say one thing and mean another, for that is a fundamental of them. When they talk about world revolution, however, they are talking about the one thing in which invariably they say what they mean.

### SOVIET FOREIGN POLICY STATED

On September 11, 1933, the New York Times published excerpts On September 11, 1933, the New York Times published excerpts from a pamphlet issued in Russia by the executive committee of the Russian Communist Party, of which Stalin, dictator of Russia, is head, in which pamphlet, The Basis of Soviet International Policy, is set forth. It reads, in part:

"A fundamental condition of trade is for us the recognition by residue countries of the state monopoly of Soviet foreign trade.

foreign countries of the state monopoly of Soviet foreign trade.

\* \* Recognition of the monopoly of foreign trade in the U.S.S.R. is a most important instrument in our relations with the

"In consequence of our agreements, capitalist countries not only give extraterritorial privileges to our trade delegations, but allow our various trading organs to establish branches in foreign centers, such as the network created by the Soviet oil industry. Moreover, the agreements give the U.S.S.R. most-favored-nation

"The task of Soviet foreign policy is to exploit the liberal and pacifist tendency of certain groups of the bourgeoisie and of industrial circles interested in trade with the U.S.S.R., thus prolonging the breathing space and insuring an inflow of foreign credits, machinery, and materials for the industrialization of the U.S.S.R. For this purpose the U.S.S.R. energetically confronts the aggressive military plans of its enemies with proposals for the present to let

both systems live peaceably together.

"This is only a temporary measure, required by the anomalies of both systems. Soviet proposals for coexistence of these systems

have already spread confusion among imperialists. \* \* \*

"We must politically exploit economic discords among our enemies. Discord between Great Britain and France was one of the reasons why France did not break with the U.S.S.R. in 1927, when Great Britain did. Soviet foreign policy remains based on revolutionary prospects abroad, and the Soviet government therefore maintains constant contact with the foreign proletariat."

In order to clarify certain developments in New York City, it may be permissible to recall that on April 29, 1930, the fast modmotorship Kalenin docked at Montevideo from Soviet bearing a cargo of hard coal, cement, pine lumber, evergreen oak, chemical products, and potato starch. In due course of time the *Kalenin* cleared for home, carrying hides, livestock, and wool from Uruguay and Argentina.

Of small concern to Americans, perhaps, that one motorship which sailed away from her home ports 31/2 years ago; of small concern except for the fact that this voyage was one of a chain

Soviet operations in South America have expanded since that time, and South America has taken its place in the Soviet scheme of things as political district no. 9. In order to further its operations a trading institution called Yuzhamtorg was set up in Montevideo as the Uruguayan counterpart of Amtorg in New York

At that time, M. Theunis, presiding officer of the year-old League of Nations Economic Conference, was saying: "Either Bolshevism will spread over the entire world or else it will collapse. There is no middle course. Let us beware! Bolshevism is not a system reserved for the Russian people alone."

Karl Radek, leading Soviet journalist, was predicting that within 10 years the Soviet Union would embrace all of Asia and most of

The Literary Digest, in a remarkable letter to its readers, was proclaiming that "the hordes of Communist Russia are pressing toward their objective with a tread that shakes the world."

Shortly Yuzhamtorg was removed to a scene of larger operation in the Argentine, and in due course of time Argentine police
raided the institution. Four trucks backed up to the doors of
Yuzhamtorg in Avenida Mayo in Buenos Aires, departing thereafter loaded with records and 160 prisoners.

Among the prisoners was one Boris Kraevsky, founder and chief
of Yuzhamtorg. Kraevsky formerly was the assistant chief of the
Soviet commissary department of the Red army in Siberia. If the
once was discharged from the Red army for irregularities, that Shortly

Soviet commissary department of the Red army in Siberia. If the once was discharged from the Red army for irregularities, that may have been for Soviet reasons. In any event, here he was in a post of high command, denoting no loss of confidence on the part of Moscow.

This interests America, for Kraevsky has played his game in this country. From 1924 to 1925 this man was vice president of Amtorg in New York. He left New York to open Yuzhamtorg and to become its head. In 1926 he returned to Amtorg in New York. When a little later Uruguay, tempted by trade, recognized the Soviets, Kraevsky returned to South America as Red ambassador and trade agent to Uruguay.

In 1930 he was in Brazil, and was arrested by the Brazilian Government and ordered deported as a propagandist and plotter. Enroute to Europe Kraevsky attempted to debark on Argentine soil, but the attempt was frustrated. In 1931 he regained admission to the United States, presumably through regular channels and upon recommendation of the law firm of Simpson, Thatcher & Bartlett, again becoming vice president of Amtorg. In due time the United States Labor Department suggested to

In due time the United States Labor Department suggested to Mr. Kraevsky that he leave the country for this country's good. This he did, again becoming head of Yuzhamtorg in the Argentine, where he was picked up in the raid.

Yuzhamtorg agents were busily engaged in propaganda in Brazil, Uruguay, Chile, and Bolivia. Many Kraevsky agents were recognized by Rio de Janeiro police after the revolution, and some of them were shot.

But back to the raid. In the safe in Yuzhamtorg offices more than a million dollars in money was found. Securities were found. And the police found receipts for money paid to agitators,

one of them showing a payment of \$212,000!

Moreover, the documents showed what had long been surmised, which was that the Soviets had bought on long-term credits in which was that the Soviets had bought on long-term credits in some South American countries commodities which they sold for cash in other South American countries. Not only were these documents found, but almost immediately the government of the country seized two ships consigned to Yuzhamtorg containing \$25,000 worth of copper shipped from Chile.

These are facts customarily overlooked by those who seek to promote Soviet interests. They illustrate the fact that always what cannot be done by direct methods is attempted by indirection, with an utter disregard of that morality which is expected to mark the conduct and the relations of civilized nations.

The Red propagandist does not always come riding in blood and nunder. He does not always come plowing through obvious intrigue.

In the motion-picture field, for example, Soviet propaganda operates under the guise of legitimate entertainment. It is not suggested here that a complete report on Communist operations in the motion-picture and theatrical fields is possible. In the brief time available only a review of some of the better known facts can be presented, and these are as of some months ago.

Motion-picture operations in the United States are conducted

through Soviet companies organized in this country but under the direction of the State Motion Picture Trust of Moscow. No motion pictures are made in Russia, exported from or imported into Russia except through the State Motion Picture Trust. The first great propaganda picture to be sent to the United States from Communists was The Cruiser Potemkin. The showing of this picture was more or less an experimental venture, but it paved the way for a continuous unreeling of Red-tinged films. For the distribution of Soviet and pro-Soviet pictures the American Proletkino was launched along with two small ventures, known as the "Workers' Film and Photo League of America", operated by the Workers' International Relief. The other venture was operated by the International Labor Defense. Both are American branches of Moscow international organizations.

Communist and pro-Communist pictures have been freely advertised in Communist publications and the following is a list of some of the pictures in those two categories which have been

of some of the pictures in those two categories which have been

shown in American theaters:

Five Year Plan; Hell Bound; Cain and Artem; Cities and Years; A Shanghai Document; The End of St. Petersburg; China Express; Fragments of the Empire; Squaring the Circle; Miracle at Verdun; The Silent Witness; The W Plan; The Trial of Industrial Party in Moscow; Resurrection; Al-Yemen; Storm Over Asia; Village of Sin; The Living Corpse; The Treason Trial of Moscow; Igdenbu; The Law of the Taiga; The Break Up; Razlom; Jim Cooperkop; Jesuit Virtue; Arsenal; The Road; Three Comrades and One Inven-Jesuit Virtue; Arsenal; The Road; Three Comrades and One Invention; Transport of Fire; Czar Ivan the Terrible; The Village Sun; Diamonds; In the Whirl of the Machine; The Belt; Singing Jailbirds; The Yellow Ticket; The Cruiser Potemkin; Breaking the Chains; Visit to Soviet Russia; Second Strong Man; A Day in New York; Ten Days That Shook the World; Strike; Building of Socialism in U.S.S.R.; Proletarian Showboat; The Old and the New; New Babylon; The Black Sea Mutiny, which is one of the very latest efforts; and Transport of Fire, directed by Alexander Tvankoff

In addition to acclaiming the out-and-out Communist pictures of which are produced by Communists and some of which are produced by American companies, the Communists lend their support to every picture that attacks American conditions. Included in this category are such pictures as An American Tragedy, the Theodore Dreiser film of morbidity and lysistrata.

Establishment of theaters maintained for the showing of Com-

by motion pictures. Filmarte Theater in Hollywood was the first of these, to be followed by Artef Theater in New York, announced at its opening as the first "permanent" workers' theater in the United States.

Serge Eisenstein, who came to the theaters of the United States from Russia touted as a master producer of pictures, had said candidly that the Soviets produce no pictures that do not carry a propaganda message. Eisenstein produced Ten Days That Shook the World, which, like most of the films named in the list just quoted, was produced in Russia under Sovkino, the Soviet motion-picture trust.

Ten Days That Shook the World was written by John Reed, one of the first Americans to go to Russia as a Communist zealot. The John Reed Club of Communists and procommunists in New York

is named for him.

Tom Petty, Chicago Tribune motion-picture critic, has said: "Nobody seems to have paid the slightest attention to Soviet movies. Nevertheless, they spread more Soviet propaganda in a day than all the cracker-box Bolsheviks and Red parades germinate

in a year.'

Joseph Stalin has said: "I think, comrades, that the Communist Party of America is one of the few Communist parties in the world upon which history has placed tasks of decisive importance from the point of view of the international revolutionary movement. I think the moment is not far off when a revolutionary crisis will be unleashed in America; when that revolutionary crisis comes in the United States it will mark the beginning of the end of the world capitalism."

For achievement of its ultimate objective, Communist reliance,

in the United States as everywhere, is on physical force. Through a continuous stream of propaganda it seeks to weaken both the Army and Navy, although it concentrates its principal attack on

the industrial field. The reason for this is obvious.

Demonstration in the industrial field intended to be cumula-

Demonstration in the industrial field intended to be cumulative, as has been shown, leads in the minds of the Communist generals to the final grand mass political strike.

Earl Browder, one of the leading Communists in the United States, gives the following authoritative explanation:

"Reviewing the great Russian revolution on its twelfth anniversary, we obtain a deepened understanding of the tremendous role of the political mass strike as a means of the mobilization of the working class and its preparation for assuming state power. Lenin described this role, saying:

"This means is the revolutionary strike the tenesious strike."

"This means—is the revolutionary strike, the tenacious strike which springs from one place to another, from the one end of the country to the other, the repeated strike—the strike which lifts the backward elements to a new life of struggle for an economic improvement—the strike which brands and stigmatizes every striking act of the rule of violence, of arbitrariness and of crime of czarism-the demonstration strike, which hoists the Red flag in the streets of the capital, which carries revolutionary speeches and revolutionary slogans into the crowd, into the mass of people!

"Is such a strike weapon, as described by Lenin, something foreign to American workers, something strange to our own ex-

foreign to American workers, something strange to our own experience? By no means! Exactly such movements have spontaneously developed from the mass movements of the American proletariat. What Lenin adds, for America, is only the element of consciousness, of system, of organization, of direction by a revolutionary party, the Bolsheviks. The political mass strike itself has been, and will be, produced by the elemental forces of the American working class. What we must add to it to bring it to full development is the element of conscious direction and understanding." understanding."

Here is a revelation of the Communist purpose behind the continuous business of demonstrations, parades, protests, mass meetings, and outbursts of every nature. It is to create a habit, a willingness, a technique, a continuity, and a state of mind. Unquestionably these continuous demonstrations are the Communist equipment of military training camps equivalent of military training camps.

Events that have served this purpose over a long period include

the Sacco-Vanzetti case, the Mooney case, and various other cases of alleged murder, not to mention unemployment, which has pro-

of alleged murder, not to mention unemployment, which has produced its numerous hunger marches.

Following the ousting of the bonus army from Washington, the Communist Party and the International Labor Defense, both of them American subsidiaries of Moscow, ordered all of their branches to organize demonstrations throughout the country.

"This bloody attack on the starving veterans", said Carl Hacker, national secretary of the International Labor Defense, "is part of the intensive drive toward war and attack on the Soviet Union. Telegrams have been sent to all branches of the International Labor Defense, calling for immediate protest demonstrations before Federal buildings, post offices, etc., in every town and city in the United States. These demonstrations will call upon the working class to join in the Nation-wide demonstration August 1 planned against preparation for war and attack on the Soviet Union."

That there was no August 1 Nation-wide demonstration did not

That there was no August 1 Nation-wide demonstration did not That there was no August 1 Nation-wide demonstration did not matter to Hacker or any other Communist generalissimo. The thing was, at the moment, to inflame men and arouse passions in immediate demonstrations. The Communist Party joined in the denunciations and also called for demonstrations and for preparation for the great demonstration of August 1, by which time something else evidently had replaced the issue in Communist head-quarters; for if it was held it missed fire as a national event. But all this business of demonstration falls in line with what Stalin, the archdictator, calls preparing the masses in America.

But all this business of demonstration falls in line with what Stalin, the archdictator, calls preparing the masses in America "for a future revolution." It has no other purpose.

Demonstrations are held upon any pretext and often upon purely manufactured pretext; all of them are under the inspiration of such declarations as this from Rykov, one of the Red leaders of Moscow, who certainly speaks by line and verse:

"Do not forget our task is to internationalize communism.

Our Red army is the advance guard of the Komintern (Communist International), and when the time comes, at a sign from the

International), and when the time comes, at a sign from the latter, it will begin its great victorious march, which will make an

latter, it will begin its great victorious march, which will make an epoch in history. Never lose sight of this end! We shall help with all our force the brilliant and final victory of communism in the world. The Red army—immense, disciplined, and imbued with the spirit of Lenin—will be its principal architect."

If it seem strange that the mob on the village corner, the throng milling through Wall Street, the parade down La Salle Street, or the picket line before the White House has its place in a plan laid so far ahead, let it be remembered that there are men who are making of world revolution a business as systematic as ever Napoleon made of his campaigns, as carefully devised as any business every laid to penetrate a foreign field—and with the most diabolical purpose and program yet devised for man's conquest over man. over man.

For the last 2 years the Communist organizing program has called for the formation of a movement along semimilitary lines as best suited to meet what had conceived to be possible needs

of the future.

Communism has its vocabulary, constantly changing, much like our own. Into this vocabulary there came, with the inception of this new program, the word "cadre." Of course, the word means the core of a military organization, a skeleton group around which

the core of a military organization, a skeleton group around which a regiment may be built, and it has no other meaning.

The development of new cadres was ordered in resolutions for the seventh national convention of the Communist Party in America in 1930 following the orders of Moscow explicitly. The resolutions were prepared under the direction of Moscow for application in the United States of the philosophy and the latest tactics devised in the Communist capital.

In this document the Communists examined deeply into the

american economic structure, taking advantage of every weakness and pointing out every opportunity for destructive criticism.

The party criticized itself also because its leaders knew the route they were expected to take. For example, they ordered "No more labor-party talk", because it was believed the movement had passed that stage. Organization "on the basis of shops" was ordered, so that the Communist organization might be in position to take command in industrial dependent on the passed that stage.

to take command in industrial demonstrations.

A party overhauling was ordered to weed out the right wing.
Only militants were to remain. Here follows a group of specific organizing and disciplinary instructions contained in these resolutions bearing the seal of Moscow and adopted for action in the

"A. Every single member of the party must be assigned specific work in the party and in proletarian mass organizations. The nucleus executives shall direct and check up the work of every party member.

"B. The functioning of every committee, committee member, and party member must be checked up continually.

"C. Ruthless political criticism of all errors and deviations must provide the base for serious and continuous self-correction.

"D. Committees and functionaries who persist in errors and deviations must be removed from the leading cadres as unfit for

"E. The practice of burdening active comrades with a multiplicity of functions must be discontinued.

"F. The shortage of forces thus created must be repaired by a systematic drawing of new proletarian elements into the leading

systematic drawing of new proletarian elements into the leading cadres of the party.

"G. All leading party committees are obligated to be most concrete in their plans and instructions for work to the lower units. Unclearness, ambiguity, and generalization lead to misunderstanding and to delays in the carrying out of instructions. The need of the hour is clarity of instructions and promptness of execution."

Destruction of the American Federation of Labor unions was given much attention in the resolutions and has been an uppermost part of Red hostilities against all things American since their adoption as the Red plan of attack. There is this further paragraph:

paragraph

"A definite turn in all plans of work in the revolutionary unions and in the Trade Union Unity League must be urged and carried through by the Communists. Special efforts must be made to draw Negro workers into the leadership of the revolutionary unions. Decided efforts must be made to increase manifold the activities of the Communist factions in the reactionary trade unions. It is necessary that the party pass very definitely over from the period of talk to the stage of action in the accomplishment of its tasks in the organization of the unorganized masses. The progress of the party on the read to a mass party of revolutionary action must be measured by the growth of the organization and the influence of the Trade Union Unity League." A Negro membership amounting to 20 percent of the total was then claimed.

"The whole party declaration bristles with 'revolution', with stern orders for the forming of cadres—skeleton groups around which regiments may be formed—yielding to discipline, action, action, toward revolution.

"The convention called for leaders for the regiments of the

action, action, toward revolution.

"The convention called for leaders for the regiments of the line. The recent session of the Red International of Labor Unions laid the greatest stress upon this point" and "the mass struggles we are now carrying on are producing many new working-class fighters. These must be drawn into leadership."

And, further: "The line (policy) of the Red International of Labor Unions must be applied in practice, all unclarity eliminated, and resistance to it sharply combated. There must be more attention given to the question of strike strategy." And more attention has been given. A policy of fomenting a steady stream of strikes against the constituted leadership of the American Federation of Labor has ensued, not to win advantages for the workers but to encompass the destruction of the legitimate unions. The coal fields have witnessed many of these revolutionary strikes against true trade-unionism. To quote: "Special concentration must be made on the mining, steel, machinery, and meat-packing industries."

meat-packing industries."

And, again, in these resolutions the persistent pounding for organization in the shop, where the Reds see their war basis: "Shop nuclei must be built and made to function in the shops."

And, also, the order for the wolves to burrow underground in And, also, the order for the wolves to burrow underground in the secret caves of the stealthy and the treacherous and the treasonable. To quote: "The illegal apparatus of the party must be immediately completed." And, as a logical consequence, and in sequence: "Our perspective must be for the defeat of the American Federation of Labor \* \*."

A personal friend, a man of careful judgment and keen powers of observation, returned from St. Petersburg, Fla., in July and

told this story:

"I had a small account in a St. Petersburg bank. Shortly after July 4 I began to get telephone calls about the bank. I would be summoned to the telephone and I would be advised to beware of that bank. I would be asked if I didn't know the bank was shaky. These calls were repeated for some days, Always the person calling would utter his warning and then hang up the telephone. He never gave a name or waited for a reply. I know this was the work of Communists."

The story brought by this informant fits into the mass of evidence now accumulated to show that for months Communists have waged a campaign to wreck banks, as one striking means

of weakening democracy.

The Nation is familiar with the fact that secret-service agents The Nation is familiar with the fact that secret-service agents discovered the Red plot against banks in Pontiac, Mich. The Nation does not know so well that the bank-wrecking campaign began months earlier and continues to this day. It is first-page, double-column news in the Dally Worker of September 6 that "83 banks suspend in August." The significance of this is in the fact that the Red bank-wrecking crew was officially advised to "refer to Dally Worker for bank failures."

The evidence discovered in the Michigan raid disclosed that Reds had been active in an organized campaign to ruin banks in Michigan, Illinois, Indiana, and Ohio, and that in the territory covered by this section of the Red bank-wrecking crew there were

32 bank failures within a few weeks.

First traces of the bank-wrecking plan of communism were discovered in 1930, when Novy Mir, a Russian language weekly Communist newspaper, put forward the proposal. Novy Mir started the drive on banks, following which there were runs on New York banks. The Daily Worker found the project good and took it up. It has been up since that time, and banks have been going down. going down.

The purpose of the campaign is clear. The Communist newspapers themselves make it so, if there were room for doubt. To cause banks to fail weakens the American industrial system and increases the disgust and unrest of Americans already the victims of unemployment. Moreover, bank failures retard recovery. Bolshevik propaganda has a continuous chain of "capitalist failures" to point out as reasons for turning to communism.

But the insinuations published in the Communist newspapers were only the froth on this sea of trouble. The real work was done by a secret corps, working under secret orders.

The whispers and the telephone calls were the chief means of

spreading fear of banks. That such attacks on banks are criminal has not deterred the Reds, but probably has increased the effectiveness of their operations.

In the Detroit case Communist circulars were found clearly establishing the source of the campaign. "Communist Party of U.S.A., district 7", was the caption of the circular. "Grand Rapids section" appeared in smaller type. "Read the Daily Worker, the official party paper", said the circular.

And then we read:

"1. Refer to Daily Worker for bank failures. Pound these failures into the minds of your audiences and without saying it in so many words suggest that it is only a matter of time (damn short) when Grand Rapids banks will go the way of all others

that are now failing.

"2. Concentrate rumors upon one banking institution. When it fails it will be an easy matter to organize small depositors. Get out leaflets on mimeograph calling out small depositors to a public meeting."

In 1931 a Communist meeting was held in the National Press Building in Washington, D.C. Reports published by Communist newspapers said that "crashes of banks" were among the subjects discussed. Bulletins issued at about the same time by a research organization under Communist influence or control declared that between December 1 and 6, 1931, 38 meetings were held by Communists in district no. 2, and that in these 38 meetings "the insecure condition of the banks was talked over and the comrades were advised to warn their friends of what is coming." Com-munist Brodsky shortly thereafter went to Philadelphia and soon

after banks began to go to the wall.

Simultaneously with bank runs in New York and Gary, there were runs on Philadelphia banks in December 1931. A Philadelphia bank offered a reward of \$10,000 for information leading to the arrest of the instigator of that particular run, and the State secretary of banking announced officially that "organized propagandists in the city have picked out certain banks which they are

seeking to destroy."

In New York City, following Communist orders, a leading Communist was able to form a "committee of workers' deposits" after failure of a bank in Manhattan having four or five Brooklyn after failure of a bank in Manhattan having four or five Brooklyn branches, and he was able even to get a Brooklyn paper to print an article by him daily, in all of which he sought to keep the bank-failure situation alive, undoubtedly as part of a plan to extend the menace to other banks. Mass meetings were held in which depositors were advised to transfer their money to Russia. On April 5, 1931, the Newark (N.J.) Sunday Call published an article entitled "Red Circulars Follow Closing of Two Banks—Pamphlets, Calling Bankers Thieves, Scattered in Linden—Urge Confiscation."

Confiscation.

On May 11, 1931, banks were threatened in a circular received by one Chicago bank. This circular was headed "48-Hour Ulti-matum to Chicago Banks."

In the Michigan arrests letters were taken by the police in which it was shown that Agitprop, the agitation propaganda bureau of the Communist Party, was a directing force in the campaign against banks. Letters of those conducting the campaign in Michigan to their superiors gave evidence of a campaign on a Nation-wide scale. The letters were signed "Salzman", thought to be George Rowland, reported by the police to have been active in Pennsylvania while banks were falling there, and also in Chicago while runs were in progress there. These reports were addressed "H. G.", and it is a decidedly interesting fact that the letters "H. G." are the initials of Harry Gannes, who is the head of the agitation and propaganda bureau of the Communist Party and, of course, one of William Z. Foster's important lieutenants. He has written much about finance and banking in the Communist press. He has also been temporary editor of the Daily Worker. In the Michigan arrests letters were taken by the police in Worker

A Nation-wide opposition labor conference against industrial recovery bill and the American Federation of Labor was held in Cleveland, Ohio, August 26-27, by the Communist Party, the Conference on Progressive Labor Action, and other Communist and pro-Communist bodies to create a Nation-wide struggle against the Roosevelt-Wall Street program.

against the Roosevelt-Wall Street program.

The call was signed by over 100 of the Nation's ranking Bolsheviks under direction of Moscow authorities. Included in these were Earl Browder, reported to be the ranking official of the United States branch of the Moscow revolutionary movement, of which Stalin, Dictator of Russia, is head; William Z Foster, Ben Gold, Anna Burlak, Frank Borich, L. F. Budenz, Clarence Hathaway, Arnold Johnson. Others signing the call included Karl Lochner, A. J. Muste, James Ford, and Tom Rippett, of the Progressive Miners.

### DISRUPTING LABOR

The National Marine Workers Industrial Union, a branch of the The National Marine Workers Industrial Union, a branch of the Moscow-controlled Trade Union Unity League, held its second annual convention in New York City recently. The hall was jammed to the doors with marine workers, including 98 delegates representing seamen, longshoremen, and harbor workers from New York, San Francisco, Seattle, Baltimore, New Orleans, Savannah, Norfolk, and Philadelphia. Ship delegates—that is, Red agents doing sea duty—were also represented by a delegation. Harry Hines, of San Francisco, secretary of the red union, presided, while Jackson, a Negro longshoreman from Savannah, took an important part in the proceedings.

Jackson reported to the convention that the revolutionary union had attained a membership of over 300 in Savannah alone. Greetings were received and read from the Soviet marine workers, from nine seamen arrested and held at Ellis Island, and from ship dele nine seamen arrested and held at Ellis Island, and from ship delegates abroad, as well as from the International of Seamen and Harbor Workers. Earl Browder, national secretary of the Communist Party of the United States; Jack Stachel, secretary of the Trade Union Unity League; and James Ford, candidate for Vice President on the Communist ticket, addressed the meeting.

The Trade Union Unity League held a national meeting of its National Mine Workers Industrial Union August 12 at Pittsburgh

National Mile Workers Industrial Office August 12 at Pittsburgh to adopt methods for carrying on strike agitation in the coal-mine districts of Pennsylvania, West Virginia, and Ohio and a general campaign against the National Recovery Act.

The Auto Workers Union, also a branch of the Trade Union Unity League, held its national convention in Detroit June 24 to prepare

for an open fight in the auto field.

Six hundred and forty-rix delegates attended the second annual convention of the Communist International Workers Order in Chicago several weeks ago to intensify Bolshevik propaganda in the United States

The Communist Party of the United States (section of the Third International of Moscow) on July 7 sent out instructions to over 200 special district organizers to "strengthen the work of agitation and organization in the factories and trade unions", and to base the disputes on the unfairness of the new code plan of operations. Strikes are to be created if possible.

### RUSSIA, SATAN'S WORLD BASE

"\* \* The Soviet Union, under a workers and peasants' government, is the only country in the world where religion and the churches are being combated with the active cooperation of the Government. \* \* As militant materialists, the Soviet leaders are uncompromising in their scientific and athelst position. \* \* It is necessary to link the fight against the church and religion with the fight against capitalism and imperialism. As long as capitalism exists, religion and the churches will be used. \* \* In the United States, as in all capitalist perialism. As long as capitalism exists, religion and the churches will be used. \* \* \* In the United States, as in all capitalist countries, the churches by developing law-abiding citizens through their appeal to fear of avenging God, become part of the repressive apparatus equally with the police, the army, and the prisons for the purpose of attempting to prevent rebellion." (From the Churches and the Workers, by Bennett Stevens, published by International Pamphlets, New York City. Circulated throughout our land by the Communist Party of United States of America (section of Third International of Moscow, of which Stalin, Dictator of Soviet Russia, is international secretary.

### REDS AT PLATTSBURG

The Plattsburg, N.Y., summer training camp was the scene of vicious Communist agitation this summer. Among the volumes of Red propaganda that got into the hands of the young Americans in military training there was a regular Communist publi-cation entitled "The Plattsburg Voice", whose appeals are to Fight Against Imperialist Wars, Hands Off China and Russia, Pight Against Imperialist wars, hands oil China and Russia, Defend the Soviet, Fight Your Bosses, Abolish Military Training, War Funds for Relief, etc. The N.R.A. also was attacked by the publication as a Wall Street program. The publication was printed in New York City by the Young Communist League.

### "HOMELESS YOUTH HOMES REVEALED AS SCHOOLS FOR YOUNG COMMUNISTS

"A recent investigation conducted in Sacramento, Calif., revealed that the 'Homeless Youth Homes' movement in the United States is nothing more than the establishment of recruiting centers for the Young Communist League. A dispatch appearing in the Sacramento Bee of Friday, May 12, states that 300 young members of the Young Communist League were sent out 8 months ago from the New York headquarters with complete instructions for the establishment of 'Homeless Youth Homes' throughout the country. These organizers, according to Lawrence Langan, former leader of the Sacramento organization, who was recently sentenced to serve from 1 to 10 years in prison on a statutory charge, are paid \$40 a month by the New York headquarters of the Communist group.

munist group.

"Langan further confessed that the 'Homeless Youth of America' idea was conceived and organized and directed by the Young Communist League of America to get new recruits for the organization. He stated that every move of the 'homes' was directed from the Young Communist League headquarters in New York City.

York City.

"It can readily be seen that such a move, masquerading under the innocent name of 'Homeless Youth of America' will receive wide support and city officials and civic groups can be easily duped into lending their sponsorship to these breeding places for the spread of Communism."—(American Legion Bulletin.)

### COMMUNISM AMONG THE MINERS

No group or organization in America has been more seriously beset by Communists than the United Mine Workers of America. The National Miners Union is a purely Communist organization, the sole purpose of which is to destroy the United Mine Workers of America and set itself up in the coal mining industry in its stead. On September 26, 1928, the National Miners Union national stead. On september 20, 1920, the National Miners Union national executive board held a meeting in Pittsburgh, Pa., and adopted a resolution of formal and complete affiliation with the Red Trade Union Internationale of Moscow. Pat Toohey, national secretary of the National Miners Union, immediately following that meeting, announced that action to the press.

The National Miners Union fomented strikes in western Pennin the eastern Ohio coal fields, especially in and around Bellaire. Only recently—just a few weeks ago—the National Miners Union engineered a strike in the mines of New Mexico which tied up the mines and curtailed the coal supply for railroads in the

The National Miners Union is in reality responsible for the chaotic condition in Illinois. It was the predecessor in that field of the present Progressive Miners Union. Pat Ansboury, one of the founders of the Progressive Miners Union, is well known as a Communist, and was actively in the National Miners Union movecommunist, and was actively in the National Miners Union movement in Illinois. Many letters and other documents are now in the hands of law authorities in Illinois to and from Ansboury which prove his affiliation with the Communist Party. Numerous Communist members of the National Miners Union have visited Russia for the purpose of having their "batteries recharged" so that they might return to the United States as propagandists for communism.

Communism.

Communists have also endeavored for the last several years to gain a foothold among the anthractte miners of Pennsylvania, and they have succeeded to some extent. There is little doubt that communistic influences are active in the present disturbed condition in the anthracite industry. On one occasion Albert Wageknecht, a Communist leader, made his appearance at a convention of the United Mine Workers of America at Scranton, Pa., and he was chased out of the convention and several blocks down the street by convention delegates and warned never to return

At every international convention of the United Mine Workers of America for the past several years Communists have distributed copies of the Daily Worker, published in New York, among the delegates. The Daily Worker always contains vicious, scurrilous attacks upon the United Mine Workers of America and seeks to create dissension among its members. The Daily Worker is the official organ of the Russian Communist Party in the United States, It advocates the Soviet system of government as a substitute for It advocates the Soviet system of government as a substitute for the Government of the United States.

[From a recent proclamation by the Communist Party of the United States]

#### PROPAGANDA UNITY

At the present moment the elaboration of a general program of immediate struggle against the offensive of the Roosevelt government (its so-called "new deal") is being prepared, and will be finalized in a broad national conference, called for August 26 in Cleveland, Ohio. \* \* The preliminary committee sponsoring this program and conference includes such well-known names as William Z. Foster and A. J. Muste, leaders of various unions affiliated to the Trade Union Unity League (this is a Communist league), independent unions of the tendency of the C.P.L.A., independent unions without definite political connections, unemployed councils and leagues, of the movement within the American ployed councils and leagues, of the movement within the American Federation of Labor for unemployment insurance, etc. It must be clear that the policy which we are energetically carrying through in America is in the most complete harmony with that being carried through by the C.P.G.B. (i.e., Communist Party of Great Britain).

[From booklet entitled "The Developing Crisis of World Capitalism" by V. M. Molotov, assistant ex-secretary of the Communist Party of Russia, chairman of the People's Commissars of the Soviet Government, member of the Presidium of the Third International]

The world economic crisis in the bourgeois countries, on the one hand, and the victorious construction of socialism in the U.S.S.R., on the other, raise to an unprecedented degree the importance of the Soviet Union as an international revolutionary factor.

Apart from the strike movement, I must emphasize the importance of other forms of revolutionary working-class movement. Thus the unemployed movement has developed very greatly in a number of countries during recent months. Unemployed demonstrations demanding "bread and work" of the bourgeois governments and municipalities have taken place repeatedly in many towns of Europe and the United States of America. Given the establishment of firm connections between the unemployed movement and the struggle of the whole working class—one of the most important tasks of the Communist Parties—these movements may yet play a great part in developing the revolutionary class struggle. Apart from the strike movement, I must emphasize the imstruggle.

"Yet the organization of class battles under the leadership of the Communist parties is precisely the basic task of the present day. Whereas previously the work of the Communist parties amounted in the main to agitation and propaganda, today the center of gravity lies in the organization of class battles under Communist leadership. Only on this basis, on the basis of the Bolshevik organization of strike, struggle, and other forms of class battle against advancing capitalism, can and must the Communist parties genuinely win prestige and working-class confidence in their leadership of the whole revolutionary struggle of the proletariat."

"The Communist parties and their New Tasks

"The Comintern took note in good time of the regrouping of class forces which began in connection with the increased break-up of capitalist stabilization and the increased swing to the left of the working masses. It put forward as the slogan governing the tactics of the Communist parties the slogan of 'class against class.' These tactics of class against class meant that the Communist parties must begin to achieve in practice the independent leadership of class battles in irreconcilable struggle, developed all along the line, against social democracy. These tactics answered to the new conditions in which the Communist parties were working. From the period of agitation and propatics answered to the new conditions in which the Communist parties were working. From the period of agitation and propaganda the Communist parties have begun to proceed to the period of organization and leadership of the class struggles of the working class. During this period this transition has been going on from the methods of agitation and propaganda which dominated the work of the Communist parties in practice to the methods of independent leadership of the struggle of the proletariat."

[From Capitalist Stabilization Has Ended, thesis and resolutions of the Twelfth Plenum of the Executive Committee of the Communist International. New York, Workers Library Publishers,

"DECISION OF THE XII PLENUM OF THE E.C.C.I.

"Having examined the financial report for 1931, presented by the polit-secretariat of the E.C.C.I., the twelfth plenum of the E.C.C.I. resolves:

"(a) To confirm the entire report.
"(b) To publish a summary of the financial report for 1931.

	F	inanci	al	summary	for	1931
Income:				-100		
Carried	forward	from	19	30		

Membership dues (payments from 41 parties on	402,000.00
3,760,788 members) (Y.C.I. and 17 parties were exempt from payment, and the financial report for 1931 for the	1, 128, 286. 40
other parties has not been received.)	
Collections and donations	46, 371, 80
Receipts from publications, telegraph agencies, and bulletins, newspaper information	59, 618. 30
Total	1, 295, 315. 80
xpenditure:	III EO IIVAIISE
Administrative expenses (personnel, business ex-	

Traveling expenseCarried forward to 1932	52, 732. 00 74, 948. 75
Total	1, 295, 315. 80

Subsidies to party newspapers, publishing houses, and cultural educational work

"2. The specific tasks of the major Communist parties are as

follows:

"Communist Party of United States of America: The American party must mobilize the masses and concentrate chiefly on the struggle—

"1. For social insurance; against wage cuts; for immediate assistance for the unemployed.

"2. For assistance for the ruined farmers.

"3. For equal rights for the Negroes and the right of self-determination for the black belt.

"4. For the defense of the Chinese people and the Soviet.

penses, etc.)\_\_\_\_\_ Postage and telegraph\_

4. For the defense of the Chinese people and the Soviet

"It is necessary to carry out the decision on the turn in the work of the party and the Trade Union Unity League."

- "V. THE IMMEDIATE TASKS OF THE SECTIONS OF THE COMINTERN
- "1. The general task of the Comintern and its sections in all capitalist countries at the present time is to wage a concrete struggle-

"(a) Against the capitalist offensive.
"(b) Against fascism and reaction.
"(c) Against the impending imperialist war and intervention in the Soviet Union.
"The proper conduct of this struggle against the offensive of the bourgeoisie is closely linked up with the winning over of the majority of the working class, the undermining and smashing of the mass influence of social democracy. The main link which the Communist parties must seize upon in solving this problem

"The Communist International has affiliated to it 53 Communist parties and associated as sympathizing members 3 national revolutionary parties. Among the sections of the Communist International there are some which are still quite young and weak. On the other hand, such Communist parties as the German (which, next to the C.P.S.U., is the best party of the Communist International) and also the French and Czechoslovak parties have become not only the largest sections of the comintern but genuine mass parties, already representing the most dangerous competitors of social democracy among the working masses."

"The Communist Parties and Their New Tasks

"The Commintern took note in good time of the regrouping of class forces which began in connection with the increased break-up of capitalist stabilization and the increased swing to the left of the working masses. It put forward as the slogan governing the tactics of the Communist parties the slogan of 'class against class.' These tactics of class against class meant that the Communist parties must begin to achieve in practice the independent leadership of class bettles in irgrenously like struggle de
"The Communist Parties and the increased swing to the length of the struggle for the everyday economic and political interests of the broad masses against the increasing poverty, against op
the conditions of the end of capitalist stabilization, of the sharp contraction of the material basis of reformism, and the cynical determination of the end of capitalist stabilization, of the sharp contraction of the material basis of reformism, and the cynical determination of the end of capitalist stabilization, of the sharp contraction of the material basis of reformism, and the cynical determination of the end of capitalist stabilization, of the sharp contraction of the material basis of reformism, and the cynical determination of the end of capitalist stabilization, of the sharp contraction of the material basis of reformism, and the cynical determination of the end of capi

" 1. THE END OF CAPITALIST STABILIZATION AND THE GROWTH OF THE UNION OF SOVIET SOCIALIST REPUBLICS

"The sharpening of the general crisis of capitalism is proceeding with enormous strides which are carrying this crisis to a new stage. The fundamental changes which are taking place in the world situation are characterized by a number of recent important

world situation are characterized by a number of recent important facts:

"1. A tremendous change has taken place in the relations of forces between the socialist and the capitalist worlds, due primarily to the increase in the relative importance of the Union of Soviet Socialist Republics, which is carrying out its great program of socialist industrialization, collectivization, and the cultural revolution at a tremendous rate. That country has completely established itself in the positions of socialism; the second 5-year plan provides for the final abolition of classes and for the conversion of the whole of the toiling population of the country into active and conscious builders of a classless socialist society. The successes achieved in socialist construction are securing to an increasing degree the economic independence of the Soviet Union in relation to the capitalist world, and its international might, its revolutionizing influence on the toilers and the exploited of all countries, and its significance as the basis of the world socialist revolution has increased.

increased.
"2. Meanwhile in the capitalist world there has been a con-

tinuation of-

\$372, 347. 30

38, 387. 75

"(a) The sharpening of the economic crisis—industry has contracted to such a degree that more than half of the working class is partially or totally unemployed; the expropriation and impoverishment of the peasants has reached unprecedented dimen-

"(b) The growing revolutionary upsurge both in imperialist and colonial countries (stubborn and turbulent strikes, revolutionary demonstrations, fierce clashes between the workers and the police and fascists, militant activity by the peasant masses, etc.); the sharpening of the struggle of the colonial peoples against the imperialists;

"(c) A further sharpening of the antagonisms between the imperialist powers (trade war, acceleration of the imperialist race for armaments, rifts in the Versailles system, the Japanese war against China, an acute sharpening of the relations between Japan and the United States of America, between Great Britain and the United States of America, between Italy and France, between Germany and France, etc.)."

STALIN'S SPEECHES ON THE AMERICAN COMMUNIST PARTY, DELIVERED IN THE AMERICAN COMMISSION OF THE PRESIDIUM OF THE EXECUTIVE COMMITTEE OF THE COMMUNIST INTERNATIONAL, MAY 6, 1929, AND IN THE PRESIDIUM OF THE EXECUTIVE COMMITTEE OF THE COM-MUNIST INTERNATIONAL ON THE AMERICAN QUESTION, MAY 14, 1929 (Published by central committee, Communist Party, U.S.A.)

(Published by central committee, Communist Party, U.S.A.)

"Or let us take, for instance, another fact. I refer to the talk with Comrade Lovestone that took place the other day. It is characteristic that Comrade Lovestone has also been spreading absurd rumors about this conversation of mine and making a secret of it. Why this incomprehensible passion for the 'mysterious'? \* \* \* What did he speak about to me the other day? He asked that the presidium of the E.C.C.I. should rescind the decision to withdraw him from America. He said that he, Lovestone, would undertake to carry out the proposed decision of the presidium of the E.C.C.I. provided it would not be directed sharply against the leaders of the majority of the Communist Party of America. He promised to be a loyal soldier of the Comintern and to prove it in practice, if the Comintern would give him the necessary instructions. He said he was not looking for high positions in the American Communist Party, but only begged that he should be tested and given the opportunity to prove this loyalty to the Comintern. What did I reply to this? I told him that experiments in testing the loyalty of Comrade Lovestone to the Comintern have already been going on for 3 years but no good has come of them. I said it would be better both for the Communist Party of America and for the Comintern if Comrades Lovestone and Bittleman were kept in Moscow for a time. I said that this method of action on the part of the Communist Party of America and American Communist Party of factionalism and saving it from part of the Comintern was one of the surest means of curing the American Communist Party of factionalism and saving it from disintegration. I said that although this was my opinion, I agreed to submit the proposal of Comrade Lovestone to the consideration

of the Russian comrades, and undertook to inform him of the

of the Russian comrades, and undertook to inform him of the opinion of the Russian comrades.

"That seems perfectly clear. Yet Comrade Lovestone again tries to make a secret of these obvious facts and is spreading all kinds of rumors regarding this conversation.

"It is obvious that there would be no such mystification, and simple things would not be turned into mysterious legends if it were not for a policy which places the interests of a faction higher than the interests of the party, the interests of diplomatic intrigue higher than the intrests of the Comintern.

"In order to put an end to these foul methods and place the American Communist Party on the lines of Leninist policy, it is necessary first of all to put an end to factionalism in that party."

"The solution consists in the following:
"I. The actions and the proposals of the delegation of the
E.C.C.I. must, in the main, be approved, with the exclusion from
the proposals of those points which approximate to the proposals

of Comrade Foster.

"2. An open letter must be sent in the name of the E.C.C.I. to the members of the American Communist Party setting forth the errors of both sections of the party and sharply emphasizing the question of eradicating all factionalism.

the question of eradicating all factionalism.

"3. The action of the leaders of the majority at the convention of the Communist Party of America, particularly on the question of Pepper, must be condemned.

"4. An end must be put to the present situation in the Communist Party of America, in which the questions of positive work, the questions of the struggle of the working class against the capitalists, questions of wages, working hours, work in the trade unions, the fight against reformism, the fight against the right deviation—when all these questions are kept in the shade and are replaced by petty questions of the factional struggle between the Lovestone group and the Foster group.

"5. The secretariat of the executive committee of the American Communist Party must be reorganized with the inclusion of such workers therein as are capable of seeing something more than the

workers therein as are capable of seeing something more than the factional struggle, the struggle of the working class against the capitalists, who are capable of placing the interests and the unity of the party above the interests of individual groups and their

"6. Comrades Lovestone and Bittleman must be summoned and placed at the disposal of the Comintern in order that the members of the American Communist Party should at last understand that the Comintern intends to fight factionalism in all seriousness."

bers of the American Communist Party should at last understand that the Comintern intends to fight factionalism in all seriousness.

"Such is the solution, in my opinion.

"A word or two regarding the tasks and the mission of the American Communist Party. I think, comrades, that the American Communist Party is one of those few Communist parties in the world upon which history has laid tasks of a decisive character from the point of view of the world revolutionary movement. You all know very well the strength and power of American capitalism. Many now think that the general crisis of world capitalism will not affect America. That, of course, is not true. It is entirely untrue, comrades. The crisis of world capitalism is developing with increasing rapidity and cannot but affect American capitalism. The 3,000,000 now unemployed in America are the first swallows indicating the ripening of the economic crisis in America. The sharpening antagonism between America and England, the struggle for markets and raw materials, and, finally, the colossal growth of armaments—that is the second portent of the approaching crisis. I think the moment is not far off when a revolutionary crisis will develop in America. And when a revolutionary crisis develops in America, that will be the beginning of the end of world capitalism as a whole. It is essential that the American Communist Party should be capable of meeting that historical moment fully prepared and of assuming the leadership of the impending class struggle in America. Every effort and every means must be employed in preparing for that, comrades. For that end the American Communist Party must be improved and bolshevized. For that end we must work for the complete liquidation of factionalism and deviations in the party. For that end we must work for the reestablishment of unity in the Communist Party of America. For that end we must work in order to forge real revolutionary cadres and a real revolutionary leaderend we must work for the reestablishment of unity in the com-munist Party of America. For that end we must work in order to forge real revolutionary cadres and a real revolutionary leader-ship of the proletariat, capable of leading the many millions of the American working class toward the revolutionary class struggles. For that end all personal factors and factional considerations must be laid aside and the revolutionary education of the working class of America must be placed above all.

"That is why I think, comrades, that the most serious attention must be paid to the proposals of the commission of the presidium of the E.C.C.I. for your consideration here, for the aim of these proposals is to render the Communist Party of America a healthy party, to eradicate factionalism, to create unity, to strengthen the party, and to bolshevize it."

In counterposing the Comintern to the executive committee of the Comintern, the authors of the declaration hope, as Zinoviev and Trotsky once hoped, to sever the executive committee of the Comintern from the Comintern. A ridiculous and foolish hope! The authors of the declaration apparently forget that the interpreters of the decisions of the Comintern Congress are the executive committee and its presidium alone, and not they. The authors of the declaration are mistaken if they think that the

American workers will believe their interpretation rather than the interpretation of the presidium of the executive committee of the Comintern.

"Such is the true character of the declaration of the American

"There are many who think that nothing has changed in the international situation of late; that everything has remained as of old. This is not true, comrades. The fact of the matter is that we have an accentuation of the class struggle in all capitals. that we have an accentuation of the class struggle in all capitalist countries, a growing revolutionary crisis in Europe, growing conditions of a new revolutionary upward swing. Yesterday this was signalized by a general strike in Lodz. Not so long ago we had a signal from Berlin. Tomorrow we shall get signals from France, England, Czechoslovakia, America, India, China. Soon the ground will be too hot for world capitalism."

"The fight must be intensified for the forging of real revolutionary party cadres and for the selection of real revolutionary leaders of the party, of individuals capable of entering the fight and bringing the proletariat with them, individuals who will not run before the face of the storm and will not fall into panic, but run before the face of the storm and will not fall into panic, but will sail into the face of the storm. But in order to carry out this task it is necessary at once, without the loss of a single moment, for time does not wait, to set about cleaning the Communist Parties of right and conciliatory elements, who objectively represent the agency of social democracy within the ranks of the Communist Party. And we must set about this matter not at the usual pace but at an accelerated pace, for, I repeat, time does not wait, and we must not allow events to catch us unawares. A couple of years ago we might not have been so urgent about this matter, counting on the fact that the molecular process of bolshevization of the parties would gradually eliminate the right and the wavering elements, all the Branklers and Thalheimers, all and every factional wirepuller, etc. We might not have been

and the wavering elements, all the Branklers and Thalheimers, all and every factional wirepuller, etc. We might not have been so urgent because there was no danger of being belated.

"But matters stand differently now. To delay now means to be late, and to be late means to be caught unawares by the revolutionary crisis. Therefore the cleansing process of the Communist Parties now proceeding is a beneficent process, strengthening the comintern and its sections. The Philistines are afraid of this beneficent process, and in their fright talk nonsense regarding the disintegration of the comintern, just because they are Philistines. Revolutionaries, on the other hand, will always welcome this beneficent process, because it is at the same time an integral part of the great cause of preparing the working class for the approaching class struggles which is now the main task of the Communist Parties of the world.

of the Communist Parties of the world.

"The merit of the draft of the commission consists in the fact, among others, that it assists the Communist Party of America in carrying this main task into effect."

"Finally, a few words as to the fate of the American Communist Party in connection with the decision adopted by the presidium of the E.C.C.I. The comrades of the American delegation regard the matter too tragically. They declare that with the adoption of the draft of the commission the American Communist Party will either perish, or in any case, will totter on the brink of a precipice. That is not so, comrades. More than that, it is absolutely ludicrous. The American Communist Party lives and will continue to live, in spite of the prophecies of the comrades of the American delegation. What is more, the American party, if it drives unprincipled factionalism out of its midst, will grow and flourish. The importance of the decision adopted by the presidium consists in the very fact that it will make it easier for the American Communist Party to put an end to unprincipled factionalism, create unity in the party, and finally enter on the broad path of mass political work. No, comrades, the American Communist Party will not perish. It will live and flourish to the dismay of the enemies of the working class. Only one small factional group will perish if it continues to be stubborn, if it does not submit to the will of the comintern, if it continues to adhere to its errors. But the fate of one small faction must in no case be identified with the fate of the American Communist Party. "Finally, a few words as to the fate of the American Commu-Because one small factional group is liable to perish politically, it does not follow that the American Communist Party must perish. And, if it is inevitable that this small factional group perish, then let it perish as long as the Communist Party will grow and develop. You look at the situation too pessimistically, dear comrades of the American delegation. My outlook is optimistic."

We have always held that to say it cannot succeed is beside the point. The point is that it makes the effort, that the effort is continuous and unrelenting, and that success or any degree thereof is purely a matter of prophecy which is no less dangerous now than formerly.

We conclude this presentation with a renewal of the plea which is our only purpose, that there be the highest possible degree of safeguard against the continuance of this destructive and revolutionary propaganda from abroad, and that in whatever relations may develop between the Soviet regime and the United States these shall not be permitted to serve as a cloak for the undoing of our free institutions.

#### CONCLUSION

It is no complete picture that has been offered here and it is doubtful whether any complete picture of Communist subversive activities in the United States can be drawn by anyone at this time. There are no agencies, except voluntary agencies, keep-

this time. There are no agencies, except voluntary agencies, keeping watch over the situation.

There is much confusion in many circles as to the extent of Communist effort and a great deal of this confusion is created purposely by the Communists themselves.

This we do know: Wherever Communists can gain a foothold in trade unions they seek to capture those unions. Where they cannot get a foothold in existing unions they seek to organize new unions. In practically all of the basic industries strictly Communist labor organizations have been created. These organizations do not enter into agreement with their employees, except in rare cases where agreement is meant to serve as subterfuge. The purpose of Communist labor organizations is not to safeguard and improve the present order but to undermine it and destroy it. There is a tremendous and growing activity in the field of education, particularly through Communist schools and Communist summer camps.

munist summer camps.

Communist subversive activities extend to the church, to the establishment of so-called "Sunday schools", which confine their teachings to Communist dogma

No authority knows or possibly ever will know in what direction the Communist effort will extend next or at what hour the Communist high command will consider it expedient to launch

ommunist high command will consider it expedient to launch into the field of open violence.

We know that in the newspaper and book-publishing world, particularly in New York City, which is the center of influence in that world, Communist influence is tremendous.

We know that we see a constant revolutionary menace.

ABSTRACT OF LABOR'S EVIDENCE OF COMMUNIST SUBVERSIVE ACTIVITIES THE UNITED STATES CONVEYED TO PRESIDENT ROOSEVELT BY WIL-LIAM GREEN, PRESIDENT OF THE AMERICAN FEDERATION OF LABOR, ON NOVEMBER 10, 1933, WITH THE URGENT REQUEST THAT, SHOULD THE SOVIET REGIME BE RECOGNIZED, THERE BE OBTAINED FROM LITVINOFF POSITIVE GUARANTIES THAT SUCH UNDERMINING EFFORTS DISCONTINUED AND THE THIRD INTERNATIONAL COMMUNIST PROPAGANDA BE WITHDRAWN

"The memorandum submitted to the President of the United "The memorandum submitted to the President of the United States by the president of the American Federation of Labor exposing Communist programs and activities in the United States comprised 178 typewritten pages and 80 documentary exhibits of typical pamphlets distributed by the Communist Party of the United States of America, a section of the Third International, the covers of which alone were evidence of the revolutionary efforts to incite discontent and unrest among the workers.

"This testimon presented by the American Enderation of Labor

"This testimony, presented by the American Federation of Labor to aid in safeguarding America's free institutions and its trade-union movement from disruption, disclosed the following:

"I. A chart showing the Communist network in the United States covering 20 districts and the major industries."

"2. The names of 16 sections of the Moscow International covering every phase of social, economic, and political life, and a like number of branches having similar titles for the United States, the purpose being to propagandize every element of our population, penetrating and infiltrating into every organization the poisonous Communist virus. This united front is fundamental in Communist agitation and propaganda tactics of irritation to create dissatisfaction as widely as possible and bring into disrepute the authorities and established institutions of the country. country.

"3. A chart showing interlocking relationships, including under the Third International the Communist International and Communist Party of the United States of America; and under the International of the Godless the League of Militant Atheists; under both being the secret police system, the Young Communist League, the Communist Trade Union Unity League, the American Civil Liberties Union, cultural relations groups, liberal churches, and various other ellipness. and various other alliances.

"4. The Communist International World Orders for Mass Revolutionary Action, giving the program of violence and terror, advocating slaughter of the defenders of our freedom and democracy, and including the following instruction to the Communist Party of the United States:

"'You must forget real revolutionary cadres and leaders of the

"'You must forget real revolutionary cadres and leaders of the proletariat who will be capable of leading the millions of American workers toward the revolutionary class wars.'

"When the Communist International commands, 'Forward, march', the Communists of all lands execute the command. If and when the Communist International, in response to the Russian Communist dictatorship, believing that the hour has struck, sends to American Communism the command, 'Fire', the guns of revolution will blaze upon our streets and the issue will then be settled in the blood of our people. in the blood of our people.

"5. The tenth session of executive committee, Communist International, directs American Communist Party to give particular attention to the development of bolshevism among the working

"6. The Communist world revolutionary organization promotes civil strife, not stopping at assassination, wholesale and individual, as evidenced in industrial districts where wage earners and their families have already suffered intolerable misery through strikes and battles brought on by Communist agitators.

"7. The Workers' Party, the United States section of the Communist Third International, is the father of the red movement in our midst, the active branch being the Trade Union Unity League with 28 subordinate divisions in our industrial life. American wage earners are misled into joining these camouflaged unions. Our Government should warn them by placing a catalog of these revolutionary organizations in the home of every American worker.

"8, Communist invading enemy forces include also camouflaged

so-called 'relief and protective organizations, sports unions', and

various others.

various others.

"9. Communist foreign-language publications cover all major foreign languages. There are 12 Communist daily newspapers and 30 Communist weeklies and monthlies published here, all having second-class mailing privileges from our Government, some in English and some in foreign languages, in addition to others published in Moscow and distributed regularly through various channels other than the Postal Service.

"10. The Communist International stands over all these Communist organizations and newspapers, exercising its discipline and

"10. The Communist International stands over all these Communist organizations and newspapers, exercising its discipline and demanding and receiving obedience in every matter of revolutionary policy and tactics, fighting under the red flag 'to displace American capitalism by a government of workers and farmers'.

"11. The formation of revolutionary shop nuclei is the principal task of the Trade Union Unity League. It is a Communist secret-service organization in American industry, reporting to Communist leaders outside the plants the state of mind of fellow workers and the proper barrage of leaflets or speeches, or both, to be employed to sow discord within the shops. In the event of revolution, their role would be local managers. The nuclei supplement Workers Party branch organizations.

"12. O.G.P.U. Moscow spies are in American factories and in the trade-union movement. This secret tribunal, spread throughout the world, is empowered to pass the death sentence and execute it here and in foreign lands. A former member, Bessedovski, when giving an astounding account of the O.G.P.U. intrigue, stated that its expenses 'in the United States would not exceed \$50,000,000 per year'. Cases of assassination in the United States under its auspices by name, date, and place are recited.

"13. United States Government departments are penetrated by the O.G.P.U. subterranean organization obtaining and utilizing State confidential informations for the benefit of the Soviet regime.

"14. Communist rules for demonstrations, such as the hunger march, the bonus march, the Illinois coal march, and a chain of

the O.G.P.U. subterranean organization obtaining and utilizing State confidential informations for the benefit of the Soviet regime.

"14. Communist rules for demonstrations, such as the hunger march, the bonus march, the Illinois coal march, and a chain of others, are unquestionably designed for military training, gradually leading up to an armed insurrection. Here is a revelation of the Communist purpose behind the continuous business of demonstrations, parades, protests, mass meetings, and outbursts of every nature. It is to create a habit, a willingness, a technique, a continuity, and a state of mind. Arms are not to be supplied until after civil war has been started. The methods employed in preliminary street battles involve the use of handy bricks, knives, lead pipe, clubs, and guns taken from the police. History shows that these orders have been literally carried out in our country.

"15. The instructions to party members include methods of extending illegal party machinery, secret archives, secret printing presses, coding, technique of liaison, secret meeting places, and secret correspondents' addresses, secret lodgings for illegal militants of the party enabling interviews with other militant Communist workers, and the special training of groups of 3 and 4 for leadership in strikes, street fights, and other demonstrations pending the hour of actual armed insurrection.

"16. The training for civil war involves certain orders issued for the mobilization of a secret army composed of small units."

"16. The training for civil war involves certain orders issued for the mobilization of a secret army composed of small units. In addition to these orders, the Communist International, the official organ of the Third International, in the issue of June 30, 1931, gives directions upon the fight for the street. These dehalls, gives directions upon the inght for the street. These detailed instructions advocate assembly in workers' quarters, labor halls, and assembly places least accessible to the police and also organization of marches of workers and starving poor in quarters inhabited by the rich. It is recommended that the tactics of the Communists should consist in forcing the concentrated police forces to disperse and to compel them to cover the Communist organization of small groups.

"17 Evidence accumulated by the American Federation of Labor."

"17. Evidence accumulated by the American Federation of Labor shows the existence of a criminal group under Communist control, comprising a skeleton terrorist force, trained, instructed, and ready

for expansion on short notice.

"18. The Communist Party in the United States, subordinate to the Third International at Moscow, is not working for improvement of human conditions through lawful means, but it is an actual revolutionary war machine, against which the American Federation of Labor has stood as the first line of defense and has borne the continuous brunt of battle.

"19. The astounding revelation of detailed orders directs caution against leaving documentary evidence and methods to be employed to insure secret conferences of members of the Communist Party as well as secret party meetings of committees and militants. The orders include directions to destroy factory machinery and to block industrial operations, vital alike to every American workman and factory owner.

"20. Mutiny is advocated in the United States Army and Navy and in the air forces.

"21. Propagandists are ordered to organize cells of the most trusted and devoted Reds in the more important public services railways, telegraph, telephone, electric-power stations, water and gas works. The purpose is to cut off water supplies, rendering communities helpless in case of fire, and to cripple lighting and transportation services, creating general chaos when the time for 1

revolution arrives.
"22. The Garland fund is used to subsidize Communistic or-

ganizations and publications.
"23. Lenin advocated disruption of trade unions through un moral practices, using strike relief funds for Communist political purposes, and attacking and discrediting officials of the American Federation of Labor, seeking to link it to capitalism. This policy

Federation of Labor, seeking to link it to capitalism. This policy has been carried out.

"The Communists enter a strike situation not to win but to disrupt. They discredit regular leaders, increase demands for wages and hours to the point of impossibility, and place the blame upon regular trade-union leaders.

"24. Joseph Stalin, only a year ago, when addressing the American commission and the executive committee of the Third International, said: 'The Third International has enabled the Communist Party of America to reach a stage where it can actively

national, said: 'The Third International has enabled the Communist Party of America to reach a stage where it can actively prepare the masses for a future revolution, and when the revolutionary crisis comes in the United States it will mark the beginning of the end of world capitalism.'

"25. Funds to finance propaganda in the United States without doubt are supplied by Soviet Russia, but it would require the best operations of a United States secret service, now nonexistent, to discover the methods used and to trace the disposition of such funds. Much credible evidence exists since the publication of a funds. Much credible evidence exists since the publication of a decree by the Soviet regime appropriating 2,000,000 rubles for propaganda in the United States 2 months after the overthrow of

the Kerensky government.

"26. Motion-picture operations, as Soviet propaganda in the guise of legitimate entertainment, are described and the various titles of Communist moving-picture productions are enumerated.

"27. It is shown that the Communists waged a campaign to

destroy confidence in and wreck banks.

"28. Reds at the Plattsburg summer training camp carried on vicious Communist agitation against 'imperialist wars and to fight your bosses', and the like.

"29. Other topics covered in this extensive revelation refer to

"29. Other topics covered in this extensive revelation refer to the press, to the schools for young Communists, to efforts to create discontent among the negroes and bring about intervention by the United States in Cuba.

"30. One section of this documentary evidence is devoted to quotations from Communist publications showing, from those official organs, the Red policies and actions in the United States.

"31. One section describes the sinister forces on the campus designed to undermine the student body of our colleges, technical institutions and public schools. The agency employed is entitled

the institutions, and public schools. The agency employed is entitled the 'National Students League.'

"32. It is shown that pamphlets attacking world capitalism and claiming capitalist stabilization has ended, are among those dis-

"33. The basis of Soviet international policy, as presented in a pamphlet issued recently in Russia by the executive committee of the Russian Communist Party, is set forth. Its program of intrigue is revealed in part by the following quotation:

"'The task of Soviet foreign policy is to exploit the liberal and pacifist tendency of certain groups of the bourgeoisie and of industrial circles interested in trade with the U.S.R., thus prolonging the breathing space and insuring an inflow of foreign credits, machinery, and materials for the industrialization of the U.S.R. For this purpose the U.S.R. energetically confronts the aggressive military plans of its enemies with proposals for the present to let both systems live peaceably together. both systems live peaceably together.

"'This is only a temporary measure required by the anomalies of both systems. Soviet proposals for coexistence of these systems have already spread confusion among imperialists. " "We must politically exploit economic discords among our enemies. Discord between Great Britain and France was one of

the reasons why France did not break with the Union of Soviet Socialist Republics in 1927, when Great Britain did. Soviet foreign policy remains based on revolutionary prospects abroad, and the Soviet Government therefore maintains constant contact with

the Soviet Government therefore maintains constant contact with the foreign proletariat.

"34. Active participation of the Red army of Soviet Russia in aiding revolutionists in other countries is presented by quoting directly from Soviet proclamations:

"'The Red army is the army of the international proletariat, the O.G.P.U. the police of the proletariat. Nothing is Russian in the Soviet Union in the national meaning of the word; everything is proletarian, that means international.' To America the meaning of that is that if and when there is an outbreak of sufficient revolutionary character in the United States to convince the Red chiefs of a chance of success the Red army of the Soviets in Russia will be thrown into the conflict. will be thrown into the conflict

will be thrown into the conflict.

"Soviet authority seeks to obliterate national boundaries. It rules over that part of the American population which is Communist and compels obedience to its edicts, while Communists in America swear that their first allegiance is to the red flag, the symbol of communism, and not to the American flag. The Communist Party of Russia, or its subordinate creature, the Third International, commonly and constantly issues mandatory orders to be followed by the Communists of other nations. This authority wielded by the Soviet is a new form of extraterritoriality which the world has so far but dimly come to comprehend.

"35. The Daily Worker, the Communist official organ in the United States, freely gives the Communist operations in the industrial field. Quotations are given by date, referring to various

trades. Its effort to prevent the operation of the National Industrial Recovery Act is emphasized in the issue of October 26, 1933, as follows:

"'ROOSEVELT N.R.A. SLAVE CODES SEEN AS PASCIST MERGING OF TRADE UNIONS WITH GOVERNMENT MACHINE-TRADE-UNION THEORIES OF PERKINS, JOHNSON JUST LIKE HITLER'S

"'The Roosevelt government, behind all its smooth hypocrisy, moves grimly forward to the naked, military dictatorship of the

capitalist class.

"It is out of the increasing recognition that the N.R.A. economic program is being swept into discard by the onrush of the crisis, out of the recognition that the coming winter, as a result, will witness immense, wide-spread working-class resistance to the wage slavery and exploitation that Roosevelt prepares for open class warfare.

class warfare.'

"The issue of October 28, 1933, states:

"'The Daily Worker has consistently day by day, since the first promulgation of the N.R.A. provisions, exposed their vicious anti-working-class character, exposed them as a charter of slavery for American workers, exposed them as a part of the war preparations of the Roosevelt government.'

"Instructions issued by the executive committee of the Communist International to the secret police are quoted to 'block every effort at economic recovery.' This document, printed in six languages, under date of August 15, 1931, orders preparation for a simultaneous revolutionary outbreak in the leading capitalist countries of the world, placing the United States at the head of the list.

"The Daily Worker also disclosed the connection between the Communist Party of the United States and the Third International in its issue of October 28, 1933, column 1, page 1, as follows: "Easley knows very well that the Soviet Government has no responsibility for the Daily Worker, which is the organ of the Communist Party of the United States, which like the Communist Party of the United States, which like the Communist Party of the Soviet Union, is a section of the Communist International.

"Disciplinary instructions under the direction of Moscow, involved in resolutions as the seventh national convention of the Communist Party of America, adopted for action in the United

States, follow:

"A. Every single member of the party must be assigned specific work in the party and in proletarians' mass organizations. The nucleus executives shall direct and check up the work of every

party member.

"'B. The functioning of every committee, committee member, and party members must be checked up continually.

"'C. Ruthless political criticism of all errors and deviations must provide the base for serious and continuous self-correction.

"D. Committees and functionaries who persist in errors and deviations must be removed from the leading cadres as unfit for

leadership.

"E. The practice of burdening active comrades with a multiplicity of functions must be discontinued.

"F. The shortage of forces thus created must be repaired by a systematic drawing of new proletarian elements into the leading

a systematic drawing of new proletarian elements into the leading cadres of the party.

"'G. All leading party committees are obligated to be most concrete in their plans and instructions for work to the lower units. Unclearness, ambiguity, the generalization lead to misunderstanding and to delays in the carrying out of instructions. The need of the hour is clarity of instructions and promptness of execution.'

"Destruction of the American Federation of Labor unions was given much attention in the resolutions and has been an uppermost part of red hostilities against all things American since their adoption as the red plan of attack. There is this further paragraph:

"A definite turn in all plans of work in the revolutionary unions and in the Trade Union Unity League must be urged and carried through by the Communists. Special efforts must be made to draw negro workers into the leadership of the revolutionary unions. Decided efforts must be made to increase manifold the activities draw negro workers into the leadership of the revolutionary unions. Decided efforts must be made to increase manifold the activities of the Communist factions in the revolutionary trade unions. It is necessary that the party pass very definitely over from the period of talk to the stage of action in the accomplishment of its tasks in the organization of the unorganized masses. The progress of the party on the road to a mass party of revolutionary action must be measured by the growth of the organization and the influence of the Trade Union Unity League."

"A Negro membership amounting to 20 percent of the total was then claimed.

"The whole party declaration bristles with revolution with

"The whole party declaration bristles with revolution, with stern orders for the forming of cadres—skeleton groups or cores, around which regiments may be formed—yielding to discipline, action, action, action, toward revolution.

action, action, action, toward revolution.

"The convention called for leaders for the regiments of the line.

'The recent session of the Red International of Labor Unions laid the greatest stress upon this point' and 'the mass struggles we are now carrying on are producing many new working-class fighters. These \* \* \* must be drawn into leadership.

"And further: 'The line (policy) of the Red International of Labor Unions must be applied in practice, all unclarity eliminated, and resistance to it sharply combated. There must be more attention given to the question of strike strategy.' And more attention has been given. A policy of fomenting a steady stream of strikes against the constituted leadership of the American Federation of Labor has ensued, not to win advantages for the workers but to encompass the destruction of the legitimate unions. The coal encompass the destruction of the legitimate unions. The coal

fields have witnessed many of these revolutionary strikes against true trade unionism. To quote: 'Special concentration must be made on the mining, steel, machinery, and meat-packing indus-

made on the mining, steel, machinery, and meat-packing industries.'

"And again, in these resolutions, the persistent pounding for organization in the shop, where the Reds see their war basis; 'shop nuclei must be built and made to function in the shops.' And also the order for the wolves to burrow underground in the secret caves of the stealthy and the treacherous and the treasonable. To quote: 'The illegal apparatus of the party must be immediately completed.' And as a logical consequence and in sequence: 'Our perspective must be for the defeat of the American Federation of Lahor. \* \* \*'

Labor \* \* \*."

"That the Communists of America follow the orders of Moscow was clearly and candidly announced by William Z. Foster, the principal leader of communism in the United States, when he testified before the commission presided over by the Honorable Hamilton Fish, by authority of Congress, as follows:

"'The question, "Do we take our orders from the Communist International?" is a question which reveals the utter distance of the capitalist conception of organization from that of the worker.

The Communist International is a world party, based upon the

The Communist International is a world party, based upon the mass parties in the respective countries. It works out its policy by the mass principles of these parties in all its deliberations. It is a party that conducts the most fundamental examination of all questions that come before it, and when a decision is arrived at in any given instance, this decision the workers, with their customary sense of proletarian discipline, accept and put into

effect.
"'The conquest of power by the proletariat does not mean peaceful capturing of ready-made bourgeols state machinery by

peaceful capturing of ready-made bourgeols state machinery by means of a parliamentary majority.

"'The bourgeoisie resorts to every means of violence and terror to safeguard and strengthen its predatory property and political domination. Like the feudal nobility of the past, the bourgeoisie cannot abandon its historical position to the new class without a desperate and frantic struggle; hence the violence of the bourgeoisie can only be suppressed by the stern violence of the proletariat.

"Communism in America is the pet child of the Moscow master strategist, Stalin. In May 1929, in a speech, he said:
"'I consider the Communist Party of the United States one of the few Communist parties to which history has given decisive tasks from the point of view of the world revolutionary

of the few Communist parties to which history has given decisive tasks from the point of view of the world revolutionary movement. The revolutionary crisis has not yet reached the United States, but we already have knowledge of numerous facts which suggest that it is approaching.

"It is necessary that the American Communist Party should be capable of meeting the moment of crisis fully equipped to take the direction of future class wars in the United States. You must prepare for that, comrades, with all your strength and by every means; you must constantly improve and bolshevize the American Communist Party. \* \* \* "

"Not until January 1930, more than 6 months after its delivery, was that speech made known to any save those who heard it. At the same time was read a detailed report with reference to work in the United States. The occasion was the tenth session of the executive committee of the Communist International, and the author of the report was Moltov, member of the presidium of that international. Let us quote:

"The comintern has given particular attention to the situation in the Communist Party of the United States.

"A special delegation of the executive committee of the comintern was sent to the last congress of this party (Workers Party, United States). Afterward for several weeks there sat at Moscow a commission of the presidium of the executive committee of the Communist International, which specially studied the situation in the Communist Party of the United States. The presidium of the executive committee of the Communist Party radically renewed the direction of the American Communist Party and created within it the conditions of a real Bolshevist development of the party and a reinforcement of its authority among

radically renewed the direction of the American Communist Party and created within it the conditions of a real Bolshevist development of the party and a reinforcement of its authority among the working masses.'

"To prove that the Communists instigate strikes, there are recited in this American Federation of Labor document instances in the Mahoning Valley and in the steel and coal industries in opposition to the codes inaugurated under the National Recovery Administration.

"The statement is made that in every case thus far Communists have been in the minority in our unions, but the significance of this is never fully understood unless it is remembered that Communist tactics always call for control by minorities through the use of viclence, terrorism, and whatever methods may seem best

designed to achieve the end.

"It would be too long a story to recount all of the struggles which our unions have had with Communist invaders, even if the facts were available. The truth is the facts are not all available and could not all be had without the expenditure of much effort and considerable time. The unions which have been cited are but a few of those which have been attacked and which have been compelled to defend themselves at heavy cost.

"The United Textile Workers have been forced to expend much money, and some lives have been sacrificed.

"The International Ladies' Garment Workers have been compelled to fight vigorously to maintain the oversization in fraction.

"The international Ladies' Garment Workers have been compelled to fight vigorously to maintain the organization in freedom from Communist influence.

"Many of the building trades have been threatened in various communities, in some cases seriously. In this connection it should

be noted that the tactics of Communists and of gangsterism have been strangely identical, and it is fair to wonder whether the two

been strangely identical, and it is fair to vonder whether the two are always dissociated.

"One activity centered in Warren, Ohio, ordinarily a quiet and peaceful community. There is in Warren, a plant of the Republic Steel Corporation, a thoroughly union shop with collective agreement between the management and the Amalgamated Association of Iron, Steel, and Tin Workers. By infiltration and the astablishment of Community rushed. mated Association of Iron, Steel, and Tin Workers. By infiltration and the establishment of Communist nuclei, Communists were able to perfect two distinct organizations within this plant and to create much dissatisfaction. These operations extended over a period of several months until finally in September 1922 the Communists managed through the circulation of an outright lie to precipitate a strike involving a number of the members of the regular trade union. The lie was to the effect that a wage cut had been ordered by the management in violation of its wage agreement. The strike call was so issued as to lead many men the regular trade union. The lie was to the effect that a wage cut had been ordered by the management in violation of its wage agreement. The strike call was so issued as to lead many men to leave their work under the impression that the genuine trade union had called the strike. Immediately, in pursuance of the customary Communist tactics, Communists from many other cities congregated in Warren. By actual observation, it was estimated that more than half the pickets never worked in the mill and never saw it until they were ordered there by the Communist leaders. For several days the Communist newspapers continued to print the charge that the strike was against wage reduction.

"The subtle methods employed by the Communists were revealed in connection with the bombing outrages at an industrial plant not remote from Chicago where it was disclosed that the guards hired by that plant to protect it actually were Communists who had insinuated themselves into the employment of that industrial concern but acting under the orders of the Trade Union Unity League, had proceeded toward bringing about the destruction of the plant. After a long series of bomb outrages and explosions, their identity was discovered and arrests were made.

"No group or organization in America has been more seriously beset by Communists than the United Mine Workers of America. The National Miners Union is purely a Communist organization, the sole purpose of which is to destroy the United Mine Workers of America and set itself up in the coal-mining industry in its stead. On September 26, 1928, the National Miners Union national executive board held a meeting in Pittsburgh, Pa., and adopted a resolution of formal and complete affiliation with the Red Trade Union International Miners Union, immediately following that meeting announced that action to the press.

"The National Miners Union fomented strikes in western Penn-

announced that action to the press.
"The National Miners Union fomented strikes in western Penn-

"The National Miners Union fomented strikes in western Pennsylvania coal fields—at Avella and other points. It did the same in the eastern Ohio coal field, especially in and around Bellairs. Only recently—just a few weeks ago—the National Miners Union engineered a strike in the mines of New Mexico which tied up the mines and curtailed the coal supply for railroads in the territory.

"The National Miners Union is in reality responsible for the chaotic condition in Illinois. It was the predecessor in that field of the present Progressive Miners Union. Pat Ansboury, one of the founders of the Progressive Miners Union, is well known as a Communist and was actively in the National Miners Union movement in Illinois. Many letters and other documents are now in the hands of law authorities in Illinois to and from Ansboury which prove his affiliation with the Communist Party. Numerous Communist members of the National Miners Union have visited Russia for the purpose of having their batteries recharged' so that they might return to the United States as propagandists for Communism.

they might return to the United States as propagandists for Communism.

"Communists have also endeavored for the last several years to gain a foothold among the anthracite miners of Pennsylvania, and they have succeeded to some extent. There is little doubt that communistic influences are active in the present disturbed condition in the anthracite industry. On one occasion Albert Wageknecht, a Communist leader, made his appearance at a convention of the United Mine Workers of America at Scranton, Pa., and he was chased out of the convention and several blocks down.

vention of the United Mine Workers of America at Scranton, Pa., and he was chased out of the convention and several blocks down the street by convention delegates and warned never to return.

"At every international convention of the United Mine Workers of America for the past several years Communists have distributed copies of the Daily Worker, published in New York, among the delegates. The Daily Worker, the official organ of the Russian Communist Party in the United States, always contains vicious, scurrilous attacks upon the United Mine Workers of America and seeks to create dissension among its members.

seeks to create dissension among its members.

"These are mere illustrations. It would be impossible to present any complete picture of Communist subversive activities in the United States, as we have no secret service for this purpose and must depend entirely on voluntary agencies to keep watch.

"There is, indeed, much confusion in many circles as to the extent of Communist effort, and a great deal of this confusion is created purposely by the Communists themselves.

"This we do know! Wherever Communists can gain a foothold in trade unions they seek to capture those unions. Where they in trade unions they seek to capture those unions. Where they cannot get a foothold in existing unions they seek to organize new unions. In practically all of the basic industries strictly Communist labor organizations have been created. These organizations do not enter into agreement with their employees except in rare cases where agreement is meant to serve as subterfuge. The purpose of Communist labor organizations is not to safeguard and improve the present order but to undermine it and destroy it.

"There is a tremendous and growing activity in the field of education, particularly through Communist schools and Communist summer camps.

"Communist subversive activities extend to the church, to the stablishment of so-called 'Sunday schools', which confine their

"No authority knows or possibly ever will know in what direction the Communist effort will extend next or at what hour the Communist high command will consider it expedient to launch into the field of open violence.

We know that in the newspaper- and book-publishing world, particularly in New York City, which is the center of influence in that world, Communist influence is tremendous.

"We know that we see a constant revolutionary menace.

"This presentation to President Roosevelt concludes with a renewal of the plea against the continuance of destructive and revolutionary propaganda by the Soviet regime in the United States."

## THE AIR MAIL-ADDRESS BY SENATOR AUSTIN

Mr. WHITE. Mr. President, I ask unanimous consent that there may be extended in the RECORD an address on the subject of the air mail, delivered by the senior Senator from Vermont [Mr. Austin] before the Union League Club of New York on June 14.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

On February 20, 1934, Manhattan awoke to the startling infor-On February 20, 1934, Manhattan awoke to the starting information that her gallant argosies of the air had all been destroyed. This bad news was rendered more alarming by the circumstance that the destructive agency was not force majore, storm, fire, or any other of the so-called "acts of God", but was the intemperate, illegal, and hasty act of her officers of Government.

She saw her millions of treasure, which formerly flowed into her exchange and hasty avery morning cut off. She realized that

she saw her millions of treasure, which formerly hower into her exchanges and banks every morning, cut off. She realized that a courier who, overnight and while she slept, had delivered her mail as far west as Omaha in the same time that normal mail was delivered within her own city limits was lost to her.

But, more appalling than any of these material things, she suffered that loss of confidence in her Government which is excited by either failure of government to govern, or by misgovernment, tyranny, force, abuse of power, reckless disregard of law, blindness to the rights of the governed, and contempt of the authority of the governed. authority of the governed.

Now, what I have figuratively stated concerning New York City is allegorical of the entire United States of America.

The destruction of the air-mail institution was a great injury to the people of this country who had become accustomed to the accelerated speed of transmission of mail by air and transportation of passengers and express by air. However, this injury could be remedied.

On the other hand, the realization that this destruction was political maneuver, inspired by the desire to discredit a Republican administration which had created a wonderful air-mail and passenger service, and that there were additional Democratic interests who coveted contracts already let to others, magnified the injury.

The trend of Government for a year and a half away from free institutions and toward centralization of power in the Executive had theretofore been tolerated on the ground of emergency, and in the belief that these fundamental variations were temporary and not intended to change the structure of Government.

The cancelation of the air-mail contracts now suddenly brought The cancelation of the air-mail contracts now suddenly brought to the attention of the people the psychological change which had occurred in the minds of their governors. It plainly showed how power had bred more power. This act exposed in the raw the real attitude of men in high place toward the humble people of the United States, and toward their fundamental rights. For here was an act of sheer force: In the midst of an investigation of the air mail by a special committee of the Senate, before the evidence was all in—even before any evidence at all had been introduced by the air-mail operators or any findings had been considered by the special committee—all of the 29 air-mail contracts, held by nine different contractors, were canceled on the alleged ground that the operators were guilty of fraud, collusion, and conspiracy in the making of the contracts.

alleged ground that the operators were guilty of fraud, collusion, and conspiracy in the making of the contracts.

This cancelation was made by the Postmaster General of the United States with the approval of the President. No hearing by any judicial tribunal was permitted the operators. No hearing was accorded the operators by the Postmaster General or the President, although it was requested in writing. No opportunity for severance of defenses of the nine different and independent contractors was afforded. All of them were condemned as crooks en bloc. A whole group of defendants was judged guilty together. This judgment of them was made in their absence without affording them an opportunity to be confronted by their accusers ing them an opportunity to be confronted by their accusers

and witnesses.

and witnesses.

Now, these contractors were the representatives of thousands of individual stockholders who had contributed their capital to the building up of this industry. Some were poor people whose capital invested in this enterprise consisted of meager savings of years of hard toil. But, whether these citizens enjoy the emotional advantage of poverty or suffer the prejudicial circumstances of wealth, they all had rights which they supposed were secure in the Bill of Rights and Constitution of the United States.

They had the right to contract and have their contract held sacred under the law. They had the right to own and keep their property safe from confiscation by their Government. They

had the right to be heard upon the question of public good if their Government should need or require their property for pub-lic use. They had the right to have their property valued by an independent and impartial tribunal, if their Government should intend to take it by the power of eminent domain away from them. They had the right to administration of justice by an independent coordinate department of government. They had the right of exemption from bills of attainder. They had the right of equal protection of the laws. right of equal protection of the laws

Only 10 days ago the Supreme Court, speaking through Mr. Justice Brandels, held unconstitutional the clause in the Economy Act repealing all laws granting or pertaining to yearly renewable term insurance for veterans and restated the familiar doctrine that the Government is subject to law as individuals are,

"On the other hand war-risk policies being contracts are

"On the other hand war-risk policies being contracts are property and create vested rights. " "The repeal, if valid, abrogated outstanding contracts; and relieved the United States from all liability on the contracts without making compensation to the beneficiaries. "Second. The fifth amendment commands that property be not taken without making just compensation. Valid contracts are property, whether the obligor be a private individual, a municipality, a State, or the United States. Rights against the United States arising out of a contract with it are protected by the fifth States arising out of a contract with it are protected by the fifth amendment (United States v. Central Pacific R. Co., 118 U.S. 235, 238; United States v. Northern Pacific Ry. Co., 256 U.S. 51, 64, 67). When the United States enters into contract relations, its rights and duties therein are governed generally by the law applicable to contracts between private individuals. That the contracts of war-risk insurance were valid when made That the contracts of war-risk insurance were valid when made is not questioned. As Congress had the power to authorize the Bureau of War Risk Insurance to issue them, the due-process clause prohibits the United States from annulling them, unless, indeed, the action taken falls within the Federal police power or some other paramount power.

"Punctilious fulfillment of contractual obligations is essential to the maintenance of the credit of public as well as private debtors.

"The United States are as much bound by their contracts as are individuals. If they repudiate their obligations, it is as much

are individuals. If they repudiate their obligations, it is as much repudiation, with all the wrong and reproach that term implies, as it would be if the repudiator had been a State, or a municipality, or a citizen (The Sinking Fund Cases, 99 U.S. 700, 719.)" Suddenly the trend of government in hostility to all these rights was exposed to them. With startling damage, these rights were all transgressed by their Government.

No single act of officials in high place has more vividly demonstrated the deviation from constitutional government and the trend toward government by force than has the cancelation of the air-mail contracts. air-mail contracts.

President Coolidge, in one of his famous references to the Con-

stitution of the United States, said among other things:

"The Constitution represents a government of law. There is only one other form of authority, and that is a government of force. Americans must make their choice between these two. One signifies justice and liberty; the other tyranny and

oppression."

There was a human element in this tragedy for which there is no remedy. The American people have such capacity for recovery; they are so resilient against the blows of misgovernment; they are so steadfast in their faith in the Republican form of government; they adhere so firmly to free institutions; they are so devoted to justice; that they can and they will remove officials who disregard their Constitution and destroy their rights. They have the ability to remedy in time such injuries.

But the American people can never restore to wives, mothers.

have the ability to remedy in time such injuries.

But the American people can never restore to wives, mothers, children, and friends, the dead pilots who gallantly gave all to save the face of the administration.

As usual in emergencies, the Army was called upon. And, as is usual with that proud branch of the Service, it responded with chin up to this call to perform the highly technical work of flying the mail. Army flyers had never had the peculiar training which is indispensable in following airways which traverse mountains, valleys, prairies, deserts, and which pierce fog. snow, rain, as well as sunshine, and which must be flown at night as well as in the day time. Army fliers were not generally acquainted with the equipment for safety in flying under such conditions. The airships which they used lacked many of the devices which experience had proved requisite to the service of the air mail. No criticism of the Army is made for this condition. The type of training for Army flying differs entirely from tion. The type of training for Army flying differs entirely from that for commercial flying. The amount of appropriation made that for commercial flying. The amount of appropriation made by the Government for training these Army pilots had been cut down by Executive order until the actual training time per day for Army pilots was only 30 minutes. Twelve of these brave pilots who undertook to carry the mail, in the brief period of 7 days, perished. This tragic result of Government by force is a warning affecting the conscience as well as the judgment of the people of America.

Every substantial departure from government by law, as distinguished from government by men, creates some injury. It may be confined to loss of property, but it may extend to loss of human life or loss of liberty. Therefore, every attack upon the Constitution ought to be resisted every time that it occurs.

"Eternal vigilance is the price of liberty" is not a mere high-sounding quotation. We are aware, as many times before we have been aware, that it is a truism. It is one of those stimulating, brief epigrams whose force is brought home in such crises as that of today. As a political philosophy, it is founded upon the experience of all humanity in its climb upward from the Dark Ages to an era of constitutional government.

In Great Britain, when Parliament was subservient to the King, as it was in the days of Henry VIII the rights of the people were

as it was in the days of Henry VIII, the rights of the people were crushed. That reign was conspicuous for its bills of attainder. In the reign of George III the American colonists revolted for the reason that constitutional principles, so ancient that none could say when they began to exist, were overridden by a King and subservient Parliament.

Three of these rights are important to remember at the present time, when we have a Congress which obeys practically every re-

quest of the Chief Executive, namely:
First. The King could not legislate without the consent of Parliament.

Second. He could impose no tax without the consent of Parliament.

Third. He was bound to conduct the executive administration

according to the laws of the land.

The last principle is the one most intimately related to the present situation. Although the first two are involved in the legislation which Congress has passed during the last two sessions.

sessions.

An administration which is not the guardian of the rights of the people, especially fundamental rights, should be called to account by public opinion. The colonists, excited to revolution by violation of constitutional rights, envisaged a Government here in North America in which rights of citizens should be the paramount concern of the law and of its administrators. They abhorred the exposure of citizens to harm by groundless charges of crime, fraud, collusion, and conspiracy. They divided their Federal structure into three coordinated but independent departments in order to secure, beyond failure if possible, the administration of justice by tribunals which would be free from any tendency of other departments of Government toward force and tyranny. Their economic situation was such that they wrote into the charter of union provisions expressly protecting contracts. They aimed at an obligation which would not be regarded solely as an option to buy out of the agreement at a price to be fixed by trial or to breach by force upon suffering damages to be assessed by court. by court.

Their objective was an obligation that would insure performance of contracts. And that Constitution was framed in the midst of depression and emergency with the high purpose of securing stability and honesty whenever this country should be assailed and governors should be tempted to change the obligation or to correct the contract. tion or to cancel the contract.

One of their main purposes—the first one expressed in the pre-amble, was an indissoluble Union of States. All of the powers amble, was an indissoluble Union of States. All of the powers necessary to form this Union, and to maintain it, were written into that Constitution. Freedom, which is the most stimulating principle of any economic system designed to unify a continent, was established therein. All of the material implements of unity were encouraged; communications by rail, by post roads, post office, telegraph, telephone, aeronautics, radio, and all those other possibilities of the future which form the vision splendid of imaginative and inventive men, were encouraged and made possible by the opportunity and incentive for individual effort of the highest character and individual responsibility guaranteed in that Concharacter and individual responsibility guaranteed in that Concharacter and individual responsibility, guaranteed in that Constitution.

The national meaning of the sacredness of contracts, of the inviolability of property rights, of security in keeping the rewards which society renders for high service, was brought out in bold relief by the ruthless disregard of all of them in the cancelation of the air-mail contracts.

Attainder, confiscation, injustice, cruelty, discrimination—all of these were prohibited—but we have seen them expressed in the cancelation of the air-mail contracts and the subsequent events.

Limitation of time excludes a detailed review of the record leading up to cancelation. Graphically stated, it is as follows:

Immediately after the election in 1932, scheduled air transport companies who had no mail contract organized themselves into a society for the purpose of securing the mail contracts and subsidies which had encouraged the development of the institution under Postmaster General Brown.

The Post Office Department was hombarded by efforturers and

The Post Office Department was bombarded by attorneys and politicians to secure for their interests the opportunity to bid on such contracts. Evidence of the pressure brought to bear includes a statement by one of the operators: "I have bombarded the Post Office Department with all the National Democratic Committee-men, State chairmen, governors, Congressmen, all Democratic Senators, and everyone else in this territory who materially helps keep the Democratic donkey alive."

Mr. William W. Howes, now First Assistant Postmaster General, testified before the special committee with relation to cancelation that people came in and talked and lobbied and complained; that "there were hosts of them"; that they came down like a cloud of grasshoppers.

The apparent opportunity to discredit the preceding administration, and to gratify the urgent requests of those who kept the Democratic donkey alive, excited hasty action.

On January 30 Postmaster General Farley had testified that he had found nothing substantially wrong with the contracts, and

that he had ratified them. Within 10 days thereafter the impetuous act of cancelation of all the contracts occurred, to become effective February 19.

The decision to cancel was made within 7 days after that testimony was given. Absolutely nothing had been brought out in the committee affecting this question in the meantime. Therefore, on

the record, the action was arbitrary and impetuous. So far as the law went, the Postmaster General disregarded a provision of law which enabled him to cancel upon giving a notice of 45 days and a public hearing. Another law enabled the President to cancel upon giving a notice of 60 days and a public hearing, and upon payment of damages. Both of these laws were disregarded.

exercise of arbitrary power

And again:

"The right to be heard before property is taken or rights or privileges withdrawn, which have been previously legally awarded, is of the essence of due process of law."

Justification for the act was claimed by virtue of section 3950 of a statute passed in 1872, which reads:

"Combinations to prevent bids: No contract for carrying the mail shall be made with any person who has entered, or proposed to enter, into any combination to prevent the making of any bid for carrying the mail, or who had made any agreement, or given or performed, or promised to give or perform, any consideration whatever to induce any other person not to bid for any such contract.

\* \* and if any person so offending is a contractor for carrying the mail, his contract may be annulled; and for the first offense the person so offending shall be disqualified to contract for carrying the mail for 5 years, and for the second offense shall be forever disqualified."

This statute did not grant the Postmaster General any authority

This statute did not grant the Postmaster General any authority

to try the question of collusion or fraud.

This statute did not invest the Postmaster General with power to annul a mail contract.

If this statute could be interpreted to give the Government the right of a contractor to appeal to the courts for annulment, that course, if followed, would afford the citizen contractor a hearing. But it is silent about procedure.

As interpreted by the Postmaster General this statute inflicts the punishment of cancelation, disqualification for 5 years, or disqualification for life.

Mr. Justice Field, one of the great Chief Justices of the United Mr. Justice Field, one of the great Chief Justices of the United States, in Cummings v. The State of Missouri (4 Wall. 277), held that a statute was in the nature of a bill of attainder, which provided that no person could be a qualified voter "who has ever been in armed hostility to the United States", etc.—and disqualifying him from ever acting as a teacher and from certain other rights common to citizens. This distinguished justice gave us

the following definition:

"A bill of attainder is a legislative act which inflicts punishment without a judicial trial."

Such is the act of 1872 if interpreted as Postmaster General Farley applied it.

Each and all of the contractors had punishment inflicted on them through this act without a judicial trial.

The attainder was carried out with vengeance. The record shows that on March 8, 1934, the President sent a letter to the Chairman of the Committee on Post Offices and Post Roads recommending a law disqualifying the contractors, thus:

mending a law disqualitying the contractors, thus:

"Obviously, also, no contracts should be made with any companies, old or new, any of whose officers were party to the obtaining of former contracts under circumstances which were clearly contrary to good faith and public policy."

The bill succeeding that advice made ineligible any person who, or whose predecessor asserted or had any claim against the United States because of a prior annulment of any contract by the Postmarter General. Postmaster General.

Public opinion forced a modification of this tyranny, but the attainder was perpetuated in the temporary contracts and in the legislation finally passed.

The specification for bids for the temporary service disqualified the contractors by the following condition:

"No bids shall be considered or received from any company which previously had a contract for the carriage of air mall and whose contract was annulled under Revised Statutes, section 3950 \* \* \*."

All of the cancelations were expressly made under that section. All of the contractors were disqualified.

Specially skilled executives and officials of transport companies possessed of the knowledge which years of experience had given them were forced out of the air-mail business, and great transport companies were required to either reorganize or to create independent executivations.

pendent organizations.

Finally, during the last week, Congress has passed a revision of the air-mail laws which perpetuates the tyranny and attainder by language artfully designed to conceal from the people its vengeful

"Sec. 3 (g). Authority is hereby conferred upon the Postmaster General to provide and pay for the carriage of mail by air in conformity with the terms of any contract let by him prior to the passage of this act, or which may be let pursuant to a call for competitive bids therefor issued prior to the passage of this

act, and to extend any such contract for an additional period or periods not exceeding 9 months in the aggregate at a rate of compensation not exceeding that established by this act nor that provided for in the original contract: Provided, That no such contract may be so extended unless the contractor shall agree in writing to comply with all the provisions of this act during the extended period of the contract."

Nine months added to the term of the temporary contract is quite sufficient to consolidate the position of advantage of the Government over its citizens based on the attainder. But power, fed upon power, was not content with that. By another section the time of the attainder was made unlimited, thus:

Section 6, giving the I.C.C. (one of the five different departments of Government granted power over this small industry sufficient to ruin it) certain jurisdiction provides, among other things, in (c):

in (c):

"Any contract which may be hereafter \* \* \* extended pursuant to this act, and which has been satisfactorily performed by the contractor during its initial or extended period, shall thereafter be continued in effect for an indefinite period \* \* \*."

The power to reduce rates and fix conditions and to terminate are made optional in the Government; but the attainder is not optional. It shall be continued.

This output to have been adequate wresking of vengence; but

This ought to have been adequate wreaking of vengeance; but it was not so considered. A complex of attainder excited the authors of this legislation to write into it the following: "SEC. 7. (d) No person shall be qualified to enter upon the per-

formance of or thereafter to hold an air-mail contract, (1) if at or after the time specified for the commencement of mail transportation under such contract such person is (or, if a partnership, association, or corporation, has a member, officer, or director, or an employee performing general managerial duties that is) an individual who has theretofore entered into any unlawful combination to prevent the making of any bids for carrying the mails \* \* \*."

Having proclaimed the original contractors guilty en masse, in absentia, without trial, this legislation is the superlative attainder of them.

Meantime those who met at Armegeddon have obtained their objective—they have ejected those who were in and injected those who were out.

objective—they have ejected those who were in and injected those who were out.

Efforts to preserve the status quo pending an investigation of aeronautics by a commission were flattened out under the roller of parliamentary proceedings. Permanent change of policy and service were effected before investigation.

The great underlying stimulus which the McNary-Watres Act furnished for the amazing development of the passenger service was destroyed. This was a subsidy which gave financial help and inducement for development of great ships, increased number of seats, 2-way radio, employment of copilots, and other variables promoting safety, speed, efficiency, and comfort. Now, the sole objective is carriage of the mail as cheaply as possible.

National defense is not mentioned. The objective of cheapness is opposed to this policy.

Economy is frustrated by the bidding plan which encourages reduced overhead and operating expense and curtailed development to get within the sacrificial contracts and save money. This tends to defeat the rapid progress toward self-support made under the McNary-Watres Act, under which the rates were reduced in 4 years from \$1.09 per airplane mile to 39 cents.

The change in policy represented by the separation of operators and manufacturers which the new law demands palsies the arm of mechanical genius, by depriving it of the laboratory of the air, and cripples the operators by the loss of financial support from the manufacturers.

The only good thing in the act, namely, the Investigating

the manufacturers.

The only good thing in the act, namely, the Investigating Commission, is rendered futile by the—
Permanent wrongs done the original contractors and their stock-

holders.

The vested rights consolidated in the new contractors.

The abandonment of a progressive policy in aeronautics.

The commitment to cheapness.

The breaking up of unit management of transcontinental

The divorcing of construction and operation.

The reduction of service to an arbitrary limit of airplane miles.

The encouragement of speculative bidding by giving 30 days after opening of bids to any successful bidder in which to qualify for mail services

The numerous reorganizations excited by the vindictive features of the law.

The arbitrary limitation after July 1, 1938, of the aggregate cost

The arbitrary limitation after July 1, 1938, of the aggregate cost to anticipated revenue.

The arbitrary limitation after October 1, 1934, of each contractor to one primary route and to only three contracts.

These and many other provisions of the 19 sections of the act preceding the creation of the Investigating Commission will produce their effect notwithstanding the investigation.

However unfortunate may seem the material and intimate results of the cancelation of the air-mail contracts and the acts which have succeeded that, the poignancy of the event was the grave and serious doubt excited in the minds of men and women of the purpose of the new deal, which is neither Republican nor Democratic. Is it an emergency policy? Or is it a permanent departure from free institutions and a surreptitious establishment, without the knowledge or consent of the people of ideas of gov-

ernment which are in conflict with the breeding, the traditions, and the settled purposes of the American people?

Have we already arrived at government by force rather than government by law?

I have faith in the civic virtue and the recuperative powers of the people. From colonial times to the present they have suffered intermittently attempts to deprive them of their rights and their liberties. In the paroxysms of their distress they have always crushed the agency of their misery. So the people will again down their oppressors and recover their constitutional safeguards. The rule of the "brain trust" will be short. The restoration of law and justice will be made more stable and enduring than ever before.

#### PROBLEMS OF THE DAY-ADDRESS BY SENATOR M'NARY

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD a thoughtful and illuminating discussion of the problems of the times by the senior Senator from Oregon [Mr. McNary] delivered over the radio on June 8, 1934.

There being no objection, the address was ordered to be printed in the RECORD as follows:

The Republican Party has a tremendous task ahead, made the greater because of the currently unsettled condition of the country. To meet the task courageously and hopefully demands party harmony and cohesion of efforts.

party harmony and cohesion of efforts.

But the Republican Party while steadfastly adhering to its advocates of sound principles and sane fundamentals must nevertheless, in my opinion, not completely subvert the liberalization called for by present-day developments. There is no need, nor is there a demand that the party depart from the tenable grounds of methods that made this country great. The liberality I speak of is more within than outside the Republican Party. As I see it, it is a party matter. The Republicans of the conservative, industrial East must make concessions to the Republicans of the more liberal and less nonulous West and Midwest. In this

the more liberal and less populous West and Midwest. In this way will come the party solidarity which will mean success.

The word Republican lends itself to many political variations and varieties of definitions without losing its original concept as a party of the people and for the people. Environmental conditions, climatic, soil, and economic forces produce mental types that must be coordinated if the party is to take its accustomed leadership in forming American political contents. tomed leadership in forming American policies and controlling

American policies,

The new deal and those of its policies which are fallacious

The new deal and those of its policies which are fallacious are on the ebb tide. More than ever before, it is the province and it is the duty of Republicans to see that the country is returned to sound principles and governmental fundamentals. It must be obvious to everyone that only by this return can the United States again be put solidly upon a sound economic footing. The country is questioning more and more where the new deal is leading us. Congress is questioning. Business, labor, and agriculture, choked by governmental regulations, are bewildered under governmental regimentation. Those rights and liberties of individuals for which the Republican Party always has fought, are being invaded; one might almost say, discarded.

The administration's program for permanency of experiments is under attack.

is under attack.

There is no doubt in my mind that because of this effort to make legislative experiments permanent the country is uncertain, commerce is choked, money is frozen, and recovery, generally, is

being retarded.

Still another deterrent to recovery is the departure of the administration from sound money. Despite campaign pledges that the Democrats would maintain a sound currency "at all hazards" one of the earliest actions of the administration was to take us off the gold standard. This was followed, closely, by devaluating the dollar. Governmental contracts were no longer of the value they dollar. Governmental contracts were no longer of the value they held when made. The Government repudiated its promise to pay its manifold obligations in gold. These actions served to further the uncertainties entertained by business. No business man yet feels that he can enter into a long-term contract. He does not know what the value of the dollar will be.

The Republican Party has promised a sound currency. The difference between it and the Democratic Party is that the Republican Party has always maintained sound money. It is a difference of which business men must be thoroughly cognizant today.

It is into this complex situation that a cohesive Republican Party must step. As a party, Republicans for almost 78 years have had more to offer the American people than any other political organization. Its practical methods of attaining good government have been rewarded by the people making it responsible for the conduct of the Government for 55 of the 78 years of its existence. The party has a record of past achievements of which it is justly proud. United, it can go forward in the interests of the American people to still more and greater accomplishments.

plishments.

In the session of Congress now drawing toward a close the Republican Party has been mindful of the people's problem at all times. In the face of an overpowering opposition it has sought to protect them by whole-heartedly supporting Democratic methods of possible good and by rightfully opposing projected panaceas of doubtful good. It has refrained from overcriticism,

but it has not hesitated, nor will it in the future hesitate, to criticize when the occasion warrants. Criticism is wholesome when it points to a better way or discloses the fallacies in a method proposed. Partisanship can no more be allowed to perish than the party system of government can be abandoned. Without it, the country would perish. This Government is a government of political parties, and a political party necessarily is a partisan organization. Yet it cannot be charged that the Republicans in Congress have been unreasonably partisan against the present administration. They have cooperated fully and frankly in the adoption of such sound projects the administration advanced.

The Republican Party has not nor will it support unsound legislation to the detriment of the country. We have not sought to delay administration policies when they were deemed beneficial. Indeed, the majority of the Republican Members of the Senate and the House have from time to time supported administration measures which, in their opinion, were calculated to assist the country out of this stubborn and stifling depression. There have been no unnecessary speeches. There has been nothing savoring of a filibuster. The party has not criticized solely to be destructive. It has been sportsmanlike throughout.

tive. It has been sportsmanlike throughout.

Republicans, however, would be unfaithful to their trust and to the people's welfare if they had not warned the country that the President's reciprocal tariff proposal involved a great danger to American industry, labor, and the farmer. The bill is a bundle of legislative dynamite. It is a menace to small industry, a potential destroyer of the American market. destroyer of the American market.

legislative dynamite. It is a menace to small industry, a potential destroyer of the American market.

By a stroke of the Presidential pen one industry could be put out of business for the benefit of another; one section of the country impoverished for the enrichment of another. All business would be at the mercy of an Executive order. A life or death sentence could be imposed by one man's judgment, unchecked by any agency of Government.

Who can doubt what will happen to a number of industries? Many already have been declared by the administration to be inefficient. Secretary Wallace has said that the time has come for the United States to stop trying by the protective tariff to keep alive the weak and inefficient industries. Carried out, that means the death sentence for many whose efficiency would be determined by those unfamiliar with the business they conduct.

The President's proposal cannot be said to be a measure in the interest of reemployment. If our export trade were restored to its peak of \$5,000,000,000 in 1929 it would mean the absorption of only about 500,000 workers, about 4 percent of the present unemployed. It can hardly be maintained that it is a measure to help the farmer. It would place him in the position of losing some of the rich domestic market at the expense of trying to get a little of the foreign markets. Some authorities have estimated that the enactment of the tariff bill will mean a 25-percent lowering of tariffs on the principal farm products.

This can be of little more benefit to the farmer than the ad-

on the principal farm products.

This can be of little more benefit to the farmer than the ad-

This can be of little more benefit to the farmer than the administration of the Agricultural Adjustment Act, which is but another in the series of inconsistencies of the new deal. This act was initiated by the Roosevelt administration as one of the main supports of its recovery program. It was based primarily on the assumption that overproduction was the chief cause of the collapse of agriculture. It proposed, first, for a curtailment of farm crops. It levied a processing tax as a sort of bonus for farmers to cooperate. We began to spend nearly \$800,000,000 to take approximately 40,000,000 acres of farm land out of production. The Public Works Administration set aside \$20,000,000 of its huge relief reserves to buy marginal lands. About the same time we entered upon trade relations with Soviet Russia. We were

The Public Works Administration set aside \$20,000,000 of its huge relief reserves to buy marginal lands. About the same time we entered upon trade relations with Soviet Russia. We were expecting to negotiate with the Soviet Government to increase our foreign trade. While expressing this hope, Russia kept on increasing its own products of wheat, corn, oats, barley, and rye, an action which leaves very little of a market in prospect for the American farmer. This part of the agricultural program was the first step toward socialization of agriculture.

Agricultural exports increased considerably during the World War and declined thereafter, but were somewhat above the level of the years preceding the war until 1929–30. Since that year there has been a marked decline in agricultural exports, but the value of the exports, because of lower prices, has declined much more than the quantity. The trends in exports have varied considerably as between the different commodities. Exports of foodstuffs increased greatly during the war years as a result of a decline in European production and increased European demand growing out of war conditions. Since the war exports of foodstuffs in general have fallen off sharply. Before 1929 this was largely due to the recovery of agricultural production in European importing countries and to the expansion of agriculture in agricultural surplus countries. Since 1929 the decline in foodpean importing countries and to the expansion of agriculture in agricultural surplus countries. Since 1929 the decline in food-stuffs exports has continued, owing partly to some further increase of production and partly to the reduction of consumption in importing countries, which has resulted from the reduction of purchasing power and the rise of trade barriers. Wheat and pork exports have been particularly affected, both by increased production in European importing countries and by increased trade barriers in the principal foreign markets.

Then came the Bankhead acreage-retirement bill, substituting compulsion for voluntary action on the part of cotton growers. The act fixes the maximum amount of cotton any individual planter may produce. Punishment is provided for violation, Such a measure conceivably might work in the South, principally because there is so much tenant farming in that section of the country. But, in my opinion, it will not work among the indi-

vidualistic farmers of the Northwest. This administration must not seek to fasten such a doctrine on them. The farmer of the Northwest needs protection, not more control.

The Republican Party has established that protection in the ast. Given power, it will do so again, shaking off the fear and The Republican Party has established that protection in the past. Given power, it will do so again, shaking off the fear and hesitancy which now grip business, generally, from the pulp and paper mills of the great Northwest to the textile mills of New England, the beet-sugar interests of the Middle West, and the farmers of the entire Nation. The Republican Party is not so reactionary that it cannot advance, but it is, and will continue to be, conservative enough for safety for everyone.

That has been the party record since its birth. Its policies have stood the test of time and actual application. A political party cannot survive which does not deal with questions of time. The Republican Party will not shirk this duty. As in the past, it will not seek popularity by adopting popular issues or passing fads. Common sense will dictate its course.

The late President Coolidge said in 1924, "Party means political cooperation not as an end in itself but as a means, an instrument of government. If founded upon a great moral principle and directed with scrupulous regard for its integrity, it cannot fail to sweep onward and upward, advancing always steadily and surely, a mighty constructive force, a glorified bearer of progress. That is what the Republican Party always has been and is today."

Ten years have not wrought any changes in what Mr. Coolidge said in 1924, and I leave this message with the Republicans of the Nation in the hope that it will arouse that cooperation which will insure Republican Party success.

#### THE JUDICIAL OPINIONS OF SENATOR THOMPSON

Mr. POPE. Mr. President, I ask unanimous consent to have printed in the RECORD an article in the Nebraska Law Bulletin, May 1934, by Charles Sumner Lobingier on the judicial opinions of Mr. Justice Thompson, now a distinguished Member of the United States Senate, the junior Senator from Nebraska [Mr. Thompson].

There being no objection the article was ordered to be printed in the RECORD, as follows:

#### THE JUDICIAL OPINIONS OF MR. JUSTICE THOMPSON By Charles Sumner Lobingier 1

In 1881 a young lawyer named WILLIAM H. THOMPSON came with his older brother, John R., from Iowa and opened law offices in Grand Island, Nebr. Both were distinguished among the Nebraska lawyers of that day in having law-school diplomas from the State University of Iowa. The elder brother became district judge, and the younger gradually added to the theoretical knowl-Judge, and the younger gradually added to the theoretical knowledge acquired in the law school through intensive training which comes only from long and continuous practice in the courts. For, while he engaged in other avocations—politics, business, civic activities—his one vocation was the practice of law; and he is today probably the oldest active practitioner but one<sup>2</sup> in the State.

In March 1924 the death of Justice Charles H. Aldrich left a vacancy on the supreme court which the Governor was called upon to fill. The incumbent of that office, then as now, was Charles W. Bryan, who, while not a lawyer, has shown unusual shrewdness in dealing with legal matters. His appointments to the district bench, for example, have included at least two—Hastings and Broady—who are still serving and are counted among the best in trict bench, for example, have included at least two—Hastings and Broady—who are still serving and are counted among the best in the State. For this supreme court vacancy he selected this veteran lawyer of Grand Island, with 43 years of practice in Nebraska, and appointed him on April 15. Judge Thompson qualified at once, was elected in the following November for the full term of 6 years, and served, in all, nearly 7 years. During that period he wrote a large number of opinions, many of them on important questions, which are reported in volumes 112 to 120 of the Nebraska Supreme Court Reports. When he began writing them he had already passed the psalmist's limit of threescore and ten, and they represent the accumulated experience and legal wisdom of they represent the accumulated experience and legal wisdom of his ripened years. It ought to be not only interesting but in-structive to the bar and people of Nebraska to segregate and pre-serve in one place this rare and unique collection of judicial precedents.

Judge Thompson's wide experience and knowledge of human Judge Thompson's wide experience and knowledge of human nature have enabled him to take a practical, common-sense view in construing the law and the rights of parties. This is exemplified in his opinions in Aynes v. Bentz (114 Nebr. 226), State v. Irrigation District (116 Nebr. 373); and in construing Darr's Will (114 Nebr. 116), where the statute was hailed as a relief from "the strict application of common-law canons." His application of the criminal law in cases like Pointer v. State (114 Nebr. 13), Ball v. State (114 Nebr. 117), State v. Swedland (114 Nebr. 280); Green v. State (116 Nebr. 635), and Newton v. State (119 Nebr. 583), disclosed an endeavor to reach the merits without undue stress of technical rules. On the other hand, such cases as Bundy v. State (114 Nebr. 121), Wagner v. State (114 Nebr. 171), Osborne v. State (115 Nebr. 65), Balley v. State (115 Nebr. 65), Balley v. State (115 (115 Nebr. 65), Bailey v. State (115 Nebr. 65), Bailey v. State (115 Nebr. 77), Brown v. State (115 Nebr. 325), Bourne v. State (116 Nebr. 313), and Lindley v. State

<sup>&</sup>lt;sup>1</sup> Sometime professor of law in the University of Nebraska and member of the supreme court commission.

Judge Benjamin S. Baker, of Omaha.
See International Yearbook (1931), p. 456.

(117 Nebr. 597) show an equal solicitude for the constitutional rights of the accused. Thus in *Graeme* v. *State* (118 Nebr. 113), a prosecution for grand larceny, he held it reversible error to admit evidence of another offense so foreign to the issues, as the

evidence of another offense so foreign to the issues, as the operation of a still.

Many of Judge Thompson's opinions deal with questions of constitutional law and so are especially helpful to him in his career as a Senator. In State v. Smith (114 Nebr. 653) he held that "bread and water diet", as part of the penalty for violating the prohibition law, did not constitute a "cruel and unusual punishment." In Sheridan v. Hand (114 Nebr. 813) he ruled that "due process of law" required notice to a nonresident of a proceeding to open a public road over his land. But in Herzoff v. Hommel (120 Nebr. 475) he held that the clause in the State automobile law limiting to 90 days the continuance available to a nonresident autoist in the State, while unconstitutional because discriminating between residents and nonresidents, was insufficient to invalidate autoist in the State, while unconstitutional because discriminating between residents and nonresidents, was insufficient to invalidate the law as a whole. Habeas corpus was held unavailable in McElhaney v. Fenton (115 Nebr. 299), where the sentence, though excessive, was rendered in a cause of which the court had jurisdiction. The remedy was appeal. Commitment for unjustified refusal to pay alimony was declared not imprisonment for debt in Jensen v. Jensen (119 Nebr. 469). Conviction of a felony did not deprive the convict of his right to sue, according to the decision in Bosteder v. Duling (115 Nebr. 557).

The act providing for testing tuberculosis in cattle was upheld in State v. Wallace (117 Nebr. 588). Municipal corporations afford the subject of numerous other opinions of Judge Thompson. That in Whitta v. Connor (114 Nebr. 526), gives a village ordinance the effect of "a legislative determination", and one challenging it assumes the onus probandi. But in Pierce v. Schramm (116 Nebr. 263), he pointed out that the municipal council could not "act arbitrarily and deny to one citizen privileges which it grants

"act arbitrarily and deny to one citizen privileges which it grants to another under like conditions." A license tax of \$15 per day on a "rolling store" was upheld in Erwin v. Omaha (118 Nebr. 331), and an intangible property tax in Mehrens v. Greenleaf (119 Nebr. 82), though the State constitution prohibited the legis-(119 Nebr. 82), though the State constitution prohibited the legislative imposition of taxes on municipal corporations, their inhabitants or property. Bute v. Hamilton County (113 Nebr. 230), upheld the State's power to tax shares in a foreign corporation whose capital stock was taxed in the State of its domicile. Hardin v. Trust Co. (119 Nebr. 307), construes the uniform negotiable instruments of law and defines the phrase "holder in due course." A mother who signed a note with her son was held not to be an "accommodation endorser" in Farmers' Nat'l Bank v. Ohman (112 Nebr. 491). The former doctrine of the Nebraska Supreme Court that a check is an equitable assignment of the drawer's (112 Nebr. 491). The former doctrine of the Nebraska Supreme Court that a check is an equitable assignment of the drawer's funds, was finally repudiated by Judge Thompson's opinion in Harrison State Bank v. First State Bank (116 Nebr. 456). The State law penalizing the receipt of public money by banks without furnishing security was applied in Dovey v. State (116 Nebr. 533), to those organized under the national banking law. The workmen's compensation law was construed and applied by Judge Thompson in Schlesselman v. Travelers' Ins. Co. (112 Nebr. 332); Schroeder v. Holt County (113 Nebr. 736); O'Donnell v. Ice Machine Co. (114 Nebr. 9); Gale v. Amusement Co. (114 Nebr. 432); Hastings v. Saunders (114 Nebr. 475); Palmer v. Saunders County (117 Nebr. 484); Matthew v. Crancer Co. (117 Nebr. 805); Sloan v. Harrington (117 Nebr. 809); Lincoln Packing Co. v. Coe (120 Nebr. 299); the bank guaranty law (declared unconstitutional after Judge Thompson had left the bench) in State v. American Exchange Bank (112 Nebr. 834); State v. Citizens' Bank (114 Nebr. 867); and Kuhl v. State Bank (115 Nebr. 848); the State drainage law in Miller v. (112 Nebr. 834); State v. Citizens' Bank (114 Nebr. 867); and Kuhl v. State Bank (115 Nebr. 848); the State drainage law in Miller v. Drainage Dist. (112 Nebr. 206); Shepherdson v. Fagin (116 Nebr. 806); and Compton v. Drainage Dist. (120 Nebr. 100); the homestead law in David City B. & L. Ass'n v. Fast (114 Nebr. 161); and Anderson v. Cusack (115 Nebr. 643); and the act for the determination of heirship, providing a limited form of administration, 2 years after the decedent's death. In re Robinson (119 Nebr. 185). He wrote opinions in several insurance cases—Coryell v. Old Colony Ins. Co. (118 Nebr. 312), explaining the difference between a friendly and a hostile fire and holding the insurer liable for the latter; Kernan v. Modern Woodmen (120 Nebr. 333), upholding the right of a mutual benefit certificate holder to change the beneficiary; and Messing v. Inc. Co. (119 Nebr. 36), construing the statute which authorizes the taxation of an attorney's fee for the insured in actions on a policy to apply to a proceeding to vacate the judgment in such an action and to include a fee in the supreme court.

to apply to a proceeding to vacate the judgment in such an action and to include a fee in the supreme court.

A notable decision in promotion of the due administration of justice is that in *State v. First Bank* (114 Nebr. 423), to the effect that an agreement to pay witnesses by a party is contrary to public policy and void. *Kelley v. Adams County* (113 Nebr. 377) applies the rule that a juror must derive his knowledge of a case from anidence regularly produced at the trial and their informaapplies the rule that a juror must derive his knowledge of a case from evidence regularly produced at the trial and that information otherwise acquired vitlates the verdict, following and quoting, Falls City v. Sperry (68 Nebr. 420), per Lobingier, C. Sallander v. Life Ins. Co. (112 Nebr. 629) is notable for modifying the evidence rule "that you must either produce a document when it is called for or never." Quinton v. State (112 Nebr. 634) upholds the trial court in discharging a jury containing one found to have been biased in a party's favor and ordering a retrial. A party's failure to testify in a civil case to matters peculiarly within his knowledge raises the presumption that such testimony would be self-disserving, under the doctrine announced in Talich v. Marvel (115 Nebr. 255) and Shepard v. Hamaker (120 Nebr. 166). The rule that long-continued practical construction of a statute by legislative and executive officials will not be interfered with unless

clearly wrong is applied in State v. Bryan (112 Nebr. 692). right of a nonsynodical congregation to discharge its pastor is upheld in St. Paul's Lutheran Church v. Stein (115 Nebr. 114).

clearly wrong is applied in State v. Bryan (112 Nebr. 692). The right of a nonsynodical congregation to discharge its pastor is upheld in St. Paul's Lutheran Church v. Stein (115 Nebr. 114). That the Nebraska trial courts are in need of supervision is indicated by the opinions of Judge Thompson in Pembroke v. State (117 Nebr. 759), reversing a conviction of murder in the second degree for want of any evidence to sustain it; and in La Ferry v. R. Co. (114 Nebr. 218), reversing a judgment for \$20,000 against defendant in each case for "want of any evidence to support it." Gaines v. Warrick (113 Nebr. 235) overrules all previous Nebraska decisions to the effect that a special appearance, objecting to the lack of jurisdiction, shown by the record, is waived by answering; and State v. State Bank (116 Nebr. 223) overrules the rather famous decision in Globe Pub. Co. v. State Bank (41 Nebr. 175) (which had overruled seven previous decisions) to the effect that pending actions are affected by the repeal of a statute. Nor were all of Judge Thompson's opinions majority ones. In Fischer v. Marsh (113 Nebr. 15) he wrote a vigorous opinion, fortified by authority, dissenting from the majority decision that the State could not purchase supplies for its gasoline stations without a special appropriation therefor. He also dissented from the majority opinion, as finally adopted, in the hard-fought case of Central National Bank v. First National Bank (115 Nebr. 444), where the difficult process of tracing trust funds was involved, and in Holst v. Warner (116 Nebr. 208). By dissenting in the important case of Engen v. Union State Bank (118 Nebr. 105), Judge Thompson opened the way to a result not only highly creditable to himself but also beneficial to the jurisprudence of the whole country.

The other justices concurred in holding that the treaty with Sweden and Norway, which provided that "subjects of the contracting parties in the respective States may freely dispose of their property", rendered inapplicable to a Norwegian subj

True to his kindly nature, Judge Thompson always avoided per-True to his kindly nature, Judge Thompson always avoided personal reflections and strictures upon the parties. Where the evidence was of such a character as to cause them unnecessary mortification, he discussed it in general terms or in some such way as not to make it common property. So in the divorce case of Ellis v. Ellis (115 Nebr. 685) he observed:

"We owe it to each and all connected with this unfortunate situation, not to set forth in detail, the facts reflected by the record, leading to our conclusion."

Would that more appellate-court judges were so considerate.

Would that more appellate-court judges were so considerate. Another vice of elderly judges, which he avoided, was that of extensive quotation, either from the testimony or from other opinions and textbooks. His own opinions are never overlong; extensive quotation, either from the testimony or from other opinions and textbooks. His own opinions are never overlong; he contents himself usually with summarizing the evidence and citing the authorities. There is no attempt to make a false display of industry or learning.

Judge Thompson retired voluntarily from the supreme court at the close of 1930, intending to remain for the rest of his life what his colleague, Senator Norris, later declared him to be, "a very high-class citizen." But as it proved, it was less than 2½ years before he was again called to an official station. Like the veteran Judge Maxwell, of the court's earlier days, Judge Thompson, after leaving the bench, entered the Halls of Congress. He is now serving in the United States Senate with credit to himself and honor to the State and in that distinguished gress. He is now serving in the United States Senate with credit to himself and honor to the State, and in that distinguished body he will long be remembered as the one who, like Cato in the Roman Senate, took on new burdens at 80. But to Nebraskans he will best be known as the author of the extensive and valuable body of opinions which we have here so imperfectly reviewed and which constitute his lasting monument.

## THE DARROW REPORT ON THE N.R.A.

Mr. STEPHENS. Mr. President, I ask unanimous consent to have printed in the RECORD a letter I have received from Mr. Walter F. Cox, chairman of the committee of arbitration and appeal for Louisiana and Mississippi on the code of fair competition for the ice industry.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

> CODE OF FAIR COMPETITION FOR THE ICE INDUSTRY New Orleans, La., June 10, 1934.

Hon. HUBERT D. STEPHENS.

Senator State of Mississippi,
Senate Office Building, Washington, D.C.
DEAR SIR: If the entire Darrow report and criticism of N.R.A. is as ill-founded and as full of errors as that portion relating to the ice industry, then the entire report is wholly valueless. For instance, he claims that the code was made by large companies and that it is operated by large companies. The facts absolutely dispute this statement.

Official records, which are available to anyone on request, show that when the Government solled on industry to prequest, show

that when the Government called on industry to prepare a code a representative group of ice manufacturers composed of the following were called together to prepare a tentative code:

L. W. Dawley, Southern United Ice Co., Jackson, Miss., G.P.E.; Hermes Gautier, Pascagoula, Miss., G.P.E. and I.O.; B. C. Brown, New Orleans, La.; I.O.; S. H. Henderson, Ferriday, La., I.O.; J. B. Johnston, Eupora, Miss., I.O.; Lex Arnold, Sardis, Miss., I.O.; I. B. Isenberg, Greenville, Miss., I.O.; E. J. Lenz, Greenville, Miss., G.P.E.; H. R. Bodemuller, Louisiana Public Utility Co., Lafayette, La., G.P.E.; R. G. Watkins, Memphis, Tenn., G.P.E.; D. G. King, Mississippi Utilities Co., Gulfport, Miss., G.P.E.; N. A. M. Jackson, Maringouin, La., I.O.; George Breisch, Leland, Miss., I.O.; George B. Morgan, Gulf States Utilities Co., Lake Charles, La., G.P.E.; Charles Behre, Pelican Ice Co., New Orleans, La., I.O.; George B. Elton, Baton Rouge, La., I.O.; S. P. Simone, New Orleans, La., I.O.; J. L. Blackwell, Vicksburg, Miss., I.O.; Charles H. Free, Louisiana Ice & Coal Co., New Orleans, La., G.P.E.; Walter F. Coxe, New Orleans, trade association executive.

(G.P.E.—Group property executive; I.O.—Independent operator.)

You will note that there are 12 independent operators and 8 group company executives.

This association, by the way, is made up of about 60 percent independent operators.

The code as finally adonted was essentially that produced by

company operators.

The code as finally adopted was essentially that produced by this group of men. The draft made by this group was, of course, revised and changed, but it was not fundamentally changed from what this group felt would be a fair and just code to the industry and the buying public and the one that was finally approved by the President on October 3, 1933.

The charge is further made that the code authority in Washington is dominated by the group interests. The code authority chairman is one Mount Taylor, for many years an operator of a 15-ton ice plant in Stephenville, Tex. Other members of the code authority are Ralph J. Hancock, independent operator, of Marietta, Ga.; M. H. Robbins, San Francisco, Calif., group company operator; Leslie C. Smith, Chicago, trade association executive; P. A. Weatherred, formerly of Houston, Tex., trade association executive; R. C. Suhn, Cleveland, group company executive.

The regional advisers are E. L. Bennett, Boston, Mass., group company executive; B. C. Brown, New Orleans, independent operator; H. W. Caldwell, Atlanta, independent operator; J. E. Collins, Tacoma, Wash., independent operator; C. W. Eggert, Denver, Colo., independent operator; R. C. Rankin, Lawrence, Kans., group company executive; A. G. Riddell, independent operator; J. W. Scott; and P. A. Weatherred, trade association executive.

The local committee of arbitration and appeal in Louisiana-The charge is further made that the code authority in Washing

P. A. Weatherred, trade association executive.

The local committee of arbitration and appeal in LouisianaMississippi is made up of the writer, association executive of
some 10 years' experience, and the following: H. R. Bodemuller,
Lafayette, La., group company executive; Hermes Gautter, Pascagoula, Miss., group company executive and independent operator;
S. H. Henderson, Ferriday, La., independent operator; I. B. Isenberg, Greenville, Miss., independent operator; Claud Kinnebrew,
Shreveport, La., independent operator; and Joe Henry Morris,
Jackson, Miss., independent operator—five of whom are independent plant operators. ent plant operators.

The Darrow Board criticisms of the ice code were, briefly:

The Darrow Board criticisms of the ice code were, briefly:

(1) That article XI relative to control of production is monopolistic. The fact was not mentioned that this industry's greatest competition comes from mechanical refrigeration and not from other ice plants, and that the Government, through the T.V.A., has appropriated several millions of dollars to spend in promoting the sale of small mechanical refrigerators. This program on the part of the Government itself is going to drive out of the ice business many small independent manufacturers.

(2) That the ice meantfacturers by selling ice at the platform

business many small independent manufacturers.

(2) That the ice manufacturers by selling ice at the platform lower than delivered is discriminating against his dealers. The fallacy of this argument is offset elsewhere in the Darrow report by the statement that in the pressing industry there should be a lower price for cash-and-carry trade. It is a self-evident fact that the cost of selling where the customer comes and gets ice is considerably less than when it is delivered to the home. The difference in price at the platform and from delivery vehicles is not only made in instances where independent dealers are delivering ice but in cities where there are no independent dealers, and the ice company delivers its own product.

In considering the Darrow report and the effect of codes upon

In considering the Darrow report and the effect of codes upon industry, the following facts are pertinent: 1. One year ago the average wage paid by the ice companies

about 15 cents an hour. 2. Today the average wage being paid by ice companies is about  $27\frac{1}{2}$  cents an hour.

3. A year ago we were employing 30 percent less labor than is being employed today.

4. Last year 870,000 of the 1,200,000 tons of ice sold to Louisiana-Mississippi people were sold at prices of \$2 per ton below the prevailing market prices.

This year there are no large destructive ice wars in existence.
 The price of ice has not been raised one-half of 1 percent as

compared with the lowest prices reached during the depression. We hope that the statement of these facts will serve to remove any misconceptions that might have arisen in view of the unsup-ported charges made by the Darrow Board.

Yours very truly,

COMMITTEE OF ARBITRATION AND APPEAL,

WALTER F. COXE, Chairman.

THE UNKNOWN SOLDIER-TRIBUTE BY HARRY EMERSON FOSDICK

Mr. POPE. Mr. President, I ask unanimous consent to have printed in the RECORD a sermon preached at the Riverside Church, New York, November 12, 1933, by Harry Emerson Fosdick, entitled "The Unknown Soldier," delivered on November 12, 1933. This is a remarkable address upon a subject of vital interest to the people of this country.

There being no objection, the matter was ordered to be

printed in the RECORD, as follows:

printed in the RECORD, as follows:

It was an inspired idea to deposit the body of an unrecognized soldier in the national memorial of the Great War; and yet, when one stops to think of it, how strange it is! Yesterday, in Rome, Paris, London, Washington, and how many capitals besides, the most stirring military pageantry, decked with flags and exultant with music, centered about the bodies of unknown soldiers. That is strange. So this is the outcome of western civilization, which for nearly 2,000 years has had Christ, and in which democracy and science have had their widest opportunity, that the whole Nation pauses, its acclamations rise, its colorful pageantry centers, its patriotic oratory flourishes, around the unrecognizable body of a soldier blown to bits on the battlefield. That is strange. It was the war lords themselves who picked him out as a symbol of war. So be it! As a symbol of war we accept him from their hands.

hands.

hands.

You may not say that I, being a Christian minister, did not know him. I knew him well. From the north of Scotland, where they planted the sea with mines, to the trenches of France I lived with him and his fellows—British, Australian, New Zealander, French, American. The places where he fought, from Ypres through the Somme battlefield to the southern trenches, I saw while he still was there. I lived with him in dugouts, in the trenches, and on destroyers searching for submarines off the shores of France. Short of actual battle, from training camp to hospital, from the fleet to No-Man's Land, I, a Christian minister, saw the war. Moreover, I, a Christian minister, participated in it. I, too, was persuaded that it was a war to end war. I, too, was a guilible fool and thought that modern war could somehow make the world safe for democracy. They sent men like me to explain to the Army the high meanings of war and, by every argument we could command, to strengthen their morale. I wonder if I ever spoke to the Unknown Soldier.

One night, in a ruined barn behind the lines, I spoke at sunset

One night, in a ruined barn behind the lines, I spoke at sunset to a company of hand-grenaders who were going out that night to raid the German trenches. They told me that on the average no more than half a company came back from such a raid, and I, a minister of Christ, tried to nerve them for their suicidal and murderous endeavor. I wonder if the Unknown Soldier was in that here there wight

that barn that night.

Once in a dug-out which in other days had been a French wine cellar I bade Godspeed at 2 in the morning to a detail of men going out on patrol in No-Man's Land. They were a fine company of American boys, fresh from home. I recall that, huddled in the dark, underground chamber, they sang:

"Lead, kindly Light, amid the encircling gloom, Lead thou me on. The night is dark, and I am far from home-Lead thou me on."

The night is dark, and I am far from home—
Lead thou me on."

Then, with my admonitions in their ears, they went down from the second- to the first-line trenches and so out to No-Man's Land. I wonder if the Unknown Soldier was in that dug-out.

You here this morning may listen to the rest of this sermon or not—as you please. It makes much less difference to me than usual what you do or think. I have an account to settle in this pulpit today between my soul and the Unknown Soldier.

He is not so utterly unknown as we sometimes think. Of one thing we can be certain: He was sound of mind and body. We made sure of that. All primitive gods who demanded bloody sacrifices on their altars insisted that the animals should be of the best, without mar or hurt. Turn to the Old Testament and you find it written there: "Whether male or female, he shall offer it without blemish before Jehovah." The god of war still maintains the old demand. These men to be sacrificed upon his altars were sound and strong. Once there might have been guessing about that. Not now. Now we have medical science, which tests the prospective soldier's body. Now we have psychiatry, which tests his mind. We used them both to make sure that these sacrifices for the god of war were without blemish. Of all insane and suicidal procedures, can you imagine anything madder than this, that all the nations should pick out their best, use their scientific skill to make certain that they are the best, and then in one mighty holocaust offer 10,000,000 of them on the battlefields of one war?

I have an account to settle between my soul and the Unknown Soldier. I deceived him. I deceived myself first, unwittingly, and

I have an account to settle between my soul and the Unknown Soldier. I deceived him. I deceived myself first, unwittingly, and then I deceived him, assuring him that good consequence could come out of that. As a matter of hard-headed, biological fact, what good can come out of that? Mad civilization, you cannot sacrifice on bloody altars the best of your breed and expect anything to compensate for that.

Of another thing we may be fairly sure concentre the Target and the compensate of the same than the concentre of the target and the concentre of the compensate for the compens

Of another thing we may be fairly sure concerning the Unknown Soldier—that he was a conscript. He may have been a volunteer, but on an actuarial average he probably was a conscript. The long arm of the Nation reached into his home,

touched him on the shoulder, saying, "You must go to France and fight." If someone asks why, in this "land of the free", conscription was used, the answer is, of course, that it was necessary if we were to win the war. Certainly it was. And that reveals something terrific about modern war. We cannot get soldlers—not enough of them, not the right kind of them—without forcing them. When a nation goes to war now, the entire nation must go. That means that the youth of the nation must be compelled, coerced, conscripted to fight.

When you stand in Arlington before the tomb of the Unknown Soldier on some occasion, let us say, when the panoply of military glory decks it with music and color, are you thrilled? I am not—not any more. I see there the memorial of one of the saddest things in American history, from the continued repetition of which may God deliver us!—the conscripted boy.

He was a son, the hope of the family, and the Nation coerced him. He was a lover and the deepest ambition in his life was not desire for military glory or hatred of another country or any other idiotic thing like that, but love of a girl and hope of a home. He was, maybe, a husband and a father and already, by that slow and beautiful gradation which all fathers know, he had felt the deep ambitions of his heart being transferred from himself to his children. And the Nation coerced him. I am not blaming him; he was conscripted. I am not blaming the Nation; it never could have won the war without conscription. I am simply saying that that is modern war, not by accident but by it never could have won the war without conscription. I am simply saying that that is modern war, not by accident but by necessity, and with every repetition that will be more and more the attribute of war.

Last time they coerced our sons. Next time, of course, they will coerce our daughters, and in any future war they will absolutely conscript all property. Old-fashioned Americans, born out of the long tradition of liberty, some of us have trouble with these new coercions used as short cuts to get things done, but nothing else compares with this inevitable, universal, national conscription in

compares with this inevitable, universal, national conscription in time of war. Repeated once or twice more, it will end everything in this Nation that remotely approaches liberty.

If I blame anybody about this matter, it is men like myself who ought to have known better. We went out to the Army and explained to these valiant men what a resplendent future they were preparing for their children by their heroic sacrifice. O, Unknown Soldier, however can I make that right with you? For sometimes I think I hear you asking me about it:

Where is this great, new era that the war was to create? Where is it? They blew out my eyes in the Argonne. Is it because of that now from Arlington I strain them vainly to see the great gains of the war? If I could see the prosperity, plenty, and peace of my children for which this mangled body was laid down!

My friends, sometimes I do not want to believe in immortality. Sometimes I hope that the Unknown Soldier will never know.

My friends, sometimes I do not want to believe in immortality. Sometimes I hope that the Unknown Soldier will never know.

Many of you here knew these men better, you may think, than I knew them, and already you may be relieving my presentation of the case by another picture. Probably, you say, the Unknown Soldier enjoyed soldiering and had a thrilling time in France. The Great War, you say, was the most exciting episode of our time. Some of us found in it emotional release unknown before or since. We escaped from ourselves. We were carried out of ourselves. Multitudes were picked up from a dull routine, lifted out of the drudgery of common days with which they were infinitely bored, and plunged into an exciting adventure which they remember yet as the most thrilling episode of their careers.

nitely bored, and plunged into an exciting adventure which they remember yet as the most thrilling episode of their careers.

Indeed, you say, how could martial music be so stirring and martial poetry so exultant if there were not at the heart of war a lyric glory? Even in the churches you sing, "Onward Christian soldiers, marching as to war." You, too, when you wish to express or arouse ardor and courage use war's symbolism. The Unknown Soldier, sound in mind and body—yes! The Unknown Soldier a conscript—probably! But be fair and add that the Unknown Soldier had a thrilling time in France.

The because he may have had. Listen to this from a wounded

Soldier a conscript—probably! But he fair and add that the Unknown Soldier had a thrilling time in France.

To be sure, he may have had. Listen to this from a wounded American after a battle: "We went over the parapet at 5 o'clock and I was not hit till 9. They were the greatest 4 hours of my life." Quite so! Only let me talk to you a moment about that. That was the first time he went over the parapet. Anything risky, dangerous, tried for the first time, well handled, and now escaped from, is thrilling to an excitable and courageous soul. What about the second time and the third time and the fourth? What about the dreadful times between, the long-drawn-out, monotonous, dreary, muddy barrenness of war, concerning which one who knew said "Nine-tenths of war is waiting"? The trouble with much familiar talk about the lyric glory of war is that it comes from people who never saw any soldiers except the American troops, fresh, resilient, who had time to go over the parapet about once. You ought to have seen the hardening-up camps of the armies which had been at the business since 1914. Did you ever see them? Did you look, as I have looked, into the faces of young men who had been over the top, wounded, hospitalized, hardened up—over the top, wounded, hospitalized, hardened up—over the top, wounded, hospitalized, hardened up—over the top, wounded, hospitalized, hardened up—four times, five times, six times? Never talk to a man who has seen that about the lyric glory of war.

Where does all this talk about the glory of war come from, anywar?

Where does all this talk about the glory of war come from, anyway?

"Charge, Chester, charge! On, Stanley, On: WOLD words of Marmion.
That is Sir Walter Scott. Did he ever see war? Never. Chester, charge! On, Stanley, on!" were the last

"How can man die better Than facing fearful odds, For the ashes of his fathers, And the temples of his gods?"

That is Macaulay. Did he ever see war? He was never near one. "Stormed at with shot and shell,

Boldly they rode and well, Into the jaws of Death, Into the mouth of Hell Rode the six hundred."

Rode the six hundred."

That is Tennyson. Did he ever see war? I should say not. That is where the glory of war comes from. We have heard very little about it from the real soldiers of this last war. We have had from them the appalling opposite. They say what George Washington said, it is, "the shame of mankind." The glory of war comes from poets, preachers, orators, the writers of martial music, statesmen preparing flowery proclamations for the people, who dress up war for other men to fight. They do not go to the trenches. They do not go over the top again and again and again. Do you think that the Unknown Soldier would really believe in the lyric glory of war? I dare you; go down to Arlington and tell him that now.

Nevertheless some may say that while war is a grim and murder-

Nevertheless some may say that while war is a grim and murderous business with no glory in it in the end, and while the Unknown Soldier doubtless knew that well, we have the right in our
imagination to make him the symbol of whatever was most idealistic and courageous in the men who went out to fight. Of course,
we have. Now, let us do that. On the body of a French sergeant
killed in battle was found a letter to his parents in which he said,
"You know how I made the sacrifice of my life before leaving."
So we think of our Unknown Soldier as an idealist, rising up in
answer to a human call and making the sacrifice of his life before
leaving. His country seemed to him like Christ himself, saying
"If any man would come after me, let him deny himself, and
take up his cross, and follow me." Far from appealing to his
worst, the war brought out his best—his loyalty, his courage, his
venturesomeness, his care for the downtrodden, his capacity for
self-sacrifice. The noblest qualities of his young manhood were
aroused. He went out to France a flaming patriot and in secret
quoted Rupert Brooke to his own soul:

"If I should die, think only this of me:

"If I should die, think only this of me: That there's some corner of a foreign field That is forever Engalnd."

That is forever Engalnd."

There, you say, is the Unknown Soldier.

Yes, indeed, did you suppose I never had met him? I talked with him many a time. When the words that I would speak about war are a blistering fury on my lips and the encouragement I gave to war is a deep self-condemnation in my heart, it is of that I think. For I watched war lay its hands on these strongest, loveliest things in men and use the noblest attributes of the human spirit for what ungodly deeds! Is there anything more infernal than this, to take the best that is in man and use it to do what war does? This is the ultimate description of war—it is the prostitution of the noblest powers of the human soul to the most dastardly deeds, the most abysmal cruelties of which our human nature is capable. That is war.

Granted, then, that the Unknown Soldier should be to us a symbol of everything most idealistic in a valiant warrior, I beg of you, be realistic and follow through what war made the Unknown Soldier do with his idealism. Here is one eyewitness speaking:

of you, be realistic and follow through what war made the Onknown Soldier do with his idealism. Here is one eyewitness
speaking:

"Last night, at an officers' mess there was great laughter at
the story of one of our men who had spent his last cartridge in
defending an attack. 'Hand me down your spade, Mike,' he said;
and as six Germans came one by one around the end of a traverse,
he split each man's skull open with a deadly blow." The war
made the Unknown Soldier do that with his idealism.

"I can remember", says one Infantry officer, "a pair of hands
(nationality unknown) which protruded from the soaked ashen
soil like the roots of a tree turned upside down; one hand seemed
to be pointing at the sky with an accusing gesture. \* \*
Floating on the surface of the flooded trench was the mask of a
human face which had detached itself from the skull." War
harnessed the idealism of the Unknown Soldier to that!

Do I not have an account to settle between my soul and him?
They sent men like me into the camps to awaken his idealism, to
touch those secret, holy springs within him so that with devotion,
fidelity, loyalty, and self-sacrifice he might go out to war. O War,
I hate you most of all for this, that you do lay your hands on the
noblest elements in human character, with which we might make
a heaven on earth, and you use them to make a hell on earth
instead. You take even our science, the fruit of our dedicated
intelligence, by means of which we might our unselfishness, with God, and, using it, you fill the earth instead with new ways of slaughtering men. You take our loyalty, our unselfishness, with which we might make the earth beautiful, and, using these our finest qualities, you make death fall from the sky and burst up from the sea and hurtle from unseen ambuscades 60 miles away; from the sea and nurtle from unseen amouscades of finites away, you blast fathers in the trenches with gas while you are starving their children at home with blockades; and you so bedevil the world that 15 years after the armistice we cannot be sure who won the war, so sunk in the same disaster are victors and vanquished alike. If war were fought simply with evil things, like hate, it would be bad enough, but, when one sees the deeds of war

done with the loveliest faculties of the human spirit, he looks,

done with the loveliest faculties of the human spirit, he looks into the very pit of hell.

Suppose one thing more—that the Unknown Soldier was a Christian. Maybe he was not, but suppose he was a Christian like Sergeant York, who, at the beginning, intended to take Jesus so seriously as to refuse to fight but afterward, otherwise persuaded, made a real soldier. For these Christians do make soldiers. Religion is a force. When religious faith supports war, when, as in the Crusades, the priests of Christ cry, "Deus vult"—God wills it—and, confirming ordinary motives, the dynamic of Christian devotion is added, then an incalculable resource of confidence and power is released. No wonder the war departments wanted the power is released. No wonder the war departments wanted the churches behind them!

Suppose, then, that the Unknown Soldier was a Christian. I wonder what he thinks about it now. Practically all modern books about war emphasize the newness of it—new weapons, new books about war emphasize the newness of it—new weapons, new horrors, new extensiveness. At times, however, it seems to me that still the worst things about war are the ancient elements. In the Bible we read terrible passages where the ancient Hebrews thought they had command from Jehovah to slaughter the Amalekites, "both man and woman, infant and suckling, ox and sheep, camel and ass." Dreadful! we say, an ancient and appalling idea! Ancient? Appalling? Upon the contrary, that is war, and always will be. A military order, issued in our generation by an American general in the Philippines and publicly acknowledged by his counsel afterwards in a military court, commanded his soldiers to burn and kill, to exterminate all capable of bearing arms, and to make the island of Samar a howling wilderness. Moreover, his to burn and kill, to exterminate all capable of bearing arms, and to make the island of Samar a howling wilderness. Moreover, his counsel acknowledged that he had specifically named the age of 10 with instructions to kill every one over that. Far from launching into a denunciation of that American general I am much more tempted to state his case for him. Why not? Cannot boys and girls of 10 fire a gun? Why not kill everything over 10? That is war, past, present, and future. All that our modern fashions have done is to make the necessity of slaughtering children not the comparatively simple and harmless matter in Samar of shooting some of them one by one, but the wholesale destrucshooting some of them, one by one, but the wholesale destruc-tion of children, starving them by millions, impoverishing them, spoiling the chances of unborn generations of them, as in the spoiling the

My friends, I am not trying to make you sentimental about this. I want you to be hard-headed. We can have on the one side this monstrous thing or we can have Christ, but we cannot have both. O my country, stay out of war! Cooperate with the nations in every movement that has any hope for peace; enter the World Court, support the League of Nations, contend undiscourageably for disarmament, but set your face steadfastly

undiscourageably for disarmament, but set your face steadfastly and forever against being drawn into another war. O church of Christ, stay out of war. Withdraw from every alliance that maintains or encourages it. It was not a pacifist, it was Field Marshal Earl Haig, who said, "It is the business of the churches to make my business impossible." And O my soul! stay out of war!

At any rate, I will myself do the best I can to settle my account with the Unknown Soldier. I renounce war. I renounce war because of what it does to our own men. I have watched them coming gassed from the front-line trenches. I have seen the long, long hospital trains filled with their mutilated bodies. I have heard the cries of the crazed and the prayers of those who wanted to die and could not, and I remember the maimed and ruined men for whom the war is not yet over. I renounce war because of what it compels us to do to our enemies, bombing their ruined men for whom the war is not yet over. I renounce war because of what it compels us to do to our enemies, bombing their mothers in villages, starving their children by blockades, laughing over our coffee cups about every damnable thing we have been able to do to them. I renounce war for its consequences, for the lies it lives on and propagates, for the undying hatreds it arouses, for the dictatorships it puts in the place of democracy, for the starvation that stalks after it. I renounce war and never again, directly or indirectly, will I sanction or support another! O Unknown Soldier, in penitent reparation I make you that pledge.

## IMPROVEMENT IN HOUSING STANDARDS AND CONDITIONS

The Senate resumed the consideration of the bill (S. 3794) to encourage improvement in housing standards and conditions, and to provide a system of mutual mortgage and insurance, and for other purposes.

Mr. FLETCHER. Mr. President, this is a very important measure and perhaps some Senators would like to have a statement made regarding it. I will be as brief as possible and endeavor to set forth the reasons for the passage of the bill and its main features.

The National Housing Act is a direct result of the fact that a major element in economic readjustment in the United States today is the construction industry.

The construction industry has been the most severely depressed of our large industries, and the one that has shown the least response, during the past year, to general economic recovery. The decline of residential building to but 0.1 of its former total has been more severe than the decline of construction generally.

From the point of view of unemployment, this enormous decline in the volume of construction is accountable for our largest single emergency-relief problem. The great bulk of not less than \$5,000,000, and which are authorized to pur-

the persons ordinarily engaged in the construction industry and related activities are still unemployed. These workers and their families constitute the largest group still dependent on public and private relief.

The construction industry normally employs more than 3,600,000 people directly; and indirectly it influences the employment of large numbers in nearly every other industry in this country.

As an indication of the influence of building on other industries, more than 1,100,000, or 0.1 of the manufacturing workers in the country, were engaged in the production of building materials, equipment, and supplies, according to the 1930 census. The value of products was \$5,500,000,000, or one-eighth of all manufactured goods produced in this year. With the exception of agriculture, the construction industry is the greatest employer of men.

It has been estimated that the national wealth is \$380,-000,000,000. The value of dwellings alone in this country, according to the 1930 census, represents more than onethird of the total wealth of the country. The building industry is directly related to the largest single class of outstanding long-term capital indebtedness. The total realestate mortgage debt of \$43,000,000,000 is nearly as large as the combined national, State, county, and municipal debts. Approximately half of this debt, or \$20,000,000,000, is represented by mortgages on individual homes alone.

The 1926 level of total construction aggregated more than \$7,000,000,000. In 1933 construction totaled less than 20 percent of this. Residential building normally accounts for 50 to 60 percent of total building. Yet in 1933 residential building had declined to 9 percent of the 1926 volume. In a normal year residential building aggregated about \$3,000,000,000. In 1933 less than \$300,000,000 was spent on new homes. In the last 2 years not enough single homes have been built to replace those destroyed by fire alone. We have an annual need of 400,000 home units. Yet in 1932 and 1933 the Department of Labor estimates that not more than 40,000 homes were built each year, or a bare 10 percent of the requirements.

The National Housing Act is designed to accomplish two things: First, to assist in immediate recovery through rapid employment of men in a Nation-wide program of modernization, repair, and needed new construction. For this purpose we expect, under the housing plan, to make available during the coming year \$1,500,000,000. In the second place, we hope to encourage permanent reforms in our mortgage structure which will insure a continuation of this employment through the stimulation of new-home building on a sound basis over a long period.

There can be no doubt as to the great importance of these two efforts. In my opinion they are essential to early and definite recovery. It is believed that the enactment of the National Housing Act will prove a major factor in economic readjustment in the United States.

When I reported the bill as directed by the committee I did not have time to prepare and submit a written report with it. I merely reported it favorably as directed. I may now refer to some detailed features of the bill which may take the place of a formal report on it.

The bill reported by the committee provides for a comprehensive program of home financing and mortgage insurance which is divided into four main parts, as follows:

First. It is provided in title I of the bill that financial institutions which make loans for the purpose of financing alterations, repairs, and improvements upon real property are to be insured up to 20 percent of the total of such loans and that loans may also be made upon the security of the obligations which are thus insured.

Second. In title II of the bill a program of mutual mortgage insurance is established under which first mortgages on residential property which are amortized may be insured up to \$16,000 in any case and up to 80 percent of the appraised value of the property.

Third. Title III provides for the establishment of national mortgage associations, each of which is to have a capital of

chase and sell first mortgages and to borrow money through the issue of securities up to 10 times their outstanding capital, or the current face value of mortgages which they hold, and which are insured under the provisions of title II plus cash on hand and Government obligations.

Fourth. Title IV provides for the creation of a corporation under the supervision of the Federal Home Loan Bank Board which is authorized to insure accounts of members of the Federal Home Loan Bank system, except mutual savings banks, and which is required to insure accounts of Federal savings-and-loan associations established under authority of the Home Owners' Loan Act of 1933, such insurance to be up to 80 percent of the full withdrawable or repurchasable value of the accounts of the members of such institutions with a limitation upon insurance to any such member of \$5.000.

Titles I, II, and III of the bill are to be administered by a Federal housing administrator to be appointed by the President, by and with the advice and consent of the Senate, who is to hold office for a term of 4 years. The insurance of financial institutions under title I is not to exceed in the aggregate \$200,000,000, and the loans to financial institutions under the same title are to be based upon obligations which are so insured which in effect amounts to a maximum limit of \$1,000,000,000, assuming that loans are made up to the full face value of the obligations offered as security.

The funds for carrying out the provisions of titles I and II are to be made available to the administrator by the Reconstruction Finance Corporation or, in lieu thereof, the President may provide such funds or any part thereof by allotment to the administrator from any funds which are made available to the President for emergency purposes.

In connection with the mutual mortgage insurance program provided for in title II, mortgages which are offered to the administrator within 1 year from the date of their execution are to be eligible for insurance if they are amortized and comply with such further requirements as the administrator may prescribe with respect to maturities, the application of periodic payments to the amortization of principal, and provisions with respect to insurance, repairs, alterations, payment of taxes, default reserves, delinquency charges, foreclosure proceedings, anticipation of maturity, additional and secondary liens, and other similar The interest rate on such mortgages, however, is not to exceed 5 percent per annum on the principal obligation outstanding at any time unless the administrator finds that in certain areas or under special circumstances the mortgage market demands a higher rate, in which event not to exceed 6 percent may be charged.

The premium charge for insurance of mortgages, which is to be determined in accordance with the risk involved, is not to be less than one-half of 1 percent nor more than 1 percent of the original face value of the mortgage and is to be payable annually in advance by the mortgagee.

Provision is also made for the classification of mortgages and the establishment of separate groups to which mortgages having substantially similar risk characteristics and maturity dates are to be assigned.

It is also provided that the administrator may insure first mortgages covering property held by Federal or State instrumentalities, private limited-dividend corporations, and municipal corporate instrumentalities of one or more States formed for the purpose of providing housing for persons of low income which are regulated or restricted by law or by the administrator as to rents, charges, capital structure, rate of return, or methods of operation. Such mortgages need not conform to the eligibility requirements as in the case of other mortgages insured under title II, but are to contain such terms, conditions, and provisions as are satisfactory to the administrator.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Michigan?

Mr. FLETCHER. I yield.

Mr. VANDENBERG. What does the Senator think the effect of the proposed legislation would be upon existing building-and-loan associations?

Mr. FLETCHER. I think it would help them very much.

Mr. VANDENBERG. How?

Mr. FLETCHER. In the first place, it would afford them some relief in their existing situation. Some of them are not in position to meet withdrawals and all that sort of thing. They can go to the Home Loan Bank Corporation and get relief. This in itself would encourage building and encourage people in home owning and would induce them to go into every means of outlet for securing loans, building homes, and repairing homes. I think all that would have a tendency to help building-and-loan associations.

Mr. VANDENBERG. Why should a prospective home builder ever go to a building-and-loan association if he

could embrace this other opportunity?

Mr. FLETCHER. Most of the building-and-loan associations—and I have always been friendly to them—are based on public interest and local cooperation. They would still continue to function so far as are concerned people acquainted with those who organize and operate them. The bill is not intended primarily to help building-and-loan associations, although I believe the effect will be just that. People who have loans in building-and-loan associations would likely, in some instances, prefer to take advantage of the opportunity afforded them under the bill. I think there are local influences which would have an effect favorable to building-and-loan associations.

Mr. BARKLEY. Mr. President, will the Senator yield? Mr. FLETCHER. I yield.

Mr. BARKLEY. In further reference to the Senator's question, I may add, if the Senator will permit me to do so, that the bill sets up credit institutions which will be available to building-and-loan associations for the rediscount of their guaranteed mortgages, which will afford to them a source from which they can obtain funds which will be in turn reloaned to the home owners in their communities. It guarantees the deposits of the investors in the building-and-loan associations so as to put them on the same basis as banks whose deposits have been heretofore guaranteed, and in the bill we raise the amount to \$5,000 to correspond to the guarantee of the banks so as to prevent the withdrawal of funds from building-and-loan associations into the guaranteed banks.

Mr. VANDENBERG. Mr. President, let me interrupt the Senator at that point to inquire whether or not that invites, on the other hand, a transfer of funds from banks to building-and-loan investments, because of the higher rate ordinarily paid by building-and-loan investments.

Mr. BARKLEY. It is conceivable that it might do so in same cases; but we cannot very well guard against that in detailed legislation. All we can do is to try to put the banks and the building-and-loan associations on the same basis. It will work itself out anyway so that that advantage will not accrue to the building-and-loan associations.

Mr. BULKLEY, Mr. President, will the Senator yield right there?

Mr. FLETCHER. I will say that the Senator from Ohio [Mr. Bulkley] was chairman of a subcommittee to which this bill was referred and gave extensive hearings on it, and is thoroughly familiar with the details. With the Senator's permission, I shall be glad to have him explain this feature of the matter.

Mr. BULKLEY. The insurance of the building-and-loan deposit is not quite the same as the insurance of the bank deposit. An insured bank deposit is in effect repayable forthwith by giving to the depositor a new account in a newly organized institution against which he can immediately check, whereas the insurance of the building-and-loan account provides only for a 10-percent payment forthwith, the balance to be payable one-half in 1 year, and one-half in 3 years, without interest.

Mr. VANDENBERG. That obviously is a substantial difference in the situation.

Mr. BULKLEY. It is based on the difference in the character of the accounts, because the building-and-loan account theoretically is not repayable on demand anyway.

Mr. VANDENBERG. But I still do not see why anyone who wanted home-building credit would continue to patronize a building-and-loan association if he could embrace the advantages under this bill.

Mr. BULKLEY. To what advantages does the Senator

Mr. VANDENBERG. The advantages of credit through these new instrumentalities.

Mr. BULKLEY. But the new instrumentality has no advantage over the building-and-loan in extending credit.

Mr. VANDENBERG. None whatever?

Mr. FLETCHER. The building-and-loan is one of the instrumentalities provided for.

Mr. BARKLEY. Mr. President, the new instrumentality operates somewhat as a Federal Reserve bank to afford credit to the local institutions that are lending money, and the building-and-loan associations will participate in that privilege like any other approved lending agency. The bill does not set up any local competitors with building-andloan associations or any other lending associations that deal in lending money on homes.

Mr. VANDENBERG. What is the basis of all the building-and-loan opposition to this bill?

Mr. BARKLEY. I do not think there is any real basis, because the bill does infinitely more good to the building-andloan associations than the possible harm that they fear.

Mr. VANDENBERG. What do they think is the basis of their opposition?

Mr. BARKLEY. They thought originally-and I do not know that we have yet been able to dissipate that thoughtthat the mortgage-loan associations, which are required to have a minimum of \$5,000,000 capital, were set up in order to establish a competitive loan agency across the street from the building-and-loan association; but they are not set up for that purpose. They will not engage in making direct loans on homes. They are rediscount agencies, where building-and-loan associations and other approved lending agencies can go and rediscount the mortgages they have already made on local real estate and get money so as to be able to loan more money. In my judgment, the operation of these mortgage-loan associations will result in the buildingand-loan associations being able to make more loans than they otherwise would be able to make if they could only draw their funds from small investors who put their money

Mr. BULKLEY. If the Senator will yield further, I should like to pursue that particular point.

The building-and-loan associations at first feared that active competition would be started by the proposed national mortgage associations. In view of the fact that the bill, as reported to the Senate, permits the national mortgage associations to issue debentures only to the extent of 10 times their capital stock instead of 15 times, as was proposed in the original draft, and the debentures may be based only upon guaranteed mortgages, as provided by another title of the bill, and on investments in Government securities, at least a large part of the building-and-loan associations, I can assure the Senator, feel that the competition will not be dangerous. I know personally of a change in the attitude of some of the building-and-loan people. I am not sure whether or not that represents the unanimous opinion of the building-and-loan interests.

Mr. FESS. Mr. President-

Mr. WALSH. Mr. President, are they not fearful lest the rate of interest at which the home builders will get mortgages will be less?

Mr. BULKLEY. I think there may be some such fear, and I think the general tendency of the whole bill may be to reduce rates of interest; but it must be remembered that the building-and-loan associations have a right to avail themselves of the insurance provisions of the bill and also of the rediscount provisions, so that they will be benefited at the same time.

Mr. FESS. Mr. President, will my colleague yield for a question?

Mr. BULKLEY. I yield.

Mr. FESS. The Senator, I think, has had the same sort of letters that I have had, especially from Ohio, with special reference to Cleveland, fearing that this legislation would very largely counteract the effectiveness of the loan associations. It is the Senator's judgment that there is no foundation for that fear?

Mr. BULKLEY. My judgment is that there is no serious danger. Of course, we cannot tell exactly what the effect will be until we try it; but the best and latest judgment of the building-and-loan associations, as related to me, is that the present restrictions in the bill requiring the debentures of the national mortgage associations to be based 100 percent on insured mortgages or Government securities, and limiting those debentures to 10 times the amount of the capital stock, make a competition that is not at all dangerous to the building-and-loans.

Mr. FESS. If I could estimate what the opinion of Ohio is, as expressed by the building-and-loan associations that have written to me, I should think they were strongly opposed to this proposed legislation. Whether or not they know what it is, I do not know.

Mr. BULKLEY. The Senator is mistaken if he thinks they are opposed to the proposed legislation, because title IV of the bill is absolutely essential to the building-andloans. Some of them may be opposed to some parts of the bill; but the bill as a whole will be of great benefit to the building-and-loan associations, and it is so conceded.

Mr. FESS. It is the national mortgage feature, I think. to which they have been opposed.

Mr. FLETCHER. There is room for all of them. Mr. BULKLEY. As I say, that objection is satisfied, and I think there is a very satisfactory condition as reported in

Mr. BARKLEY. Mr. President, if the Senator will yield there, at first the building-and-loan associations misconstrued the object of the mortgage loan associations. They thought the bill intended to set up competitive lending agencies in their communities, but that is not true. We have so restricted the mortgage loan associations that they will not make direct loans at all on real estate, and a building-and-loan association or a savings bank or any other lending institution that lends on homes can take advantage of the facility of the mortgage-loan association for rediscount purposes, and obtain additional credit to loan upon the property of its own customers; so there is no real danger of any competition.

Mr. FESS. Mr. President, the Senator is giving it as his opinion that there is no real danger?

Mr. BARKLEY. That is my firm opinion; and I have come to it after much study, not only myself but in collaboration with the Senator from Ohio [Mr. Bulkley] and all those who have been instrumental in bringing this legislation forward.

Mr. FESS. The difficulty, if the Senator will permit me, is that those of us who are not on the committee have not had an opportunity of going into the details.

Mr. BARKLEY. I appreciate that.

Mr. FESS. And I am very largely in the dark about the

Mr. BARKLEY. The situation is very similar to that which existed a year ago in connection with the Glass-Steagall Act, which every banker feared was going to do something to him. As a matter of fact, it has done a great deal for the bankers; and if it had not been for that act many of the banks that are now open would have been

Mr. VANDENBERG. Mr. President, was it not the function of the Federal home loan bank, which we organized a year or two ago, to provide this rediscount privilege, using the Senator's analogous language?

Mr. BARKLEY. Yes; it was. Mr. VANDENBERG. What is the difference between that system and this?

Mr. BARKLEY. Of course, however, the home loan bank that we created a year or two ago provides a sort of central bank for a district, whose subscribers must be building-and-loan associations. Out of the 11,000 building-and-loan associations in this country, only 2,500 have become stockholders in the home loan bank; and, besides that, the rediscount facilities that we set up here are much broader, and may be taken advantage of by other lending associations outside of building-and-loan associations.

Insofar as a building-and-loan association holding stock in the home-loan bank that has been in existence for a year is concerned, it may be able to obtain all the credit and the rediscount it needs from its home-loan bank. It may not. On the other hand, there are some 8,000 building-and-loan associations that are not in the Home Loan bank system. and are not eligible for rediscount privileges with the home-loan bank, and if they are approved, if their condition is such as to meet the standard set, they will be able, without regard to their membership in the loan bank system, to obtain this rediscount privilege through these mortgage-loan associations.

Mr. VANDENBERG. Mr. President, I should like to know if the Federal home loan bank system will continue in operation along with this new system.

Mr. BARKLEY. Oh, yes; we do not interfere with that at all. It will go on just exactly the same.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 9046) to discontinue administrative furloughs in the Postal Service; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Sweeney, Mr. Brunner, Mr. Lamneck, Mr. Kelly, and Mr. Doutrich were appointed managers on the part of the House at the conference.

The message also announced that the House had passed without amendment the following bills of the Senate:

S. 822. An act to amend the act entitled "An act to amend section 217, as amended, of the act entitled 'An act to codify, revise, and amend the penal laws of the United States', approved March 4, 1909", approved January 11, 1929, with respect to the use of the mails for the shipment of certain drugs and medicines to cosmetologists and barbers;

S. 1508. An act providing for the final enrollment of the Indians of the Klamath Indian Reservation in the State of Oregon;

S. 3096. An act for the relief of John T. Garity;

S. 3446. An act to authorize the Postmaster General to receive, operate, and to maintain for official purposes, motor vehicles seized for violations of the customs laws;

S. 3765. An act to enable the Postmaster General to withhold commissions on false returns made by postmasters; and S. 3766. An act to amend the act entitled "An act authoriz-

S. 3766. An act to amend the act entitled "An act authorizing the Postmaster General to adjust certain claims of postmasters for loss by burglary, fire, or other unavoidable casualty", approved March 17, 1882, as amended.

The message further announced that the House had severally agreed to the amendments of the Senate to the following bills of the House:

H.R. 7212. An act to remove the limitation upon the extension of star routes:

H.R. 7301. An act to authorize the Postmaster General to charge an additional fee for effecting delivery of domestic registered, insured, or collect-on-delivery mail, the delivery of which is restricted to the addressee only, or to the addressee or order: and

H.R. 8919. An act to adjust the salaries of rural letter carriers, and for other purposes.

# ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H.R. 194. An act to refund to Caroline M. Eagan income tax erroneously and illegally collected;

H.R. 8517. An act to provide for needy blind persons of the District of Columbia;

H.R. 8639. An act to repeal certain laws providing for the protection of sea lions in Alaska waters;

H.R. 9143. An act providing educational opportunities for the children of soldiers, sailors, and marines who were killed in action or died during the World War; and

H.R. 9622. An act to amend subsection (a) of section 23 of the District Alcoholic Beverage Control Act.

#### ANNUAL CONSIDERATION OF PERMANENT APPROPRIATIONS— CONFERENCE REPORT

Mr. HAYDEN. Mr. President, I ask the Chair to lay before the Senate the conference report on House bill 9410, which was submitted by me last evening and is on the table.

The VICE PRESIDENT laid before the Senate the following report, which was read:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9410) providing that permanent appropriations be subject to annual consideration and appropriation by Congress, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 209.

That the House recede from its disagreement to the amendments of the Senate numbered 79, 80, 81, 82, 84, 85, 86, 89, 93, 98, 99, 101, 204, and agree to the same.

Amendments numbered 1 to 38, inclusive: That the House recede from its disagreement to the amendments of the Senate numbered 1 to 38, inclusive, and agree to the same with an amendment as follows: Amend the amended section to read as follows:

"SEC. 2. (a) Effective July 1, 1935, the permanent appropriations under the appropriation titles listed in subsection (b) of this section are repealed, and such portions of any acts as make permanent appropriations to be expended under such accounts are amended so as to authorize, in lieu thereof, annual appropriations from the general fund of the Treasury in identical terms and in such amounts as now provided by the laws providing such permanent appropriations, except that any appropriation for 'Adjusted losses and contingencies, postal fund', is authorized to be made from the postal revenues. Any unobligated balances remaining in the permanent appropriations under these accounts on June 30, 1935, shall be covered into the surplus fund of the Treasury: Provided, That in addition to amounts in lieu of the permanent appropriation 'Meat inspection, Bureau of Animal Industry (fiscal year)' there is authorized to be appropriated such other sums as may be necessary in the enforcement of the meat-inspection laws (U.S.C., title 21, secs. 71 to 96, inclusive).

- "(b) (1) Interest on Indian trust funds.
- "(2) Civilization of the Sioux (4x950).
- "(3) Meat inspection, Bureau of Animal Industry (fiscal year) (3-114).
- "(4) National Forest Reservation Commission (fiscal year) (3-494).
- "(5) Pay of consular agents for services to American vessels and seamen (1x561).
  - "(6) Allowance or drawback (Internal Revenue) (2x438).
  - "(7) Redemption of stamps (Internal Revenue) (2x432). "(8) Refunding legacy taxes, act March 30, 1928 (2x430).
  - "(9) Refund of excessive duties (Customs) (2x324).
- "(10) Debentures or drawbacks, bounties, or allowances (Customs) (2x321).
- "(11) Allowance or drawback (Industrial Alcohol) (2x440).
- "(12) Permanent International Commission of Congresses of Navigation (fiscal year) (8-887).
- "(13) Operating and care of canals and other works of navigation (8x881).
- "(14) Removing sunken vessels or craft obstructing or endangering navigation (8x888).
- "(15) Removing obstructions in Mississippi, Atchafalaya, and Old Rivers (fiscal year) (8-961.58).

"(16) Maintenance of channel, South Pass, Mississippi River (fiscal year) (8-961.55).

"(17) Gaging waters of the Mississippi and its tributaries (fiscal year) (8-961.54).

"(18) Examinations and surveys at South Pass, Mississippi River (fiscal year) (8-961.53).

"(19) Recoinage of silver coins (2x106).

"(20) Refunding duties on goods destroyed (Customs) (2x330).

"(21) Refunding to national banking associations excess of duty (2x228).

"(22) Salaries and expenses, Federal Board for Vocational Education (fiscal year) (0-801).

"(23) Repayment of taxes on distilled spirits destroyed by casualty (2x431).

"(24) Adjusted losses and contingencies, postal fund (9x256).

"(25) Refunding proceeds of unclaimed merchandise (Customs) (2x326)

"(26) Proceeds of goods seized and sold (Customs) (2x322).

"(27) Operating snag and dredge boats on upper Mississippi, Illinois, and Minnesota Rivers (fiscal year) (8-962.60).

"(28) Operating snag boats on the Ohio River (fiscal year) (8-962.51).

And the Senate agree to the same.

Amendments numbered 39 to 78, inclusive: That the House recede from its disagreement to the amendments of the Senate numbered 39 to 78, inclusive, and agree to the same with an amendment as follows: Amend the amended section to read as follows:

"SEC. 4. (a) Effective July 1, 1935, all receipts of the character theretofore credited to the appropriation accounts appearing on the books of the Government and listed in subsection (b) of this section shall be deposited into the Treasury as miscellaneous receipts, and amounts equal thereto are authorized to be appropriated annually from the general fund of the Treasury for the same purposes for which such receipts are now appropriated. Appropriations to which expenditures under such accounts have been chargeable theretofore are hereby repealed, effective on such date: Provided, That if the total of receipts for any one fiscal year for any of the foregoing purposes under this authority is greater than the amounts appropriated for such purpose, such excess is authorized to be appropriated for the following fiscal year.

"(b) (1) Wagon roads, bridges, and trails, Alaskan fund (4s524).

"(2) Public schools, Alaska fund (4s366).

"(3) Coos Bay Wagon Road Grant fund (4s168).

"(4) Payment to Oklahoma from royalties, oil and gas, south half of Red River (4s028).

"(5) Five percent fund of net proceeds of sales of agricultural lands in Colorado (4s183).

"(6) Annette Islands Reserve, Alaska, fund from leases (5s740).

"(7) Relief of the indigent, Alaska fund (2s108).

"(8) Naturalization fees, publishing citizenship textbooks, Bureau of Naturalization (6-836).

"(9) Additional income tax on railroads in Alaska

"(10) Ordnance material, proceeds of sales (War) (8s422).

"(11) Maintenance and operation of dams and other improvements of navigable waters (8s876).

"(12) Construction, irrigation system, Wapato project, Washington, act February 14, 1920 (5s781).

"(13) Maintenance, irrigation system (name of project), act August 1, 1914.

"(14) Maintenance, irrigation system (name of project), act May 18, 1916.

"(15) Maintenance, power system, Flathead Reservation, Mont., act May 10, 1926 (5s796).

"(16) Power plant, Coolidge Dam, Ariz., electric-current fund, act March 7, 1928 (5s804.9).

"(17) The Oregon and California land-grant fund

"(18) Redistribution, funds for indigent, Alaska fund (2s109).

"(19) Building or purchase of vessels for the Coast Guard from proceeds of sales (2s373).

"(20) Rebuilding and improving Coast Guard stations from proceeds of sales (2s363).

"(21) Military post construction fund (8s250).

"(22) National Guard, section 87, National Defense Act, fiscal year (8-715).

"(23) Indian school improvements, act April 21, 1904 (4x794).

"(24) Purchase of lands for landless Indians in California, act March 3, 1925 (4x812).

"(25) Yuma auxiliary irrigation project, Arizona (4s507). "(26) Alaska reindeer fund (4s365).

"(27) United States naval prison activities fund (7s925).

"(28) Injury claims assigned, Veterans' Administration (0s878).

"(29) After June 30, 1936, migratory bird conservation fund (3s362).

"(30) Losses on war-risk insurance of American vessels, their cargoes, etc., special fund (0s865).

"(31) Gas production, helium plants, Bureau of Mines (6s685).

"(32) Perry's Victory Memorial (0s727).

"(33) Inland and Coastwise Waterways Service fund (8x875).

"(34) Five-percent funds to the States (4s166)."

And the Senate agree to the same.

Amendment numbered 83: That the House recede from its disagreement to the amendment of the Senate numbered 83. and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment amended to read as follows:

"Sec. 8. Effective July 1, 1935, the appropriation account on the books of the Government entitled 'Recreation Fund, Army' (8T078) is abolished and the balance thereof shall be covered into the surplus fund of the Treasury: Provided, That an amount equal to the amount so covered into the surplus fund of the Treasury is hereby authorized to be appropriated from the general fund of the Treasury in the event of war, for the recreation, amusement, comfort, contentment, and health of the enlisted personnel of the Military Establishment."

And the Senate agree to the same.

Amendment numbered 87: That the House recede from its disagreement to the amendment of the Senate numbered 87, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment amended to read as follows:

"SEC. 10. (a) Effective July 1, 1935, credit shall be made to the replacement accounts appearing in subsection (b) of this section of only such amounts as represent sales of stores, materials, and supplies at actual cost to the War Department.

"(b) (1) Replacing Army transportation (fiscal year) (8-228).

"(2) Replacing clothing and equipage (fiscal year) (8-231).

"(3) Replacing subsistence of the Army (8s666).

"(4) Replacing regular supplies of the Army (fiscal year) (8-234).

"(5) Replacing Signal Corps supplies and equipment (fiscal year) (8-545).

"(6) Replacing medical supplies (fiscal year) (8-511).

"(7) Replacing engineer equipment of troops (fiscal year) (8-315).

"(8) Replacing engineer operations in the field (fiscal year) (8-316).

"(9) Replacing engineer depots (fiscal year) (8-317).

"(10) Replacing ordnance and ordnance stores (fiscal year) (8-425).

"(11) Replacing barracks and quarters (fiscal year) (8-209).

"(12) Replacing water and sewers at military posts (fiscal year) (8-233)."

And the Senate agree to the same.

Amendment numbered 88: That the House recede from its disagreement to the amendment of the Senate numbered 88, Renumber the section to read "11"; and the Senate agree to the same.

Amendment numbered 90: That the House recede from its disagreement to the amendment of the Senate numbered 90, and agree to the same with an amendment as follows: Renumber the section to read "12"; and the Senate agree to the same.

Amendment numbered 91: That the House recede from its disagreement to the amendment of the Senate numbered 91, and agree to the same with an amendment as follows: Renumber the section to read "13"; and the Senate agree to the same.

Amendment numbered 92: That the House recede from its disagreement to the amendment of the Senate numbered 92, and agree to the same with an amendment as follows: Renumber the section to read "14"; and the Senate agree to the same.

Amendment numbered 94: That the House recede from its disagreement to the amendment of the Senate numbered 94, and agree to the same with an amendment as follows: Renumber the section to read "15"; and the Senate agree to the same.

Amendment numbered 95: That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with an amendment as follows: Renumber the section to read "16"; and the Senate agree to the same.

Amendments numbered 96 and 97: That the House recede from its disagreement to the amendments of the Senate numbered 96 and 97, and agree to the same with an amendment as follows: Amend subsection (a) of the amended section to read as follows:

"SEC. 17. (a) Effective July 1, 1935, the appropriation accounts appearing on the books of the Government and listed in subsection (b) of this section, as well as appropriation accounts bearing similar titles on the books of the Government, are abolished, and any unobligated balances under such accounts as of June 30, 1935, shall be covered into a trust fund receipt account in the Treasury to be designated 'Unclaimed moneys of individuals whose whereabouts are unknown.' Any appropriations to which expenditures under such accounts have been chargeable theretofore are hereby repealed. There are authorized to be appropriated, annually, from such account such sums as may be necessary to meet any expenditures of the character now chargeable to the appropriation accounts abolished by this section. The Secretary of the Treasury or the Commissioners of the District of Columbia, as the case may be, shall submit with their annual estimates of appropriations an amount necessary to meet expenditures properly chargeable to this account."

And the Senate agree to the same.

Amendment numbered 100: That the House recede from its disagreement to the amendment of the Senate numbered 100, and agree to the same with an amendment as follows: Renumber the section to read "18"; and the Senate agree to the same.

Amendments numbered 102, 103, and 104: That the House recede from its disagreement to the amendments of the Senate numbered 102, 103, and 104, and agree to the same with an amendment as follows: Amend the amended section to read as follows:

"SEC. 19. Effective July 1, 1935, moneys received as: Patent Office fees; unearned moneys, lands (Interior Department); reentry permit fees (Labor Department); naturalization fees (Labor Department); and registry fees (Labor Department); and held in the official checking accounts of disbursing officers, shall be deposited in the Treasury of the United States to appropriately designated trust-fund-receipt accounts and shall be available for refunds, and for transfer of the earned portions thereof into appropriate receipt-fund titles on the books of the Government: Provided, That donations, quasi-public and unearned moneys carried in official checking accounts of disbursing officers and of others re-

and agree to the same with an amendment as follows: | quired to account to the Comptroller General (including clerks and marshals of the United States District Courts), administered by officers of the United States by virtue of their official capacity, shall be deposited similarly into the Treasury as trust funds and are hereby appropriated and made available for disbursement under the terms of the trust."

And the Senate agree to the same.

Amendments numbered 105 to 201, inclusive: That the House recede from its disagreement to the amendments of the Senate numbered 105 to 201, inclusive, and agree to the same with an amendment as follows: Amend the amended section to read as follows:

"SEC. 20. (a) The funds appearing on the books of the Government and listed in subsections (b) and (c) of this section shall be classified on the books of the Treasury as trust funds. All money accruing to these funds are hereby appropriated, and shall be disbursed in compliance with the terms of the trust. Hereafter moneys received by the Government as trustee analogous to the funds named in subsections (b) and (c) of this section, not otherwise herein provided for, except moneys received by the Comptroller of the Currency or the Federal Deposit Insurance Corporation, shall likewise be deposited into the Treasury as trust funds with appropriate title, and all amounts credited to such trust fund accounts are hereby appropriated and shall be disbursed in compliance with the terms of the trust: Provided, That, effective July 1, 1935, expenditures from the trust fund 'Soldiers' Home, Permanent Fund' (8t184) shall be made only in pursuance of appropriations annually made by Congress, and such appropriations are hereby authorized: Provided further, That personal funds of deceased inmates, Naval Home, now deposited with the pay officer of the Naval Home, shall be deposited in the Treasury to the credit of the trust fund account 'Personal Funds of Deceased Inmates, Naval Home' (7t989): Provided further, That on June 30 of each year there shall be transferred to the trust fund receipt account directed to be established in section 17 of this act, such portion of the balances in any trust-fund account hereinbefore or hereafter listed or established, except the balances in the accounts listed in subsection (c) of this section, which have been in any such fund for more than 1 year and represent moneys belonging to individuals whose whereabouts are unknown, and subsequent claims therefor shall be disbursed from the trust fund receipt account 'Unclaimed moneys of individuals whose whereabouts are unknown', directed to be established in section 17 of this act.

- "(b) (1) Philippine special fund (customs duties) (2s332).
- "(2) Philippine special fund (internal revenue) (2s443).
- "(3) Unclaimed condemnation awards, Treasury Department (2t921).
- "(4) Naval reservation, Olongapo civil fund (7s967).
- "(5) Personal funds of deceased inmates, Naval Home (7t989).
- "(6) Return to deported aliens of passage money collected from steamship companies (6t749).
  - "(7) Vocational rehabilitation, special fund (0c983).
  - "(8) Library of Congress gift fund (0c260).
- "(9) Library of Congress trust fund, investment account (Oc249).
- "(10) Library of Congress trust fund, income from investment account (0c246).
- "(11) Library of Congress trust fund, permanent loan
- "(12) Relief and rehabilitation, Longshoremen's and Harbor Workers' Compensation Act (0t476).
- "(13) Cooperative work, Forest Service (3c209).
- "(14) Wages and effects of American seamen, Department of Commerce (6t055).
- "(15) Pension money, St. Elizabeths Hospital (4t545).
- "(16) Personal funds of patients, St. Elizabeths Hospital (4t546).
  - "(17) National Park Service, donations (4c470).
- "(18) Purchase of lands, national parks, donations

- "(19) Extension of winter-feed facilities of game animals of Yellowstone National Park, donations (4c410).
- "(20) Indian moneys, proceeds of labor, agencies, schools, and so forth (5t301).
  - "(21) Funds of Federal prisoners (1t951).
  - "(22) Commissary funds, Federal prisons (1t953).
  - "(23) Pay of the Navy, deposit fund (7t980).
  - "(24) Pay of Marine Corps, deposit fund (7t981).
  - "(25) Pay of the Army, deposit fund (8t183).
- "(26) Preservation birthplace of Abraham Lincoln (4c395).
- "(27) Funds contributed for flood control, Mississippi River, its outlets and tributaries (8c961.86).
- "(28) Funds contributed for flood control, Sacramento River, Calif. (8c946.54).
- "(29) Effects of deceased employees, Treasury Department (20089).
- "(30) Money and effects of deceased patients, Public Health Service (2607).
- "(31) Effects of deceased employees, Department of Commerce (6t054).
- "(32) Topographic survey of the United States, contributions (6c303).
  - "(33) National Institute of Health, gift fund (2c616).
- "(34) National Institute of Health, conditional gift fund (2c617).
- "(35) Patients' deposits, United States Marine Hospital, Carville, La. (2t623).
- "(36) Estates of deceased personnel, War Department (8180).
- "(37) Effects of deceased employees, Department of the Interior (4t029).
- "(38) Fredericksburg and Spotsylvania County Battle-fields memorial fund (8c813).
  - "(39) Petersburg National Military Park fund (8c814).
  - "(40) Gorgas Memorial Laboratory quotas (1c304).
- "(41) Contributions to International Boundary Commission, United States and Mexico (1c398).
  - "(42) Salvage proceeds, American vessels (1t581).
  - "(43) Wages due American seamen (1t630).
- "(44) Federal Industrial Institution for Women, contributions for chapel (1c948).
- "(45) General post fund, National Homes, Veterans' Administration (Ot930).
  - "(46) Repatriation of American seamen (1s555).
  - "(47) Expenses, public survey work, general (4s172).
  - "(48) Expenses, public survey work, Alaska (4s173).
- "(49) Funds contributed for improvement of roads, bridges, and trails, Alaska (4c528).
- "(50) Protective works and measures, Lake of the Woods and Rainy River, Minn. (88863).
  - "(51) Washington redemption fund (DCt622).
  - "(52) Permit fund, District of Columbia (DCt615).
- "(53) Unclaimed condemnation awards, National Capital Park and Planning Commission, District of Columbia (DCt629).
- "(54) Unclaimed condemnation awards, Rock Creek and Potomac Parkway Commission, District of Columbia (DCt620).
- "(55) Miscellaneous trust-fund deposits, District of Columbia (DCt613).
  - "(56) Surplus fund, District of Columbia (DCt621).
- "(57) Relief and rehabilitation, District of Columbia Workmen's Compensation Act (DCt604).
- "(58) Inmates' fund, workhouse and reformatory, District of Columbia (DCt605).
  - "(59) Soldiers' Home, permanent fund (8t184).
- "(60) Chamber Music Auditorium, Library of Congress (Os259).
- "(61) Bequest of Gertrude Hubbard (Ot256).
- "(62) Puerto Rico special fund (Internal Revenue).
- "(63) Miscellaneous trust funds, Department of State.
- "(64) Funds contributed for improvement of (name of river or harbor).
- "(65) Funds advanced for improvement of (name of river or harbor).
  - "(66) Funds contributed for Indian projects.

- "(67) Miscellaneous trust funds of Indian tribes.
- "(68) Ship's stores profits, Navy (7s985).
- "(69) Completing surveys within railroad land grants (4t186).
- "(70) Memorial to women of World War, contributions (0c075).
- "(71) Funds contributed for memorial to John Ericsson (0s163).
- "(72) American National Red Cross Building, contributions (0c426).
- "(73) Estates of decedents, Department of State, trust fund (1t580).
- "(74) Funds due incompetent beneficiaries, Veterans' Administration (0t852).
- "(75) To promote the education of the blind (principal) (2t092)
- "(76) Paving Government road across Fort Sill Military
- Reservation, Okla. (8c664).

  "(77) Bequest of William F. Edgar, museum and library,
- office of Surgeon General of the Army (8c504).

  "(78) Funds contributed for flood control (name of river, harbor, or project).
- "(79) Matured obligations of the District of Columbia (2t070).
  - "(80) Naval hospital fund (7s815).
  - "(81) Navy fines and forfeitures (7s984).
- "(82) To promote the education of the blind (interest) (2x093).
- "(83) Soldiers' Home, interest account (8x185).
- "(c) (1) United States Government life-insurance fund, Veterans' Administration (0t875).
- "(2) Estates of deceased soldiers, United States Army (8t189).
- "(3) Teachers' retirement fund deductions, District of Columbia (DCt624).
- "(4) Teachers' retirement fund, Government reserves, District of Columbia (DCt627).
- "(5) Expenses of Smithsonian Institution, trust fund (principal) (0t596).
  - "(6) Civil-service retirement and disability fund (0t843).
  - "(7) Canal Zone retirement and disability fund (0t850).
    "(8) Foreign Service retirement and disability fund
- (1t560)."

  And the Senate agree to the same.

Amendment numbered 202: That the House recede from its disagreement to the amendment of the Senate numbered 202, and agreed to the same with an amendment, as follows: Restore the matter stricken out by the Senate, amended to read as follows:

"SEC. 21. Hereafter all checks drawn on the Treasurer of the United States, except those issued on account of public-debt obligations and transactions regarding the administration of banking and currency laws, shall be payable only until the close of the fiscal year next following the fiscal year in which such checks were issued, and the amounts of all such checks properly due and payable which have not been presented for payment within such period shall be deposited into the Treasury to the credit of a trust fund account entitled 'Outstanding Liabilities (fiscal year)', designated by fiscal years in which the checks were issued. The balances in the outstanding liabilities account now carried on the books of the Government, representing the amounts of unclaimed checks, shall be transferred to the account 'Outstanding Liabilities, 1934', and any balances remaining therein, or in any succeeding fiscal year account, unclaimed for 2 fiscal years after the deposit therein shall be covered into the surplus fund of the Treasury: Provided, That the balances to the credit of the outstanding liabilities account of any fiscal year which has not been covered into the surplus fund of the Treasury shall be available to pay claims on account of any check, the amount of which has been included in any balance so covered into the surplus fund."

And the Senate agree to the same.

Amendment numbered 203: That the House recede from its disagreement to the amendment of the Senate numbered

203, and agree to the same with an amendment as follows: Renumber the section to read "22"; and the Senate agree to the same.

Amendment numbered 205: That the House recede from its disagreement to the amendment of the Senate numbered 205, and agree to the same with an amendment as follows: Renumber the section to read "23"; and the Senate agree to the same.

Amendment numbered 206: That the House recede from its disagreement to the amendment of the Senate numbered 206, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows:

"SEC. 24. The Comptroller General of the United States shall cause a survey to be made of all inactive and permanent appropriations and/or funds on the books of the Government, and also funds in the official custody of officers and employees of the United States, in which the Government is financially concerned, for which no accounting is rendered to the General Accounting Office; and he shall submit to the Congress annually, in a special report, his recommendations for such changes in existing law relating thereto, as, in his judgment, may be in the public interest."

And the Senate agree to the same.

Amendment numbered 207: That the House recede from its disagreement to the amendment of the Senate numbered 207, and agree to the same with an amendment as follows: Renumber the section to read "25"; and the Senate agree to the same.

Amendment numbered 208: That the House recede from its disagreement to the amendment of the Senate numbered 208, and agree to the same with an amendment as follows: Renumber the section to read "26"; and the Senate agree to the same.

Amendment numbered 210: That the House recede from its disagreement to the amendment of the Senate numbered 210, and agree to the same with an amendment as follows: Renumber the section to read "27"; and the Senate agree to the same.

CARL HAYDEN, JOHN H. OVERTON, FREDERICK STEIWER, Managers on the part of the Senate. ANTHONY J. GRIFFIN, THOS. S. MCMILLAN. GLOVER H. CARY, E. W. Goss, R. B. WIGGLESWORTH, Managers on the part of the House.

Mr. HAYDEN. Mr. President, this is the bill providing that certain permanent appropriations shall hereafter be subject to annual approval by Congress. I might state that generally the matters in dispute between the House and the Senate have been adjusted to the substantial satisfaction of the Senate conferees. One of the principal items in dispute was with respect to the Smithsonian Institution funds. They are not disturbed. The naval hospital fund is not disturbed. The national-bank examiners are to receive their salaries as heretofore. The civil-service retirement fund and all other retirement funds are not disturbed. Payments to the States will be generally made in the manner now provided by law.

I move the adoption of the report. The motion was agreed to.

## DIVERSIFICATION OF PRISON INDUSTRIES

The VICE PRESIDENT laid before the Senate the action of the House of Representatives agreeing to the amendments of the Senate nos. 1 and 2 to the bill (H.R. 9404) to authorize the formation of a body corporate to insure the more effective diversification of prison industries, and for other purposes, and agreeing to the amendment of the Senate no. 3 with the following amendment:

Strike out the proviso beginning in line 25 of page 2 of the Senate engrossed amendments.

Mr. STEPHENS. Mr. President, yesterday afternoon the Chairman of the Committee on the Judiciary [Mr. ASHURST] moved that the Senate disagree to the House amendment, ask for a conference, and that conferees be appointed; and that order was entered. I move that that order be vacated. and then I shall move that the Senate concur in the House amendment.

Mr. BORAH. Mr. President, what is the bill?

Mr. STEPHENS. Mr. President, it is a bill relating to the creation of a corporation known as the "Prison Industries Corporation."

Mr. BORAH. I have no objection.

Mr. STEPHENS. I may say that the Senator from Georgia [Mr. George], joint author of the bill, agrees to this

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Mississippi.

The motion was agreed to.

Mr. STEPHENS. Now I move that the Senate concur in the House amendment to Senate amendment no. 3.

The motion was agreed to.

IMPROVEMENT IN HOUSING STANDARDS AND CONDITIONS

The Senate resumed the consideration of the bill (S. 3794) to encourage improvement in housing standards and conditions, to provide a system of mutual mortgage insurance, and for other purposes.

Mr. BORAH. Mr. President, are there any committee amendments to the bill under consideration?

The VICE PRESIDENT. There are no committee amend-

Mr. BORAH. I spoke to the chairman of the committee last evening about an amendment on page 32. In line 5, I move to strike out the word "fifty" and to insert in lieu thereof the words "one hundred."

Mr. FLETCHER. Mr. President, I have no objection to

the amendment. I think it would be all right.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. It is proposed, on page 32, line 5, to strike out the word "fifty" and to insert in lieu thereof the words "one hundred", so as to read:

Each applicant for such insurance shall also file with its application an agreement that during the period that the insur-ance is in force it will not make any loans beyond 100 miles from its principal office;

The amendment was agreed to.

Mr. WALSH. Mr. President, I should like to have some member of the committee describe very briefly the process of obtaining a loan by one who desires to build a home or by a home owner who desires to repair his property. Just what would he have to do, under the bill?

Mr. BARKLEY. Mr. President, there is no difference in the process from that which he undergoes now. He goes to his local lending agency, whether it be a building-and-loan association, a savings bank, or a homestead association, and makes his application, just as he does now.

Mr. WALSH. In other words, he goes to a private financial institution first?

Mr. BARKLEY. That is true, he goes to a private financial institution, makes his application, and gets the loan.

Mr. WALSH. Why should it be easier for him to get a loan at a private financial institution, under the operation of the proposed law, than it is now?

Mr. BARKLEY. Because of the ability of the private financial institution, to insure deposits, for instance, building-and-loan associations. Because the bill provides for the guaranty of approved mortgages, more private capital will be induced to go into these lending institutions for the purpose of putting loans on homes, and, in turn, those mortgages can be rediscounted at the mortgage-loan association which we are setting up under the bill.

Mr. WALSH. It is because the savings banks and the building associations in my State which make loans on homes, and other banking institutions, will have a security by reason of assurance made by the Government as to the

now?

Mr. BARKLEY. The Senator is correct. As a matter of fact, the private mortgage market is frozen and has been for a number of years.

Mr. WALSH. There is no doubt about that.

Mr. BARKLEY. This will operate somewhat in the fashion of priming the pump, to get private capital reinvested in mortgage loans. Because of the insurance features and guaranty features, men who lend money on real estate will feel freer and safer in investing money in mortgage loans than they feel they are now.

Mr. WALSH. But there are provisions in the Reconstruction Finance Corporation Act, and also in the laws of several States, through several State financial institutions which have been set up, to take care of mortgages on homes. Yet that has not resulted in an increase in the building of homes or in expenditures to make repairs. Am I correct?

Mr. BARKLEY. The Reconstruction Finance Corporation is not engaged in lending money on homes.

Mr. WALSH. It is engaged in lending money on mortgages on homes through loans made to banks and mortgage

Mr. BARKLEY. Only to banks and financial institutions, but not directly on mortgages. The Home Owners' Loan Corporation, of course, has rendered a great service in the refinancing of homes upon which all sorts of lending associations, including banks and building associations and cooperative associations, such as the Senator has in his State, have had loans.

Mr. WALSH. It makes the loan direct.

Mr. BARKLEY. Yes.

Mr. WALSH. The agreement then is between the home owner and the Home Owners' Loan Corporation.

Mr. BARKLEY. That is correct. The process by which a home owner can obtain a loan will be no different, after this bill shall be enacted, from what it is now, except that it will be easier for the home owner to obtain a loan, because it will open up a channel for credit by reason of insurance and guaranty and amortization features, which will take the fear very largely out of the home owner, as well as out of the investor.

Mr. WALSH. It will have greater effect in taking the fear out of the investor than in taking it out of the home owner. Mr. BARKLEY. Yes. That is really what needs to be

done; to have the fear taken out of the investor.

Mr. WALSH. It will bring about a condition where there will be an inducement to an institution or an investor to lend money for building.

Mr. BARKLEY. Yes.

Mr. BLACK. Mr. President, I did not quite understand one thing, and I should like to have the Senator from Kentucky explain it. The Senator stated that a man would apply for a loan by reason of the fact that he could anticipate an assurance that it would be easier to obtain it. How does the Government decide upon that insurance as to an individual mortgage, under the bill?

Mr. BARKLEY. Mr. President, the insurance feature, of course, carries with it the implication, as well as the obligation, of the insurance corporation, to approve of the lending agency, and of course approve of the loan. It is not contemplated that loans will be made promiscuously to those who are not in a position to repay them.

It provides for a long-term amortization, covering 20 years, instead of the 3- to 5-year short-term mortgage notes, which may or may not be renewable or renewed, and may or may not be foreclosed at the end of that period. As the Senator realizes, as the end of the period approaches, the home owner, if he has not been able to accumulate enough money to pay the mortgage at the end of the 3-year period, or the 5-year period, or make a substantial curtailment, has hanging over him the constant fear that he will be foreclosed and sold out, or that he will have to go to some other lending institution for refinancing, with considerable fees and charges incident to such a transaction.

The result will be, on the whole, that, by reason of the insurance, by reason of the guaranty, only upon approved

safety of these mortgages, which assurance they have not | loans, or approved lending agencies, the home owner will be able, by reason of the enlargement of the facilities of credit, and a greater willingness on the part of men with money to invest in mortgages on real estate, to obtain the necessary funds, up to \$2,000 for repairs, and, under the other sections of the bill, for larger amounts, not to exceed \$16,000, with reference to existing construction or new construction.

> Mr. BLACK. I wanted to find out whether a statement I had read was correct. I have not had a chance to read the bill. I understood that the Government would guarantee 20 percent of an individual loan.

> Mr. BARKLEY. No; not of an individual loan. The Government guarantees up to 20 percent of an aggregate of loans made by any of these lending agencies, but it does not deal in individual loans. It guarantees that if there are losses, up to 20 percent, the Government will make good the losses on the aggregate amount of such approved and guaranteed mortgages.

> Mr. BLACK. Does the building-and-loan association, for instance, which has the guaranty, have a claim on the mortgaged property superior to the claim of the Government

for its 20 percent?

Mr. BARKLEY. The Government's claim for the 20 percent does not, as I recall-and if I am mistaken about that the Senator from Ohio [Mr. Bulkley] will correct me-go to the individual mortgage. The building-and-loan association or the lending agency, whatever it might be, which has a mortgage on an individual home, would still have a mortgage on that home, and the Government guarantees up to a maximum of 20 percent the amount of the aggregate mortgages which are guaranteed under the provisions of the act, and not as to a particular piece of property.

Mr. BULKLEY. May I get clearly the question of the

Senator from Alabama [Mr. BLACK]?

Mr. BLACK. I want to state very frankly that I am asking the question because I am very much interested in that particular point. As I have read, I gathered that what the Government was going to do under this bill in part was to guarantee loans on mortgages up to 20 percent of the amount, and that the Government's claim would be subordinate to that of the mortgagee, and if that is true, I would not favor the provision.

Mr. BARKLEY. No; that is not true. Mr. BULKLEY. No; that is not quite correct. There are two separate kinds of guarantees which are being undertaken by this bill. Title I provides for 20-percent guarantee of loans made for renovation and repair of homes. Not 20 percent of any one loan, but 20 percent of all of the loans made by any one approved lender. These loans are to be made by financial institutions approved by the Administrator. Title II provides a different kind of guarantee. That is a guarantee of mortgages.

Mr. BLACK. Mr. President, before the Senator leaves title I. I see the Government would guarantee 20 percent of a certain aggregate or pool of loans. What protection does the Government get? Is it protected both by the mort-

gage and the guaranty of the loan company?

Mr. BULKLEY. No; there is not necessarily any mortgage guaranty at all. It is contemplated that there will be a loss to the Government under this title, but that probably the loss will not be very great. Loans of that character made to borrowers who have character and earning capacity, with payments spread over a period of years, have proven in practice to be very good risks, and testimony was given to the committee that losses on similar risks run only to 2 or 3 percent. It is my personal opinion that the loss would be rather higher than that in this operation, but will fall still very far short of the 20-percent guarantee. But it is contemplated that the Government will suffer a loss on this.

The reason we justify this provision is that it will make possible a considerable expenditure of money on needed repairs and renovation and thereby stimulate business in trades which very much need stimulation at this time.

Mr. COUZENS. Mr. President, I might point out to the Senator from Alabama that if there is any loss the lending agency stands 80 percent of the loss and the Government 20 percent.

Mr. BLACK. That is the point I was asking about.

Mr. BULKLEY. The lending agency does not stand any loss unless it exceeds 20 percent of the total amount of the loans made by that agency. If there should be a total loss of all loans made by any one agency, then the agency would stand 80 percent of the loss.

Mr. COUZENS. That is what I meant, that it was possible under the terms of the bill.

Mr. BARKLEY. But it is inconceivable that there should be a total loss of the aggregate of all the loans made for repairs and for renovation.

Mr. HEBERT. Mr. President, it does not seem to me that it is inconceivable at all, because the Government has no security, nor does the one who would advance the money have any security, for there may very well be a mortgage that will take up all the property in foreclosure. Therefore there would be nothing left to either the one who advances the money or the Government.

Mr. BULKLEY. I must say that there is abundant experience in the making of loans of that character, and that the losses do not approximate 100 percent from actual experience; they do not approximate 20 percent.

Mr. BARKLEY. It might be possible to conceive of a single transaction in which there would be a total loss, but it is certainly difficult to conceive of a total, 100-percent loss, on all the aggregate loans made for repairs and reno-

vations under title I.

Mr. HEBERT. It would not be a total loss for all the amount that is loaned in the aggregate, naturally, but there might well be instances where neither the Government nor the lender could recover anything back.

Mr. BULKLEY. In a particular instance; yes.

Mr. HEBERT. Yes.

Mr. BARKLEY. But that would go to make up 20 percent of the total liability of the Government on the aggregate of all the loans out. It would be a part of it.

all the loans out. It would be a part of it.

Mr. HEBERT. May I ask the Senator from Ohio [Mr. Bulkley] a question? Is there a premium charged for that 20-percent insurance?

Mr. BULKLEY. No; there is no premium charged. Mr. HEBERT. There is no premium charged?

Mr. BULKLEY. The lender receives 20-percent insurance automatically as an inducement to make loans of this particular character. Frankly it is contemplated that the Government will lose some money.

Mr. HEBERT. Of course, the Government cannot make money on it; that is sure.

Mr. BULKLEY. Yes.

Mr. BARKLEY. It is not intended that the Government should make money on it.

Mr. HEBERT. On the subject of the insurance on these mortgages, the rate may be as high as 1 percent.

Mr. BULKLEY. That is right.

Mr. HEBERT. And the rate of the mortgage must be 5 percent. It may be 6 percent where the mortgage market justifies that rate.

Mr. BULKLEY. It must not exceed 5 percent.

Mr. HEBERT. It must not exceed 5 percent?

Mr. BULKLEY. Unless in special circumstances the Administrator finds it necessary.

Mr. HEBERT. So that the insurance premium will use up 20 percent of the mortgage interest.

Mr. BULKLEY. It is contemplated that the insurance premium is in addition to the interest. The 5 percent or the 6 percent is merely pure interest.

Mr. HEBERT. I do not quite understand the Senator.

Mr. BULKLEY. If a mortgage is made under this provision, the interest shall not exceed 5 percent, that is to say the pure interest. In addition to that, 1 percent may be added as the cost of insurance, and then, in addition to that, amortization payments shall be required, so that the borrower will have to pay 5-percent interest, plus 1-percent cost of insurance, plus approximately 3-percent amortization, or perhaps 9 percent in all.

Mr. HEBERT. I fail, Mr. President, to find any provision in this bill which would require that.

Mr. BULKLEY. The provision, I am frank to say to the Senator, does not satisfy my own mind. It is there, but not quite as clear as it should be, in my opinion. There is, however, no doubt about the intent.

Mr. FLETCHER. The home owner pays approximately 6-percent interest. The investor receives 5-percent interest. The insurance fund retains the difference of 1 percent.

Mr. HEBERT. Yes, Mr. President; but who pays that 1-percent insurance premium? I know the Senator from Ohio says that that is charged as a part of the cost of the mortgage to the mortgagor, but there is no provision in this bill that requires that to be done.

Mr. BULKLEY. I think not as clearly as it should, but, if the Senator will notice, on page 7, beginning in line 16, the language is to—

Provide, in a manner satisfactory to the Administrator, for the application of the mortgagor's periodic payments—

And now in the parentheses is the important thing—
(exclusive of the amount allocated to interest and to the premium charge for mortgage insurance as hereinafter provided).

I will say to the Senator that it is my purpose to offer an amendment to make that more clear, but I can assure him that the intent of the committee was to restrict the pure interest under paragraph 5 of section 203, and that the insurance premium should be an additional charge.

Mr. HEBERT. Then in that event it will cost the mortgagor 7 percent plus amortization on his mortgage if the

rate permitted is 6 percent interest?

Mr. BULKLEY. If the rate permitted is 6 percent, another 1 percent could be added for insurance, but it is subject to this qualification, that the mortgagor is charged only the amount the insurance actually costs. A certain group of mortgages is insured, and if the insurance premiums paid on them are more than enough to pay losses in that group, the mortgagor gets the benefit at the end of the transaction.

Mr. HEBERT. Mr. President, there is no provision for that in the bill, as I recollect it.

Mr. BULKLEY. Yes; there is a provision for that.

Mr. HEBERT. But, on the contrary, if the insurance fund should be insufficient at any time to meet the claims upon it, then an assessment could be levied against the mortgagee.

Mr. BULKLEY. No; there is no further assessment against the mortgagee.

Mr. HEBERT. Let me read the provision to the Senator. I read from page 34, line 17, paragraph (b):

The Corporation is further authorized to assess against each insured institution additional premiums for insurance until the amount of such premiums equals the amount of all losses and expenses of the Corporation.

Mr. BULKLEY. The Senator is reading from another title, on a subject entirely different from the subject about which we are talking. He is reading from the title relating to the insurance of savings and loan accounts, and there is no such provision in title II.

Mr. HEBERT. Insurance of savings and loan accounts has reference to the insurance of mortgages, as I understand.

Mr. BULKLEY. No, sir; that is an entirely different provision. Insurance of mortgages is title 2, and insurance of savings and loan accounts is title 4. The provision which the Senator is reading has no reference whatever to insurance of mortgages. I now call the Senator's attention to the provision for reimbursing the mortgagors. It is on page 15, paragraph (c):

Whenever the credit balance in any group account-

That refers to the credit balance in the insurance fund, because it is provided that the 1-percent premium which is charged goes into a special fund, and is held as an insurance against losses that may occur in that particular group. Whenever that amount—

exceeds the remaining unpaid principal of the then outstanding mortgages assigned to such group by an amount equal to 10 per-

cent of the total premium payments which have theretofore been credited to such account, the Administrator shall terminate the insurance as to that group of mortgages (1) by paying to each of the mortgagees holding an outstanding mortgage assigned to such group a sum sufficient, if such mortgage is in good standing, to pay off such mortgage in full, the payment in each case being for the benefit and account of the mortgagor.

So if there are no losses in that particular group the insurance fund will accumulate from year to year until it will be more than the entire unpaid balances of mortgages in that group, and in that case the mortgages will be paid off by the use of that balance. So the mortgagor will presumably get some rebate out of that premium fund. It is strictly an insurance payment and not an additional interest payment.

Mr. HEBERT. That is "a consummation devoutly to be wished"; but when we have in mind the experience of the surety companies that have been insuring mortgages in the past and have all gone broke, I hesitate to think what will happen under this kind of a provision in this bill. I am not so sanguine about the profits to be derived from the insurance fund as is the Senator, or as are those who have prepared this bill.

Mr. BULKLEY. The Senator is entitled to express an opinion, of course, but it is submitted that the character of loans insured here is different from the character of loans the insurance companies had trouble with.

Mr. HEBERT. If I may add this observation, I happen to know of the experience of some of the very best-managed building and loan associations in the country, and, with all the care they have exercised in negotiating their loans. with an experience of some 30 years to guide them, with the broadest investigation that could be made before loans were negotiated, they have experienced the foreclosure of some 10 percent of the total amount of their loans in force, and upon all those foreclosures, with all the care they have exercised, they expect to lose as much as 10 percent of the amount they have loaned. That is the actual experience of some building-and-loan associations with whose business I am familiar.

Mr. BARKLEY. Mr. President, the Senator will realize, though, that that situation comes about very largely because of the fact that loans were made, in part at least, during a boom period of building and construction, which was followed by the most severe depression we have ever had and the lowering of values to such an extent that the condition the Senator has described was inevitable. We are beginning this operation on the bottom of the well, and these mortgages will be paid largely from valuations that have no boom relationships. It would not be possible for the losses to anything like approximate those which have been experienced by some of the companies in previous years.

Mr. HEBERT. Of course, the cost of construction now is higher than it has been for years, as the Senator well knows. I suppose this bill contemplates that loans will be made for construction of new homes, and in that case we are going to have the boom values right back in the mortgages.

Mr. BARKLEY. The acceleration, the wild speculation in the building of homes will not be present as it was for 5 or 10 years prior to 1929.

Mr. HEBERT. I should assume that would be so, but I am taking now the experience over the years, and many of the mortgages I have in mind were mortgages which were made in normal times.

Mr. BULKLEY. I call the Senator's attention to the fact that the figures he has stated would not disturb the insurance fund here proposed to be set up. Ten percent of foreclosures could easily be absorbed under the amount of insurance the bill proposes to set up. The insurance premium is 1 percent of the face of the mortgage running over the full term of the mortgage, so that if payments were made regularly by every borrower there would be a 20-percent reserve in the fund. Ten percent of foreclosures by no means represents a loss of the entire amount. Every fore-

closure has some salvage value, and the losses which the Senator suggests would be easily met by this fund.

Mr. HEBERT. But, Mr. President, it must be assumed that every mortgage must take care of itself. In the aggregate we are going to have a 10-percent loss, and we are going to have a 1-percent premium. It will take 10 years to accumulate enough to take care of that loss; it will take insurance premiums over a period of 10 years to take care of the loss.

Mr. BULKLEY. The bill provides that the insurance payments are to be made for 20 years.

Mr. HEBERT. Exactly. But what is going to happen to the foreclosures which will occur the first year and second year and up to the tenth year? There will not be enough money to take care of them.

Mr. BULKLEY. The money will be advanced if the losses take place at an early date.

Mr. HEBERT. Advanced how?

Mr. BULKLEY. From the Treasury. Mr. BARKLEY. Mr. President, of course if there were foreclosures and losses on all the loans made, the Senator from Rhode Island would be correct, but we must figure on the law of averages, and there will be insurance premiums collected with respect to many loans where there will be no loss and no foreclosures.

Mr. HEBERT. That is true. Mr. BULKLEY. Let me say a word further. The losses are paid not in cash but in debentures running for a period of 3 years beyond the maturity of the mortgage; so that there is no cash advance required at all.

Mr. HEBERT. But ultimately the money has to be paid, just the same.

Mr. BULKLEY. If there is any loss; but the Senator's objection was that the loss might come so early that there would not be enough in the fund. I answer that by saying that the losses will be paid not by cash at all but by debentures, which will have a maturity of 3 years beyond the date of the last maturity in the fund.

Mr. HEBERT. The mortgagee will not receive the amount of his mortgage.

Mr. BULKLEY. He will not receive cash; he will receive debentures, payable 3 years after the maturity of his

Mr. HEBERT. In other words, the debentures will run for a period of 23 years.

Mr. BULKLEY. No; for whatever time the period may happen to be. If the mortgage should be for 20 years and the foreclosure happened after 2 years, then there would be 18 years yet to run on the mortgage, plus 3 years, and so the debenture would run for 21 years.

Mr. HEBERT. The mortgagee would then receive 3-percent interest on his money.

Mr. BULKLEY. For the remainder of the term after the foreclosure.

Mr. HEBERT. Yes; for the remainder of the term.

Mr. HASTINGS. Mr. President, my reading of the provision is that the debentures are for 3 years after their issuance.

Mr. BULKLEY. For 3 years after the maturity of the mortgage with respect to which the foreclosure was made.

Mr. HASTINGS. So that if the mortgage runs for 20 years, and is foreclosed at the end of 2, the debentures will run for 21 years?

Mr. BULKLEY. That is correct. Mr. HASTINGS. I did not so read it.

May I ask another question while I am on my feet? I should like to call the Senator's attention to section 3, page 4, which provides:

Sec. 3. The Administrator is further authorized and empowered to make loans to institutions which are insured under section 2, and to enter into loan agreements with such institutions, upon the security of obligations which meet the requirements prescribed under section 2.

I do not find any "requirements" described under section 2 with respect to that particular feature.

Mr. BULKLEY. The requirements are that-

the obligation bears such interest, has such maturity, and contains such other terms, conditions, and restrictions as the Administrator shall prescribe.

That is found in lines 4, 5, and 6 on page 4.

Mr. HASTINGS. Is that what the Senator calls "meeting the requirements"? Is that a compliance with the language?-

Upon the security of obligations which meet the requirements prescribed under section 2.

What lines did the Senator read from under section 2?

Mr. BULKLEY. I read from page 4, lines 4, 5, and 6. There is also a limit as to the total amount of the loan which may be made—that it shall not exceed \$2,000.

Mr. HASTINGS. I should not think that that can be clear to anybody who may undertake to administer this proposed law.

There is another question I should like to ask with respect to section 204, on pages 8 and 9. I find in other places in this bill that it is provided for the property being transferred to the Administrator. There is no provision which I can find in that section or pertaining to that section such as I find in other sections-language to this effect-

Nothing herein shall be construed to exempt the real property of such associations from taxation by any State or political sub-division thereof, to the same extent, according to its value, as other real property is taxed.

I assume if it is not in there somewhere—and I have not been able to find it—it is an oversight.

Mr. BULKLEY. I should assume so. My impression is that it is in, but, if it is not, I should be glad to support an amendment to that effect.

Mr. FESS. Mr. President, I should like to ask my colleague the limit of the amount which the Corporation is authorized to issue. It is \$3,200,000,000, is it not?

Mr. BULKLEY. That refers to the Home Owners' Loan Corporation debentures.

Mr. FESS. On page 4, under the allocation of funds, these funds are to be allocated by the Reconstruction Finance Corporation, as I understand?

Mr. HASTINGS. No.

Mr. BULKLEY. The Senator understands, of course, that this is an entirely different provision and is not related to the Home Owners' Loan Corporation at all.

Mr. FESS. What is the meaning in line 20, on page 4, of the words-

For the purposes of carrying out the provisions of this title and title II, the Reconstruction Finance Corporation shall make available to the Administrator such funds as he may deem necessary.

There is no limit to that, is there?

Mr. BULKLEY. There is no limit at that point, but it is limited by the authorization to the administrator. The administrator under title I is limited to \$200,000,000 of insurance on line 24, page 3, and with respect to loans provided in section 3 he is limited, in fact, to \$1,000,000,000, and it is inconceivable that this amount could be anywhere nearly required, because he is authorized to loan 100 percent against any of the obligations provided for in section 2. The total amount which is possible of such obligations is \$1,000,000,000, and one would have to assume that every single one of them was loaned by the administrator up to 100 percent in order to make \$1,000,000,000 there. Of course, that is not the contemplation of the bill at all. The contemplation of the bill is that private capital shall advance the money. Paragraph (c) is only a reassurance to private capital that there is a way to get out from under in case of necessity.

Mr. FESS. But the limitation on the administrator is the amount that is authorized, which would be \$1,000,000,000.

Mr. BULKLEY. Theoretically it would be \$1,000,000,000, but it is inconceivable that it could be any such amount.

Mr. HASTINGS. Mr. President, in connection with section 4, is it contemplated that directors of the Reconstruc-

tion Finance Corporation shall have anything to say about it?

Mr. BULKLEY. Not the slightest, and they do not need to do so, because they can issue additional bonds to make up whatever they turn oyer.

Mr. HASTINGS. But their judgment is not sought nor is it necessary to get it?

Mr. BULKLEY. No.

Mr. HASTINGS. That is just a way of getting the money? Mr. BULKLEY. Exactly.

Mr. VANDENBERG. Mr. President-

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Michigan?

Mr. BULKLEY. I yield.

Mr. VANDENBERG. Usually in setting up these agencies it has been deemed advisable to have some kind of administrative board for the purpose of having the benefit of counsel to some degree. What is the idea of concentrating all the perfectly enormous authority in one administrator instead of some kind of administrative group?

Mr. BULKLEY. As the bill passed the House it did provide for a board. The Senate committee thought it better

to concentrate the responsibility in one man.

Mr. VANDENBERG. Is there any place in the bill, a provision under which the administrator is required to report either to Congress or to the President in respect to his operations?

Mr. BULKLEY. There should be.

Mr. VANDENBERG. I did not find it as I looked through the bill

Mr. BARKLEY. Mr. President, further answering the question about the board, in the House bill, and originally in the Senate bill, which is now before the Senate, provision was made for a board of from 5 to 7 chosen from various departments; in other words, an ex-officio board drawn from other activities where men are already overworked.

We had some experience years ago in the creation of a power commission which was ex officio, composed of the Secretary of War, the Secretary of Agriculture, and the Secretary of the Interior. Of course, they were busy with their respective duties in the Cabinet, and they appointed an executive clerk who maintained an office, and that executive clerk really became the power commission. We later had to create a real Power Commission, which is now in existence.

It was the feeling of the Senate committee, and also of others who had part in the framing of the legislation, that ex-officio boards have not been satisfactory; that in a matter of this sort somebody has to accept responsibility, and that it would be better to have an administrator at whom responsibility could be pointed, and from whom responsibility could be exacted, than to have an ex-officio board which might of necessity turn over its work to some executive clerk, who would, after all, be the administrator of the act.

Mr. VANDENBERG. I agreed we do not need an exofficio board, but is there not a large amount of discretion and judgment to be exercised by the administrator in respect of the bill?

Mr. BARKLEY. There is undoubtedly, especially with respect to the approval of lending agencies and things of that sort. There is very great discretion and, of course, consequently very great responsibility.

Mr. VANDENBERG. Would the Senator be willing under any circumstances to do away with the Federal Reserve Board and concentrate all its powers and authorities in a Federal Reserve administrator?

Mr. BARKLEY. I am not sure that the situation is at all analogous. I should not want to answer that question categorically without giving it further consideration. The fact that we have a Federal Reserve Board representing districts, in a sense, its members coming from different parts of the country, with power to control the credit of the country, it seems to me is quite a different situation than is involved in the administration of an act designed to afford facilities for lending agencies, the reemployment of labor, and the movement of heavy materials, to start again the activities of business in a line which is terrifically depressed, is at the bottom of the list now in industrial activities.

Mr. VANDENBERG. I agree with all the Senator said respecting administrative acts, but it seems to me there are acts of discretion and judgment and maintenance of general policy which are involved.

Mr. BULKLEY. Surely the Senator would concede that the Federal Reserve Board deals much more with questions of general policy than this administrator would.

Mr. VANDENBERG. Certainly.

Mr. BULKLEY. So it would hardly be a fair comparison. It is possible to take the view, as the House did, that it would be better to have a board. That is a respectable opinion. The Banking and Currency Committee of the Senate thought it would be better to concentrate the responsibility, and regard it as an administrative job and give it to one man.

Mr. VANDENBERG. Am I to understand the House bill provides for a board?

Mr. BULKLEY. It does.

Mr. VANDENBERG. Can the Senator indicate to me any point in the bill where it is provided that the administrator is responsible to anybody under the text of the Senate bill?

Mr. BULKLEY. I think it quite possible there is no provision in the bill for a report. I think there should be such a provision. I fully agree with the Senator. I regret to say we have been under some haste in getting the bill reported, and I think the Senator has indicated a defect.

Mr. VANDENBERG. I do not see that the administrator is even responsible to the President after he once gets started in this adventure.

Mr. BULKLEY. We will take care of that.

Mr. HASTINGS. Mr. President, I desire to invite the Senator's attention to section 301, which provides for a corporation which shall have \$5,000,000 paid in before it begins to do business, and, as I recall, it has the right to issue bonds and debentures for 10 times that amount.

Mr. BULKLEY. That is a private corporation.
Mr. HASTINGS. That would make a \$55,000,000 corporation. Section 305 provides that the administrator shall have power to provide for examination of associations.

order its liquidation and the winding up of its affairs in any case in which the administrator finds that the association is violating any provisions of this title or of any rule or regulation thereunder, or any case in which he finds that the association is conducting its business in an unsafe and unbusinesslike

Section 306 provides:

The administrator shall have power to provide by rules and regulations for the liquidation, reorganization, consolidation, or merger of national mortgage associations, including the pow to appoint a conservator or a receiver to take charge of the affairs of any such association, to require an equitable readjustment of its capital structure, to release it from the control of a conservator or receiver, and to permit its further operation.

Was it the intent to give to the administrator full authority to stop this \$55,000,000 corporation from operating, to appoint a receiver for it under his own ruling?

Mr. BULKLEY. Under the conditions laid down in the bill, of course.

Mr. BARKLEY. That is practically the same power the Comptroller of the Currency has over all national banks.

Mr. HASTINGS. The Comptroller of the Currency does not do it himself. When a bank fails a receiver is appointed under order of the court.

Mr. BULKLEY. No; he appoints the receiver. Mr. HASTINGS. Is it not done under authority of the court?

Mr. BULKLEY. No; the Comptroller appoints the receiver.

Mr. HASTINGS. All right. I think the Senator is wrong about that; but assuming that to be correct I want to find out whether it is the purpose here to give to the Administrator the full power which ordinarily would belong to a court with respect to these \$55,000,000 corporations. I ask the

Mr. BULKLEY. It is the intent to give the power that is clearly laid down in the bill.

Mr. BARKLEY. That is precisely the power the Comptroller of the Currency has now over national banks. National banks are not wound up and receivers are not appointed by courts. The Comptroller of the Currency appoints the receivers. He determines whether the capital structure of the bank has been impaired. He determines whether there shall be reorganization. He determines the terms of the reorganization. He charters any new bank that might be built on the ruins of the one which is in receivership. The power and authority that is conferred here is the same that the Comptroller of the Currency has over all national banks of the country.

Mr. HASTINGS. If that be true, it is a law which has been enacted during this excitement, and I did not know

anything about it.

Mr. BULKLEY. Oh, no; it has been the law all the time. Mr. HASTINGS. Let me say to the Senator that since I have been here I have had from Middletown, Del., many complaints, and I submitted those complaints to the Comptroller of the Currency, with respect to winding up the affairs of a bank for which a receiver has been appointed, and that was done through the Federal court at Wilmington.

Mr. BARKLEY. There may be instances in which a creditor would go into court and ask for the appointment of a receiver. I do not know how long it has been the law, but not since I have been a member of the Committee on Banking and Currency do I recall any institution like a national bank which has gone into receivership where the Comptroller of the Currency did not make the appointment of the receiver and pass on questions of reorganization, consolidation, merger, and all such things.

Mr. HASTINGS. I am just trying to find out whether or not the effort is made here. I think it has been done, and, so far as I see, it is complete. No person having invested his money in this \$55,000,000 corporation can go to a court for any purpose with respect to winding up the corporation, or with respect to any injustice that may have been done to him; but he is solely dependent upon such rules and regulations as may be made by some inexperienced administrator-I mean, inexperienced in that sort of litigation and that sort of winding up of corporations.

I just wanted to call that to the Senator's attention.

Mr. BULKLEY. Mr. President, I have been somewhat surprised that so eminent a lawyer as the Senator from Delaware is not aware that the Comptroller of the Currency may appoint receivers of national banks.

Mr. HASTINGS. Oh, I did not say that.

Mr. BULKLEY. Let me read from the act of June 3, 1864. That act provides that on becoming satisfied, as specified in certain sections-

that any association has refused to pay its circulating notes as therein mentioned, and is in default, the Comptroller of the Cur-rency may forthwith appoint a receiver, and require of him such bond and security as he deems proper.

That is any national bank.

Mr. HASTINGS. I did not dispute that; but the bill goes much further than that. The bill not only provides for the appointment of a receiver, but it provides for such rules and regulations with respect to this corporation as the administrator may think necessary for winding up the whole thing, without any opportunity of any interested party to go into court at all, as I read the bill.

The point I was making, the distinction between this case and the one I pointed out to the Senator from Kentucky, is that when the receiver appointed by the Comptroller sells the property, he has to have the sale confirmed by the court. The Comptroller names the receivers, but they are all under

the direction of the court. After that I think there are certain limitations, and the Comptroller himself does have certain authority which does not ordinarily apply to an individual, for instance; but certainly when the corporation is to be wound up and its assets sold and distributed, it is done under the supervision of the court. Here this administrator over a huge corporation, a \$55,000,000 institution. is given the right to do everything in connection with it that could possibly be done under a court, without the supervision of any court.

Mr. BULKLEY. We have not given him the right to do

anything to any corporation that now exists.

Mr. HASTINGS. That is true. Mr. BULKLEY. And nobody is required to make any investment in this corporation unless he is entirely satisfied with the provisions of the measure we are here

Mr. HASTINGS. I desire to say to the proponents of this bill that if they are interested in making the corporation a success, and in getting the \$5,000,000, plus fifty more million dollars, it seems to me I am doing them some service if I call to their attention the fact that under there conditions it may not be possible to get anybody to pay in the \$5,000,000. I think the suggestion the Senator made is correct. I doubt whether anybody would do so under such circumstances.

Mr. BULKLEY. If they did, certainly they could not complain that the power was extreme.

Mr. HASTINGS. That is true.

Mr. BORAH. Mr. President, I desire to ask the Senator from Ohio one or two questions.

I have had a great many telegrams from loan associations expressing fear in regard to the operation of this measure. I presume the Senator and the committee also have received such telegrams.

Mr. BULKLEY. Many of them.

Mr. BORAH. Were these associations heard, or were their objections taken into consideration?

Mr. BULKLEY. Oh, yes; their representatives have been heard. Of course, we could not hear every association.

Mr. BORAH. I mean, were they given an opportunity to present the matter?

Mr. BULKLEY. Yes, Mr. President; and modifications have been made which, as I have already stated, are satisfactory to at least a large part of the savings-and-loan associations, and I am not sure but that they would practically all be satisfied.

Mr. VANDENBERG. Mr. President, bearing upon that point, what was the attitude of the building-and-loan associations respecting the rate of premium to be charged for this insurance?

Mr. BULKLEY. Their representatives indicated that they thought the rate was quite high; but of course the answer to that is that any insurance rate is higher than the expected losses. The insured gets the benefit of it in the long run if it proves to be more than is necessary.

Mr. VANDENBERG. What is the rate provided in the bill?

Mr. BULKLEY. It may be not less than one-half of 1 per cent and not more than 1 percent, according to the estimation of the risk of the particular group of mortgages in-

Mr. VANDENBERG. My understanding is that that is seriously objected to by the building-and-loan associations. Is that correct?

Mr. BULKLEY. I think we are talking now about another thing; about the insurance of savings-and-loan accounts. Is that what the Senator means?

Mr. VANDENBERG. That is what I mean.

Mr. BULKLEY. Then the rate is one-half of 1 percent on the insured accounts and kindred obligations, plus the right to assess an additional one-quarter of 1 percent in case the losses justify it.

I will say to the Senator that the one-half of 1 percent is intended to build up a reserve fund, and is not intended to go on permanently. By the terms of the bill they are to

cease to assess the one-half of 1 percent when the reserve fund shall have been built up to 5 percent. My own personal opinion is that the one-half of 1 percent, plus a possible additional one-quarter of 1 percent, is unduly high. I should prefer to see the additional quarter waived at this time, and provide for a straight assessment of one-half of 1 percent out of which losses may be paid, such assessment to continue until the fund shall have reached 5 percent, and to be revived if at any time in the future the fund shall fall below 5 percent.

Mr' VANDENBERG. The building-and-loan associations consider that the one-half of 1 percent is exorbitant and burdensome; do they not?

Mr. BULKLEY. They consider that it is high, but I do not know that they would characterize it as exorbitant and burdensome if we should cut out the other one-quarter of 1 percent, and under the circumstances I have related, that it should be only until the reserve fund shall be built up

Mr. VANDENBERG. While I am on my feet I should like to ask the Senator one further question regarding a previous colloquy that we had. I am interested in the Senator's opinion respecting what will happen as respects competition between banks and building-and-loan associations after this new insurance goes into effect.

The ordinary building-and-loan association pays 4, 5, or 6 percent upon deposits. As the Senator knows, when we set up the F.D.I.C. we found it absolutely necessary to limit the rate of interest to be paid upon insured deposits to 3 percent, and probably in the long run it will have to be reduced to 21/2 percent in order to make the cost of the insurance livable to the banks. All right. Now, suppose day after tomorrow a bank with the Government's insurance behind it is paying a depositor 21/2 percent, and a building association with the same governmental responsibility behind it is paying a depositor 5 percent. Why should anybody put his money in a bank, or leave it in a bank?

Mr. BULKLEY. We provide in the bill that an insured institution may not issue securities which guarantee a definite return or which have a definite maturity. Of course we cannot prevent them from paying out to their shareholders whatever their earnings may be, and the Senator would not want to do that. If their earnings happen to be very good, that may be an inducement to depositors to invest their money there; but they are prohibited by the bill from guaranteeing any definite return at all. So it is all contingent on what they earn.

Mr. VANDENBERG. I know the Senator has wholly the same interest that I have in the F.D.I.C., and I take it that his considered conclusion is that there is no competition hazard of the type I have been indicating by my questions.

Mr. BULKLEY. My considered conclusion is that we have handled a difficult situation in the best way we know how, and that there is nothing that can be said to be certainly wrong about this. Experience may show us something new.

Mr. SHIPSTEAD. Mr. President, is there any hope here of getting lower interest rates for the borrowers?

Mr. BULKLEY. I think the tendency will to reduce interest rates to the borrowers.

Mr. SHIPSTEAD. Referring to these loan companies that pay as high as 5 and 6 percent, is there any way to bring that down? Does not the Senator think that is an unjustified profit?

I have letters from people in Minnesota who have borrowed money from the Home Loan Corporation. They say that the Corporation borrows money for 3 percent and charges them 5 percent. They protest against charging so much for simply collecting interest on a loan.

Mr. BULKLEY. For the most part, those who have loans from the Home Owners' Loan Corporation are paying a lower interest rate now than they were before the Home Owners' Loan Corporation took them over.

Mr. SHIPSTEAD. Does the Senator consider that this housing bill is supplementary to the loan law that is now

Mr. BULKLEY. It is; and that is the purpose of it. I have no doubt the effect of it will be to reduce interest rates, but I should hesitate to make any specific prediction as to just how much it might accomplish that end.

Mr. SHIPSTEAD. We have, for instance, the same problem in connection with farm mortgages. So far as I am informed, the interest on farm mortgages has not been reduced, although the mortgage bonds are now guaranteed by the Government and the bonds carry a very low rate of interest.

Mr. BULKLEY. That will be a problem to take up in connection with the farm-credit discussion.

Mr. JOHNSON. Mr. President will the Senator yield to me?

Mr. BULKLEY. I yield.

Mr. JOHNSON. In the State of California we have a very stringent law relating to building-and-loan associations, one which probably is different from the laws of most of the States of the Union.

Under section 403 of the bill the Senator will observe the words "issue certificates which guarantee a definite return

or which have a definite maturity", and so on.

California associations will be affected by the retention of this language unless some sort of ameliorating amendment can be obtained. More than 90 percent of the business of our building-and-loan associations is on the basis of a fixed rate of interest. Not only that, but our law requires that the certificates which are issued shall state the definite rate of interest.

Mr. BULKLEY. Mr. President, may I ask the Senator whether that rate of interest is stated without regard to whether it shall have been earned by the association or not, or is it subject to the earnings of the association?

Mr. JOHNSON. I am not entirely clear. At any rate, it is required that the interest shall be stated in the certificate.

I can state that with finality.

Mr. BULKLEY. If it is subject to its being earned, it would not contravene the intent, at least, of this provision. If it is stated that a certain rate of interest is to be paid at all events, whether earned or not, the Senator can readily understand that it would be subject to the criticism already suggested by the Senator from Michigan, that we would be in the position of having the Government guarantee a 4-percent rate, or some other rate, on a particular transaction, when the earnings might not justify it. Of course, there is no intent to damage the associations of California, and I hope the Senator will give his attention to helping us perfect this measure in such a manner that, consistently with sound principles, we may bring those associations in.

Mr. JOHNSON. I wanted to suggest to the Senator that he might glance at the amendments desired during the time of the debate, if he has the opportunity, first, in section 403, to strike out the last two words on line 6, and all of line 7.

Mr. FLETCHER. On what page?

Mr. JOHNSON. Page 32, and the first two words of line 8, as follows: "issue certificates which guarantee a definite return or which have a definite maturity or."

Inasmuch as we are required to state a definite rate of interest in our certificates, the provision which stands in the bill now, which I have just suggested might be stricken out, would exclude the very large majority of the building-and-loan associations of the State of California, and the amendment suggested, to strike out the provision, would not injuriously affect or damage seriously building-and-loan associations of any State, so far as I am aware.

Mr. BULKLEY. It would leave us wide open to the criticism made by the Senator from Michigan, that we would then be in the position of having the Government guarantee a fixed return without being satisfied that it was justified.

Mr. JOHNSON. I have great respect for the Senator from Michigan, and for the criticism he indulges, but I am not entirely clear that it would be particularly persuasive in this matter.

Mr. BULKLEY. I do not intend to rest it entirely on the Senator from Michigan. I am glad to accept responsibility for agreeing with him.

Mr. BARKLEY. Mr. President, in that connection, if one of these associations guaranteed, say, 5 percent, and it earned only 3, would the Senator have this guarantee apply to a transaction of that sort?

Mr. JOHNSON. If it did not equal its earning power, of course I would not wish it, because of the possibilities; but that cannot occur under the peculiar law of the State of California. Yet they require that the rate of interest shall be stated.

There is another provision, fixing a 50-mile limit.

Mr. BULKLEY. Mr. President, we have already agreed to extend that to a hundred miles.

Mr. JOHNSON. In a State of such wide expanse territorially as ours a 50-mile limit would be a practical absurdity, and I assume the same would apply to a State like Texas, and probably to a State like Ohio.

Mr. BARKLEY. The Senator from Arkansas raised that question a while ago, and, inasmuch as the bill as it passed the House contains no limit, we felt that we could iron that out in conference and fix a satisfactory limit. It may be that, under the special circumstances, even a hundred miles would be too small a limit; but we have expanded the provision to a hundred-mile limit, which is still subject to adjustment.

Mr. ROBINSON of Arkansas. Mr. President, I understand that an amendment has already been agreed to in the Senate expanding the limit to 100 miles.

Mr. BULKLEY. That is correct.

Mr. ROBINSON of Arkansas. And that in the bill as it passed the House there is no limit.

Mr. BULKLEY. That is correct.

Mr. ROBINSON of Arkansas. So that the only matter in conference will be whether the limit shall be eliminated, or whether the Senate provision shall be agreed to, or some further expansion than that made.

Mr. JOHNSON. I thank the Senator. I was not aware that the matter had been attended to, and I knew that the Senate committee bill fixed a 50-mile limit.

Mr. ROBINSON of Arkansas. I, myself, suggested an amendment, and I think the Senator from Idaho [Mr. Borahl] offered an amendment which was incorporated in the bill.

Mr. JOHNSON. Mr. President, I wish to suggest that if the striking out of the definite-return provision to which I have referred cannot be had, there may be an alternative, which would not be unsatisfactory; that is, in line 8, to insert the words—

Provided, That this requirement shall be waived in the case of State-chartered associations in States where the law requires a definite rate of interest to be stated will not.

Mr. BULKLEY. I assure the Senator that it is the purpose of the committee to try to work this matter out in such a way as to be satisfactory to the Senator.

Mr. FLETCHER. Mr. President, may I say that I do not believe that the building-and-loan associations of California would be seriously affected by this provision, and I think the Senator will agree that it would not be fair for the Government to insure an association, and, after that—and this is what it says—after it becomes an insured institution allow the association to issue certificates guaranteeing a certain rate of interest. That would open the door wide. The Government would insure an association, and after that the association would agree to pay its members any amount of interest. That, of course, would be bad.

Mr. JOHNSON. The law of the State of California safeguards the rate of interest which shall be declared. I have no doubt that it is based upon earning capacity and the like, although I did not answer categorically the question of the Senator from Ohio, because my recollection may be faulty with respect to that. But it safeguards it. I think probably the law in our State is more stringent than and undoubtedly different from that of any other State in the Union.

Mr. FLETCHER. Very likely it would not be interfered with.

Mr. JOHNSON. I am seeking to prevent difficulty, if that be possible. I have this morning received a telegram from an ex-Governor of our State for whom I have a very great respect, who is tremendously exercised, because he thinks, just as this memorandum which has been afforded me states, that with the measure in its present form we would practically exclude the vast majority of the building-andloan associations in the State of California, and I know that there is no such intent.

Mr. BULKLEY. Let me suggest to the Senator that, inasmuch as we are all somewhat impelled by the desire to get through today, that there is no such provision as this in the bill as it passed the House, and it is therefore a matter which can be dealt with in conference, and perhaps we could do it more expeditiously in the way than by trying to resolve it further on the floor of the Senate.

Mr. JOHNSON. That may be quite appropriate, and it may be that we could present to the conference the statement of our position-and I have it before me here-and ask the conference to consider, please, the particular matter.

Mr. BULKLEY. I hope the Senator will take that course, under the particular circumstances.

Mr. JOHNSON. I win do that in the interest of the saving of time. I do not want to offer a vast number of amendments here and have to argue them all with the Senator and take up the day in that sort of thing. That is far from any purpose of mine. So I shall submit to the Senator, if I may, the proposed amendments, when the bill goes to conference, and ask that he please consider them in the light of the singular law which exists in our State-more stringent than that in other States of the Union.

Mr. BULKLEY. Of course, we will work that out. Mr. BARBOUR. Mr. President, will the Senator from Ohio yield to me?

Mr. BULKLEY. I yield.

Mr. BARBOUR. I do not want to consume any more time in this particular connection, important as it is, than is absolutely necessary, but I wish to mention the fact that I have been listening very intently from the very start of the discussion to the discussion between the Senator from Ohio and the Senator from California. I feel that our situation in New Jersey is comparable with that described as existing in the State of California, if not exactly like it in all particulars.

I have had in mind the necessity of certain amendments which I would have had to offer and insist on if the bill remained in its present form, and would have the effect which we all feel in New Jersey it would have, in respect to our building-and-loan associations.

If that feature of the bill can be safeguarded, and the Senator and others who will be the conferees have it in mind and will positively take care of it, I, of course, am very glad to follow the good example of the Senator from California under the present peculiar circumstances prevailing on the last day of the session. And in doing so with him, rely on this important matter having the proper and necessary attention in conference.

Mr. JOHNSON. Mr. President, I recognize what a dangerous course it is to pursue; that it is our duty to present our amendments here and fight them out; but I recognize, too, that we are at the very end of the session now-all of us are perfectly worn to the bone and ragged nervously, and are anxious to get away, and I do not know that there would be time to argue the amendments.

Mr. BULKLEY. Mr. President, that is exactly the point. I much prefer to have this matter settled on the floor, but because of the peculiar circumstances I hope that both the Senator from California and the Senator from New Jersey will trust to the good intention and the intelligence of the conferees.

Mr. JOHNSON. The only thing I ask is this: May I have the Senator's assurance that he will consider these matters if they are presented to him?

Mr. BULKLEY. Of course we will consider them, and with the purpose of trying to work out something that will be entirely satisfactory to the Senator.

Mr. JOHNSON. I thank the Senator.

Mr. BULKLEY. Of course, we do not know how to guarantee results.

Mr. BARBOUR. Mr. President, I desire to conclude by saying that I am very glad to subscribe to the situation which has been described, and I do it with the realization that the Senator, while he cannot guarantee the results, he will do something really effective in this important connection.

Mr. BULKLEY. It is certainly our intent to work the provision out to the Senator's satisfaction.

Mr. BARBOUR. And my support of the measure, if given, will be based on the feeling that the Senator will do as much as can be done under those circumstances, and that something will be done.

Mr. BULKLEY. That is our hope and our intention.

Mr. VANDENBERG. Mr. President, will the Senator indicate to me what in his judgment would be the simplest way for me to raise the issue to take the Senate's judgment as to whether this enormous new enterprise should be run by one isolated administrator or by a board, as is provided in the House bill?

Mr. BULKLEY. One simple way would be to take the House provision and offer it as a substitute for the title.

Mr. VANDENBERG. Except that the changes run all the way through the bill, and I dislike to undertake to invade the whole fabric of the legislation.

Mr. BULKLEY. I can hardly advise the Senator how to tear down our bill, but I think what I suggested might be one thing to do.

Mr. FLETCHER. Take one vote on one title; take three or four votes on different titles; that would settle it, I think.

Mr. VANDENBERG. I think that would not be as satisfactory as it would be if we could have the Senate's judgment as to whether this perfectly enormous power is to be put in the hands of one administrator. We have gone a long way in the matter of giving these concentrated powers before, but I do not think we ever approximated any such thing as this bill portends. Does not the Senator agree with me?

Mr. BULKLEY. I think that is a somewhat true statement. It is a large power, no doubt, but it is primarily an administrative power. I agree with the committee report that it would be better to concentrate the responsibility and give it to one man.

Mr. HASTINGS. Mr. President, I desire to make certain that I understand this title III correctly. I read it with some care, and, as I gather from it, it merely creates a corporation and provides that before it can begin business it must pay in \$5,000,000 in cash, and then may borrow 10 times the amount.

Mr. BULKLEY. No; the bill does not create a corporation. It authorizes private individuals to incorporate themselves, and then provides that if \$5,000,000 shall have been paid in for stock, debentures may be issued to the extent of 10 times that amount.

Mr. HASTINGS. Of course, that could be done now without any legislation such as this.

Mr. BULKLEY. Under certain State laws.

Mr. HASTINGS. Yes.

Mr. BULKLEY. I think so.

Mr. HASTINGS. What is the particular advantage in putting it in here?

Mr. BULKLEY. It was considered that Federal control of such institutions would be of value from the point of view of the Federal Government, and that a national charter might be of value from the point of view of investors. Naturally this bill, however framed, will not prevent people from going ahead and incorporating under State charter if they think it is more advantageous to do so.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BULKLEY. I yield.

Mr. VANDENBERG. I hope the Senator will forgive me for these questions. It is a very technical subject, and it is the first time I have had an opportunity to be advised. Suppose I should move to substitute title I of the House bill for title I of the Senate bill. Is there any subject matter

involved in such a motion except the establishment of a board instead of a single administrator?

Mr. BULKLEY. I should rather not answer that question offhand. I will try to give the Senator an explanation. Title I of the House bill, I am advised, includes mortgage insurance, of which we have made a separate title; but my present impression is that by striking out those paragraphs in the House bill which relate to mortgage insurance, the Senator could offer the rest of title I of the House bill as a substitute for our title I without raising any other question.

Mr. LA FOLLETTE. Mr. President, will the Senator vield?

Mr. BULKLEY. I yield.

Mr. LA FOLLETTE. I have had protests from a great many communities in Wisconsin, from the building-andloan associations, directed against several provisions of the bill, but they all seem to emphasize as one of their objections the premium rate which has been fixed in this bill. This letter is typical:

The premium rate will cost annually approximately \$5,000 for each \$1,000,000 of assets. This is an absolutely prohibitive rate, and would raise in Wisconsin in 1 year many times the total losses occurring in Wisconsin in the past 70 years of building-and-loan experience. The premium rate must be drastically lowered and should be based upon the loss experience of the various States.

Can the Senator tell me whether any consideration was given to that suggestion?

Mr. BULKLEY. Yes; very careful consideration. The one-half of 1-percent premium rate is not intended to be a permanent thing. It is intended to build up the reserve to pay losses, and the one-half of 1 percent is to be continued only until a reserve of 5 percent shall have been built up. Of course, the Senator will recognize that all insurance, in order to be sound, must have some reserve, and the reserve must be built up at some time, and at the very beginning seems to be the most appropriate time for building it up.

Mr. LA FOLLETTE. I appreciate the necessity of reserves, but the statement contained in these letters is rather startling that in the first year the associations of Wisconsin will be asked under this premium rate as fixed in the bill to raise more money in 1 year than they have lost in 65 or 70 years of building-and-loan experience in the State.

Mr. BULKLEY. There is nothing to compel them to come in and take the insurance.

Mr. LA FOLLETTE. Of course; but the Senator realizes that if one association is insured and another is not, the compulsion is pretty drastic.

Mr. BULKLEY. I hope the Senator is going to help us set up a system which will be safe and sound, and which will really work through the years. I have already expressed the opinion on the floor, in answer to another inquiry, that when we add on top of that one-half of 1-percent premium the right to assess another one-fourth percent in case of losses, we are going to rather an unnecessary extreme.

It seems to me that the one-half of 1 percent would be quite sufficient and that losses could be paid out of that fund, and provision could be made that the one-half of 1 percent should continue to be paid until such time as the fund should reach 5 percent, whether it should take 10 years or a little longer, and then have the assessment revived if at any time in the future the fund should fall below 5 percent. But I hope the Senator is going to permit us to make such requirements as are necessary to set up a fund that will be adequate and will invite the confidence of the country.

Mr. LA FOLLETTE. Mr. President, I am in entire sympathy with the idea of erring on the safe side, but at the same time it seems to me, under the terms of the bill as it is now reported, that in these stressful times there is being laid a tremendous burden upon institutions in my State, for example, which have had this splendid record behind them.

Mr. BULKLEY. We cannot discriminate in favor of one State or another. We are making a national law.

Mr. LA FOLLETTE. I appreciate that; but the Senator himself admits that he thinks the maximum available in the bill for premiums is, in his judgment, excessive.

Mr. BULKLEY. Yes; I am frank to say that I will myself vote for an amendment to strike out that additional quarter percent.

Mr. LA FOLLETTE. I should like to offer an amendment after the committee amendments have been disposed of. Are there any committee amendments?

Mr. BULKLEY. There are some perfecting amendments.
Mr. LA FOLLETTE. Then I will await the time of the disposition of the committee amendments.

Mr. BLACK. Mr. President, will the Senator yield? Mr. BULKLEY. I yield the floor.

ADMINISTRATIVE FURLOUGHS IN THE POSTAL SERVICE

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H.R. 9046) to discontinue administrative furloughs in the Postal Service and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. McKELLAR. I move that the Senate insist on its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. McKellar, Mr. Hayden, and Mr. Schall conferees on the part of the Senate.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 551) for the relief of A. W. Holland.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4253) for the relief of Laura Goldwater.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9145) to authorize the attendance of the Marine Band at the National Encampment of the Grand Army of the Republic to be held at Rochester, N.Y., August 14, 15, and 16, 1934, and at the national convention of the Disabled American Veterans of the World War to be held at Colorado Springs, Colo., during the first week in July 1934.

The message also announced that the House had passed the bill (S. 3739) to authorize the President to transfer to the Government of Haiti without charge to that Government certain property of the United States in Haiti, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the joint resolution (S.J.Res. 59) to provide for the expenses of delegates of the United States to the Ninth Pan American Sanitary Conference, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H.R. 2414) for the relief of Frank Salisbury, executor of the estate of Emerson C. Salisbury, deceased.

The message further announced that the House had severally agreed to the amendment of the Senate to each of the following bills of the House:

H.R. 2418. An act for the relief of certain claimants at Leavenworth, Kans., occasioned through damage to property inflicted by escaping prisoners; and

H.R. 2669. An act for the relief of Paul I. Morris.

The message also announced that the House had agreed to a concurrent resolution (H.Con.Res. 46) providing that the provisions of S. 3696 be incorporated and printed in the proper place in the Canal Zone Code, H.R. 8700, prior to its

enrollment and signature, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H.R. 9091. An act to amend the laws relating to proctors' and marshals' fees and bonds and stipulations in suits in admiralty:

H.R. 9861. An act to amend the Railway Labor Act, approved May 20, 1926, and to provide for the prompt disposition of disputes between carriers and their employees;

H.R. 9867. An act amending the Independent Offices Appropriation Act of 1935; and

H.J.Res. 366. Joint resolution to simplify the administration of air-mail routes and contracts.

# REGULATION OF BEVERAGES IN CANAL ZONE

Mr. GORE. I ask the Chair to lay before the Senate a concurrent resolution coming over from the House.

The VICE PRESIDENT. The Chair lays before the Senate a concurrent resolution, which will be read.

The legislative clerk read the resolution (H.Con.Res. 46), as follows:

Resolved, etc., That the provisions of S. 3696, entitled "An act authorizing the President to make rules and regulations in respect to alcoholic beverages in the Canal Zone, and for other purposes", shall, with necessary editorial changes, be incorporated and printed in the proper place in the Canal Zone Code (H.R. 8700) prior to its enrollment and signature.

Mr. GORE. I ask unanimous consent for the immediate consideration of the concurrent resolution.

The VICE PRESIDENT. Is there objection?

There being no objection, the concurrent resolution was considered and agreed to.

## HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated below:

H.R. 9829. An act to amend the Agricultural Adjustment Act with respect to the processing tax on hogs, was read twice by its title and referred to the Committee on Agriculture and Forestry.

H.R. 9867. An act amending the Independent Offices Appropriation Act of 1935; to the Committee on Post Offices and Post Roads.

## IMPROVEMENT IN HOUSING STANDARDS AND CONDITIONS

The Senate resumed the consideration of the bill (S. 3794) to encourage improvement in housing standards and conditions, to provide a system of mutual mortgage insurance, and for other purposes.

Mr. BLACK. Mr. President, I offer an amendment, which I send to the desk and ask to have read.

The VICE PRESIDENT. The clerk will read the amendment

The CHIEF CLERK. It is proposed, in the proper place in title V, to insert subdivision (6) of section 2 of the Federal Home Loan Bank Act as amended, so as to read as follows:

(6) The term "home mortgage" means a mortgage upon real estate, in fee simple, or leasehold under a lease for not less than 99 years, having a period of not less than 50 years to run from the date the mortgage was executed, upon which there is located a dwelling for not more than three families, and shall include, in addition to first mortgages, such classes of first liens as are commonly given to secure advances on real estate by institutions authorized under this act to become members, under the laws of the State in which the real estate is located, together with the credit instruments, if any, secured thereby.

Mr. FLETCHER. Mr. President, in what respect does that change the provision?

Mr. BLACK. I will explain it very briefly, Mr. President. This is the suggestion about which I appeared before the Committee on Banking and Currency in connection with the original Home Loan Bank Act.

I may state that under the original Home Loan Bank Act or subdivision 6 of section 2, it was provided that no loan should be made except under a renewable lease for a period of not less than 99 years. In other words, no loan could be made even on a 99-year lease or a 50-year lease. That has very injuriously affected only one community in the United

States, and that is the town of Fairhope, Ala., which is perhaps the only single-tax colony in the world. The people of Fairhope, Ala., own their land by cooperative organization. They give each other a lease for 99 years. It is not renewable, although it is, of course, understood that the corporation is perpetual and the owners will continue to occupy their properties. They went there in order to get away from what they considered to be land speculation and land monopoly.

I understood that the Committee on Banking and Currency thoroughly agreed that this amendment should be adopted, and when I approached the Senator from Ohio yesterday he stated to me that the amendment had been adopted. On looking up the bill, however, he and I discovered that the amendment had been adopted only insofar as the proposed new legislation is concerned, but in the rush there was a failure to adopt the amendment insofar as the old legislation is concerned. The result would be that under the new legislation the owners of the Fairhope leases would come within the new legislation, but unless this amendment shall be adopted they will not come within the old legislation. That is the whole case.

Mr. FLETCHER. Is it proposed to make the bill retroactive?

Mr. BLACK. It is not a question of making it retroactive. Not a single loan has been made in that community. All I want is to have the privilege accorded to these people in the future of getting the benefit of loans.

I will again state to the Senator that the Senate Committee on Banking and Currency, after the amendment was presented to them by me, called the attorney for the homeloan bank and adopted the amendment insofar as the new legislation is concerned. The people of Fairhope, therefore, can come under the new housing legislation; but unless this amendment shall be adopted they will still be cut off from the benefit of the original Home Loan Act, which I do not think anyone wants to do.

Mr. BARBOUR. Mr. President, will the Senator from Alabama yield to me for a moment?

Mr. BLACK. I yield to the Senator.

Mr. BARBOUR. I am in complete agreement with everything the Senator has said, except with respect to one statement; that is, the instance of which he speaks is not the only such instance. We have a case which, I believe, is exactly similar to the one to which the Senator from Alabama has referred, and that is the Ocean Grove Association in New Jersey. Their problem is identical, I feel, with the problem of the community referred to by the Senator from Alabama. I have been in close touch with the residents of Ocean Grove, and they are very anxious that there should be done for them the service of which the Senator speaks. Knowing of this situation, I myself had thought of preparing certain amendments; but I later learned that the Senator had in mind the one he is now presenting, and I was content with that. So I simply join him in his amendment.

Mr. BLACK. May I state that I do not think there is any objection anywhere from anybody to this amendment. There was none before the Banking and Currency Committee when it was presented, and they suggested to me that, instead of insisting upon a special bill, the amendment be incorporated in the pending measure.

Mr. BARKLEY. Mr. President, if I understand the Senator, he is seeking to amend the Home Loan Bank Act and not the Home Owners' Loan Corporation Act?

Mr. BLACK. The Home Loan Bank Act; that is correct. Mr. BARKLEY. There is nothing in the House bill with respect to the definition of a home owners' mortgage by way of an amendment to that act. I will say that I see no objection to the adoption of this amendment and letting it go to conference.

Mr. BLACK. May I say to the Senator my understanding is that the House amended the bill also?

Mr. BARKLEY. The House bill contained a definition of a home mortgage in section 507, which is as follows:

(c) The term "home mortgage" means a first-trust mortgage on real estate in fee simple or on a leasehold under a renewable lease for not less than 99 years, upon which there are located one

or two dwellings for occupancy by not more than 8 families, 1 of which is occupied by the owner as a home or held by him as his homestead and having a value not exceeding \$40,000: Provided, That any building, a portion of which is occupied by the owner as his home, shall be included in this definition.

CONVEYANCE OF CERTAIN BUILDINGS, ETC., TO GOVERNMENT OF HAITI

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 3739)

Mr. BLACK. May I state to the Senator in order that he may understand it when it gets to conference that I did not copy the exact language contained in the House bill, because I was fearful that might lead to complications, but I took the original subdivision 6, section 2, of the Home Loan Bank Act, and struck out the word "renewable", and, since one member of the Banking and Currency Committee had stated when I was there that he would want some expressed number of years for the lease to run, I added to it the words " not to expire for a period of 50 years", as it is in the House hill.

Mr. BARKLEY. I do not see the objection to the amendment going to conference. We can work it out there.

Mr. BULKLEY. Mr. President, I think the amendment should be agreed to.

Mr. FLETCHER. The Senator proposes to amend section

Mr. BLACK. I propose to amend section 2, subdivision 6, of the original Home Loan Bank Act.

Mr. FLETCHER. It is a substitute for that, is it not?

Mr. BLACK. That is not correct.

Mr. FLETCHER. Is the Senator dealing with this bill at all?

Mr. BLACK. My amendment deals with the old law.

Mr. BARKLEY. The Senator's amendment applies to the Home Loan Bank Act and not to the pending measure?

Mr. FLETCHER. The Senator does not propose to amend section 201?

Mr. BLACK. No, I am for that; I am thoroughly in sympathy with it.

Mr. FLETCHER. That is what I understood, and I did not know why the Senator wanted to amend it.

Mr. BLACK. I do not want to amend it.

Mr. FLETCHER. The Senator proposes to add another section?

Mr. BLACK. All I propose to do is to do what we agreed to and what I understood the Senator was for in the committee.

Mr. FLETCHER. I agreed to that.

Mr. BLACK. Very well. In drawing up this amendment, the Senator's committee protected the people who have leases such as they have in Fairhope, insofar as loans under this new bill are concerned, but the fact still remains that under the old law the people at Fairhope are deprived of obtaining any loans, and this is a new section to take care of

Mr. BARKLEY. The amendment proposes to amend the Home Loan Bank Act, but does not touch either the Home Loan Corporation Act, or this bill.

Mr. BLACK. The Senator is correct.

Mr. FLETCHER. I have no objection to it, but I do not want to complicate this bill or load it down.

Mr. BLACK. The Senator will not complicate it. The question came up in the House, and they thought they had covered it; that may be, but they have sent word over here that they are fearful that it may be it will not be in conference, and both sides want to protect this particular

Mr. FLETCHER. Very well; I have no objection.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Alabama.

The amendment was agreed to.

Mr. BARKLEY. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated. The CHIEF CLERK. In section 506 (a), page 47, line 5, it is proposed to strike out "\$3,200,000,000" and to insert "\$3,000,000,000", and in section 506 (b), page 47, line 15, to strike out "\$400,000,000" and insert "\$300,000,000."

The VICE PRESIDENT. The question is on agreeing to

the amendment submitted by the Senator from Kentucky. The amendment was agreed to.

authorizing the President to convey certain buildings, material, and equipment to the Government of the Republic of Haiti, which were to strike out all after the enacting clause and to insert:

That the President of the United States is hereby authorized, in his discretion, to transfer permanently and deliver to the Government of Haiti, without charge against that Government, all right, title, and interest of the Government of the United States in such hereinafter-named property, now in Haiti, as may appear appropriate to the President of the United States:

(a) Equipment, supplies, materials; (b) buildings on land belonging to the Government of Haiti and land leased from private owners; and (c) three emphyteutic leases and one permanent easement covering four parcels of land used by the United States as a radio station at Port-au-Prince, Haiti.

SEC. 2. The Government of Haiti shall assume all obligations of the Government of the United States under said leases and easements.

Amend the title so as to read: "An act to authorize the President to transfer to the Government of Haiti without charge to that Government certain property of the United States in Haiti."

Mr. KING. I move that the Senate concur in the amendments of the House of Representatives.

The motion was agreed to.

EXPENSES OF DELEGATES TO NINTH PAN AMERICAN SANITARY CONFERENCE

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the joint resolution (S.J.Res. 59) to provide for the expenses of delegates of the United States to the Ninth Pan American Sanitary Conference, which was, on page 1, line 3, after the word "hereby", to insert "authorized to be".

Mr. PITTMAN. I move that the Senate disagree to the amendment of the House, ask for a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. PITTMAN, Mr. HARRISON, and Mr. Borah conferees on the part of the Senate.

ATTENDANCE OF THE MARINE BAND AT NATIONAL ENCAMPMENT OF GRAND ARMY OF THE REPUBLIC

Mr. WALSH. Mr. President, I ask that the Chair may lay before the Senate the conference report on House bill 9145, submitted by me last evening, which is on the desk.

The VICE PRESIDENT laid before the Senate the following report, which was read:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9145) to authorize the attendance of the Marine Band at the national encampment of the Grand Army of the Republic to be held at Rochester, N.Y., August 14, 15, and 16, 1934, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate numbered 3; and agree to the

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In ' lieu of the matter proposed to be inserted by said amendment insert the following: ", and the national convention of the Disabled American Veterans of the World War to be held at Colorado Springs, Colo., during the first week in July 1934"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following: "encampment and convention"; and the Senate agree to the same.

Amendment of the title:

That the House recede from its disagreement to the amendment of the Senate to the title of said bill, and agree to the same with an amendment as follows: In lieu of the amendment to the title of the bill proposed by the Senate insert the following:

"An act to authorize the attendance of the Marine Band at the national encampment of the Grand Army of the Republic to be held at Rochester, N.Y., August 14, 15, and 16, 1934, and at the national convention of the Disabled American Veterans of the World War, to be held at Colorado Springs, Colo., during the first week of July 1934"; and the Senate agree to the same.

DAVID I. WALSH, EDWARD P. COSTIGAN, JESSE H. METCALF, Managers on the part of the Senate. CARL VINSON, P. H. DREWRY. FRED A. BRITTEN, Managers on the part of the House.

The report was agreed to.

IMPROVEMENT IN HOUSING STANDARDS AND CONDITIONS

The Senate resumed the consideration of the bill (S. 3794) to encourage improvement in housing standards and conditions, to provide a system of mutual mortgage insurance, and for other purposes.

Mr. VANDENBERG. Mr. President, I now want to raise the fundamental question respecting the authority which is to administer this proposed act and I want to do it in the fashion suggested through the kindness of the Senator from

After conference with the drafting clerk, I am offering a portion of title I of the House bill as a substitute to title I of the Senate bill. I am offering that portion of title I of the House bill which deals solely with the definition of the administrative authority. Therefore, Mr. President, in offering this amendment in the nature of a substitute, as I understand the situation, I am raising the fundamental question whether this stupendous new enterprise shall rest exclusively, solely, and entirely in the jurisdiction of and upon the responsibility of one single administrator, who is not even held responsible textually either to the President or to Congress. I am raising the question whether this billion dollar advance shall rest solely and exclusively in the hands of one administrator or whether we will at least protect it to the extent of creating such a board of directors, so to speak, as the House of Representatives has recommended. As I understand, that is the only question involved in the form in which I have submitted the amendment. I will say to the Senator from Ohio that it is presented in that form on the advice given me by the legislative counsel.

So, Mr. President, I am moving the substitute, which I ask unanimous consent may not be read because it would take needless time.

The VICE PRESIDENT. Without objection, the reading will be waived.

The amendment offered by Mr. Vandenberg is as follows:

TITLE I-NATIONAL HOUSING ACT

SECTION 101. This title may be cited as the "National Housing Act.

SEC. 102. There is hereby created a body corporate to be known as the "Home Credit Insurance Corporation", which shall be an instrumentality of the United States, and which shall have an instrumentality of the United States, and which shall have power to adopt, alter, and use a corporate seal; to sue and be sued, complain and defend, in any court of competent jurisdiction, State or Federal; to prescribe, amend, and repeal, by its board of directors, bylaws, rules, and regulations governing the way in which its general business may be conducted and the powers granted to it be exercised and enjoyed; and generally to do all things, not inconsistent with the terms of this title, as are customary and usual for corporations to do generally.

The principal office of the corporation shall be located in the District of Columbia, but there may be established agencies or branch offices in other cities or localities in the United States.

The corporation shall have a capital stock of not to exceed \$200,000,000 subscribed for by the Secretary of the Treasury on

behalf of the United States. Payments on such subscriptions shall be subject to call in whole or in part at any time by the board of directors. Receipts for payment for or on account of such stock shall be deposited with the Treasurer of the United States and shall be evidence of the stock ownership of the United States. In order to enable the Treasury to make such payments States. In order to enable the Treasury to make such payments when called, the Reconstruction Finance Corporation is authorized and directed, upon written request of the President, to alloized and directed, upon written request of the President, to allocate and make available to the Secretary of the Treasury the sum of \$200,000,000, or so much thereof as may be necessary: Provided, however, That in lieu of calling upon the Reconstruction Finance Corporation for such funds, the President, in his discretion, is authorized to provide the same or any portion thereof by allotment to the Treasury from such funds as may be available or as may hereafter be made available to him for experience purposes.

The management of the corporation shall be vested in a board of directors consisting of not less than five nor more than seven persons to be selected by the President from among the officers and directors of any existing board, commission, corporation, independent establishment, or executive department of the United States. Nothing in any other law shall be construed to prevent any such officer or director so selected from serving as a director of the corporation. Directors shall serve without additional compensation and shall hold office for a term of 1 year and until

compensation and shall hold office for a term of 1 year and until their successors are appointed. Whenever a vacancy shall occur among the directors, the person appointed to fill such vacancy shall hold office for the unexpired portion of the term of the director whose place he is selected to fill.

The board of directors shall, without regard to the provisions of any other law, appoint such officers, employees, attorneys, and agents as are necessary for the transaction of the business of the corporation, fix their compensation, define their duties, require bonds of such of them as the board of directors may designate, and provide a system of organization to fix responsibility and promote efficiency. No such officer, employee, attorney, or agent shall be paid compensation at a rate in excess of the rate provided by law in the case of the members of the Federal Home Loan Bank Board. The corporation, with the consent of any provided by law in the case of the members of the Federal Home Loan Bank Board. The corporation, with the consent of any board, corporation, commission, establishment, executive department, or instrumentality of the Government, including any field service thereof, may avail itself of the use of information, services, and facilities thereof in carrying out the provisions of this title, and any such information, services, or facilities are hereby authorized to be so made available. The corporation shall be entitled to the free use of the United States mails in the same manner as executive departments of the Government, and shall manner as executive departments of the Government, and shall determine its necessary expenditures under this act and the manner in which they shall be incurred, allowed, and paid, without regard to the provisions of any other law governing the expenditure of public funds.

SEC. 103. The corporation is authorized and empowered, upon terms and under rules and regulations to be determined by the board of directors, to insure such banks, trust companies, perboard of directors, to insure such banks, trust companies, personal finance companies, mortgage companies, building-and-loan associations, installment lending companies, and other financial institutions as may apply for credit insurance and be approved as eligible by the board of directors, against losses which may result to any such financial institutions in consequence of loans and advances of credit to real-estate owners, and purchasers of obligations representing loans and advances of credit to real-estate owners by such institutions made and entered into after the effective date of this act and prior to January 1, 1936, upless an estate owners by such institutions made and entered into after the effective date of this act and prior to January 1, 1936, unless an earlier date is set by order of the President, for the purpose of enabling such owners of real estate to make alterations, repairs, and improvements thereto. The occupant or lessee of real estate, having a substantial interest, legal or equitable, therein, shall be deemed an owner within the meaning of this section. The power to insure granted herein shall be limited so that in no case shall to insure granted herein shall be limited so that in no case shall the corporation insure any financial institution against losses amounting to more than 20 per centum of the total amount of loans made by it or credit advanced by it as above provided, nor incur a total liability for such insurance in excess of the aggregate par value of the corporation's outstanding capital stock. It shall be a condition of the insurance that obligations representing loans and advances of credit to which the insurance applies shall not be for amounts in excess of \$2,000, and shall bear interest, have maturities and contain such other terms conditions. terest, have maturities, and contain such other terms, conditions, and restrictions as the corporation shall determine.

SEC. 104. The corporation is authorized and empowered to make loans or agreements to lend upon the security of obligations, representing loans or advances of credit to which insurance by the corporation applies, to and with financial institutions insured under the provisions of section 103 of this title. Such loans or agreements to lend may be made for the full face value of the obligations offered as security and shall be at such rates and upon such terms and conditions as the board of directors shall deter-

SEC. 105. In order to make available to the corporation adequate resources for the making of loans and advances under the provisions of section 104 of this act, the corporation is authorized and empowered, with the approval of the Secretary of the Treasury, to issue and have outstanding its notes, debentures, bonds, or other obligations; such obligations to have such maturities, bear such rates of interest, and contain such other terms and conditions as the Secretary of the Treasury shall approve. Such obligations shall be fully and unconditionally guaranteed both as to principal and interest by the United States and shall be exempt, both as to

principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States or by any State, or by any political subdivision of either. The Secretary of the Treasury is authorized to purchase such obligations and for that purpose is authorized to use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under the Second Liberty Bond Act, as amended, are extended to include any purchases of the corporation's obligations hereunder.

SEC. 106. The corporation shall cause to be made and shall publish from time to time such statistical surveys and legal and economic studies as it shall deem useful to guide the development of housing and the creation of a sound mortgage market in the

SEC. 106. The corporation shall cause to be made and shall publish from time to time such statistical surveys and legal and economic studies as it shall deem useful to guide the development of housing and the creation of a sound mortgage market in the United States. Expenses of studies and surveys and expenses of publication and distribution of the results of such studies and surveys shall be charged as a general expense of the corporation.

SEC. 107. When designated for that purpose by the Secretary of the Treasury, the corporation shall be a depositary of public money, except receipts from customs, under such regulations as may be prescribed by said Secretary; and it may also be employed as a financial agent of the Government; and it shall perform all such reasonable duties, as depositary of public money and financial agent of the Government, as may be required of it.

SEC. 108. (a) Whoever makes any statement, knowing it to be false, or whoever willfully overvalues any security, for the purpose of influencing in any way any action of the corporation under this title shall be punished by a fine of not more than \$5,000 or by imprisonment for not more than 2 years, or both.

(b) Whoever (1) falsely makes, forges, or counterfeits any certificate of claim, note, debenture, bond, or other obligation of the corporation; or (2) passes, utters, or publishes or attempts to pass, utter, or publish any false, forged, or counterfeited certificate of claim, note, debenture, bond, or other obligation purporting to have been issued by the corporation, knowing the same to be false, forged, or counterfeited; or (3) falsely alters any certificate of claim, note, debenture, bond, or other obligation issued or purporting to have been issued by the corporation, knowing the same to be false, forged, or counterfeited; or (3) falsely alters any certificate of claim, note, debenture, bond, or other obligation issued or purporting to have been issued by the corporation, knowing the same to be falsely altered or spurious, shall be puni

appraiser, or examiner of the corporation makes any false entry in any book, report, or statement of or to the corporation, or without being duly authorized draws any order or issues, puts forth or assigns any certificate of claim, note, debenture, bond, or other obligation, or draft, mortgage judgment, or decree thereof, shall be punished by a fine of not more than \$10,000 or by imprisonment for not more than 5 years, or both.

(d) No individual, association, partnership, or corporation, except the corporation, shall hereafter use the words "Home Credit Insurance Corporation" or any combination of these words, as the name or a part thereof under which he or it shall do business. No individual, association, partnership, or corporation

as the name of a part thereof under which he of it shall do business. No individual, association, partnership, or corporation shall hereafter use as a name, under which he or it shall do business, any combination of words, whether including these words or not, which would have the effect of leading the public in general to believe that there was a connection, actually not existing, between such individual, association, partnership, or corporation and the Home Credit Insurance Corporation. Figure 1981 poration and the Home Credit Insurance Corporation. Every individual, partnership, association, or corporation violating the provisions of this paragraph shall be guilty of a misdemeanor and shall be punished by a fine of not exceeding \$1,000 or imprisonment not exceeding 1 year, or both.

Mr. VANDENBERG. Mr. President, the only question before the Senate is simply this: Under title I of the Senate bill all the authority involved in this enterprise, all the authority touching the creation of this great machine, all the authority respecting the use of literally billions of dollars of public credit, all authority under the Senate bill is concentrated in one single administrator, who is not textually responsible to the President or to Congress after once

he has been appointed and confirmed.

The whole proposition rests in one single dictatorship. I do not use the term invidiously, but I use it with profound emphasis, because while heretofore we have trended in the direction of these concentrations with sometimes amazing jeopardy, I doubt whether at any time in connection with any of this character of legislation we have ever proposed to create one administrator with quite so much unlimited and unchecked power as is involved in this particular title, unless it was when we let the Secretary of the Treasury

play with \$2,000,000,000 without any check or audit or report of any kind or nature.

I raise the question that the matter should be managed as recommended by the House of Representatives, to wit, by a corporation managed by a board of directors whose personnel is chosen by the President of the United States and confirmed by the Senate.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Michigan.

Mr. FLETCHER. Mr. President, I hope the amendment will not be agreed to.

Mr. BARKLEY. Mr. President, the language of the House bill, as I indicated a while ago, sets up a board, an ex-officio board of 5 or 7 appointed by the President from existing departments and governmental agencies. As I indicated a while ago, we have had some experience with ex-officio boards whose membership was drawn from the different departments. We know all the departments are now overworked. If the President should draw 1 from the Reconstruction Finance Corporation, 1 from the Home Owners' Loan Corporation, 1 from the Civil Works Administration, and 1 from the Relief Administration, we know they would be drawn from agencies which are now overworked. There would be no responsibility such as there would be under the single administrator. We have sought in the Senate bill to fix responsibility.

It may be, and I am inclined to agree with the Senator from Ohio, that there ought to be an amendment agreed to, which we can do in conference or here as the case may be, requiring annual or some other regular reports to be made to Congress as to the administration of the act. That is a matter which can be easily adjusted. But certainly we want somebody with responsibility, somebody to whom we can point if anything goes wrong with the administration of the act. With an ex-officio board of five or seven members it would be very difficult to fix the responsibility on anybody. For that reason I hope the amendment will not be adopted.

Mr. STEIWER. Mr. President, I wish to inquire of the Senator from Kentucky, in connection with the suggestion he is now making, if he would have any objection to a provision in title I to the effect that the administrator should not hold any other Federal office.

Mr. BARKLEY. No; I should not want to agree to that. Mr. STEIWER. It has been stated in the newspapers, upon what authority I do not know, that the Federal Relief Administrator would be appointed as administrator under this title. If that be true, the objection which the Senator from Kentucky just made would apply with especial force, because then we should have an ex-officio administration of the title by an officer of our Government who is dealing with the greatest emergency with which the Government deals. The title therefore and the work under it would become quite incidental to a greater work in a broader field. It would make these agencies merely tails on a kite.

I think there is force in the suggestion just made by the Senator from Kentucky that we ought not to place these important responsibilities with officials who are already overloaded and who would perform on an ex-officio basis. But I am afraid we are doing exactly that thing, and in the most

pernicious way we could possibly imagine.

As the Senator knows, I favored control, under the administration of title I, by the Reconstruction Finance Corporation, and argued in the committee as earnestly as I could that inasmuch as that institution is furnishing the money and inasmuch as the officials of that institution have the entire confidence of Congress, we could not do a better thing than to permit the Reconstruction Finance Corporation to take charge of the administration under title I. I was voted down, and I am not going to renew the effort here, because it would take considerable time and probably would

But now we are confronted with a choice between one administrator and a board to be appointed by the President, and it seems to me that in either case we are going to get an ex-officio administration. In both cases this very work would become incidental to other important work, and we would not be proud, after it is over, of our own part in | large amount involved and the numerous complaints and turning over responsibilities so great as these to be treated incidentally by men who are already working from 12 to 18 hours a day, and oftentimes in excess of their strength and almost beyond the range of human endurance.

Mr. BARKLEY. Mr. President, in reply to the Senator from Oregon, of course, I do not know who will be appointed the administrator. I saw in the paper that the prediction was made that Mr. Hopkins would be appointed, but I do not know whether that was an inspired article or whether there was any authority for it. But, assuming that he is to be appointed, we all hope that the Federal Relief Administration will in the very near future come to an end. We hope that conditions in the country will so improve that direct Federal relief may be terminated.

Whatever anybody may say or think with respect to the methods by which Mr. Hopkins has administered the relief agencies. I think no one will deny that he is one of the best administrators ever brought to Washington. The work he has been doing has brought him in direct contact with the housing situation all over the country. It has brought him in contact with conditions in various sections of the country which will have to be dealt with by the Administrator.

Besides, it is one thing to appoint one man as administrator of this activity who may now be engaged in some other activity of the Government, and it is quite another thing to appoint five or seven men so that every time we want to do anything we have to call a town meeting in order to get a majority of them together, away from the activities in which they are already engaged.

While I have no way of knowing whom the President may appoint, if he appoints Mr. Hopkins or Mr. Frank Walker or anybody else who happens now to be holding a position which may sooner or later terminate because of our withdrawal from the field, the President ought not to be restricted in his desire to appoint such a man as administrator of the activities under this measure.

Mr. STEIWER. This title concerns other things besides the housing matters with which Mr. Hopkins has been

Mr. BARKLEY. It all revolves around the question of housing.

Mr. STEIWER. Oh, it deals particularly with the matter of insurance of certain financial institutions, and those financial institutions are banks and trust companies and personal financial corporations, such as building-and-loan associations. They are the same institutions which are named in the Reconstruction Finance Corporation Act. As the Senator well knows they are institutions with which the Reconstruction Finance Corporation has been dealing and for whom they have been providing financial support during all the course of the administration of the Reconstruction Finance Corporation.

Mr. Hopkins is a thoroughly competent man, I agree, but he has not been dealing in this field. He has not had contact with these institutions. He cannot in the very nature of things know their condition in the sense and to the degree that the Reconstruction Finance Corporation knows them.

Mr. BARKLEY. He has not been dealing specifically with mortgages, that is true.

Mr. ROBINSON of Arkansas. Mr. President, the Reconstruction Finance Corporation has not made any study of and has no familiarity with housing conditions.

Mr. STEIWER. They have been making loans to financial institutions.

Mr. ROBINSON of Arkansas. Oh, yes; they have made loans, but surely the Senator does not mean to say that making loans to financial institutions has given the Reconstruction Finance Corporation a special knowledge and fitness for handling a problem such as that involved in the pending bill. As a matter of fact, we all know that Mr. Hopkins has demonstrated himself to be an administrator of amazing skill and ability. I do not know of anyone else who could have handled the relief problem, considering the

questions which have arisen, with the efficiency he has demonstrated. He ought not to be discriminated against in legislation of this character.

Mr. BARKLEY. The President ought not to be told that he cannot choose such a man if that man happens to be the man who can best administer the activities under the bill. I am not here with any brief for Mr. Hopkins. I am not advocating his appointment; but certainly the administrator of an act of this sort needs the power of decision. He needs the courage to stand behind his decisions. He needs knowledge of conditions throughout the country. I think Mr. Hopkins has all those qualities; and if the President has power to appoint him, and does not do it, I think he will overlook a very competent man for this administration.

Mr. STEIWER. I desire to make just one observation. This bill was given considerable thought in advance of its introduction. A board, selected by certain administrative agencies, went over the whole problem. They studied the matter for months; and when they brought it to the Congress the recommendation of this important board, headed by Mr. Frank Walker, with whom Mr. Hopkins himself was working, was that the Congress authorize the appointment of this ex-officio board as provided in the House bill. It remained that way for a considerable time. At one time it was in both the Senate and House bills. Finally Mr. Hopkins himself came before the subcommittee and urged that we place in the bill a provision for one administrator, and then the newspapers said he was slated to be the administrator; and the subcommittee and the committee yielded to his insistence and to his judgment in the matter.

Mr. BARKLEY. Mr. President— Mr. STEIWER. Let me say a little more about that.

We are preparing now to permit the important functions of this very important bill to be farmed out, because we know that Mr. Hopkins cannot personally supervise the administration of the measure and still remain in his capacity as Federal Relief Administrator. Of course, he will appoint somebody else to do it under his general supervision, and we have not any idea who the somebody else may be. It seems to me that in the face of a situation like that, if we do not desire to delegate this authority to the Reconstruction Finance Corporation, we might well obtain the assurance that would come from the House language, and from the appointment of a board of five or seven, from whom the President undoubtedly could recruit able administrators who would not be tied down to the extent that Mr. Hopkins is tied down in the performance of his very important duties.

Mr. BARKLEY. Mr. President, will the Senator yield? Mr. STEIWER. I yield.

Mr. BARKLEY. The Senator is correct when he states that as originally introduced this bill carried a provision for the ex-officio board to be drawn from different departments by the President. The Senator will recall, however, that while the hearings were going on upon the original bill presented by the gentleman who has been largely instrumental in its preparation over a period of weeks, some of us on the committee-and I recall that I especiallyobjected to that sort of board because of its scattered responsibility and scattered authority. It was stated that our experience with these ex-officio boards had been unhappy, and we had always had to abolish them and create a respon-

Largely, I think, in response to the sentiment expressed in the committee, later the administrator was substituted. Mr. Hopkins did not come down before us urging that. We invited Mr. Hopkins before the subcommittee.

Mr. STEIWER. He did suggest it, however. He did urge it.

Mr. BARKLEY. He came before us upon our invitation and urged this administrator. There is no doubt about that.

Mr. STEIWER. That is true. The Senator and I now are in agreement.

Mr. BARKLEY. And he did it, after further thought and after hearing the suggestions of the committee, as the

representative of all those who had been instrumental orig- | ent form does not provide any dangerous competition to inally in fixing the ex-officio board as carried in the original

Mr. BULKLEY. Mr. President, I desire to confirm the statement that the present judgment of all those who were originally instrumental in preparing this proposed legislation is that it is better administration to put this authority in the hands of a single administrator.

One further thing about what the Senator from Oregon has just said. I do not think it is a fair inference to say that Mr. Hopkins will be appointed to this position and then will delegate the authority and neglect the duties of the office. I do not think it is fair for us to say with any certainty who will be appointed to the office; but, no matter who may be appointed to it, I have every faith that the President will appoint someone who will give the office proper attention. If Mr. Hopkins shall be appointed, it may be necessary for him to resign from his other job, or his other job may be terminated; but that is all speculation. The fair presumption is that some proper and adequate person will be appointed, and that he will give proper and diligent attention to the work.

Mr. STEIWER. Mr. President, I shall not detain the Senate with further discussion of what seems to be a perfectly futile proposition. I want this body to know, however, that unless we adopt the amendment offered by the Senator from Michigan [Mr. VANDENBERG], we shall have merely substituted one ex-officio administrator for an exofficio board, with all the doubtful implications that come from a situation of that kind.

Mr. AUSTIN. Mr. President, I wish to interrogate the Senator from Ohio regarding title III, national mortgage associations, and ask his interpretation of the power in section 301 to purchase and sell first mortgages and such other first liens as are commonly given to secure advances on real estate, and so forth.

Does the Senator consider that that provision gives such national mortgage associations the right to come into local territory and purchase mortgages direct from mortgagors in competition with banks and with local building-and-loan associations?

Mr. BULKLEY. I am not sure that I understand the significance of what the Senator means by purchasing mortgages from mortgagors. I had supposed mortgages would belong to mortgagees; but I do not think this provision gives authority to a national association to make a direct loan to a mortgagor. I think it requires that the loan shall have been made, and that the national association may then purchase and otherwise deal in mortgages that have been made.

Mr. AUSTIN. Very well. That answers the question I had in mind. I do not myself regard the word "purchase" as equivalent to making a loan.

Mr. BULKLEY. I do not think so.

Mr. GOLDSBOROUGH. Mr. President, I ask the attention of the Senator from Ohio. I desire to ask him a question regarding title III, "Creation and powers of national mortgage associations."

In the State of Maryland there are more than 1,000 building-and-loan associations, which is about 0.1 of all that are found in the United States. I have received many letters expressing the fear that the provisions of this section of the bill would invite unfair competition with existing building-and-loan associations. The fear of the building-and-loan associations in my State is that they will be perhaps largely put out of business by the adoption of title III.

I should like the Senator to give me his opinion on that subject.

Mr. BULKLEY. I think the alarm which has been felt by many building-and-loan associations, and which has been evidenced by letters I have received from associations in my own State, has been due to earlier drafts of the bill. I think there were provisions in some of the earlier drafts which perhaps might have been very dangerous to building-andloan associations. It is my opinion that the bill in its pres- now proposed would be so high as to cover 70 years of loss

building-and-loan associations, and I am so assured by responsible representatives.

Mr. GOLDSBOROUGH. One more question: In the city of Baltimore we have the system of making 99-year loans. Does the Senator think this bill is so drawn as to permit loans to be made upon that character of property?

Mr. BULKLEY. I think there is no doubt about it.

Mr. GOLDSBOROUGH. How about the use of the word "renewable" in the bill?

Mr. BULKLEY. Does that affect the situation in Balti-

Mr. GOLDSBOROUGH. No; because most of the leases are 99-year leases, with power of renewal.

Mr. BULKLEY. I see no embarrassment about that.

Mr. GOLDSBOROUGH. Very well.
The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. VANDENBERG].

The amendment was rejected.

Mr. VANDENBERG. Mr. President, would the Senator from Ohio think it was too much of an invasion of the prerogatives of this new dictator if we were to insert the following language at the proper place in the bill?-

The administrator shall annually make a report of his operations to the Congress as soon as practicable after the 1st day of January in each year.

Mr. BULKLEY. I have had such an amendment prepared, and now offer it.

Mr. VANDENBERG. I thank the Senator for his great

Mr. FLETCHER. Mr. President, there is no objection to this amendment, but I think it is wholly unnecessary. This man could be called on for a report any day when Congress is in session.

The PRESIDENT pro tempore. The clerk will state the proposed amendment.

The CHIEF CLERK. On page 5, between lines 3 and 4, it is proposed to insert the following:

Sec. 5. The Administrator shall make an annual report to the Congress as soon as practicable after the 1st day of January in each year of his activities under this title and titles II and III of

The amendment was agreed to.

Mr. LA FOLLETTE. Mr. President, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The clerk will state the amendment.

The CHIEF CLERK. On page 34, line 24, before the period, it is proposed to insert a comma and the following:

Provided, That the assessments against any such institution for insurance premiums under this subsection and subsection (a) shall not exceed one-half of 1 percent of the total amount of the accounts of its insured members and its creditor obligations.

Mr. LA FOLLETTE. Mr. President, if this amendment shall be agreed to, it will enable the conferees to consider the question of the rates involved in subsection (a) and subsection (b) of section 404.

As previously suggested, many of the associations in various States contend that the rates as fixed in the bill are excessive. The Senator from Ohio, who has given great study to this question, is rather impressed with the fact that the combined rates of the two subsections would be excessive.

I have purposely asked that this amendment be drawn in such a way as to put into the hands of the conferees the the power to deal with the rates in both subsections, and I sincerely hope that the Senator from Ohio will feel that he can accept the amendment and take it to conference, and give the matter consideration.

Mr. BULKLEY. Mr. President, I shall be glad to take the amendment to conference.

Mr. DUFFY. Mr. President, I wish to join in the request, because our experience in Wisconsin shows that the rate ferees will seriously consider this amendment. In a number of States, such as Wisconsin, the loss experience has been very low.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the senior Senator from Wisconsin [Mr. LA FOLLETTE].

The amendment was agreed to.

Mr. STEIWER. Mr. President, under the provision for payment of insurance of building associations of savings and loan accounts, we find reference to the accounts of each of the members. I refer to language in section 405 (a) on page 35.

I am told that in some States, in a large number of institutions, the persons holding accounts are not members, and are not designated as "members", but are designated as "investors." I am wondering whether we may not add the words "and investors" after the word "members" in line 6, so as to avoid a difficulty which might arise from the designation of these account holders as "members."

Mr. BARKLEY. Mr. President, are they not in fact in-

Mr. STEIWER. I do not know whether they are or not. Mr. BULKLEY. Mr. President, there might be an investor who was not a member. I see no harm in the amendment suggested by the Senator from Oregon.

The PRESIDENT pro tempore. Will not the Senator from Oregon state the amendment?

Mr. STEIWER. I have not the amendment in writing, but I think I can state it orally. I propose to amend, in line 6, page 35, after the word "members" by inserting the words "and investors", so that it would read:

SEC. 405. (a) Each institution whose application for insurance under this title is approved by the Corporation shall be entitled to insurance up to 80 percent of the full withdrawable or repurchasable value of the accounts of each of its members and investors (including individuals, partnerships, associations, and corporations) holding withdrawable or repurchasable shares, investment certificates, or deposits, in such institution; except that no member of any such institution shall be insured for an aggregate amount in excess of \$5,000 gate amount in excess of \$5,000.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oregon. The amendment was agreed to.

Mr. STEIWER. Mr. President, I wish to inquire of the Senator from Ohio with respect to another provision in the same section. The Senator will recall that we changed the insurance payment from 100 percent to 80 percent. That was done with my concurrence at the time action was had, and I think all of us believed it was a wise thing.

Subsequently, I have been advised by those having the most intimate knowledge of this type of business institution, that insurance up to 80 percent, instead of being helpful, may prove to be very hurtful, and that many institutions will not want insurance if the insurance is only 80

Would the Senator from Ohio be favorable to reconsideration of that idea, with the purpose of making the insurance 100 percent instead of 80 percent?

Mr. BULKLEY. Mr. President, I am frank to say that, like the Senator from Oregon, I have changed my own mind about that, and I believe that it should be 100 percent. I suggest that we simply strike out the words "80 percent of" in line 4, page 35.

Mr. STEIWER. I think it would be very wise if the Senator should do that. I may say that the chief counsel of the Home Loan Board and members of the Board have suggested this to us, and they urge very earnestly that the Federal building-and-loan institutions will suffer unless it is done.

The PRESIDENT pro tempore. Will not the Senator from Ohio offer the amendment?

Mr. BULKLEY. I offer the amendment on page 35, line 4, to strike out the words "80 percent of."

The amendment was agreed to.

Mr. STEIWER. Mr. President, in order to make sure that

experience. It would be very unfair, and I hope the con- from Ohio now state how the language would read with the amendment which has just been agreed to inserted?

Mr. BULKLEY. It would then read:

Each institution whose application for insurance under this title is approved by the Corporation shall be entitled to insurance up to the full withdrawable or repurchasable value of the accounts of each of its members-

Mr. GORE. Mr. President, I send to the desk an amendment to be added at the end of the bill in the form of an additional section.

The PRESIDENT pro tempore. The clerk will state the amendment.

The CHIEF CLERK. At the end of the bill, to insert the following:

That in the case of any foreclosure sale of real property in the District of Columbia under the terms of any mortgage, deed of trust, or other lien given, extended, renewed, or assumed, to secure the payment of a debt incurred by a natural person prior to January 1, 1930, no deficiency judgment shall be ordered or decreed by any court unless the amount of the debt, due and unpaid on the date of such sale, shall exceed the fair market value of such property on the date of such sale. In no case shall value of such property on the date of such sale. In no case shall any such deficiency judgment be more than the excess of such debt over and above such fair market value. The court ordering or decreeing such sale shall determine, upon affidavit or other-wise as it shall direct, the fair market value of the property as of the date of such sale and shall make an order directing the entry of a deficiency judgment.

Sec. 2. All laws or parts of laws inconsistent with this act

are hereby repealed.

Mr. GORE. Mr. President, I shall not discuss this amendment unless questions shall be asked by Senators. It was prepared at my instance by the official draftsman of the Senate, and the amendments are based on statutes which were passed by the State of New York and the State of Florida. The statutes in both States have been sustained by the courts in the respective States.

This is intended to correct what I regard as an evil in connection with deficiency judgments, where, say, one-half of a debt has been paid, and the creditor recovers the entire property and then brings suit for the entire outstanding

I might use this illustration. Suppose the price of a piece of property in the first instance was \$20,000, and suppose \$10,000 to have been paid. The creditor takes the entire property back and brings suit for \$10,000 and gets a deficiency judgment, and encumbers the debtor for the rest of his life.

This matter was submitted to the committee, and I believe there was a tie vote, and Senators present at the time suggested that we offer it on the floor.

Mr. BARKLEY. Mr. President, I have no desire to discuss the merits of the amendment standing alone. The matter was brought to the attention of the committee, and the amendment was rejected on the ground that it is more properly an amendment to the laws of the District of Columbia with respect to deficiency judgments. It has no place in this bill, has no connection with it.

The amendment might be all right, but it should be presented to some District bill, or be presented as a separate bill proposing to amend District law, and should be considered by the Committee on the District o? Columbia.

I do not care to discuss the amendment at length, but I do think it should not be put on this bill, but, as I have said, should be put on some bill dealing with District questions. It refers altogether to property located in the District of Columbia, and has no relationship whatever to the pending bill, either in its operation or otherwise.

Mr. GORE. Mr. President, there is no doubt that this amendment is meritorious. Similar action has been taken by the great State of New York and the great State of Florida and has been sustained by their courts. It would bring some relief to the District. Of course, it is limited to the District of Columbia. Residents here are, in a sense, political orphans, and if it would bring some measure of there shall be no misunderstanding, will not the Senator relief to them, I am sure it would be gratefully received,

Costigan

parliamentary usage.

I hope the amendment will be agreed to by the Senate and sent to conference.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was rejected.

Hebert

Mr. GORE. I make the point of no quorum.

The PRESIDENT pro tempore. The clerk will call the roll

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	Jonnson	Reynolds
Ashurst	Cutting	Kean	Robinson, Ark.
Austin	Davis	King	Robinson, Ind.
Bachman	Dickinson	La Follette	Russell
Bailey	Dieterich	Lewis	Schall
Bankhead	Dill	Logan	Sheppard
Barbour	Duffy	Lonergan	Shipstead
Barkley	Erickson	Long	Smith
Black	Fess	McCarran	Steiwer
Bone	Fletcher	McGill	Stephens
Borah	Frazier	McKellar	Thomas, Okla.
Brown	George	McNary	Thomas, Utah
Bulkley	Gibson	Metcalf	Thompson
Bulow	Glass	Murphy	Townsend
Byrd	Goldsborough	Neely	Tydings
Byrnes	Gore	Norbeck	Vandenberg
Capper	Hale	Norris	Wagner
Caraway	Harrison	Nye	Walcott
Carey	Hastings	O'Mahoney	Walsh
Clark	Hatch	Overton	Wheeler
Connally	Hatfield	Patterson	White
Coolidge	Hayden	Pittman	

The PRESIDENT pro tempore. Ninety Senators having answered to their names, a quorum is present.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed the bill (S. 3764) to reduce the fee to accompany applications for entry as second-class matter of publications of limited circulation, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 9830) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30. 1934, and June 30, 1935, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Buchanan, Mr. Taylor of Colorado, Mr. Ayres of Kansas, Mr. Arnold, Mr. COLLINS of Mississippi, Mr. Oliver of Alabama, Mr. Taber, Mr. Bacon, Mr. Thurston, and Mr. Bolton were appointed managers on the part of the House at the conference.

#### REDUCTION OF FEE ON APPLICATIONS FOR ENTRY AS SECOND-CLASS MAIL MATTER

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 3764) to reduce the fee to accompany applications for entry as second-class matter of publications of limited circulation, which was on page 1, line 11, after "\$25;" to insert and of publications having a circulation of not more than 5,000 copies shall be \$50: Provided further, That one-half of all fees collected under this section shall be returnable to the applicant upon the failure of the applicant's publication to obtain entry under the provisions of this section."

Mr. McKELLAR. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

## IMPROVEMENT IN HOUSING STANDARDS AND CONDITIONS

The Senate resumed the consideration of the bill (S. 3794) to encourage improvement in housing standards and conditions, to provide a system of mutual mortgage insurance, and for other purposes.

Mr. HEBERT. Mr. President, I should like to have the attention of the Senator from Ohio to section 301, page 19, which provides for the creation of national mortgage asso-

even though it did not conform to the highest standards of | ciations and authorizes them to purchase mortgages. I fail to find that there is any limitation upon the size of the mortgages which they are to purchase. Is it the intent of the committee that that shall be so, and that they may purchase mortgages of any amount?

Mr. BULKLEY. Yes; there is no limitation in that respect, but there is this limitation which will be of importance to those who engage in that business. The debentures which they are authorized to issue may be based only upon Government securities or insured mortgages, and there is a limitation on the amount which may be made in any insured mortgage. Mortgages may be insured only to the extent of \$16,000, so that it is unlikely such corporations would engage to any large extent in the business of making large loans.

Mr. HEBERT. Then in describing the mortgages which they may purchase should there not be a limitation that those mortgages may not exceed 80 percent of the value of the property mortgaged?

Mr. BULKLEY. The committee had not thought that was important. These corporations will be subject to inspection and subject to being called up for unsound practices, and will not themselves be particularly desirous of engaging in unsound practices.

Mr. HEBERT. I realize that, Mr. President, but we must bear in mind that the money with which we are to purchase those mortgages is to come from the public by the sale of debentures.

Mr. BULKLEY. There is such limitation with respect to anything that may be used on which to base an issue of debentures. We have left them unusually free with respect to what they want to do with reference to their own capital stock.

Mr. HEBERT. But is there going to be a segregation of their funds as between those received from the sale of debentures and the amount paid in as capital?

Mr. BULKLEY. I suppose the question of segregation would be a matter for their own bookkeeping, but they may not issue debentures unless they have an equivalent amount of guaranteed mortgages or Government securities.

Mr. HEBERT. Very well, Mr. President, but that will not protect the debenture holders. If now there be a loss in those mortgages, and they have loaned in excess of what would be prudent of their own funds, the debenture holders, I assume, will have to be general creditors of the corporation in case of liquidation. That is the reason why I ask whether there would be a segregation of assets, and it seems to me that in order to protect prospective debenture holders some limitation should be placed on the authority which is to be conferred upon these mortgage corporations.

Mr. BULKLEY. I see no serious objection but we had not thought it was essential.

Mr. HEBERT. Mr. President, I have in mind the situation in some parts of this country where mortgage concerns have purchased mortgages, and many of them, as the Senator well knows, are today in receivership, with the result that the debenture holders are going to lose practically all their investment, and I do not think we can be too careful about surrounding corporations of this kind with proper safeguards.

Mr. BULKLEY. I would not resist an amendment of the character suggested by the Senator.

Mr. HEBERT. Then, Mr. President, on page 19, line 14, after the semicolon, I ask to insert the words "provided that such mortgages not to exceed 80 percent of the appraised value of the property as of the date the mortgage is purchased."

Mr. BULKLEY. I would not resist that amendment.

The PRESIDENT pro tempore. Will the Senator repeat that amendment for the benefit of the clerk?

Mr. HEBERT. Mr. President, I propose to insert, on page 19, line 14, after the semicolon, the words "provided that such mortgages shall not exceed 80 percent of the appraised value of the property as of the date the mortgage is purchased."

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Rhode Island [Mr. HEBERT].

The amendment was agreed to.

Mr. BULKLEY. Mr. President, I offer an amendment, which I send to the desk and ask to have read.

The PRESIDENT pro tempore. The amendment will be read.

The LEGISLATIVE CLERK. It is proposed, on page 4, line 19, to strike out the words "and title II" and to insert in lieu thereof "and titles II and III."

The amendment was agreed to.

Mr. BULKLEY. I offer another amendment, which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 31, line 10, before the period, to insert the words "and insurance companies."

The amendment was agreed to.

UNIFORM SYSTEM OF BANKRUPTCY-REQUEST FOR RETURN OF

Mr. NYE. Mr. President, a parliamentary inquiry. Some days ago the senior Senator from New York

Mr. McNARY. Mr. President, this is to be the last day of the session of Congress, and we will get nowhere if everyone in the Chamber is talking. I think an exceptional effort should be made to keep the Chamber quiet today.

The PRESIDENT pro tempore. The point of order is well taken. Senators in the back of the Chamber will kindly retire to the cloakroom if they desire to converse.

Mr. ROBINSON of Arkansas. Mr. President, the Chair has requested that the Senate be in order, but the Senate has not responded to that request. I suggest that the Chair instruct the Sergeant at Arms to carry out the order of the Chair.

The PRESIDENT pro tempore. The Chair will take such action unless better order shall be maintained.

Mr. NYE. A few days ago the senior Senator from New York [Mr. COPELAND] moved that the vote by which Senate bill 3580, an act to establish a uniform system of bankruptcy throughout the United States, was adopted, be reconsidered. Later he withdrew his motion. Last evening the Senator from Rhode Island [Mr. METCALF] moved that the House be requested to return to the Senate, Senate bill 3580, and his motion was defeated on the floor of the Senate. Later on in the evening the Senator from Connecticut [Mr. Lonergan] made the following announcement:

Mr. President, yesterday the senior Senator from New York [Mr. Copeland] entered and later withdrew a motion to reconsider the vote by which the bill (S. 3580) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, was passed. I renew the motion to reconsider the vote by which the bill was passed. I merely desire to enter the motion at this time.

The Vice President, The motion will be entered.

I rise to ask, Mr. President, if the motion by the Senator from Connecticut was in order?

The PRESIDENT pro tempore. It is the opinion of the Chair that the motion of the Senator from Connecticut was not in order under paragraph 2 of rule XIII, which states, referring to such a motion when first made:

Which last motion shall be acted upon immediately and without debate, and if determined in the negative shall be a final disposition of the motion to reconsider.

That action was taken finally before the second motion was entered by the Senator from Connecticut.

Mr. NYE. Mr. President, I make the point of order against the motion of the Senator from Connecticut.

The PRESIDENT pro tempore. The point of order is that the notice and the motion of the Senator from Connecticut were not in order?

Mr. NYE. That they were not in order.

The PRESIDENT pro tempore. The point of order is sustained.

#### AMENDMENT OF JUDICIAL CODE

Mr. STEPHENS. From the Committee on the Judiciary I report back favorably without amendment House bill 3357, to amend section 99 of the Judicial Code (U.S.C., title 28, sec. 180), as amended, and I submit a report (No. 1450) thereon. I invite the attention of the Senator from North Dakota [Mr. NyE] to the bill.

Mr. NYE. Mr. President, I ask unanimous consent for the immediate consideration of the bill.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 99 of the Judicial Code, as amended (U.S.C., title 28, sec. 180), be amended to read as follows:
"Sec. 99. The State of North Dakota shall constitute one judicial district to be known as the 'district of North Dakota.' The territory embraced on the 1st day of January 1932, in the counties of Adams, Billings, Bowman, Burleigh, Dunn, Emmons, Golden Valley, Grant, Hettinger, Kidder, Logan, McIntosh, McLean, Mercer, Morton, Oliver, Sioux, Slope, and Stark shall constitute the southwestern division of said district; and the territory embraced on the date last mentioned in the counties of Barnes, Cass, Dickey, Eddy, Foster, Griggs, La Moure, Ransom, Richland, Sargent, Sheridan, Steele, Stutsman, and Wells shall constitute the southeastern division and the territory embraced. division; and the territory embraced on the date last mentioned in the counties of Benson, Bottineau, Cavalier, Grand Forks, Nelson, McHenry, Pembina, Pierce, Ramsey, Rolette, Traill, Towner, and Walsh shall constitute the northeastern division; and the territory embraced on the date last mentioned in the counties of Burke, Divide, McKenzie, Mountrall, Renville, Ward, and Williams shall constitute the northwestern division. The several Indian reservoirs and parks thereof, within said State shall constitute reservations and parts thereof within said State shall constitute a part of the several divisions within which they are respectively situated. Terms of the district court for the southwestern divisituated. Terms of the district court for the southwestern division shall be held at Bismarck on the second Tuesday in March; for the southeastern division, at Fargo on the second Tuesday in December and at Jamestown on the second Tuesday in October; for the northeastern division, at Devils Lake on the second Tuesday in May and at Grand Forks on the second Tuesday in November; and for the northwestern division, at Minot on the second Tuesday in April. The clerk of the court shall maintain an office in charge of himself or a deputy at each place at which court is held in his district."

RAILWAY EMPLOYEES' RETIREMENT SYSTEM—CONFERENCE REPORT

Mr. BROWN. I present the conference report on Senate bill 3231, which is commonly known as the "railway employees' pension bill."

Mr. HATFIELD. Mr. President, I ask unanimous consent for the immediate consideration of the conference report submitted by the Senator from New Hampshire.

The PRESIDENT pro tempore. Is there objection? There being no objection, the Senate proceeded to consider the report, which was read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3231) to provide a retirement system for railroad employees, to provide unemployment relief, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

## " DEFINITIONS

"Section 1. That as used in this act—

"(a) The term 'carrier' includes any express company, sleeping-car company, carrier by railroad, subject to the Interstate Commerce Act, and any company which is directly or indirectly owned or controlled by or under common control with any carrier by railroad and which operates any equipment or facilities or performs any service (other than trucking service) in connection with the transportation of passengers or property or the receipt, delivery, elevation, transfer in transit, refrigeration or icing storage, and handling of property transported by railroad, and any receiver, trustee, or other individual or body, judicial or otherwise, when in the possession of the business of any such 'carrier': Provided, however, That the term 'carrier' shall not include

any street, interurban, or suburban electric railway, unless such railway is operating as a part of a general steam-railroad system of transportation, but shall not exclude any part of the general steam-railroad system of transportation now or hereafter operated by any other motive power. The Interstate Commerce Commission is hereby authorized and directed upon request of the Board or upon complaint of any party interested to determine after hearing whether any line operated by electric power falls within the terms of this proviso.

"(b) The term 'employee' means each person in the service of a carrier, subject to its continuing authority to supervise and direct the manner of rendition of his service, who has been in such service within 1 year before the enactment hereof, or who after the enactment hereof shall have been in such service. The term 'employee' also includes each officer or other official representative of an 'employee organization', herein called 'representative', who has performed service for a carrier, who is duly designated and authorized to represent employees under and in accordance with the Railway Labor Act, and who, during or following employment by a carrier, is engaged in such representative service in behalf of such employees.

"(c) The term 'Board' means the Railroad Retirement Board hereby created.

"(d) The term 'annuity' means regular payments at the end of each completed month during retirement, ceasing at death or at resumption of compensated service.

"(e) The term 'service' means the employment relation between an employee and a carrier whether before or after

the enactment hereof.

"(f) The term 'service period' means the total service of an employee for one or more carriers whether or not continuously performed, and includes as 1 month every calendar month during which the employee has been paid compensation by a carrier and includes as 1 year every 12 such months. An ultimate fraction of 6 months or more shall be computed as 1 year.

"(g) The term 'retirement' means the status of cessation of compensated service with the right to receive an annuity.

"(h) The term 'age' means age at the latest attained

birthday.

"(i) The term 'carrier contribution' means the payment to be made by each carrier.

"(j) The term 'employee contribution' means the pay-

ment to be made by each employee. "(k) The term 'voluntary contribution' means the payment made by an employee equal to the total of both the employee and the carrier contribution.

"(1) The term 'effective date' means the 1st day of the second month after the taking effect of this act.

"(m) The term 'Railroad Retirement Act' means and may be used in citing this act and subsequent amendments thereto.

" PURPOSES

"SEC. 2. (a) For the purpose of providing adequately for the satisfactory retirement of aged employees and promoting efficiency and safety in interstate transportation, and to make possible greater employment opportunity and more rapid advancement of employees in the service of carriers, there is hereby established a railroad retirement system; and it is made the duty of all carriers and employees subject to this act to perform and fulfill the obligations imposed thereby. This act shall be administered and construed with the intent and to the purpose of providing the greatest practical amount of relief from unemployment and the greatest possible use of resources available for said purpose and for the payment of annuities for the relief of superannuated employees.

"SPECIAL REPORT

"(b) Not later than 4 years from the effective date, the Board, in a special report to the President of the United States to be submitted to Congress, shall make specific recommendations for such changes in the retirement system hereby created as shall assure the adequacy and permanency of said retirement system on the basis of its experience and all information and experience then available.

For this purpose the Board shall from time to time make such investigations and actuarial studies as shall provide the fullest information practicable for such report and recommendations.

"ANNUITIES

"SEC. 3. Each employee having attained the age of 65 years, or having completed a service period of 30 years, shall be paid an annuity, to begin on a date specified in a written application, which date shall not be more than 60 days before the making of the application. No annuity shall begin less than 6 months after the effective date. Such annuity shall be based upon the service period of the employee and shall be the sum of the amounts determined by multiplying the number of years of service, not exceeding 30 years, by the following percentages of the monthly compensation: 2 percent of the first \$50; 1½ percent of the next \$100; and 1 percent of the compensation in excess of \$150. The 'monthly compensation' shall be the average of the monthly compensation paid to the employee by the carrier, except that where applicable for service before the effective date the monthly compensation shall be the average of the monthly compensation for all pay-roll periods for which the employee has received compensation from any carrier out of 8 consecutive calendar years of such services ending December 31, 1931. No part of any monthly compensation in excess of \$300 shall be recognized in determining any annuity for any employee contribution. The annuity shall be reduced by one-fifteenth of such annuity for each year the employee is less than 65 years of age at the time of the first annuity payment. No such reduction shall be made if the Board shall determine that the carrier has retired the employee because of physical or mental inability to continue in active service. Upon death of an employee before or after retirement an amount, equal at his death to a computation, with interest at 3 percent compounded annually, of the accumulation from his payments less any annuity payments received by him, shall be paid as he may have designated or to his legal representative. Any employee who upon retirement shall be entitled to an annuity with a value determined by the Board of less than \$300 shall be paid such value in a lump sum.

## " RETIREMENT

"SEC. 4. Retirement shall be compulsory upon employees who, on the effective date, have attained or thereafter shall attain the age of 65 years. The carrier and the employee may, by an agreement in writing filed with the Board, extend the time for retirement as to such employee for 1 year and for successive periods of 1 year each, but not beyond the age of 70 years. Until 5 years from the effective date the compulsory retirement shall not apply to an employee who from and after the effective date occupies an official position in the service of a carrier.

# "CONTRIBUTION

"SEC. 5. Each employee shall pay an employee contribution in a percentage upon his compensation. Each carrier shall pay a carrier contribution equal to twice the contributions of each employee of such carrier. The employee compensation shall be the compensation for service paid to such employee by the carrier excluding compensation in excess of \$300 per month. The contribution percentage shall be determined by the Board from time to time, and shall be such as to produce from the combined employee and carrier contributions, with a reasonable margin for contingencies, the amount necessary to pay the annuities, other disbursements and the expenses becoming payable from time to time. Until the Board shall determine on a different percentage the employee contribution percentage shall be 2 percent. Employee contributions shall be deducted by the carrier from the compensation of its employees and shall be paid by the carrier, together with the carrier contributions, into the Treasury of the United States quarterly or at such other times as ordered by the Board.

## "EXISTING PENSION SYSTEM

"SEC. 6. The Board shall have the power to provide by appropriate rules and regulations for substituting the provisions for annuities and other benefits to employees under

this act, for any obligation for prior service or for any existing provisions for the voluntary payment of pensions to employees subject to this act by a carrier or any employees subject to this act, so as to relieve such carrier from its obligations for age retirement benefits under its existing pension systems and to transfer such obligations to the retirement system herein established. If the fulfillment of any such transferred obligation shall require additional contributions or larger payments than would otherwise be required under the provisions of this act, then such additional contributions shall be made by the carrier originally responsible for the creation of such obligation or for the excess amount of such payments over those which would be required under the provisions of this act. In the event that the Board is unable to make satisfactory arrangements with any carrier for the substitution of the provisions under this act for its existing pension system, then, and in that event, the provisions of this act shall be applied to said carrier and its employees without regard to any conflict or duplication in the operation of such an existing pension system and the operation and effect of the provisions of this act: Provided, That the Board, at its option, shall have power, in lieu of the foregoing provisions of this section, to order that all former employees of carriers who prior to the effective date have become separated from the service at the age of 70 years or over and who may or may not be receiving age retirement benefits shall be entitled to the benefits of this act.

## " EMPLOYEE REPRESENTATIVES

"Sec. 7. Any representative of an employee organization who is included within the definition of 'employee' in paragraph (b), section 1, of this act shall have the option, but, shall not be required to continue or to become a beneficiary under the provisions of this act. If he shall elect to continue or to become such a beneficiary he shall pay all voluntary contributions.

"For the purposes of this section the requirements of section 4 of this act shall not apply. Service rendered to an employee organization shall be included in computing the total service period of such representative.

"For such representative who shall elect to become a beneficiary under this act, the basic compensation upon which contributions shall be made and benefits calculated shall be that compensation paid by the carrier for service rendered in the position to which the rights of such representative would entitle him for the period defined in section 3 of this act: Provided, That if no definite and specific rights obtain, the average compensation paid to the four employees whose last date of entry in the service is nearest the date of entry in the service of the same carrier by such representative, shall be his basic compensation to be determined for the period defined in section 3 of this act. When a question arises as to rights under this provision the Board shall investigate and determine rights of such representative.

"For such representative who elects to continue as a beneficiary under the provisions of this act, his basic compensation shall be the average monthly compensation paid to him by the carrier during the last 12 months of active service with such carrier.

# " RETIREMENT FUND

"SEC. 8. All moneys paid into the Treasury under the provisions of this act, all interest, and other receipts, and all refunds of moneys paid out under this act shall constitute and be kept in a separate fund in the Treasury, to be known as the 'railroad retirement fund.' At the request and direction of the Board, the Treasurer of the United States, with the approval of the Secretary of the Treasury, is authorized to invest such funds as are not immediately required for disbursements in interest-bearing bonds, notes, or other obligations of the United States, and to collect the principal and interest of such securities and to sell and dispose of the same as in the judgment of the Board shall be in the interest of said fund. There is hereby appropriated such sums not in excess of the amounts in said fund as may be necessary to pay all annuities, other disbursements and the expenses of administration of this act.

# " RETIREMENT BOARD

"Sec. 9. (a) Personnel: There is hereby established as an independent agency in the executive branch of the Government a Railroad Retirement Board, to be composed of three members appointed by the President, by and with the advice and consent of the Senate. Each member shall hold office for a term of 5 years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed for the remainder of the term and the terms of office of the members first taking office after the date of enactment of this act shall expire, as designated by the President, 1 at the end of 2 years, 1 at the end of 3 years, and 1 at the end of 4 years, after the date of enactment of this act. One member shall be appointed from recommendations made by representatives of the employees and one member shall be appointed from recommendations made by representatives of the carriers, in both cases as the President shall direct, so as to provide representation on the Board satisfactory to the largest number, respectively, of employees and carriers concerned. One member, who shall be the chairman of the Board, shall be appointed, initially, for a term of 2 years, without recommendation by either carriers or employees and shall not be in the employment of or be pecuniarily or otherwise interested in any carrier or organization of employees. Vacancies in the Board shall not impair the powers nor affect the duties of the Board nor of the remaining members of the Board of whom a majority of those in office shall constitute a quorum for the transaction of business. Each of said members shall receive a salary of \$10,000 per year, together with necessary traveling expenses and subsistence expenses, or per diem allowance in lieu thereof, while away from the principal office of the Board on duties required by this act. The members and employees of the Board shall be included as employees under this act and together with employees receiving annuities shall be furnished free transportation in the same manner as such transportation is furnished to employees.

"(b) Duties: The Board shall have and exercise all the duties and powers necessary to administer this act. The Board shall receive and take such steps and institute and prosecute such proceedings and actions as may be necessary to enforce the payments and obligations required under the act, make and certify awards and payments, and account for all moneys and funds necessary thereto. The Board may require such advances upon the payments of carriers as necessary to put this act into operation. The Board shall establish and promulgate rules and regulations and provide for the adjustment of all controversial matters, with power as a Board or through any member or subordinate designated therefor, to require and compel the attendance of witnesses, administer oaths, take testimony, and make all necessary investigations in any matter involving annuities or other payments, and shall maintain such offices, provide such equipment, furnishings, supplies, services, and facilities and employ such persons and provide for their compensation and expenses, as may be necessary to the proper discharge of its functions. All rules, regulations, or decisions of the Board shall require the approval of at least two members and shall be entered upon the records of the Board and shall be a public record. The Board shall gather, keep, compile, and publish in convenient form such records and data as may be necessary, and at intervals of not more than two years shall cause to be made actuarial surveys and analyses, to determine from time to time the payments to be required to provide for all annuities, other disbursements and expenses, and to assure proper administration and the adequacy and permanency of the retirement system hereby The Board shall have power to require all carriers and employees and any officer, board, commission, or other agency of the United States to furnish such information and records as shall be necessary for the administration of this act. The Board shall make an annual report to the President of the United States to be submitted to Congress. Witnesses summoned before the Board shall be paid the same fees and mileage that are paid witnesses in | the courts of the United States.

#### "COURT JURISDICTION

"SEC. 10. The several district courts of the United States and the Supreme Court of the District of Columbia shall have jurisdiction to entertain an application and to grant appropriate relief in the following cases which may arise under the provisions of this act:

"(a) An application by the Board to compel an employee or other person residing within the jurisdiction of said court, or a carrier subject to service of process within said jurisdiction, to comply with any obligations imposed on said employee, other person, or carrier under the provisions of

"(b) An application by an employee or carrier to the Supreme Court of the District of Columbia or to the district court of any district wherein the Board maintains an office or has designated an agent authorized to accept service in its behalf, to compel the Board to set aside an action or decision claimed to be in violation of a legally enforceable right of the applicant, or to take an action, or to make a decision necessary for the enforcement of a legal right of the applicant, when the applicant shall establish his right to a judicial review upon the jurisdictional ground that, unless he is granted a judicial review of the action or decision, or failure of the Board to act or to decide, of which he complains, he will be deprived of a constitutional right to obtain a judicial determination of his alleged right.

"(c) The jurisdiction herein specifically conferred upon the said Federal courts shall not be held exclusive of any jurisdiction otherwise possessed by said courts to entertain actions at law or suits in equity in aid of the enforcement of rights or obligations arising under the provisions of this act.

#### " EXEMPTION

"SEC. 11. No annuity or death payment shall be assignable or be subject to any tax or to garnishment, attachment, or other legal process under any circumstances whatsoever.

# "PENALTY-CARRIER

"SEC. 12. On the failure of any carrier to make any payment when due under the provisions of this act, such carrier, unless excused by order of the Board, shall pay an additional 1 percent of the amount of such payment for each month such payment is delayed.

# " OTHERS

"SEC. 13. Any employee, other person, officer, or agent of a carrier subject to this act who shall willfully fail or refuse to make any report or furnish any information required by the Board in the administration of this act or who shall willfully fail or refuse to make any accounting required under this act, or who shall knowingly make any false or fraudulent statement or report required for the purpose of this act, or who shall knowingly make or aid in making any false or fraudulent statement or claim for the purpose of receiving any award or payment under this act shall be punished by a fine of not less than \$100 nor more than \$10,000 or by imprisonment not exceeding 1 year.

# " SEPARABILITY

"SEC. 14. If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of the act or application of such provision to other persons or circumstances shall not be affected thereby."

And the House agreed to the same.

FRED H. BROWN, B. K. WHEELER. ROBERT F. WAGNER, DANIEL O. HASTINGS, H. D. HATFIELD,

Managers on the part of the Senate.

CLARENCE F. LEA, ROBERT CROSSER, J. G. MILLIGAN, PEHR G. HOLMES, B. CARROLL REECE,

Managers on the part of the House.

Mr. HATFIELD. Mr. President, the bill as reported by the conferees represents the best compromise that could be obtained in view of the approaching adjournment of the present session of Congress. Insistent demand was made by the other House that their pension schedule be retained. I have prepared some figures dealing with the difference between the Senate bill and the House bill and the conference committee agreement, and I ask that they may be made a part of the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

The conferees on the proposed Railroad Retirement Act (S. 3231 and H.R. 9911) have agreed on a substitute amendment in which changes are made from the Senate bill

There are very substantial differences between the Senate bill and the House bill as these were passed and referred to the con-

ference committee.

The Senate bill provided for a monthly annuity basis of 2 percent of the monthly compensation of wage for not exceeding 30 years, which on a \$150 wage provides a pension of \$90.

The House bill proposed to change this to 2 percent of the first \$30, 1½ percent of the second \$50, and 1 percent of the wage in excess of \$100. On a \$150 wage this pension would amount to \$67.50 to \$67.50.

The substitute as agreed upon in the conference provides a pension of 2 percent of the first \$50, 1½ percent on the next \$100, and 1 percent on the excess in wage over \$150 on a \$150 monthly compensation or average wage; the pension provided by the conference substitute is \$75.

The Senate bill recognized as a basis for the annuity or pension a monthly compensation up to \$400.

The House amendment reduces this to \$300. The conference bill accepts the reduction to \$300.

The provision in the House amendment fixing a maximum pension of \$100 is omitted from the conference bill.

The effect of the changes is shown by the following table:

Comparison of railroad retirement pensions under Senate and House bills and conference bill

	Senate bill (S. 3231)	House bill (H.R. 9011)	Conference bill
Monthly wage: \$50. \$80. \$80. \$100. \$150. \$220. \$230. \$350. \$350. \$400.	\$30 48 60 90 120 150 180 210 240	\$30, 00 43, 50 52, 50 67, 50 82, 50 97, 50 100, 00 1 100, 00 100, 00	\$30.00 43.50 52.50 75.00 90.00 105.00 120.00 120.00

1 No contribution is required on the part of the wage over \$300.

The House amendment for section 6 provided for taking into the system immediately all pensioners under existing railroad pension systems. Under section 6 of the Senate bill, this is left to the Board. Section 6 is retained as in the Senate bill.

definitions for which

Minor changes are made clarifying the definitions for which purpose section 1 of the House bill is adopted. The bill, as reported by the conferees, represented the best com-The bill, as reported by the conferees, represented the best compromise that could be obtained in advance of the adjournment of the present Congress. Insistent demand was made that the lower House pension schedules be retained. The compromise omits the arbitrary maximum figure in the House amendment and also increases the maximum amounts permitted as pension payments quite materially above the \$100 wage.

It is believed that these amounts in the higher wage scale are insufficient to secure desirable retirements which would be of great advantage to the industry. Other changes will no doubt have to be made as experience will develop the necessity.

The bill, however, marks a milestone in dealing with indus-

The bill, however, marks a milestone in dealing with industrial pensions, not alone in the present instance, but for all industry.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

IN AID OF INDIANS-CONFERENCE REPORT

Mr. WHEELER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3645) to conserve and develop Indian lands and resources; to establish a credit system for Indians; to provide for higher education for Indians; to extend toward Indians the right to form business and other organizations; and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That hereafter no land of any Indian reservation, created or set apart by treaty or agreement with the Indians, act of Congress, Executive order, purchase, or otherwise, shall be allotted in severalty to any Indian.

"SEC. 2. The existing periods of trust placed upon any Indian lands and any restriction on alienation thereof are hereby extended and continued until otherwise directed by

"SEC. 3. The Secretary of the Interior, if he shall find it to be in the public interest, is hereby authorized to restore to tribal ownership the remaining surplus lands of any Indian reservation heretofore opened, or authorized to be opened, to sale, or any other form of disposal by Presidential proclamation, or by any of the public-land laws of the United States: Provided, however, That valid rights or claims of any persons to any lands so withdrawn existing on the date of the withdrawal shall not be affected by this act: Provided further, That this section shall not apply to lands within any reclamation project heretofore authorized in any Indian reservation: Provided further, That the order of the Department of the Interior signed, dated, and approved by Hon. Ray Lyman Wilbur, as Secretary of the Interior, on October 28, 1932, temporarily withdrawing lands of the Papago Indian Reservation in Arizona from all forms of mineral entry or claim under the public land mining laws, is hereby revoked and rescinded, and the lands of the said Papago Indian Reservation are hereby restored to exploration and location, under the existing mining laws of the United States, in accordance with the express terms and provisions declared and set forth in the Executive orders establishing said Papago Indian Reservation: Provided further, That damages shall be paid to the Papago Tribe for loss of any improvements on any land located for mining in such a sum as may be determined by the Secretary of the Interior but not to exceed the cost of said improvements: Provided further, That a yearly rental not to exceed 5 cents per acre shall be paid to the Papago Tribe for loss of the use or occupancy of any land withdrawn by the requirements of mining operations, and payments derived from damages or rentals shall be deposited in the Treasury of the United States to the credit of the Papago Tribe: Provided further, That in the event any person or persons, partnership, corporation, or association, desires a mineral patent, according to the mining laws of the United States, he or they shall first deposit in the Treasury of the United States to the credit of the Papago Tribe the sum of \$1 per acre in lieu of annual rental, as hereinbefore provided, to compensate for the loss or occupancy of the lands withdrawn by the requirements of mining operations: Provided further, That patentee shall also pay into the Treasury of the United States to the credit of the Papago Tribe damages for the loss of improvements not heretofore paid in such a sum as may be determined by the Secretary of the Interior, but not to exceed the cost thereof; the payment of \$1 per acre for surface use to be refunded to patentee in the event that patent is not acquired.

"Nothing herein contained shall restrict the granting or use of permits for easements or rights-of-way; or ingress or egress over the lands for all proper and lawful purposes; and nothing contained herein, except as expressly provided, shall be construed as authority for the Secretary of the Interior, or any other person, to issue or promulgate a rule or regulation in conflict with the Executive order of February 1, 1917, creating the Papago Indian Reservation in Arizona or the act of February 21, 1931 (46 Stat. 1202).

"SEC. 4. Except as herein provided, no sale, devise, gift,

shares in the assets of any Indian tribe or corporation organized hereunder, shall be made or approved: Provided, however, That such lands or interests may, with the approval of the Secretary of the Interior, be sold, devised, or otherwise transferred to the Indian tribe in which the lands or shares are located or from which the shares were derived or to a successor corporation; and in all instances such lands or interests shall descend or be devised, in accordance with the then existing laws of the State, or Federal laws where applicable, in which said lands are located or in which the subject matter of the corporation is located, to any member of such tribe or of such corporation or any heirs of such member: Provided further, That the Secretary of the Interior may authorize voluntary exchanges of lands of equal value and the voluntary exchange of shares of equal value whenever such exchange, in his judgment, is expedient and beneficial for or compatible with the proper consolidation of Indian lands and for the benefit of cooperative organiza-

"SEC. 5. The Secretary of the Interior is hereby authorized, in his discretion, to acquire through purchase, relinquishment, gift, exchange, or assignment, any interest in lands, water rights, or surface rights to lands, within or without existing reservations, including trust or otherwise restricted allotments whether the allottee be living or deceased, for the purpose of providing land for Indians.

"For the acquisition of such lands, interests in lands, water rights, and surface rights, and for expenses incident to such acquisition, there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, a sum not to exceed \$2,000,000 in any one fiscal year: Provided, That no part of such funds shall be used to acquire additional land outside of the exterior boundaries of Navajo Indian Reservation for the Navajo Indians in Arizona and New Mexico, in the event that the proposed Navajo boundary extension measures now pending in Congress and embodied in the bills (S. 2499 and H.R. 8927) to define the exterior boundaries of the Navajo Indian Reservation in Arizona, and for other purposes, and the bills (S. 2531 and H.R. 8982) to define the exterior boundaries of the Navajo Indian Reservation in New Mexico and for other purposes, or similar legislation, become law.

"The unexpended balances of any appropriation made pursuant to this section shall remain available until expended.

"Title to any lands or rights acquired pursuant to this act shall be taken in the name of the United States in trust for the Indian tribe or individual Indian for which the land is acquired and such lands or rights shall be exempt from State and local taxation.

"SEC. 6. The Secretary of the Interior is directed to make rules and regulations for the operation and management of Indian forestry units on the principle of sustained-yield management, to restrict the number of livestock grazed on Indian range units to the estimated carrying capacity of such ranges, and to promulgate such other rules and regulations as may be necessary to protect the range from deterioration, to prevent soil erosion, to assure full utilization of the range, and like purposes.

"Sec. 7. The Secretary of the Interior is hereby authorized to proclaim new Indian reservations on lands acquired pursuant to any authority conferred by this act, or to add such lands to existing reservations: Provided, That lands added to existing reservations shall be designated for the exclusive use of Indians entitled by enrollment or by tribal membership to residence at such reservations.

"SEC. 8. Nothing contained in this act shall be construed to relate to Indian holdings of allotments or homesteads upon the public domain outside of the geographic boundaries of any Indian reservation now existing or established hereafter.

"SEC. 9. There is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, exchange or other transfer of restricted Indian lands or of such sums as may be necessary, but not to exceed \$250,000 in any fiscal year, to be expended at the order of the Secretary of the Interior, in defraying the expenses of organizing Indian chartered corporations or other organizations created under this act.

"Sec. 10. There is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of \$10,000,000 to be established as a revolving fund from which the Secretary of the Interior, under such rules and regulations as he may prescribe, may make loans to Indian chartered corporations for the purpose of promoting the economic development of such tribes and of their members, and may defray the expenses of administering such loans. Repayment of amounts loaned under this authorization shall be credited to the revolving fund and shall be available for the purposes for which the fund is established. A report shall be made annually to Congress of transactions under this authorization.

"Sec. 11. There is hereby authorized to be appropriated, out of any funds in the United States Treasury not otherwise appropriated, a sum not to exceed \$250,000 annually, together with any unexpended balances of previous appropriations made pursuant to this section, for loans to Indians for the payment of tuition and other expenses in recognized vocational and trade schools: *Provided*, That not more than \$50,000 of such sum shall be available for loans to Indian students in high schools and colleges. Such loans shall be reimbursable under rules established by the Commissioner of Indian Affairs.

"Sec. 12. The Secretary of the Interior is directed to establish standards of health, age, character, experience, knowledge, and ability for Indians who may be appointed, without regard to civil-service laws, to the various positions maintained, now or hereafter, by the Indian Office, in the administration of functions or services affecting any Indian tribe. Such qualified Indians shall hereafter have the preference to appointment to vacancies in any such positions.

"Sec. 13. The provisions of this act shall not apply to any of the Territories, colonies, or insular possessions of the United States, except that sections 9, 10, 11, 12, and 16, shall apply to the Territory of Alaska: Provided, That sections 2, 4, 7, 16, 17, and 18 of this act shall not apply to the following-named Indian tribes, the members of such Indian tribes, together with members of other tribes affiliated with such named tribes located in the State of Oklahoma, as follows: Cheyenne, Arapaho, Apache, Comanche, Kiowa, Caddo, Delaware, Wichita, Osage, Kaw, Otoe, Tonkawa, Pawnee, Ponca, Shawnee, Ottawa, Quapaw, Seneca, Wyandotte, Iowa, Sac and Fox, Kickapoo, Pottawatomi, Cherokee, Chickasaw, Choctaw, Creek, and Seminole. Section 4 of this act shall not apply to the Indians of the Klamath Reservation in Oregon.

SEC. 14. The Secretary of the Interior is hereby directed to continue the allowance of the articles enumerated in section 17 of the act of March 2, 1889 (23 Stat.L. 894), or their commuted cash value under the act of June 10, 1896 (29 Stat.L. 334), to all Sioux Indians who would be eligible, but for the provisions of this act, to receive allotments of lands in severalty under section 19 of the act of May 29, 1908 (25 Stat.L. 451), or under any prior act, and who have the prescribed status of the head of a family or single person over the age of 18 years, and his approval shall be final and conclusive, claims therefor to be paid as formerly from the permanent appropriation made by said section 17 and carried on the books of the Treasury for this purpose. No person shall receive in his own right more than one allowance of the benefits, and application must be made and approved during the lifetime of the allottee or the right shall lapse. Such benefits shall continue to be paid upon such reservation until such time as the lands available therein for allotment at the time of the passage of this act would have been exhausted by the award to each person receiving such benefits of an allotment of 80 acres of such land.

"SEC. 15. Nothing in this act shall be construed to impair or prejudice any claim or suit of any Indian tribe against

the United States. It is hereby declared to be the intent of Congress that no expenditures for the benefit of Indians made out of appropriations authorized by this act shall be considered as offsets in any suit brought to recover upon any claim of such Indians against the United States.

"Sec. 16. Any Indian tribe, or tribes, residing on the same reservation, shall have the right to organize for its common welfare, and may adopt an appropriate constitution and bylaws, which shall become effective when ratified by a majority vote of the adult members of the tribe, or of the adult Indians residing on such reservation, as the case may be, at a special election authorized and called by the Secretary of the Interior under such rules and regulations as he may prescribe. Such constitution and bylaws when ratified as aforesaid and approved by the Secretary of the Interior shall be revocable by an election open to the same voters and conducted in the same manner as hereinabove provided. Amendments to the constitution and bylaws may be ratified and approved by the Secretary in the same manner as the original constitution and bylaws.

"In addition to all powers vested in any Indian tribe or tribal council by existing law, the constitution adopted by said tribe shall also vest in such tribe or its tribal council the following rights and powers: To employ legal counsel, the choice of counsel and fixing of fees to be subject to the approval of the Secretary of the Interior; to prevent the sale, disposition, lease, or encumbrance of tribal lands, interests in lands, or other tribal assets without the consent of the tribe; and to negotiate with the Federal, State, and local Governments. The Secretary of the Interior shall advise such tribe or its tribal council of all appropriation estimates or Federal projects for the benefit of the tribe prior to the submission of such estimates to the Bureau of the Budget and the Congress.

"SEC. 17. The Secretary of the Interior may, upon petition by at least one-third of the adult Indians, issue a charter of incorporation to such tribe: Provided, That such charter shall not become operative until ratified at a special election by a majority vote of the adult Indians living on the reservation. Such charter may convey to the incorporated tribe the power to purchase, take by gift, or bequest, or otherwise, own, hold, manage, operate, and dispose of property of every description, real and personal, including the power to purchase restricted Indian lands and to issue in exchange therefor interests in corporate property, and such further powers as may be incidental to the conduct of corporate business, not inconsistent with law, but no authority shall be granted to sell, mortgage, or lease for a period exceeding 10 years any of the land included in the limits of the reservation. Any charter so issued shall not be revoked or surrendered except by act of Congress.

"Sec. 18. This act shall not apply to any reservation wherein a majority of the adult Indians, voting at a special election duly called by the Secretary of the Interior, shall vote against its application. It shall be the duty of the Secretary of the Interior, within 1 year after the passage and approval of this act, to call such an election, which election shall be held by secret ballot upon 30 days' notice.

"Sec. 19. The term 'Indian' as used in this act shall include all persons of Indian descent who are members of any recognized Indian tribe now under Federal jurisdiction, and all persons who are descendants of such members who were, on June 1, 1934, residing within the present boundaries of any Indian reservation, and shall further include all other persons of one-half or more Indian blood. For the purposes of this act, Eskimos and other aboriginal people of Alaska shall be considered Indians. The term 'tribe' wherever used in this act shall be construed to refer to any Indian tribe, organized band, pueblo, or the Indians residing on one reservation. The words 'adult Indians' wherever used in this act shall be construed to refer to Indians who have attained the age of 21 years."

And the House agree to the same.

That the Senate recede from its disagreement to the! amendment of the House to the title of the bill and agree to the same.

BURTON K. WHEELER, ELMER THOMAS. LYNN J. FRAZIER, Managers on the part of the Senate. EDGAR HOWARD. ROY E. AYERS.

> FRED C. GILCHRIST, SAM L. COLLINS, KNUTE HILL,

Managers on the part of the House.

Mr. WHEELER. I move that the report be agreed to. Mr. ASHURST. Mr. President, this is the Wheeler-Howard Indian bill conference report?

Mr. WHEELER. It is. Mr. ASHURST. It will be remembered that I vexed the ears of Senators when this bill was before the Senate, and I urged an amendment restoring to mineral location the mineral lands within the so-called "Papago Indian Reservation", and the Senate agreed to my amendment.

Mr. WHEELER. Let me say to the Senator that the

amendment was kept in.

Mr. ASHURST. I ask the able Senator from Montana, chairman of the committee, whether he has-he is always courteous-obtained the opinion of the able Member of the House of Representatives from Arizona regarding this report?

Mr. WHEELER. I have.
Mr. ASHURST. May I presume to ask the Senator
whether the able Member of the House of Representatives from Arizona is satisfied and contented with this amendment and this report?

Mr. WHEELER. My understanding is that the Member of the House of Representatives from Arizona is entirely satisfied with the amendment. The amendment, which was included in the report by the conference committee, is a combination of the House amendment, as proposed by the Member from Arizona in the House of Representatives, and the amendment proposed in the Senate by the Senator from Arizona.

Mr. O'MAHONEY. Mr. President, it is my understanding that the amendment adopted in the Senate excluding reclamation projects from the operations of the measure was also included?

Mr. WHEELER. That is correct.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

REGULATION OF PUBLIC GRAZING LANDS-CONFERENCE REPORT Mr. O'MAHONEY submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6462) to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46; and

agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

'Nothing in this act shall be construed in any way to diminish, restrict, or impair any right which has been heretofore or may be hereafter initiated under existing law validly affecting the public lands, and which is maintained

pursuant to such law except as othewise expressly provided in this act, nor to affect any land heretofore or hereafter surveyed which, except for the provisions of this act, would be a part of any grant to any State."

And the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "to groups, associations, or corporations authorized to conduct business under the laws of the State in which the grazing district is located. Preference shall be given in the issuance of grazing permits to those within or near a district who are landowners engaged in the livestock business, bona fide occupants or settlers, or owners of water or water rights, as may be necessary to permit the proper use of lands, water, or water rights owned, occupied, or leased by them, except that until July 1, 1935, no preference shall be given in the issuance of such permits to any such owner, occupant, or settler, whose rights were acquired between January 1, 1934, and December 31, 1934, both dates inclusive, except that no permittee complying with the rules and regulations laid down by the Secretary of the Interior shall be denied the renewal of such permit if such denial will impair the value of the grazing unit of the permittee when such unit is pledged as security for any bona fide loan. Such permits shall be for a period of not more than 10 years, subject to the preference right of the permittees to renewal in the discretion of the Secretary of the Interior, who shall specify from time to time numbers of stock and seasons of use. During periods of range depletion due to severe drought or other natural causes, or in case of a general epidemic of disease, during the life of the permit, the Secretary of the Interior is hereby authorized, in his discretion, to remit, reduce, refund in whole or in part, or authorize postponement of payment of grazing fees for such depletion period so long as the emergency exists."

And the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "Provided further, That nothing in this act shall be construed or administered in any way to diminish or impair any right to the possession and use of water for mining, agriculture, manufacturing, or other purposes which has heretofore vested or accrued under existing law validly affecting the public lands or which may be hereafter initiated or acquired and maintained in accordance with such law. So far as consistent with the purposes and provisions of this act, grazing privileges recognized and acknowledged shall be adequately safeguarded, but the creation of a grazing district or the issuance of a permit pursuant to the provisions of this act shall not create any right, title, interest, or estate in or to the lands"; and the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment, as follows: Page 18, line 21, at the end of section 16 insert a colon and add the following: "Provided, however, That nothing in this section shall be construed as limiting or restricting the power and authority of the United States"; and the Senate agree to the same.

ALVA B. ADAMS, JOSEPH C. O'MAHONEY, GERALD P. NYE. Managers on the part of the Senate. RENÉ L. DEROUEN, HARRY L. ENGLEBRIGHT, J. W. ROBINSON, G. W. EDMONDS, DENNIS CHAVEZ, Managers on the part of the House.

The report was agreed to.

MESSAGES FROM THE PRESIDENT-APPROVAL OF BILLS AND JOINT | RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who announced that the President had approved and signed the following acts and joint resolution:

On June 15, 1934:

S. 2714. An act to amend section 895 of the Code of Law of the District of Columbia; and

S.J.Res. 93. Joint resolution authorizing the creation of a Federal Memorial Commission to consider and formulate plans for the construction, on the western bank of the Mississippi River, at or near the site of old St. Louis, Mo., of a permanent memorial to the men who made possible the territorial expansion of the United States, particularly President Thomas Jefferson and his aides, Livingston and Monroe, who negotiated the Louisiana Purchase, and to the great explorers, Lewis and Clark, and the hardy hunters, trappers, frontiersmen, and pioneers and others who contributed to the territorial expansion and development of the United States of America.

On June 16, 1934:

S. 3025. An act to amend section 12B of the Federal Reserve Act so as to extend for 1 year the temporary plan for deposit insurance, and for other purposes.

A. W. HOLLAND-CONFERENCE REPORT Mr. BAILEY submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 551) for the relief of A. W. Holland, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment.

JOSIAH W. BAILEY. ARTHUR CAPPER, Managers on the part of the Senate.

LORING M. BLACK, Jr., ROBERT RAMSPECK, U. S. GUYER, Managers on the part of the House.

The report was agreed to.

IMPROVEMENT IN HOUSING STANDARDS AND CONDITIONS

The Senate resumed the consideration of the bill (S. 3794) to encourage improvement in housing standards and conditions, to provide a system of mutual mortgage insurance, and for other purposes.

Mr. BULKLEY. I offer a further amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment submitted by the Senator from Ohio will be stated.

The Legislative Clerk. On page 30, lines 16, 17, and 18, it is proposed to strike out the words "or any combination of any three of these five words as the name or a part thereof under which he or it shall do business" and insert "or any combination of these words which would have the effect of leading the public in general to believe there was any connection, actually not existing, between such individual, association, partnership, or corporation and the Savings and Loan Insurance Corporation, as the name under which he or it shall hereafter do business."

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Ohio.

The amendment was agreed to.

Mr. BARKLEY. Mr. President, I offer an amendment. The PRESIDENT pro tempore. The amendment will be

The LEGISLATIVE CLERK. On page 47, after line 15, it is proposed to insert the following as a new section.

SEC. 506. Section 22 of the Interstate Commerce Act, as amended, is further amended by adding at the end thereof the following new sentence: "Nothing in this act shall prevent any carrier or carriers subject to this act from giving reduced rates for the transportation of commodities to be specified by the Commission as hereinafter provided, to or from any section of the country,

with the object of improving Nation-wide housing standards and providing employment and stimulating industry, if such reduced rates have first been authorized by order of the Commission (with or without a hearing); but in such order the Commission (with or without a hearing); but in such order the Commission shall specify the commodities as to which this proviso shall be declared effective and shall specify the period during which such reduced rates are to remain in effect."

Mr. FESS. Mr. President, I inquire what is the purpose of the amendment?

Mr. BARKLEY. This amendment, I will say, was drawn by Commissioner Eastman after conference with the Interstate Commerce Commission and with the Association of Railway Executives, and it has the approval of all those who are sponsoring this legislation. It provides that in the event any railroad company applies for permission to reduce rates on building materials, notwithstanding anything else in the act to regulate commerce, the Commission may authorize it for such period as it may designate to reduce the rate upon certain materials as it may designate in the hope that construction costs may be somewhat reduced. We have done that with reference to agricultural products and the law is now in effect; we did it yesterday in the deficiency appropriation bill, with reference to relief commodities, and this provision will not take effect, anyway, unless a railroad makes a request and it is granted by the Interstate Commerce Commission.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Kentucky. The amendment was agreed to.

Mr. BULKLEY. It was suggested this morning by the Senator from Delaware [Mr. Hastings] that possibly this bill might be interpreted as exempting from local taxation real estate held by the administrator. The committee does not think that is a justifiable interpretation, but, in order to make the matter perfectly clear, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be

The Legislative Clerk. On page 18, between lines 14 and 15, in the title "Taxation provisions", it is proposed to

Nothing in this title shall be construed to exempt any property acquired and held by the administrator under this title from taxation by any State or political subdivision thereof, to the same extent, according to its value, as other real property is taxed.

The PRESIDENT pro tempore. The question is on agreeing to the amendment presented by the Senator from Ohio.

The amendment was agreed to.

Mr. FESS. Mr. President, I assume that we will very soon reach a final vote on the measure now pending before the Senate; and I want to make an observation of only 2 or 3 minutes, as I am cooperating with those who desire expedition so as not unduly to delay final decision on any of the measures which are now before us.

The one thing in the proposal that appeals to me is the effort to assist the durable-goods industry in a revival of business. It has been very well understood and often commented on that the most dangerous situation in reference to the unemployment is in that field. Only yesterday the Senator from Wisconsin [Mr. La Follette] emphasized it and other Senators have recently remarked upon that particular condition. The report of the Labor Department in response to a resolution introduced asking information with reference to the labor situation, also indicated that in the durable-goods field employment was in rather a serious condition.

I felt, and, many months ago expressed the feeling that probably the key log to the whole situation lies in that field, that if the 5,000,000 people formerly employed in the durable-goods field could be reemployed it would take care of the other unemployment situation which represents the providing of work for what we might call the "white-collar element" in our citizenship.

distinctly at the one weak place in our employment situation. I cannot forsee where this is leading and what is to be the finality of it.

Senators will recall that when we discussed the farm land bank measure it was stated it would invite large borrowings in many cases probably that ought not to be provided for, and the time would come when we would be called upon to relieve the situation which would grow out of those borrowings. All of us recognize that the fear has been realized. In that case the responsibility was not of the Government, but of a lending agency which is not public or semipublic: a private enterprise.

Here we have a proposal which is governmental and I fear we are going to make borrowing so very easy that the Government will ultimately have to hold the bag. Government is not going to foreclose quickly and hurriedly because of the nonpayment of an indebtedness by a borrower. How far this will reach as a policy it is difficult to

In addition to that is the shocking burden we are placing upon the Treasury as the result of the emergency situation, and that burden is simply bewildering. When we think of the amount of money that every day we are authorizing with seemingly no effort to ascertain where it is to come from, it is difficult for anyone to see what is to become of us, except that we may reach a form of repudiation either in the form of inflation or otherwise. I think it is inevitable. For that reason specifically I am bewildered when we are called upon, with such ease and nonchalance as we are now displaying, to have the Government enter into such enterprises as the one contemplated by the bill now before us.

It is fine to have our citizens build new homes, modernize their old homes, and furnish them with modern equipment. I should like to see that done, but when it is to be done at the risk of the Government, I do not know what is to be the end of it. It seems to me we are facing a very serious situation.

Mr. President, all through this session of Congress we have been morbidly pessimistic. Everyone said "We have to do it; there is nothing else to do." Senators have voted and are voting for measures every day to which they do not subscribe, but they say "there is nothing else for us to do." In a sense that may be a justification.

But I do not think all the greatness belongs to the past. I do not believe it for a moment. I think there is a greatness in the future as well as in the past. When we talk about the great fall in prices usually we are thinking of the difference between the height of prices in boom times and the low level of prices in depression times, when really the low level is not so far below the normal price level, and the emphasis is made simply because of the high level from which we have fallen, when that high level was not normal.

I think there is still a future for the United States. Only recently an invitation was extended to a very distinguished citizen of my State, Mr. John E. Galvin, of Lima, Ohio, to attend a dinner which was given by a leader in enterprise. The keynote of the occasion was the future and what could be expected for the country. He answered the invitation in these words:

Those who think that the world, and particularly the United States, is finished tire me. In my opinion the average standard of living even in our own country is not 10 percent of what it should and can be if we only think so. We business men want bigger and better business every year; to achieve this with a population that is increasing less than 1½ percent yearly we must address ourselves to the problem of continually raising the standard of living of all our people. This means many more things and services of all kinds for everybody. As the wants of man are infinite so is this market unlimited after 150 years as a nation. We have at 1929 prices only \$3,000 per capita to provide the tools of production necessary to produce our present standard of living. In the next 10 years we should provide 10 times that much. At least 80 percent of our present equipment should be replaced within the next decade and we should then start all over again with the development of that period. Our business as a whole is limited only by the kind of thinking the Nation does as a whole. I hope that your dinner will be a starter in showing all leaders in Government, business, and all lines of human endeavor the necessity of increasing the produc-Those who think that the world, and particularly the United

tion and distribution of all kinds of goods and services necessary to raise the standard of living of all classes and truly promote the prosperity and happiness of all our people.

That is the sentiment which comes from a man who is not only a business man but who has the scientific viewpoint.

Mr. President, I have here an address delivered by Mr. Charles F. Kettering, a very distinguished scientist of our day, a man who has probably done as much in applying the principles of science to our modern economic life as any other man. He makes some very remarkable statements as to the possibilities of the future. His idea is that we are only in the beginning of what ultimately and in the near future will be realized by the new application of science. He speaks of various items, such as air conditioning, and other applications of modern principles to living. I think his address ought to have a very wide reading. The address was delivered at Chicago. It is full of optimism, in contrast with the pessimism to which we have been listening. I ask unanimous consent that the address may be inserted in the RECORD at this point.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The address is as follows:

PREVIEWS OF INDUSTRIAL PROGRESS IN THE NEXT CENTURY

(Address of Charles F. Kettering, vice president in charge of research, General Motors Corporation, in the Hall of Progress, General Motors Building, Century of Progress Exposition, Chicago, Friday, May 25, 1934)

Chicago, Friday, May 25, 1934)

The whole world is now absorbed in a study of social problems. These problems were brought about largely by the war. The depression has had a lot to do with clarifying science and industry's part in these problems. As to what we do in the future will depend altogether upon how good a perspective we have as to what we know and what we do not know. The ultimate aim of all industry, science, government, and sociology is for a better life—better living conditions, better health, better food, better government, better houses—in fact, for better everything. And these can come about only in proportion as our daily routine and activities conform more nearly to nature's laws which we understand so poorly at the present time.

The very fact that we have a lot of trouble is the best indication of this lack of understanding. Any group of scientists and engineers can sit down and write a long list of things which can be accomplished in the future. And it can also be written down that these things will come to pass when our Government, social,

that these things will come to pass when our Government, social, and economic situation develop to a point where they are desirable. And when these new products are presented, if the people accept them, they then become the beginning of new industries which will absorb a great many of our unemployed.

This list which we are discussing is merely the extension of what is in evidence today. And of itself it has sufficient vitality to produce new jobs and new commercial activities to pick up our entire unemployment. But we must do something about it. Just talking will not produce the results.

Just talking will not produce the results.

It is my impression, however, that we are on the eve of things of an entirely different nature than the mere extension, refinement, and development of our present-day scientific knowledge. I feel we have upon us in the immediate future a great change in mental attitudes toward the physical world which would bring into existence new pieces of information which will completely change our scientific viewpoint. It is not what we know that is so important. It is what we do not know. Most of what we know can be found in libraries, in the minds of people, and in process as they exist today. But we have no conception of what a small percentage this is to what there is yet to know.

As an illustration, we perhaps do not recognize it, but every-

As an illustration, we perhaps do not recognize it, but everything that ever moved on the earth has been moved by energy
which came directly from the sun. Our coal and oil deposits,
our forests, our crops, and everything that lives on the earth is
simply an energy contribution from the sun. We do not know,
except in a very superficial way, how the energy which is given
out by the sun is transmitted to the earth. We do not know
how plants pick up this energy and convert the inanimate carbon dioxide and water into the vital materials so necessary for
our existence. This when understood will open up an entirely This, when understood, will open up an entirely new conception of things that can be done.

It is not difficult with this information in hand for even the

most unimaginative person to predict the propulsion of airplanes by radiated energy with the power plants located on the ground. Nor is it difficult to envision the entire system of aerial trans-Nor is it dimcuit to envision the entire system of aerial transportation which would be unaffected by fog and weather conditions in general. Most of this work is being studied today under the name of photosynthesis—that is, how plants grow. And we have one research which, for want of a better name, we say is trying to find out why the grass is green. We must understand something of these processes of radiated energy before many of the great problems which lie ahead of us can be solved.

So much of our information today does not consist of basic

So much of our information today does not consist of basic understanding. It is known to us only by definitions. We say

we can see through a pane of glass because it is transparent, and yet we do not know the first principle of how light is transmitted through glass. We say a copper wire is a conductor of electricity, and yet even our best scientists do not know, even in a small way, how electricity passes through one. We rub our hands together; we say they are warmed by the friction, and yet we have no knowledge today of the magnetism of friction. We know we have ball bearings, but as to the exact action of lubrication little, if anything is known and in the commonlace things that are used. anything, is known, and in the commonplace things that are used in the electrical industry, such as magnetism, electric charges, etc., we have only a very superficial knowledge. We know these We know these

things exist, however, because we can see the effects of them.

Each year we discover new things, which a short time ago we did not even know existed. This has been true in the case of food and vitamins and other principles of nutrition. I cannot help but feel that in a very short time we are going to break loose help but feel that in a very short time we are going to break loose another great piece of basic information which will keep us industrially busy for a great many years to come. I think if we write down as our immediate problem those things with which we are dissatisfied we have a long list of things to do. We can make our cities less noisy; we can take dirt out of the air; we are air conditioning our houses; we can have television and an unapproached number of other things. Now, if we will go ahead and do these things which are evident, to the best of our ability, and still keep an abiding faith in what we know and in what we do not know as having possibilities of great contributions to human welfare, there will be no need to fear the future.

There are many people who doubt if human progress can continue on its present standards. Still others think that we have to go back to lower standards of living because they see no way out of our present difficulty. There are, however, a substantial number who, knowing something of the development of civilization, do not regard the evidence presented as justifying either a

number who, knowing something of the development of civilization, do not regard the evidence presented as justifying either a static or a retrograding standard of living. Our assemblage around this table, made up of all classes of scientists and industrialists, consists of all of the talents from that group of our American people who do not believe the world is finished or that we must curtail human effort and desire. But, on the other hand, we do believe that the only way out of our present difficulty is forward and not backward. To those of us who have spent most of our time in experimental and development work failure is a common thing, and if we gave up the principle every time an experiment failed we would accomplish nothing. If common sense dictates that our objectives are sound, we must keep on failing and learning and failing until the objective is obtained.

Our civilization, as a whole, is new. This is the first time in the history of the world that such a civilization has been in existence. It in itself is an experiment, and just because we have encountered difficulty is no cause for despair. We must find out what is wrong and then remedy it, but we must not give

find out what is wrong and then remedy it, but we must not give up hope of a better and more secure life.

Almost every group of human society has been blamed for our difficulty, and the group which we represent has come in for a good measure of criticism. Most of this has come from people who do not know, either through the lack of imagination or experience, how to project the future. We welcome criticism and are open to suggestions as to how to do our work better. We feel that this depression is just one of the echoes of the Great War. Nevertheless, it is a reality and everybody must do what he can to help in every way possible to tide over these difficult

We are being told that if we develop new things we must accept the responsibility to see that they are properly used. We cannot accept this proposition. First of all, we do not know when we are developing a new tool of human usefulness, and secondly a mind turned in fact-finding and experimentation does not make either a good politician or a social worker. We believe that many of the principles that have been developed in the physical sciences can be used in the study of the social sciences and we stand ready to contribute in any way that we can to this work. In the conception of any new project few people can see its significance, but when difficulties are encountered they always want to turn back. Christopher Columbus had exactly this experience with his crew and while he did not reach his objective the result of his bold voyage resulted in a very much more important thing than that which he started out to do.

This same thing holds good in practically every human under-

This same thing holds good in practically every human under-This same thing holds good in practically every human undertaking. We must believe both in the integrity of the people and in the motive which drives them on to their new undertaking. We must also have an open-mindedness in dealing with all new problems. When Faraday was experimenting on some of his first work in electricity a member of Parliament said, "What use can this ever be?" He replied, "You may be able to tax electrical apparatus some day."

This has, we all know, come true. In the short space of time between the Century of Progress of 1933 and tonight, a great many significant steps have been made in all branches of science, many significant steps have been made in all branches of science, industry, and human relationships. These will be discussed by our distinguished guests. While no one can predict what the significance may be, we know that these new things have as great a potential at this time as any other great discoveries had in times past, at their inception. Every activity has before itself many great jobs to do. Perhaps one of them that concerns us most is with health. The doctor has done a wonderful job in his long tedious journey from the medicine man of ancient time with his attempt to scare away evil spirits to the present day of scientific approach and intelligent diagnosis. It will take him

many years of the new century to understand all the delicate chemical reactions that go on in the human system. The physicist, the biologist, and the engineer are all being asked to lend their assistance in this great work. The exhibit of medicine, surgery, and general health education is one of the most important in this great exposition, in which we have a part.

Most people think that science and industry are interested only in the development of labor-saving machinery. This is entirely a false notion. But we must not forget that for the past 50 years, when the great building of our railways, cities, and industrial plants was going on, this labor-saving was a most important thing because we did not have enough people to do the work. And only 5 years ago we had a scarcity of labor in this country. We are all very much more interested in the production of labor-producing projects and invention than we are in labor-saving, and it is our desire to present to you tonight this point of view. If you will only recognize how much there is yet to be done that will be of general good to the whole human family, then we need not worry, but we must be bold enough to take those forward steps which will bring back prosperity in any measure that we desire or in any measure which we have imagination enough to conceive.

Mr. FESS. Mr. President, on the same occasion Glenn Frank, president of the University of Wisconsin, made a very remarkable and interesting speech, in which he took the same position, stating that we are not finished, that our greatness is in front of us rather than behind us. I ask to have his address printed in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The address is as follows:

ADDRESS OF GLENN FRANK, PRESIDENT UNIVERSITY OF WISCONSIN, PREVIEWS OF INDUSTRIAL PROGRESS IN THE NEET CENTURY, HALL OF PROGRESS, GENERAL MOTORS BUILDING, CENTURY OF PROGRESS EXPOSITION, CHICAGO, FRIDAY, MAY 25, 1934

It has been the essence of the American spirit to face the future with high expectancy of new and vibrant possibilities. American has been a man of faith. He has always scorned the suggestion of surrender in the face of difficult circumstances. He

needs to remember and to rely upon that spirit now.

A thousand and one voices are whispering to him that his only hope of salvation and security lies in a deliberate retreat from this age of plenty and a planned return to the age of scarcity. Tonight some of us are undertaking to challenge the soundness of this whispered advice.

There is no dodding the fact that the relentless advance of

There is no dodging the fact that the relentless advance of physical science and industrial technology has confronted us with unprecedented difficulties. The development of scientific physical science and industrial technology has confronted us with unprecedented difficulties. The development of scientific processes has moved with airplane speed. The development of social policies has lumbered on at a stagecoach rate. Research in the physical sciences has produced social changes faster than research in the social sciences has perfected social controls. All sorts of maladjustments have occurred. And the result has been a race between scientific progress and social instability, with social instability, for the time, being in the lead.

The blunt truth is that the revolutionary results of physical science and industrial technology have brought us to a crossroads where decisions that will determine our destiny must be made.

made.

There are only two choices now open to us. We can call a halt on scientific research and technological advance until they no longer put so many strains on the traditional structure and functions of our social order. Or we can put our brains to the business of making such readjustments in our political, social, and economic policies as will enable us to take full human advantage of this new age of science, technology, and plenty.

The first choice is unworthy of the American tradition. The second choice would mean that the spirit of the pioneers is not

dead in us.

To me the most disturbing fact of the time is the number of Americans, in high position and low, who are falling victim to a defeatist mood, apparently assuming that progress has come to a dead end, that science and technology have been too efficient in producing a limitless output at low prices, and that the thing to do is to plan a lesser output at high prices.

To restrict production and to raise prices as a general policy is, to me, not liberalism but reaction, not statesmanship but surrender, not creative advance but cowardly retreat. That way lies the subdizing of inefficiency. That way lies the sabotage of superior management that knows how to bring both the cost of production and the price of products down. That way lies a perperior management that knows how to bring both the cost of production and the price of products down. That way lies a permanent and perilous lowering of living standards for the swarming millions. It was not for this that the pioneers builded their blood and sacrifice into the foundations of this Nation. More goods at lower prices is the logical goal of an age of science and technology.

To me it is incredible that, in a world of tragically unfilled To me it is incredible that, in a world of tragically unified human need, we should now set out upon the quixotic attempt to increase welfare by destroying wealth or declining to create it. Our ancestors fought valiantly over the centuries to conquer famine. Are we now to say that their conquest has been too decisive? After the sweat and science of generations have brought us out of an economy of scarcity into an economy of plenty, are we to confess that we are incapable of managing plenty, and deliberately legislate a modified famine? I think history will pass a bitter judgment upon us if, in the midst of such manifest need, we take this road in dealing with the difficulties now confronting

our farms and our factories.

Two things must, I think, be done in our schools, colleges, and

Two things must, I think, be done in our schools, colleges, and universities to help prevent our taking this suicide road.

First, from one end of our school system to the other we must rebuild our curricula around a spinal column of political, social, and economic studies which reduce to utter simplicity and intelligibility the plain principles of organization and operation that must govern the work of an age of science and technology if its magnificent mechanism for producing abundance is to serve instead of sink us. These studies must be organized, not in terms of traditional academic objectives, but for the avowed social purpose of training a generation of citizens to play a productive role in the creation, comprehension, and control of a workable

role in the creation, comprehension, and control of a workable social and economic order in an age of plenty.

Second, the universities and research institutes must organize to insure an earlier consideration of the social and economic effects the discoveries of the physical scientist and industrial technologist. Under the research system to date the social scientists get into the game too late. They wait until the discoveries of the physical scientist and industrial technologist radically upset old social and economic arrangements and then come along as a kind of wrecking crew to clean up after the catastrophe and to suggest ways of preventing its recurrence. That has proved too costly a procedure socially. From now on the physical scientists and the social scientists must work hand in hand. We must devise a new method of continuous cooperation between the physical scientists and the social scientists in all our research centers. The social scientists must be kept informed of what the physical scientists are up to, not after the physical scientists have completed their researches and worked social and economic havor with their results, but from the very beginning of the researches. If the chemists or physicists are on the trail of a new idea in 1934 that may prove workable in 1954, the social scientists should know it in 1934, not in 1954. And, through all the 20 years between 1934 and 1954, the social scientists should be considering ways and

and 1954, the social scientists should be considering ways and means of making this new idea help instead of hamstringing humanity if and when it becomes workable. If we can invent such a method of sustained cooperation, we can shorten, by at least a decade, the lag between the swiftly changing processes and the slowly changing policies of our national life.

There are, in my judgment, the two major lines along which the universities and research institutes can best help us to take full advantage of this economy of science, technology, and plenty instead of running away from it and taking a coward's refuge in a policy of repressing, restricting, and reducing our maximum in a policy of repressing, restricting, and reducing our maximum

productive capacity.

The machine has not betrayed us. We have betrayed the mawhich we may emancipate the race from poverty, drudgery, and insecurity. If we now prove incapable of using these means to the full, the verdict of history upon us will be that we were a people strangled by our own success.

Mr. FESS. To cooperate with the Senate in getting through with its work, I simply wanted to make sure that some note of optimism might be sounded in this era of so ·much pessimism. While the immediate future, judged by the condition of the world, is not particularly rosy, I cannot believe that there is not still a great opportunity for the world to advance, and especially for the United States.

This kind of legislation is along the line of response to an emergency. It may be justified, but I am desperately afraid of where it is going to lead.

Mr. LOGAN. Mr. President, I desire to ask the Senator from Ohio [Mr. Bulkley] a question. I notice that on page 20, lines 20 and 21, there is the following clause regarding the powers of national mortgage associations:

To sue and be sued, complain and defend, in any court of law or equity, State or Federal.

I wondered what was the reason for using the words "State or Federal." We have systems of jurisprudence with the jurisdiction defined in both the State and the Federal courts, and litigants have a right to go into either of those courts as the facts may justify. I was a little afraid that that language might be confusing, and I was wondering if it would not be better if we should strike out "State or Federal", unless there is some reason for including those words.

Mr. BULKLEY. As I understand, this part of the bill is merely prescribing the corporate capacity, and not conferring a right to go into a Federal court where it would not otherwise exist. I believe this is the language usually used in setting up corporations.

Mr. LOGAN. So far as I know, when we give a corporation the authority to sue and be sued, it is not necessary to state in what court it may sue. It would have the right to go to the Federal court if the facts justified it, or to the State court; but are we not conferring upon these corporations the right to go into the Federal courts although the matter may be purely a State matter?

Mr. BULKLEY. It was not so intended; and I believe the language to which the Senator refers is very usual in setting

up corporations of this character.

Mr. LOGAN. It may be that it is usual, but I am afraid it would be confusing. Some one will claim that the bill gives the right to go into the Federal court when otherwise there would be no right to go into the Federal court for the purpose of litigating tax matters or other matters that might arise. On a purely State matter, where the State courts have jurisdiction, they ought to go there, and where the Federal courts have jurisdiction they ought to go there: but I am afraid this language gives jurisdiction to go into the Federal courts in all matters.

Mr. BULKLEY. My attention is called to the act setting up the Reconstruction Finance Corporation, which contains the same provision referring specifically to State or Federal courts. I do not think it has been interpreted as a specific right to get Federal jurisdiction. It is intended merely as a designation of corporate capacity.

Mr. LOGAN. That the association may go into the Federal courts if the facts justify it, or it may go into the State courts if the facts justify it?

Mr. BULKLEY. Exactly. Mr. LOGAN. If the language means that, it is unobjec-

Mr. BULKLEY. That is what it is intended to mean. Mr. STEIWER. Mr. President, I now move that title III, providing for national mortgage associations, be stricken from the bill. On that motion I desire to be heard briefly.

There are a number of Senators who desire an opportunity to express themselves with respect to this title. I am one of those who felt that the title ought not to be included in the bill. I now briefly state the reasons why we feel that it should be eliminated.

The purpose of the title, as explained by its sponsors, is to provide credit facilities in those areas in which there has been a partial or complete break-down in credit of this type: the thought being that if national associations are provided with \$5,000,000 capital, those associations will be able to operate Nation-wide, and to supply credit in those areas in which it is presently lacking.

I suggest, with respect to that proposition, that this title is unnecessary in view of the other provisions of the bill, particularly in view of those provisions of the bill which provide insurance of mortgages in title II, and in view of other provisions of the bill which in many ways will liberalize credit, and provide credit where no credit now exists.

It is obvious to those who give the matter only a moment's consideration that the insurance of mortgages will make the mortgage companies more willing to transact business, and place them in better position to provide the facilities that we want to have provided to those who are desirous of borrowing especially upon homes.

Because the title is unnecessary, I have moved that it be stricken. There is no occasion to include in the bill any unnecessary provision, especially where there is objection to the provision, and where, as is true here, there are many who feel that the provision may be hurtful.

The history of national mortgage associations is a history of failure. So far as I know, and so far as the committee was advised, there is no substantial success anywhere in the United States in the history of national mortgage associations.

More than that, these associations, as provided in title III, parallel very closely the joint-stock land banks. Senators will remember that Congress set up two systems, the Federal land banks and the joint-stock land banks, and that although the joint-stock land banks filled a need in places in the country and to some degree operated successfully, on the whole they were a failure and a disappointment to those who had expected the most from them.

They are privately owned institutions. Their capital is subscribed by investors. They are set up to perform a Nationwide service. In this regard they come into conflict with the Federal home-loan institutions, just as the joint-stock land banks came into conflict with the Federal land bank, and I prophesy with much the same result to both institutions.

Not only do they parallel the theory of the joint-stock land banks, but they bring into the situation other complications which we might well avoid. Undoubtedly they increase very greatly the administrative problems of the ad-

Earlier in the day we made a rather feeble effort to correct what some of us regard as a weakness in this bill by providing for an ex-officio board instead of an administrator. The Senate, in its wisdom, adhered to the plan of a single administrator. Now, we are discussing title III, and it is fair to consider what the relations of the administrator may be to this title. If Senators will take just a moment, and not accept this title upon faith, they will see that it will bring the administrator, already overburdened and overworked and already confronted with very numerous and heavy responsibilities under the bill, additional responsibilities, which will be very irksome to him.

Let me call attention, for illustration, to one or two things, so that I may pass on rapidly.

In the first place, it will be found on page 20 of the bill that these institutions are authorized to conduct business in any State of the United States-in other words, in every State of the United States. The mortgage association, without restraint from the administrator, and on its own account, will determine whether or not it shall operate Nationwide; and if it decides to operate Nation-wide it is bound to run into some difficulties and meet losses.

On page 23 we find provision for the management of acquired properties, and we find further provision for the examination and liquidation of the associations. In the matter of the management of the acquired properties and in the other matter to which I have alluded, these associations are to operate under rules and regulations to be provided by the administrator.

Just think of Nation-wide institutions acquiring property in every State in the Union, and conceivably in every county in every State in the Union, and attempting to administer that property, all under the supervision of one administrator here at the National Capital. And consider, if we can, whether there is any chance that the institutions can be successful, or that the administration can be saved from great embarrassment and great labor in connection with the work of these institutions. They may manage the property they acquire; they may rent it, and renovate it, and modernize it, and sell it, and do all the things necessary in order to relieve themselves from the property which has come into their hands; and in the whole plan they are to be under the supervision and proceed under the rules and regulations of the administrator.

So, too, with respect to the examination. We are going to require the administrator, or some one acting for him, to make periodic examinations or other examinations of these institutions to have the power to continue them, to supervise them, to terminate them, and in various other ways to determine whether the institutions shall live or

So, Mr. President, we have here institutions that will bring to the administrator very considerable new duties; institutions that are not necessary, because in other portions of the bill we are proposing to insure mortgages, and credit will be established without these national institutions; these institutions may compete with established private institutions to the very great injury of those private institutions, that undoubtedly will compete in a general way with the Federal home-loan banks. It is true that the home-loan banks are banks of discount, and it is true that it is provided here that these institutions are not banks of discount; but they may buy and sell mortgages, and the fact

These institutions are like the joint-stock land banks. | remains that if they become a great factor in the business of the country and succeed in the enterprise of buying and selling mortgages on a large scale they will to that extent take the discount business away from the Federal home-loan

> Mr. President, there is not a public interest to be served by these institutions. They may injure the Federal homeloan banks and the private institutions. Nobody will gain; all may lose. We feel that the title ought to be stricken from the bill. In conclusion, I wish to say just one further word. The House committee very carefully considered this matter. They held hearings for many days upon it. They brought before them the witnesses best informed and best qualified to speak, and they reached what I term an informed opinion with respect to it, and that informed opinion was against the inclusion of this title in the bill. I think the papers stated that, by a vote of 16 to 4, they voted the title out of the bill. The House of Representatives, without the information and the detailed knowledge possessed by the committee, in its wisdom voted the title into the bill.

> This title was considered by the Senate Committee on Banking and Currency. The Senate subcommittee at one time favored the elimination of the title, and when the matter was considered in the whole committee, the majority of those present who heard the discussion and considered the matter favored the elimination of the title, and it was retained by the casting of votes by proxy of Senators who had not heard the discussion, and who did not know the implications involved in this part of the legislation. So I say that informed opinion in the committees of both Houses is against this title, and uninformed opinion is for it.

Mr. BARKLEY. Mr. President, will the Senator yield? Mr. STEIWER. I yield.

Mr. BARKLEY. It is neither fair nor accurate to say that proxies were voted in favor of this amendment by Senators who knew nothing about it.

Mr. STEIWER. I did not say that. Mr. BARKLEY. Proxies were voted of Senators who were otherwise engaged in other committees and in conferences. Mr. STEIWER. That is true. Mr. BARKLEY. But who did know what they were voting

Mr. STEIWER. I repeat, Mr. President, that Senators who were not present and who had not heard the discussion. and did not have the benefit of the discussion, permitted their votes to be cast by other Senators who were present. I know the Senator upon reflection will not contradict this statement. And I repeat that of those who were present and who did hear the discussion a majority was in favor of the exclusion of this title. That is the fact of the matter.

Mr. BARKLEY. I will say that on that particular day a majority of those who were probably not enthusiastic about the legislation at all—I would not say that as to all of them voted to eliminate this title, and, on the contrary, absentees were voted by proxy who had not been present and had not heard the discussions in favor of eliminating the title, and we had more proxies in favor of keeping it in than the Senator had in favor of striking it out.

Mr. STEIWER. The Senator from Kentucky had an abundant number of proxies, all of which were employed to retain this title. As I remember, there were no proxies to strike this title.

Mr. BARKLEY. Oh, yes; there were.

Mr. STEIWER. I recall none and believe the Senator cannot name them. I do not complain if the Senator from Kentucky voted proxies; I have no objection to the Senator casting the votes of absentee Senators, but I say again that those who heard the discussion were in favor of striking the title out, just as the House committee favored striking

Mr. BARKLEY. In the House of Representatives the title was restored by a vote of 147 to 90.

Mr. STEIWER. By the votes of those who had not heard the discussion before the committee.

Mr. BARKLEY. They heard it on the floor of the House.

Mr. STEIWER. But not the full discussion before the committee. By the same procedure the title may be retained here also by those who have not had opportunity, in the very great hurry of the closing days of the session, to read the report of the hearings, and to know what is thought on this subject by those best qualified to deal with it. I regret that the majority, only partially informed, seems determined to retain this title against the judgment of those who have given it full and careful consideration.

The PRESIDENT pro tempore. The question is on agree-ing to the amendment offered by the Senator from Oregon

[Mr. STEIWER].

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Clerk will call the

The CHIEF CLERK called the roll, and the following Senators answered to their names:

Adams	Couzens	Jonnson	Reynolds
Ashurst	Cutting	Kean	Robinson, Ark.
Austin	Davis	King	Robinson, Ind.
Bachman	Dickinson	La Follette	Russell
Bailey	Dieterich	Lewis	Schall
Bankhead	Dill	Logan	Sheppard
Barbour	Duffy	Lonergan	Shipstead
Barkley	Erickson	Long	Smith
Black	Fess	McCarran	Steiwer
Bone	Fletcher	McGill	Stephens
Borah	Frazier	McKellar	Thomas, Okla.
Brown	George	McNary	Thomas, Utah
Bulkley	Gibson	Metcalf	Thompson
Bulow	Glass	Murphy	Townsend
Byrd	Goldsborough	Neely	Tydings
Byrnes	Gore	Norbeck	Vandenberg
Capper	Hale	Norris	Wagner
Caraway	Harrison	Nye	Walcott
Carey	Hastings	O'Mahoney	Walsh
Clark	Hatch	Overton	Wheeler
Connally	Hatfield	Patterson	White
Coolidge	Hayden	Pittman	
Costigan	Hebert	Pope	

The PRESIDENT pro tempore. Ninety Senators having answered to their names, there is a quorum present.

Mr. BARKLEY. Mr. President, I desire to take but a moment's time to discuss this amendment. The Senator from Oregon [Mr. STEIWER] has moved to strike out title III of this bill, which is the title which sets up the national mortgage associations. These national mortgage associations are purely private corporations set up under this bill for the purpose of rediscounting mortgages that are made upon properties by approved lending agencies as described in this bill. There was some opposition expressed early during the consideration of this bill after it was introduced, based upon the fear that these mortgage associations were going to set up institutions for lending money in the localities where other lending organizations already existed. There never was any such intention originally; but the language of the bill now has been so framed as to make it absolutely certain that they are set up purely and simply for the purpose of rediscounting mortgages which are made by building-and-loan associations and other approved lending agencies in the communities where they operate.

The Government of the United States is not involved in the stock of these corporations at all. They are purely private corporations. Their minimum stock is \$5,000,000. There may be as much more as may be put into the institutions by those who are willing to put their money into

In my judgment, this is one of the important, integral parts of this bill? It is true, as the Senator from Oregon said, that the committee in the House struck out this section, but on a vote on the floor of the House the Membership restored it by a vote of 147 to 90.

I have authority to say that all those who are interested in this measure and those who have had a hand in its framing, and those who are sponsoring it and are insisting upon its enactment at this time, desire the retention of title III in this bill.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield. Mr. TYDINGS. Is this the section against which the building associations originally protested?

Mr. BARKLEY. Yes, it is.

Mr. TYDINGS. And has it been modified?

Mr. BARKLEY. It has been modified. I would not be authorized to say that all of them are satisfied with it, but substantially a majority are now satisfied with this provision, because they have been convinced that the organization is not set up for the purpose of going into their communities and setting up a lending agency on the other side of the street from where they themselves are operating.

Mr. TYDINGS. May I ask the Senator another question?
Mr. BARKLEY. Yes.
Mr. TYDINGS. I take it from the Senator's reply that most of the objections, either imaginary or real, to which they originally adhered, have been eliminated in the rewriting of this title?

Mr. BARKLEY. The language has now been so clarified as to leave no doubt that the fears which they entertained originally are not now well grounded, if they were at that time. In my judgment, the setting up of mortgage loan associations as sort of real estate Federal Reserve banks in the districts in which they operate will afford to building-and-loan associations and all other lending agencies upon homes a market for their mortgages and a facility for the use of their credit, which will enable them to lend more money than they could without them. Certainly there ought not to be any objection to the provision for the organization of these associations by the investment of private capital in them for the purposes indicated in the bill.

Mr. OVERTON. Mr. President, will the Senator yield? Mr. BARKLEY. I yield.

Mr. OVERTON. Am I correct in understanding the Senator to say that the provision in the bill is so phrased that the national mortgage associations will not be able to make any direct loans to borrowers?

Mr. BARKLEY. They will not. They deal only in mortgages which are already made, and they are guaranteed mortgages. They are mortgages which have been placed upon property by approved lending agencies. They make no direct loans.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TYDINGS. I take it from the Senator's remarks that, instead of running in opposition to the building associations the new organizations, not being those of originallending qualifications, will be adjunct and a help to the building-and-loan association? Is that correct?

Mr. BARKLEY. They will operate in relation to the building-and-loan associations just the same as the Federal Reserve banks operate in relation to member banks.

Mr. STEIWER. The Federal Reserve banks normally rediscount. The Senator does not understand that these asso-

ciations are rediscounting agencies?

Mr. BARKLEY. Not technically rediscounting agencies, but building-and-loan associations and others may take their mortgages to these associations and hypothecate them and obtain additional funds, which they may take back into their communities and loan on additional properties, and, in turn, they may take those mortgages to their associations and secure additional funds. I think it will be a distinct help to all the lending agencies.

Mr. LONERGAN. Mr. President, I ask unanimous consent that there be incorporated in the proceedings at this point

a telegram relating to the pending bill.

The PRESIDENT pro tempore. Without objection, it is

The telegram is as follows:

THOMPSONVILLE, CONN., June 14, 1934.

THOMPSONVILLE, CONN., June 14, 1934.

Senator Augustine Lonergan,

Washington, D.C.:

We respectfully ask your earnest opposition to the national mortgage association section in housing bill now under consideration in Senate and your support of the Banking and Currency Committee plans. National mortgage associations create an unfair and unsound competition with all existing thrift and home-financing institutions and would lend themselves to large-scale speculative building. Every recorded experience in connection with Nation-wide loaning proves its unsoundness and has culminated in financial disaster. National building-and-loan asociations of the eighties and nineties were an outstanding example of the unsoundness of national mortgage operation. Perhaps you

know of the failure of national building-and-loan association in Hartford about 30 years ago. National mortgage associations would seriously interfere with success of Federal savings-and-loan associations now in promotion by the Government. The facilities of the Home Loan Bank System and Government cooperation and assistance provided for otherwise in the housing bill are ample, safer, and sounder for carrying out the President's program of home modernization and home building.

home modernization and home building.

Walter P. Schwabe,

President Connecticut Building and Loan League.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Oregon [Mr. STEIMER].

Mr. McNARY. On that question I ask for the yeas and navs.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. FESS (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. Glass], who is unavoidably detained from the Senate. I therefore withhold my vote.

Mr. ROBINSON of Arkansas (when his name was called). Transferring my general pair with the senior Senator from Pennsylvania [Mr. Reed] to the Senator from New York [Mr. Copeland], I vote "nay."

Mr. WALCOTT (when his name was called). I have a pair with the junior Senator from California [Mr. McAdoo]. Not knowing how he would vote, I refrain from voting. If permitted to vote, I should vote "yea."

The roll call was concluded.

Mr. LEWIS. I desire to announce the pair of the Senator from Indiana [Mr. Van Nuys] and the Senator from New Hampshire [Mr. Keyes]. Were they present, the Senator from New Hampshire [Mr. Keyes] would vote "yea", and the Senator from Indiana [Mr. Van Nuys] would vote "nay."

I desire also to announce a special pair on this question between the Senator from Florida [Mr Trammell] and the Senator from Wisconsin [Mr. La Follette].

I regret to announce that the Senator from California [Mr. McAdoo] is detained from the Senate on account of illness.

I desire further to announce that the Senator from New York [Mr. COPELAND], the Senator from Virginia [Mr. GLASS], the Senator from North Carolina [Mr. REYNOLDS], the Senator from South Carolina [Mr. SMITH], the Senator from Florida [Mr. TRAMMELL], and the Senator from Indiana [Mr. VAN NUYS] are necessarily absent from the Senate.

Mr. BULKLEY (after having voted in the negative). Mr. President, I am advised that the senior Senator from Wyoming [Mr. Carey], with whom I have a general pair, is necessarily absent. I transfer the pair to the senior Senator from South Carolina [Mr. Smith] and allow my vote to stand.

The result was announced—yeas 29, nays 53, as follows:

# YEAS-29

Barbour Borah Capper Davis Dickinson Frazier Gibson	Gore Hale Hastings Hatfield Hebert Johnson Kean	McNary Metcalf Norbeck Nye O'Mahoney Patterson Robinson, Ind. Russell	Schall Steiwer Townsend Vandenberg White
	NA	YS-53	
Adams Ashurst Bachman Bailey Bankhead Barkley Black Bone Brown Bulkley Bulow Byrd Byrnes Caraway	Clark Connally Coolidge Costigan Couzens Cutting Dieterich Dill Duffy Erickson Fietcher George Harrison Hatch	Hayden King Lewis Logan Lonergan Long McCarran McGill McKellar Murphy Neely Overton Pittman Pope	Robinson, Ark. Sheppard Shipstead Stephens Thomas, Okla. Thomas, Utah Thompson Tydings Wagner Walsh Wheeler

#### NOT VOTING-14

A	The state of the s	Address to the production of the second second second	
Carey Copeland	Keyes La Follette	Reed Revnolds	Van Nuys Walcott
Fess	McAdoo	Smith	335000000
Glass	Norris	Trammell	

So, Mr. Sterwer's amendment was rejected.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed without amendment the following bills and joint resolutions of the Senate:

S. 504. An act to authorize the Secretary of the Navy to make a long-term contract for the supply of water to the United States naval station at Guantanamo Bay, Cuba;

S. 555. An act to authorize the acquisition by the United States of the land upon which the Seneca Indian School, Wyandotte, Okla., is located:

S. 3151. An act to convey to the King Hill Irrigation District, State of Idaho, all the interest of the United States in the King Hill Federal Reclamation Project, and for other purposes;

S. 3541. An act to authorize production credit associations to make loans to oyster planters;

S. 3545. An act to extend the times for commencing and completing the construction of a bridge across the St. Clair River at or near Port Huron, Mich.;

S. 3618. An act to grant a portion of the Fort Douglas Military Reservation to the University of Utah, Salt Lake City. Utah:

S. 3655. An act to amend the act entitled "An act for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes", approved June 30, 1906, as amended:

S. 3696. An act authorizing the President to make rules and regulations in respect to alcoholic beverages in the Canal Zone, and for other purposes;

S. 3779. An act to amend section 4 of "an act to amend an act entitled 'An act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, and acts amendatory thereof and supplementary thereto", approved June 7, 1934;

S.J.Res. 106. Joint resolution authorizing loans to fruit growers for rehabilitation of orchards during the year 1934; and

S.J.Res. 138. Joint resolution to amend an act entitled "An act to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes" (Public, No. 169, 73d Cong.), approved April 21,1934.

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 1508. An act providing for the final enrollment of the Indians of the Klamath Indian Reservation in the State of Oregon;

S. 3096. An act for the relief of John T. Garity;

S. 3446. An act to authorize the Postmaster General to receive, operate, and to maintain for official purposes, motor vehicles seized for violations of the customs laws;

S. 3765. An act to enable the Postmaster General to withhold commissions on false returns made by postmasters;

S. 3766. An act to amend the act entitled "An act authorizing the Postmaster General to adjust certain claims of postmasters for loss by burglary, fire, or other unavoidable casualty", approved March 17, 1882, as amended;

H.R. 2414. An act for the relief of Frank Salisbury, executor of the estate of Emerson C. Salisbury, deceased;

H.R. 2418. An act for the relief of certain claimants at Leavenworth, Kans., occasioned through damage to property inflicted by escaping prisoners;

H.R. 5736. An act for the relief of Shelby J. Beene, Mrs. Shelby J. Beene, Leroy T. Waller, and Mrs. Leroy T. Waller;

H.R. 7212. An act to remove the limitation upon the extension of star routes:

H.R. 7301. An act to authorize the Postmaster General to charge an additional fee for effecting delivery of domestic registered, insured, or collect-on-delivery mail, the delivery of which is restricted to the addressee only, or to the addressee or order;

H.R. 2669. An act for the relief of Paul I. Morris;

H.R. 4253. An act for the relief of Laura Goldwater;

H.R. 8919. An act to adjust the salaries of rural letter carriers, and for other purposes;

H.R. 9904. An act to amend section 5 of Public Act No. 2

of the Seventy-second Congress, as amended;

H.R. 9618. An act authorizing the Sistersville Bridge Board of Trustees to construct, maintain, and operate a toll bridge across the Ohio River at Sistersville, Tyler County, W.Va.;

H.J.Res. 370. Joint resolution to protect the revenue by regulation of the traffic in containers of distilled spirits; and

H.J.Res. 373. Joint resolution to protect the revenue by requiring information concerning the disposition of substances used in the manufacture of distilled spirits.

IMPROVEMENT IN HOUSING STANDARDS AND CONDITIONS

The Senate resumed the consideration of the bill (S. 3794) to encourage improvement in housing standards and conditions, to provide a system of mutual mortgage insurance, and for other purposes.

Mr. BULKLEY. Mr. President, I offer a further amendment.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 47, between lines 15 and 16, it is proposed to insert the following new section:

SEC. 507. The act entitled "An act relating to contracts and agreements under the Agricultural Adjustment Act, approved January 25, 1934", is amended by inserting before the period at the end thereof a comma and the following: The Federal Farm Loan Act, as amended, and the Home Owners' Loan Act of 1933, as amended.

Mr. BULKLEY. The effect of this amendment is to permit Members of Congress to deal the same as other citizens with the Farm Loan Administration and the Home Loan Administration.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. GIBSON. Mr. President, with respect to that portion of the bill which is under consideration, I ask unanimous consent to insert in the RECORD three telegrams.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

BRATTLEBORO, VT., June 15, 1934.

Senator E. W. GIBSON,

Washington, D.C.:
Please oppose that section of the National Housing Act now before Congress which provides for national mortgage associations; if that section becomes law it will be a direct blow to our business. We have plenty of money to loan on good security. We trust you can protect us.

BRATTLEBORO COOP. SAVINGS & LOAN ASSOCIATION, CARL S. HOPKINS, Secretary.

BURLINGTON, VT., June 15, 1934.

Hon. E. W. Gibson,

Senate Office Building:

The directors of the Chittenden County Trust Co., at a meeting today, instructed me to convey to you and Senator Austrin our protest against the provisions under title 2 in Senate bill 3602, 1 HARRIE V. HALL, Treasurer.

BURLINGTON, VT., June 14, 1934.

Senate Office Building:
We reiterate our strong objection to the provision of title II to Senate bill 3603. Our section does not need and would not, in our opinion, be benefited through the formation of national mortgage associations; the history of the guarantee mortgage associations whose guaranteed securities have been sold quite largely in Vermont has been one of loss to our citizens; these corporations are largely now in default and in bad repute; the history of na-

tional building-and-loan associations is also unfortunate and discreditable. We don't want the proposed national mortgage associations taking away from our State the funds that can be used advantageously at home; our State banks, our national banks, our building-and-loan associations nearly all have funds to loan on good real-estate security. Home owners in distress are getting relief through the Home Owners' Loan Corporation. With the credit facilities of the home-loan bank the Burlington Building and Loan Association can loan a quarter to half a million dollars, Brattleboro one or two hundred thousand, St. Albans seventy-five thousand, the Barre Association has funds as is the case with practically all our other associations. New construction of homes practically all our other associations. New construction of homes, repairs, and alterations are being, in our opinion, suitably taken care of by our lending institutions and by private lenders; this situation would be disturbed through the promotion of national mortgage associations.

R. A. COOKE,
President Vermont League Cooperative Savings and Loan Association.

Mr. FLETCHER. Mr. President, if there are no more amendments to be offered to the bill, I move that House bill 9620 be substituted for Senate bill 3794 and that the House bill be considered at this time.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and lays before the Senate the House bill.

The Senate proceeded to consider the bill (H.R. 9620) to improve Nation-wide housing standards, provide employment, and stimulate industry; to improve conditions with respect to home-mortgage financing, to prevent speculative excesses in new-mortgage investment, and to eliminate the necessity for costly second-mortgage financing, by creating a system of mutual mortgage insurance and by making provision for the organization of additional institutions to handle home financing; to promote thrift and protect savings; to amend the Federal Home Loan Bank Act; to amend the Federal Reserve Act; and for other purposes.

Mr. FLETCHER. I now move to amend the bill by striking out all after the enacting clause and inserting the Senate bill as amended.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Florida.

Mr. CONNALLY. Mr. President, reserving the right to object, I desire to ask the Senator from Ohio with respect to the provision in the bill that building-and-loan associations may not conduct business in an area more than 50 miles from their location.

Mr. BULKLEY. An amendment was agreed to to make the distance a hundred miles.

Mr. CONNALLY. What did the committee do with respect to this aspect of the matter, permitting existing companies to do business in the area where they now operate but forbidding them to extend their operations any further?

Mr. BULKLEY. Nothing more was done along that line; but I may say to the Senator from Texas that the House bill does not contain any limitation at all, and, therefore, the whole subject will be open in conference.

Mr. CONNALLY. The object of my inquiry was to ascertain from the Senator whether or not that question will be considered in conference and whether or not the conferees will give attention to it?

Mr. BULKLEY. I cannot promise what the conferees will do, but it will be open in conference.

Mr. CONNALLY. It will be open in conference and the matter will have an opportunity to be adjusted in confer-

Mr. BULKLEY. Undoubtedly. Mr. CONNALLY. It had been my purpose to submit an amendment along that line, but since it is already in the bill and will go to conference, and with the assurance of the conferees that the matter will be considered there, I will not detain the Senate any longer with reference to it at this

The PRESIDENT pro tempore. The question is on the motion of the Senator from Florida to strike out all after the enacting clause of the House bill and insert the Senate bill as amended.

The motion was agreed to.

The PRESIDENT pro tempore. The bill is still before the

Mr. KEAN. Mr. President, I offer an amendment.

The PRESIDENT pro tempore. The amendment will be

The LEGISLATIVE CLERK. On page 47, after line 15, it is proposed to insert the following:

SEC. — Paragraph "Seventh" of section 5136 of the Revised Statutes, as amended (U.S.C., title 12, sec. 24; Supp. VII, title 12, sec. 24), is amended by inserting immediately before the period at the end of the second sentence thereof a colon and the following: "Provided further, That nothing herein shall be construed to prohibit the purchase and holding by any association for its own account of the investment securities of any corporation within the limitations herein prescribed, and such purchase and holding within such limitations at the same time of the investment securities of any corporation. vestment securities of any corporation affiliated with such corporation, whether or not the investment securities of such affiliated corporation are guaranteed by the parent corporation or are by their terms or as a matter of law the obligations of the parent corporation or any other affiliated corporation thereof."

Mr. KEAN. Mr. President, will the chairman of the committee accept that amendment? I will say it is the amendment of which I spoke in the committee, and I thought it would be adopted by the committee. I also spoke to the Comptroller about it. It would simply allow banks and investment companies to invest 10 percent of their capital in certain securities. For instance, it would allow a bank to invest 10 percent of its capital and surplus and undivided profits in the bonds of the New York Central, and would also allow them to invest in the bonds of the Lake Shore Railroad, which is a subsidiary of the New York Central. The consolidation of railroads all over the United States makes it very difficult for banks and trust companies to secure enough investments which are sound with the present limitation of 10 percent of the entire property. The amendment simply allows them to invest 10 percent in a subsidiary.

Mr. FLETCHER. I am sorry the Senator did not present the amendment when the Senate bill was before the Senate, but it is perfectly apparent that the amendment has no bearing whatever on the bill under consideration; it is not relevant to it at all. I suggest to the Senator that he offer this amendment when we take up what is known as the "Bulkley bill", which we will do shortly. It belongs more properly to that bill than to this.

Mr. KEAN. Very well; I withdraw the amendment.

The PRESIDENT pro tempore. The ameridment is withdrawn. If there are no further amendments, the question is, Shall the amendment be engressed and the bill read a third

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDENT pro tempore. The question is on the passage of the bill.

Mr. BARKLEY. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. FESS (when his name was called). I have a pair with the senior Senator from Virginia [Mr. Glass], who is unavoidably detained from the Senate. I am not advised how he would vote were he present. If I were permitted to vote I should vote "nay."

Mr. ROBINSON of Arkansas (when his name was called). Announcing my general pair with the Senator from Pennsylvania [Mr. Reed] and its transfer to the Senator from New York [Mr. COPELAND], I vote "yea."

The roll call was concluded.

Mr. LEWIS. I regret to announce the absence of the Senator from California [Mr. McAnoo], occasioned by illness.

I announce the necessary absence of the Senator from Mississippi [Mr. Stephens], the Senator from Florida [Mr. TRAMMELL], the Senator from Indiana [Mr. Van Nuys], the Senator from New York [Mr. COPELAND], the Senator from South Carolina [Mr. SMITH], and the Senator from North Carolina [Mr. REYNOLDS]. I am advised that if present these Senators would vote "yea."

I also desire to announce that the Senator from Virginia [Mr. Byrn] is detained in an important conference.

Mr. WALCOTT. I have a pair with the junior Senator from California [Mr. McApoo]. I understand that if he were present he would vote "yea", and I am therefore at liberty to vote, as I desire to vote the same way. I vote " yea."

Mr. HEBERT. I desire to announce that the Senator from New Hampshire [Mr. Keyes] has a general pair with the Senator from Indiana [Mr. Van Nuys]. If present the Senator from New Hampshire [Mr. KEYES] would vote "nay" and the Senator from Indiana [Mr. VAN Nuys] would vote "yea."

Mr. ROBINSON of Indiana (after having voted in the affirmative). I note the absence of my general pair, the Senator from Mississippi [Mr. Stephens], but will allow my vote to stand, as I am advised that if present he would vote as I have voted.

The result was announced—yeas 71, nays 12, as follows:

# YEAS-71

Coolidge

The County of th	Coomago	ANCHIA	Lobe
Ashurst	Costigan	King	Robinson, Ark.
Bachman	Couzens	La Follette	Robinson, Ind.
Bailey	Cutting	Lewis	Russell
Bankhead	Davis	Logan	Schall
Barbour	Dieterich	Lonergan	Sheppard
Barkley	Dill	Long	Shipstead
Bone	Duffy	McCarran	Steiwer
Borah	Erickson	McGill	Thomas, Okla.
Brown	Fletcher	McKellar	Thomas, Utah
Bulkley	Frazier	McNary	Thompson
Bulow	George	Murphy	Townsend
Byrnes	Gibson	Neely	Vandenberg
Capper	Harrison	Norris	Wagner
Caraway	Hatch	Nye	Walcott
Carey	Hatfield	O'Mahoney	Walsh
Clark	Hayden	Overton	Wheeler
Connally	Johnson	Pittman	
• 100	NA	YS-12	
Austin	Goldsborough	Hastings	Patterson
Black	Gore	Hebert	Tydings
Dickinson	Hale	Metcalf	White
	NOT V	OTING-13	
Byrd	Keyes	Reed	Stephens
Copeland	McAdoo	Revnolds	Trammell
Fess	Norbeck	Smith	Van Nuys
Clara			,

So, the bill passed.

The title was amended so as to read: "A bill to encourage improvement in housing standards and conditions, to provide a system of mutual mortgage insurance, and for other purposes."

The PRESIDENT pro tempore. The Senate bill (S. 3794) will be indefinitely postponed.

Mr. FLETCHER. Mr. President, I move that the Senate insist upon its amendment, ask for a conference with the House thereon, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. Bulkley, Mr. Barkley, Mr. Wagner, Mr. Townsend, and Mr. Steiwer conferees on the part of the Senate.

Mr. FLETCHER. Mr. President. I ask to have inserted in the RECORD at this point a statement of the objectives of the national housing bill which has just been passed.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

# THE PROPOSED NATIONAL HOUSING ACT

A problem of distress, sociological and economic, can be solved for the general welfare of the people of the country by enactment by this Congress of adequate housing legislation as suggested by the administration.

The proposed act has several broad objectives,

It seeks to repair and make livable existing homes. It seeks to provide new homes at a cost and under conditions within easy reach of all.

It seeks to protect the invested savings of all home owners and to guarantee them a place to live.

It seeks to put billions of dollars of idle capital to work in a major industry which still is badly depressed.

It seeks to return millions of unemployed to work in the building industry.

It seeks to promote long-term financing of home mortgages.
Such mortgages will not require renewal during depression periods and therefore will not become a frozen commodity subject to the fear of investors.

HOW ARE THESE OBJECTIVES TO BE REALIZED? By four distinct activities, namely:

Stimulation of renovizing and modernizing campaigns in every community where accredited financial lending institutions, of all types, will cooperate with building and building-supplies contractors in offering home owners the privilege of paying for needed improvements on the installment plan.

II

Stimulation of additional home construction on a broad scale, by (a) encouraging and facilitating the flow back into the mortby (a) encouraging and racintating the now back into the inorgage market of private capital, available in ample quantity but laboring under a fear complex so far as the old-fashioned short-term mortgage is concerned; and (b) removing the traditional fear complex of the prospective home owner, just now exceptionally acute, that he will not be able to meet the mortgage when due.

TIT

Provision of relief from the nightmare of foreclosure for 14,000, 000 home-owning families through refunding their present short-term mortgages over a longer period with easier payment facilities. Direct protection against the mortgage-loan shark.

IV

Affording mental and financial relief to 10,000,000 investors in building-and-loan associations through Federal cooperation in assuring them against losses through a cooperative insurance plan backed by the Government.

# WHY ARE THESE ACTIVITIES DESIRABLE AND NECESSARY?

#### General considerations

(1) Stimulation of capital-goods industries, seen by many as the chief drag on industrial recovery and unemployment. It is estimated that 5,000,000 wage earners will be directly and indirectly benefited. National unemployment at this time is estimated at about 9,500,000.

at about 9,500,000.

According to figures compiled by the F. W. Dodge Corporation, covering returns from 27 States east of the Rocky Mountains, building contracts for all types of construction declined from a 5-year average for 1925-29 of \$6,340,700,000 to only \$1,255,700,000 in 1933, while residential construction dropped off even more drastically than other types, or from a 5-year average of \$2,539,200,000 for 1925-29 to barely \$249,300,000 in 1933.

In other words, there has been wiped out and we must find means to restore over 80 percent of the total construction market and more than 90 percent of our normal business of home building.

and more than 90 percent of our normal business of nome building.

(2) Social betterments involved are better living standards through home improvements, including slum clearance, making possible increased home ownership among our people, and relief

possible increased home ownership among our people, and relier to the home owner from the perils of short-term financing and the crushing fear of ruin through foreclosure.

(3) Federal relief already extended to home owners through the operations of the Home Owners' Loan Corporation was designed to meet critical individual situations where foreclosure was imminent through defects in our past methods of short-term mortgage financing. This act proposes to remedy the basic conditions which created such disasters. created such disasters.

# RENOVIZING AND MODERNIZING

All admit the existence of a vast market for labor and building supplies. Home owners exist in abundance who could afford to have such work done if they could pay for it on the installment plan who are unable or unwilling to reduce their cash reserves by making immediate large cash expenditures.

This bill encourages and assists local banks and other lending institutions to make "character loans" on the installment-payment plan, so that labor and material people get their money at once, while the home owner can spread his payments over a convenient period and in comfortable amounts to be paid from his earnings.

his earnings.

The Government does not propose nor does it want to include in campaigns to induce home owners to participate. Local contractors and supply houses, cooperating with their local financial institutions, chambers of commerce, etc., will see to that. Private agencies in general do not now furnish any such facilities. Insurance against loss up to 20 percent of total loans made will furnish a margin of security more important in its Newhological effect on investors than the Government's actual psychological effect on investors than the Government's actual financial commitment.

Definite assurance has been given to the administration by com-

Definite assurance has been given to the administration by competent experts, business men, and bankers before this housing act was drawn up that it would be effective in stimulating the whole-hearted cooperation of private capital as needed.

Protection against loss: Loans are limited to \$2,000 per home owner, the exact amount being proportioned to the work to be done and the total value of the property. Eligible to obtain these loans will be only those home owners who are of proven character and capacity to pay. Experience of installment-sales organizations and private business show that losses through default of installment-purchase contracts by customers of all types average only a small percentage of the total volume of business transacted. Since private agencies furnish the entire capital loaned and are finally obligated for 80 percent of any losses which may be incurred, it is obvious that they are not going to be lax in granting credit merely because the Government is insuring one-

habitation of his family there is the concrete consideration that such repairs offset depreciation on his property which otherwise would diminish its value by a far greater sum than the cost of these repairs.

These home-improvement operations represent a valuable and immediately available first step, which may be likened to the priming of the pump of our national housing program.

#### MORTGAGE INSURANCE

# The short-term mortgage evil

The greatest millstone around the neck of the American home The greatest millstone around the neck of the American home owner of moderate means has been the short-term (3- to 5-year) mortgages. During prosperous times mortgage lenders are anxious to keep their money profitably employed and call upon the home owner for interest payments only. During depression periods, however, the same investors become fearful and demand large reductions of principal just at the time when such burdens are most difficult for the home owner to meet. No greater service can be rendered the American home owner than to relieve him from these ruinous demands.

The long term (20-year) mortgages called for by this bill will prevent such ups and downs in financial demands upon the home owner. He will amortize the principal of his mortgage as he goes along with regular payments within his current means. So long as he meets these regular payments he is safe from sudden demands for large sums and ruin through foreclosure. The earnings of people of moderate means will flow into their homes during home peoples of moderate means will flow into their homes during home peoples of moderate means will flow into their homes during home peoples of moderate means will flow into their homes during home peoples of moderate means will flow into their homes during homes according to the contract of t ing boom periods instead of into speculative investments. The indirect effect of this in minimizing the excessive speculation which has caused our people so much loss in the past is in itself of no small importance.

which has caused our people so much loss in the past is in itself of no small importance.

Regulation of companies by State and Federal bodies, audits or inspections by agents of those bodies, and similar proposed programs do not get to the root of the home-mortgage evil. The Housing Act in one stroke will create the instrumentalities and provide the encouragement and security to put home-mortgage financing on a long-term basis within the immediate reach of all who need it. The home owner is the prime beneficiary of this bill. However, the proposed mortgage insurance associations offer investors assurance of sound investments in long-term mortgages, guaranteed against loss through the cooperative features of the plan. Expert opinion and evidence is available to justify the belief that these facilities will bring out of hiding to revivify the entire mortgage money market tremendous quantities of capital which are not now likely to become active unless some such governmental cooperation and insurance against loss as contemplated in this bill is made available.

Ample protection against loading up the Government with worthless mortgages or making fantastic loans is afforded by the fact that the lending agencies, in cases of defaulted mortgages bearing 5 percent, can obtain only a debenture bond payable 3 years after due date of the mortgage and bearing interest of only 3 percent. Thus it would be poor business for these companies to accept questionable mortgages.

Even though obligated by the debenture bond issued in cases of such defaults it is important to remember that the Government of such defaults it is important to remember that the Government and the properties of the government of such defaults it is important to remember that the Government of the contract of the government of the g

Even though obligated by the debenture bond issued in cases of such defaults it is important to remember that the Government is not giving away something for nothing. It takes title to actual property of a much greater value than the bond it issues, and has ample time to dispose of the property for cash before the bond matures.

Finally, the Government will receive regular insurance premiums from the private agencies insuring their mortgages in this manner. These premiums not only will absorb any net losses on defaulted mortgages, but also will cover the entire cost of Government administration of this activity.

A simple explanation of the mortgage-insurance plan follows:

Percent interest Home owner pays approximately\_\_\_\_\_ Insurance fund retains the difference of \_\_\_\_

It has been determined by actuaries that this 1-percent margin will provide for all expenses and losses. When the amount accumulated in this fund equals the unpaid balances of the outstanding insured mortgages, the fund is applied for the benefit of the home owner by paying off the mortgage balances before maturity.

# LOANS FOR NEW CONSTRUCTION

With money for mortgages once more available through the facilities and impetus of the Housing Act and because of the attractive features of reasonable mortgage money over a 20-year amortization period without periodic bonuses and fees for renewals also provided for the home owner, there is no reason why thousands of American families who do not now own their homes should not begin building.

At the end of 1933, according to provide a structure of the structure

At the end of 1933, according to various estimates, the cumulative deficit in the normal rate of construction amounted to something between 500,000 and 800,000 homes, the construction of which would involve an expenditure of some two and a half to

four billion dollars.

Will the national mortgage associations to be established under this bill compete with local lending institutions? No.

They will supplement the local institutions and make the mort-

gage market more liquid.

granting credit merely because the Government is insuring onefifth of their transactions.

Are such loans basically sound? Yes. Besides the human and social satisfactions provided for the householder in improving the They will issue bonds which will be readily marketable and quoted on the security exchanges and use the proceeds to purchase insured mortgages from local mortgage-lending institutions. By this means the local communities will have adequate capital

available for the financing of homes without burdening the local institutions with nonliquid investments

This flexibility of home-mortgage financing is an essential part

of the housing program.

Is a \$5,000,000 capital sufficient to permit effective national operations by these mortgage associations? Perhaps not. But the bill provides a minimum of \$5,000,000. It does not prevent additional capitalization as required.

#### REFINANCE OF EXISTING MORTGAGES

Only mortgages of approved character will be eligible. Government insurance is limited to 60 percent of the appraised

relie of the property.

Federal finance is limited to setting up the Insurance Corporation inasmuch as private capital is exclusively employed for insurance and the corporations must set up reserves to cover total estimated risk.

Can private agencies meet this situation without Government assistance? It is a simple and incontrovertible fact that they are not now doing so.

Why have past attempts by private title and mortgage companies to meet the needs of the home owners failed?

The mortgages were all of the short-term variety. Title and mortgage companies were entirely dependent upon the availability of funds from private lenders to finance renewals. Investors began withdrawing funds from the real estate mortgage ability of funds from private lenders to finance renewals. Investors began withdrawing funds from the real estate mortgage market in 1929. Title and mortgage companies in New York met the renewal needs of mortgages coming due during 1929, 1930, 1931, and part of 1932. By that time the usual sources of money supply entirely failed. It was necessary during March 1933 for the superintendent of insurance to take charge of the situation with rules and regulations which in effect provided relief through a partial moratorium.

The investors who thus withdrew their support were in a large part savings banks, insurance companies, and other institutions with large sums to invest. When they withdrew the mortgage market collapsed. Until they return it will remain collapsed.

The major problem is to give assurance to these large investors that they may safely come back into the market. They have indicated that they will do so if given the protection and

have indicated that they will do so it given the protection and facilities afforded by this bill.

Had long-term mortgages been in effect during 1930-33 sudden withdrawals of huge investment funds would not have occurred because the mortgages employing these funds would not have fallen due. One of the major economic shocks of the depression period thus might have been averted. The Housing Act provides assurance against a recurrence of this particular according disaster. economic disaster.

# BUILDING-AND-LOAN ASSOCIATIONS

Membership in building-and-loan associations after increasing from slightly more than 5,000,000 in 1920 to 12,336,754 in 1930, declined abruptly to 10,102,258 in 1932. Something must be done to stabilize this situation and the housing act seeks to guarantee the thrift savings invested in building-and-loan associations along the lines of the bank-deposit guarantee.

This insurance is made self-sustaining by regular insurance premiums paid to the Government by the participating building-and-loan associations until a reserve equal to 5 percent of total obligations has been built up. Careful check of past experience shows that 5 percent is an entirely adequate margin to cover all losses in this type of business.

WHAT GOVERNMENT ORGANIZATIONS ARE TO BE SET UP, AND HOW MULT

WHAT GOVERNMENT ORGANIZATIONS ARE TO BE SET UP, AND HOW WILL THEY FUNCTION?

THEY FUNCTION?

Under the suggested plan a Federal housing administrator would have general supervision of a mortage-insurance agency and a bureau which would direct and provide insurance for a Nation-wide home-modernization movement. Each agency would have its own director and a small Washington staff of directing and advisory officials of known experience in their respective fields. As far as possible the facilities of existing Government agencies and present personnel would be used for the general work.

The Federal Home Loan Bank Board would absorb in its present organization, with a modest additional personnel increment, the building-and-loan association insurance feature. Local homeloan bank agencies, already constituted, will furnish the contact points with the Federal Government for organizing the proper performance of all building-and-loan associations.

Field inspectors, investigations, and reports, where necessary, would be provided by local branches of the Home Owners' Loan Corporation and the Reconstruction Finance Corporation under the coordinating guidance of the 48 State directors of the National mortgage associations will be Federally chartered, as

National Emergency Council.

National mortgage associations will be Federally chartered, as provided in the act, and their operations will be distributed over the country so as to provide a national network of support for the direct lending activities carried on with home owners by local banking and lending agencies.

Local committees of building and building-supply contractors and manufacturers, civic agencies, labor groups, newspapers, financial interests and others will set up voluntary organizations to provide local home owners with information concerning the new facilities afforded, as well as advice and assistance in making use of them.

Local banks, building-and-loan associations, finance companies, mortgage and trust companies, and other types of real-estate in-

vestor will be ready to extend the needed financing to building contractors and home owners under the provisions of the housing

WHERE IS THE MONEY COMING FROM TO PAY FOR THESE ACTIVITIES?

Modernization work will be carried on with the requested appropriation of \$200,000,000. All operating expenses, including salaries of Federal personnel, will be defrayed from this fund, as well as any losses—up to 20 percent of total amounts involved—sustained by the cooperating private lending institutions. These funds will be used only to the extent that they stimulate the actual investment of \$5 of private money for every \$1 of this Federal appropriation. Federal appropriation.

Mortgage insurance: \$10,000,000 is set aside for these activities, but in the long run they will be entirely self-sustaining. Initial or organization expenses will be financed from this \$10,000,000 fund. Eventually all operating expenses and all losses through defaulted mortgages, if any, will be paid from premium income collected by the Government from the cooperating private insti-

tutions.

This accumulated premium fund should eventually exceed the unpaid balance of insured mortgages and such excess would be returned to the Treasury, constituting a net income to the

Building-and-loan association insurance: \$100,000,000 is set aside for this purpose, but the operations in fact will be self-sustaining as to losses and operating expenses by reason of receipts from premiums in the same way as described above for the national mortgage associations.

#### SENATORS FROM LOUISIANA

Mr. GEORGE. Mr. President, the matter which I present to the Senate is a matter of privilege, and I trust it will occasion no debate. I may preface a motion which I desire to make by this very brief statement.

On petitions filed by Hon. Edwin S. Broussard and others, a subcommittee of the Special Committee on Investigation of Campaign Expenditures held hearings in New Orleans on October 5 and 6, 1932. Investigators were thereupon sent into the State of Louisiana where they worked for several months. Another investigation was conducted by a subcommittee of the Special Investigation Committee in the city of New Orleans February 3 to 17, 1933. The testimony taken therein is contained in 1131 printed pages.

Following demands for further investigation a subcommittee of the Special Committee on Investigation of Campaign Expenditures began hearings in the city of New Orleans on November 13, 1933, and continued to December 2, 1933. The evidence taken comprises 2,755 printed pages.

A report to the Senate was made, numbered Report 191, and was filed in the Senate under date of January 11, 1934.

Numerous petitions were filed in the Senate attacking the senior Senator from Louisiana [Mr. Long], which were referred to the Committee on the Judiciary. After consideration, that committee reported to the Senate that the said petitions were insufficient and, for other reasons, should not have been received.

Pending the report from the Judiciary Committee, the petitions were referred to the Committee on Privileges and Elections. The latter committee, on its first consideration of the petitions presented to it, adopted a resolution in part as follows:

Resolved, That the charges in the several complaints of peti-tions reported to the committee are insufficient to provide any issue or question for the consideration of the committee.

The committee resolved to hear the petitioners and their representatives and the Senators from Louisiana \* \* \* upon all pertinent questions involved in the inquiry.

At a later date amendments were filed to the complaints previously offered by Mrs. Hilda Phelps Hammond and Mrs. R. G. Pleasant, none of which presented new matter, but were more or less restatements and amplification of what had already been said, but on which, nevertheless, the committee held hearings on May 2 and 3, 1934.

At a later date, the 29th day of May 1934, the Committee on Privileges and Elections permitted certain complainants to summon any witnesses they desired to testify to any relevant matters they wished to present against the two Senators. The hearings disclose without alteration what occurred at these hearings.

With the three hearings that have been held by the special committee and the report thereon, the study and report made by the Committee on the Judiciary, and the several hearings conducted by this committee, the Committee

on Privileges and Elections is of opinion that nothing has, been presented justifying it in proceeding further, and it so reports to the Senate a conclusion of its proceedings in this matter.

Mr. President, I offer the following motion, and move its adoption:

The Committee on Privileges and Elections, to whom were re-terred the several petitions and complaints of certain citizens of Louisiana in the matter of the election and qualifications of the Louisiana in the matter of the election and qualifications of the Senators from said State now in office, report they have considered the same and find that no evidence except of a cumulative nature, other than that heretofore presented to a select committee of the Senate has been submitted to it.

Upon a consideration of the charges and the evidence submitted, your committee concludes that no further action in the matter or expense in respect to it is warranted, and recommends that it be discharged.

The PRESIDENT pro tempore. The question is on agreeing to the motion submitted by the Senator from Georgia. The motion was agreed to.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9410) providing that permanent appropriations be subject to annual consideration and appropriation by Congress, and for other purposes.

The message also announced that the House had agreed to the amendment of the Senate to the concurrent resolution (H.Con.Res. 32) authorizing and directing the Federal Trade Commission to investigate conditions with respect to the sale and distribution of milk and other dairy products

in the United States.

The message further announced that Mr. Secrest was appointed a manager on the part of the House at the conference of the disagreeing votes of the two Houses on the bill (H.R. 8910) to establish a National Archives of the United States Government, and for other purposes, vice Mr. WARREN, resigned.

The message also announced that the House had passed a joint resolution (H.J.Res. 375) to effectuate further the policy of the National Industrial Recovery Act, in which it requested the concurrence of the Senate.

# ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (H.R. 9145) to authorize the attendance of the Marine Band at the National Encampment of the Grand Army of the Republic to be held at Rochester, N.Y., August 14, 15, and 16, 1934, and at the National Convention of the Disabled American Veterans of the World War to be held at Colorado Springs, Colo., during the first week in July 1934, and it was signed by the Vice President.

# SETTLEMENT OF LABOR CONTROVERSIES

Mr. ROBINSON of Arkansas. Mr. President, I move that the Senate proceed to the consideration of the joint resolution (S.J.Res. 143) to effectuate further the policy of the National Industrial Recovery Act.

The motion was agreed to; and the Senate proceeded to consider the joint resolution (S.J.Res. 143) to effectuate further the policy of the National Industrial Recovery Act, which had been reported from the Committee on Education and Labor with amendments.

The PRESIDENT pro tempore. The amendments will be stated.

The amendments were, in section 1, page 1, line 11, after the word "commerce", to insert "the salaries, compensations, and expenses of the board or boards and necessary employees being paid as provided in section 2 of the National Industrial Recovery Act"; and in section 3, page 3, line 2, after the word "resolution", to insert "with reference to the investigations authorized in section 1"; so as to make the joint resolution read:

Resolved, etc., That in order to further effectuate the policy of title I of the National Industrial Recovery Act, and in the exercise of the powers therein and herein conferred, the President is

authorized to establish a board or boards authorized and directed to investigate issues, facts, practices, or activities of employers or employees in any controversies arising under section 7a of

or employees in any controversies arising under section 7a of said act or which are burdening or obstructing, or threatening to burden or obstruct the free flow of interstate commerce, the salarles, compensations, and expenses of the board or boards and necessary employees being paid as provided in section 2 of the National Industrial Recovery Act.

SEC. 2. Any board so established is hereby empowered, when it shall appear in the public interest, to order and conduct an election by a secret ballot of any of the employees of any employer, to determine by what person or persons or organization they desire to be represented in order to insure the right of employees to organize and to select their representatives for the purpose of to organize and to select their representatives for the purpose of collective bargaining as defined in section 7a of said act and

now incorporated herein.

now incorporated herein.

For the purposes of such election such a board shall have the authority to order the production of such pertinent documents or the appearance of such witnesses to give testimony under oath, as it may deem necessary to carry out the provisions of this resolution. Any order issued by such a board under the authority of this section may, upon application of such board or upon petition of the person or persons to whom such order is directed, be enforced or reviewed, as the case may be, in the same manner, so far as applicable, as is provided in the case of an order of the Federal Trade Commission and the Federal Trade Commission Act.

mission Act.

SEC. 3. Any such board, with the approval of the President, may prescribe such rules and regulations as it deems necessary to carry out the provisions of this resolution with reference to the investigations authorized in section 1 and to assure freedom

from coercion in respect to all elections.

Sec. 4. Any person who shall knowingly violate any rule or regulation authorized under section 3 of this resolution or impede or interfere with any member or agent of any board established under this resolution in the performance of his duties, shall be punishable by a fine of not more than \$1,000 or by imprisonment for not more than 1 year, or both.

Sec. 5. This resolution shall cease to be in effect, and any board

or boards established hereunder shall cease to exist, on June 16, 1935, or sooner if the President shall by proclamation, or the Congress shall by joint resolution, declare that the emergency recognized by section 1 of the National Industrial Recovery

Act has ended.

The amendments were agreed to.

The PRESIDENT pro tempore. That completes the committee amendments.

Mr. ROBINSON of Arkansas. Mr. President, when it became apparent a few days ago that it would be impracticable at this session to consider and dispose of permanent and well-worked-out legislation on the subject of industrial labor disputes, there was prepared and submitted to some Senators a draft of a very brief measure which does not attempt to deal with the subject matter of industrial labor disputes in a comprehensive way, but which does provide for a board or boards with certain very well-defined powers.

The draft to which I have referred was submitted by me to the able Senator from Oregon [Mr. McNary], the leader of the minority, and conferences were held. Changes in the original draft were suggested, and finally an agreement was reached between the Senators engaging in the conference. The agreement was incorporated in the joint resolution which is here presented. With the passage of this joint resolution and the disposition of conference reports, including an agreement on the housing bill, which has just passed the Senate, the Congress will be ready for adjournment.

There has never been, in a comparable period during the history of the country, more important legislation enacted and disposed of than during the present session. Unavoidably, there will remain on the calendar some measures of general importance which to act upon now would require a prolongation of the session for an indefinite time. It is thought that the joint resolution which is now the subject before the Senate will provide means and agencies which will be very helpful in the study and adjustment of controversies that may arise between industrial employers and their laborers.

I express the hope that it may be found practicable by the Senate to pass this joint resolution in the same spirit and with comparable promptness to that which marked the favorable action of the House of Representatives on the subject this morning. It is said that the joint resolution passed that body by a unanimous vote.

Permit me to take just a few moments to explain the provisions of the joint resolution, although I think perhaps they are already very well understood.

The joint resolution authorizes the President to appoint a board or boards which are to exercise certain powers. First, the boards are authorized to investigate issues, facts, practices, or activities of employers or employees in any controversies arising under section 7a of the National Industrial Recovery Act which are burdening or obstructing or threatening to burden or obstruct interstate commerce.

The second authority is to order or conduct an election whenever it shall appear to the public interest, the election to be held by a secret ballot, to determine by what person, persons, or organization the employees voting in the election desire to be represented in order to secure their rights to organize, and so forth. This is of vital importance.

For the purposes of the election there is a third power conferred upon the board, namely, to require the presence of witnesses and the production of such documents as may be found necessary to carry out the provisions of the joint resolution.

There is a provision which was inserted, after the joint resolution was first drawn, which secures the right of appeal to the courts in the case of any order which may be made by any board. The proceedings in the appeal or review, as the case may be, are in accordance with those which are pursued under the law governing orders issued by the Federal Trade Commission.

The fourth authority conferred is to make rules and regulations necessary to carry out the provisions of the joint resolution.

An amendment has been incorporated by the Committee on Education and Labor, I think at the instance of the senior Senator from Idaho [Mr. Borah], which limits the application of the rules and regulations to the orders of the board carrying out the provisions with respect to investigations.

Penalties are attached for violating the joint resolution. Another provision which was inserted after the measure was first drafted is to the effect that all authority under it shall expire June 16, 1935, or sooner if the President, by proclamation, shall proclaim that the emergency recognized by section 1 of the National Industrial Recovery Act has ended.

Mr. COSTIGAN. Mr. President, will the able Senator from Arkansas permit a question?

Mr. ROBINSON of Arkansas. Certainly.

Mr. COSTIGAN. May I ask how far the procedure which is identified in the pending joint resolution with that provided for the Federal Trade Commission extends; that is, to what orders or actions?

Mr. ROBINSON of Arkansas. By the terms of the joint resolution, it is restricted to the orders in connection with the holding of elections, and, by the amendment to which I have referred, the rules and regulations are restricted to the investigations authorized in section 1.

Mr. COSTIGAN. In such cases could the Federal courts take jurisdiction, and, possibly by mandatory injunctions, coupled with the power to punish for contempt, enforce elections, as provided for in the joint resolution?

Mr. ROBINSON of Arkansas. I think that if the board should make an application to a court for the enforcement of an order, for instance, to supply a document or a list of employees, and the application was heard by the court, it could issue a writ directing the production of the document; and that is one of the purposes in mind.

Mr. COSTIGAN. And, in the event of refusal, it might punish for contempt?

Mr. ROBINSON of Arkansas. It might punish for contempt.

Mr. NORRIS. Mr. President, I wish to ask the Senator from Arkansas a question.

Mr. ROBINSON of Arkansas. I am glad to yield.

Mr. NORRIS. I came in while the Senator was speaking, so I did not hear the beginning of his remarks. Has the House passed this joint resolution?

Mr. ROBINSON of Arkansas. It passed it unanimously.
Mr. NORRIS. Is the Senator now referring to the House
joint resolution?

Mr. ROBINSON of Arkansas. Yes. I have actually, for parliamentary reasons, taken up the Senate joint resolution, but I ask unanimous consent now to substitute the House joint resolution for the Senate joint resolution.

Mr. LA FOLLETTE. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.
Mr. LA FOLLETTE. Has the House joint resolution been
messaged to the Senate?

The PRESIDENT pro tempore. The Chair is informed that it has not been messaged to the Senate as yet.

Mr. ROBINSON of Arkansas. Mr. President, I was informed a few moments ago that the House joint resolution had been sent to the Senate.

Mr. LA FOLLETTE. I think the Senator from Arkansas is in error about its having been messaged to the Senate. The measure which came over was the amendment to the railway labor act.

Mr. ROBINSON of Arkansas. Very well. I shall hasten it over, and, with the consent of the Senate, substitute the House joint resolution for the Senate joint resolution.

Mr. NORRIS. Mr. President, is there any difference between the House joint resolution and the Senate joint resolution as the latter was reported by the Committee on Education and Labor? I understand the committee has suggested two amendments, and I was wondering whether the House joint resolution had incorporated those amendments.

Mr. ROBINSON of Arkansas. I do not think it has.

Mr. NORRIS. Then will it be the Senator's object to incorporate those amendments?

Mr. ROBINSON of Arkansas. Yes, I shall ask to incorporate them in the House joint resolution.

Mr. WAGNER. Mr. President, as the proponent of Senate bill 2926, originally known as the "labor disputes bill", I deem it my duty in these closing days of the session to explain why I believed and still believe that this measure ought to be passed, and why I am nevertheless willing to support the substitute that is backed by the wisdom and judgment of the President of the United States.

A little more than a year ago we set forth upon a new policy of economic reconstruction. Industrial cooperation was given sanction in order to limit the evils of destructive competition. Employees were guaranteed protection in their cooperative efforts in order that they might help the Government to insure a just flow of purchasing power through adequate wages.

At the present time there is controversy as to whether industrial cooperation is a wise policy. There are some who plead for the strict enforcement of the antitrust laws. There are others who argue with equal force that concerted action is made necessary because of technological conditions, and that the real problem is to make such unity serve social interests. But there is no one who denies that industrial cooperation has increased enormously, and that the trade association has blanketed the entire country.

Still less open to question is the proposition that workers also should be allowed to cooperate fully. If impartial students agreed, and Congress recognized, that full freedom of association and self-organization among workers was desirable even when the antitrust laws were a policy. if not an actuality, how much more necessary is this freedom today, when the antitrust laws have been in part suspended? The governmental policy of fixing minimum wages and maximum hours is not a solution. It is merely the foundation upon which can be built the mutual endeavors of a revived industry and a rehabilitated labor. This process of economic self-rule under the code system must fail unless every group is equally well represented. In order that the strong may not take advantage of the weak, every group must be equally strong. Not only is this common sense; it is also in line with the philosophy of checks and balances that colors our political thinking. The Recovery Act did not give employees any rights of organization to which they were not entitled before the act was passed. But the passage of the act has made the protection of these rights imperative.

It is a matter of common knowledge that the principles of | section 7 (a) of the Recovery Act have been flaunted at the very crucial spots where their observance is most essential. This does not inflict injury upon one group alone. It is unjust to employees who have seen what was handed to them as a new charter being treated as a meaningless gesture. It is unfair to the vast majority of employers who are anxious and willing to obey the law and who are faced with the destructive competition of those who seek to gain advantage by disobeying it. It is disastrous to every economic interest because it is a main cause for the reappearance of those very tendencies which brought collapse in 1929, and which will certainly bring it again if they are not checked.

Again we are failing to maintain a balance among production, profits, and wages. At the start of the recovery drive the index of production rose 67 percent between March and July 1933, while the real earnings of workers increased only 9 percent. This inevitably brought a sharp decline, but corrective influences soon became manifest. But the gap reopened this year, and a month ago production was 53 percent above March 1933, while wages were only 28 percent higher. During the past 6 months there has been no appreciable gain in employment, no reduction in hours of work, and no increases in the real wages of the individual worker, although the earnings of 163 large corporations were almost twice as great during the first quarter of 1934 as during the last quarter of 1933. With between nine and ten million people still unemployed, the consequences of this tendency, if not checked, are truly alarming.

In addition, the uncertainty about section 7 (a) has caused flashes of industrial discontent that threaten a minor conflagration. No matter in which direction we look we see the same signs. I do not claim that employees are justified in all of these cases. I do not know whether they are justified even in a majority of them. But I do know that employers, employees, and the general public are entitled to a clearly stated law accompanied by adequate agencies for enforcement.

Mr. COSTIGAN. Mr. President-

The PRESIDING OFFICER (Mr. Lewis in the chair). Does the Senator from New York yield to the Senator from Colorado?

Mr. WAGNER. I yield.

Mr. COSTIGAN. Does the able Senator from New York attribute current disturbances to the absence of such legislation as is planned through the pending resolution?

Mr. WAGNER. Mr. President, that is a difficult question to answer.

Mr. COSTIGAN. In other words, would the pending resolution be helpful if adopted?

Mr. WAGNER. I think it would.

The bill which I introduced, known as the "labor disputes bill", which has had such a stormy career, was not the result of a momentary impulse. Every one of its provisions is addressed to specific evils that have become abundantly manifest during the 10 months' experience of the National Labor Board, an agency which has put more than one and one-half million people back to work on terms mutually satisfactory to employers, employees, and the general public. Every one of its provisions is based upon principles that have received specific and repeated recognition in prior acts of Congress.

Contrary to wide-spread reports, the bill does not compel or even encourage anyone to enter a union. It attempts to make every worker a free man to follow his own inclinations. That is all it does.

Contrary to repeated charges, the bill does not confer upon any one group a single privilege that other groups do not now enjoy, nor would it prohibit any group from seeking its own advancement in ways allowed to any other

I ask to have inserted in the RECORD at the end of my remarks a letter appearing in the New York Times, written by one of the most enlightened and farsighted employers in the country, who served on the National Labor Board, Mr.

Ernest G. Draper, in which he urges the passage of the bill which I introduced and which the Committee on Education and Labor perfected by week after week of painstaking and public-spirited effort.

The PRESIDING OFFICER. The request of the Senator from New York in nowise being objected to is conceded.

(See exhibit A.)

Mr. WAGNER. However, the Congress and the country during the past year have united in passing and applying the most varied and sweeping changes in our economic life that have ever occurred in so short a time. Perhaps it may be a good thing to allow these reforms to encounter an additional period of trial and error, so that the processes of education and understanding may catch up with the social program that has been inaugurated. That is the judgment of the President with regard to the labor-disputes bill, and I am prepared to go along with him. No one is in a better position than he to weigh the program in its entirety, and no one is more determined than he that we are but commencing a new deal that will in proper time be pushed forward to its ultimate conclusions.

But we cannot afford to neglect entirely the industrial problems that must be met at once. The substitute measure which the President has proposed is designed simply to meet the most serious and immediate difficulty. This has been interference with the right of employees to select representatives of their own choosing by means of an election conducted by some board appointed by the President.

The sole purpose of the present joint resolution, as I understand it, is to permit a board or boards established by the President to hold elections of employees in an atmosphere free from the coercion, interference, or restraint that is prohibited by section 7 (a) of the National Industrial Recovery Act as incorporated in the resolution. This is one of the provisions contained in the bill I introduced. Boards thus empowered would be able to take a great step forward in clarifying the industrial atmosphere and abetting the recovery program.

Let me add that nothing could be more fallacious, in my opinion, than the claim that legislation of this sort is directed against industry. If this criticism could be sustained it would certainly be decisive.

American industry is deserving of every consideration. It has played a tremendous role in developing economically the greatest Nation in the world, with the highest standards of living for people in all walks of life.

Industry as a whole has met the problems of the recent depression, and the immediate problems of industrial unrest, with heroic courage, resourcefulness, and public spirit. It will continue to exert the same profound influence and fine leadership in American life. Upon its welfare depends the welfare of all. The congressional duty to help industry solve its difficulties is coincident with the duty to help workers or consumers.

But the proposed measure is not derelict in its duties to all. Is not economic strife a curse to every group? Is not industrial peace beneficial to all? Has not every step in the new-deal program embraced the interests of the public at large? The new law, for a period of 1 year and within its limited scope, will apply the healing balm of an upright, impartial, and peaceful forum, and thus will benefit employers, workers, and the country at large.

Mr. President, I feel very confident about that, and therefore I am going to support the resolution.

# EXHIBIT A

[From the New York Times]

PASSAGE OF BILL URGED-NATIONAL INDUSTRIAL ADJUSTMENT ACT HELD EXTREMELY VALUABLE

To the Editor of the New York Times:

As a member of the present National Labor Board may I urge strongly the passage at this session of Congress of the proposed. National Industrial Adjustment Act? It will not prevent strikes or the right to strike. But it will be a powerful agency in preventing industrial disputes from reaching the critical strike stage. Anyone familiar with the record of the present Board will realize what a valuable contribution to industrial peace it has made. Hardly 9 months old, the Board has put back to work or kept

work more than 800,000 men. And all this has been accomplished in the face of legal restraints which have seriously ham-pered the Board's effectiveness.

pered the Board's effectiveness.

To remove some of these restraints and to clarify the sphere of its usefulness is the purpose of the new act. There are two main points of dispute which the act proposes to dissolve. First, that pertaining to so-called "company unions", and second, that relating to majority and minority representation upon committees of workers chosen for collective-bargaining purposes. While this is not the time or place to argue for or against company unions, it must be admitted by employers and the public that the present act takes an exceptionally fair attitude toward company unions as such. Apparently its purpose is to keep open by any lawful agency the channels of good will and cooperation which ought to flow spontaneously between employee and employer. On this account, as well as for many others, the act should have the support not only of labor but of management and the public.

The second main point of dispute hinges upon who shall represent the workers in bargaining with employers. Shall it be solely the majority chosen at an election, or shall the minority be permitted to voice its views also? So much discussion has taken place on this point that the public is quite ready for the solution

place on this point that the public is quite ready for the solution proposed in the new act. It is that the matter be left for the Board to decide. But this Board's decision shall in no case prevent the minority from having the right to discuss any grievance it may have with the management. This is a wise compromise of it may have with the management. This is a wise compromise of the Labor Board's previous ruling in which the position was taken that the minority in an election was automatically washed out. The new proposal will undoubtedly undo much of the ill will caused by the Board's former stand. It will substitute internal healing for external force.

One other point must be stressed. An act of this nature, passed now, might help to avert a series of strikes such as this country has never known before. If passed 6 months or a year from now, its effect upon the situation may be no more than the effect of throwing a stone into Long Island Sound.

Ennest G. Draper.

ERNEST G. DRAPER.

NEW YORK, May 31, 1934.

Mr. WALSH. Mr. President, the position of a majority of the Committee on Education and Labor in regard to this measure and the other measure of a kindred nature which have been pending before it can be very briefly stated.

First of all, the committee approached the subject of legislation in reference to labor disputes open-mindedly. We had presented to us a bill drafted by the distinguished junior Senator from New York [Mr. WAGNER], whom we soon discovered had been most active in the midst of the labor disputes resulting from the operations of N.R.A. and who had given months of unselfish and most helpful service to his country as the Chairman of the National Labor Board in helping to find a solution for these labor disputes. It was the result of his experience as a member of that Board which prompted him and others associated with him to draft some legislation which would be beneficial in not only defining clearly the rights of workers but, by reason of the clarification of the rights of both employers and employees preventing or settling labor disputes.

Most of the labor disputes we have experienced in the last year have grown out of the existence in the National Industrial Recovery Act of what is known as "section 7 (a)." Section 7 (a) attempted to define certain rights briefly described as freedom for workers to form and join labor organizations of their own choosing for the purpose of

collective bargaining.

It provided that the worker should have the right to organize freely and independently of any interference upon the part of his employer; that he should have the right, independently of any coercion upon the part of his employer, to select representatives of his own choosing; and it provided for the right of employees having selected an organization of their choosing and representatives of their choice to engage in collective bargaining with their employers.

Immediately upon the passage of that law (section 7 (a)) the employers began to put one construction upon parts of it, and the employees began to place different constructions upon it. Leaders of the trade-union movement in the country began to spread their organization into plants where the employees were not organized. Employers began to establish so-called "company unions" of their own creation and making, with the result that there has been constant strife, and the claim has been made again and again that section 7 (a) is ineffective because it is only general in its terms and merely makes general declarations as to the rights of the workers.

Mr. President, to enact a statute which says religion is free or the press is free is ineffective. The only way that religion can be free is by defining the acts which interfere with that freedom and punishing the commission of such acts accordingly. So, with the press, it would be necessary to enact a statute prohibiting the acts that would impair the freedom of the press and provide for the punishment of those guilty of such acts.

Herein is the whole trouble with section 7 (a). There is no clear definition of what the rights are; there is nothing in section 7 (a) that says to an employer, "You cannot and you shall not interfere with the right of an employee in his right to join or not join a labor organization without violating a right of your employee for which you may be

enjoined."

What did the committee find? It found that the employer possessed a weapon that few if any other class possess, namely, the weapon of economic pressure. An employer may rob his employee of his fundamental rights if he chooses, subtly and secretly, to use the power he has by reason of the fact that he can deprive the employee of his livelihood and remove his name from the pay roll.

So, it is my judgment, and it was the judgment of the committee, that this question will never be settled until we define the forms of economic pressure which cannot and must not be exercised against the right to organize which we have given to the employees under section 7 (a).

If an employer can dismiss any man he finds seeking to organize his employees, that is a form of economic pressure that must be forbidden, if we mean what we say, namely, that employees have a right to organize freely. If employers can, by the exercise of economic power and pressure, dismiss the representatives chosen by the employees, the employees have not the freedom that it is claimed or alleged we have given them. Therefore, the bill which was introduced by the Senator from New York [Mr. WAGNER] and the bill which was reported by the committee specifically defined the acts that employers cannot do, to impair the right of the employees, first, to organize; second, to choose their own representatives; and third, not to be dismissed or dis-charged or demoted simply because they belong to a labor organization the employers did not choose to recognize.

Mr. CUTTING. Mr. President-

Mr. WALSH. I will yield in just a moment. These things we called unfair labor practices. We provided a Board that would find the facts when representation was made that an employer had interfered with the rights of workers under section 7 (a) by indulging in one of these unfair practices and then submit a finding of facts, and we provided for the enforcement of the decrees of the Board by proper restraining orders. I now yield to the Senator from New Mexico.

Mr. CUTTING. Is there anything in the pending joint resolution which takes care of any of the subjects the Sen-

ator has been discussing?

Mr. WALSH. There is nothing in the pending joint resolution which defines or clarifies the rights of the employers or the employees insofar as preventing an employer from exercising economic pressure is concerned. Every employee is free to go to work or not to go to work; every employee is free to join a labor union and elect his own representatives until his employer says, "If you do it, your job is gone." What is the use of talking to workmen about protecting their freedom of organization and their freedom in the choice of their representatives unless there is a weapon in the hands of the governmental authority to prevent that freedom being denied through the exercise by an employer of that which we call economic pressure. namely, the right to punish a man insofar as his livelihood is concerned for attempting to exercise the freedom of organization.

So, in my opinion, this question will not be settled and cannot be settled until we take action to enforce what we mean when we say the worker shall be free.

I know of no better illustration than that in regard to the freedom of the press. What do we mean by that? We mean that certain things which deny the freedom of the

press are forbidden. Where is the law, where is the statute, | where is the clarifying language that an employer can read and an employee can read, which prevent the acts upon the part of the employer which deprive the employee of his freedom? It is not here, and we have got to have some legislation of that kind. It is not in the pending joint

That is a very highly controversial question, and that is why it is not in the joint resolution, because no employer-I will not say no employer, but because a large number of employers do not want that restriction. They do not want to be deprived of that economic weapon which they possess, namely, the weapon for punishing or rewarding those who serve them or fail to serve them or who exercise their right as workers independent of their employers.

Mr. CUTTING. Mr. President-

Mr. WALSH. I yield to the Senator from New Mexico. Mr. CUTTING. Of course, I agree with the Senator that this is a controverted subject, but the Senator has left no possible doubt as to his own attitude, and I share that attitude completely.

Mr. WALSH. I know the Senator does.

Mr. CUTTING. Is there any reason why we should not express our views through the medium of adequate legislation or, at any rate, make that attempt before we adjourn for an indefinite period?

Mr. WALSH. So far as I am concerned, I am in accord with the Senator, and I would be willing to take any length of time to enact proper legislation on this subject, but, as the Senator knows, representations have been made that to attempt to define these unfair practices and pass a bill such as I have been describing would be stubbornly resisted here and would prolong the deliberations of the Congress. Personally, I am not frightened or disturbed by such a sug-

Mr. NORRIS. Mr. President, will the Senator yield? Mr. WALSH. I gladly yield to the Senator. Mr. NORRIS. Does the Senator hope that in a future Congress such legislation will be passed without opposition? Do we not have to meet that opposition sometime?

Mr. WALSH. There is no doubt about that.

Mr. NORRIS. Why not meet it now? Is there any reason why we cannot meet it now as well as during the next

Mr. WALSH. The Senator has heard what the leader of the majority said as to his conferences with the leader of the minority in reference to the disposal of this matter.

Mr. NORRIS. But he has not said, and nobody will claim, that in those conferences he has reached an agreement with the leader of the other side or with anybody else that at the next Congress such a measure will go through without opposition. If we had such an assurance given to us there might be some reason why we should now stop.

Mr. WALSH. Mr. President, there is another develop-

Mr. WAGNER. Mr. President, while the Senator is on that subject will he permit me to bring out just one more point which perhaps is not known by all the Senators unless they have watched the history of the movement since the National Recovery Act was passed with reference to labor's effort to reorganize?

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from New York?

Mr. WALSH. I am glad to yield to the Senator for that

Mr. WAGNER. Until we passed the National Recovery Act, which provided that in every code there shall be a 7 (a) provision, many of the large industries, such as the steel industry and others, would not permit their workers to organize at all; they would not deal with any kind of union. When 7 (a) was enacted, fearing that the Government might take an interest in the enforcement of the right guaranteed by that section, the companies themselves began to form unions, company unions, under their complete domination and as a result of coercive methods in order again to circumvent 7 (a). That is what prompted all this legislation and my efforts during this entire session.

Mr. WALSH. I intended to state that.

Now, Mr. President, there is one feature of this joint resolution that is most commendable.

Mr. President, the Labor Board in seeking to settle disputes growing out of section 7 (a) discovered that when two contending groups claimed to control and represent a majority of the employees in any industry, it had no power to decide which group controlled. It had the power to make a decision, but not an enforceable decision, not a decision which it could command the employers or employees to obey. It found further that even when the members of the Board themselves were in dispute and unable to determine which group represented the majority of employees, it had no power to call or hold an election. The Board did get consent to hold elections in some cases, but in other cases they were openly defied by employers and the Board was powerless.

The joint resolution lifts out of the bill which we reported from our committee a provision for the Board holding an election to determine that fact. To that extent it is most helpful. To that extent it will prevent some strikes, because some of the strikes have been a result of the claim that one group represented the employees and the further claim that a different group represented them. The Board may call both groups together and say, "Stop. We will have an election. We will conduct the election and determine who represents a majority of the employees." To that extent the joint resolution is in my opinion of considerable benefit in the present crisis, tending to lessen somewhat labor disputes.

Practically every labor dispute, or an overwhelming majority of labor disputes, has grown out of section 7 (a) and the contentions on the one side or the other that the employees were not free, that their real representatives were not being recognized by the employer. Thus we will have, as a result of the passage of the joint resolution, some machinery for conducting an election.

Mr. NORRIS. Mr. President, will the Senator yield? The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Nebraska?

Mr. WALSH. I yield.

Mr. NORRIS. Did not the committee find it to be true that while there were some exceptions, the corporations or the companies, the employers, up to the time of the passage of section 7 (a), had been opposed to unions? Of course, there were some exceptions.

Mr. WALSH. Yes; even company unions.

Mr. NORRIS. Yes; they were opposed to all kinds of unions.

Mr. WALSH. Yes; any kind of organization.
Mr. NORRIS. Immediately when section 7 (a) was passed they became very friendly to a certain kind of union which they themselves organized, ordinarily known as "company unions", which gave them the opportunity to sit on both sides of the table in any dispute.

Mr. WALSH. The Senator has stated known facts. In addition, let me state that the national trade-union organizations, seeing that thing going on in individual plants, put their leaders to work to try to organize a trade union independent from a company union.

Mr. NORRIS. The employees could not very well, without the danger of losing their jobs, oppose the organization of the so-called "company unions."

Mr. WALSH. Of course not, and that is the economic pressure which can be brought to bear and which must be checked.

Mr. NORRIS. Of course, it must be checked.

Mr. WALSH. Mr. President, we may enact almost any kind of a restrictive measure affecting employees that we want, if we will do one thing-if we will make the same restrictions apply to employees. In other words, if we will forbid one employee from coercing another employee in his exercise of the right to join labor organizations, as in the

Wagner bill we propose to prevent an employer from exercising that coercion, the employers will all agree to it.

The trouble with them is that they do not understand and appreciate the fundamental policy and purpose of this labor legislation. There is no economic pressure between one workman and another. No one workman can dismiss another from the shop. The workman would probably have the protection of his employer if he should resist an urgent invitation to join a labor organization. There is no such thing as economic pressure between employee and employee.

What we are dealing with is an effort to curb and restrict the right of the employer to dismiss, to discharge, to put a man on the street, to send a man home to his family penniless because he joins a labor organization. Some of the representatives of industry admitted there is between employer and employee such a thing as economic pressure,

which does not exist between two employees.

Furthermore, the bill introduced by the Senator from New York [Mr. Wagner] and modified by our committee is not a mere police-court bill. If one employee threatens another, he can be taken to police court. If one employee or employer strikes an employee, he can be taken to police court. If he undertakes to interfere with a fellow employee by force, he can be taken to police court. There is plenty of law to cover conditions of that kind. But if an employer says in his pay envelop, "You are hereby dismissed from my employ", where is the employee's remedy if the reason for it is that he joined a labor organization?

One of the great troubles about the bill—and that is why we ought not to have been frightened and run away from it—has been that the country has not realized that we are dealing here with what has to be dealt with if we mean what we say when we say the worker shall be free to organize and have representatives of his own choosing, preventing the employer from using the weapon of dismissal

because a man does exercise that right.

I have had employer after employer say, "We will support your measure if you put in it a provision that no employee shall coerce another employee into joining a labor organization." This indicates that there is an inability to realize the great distinction between an employer preventing an employee from exercising his right and the case of an employee trying to urge upon and prevent another employee joining or not joining a labor organization.

Mr. BONE. Mr. President-

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Washington?

Mr. WALSH. I yield.

Mr. BONE. I take it one of the chief objections the Senator has to the pending joint resolution lies in the fact that it does not specifically forbid an employer to discharge a man for joining a union. I thoroughly agree with the Senator's viewpoint that in the absence of that sort of prohibition, of course, this measure would lack a provision which I think most of us agree is a necessary one. There is nothing that forbids the employer from letting the ax of execution drop on the employee's neck if he joins a labor union, and it has been determined that the labor organization was to represent him.

Mr. WALSH. I am taking this occasion to present to those Members of the Senate who are interested in the problem some of the results of the study of the question by myself and other members of the committee, and giving the views that I personally entertain of what it will be ultimately necessary to do in order to give force and effect to section 7 (a), which, I repeat, is just like saying "the press is free", with no provision of law to define what is interfering with the freedom of the press.

Mr. President, there is another provision in this joint resolution I will now discuss.

The provision in the joint resolution providing for elections is most helpful. If nothing else comes out of this joint resolution, that will be of great benefit. It will enable somebody with governmental authority, when two groups come claiming to be the representatives of the workers, to find out who does represent them and to issue an order and

compel the employer to recognize them for the purpose of collective bargaining.

Now, may I say this, which is a digression, and then I shall close.

Another great misapprehension regarding the Wagner bill was that for some reason or other employers and most of the public got the notion that it compelled an employer to make an agreement with the representatives of a majority of his workers. The bill did no such thing. It not only did not do that but it did not prevent the employer from calling a minority of his employees into his office, or each and every one of them, and discussing all conditions relating to their work. What the Wagner bill did, and what we must do to make section 7a secure and safe is, first, to provide that there shall be no coercion, no interference with the employee; that the workers have a right to organize. Secondly, the bill provides that the men have a right to have their own representatives to represent them in collective bargaining. There must be no coercion, no interference, no dismissals, and no curtailment of the right to promotion by reason of that. Thirdly, the bill says that the representatives of the employees have a right to knock on the employer's door and ask to be admitted in the name of their fellow employees and to engage in a conference with the employer.

Beyond that the Wagner bill does not go; and yet we have heard all kinds of stories to the effect that employees' representatives could come in and say, "Put your name on that paper; sign these papers here; give us higher wages; give us an increase in pay." The bill never went beyond determining that there should be a free organization, there should be free representatives, and that the employer must receive them. The moment they entered the employer's door, their deliberations and their acts were as sacred as in any tribunal in the world. Furthermore, the employer did not have to make an agreement with them if he did not see fit, but he did have to recognize the right of men in his own employ to confer with him.

Mr. LONG. Mr. President-

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Louisiana?

Mr. WALSH. I yield to the Senator.

Mr. LONG. I think the Senator and I are alike for very liberal labor legislation. While probably I would write the joint resolution a great deal more in favor of labor than my colleagues would, I see in this joint resolution one thing—a guarantee by which fairly and honorably, without exposing themselves to peril, laboring men may actually express their wish to be free from company unions, and to be organized under a leadership that is not subject to company influence.

That seems to me, if carried out, to be a guaranty that they may honestly and freely express themselves, without peril, in favor of a fair organization to represent them. That much seems to be quite a forward step to the laboring people.

Mr. WALSH. There is no doubt about that.

Mr. President, the provision about investigations is very helpful, too. After all, there is much to be said for the joint resolution. It does not go as far as some of us would like to go, but there is this to be said: First, there is given the power to investigate any dispute or threatened dispute arising out of a misinterpretation or misunderstanding of the meaning of section 7 (a). That is provided for. Secondly, there is a right for an investigation by this board or these boards of any dispute tending to threaten or burden the free flow of interstate commerce.

There is no authority except to investigate. It is expected that investigation, a finding of the facts and giving publicity to them, will have a very beneficial effect, and will result in making suggestions that will lead toward settling the strike or settling labor disputes. To that extent that provision is, in my judgment, very helpful; but I do hope that in the beginning of the next session, at least, we shall face the real, underlying, necessary statute that we must enact here, preventing the exercise by the employer of economic pres-

sure to break down a free labor organization, to break down free representatives, and to break down the right of collective bargaining

Mr. LA FOLLETTE and Mr. NORRIS addressed the Chair. The PRESIDING OFFICER. May the Chair say to the Senator from Nebraska that previously there was an understanding to recognize the Senator from Wisconsin.

Mr. NORRIS. I have no objection to the secret agreement being carried out, Mr. President. Of course, it violates the

rules of the Senate, but that is done every day.

The PRESIDING OFFICER. The Chair, then, will finish his remark. Will the Senator from Nebraska find it agreeable to consent to the Chair recognizing the Senator from Wisconsin to present his amendment?

Mr. NORRIS. Mr. President, it is not necessary for the Chair to get the consent of the Senator from Nebraska to recognize anybody.

Mr. LA FOLLETTE obtained the floor.

WORK OF MILITARY AFFAIRS COMMITTEE-ARTICLE BY SENATOR SHEPPARD

Mr. SHEPPARD. Mr. President, will the Senator yield to me to insert something in the RECORD?

Mr. LA FOLLETTE. I yield.

Mr. SHEPPARD. Mr. President, as Chairman of the Senate Military Affairs Committee, I have prepared an analysis of the work of the committee during this Congress. I am sure that it will be of interest to the Senate; and I ask that it be inserted in the RECORD at this point, together with an article prepared by me on the subject of the common defense, published in The Reserve Officer for February 1934.

There being no objection, the statement and article were ordered to be printed in the RECORD, as follows:

WORK OF THE SENATE COMMITTEE ON MILITARY AFFAIRS DURING THE SEVENTY-THIRD CONGRESS

(By Morris Sheppard, Chairman Senate Committee on Military Affairs)

During the two sessions of the Seventy-third Congress 460 bills, including resolutions, have been referred to the Senate Committee on Military Affairs. Four hundred and eleven of these originated in the Senate and 49 originated in the House. With the exception of 12 measures upon which departmental reports have not been reported, the committee has given consideration to all these bills and reported favorably to the Senate 163. The remain-ing 285, of which 8 were House bills, were held for further ing 285, of which 8 were House bills, were held for further action, or acted upon adversely, or transferred to other committees. Of the 163 bills reported favorably to the Senate, 122 were Senate bills and 41 were House bills. Of the 122 Senate bills reported favorably to the Senate, all have passed the Senate, except one, which is at this time on the Senate calendar. Of the 41 House bills reported favorably to the Senate all have passed the Senate. Of these 41 House bills, 24 have become law, 15 are before the President, and 2 have been vetoed.

Of the 121 Senate bills which passed the Senate 119 on going

Of the 121 Senate bills which passed the Senate, 119 on going to the House were referred to the House Committee on Military Affairs and 2 were referred to other committees; namely, the House Committee on Foreign Relations and the House Committee

on Claims.

Of the 119 bills referred to the House Committee on Military Affairs, 75 have not been reported on, and 44 have been reported favorably to the House. Of the 44 Senate bills reported favorably to the House by the House Military Affairs Committee, 27 at this time remain on the House Calendar, and 17 have been passed by the House. Of the 17 passed by the House, 13 have become law, 2 have not yet been signed by the President, and 2 have been

vetoed.

It will be seen that of the House bills reaching the Senate and the Senate Military Affairs Committee, practically 84 percent have been favorably reported to the Senate and passed by the Senate. Of the Senate bills reaching the House and the House Military Affairs Committee, about 37 percent have been favorably reported, and 15 percent have been passed by the House.

The two Senate bills referred to the House Committee on Foreign Relations and the House Committee on Claims have not been reported upon

been reported upon.

A brief review of the titles of some of the bills of a public nature are indicative of the variety of this legislation: To amend the retirement laws affecting certain grades of Army officers; to establish a Department of National Defense; to provide for the donation of certain Army equipment to posts of the American Legion; to provide further for the national defense; to amend the act authorizing the issuance of the Spanish War Service Medal; to authorize appropriations for construction at military posts; to increase the efficiency of the Veterinary Corps of the Regular Army; to establish a department of physics at the United States Military Academy at West Point, N.Y.; to validate payments for medical and hospital treatment of members of Reserve Officers' Training Corps and citizens' military training camps; to authorize the Secretary of War to abandon or evacuate real estate no longer required for A brief review of the titles of some of the bills of a public nature

cemeterial purposes in Europe; relative to appointment as warrant officers of certain enlisted men of the Army, Navy, Marine Corps, or Coast Guard; to amend section 4878 of the United States Revised Statutes, as amended, relating to burials in national cemeteries; and to restore to the public domain portions of the Jordan Narrows (Utah) Military Reservation.

The private-bill legislation deals with such matters as reinstatements, retirements, promotions, review of military received.

statements, retirements, promotions, review of military records, and the creation of boards of review to study individual cases, as and the creation of boards of review to study individual cases, as well as the granting of decorations for heroic military service. This legislation, dealing as it does with individual, private matters, is of no public or general importance, but it is of the highest importance to the individual or individuals involved. Wrongs and injustices at times come to men in the military service, through no intent of the military authorities, but through the workings of a large organization and an inability of some individuals in the service to adjust themselves to the regularity, the discipline, and the required efficiency of military service. For these reasons the committee studies carefully and diligently the private bills referred to it. ferred to it.

Aside from legislation, numerous Presidential nominations and promotions relating to the military personnel submitted to the Senate for confirmation have been referred to the Committee on Military Affairs for its action and report to the Senate.

The of interest to note bright several of the measures of gen-

It is of interest to note briefly several of the measures of gen-

eral significance which were reported favorably by the Committee on Military Affairs and passed by the Senate:

S. 3397, amending the laws relating to the length of tours of duty in the Tropics and certain foreign stations in the case of officers and enlisted men in the Army, Navy, and Marine Corps, provides that "no officer or enlisted man of the Army shall, exprovides that "no officer or enlisted man of the Army shall, except upon his own request, be required to serve in a single tour for more than 2 years in the Philippine Islands, on the Asiatic station, or in China, Hawaii, Puerto Rico, or the Panama Canal Zone, except in case of insurrection or of actual or threatened hostilities, and except in the discretion of the Secretary of War for temporary emergencies \* \* \*" The measure does not apply to the Philippine Scouts. In the report to the Senate on this bill it was stated in part. bill it was stated in part:
"As the result of hearings and documentary evidence, the com-

"As the result of hearings and documentary evidence, the committee is convinced that the present law prescribing 3 years as the fixed tour of foreign service for personnel of the Army, Navy, and Marine Corps is unreasonable, unwarranted, and inhuman in its effects upon the Government and efficiency of the services."

This measure was signed by the President on May 29, 1934.

A Senate resolution introduced by Senators NyE and VANDEN-

BERG on February 8, 1934, creates a special committee of seven Senators, appointed by the Vice President, to investigate the activities of individuals, firms, associations, and of corporations and all other agencies in the United States engaged in the manufacture self-all distributions. ture, sale, distribution, import, or export of arms, munitions, or other implements of war; the nature of the industrial and commercial organizations engaged in this manufacture and traffic; the methods used in promoting or effecting the sale of implements of war; the quantities imported into the United States and the countries of their origin, as well as the quantities exported from the United States and the countries of destination. This resolution Senate Resolution 206 further authorizes and directed the countries of destination. the United States and the countries of destination. This resolution, Senate Resolution 206, further authorizes and directs the special committee to investigate and report upon the adequacy or inadequacy of existing legislation, and of the treaties to which the United States is a party, for the regulation and control of the manufacture of and traffic in arms, munitions, or other im-plements of war within the United States, and of the traffic therein between the United States and other countries; to review the findings of the War Policies Commission, and to recommend such indings of the War Policies Commission, and to recommend such specific legislation as may be deemed desirable to accomplish the purposes set forth in such findings and in the preamble to the resolution. Finally, the committee is to inquire into the desirability of creating a Government monopoly in respect to the manufacture of armaments and munitions and other implements of war, submitting recommendations thereon. This measure passed the Senate on April 19, 1934, and the special committee provided therein has been appointed by the Vice President.

An interesting piece of corrective legislation handled by the

An interesting piece of corrective legislation handled by the Committee on Military Affairs in the Seventy-third Congress is S. 2041, which has for its purpose the restoration of eligibility for commissions in the Officers' Reserve Corps to citizens of the Philippine Islands. Prior to the act of June 15, 1933, amending the National Defense Act of June 3, 1916, citizens of the Philippine Islands were eligible for commissions in the Officers' Reserve Corps in the Philippine Islands under the 1916 National Defense Act. In revising the 1916 act, section 3 of the act of June 15, 1933 (48 Stat. 153), omitted the words "or of the Philippine Islands." Thus, the section read: "In time of peace a reserve officer must at the time of his appointment be a citizen of the United States between the ages of 21 and 60 years." As the Senate report pointed out: "No reason is known for this other than the words 'or of the Philippine Islands' were inadvertently omitted in writing the revised act." This bill passed the Senate on February 20, 1924.

ary 20, 1934.

On April 25, 1934, S. 1596 passed the Senate, providing for an extension of the benefits of the Emergency Officers' Retirement Act of May 24, 1928, to provisional officers of the Regular Establishment who served during the World War. The act applies to those officers of the World War who were made provisional officers in 1917, and being neither Regular nor emergency officers, have been unable to secure the benefits of either service through the Veterans' Administration despite the fact that they continued to

serve during the war, rendering exactly the same service as any other commissioned officer. The Emergency Officers' Retirement Act of May 24, 1928, as written and administered, left these provisional officers, fully deserving, "but literally as men without a status.

The so-called "four generals of the four armies bill", Senate bill 2044, passed the Senate on April 25, 1934. This measure amends section 4 of the June 3, 1916, National Defense Act, to provide in part that the President is authorized to designate four general officers of the line of the Army for command of armies, who shall during the time of such command have the rank and title of general. It does not increase the number of general officers in our Army. It accords a temporary title and rank of general upon those officers temporarily serving as Army companders manders.

manders.

Senate Report No. 732 on S. 2044 reads, in part, as follows:

"The four-army plan adopted by the War Department is a very definite and practical step toward increasing the immediate effectiveness of our land forces in the event of emergency. It emphasizes the importance of immediate readiness for action under a carefully devised plan of operations rather than the immediate mobilization of huge numbers of poorly trained individuals. Its effectiveness depends in very marked degree upon the efficiency of the planning and preparatory work within the several armies during periods of peace. The four-army areas have been so laid out that each includes one of our important strategic frontiers, and ing periods of peace. The four-army areas have been so laid out that each includes one of our important strategic frontiers, and each army commander, therefore, has a very definite planning task in order to increase the effectiveness of our defenses."

The Army appropriation bill in the Senate is referred to the Senate Committee on Appropriations, on which committee, several members of the Military Affairs Committee sit ex officio when the bill is under consideration.

the bill is under consideration.

In closing this review of the committee's work during the Seventy-third Congress, I want to take the opportunity of expressing my appreciation for the hearty cooperation on the part of its members. Their readiness to serve on subcommittees, their regularity in attendance in one of the busiest Congresses I have known in my 31 years in Congress, has been gratifying, indeed. Their diligence is evidenced by the fact that at this writing the committee has acted upon every measure referred to it on which departmental reports have been received. Upon the presentation of additional evidence and the request of the author for reconsideration, the committee has seen fit to devote itself to a second study of many of the bills referred to it.

The committee has also held hearings on Senate Resolution 264, directing an inquiry by the committee, or any duly authorized subcommittee thereof, into the need for an increase in the present strength of the officer and enlisted personnel of the Regular Army of the United States.

of the United States.

# FOR THE COMMON DEFENSE

(By Morris Sheppard, published in the Reserve Officer for February 1934)

The preamble to the Constitution of the United States reads:
"We, the people of the United States, in order to form a more perfect Union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of

ordain and establish this Constitution for the United States of America."

In the last analysis all of the purposes set forth are dependent upon one of them; to "provide for the common defense." Without that provision the other objectives of our Constitution could neither have been accomplished nor maintained through all the years of our history.

The authors of the Constitution were not militaristic. They would have liked to believe, as you and I would like to believe, that the United States would never be called upon to resort to force of arms against any nation on earth. However, they were clear minded, far-seeing, and determined that the Union of States then established should survive and develop for the benefit of posterity. They realized then, as we must realize now, that one of the primary duties of government is the national defense. The statement of the Constitution in reference to the common defense was based upon the principle that the ultimate defense and security of the Nation was a responsibility of the country's entire citizenship. In harmony with that principle is our historical military policy not to develop nor to maintain in time of peace a military force for aggressive purposes. Preservation of internal order and defense of our territory and national rights have marked the extreme limits of our intentions. It is true that at times our available military strength and our peacetime preparation have fallen far below the requirements of this sane and moderate purpose, with results in emergencies that have only falled of being disastrous because of fortunate circumstances.

Let us briefly review our military policy. circumstances

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Let us briefly review our military policy. It is a little-known fact that George Washington himself laid down the basis of this policy. In the spring of 1783 Washington received a letter from Alexander Hamilton, who was chairman of a committee of the Continental Congress which had been appointed to consider the nature of a military establishment that should be set up by the United Colonies. Hamilton asked Washington's views upon the subject. Washington's report was submitted May 2, 1783, under the title "Sentiments on a Peace Establishment." His plan for the common defense comprised four elements, all of which he discussed in considerable detail. These were:

First. A small Regular Army to garrison the frontier, control the Indians, and provide for defense against invasion from Canada and Florida

and Florida.

Second. A well-organized and disciplined militia under Federal direction, uniformly armed, trained, and equipped.

Third. The establishment of a system of arsenals for the production and storage of military stores.

Fourth. The foundation of one or more military academies for the instruction of officers in the military art.

The existence of this communication was practically unknown until recently discovered among the unpublished Washington papers in the Library of Congress. It has been generally believed that Washington was opposed to citizen soldiers as an element in national defense, this view being based largely upon his caustic remarks upon the behavior of the militia at the Battle of Long Island. It is true that Washington placed no confidence in untrained militia. His plan contemplated a trained, disciplined, and capably officered force such as we have today in the National Guard. Guard

Guard.

This four-element project for the national military establishment was dear to Washington's heart and, as President, he labored to secure its adoption. Early in his first term as President he stated that the two most important projects before Congress were the adoption of a proper financial system and a sound plan for the national defense. However, Congress was in the mood which has so often followed our wars, and refused to embody the lessons of the war in military legislation. After 2 years of consideration the Militia Act of 1792 was finally passed, but bore little resemblance to the ideas which Washington had sponsored. All of the provisions for discipline and for Federal inspection and supervision of the militia were eliminated, and the resulting legislation was practically worthless as a contribution to the national defense.

The results of the failure of Congress to heed the advice of Washington can be traced through the reverses in the land operations of the War of 1812, and to the tremendous expense resulting from unpreparedness which accompanied our participation in the World War. Eventually, after this last conflict, Congress enacted in 1920 the present National Defense Act, which embodied almost exactly, with necessary modernization, the elements which Washington had incorporated in his original plan. This gave our country for the first time a system of national defense suited to the American temperament and American institutions. What a testimonial it is to Washington that he conceived this plan before the adoption of the Constitution and before American political institutions had taken form, and that it should have been adopted practically in its entirety 137 years later at the conclusion of American participation in the greatest war of all time. Our pressent military establishment, with its three components, the Regular Army, the National Guard, and the Organized Reserves, is an embodiment of the wise ideas that germinated in the mind of Washington. In the stress of our present economic difficulties there is grave danger that our people may forget the lessons of the past and fall fully to appreciate the necessity for adequate financial support of all components of the military establishment. The search for possible economies in Government expenditures should not lead us to starve the national defense, especially in the face of the current example of what happens to a large and populous nation that cannot defend its interests. It is easy to imagine what Washington's counsel would be if asked for his advice on still further reducing our present modest military establishment in this time of troubled conditions throughout the world.

In 1920, with the lessons of the World War fresh in mind, the The results of the failure of Congress to heed the advice of Washington can be traced through the reverses in the land opera-

world.

In 1920, with the lessons of the World War fresh in mind, the Congress devised a practical military policy that constituted the first real attempt in the United States to adjust military preparation accurately to defensive needs, and so framed that program as to assure other nations of its nonaggressive purpose. This is called the National Defense Act.

Before that time only two general systems existed in the world as the basis of military organization. One was the conscript system; the other, the employment of the professional soldier. The former provided the maximum of defense with the minimum of cost by prescribing service with the colors as a civic duty. The latter entailed abnormal costs due to the necessity of reimbursing along professional lines the personnel involved. For this reason all the great military machines maintained in modern times in some of the larger foreign powers have been built up under the conscript system.

some of the larger foreign powers have been built up under the conscript system.

In our own case, tradition and public sentiment have always precluded conscription as the basis of a peace-time defense policy. Maintenance of a professional force sufficiently strong for adequate protection would have entailed prohibitive expense, even for a country as rich as the United States. Consequently, the plan developed by Congress at the end of the World War, and written into the National Defense Act, represents our present military policy.

written into the National Defense Act, represents our present military policy.

This policy places ultimate reliance for the Nation's defense upon a citizen army, the great proportion of which must be organized, trained, and equipped after the beginning of any emergency. Thus, it deliberately contemplates a delay of several months between any declaration of war and the time large-scale operations could be initiated, a circumstance that gives convincing proof of its nonaggressive intent. To make possible an orderly mobilization and effective employment of a citizen army in emergency, and to protect the country until mobilization could be accomplished, Congress recognized the need for organizing certain permanent military forces, and authorizing certain continuing

preparations, particularly along organizational, training, and matériel-procurement lines

Specifically, the 1920 law provided for a small professional force specifically, the 1920 law provided for a smart professional force and for a limited training of civilians, on a voluntary basis, through the National Guard, the Organized Reserves, the Reserve Officers' Training Corps, and the citizens' military training camps. The establishment of this conservative policy for land defense was unquestionably one of the most constructive measures evolved

The establishment of this conservative policy for land defense was unquestionably one of the most constructive measures evolved by any government in recent years. In it are combined efficiency, economy, and respect for American ideals and traditions. It is the product of a long evolutionary process during which the Congress was guided by our military experiences under a variety of conditions and circumstances. Improvement in it should be sought by the same method, and any drastic change should be adopted only after mature consideration of all factors involved and having in view the continuing welfare of the whole Nation. The foundation of our defensive structure is the Regular Army. The Regular Army should be able at all times to furnish any troops required by internal emergencies and initial defense against surprise attack. The civilian components depend upon it for instruction, leadership, and technical progress, while in case of general mobilization it is the model and directing head for all. The National Defense Act provided that it should comprise approximately 18,000 officers and 280,000 men. During the decade just passed, this strength, in the interests of immediate economy has been progressively reduced until present appropriations are on the basis of 12,000 officers and 125,165 enlisted men, including the Philippine Scout contingent of 6,415, the Scouts being available for duty only in the Philippine Islands.

Any continuing tendency to cut further into this already weakened backbone of our military skeleton must be viewed with great concern by all citizens. As early as 1925 the War Department undertook an exhaustive analysis of our particular situation in an attempt to determine as accurately as possible the minimum strength requirements of the Regular Army in order to carry out the missions given it by the National Defense Act. The detailed conclusions then reached are contained in part 3 of the hearings before the Committee on Military Affairs, House of Representatives, Sixty-ninth Congress, second

"A Regular Army, as prescribed in the National Defense Act, strength 17,728 officers and 280,000 enlisted men, is the minimum trained and disciplined force that should be immediately available to meet the requirements of the United States."

"A Regular Army, of " 14,063 officers, 165,000 enlisted men is the least force that will furnish in time of peace the necessary garrisons for the overseas possessions and for the Regular Army harbor defenses of the United States; will provide a small, fairly well balanced mobile force, with the requisite combat units of sufficient strength to conduct effective training; will furnish the necessary Regular Army personnel for the civil components, and will provide preparation in time of peace of a timely and adequate mobilization in the event of a national emergency, as contemplated by the National Defense Act."

A majority of our foremost military leaders, members of the American Legion, and of patriotic societies throughout the country feel that our minimum requirements for national defense, in ad-

feel that our minimum requirements for national defense, in addition to 14,000 officers and 165,000 enlisted men in the Regular dition to 14,000 officers and 165,000 enlisted men in the Regular Army, are a National Guard of around 210,000 men with an appropriate number of officers; an Officers' Reserve Corps with 120,000 members and provisions for training approximately 30,000 reserve officers each year; a Reserve Officers' Training Corps in every college and school that desires it, and a system of citizens' military training camps that will give intensive training to at least 30,000 young men on a voluntary basis each summer.

Such plans also include comprehensive planning for procurement of munitions, including a system of educational orders to train selected industries in the manufacture of noncommercial equipment.

In view of the position taken by the Budget and the condition of the Treasury, it will at this time be necessary to endeavor to meet the country's defense needs with the present force. It is both necessary and helpful, however, to keep the facts before us and to review our defense requirements and our actual defense status from time to time in order that the true situation may be neither forgotten nor overlooked. With this end in view the present article is submitted.

To the Regular Army National Guard and Organized Reserves.

The present article is submitted.

To the Regular Army, National Guard, and Organized Reserves. I wish to pay my tribute as a citizen and as Chairman of the Senate Military Affairs Committee. For many years I have watched with sympathetic interest the standards of efficiency in the military personnel. I believe that at no time have these standards been higher than now.

been higher than now.

The present average of professional attainment of Regular Army men, their loyalty and devotion to duty under somewhat adverse circumstances, are appreciated by every good citizen.

To the members of the Organized Reserves and National Guard, who give of their time and energy in these hurrled days to perfect themselves in the performance of their military duties, every good citizen is grateful. The public appreciates, as never before, the value and the significance of the Organized Reserves and the National Guard. They know that commissions in the Reserve Corps and National Guard cannot be secured without demonstration of sincere interest and satisfactory qualifications, that once commissioned these officers can hold a commission only for a limited time unless they qualify for continuance in service by

attendance upon instruction and by hard study—that they cannot merely hold their commissions but by unceasing effort must constantly increase their knowledge and efficiency. Let it be added that the enlisted men of all three components of the Army of the United States should not be omitted from a full share of the Nation's approval and commendation. They are giving splendid and patriotic service and merit our unqualified appreciation.

#### TRAFFIC IN CERTAIN FIREARMS

Mr. HARRISON. Mr. President-

Mr. LA FOLLETTE. I yield to the Senator from Mississippi.

Mr. HARRISON. Before the Senator begins his speech, I desire to state that there are two measures here that I am extremely anxious to get out of the way, because it may be that they will have to go back to the House of Representatives. The Senator is familiar with both of them.

One of them is House bill 9741, one of the crime bills, which lays a privilege tax on the manufacture for commercial use of machine guns or sawed-off shotguns. I hope the Senator will permit me to have that bill considered and passed at this time, and that there will be no objection to it.

Mr. LA FOLLETTE. If it may be done by unanimous consent I will yield for that purpose, if it may be understood that I do not lose my right to the floor.

Mr. HARRISON. I shall not insist upon the consideration of the bill if there is any discussion of it. I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The Senator from Mississippi requests unanimous consent for the present consideration of House bill 9741, to provide for the taxation of manufacturers, importers, and dealers in certain firearms and machine guns; to tax the sale or other disposal of such weapons; and to restrict importation and regulate interstate transportation thereof. Is there objection?

Mr. McNARY. Mr. President, I do not think it is good policy to take up a measure of this kind in the midst of a speech. A few days ago, when this matter was called up on the calendar, I think the able Senator from Idaho [Mr. BORAH] objected to it.

Mr. HARRISON. I will state to the Senator that this is a different matter. This bill has passed the House.

Mr. McNARY. Very well; let the speech go forward. object to the consideration of the bill at this particular

Mr. HARRISON. Of course, I am not going to delay the Senator from Wisconsin; but there are two bills here which, in my opinion, are just about as important as the joint resolution that is pending before the Senate, and I desire to see them passed sometime this afternoon.

# SETTLEMENT OF LABOR CONTROVERSIES

The Senate resumed the consideration of the joint resolution (S.J.Res. 143) to effectuate further the policy of the National Industrial Recovery Act.

Mr. LA FOLLETTE. Mr. President, I offer the amendment which I send to the desk, in the nature of a substitute for the joint resolution.

The PRESIDING OFFICER. The amendment, in the nature of a substitute, will be read.

The legislative clerk read as follows:

# DECLARATION OF POLICY

Section 1. It is hereby declared to be the policy of the United States to remove unnecessary obstructions to the free flow of commerce, to encourage the establishment of uniform labor standards, and to provide for the general welfare, by establishing agencies for the peaceful settlement of labor disputes, and by protecting the exercise by the worker of complete freedom of association, self-organization, and designation of representatives of his own choosing, for the purpose of negotiating the terms and conditions of his employment or other mutual aid or protection.

# DEFINITIONS

SEC. 2. When used in this resolution—

(1) The term "person" includes an individual, partnership, association, corporation, labor organization, legal representative, trustee in bankruptcy, or receiver.

(2) The term "employer" includes any person acting in the interest of an employer, directly or indirectly, but shall not include the United States, or any State, municipal corporation, or other governmental instrumentality, or any person subject to the Railway Labor Act, as amended from time to time, or any

labor organization (other than when acting as an employer), or anyone acting in the capacity of officer or agent of such labor organization, or any person employing less than 10 employees.

(3) The term "employees" shall include any employee, and shall not be limited to the employees of a particular employer, unless the resolution explicitly states otherwise, and shall include any individual whose work has ceased as a consequence of, or in any individual whose work has deased as a consequence of, or in connection with, any current labor dispute or because of any unfair labor practice, and who has not obtained any other regu-lar employment, but shall not include any individual employed as an agricultural laborer, or in the domestic service of any family or person at his home, or any individual employed by his

father, mother, or spouse.

(4) The term "representatives" includes any individual or labor organization designated by employees to act for them or any individual or employer organization designated by an em-

ployer to act for him.

ployer to act for him.

(5) The term "labor organization" means any organization or any agency or employee representation committee, in which employees participate and which exists for the purpose, in whole or in part, or dealing with employers concerning hours of labor, wages, or working conditions.

(6) The term "employer organization" means any organization or any agency or employers representation committee which exists for the purpose, in whole or in part, of dealing with employees concerning hours of labor, wages, or working conditions.

(7) The term "commerce" means trade or commerce, or any transportation or communication relating thereto, among the several States, or between the District of Columbia or any Territory of the United States and any State or other Territory, or between any foreign country and any State, Territory, or the District of Columbia, or within the District of Columbia or any Territory, or between points in the same State but through any other State or any Territory or the District of Columbia or any foreign country.
(8) The term "unfair labor practice" means any unfair labor

practice listed in section 3.

(9) The term "National Industrial Adjustment Board" means National Industrial Adjustment Board created by section 4 of this resolution.

(10) The term "old Board" means the National Labor Board

established by the President in August 1933.
(11) The term the "Circuit Court of Appeals" includes the Court of Appeals of the District of Columbia.

#### UNFAIR LABOR PRACTICES

SEC. 3. It shall be an unfair labor practice-

(1) For an employer to attempt, by interference or coercion, to impair the exercise by employees of the right to form or join labor organizations, to designate representatives of their own choosing, and to engage in concerted activities for the purpose of collective bargaining or other mutual aid or protection, or for an employer to refuse to recognize and deal with such representatives for the purpose of collective bargaining or other mutual aid or protection.

(2) For employees to attempt, by interference or coercion, to impair the exercise by employers of the right to join or form employer organizations and to designate representatives of their

own choosing for the purpose of collective bargaining.

(3) For an employer to interfere with or dominate the administration of any labor organization or contribute financial support to it: Provided, That, subject to rules and regulations prescribed by the National Industrial Adjustment Board, an employer shall

by the National Industrial Adjustment Board, an employer shall not be prohibited from permitting an employee, individually, or local representatives of employees, from conferring among themselves or with management during working hours without loss of pay while engaged in the business of a labor organization.

(4) For an employer, by discrimination in regard to hire or tenure of employment or any term or condition of employment, or by contract or agreement, to encourage or discourage membership in any labor organization: Provided, That nothing in this resolution or in the National Industrial Recovery Act, or in any code in any labor organization: Provided, That nothing in this resolution or in the National Industrial Recovery Act, or in any code or agreement approved thereunder, or in any other statute of the United States, shall preclude an employer from making an agreement with a labor organization (not established, maintained, or controlled by any unfair labor practice) to the effect that a person seeking employment shall be required, as a condition of employment, to join such labor organization, if the agreement is sought by the majority of employees in the unit covered by it when made and its duration is limited to a reasonable period. Nothing in this proviso shall be construed by the Board to indicate that any employer is bound to enter into an agreement conditioning employment upon membership in any labor organization.

# NATIONAL INDUSTRIAL ADJUSTMENT BOARD

SEC. 4. (a) There is hereby created in the Department of Labor a board, to be known as the "National Industrial Adjustment Board" (hereinafter referred to as the "Board"), which shall be composed of five members, appointed as hereinafter provided.

(b) The President, by and with the advice and consent of the Senate, shall appoint three members to represent the general public, and shall designate one of such members as chairman of the Board. One of these members shall be appointed for a term of 1 year, one for a term of 3 years, and one for a term of 5 years, but their successors shall be appointed for terms of 5 years each, except that any individual chosen to fill a vacancy shall be appointed only for the unexpired term of the member whom he shall succeed. Each member representing the general public shall

receive a salary of \$10,000 a year, shall be eligible for reappointment, and shall not engage in any other business, vocation, or

employment (c) The F President, by and with the advice and consent Senate, shall appoint for terms of 1 year each 6 individuals as a panel to represent employers and 6 individuals as a panel to represent employees. In making such appointments the President may consult organized representatives of employers and employees. The chairman of the Board shall from time to time select indi-The chairman of the Board shall from time to time select individuals from these panels to serve as members of the Board, and shall fix and rotate their periods of service in such manner that (1) there shall always be one representative of employers and one representative of employees upon the Board, and (2) all the individuals on the panels shall, insofar as practicable, serve as members of the Board for approximately the same length of time. Members of the Board who are selected from the panels shall each receive \$20 per diem and necessary traveling and subsistence expenses when engaged in the performance of their duties.

(d) Three members of the Board, including one member representing the general public, shall constitute a quorum. A vacancy in the Board shall not impair the right of the remaining members to exercise all the powers of the Board. The Board shall have an official seal which shall be judicially noticed.

Sec. 5. (a) The members representing the general public shall

an omegas sear which shall be judiciarly noticed.

Sec. 5. (a) The members representing the general public shall appoint such employees, and, without regard for the provisions of the civil-service laws, appoint such attorneys, special experts, and examiners as may be from time to time appropriated for by Congress. The Board may utilize such voluntary and uncompensated services, and establish such voluntary and uncompensated regional, or local boards, as it may from time to time find

(b) Upon the organization of the Board and the designation (b) Upon the organization of the Board and the designation of its chairman, the old Board shall cease to exist; and all pending investigations and proceedings of the old Board shall be continued by the Board. All records, papers, and property of the old Board shall become records, papers, and property of the Board, and all unexpended funds and appropriations for the use and maintenance of the old Board, shall become funds and appropriations available to be expended by the Board in the exercise of the powers, authority, and duties conferred on it by this resolution. All employees of the old Board shall be transferred to and become employees of the Board at their present grades and salgries.

employees of the Board at their present grades and salaries.

(c) All of the expenses of the Board, including all necessary traveling and subsistence expenses outside the District of Columbia incurred by the members or employees of the Board under its orders, shall be allowed and paid on the presentation of itemized vouchers therefor approved by the Board or by any individual it

duly designates for that purpose.

(d) The Board may request and the Secretary of Labor may direct from time to time the officers and employees of the Department of Labor to render services and furnish information and otherwise to aid the Board in the performance of its duties, insofar

otherwise to aid the Board in the performance of its duties, insofar as such assistance can be made available under the appropriations and other legal obligations of the Department of Labor.

Sec. 6. The principal office of the Board shall be in the District of Columbia, but it may meet and exercise all its powers at any other place. The Board may, by one or more of its members or by such agents or agencies as it may designate, prosecute any inquiry necessary to its functions in any part of the United States. A member who participates in such an inquiry shall not be disqualified from subsequently participating in a decision of the Board in the same case.

the Board in the same case.

SEC. 7. The Board shall have authority from time to time to make, amend, and rescind such reasonable rules and regulations as may be necessary to carry out the provisions of this resolution. Such rules and regulations shall be effective upon publication in the manner which the Board may prescribe.

# PREVENTION OF UNFAIR LABOR PRACTICES

SEC. 8. (a) The Board is empowered, as hereinafter provided, to prevent any person from engaging in any unfair labor practice defined in section 3 that burdens or affects commerce, or obstructs the free flow of commerce, or has led or tends to lead to a labor dispute that might burden or affect commerce or obstruct the

free flow of commerce.

(b) Whenever a complaint is made to the Board which causes the Board to believe that any person has engaged in or is engaging in any such unfair labor practice, the Board shall issue and cause to be served upon such person a complaint stating the charges in to be served upon such person a complaint stating the charges in that respect, and containing a notice of hearing before the Board or before a designated agent or agency, at a place therein fixed, at a time to be designated by the Board. Any such complaint may be amended by the Board in its discretion at any time prior to the conclusion of the taking of the evidence. The person so complained of shall have the right to file an answer to the original or amended complaint and appear in person or by counsel and give testimony at the place and time fixed in the complaint, and to invoke the compulsory process of the Board in summoning and to invoke the compulsory process of the Board in summoning witnesses in its behalf.

(c) The testimony taken by such agent or agency or the Board shall be reduced to writing and filed with the Board. Thereafter, in its discretion, the Board may itself take further testimony and/or hear argument. If upon all the testimony taken, the Board shall be of the opinion that any person named in the complaint has engaged in or is engaging in any such unfair labor practice, then the Board shall state its findings of fact and shall issue and cause to be served on such person an order requiring such person to cease and desist from such unfair labor practice, or to take affirmative action or to perform any other acts that will achieve substantial justice under the circumstances. Such order may further require such person to make a report from time to time showing the extent to which it has complied with the order

(d) Until a transcript of the record in a case shall have been filed in a court, as hereinafter provided, the Board may at any time, upon such notice and in such manner as it shall deem proper, modify or set aside, in whole or in part, any finding or

order made or issued by it.

(e) If such person fails or neglects to obey such order of the Board while the same is in effect the Attorney General, at the request of the Board, may petition any circuit court of appeals of the United States within any circuit wherein the labor practice in question occurred or wherein such person resides or carries on business, for the enforcement of such order, and shall certify and file in the court a transcript of the entire record in the proceedfile in the court a transcript of the entire record in the proceeding, including the testimony upon which such order was entered and the findings and order of the Board. Upon such filing, the court shall cause notice thereof to be served upon such person, and thereupon shall have jurisdiction of the proceeding and of the question determined therein, and shall have power to make and enter upon the pleadings, testimony, and proceedings set forth in such transcript a decree affirming, modifying, or setting aside in whole or in part the order of the Board. No objection that has not been urged before the Board shall be considered by the court, unless the failure or neglect to urge such objection shall be excused because of extraordinary circumstances. The findings of the Board as to the facts, if supported by evidence, shall be conexcused because of extraordinary circumstances. The findings of the Board as to the facts, if supported by evidence, shall be con-clusive. If either party shall apply to the court for leave to adduce additional evidence and shall show to the satisfaction of the court that such additional evidence is material and that there were rea that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the hearing before the Board, the court may order such additional evidence to be taken before the Board and to be adduced upon the hearing. The Board may modify its findings as to the facts, or make new findings, by reason of additional evidence so taken and filed, and it shall file such modified or new findings, which, if supported by evidence, shall be conclusive, and shall file its recommendations, if any, for the modification or setting aside of its original order. The jurisdiction of the court shall be exclusive and its judgment and degree shall be final except that the same shall original order. The jurisdiction of the court shall be exclusive and its judgment and decree shall be final, except that the same shall be subject to review by the Supreme Court of the United States upon writ of certification as provided in sections 239 and 240 of the Judicial Code, as amended (U.S.C., title 28, secs. 346 and 347). The commencement of proceedings under this subsection shall not, unless specifically ordered by the court, operate as a stay of the Board's order.

as a stay of the Board's order.

(f) Any person aggrieved by an order of the Board granting or denying in whole or in part the relief sought may obtain a review of such order in any Circuit Court of Appeals of the United States in the circuit wherein the unfair labor practice in question was engaged in or wherein such person resides or carries on busiwas engaged in or wherein such person resides or carries on business, by filing in such court a written petition praying that the order of the Board be modified or set aside. A copy of such petition shall be forthwith served upon the Board, and thereupon the aggrieved party shall file in the court a transcript of the entire record in the proceeding, certified by the Board, and including the testimony upon which the order complained of was entered and the findings and order of the Board. Upon such filing, the court shall have the same jurisdiction to affirm, set aside, or modify the order of the Board, and shall proceed in the same manner, as in the case of an application by the Board for an enforcement of its order, and the findings of the Board as to facts, if supported by evidence, shall in like manner be conclusive.

(g) When making and entering a decree affirming, modifying, or setting aside in whole or in part an order of the Board as provided in this section, the jurisdiction of courts sitting in equity

or setting aside in whole or in part an order of the Board as provided in this section, the jurisdiction of courts sitting in equity shall not be limited by the act entitled, "An act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes", approved March 23, 1932 (U.S.C., title 29, secs. 101-115).

(h) Petitions filed under this resolution shall be heard expeditiously, and if possible within 10 days after they have been

(i) Complaints, orders, and other process and papers of the Board and its agents may be served either personally or by registered mail or by telegraph or by leaving a copy thereof at the principal office or place of business of the person required to be served. The verified return by the individual so serving the same setting forth the manner of such service shall be proof of the same, and the return post-office receipt or telegraph receipt therefor when registered and mailed or telegraphed as aforesaid shall be proof of service of the same. shall be proof of service of the same.

SEC. 9. (a) The Board shall have power to act and to appoint any agent or agency to act, as arbitrator in labor disputes, when parties agree to submit the whole or any part of a labor dispute to the arbitration of the Board or its appointees. When the Board accepts such submission, the agreement shall be valid, irrevocable, and enforceable as to the submitting parties save upon such grounds as exist at law or in equity for the revocation of any contract. In any such arbitration the Board shall have power to issue an award applicable to the submitting parties.

(b) In any dispute in which an award has been made, the Board shall file the award in the clerk's office of the United States district court that has been agreed upon by the parties or, in default of

court that has been agreed upon by the parties or, in default of such agreement, that of the Supreme Court of the District of

Columbia. Notice of the filing shall be personally served or sent by registered mail to each submitting party. Unless a petition to impeach the award, on the grounds hereinafter set forth, shall be filed in the clerk's office of the court in which the award has been

filed in the clerk's office of the court in which the award has been filed, the court shall enter final judgment confirming the award.

(c) A petition for the impeachment of any award may be filed only in the court where the award has been filed and not more than 10 days after the communication of notice of the filing of the award to the submitting parties. Notice of the filing of such a petition shall be served personally or sent by registered mail to each submitting party. This petition shall be sustained by the court only on one or more of the following grounds:

1. That the proceedings were not substantially in conformity.

1. That the proceedings were not substantially in conformity with this resolution;

2. That the award does not conform nor confine itself to the stipulations of the agreement to arbitrate; or

3. That an arbitrator or member of the Board participating in the award was guilty of fraud or corruption; or that a party to the ward practiced fraud or corruption which affected the result.

the ward practiced fraud or corruption which affected the result.

(d) The court shall not set aside an award on the ground that it is invalid for uncertainty; in such case the court shall suspend action pending a resubmission of such award to the Board for interpretation. It shall not set aside an award for irregularity or clerical error, going only to form and not to substance; in such case the court shall correct the form of the award in its judgment. If the award has accept to be constitute because it has case the court shall correct the form of the award in its judgment. If the award has ceased to be operative because it has been carried out or superseded, the court shall enter judgment accordingly. The court shall construe every award with a view to favoring its validity. But if the court shall determine that a part of the award is invalid on some ground or grounds designated in this section as a ground of invalidity, but that a part of the award is valid, the court shall set aside the entire award; unless all interested parties shall agree that the valid part is severable. If the petition is not sustained, the court shall enter judgment confirming the award. confirming the award.

(e) Within 10 days from the entry of judgment upon the petition, confirming or otherwise disposing of the award, any party may appeal to the circuit court of appeals. Only such portion of the record shall be transmitted to the appellate court as is necessary to the proper understanding and consideration of the questions of law to be decided. The determination of the circuit court of appeals upon these questions shall be final, and judg-ment pursuant thereto shall thereupon be entered by the district

(f) If at any time before final judgment all interested parties agree upon a settlement in lieu of the award, judgment may be entered upon such settlement.

(g) The judgment shall be entered and docketed as if it were effect as, and be subject to all the provisions of law relating to, a decree in a suit in the court in which it is entered.

(h) The several United States courts are hereby vested with jurisdiction to entertain proceedings and to enforce all judgments entered pursuant to this section, without respect to the amount in controversy.

# CONCILIATION AND MEDIATION

SEC. 10. The Board shall have the power to use and to create agencies for the mediation or conciliation of labor disputes: Provided, That the Board may decline to take cognizance of any labor dispute where there is another means of settlement provided for by agreement, industrial code, or law which has not been utilized.

# REPRESENTATION OF EMPLOYEES

SEC. 11. (a) In any dispute as to who are the representatives of employees, the Board, if the dispute might burden or affect commerce or obstruct the free flow of commerce, may investigate such dispute and certify to the parties, in writing, the name or names of the individuals or labor organizations that have been designated and authorized to represent employees. In any such investigation, the Board shall hold an appropriate hearing, and the Board shall be authorized to take a secret ballot of employees, the Board shall be authorized to take a secret ballot of employees, or to utilize any other suitable method to ascertain by whom or by what labor organization they desire to be represented. The Board shall decide whether eligibility to participate in a choice of representatives shall be determined on the basis of employer unit, plant unit, or other appropriate unit. Each unit may be given representation in proportion to its membership. The Board may determine that representatives agreed upon by the majority of employees in an appropriate unit shall represent the entire unit for the purpose of negotiating agreements concerning terms and conditions of employment: Provided, That nothing in this act shall be construed to prohibit an employer from discussing grievances with an employee or groups of employers at any time.

(b) In any dispute not of the character described in subsection (a), as to who are the representatives of employees, the Board may

(a), as to who are the representatives of employees, the Board may offer its services to aid in determining who are such representa-

tives.

# INVESTIGATORY POWERS

SEC. 12. For the purpose of all hearings and investigations, which, in the opinion of the Board, are necessary and proper for the exercise of the powers vested in it by section 8 and section  $11 \ (a)$ —

(1) Any member of the Board representing the general public shall have power to require by subpena the attendance and testimony of witnesses and the production of all documentary evidence relating to any matter under investigation. Any member of the Board, or any agent designated by the Board for such purposes,

may administer oaths and affirmations, examine witnesses, and | indication that we shall have the most serious labor condi-

receive evidence

receive evidence.

(2) In case of contumacy or refusal to obey a subpena issued to any person, any District Court of the United States, the United States courts of any Territory or possession, and the Supreme Court of the District of Columbia, within the jurisdiction of which the inquiry is carried on, or within the jurisdiction of which said person guilty of contumacy or refusal to obey is found or resides, upon application by the Board, shall issue to such person an order requiring such person to appear before the Board, or an agent designated by it, there to produce documentary evidence if so ordered, or there to give evidence touching the matter in question; and any failure to obey such order of the court may be punished by said court as a contempt thereof.

(3) No person shall be excused from attending and testifying or from producing books, papers, contracts, agreements, and other

(3) No person shall be excused from attending and testifying or from producing books, papers, contracts, agreements, and other documents germane to the matter under investigation before the Board, or in obedience to the subpena of the Board, on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter or thing concerning which he is compalled after having

to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, documentary or otherwise germane to the matter under investigation except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

(4) Witnesses summoned before the Board or any of its agents shall be paid the same fees and mileage that are paid witnesses in the courts of the United States, and witnesses whose depositions are taken and the persons taking the same, other than employees of the Board, shall severally be entitled to the same fees as are paid for like services in the courts of the United States.

(5) The several departments and agencies of the Government, when directed by the President, shall furnish the Board, upon its request, all records, papers, and information in their possession relating to any matter before the Board unless such records, papers, or information relate to trade secrets or have been received by the Government under an assurance of nondisclosure.

Sec. 13. Any person who shall willfully assault, resist, prevent,

SEC. 13. Any person who shall willfully assault, resist, prevent, impede, or interfere with any member of the Board or any of its agents or agencies in the performance of duties pursuant to section 8, section 10 (in the case of a labor dispute which tends to burden or affect commerce), or section 11 (a), shall be punished by a fine of not more than \$5,000 or by imprisonment for not more than 1 year, or both.

SEC. 14. The Board shall at the close of each fiscal year make a report in writing to Congress stating in detail the cases it has heard, the decisions it has rendered, the names, salaries, and duties of all employees and officers in the employ or under the supervision of the Board, and an account of all moneys it has

# LIMITATIONS

SEC. 15. Nothing in this resolution shall be construed to require any employee to render labor or service without his consent, or to authorize the issuance of any order or injunction requiring such service, or to make illegal the failure or refusal of any employee individually, or any number of employees collectively, to render labor or service.

SEC. 16. Nothing in this resolution, except as otherwise expressly provided, shall abridge the rights of employees secured to them, under any code, agreement, or otherwise, by section 7 (a) of the National Industrial Recovery Act, it being the purpose of this resolution to supplement and not to supersede such rights.

Sec. 17. If any provision of this resolution or the application of such provision to any person or circumstance shall be held invalid, the remainder of this resolution, or the application of such provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby.

Mr. LA FOLLETTE. Mr. President, I listened to the statements made by the distinguished Senator from Arkansas [Mr. Robinson], the junior Senator from New York [Mr. Wagner], and the senior Senator from Massachusetts [Mr. Walsh], who is Chairman of the Senate Committee on Education and Labor. I did not hear from the lips of those three distinguished Senators one sound reason why the Congress should not legislate upon one of the most important questions, so far as public policy and public welfare are concerned, that has confronted the Congress in recent years.

Any person who is at all familiar with the situation on the industrial front in the United States knows that there are ominous signs of great unrest. Strikes are in progress in practically every section of the United States. Unless some action shall be taken by the Congress to set up machinery whereby the wage earners of this country may hope to have a fair determination of the rights which they believe were extended to them in section 7 (a) of title I of the National Industrial Recovery Act, there is every

tions with which the United States has ever been confronted.

I, for one, am not frightened by the false propaganda against the Wagner bill. I do not propose, insofar as I have responsibility as one Member of this body, to shirk the duty which I feel is upon me, to make the best possible effort to see that this grave situation shall be met by adequate and well-considered legislation to effectuate the organization of instrumentalities which will make it possible to avoid the labor conflicts which every person knows are in the making.

Mr. President, the junior Senator from New York [Mr. WAGNER], who has given of his time and his labors most assiduously in connection with this work, not only in the Senate, but as chairman of the National Labor Board, stated a few moments ago that section 7 (a) of the National Industrial Recovery Act was being flouted by employers. Every Senator knows that statement to be true, and at bottom it is the failure to enforce section 7 (a) of the National Industrial Recovery Act which is primarily responsible for the ominous rumblings of unrest and the numerous conflicts which are already in progress in the industrial sections of the United States.

What sound reason can there be for Congress failing to discharge the responsibility which rests upon it as one of the coordinate branches of the Federal Government, in the face of this impending crisis, to enact legislation to meet the situation adequately, insofar as that may be humanly possible?

Was the 7-year fight waged by the distinguished Senator from Nebraska [Mr. Norris] for the enactment of the socalled "lame duck resolution", which did away with the terminate adjournment of Congress, all in vain? There is no sound reason any man has given or can give for the Congress to adjourn and to turn its back upon a situation which may bring open industrial warfare in the United

Every Senator who takes part in avoiding that responsibility for enacting legislation must, in my opinion, also take responsibility for the situation which will develop if we do not pass adequate legislation upon this grave subject matter.

Mr. President, what does section 7 (a) of the National Industrial Recovery Act provide? It provides as follows:

SEC. 7. (a) Every code of fair competition, agreement, and license approved, prescribed, or issued under this title shall conlicense approved, prescribed, or issued under this title shall contain the following conditions: (1) That employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection; (2) that no employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing; and (3) that employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment approved or prescribed by the President.

Mr. President, that was a plain declaration of right. It was framed in language which had come to have an accepted usage. "The right to organize", "the right to bargain collectively through representatives of their own choosing", are words which had come to have a definite meaning.

The Senator from New York stated on the floor this afternoon that this section of the law has been flouted and violated. Labor has been denied their rights and the section of the law enacted for their benefit has been violated. Any person who will review the activities of the National Labor Board will find that 75 percent, approximately, of all the cases with which it has had to deal have, in the last analysis, been concerned with the question of company unionism, and of the failure of employers to grant the rights extended under section 7 (a) for the free choice of representatives by their employees, and the right to collective bargaining.

Mr. President, I am perfectly willing to concede that if this measure had been introduced in the closing hours of this Congress, it would have been absurd for any one to have suggested that it ought to receive consideration by the | moment the partisan representatives of labor and of man-Congress before it adjourned. Such is not the case. This measure is the outgrowth of the experience of the able junior Senator from New York in meeting his responsibility as chairman of the National Labor Board. The measure, carefully drawn, is designed to solve the problems with which the National Labor Board has been confronted.

The bill was introduced early in this session of Congress. It has had protracted hearings. So far as I know every person who asked to be heard either for or against the bill was given ample opportunity to present his arguments and his points of view and his testimony to the committee.

Then the committee took the bill and worked upon it day after day and day after day. Finally it was reported with a substitute amendment. So it cannot be said, I reiterate, that this is a hastily drawn, ill-considered piece of legislation. Nor can it be contended that it was brought in at the last minute and urged upon the attention of Congress.

Mr. President, what I have done-and may I say that it was not done without notice-what I have done is to take the substitute amendment as reported by the Senate Committee on Education and Labor to the Wagner bill, and in it I have incorporated the printed amendments which the Senator from New York has prepared and intended to offer had the measure been given consideration. Of course, the whole purpose of the amendment is to give implementation to the definite, broad, square declaration of public policy to be found in section 7 (a) of title I of the National Recovery Act. It will not overthrow or destroy the organization or the experience of the National Labor Board and its 19 regional and special boards.

Section 3 defines and enlarges rights, many of which are already embodied in section 7 (a) of the National Industrial Recovery Act. It characterizes certain activities of employers by which they frustrate employees' rights of selforganization and collective bargaining as unfair labor

Section 8 empowers the National Industrial Adjustment Board in cases where these practices affect interstate commerce to prevent their continuance in the same way that the Federal Trade Commission has for 20 years dealt with "unfair methods of competition." The experience of the Federal Trade Commission has shown that the courts give a restrictive interpretation to such a general phrase as "unfair methods of competition." It is, therefore, important that unfair labor practices should be defined explicitly.

The practices of employers specifically forbidden are: First. Interference with organizations of employees.

Second. Interference with their designation of representa-

Third. Refusal to recognize and bargain with such representatives.

Fourth. To prevent the financial support of labor organizations by employers.

Fifth. To prevent the discrimination in hire or tenure of employment because of membership or nonmembership in any labor organization.

This last prohibition is tempered by a provision permitting closed-shop agreements relating to future employees when a majority of the present employees so desire.

The experience of the National Labor Board, the Petroleum Labor Policy Board, the bituminous coal labor boards, all administering section 7 (a), as well as an 8-year test of the Railway Labor Act, indicate that such specific prohibitions are needed to effectuate the purpose of section 7 (a). Certainty should be substituted for uncertainty in this field, for uncertainty as to what the law bestows and withholds is one of the removable causes of labor unrest in this country today.

Section 4 of this piece of legislation creates the central board of five members to administer it. The conflict between a public representative (or quasi-judicial) personnel and a bipartisan (or quasi-arbitral) personnel is resolved by a happy compromise. The public-representative personnel of three members outnumbers at every particular

agement. But the latter will be drawn one at a time from panels of six for each group. No doubt all 12 of these appointees will watch the board's activity with critical eye and give it the benefit of their advice. The need of a paid and fairly professional personnel is clear. A weakness of the existing National Labor Board has been its lack of members giving it their foremost thought. Its distinguished chairman in recent months has had, as I have suggested, responsibilities that have demanded his first attention.

The wonder to me, Mr. President, is that he has been able to carry all of the work and all of the responsibility which he has shouldered during this long and arduous session of Congress.

The partisan members, representing industry and labor, respectively, heavily burdened with private and public responsibilities, could not give to its work the attention and time required for continuity and vitality of policy. The National Industrial Adjustment Board will not be deprived of the counsel of the sort of leaders who represent industry and labor on the present National Labor Board. But it will gain a nucleus of three full-time members representing the general public who may be expected by reason of their special qualifications of temperament, training, and experience to bring to the Board a new prestige, and by their assiduity during their long terms of office to enhance it from month to month. The temporary and uncertain character of all boards that have been or might be set up by the President's authority alone prevent the development of the very stability of policy needed for successful long-time handling of labor relations.

Sections 5, 6, and 7 relating to the appointment of staff, place of operation, and authority to make administrative rules require no comment.

Section 8 deals with the procedure to assure the observance of fair labor practices. This procedure, it has been said, closely parallels that in use for 20 years by the Federal Trade Commission. No objection has been expressed to these provisions. They are well tested by experience and essential to success.

Section 9 empowers the National Industrial Arbitration Board to arbitrate cases voluntarily submitted by the parties, and sets out a procedure of enforcement closely resembling that for arbitration under the Railway Labor Act. The importance of this power will depend entirely on the confidence with which labor and management view the new Board. The presence of employer and employee members on the Board may assure it a great future in this field of definitive settlement of labor disputes by consent of the interested parties. I am not given to prediction, Mr. President, but it seems to me that the prospect is bright.

Should this amendment be adopted we might take a long step forward in settling labor disputes in the United States.

Section 10 continues the mediatory functions of the National Labor Board and the regional boards and permits the new Board to consider disputes that may be within the competence of special agencies, especially by way of appeal, under identical language in the President's Executive order of December 16. This power has been scarcely exercised by the present National Labor Board. But it seems probable that uniformity of decision, particularly in the interpretation of the unfair labor practice provisions, will become increasingly necessary. It is hoped that the National Industrial Arbitration Board may provide such uniformity where uniformity is needed and allow diversity between industries and between localities where diversity will not cause confusion. Discretion in this matter is best entrusted to an expert central administrative agency such as the proposed National Industrial Arbitration Board.

Section 11 deals specifically with elections and is an amplification of powers now exercised by the National Labor Board and labor boards in particular industries. It gives to the Board wide discretion to determine the manner and effect of elections, thus placing on the Board a responsibility which existing agencies have tended to avoid assuming because of doubt as to their authority and divergence in view as to the manner and meaning of the representation envisaged by section 7 (a).

Section 12 provides the usual authority of administrative bodies to compel testimony and to prosecute for contempt those who are obdurate. The National Labor Board, in inquiring into the observance of section 7 (a), has been constantly balked by its inability to obtain needed testimony. No witnesses and no records could be obtained by the Board except by the good will of the persons having the information within their control. This grave defect can be cured only by the action of Congress. It is cured by this action which enables the Board to issue subpenas to summon witnesses and to obtain pay rolls and other documents in cases where there is a charge of an unfair labor practice including those concerning employee representation and elections to determine such representation.

Section 13 provides the usual penalty for those who willfully impede the Board in the discharge of its duties.

Section 14 requires an annual report to Congress.

Section 15 safeguards any misconstruction of the statute to compel service or to make strikes illegal.

Section 16 safeguards the rights conferred on employees by section 7 (a) of the National Industrial Recovery Act.

Section 17 is the usual separability clause.

The whole proposal is a well considered and reasonably satisfactory provision for governmental guidance in labor relations.

Mr. President, although we have made great progress in our industrial development, insofar as the relations between labor and management are concerned, this country is far behind some other industrial countries. It is my judgment that the National Industrial Recovery Act would never have been passed by this body had it not contained section 7 (a) and had not the majority of the membership of the Senate believed that section 7 (a) meant what it said and that it would be enforced.

Today labor conflicts and strikes threaten the peace and the economic life of many communities all over the United States. At bottom these conflicts are primarily over company unionism and the right of collective bargaining which was pledged in section 7 (a) of the Industrial Recovery Act.

The joint resolution to which I have offered an amendment does not meet the problems which are responsible for approximately 75 percent of all the cases which have been passed upon by the National Labor Board.

I realize that there has been serious opposition to the so-called "Wagner bill" but I do not think Congress should be deterred in the discharge of its responsibility to enact legislation designed to meet this critical emergency simply because there is opposition. Too many American industrialists fail to recognize that without an organized labor market it is inevitable that the industrial process will constantly be interrupted by strikes, by lockouts, by riots, by bloodshed, yes, and even by death. Already we have seen an example in the strike at Toledo.

Of course every individual Senator would like an early adjournment and to go home; I admit, Mr. President, so far as I am personally concerned, I am weary with the session, but I say that, in my opinion, a grave mistake will be made if, instead of enacting legislation which will meet this situation, we shall pass a joint resolution, which I think every person will admit is a makeshift, and which I believe the chairman of the committee admitted in his own statement fails to deal with the most serious problems that are creating labor unrest in America today.

What boots it, Mr. President, if representatives are chosen by the employees or if elections are held as provided by the joint resolution if after those representatives are chosen the employers refuse to meet with them? In instance after instance, after representatives were chosen by the wage earners, employers have contended that they have complied with their obligations as to collective bargaining when they permitted the representatives to enter their offices but have declined to consult with them further.

It seems to me it is perfectly obvious that if we would be willing to remain here but a few days longer we could pass legislation which would meet this situation adequately and which would prevent the economic crisis, produced by conflicts between labor and management, which looms ominously on the horizon. Unless adequate treatment shall be given this subject by the present Congress, I am apprehensive, Mr. President, that a situation which will constitute a grave national emergency will arise, and that thousands of persons perchance will lose their lives in bloody, open conflict. We had a preview of such a picture in the Toledo strike. Fortunately it has been settled, but not until there had been casualties.

Labor has been looking to the Congress to act upon this question. I hesitate to think what their reaction will be if this amendment shall be defeated and labor shall realize that the second session of the Seventy-third Congress has been barren of legislation in the interest of the masses of the wage earners of this country.

Mr. TYDINGS obtained the floor.

Mr. NYE. Mr. President, will the Senator from Wisconsin yield to me?

Mr. LA FOLLETTE. I will yield for a question.

Mr. TYDINGS. The Senator from Wisconsin yielded the floor, and I obtained it; but I am glad to yield to the Senator from North Dakota so that he may ask a question.

Mr. NYE. The Senator from Wisconsin [Mr. La Fol-LETTE] has stated it to be his view that if we were to remain here a matter of a few days we could accomplish the passage of a worth-while labor bill. I want to ask the Senator if by chance it should take the Senate and the other House a month of continued effort to accomplish the enactment of a worth-while labor bill, would it be any the less our duty to stay here and do that job in the light of what is in prospect the country over?

Mr. LA FOLLETTE. Mr. President, my answer to the Senator, of course, is in the affirmative; we should stay here so long as is necessary. I take little stock in the cloakroom threats of a filibuster which have been made against a labor bill. I am convinced that if the same pressure should be put behind an adequate measure dealing with this question which has been put behind other bills which have been considered and passed at this session the measure could be passed within a few days.

Mr. COSTIGAN. May I ask a question?

The PRESIDING OFFICER (Mr. Austin in the chair). Does the Senator from Maryland yield to the Senator from

Mr. TYDINGS. I yield for a moment.

Mr. COSTIGAN. I was regrettably called from the Senate Chamber for a few moments. May I ask the eloquent Senator from Wisconsin [Mr. La Follette] whether he has discussed the history of his substitute?

Mr. LA FOLLETTE. I have.

Mr. COSTIGAN. And stated whether or not it has been considered by a committee or committees of the Senate?

Mr. LA FOLLETTE. I have. Mr. President, I ask unanimous consent to insert certain material as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

STATEMENT OF LABOR BOARD PRINCIPLES ISSUED TO BOARDS

The first volume of decisions of the National Labor Board, Senator Robert F. Wagner announced today, is being transmitted for information and guidance to all regional labor boards, as well as to industrial relations boards and mediators. The decisions, covering 46 cases from the inception of the board to March 1934, are being issued in printed form.

Senator Wagner characterized the decisions as "a sound contri-

Senator Wagner characterized the decisions as "a sound contribution to the formulation of a national labor policy, evolved by practical men as solutions of disputes involving fundamental industrial problems. The decisions follow established lines, preserving and advancing the principles of industrial relations contained in the recovery law."

Membership of the National Labor Board is as follows: Chairman, Senator Robert F. Wagner; vice chairman, S. Clay Williams; for industry—Henry S. Dennison, Ernest Draper, Pierre S. du Pont,

Louis E. Kirstein, Walter C. Teagle; vice chairman, Dr. L. C. Marshall; for labor—George L. Berry, William Green, Dr. Francis J. Haas, John L. Lewis, Dr. Leo Wolman.

A summary of the Board's principles by Milton Handler, general counsel of the Board, follows:

#### ARBITRATION

Where the parties have not been able to settle their difficulties where the parties have not been able to settle their difficulties by collective bargaining, the National Labor Board has frequently recommended arbitration. In some cases the Board has acted as arbitrator itself upon a joint submission of a dispute by the parties (particularly wage disputes). All arbitration, however, has been voluntary and based upon the joint submission and consent of the parties.

#### COLLECTIVE BARGAINING

The Board has held that the employees' right to bargain collectively imposes a corresponding duty on the employer. Collective bargaining has been construed to mean the exertion of every reasonable effort to reach an agreement. The Board has deprecated the calling of a strike without attempt at negotiations or the presentation of grievances, on the part of the employees.

#### Company union

The Board has ruled that organization is a matter exclusively within the control of the employees. It has counseled a "hands-off" policy on the part of employers. It has condemned the initiation of a company union by an employer and the participation by him in its affairs, where such initiation and participation have in effect, been an interference with the employees' self-organization, or resulted, in fact, in the domination of the organization by the employer, and where the employees have not clearly consented thereto. The Board has drawn a distinction between employee-representation plans which were fully submitted to the employees for their acceptance or rejection and plans which were imposed upon them. It has held that the fact that an election of representatives has been conducted under a plan does not constitute an approval of the plan itself. stitute an approval of the plan itself.

# Disclosure of employees' names

It is unnecessary for a collective-bargaining agency to disclose the names of those it represents when it seeks to bargain collectively with the employer.

#### Discriminations

The Board has ruled that the discharge of employees because of their union activity is contrary to section 7 (a). The Board has ordered the reinstatement of employees whose discharge it found to have been discriminatory. Other forms of discrimination have been held unlawful.

The Board has employed the device of an election by secret ballot under Government supervision, when the employer has questioned the authority of any agency to act as the representative of employees. The Board has held that the manner of conducting an election is entirely within the discretion of the employees, and that the employer in no way can interfere with the conduct of the election conduct of the election.

# Form of contract

The Board has approved various forms of contract for designation of the collective-bargaining agency chosen by the employees. In the absence of agreement by the parties, the Board has recommended that the collective agreement be made by the employer and the agency, as representative of the employees.

# Interference

The Board has condemned interference with the rights guaranteed employees by section 7 (a). Such interference may take various forms, such as discriminatory discharges, initiation of company unions, participation in its affairs, restrictions upon the qualification of representatives, etc.

# Jurisdictional disputes

Where, in the construction of Government projects, the conflicting labor organizations are unable to settle the dispute by negotiation or are unwilling to submit the dispute to a board of arbitration, or where the American Federation of Labor has failed to adjust the controversy, the employer may then determine which union shall receive the disputed work.

# Majority rule

The representatives selected by the majority of the employees within a given plant or department are the sole collective bargaining agency for the plant or department.

# Preferential list

In a ruling terminating a strike, the Board has frequently recommended that an employer, if business conditions do not permit him to reinstate the strikers at once, should place them on a preferential list and reinstate them in order of seniority before hiring any new employees.

# Reinstatement

ommended reinstatement of all strikers at the conclusion of a strike, if business conditions permit, and the division of work wherever possible.

#### Representatives of their own choosing

The employees may select any representatives whom they choose as their agents for the purposes of collective bargaining. The employer may not restrict their right of free choice in any way. Representatives may not be restricted to fellow employees. Since the word "representatives" in section 7 (a) is used in its generic sense, employees may select a union as their representative.

#### Seniority

Reinstatement and placing on a preferential list in order of seniority after a strike have frequently been recommended in order to avoid all question of possible discrimination.

#### Violence

The Board has ruled that striking employees who have been proven guilty of violence in the course of a strike need not be reinstated

#### Written agreement

The Board has often recommended that agreements which are reached between employers and employees should be reduced to writing in order to establish certainty and good will.

#### 1,750,000 WORKERS IN LABOR BOARD SETTLEMENTS

1,750,000 WORKERS IN LABOR BOARD SETTLEMENTS

Senator ROBERT F. WAGNER made public today statistical summaries of the work of the National Labor Board and 19 regional labor boards from their inception up to June 1, 1934.

"The summaries show that of over 2,000,000 workers directly affected by labor board cases", Senator WAGNER said, "an estimated 1,750,000 have been returned to work, or kept at work, or had their other disputes adjusted.

"There was a total of 3,755 cases, of which 3,061, or 80 percent, were settled by the boards. Approximately two-thirds of these settlements were agreements, and agreements spell sound settlements.

ments.

"The boards mediated 1,323 strikes, involving 870,000 workers, not counting many more thousands directly affected. Three-fourths of these strikes were settled. In addition, 497 strikes were averted. Thus, the boards in strike situations alone returned to work or kept at work 1,270,000 workers directly involved, or about 1,500,000 including workers directly affected.

"Moreover, the boards reinstated 10,000 men found to have been discriminated against and unjustly discharged.

"Of the 3,755 cases, the primary cause of complaint in 2,655 cases was alleged violation of section 7 (a), the collective-bargaining provision of the recovery law."

SUMMARY OF THE NATIONAL LABOR BOARD AND ALL REGIONAL BOARDS UP TO JUNE 1, 1934

# TABLE I .- Cases and settlements

	Total cases	Workers involved	Cases settled	Agree- ments	Deci- sions	Pend- ing
Total regional boards National Labor Board	3, 497 258	1 1, 226, 874 506, 600	2, 875 186	1, 877 80	689 66	423 30
Combined total	3, 755	2 1, 733, 474	3, 061	1, 957	755	3 453

Exclusive of workers directly affected.
 Estimated total including workers directly affected, 2,200,000.
 Incomplete.

TABLE II \_Strikes

TRBEE II. Strines									
Total	Strikes	Workers	Settled	Workers involved	Averted	Workers involved	Rein- stated		
Total regional boards	1, 175	558, 176	882	482, 093	461	432, 726	10, 039		
National Labor Board	148	312, 300	123	223, 400	36	132, 000			
Combined total	1, 323	1 870, 476	1,005	1 705, 493	497	1 564, 726	1 10, 039		

Total workers returned to work or kept at work in strike situations 1, 270, 219
Same, including estimated workers directly affected 1, 520,000

Exclusive of workers directly affected. Incomplete.

TARLE III Causes of complaint

2000 211	Ottleo	00 07 0	onepiae			
	Cases	7 (a) cases	Re- duced earn- ings	Wage de- mands	Elec- tions	Joint arbitra- tion
Total regional boards National Labor Board	3, 497 258	2, 453 202	76	772 56	283 47	149
Combined total	3, 755	2, 655	76	828	330	160

The Board has ordered reinstatement as a remedy for discharges which it considered discriminatory. It has also frequently rec-

TABLE IV .- Cases and settlements for regional and National Labor Roard

[Totals from inception to June 1, 1934]

and an orange	Total cases	Workers involved	Cases settled	Agree- ments	Deci- sions	Pend- ing
Atlanta	90	15, 600	62	45	16	28
Boston	211	69,090	178	90	38	33
Buffalo	98	21, 498	84	80	4	14
Chicago	245	85, 317	190	113	58	55
Cleveland	281	124, 130	233	194	39	
Detroit	232	27, 803	182	144	38	22
Indianapolis	268	32, 070	215	172	41	63
Kansas City	98	10, 515	58	42	6	
Los Angeles	91	53, 634	65	38	27	
Minneapolis-St. Paul	84	50,755	72	56	16	12
Newark	134	24, 796	126	67	22	
New Orleans	97	85,000	60	47	13	21
New York	740	273, 715	721	413	259	32
Philadelphia	326	1 29, 098	265	172	43	01
Pittsburgh	180	€0, 482	158	91	28	22
St. Louis	113	54, 018	99	39	30	
San Francisco	74	76, 936	55	44	0	
Seattle	88	28, 022	31	24	7	34
San Antonio	47	36, 785	21	6	4	26
Total	3, 497	1, 226, 874	2,875	1,877	689	423
National Labor Board	258	506, 600	186	80	66	30
Combined total	3, 755	3 1, 733, 474	3, 061	1,957	755	4 453

Total including workers directly affected, 393,000.
Exclusive of workers directly affected.

2,200,000, estimated total including workers directly affected.

Incomplete.

TABLE V .- Strikes, regional, and National Labor Board ITotals from incention to June 1 19941

	Strikes	Workers involved		Workers involved	Strikes avert- ed	Workers involved	Rein- stated
Atlanta	17	13, 000	10	2, 500	17	7, 100	116
Boston	53	26, 250	43	24, 127	21	10, 573	94
Buffalo	27	6, 497	27	6, 497	9	5, 441	0.550
Chicago	85 113	45, 205 45, 257	64 57	37, 322 28, 957	22 24	22, 682 35, 384	2, 559 545
Cleveland	89	18, 394	85	18, 169	9	1, 170	67
DetroitIndianapolis		3, 529	19	3, 514	41	12, 654	0,
Kansas City		3, 991	6	954	3	2, 480	382
Los Angeles	22	18, 329	20	16, 349	17	18, 200	15
Minneapolis-St. Paul.	24	36, 317	24	36, 317	28	19, 758	658
Newark	40	8, 519	39	7, 711	34	8,000	39
New Orleans	19	21, 180	16	17, 450	35	38,000	275
New York		182, 967	357	175, 690	100	173, 641	3,600
Philadelphia	61	1 47, 190	46	1 45, 406	25	1 9, 282	756
Pittsburgh	32	12,666	26	10, 824	18	11,670	100
San Antonio		11,000	1	7,000	2	500	
St. Louis		23, 294	22	22, 653	13	3, 350	750
San Francisco	20	33, 639	15	20, 439	32	48, 136	
Seattle	9	3, 952	5	214	11	4, 705	70
Total	1, 175	558, 176	882	482, 093	461	432, 726	1 10, 039
National Labor Board.	148	312, 300	123	223, 400	36	132, 000	
Combined total	1,323	1870, 476	1,005	1705, 493	497	1 564, 726	2 10, 039

<sup>1</sup> Exclusive of workers directly affected.
<sup>2</sup> Incomplete.

Total workers returned to work or kept at work in strike

Same, including estimated workers directly affected.... 1, 270, 219

TABLE VI.-Causes of complaint, regional and National Labor Board

[Totals from inception to June 1, 1934]

	Cases	7-A ceses	Reduced earnings	Wage demands	Elections	Joint ar- bitration
Atlanta	90	60	2	23	33	11
Boston	211	145	5	68	11	17
Buffalo	98	84		14	2	6
Chicago	245	141	0	59	8	0
Cleveland	281	240	3	70	2	13
Detroit	232	126		105	2	0
Indianapolis	268	182	1	32	6	
Kansas City	98	85	6		10	
Los Angeles.	91				28 122	
Minneapolis-St. Paul	84	66	0 8	16 40	3	3
Newark	134 97	91 57	0	36	0	20
New Orleans	740	620	39	111	19	24
New York	326	197	09	70	12	- 5
Philadelphia		152		13	2	
Pittsburgh	180		9	26	0	
St. Louis	113 47	113 46	1	20	3	0.5
San Francisco	74	8	6	60	9	
Seattle	88	40		29	18	
Total	3, 497	2, 453	76	772	283	149
National Labor Board	258	202		56	47	11
Combined total	3, 755	2, 655	76	828	330	160

[Excerpt from N.R.A., release no. 2792, Jan. 17, 1934] NATIONAL LABOR BOARD SUMMONS NATIONAL LOCK CO. TO HEARING

The original complaint of the workers was that the company refused to negotiate for collective bargaining, in violation of section 7 (a) of the recovery law, while continuing to fly the Blue Eagle. Subsequently the strikers complained that the company was setting up a company union.

[Excerpt from N.R.S. (Labor Board) release no. 3041 of Jan. 31, 19341

LABOR BOARD DECIDES DRESNER (CHICAGO) CASE

From the text of the Board's decision:

"Since the strike, a company union has been formed. At the hearings before the National Labor Board, the attorneys for the company claimed authorship of the plan of employee representation under which the company union was established. It is patent that the new union is the creature of the company and not of its employees. Under the plan the workers are restricted to the selection of representatives from their own ranks. Moreover, a representative must have been in the company's employ for at least a period of 1 year; upon leaving the company's employ his term of office ceases. The management has equal voice and voting power in all matters coming before the joint committee which administers the plan and can veto any changes in or amendments ing power in all matters coming before the joint committee which administers the plan and can veto any changes in or amendments to the plan. It is difficult to conceive of a more effective method of frustrating the rights of the employees to bargain collectively through representatives of their own choosing. Section 7 (a) of the National Recovery Act would soon become a meaningless scroll if such plans of employee representation, formulated in the midst of a strike, were to be countenanced."

> [Excerpt from N.R.A. release no. 3062, Feb. 1, 1934] NATIONAL LABOR BOARD HEARS NORGE CASE (MICHIGAN)

Maurice Sugar, counsel for the Federal Union, traced the history of what he described as attempts of the company to force the men to join a company union. He said at a hearing before the Detroit Regional Board, Mr. Blood, president of the company, had agreed to hold an election under auspices of the union, but despite the fact that the board had found the old employee-representation plan of the company was in violation of the law the regional board decided by a vote of 6 to 5 not to order an election. election

[Excerpt from N.R.A. release no. 3093, Feb. 2, 1934] NATIONAL LABOR BOARD ANNOUNCES DECISION IN A. ROTH & CO. CASE (CHICAGO)

(CHICAGO)

The company's attorney answered as follows: "With respect to your ultimatum and the three points set forth in your letter which must be acceded to, we have the following to say: (1) A. Roth & Co. has no need for the 23 employees who left its employ and will not reemploy them, nor will it discharge the 7 new employees who were taken in their places. (2) A. Roth & Co. will permit its employees to hold an election under the supervision of your board and let them choose by secret ballot their representatives to deal with the company, provided that only employees now on the pay roll will be eligible to vote, and provided that the representative chosen is an employee of A. Roth & Co. (3) A. Roth & Co. will abide by the provisions of the National Industrial Recovery Act insofar as it is able to do so and remain in business." remain in business."

remain in business."

The record reveals a studied effort on respondent's part to negate the rights conferred upon its employees by section 7 (a) of the National Industrial Recovery Act. The statute imposes no restrictions on the choice of representatives. The workers may select whomsoever they please to represent them in bargaining collectively with their employers. The mandate of the law is clear and unequivocal. The wording of the statute leaves no room for reservation or qualification. It is for Congress and not the employer to rewrite the law. Whether employees shall be represented by fellow workers or by outsiders is a question for them alone to determine and the attempts of respondent to limit their freedom of choice are interdicted by the law.

[Excerpt from N.R.A. (Labor Board) release no. 3152, Feb. 6, 1934] NATIONAL LABOR BOARD HEARS DATA ON HOUDE ENGINEERING CO., BUFFALO, N.Y.

Eggleston said the company contended it must have the names of all the people the union represents. "But the union," he said, "has withheld this information because of the action taken in the "has withheld this information because of the action taken in the majority of cases where this kind of information was made available. The union felt it had not been organized to assist its members toward joining the unemployed." He said immediately following the organization of the union, or on September 27, 1933, "the company originated the idea of a social and athletic club, as the source of 'information' in regard to 'working conditions." On October 9, 1933, this company union, he said, was created. Although the chairman of this association, William Wright, suggested resigning to join the union, "he has not done so, and he has kept his job."

[Excerpts from N.R.A. release no. 3310, Feb. 15, 1934] LABOR BOARD HEARS REPUBLIC STEEL CASE, BIRMINGHAM, ALA.
Replying to charges brought before the National Labor Board today by representatives of the Mine, Mill and Smelter Workers

Union, that the Republic Steel Corporation was fostering a company union at his Birmingham division, Thomas F. Veach, counsel for the company, testified that "our position is that of the steel industry generally and we will take such steps as lawfully necessary to uphold the employees' representative plan."

Questioned by Pierre S. du Pont, who acted as chairman, whether the employees had "absolute control of the plan", Mr. Veach replied that while the men had power to "initiate changes", they could not change the fact that the company has representatives on the control committee functioning under the system. There is equal representation of company and employees on this committee, but full attendance with two-thirds' vote is necessary

committee, but full attendance with two-thirds' vote is necessary to effectuate any action by the committee.

Mr. du Pont further asked if the company would be willing to "retire from the committee, in order to perfect the plan for holding an election." He asked: "You would rather do that than to have the plan thrown out and an entirely new one put in, wouldn't you?" William P. Belden, of Cleveland, Ohio, another counsel for the company, replied, "I want to tell you what we lawyers would recommend to our executives upon that point." He said the Weirton plan has been changed in this direction, and he would recommend it here. First, he suggested that the qualification of a year's employment for a worker committee representative be suspended during the life of the N.I.R.A., and, secondly, that while joint committees may consider all matters, company representatives on such committees may have no vote, leaving determination "solely" to the elected worker committee members. However, Counsel Belden said this question "is purely academic here."

Thereafter he said secret hallots were held by the men to

Thereafter, he said, secret ballots were held by the men to choose representatives, with more than 90 percent of the men at the Raimund mine and Thomas furnace voting. While the plan contained a restriction that in order to be eligible to vote a man must be employed for at least 90 days, Veach said "this was not enforced." He said no "outside" names were posted on the ballots and the men "did not desire to have any outsiders to represent them."

Act

to represent them."

The plan worked satisfactorily for several months "with no strife or trouble among the men" until "officers of the union who were not employees of the company" called upon company officials and presented complaints "which were admitted on all sides to be of no great importance." Following refusal to recognize these men, he said, a strike was called on December 17 and following that a hearing at Atlanta on January 17, where "the union officials claimed the right to represent the men by reason of certain so-called 'petitions', which purported to bear the signature of most of the employees." Following this hearing, he said, the strike had been called off "without prejudice to the company or to the union." He denied the validity of the petitions and stated the company "owes a moral duty to recognize the representatives duly elected by the men in their election last June by secret ballot." He said another election was scheduled for this June, when all questions as "to who should represent the men can and will be settled in an orderly fashion."

Veach maintained there was no dispute with the employees,

Veach maintained there was no dispute with the employees, but "there is simply an attempt on the part of the American Federation of Labor to enlist all of our workmen in its organization, and it seems to us there is present a gigantic attempt on the part of the American Federation of Labor to create in itself a monopoly of labor throughout the United States of America in violation of the prohibitions of the National Industrial Recovery

Mr. du Pont pointed out that "it seems quite important under the act that the company should separate itself from the com-mittee." He then asked if it were considered "material to keep mittee." He then asked if it were considered "material to keep management membership on the committee, as well as surrendering the voting power of management representatives." Beginning that "as a general thing, for the purpose of proper contact, the company should have membership on the committee." In reply to a further question Belden said he did not believe this to be in conflict with the law. "It is only due the employer", he said, "that he should have representatives who sit on committees."

George L. Googe, of Atlanta, representing the Mine, Mill, and Smelter Workers' Union, told the Board the strike had occurred in Raimund because of nonrecognition of the union and oppresin Raimund because of nonrecognition of the union and oppression of minor officials in the mine. He said the strike vote has not been taken in the Thomas Furnace pending the National Labor Board's decision. He read a detailed analysis of the plan as effectuated by the company, claiming that among other things, it prevents recall of representatives by the workers, permits management control of committee tie votes and personnel of the committee. Under the plan the system of handling grievances was long drawn out, he said, and did not permit collective action until permission was granted by the management. He introduced affidavits from workers purporting to show oppressive tactics to induce workers to relinquish the outside union and join the company union. He told the Board that the "stalling tactics" of the Republic Co. in this case had become general with other industries in the South and that the workers were resenting it. tries in the South and that the workers were resenting it.

[Excerpt from N.R.A. release no. 3315, Feb. 16, 1934] LABOR BOARD DECIDES CORCORAN SHOE CASE (STOUGHTON, MASS.)

The genesis of the strike is to be found in the opposition of the company to the attempts of the Brotherhood to unionize this plant. Late in October an organizer of the Brotherhood was ejected from the premises of the company. Mr. Corcoran, one of

the owners, immediately decided to conduct an election and personally prepared a ballot, reading as follows:

"Do you wish to be represented in all matters pertaining to labor, prices, and conditions by a shops crew committee of your own choosing?"

The workers were given 2 hours' notice of the election. The ballot was explained to them by the foremen, who had received their instructions from the superintendent of the plant. The vote their instructions from the superintendent of the plant. The vote was 115 in favor of such representation and 92 opposed. There appears to have been no request for an election from the workers; the idea of a poll originated with the management; the arrangements were made by the company and the form of the ballot, as stated, was prepared by one of the owners. There thus was no self-organization of employees; the balloting and organization was dictated and superimposed by the management with a haste that can only be characterized as unseemly.

[Excerpts from N.R.A. release no. 3433—Feb. 23, 1934] LABOR BOARD RULES IN NATIONAL LOCK CASE (ILLINOIS

The Board finds "that the National Lock Co. interfered with its employees' right to organize to bargain collectively", and rules that the strike shall be called off and strikers placed on a preferential list and that an election shall be held under the supervision of the National Labor Board, employees on the new roll of August 21 to be included in these places. pay roll of August 31 to be included in those eligible to vote.

The formation of the employees' representation plan was described in considerable detail by the witnesses for the company at the hearing before this Board. An election was held within the plant for the choice of employee representatives on October 3. This plan was promulgated by the company and was explained to the employees less than an hour before the election. A meeting of the employees in each department was called by the management. The works manager admitted that he had not only selected these who were to explain the plan to the employees. ing of the employees in each department was called by the management. The works manager admitted that he had not only selected those who were to explain the plan to the employees, but that he had also explained it himself in several of the departments of the plant. All of the employees were instructed to vote. Section 7-a was not read to them, and they were not afforded an opportunity to pass upon any other form of organization or representation. Nominations were oral. The judges of the election were selected by the employees. Various officials of the company called off the names of the employees as they proceeded to the ballot box. The ballot itself was secret, but the company officials were in a position to know whether or not an employee participated in the election. Immediately after the election the length of the terms of the individual representatives were fixed by pulling numbers out of a hat. The company not only proposed that the terms should vary from 1 to 3 years, but suggested and supervised the device which was employed to determine the length of each representative term. No constitution or bylaws were prepared for the plan either before the election or since, and no collective agreement with the management has ever been reached by the elected representatives. At ment has ever been reached by the elected representatives. least two of the elected representatives are assistant foremen.

[Excerpt from N.R.A. (Labor Board) release no. 3700, Mar. 8, 1934] NATIONAL LABOR BOARD DECISION ON BERLINER-JOYCE AND GENERAL AVIATION CASES (DUNDALK, MD.)

During August 1933 the employees at the Berliner-Joyce and During August 1933 the employees at the Berliner-Joyce and General Aviation plants of the General Aviation Mfg. Corporation at Dundalk, Md., formed a Federal labor union and received a charter from the American Federation of Labor. Shortly after the companies became parties to the President's reemployment agreement, a committee selected by the union members of both plants protested against the new wage schedules which the company was putting into effect. A few days later the management posted notices containing an outline of a representation plan for the guidance of employees and requesting the selection of three posted notices containing an outline of a representation plan for the guidance of employees and requesting the selection of three committeemen for each plant. The proposed plan for the Berliner-Joyce factory limited the eligibility of representatives to those who "have at least 1 year's service in the Berliner-Joyce plant." A similar plan was suggested for the General Aviation factory but was not acted upon by the employees there. On September 29 the Berliner-Joyce workers, who were not offered an factory but was not acted upon by the employees there. On September 29 the Berliner-Joyce workers, who were not offered an express opportunity to accept or reject the plan itself, selected as their representatives the same persons who were members of the original union committee.

[Excerpt from N.R.A. (Labor Board) release no. 3737, Mar. 9, 1934] CORCORAN SHOE CO. NOTIFIES LABOR BOARD OF ACCEPTANCE-SHOW-CAUSE HEARING CANCELED

The company agrees that the brotherhood is the representative of its employees for collective bargaining until July 1, 1934, that the present price list on army shoes shall remain unchanged during the agreement; that disputes shall be settled "by sincere negotiations" or representatives of the two parties, and in case of disagreement shall be referred to an arbitrator who, if need be, may be appointed by the New England Regional Board. The agreement provides against stoppages and for another election, supervised by the New England Regional Labor Board, to be held at the close of the agreement, if a substantial number of the employees desire it. The company agrees that the brotherhood is the representa-

Mr. COSTIGAN. I have already stated today my personal opposition to adjournment without further legislative action as suggested by the Senator from Wisconsin.

Mr. TYDINGS. Mr. President, at Sparrows Point, Md., the plant of the Bethlehem Steel Co. is located. It is the largest single employer of labor in the State of Maryland. I hold in my hand a very significant letter sent by some of the employees of the Bethlehem Steel Co. at Sparrows Point, Md., which I ask the clerk to read very distinctly for the benefit of the Senate.

The PRESIDING OFFICER. Without objection, the

clerk will read as requested.

Mr. WAGNER. Mr. President, will the Senator from Maryland yield to me?

Mr. TYDINGS. Yes; I will yield before the reading of the letter.

Mr. WAGNER. May I ask the Senator whether the letter he presents is from members of a company union or of a regular labor union?

Mr. TYDINGS. I think the reading of the letter will answer the Senator's question.

The PRESIDING OFFICER. The clerk will read as

The legislative clerk read as follows:

SPARROWS POINT, MD., June 15, 1934.

Hon. MILLARD E. TYDINGS,

United States Senator, Washington, D.C.

DEAR SENATOR TYDINGS: As the duly elected representatives of the employees of the Maryland plant of the Bethlehem Steel Co., chosen in an election conducted by the employees, in which 86 percent of our working forces, or a total of 9,553 employees, 86 percent of our working forces, or a total of 9,563 employees, participated, we are very much concerned over the threatened strike, at some plants of a certain group of employees for union recognition. The workmen at this plant are not in sympathy with this proposed strike, and we feel that the large group of employees, who are working under satisfactory relations with our employers, are being misrepresented in Washington. The plan of employees' representation has been functioning at this plant for 17 years and furnishes us with a highly satisfactory method for the settlement of the various problems arising in our employment relations. ment relations.

ment relations.

From the impression we get from the press articles coming out of Washington, the entire labor situation appears to be greatly clouded by misinformation, and if the absolute truth were told by everybody concerned in the present labor controversy, our plan of employees' representation would need no defense.

The employees' representatives at Sparrows Point, and the workers in this plant, are convinced that our plan is entirely satisfactory, and that the present strike threat has been fomented by men who have done so for strictly selfish reasons.

We cannot conceive that a strike order would have any effect on our local operations, but we fear that the general situation would curtail orders coming into this plant, and work a hardship on our employees who are enjoying steady work and get-

ship on our employees who are enjoying steady work and getting out of the debt, accumulated during the depression. With the improvement in steel operations, we are more concerned now in maintained employment for the men we represent than in trying out any new scheme whereby outsiders will have a voice

trying out any new scheme whereby outsiders will have a voice in the affairs, which we are competent, through our present machinery, to settle ourselves.

We earnestly entreat you not to be misled by those men who are doing the most taiking, and who claim to represent the working men in the steel industry.

We are against the closed shop. We have not been discriminated against if we wanted to join a union, but we seriously object to the making of any man join a union in order to get a job.

Our men are very inexperienced in the matter of strikes, this plant having been remarkably free from labor difficulties in the past, and we sincerely hope that we may be allowed to continue to carry on as we are now doing.

Very sincerely,

Chas. H. Weaver, Chairman General Body of Employees Representatives. Albert Crew, Secretary General Body of Employees Representatives.

Mr. TYDINGS. Mr. President, that letter speaks for itself. While I am not in a position of having intimate knowledge as to conditions at Sparrows Point, I have every reason to believe that the letter expresses the untrammeled and actual sentiment of the employees of that plant who in normal times number about 12,000 to 14,000.

Mr. President, I also have another letter-

Mr. WAGNER. Mr. President, will the Senator yield at that point?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from New York?

Mr. TYDINGS. I yield.

Mr. WAGNER. I wish to assure the Senator that the legislation which has been proposed in no way interferes with the workers in any plant who agree or decide upon any plan of representation they choose. The only purpose of the legislation which is proposed is to make the worker free from any interference or coercion in determining what particular form of representation he desires.

Mr. TYDINGS. Mr. President, in that connection the letter I am about to read is very pertinent and I ask the particular attention of the Senator from New York. The letter was written to me by a college classmate of mine who has not reached a great deal of eminence in the Republic Steel Corporation, but he is an employee. The letter is written in a very intimate vein, and I know it is written in candor and honesty. I shall not read it all. This is what he says, in part:

I hesitate to again bother you about labor legislation, but as

I hesitate to again bother you about labor legislation, but as this question is of such paramount importance to the recovery and well-being of our country, I am again taking the liberty of expressing our views on our President's "labor disputes bill."

As far as employers and employees are concerned, this new act is nothing more nor less than the Wagner bill, as we read it. This great tempest stirred up in the country about the steel strike is one of the greatest pieces of racketeering which I have yet seen. I am going to cite just a few instances to indicate the real sentiment of the majority of the employees in the steel mills. Our Buffalo plant, employing about 3,400 men, voted for the employees' representation plan, which is a vote against labor unions, practically unanimously on Tuesday of this week. The exact percentage voting was 98.17. About 2 weeks ago a number of organizers from the Amalgamated Association called a meeting in Madison Hall for the purpose of organizing the Republic Steel plants in Buffalo. The story of their success is a matter of newpaper record, as the only notice taken of its meeting on the part of our employees was that 12 out of the 15 attending voiced their disapproval of unions in general, asked to be left alone, and for the organizers to leave town. On being told by one of the Amalgamated speakers from Youngstown that if they did not have "guts" enough to go on strike they would send a crew up from Youngstown and picket their plant and force them out, one of our workmen told them that they would do so on their own responsibility and that some of them would get badly hurt in the attempt. Our men then left the meeting.

As a result of these activities, the Buffalo newspapers interviewed the employee representatives of our Buffalo plant and

own responsibility and that some of them would get badly flure in the attempt. Our men then left the meeting.

As a result of these activities, the Buffalo newspapers interviewed the employee representatives of our Buffalo plant and published a very favorable report on the fairness and popularity of the representative plan in Buffalo, and also visited our plants on Tuesday, June 12, when our men held their nominations, and again published very favorable reports on the fairness with which these elections were conducted by the workers.

In our Youngstown plant, where the men voted 98.4 percent on nominations, even though literature of all kinds was handed to the men going to work, urging them not to vote, and stickers were supplied them to paste on the ballots to the effect that they were not voting for the "plan", the men still voted as indicated above, and according to the workmen who counted the votes only 3 or 4 stickers were found out of the 5,800 ballots cast. Representatives of Youngstown newspapers, through arrangements resentatives of Youngstown newspapers, through arrangements which they made through our representatives, were present at this election and reported that a very fair election was being conducted by the workmen, without any interference by people in a supervisory capacity.

In our corporation as a whole over 25,000 men (88.7 percent) voted for the "plan."

I am very familiar with the conditions in practically all the steel plants in this country, and I can assure you that the workmen in the mills are being paid as high rates as the companies can afford to pay, they are being fairly dealt with universally, the employees' representation plans are being used justly and fairly, and there is no need having legislation of any kind other than the N.I.R.A., which is now on the statute books, to bring about a better understanding or more harmony than now exists. Trying to force labor unions into the steel mills is bound to lead to trouble and strife of all kinds, as the majority of the men in the mills do not want to be forced into carrying out the wishes or desires of men not particularly interested in their welfare, but who are only trying to build and maintain for themselves lucrative positions as agitators, delegates, and heads of labor unions. Do not be overly concerned about a steel strike. The men in the mills, with very few exceptions, want to work, are satisfied with their foremen, superintendents, working conditions, rates of pay, etc. It is a miserable shame that conditions are being developed through experimentation which may throw thousands of men out of work and create great suffering in order to create jobs for a few delegates, agitators, and union heads. If the administration would put just a little of the energy which they are expending on the Labor Board in the preservation of law and order; if they would investigate the number of houses dynamited by strikers in the South: if they would investigate the case where

if they would investigate the number of houses dynamited by strikers in the South; if they would investigate the case where one of our workmen was removed from a street car in Alabama and beaten to death just 4 days ago by strikers, the labor problem and recovery, as far as labor problems are concerned, would be quickly solved.

Mr. President, I have had one letter read and I have read the other one myself, for the purpose of making this observation. I think on the one hand and in many cases the employers have not permitted, perhaps, those who work for them to express a free and untrammeled opinion. On the other hand. I think the labor unions have tried in many cases to force men to join unions who actually did not want to do so. What I am fearful of is that under the terms of the measure now before us we will open an avenue which will coerce many laboring men to join organizations or not to join, as the case may be, when they ought to have a right to join or not to join whatever organization they see fit.

Mr. SCHALL obtained the floor.

Mr. WALSH. Mr. President, before the Senator from Minnesota proceeds, will he yield to me?

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Massachusetts?

Mr. SCHALL. I yield. Mr. WALSH. I should like to make an observation about the letter which has just been read. The letter which the Senator from Maryland read is similar to hundreds of letters that all Members of the Senate have received. It is undoubtedly true that groups of employees attempt to exercise great pressure on their fellow employees to join a particular union. It is undoubtedly true that even where a majority of the employees have decided upon an independent or company union, a minority of the employees seek to prevent it and even go to the extent of striking.

The whole trouble in the problem is that any remedy which forbids or attempts to prevent a man from striking, any injunction or any law that prevents a man from striking, is a step to inflame, is a law of servitude, and that is the principle we have to keep in mind. It is the difference between freedom and servitude. A man has a right to work

or not to work.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. WALSH. In a moment. Men have a right to work collectively or not. We cannot prevent strikes unless we attempt to make men work and put a harness on their backs and drive them into the shop. What we can do-

Mr. TYDINGS. Mr. President, will the Senator yield? Mr. WALSH. In just a moment. What we can do is to create a board or boards in which the public will have confidence, in which the employees and the employers will have confidence, who can hear the disputes and try to adjudicate them. There is nothing in the proposed law that discriminates between a company union and a trade union. There is nothing to compel a man to join any union. There is nothing to compel employees to organize at all. What there is in the proposed law is a provision that if a group of employees want to organize they shall be permitted to do so without interference, without coercion, without force upon the part of the employers.

Mr. TYDINGS. Mr. President-

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Maryland?

Mr. SCHALL. I yield.

Mr. TYDINGS. The Senator from Massachusetts drew the picture that it is wrong to compel a man to work who does not want to work. It is equally wrong to compel a man to strike who does not want to strike.

Mr. WALSH. No man is compelled to strike who does not want to strike.

Mr. TYDINGS. The Senator knows that when men go to work, quite often the places are picketed because those who do not want to work or have some grievance against the company do not want others to go to work.

Mr. LONG. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Minnesota [Mr. SCHALL].

Mr. LONG. I make the point of order that the Senator from Minnesota has the floor.

The PRESIDING OFFICER. The point of order is well taken.

Mr. WALSH. Mr. President, I thought the Senator from Minnesota had yielded to the Senator from Massachusetts and to the Senator from Maryland.

PROCESSING TAXES ON LIVESTOCK

Mr. CAPPER. Mr. President-

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Kansas?

Mr. SCHALL. Yes. Mr. CAPPER. I ask unanimous consent to have printed in the RECORD, for the information of the Senate and the country, a letter I have just received from Mr. Joe H. Marcer. secretary of the Kansas State Livestock Association: also copies of resolutions adopted by the Lyon and Coffey County Pomona Grange, a resolution adopted by the Pomona Grange of Coffey County, and a resolution signed by 69 members of the Kansas Farmers' Union at Centralia, Kans.

This letter and these resolutions, Mr. President, protest against the imposition of any processing tax on cattle at this time. They also urge that the present processing tax on hogs be either abolished entirely, or reduced to a nominal amount. I am in hearty accord with their stand on the

matter

I sincerely hope, Mr. President, that the Agricultural Adjustment Administration will pay careful heed to these protests, which are only a few of the many I have received in the last few weeks. I am speaking as one who realizes the sincerity of purpose of those in charge of the A.A.A., and who has supported a large part of the program for the relief and rehabilitation of agriculture, when I state that processing taxes on livestock are not popular with the livestock people, and I will say frankly, so far have not proved effective in bettering market prices for livestock.

The success of any such program depends not only upon the basic soundness of the program itself but also upon the cooperation of the farm groups interested in making it

successful.

I believe it is becoming increasingly evident that the processing tax on perishable commodities, especially livestock, is not working out as had been planned and hoped by its sponsors. The processors so far, at least, have been able to pass the processing tax on hogs back to the producers, thereby defeating one of the major objectives of the tax, and thereby also defeating the intent of Congress in granting to the A.A.A. the power to levy these taxes. What has happened in the case of hogs leads to the conclusion that the program itself is not basically sound. Of course, this is not a final conclusion, but nearly everything that has happened leads toward such a conclusion.

On the other proposition-namely, the necessity for whole-hearted cooperation from the producers to make any such plan succeed-it seems perfectly plain that the great majority of the cattlemen are opposed to any processing taxes being levied on cattle at this time. It seems also plain, from the letters and telegrams which I have received, that a considerable proportion, very likely a considerable majority, of the hog raisers are by now convinced that the processing taxes are working to their disadvantage.

Under these circumstances I feel not only justified but also compelled to add my protest to those protests I have received from Kansans and Kansas organizations against the imposition of any processing tax on cattle at this time, and to urge a reduction, at least, of the processing tax on

hogs.

I send the letter and the resolutions to the desk to be printed in the RECORD as part of my remarks.

There being no objection, the letter and resolutions were ordered to be printed in the RECORD, as follows:

Hon. ARTHUR CAPPER,

Hon. Arthur Capper,

United States Senate, Washington, D.C.

Dear Senator Capper: While writing I am calling your attention again to the demoralized condition of the prices of hogs. I am still at a loss to understand why the Agricultural Department does not modify its order with respect to the amount of the processing tax on hogs. It is contended by the agricultural administration that benefits that will soon go to the hog producers of this country will in a way be satisfactory to the hog producers. This is a sad mistake. Of course, the benefits that will come eventually to some of our hog producers will in a measure be satisfactory, but a very large percentage of our hog producers in

Kansas, as far as I know, have already lost more money on the fat hogs they have sold than any benefit can replace.

Furthermore, there is more than likely a wrong conception of the idea of the number of farmers that will receive benefits under the lines of the number of farmers that will receive benefits under the hog-corn program. I was advised by Dean Umberger, of the Kansas State College, who has charge of the hog-corn program in Kansas, that on May 24, approximately 79,900 farmers had signed the application papers to participate under the hog-corn program, but that less than 6,000 of these hog-corn application papers had been completed. In other words, there would be less than 6,000 farmers that would be entitled to any benefits until their hog-

corn program had been completed.

I know personally of several farmers that have signed the first papers, or application papers, that will not sign a completed program. There are a lot of technicalities in this hog-corn program, and they are sent back for correction, and many farmers

program, and they are sent back for correction, and many farmers become dissatisfied and refuse to go on with the program.

Am calling your attention to this matter for the reason that the A.A.A. organization is basing this tremendous tax of \$2.25 in anticipation of papers contracted by the Government, many of which will never be completed. Therefore it seems to me that in justice to the hog producers of this country they should be receiving now at least \$1.25 per hundred direct for their hogs more than they are now receiving. That would leave \$1 of the tax going to the Government, and even though the dollar would not raise sufficient funds with which to meet the Government's obligations in benefits, perhaps the program could be prolonged and

raise sufficient funds with which to meet the Government's obligations in benefits, perhaps the program could be prolonged and extended out over a longer period of time.

According to the press there are protests going to Washington from every source in connection with this processing tax on hogs, and I think it is of that consequence that Congress should give its attention. If there was no tax on hogs the hog feeder would be receiving anywhere from 5 to 6 cents a pound for his hogs instead of from 2½ to 4 cents.

I trust you will continue your efforts with Secretary Wallace and Chester Davis, Administrator of the A.A.A., in having this processing tax on hogs reduced to at least \$1 per hundred. I have contended that the tax should be reduced to 50 cents a hundred and then increase quarterly. To handle the tax in this manner the Department in a few months from now will know more about the total amount of the tax needed to meet the benefit obligations of the Government. I opposed the processing tax on hogs as a member of the hog-corn conference committee of 25, considered it member of the hog-corn conference committee of 25, considered it unsound, and it certainly has proven a failure and has been an unreasonable charge upon the hog industry up to the present time.

Yours very truly,

J. H. MERCER, Secretary.

We the undersigned farmers knowing the processing tax on hogs to be a burden to us and believing it to be retarding recovery, hereby request that this tax be abolished.

We further favor the payments on the corn and hog contracts be made pro rata of total amount of tax already collected. Further, we do not favor a processing tax on cattle, and we are strongly opposed to any compulsory control of agricultural production.

The above signed by 69 members of the Kansas Farmers Union,

Centralia, Kans.

EMPORIA, KANS., June 6, 1934.

DEAR SIR:

"Resolved, That we are opposed to any processing tax on cattle, we ask that this expression from this body be given your careful attention in your deliberation on this subject. We are firmly of the opinion that any processing tax on beef at this time will react to the detriment of the present strong cattle market and thus bring heavy losses to many already hard-hit cattlemen. The farmers represented at this meeting were willing to wait until the plan has been given a more conclusive trial on other commodities."

Thank you.

Thank you.

COFFEY AND LYON COUNTIES POMONA GRANGES, MRS. E. R. PARKMAN, Secretary, R. 1, Emporia, Kans.

Resolution from Coffey County Pomona Grange

The Coffey County Pomona Grange, of Coffey County, Kans., in session this 2d day of June, unanimously adopted the following resolution:

"Resolved, That we are opposed to any processing tax on cattle. We ask that this expression from this body be given your careful attention in your deliberation on this subject. We are firmly of the opinion that any processing tax on beef at this time will react to the detriment of the present strong cattle market and thus bring heavy losses to many already hard-hit cattlemen. The farmers represented at this meeting were willing to wait until the plan has been given a more conclusive trial on other commodities,"

J. P. McMullen, Master, Burlington, Kans. MARY A. POVENMIRE, Secretary, Gridley, Kans.

Mr. SCHALL. Mr. President, I ask the aid of the clerk to help me place in the RECORD a speech upon censorship. The PRESIDING OFFICER. Is there objection?

Mr. KING. Mr. President-

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Utah?

Mr. SCHALL. I yield.

Mr. KING. I desire to ask the Senator from Minnesota whether that which he desires to insert in the RECORD is an address prepared by himself, or whether he is seeking to have inserted an article from some newspaper.

Mr. SCHALL. It is an address prepared by myself. Mr. KING. Does the Senator desire to have it read?

Mr. SCHALL. Yes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota that the clerk read his address?

Mr. BLACK. Mr. President, I assume that the fact that there is no objection will not prevent any Senator from raising any question if there is anything improper in the address. After some things that have been placed in the RECORD, I do not desire at this time to agree to have anything put in the RECORD without an understanding in advance that any Senator shall have a right to raise a question of propriety as to whether or not any part of the address violates the rules of the Senate.

The PRESIDING OFFICER. The present occupant of the chair will not prejudge an issue that has not yet arisen. A motion is always in order to expunge from the RECORD.

Is there objection to the reading by the clerk of the speech of the Senator from Minnesota?

Mr. SCHALL. I think I have the right to the service of the clerk's sight. Other Senators have their sight and use it plenty in filling the RECORD. In all justice there should be no rule of the Senate requiring the consent of anyone in this Senate and why have I not the right with the aid of the clerk to read my remarks into the RECORD just as every other Member of the Senate does without creating such consternation in the Democratic ranks? I stand back of my written remarks just as I stand back of spoken remarks, and if there is any objection or anyone who wants them verified or further explained, I am here to take on the job. In the mood I am, concerning the actions of this administration, in its evident purpose to censor the press and radio and clog all avenues of information to the people of what is going on behind the scenes at Washington, I might, if speaking extemporaneously, say what is in my heart and mind in reference to the coup d'etat being prepared by this administration in unparliamentary language, and I have, therefore, in order to save time and the feelings of the Democrats, reduced my remarks to writing and have asked the clerk to read them. Is that any crime? I cannot understand why Democrats are so zealous to direct the course of my speech or the exercise of my right of free speech, whether it be spoken or written.

Mr. FESS. Mr. President, if any Senator objects to the clerk reading the remarks, I will read them.

Mr. KING. Mr. President, I agree entirely with the Senator from Minnesota. I think he is entitled to have his address read, subject, of course, to the rules of the Senate.

The PRESIDING OFFICER. The Chair hears no objection, and the address will be read.

Mr. SCHALL. As I take it, an objection is not in order. I have the floor, and I certainly have the right to the use of the sight of the clerk without "if you please" to anyone. Perhaps, if such a rule can be possible, it will be necessary for me to ask some of my Republican colleagues to loan me their sight. It is hard to understand why so much attention is paid to me by the Democrats.

Mr. HARRISON. Mr. President-

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Mississippi?

Mr. SCHALL. Yes.

Mr. HARRISON. I am sure no one objects to the Senator inserting in the Record some matter, or having some matter read.

Mr. SCHALL. I should think not. I use very little space in the RECORD, comparatively.

Mr. HARRISON. Of course, the Senator has had read some utterances that reflect very grossly upon certain people, and really violated the rules of the Senate.

Mr. SCHALL. I do not intend to violate any rules, and I do not believe I have violated any rules in my past utterances. I have spoken the truth as I see it in reference to the personnel of this administration and I intend to continue to do so, for God knows there was never a time in the history of our country when plain speaking was so imperative of what is going on here at Washington in taking from the people their Republic and substituting instead a Russian or Italian dictatorship as there is today.

Almost every bill we have passed this session has contained a censorship either directly or indirectly and has in itself constituted a dictatorship. In the last special session 77 powers were filched from the judiciary and Congress by this administration under the guise of emergency which the administration now wants made permanent. Somebody, somewhere, ought to speak; and if it does hurt, I am sorry, for I place the welfare of my country above the welfare of any party.

Mr. HARRISON. If the Senator will permit me, he may criticize as much as he wants to, but the poll of the Literary Digest shows that in the Senator's own State he is very much in the minority.

Mr. SCHALL. That may be very true, but if the people of this country had not had all the avenues of information clogged as to what is going on here and had not been fed just what the administration wants them to be fed, the poll of the Literary Digest would tell a different story, because if the voters had the truth, there would be an understanding of the design and purpose of an ultimate dictatorship of this administration, which they would not tolerate if they knew. Somebody, somewhere, must speak, and since the Senate is the only place left in Congress where free speech is still prevalent, I shall attempt to do what little I can to call attention of the people of my country to conditions as they are.

Mr. HARRISON. The other side has a very poor spokesman in the Senator from Minnesota.

Mr. SCHALL. I am not judging as to that. In that case the Senator from Mississippi ought not to object to the Senator from Minnesota speaking.

Mr. HARRISON. I am not objecting. The Senator is doing the Democratic Party a great service. We hope he will continue. [Laughter.]

Mr. SCHALL. I shall continue to speak the truth as I see it and if the people are able to get just an inkling of what is going on, I think it will be found that the administration has obliterated the Democratic Party. No one of any other party needs to injure the Democratic Party. They are doing it themselves in the dictatorship they have established.

Mr. GORE. Mr. President-

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from Oklahoma?

Mr. SCHALL. I think I will make my speech, and then I shall be glad to yield.

Mr. GORE. Let me ask the Senator a question. We had up yesterday a joint resolution designed to save the small packing houses. I understand that a different program has been worked out that will take care of that situation; but the amendment is to be attached to a House bill, and it will have to go back to the House for the concurrence of the House. I was wondering if the Senator would yield for a moment to see if we cannot take care of that situation.

Mr. SCHALL. This is just a short address.

Mr. GORE. Very well.

Mr. FESS. I call for the regular order.

Mr. GORE. I am going to insist on some action in regard to this packing-house matter.

The VICE PRESIDENT. Without objection, the clerk will read the address.

The Chief Clerk read as follows:

WHEN THE KING CONTROLS THE PRESS

Mr. SCHALL. Mr. President, at the city of St. Paul, the capital of my State, the American Newspaper Guild, a new national organization of news writers, was recently assembled in its second annual convention.

On June 7 Jonathan Eddy, the guild secretary, wired the American Publishers Association, New York, urging the joint opposition of the publishers and the news writers against section 606 of the Rayburn communications bill. I hereby ask, Mr. President, consent to publish in the Record the text of that message as given both in the New York Herald Tribune and the St. Paul Dispatch.

Without free channels of information-

Reads the message of the American Newspaper Guild—there can be no guaranty of liberty and the Bill of Rights in the Constitution of this Republic becomes a naked fraud.

Again .

Enactment of the quoted provision would place in the hands of one man the power to dam these channels or to transform reporting facilities into a grotesque propaganda machine, thereby frankly prostituting our calling, which, potentially honorable, has already suffered the shame of thinly cloaked commercial control.

Yet again:

Nothing could protect the American people from being cajoled and browbeaten into war to sacrifice precious lives for filthy profits or from helplessness to call a halt upon ruthless slaughter once begun.

Still quoting, Mr. President, and may I take the liberty to add that the party majority in control of this Senate does well to heed this warning by the news writers of America assembled in national convention:

The American Newspaper Guild by its convention condemns section 606 (c) of the Rayburn communications bill as un-American and inhuman, an irresistible invitation to dictatorship in its ugliest form.

Mr. President, Senators will recall that the older commercial organization, the American Publishers Association, has already gone on record against the press code of the N.R.A. Their fight is that the press code interferes with the freedom of the press. They ask that article I of the Bill of Rights, guaranteeing that no law or no secret subterfuge to secure the effect of such a law, shall be passed abridging freedom of speech and freedom of the press, shall be set up by the Government as a basic interpretation of the N.R.A. press code. Their petition has been denied by the administration.

There is a natural difference in viewpoint as between the publishers and the news writers. It is the natural difference in viewpoint as between the employers and the employed. Publishing is a commercial enterprise. The publisher derives revenue from propaganda. The writer, on the other hand, gets only his wage or his space rate. The writer's concern, aside from his wage, is that the public shall get the truth, the whole truth, and nothing but the truth, so help him God. The sale and suppression of the news article, as well as the censorship and coloring of the news by the business office to meet the forced political policy of the Government and the ends of Federal publicity is. therefore, denounced by the American Newspaper Guild as a "naked fraud", "the shame of thinly cloaked commercial control", a system to transform reporting facilities into a grotesque political propaganda machine, "an irresistible invitation to dictatorship in its ugliest form "-a system at once "un-American and inhuman."

I cannot conceive, Mr. President, how any Senator, if he divests himself of his political interest, his affinity for administration patronage, and the appropriation hog trough, can doubt in his inner consciousness that this message of the news writers of America to the publishers of America speaks the truth.

If we cannot see the truth by looking into our hearts and conscience, because of our party feeling and our political interest in control of news, we can at least see the truth of

what the American Newspaper Guild tells us, when we read the history of press censorship in early England, in Rome under Mussolini, in the history of Bourbon France, and the later history of press domination in Soviet Russia.

British censorship of the press in the days of John Wilkes started a revolution throughout England and was partly responsible for emigration to America. Thomas Jefferson, who one time was worshiped in this country as the founder of Democracy with a big "D"—though not today, "Alas, alas, and Alaska", as the old ditty runs—had in mind the presecution of John Wilkes, John Milton's defense of free printing, and Lord Glenville's attempt to throttle the press in order to stem the rise of American independence, when he wrote article I of the American Bill of Rights calling for the rights of free speech and the freedom of the press. Under free speech and a free press George III could not hold in subjection the freemen of the Thirteen American Colonies.

Mr. President, let the majority here remember that what happened on American soil on July 4 may also happen on the second Tuesday in November. It is not easy to throttle independence in America. That was shown when a certain administration tried it in a crude way on the old printing office of Lovejoy and again at the office of William Lloyd Garrison in Boston.

An administration may think that it controls the press when it imposes an N.R.A. press code with Crack-Up Johnson to enforce the code. Let Johnson beware of the fate of Lord Glenville. Even kings are compelled to change their minds. There was one time an archbishop who bewailed the fact that, if he had served his God as well as he served the king, he would not have been deserted at beheading time.

Does any Senator doubt that censorship of news communications is un-American? When Garrison declared, "I will not yield an inch, and I will be heard", did he not speak the truth? You can hear it yet ringing through the Civil War and through Lincoln's speech at Gettysburg.

Mussolini still thinks that he became the permanent emperor of all Italy—a larger edition of Caesar—when on January 1, 1927, he clamped down a censorship on the press of Italy. But verily he is receiving his reward, for yesterday's press says that Mussolini or the Italian Government admits that economic conditions are worse in Italy than they have ever been before. And America is not yet, at least not in my Commonwealth, committed to the Fascisti program of press censorship, of farm domination, of N.R.A. monopoly, now reigning in Italy.

If this administration chooses—and one of its Cabinet members says "America must choose"—to set up Mussolini and his press censorship as a superior guide of new-deal democracy, a superman ranking above Thomas Jefferson, it is its political privilege, as it is the privilege of the Senate majority. But do not forget that the American people have memories. Tugwell and Moley of the "brain trust" may tell you that the ideas of '76 are forgotten. Article I of the American Bill of Rights they also forget.

As to the followers of Tugwell and Moley, that may be true in a way—or does it merely express a desire or a fear? But those memories and those convictions and the American common sense and common honesty behind the memories still prevail in every county in the States.

On July 4, 1934, you may not hear the Declaration of Independence read in any gathering of "brain-trust" orators. July 4 may well disappear as a national holiday of an administrative dictatorship. But in the farm hinterland of America, in the town halls and churches, in the village groves and schoolhouses, the ideas of 1776, the doctrine of article I, the call of Jefferson and Lincoln, will bring the people together on July 4, 1934, as on July 4 of every year since 1776. And the convictions of July 4 may be expressed in ballots in November.

No "crack-up" administration can do in America what the Glenville administration failed to do in England 200 years ago—permanently throttle the freedom of the press. Every attempt—the press code, the Rayburn bill, the censor—

ship of the radio and telegraph, the suppression of public documents now in Government vogue—simply drives home to the people in the homes and plow furrows that censorship and suppression mean simply that there is something which the governing majority has to conceal.

No administration with a righteous cause wants press censorship or the throttling of the news.

No administration that is true to the principles of Thomas Jefferson has anything to conceal.

If you are aping Mussolini and are blind followers of a Moley, if you take Tugwell as your guide in place of Jefferson, you need a press censorship, lest something may happen in November. You need the press code of the N.R.A., so that the workmen of America may not discover that they are serfs of Crack-up Johnson.

You need what the American Newspaper Guild calls "un-American and inhuman", lest the people of the United States may read from now till November the accounts of the greatest wave of strikes and riots and incipient rebellion against dictatorial rule that has ever yet risen on American soil.

Put into force your force bills. Throttle the press with your press code. Strong-arm, by your new gag rule, both Houses of Congress. Prevent—as you did the other day the Senator from California [Mr. Johnson]—a Senator from discussing his own amendment. Force upon the country a censorship of press communications which, as denounced by the message of the American Newspaper Guild, is "an irresistible invitation to dictatorship in its ugliest form."

What do you accomplish in the end? You simply deepen the conviction in the public mind that you have something to conceal. Then they will want to know what those things are that you are hiding in fear.

They will dig up the old last year's almanac and find that you got their votes on the false pretext that your tariff making was to be "free from Executive interference."

They will read in the Congressional Record of January 3 the Executive message demanding that his executive emergency powers be made permanent—a demand that the temporary dictatorship shall be made permanent, which means good-bye to government by the people.

Your press censorship and your censorship of news communications will not prevent the public from reading the Budget message of January 4 in the Congressional Record—that the Treasury deficit is to go to \$7,000,000,000 under new-deal financing, that the public debt is to go to \$30,000,000,000 under "brain trust" bold experiment, that the Government monthly outgo now exceeds the yearly outgo during the administration of Theodore Roosevelt, that the disbursements of the new deal exceed the revenue receipts about 3 to 1, and that a year of this kind of recovery still leaves the farmer in bankruptcy and 10,000,000 unemployed and 2,000,000 still under Federal dole.

"No wonder those 'new dealers' need a press censorship" will be the popular verdict. They need an N.R.A. press code. They need a news censorship of communications, which has all been stealthily planned and arranged for in the just passed communications bill. They need a Crack-up Johnson—a new Lord Glenville. They need the administration mazagine of Moley, owned by Lord Admiral Astor. of the flagship Nourmahal.

Then they will read again that old article I, written by Thomas Jefferson—the guaranty of free speech and a free press. And they will recall John Milton, John Wilkes, and Garrison. And they will say:

"If 'America must choose', as a Cabinet member suggests, our choice for guidance would be Jefferson and Lincoln, Milton and Garrison, rather than the new-deal Tugwell-Moley bunch. As between the N.R.A. and the U.S.A., the old-fashioned U.S.A. is good enough for us. As between a doctored press and a free press, we prefer ours without doctors. As between the blue eagle of Russia and the old American banner, we choose the old red, white, and blue—the Stars and Stripes of our daddies, the emblem of the American Republic."

It is vital to the life of our Republic that my Resolution No. 248 or a similar resolution should be passed to appoint a committee of Senators to stand guard during the adjournment of Congress to protect the people in their right of freedom of the press and freedom of speech from the insidious underground methods being used by the administration and his left- and right-hand bowers to keep the facts from the bright rays of today's sun.

During the last extra session of Congress the administration filched from Congress and from the judiciary 77 powers. Almost every bill that has been before this Congress is in itself a little censorship, a little dictatorship, either giving the power directly to the President or lodging it in some trusted political henchman.

Make no mistake, it is the administration that is demanding censorship of the press, and his subordinates are only carrying out his desires.

Congressional records show that the first attempt by Roosevelt to censor the press was made on March 29, 1933, or 25 days after he assumed office. On that day there was introduced into the House of Representatives by Mr. Sum-NERS of Texas, House bill No. 4220, which provided a fine of \$10,000 and 10 years' imprisonment for any publisher who dared to print any article concerning our Government, which was not passed as matter for publication by Roosevelt or one of his duly authorized agents. Under the whip of the President of the United States, the bill passed the House but that section relating to publishers was stricken out in the Senate.

Referring to the report of the Judiciary Committee of the House on this bill, I quote the following:

The executive branch (Roosevelt) of the Government has requested the enactment of this legislation at the earliest practicable date, and has satisfactorily demonstrated to the committee the need for it. The legislation is by its nature very properly auxiliary to the emergency legislation enacted and to be enacted by Congress at the present session.

Could anything be plainer or more definite as to the ultimate purpose? Roosevelt was asking for dictatorial powers over the Government, under the guise of emergency, and a censorship bill by which he could put any publisher in jail for 10 years who dared to critize any of his acts.

The Dill-Rayburn wire-control bill is the new wedge to censorship of the press of the United States. Under its provisions a committee of Congress is to report back to the next session Roosevelt's ideas of wire control. This bill places telegraph and telephone companies under the same restrictions as the radio. Everyone knows that the radio is censored by the Roosevelt administration.

The President desires censorship even more than he did in the first session when he demanded passage of the Sumners bill which made publishers liable to \$10,000 fine and 10 years in prison for printing news matter not first approved by the President or his duly authorized agents. Even more now because if the truth is told to the people from now until election there will be returned an anti-Roosevelt Congress. Since the committee appointed under the Dill-Rayburn bill will be named by his agents, its report can be forecast in advance as favoring censorship of press dispatches.

Thus, for this reason alone if there were not plenty of others, the safety of the Nation lies in getting over to the voters of the Nation what is going on behind the governmental scenes. If our Republic is to endure, a vigorous campaign should be waged against every candidate who will not pledge himself to support article I of the Constitution of the United States. I am ready to go anywhere or do anything I can to help.

The press must be protected in its freedom. The newspapers are entirely too reticent about this matter, and the people must take it in hand for themselves, as their future liberty is all dependent on the right of a free press and free speech. These are the two essential weapons to get back for us the rights already stolen from us by this administration under the guise of "recovery." The new deal is a "double deal."

Mr. McNARY. Mr. President, may I ask if that concludes the remarks of the Senator from Minnesota?

Mr. SCHALL, Yes.

Mr. McNARY. There seems to be a newspaper clipping. Mr. SCHALL. I ask unanimous consent to have the newspaper article printed in the RECORD as a part of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The newspaper article is as follows:

[From the New York Herald Tribune]

The publishers made public a telegram from Jonathan Eddy, executive secretary of the guild, the organization of newspaper workers which is having its second national convention in St. Paul, and their reply.

TEXT OF EDDY'S MESSAGE

The message from Mr. Eddy follows:

ST. PAUL, MINN., June 7, 1934.

L. B. PALMER

L. B. Palmer,

General Manager American Newspaper Publishers'

Association, 370 Lexington Avenue, New York.

The American Newspaper Guild in its convention here went on record unanimously today in opposition to section 606 (c) of the Rayburn communications bill. It unanimously voiced the opinion that, "without free channels of information there can be no guaranty of liberty and the Bill of Rights in the Constitution of this Republic becomes a naked fraud. Enactment of the quoted provision would place in the hands of one man the power to dam these channels or to transform reporting facilities into a grotesque propaganda machine, thereby frankly prostituting our calling, which, potentially honorable, has already suffered the shame of thinly cloaked commercial control. Nothing could protect the American people from being cajoled and browbeaten into war to sacrifice precious lives for filthy profits or from helplessness to call a halt upon ruthless slaughter once begun."

The American Newspaper Guild by its convention condemns section 606 (c) of the Rayburn communications bill as un-American and inhuman, an irresistible invitation to dictatorship in its

can and inhuman, an irresistible invitation to dictatorship in its ugliest form. The Guild furthermore challenges the publishers who so loudly protest against section 3 (d) of the National Industrial Recovery Act, on the pretense that it interferes with freedom of the press, to cease their sham battle and engage with us in a real fight by insisting upon the defeat of this outrageous legislation.

This is addressed to you at the direction of the convention. Executive Secretary, American Newspaper Guild.

[From the St. Paul (Minn.) Dispatch, June 6, 1934]

GUILD ASSAILS RAYBURN BILL AS DIRE THREAT-CONVENTION CON-DEMNS COMMUNICATIONS MEASURE AS BLOW AT FREEDOM—PURPOSE CALLED WORTHY—PUBLISHERS REQUESTED TO CEASE SHAM BATTLE AND ENGAGE IN REAL FIGHT

The Rayburn communications bill, now in Congress, was condemned today as "most alarming and a dire threat to freedom"

by the convention of the America Newspaper Guild in St. Paul.

The resolution, which was approved unanimously, called on publishers who opposed certain sections of the N.R.A. code to "cease their sham battle and engage with us in a real fight."

their sham battle and engage with us in a real fight."

The resolution read:

"Much has been said lately by the members of the American Newspaper Publishers Association about freedom of the press, yet few publishers have protested against section 606 (c) of the Rayburn communications bill.

"The chief purpose of the bill is worthy, but if enacted into law this section would give the President power, practically at will, to close wire and radio news stations, or censor the news that is permitted to pass through them.

"The bill has passed the Senate and is now pending before the

"The bill has passed the Senate and is now pending before the House. The language of section 606 (c) is most alarming and contains a dire threat against freedom. It reads as follows:

"'Upon proclamation by the President that there exist war, or threat of war, or a state of public peril or disaster, or in order to preserve the neutrality of the United States, the President may suspend or amend for such time as he sees fit the rules and regulations applicable to any or all offices and stations for wire or radiocommunication within the jurisdiction of the United States, as prescribed by the Commission, and may cause the closing of any such office or station and the removal therefrom of its apparatus and equipment or he may suthorize the use or control any such office of station and the removal therefrom of its apparatus and equipment or he may authorize the use or control of any such office or station and its apparatus and equipment by any department of the Government under such regulations as he may prescribe, upon just compensation to the owners.'

"Without free channels of information there can be no guaranty of liberty and the Bill of Rights in the Constitution of this Repub-lic becomes a naked fraud.

"Enactment of the quoted provision would place in the hands of one man the power to dam these channels; or to transform reporting facilities into a gruesome propaganda machine, thereby frankly postituting our calling, which, potentially honorable, has already suffered the shame of thinly cloaked commercial control.

#### CALLED MOCKERY

"Nothing could protect the American people from being cajoled and browbeaten into war to sacrifice precious lives for filthy profits; or from helplessness to call a halt upon ruthless slaughter, once begun. 'Just compensation to the owners' would only further mock the victims of resulting wars to whom compensation would be impossible.

"The American Newspaper Guild by its convention condemns section 606 (c) of the Rayburn communications bill as un-American and inhuman; an irresistible invitation to dictatorship in its

ugliest form.'

Mr. ROBINSON of Arkansas. Mr. President, I think I ought to take this occasion to say that from time to time the Senator from Minnesota [Mr. Schall] has been rising in his place here and making statements, or having read at the desk bitter and, in my judgment, unwarranted and unreasonable attacks on the President and on the administration for interfering with the freedom of the press.

It is not appropriate to prolong the session of the Senate by a full discussion of this subject, but I do deem it proper to state that in my judgment there is no basis for the attack which the Senator from Minnesota has made and which he

has so often repeated.

The President does not interfere with the press. I put in the Record the other day an article from the pen of Mr. Raymond Clapper, entitled "Why Reporters Like Roosevelt", and in the course of that article it was disclosed that the President has won the esteem and the affection of press reporters in Washington.

Neither the Congress nor the President has done anything to interfere with the freedom of the press. And that there is absolute freedom of expression here is evidenced by the fact that day after day the Senator from Minnesota has exercised that liberty to the extent that if he made anywhere else the statements which he makes here he would be liable to prosecution for libel or for slander.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3645) to conserve and develop Indian lands and resources; to establish a credit system for Indians; to provide for higher education for Indians; to extend toward Indians the right to form business and other organizations; and for other purposes.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 9620) to encourage improvement in housing standards and conditions; to provide a system of mutual mortgage insurance, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Steagall, Mr. Goldsborough, Mr. Prall, Mr. Luce, and Mr. Beedy were appointed managers

on the part of the House at the conference.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3231) to provide a retirement system for railroad employees, to provide unemployment relief, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6462) to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes.

The message further announced that the House had agreed to the amendment of the Senate to the bill (H.R. 9476) to empower certain members of the Division of Investigation of the Department of Justice to make arrests in certain cases, and for other purposes.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H.R. 8544) making receivers appointed by any United States courts

and authorized to conduct any business, or conducting any business, subject to taxes levied by the State the same as if such business were conducted by private individuals or corporations.

# ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

S. 504. An act to authorize the Secretary of the Navy to make a long-term contract for a supply of water to the United States naval station at Guantanamo Bay, Cuba;

S. 555. An act to authorize the acquisition by the United States of the land upon which the Seneca Indian School, Wyandotte, Okla., is located;

S. 822. An act to amend the act entitled "An act to amend section 217, as amended, of the act entitled 'An act to codify, revise, and amend the penal laws of the United States', approved March 4, 1909", approved January 11, 1929, with respect to the use of the mails for the shipment of certain drugs and medicines to cosmetologists and barbers;

S. 3151. An act to convey to the King Hill Irrigation District, State of Idaho, all the interest of the United States in the King Hill Federal Reclamation Project, and for other

urposes;

S. 3618. An act to grant a portion of the Fort Douglas Military Reservation to the University of Utah, Salt Lake City, Utah;

S. 3655. An act to amend the act entitled "An act for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes", approved June 30, 1906, as amended:

S. 3696. An act authorizing the President to make rules and regulations in respect to alcoholic beverages in the Canal Zone, and for other purposes;

S. 3764. An act to reduce the fee to accompany applications for entry as second-class matter of publications of limited circulation:

S. 3779. An act to amend section 4 of "An act to amend an act entitled 'An act to establish a uniform system of backruptcy throughout the United States', approved July 1, 1898, and acts amendatory thereof and supplementary thereto", approved June 7, 1934;

H.R. 8544. An act making receivers appointed by any United States courts and authorized to conduct any business, or conducting any business, subject to taxes levied by the State the same as if such business were conducted by private individuals or corporations;

H.R. 9476. An act to empower certain members of the Division of Investigation of the Department of Justice to make arrests in certain cases, and for other purposes;

S.J.Res. 106. Joint resolution authorizing loans to fruit growers for rehabilitation of orchards during the year 1934; and

S.J.Res. 138. Joint resolution to amend an act entitled "An Act to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes" (Public, No. 169, 73d Cong.), approved April 21, 1934.

## PROCESSING TAX ON HOGS

Mr. POPE obtained the floor.

Mr. SCHALL. Mr. President-

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Minnesota?

Mr. POPE. Not now.

Mr. President, referring to the matter brought up by the Senator from Oklahoma a few moments ago, there is a very important measure which contains the amendment referred to by the Senator from Oklahoma. It also contains a provision for refunding the tax on jute and cotton bags, and so far as I know there is no objection in this Chamber to those important measures. House bill 9829,

which passed the House and came over to the Senate, was referred to the Committee on Agriculture. I ask unanimous consent temporarily to lay aside the pending business for the purpose of immediate consideration of the House

The VICE PRESIDENT. The Senator from Idaho asks unanimous consent to lay aside temporarily the pending business, a Senate joint resolution, so that he may ask for the immediate consideration of the bill to which he refers which the clerk will report by title.

The CHIEF CLERK. The bill (H.R. 9829) an act to amend the Agricultural Adjustment Act with respect to the processing tax on hogs.

The VICE PRESIDENT. Is there objection to the im-

mediate consideration of the bill?

Mr. McNARY. Mr. President, I still think, as I expressed myself this morning, that we should continue one piece of legislation at a time. We are all anxious to see this great labor measure enacted. Secondly, while I am in favor of the Senator's proposal, as I explained to him, he now refers to a similar one made by the Senator from Oklahoma. am not sure that I favor that. I desire to question the Senator from Oklahoma more than I did yesterday. Is there any relationship between the proposal of the Senator from Idaho and any other which might be offered in connection with the Agricultural Adjustment Act?

Mr. POPE. I may say to the Senator that it is an amendment in the same bill which merely extends the time within which the processing tax may be paid for 90 days. It is

in the same bill as the jute tax.

Mr. McNARY. Yes; but has it any relation whatsoever with the proposal soon to be offered by the Senator from Oklahoma [Mr. Gore]?

Mr. POPE. Yes; it is the same proposal, as an amendment to this bill, both of which amend the Agricultural Ad-

Mr. McNARY. I am not sure but that might lead to some controversy. The Senator from Oklahoma yesterday proposed some matter which had not been referred to any committee or any department. It may be very worthy. I desire to hear a further explanation. If they are entirely disassociated and are not dependent upon one another, I should be willing to have this bill considered. I want this made clear. Is there any combination or any connection between the Senator's proposal and that soon to be offered by the Senator from Oklahoma?

Mr. POPE. Not at all.

Mr. McNARY. I understood the Senator from Idaho to say a moment ago that there was.

Mr. POPE. Not at all, except they refer to the same general subject matter. They are both amendments to the Agricultural Adjustment Act. The one is to permit a refund of the tax on floor stocks of jute bags and cotton bags, and the Committee on Agriculture included the amendment of the Senator from Oklahoma as a part of their amendment here, which merely extended the time in the discretion of the Bureau of Internal Revenue to 90 days within which to pay the processing tax generally.

Mr. McNARY. Do the Department of Agriculture and the Committee on Agriculture favor the Senator's proposal?

Mr. POPE. They unanimously favor my proposal, including the proposal of the Senator from Oklahoma [Mr. GORE ].

Mr. McNARY. Under those circumstances I shall not object, but I shall object to any other matters being considered until the final disposition, at least, of the unfinished

Mr. LONG. Mr. President, I ask for the regular order. The VICE PRESIDENT. Is there objection to the present consideration of the House bill presented by the Senator from Idaho [Mr. Popel?

Mr. NEELY. Mr. President, I reserve the right to object to the present consideration of the bill if it leads to debate, and I shall object to every other request for unanimous consent until the present unfinished business shall have been completed.

Mr. POPE. I can assure the Senator that it will not lead to debate.

The VICE PRESIDENT. Is there objection to the immediate consideration of House bill 9829?

There being no objection, the Senate proceeded to consider the bill (H.R. 9829) to amend the Agricultural Adjustment Act with respect to the processing tax on hogs.

Mr. POPE. I offer the amendments which I send to the

The VICE PRESIDENT. The amendments will be stated. The CHIEF CLERK. On page 1, it is proposed to strike out lines 3 to 9, inclusive, and in lieu thereof to insert the fol-

That (I) section 16 of the Agricultural Adjustment Act is amended by adding thereto the following new section: "(C) Upon the sale or other disposition of any article processed wholly That (I) or in chief value from any commodity with respect to which the existing rate of the processing tax is to be increased, or decreased, that on the date such increase, or decrease, first takes effect with respect to the commodity, is held for sale or other disposition (including articles in transit) by any person, and upon the production of any article from a commodity in process on the date on which the rate of the processing tax is to be increased or decreased, there shall be made a tax adjustment as follows:

"(1) Whenever the rate of the processing tax on the processing of the commodity generally or for any designated use or uses, or

of the commodity generally or for any designated use or uses, or as to any designated product or products thereof for any designated use or uses, or as to any class of products, is decreased, there shall be credited or refunded to such person an amount equivalent to the difference between the rate of the processing tax payable or paid at the time immediately preceding the decrease in rate and the rate of the processing tax which would have been payable with respect to the commodity from which processed, if the processing had occurred on such date: Provided, however, That no such credit or refund shall be made unless the rate of the processing tax immediately preceding said decrease is equal to, or less than, the rate of the processing tax in effect on the date on which any floor-stocks tax was paid prior to the adoption of this amendment. amendment.

"(2) Whenever the rate of the processing tax on the processing of the commodity generally, or for any designated use or uses, or as to any designated product or products thereof for any designated use or uses, or as to any class of products, is increased, there shall be levied, assessed, and collected a tax to be paid by such person equivalent to the difference between the rate of the such person equivalent to the difference between the rate of the processing tax payable or paid at the time immediately preceding the increase in rate and the rate of the processing tax which would be payable with respect to the commodity from which processed, if the processing had occurred on such date.

"(3) Whenever the processing tax is suspended or is to be refunded pursuant to a certification of the Secretary of Agriculture to the Secretary of the Treasury, under section 15 (a) of this act, the provisions of subdivision (1) of subsection (c) of this section shall become applicable.

shall become applicable.

"(4) Whenever the Secretary of Agriculture revokes any certification to the Secretary of the Treasury under section 15 (a) of this act, the provisions of subdivision (2) of subsection (c) shall become applicable.

"(5) The provisions of this amendment shall be effective on and after June 1, 1934."

(II) Section 15 (a) of the Agricultural Adjustment Act, as amended, is amended to read as follows:

"(a) If at any time the Secretary of Agriculture finds, upon investigation and after due notice and opportunity for hearing to interested parties that any class of products of any commodity. to interested parties, that any class of products of any commodity is of such low value, considering the quantity of the commodity used for their manufacture, that the imposition of the processing tax would prevent in whole or in large part the use of the commodity in the manufacture of such products and thereby substantially reduce consumption and increase the surplus of the modity in the manufacture of such products and thereby substantially reduce consumption and increase the surplus of the commodity, then the Secretary of Agriculture shall so certify to the Secretary of the Treasury, specifying whether such result will in his judgment most effectively be prevented by a suspension of the imposition of the processing tax or a refund of the tax paid, with respect to such amount of the commodity or any product thereof as is used in the manufacture of such products, and thereafter, as shall be specified in such certification, (1) the imposition of the processing tax shall be suspended with respect to such amount of the commodity as is used in the manufacture of such products and thereafter, as shall be specified in such certification. products, and thereafter, as shall be specified in such certifica-tion, until such time as the Secretary of Agriculture, after further tion, until such time as the Secretary of Agriculture, after further investigation and due notice and opportunity for hearing to interested parties, revokes his certification to the Secretary of the Treasury, or (2) the Secretary of the Treasury shall refund (in accordance with the provisions of, to such persons and in such manner as shall be specified in, such certification) the amount of any tax paid (prior to the date of any revocation by the Secretary of Agriculture of his certification to the Secretary of the Treasury, upon further investigation and after due notice and opportunity for hearing to interested parties) under this title with respect to such amount of the commodity or any product thereof as is used after the date of such certification in the manufacture of such products." facture of such products."

SEC. 2. (a) Paragraph (4) of subsection (d) of section 9 of the Agricultural Adjustment Act, as amended, is repealed.

(b) Paragraph (7) of subsection (d) of such section 9 is amended to read as follows:

amended to read as follows:

"(7) In the case of any other commodity, the term 'processing' means any manufacturing or other processing involving a change in the form of the commodity or its preparation for distribution or use, as defined by regulations of the Secretary of Agriculture; and in prescribing such regulations the Secretary shall give due weight to the customs of the industry."

And on page 2, to strike out lines 10 and 11, inclusive, and in lieu thereof to insert the following:

SEC. 3. Section 19 (b) of the Agricultural Adjustment Act, as amended, is amended by striking out the word "ninety" and inserting in lieu thereof the words "one hundred and eighty."

Mr. McGILL. Mr. President, I should like to inquire of the Senator from Idaho if the exemption relative to the processing tax on hogs has been eliminated from this

Mr. POPE. It has. That was section 1, and that has been stricken out.

The VICE PRESIDENT. The question is on agreeing to the amendments offered by the Senator from Idaho.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

## SETTLEMENT OF LABOR CONTROVERSIES

The Senate resumed the consideration of the joint resolution (S.J.Res. 143) to effectuate further the policy of the National Industrial Recovery Act.

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent to substitute House Joint Resolution 375 for Senate Joint Resolution 143, as amended, and to consider the House joint resolution at this time. They are identical, with the exception that the House joint resolution does not contain the two amendments which were adopted to the Senate joint resolution this morning, and I will ask to incorporate the amendments referred to in the House joint resolution if consent shall be given.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the joint resolution (H.J.Res. 375) to effectuate further the policy of the National Industrial Recovery Act.

Mr. ROBINSON of Arkansas. Now I move the following amendment:

On page 1, line 11, after the word "commerce", to strike out the period and insert a comma and the following language, being the language of the first amendment adopted this morning:

The salaries, compensations, and expenses of the board or boards and necessary employees being paid as provided in section 2 of the National Industrial Recovery Act.

I ask for the adoption of the amendment.

The VICE PRESIDENT. The question is on agreeing to

Mr. McNARY. Mr. President, on account of the noise in the Hall, the Senator did not make clear to me the purpose of the amendment.

Mr. ROBINSON of Arkansas. I do not think this amendment is necessary, but it has been reported by the Committee on Education and Labor. I think the salaries and expenses will be paid out of the National Industrial Recovery funds without the adoption of the amendment, but, in view of the fact that the committee thought the amendment necessary and reported it and the Senate agreed to it this morning while we were considering the Senate joint resolution, I have moved the amendment to the House joint resolution.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ROBINSON of Arkansas. I move a further amend-

On page 2, line 22, after the word "resolution". I move to insert the words "with reference to the investigations authorized in section 1."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. LA FOLLETTE. Mr. President-

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Wisconsin?

Mr. ROBINSON of Arkansas. I yield the floor.

Mr. LA FOLLETTE. I reoffer to the pending House joint resolution the amendment in the nature of a substitute which I offered to the Senate joint resolution, and upon that question I ask for the yeas and nays.

Mr. LONG. Mr. President, I want to appeal to my friend from New York and to my friend from Wisconsin not to complicate this matter, because it is going to mean that we are not going to be able to do anything at all for the working people at this session of Congress. I hope my friend from New York, if necessary, will intercede with my friend from Wisconsin not to complicate this matter at all at this late hour. I am in favor of the amendment if it were timely and if it would do any good to consider it.

Mr. LA FOLLETTE. How could it complicate the pending measure simply to take a vote upon this question?

SEVERAL SENATORS. Vote!

Mr. WAGNER. Mr. President, this is really one of the most embarrassing moments of my whole political life. Every Senator knows and I think the public knows that I have devoted myself to the task of preventing strikes and composing differences after strikes occur since early in August, when the President of the United States asked me to leave behind a very pleasant vacation and assume the duties of the chairmanship of the National Labor Board. From then until now I have devoted all my time not spent in the Senate to the work of that Board. From last August until the session began I rarely left Washington except to go where a strike was in progress or was threatened. I might add, although I do not need to, I know, that for this I received no compensation of any kind. Many a night, on one occasion for 3 nights in succession, I remained up until 4 o'clock in the morning with a group of workers and industrialists for the purpose of preventing a strike which I knew would have been a serious impediment to our recovery program. I make these preliminary remarks so that nobody will doubt my devotion to this cause, a devotion which has resulted in some sacrifice of my

I want to say a word to the Senator from Maryland [Mr. Typingsl, who a moment ago protested against a threatened strike and censured this proposed legislation as an invasion of the liberty of the worker. As an example of the exercise of freedom of contract he cited the so-called 'representative plans" which are in existence in certain industries under the control of large employers. May I briefly explain to the Senate the plan which the Senator from Maryland says protects the freedom of the worker, while he claims that the legislation we propose is intended to deprive the worker of his just freedom? The view of the Senator from Maryland was expressed so energeticallyand I know in good faith-that I want him to know the facts as I have obtained them, not from reading a few letters but from actual evidence presented by the very many controversies before the National Labor Board.

How do these representative plans permit freedom of contract and freedom to organize on the part of the workers? First let me say that nearly all these so-called "company-dominated unions" have been organized since the enactment of the National Recovery Act by the same large employers who before the act refused to permit their workers any form of organization for the purpose of collective bargaining. The corporation referred to by the Senator from Maryland, it is true, has had a representative plan for many years, but it has nevertheless possessed the characteristics of the newer ones.

I may say that the proposed legislation does not interfere with the workers if they want a representative plan. If they want one, they should have it. But the question should be decided by the workers and not by the exercise

of the economic coercion which the employer can yield over his employees.

Mr. TYDINGS. Mr. President-

Mr. WAGNER. Let me finish this thought and then I shall be delighted to answer any question I can. How are these company unions, which, it is said, protect the worker, organized? Here is an actual case. I am giving evidence now; I am standing at my machine, working. The foreman walks over to me and says, "Here is your constitution." He goes along throughout the entire shop and says to each worker, "Here is your constitution." The worker takes the constitution and puts it in his pocket. He has no alternative. Refusal means the loss of his job. That is the way a company-dominated union is organized. There is no meeting in any large hall; there is no discussion of the provisions of the constitution; there is no request of the worker, "Do you want to join this organization, or would you rather have an outside union?" No. "Here is your constitution."

The Senator from Massachusets [Mr. Walsh] will bear me out in my statement. A number of these constitutions were presented to the committee. Is there liberty of selection in these constitutions? In the first place they provide that nobody may be chosen as a representative unless he is employed in the plant. In other words, the employer wants to be sure that he may always exercise the economic coercion which he has over men who work for him. If the employee dares to be militant in advocating collective bargaining or seeking agreements for higher wages or lower hours, the employer may say, "Now, boys, you had better mind your own business and go back to your machines or out you go." The worker is not permitted, under such a plan, to have an outside organization or an outside individual who may be free from that economic coercion to represent him in his bargaining. Now, what is next?

Mr. COSTIGAN. Mr. President-

Mr. WAGNER. I yield.

Mr. COSTIGAN. Am I to understand the Senator from Maryland to suggest that the condition the Senator from New York has described is in fact industrial liberty?

Mr. WAGNER. It is the industrial liberty to which the Senator from Maryland referred. I am sure, however, that he did not know all the facts; I know he is as strong a friend of the working man as anybody on this floor; I want him to listen to my experience.

Mr. TYDINGS. Mr. President—
Mr. WAGNER. Will the Senator allow me to finish these remarks in regard to the company union?

Mr. TYDINGS. Of course, if the Senator will not yield to others I do not ask him to yield to me, but inasmuch as he is discussing me I think he ought to yield to me. However, I shall wait.

Mr. WAGNER. I shall be glad to yield to the Senator. The only representative the worker may elect to represent him is somebody in the plant.

Mr. BORAH. Mr. President, is the Senator now speaking about his bill and not the resolution?

Mr. WAGNER. The Senator from Maryland has defended the representative plan as being the ideal plan.

Mr. TYDINGS. Oh, no, Mr. President! That is why I wanted the Senator to yield to me. All I did protest about was that men wanting the representative plan should not be coerced into taking a plan which they do not want. That is all I am protesting about. I am 100 percent for the Senator's argument that the men who do want the other plan ought to have the right to take that plan. I am equally opposed to the men who do want the representative plan being coerced into joining a union which they do not want to join.

Mr. WAGNER. All we can do is to provide by law that the worker shall be free to make his choice. I am trying to show that the worker about whom the Senator is talking is not free to make any choice.

Mr. TYDINGS. In Maryland?

Mr. WAGNER. No. I am speaking about the representative plan the Senator mentioned.

Mr. WALSH. Mr. President, will the Senator yield? Mr. WAGNER. I yield.

Mr. WALSH. Does the Senator know of any way to prevent any employee from coercing another employee to join or not to join a union?

Mr. WAGNER. Why, no. But we know there is no possibility that the same coercive power can be exercised by one employee against another that can be exercised by the employer against the employee. If the employee does not do what is wanted by the employer, he does not retain his job. To lump employers and employees together is to bewilder the listener and confuse the situation.

What else happens? Suppose the worker says, "We would like to vote for a union to represent us. We feel that you. Mr. Employer, can hire lawyers and economic experts to prepare a perfect case for you upon all the economic questions which enter into a discussion of hours and wages and other conditions of work. Will you let us have an outside organization, free from economic coercion, which will hire lawyers and economic experts to prepare our case so that at least we may have the equality of bargaining power guaranteed under the Constitution and under a democracy? All we want is freedom. That is all we ask."

The employer answers: "No; you cannot. We drew the constitution, and under it you cannot vote for anybody to represent you except some man working here."

Mr. President, what are we trying to do? All we provide is that the employer must leave the worker alone during an election. The employee says: "You have privileges under the N.R.A. that you never had in all the history of the country. You are free from antitrust laws. You may organize your associations. You may combine for the purpose of exchanging economic information. No employee denies to you the right to organize and to choose your representatives. If he dared to do so, he would lose his job. Let us be as free as you are. If we want to elect an outside representative or an outside union, will you not give us the ordinary American right of voting for that kind of representative?" The employer says "No!"

Mr. TYDINGS. Mr. President, will the Senator give us the names of those employers, because I am citing concrete cases, and I wish the Senator would do so too. I do not mean to say they do not exist, but I should like to know the names of the employers who will not allow the men to have that privilege. I do not say there are none, but I want to know who they are.

Mr. WAGNER. If the Senator will take the trouble to read the testimony at the hearings on the Wagner labor disputes bill he will find, and I am sure members of the committee will bear me out, that there were presented 6 different constitutions of company unions organized by 6 of the largest employers in the United States right after the Recovery Act was approved, all having exactly the same

Mr. TYDINGS. I am not familiar with those constitutions. Do the men have the right to belong to a union and to amend the constitution?

Mr. WAGNER. Oh, no; they cannot belong to a trade union.

Mr. TYDINGS. I asked the Senator if the men who live under the constitution have the right to amend it?

Mr. WAGNER. No; they have not. I am coming to that next. The employers, through the ingenuity of a very skillful lawyer, no doubt, provide that the men may not amend this constitution. This is interesting. They say, You cannot amend this constitution unless I, the employer, agree to it." Is that liberty?

Mr. TYDINGS. No; it is not.
Mr. WAGNER. No; it is not liberty. I knew the Senator would agree with me.

Mr. TYDINGS. But that is not the point. I will go just as far as the Senator will go in correcting that situation, allowing men to join any union they want to join. My theory is that there may be men who do not want to join the union who will be coerced under the Senator's bill into

joining a union where really they are happy and contented as they are and do not want to be forced to join a union.

Mr. WAGNER. How is that possible?
Mr. TYDINGS. I am only reading the testimony.
Mr. WAGNER. The Senator is arguing against universal suffrage. His argument is that I ought not to have a right to vote because someone might come to me and improperly influence me one way or the other. [Laughter.] That is the argument.

Mr. TYDINGS. I am only arguing that in my own State, where there is the largest employment of men in any single industry, the men have written me as their Senator stating that they fear under this bill they will be compelled or coerced to join a union which they do not want to join. In voicing their protest I feel that I am doing nothing more than they would have me do as their representative.

Mr. WAGNER. Here is all there is to it. We are extending the right to the workers to elect any individual or organization they choose, instead of being restricted. How is that compelling anybody to do anything? The charge of compulsion is a gross misrepresentation that has circled the country.

Let me tell the Senator another thing that is done. There is nothing more advantageous to a plaintiff than to be able to pay the fee of the attorney for the defendant. Then he has both sides. Now, under these constitutions, the employees' representatives are paid by the employer. Whenever they take time off to devote to the work of the company union they put in a slip to the employer, who pays the whole bill. As representatives of the public, it is our duty to preserve equality of opportunity and of contract by putting a stop to this unfair practice.

Mr. TYDINGS. Mr. President, will the Senator yield? The PRESIDING OFFICER (Mr. HARRISON in the chair). Does the Senator from New York yield to the Senator from Maryland?

Mr. WAGNER. I yield. Mr. TYDINGS. The Senator is more familiar with this matter than I am, because, I think, he was one of the members of the Board or at least had contact with the Board. I am now going to read a paragraph from the letter from which I previously read and which I did not read at that time. The writer of the letter says:

I cite you these instances to show you the fairness with which the elections are conducted. Our workmen want to be reprethe elections are conducted. Our workmen want to sented by other workmen if they are given the opportunity. The sented by other workmen all made by a secret ballot. The elections referred to above were all made by a secret ballot. The three men receiving the highest number of votes for each zone become candidates in this direct-primary system. Elections are then held to select one man from the three men receiving the highest number of votes.

In the elections which the Labor Board has held over the country nomination is made in all cases by petition. Any 10 signers can place, as a rule, 6 names in nomination. From a Labor Board election experience which we had at our Russellton mine, we know that men are afraid to nominate people other than union men, and candidates will not run for fear of being besten up having their houses dynamical at the As a metter of beaten up, having their houses dynamited, etc. As a matter of fact, some of the men, after having signed petitions, were fright-

ened so badly that they asked to have their petitions withdrawn. It is my personal belief and opinion that the Labor Board have been much more interested in entrenching the American Federation of Labor in industry in this country than they have in securing fair elections.

I do not mean to say that all union men are dynamiters.

Mr. WAGNER. They say so. Mr. TYDINGS. Oh, no. The Senator is too fair to say that.

Mr. WAGNER. I will withdraw that statement. Mr. TYDINGS. What I do want to do is to get, if I can, what the Senator calls an industrial contract. If the conditions pictured in the letter which I have read really exist, and I have no doubt they do, then certainly there is good and bad on both sides of the equation.

Mr. WAGNER. I do not say that there is not good and bad on both sides. All I want is to promote equality.

Mr. TYDINGS. That is what I want to do.

Mr. WAGNER. Then the law will do the rest.
Mr. TYDINGS. But I do not want to have a man coerced into joining a union if he does not want to join it.

Mr. WAGNER. There is nothing in the bill that coerces or permits coercion. It merely gives the worker the right to select an organization instead of an individual, if he wants to do that. That is an American right that he ought to enjoy, because what does it profit a man to have so-called "political freedom" if he is made an economic

The Senator suggested something about men being prohibited from striking. I am as devoted to the prevention of strikes as anybody can be. As I said before the Senator from Maryland came into the Chamber, I have devoted my time since last August, day and night, to avoiding strikes, because they should be the last resort. But if men are deprived of that right altogether, as the Senator from Massachusetts [Mr. Walsh] so eloquently said, they are made economic slaves.

Mr. TYDINGS. Nobody approves of that.

Mr. WAGNER. I did not intend to say all of this, but I want the Senate to know my experiences. Now, let me refer to the matter of elections.

We have held over 300 elections. Let me give one typical illustration. We held one in the captive mines in 2 days. We did it without a policeman, without a soldier, and 15,-000 men voted on the subject as to whether they wanted a company union or an outside union. Fifteen thousand men cast their ballots as free from disturbance as any election could possibly be, with nobody around except the representatives of the National Labor Board and representatives of both employer and employee.

I ask the Senator not to believe these stories about dynamiting. Who is this worker we are talking about? Is he some enemy of this country? Is there any reason why he, unlike other people, should be shackled in some way? He is a man of flesh and blood like you and me, with hopes and aspirations, who wants to preserve America for himself and for his children. He has fought to protect our Nation in its hour of danger, and with his hands he has built its cities and produced its wealth. All he asks in return is an opportunity to work; an opportunity to earn enough to feed himself and his family, plus a little education and a little leisure and security. That is all.

That is the man for whom I am pleading. I do not ask any undue advantage for him. I simply want to see him get an opportunity in life, because I love this country, which gave me my opportunity, and to which I owe everything I have. For the rest of my life I shall devote myself as best I can to serving my country. I never can repay my country for what it has done for me.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. WAGNER. Yes.

Mr. WALSH. The Senator has stated that the Labor Board has conducted a large number of elections; I think he said over 300.

Mr. WAGNER. Over 300.

Mr. WALSH. Is it not a fact that under existing law the Labor Board has no authority to hold these elections, but has been able to do it only by mutual agreement?

Mr. WAGNER. That is true.

Mr. WALSH. And is it not a fact that under the pending joint resolution, whatever board is created will have authority to hold elections such as the Senator's Board has been holding, and prevent such occurrences as the Board has experienced, of refusal on the part of employers to hold elections?

Mr. WAGNER. Exactly.

What has been my difficulty with Mr. Weir? He has made it a personal matter. It was not really a personal matter. Mr. Weir is a very fine gentleman, a great industrialist, a man of the highest character. He has a different philosophy from mine on the subject of labor relationships. All that I asked of him was to have the ballots in such form that the workers might select the representatives they desired, whether an inside or an outside organization, in an election free from any influence or coercion. That is all I asked, and I thought my request was as fair as could be, and I felt sure he would accept it in behalf of his company; but he | I believe that if this amendment of his were presented as a chose not to do so.

Mr. SHIPSTEAD. Mr. President-

Mr. WAGNER. A Senator asks me whether there was a strike. There was. We intervened by asking the men to go back, and after 2 days they did so. We told them we would insure them a fair election, which was all they asked. I could not get it for them; but they did go back to work, 10,000 of them, I think.

Mr. SHIPSTEAD. Mr. President, will the Senator yield to me now?

Mr. WAGNER. I yield. I have already said too much.

Mr. SHIPSTEAD. I desire to call the attention of the Senator to this fact, which appears to me very simple and plain:

Is it not just as unreasonable for the company employer to dictate to the employees as to what union they shall belong to as it would be for the members of the union to dictate to the corporation whether or not it shall join the chamber of commerce?

Mr. WAGNER. Exactly; and in the bill as reported by the committee it is provided not only that the employer must not interfere with the employee in selecting his representatives but also that the employee must not interfere with the employer in selecting his representatives.

Mr. WALSH. Or trade associations.

Mr. WAGNER. Or trade associations. We provided that neither side should use coercion against the other. There never has been any serious contention, however, that the employees have interfered with the employers in the selection of the employers' representatives.

Mr. SHIPSTEAD. No; but it would not be more ridiculous than the position of the employer as regards the union. The unions or the laboring people never have questioned the right of the stockholders of a corporation to choose their own superintendent, and they do not have to choose him among their stockholders. They can get him from any part of the country. It seems to me that the employees should have the same right to select their business agent wherever they can hire him. They want the best business agent or organizer they can get, and they have the same right to choose their own representative that a corporation has.

Mr. WAGNER. Mr. President, it does seem so to me; but there seems to be an opinion, particularly among large employers of labor, that that is not the fact; that they are not entitled to that right. I never have been able to understand this view, but I think many employers are sincere about it. I am not condemning them at all; I just do not agree with their philosophy.

Mr. SHIPSTEAD. That was true of the old-time slave owner. He was sincere.

Mr. WAGNER. Oh, yes. The feudal lords used to say, "Do not stir up these people. Leave them alone. They are happy." I would not buy peace at the price of slavery. Some may, but I shall never subscribe to the proposition that peace is so valuable that we should have it at the expense of liberty.

Mr. NYE. Mr. President, will the Senator from New York yield?

Mr. WAGNER. I am now going to make an appeal. I said at the start that this is a very embarrassing moment for me, because I was going to ask the Senator from Wisconsin to withdraw his amendment.

The Senator knows that there is no one for whom I have a higher regard than I have for him. I can remember that in the early days of the depression, when its full extent had not yet penetrated to the consciousness of many officials, and while even Congress was quite complacent, thinking that prosperity either was here or "just around the corner" the Senator from Wisconsin [Mr. LA FOLLETTE], the Senator from Colorado [Mr. Costigan], and I fought to secure relief for the destitute and a large public-works program to put the unemployed back at work. I never can forget that association; and I know that the heart of the Senator from Wisconsin throbs for the unfortunate and those who need our help. I know how devoted he is to this whole cause. new proposition it undoubtedly would be adopted.

But I know how many of my colleagues are situated, particularly on this side of the aisle. Like myself, they are following the leadership of the President. The President feels that at this time this temporary measure ought to be passed to relieve an emergency situation, and that by next year, through study and experimentation and experience. we shall be able to frame some permanent legislation. Therefore, many of the Senators, on this side of the Chamber particularly, while in sympathy with this legislation as a permanent matter, feel that they ought to follow the President's lead in this situation and, therefore, might cast a vote against this amendment and be put on record as opposing something which the laboring people feel is for the better protection of their rights. I do not feel justified in subjecting the Senators to this embarrassment when there is no chance of passing the measure and, in addition, jeopardizing the eventual success of the full measure. Therefore, I will ask the Senator to withdraw his amendment at this time. We will fight for it next year, when the country will have become sufficiently educated as to the need for it.

Mr. LA FOLLETTE. Mr. President, the Senator's request is very embarrassing to me.

As I stated before, when I was discussing this substitute. the amendment in large measure, of course, is the work of the Senator from New York. I did not offer it, however, without notifying him that it was my intention to do so.

I wish to make it clear, however, that the embarrassment of other Senators is not the controlling factor in my response to the request of the Senator from New York.

I feel, however, that he has some claim upon this piece of legislation. After all, it is the child of his brain, in large part. How far he has the right to control its disposition in the form of an amendment is a close question.

I was not brought up "to march up the hill and march down again." So far as I know, I have never started a fight in this body and quit. Since the Senator from New York asks me not to press his bill which forms the basis of my amendment, I feel compelled to make this difficult decision in his favor. I withdraw it.

The PRESIDING OFFICER. The Senator from Wisconsin withdraws his amendment.

Mr. LA FOLLETTE. Mr. President, I have another amendment I desire to offer.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. At the end of the joint resolution, it is proposed to add a new section, as follows:

Nothing in this resolution shall prevent or impede or diminish in any way the rigiconcerted activities. the right of employees to strike or engage in other

Mr. LA FOLLETTE. Mr. President, may I ask either the Senator from Massachusetts or the Senator from Arkansas whether he is in position to accept this amendment?

Mr. WALSH. Mr. President, I will say to the Senator that the amendment was suggested to me, and I consulted the counsel of the Department of Labor and others. They all inform me that there is absolutely no need of this prohibitive clause against action which would deny the right to strike, because of the fact that the Board provided for would be empowered only to investigate.

Mr. LA FOLLETTE. Mr. President, I agree with the strict construction of the joint resolution, but if that be true, and inasmuch as we have often placed such safeguarding amendments in other legislation, I see no reason why the Senator should not accept this amendment.

Mr. WALSH. I am not refusing to accept it; I am simply stating the fact, that it would have been put in if it had been necessary. In my opinion, it is not necessary, and in the opinion of the legal department which drew the joint resolution it is not necessary. However, I have no objection to it going in.

Mr. LA FOLLETTE. I do not mean to infer any criticism of the Senator or of the committee.

Gore

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE]. [Putting the question.] The ayes seem to have it.

Mr. McNARY. Mr. President, there was so much noise permitted by the present occupant of the Chair that I do not know now what has occurred. I should like to have the amendment read and have some explanation of it.

The PRESIDING OFFICER. The clerk will read the amendment proposed by the Senator from Wisconsin.

The LEGISLATIVE CLERK. At the end of the joint resolution it is proposed to add a new section, as follows:

Nothing in this resolution shall prevent or impede or diminish in any way the right of employees to strike or engage in other concerted activities.

Mr. LA FOLLETTE. Mr. President, may I say to the Senator from Oregon what I said a few moments ago to the Senator from Massachusetts? This joint resolution, I think, under a strict construction of its terms, does not in any way affect the right of labor to engage in collective action. However, often in legislation of similar character safeguarding amendments have been adopted and are upon the statute books. There is grave apprehension, I may say to the Senator, in the minds of some of those who represent the wage earners, that a broad construction of the phraseology of section 1 of the joint resolution may be enlarged to include this power.

The Senator from Massachusetts states that he does not think any such power is involved in the joint resolution, and therefore the committee did not recommend it, but if that be the case, I am appealing for the adoption of this amendment in order that certainty may be made double

sure. The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin. Mr. LA FOLLETTE. I ask for the yeas and nays upon

the amendment.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. FESS (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. GLASS], who is detained from the Senate on official business. I am informed that if present the Senator from Virginia would vote as I intend to vote, and therefore I am permitted to vote. I vote "yea."

Mr. ROBINSON of Arkansas (when his name was called). Announcing my pair with the Senator from Pennsylvania [Mr. REED] and transferring that pair to the Senator from

New York [Mr. COPELAND], I vote "yea."

Mr. WALCOTT (after having voted in the affirmative). Mr. President, I should have announced that I have a general pair with the junior Senator from California [Mr. McADOO], but I am informed that if present he would vote "yea" on this question. Therefore I am at liberty to vote, and I allow my vote to stand.

Mr. ROBINSON of Arkansas. I am asked to announce that the junior Senator from California [Mr. McADOO] is

detained by illness.

I also wish to announce that the Senator from Florida, [Mr. TRAMMELL], the Senator from Indiana [Mr. Van Nuys], the Senator from New York [Mr. COPELAND], the Senator from Virginia [Mr. GLASS], and the Senator from Oklahoma [Mr. Gore] are necessarily absent. If present, these Senators would all vote "yea."

Mr. HEBERT. Mr. President, the Senator from Pennsylvania [Mr. Reed] is absent on account of illness, and the Senator from New Hampshire [Mr. KEYES] is necessarily absent from the city. I am not advised how either Senator would vote on this question. The general pair of the Senator from Pennsylvania and its transfer has been stated. The Senator from New Hampshire [Mr. KEYES] has a general pair with the Senator from Indiana [Mr. VAN NUYS].

The result was announced—yeas 86, nays none, as follows:

YEAS-86

Adams Ashurst Austin Bachman Bailey Bankhead Barbour

Schall Duffy Bone Lonergan Long McCarran Sheppard Shipstead Borah Erickson Bulkley Fletcher McGill Smith Steiwer Bulow Stephens Thomas, Okla. Thomas, Utah McNary Metcalf Byrd George Byrnes Capper Caraway Carey Gibson Goldsborough Murphy Hale Harrison Neely Norris Thompson Townsend Hastings Clark Nye O'Mahoney Tydings Vandenberg Connally Hatch Coolidge Hayden Hebert Overton Patterson Wagner Walcott Costigan Couzens Johnson Walsh Pittman Pope Reynolds Robinson, Ark. Robinson, Ind. Kean King La Follette Wheeler White Cutting Davis Dickinson Dieterich Lewis NOT VOTING-10 Copeland Hatfield Norbeck Trammell Keyes McAdoo Reed Van Nuvs

So Mr. La Follette's amendment was agreed to.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed without amendment the following bills and joint resolutions of the Senate:

S. 1510. An act to amend the act entitled "An act to adjust water-right charges, to grant other relief on the Federal irrigation projects, and for other purposes", approved May 25, 1926, with respect to certain lands in the Langell Valley Irrigation District:

S. 3178. An act authorizing the George Washington Bicentennial Commission to print and distribute additional sets of the writings of George Washington;

S. 3742. An act granting the consent of Congress to the State Board of Public Works of the State of Vermont to construct, maintain, and operate a toll bridge across Lake Champlain at or near West Swanton, Vt.;

S.J.Res. 108. Joint resolution authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point, Eloy Alfaro and Jaime Eduardo Alfaro, citizens of Ecuador; and

S.J.Res. 117. Joint resolution authorizing the President of the United States to present the Distinguished Flying Cross to Emory B. Bronte.

The message also announced that the House had passed the bill (S. 1103) to authorize the Secretary of the Navy to proceed with certain public works at the Naval Air Station. Pensacola, Fla., with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the bill (S. 1948) amending the act entitled "An act authorizing the Court of Claims to hear, determine, and render judgment in the civilization fund claim of the Osage Nation of Indians against the United States", approved February 6, 1921 (41 Stat. 1097), with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed without amendment to the concurrent resolution (S.Con.Res. 23) as follows:

Resolved by the Senate (the House of Representatives concurring), That the Clerk of the House of Representatives is authorized in the enrollment of the bill (H.R. 9830) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes, to insert on page 2, after line 23, of the House engrossed bill, the following: following:

"For payment to Susan I. Brumm and Joan L. Brumm, sisters of George F. Brumm, late a Representative from the State of Pennsylvania, \$8,500."

The message further announced that the House had agreed to the following concurrent resolutions, in which it requested the concurrence of the Senate:

# House Concurrent Resolution 39

Resolved by the House of Representatives (the Senate concurring), That there shall be compiled and printed, with illustrations, in such form and style as may be directed by the Joint

Committee on Printing, 7,000 copies of the proceedings at the joint session of the two Houses of Congress in the Hall of the House of Representatives on May 20, 1934, held in commemoration of the centennial anniversary of the death of Gilbert du Motier, Marquis de La Fayette, together with such other matter as the committee may deem pertinent, of which 1,000 copies shall be for the use of the Senate, 4,000 copies shall be for the House of Representatives, and 2,000 copies for the use of the Joint Committee on Arrangements.

## House Concurrent Resolution 44

Resolved by the House of Representatives (the Senate concurring), That 2,500 copies of the prayers offered by the Reverend James Shera Montgomery, Chaplain of the House of Representatives, at the opening of the daily sessions of the House during the Seventy-second and Seventy-third Congresses, be printed and bound for the use of the House of Representatives.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 9275. An act to provide for the protection and preservation of domestic sources of tin; and

H.R. 9946. An act providing for the ratification of Joint Resolution No. 59 of the Legislature of Puerto Rico, approved by the Governor May 5, 1930, imposing an import duty on coffee imported into Puerto Rico.

#### HOUSE BILL REFERRED

The bill (H.R. 9275) to provide for the protection and preservation of domestic sources of tin was read twice by its title and referred to the Committee on Military Affairs.

## SETTLEMENT OF LABOR CONTROVERSIES

The PRESIDING OFFICER. The question now recurs on the passage of the bill.

Mr. NYE obtained the floor.

Mr. HASTINGS. Mr. President, will the Senator yield to me for a moment?

Mr. NYE. I yield.

Mr. HASTINGS. I should like to say that when the last roll call began I had intended to vote against the amendment, not because there was anything in it that particularly changed the bill, but a day or two ago I understood there was an agreement with respect to this joint resolution that, so far as possible, it was to be supported without change. I was undertaking to carry out that agreement, but when I found that no one agreed with that as part of the program I changed my mind.

Mr. NYE. Mr. President, I regret exceedingly that the Senator from Wisconsin [Mr. La Follette] has found it necessary to withdraw the amendment, the amendment which took the form pretty much of the original of the Wagner bill. In light, however, of the request that was made for its withdrawal, I fail to see how the Senator from Wisconsin could have done otherwise. And I hope as much as I can hope for anything that a new session of the Congress is going to devote itself to the providing of those provisions for labor which will give labor its share of national recovery.

All over this country for months there has been agitation, there has been danger of grave labor uprisings and difficulties. The one thing, Mr. President, that has stayed the hand and mind of those who have felt that grave injustice was being done them under certain operations of N.R.A. has been the hope and expectation that there would be adoption by this Congress of the provisions of the Wagner bill. Now, there is offered in its stead a substitute in the form of a resolution calling for the creation of a board to see that something is done to do what the National Recovery Act assured would be done, namely, give to labor fair play and an equal share of whatever was accomplished in the way of recovery.

Section 7 (a) of the National Recovery Act provides very specifically:

SEC. 7. (a) Every code of fair competition, agreement, and license approved, prescribed, or issued under this title shall contain the following conditions: (1) That employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection; (2) that no employee

and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing; and (3) that employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment, approved or prescribed by the President.

Every employer, Mr. President, who accepted any part in or responsibility under an approved code knew that section 7 (a) was a part of the thing he was assuming responsibility in or under. And yet we are told that there has been flagrant violation of section 7 (a), so flagrant a violation that we need more legislation to make the employer do what thus far we have failed to make him do under the National Industrial Recovery Act. So, we are asked to adopt this resolution and create a board to do what? Is it fair to answer: to make the administrators of N.R.A. do what the National Industrial Recovery Act requires that they shall have done? Employers signing—placing their signatures to codes, including the provisions of section 7 (a) of this act, knowing what their code provided for, now flagrantly violate those provisions.

Why in the world does not the National Industrial Recovery Administration take the code away from those violators? It has taken it away from others. The little pants presser has lost his blue eagle because of some little violation of his code. Why, then, is the great employer not deprived of whatever blessing the blue eagle is to him? Why, instead of taking away that blue eagle from him, we continue to let this greedy employer make nothing short of a goose of the Blue Eagle, and then chase labor back here to Congress to get law beyond what has already been written and which ought to be amply sufficient to meet his needs in the present controversy?

We are asked to adopt a resolution which does not do much more than to create a board or boards whose function will be that of striving to protect the interests of labor. I hope that the passage of this resolution will do what its friends think it will do. I hope I am mistaken in my assumption that it will leave labor precisely where it is today so far as relates to its relationship to N.R.A.

Mr. WHEELER. Mr. President, will the Senator yield? Mr. NYE. I yield.

Mr. WHEELER. I do not think there is any doubt but that every one of the Senators who examines the National Industrial Recovery Act would feel that labor was taken care of, and it is only by reason of the interpretations put upon it by the legal department of the N.R.A. that labor has not been able to get its rights under the present N.R.A. act. I am afraid, as is the Senator from North Dakota, that with the passage of this joint resolution they will find themselves in practically the same position they found themselves in before.

Mr. NYE. And do I understand the Senator from Montana to mean that we will be no farther ahead under the joint resolution than we are now?

Mr. WHEELER. Yes.

Mr. NYE. Precisely. I think I am quite in agreement with the Senator from Montana.

Mr. WHEELER. Unless, Mr. President, the N.R.A. officials carry out the provisions of the resolution just adopted better than they did with reference to the old N.I.R. Act, I do not believe that labor will get very much benefit out of this provision.

Mr. NYE. Yes. I point this out to the Senator from Montana. We are creating a board now to give labor what the administrators of the N.R.A. declined for some reason to give them.

There are other provisions in the National Industrial Recovery Act which some employers and some industrialists have flagrantly denied and ignored. There are provisions within the National Industrial Recovery Act protecting the public against the growth or enlargement of monopoly. Section 3 (a) of the National Industrial Recovery Act, in paragraph 2, provides:

Upon the application to the President by one or more trade or industrial associations or groups the President may approve a code or codes of fair competition for the trade or industry or subdivision thereof represented by the applicant or applicants. If the

President finds \* \* \* that such code or codes are not designed to promte monopolies or to eliminate or oppress small enterprises and will not operate to discriminate against them and will tend to effectuate the policy of this title.

Because men found that provision was being violated, that monopolies were under the code intrenching themselves as they had never been intrenched before, because complaints were made to that effect, a board was appointed to see that the small business industries of the country won fair play, to see that monopolies did not make this thing an instrument to destroy all remaining competition. The board was appointed just as a board is to be appointed to try to give labor the blessings of the labor provisions of the National Industrial Recovery Act.

That board became known as the "National Recovery Review Board." It went to work in March, and after weeks of diligent study, aided by splendid hands and splendid minds, reported to the President that this code, that code, and the other code, 7 or 8 or 10 of them, were aiding monopoly, were fostering monopoly, and were all but elimi-

nating small industrial operators in the country.

What has been the result of that report? It has been followed by all manner of language flowing out of the offices of the National Industrial Recovery Administration, belittling and scorning the committee of men who made those findings and reported them to the President. But, finding and offering criticism as they did, have they been thanked for it? No; they have virtually been invited to close their doors and go home.

I wonder what the result might have been if that Board had found, instead of what it did find, and had reported that those codes were not aiding monopoly, that those codes were not working injury upon small enterprises? I wonder if then the request would have been upon the Board to abandon its work and go home?

I am not going to undertake to answer that question, but I do want to make the point that we are now only authorizing another board such as the National Recovery Review Board, headed by Clarence Darrow. We are naming another board. What is going to happen to that board if it does not find in keeping with the beliefs, the interests, and the opinions of those in whose hands the administration of the National Industrial Recovery Act has been placed? Will it be heeded or asked, as has been the review board, to quit and go home?

Mr. CUTTING. Mr. President-

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from New Mexico?

Mr. NYE. I am glad to yield.

Mr. CUTTING. I quite agree with everything the Senator has been saying, but it also occurred to me just now, when the Senator read the original provisions of section 7 (a), that they were couched in very much stronger language than anything we have in the pending resolution. I believe everyone on the floor of the Senate at the time believed, when we adopted section 7 (a) of the National Recovery Act, that we were in a sense abolishing the scandal of company unions.

As the act has been administered, does not the Senator agree with me that the effect in practice has been to stimulate the company union, because the company union was the only way by which the management of certain corporations could get around the provisions of section 7 (a). If we are now going to enact legislation on this subject without strengthening the former provisions and without stopping up the loopholes, are we not going to find ourselves in a position rather worse than the position in which we are at the present time?

Mr. NYE. I think that finding ourselves in a worse position than we are is quite inevitable. I think we will be reconvening here next January and wondering what in the world ever possessed us to run away from what was so plainly our duty here now, namely to provide for those needs of labor whose needs have been so terribly ignored and stamped upon during these more recent months.

One board, named because N.R.A. was not operating as the law declared it should operate, is about to go out of existence vitals, and screeches its song of victory for monopoly.

primarily because it has made findings contrary to the belief, the opinion, and the wishes of those in whose hands has been placed the responsibility of administering that law. Have we any right to hope that the appointments made to the new Labor Board or boards are going to be materially different than have been the appointments made in the case of those who are administering the main provisions of N.R.A. today?

The findings of the review board have been, it seems to me, very positive in the conclusion that in those instances where the board has studied the experiences under the code, in those industrial fields where monopoly has ever had any footing, monopoly is more strongly entrenched than it ever was before. There is large complaint in those fields on the part of the smaller operators. In other industrial fields where monopoly has never taken real root, where the field does not lend itself readily to the interests of monopoly, codes are working fairly well and there is pretty general approval on the part of the larger operators and the smaller operators in those fields.

Mr. LEWIS. Mr. President, will the Senator yield?
The PRESIDING OFFICER. Does the Senator from
North Dakota yield to the Senator from Illinois?

Mr. NYE. Certainly.

Mr. LEWIS. May I ask the Senator from North Dakota, knowing as I do the attention he has given this matter, whether the condition to which he refers in industry is added to by the terms and expressions of the code, or is it his contention that those injustices have resulted from the construction and method of administration of the code?

Mr. NYE. It is my conclusion that they have resulted from the manner of administration by those who administer the codes.

Mr. LEWIS. The able Senator concludes and concedes that the terms of the relief act and the codes being administered would have avoided those injustices if otherwise administered.

Mr. NYE. I am sure of that.

Mr. LEWIS. So, therefore, the evils would rather be in the individuals who administered, and the remedy would be in the removal of the individuals?

Mr. NYE. Quite so; and the necessity now is not that of more law, but is of thorough and detailed administration of existing law.

In the first report made by the Recovery Review Board, if I recall correctly, there were eight codes studied and reviewed. In each and every one of those instances the finding was that great injury was being done the small operator in that field, while monopoly—the larger operator—were enjoying such advantages as had never before been theirs.

I have said since the time the first report was submitted that it was my intention to speak from time to time upon the findings in the report of the review board. The opportunity has not been ours here in the Senate to go into any thorough detail in connection with that report. Since the making of that report another report has been submitted to the President, and will, I understand, be given to the public within the next few days. It is not my intention now, though I think the opportunity should be ours, to deal at any length with the findings which have been made concerning the result of operations under many of these codes.

For the purpose of setting forth in a general way what has been found true with reference to practically all codes in those fields where monopoly exists in any form, I desire to confine myself, and do it quite briefly, to the findings that were made respecting the code covering the moving-picture industry—a code which it has been alleged was annihilating small business, and wrecking life in many homes and in many communities that were affected by that particular code.

Under the moving-picture code, the independents are, as I have intimated, being annihilated. The independents in the moving picture field not only have their backs to the wall, but they are actually being driven through the wall as the Blue Eagle claws at their faces, sinks its talons into their vitals, and screeches its song of victory for monopoly.

prices charged for its movie entertainment, lower quality films foisted upon small theaters, and-according to officials of the United States Government—a destructive influence even upon our children.

Those statements are backed by the testimony of witnesses before various official tribunals. That evidence and testimony is available to anyone who wishes to inspect it at any time. Some of it I will quote today.

To understand the insidious way in which the motionpicture monopoly is being permitted to use the Blue Eagle's claws to destroy opposition, ruin business men, and spread grief through many homes, it is necessary to consider four separate divisions in the entire situation.

First is the manner in which the motion-picture code was drawn, the extremely shady background, and the connections of the various individuals taking part. I say frankly that in my mind there was at least ethical crookedness in drawing that code, and I shall shortly present testimony to support that belief.

Second is the relation of the Government administrator of that code to the motion-picture industry, his relation at the time he supervised the drawing of it, and the manner in which he is now helping to administer it. In this I refer to Sol Rosenblatt, N.R.A. divisional administrator, right-hand man of the motion-picture monopoly group. These statements I shall back by testimony before Government tribunals.

Third, there is the aid and assistance which the Blue Eagle gives the Movie Trust to strangle anyone opposing their destructive plans and policies, and the methods by which this power is used to ravage American business interests.

Fourth is the effect of all this on our own families and

Let us turn directly to Mr. Rosenblatt.

Why was this man chosen to draw up the motion-picture code, and then to administer it?

Was it because Mr. Rosenblatt is the former law associate of Nathan Burkan, member of the board of directors of two of the Big Eight of the movies-the Movie Trust?

Was it because Mr. Rosenblatt would refuse to permit any records to be kept or notes to be made of many of the hearings when the motion-picture code was being formed?

Did Mr. Burkan, intimate associate of Will Hays, movie czar, actually pull the strings from behind the scenes as Rosenblatt wielded the hammer which was to destroy the living-making power of many honest American citizens?

Was it because it was known in advance that when protests came, when there was danger of upheaval, Rosenblatt would not make decisions alone, would not turn to higher Federal groups, but would slip hurriedly to New York to consult with Hays and Pettijohn, the Hays organization's \$50,000 a year attorney, and Burkan?

Was it because the movie trust knew Mr. Rosenblatt of old, and knew that if such trouble came in the future as in independent investigation of this code, Mr. Rosenblatt would refuse to testify, and would rush to their defense with absolutely false statements?

These are vital things in any consideration of this movie messenger boy, who is willing to bear the brunt of attack for one of the most shadily-operated and formed trusts that ever disgraced the pages of American economic and business

What is it that makes Mr. Rosenblatt willing to stand so steadfastly by this piratical gang? Is his \$7,000-a-year salary ample for such loyal performance?

Let us examine the testimony of witnesses before the National Recovery Review Board:

On page 90 of volume 2 of the mimeographed transcript, the testimony of Mr. Harry Brandt starts. Mr. Brandt lives in a rather fashionable neighborhood, at 115 Central Park West, New York, and is president of the Independent Thea-

The public is being made to suffer equally with higher | understand, as a thoroughly trustworthy and reputable citizen. The testimony reads:

> Q. Have you a transcript of the testimony taken in the N.R.A. with reference to the drafting of the motion-picture code?—A. No. There were no records taken at all. There were no minutes of any of the meetings, with the exception of one when Mr. Schechter, the attorney for the independents, started to take notes—he could take shorthand—and Mr. Rosenblatt, the administrator, told him that if he took any notes of the meeting he would call the meeting to an end.

> There is other testimony by other witnesses that Mr. Rosenblatt declined to let anyone have any record of what transpired as he maneuvered the formation of this code. Why did he do this? Did he fear that what he was doing would rise in some future day to smite him with blows of evil machinations perpetrated by him for those who control this industry? If so, those fears are justified, for the blows now are being struck, notes or no notes, through the fearless reports of the Recovery Review Board.

> The facts in those reports cannot be downed or obliterated, no matter how much General Johnson and his paid evasionists and obliterators shout "Red." Not all of the Johnson jingle in the world can change the fact that under this Rosenblatt code life is strangled for the independent, and he must pay for the hemp to make the rope.

> On page 199, volume 2, of the record of the Review Board, there is this testimony by Mr. Louis Blumenthal:

Q. Was Mr. Rosenblatt in the practice by himself or did he work for someone?

This was, of course, before N.R.A., I might mention.

. He worked for someone.

Q. What was the man's name?—A. Nathan Burkan. Q. Who is Nathan Burkan?—A. An attorney.

Q. Do you know whether or not Mr. Burkan represents any of the movie interests?—A. He does. He is attorney and member of the board of the Columbia Motion Pictures Corporation, and he is also attorney and member of the board of the United Artists Corporation.

Now, Mr. President, both of these are members of the Big Eight, of the trust, the monopoly. Mr. Rosenblatt went directly from his association with Nathan Burkan to his association with General Johnson, and to the place of supreme designator of what the Movie Trust could or could not do.

The record shows that he threw the gates wide open, figuratively told the trust to do as it pleased, gave them everything they wanted, fought their battles, and reported to them personally in New York rather than to his own Federal Government superiors.

I ask what is the obvious answer to the question:

Who sent Rosenblatt from Burkan's office to N.R.A.—who made the choice?

Thus in this industry, where there are hundreds of independent theaters not part of the trust, some of them costing half a million dollars, the trust gang had their own man make the code, has their own man as the Government representative on the code authority, and has 8 of its own gang on the movie code authority of 10 men.

The independents are lead to the scaffold by a Blue Eagle screeching raucously of victorious oppression—and it is a scaffold that they are forced by the administration of Federal law to help construct and to help pay for.

There is one more bit of testimony about Mr. Rosenblatt I wish to present here.

It is especially significant, for it is testimony of Mr. Rosenblatt himself.

Mr. Rosenblatt, in his reply to the Darrow Board report, says, on pages 28 and 29 of the mimeographed press release of the entire N.R.A. replies, that the movie-code report is-

based solely upon the vicious mouthings, innuendoes, and conjectures of a few disgruntled and disappointed enemies of the National Industrial Recovery Act and particularly of the motionpicture code.

I now quote from the testimony of Mr. Rosenblatt before the Darrow Board which he says heard only the dister Owners' Association of New York. He is known, I gruntled. The facts are that Mr. Rosenblatt twice had opportunity to testify before the Board and twice refused. Perhaps he feared to; perhaps he was ordered by the trust not to. Perhaps General Johnson "cracked down" and told him to keep his mouth closed-who knows?

On page 4, volume 1, of the Review Board transcript, is this colloguy:

Mr. Mason. Do you refuse to testify, Mr. Rosenblatt?
Mr. Rosenblatt. I do not see any requirement on my part to testify at this hearing. I have not been subpensed to come here. My files have not been subpensed.

And then this-

Mr. Mason. Let the record show that Mr. Rosenblatt refused to testify.

Without further record reading I will say that Mr. Rosenblatt again refused to testify on another occasion.

What a spectacle! A board appointed by the President, proclaimed by him as a great forward step, approved by .Johnson

A servant of the Government, holding one of the second highest offices in N.R.A., writing and administering one of the Nation's most important codes-refusing to testify before a Presidential board and then attacking that board as seeking evidence only from the disgruntled.

I think in view of this it is quite proper to ask whether Mr. Rosenblatt is working for the Government or for the movie trust, whether his task is furthering the programs of President Roosevelt or the panderings of spokesmen for

On page 27 of the Review Board transcript as of March 26, 1934—there is no number on the volume—Abram Myers, representing independents, testifies that the code was finally approved in a room at the Mayflower Hotel, that only Rosenblatt and the exhibitors' code committee were present, that no effort was made to do anything except hand the code to the independents and say: "Take it or leave it." In other words, do as you are told or the ax falls.

Now, who are the Big Eight of the Movie Trust? are: Radio-Keith-Orpheum or RKO, Fox Film Co., Paramount, Warner Bros., Universal Film Co., United Artists,

Columbia, and Metro-Goldwyn-Mayer.

And who are the members of the code authority who enforce the code drawn up under supervision of Rosenblatt, associate of the Big Eight attorney and board member, Nathan Burkan? They are:

Merlin Aylesworth, president of R.K.O. companies, one of

the Big Eight.

Sidney R. Kent, president of Fox Film Corporation, one of the Big Eight. (And, incidentally, the records on file here in the Capitol show that Mr. Kent was a heavy contributor to the Democratic campaign fund.)

George J. Schaeffer, general manager of Paramount Picture Corporation, also one of the Big Eight. And Paramount was one of the companies where, it is understood, nefarious stock juggling by the inside bosses reaped millions for them, wrecked the company's stock after it weathered much of the depression, and ruined thousands of small

Harry M. Warner of Warner Bros., another of the Big Eight and who has admitted in sworn testimony that he and his brother sold their company's stock long and short to reap a harvest from the pockets of poor, small stockholders.

Robert H. Cochran, vice president of Universal Film Manufacturing Co., another of the Big Eight

W. Ray Johnson, president of Monogram Pictures Corporation, and the only true independent in the code authority.

Abe Kikendall, president of the Motion Pictures Corporation of America. Some term him an independent—I believe Rosenblatt does. But there are so many things of which Mr. Rosenblatt is sublimely, and sometimes opportunely, ignorant that it is not surprising that he apparently does not know that the United States District Court of Nebraska, in an official opinion, stated that Kikendall's corporation was subsidized by Paramount-Paramount of the Big Eight.

Charles L. O'Reilly, president of the Theater Owners Chamber of Commerce, intimate with the Big Eight through having the concession for candy-vending machines in their theaters

Nathan Yamins, president of the Independent Theater Owners of New England.

Then, of course, there is the Government representative, Mr. Rosenblatt, who left the office of a Big Eight attorney to draw the code.

Truly, the independent under this code must let his enemies write the law he is to obey, interpret that law, draw the indictment against him, prosecute the case, act as judge, render their own decision, and enforce their own punish-

There is nothing in American history so contrary to every fundamental principle of decency, fairness, honesty, and the square deal guaranteed by the Constitution and promised in the present new deal.

The new deal under this code is simply a shuffle into annihilation through legal means for those not in with the

Mr. Rosenblatt says that only disgruntled persons came before the Darrow Board. I wonder if he considers Special Assistant to the Attorney General Russell Hardy, a Government official, a disgruntled witness?

Mr. Hardy testified before this board that more complaints of unfair monopolistic practices are received about the motion-picture industry than any other industry in the

Mr. Hardy testified also that the Federal Department of Justice sent a memorandum to N.R.A., outlining the following complaints received about the movie code and the Movie Trust:

- 1. Refusal of major companies to contract with complainants for any pictures at all.
  - 2. Refusal to give complainants first-run pictures.
  - 3. Refusal of even second or subsequent runs on pictures. 4. Refusal of large companies to contract with inde-
- pendents unless the large companies—the trust—were permitted to fix admission prices for the smaller companies.
  - 5. Refusal to sell pictures except by block booking.

In other words, general charges of monopoly, freezing out of opposition, combination to fix prices, and so on.

And what did N.R.A. do about this memorandum? Heaven only knows, for Mr. Hardy testified the Department of Justice never even received an answer.

Now let us turn to some of the actual results of existence of this trust and the code under which its destructive practices thrive as never before.

Block booking thrived, of course, before the code came into existence. We cannot charge that the Blue Eagle laid . this egg. But it can be shown that the Blue Eagle carefully hatched it, nurtured the young vulture that came forth. and shelters with protecting wings of legalization what all hoped would be wiped off the movie map under the promised new deal of N.R.A.

Block booking simply means that a theater owner must buy his pictures in blocks. To get one picture he wants, he may have to take many he does not want, cannot use, and which are total loss to him.

Irving P. Gerber, testifying, on page 109, volume 2, of the board's transcript, said that he could not buy certain pictures from Columbia unless he agreed to take a certain number of short subjects also. Quoting from the transcript:

Q. What conversation took place in the short-order department of Columbia at this time?—A. In this particular instance ment of Columbia pictures were absolutely the last contract I was buying for the theaters, and I already had more shorts than my theater policies required, I told Mr. Wormser, the manager of the short-subjects departments, that I was unable to buy any shorts, as I only make three changes a week and I already have 800 shorts, telling him that under the code I think I am entitled to some privileges or rights, and I said: "Doesn't the code protect me from buying shorts?" And his exact words were, "To hell with the code. They don't give you any features."

And then this witness testified that he has been compelled to buy 976 shorts for two theaters and that it will take him 2½ years to run them all—but all come in the contract for | able for children to see, pictures with at least an element 1 year and must be paid for in advance in most cases.

"To hell with the code"-why should not the Big Eight refuse to worry about a code, drawn as this one was drawn?

There are literally hundreds of similar instances that could be related, many of them in the records of the board, but for brevity I will cite only a few. H. A. Cole, page 223, volume 1, of the transcript, cites an independent exhibitor who, at the request of women's clubs in his town sought to get the picture Little Women to offset the run of sex and gangster stuff being forced down his throat. From Mr. Cole's testimony:

"So, he went down to R.K.O. and said; 'I want to buy this picture.' The reply was, 'Well you can have it if you take 30 pictures with it.' He answered, 'I have not room for them. I have done my year's buying.' The answer was, 'That is the only way we will sell it to you.' He said, 'I will tell you what I will do. My people want that picture and if you will sell it to me I will give you 100 percent of the receipts.' The answer was, 'No; we can't take it.'"

Imagine, Mr. President, an exhibitor offering every cent of his receipts in order to get a decent, clean picture for his

town and being refused!

That, let me remind you, is what is happening daily as the Blue Eagle spreads its protecting wings over Hollywood and Long Island studios.

Nor is that the worst part of it, for under that system the exhibitor at least can get pictures by signing on the dotted line to surrender his economic life and turn himself along the path to bankruptcy and destruction.

But the Big Eight, in addition, actually freezes out the little fellow by refusing him any pictures at all under any

terms, in many cases.

On page 99, volume 2, of the transcript Mr. Charnow testifies that he went to Paramount and talked with the New Jersey manager about pictures for his New Jersey picture house.

Charnow was refused any pictures under any terms.

Charnow's testimony includes this conversation he had with Mr. Myron Settler, the Paramount manager:

Then I said to him: "I would like to put in a bid for those pictures." He said, "Mr. Charnow, you have known me long enough to know that it is not a question of how much you would like to pay for those pictures, whether you can afford to pay it or not, these pictures will be sold to the Fox interests for their entire circuit."

So Mr. Charnow went to the Fox people to get films and there, he testifies, Dave Levy, sales manager, said:

It is not a question of price.

And that no matter how much Charnow offered he could not get pictures.

Many others have testified to similar experiences with the Big Eight-it is either nothing at any price, or take 10 times what you can use and at our price.

Mr. President, I doubt if there is any industry in the Nation where such damnable collusion by a small group of pirates exists or where such extreme oppression is possible under the guidance and with the sanction of N.R.A. as a result of its codes and administration of them.

At no time in history has the little fellow been so friendless, so helpless, so unable to defend himself, so certain of complete destruction as since the Blue Eagle first soared from the mind of monopoly to become a vulture, a bird of prey, sinking its beak and its talons into the hearts of honest men.

I could go on indefinitely with illustrations, but I will present only one more. I think that everyone here should carefully study the testimony given before the board by Alida C. Bowler, director of the delinquency unit of the Children's Bureau of the United States Department of Labor.

Let us remember that she is a Government official in an impartial department and that her testimony carries special weight, despite Mr. Rosenblatt's charges that only the disgruntled were called.

Miss Bowler tells of her own work and that of her department and of various civic organizations to get pictures suit-

of decency and cleanliness. She tells how this is impossible under block booking, for Mae West must be included with Jackie Cooper under such a system.

Then Miss Bowler stated-page 174, volume 2:

When the N.R.A. was set up we all breathed a sigh of hope, and when we learned that the N.R.A. was to build a code of fair practice we were very hopeful because that had a good sound

so many of these organizations with which I am in close contact presented their views largely to the effect that block booking had no place whatever in a code of fair practice, that an exhibitor should be able to be so responsive to these groups in his community that were interested in welfare, particularly the welfare of the child. Those protests were filed with formality at the code hearings and through all kinds of correspondence later. They felt that at least an independent exhibitor, and through him the children, should have a 50-50 break and be allowed at least a 50-50 selection on pictures which would, as pictures go, perhaps raise standards considerably if 50 percent could be rejected.

When Deviated the code came out those hopes were dashed completely.

Mr. President, what a tragic statement those 10 words form-"when the code came out those hopes were dashed completely."

What hopes? Why the hopes of our Government's welfare workers, of representatives of 4,000,000 mothers in this country seeking, pleading for merely a 50-50 break in the motion-picture entertainment offered their children.

Just 50-50 is all that was asked. Let us pick half of the pictures you sell us and we'll take anything you want for the other half-but just give us enough of a break so that we can at least get a little of what we want, of what the mothers of our towns want, of what our children should see.

And when the code came out, those hopes were dashed.

No truer statement ever was made. When the code came out those hopes were dashed on the rocks of destruction. dashed from aloft by the soaring blue bird of prey, the vulture hatched by the Big Eight and its associates, administered by it, and aimed directly at the life and happiness of thousands of small theater owners.

That is the tragic tale of N.R.A. from its first official actthe dashing of hopes of the downtrodden, dashing of the confidence built up through the promised answer to prayers for a new deal, dashing the brains of small, independent industrials against the impregnable stone wall of trusts and

Death for the small business man; riches and accomplishment of greed for the trust; ever-increasing burden of living costs for the consumer, and-to quote the testimony again-" to hell with the code!"

In other words, down with any thought that the code will stop any of this and let us drink a toast to the realization that the code fosters, encourages, and permits all of it.

Who is to blame?

Certainly, the trust for much of this. Who is to blame for permitting the trust to exist, to destroy its opponents with Government aid and sanction?

There can be only one answer.

The Blue Eagle—the N.R.A.—the new deal for monopoly which makes legal acts condemned and denounced either in fact or principle through centuries.

If there is any doubt of the trust's intimate connection and association with N.R.A. and the code, we have only to search a little further in the record and we will find that when an avalanche of complaints descended on Rosenblatt, he went not to Johnson but to Pittijohn, the trust's attorney in New York and to others of the trust.

Truly, had I had a part in making that code, in sanctioning it, my days would be uneasy, my nights well nigh sleepless.

Mr. President, this afternoon the newspaper carries this headline:

Johnson assails Darrow Board as communistic.

That is the only answer that has been made by N.R.A. to the findings of monopoly benefits by the Darrow Review Board—"the board is communistic." They have covered up the actual findings the board has made with that one herring "Communism! Men who only hear disgruntled witnesses!"

Ah, Mr. President, one of these fine mornings there is going to arrive in America a real awakening as to the terrible, frightful advantage which greedy and selfish monopolies have taken of the thing which was presumed to be and which was going to be a blessing upon small industry, a blessing to all the people; and yet today inventory reveals that the large measure of blessing which has flown from it has been that which has flown to monopoly itself. Today monopoly, the greedy, selfish interests, flagrantly ignore and deny those sections of the act which require that they play ball fairly with labor. Because they ignore them, labor and labor's friends come for more law to give them what another law assures them and insures them.

What we ought to do and what N.R.A. ought to do with those interests which are ignoring these labor factors is to take the code away from them, take away from them whatever blessing they enjoy under N.R.A., and cease this business of continually letting monopoly make a goose out of the

Blue Eagle.

Mr. ROBINSON of Arkansas. Mr. President, I ask for a vote on the joint resolution. It will have to go back to the House, in view of the fact that three amendments have been adopted. I think the debate is over.

Mr. LONG. Let us vote.

Mr. CUTTING. What joint resolution does the Senator mean?

The PRESIDING OFFICER (Mr. Black in the chair). The question is on the engrossment of the amendments and the third reading of House Joint Resolution 325.

Mr. SHIPSTEAD and Mr. CUTTING addressed the Chair. The PRESIDING OFFICER. Does the Senator from Minnesota desire recognition?

Mr. SHIPSTEAD. No; I will wait until the vote is taken. Mr. CUTTING. Mr. President, I desire to address the Senate on the joint resolution.

Mr. SHIPSTEAD. I wish to address the Senate for about 10 minutes on another matter.

Mr. McNARY. Mr. President, will the Senator permit a vote on the joint resolution?

Mr. SHIPSTEAD. Very well; I will wait. I shall not delay a vote on the joint resolution.

PUBLIC WORKS AT NAVAL AIR STATION, PENSACOLA, FLA.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1103) to authorize the Secretary of the Navy to proceed with certain public works at the Naval Air Station, Pensacola, Fla., which was, on page 1, line 8, to strike out "\$9,955,000", and insert "\$5,363,000."

Mr. FLETCHER. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

The motion was agreed to.

CIVILIZATION-FUND CLAIM OF OSAGE NATION OF INDIANS

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1948) amending the act entitled "An act authorizing the Court of Claims to hear, determine, and render judgment in the civilization-fund claim of the Osage Nation of Indians against the United States", approved February 6, 1921 (41 Stat. 1097).

Mr. WHEELER. Mr. President, by reason of the amendment carrying a direct authorization of appropriation of something like three-quarters of a million dollars, I move that this bill be referred to the Committee on Indian Affairs.

PRINTING OF PROCEEDINGS COMMEMORATIVE OF CENTENNIAL OF THE DEATH OF THE MARQUIS DE LA FAYETTE

The PRESIDING OFFICER laid before the Senate House Concurrent Resolution No. 39, which was read, as follows:

House Concurrent Resolution 39

Resolved by the House of Representatives (the Senate concurring), That there shall be compiled and printed, with illustrations, in such form and style as may be directed by the Joint Committee on Printing, 7,000 copies of the proceedings at the joint session of the two Houses of Congress in the Hall of the House of Representatives on May 20, 1934, held in commemoration of the centennial anniversary of the death of Gilbert du Motier, Marquis de

Ah, Mr. President, one of these fine mornings there is deem pertinent, of which 1,000 copies shall be for the use of the Senate, 4,000 copies shall be for the House of Representatives, and ble, frightful advantage which greedy and selfish monop-

Mr. HAYDEN. I move that the Senate agree to the concurrent resolution.

The motion was agreed to.

PRINTING PRAYERS OF REV. JAMES SHERA MONTGOMERY

The PRESIDING OFFICER laid before the Senate House Concurrent Resolution No. 44, which was read, as follows:

House Concurrent Resolution 44

Resolved by the House of Representatives (the Senate concurring), That 2,500 copies of the prayers offered by the Reverend James Shera Montgomery, Chaplain of the House of Representatives, at the opening of the daily sessions of the House during the Seventy-second and Seventy-third Congresses, be printed and bound for the use of the House of Representatives.

Mr. HAYDEN. I move that the Senate agree to the concurrent resolution.

The motion was agreed to.

#### SETTLEMENT OF LABOR CONTROVERSIES

The Senate resumed the consideration of the joint resolution (H.J.Res. 375) to effectuate further the policy of the National Industrial Recovery Act.

Mr. CUTTING. Mr. President, I desire to address the Senate on the joint resolution.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. CUTTING. I regret to delay a vote on this question. What I have to say will be said in a very few moments.

I think the Senate has been placed in an unfortunate situation, and I desire to make a brief protest expressing nothing but my own personal opinion.

I blame no individual for this situation, least of all the senior Senator from Wisconsin [Mr. La Follette], who, in my judgment, was placed in a position where he could not possibly have done anything else except withdraw the amendment which he had offered. By any other course of action he would have been held responsible for a defeat of the amendment, which, owing to conditions outside of his control, was inevitable.

I desire to say, however, that I, for my part, cannot accept the theory that any Member of this body can acquire a vested right in a question of public policy. When we present a bill and have it printed, it then becomes a part of the public program before the Senate of the United States.

I appreciate as much as any man in this Chamber the splendid work which the junior Senator from New York [Mr. Wagner] has done in preparing the so-called "Wagner bill"; but I submit that there were many Members of this body who were equally interested in this subject, and who refrained from any active participation because we relied upon the fact that the Senator from New York was in charge of it, and would at the proper time bring it before the Senate. I think that placed us all in a peculiar position, and I am sure the Senator from New York appreciates that situation as acutely as any of us.

The Senator said that it was the program to pass the pending joint resolution as an emergency measure, and that at the next session we could come back and pass permanent legislation along the lines of the original proposal.

Mr. President, the Senator from New York and many of the rest of us are just as much convinced now as we ever were that the original Wagner bill represents a sound public policy. Why do we have to postpone it for some 7 months, at the shortest possible period, in order to come back and do the same thing, after all of us know the results of administering the N.R.A. without some amendment to section 7 (a) of that act?

The National Recovery Act was always, to my mind, a highly doubtful piece of legislation. I voted for it, as did many other Members of this body, because we refused to accept the anarchic condition in industry which existed prior to that time. There was no other definite proposition before us, and we accepted it rather than by a negative vote to say that we wanted the existing chaos to continue.

The one chance, in my opinion, for the N.R.A. to have been successful was the building up of the purchasing power of the country; and that meant, in essentials, that wages would have to rise more speedily than prices. We all know that the reverse has been the case, and that as a consequence purchasing power has been diminished rather than increased.

One of the chief reasons for that is that labor, which essentially is equivalent to the consuming public, has not been given the same rights that were given by the administration of the act to the employers. That was not the intent of Congress. Section 7 (a) as originally written shows on its face that it was the intention of this body and the body at the other end of the Capitol to see that labor could be represented by agents of its own choosing. That has not been the case. It has been obvious that section 7 (a) ought to be amended.

In my opinion this joint resolution does nothing of the sort, and from all the discussion I have heard on the subject I believe it is scarcely worth passing.

Now we are going away from here, and we are not coming back until January. We are so anxious to get away-why, I do not know-that we must postpone a question of this enormous importance, and a question in which I believe a majority of the Senate are in accord with the position originally taken by the Senator from New York. We are not only leaving that legislation unsettled; we have before us a calendar of more than nine pages, containing at least a dozen measures of major importance. The situation before us, of course, is not the fault of the junior Senator from New York, and I am not blaming it on him; but we all know that within the past few days there has been a kind of bipartisan agreement to get all controversial matters out of the way so that we could get away at the earliest possible date, no matter how many questions might be put over for the next session of Congress.

Why should any of us lend himself to such a program? I do not know how, under the circumstances, one can best express one's opinion on the pending legislation.

Mr. LONG. Mr. President, will the Senator yield? I think the Senator and I have voted together on nearly everything, and I think we pretty well understand about what we can and what we cannot pass; and we are just wasting time.

Mr. CUTTING. Mr. President, I hope I am not wasting a great deal of the Senate's time. I know that this protest will be entirely unavailing. I know that the Senate has made up its mind to adjourn. I know that the same feeling exists at the other end of the Capitol; but I feel that a vote either for or against the pending joint resolution would be subject to complete misinterpretation unless I stated the attitude with which I intend to vote.

I think there are a few little things in this joint resolution which in some measure improve the situation as it exists at present, and if there is to be a record vote, I shall vote in the affirmative. To go home leaving the National Recovery Administration in the condition in which it is now, with 7 more months to go ahead before Congress will meet again, with nothing to improve the situation except what is in this joint resolution, seems to me outrageous. I can see no excuse for it.

No matter who believes differently, I wish to voice my own personal protest before we go. The new deal is being strangled in the house of its friends. We are going away from here when a fight could have put over the major portion of the program which is still on our calendar.

Mr. President, it is too late to revive the fight tonight. I do not intend to do so. The Senator from Louisiana has admonished me that I am wasting the time of the Senate. I do not care to discuss the relative amount of time consumed by the Senator from Louisiana and myself during the present session, but I will say to my friend that I know he feels the same way about the situation which exists as I feel.

Mr. LONG. I do, absolutely.

Mr. CUTTING. I hope that when we return and take up legislation of this sort, we may consider it at the beginning of the session, and take up nothing else until these things in the interest of the laborer and of the consumer of this country are taken care of.

We have done a good deal at this session, but most of it has been along the old lines; it has not been in the interest of the common people of the United States, and even though it be at such a late moment in the present session I desire to register my protest.

The VICE PRESIDENT. The question is on the engrossment of the amendments and the third reading of the joint resolution.

The amendments were ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time and passed. On motion of Mr. Robinson of Arkansas, the joint resolution (S.J.Res. 143) to effectuate further the policy of the National Industrial Recovery Act was indefinitely postponed.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 3419. An act to exempt articles of machinery belting from the tax on floor stocks imposed by the Agricultural Adjustment Act;

S. 3526. An act to amend the Air Commerce Act of 1926 and to increase the efficiency of the Aeronautics Branch of the Department of Commerce with respect to the development and regulation of civil aeronautics:

S. 3604. An act to revive and reenact the act entitled "An act to authorize the Bainbridge Island Chamber of Commerce, a corporation, its successors and assigns, to construct, maintain, and operate a bridge across Agate Pass connecting Bainbridge Island with the mainland in Kitsap County, State of Washington", approved March 2, 1929;

S. 3626. An act referring the claims of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota to the Court of Claims for adjudication and settlement;

S. 3741. An act to convey certain lands to the State of South Dakota for public-park purposes, and for other purposes; and

S. 3788. An act to extend the times for commencing and completing the construction of a bridge across the Rio Grande at Boca Chica, Tex.

The message also announced that the House had passed a bill (H.R. 9936) to compensate widows and children of persons who died while receiving monetary benefits for disabilities directly incurred in or aggravated by active military or naval service in the World War, in which it requested the concurrence of the Senate.

## ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 551. An act for the relief of A. W. Holland;

S. 3739. An act to authorize the President to transfer to the Government of Haiti without charge to that Government certain property of the United States in Haiti; and

H.R. 9404. An act to authorize the formation of a body corporate to insure the more effective diversification of prison industries, and for other purposes.

AMENDMENT OF BANKING ACT OF 1933 AND FEDERAL RESERVE ACT

Mr. BULKLEY. Mr. President, I move that the Senate proceed to the consideration of the bill (S. 3748) to amend certain sections of the Banking Act of 1933 and the Federal Reserve Act, and for other purposes.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Banking and Currency with an amendment.

Mr. BULKLEY obtained the floor. Mr. ASHURST. Mr. President—

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Arizona?

Mr. BULKLEY. I promised to yield to the Senator from Arizona, but I should like to inquire whether the business he wishes to have transacted may be done by unanimous consent without displacing the pending bill.

Mr. ASHURST. I have no disposition to displace the unfinished business; and if the bill I wish to present shall

lead to debate, I shall withdraw it.

Mr. McNARY. Mr. President, the proposal made by the Senator from Ohio is quite contrary to the rule. He can

lay aside his bill temporarily.

The VICE PRESIDENT. The pending business before the Senate is the bill called up by the Senator from Ohio. The only way any other legislation can be considered is by unanimous consent to lay aside the unfinished business for the purpose of considering some other measure.

Mr. BULKLEY. Mr. President, I think we had better go ahead with Senate bill 3748, unless unanimous consent can

be obtained.

The VICE PRESIDENT. Does any Senator ask unanimous consent temporarily to lay the bill aside for the pur-

pose of considering other legislation?

Mr. ASHURST. Mr. President, the bill in which I am interested is a bill which is recommended by the Committee on the Judiciary. Under the present law, whenever a boat, ship, or airplane brings contraband liquor into the United States, the courts have no jurisdiction; they must return the ship or the airplane to the persons who are charged with illegally introducing liquor into the United States.

The bill which I am about to report from the Committee on the Judiciary was drafted by the Treasury Department upon the suggestion and with the aid of the Department of Justice. It has been ordered reported by the Committee on the Judiciary, and, I repeat, it does nothing more than leave it to the discretion of the judge as to whether or not he

may return the boat, the ship, or the airplane.

What is the use, forsooth, of seizing a ship, a boat, or an airplane bringing liquor into the United States, when the law requires the judge to return it to the person unlawfully using it? Why not leave it to the judge's discretion to return the boat, the ship, or the plane, if in the judge's sound discretion it should be returned? That is all there is to the bill.

I ask unanimous consent that the unfinished business be temporarily laid aside.

The VICE PRESIDENT. The Senator from Arizona asks unanimous consent that the pending business be temporarily laid aside for the purpose of considering the bill to which he has referred. Is there objection? The Chair hears none, and the unfinished business is temporarily laid aside.

VESSELS INTRODUCING CONTRABAND LIQUOR INTO THE UNITED STATES

Mr. ASHURST. Mr. President, from the Committee on the Judiciary I report favorably without amendment the bill (S. 3646) to amend section 938 of the Revised Statutes to vest the courts with discretion to refuse to order the return of vessels seized for violation of any law of the United States; and to amend subsection (b) of section 7 of the Air Commerce Act of 1926, as amended, to provide for the forfeiture of aircraft used in violation of the customs laws; and I submit a report (No. 1454) thereon.

I ask unanimous consent for the present consideration of

Mr. McNARY. Mr. President, there was some confusion, and I should like to inquire of the Senator whether this is a House bill.

Mr. ASHURST. No; it is a Senate bill, and that is the reason why I have been so eager to secure action. While I do not suppose I am permitted to quote what will take place in another body, I am assured that the House will within an hour or two act on this bill. That is the reason why I am so importunate.

The VICE PRESIDENT. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 938 of the Revised Statutes (U.S.C., title 28, sec. 751) is amended by adding at the end thereof the following new sentence: "Notwithstanding the provisions of this section or any other provisions of law relating to the return on bond of vessels seized for the violation of any law of the United States, the court having jurisdiction of the subject matter, may, in its discretion and upon good cause shown by United States, refuse to order such return of any such vessel to the claimant thereof.

United States, refuse to order such return of any such vessel to the claimant thereof.

SEC. 2. That subsection (b) of section 11 of the Air Commerce Act of 1926, as amended (U.S.C., Supp. VII, title 49, sec. 181), is amended by striking out the first sentence thereof and inserting in lieu thereof the following two new sentences: "Any person who (1) violates any provision of subdivision (a) of this section or any entry or clearance regulation made under section 7 (b) of this act, or (2) any immigration regulation made under such section, shall be subject to a civil penalty of \$500 which may be remitted or mitigated by the Secretary of Commerce, or the Secretary of Labor, respectively, in accordance with such proceedings as the Secretary shall by regulation prescribe. Any person violating any customs or public-health regulation made under section 7 (b) of this act, or any provision of the customs or public-health laws or regulations thereunder made applicable to aircraft by regulation under such section shall be subject to a civil penalty of \$500, and any aircraft used in connection with any such violation shall be subject to seizure and forfeiture as provided for in such customs or public-health laws, which penalty and forfeiture may be remitted or mitigated by the Secretary of the Treasury."

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed the bill (S. 3580) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a bill (H.R. 7742) for the relief of the present leaders of the United States Navy Band and the band of the United States Marine Corps, in which it requested the concurrence of the

## INSURANCE CODE FOR THE DISTRICT OF COLUMBIA

Mr. KING. Mr. President, will the Senator from Ohio yield to me?

Mr. BULKLEY. I yield.

Mr. KING. I ask unanimous consent that the unfinished business be temporarily laid aside in order that I may bring forward, I hope successfully, and have passed the bill H.R. 9178, the so-called "insurance bill." If it leads to any debate, I shall withdraw it.

The VICE PRESIDENT. Is there objection to the request of the Senator from Utah? The Chair hears none, and the

unfinished business is temporarily laid aside.

Mr. KING. I ask unanimous consent that the Senate proceed to the consideration of the bill (H.R. 9178) to regulate the business of life insurance in the District of Columbia.

The VICE PRESIDENT. Is there objection?

Mr. McNARY. Mr. President, when this bill was presented 2 days ago I objected to its consideration because I was not familiar with the bill. In the meantime the Senator from Rhode Island [Mr. Hebert] has made a study of it, and I rely upon his statement that there is no objection to it.

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third

time, and passed.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTIONS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who announced that on today, June 16, 1934, the President had approved and signed the following acts and joint resolutions:

S. 74. An act to authorize payment of expenses of formulating claims of the Kiowa, Comanche, and Apache Indians of Oklahoma against the United States, and for other purposes;

S. 1173. An act for the relief of Gladding, McBean & Co.; S. 2347. An act to amend the Inland Waterways Corporation Act, approved June 3, 1924, as amended;

S. 2674. An act to amend an act entitled "An act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes ", approved May 12, 1933;

S. 3117. An act authorizing and directing the Court of Claims, in the event of judgment or judgments in favor of the Cherokee Indians, or any of them, in suits by them against the United States under the acts of March 19, 1924, and April 25, 1932, to include in its decrees allowances to Frank J. Boudinot, not exceeding 5 per cent of such recoveries, and for other purposes;

S.J.Res. 100. Joint resolution authorizing suitable memorials in honor of James Wilson and Seaman A. Knapp; and S.J.Res. 121. Joint resolution authorizing the President to

return the mace of the Parliament of Upper Canada to the Canadian Government.

AMENDMENT OF BANKING ACT OF 1933 AND FEDERAL RESERVE ACT

The Senate resumed the consideration of the bill (S. 3748) to amend certain sections of the Banking Act of 1933 and the Federal Reserve Act, and for other purposes.

PUERTO RICAN IMPORT DUTY ON COFFEE

Mr. TYDINGS. Mr. President-

The VICE PRESIDENT. Does the Senator from Ohio yield?

Mr. BULKLEY. I should like to ask the Senator from Maryland for what purpose he wants me to yield?

Mr. TYDINGS. Mr. President, the Agricultural Administration has asked that House bill 9946 be considered and passed at this time, because the loans which they have made on the coffee crop in Puerto Rico will be to some extent jeopardized without this proposed legislation. The situation, in a sentence, is is follows: The Smoot-Hawley Tariff Act permitted the Puerto Rican Legislature to place a 10-cent tax on coffee imports coming into Puerto Rico. The legislature passed the act 10 days before the Smoot-Hawley Act was finally signed.

Mr. BULKLEY. Does the Senator ask unanimous consent for the present consideration of the bill?

Mr. TYDINGS. I ask unanimous consent temporarily to lay aside the pending bill and to consider House bill 9946. I do not think it will cause any debate.

The VICE PRESIDENT. The Senator from Maryland [Mr. Tydings] asks unanimous consent to lay aside temporarily the pending unfinished business, and that the Senate proceed to the immediate consideration of House bill 9946. Is there objection?

Mr. McNARY. Mr. President, I cannot object until I know whether the bill has been reported by the committee.

The VICE PRESIDENT. The bill does not seem to be in possession of the clerk, so it is pretty hard to answer the Senator's question.

Mr. TYDINGS. I myself reported it, Mr. President, so I know it has been reported.

The VICE PRESIDENT. There seems to be some confusion. The clerk advises the Chair that there are two such bills.

Mr. TYDINGS. I am referring to House bill 9946, the duplicate Senate bill being Senate 3799.

The VICE PRESIDENT. The Senator from Maryland asks for the consideration of the House bill?

Mr. TYDINGS. I desire to have the House bill considered.
The VICE PRESIDENT. The clerk will state the bill by title.

The CHIEF CLERK. A bill (H.R. 9946) providing for the ratification of joint resolution no. 59 of the Legislature of Puerto Rico, approved by the Governor May 5, 1930, imposing an import duty on coffee imported into Puerto Rico.

The VICE PRESIDENT. Is there objection to the immediate consideration of the bill?

Mr. McNARY. Mr. President, may we have an explanation of the bill? The title is so brief I could not gather the purport of the bill.

Mr. TYDINGS. Under the Smoot-Hawley Tariff Act the Puerto Rico Legislature was authorized to levy a tax on coffee. They levied such a tax on coffee; but the law pre-

ceded the final signing of the Smoot-Hawley tariff bill. The court has declared that action illegal. This is only to correct that hiatus.

Mr. McNARY. Has the bill been referred to the committee?

Mr. TYDINGS. It has been referred to the committee, and been approved by the committee and passed the House. The Agricultural Adjustment Administration asked for its passage so as to protect their loans on coffee.

The VICE PRESIDENT. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H.R. 9946) providing for the ratification of joint Resolution No. 59 of the Legislature of Puerto Rico, approved by the Governor May 5, 1930, imposing an import duty on coffee imported into Puerto Rico, which was ordered to a third reading, read the third time, and passed.

Mr. TYDINGS. I move that Senate bill 3799 be indefinitely postponed.

The motion was agreed to.

AMENDMENT OF BANKING ACT OF 1933 AND FEDERAL RESERVE ACT

The Senate resumed the consideration of the bill (S. 3748) to amend certain sections of the Banking Act of 1933 and the Federal Reserve Act, and for other purposes.

Mr. HARRISON. Mr. President, will the Senator yield? Mr. BULKLEY. For what purpose does the Senator from Mississippi ask me to yield?

Mr. HARRISON. I do not want to delay the consideration of the bill now under consideration. However, I have a few matters which will not cause debate which I should like to have taken up.

Mr. BULKLEY. I am quite willing to yield to the Senator from Mississippi to propound a request for unanimous consent, as indicated by him, but I want to say that I am not going to yield any further for similar requests.

Mr. HARRISON. I ask unanimous consent that the pending bill be temporarily laid aside and that House Joint Resolution 365 be immediately considered. This is the joint resolution proposing to amend the Settlement of War Claims Act of 1928, as amended, containing a provision for withholding \$20,000,000 now in the Treasury of the United States which will be paid out very soon.

The VICE PRESIDENT. The clerk will state the resolution by title.

The CHIEF CLERK. A joint resolution (H.J.Res. 365) to amend the Settlement of War Claims Act of 1928, as amended.

The VICE PRESIDENT. Is there objection to the immediate consideration of the House joint resolution?

Mr. McNARY. Mr. President, I cannot keep up with the Chair.

The VICE PRESIDENT. The measures are read only by title, and, of course, the Senator must take them on good faith. That is the view of the Chair.

Mr. McNARY. What is the bill about?

Mr. HARRISON. If the Senator will permit me, I will make an explanation.

Mr. BARKLEY. Mr. President, would not the Senator from Mississippi be willing to put off the consideration of the bill until the banking bill has been passed? There may be objection to the measure the Senator is proposing.

Mr. HARRISON. If it is going to cause discussion, I will put it off.

The VICE PRESIDENT. Objection has been heard.

Mr. HARRISON. I hope the Chair will recognize me following the disposition of the bill now under consideration. The measure I refer to is a very important one.

Mr. BULKLEY. Mr. President, Senate bill 3743 is an omnibus bill providing about 20 amendments of a minor character to the Banking Act of 1933 and the National Banking Act and to the Federal Reserve Act. Every provision in it has been recommended either by the Comptroller of the Currency, the Federal Reserve Board, or both; and every provision in it has been carefully considered and unanimously reported by the Senate Committee on Banking and Currency. A careful report has been submitted to the

Senate and printed; and in view thereof, I do not think we ought to consume the time of the Senate in discussing the individual provisions of the bill.

There are several amendments which I desire to offer, the first four of which have been considered and authorized by

the Committee on Banking and Currency.

I offer an amendment, which I send to the desk and ask

The VICE PRESIDENT. The amendment will be stated. The CHIEF CLERK. It is proposed, on page 2, line 7, after the comma, to insert "or to other financial institutions or private bankers."

The amendment was agreed to.

Mr. BULKLEY. Mr. President, I offer another amendment, which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated. The CHIEF CLERK. It is proposed, on page 8, between lines 2 and 3, to insert the following new section:

SEC. 10. The first sentence of paragraph (m) of section 11 of the Federal Reserve Act, as amended (U.S.C., supp. VII, title 12, sec. 248), is amended by inserting before the period at the end thereof a colon and the following: "Provided, That with respect to loans represented by obligations in the form of notes secured to loans represented by obligations in the form of notes secured by not less than a like amount of bonds or notes of the United States issued since April 24, 1917, or certificates of indebtedness of the United States, such limitation of 10 percent on loans to any person shall not apply, but State member banks shall be sub-ject to the same limitations and conditions as are applicable in the case of national banks under paragraph (8) of section 5200 of the Revised Statutes, as amended (U.S.C., title 12, sec. 84)."

Mr. LONG. Mr. President, I have been waiting for nearly 6 hours for a message from the other end of the Capitol transmitting some House amendments to a Senate bill. I think it will be here in 5 minutes. At about 2 o'clock I had a report that the House amendments would be over in about 10 minutes; and at 3 o'clock I received a report that they would be over in about 15 minutes. At 4 o'clock I received a report that they would be over here in 20 minutes. At 5 o'clock I received a report that they would be here in 10 minutes.

Mr. BARKLEY. The Senator is holding his own. [Laughter.]

The VICE PRESIDENT. If the Chair may be permitted to say so, the Senator from Ohio [Mr. Bulkley] has presented an amendment, which is being considered.

Mr. LONG. I am discussing that amendment, Mr. President.

The VICE PRESIDENT. The Chair is sure the Senator from Louisiana realizes that the Senate is not responsible for the delay of his amendments in the House of Representatives.

Mr. LONG. That is why I am discussing the amendment which is now before the Senate. That is why I am addressing myself to that amendment. Now, along about 6 o'clock they cut the time down to 5 minutes, so I went over and told one of my colleagues to stay here, and we have sat here all day long; we have not had a bite to eat, waiting for those amendments to come in here in order to move to concur in them, but for some reason or other we cannot seem to get any results at all.

I am referring to the House amendments to Senate bill 3580, which passed the House practically unanimously. I do not want to interrupt the business of the Senator from Ohio, but I should like to know, if I can, from the Senator how many more amendments he will have to offer after this one.

Mr. BULKLEY. About three or four.

Mr. LONG. Three or four; and that will wind up this bill?

Mr. BULKLEY. I do not know whether the bill will be wound up or not.

Mr. LONG. Mr. President, I will wait about 5 minutes to see what happens.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Ohio [Mr. BULKLEY].

send to the desk.

The CHIEF CLERK. It is proposed, on page 8, line 14, to strike out "and the District of Columbia" and insert "the District of Columbia, and the Territories of Hawaii and Alaska", and in lines 15 and 16 to strike out "and the District of Columbia" and insert "the District of Columbia, and the Territories of Hawaii and Alaska."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. BULKLEY. I offer a further amendment, which I send to the desk.

The VICE PRESIDENT. The amendment will be stated. The CHIEF CLERK. It is proposed, on page 12, line 18, after the period, to insert the following:

Nothing contained in this paragraph shall prohibit any executive officer of a member bank from endorsing or guaranteeing for the protection of such bank any loan or other assets which shall have been previously acquired by such bank in good faith.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. BULKLEY. I offer another amendment, which I send to the desk.

The VICE PRESIDENT. The amendment will be stated. The CHIEF CLERK. On page 17, after line 19, add a new section, as follows:

SEC. 20. The fifth paragraph of section 9 of the Federal Reserve Act as amended (U.S.C., title 12, sec. 324) is amended by adding at the end thereof a new sentence to read as follows: "Such reports of condition shall be in such form and shall contain such information as the Federal Reserve Board may require, and shall be published by the reporting banks in such manner and in accordance with such regulations as the said Board may prescribe."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. LONG. Mr. President, will the Senator from Ohio yield to me at this point?

Mr. BULKLEY. For what purpose?

Mr. LONG. I am willing for the Senator to discuss the amendment if he desires to do so.

Mr. BULKLEY. I yield to the Senator from Louisiana.

Mr. LONG. I now have information that the Frazier bill, to which I have previously referred, will be over here in 10 minutes

The VICE PRESIDENT. That is interesting! [Laughter.]

Mr. LONG. I am glad to know I have interested the Chair. I have been trying for the last 12 months to interest the Chair, and this is the first time the Chair has acknowledged in a public manner that he is interested. [Laughter.] That is the progress I have made. Some people think I have not made any progress since I have been in the Senate. Whenever I attract the attention of the second highest officer of the United States, sitting underneath the American flag, and that officer publicly acknowledges it, that is progress to be reported back to the people of Louisiana. [Laughter.]

There is some very important business we have been trying to get Congress to undertake. I do not intend to interrupt the passage of the bill in charge of the Senator from Ohio [Mr. BULKLEY], because I think it will take 10 minutes. Several Senators think we ought to take a temporary recess after we pass his bill, but I do not think we ought to do that. It will take at least 10 minutes to get through with the bill in charge of the Senator from Ohio, because if the bill in which I am interested has not come over from the House in the meantime, I shall want to address some remarks, some very interesting remarks, to the Chair and to the Senate. [Laughter.]

Mr. BULKLEY. Mr. President, I send to the desk another amendment, which I offer.

The VICE PRESIDENT. The amendment will be stated. The CHIEF CLERK. It is proposed, on page 2, line 13, before the quotation marks, to insert a comma and the following:

The amendment was agreed to.

Mr. BULKLEY. I offer a further amendment, which I and to the desk.

The VICE PRESIDENT. The amendment will be stated.

Provided further, That nothing in this paragraph shall be construed to make it unlawful for any person, firm, or corporation engaged in the business of receiving deposits subject to check or otherwise, from engaging at the same time in the business of selling or distributing at retail notes or other similar obligations the

payment of which is secured by deeds of trust, mortgages, or other similar liens on real property.

The VICE PRESIDENT. The question is on agreeing to the amendment.

Mr. COUZENS. Mr. President, who offered the amendment?

Mr. BULKLEY. I offered it.

Mr. COUZENS. After the omnibus bill was reported out of the Banking and Currency Committee, how did all these amendments arise without being considered by the com-

Mr. BULKLEY. Most of the amendments have been considered by the committee. This particular amendment was not, but it relates to this subject. It has been interpreted that mortgages are securities within the prohibition against commercial banks dealing in securities. It would generally be admitted, I think, that we did not intend to prohibit them from dealing in mortgages. The amendment was prepared by the legislative drafting bureau to cure that interpretation.

Mr. COUZENS. May they deal in mortgages to the same extent that was provided in the bill which we passed today, known as the "National Housing Act"?

Mr. BULKLEY. No; it does not provide the extent to which they may deal nor increase their right to do so. It simply provides that the prohibition against dealing in securities shall not prevent them dealing in mortgages.

Mr. COUZENS. Then they may buy and sell mortgages? Mr. BULKLEY. If they have the right otherwise. It simply provides that the inhibition against dealing in securities shall not apply, as I have described.

Mr. COUZENS. Does it meet the approval of the senior Senator from Virginia [Mr. GLASS], whose act it amends?

Mr. BULKLEY. I yield to the Senator from Virginia to answer the Senator from Michigan.

Mr. GLASS. Mr. President, on account of illness I turned the management of the omnibus bill over to my colleague from Ohio [Mr. Bulkley], and in circumstances of that sort the Senator from Michigan will readily agree that I ought not to dissent from anything he proposes.

Mr. WALCOTT. Mr. President, will the Senator from Ohio yield?

Mr. BULKLEY. I yield. Mr. WALCOTT. I am familiar with all the amendments except the last two. With those two I am not familiar. Some of my colleagues on this side of the Chamber are asking about them. I should like a little further explanation, because I do not know about them. I know about the others, and I am in favor of them.

Mr. BULKLEY. I have undertaken to explain it. We have prohibited banks from dealing in securities. That prohibition has been interpreted to mean that mortgages are securities. I think the Senator from Connecticut will agree that we had not intended to prohibit dealing in mortgages. The amendment is to clarify that situation and to make clear that we have not that intention.

(At this point Mr. Bulkley yielded to enable the Senate to receive a message from the House of Representatives.)

Mr. LONG. Mr. President, will the Senator from Ohio permit the Chair to lay before the Senate a House amendment to a Senate bill which has just come over from the

Mr. BULKLEY. I would rather proceed with the bill now before the Senate and let the Senator take up his matter at a later time.

Mr. LONG. Then, I want to make a speech.

The VICE PRESIDENT. The Senator may not make a speech unless the Senator from Ohio yields to him.

Mr. LONG. Very well.

The VICE PRESIDENT. The rule of the Senate provides that only one Senator may occupy the floor at a time.

Mr. WALCOTT. Mr. President, I appreciate very much indeed the courtesy of the Senator from Ohio in answering my question. I am satisfied with the Senator's explanation of the amendment and am in favor of it. I am familiar with it.

Mr. BULKLEY. Mr. President, was the amendment agreed to?

The VICE PRESIDENT. It has not yet been agreed to. Mr. SHIPSTEAD. Mr. President, may I ask the Senator from Ohio a question?

Mr. BULKLEY. I yield.

Mr. SHIPSTEAD. From the explanation the Senator made I got the impression that the thought he meant to convey or the belief he has is that a mortgage is different from other securities. Has there been a distinction made between what are generally called "securities and mortgages "2

Mr. BULKLEY. Yes; and the amendment is intended to make clear that we intended such a distinction, because we have prohibited banks from dealing in stocks and bonds, but we did not intend to prohibit them from dealing in mortgages.

Mr. SHIPSTEAD. What is the reason for the distinction? Mr. BULKLEY. It is rather a long story. The dealings in stocks and bonds have had a very injurious effect on the general financial situation. By almost unanimous consent, under the Banking Act of 1933, we prohibited that business from being carried on; but dealing in mortgages is an entirely different kind of business, and I, for one, have never presumed that the act would be interpreted as having prohibited dealing in mortgages. Does the Senator think we ought to prohibit a commercial bank from dealing in mortgages?

Mr. SHIPSTEAD. I cannot see why a commercial bank should be permitted to buy long-term mortgages.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. COUZENS. Mr. President, we cannot hear what is going on.

Mr. SHIPSTEAD. We want to know something about this proposal. What is the use of hurrying here? We want to know what is being passed. This is important legislation. Why rush it through? We have a right to know.

Mr. BULKLEY. The Senator has a right to discuss it; certainly.

Mr. SHIPSTEAD. What is this hurry? What I cannot understand is why a bank should be permitted to buy a long-term mortgage and not a long-term bond. What is the difference?

Mr. BULKLEY. This amendment does not increase any powers that the banks have to deal in mortgages, but simply makes it clear that the inhibition against dealing in stocks and bonds does not include mortgages.

Mr. COUZENS. Mr. President, will the Senator yield to me?

Mr. BULKLEY. Yes.

Mr. COUZENS. Will the Senator describe the difference between a mortgage bond and a mortgage itself, if a bank is not permitted to deal in bonds?

Mr. BULKLEY. I think the Senator is familiar with the difference between a bond secured by a mortgage and a mortgage itself.

Mr. COUZENS. If we are going to open up these commercial banks, which I understand the Senator from Virginia has always protested against, to dealing in securities. what difference does it make whether they deal in a lot of individual mortgages or whether they deal in a bond secured by mortgages?

Mr. BULKLEY. It seems to me there is a great deal of difference.

Mr. COUZENS. I do not see it. I wish it could be explained to me.

Mr. SHIPSTEAD. That is just what I should like to have explained.

Mr. BULKLEY. Mr. President, frankly, I do not care very much one way or the other about this amendment. I am offering it at the request of the junior Senator from Virginia [Mr. Byrd]. I do not think it is necessary. I do not think the prohibition means to include mortgages, anyway. The amendment is offered out of abundance of precaution. I should rather withdraw it than to go to any great debate over it; but if Senators are opposed to it, why not have a vote on the amendment?

Mr. COUZENS. I do not want to take advantage of the | chairman of the subcommittee that handled this matter; but I am unable to see the difference between a commercial bank handling 10 mortgages of \$5,000 each and handling a bond issue secured by a mortgage based on 10 bonds of \$5,000 each. What is the difference? They are both mortgages. In one case there is a prohibition against handling bonds secured by mortgage, and the amendment that is proposed permits dealing in mortgages without the bonds. It is the same thing so far as the security is concerned.

Mr. BULKLEY. It is the same thing as far as it always has been permitted. It does not enlarge the authority to

any degree.

Mr. COUZENS. But the banks have been dealing in bonds; and although we put in a prohibition against dealing in securities, the door is being opened wide, not only by this omnibus bill but by the amendment which the Senator is offering.

Mr. BULKLEY. It is quite apparent to me that the Senator's interpretation of what was done in the Banking Act of 1933 is quite different from mine. Did the Senator understand that by that act we were prohibiting dealing in mortgages?

Mr. COUZENS. I think a mortgage is a security the same as any other kind of security that the banks heretofore dealt in; and if the door is to be opened wide to commercial banks to engage in the same kind of activities that they were engaging in when the collapse came, then we are going to open the door to everything that has been happening in the past?

I think this amendment, if it is to be presented, ought to be defeated.

Mr. SHIPSTEAD. What is a bond but a mortgage?

Mr. BULKLEY. I really should be glad to have the amendment submitted to a vote. I do not think it is an important amendment at all. It was not considered by the committee.

Mr. COUZENS. Mr. President-

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Michigan?

Mr. BULKLEY. I do. Mr. COUZENS. If the Senator does not think the amendment is important, I think it would relieve the situation if the Senator would withdraw it, because it never has been considered by a committee.

Mr. BULKLEY. It never has.
Mr. COUZENS. No consideration has been given to it; and in spite of all the trouble we went to, in passing the Glass Act of 1933, to prevent this sort of thing, it is now proposed to open the door to it again.

Mr. BULKLEY. Mr. President, I think it is very appropriate to ask that the amendment be withdrawn on the ground that it has not been considered by the committee. That is the fact, and I am willing to withdraw it.

The VICE PRESIDENT. The amendment is withdrawn. Mr. BULKLEY. I now offer a further amendment. I will say frankly that this amendment has not been considered by the committee but it is requested by the Federal Deposit Insurance Corporation, and has the approval of the chairman of the committee. It has not been considered by the full committee.

The VICE PRESIDENT. The Senator from Ohio offers an amendment, which will be stated.

The Legislative Clerk. On page 8, line 3, after "Sec. 10", it is proposed to insert "(a)".

On page 8, after line 20, it is proposed to insert the following:

(b) Section 12B, as amended, of the Federal Reserve Act is further amended by inserting after the eighth paragraph of subsection (1) of said section 12B the following additional para-

"Whenever a bank whose deposits are insured under the terms of this section desires to consolidate with or merge with or assume, in whole or in part, the deposit liabilities of another banking institution, whether operating or closed, it shall apply to the Corporation for approval thereof, and if the board of directors disapprove the plan the consummation thereof notwithstanding such disapproval shall immediately terminate the mem-

bership of such bank in the fund or in the Corporation, as the case may be. If the plan be approved and the consolidation, merger, or assumption become effective, such bank shall immediately subscribe to class A stock in the Corporation or pay an assessment, as the case may be, on account of the added deposit liability assumed in accordance with the standards prescribed by this section for original subscriptions or assessments."

Mr. COUZENS. Mr. President, will the Senator explain the purpose of the amendment? It is a long amendment, and it has not been considered by the committee.

Mr. BULKLEY. The purpose of the amendment is to make clear what happens with respect to the adjustment of relations between a bank and the Federal Deposit Insurance Corporation in cases of mergers and consolidations of banks. It is a purely technical amendment.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. BUCKLEY. I have no further amendments. Mr. RUSSELL. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated. The CHIEF CLERK. On page 2, between lines 18 and 19, it is proposed to insert the following:

(c) The provisions of section 21 (a) (2) of the Banking Act of 1933 (relating to engaging in the business of receiving deposits by certain financial institutions not subject to examination and regulation under State or Federal law) shall not take effect until June 16, 1935, in cities having a population of less than 100,000 inhabitants as determined by the Fifteenth Decennial

Mr. RUSSELL. Mr. President, just one word of explanation.

This amendment merely proposes to extend the operation of the Banking Act of 1933, as it affects private banks located in cities of less than 25,000 population, for a period of 1 year. In some of the States the smaller communities have had private banks which render a real service, and those institutions desire to have the State legislature make arrangements to enact legislation that will enable them to get into the State system.

This proposal was introduced as a separate bill, and has been submitted to various members of the Banking and Currency Committee, and has been pending before the committee for some months. I do not think there can be any substantial opposition to the amendment.

Mr. BULKLEY. Mr. President, the amendment has not been considered by the committee, but I have no objection to it and I think the chairman of the committee has no objection to it.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. KEAN. Mr. President, I offer the amendment which send to the desk.

The VICE PRESIDENT. The amendment will be stated. The CHIEF CLERK. On page 4, between lines 6 and 7; it is proposed to insert the following new section:

SEC. - Paragraph "seventh" of section 5136 of the Revised SEC. —, Paragraph "seventh" of section 5136 of the Revised Statutes, as amended (U.S.C., title 12, sec. 24; supp. VII, title 12, sec. 24), is amended by inserting immediately before the period at the end of the second sentence thereof a colon and the following: "Provided further, That nothing herein shall be construed to prohibit the purchase and holding by any association for its own account, within the limitations herein prescribed, of (1) the investment securities of any corporation, and at the same time own account, within the limitations herein prescribed of (1) the investment securities of any corporation, and at the same time (2) the investment securities of any corporation affiliated with such corporation, whether or not the investment securities of such affiliated corporation are guaranteed by the parent corporation, or are by their terms or as a matter of law the obligations of the parent corporation or of any other affiliated corporation thereof".

Mr. KEAN. Mr. President, that is the amendment which was spoken of in the committee. I was asked to consult the Comptroller about it. In cases of consolidations of railroads it is merely to permit the corporation to have 10 percent in the New York Central, for instance, 50 percent in the Lake Shore, and 50 percent in the West Shore. They are different corporations, but owned by one.

I think the Senator having charge of the bill will accept the amendment.

Mr. BULKLEY. I have no objection to the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from New Jersey [Mr. Kean].

The amendment was agreed to.

Mr. DIETERICH. Mr. President, I offer an amendment, which I send to the desk.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 4, after line 24, it is proposed to insert the following:

SEC. 6. The last sentence of section 5153 of the Revised Statutes (U.S.C., title 12, sec. 90), as amended, is amended to read as follows: "Any association may, upon the deposit with it of public money of a State or any political subdivision thereof or any public district or instrumentality of any one or more of the foregoing, or of any money by any officer, employee, or agent thereof, in his official capacity, give security for the safe-keeping and prompt payment of the money so deposited, of the same kind as is authorized by the law of the State in which such association is located, in the case of other banking institutions in the State; and security for deposits described in this sentence heretofore given shall be valid except to the extent that enforcement of such security has been denied by the Comptroller of the Currency."

Mr. DIETERICH. Mr. President, in order to meet a condition which existed in the State of Illinois, I introduced a bill providing that national banks could be required to give security to secure the deposits of public funds made by States, municipal subdivisions, or their officers. The bill was considered in the Committee on Banking and Currency, or the Committee on Finance, and the committee did not seem to want to go so far as to adopt the policy of the national banks securing public deposits.

In the State of Illinois we have a law under which public officers charged with the handling of funds can require the State banks to give security for such public deposits. The treasurer of the State of Illinois has under his control for deposit in the various depositories something like \$54,000,000. Of this amount, some \$24,000,000 is deposited with national banks.

Heretofore the Comptroller of the Currency has permitted those banks to give security for those deposits, but under a recent decision of the Supreme Court of the United States it was held that it was not within the power of the Comptroller to order the banks to do that.

This amendment simply places the national banks in my State on a par with the State banks and provides that where the State law requires security for public funds in a State the Comptroller may authorize the national banks to give security for State funds.

Unless this amendment shall be enacted, it goes without saying that our treasurer will have to withdraw from national banks some \$24,000,000. This amendment was drafted by the Comptroller's Office and meets with the approval of the Treasury Department.

Mr. BULKLEY. Mr. President, the subject matter covered by the amendment offered by the Senator from Illinois was considered by the Committee on Banking and Currency, and the committee refused to take any action on it, on the ground that the committee is opposed to the general principle of public deposits having any security and to giving them a preference over the deposits of the ordinary depositor. Therefore the committee has been unwilling to take any action along this line.

However, it is recognized that there is a practical situation to be met if the national banks are required to compete with State banks, and in many States there are laws permitting securities to be given for public deposits. If national banks are not permitted to meet that competition, and if nothing is done to require State banks to submit to the same inhibition under which national banks labor, the national banks will be at a disadvantage which might well be called an unfair disadvantage.

Furthermore, the Comptroller of the Currency is already under some embarrassment on account of security having been given for public deposits, and it already having been sold in satisfaction of debts, and many of those transactions would have to be unwound if the amendment of the Senator from Illinois were not agreed to.

Therefore, still protesting against the principle of having any security given at all for public deposits, I do not think we ought to resist the adoption of the amendment just offered.

The VICE PRESIDENT. The question is on agreeing to the amendment.

Mr. DIETERICH. I ask for a division.

On a division, the amendment was agreed to.

Mr. BLACK. Mr. President, I desire to move to amend the bill by striking out section 18. I can explain in just a moment why I desire to strike the section out. As a matter of fact an effort has been made to put through this identical provision of law before, at this session of the Congress, but it did not succeed.

I first call attention to the fact that when the banking bill was passed last year, I think to the great surprise of a number even of the members of the committee, the Federal Reserve bank was given the right to sue in the Federal courts in the various States, even on a \$50 note. That has caused a great deal of trouble in the various States.

Section 18 of the bill before us carries that matter still further and provides that the Federal courts shall have original jurisdiction in all suits by receivers. That would mean that if a man having a note in a bank went into the hands of a receiver and the note was for \$50 or \$100, and he lived a hundred miles away from a Federal court, a suit could be filed in the Federal court.

I do not believe this body thinks that such a thing should be enacted. I cannot believe that the committee thoroughly understood the effect of that provision.

What it means is this. It changes the law. It would give jurisdiction to a Federal court, which might be a hundred miles away from a farmer who had a note in the hands of a bank which went into the hands of a receiver, and would require any suit on that note to be defended in the Federal court.

I believe that a receiver ought to take his chances in the State court, the same as a bank does, and for that reason I do not think we should further extend the jurisdiction of the Federal courts.

Already the Federal courts can entertain actions if the indebtedness is as much as \$3,000, and, speaking for myself, I would favor decreasing the jurisdiction of the Federal courts, rather than increasing it.

It is far less expensive to defend a suit in a State court. There is no reason why a man who may live 50 miles away from a Federal court should have to go 50 miles from his home and employ a lawyer to defend a suit. It costs more to defend, and I do not believe it is fair. I hope the Senator will not insist upon this particular section being retained.

This matter has come before this body on previous occasions, and the Senator from Florida will recall that about a month ago, at my request, he agreed to an amendment which took out from another bill a provision still further extending the jurisdiction of the Federal courts.

I hope the Senator from Ohio will follow the same course in this matter.

Mr. BULKLEY. The Comptroller of the Currency has asked for this largely to resist what I believe to be extreme cases of preferences given by way of secured deposits in banks. The rule in many State courts is much more liberal with respect to allowing preferences than it is in the Federal courts. I quote from a communication from the Comptroller of the Currency in which he says:

Recently attorneys for claimants asserting preferred claims have attempted to avoid this Federal rule and obtain preferred treatment for their claims by bringing suit against failed banks as corporations rather than against the receivers, to prevent the removal to the Federal court and circumvent the strict Federal rule as to preferred claims.

Believing that all depositors have a right to equal treatment and that we ought to frown upon all preferred claims, I hope that the motion of the Senator from Alabama [Mr. Black] will not prevail.

Mr. BLACK. Mr. President, will the Senator yield? Mr. BULKLEY. I yield.

Mr. BLACK. May I ask the Senator from Ohio if the statement I made is not correct, which is, that if this bill should become a law as it is, a man who happens to owe a \$100 note in a bank which goes into the hands of the receiver could be required to defend in the Federal court instead of the State court? That is correct, is it not?

Mr. BULKLEY. I think so.

Mr. BLACK. That is the reason I am opposing the provision in the bill and offering the amendment, and I am going to ask to have a vote on it. If necessary, I should like to have a yea-and-nay vote.

Mr. NORRIS. Mr. President, I suppose most Senators are like I am in this respect, that they have not read the bill. We do not know what it is about. We hear Senators saying it is an outrage to pass legislation in this way. I just heard the Senator from Alabama, who, I assume, is somewhat familiar with this bill, say that the bill which is pending increases the jurisdiction of the Federal courts. If it does, it ought, in my judgment, to be defeated.

Mr. LONG. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. LONG. The Senator has been in the Senate for a long time. I wish to propound an inquiry to the Senator from Nebraska. There is now pending on the desk in the Senate a House amendment to the Frazier bill. It is the only amendment there is on the desk. Every other amendment that has come in from the House tonight has been adopted, until the Frazier bill was reached, and when that was brought in here, after taking some 6 hours beyond the regular time, then suddenly they stopped laying House amendments before the Senate.

As an experienced Senator I desire to ask the Senator from Nebraska if he understands that kind of proceeding? I am mystified. I am at a loss to understand it. This is getting to be a serious matter, and I want the Senator, if he can, to tell me what is it which causes them to stop at the time when the farmer is about to get some kind of relief, when the Senate seems to be voting relief for everyone else but the farmer

The PRESIDING OFFICER (Mr. HARRISON in the chair). May the Chair remind the Senator from Louisiana that the Senator from Ohio has the floor.

Mr. LONG. Mr. President, the Senator from Ohio does not have the floor.

The PRESIDING OFFICER. The present occupant of the chair has just taken the chair. The Senator has a right to have bills that come over from the House laid before the Senate if the Senator from Ohio yields for that purpose.

Mr. BULKLEY. No, Mr. President; I will not yield for that purpose, because I gave notice sometime ago on the subject. I tried to be generous and yielded to a number of Senators to take up other matters, and the present occupant of the chair asked for a similar unanimous-request consent; but in view of the fact that it seemed that it would lead to debate, I refused to yield.

Mr. NORRIS. Mr. President, I have been recognized by the Presiding Officer.

The PRESIDING OFFICER. The Chair recognizes the Senator from Nebraska [Mr. Norris].

Mr. NORRIS. I desire to protest about what has been going on here, about asking the Senator from Ohio to yield when he is offering 15 or 20 amendments to a bill. Any man who will give it any thought whatever will have to agree that that is a proceeding which cannot be defended. When the Senator from Ohio offers an amendment to a bill, if a Senator desires to talk on it he must get the consent of the Senator from Ohio. There must come a time in parliamentary procedure when we are called upon to vote upon an amendment, and any Member of the Senate is entitled to recognition in his own right and obtain the floor. I do not think the Senator from Louisiana or any other Senator can require the Senator from Ohio to yield the floor when he is making a speech; but when the Senator from Ohio offers an amendment, before it is voted on any other Senator has a right to speak on that amendment. The Senator from Ohio cannot retain the floor from one amendment to another and have them adopted.

Mr. BULKLEY. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. BULKLEY. The Senator certainly does not understand that I have presumed to keep the floor when an amendment was being discussed.

Mr. NORRIS. No; I will say that, so far as the Senator from Ohio is concerned, I do not know that he has tried to do that. But that has been going on. The Chair has been saying, "Here is an amendment. The Senator from Ohio has the floor." He finally puts the question, and says, "Without objection, it is agreed to." It is an impossible parliamentary procedure to shut anyone off from debate and an opportunity to be heard on an amendment. Then the Senator from Ohio offers another amendment and the same procedure is gone through with. All these amendments are subject to debate.

The PRESIDING OFFICER. The Chair admits that that in his version of the rules of the Senate.

Mr. NORRIS. Mr. President, I was induced to take the floor because of what the Senator from Alabama said. I believe that if the Senators knew that this bill, or some amendment to it-I do not know exactly the one now pending-which it is sought to put through here at the last moment of the session, when everyone is thinking of something else, perhaps to be followed by some other bill that they want to have taken up-if they knew that an amendment was being adopted, or a bill was being approved by the Senate which will compel a man, as the Senator from Alabama has said, who has had a claim in a national bank which is in receivership to travel, in some instances, 400 miles for a hearing in court, when he ought to be heard in his own county, when he would be heard in his own county if the State courts had jurisdiction, they would want to give it further consideration. If this bill gives to the Federal court any such jurisdiction, it ought to be defeated. At least we are considering a bill here that has never been read by the clerk.

The first thing we did was to start in to consider amendments. No one could tell by the reading of those amendments, which referred to a particular page or a particular line, what the amendments meant. We did not know what it was about. The result is that one or two men are now passing legislation through the Senate which the other Members of the Senate know nothing about. I protest against it.

Mr. President, we ought to proceed in an orderly way. If it takes 2 weeks more, let us take them. I am perfectly willing to take up the bill which the Senator has in charge, if it could be considered as we ordinarily consider legislation, but there is such a feeling here that if a Senator says a word or asks a question he is out of place. We have got to vote on these amendments. We do not like to vote them down when we do not understand what they are about. We do not want to be discourteous or unfair to the Senator from Ohio, who is back of this bill. But now something has happened. If the statement made by the Senator from Alabama [Mr. Black] be true, in my judgment, it demonstrates that there is something wrong with this bill, as I look at it.

Mr. BULKLEY. Now, Mr. President-

Mr. NORRIS. I yield to the Senator from Ohio.

Mr. BULKLEY. Certainly the Senator will agree that I have endeavored to answer thoroughly and frankly every question which has been asked.

Mr. NORRIS. I think the Senator has. I am not finding fault with the Senator.

Mr. BULKLEY. I am not asking that anything be rushed through. I invite full discussion on any question in which any Senator may be interested.

Mr. NORRIS. A full discussion of the bill will take 2 or 3 days.

Mr. BULKLEY. I hope the Senator will not take that view. We are trying to get through a bill before adjournment. Frankly I do want to cut debate short. I stated my reasons why I think the motion of the Senator from Alabama [Mr. Black], to strike out this section should not prevail, but I am perfectly satisfied to go ahead and take

a vote on it: and if it is the judgment of the Senate to strike out this section, I consider that it has nothing to do with anything else in the bill, and the bill will be just as good in other respects with this section out.

Mr. NORRIS. I move to strike the section out.

Mr. BULKLEY. I am willing to take a vote on it now without any further debate.

Mr. BLACK. Mr. President, I made that motion to strike it out

The PRESIDING OFFICER. The question is on the motion of the Senator from Alabama [Mr. Black].

DIRECT LOANS FOR INDUSTRIAL PURPOSES-CONFERENCE REPORT

Mr. GLASS submitted a conference report on the bill (S. 3487) relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes, which was ordered to lie on the table.

(For conference report, see p. 12226.)

## AMENDMENT OF BANKRUPTCY ACT

Mr. LONG. Mr. President, I have every desire in the world to see the banking legislation expedited as fast as my friend from Ohio wishes to have it done, but I wish to make a statement now so I will have it in the RECORD.

I tried to get this matter answered by my friend from Nebraska [Mr. Norris], but I am going to state it again. There has been laid before the Senate every House amendment to a Senate bill that has come over from the House. We have concurred in House amendments as fast as they came until we reached the House amendments to the Frazier bill.

This afternoon I was told at about 1 or 2 o'clock, or along about that time, that the House would send the Frazier bill over here in about 10 minutes. They kept whizzing around about it, and finally it got to be 5 o'clock, and I began to smell something rotten in Denmark. I had about 16 Members of the other House and half a dozen Senators and two or three Ambassadors from Turkey and Mesopotamia and other places over there trying to find out what was going on, what was wrong with that outfit, that they did not get the bill over here.

About 6 o'clock they reduced the time to 10 minutes, and about 6:30, I believe, it was reduced to 5 minutes. It is now 7 o'clock, and I have been trying to get my friend from Ohio to do what we have done here all day long, and that is to let the matter be laid before the Senate and let us concur in the House amendment to the Senate bill. We are ready to concur in it, but I cannot get it laid before the

We have been very considerate about the banking bill. do not know much about the banking bill, but it does not do much good to get rid of bank bills, because they wind up with the whole thing in a maze anyway. One time for 21 or 22 days I tried to study and understand the bank bill, and when I got through I did not know any more about it than when I went into it. I concluded it would do no good to study it 22 days more.

We have laid down every amendment that came over from the House until we reached the farmer amendment. We laid down the bankruptcy amendment for the benefit of the railroads p.d.q. We laid down the bankruptcy amendment for the benefit of corporations p.d.q. We laid down the bankruptcy amendment for municipal corporations p.d.q. But when we come here with a bankruptcy bill for farmers on the closing night of the session, we cannot get it laid down; and I do not understand what it is that prevents our having action on it. It is the only one we cannot get laid down.

Mr. NYE. Mr. President, will the Senator yield?

Mr. LONG. Certainly.

Mr. NYE. Perhaps what the Senator referred to as smelling is not so far away as Denmark.

Mr. LONG. No; it is not. It is getting too close to us. It is the queerest thing I ever saw happen in the Senate. It beats anything I ever saw as long as I have been here and as long as I have been anywhere else. [Laughter.]

Mr. NORRIS. Mr. President, will the Senator yield? Mr. LONG. Certainly.

Mr. NORRIS. I suggest to the Senator that he ask the Chair to lay the matter before the Senate.

Mr. LONG. I do so now. I accept the suggestion of the Senator from Nebraska, and ask now that the House amendment be laid before the Senate.

The PRESIDING OFFICER. The Chair will state that the rule of the Senate with reference to such matters is as follows, being paragraph 7 of rule VII:

The Presiding Officer may at any time lay, and it shall be in order at any time for a Senator to move to lay, before the Senate, any bill or other matters sent to the Senate by the President or the House of Representatives, and any question pending at that time shall be suspended for this purpose. Any motion so made shall be determined without debate.

Mr. LONG. Then I move that the Chair lay before the Senate the message from the House.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Louisiana.

The motion was agreed to, and the Presiding Officer laid before the Senate the amendment of the House to the bill (S. 3580) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; which was to strike out all after the enacting clause and insert:

That section 75 of the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States", as amended, is amended as follows: In section 75, entitled "Agricultural Compositions and Extensions", after subsection (r) add a new subsection (s), to read as follows:

"(s) Any farmer failing to obtain the acceptance of a majority in number and amount of all creditors whose claims are affected by a composition or extension proposal, or if he feels aggrieved by the composition or extension, may amend his petition or answer asking to be adjudged a bankrupt. Such farmer may, at the time of the first hearing, petition the court that all of his property, whether pledged, encumbered, or unencumbered, by

at the time of the first hearing, petition the court that all of his property, whether pledged, encumbered, or unencumbered, by liens or otherwise, be appraised, and that his exemptions as prescribed by the State law, subject to any liens thereon, be set aside and that he be allowed to retain possession of any part or parcel or all of the remainder of his property and pay for same under the terms and conditions set forth in this subsection (s).

"(1) Upon such a request being made in the petition or answer, at the time of the first hearing, appraisers shall be designated and appointed. Such appraisers shall appraise all the property of the debtor at its then fair and reasonable value, not necessarily the market value at the time of such appraisal. The appraisals shall be made in all other respects, with right of objections, exceptions, and appeal, in accordance with this act: Provided, That in case of real estate either party may file objections, exceptions, and appeals within 1 year from date of order approving the appraisal.

vided, That in case of real estate either party may file objections, exceptions, and appeals within 1 year from date of order approving the appraisal.

"(2) After the value of the debtor's property shall have been fixed by the appraisal as herein provided, the referee shall issue an order setting aside to such debtor his exemptions as prescribed by the State law, subject to any existing mortgages or liens upon any such exemptions to an amount equal to the value, as fixed by the appraisal, of the value of such exempt property as is covered by any mortgage or lien, and shall further order that the possession, under the control of the court, of any part or parcel or all of the remainder of the debtor's property, shall remain in the debtor subject to a general lien, as security for the payment of the value thereof to the trustee of the creditors, if a trustee is appointed, such a lien to be subject to and inferior to all prior liens, pledges, or encumbrances. Such prior liens, pledges, or encumbrances shall be subject to the payment of the claims of the secured creditors holding such prior liens, pledges, or encumbrances up to the actual value of such property as fixed by the appraisal provided for herein. All liens herein on livestock shall cover all increase, and all liens on real property shall cover all rental received or crops grown thereon by the debtor, as security for the payment of any sum that may be due or past due under the terms and provisions of the next paragraph, until the full value of any such particular property has been paid.

"(3) Upon request of the debtor, and with the consent of the lien holder or lien holders, the trustee after the order is made

"(3) Upon request of the debtor, and with the consent of the lien holder or lien holders, the trustee, after the order is made setting aside to the debtor his exemptions, shall agree to sell to the debtor any part, parcel, or all of the remainder of the bank-rupt estate at the appraised value upon the following terms and conditions, and upon such other conditions as in the judgment of the trustee shall be fair and equitable:

"a. Payment of 1 percent interest upon the appraised price within 1 year from the date of said agreement.

"b. Payment of 2½ percent of the appraised price within 2 years from the date of said agreement.

"c. Payment of an additional 2½ percent of the appraised price within 3 years from the date of said agreement.

"d. Payment of an additional 5 percent of the appraised price within 4 years from the date of said agreement.

"(4) An agreement having been reached as provided in subsection (3), the debtor may consume or dispose of any part or parcel or all of said property whether covered by the general lien to the trustee, if a trustee is appointed, or subject to pledges or prior liens or encumbrances held by secured creditors, provided he pays the appraised value of such part or parcel or all, as the case may be, to the secured creditors, as their interests may appear, and the trustee of the unsecured creditors, as his interests may appear, if a trustee is appointed, or he may put up a bond approved by the referee in bankruptcy that he will make payments, as provided for herein, of any property so consumed or disposed of.

"(5) In case the debtor fails to make any payments, as herein provided, to any or all of the secured creditors or to the trustee

of the unsecured creditors, then such secured creditors or the trustee may proceed to enforce their pledge, llen, or encumbrances in accordance with law. It shall be the duty of the secured creditors and of the trustee of the unsecured creditors to discharge all liens of record in accordance with law, whenever the debtor

has paid the appraised value of any part, parcel, or all of his property as herein provided.

"(6) Having complied with the provisions of subsection (3), the debtor may apply for his discharge as provided in this act.

"(7) If any secured creditor of the debtor, affected thereby, shall

"(7) If any secured creditor of the debtor, affected thereby, shall file written objections to the manner of payments and distribution of debtor's property as herein provided for, then the court, after having set aside the debtor's exemptions as prescribed by the State law, shall stay all proceedings for a period of 5 years, during which 5 years the debtor shall retain possession of all or any part of his property, under the control of the court, provided he pays a reasonable rental annually for that part of the property of which he retains possession; the first payment of such rental to be made within 6 months of the date of the order staying proceedings, such rental to be distributed among the secured and unsecured creditors, as their interests may appear, under the provisions of this rental to be distributed among the secured and unsecured creditors, as their interests may appear, under the provisions of this act. At the end of 5 years, or prior thereto, the debtor may pay into court the appraised price of the property of which he retains possession: Provided, That upon request of any lien holder on real estate the court shall cause a reappraisal of such real estate and the debtor may then pay the reappraised price, if acceptable to the lien holder, into the court, and thereupon the court shall, by an order, turn over full possession and title of said property to the debtor and he may apply for his discharge as provided for by this act.

"If the debtor fails to comply with the provisions of this subsection, the court may order the trustee to sell the property, as provided in this act."

Mr. FRAZIER. Mr. President, I move that the Senate concur in the amendment of the House.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from North Dakota.

Mr. HEBERT. Mr. President, when this bill was reached on the calendar the other day it was objected to by a number of Senators. Subsequently, and I assume after those who had objected had left the Chamber, the bill was called up again on the Unanimous Consent Calendar. At any rate, I was absent from the Chamber when it was called up and I know that at least one other Senator who objected to it was absent from the Chamber.

I opposed the bill when it was before the Committee on the Judiciary. I am still opposed to it and I wish to be heard on it, though I am not unwilling that the Senator from North Dakota should explain it to the Senate.

Mr. FRAZIER. Mr. President, will the Senator yield? Mr. HEBERT. I yield.

Mr. FRAZIER. When we were on the calendar last Wednesday and came to this bill the Senator from Ohio [Mr. Fess] asked some questions. The Senator from New York [Mr. COPELAND] called for the regular order and finally objected. I spoke to the Senator from Ohio and he said he would have no further objection. I went to the Senator from New York and talked with him and he said he had no objection. He said "You may call it up later on." Afterward I called it up, when the Senator from New York was in his seat, and he made no objection. No objection was made. Afterward there were two or three motions filed to reconsider the vote by which it was passed. The Senator from New York made such a motion, and I went to him and

"e. Payment of an additional 5 percent of the appraised price within 5 years from the date of said agreement.

"f. Payment of the remaining unpaid balance of the appraised price within 6 years from the date of said agreement.

"Interest shall be paid on the appraised price and unpaid balances of the appraised price yearly as it accrues at the rate of 1 percent per annum, and all taxes shall be paid by the debtor.

"The proceeds of such payments on the appraised price and interest shall be paid to the lien holders as their interest may appear, and to the trustee of the unsecured creditors, as their interests may appear, if a trustee is appointed.

"(4) An agreement having been reached as provided in subsection (3), the debtor may consume or dispose of any part or made by the Senator from North Dakota for passage of the bill. He asked me to do what I could to have it reconsidered and felt that every effort should be made to have the bill thoroughly discussed before final action was taken. So much for the Senator from New York and his attitude toward the matter.

May I say that the matter for some reason or other is highly controversial. Many protests have come to me. I do not know whether they are well founded, but there is great apprehension and great distress lest the proposed legislation be injurious to policyholders of insurance companies. I do not mean to claim that the contention is correct. I have no information about that. But I do think a bill of this magnitude ought not to have been passed under the circumstances under which it was passed. I hope the Senator from North Dakota will not press the matter, but will let it go over until the next session of Congress.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. WALSH. I will yield the floor, but before doing that let me say that I do not know, I am sorry to have to say, about the merits or demerits of the bill. I do know that it is a measure which is highly controversial, one of those measures which ought not to be passed on a mere calling of the calendar.

Mr. VANDENBERG. Mr. President, will the Senator from Rhode Island yield to me?

Mr. HEBERT. I yield.

Mr. VANDENBERG. May I have the attention of the Senator from North Dakota [Mr. Frazier]? The Senator has not indicated what the House amendment is to this bill. Will he please state what the House amendment is?

Mr. FRAZIER. I have not the floor. I shall be glad to state it if I can get the floor.

Mr. HEBERT. I will yield to the Senator from North Dakota to explain the amendment; then I desire to discuss

Mr. FRAZIER. Mr. President, the same bill was introduced in the Senate and in the House. The Senate Judiciary Committee made a few amendments to the bill. When the bill was reported here from the Judiciary Committee, and was passed last Wednesday, it went over to the House. Today the House struck out all after the enacting clause of the Senate bill and inserted the House bill as it has been amended. There are only a few slight changes.

This bill, in short, provides for scaling down the farmer's indebtedness, and for a moratorium of a 5-year period.

Mr. ROBINSON of Arkansas. Mr. President, if the Senator will yield, what changes did the House make in the Senate provisions?

Mr. FRAZIER. Practically the only changes made were as follows:

First, the difference in the period of payment by the farmer, after appraisals are made, to repurchase his property. The Senate bill provided for a period of 31/2 years. The House bill provides for a period of 6 years in which to make these payments to repurchase his property, paying 1-percent interest in the meantime. It also provides for a 5-year moratorium instead of a 6-year moratorium in section 7, the last provision.

There are one or two other slight changes, but they amount to very little. I do not care to take up the time. If anyone wants to ask any questions, I shall be glad to answer them as best I can.

Mr. HEBERT. Mr. President, I am not sufficiently familiar with the provisions of the House bill to discuss them at this time, though after the statement made by the Senator from North Dakota I assume that there has been no change except as to the period of time for the owner of property to redeem it; so I shall proceed to discuss the bill as it was considered by the Committee on the Judiciary when it was pending there.

I should like to read, for the information of the Senate, what I consider to be the salient provisions of this measure. Paragraph (s), on page 2 of the printed bill—I am referring now to the Senate bill—provides as follows:

(s) Any farmer failing to obtain the acceptance of a majority in number and amount of all creditors whose claims are affected by a composition or extension proposal, or if he feels aggrieved by the composition or extension, may amend his petition or answer asking to be adjudged a bankrupt. Such farmer may at the time of the first hearing petition the court that all of his property, whether pledged, encumbered, or unencumbered, by liens or otherwise, be appraised at its then actual value and that his homestead and exemptions be set aside and that he be allowed to retain possession of any part or parcel or all of the remainder of his property and pay for same under the terms and conditions set forth in this act.

As I construe that provision, Mr. President, it provides that the owner of a piece of property may file a petition in a court of bankruptcy and ask that his property be appraised. It must be appraised at its then value.

Now, let us assume for the purpose of this argument that there is outstanding on that property a mortgage of \$1,000. Conditions may be such that at the time of the appraisal it may be held to have a value of only \$500. That need not be its actual value for the purposes of the mortgagee, because under the terms of his mortgage he might well continue to hold his security, proceed in pursuance of the instrument that he holds, take possession of the property, and hold it as long as he cares to do so; but this bill goes on to provide—and again I read on page 2, paragraph 1, line 16—

Upon such a request being made in the petition or answer, or at the time of the first hearing, appraisers shall be designated and appointed. Such appraisers shall appraise all the property of the debtor at its then reasonable actual value.

I call attention to the fact that the bill does not provide for the appraisal of the property at its cash value; nothing but the actual value.

Mr. FRAZIER and Mr. FLETCHER addressed the Chair. Mr. HEBERT. I yield to the Senator from North Dakota. Mr. FRAZIER. Mr. President, the House amendment provides, in section (1), page 2:

(1) Upon such a request being made in the petition or answer, at the time of the first hearing, appraisers shall be designated and appointed. Such appraisers shall appraise all the property of the debtor at its then fair and reasonable value, not necessarily the market value at the time of such appraisal. The appraisals shall be made in all other respects, with right of objections, exceptions, and appeal, in accordance with this act.

There is a slight change there.

Mr. HEBERT. I observe that there is a slight change. Now I yield to the Senator from Florida.

Mr. FLETCHER. Mr. President, I heard the Senator read something about exemptions. In some States there is an exemption of 160 acres of land in the country, or half an acre or a quarter of an acre, as the case may be, in the city; but if 160 acres of land are to be exempt, it will take all the property there is, will it not?

Mr. HEBERT. If it is a homestead, there is an exemption for a homestead here.

Mr. FLETCHER. It may be 160 acres. In some States it may be more, but I know in Florida a homestead comprises 160 acres.

Mr. FRAZIER. If the homestead is mortgaged, of course, the exemptions do not apply. The House has amended that very slightly. They have left out the word "homestead" and included homesteads in substance as prescribed by the State law.

Mr. HEBERT. Mr. President, when the actual value has been ascertained, it is provided in paragraph 2, on page 3, that—

The referee shall issue an order setting aside to such debtor his homestead and exemptions, subject to any existing mortgages or liens upon such homestead or upon any such exemptions to an amount equal to the value, as fixed by the appraisal of such homestead or to the value of such exempt property as is covered

by any mortgage or lien, and shall further order that the possession, under the control of the court, of any part or parcel or all of the remainder of the debtor's property, shall remain in the debtor subject to a general lien.

In other words, let us assume that a petitioner comes into court seeking the aid of the court in bankruptcy, and thereupon the court is directed to appoint appraisers to fix the value of the property, and then turn it back to the debtor, so that anyone having a claim against it may not have that claim satisfied. It is not bankruptcy; it is taking away the rights of persons who have claims against the debtor. There is no way under this proceeding for a creditor to have his claim satisfied until after the expiration of 6 years, if then.

Mr. ROBINSON of Arkansas. Mr. President-

The PRESIDENT pro tempore. Does the Senator from Rhode Island yield to the Senator from Arkansas?

Mr. HEBERT. I yield.

Mr. ROBINSON of Arkansas. When the Judiciary Committee reported this bill no minority report was filed. When it was called up for consideration, the Senator from Idaho [Mr. Borahl and I objected, and no action was taken. On other occasions I objected to the consideration of the bill.

The bill finally passed the Senate and went to the House. The House has amended it, and I am informed, although I have not had opportunity of studying the House amendment, that it makes more liberal the provisions in the original bill with respect to creditors.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. ROBINSON of Arkansas. I yield.

Mr. FRAZIER. I want to call the attention of the Senator to the fact that section 7 was an amendment put on in both the Committee on the Judiciary of the House and the Committee on the Judiciary of the Senate. That section provides for creditors allowing a moratorium and letting the farmer pay rental. I do not think the Senator from Arkansas made any objection after that provision was inserted. It was the bill without that amendment in it to which the Senator objected.

Mr. ROBINSON of Arkansas. After the bill had been brought forward a number of times, I did not object to its consideration, although not in sympathy with all of its provisions. No Senator objected to it. It passed by unanimous consent.

Now the question arises on the motion of the Senator from North Dakota to concur in the House amendment. It seems to me that the rational step to take is to vote on the motion of the Senator from North Dakota.

I do not understand why committees apparently unanimously report legislation, members of the committee fail to take exception to it, let it pass, go to the other body, and then raise questions on the very merits which ought to have been raised in the committee. I am getting tired of that sort of thing. The committees are charged primarily with the responsibility of digesting legislation which is introduced and of suggesting amendments which may be necessary, but instead of doing that a great committee of the Senate reports a bill to the Senate without an amendment being proposed, with no minority report, the members of the committee permit the bill to be passed without objection and go to the House and be amended in terms which make it more acceptable in view of the contentions they make, and then they object to action on it.

I think the Senate ought to be permitted to dispose of this matter. Let us not deceive ourselves. There are a number of conference reports here which must be disposed of.

These matters ought to be taken up and acted upon in an orderly manner. Everyone knows that it is within the power of any Senator to delay and to defer action, under the conditions which exist at this time; but I am suggesting that the fair and orderly procedure is to vote upon these questions as they arise. If the Senate wishes to vote down the motion of the Senator from North Dakota, it has the liberty of doing so, but we ought not to put ourselves in the attitude of making issues which should have been made primarily when questions first arose.

There have been many occasions when we have considered the calendar, and some of us have stayed here and done our best to promote proper legislation, and other Senators, members of great committees, have apparently neglected their responsibility, let legislation pass, and then raised issues on the merits of legislation after it has passed the Senate.

Mr. WALSH. Mr. President, was there any minority report from the Committee on the Judiciary?

Mr. ROBINSON of Arkansas. There was no minority report from the Committee on the Judiciary, and nothing to indicate that a single member of the Judiciary Committee was opposed to this legislation. The Senator from Idaho and I took the responsibility of holding the legislation back indefinitely, and now I think the time has come when we ought to act.

Mr. LONG. Mr. President, further than that, there was not a single dissent made in the Senate at any time, except when the Senator from Arkansas held the bill up. Today it passed the House of Representatives, I am informed, with only 16 votes against it, after a thorough consideration by two committees.

Mr. WALSH. Where there are 20 members on a committee-

Mr. LONG. Twenty-two in the House, and seventeen in the Senate.

Mr. WALSH. And no minority report, there is an assumption that the legislation is approved.

Mr. ROBINSON of Arkansas. There is an assumption that the committee favored it—an assumption that there was no opposition to it on the part of the members of the committee who were charged in the first instance with action on it.

I do not know what view the Executive takes of this legislation—I am not prepared to say—but I do think that we ought to go forward and transact our business in an orderly way, and I think we ought to vote on the motion of the Senator from North Dakota.

I thank the Senator from Rhode Island for yielding to me.

Mr. HEBERT. Now, Mr. President, after the statement made by the Senator from Arkansas, I think it would be well to clear the atmosphere somewhat, and remove the misapprehensions of the Senator, and those which may have been created in the minds of the Senators by his statements.

Mr. ROBINSON of Arkansas. Mr. President, I am perfectly sure of my ground.

Mr. HEBERT. I am sure of my ground, if the Senator will just bear with me for a moment.

Mr. ROBINSON of Arkansas. Very well.

Mr. HEBERT. When this bill came up in the Judiciary Committee I announced my opposition to it and stated that I reserved the right to oppose it on the floor of the Senate. When the bill was reached on the Unanimous Consent Calendar objection was made to it, and it was passed over. Thereafter I was called out of the Chamber, and during my absence the bill was called up again out of order; I had no reason to suppose that the calendar was going to be called over again. We started that morning at a certain number and proceeded. I had no information that we were going over the calendar again.

Mr. ROBINSON of Arkansas. Mr. President-

Mr. HEBERT. Mr. President, if the Senator will bear with me for a moment.

Mr. ROBINSON of Arkansas. Will the Senator yield to me so that I may state the facts?

Mr. HEBERT. I am stating the facts.

Mr. ROBINSON of Arkansas. The unanimous-consent agreement, under which the Senate was proceeding, expressly provided that at the conclusion of the call of the calendar, commencing with no. 1243, the Senate would revert to the beginning of the calendar and call each bill on the calendar.

Mr. HEBERT. And proceed to where we stopped.

Mr. ROBINSON of Arkansas. I cannot understand why some Senator who was a member of the Judiciary Commit-

tee, if he was at heart opposed to some legislation, did not give the Senate that information. Why was the Senate allowed to proceed with the entire understanding that the bill had the support of every member of the committee?

Mr. HEBERT. The Senator did not object for the simple reason that he was not in the Chamber when the bill was reached the second time. He did object when it was reached in its regular order. The bill was called up out of its regular order and passed. That is the reason why no objection was made to it when it was passed.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. HEBERT. I yield.

Mr. FRAZIER. Did the Senator object when it was called the first time?

Mr. HEBERT. I was one of several who objected. The Senator from New York [Mr. COPELAND] was another.

Mr. FRAZIER. I know. And I spoke to the Senator from New York and got him to withdraw his objection. I did not know that the Senator from Rhode Island objected to it at all.

Mr. HEBERT. I objected when it was in the Judiciary Committee.

Mr. FRAZIER. I know, but I want to say for the benefit of the Senator from Arkansas that there was a subcommittee in both the House and the Senate committees, and in the Senate the subcommittee was composed of the Senator from Nevada, the chairman of the subcommittee, the Senator from Kentucky [Mr. Logan], and the Senator from Indiana [Mr. Robinson]. The measure was considered by the full committee and reported favorably. I was told there was only one objection. I do not know whether that is right or not. I was not in the committee when the committee voted on it. But when anyone tries to make out that this bill was not considered fairly and squarely I rather resent it, because I think it was.

Mr. KING. Mr. President, will the Senator yield?

Mr. HEBERT. I yield.

Mr. KING. I am a member of the Judiciary Committee, but, unfortunately, we have been having three or four committee meetings at the same time each day almost, during the latter part of this session. Upon the occasion when the Judiciary Committee met and considered this bill, I did not happen to be present, and I knew nothing of this bill until I saw it upon the calendar, at which time I indicated to a number of persons that I desired to study it before I consented to its consideration.

Mr. ASHURST. Mr. President, will the Senator yield? Mr. HEBERT. I yield.

Mr. ASHURST. I hesitate to inject myself into this discussion, but I should in frankness say that there was nothing concealed, nothing unusual, nothing premature about the procedure respecting this bill. It was referred to a subcommittee, namely, Senator McCarran, Senator Logan, and Senator Robinson of Indiana. That subcommittee considered the bill and reported it back to the main Committee on the Judiciary. Representative Lemke, of North Dakota. and Mrs. Greenway, Representative from Arizona, came before the Judiciary Committee and argued in favor of the bill, and the committee voted a favorable report on the bill. It is but fair and just to say that the learned Senator from Rhode Island [Mr. HEBERT] did in the committee announce that he reserved the right and proposed to exercise his right to oppose the bill on the floor of the Senate. The Senator from Rhode Island [Mr. HEBERT] was frank and open in his announcement. As Chairman of the Senate Committee on the Judiciary, I took pains to secure the opinion of a number of able lawyers throughout this country as to the constitutionality of this bill.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. ASHURST. I yield.

Mr. WALSH. Was there a vote on the bill in the full committee?

Mr. ASHURST. Yes.

Mr. WALSH. Was it unanimous?

Mr. ASHURST. No; it was not unanimous.

Mr. WALSH. Who opposed it?

me from stating precisely who voted against the bill in

Mr. WALSH. The opposition was not so serious as to cause the committee not to report it.

Mr. ASHURST. No. There were surely 2 votes against the bill in committee.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HEBERT. I yield.

Mr. LONG. I desire the Senator to correct me if I am wrong. It is true the Senator from Rhode Island expressed considerable apprehension as to the constitutionality of this bill, but as I understood it, it was so clearly shown to be constitutional that while when we took a vote, perhaps, the Senator from Rhode Island had already reserved his right. there was no negative vote, as I remember. I know the Senator from Nebraska [Mr. Norris] came over apparently well convinced as to the constitutionality of it. I did not notice any serious objection.

Mr. ASHURST. I would not want to be questioned now as to the vote in committee because we were quite hurried and rushed, and our memories are not telepathic or accurate amidst so many hundreds of problems, but as my memory serves me, there were 2 votes against the bill and 8 or 10 in favor of it in the committee.

Mr. HEBERT. Mr. President, I have no disposition to delay the proceedings of the Senate. That is farthest from my mind. I think my conduct here during the past 6 years will justify my making that statement at this time. I am opposed to the principles of this bill. I believe I have a right as a Senator on this floor to express my views upon it, and to say to the Senate the reasons why I am opposed to it. I do not know that I have to make any apologies for that conduct, though I merely make this explanatory statement in order that no Senator may think I am attempting to delay proceedings here by arguing or discussing this measure at this time.

When I was interrupted a short time ago I was discussing the provisions of paragraph 3, on page 4, which provides for the fixing of the value of the property by appraisers appointed by the court. And when that value has been ascertained the property must be turned back to the debtor. and he is required to pay interest, not upon the amount of any obligation that may have existed against him, not upon any mortgage indebtedness that may have been owed by the mortgagor, the debtor, the petitioner in the court of bankruptcy. That is not what this bill provides. He is required to pay interest at the rate of 1 percent upon the then actual value of the property. That does not mean if there be a mortgage outstanding on the property that the mortgagee is even going to receive interest at the rate of 1 percent. Because it may well be that in the appraisal proceedings the value of the property ascertained by the appraiser may be less; may be one-fourth less; may be onehalf less than any mortgage outstanding against the property.

Let us be clear about that point. The mortgagor, the debtor, is not going to be called upon to pay even 1 percent of his indebtedness, but 1 percent of the actual value of the property, whatever that may be. I submit to those who have some regard for the fundamental law, for the rights of property, that that is doing vengeance to all the concepts of jurisprudence with which we are familiar.

The same paragraph provides that the debtor shall pay 2½ percent, together with the 1 percent interest, on or before 12 months after the value of the property has been ascertained. Two and one-half percent of what? Does that mean  $2\frac{1}{2}$  percent of the indebtedness? The bill does not so provide. It is to be 21/2 percent of the actual value of the property as then ascertained by the appraisal. Again there is no possibility of reimbursing the holder of the obligation upon the property even to the extent of 21/2 percent of the face of his obligation.

The bill then provides that an additional 21/2 percent shall be paid on or before 18 months, 21/2 percent on or before 24 months, and thereafter he shall pay 5 percent principal, the court shall cause a reappraisal of such real estate and

Mr. ASHURST. I hope the learned Senator will excuse | together with interest semiannually, for the following years. Interest at what rate? At the rate fixed in the obligation? Not a bit of it. Will it be at the rate of 1 percent interest upon the obligation? No; it is not upon the obligation. It is interest upon the actual value of the property, whatever that may be.

Mr. LONG. Mr. President-

The PRESIDENT pro tempore. Does the Senator from Rhode Island yield to the Senator from Louisiana?

Mr. HEBERT. I yield.

Mr. LONG. I ask my friend this question because I never heard him make this objection before. The only objection I heard my friend make was as to constitutionality. The Senator is aware of the municipal bankruptcy bill, is he not?

Mr. HEBERT. I am aware of it.

Mr. LONG. Everything the Senator has said with regard to the bill now before us would apply against canceling municipal debts. Did not the Senator vote for the railroad bankruptcy bill?

Mr. HEBERT. Let me say to the Senator that I voted against the municipal bankruptcy bill and argued against it in committee.

Mr. LONG. Did not the Senator vote for the railroad bankruptcy bill?

Mr. HEBERT. I do not remember now. Mr. LONG. I will tell the Senator that he did. I remember that the Senator did.

Mr. HEBERT. The Senator's memory is better than mine on that point.

Mr. LONG. The only difference between the bill now before us and the bill to which I have just referred is that one relates to railroads and the other relates to farmers. That is the only difference.

Mr. HEBERT. I am obliged to disagree with the Senator, because there are many points of difference which I shall not now take the time of the Senate to point out.

I come to the amendment adopted in committee and which is printed in italics on page 6 of the bill. That was intended as a safeguard for the protection of creditors.

Mr. President, I am still trying to make myself heard.

The PRESIDENT pro tempore. The Chair will ask the Sergeant at Arms to take the gentlemen in the back part of the Chamber and escort them into the cloakrooms. They are the guests of the Senate and have been requested to maintain quiet, but they have ignored the request.

Mr. ROBINSON of Arkansas. Mr. President, I suggest that the Sergeant at Arms should be directed to remain

in the Chamber to maintain order.

The PRESIDENT pro tempore. The Sergeant at Arms will be called into the Chamber and requested to maintain order. The Senator from Rhode Island will proceed.

Mr. HEBERT. Mr. President, I was discussing the provisions of paragraph 7, on page 6, which reads as follows:

(7) In case a majority in number and amount of all the secured and unsecured creditors of the debtor file written objections, at the first hearing, to the manner of payments and distribution of debtor's property as herein provided for, then the court after having set aside the debtor's homestead and exemptions, shall stay all proceedings for a period of 6 years, during which 6 years the debtor shall retain possession of all or any part of his property, under the control of the court, provided he pays a reasonable rental annually for that part of the property of which he retains possession. The first payment of such rental to be made within 6 months of the date of the order staying proceedings such rental to be distributed among the secured rental to be made within 6 months of the date of the order staying proceedings, such rental to be distributed among the secured and unsecured creditors, as their interests may appear, under the provisions of this act. At the end of 6 years, or prior thereto, the debtor may pay into court the appraised price of the property of which he retains possession, less rentals paid: Provided, That upon request of any lienholder on real estate the court shall cause a reappraisal of such real estate and the debtor may then pay the reappraised price, less rentals paid, into the court and thereupon the court shall, by an order, turn over full possession and title of said property to the debtor and he shall be discharged from all his debts, both private and public, as hereinbefore provided.

What benefit is the holder of any security going to derive from that proceeding? He is going to get a reasonable rental, and upon request of any lien holder on real estate

the debtor may pay the reappraised value less rental pay—in other words, if the debtor has paid \$100 of rental—

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. HEBERT. I yield.

Mr. FRAZIER. I will say that the lease-rental reduction was stricken out by the House. If the Senator will use the text of the House bill he will see that I am correct.

Mr. HEBERT. Then, that removes the objection to that part of the bill which I entertained when it was under consideration here.

Mr. ROBINSON of Arkansas. Mr. President, I could not hear the Senator from North Dakota. Will he repeat his statement?

Mr. FRAZIER. The Senate bill provided that a farmer could pay the appraised value less the rental that he had paid during the period. The House struck out that provision for rental. Personally, I think it should have been in the bill, but the House struck it out.

Mr. HEBERT. Mr. President, I fail to see any justification for any such provision of law. In fact I cannot reach any conclusion that it is constitutional.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. HEBERT. Certainly.

Mr. ROBINSON of Arkansas. I think the statement just made by the Senator from North Dakota is important. The House amendment makes the bill far less objectionable from the standpoint of many Senators than as the bill passed the Senate. If the owner of the land, the mortgagor, remains in possession of the land and pays fair rental, and in addition to that 1 percent on the value of the land, it is much better compensation than if the rental were deducted.

Mr. HEBERT. If he pays it, yes; but he does not pay it. He does not pay 1 percent if he remains in possession of the land, nor does he pay a fair rental upon the full value of the property except as that is ascertained at the time. That may be the value and it may not be the value.

Mr. ROBINSON of Arkansas. That would be all the mortgagor could collect if he were in possession of the land. That is the theory of the amendment, I assume. The person in possession of the land pays a fair rental value. That is all that anyone could get.

Mr. HEBERT. No; let us understand that. The man in possession of the land pays rental based upon the value thus ascertained upon a reappraisal; not upon the value that it would represent to the man who had security, and who recovered possession of the property in pursuance of the exercise of his rights under that security.

Mr. ROBINSON of Arkansas. I do not see the distinction the Senator is attempting to make. In other words, a mortgage was made 5 years ago. The rental value at the time the mortgage was made was very much greater than it now is. If the mortgagee forecloses and gets possession of the land, he does not get the rental value as of 5 years ago; he gets the rental value at the time he is occupying it. That is all he can get.

Mr. HEBERT. That is just where the Senator and I come to the parting of the ways. The mortgagee gets possession of the property, and, having gotten possession of the property, he fixes the value. He fixes the rental; but this proceeding prohibits him from exercising his rights.

Mr. ROBINSON of Arkansas. The court fixes the fair rental.

Mr. FRAZIER. The court fixes it.

Mr. HEBERT. Yes; the court fixes it, but that does not give him the right to fix it.

Mr. ROBINSON of Arkansas. Of course, if the mortgagor is to remain in possession, it is necessary to have the court fix the rental value of the property.

Mr. HEBERT. I concede that if the mortgager is to remain in possession and deny to the mortgage the rights under any mortgage which he may hold upon the property, then that is the place where the rental value should be fixed.

Mr. President, I do not desire to detain the Senate unduly. I have stated my objections to the bill as concisely as I

knew how, and in order that the Senate may have rather a fuller understanding, I hope, of its provisions and of its implications.

Mr. LONERGAN. Mr. President, I think the pending motion should be defeated.

Here is a bill which calls for wholesale repudiation of obligations. It passed the Senate with only a few Members present, and without any consideration.

Who are the people who own the mortgages on the farms of this Nation? The agencies of the United States Government—are we to take steps here to repudiate governmental obligations?—the insurance companies of this Nation, which have issued policies to 68,000,000 people of this country; trust funds of widows, orphans, infants, and incompetents.

This is one of the boldest proposals I have seen presented in Congress in my nearly 10 years of service. The motion ought to be defeated. If there is any merit in this proposal, let us postpone action until we can deal with it properly.

I hope Senators will vote against the motion. We ought not to take the proposed action. I regard it as a reflection upon us who are here charged with the responsibility of representing the people of the Nation and our Government. We ought not to tolerate any such proposal of repudiation of governmental obligations and of other obligations—the taking of property without due process of law.

I am satisfied, as a lawyer, that there is not any court in the land that would uphold this bill if it should be enacted into law; and in my opinion it will be a reflection on our intelligence if we express approval of this proposal. I hope it will be defeated.

I have voted for many measures of benefit to farmers.

Mr. LONG. Mr. President, I do not care to speak on this bill if someone else wishes to speak on it. Let me say this, however:

I love my friend from Connecticut [Mr. Lonergan]. There is not a better hearted man in the Senate, nor in any other legislative body, than my friend the Senator from Connecticut. I feel the same way about my friend from Rhode Island [Mr. Hebert]; but where did we start this repudiation of public debts about which we are holding up our hands in holy horror now? We started it with the railroads of the United States of America. That is where we started it.

Where did we start writing down the interest on debts? We started it with the railroad bankruptcy bill. That is where we started it.

Where did we start writing down the principal? We started it with the railroad bankruptcy bill. That is where we started it.

Then we came along with the corporation bankruptcy bill, and we passed that.

Then we came along with the municipal bankruptcy bill, a bill relative to sovereignties created by the several States, and we passed that; and I think I showed on the floor of the Senate that there was no such thing as a right of a creditor to keep a municipality from taking advantage of bankruptcy proceedings regardless of the desire of the creditor, if the municipality wanted to cease paying its obligations and the interest on its bonds.

Now we come here, following the same precept, only in this case the proposal is a great deal more conservative. We could not ask the United States Senate to be as liberal to the farmer as they have been to the corporations. We knew we could not get that. We could not ask the United States Senate and Congress to be as nice to the farmer as they were to the corporations. We knew we could not get that. But we did ask them for what? To have the present value of the property, all the property can bring, fixed by the United States courts, subject to appeals, I suppose, as in all cases, and to allow the poor man on the farm to have the benefit that the court and the creditors see fit to extend to him, and to pay it out on such terms as will make it possible for the man to stay there.

What do we want to do with these farmers? Three thousand of them a day are being moved off the farms because

they cannot pay for the farms. Why can they not pay for the farms? Because they gave these mortgages back in 1920, 1921, and on up to 1925, when the dollar was worth only 60 cents, whereas today the dollar is worth \$1.36. They gave these mortgages at a time when the income of the country was such that a farmer could pay off his mortgages. Cotton was bringing 20 cents a pound. Wheat was bringing two or three times what it is bringing now. So was corn. So was oats. The farmers of the country today, with the depression, find that a farm that is mortgaged for \$1,500 cannot be sold on the public market for more than half that amount; and what good is it going to do for the bank to take it over and to lease it out? It probably never will be able to lease it out. The banks are going to get just as much money in this way as they will in any other way. They are going to have the right to sit around the bench with the court and appear before the court to see that no right is taken away from them. This is said to be a radical measure of bankruptcy for farmers when it is merely along the same lines as bankruptcy for corporations, and bankruptcy for railroads, and bankruptcy for municipalities.

It was not a radical thing when we voted for bankruptcy for the railroads. It was not a radical thing when we voted for bankruptcy for the corporations and for the municipalities. Why should this be heralded as being such a contrary

step?

Talk about the widows and orphans who own these bonds! We cannot get blood out of a turnip. We cannot get anything out of the poor farmer that he cannot raise. If his place is worth only \$1,500, and the mortgage is for \$3,000, the mortgagee cannot get any more out of it by seizing the poor farmer and putting him and his wife and children out of a home, because it cannot bring more than \$1,500, and the mortgagee gets every dime of it under this bill. He does not lose a cent. He gets every dime that the court of the United States says the place is worth. The only difference is that we do not move the poor devil out into the street.

Talk about this being a radical piece of legislation. It is the most conservative piece of legislation ever enacted by Congress. Three thousand farmers were moved out last night. Three thousand more will be moved out tonight. Three thousand more will be moved out tomorrow night; and we have not benefited anybody by selling the farmer's home under the hammer.

No one has been benefited by his home being sold under the hammer. In this case the only difference will be that the United States court will have to find the value to be everything the place can bring, every dime it is worth, everything that it can possibly bring, and even more than that. The bill provides that the cash value shall not be the sole criterion, that if and when, under reasonable circumstances, it would bring more than the cash value, the court should allow even that much, giving the creditors that much better of the bargain. So there is nothing whatever that can be lost to anyone. No one can suffer any harm. Everything that can be had will be had, and why should we have delay, or opposition to the farmer?

Mr. President, one more thing. This has been the most carefully considered bill that has been passed since I have been in the Congress. The bill went before the Judiciary Committee of the United States Senate, and it was referred to a subcommittee. The distinguished Chairman of the Judiciary Committee sought and obtained the opinions of lawyers in order that the constitutionality of the measure might be ascertained. The bill then was reported to the whole committee, it was reported to the Senate, and no minority report was made to this body.

The bill was here considered, after having been held up by the Senator from Arkansas, and it unanimously passed this body. It went over to the House of Representatives, and it was held there and considered by the Committee on the Judiciary of the House of Representatives for several weeks or perhaps several months' time, and after sober, careful consideration, I am informed that it was reported

out by the unanimous vote of the Judiciary Committee of the House of Representatives. Then it came before the House of Representatives, was called up for a vote, and received every vote in the House of Representatives with the exception of 16.

The bill is now before us, and it is here now because the House has liberalized the provisions insofar as they concern the creditors. The bill which passed the Senate was more liberal to the farmer than the bill before us now, but the House has granted the man who has the mortgage, the creditor, the man to whom the money is owing, the man the Senator from Rhode Island wants to protect, the man the Senator from Connecticut wants to protect, more than he had under our bill. He would get more out of the House bill than he did out of the Senate bill, and here Senators are trying to beat this bill by voting down an amendment which gave them more than the bill did as it was reported out of the Senate.

This unusual precedent is being established here tonight, that the farmer cannot have any kind of a chance on earth to come out of his distress, even though he is being bound over for the entire amount his property can possibly be valued at by the court, even though the lien holder is preserved in every right he has, to the full value of the property, even though you have allowed the railroads to take bankruptcy and go free, even though you have allowed the corporations to take bankruptcy and go free, even though you have allowed the muncipalities to take bankruptcy and go free. Just because it will stop 3,000 farmers' families from being moved off their places tonight, you resort to this unusual procedure of undertaking to keep us from concurring in an amendment that is more favorable to you than the bill was when it first passed the Senate.

Mr. President, I hope the amendment will be concurred in. This is a late date to make opposition.

Mr. HASTINGS. Mr. President, I merely wish to call attention to the very great distinction between this bill and the other bankruptcy bills referred to by the Senator from Louisiana.

Some 2 years ago, upon recommendation of the Department of Justice, an effort was made to modify the bankruptcy law of this country, the principal object being to do it in a way that would get rid of the stigma which goes with the declaration of bankruptcy. A full and complete investigation was made of the bankruptcy law, and a bill modifying it in many particulars was submitted to the Senate, and a report was made.

A subcommittee of the Committee on the Judiciary was appointed, of which I was chairman. The distinguished Senator from New Mexico, Mr. Bratton, and the Senator from Rhode Island [Mr. Hebert] were also members of the subcommittee. We gave very careful consideration to all of the recommendations which had been made by the Department of Justice, with many of which we agreed generally, some of which we thought were inadvisable at the time.

There seemed to be, however, a great demand and a great necessity to take care of three particular classes of persons. One was the individual. Therefore a section was added to the bankruptcy law which permitted the individual under certain conditions to go into the court of bankruptcy, not to be adjudged a bankrupt, but during the whole proceeding he was to be called a debtor. He was to see whether he could get 75 percent of his creditors to agree—as I recollect the percentage—to accept a certain kind of settlement, whether the settlement should be in cash, or whether the settlement should be in cash, or whether the settlement should be in percentage of the measure was to permit the 75 percent of the creditors, or the 66% percent, or whatever it was, to compel the other creditors to agree with the method of settlement the debtor had offered.

That was not, generally, greatly different from the provision of the old law, which provided that a bankrupt might make a composition with his creditors by offering a certain sum in cash in payment. I have forgotten for the moment just what percentage that was. The new legislation was

framed along that line. From the very beginning of the bankruptcy law, a certain percentage of creditors were compelled to accept the proposition offered by the bankruptcy to settle in the way of a composition.

We provided, as I have stated, with respect to the individual debtor who was in difficulty, and it was believed it would be-and I have understood that in many parts of the country it has been-of great assistance to the individual debtor. He has taken advantage of it, he has been able to go into the courts and to relieve himself of his debts without having it said that he had gone into bankruptcy.

In many instances it has been a mere postponement of his debt until his condition could so improve that he could meet them. But in other instances it has been the effort to pay off, perhaps 50 cents on the dollar, or 60 cents, but in order to do that he had to get a large percentage of his creditors to agree with him.

### AMENDMENT OF SETTLEMENT OF WAR CLAIMS ACT

Mr. HARRISON. Mr. President, will the Senator yield?

Mr. HARRISON. I yield. Mr. HARRISON. Would the Senator object, provided it does not precipitate any debate, to my calling up a measure which must be passed at this time if it is to become law?

Mr. HASTINGS. I yield for that purpose.

Mr. HARRISON. I ask unanimous consent that joint resolution (H.J.Res. 365) to amend the Settlement of War Claims Act of 1928, as amended, be now considered.

The PRESIDENT pro tempore. Is there objection to the immediate consideration of the House joint resolution?

There being no objection, the Senate proceeded to consider the resolution (H.J.Res. 365) to amend the Settlement of War Claims Act of 1928, as amended,

Mr. BORAH. Mr. President, I send to the desk and ask to have stated an amendment to the joint resolution. The amendment has been submitted to the Senator in charge of

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. It is proposed at the proper place to insert the following:

Section 36 of the Emergency Farm Mortgage Act of 1933, as

amended, is amended-

I. By striking the comma and the word "and" after the words "to reduce and refinance its outstanding indebtedness incurred in connection with any such project" in the second sentence thereof and inserting in place thereof the following: "; or, whether or not it has any such indebtedness, to purchase or otherwise acquire in connection with such project storage reserotherwise acquire in connection with such project storage reservoirs or dams or sites therefor, or additional water rights, or canals, ditches, or rights-of-way for the conduct of water, or other works or appurtenances necessary for the delivery of water, provided such purchase or acquisition is not intended to bring additional lands into production. Such loans,"

II. By adding at the beginning of (5) thereof the following: "in the case of a loan to reduce or refinance its outstanding indebtedness."

indebtedness

III. By adding at the beginning of (C) thereof the following: "in the case of a loan to reduce or refinance the outstanding indebtedness of an applicant."

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Idaho.

The amendment was agreed to.

Mr. FESS. Mr. President, will the Senator identify his

Mr. HARRISON. Mr. President, this is a bill the purpose of which is to hold in the Treasury some \$20,000,000 which is there under the mixed claims award against German nationals. It does not interfere with any payment being made to any American citizen who may have a judgment or who may have been awarded anything by the Mixed Claims Commission, but it does withhold in the Treasury the money that might be awarded to German nationals, and that is due to the fact that our Government has advanced about \$36,000,000, and that Germany has not come across with the part that she was to pay our citizens.

Mr. FESS. May I ask whether it is the same as no. 1468 on the calendar?

Mr. HARRISON. It is the same bill which was reported favorably by the Senate committee.

Mr. FESS. There was one item in that bill which goes to the extent of withholding payment where judgments have already been rendered. Has the Senator taken that into consideration?

Mr. HARRISON. Yes. The bill provides for withholding for the time being, in the discretion of the President, payment of judgments or awards which may have been made to German nationals, because of the failure of Germany to comply in advancing money that she was under agreement to advance to pay off American citizens.

Mr. JOHNSON. Mr. President, the matter comes now before us, may I inquire, in what shape? I thought the matter had been finally determined the other day. Had it

not?

Mr. HARRISON. No; this bill has not come up before.

Mr. JOHNSON. Is this the joint resolution which was presented by the distinguished Senator from Mississippi and which was reported favorably and passed by the Senate?

Mr. HARRISON. No; it has not passed the Senate. A joint resolution similar in character passed the House.

Mr. JOHNSON. Yes. And is that the joint resolution now before us?

Mr. HARRISON. That is the measure now being con-

Mr. JOHNSON. It is a reprisal for the failure of Germany to pay Germany's obligation to the Government.

Mr. HARRISON. I would not say it is a reprisal, but it is because of the failure of Germany to live up to her agreement in providing funds under the agreement that it is proposed that we withhold any payment to German nationals until after compliance shall have been made by Germany.

Mr. JOHNSON. With which, Mr. President, I may say I am quite in sympathy. I have observed today the attitude of Great Britain regarding the debts due from Germany to Britain and to British interests, and I am astonished to see. Mr. President, that Great Britain, resenting as she does even the request on the part of this Government for the payment of a debt, is about to engage in real reprisals against Germany because Germany does not pay her debt to Britain, and I am more surprised, sir, to observe that the great internationalist newspapers of this country, which have viewed with such alarm and with such dread and with such hostility a measure which precluded the sale in this country of securities of nations which were in default to our Government, view with equanimity and approval Great Britain's action in reference to Germany's debt.

What a marvelous difference it makes whose ox is gored, Mr. President!

The PRESIDENT pro tempore. The question is on the engrossment of the amendment and the third reading of the joint resolution.

The amendment was ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time and passed. Mr. HARRISON. I move that Senate Joint Resolution 135, similar in character to the one which has just been agreed to, be indefinitely postponed.

The motion was agreed to.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had agreed to the amendment of the Senate to the bill (H.R. 2419) for the relief of W. B. Ford.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H.R. 7922) authorizing the Secretary of Commerce to dispose of a portion of the Yaquina Bay Lighthouse Reservation, Oreg.

The message further announced that the House had agreed to the amendment of the Senate to the joint resolution (H.J.Res. 330) authorizing certain retired officers or employees of the United States to accept such decorations, orders, medals, or presents as have been tendered them by foreign governments.

The message also announced that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3636) for the relief of Thelma Lucy Rounds, were discharged and that the House agreed to the amendment of the Senate to the bill.

The message further announced that the House had receded from its amendment to the joint resolution (S.J.Res. 59) to provide for the expenses of delegates of the United States to the Ninth Pan American Sanitary Conference.

The message further announced that the House had passed a joint resolution (H.J.Res. 267) to authorize the several States to negotiate compacts or agreements to promote greater uniformity in the laws of such States affecting labor and industries, in which it requested the concurrence of the Senate.

ESTABLISHMENT OF A NATIONAL ARCHIVES-CONFERENCE REPORT Mr. McKELLAR submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8910) to establish a National Archives of the United States Government, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate, and agree to the same with amendments as follows:

On page 6, line 19, strike out the figures "\$8,000" and insert "\$10,000."

On page 7, line 9, strike out the words "to secure" and substitute therefor the words "and shall have."

On page 7, line 10, after the word "inspections", to strike out the remainder of line 10, and all of line 11 and line 12, to the words "and to requisition."

On page 7, line 14, strike out the word "Commission" and substitute therefor the word "Council."

On page 7, line 18, after the word :: building", insert a semicolon and add the following: "Provided, That any head of an executive department, independent office, or other agent of the Government may, for limited periods, not exceeding in duration his tenure of that office, exempt from examination and consultation by officials, private individuals, or any other persons such confidential matter transferred from his department or office, as he may deem wise."

On page 8, line 4, after the word "publication", insert the following: "and/or otherwise recording."

On page 9, following line 12, insert a new section, as follows:

"Sec. 7. The National Archives may also accept, store, and preserve motion picture films and sound recordings pertaining to and illustrative of historical activities of the United States, and in connection therewith maintain a projecting room for showing such films and reproducing such sound recordings for historical purposes and study."

On page 9, line 13, line 15, and on page 10, line 6 and line 23, strike out the figures "7", "8", "9", and "10", after the word "Sec." and insert the figures "8", "9", "10", and "11."

> A. W. BARKLEY. KENNETH MCKELLAR. S. D. FESS, Managers on the part of the Senate.

KENT E. KELLER. ROBERT T. SECREST, ROBERT LUCE,

Managers on the part of the House.

The report was agreed to.

ADMINISTRATIVE FURLOUGHS IN THE POSTAL SERVICE-CONFERENCE REPORT

Mr. McKELLAR submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9046) to discontinue administrative furloughs in the Postal Service, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 1. That the House recede from its disagreement to the amendments of the Senate numbered 2 and 3; and agree to the same

> KENNETH MCKELLAR. CARL HAYDEN. THOMAS D. SCHALL. Managers on the part of the Senate. MARTIN L. SWEENEY. A. P. LAMNECK.

WM. BRUNNER, CLYDE KELLY.

Managers on the part of the House.

The report was agreed to.

### AMENDMENT TO 1935 INDEPENDENT OFFICES ACT

Mr. McKELLAR. Mr. President, from the Committee on Post Offices and Post Roads, I report back favorably without amendment the House bill 9867. The bill has passed the House. I ask for its immediate consideration.

Mr. FESS. What is the bill?

Mr. McKELLAR. It governs automatic promotions.

The PRESIDENT pro tempore. Is there objection to the immediate consideration of the bill?

There being no objection, the bill (H.R. 9867) amending the Independent Offices Appropriation Act of 1935 was considered, ordered to a third reading, read the third time, and

## ALBERT M. JOHNSON AND WALTER SCOTT

Mr. ASHURST. Mr. President, will the Senator yield to me?

Mr. HAYDEN. I yield.

Mr. ASHURST. From the Committee on Public Lands and Surveys, I ask leave to report back favorably without amendment House bill 3726, which relates to the title to some Government land occupied by a famous character nicknamed "Death Valley Scotty", in the State of Nevada. This gentleman, Mr. Scott, called "Death Valley Scotty", made valuable improvements on this land described in the bill, believing that he had title to the land. Mr. Scott placed \$250,000 worth of improvements on this land. It developed that the title was defective. I expected the distinguished President pro tempore [Mr. PITTMAN] to make explanation of the bill, and I probably am doing an act not very gracious to him, as he is now presiding and therefore may not discuss or explain the measure. The bill authorizes the Secretary of the Interior to sell this land to Mr. Scott.

I have submitted the bill to both Senators from Nevada. and they favor it.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill (H.R. 3726) to grant a patent to Albert M. Johnson and Walter Scott was considered, ordered to a third reading, read the third time, and passed.

## MISS GRACE ABBOTT

Mr. COSTIGAN. Mr. President, about 2 days ago Miss Grace Abbott, one of the most remarkable women in intelligence and humanity of present America, resigned a position she has held with distinction since 1921 as chief of the Children's Bureau in the United States Department of Labor. She is today honored here and abroad for her efficient and indefatigable services in that position as a worthy successor of Miss Julia Lathrop.

Evidencing the prevailing high opinion in which Miss Abbott is everywhere held as she goes to the University of Chicago to continue her brilliant career, I ask to have incorporated in the RECORD as part of my remarks, and suitably referred, the press release in regard to Miss Abbott's retirement issued by Secretary of Labor Frances Perkins; one special article and two editorials, respectively, from the Washington Daily News and the Washington Star of June 15, 1934; also an editorial from the Washington Post of June 16, 1934.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

UNITED STATES DEPARTMENT OF LABOR

CHILDREN'S BUREAU,

CHILDREN'S BUREAU,

Washington, D.C., June 15, 1934.

The resignation of Miss Grace Abbott, Chief of the Children's

Bureau of the United States Department of Labor, was announced

at the Bureau today (Thursday).

Miss Abbott will go to the University of Chicago as professor of public welfare in the school of social service and will also become editor of the Social Service Review.

Although her resignation does not take effect until July 1, Miss Abbott will leave Washington on Friday for her home in Grand Island, Nebr., where her father, one of the State's pioneers, is

In Chicago Miss Abbott returns to the scene of her early career where, after receiving her master's degree in political science from the university and studying at the University of Chicago Law School, she became director of the Immigrants' Protective League and, later, executive secretary of the State immigration commis-

Miss Abbott has served under five Presidents, having come to Miss Abbott has served under five Presidents, having come to Washington during the Wilson administration in 1917 as director of the Child Labor Division of the Children's Bureau where she administered the first Federal child-labor law. After this law was declared unconstitutional, Miss Abbott held other public positions, including that of adviser on the War Labor Policies Board, secretary of the Child Welfare Conference with which the Children's Year campaign was concluded, and secretary of the Children's Commission of the First International Labor Conference

In August 1921 Miss Abbott was appointed Chief of the Children's Bureau, succeeding the late Julia Lathrop. During the 13 years of her administration the work of the Bureau and its services to parents, children's agencies and institutions, and to State child-welfare departments have been greatly expanded and strengthened.

One of the great satisfactions which came to Miss Abbott during her service in the Children's Bureau was the appointment of her friend, Miss Frances Perkins, as Secretary of Labor. It is with confidence that the work of the Children's Bureau and the welfare of the Nation's children will have the most sympathetic understanding and support that Miss Abbott now leaves to resume an academic career.

"It is a very great disappointment to me that Miss Abbott cannot longer be persuaded to remain as head of the Children's Bureau because she is carrying out a plan she has had under consideration for several years", Secretary of Labor Frances Perkins said tonight. "When she first told me of her intention to resign about 2 months ago, I was distressed and asked her to give the matter thoughtful reconsideration. Now that she has done that and come to her final conclusion, I can only bow to it with deep regret. Her advice and cooperation in treating not only the problems of the Children's Bureau but of the whole Department of Labor have been of inestimable value to me in my first year as Secretary.

"Our personal friendship has been enriched by this year of

"Our personal friendship has been enriched by this year of association in work, and I shall often call upon her for advice and assistance in the work of the Department, which she has generously offered to give in the future. I hope Miss Abbott will maintain a direct advisory relationship to the Children's Bureau. "Miss Abbott is one of the most distinguished women in America, with a scope and authority in the field of public welfare and a concentration upon the problems of children which have made her leadership in this field of great value not only to the Government, but to private social agencies everywhere. The competence and integrity of her research and the effectiveness and humanity of her presentation of factual material to people who need it for personal guidance in the daily life of children and families have given her a unique position in American life, the results of which will be felt for many generations.

"She has put the Children's Bureau upon a firm foundation from which I believe its useful work can be continued. The Bureau is increasingly effective largely because Miss Abbott has insisted upon its development in the direction of contacts directly with the people affected by the problems studied. The reports, the advice, the progress emanating from the Children's Bureau under her leadership have raised the standard of life for the children of this Republic immeasurably, and there are thousands of people who will not be able to join in any public expression of gratitude who nevertheless owe enormous benefits in their own lives to the intelligence, character, force, and social-mindedness of this great woman. lives to the intelligence, character, force, and social-mindedness of this great woman.

"The work of the Bureau will be continued along the lines

"The work of the Bureau will be continued along the lines laid down by Miss Abbott and with the same independence."

[From the Washington Daily News of June 15, 1934] DIFFICULT TO SELECT SUCCESSOR TO MISS GRACE ABBOTT By Ruth Finney

With echoes of the controversy over use of brains in government still reverberating through the Capital, the administration searched today for men and women qualified to fill a dozen im-portant Government posts.

Probably its most difficult problem is selection of a successor of Grace Abbott, retiring Chief of the Children's Bureau.

This division of the Labor Department touches more lives than any other in the Government, it has been estimated. Its work is varied and complex. Any problem which involves children falls within its jurisdiction and there are few problems which do not.

#### VAST DIFFERENCE

In 1912, when the bureau was established, the country lacked even statistics about children. There were no records of births or of infant deaths. Twenty-two years later, during more than half of which Miss Abbott has been in charge of the Bureau, the concern of the Government in its children has extended to the health of their mothers and to the employment of their fathers

at incomes sufficient to provide decent homes and nourishing food.

Miss Abbott's last annual report begins with a study of causes of maternal deaths. It ends with a recommendation that "a system of unemployment reserves for temporary unemployment and of adequate relief for long-time unemployment be developed" to ward off malnutrition in children.

#### BROAD STUDIES

The pages in between cover a territory as broad as life.

The bureau studied infant health, prevention of rickets, care of premature infants. It cooperated in arranging a special obstetrical course for practicing physicians. It distributed its six pamphlets on mothers, babies, and young children to millions of homes. homes.

It carried on its perpetual fight to end child labor and, before the advent of N.R.A., organized a company for passage of child labor laws in each State.

It studied the problem of children working at hazardous occu-pations and compiled statistics on accidents. It made a survey of problems confronting boys who leave school during depression years and of institutional treatment of delinquent boys.

#### "SOLD" CONGRESS

It went deeply into the problems of Federal juvenile offenders and helped conduct a model probation experiment in Chicago. It was the first Government agency to recognize the seriousness of the fact that homeless, jobless boys were wandering from one end of the country to the other in depression years, and its figures convinced Congress that action was necessary.

It was the first Government agency, during the Hoover administration, to compile adequate figures on relief and relief needs. It carried on this work despite attempts to abolish it or to cripple it through withholding appropriations.

The Children's Bureau has had only two chiefs. The first was

Miss Julia Lathrop. Miss Abbott, the second, was one of the first "brain trusters" in Government.

# AT HULL HOUSE

After her graduation from University of Nebraska she secured a master's degree in political science from the University of Chicago and did graduate law work at law school. Her practical training in social service was secured at Hull House and as secretary of the Immigrants' Protective League.

A woman will probably be selected to succeed her. The administration is looking for one with approximately the same qualifications.

qualifications.

# [From the Washington Daily News of Friday, June 15, 1934] A GREAT PUBLIC SERVANT

Grace Abbott has resigned. Most of our readers know that she has been chief of the United States Children's Bureau since 1921. In our judgment, no more able man or woman has served the Government in that period than Miss Abbott. She has been the ideal public servant, combining efficiency, vision, and courage. Her achievement in saving the lives of tens of thousands of

mothers and children has received not only national but also international recognition. Her service extended to leadership of various League of Nations commissions on the traffic in women and

But for her courage in successfully fighting against President Hoover at the White House Conference on Child Care for preservation of the independent Children's Bureau she probably would have been named the first woman Cabinet officer and Secretary of Labor in 1930. Later she was glad to serve under her friend and associate, Frances Perkins.

Secretary Perkins and President Roosevelt probably cannot find another Miss Abbott. But it is reported that only women of high qualifications are being considered; such as Katharine F. Lenroot, Assistant Chief of the Children's Bureau for many years; Josephine Roche, Colorado mine operator, pioneer in labor cooperation, and former director of the editorial division of the Children's Bureau; Dr. Martha Eliot, head of the Child Health Division of the Bureau and a member of the Yale University medical faculty; Dr. Neva Deardorff, of the New York Welfare Council.

In wishing Miss Abbott happiness and service in her new work as editor of the Social Service Review and member o the University of Chicago faculty, we join in Secretary Perkins' tribute "to the intelligence, character, force, and social-mindedness of this great woman."

# [From the Washington Evening Star of June 15, 1934]. SERVING THE CHILD

It is said that it was the privilege of the nineteenth century to discover the child. Through earlier ages of human history the younger generation invariably had been taken for granted as a

social group. No special attention ever had been conceded to boys and girls as such. They were born, they grew up, and that was all there was about it. Only when they attained maturity were they fully admitted to consideration as personalities of distinctive individual character. Their status was that of chattels; they were treated like other kinds of property.

But the sympathetic genius of Charles Dickens worked a reformatory havoc with the traditional attitude of grown-ups. Through the appeal of Little Nell, Tiny Tim, David Copperfield, and Oliver Twist he touched the hearts of millions who did not rest until children had been recognized to have particular rights, to be entitled to protection, guidance, and help as the heirs of the race.

the race.

A far-reaching change occurred throughout the world in the two decades between 1880 and 1900. Girls were permitted to develop minds of their own. Boys were allowed to practice an independence hitherto unimagined. Legislation and jurisprudence reflected the new spirit. Education and sociology assumed the new obligations implied by the altered psychology.

And an inspired leadership arose to meet the need. Literally scores of men and women accepted the challenge, giving their knowledge and their devotion freely in aid of children of every class. The service of children became a religion; a veritable of child welfare and child progress came into being. In America

class. The service of children became a religion; a veritable cult of child welfare and child progress came into being. In America there were men like Charles Loring Brace, Homer Folks, Ben Lindsey, Owen Lovejoy, Harvey W. Wiley, Luther Halsey Gulick, Dan Beard, Ernest Thompson Seton, Bernard Flexner, Julian Mack, William H. Welch, John A. Ryan, and Hastings Hart; women like Jane Addams, Lillian D. Wald, Helen Keller, Martha Berry, Charlotte V. Gulick, Dorothy Canfield Fisher, Winifred Sackville Stoner, Florence Kelley, and Julia Lathrop.

But no name should be held in greater honor for effective and lasting work for children than that of Grace Abbott, Chief of the Children's Bureau of the Department of Labor, whose resignation is announced today. Through the administrations of five Presidents she has earned the gratitude of all who share with her a sincere and constructive desire to serve humanity by helping the young, the innocent, and the personally helpless.

## [From the Washington Post of Saturday, June 16, 1934] GRACE ABBOTT RESIGNS

With wisdom, courage, and devoted but tempered zeal, Grace Abbott for the past 13 years has served the Nation as Chief of the Children's Bureau of the United States Department of Labor. Announcement of her resignation brings with it a feeling almost of unreality. During a period extending from the World War through the depression Miss Abbott has become so closely identified with the Children's Bureau that it is difficult to think of

the one without the other.

Called to Washington in 1917 to administer the first Federal child-labor law, Miss Abbott succeeded the late Julia Lathrop as child-labor law, Miss Abbott succeeded the late Julia Lathrop as chief of the Children's Bureau in 1921 and almost immediately was given the administration of the Federal Maternity and Infancy Act, which was in effect 7 years. While strengthening the statistical work of the Bureau and increasing its informational and consultation services to States and local communities, Miss Abbott has filled her difficult and controversial position with uniform administrative efficiency and with a breadth of vision and resourceful energy typical of the best that women have to offer in public life. It has often been said of her that she has shown how to be chief of an important bureau without becoming a bureaucrat. With clear understanding of the functions assigned to the Bureau by Congress and a scientific viewpoint toward the close inter-relationship of the various phases of child welfare, Miss Abbott has not singled out any one group of children for undue attention; but, emphasizing the economic basis of child welfare, and the preventive rather than the palliative method of attacking problems of health, dependency, and delinquency, her constructive imagination and tireless effort have constantly sought the removal of the handicaps, troubles, and misfortunes that limit the average

of the handicaps, troubles, and misfortunes that limit the average

American home in its creative task.

Perhaps the most eloquent tribute paid to Miss Abbott was the Perhaps the most eloquent tribute paid to Miss Abbott was the spontaneous movement in 1930 to have her appointed Secretary of Labor to succeed James J. Davis. The favorable public reaction, as evidenced by editorials in the press all over the country, probably helped to prepare the way for the appointment of the first woman Cabinet member. Be that as it may, Miss Abbott had the great satisfaction of seeing her friend Frances Perkins appointed Secretary of Labor. It is with an expression of complete confidence that the work of the Children's Bureau will have the most sympathetic understanding and support that she leaves to resume an academic career. an academic career.

## RELIEF OF TOBACCO INDUSTRY

Mr. SMITH. Mr. President, there is on the calendar a bill which has passed the House and which has been agreed to by all those interested in the tobacco market. There are some verbal amendments to be made. As it is a matter of very great importance to the tobacco growers, I ask that the bill be taken up and the amendment agreed to.

Mr. KING. Mr. President, may I ask the Senator from South Carolina if the bill has been referred to the Committee on Agriculture and Forestry of the Senate?

Mr. SMITH. It was, and was unanimously reported by the committee.

Mr. KING. Is it in principle anything like the so-called Bankhead cotton bill "?

Mr. SMITH. It is partly like the Bankhead cotton bill, but I think it is a very great improvement over that

Mr. LOGAN. Mr. President, it is along the same line in principle. I am very anxious that it should pass.

Mr. SMITH. This is a measure which has been agreed upon by all those who have been interested in tobacco legislation. There are some very slight amendments to be made. The bill will have to go to conference perhaps. I believe it will not take any time to pass it.

Mr. LOGAN. Mr. President, may I say that my State is one of the great tobacco-producing States, and, so far as I know, there is not a dissenting voice in the State to the passage of the bill. On the other hand, I have had hundreds of telegrams and petitions urging upon me, if I could, to see that the bill passed before the adjournment of Congress. I hope the Senator from South Carolina will be able to get the bill disposed of tonight.

Mr. VANDENBERG. Mr. President, may I ask the Senator from South Carolina if the bill has any relation to the proposed reduction in Federal taxation on tobacco?

Mr. SMITH. No; this is a different matter entirely. I hope the bill may be passed. If it leads to any discussion I shall withdraw the request.

The PRESIDENT pro tempore. Will the Senator state to what bill he refers?

Mr. SMITH. It is Calendar No. 1492, the bill (H.R. 9690) to place the tobacco-growing industry on a sound financial and economic basis, to prevent unfair competition and practices in the production and marketing of tobacco entering into the channels of interstate and foreign commerce, and for other purposes.

The PRESIDENT pro tempore. Is there objection?

Mr. WHEELER. Mr. President, I am going to object to any more unanimous consent requests. There is a motion to concur before the Senate, and I am going to insist that action be taken upon it. I appreciate that the tobacco bill is very important, but nevertheless, the other matter is also very important.

Mr. SMITH. I believe the consideration of the bill will take practically no time.

Mr. LOGAN. No; it will not take any time.

The PRESIDENT pro tempore. The Senator from South Carolina asks unanimous consent for the consideration of the bill the title of which he has stated. Is there objection?

Mr. WHEELER. I object.

Mr. SMITH. Very well; we will be here until tomorrow morning or Monday.

Mr. KING. Make it Tuesday! [Laughter.]

The PRESIDENT pro tempore. Objection is heard.

# AMENDMENT OF BANKRUPTCY ACT

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from North Dakota [Mr. FRAZIER] to concur in the amendment of the House to the bill (S. 3580) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

Mr. HASTINGS. The President-

Mr. DILL. Mr. President, I rise to a point of order. There is no order in the Senate. It is not sufficient that the Sergeant at Arms sit on the rostrum and look at those who are disturbing the proceedings. He should go to them and direct them to keep quiet.

The PRESIDENT pro tempore. The point of order is well taken. Senators will take their seats and obey the rule of the Senate. Those in the rear of the chamber who are guilty of most of the conversation and disturbance, as the Chair has previously stated, are guests of the Senate and should preserve order.

Mr. HASTINGS. Mr. President, I have explained that in the recent bankruptcy legislation there were three particular classes of persons involved. That which the Congress took up first in both House and Senate, as I recall, pertained to the individual debtor, the Congress believing that the individual debtor was the first who ought to be relieved in the way of legislation. But as I have pointed out, there was no relief for the individual debtor unless he secured a substantial number of his creditors to agree to his proposal—as I recall, 75 percent, although it may have been only two-thirds.

After that legislation was enacted there was a great demand from all over the country that the railroads of the country, which were facing receivership, might be put into a position where their creditors could reorganize under some legislation that might be enacted by the Congress in the form of an amendment to the Bankruptcy Act.

Following that which we did with respect to the individual debtor, we did largely the same thing with respect to the railroads, compelling the creditors in any class to agree to the proposal that was made by, as I recollect, 75 percent of the creditors of that particular class. In other words, there was no effort on the part of Congress to take away from the creditors any rights they had, unless they appeared as persons who were opposing a great majority of the creditors of the particular class in the organization.

That measure was presented to the Senate, but not very thoroughly considered because we were in the late days of the session. I had charge of that particular bill and stated to Members of the Senate that I had given it careful consideration. I explained in detail the purposes of the bill and it was passed, as I recollect, without any record vote and with no particular objection to it.

In the same bill there was a corporate reorganization section which was not approved by the Judiciary Committee, because it was believed there had not been sufficient time for the members of the committee to express an intelligent opinion with respect to it, and it did not pass in that particular Congress.

Since the present administration came into power there has been a great demand upon the President and upon individual Senators to enact a measure with respect to corporate reorganization. I do not know of any legislation that had received in the Senate such universal demand as that which pertained to corporate reorganization.

The Senate gave it careful consideration. The distinguished Senator from Indiana [Mr. Van Nuys] was made chairman of the subcommittee of the Committee on the Judiciary considering the particular measure. The Senator from Nevada [Mr. McCarran] and I were members of the subcommittee. Two years previously I had given careful consideration to it, and had reached a definite conclusion about it so far as I was concerned except with reference to certain details which were occasionally mentioned.

Mr. WHEELER. Mr. President, will not the Senator let us get a vote upon this question? Let us take a vote on it. The Senator knows perfectly well that unless he wants to filibuster against this bill it should be disposed of in order that we may take up other matters. Will he not let us have a vote on it?

The bill has passed the Senate, and it has passed the House. Let us take a vote on the House amendment, and either vote it down or agree to it. If the majority of the Senate want to vote against it, let them vote against it; but let us get a vote on it. There is other important legislation which is to come before the Senate, and I do not understand why the Senator wants to take up the time of the Senate at this particular time. It seems to me it is entirely out of place.

Mr. HASTINGS. I will state to the Senator why. I had no notion of talking about this bill; but the Senator from Louisiana [Mr. Long] has undertaken to impress upon the Senate that we gave relief to the railroads, we gave relief to the corporations, we gave relief to the municipalities, and we are not willing to give relief to the farmers. I do not propose to let that statement stand as it is without

some explanation to the effect that there is no similarity between the proposals.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. LONG. Except for the ability and talent of the Senator from Delaware, I should not think it possible for any distinction to be shown. I am not going to object to time being taken because if any distinction can be shown between writing down the railroad debts, which the Senator voted for, I think, and writing down the corporation debts, and writing down farm debts, I do not know what it is. I have been listening to the Senator very carefully and I have yet to see where there is any difference in principle. There may be a few more creditors in one case than in the other; but, all the same, it is subject to the approval of the court, and this is the fairest one of them all.

Mr. HASTINGS. If the Senator will be patient, he is intelligent enough to understand me; and if he understands me he will see the difference before I conclude.

Mr. WHEELER. Mr. President, does the Senator want to have Congress adjourn tonight?

Mr. HASTINGS. I may say in that connection that I have never participated in any filibuster in the Senate, and I am not in favor of filibusters; but some 3 or 4 days ago the leader on this side and the leader on the other side impressed upon us the importance of having the Senate adjourn tonight, and we were given to understand that the appropriation bill, the housing bill, and the bill which pertains to labor were the three matters that were to be brought before the Senate. My understanding was that those were the principal things that we had to look into, and those were the things that we would be invited to discuss before the Senate, and that when we had finished those measures nothing else would be taken up except things which would take but little time and to which there was no objection.

Mr. WHEELER. So that I may understand what the Senator wants to do, as a matter of fact what he wants to do, is to filibuster against this bill and also to filibuster against the railway labor bill. Is not that the fact of the matter?

Mr. HASTINGS. I am not filibustering against this bill at all; but I serve notice on the Senator now that I do not propose that Congress shall adjourn tonight and at the same time pass the railroad bill of which he speaks.

I say I am justified in the position I take because of what I clearly understood was the agreement on this side and the agreement on the other side.

I did not discuss the appropriation bill as I should have liked to do. I did not discuss the housing bill as I should have liked to do. I did not discuss the joint resolution that was passed pertaining to labor. I want to say to the Senator that on this side we had a conference with respect to that bill, and many Senators who wanted the Wagner bill and many Senators who were opposed to the Wagner bill undertook to agree on something that would be satisfactory so that we might pass it tonight, and not have Congress go over until next week, and possibly into the week following that.

With that clear understanding, I was informed late today that this bill to which I was opposed, to which I was opposed in the committee, and to which I filed a minority report, was to be taken up and forced upon the Senate tonight. Under the circumstances I have outlined, if the Senator wants to accuse me of filibustering, I say that if it be that I think I am thoroughly justified in taking that position.

Mr. WHEELER. Mr. President, so that I may understand-

Mr. HASTINGS. Just a moment until I finish. The purpose for the moment is not that, because I have a speech here that will last long enough, and I do not have to filibuster on this measure. I am here undertaking solely to answer the speech made by the Senator from Louisiana [Mr. Long] with respect to this bill, as I pointed out before, in which he said that there is no distinction between it and the railroad bill and the municipal bill and the corporation

Mr. WHEELER. What I want to find out—I think the Senator has told us to our satisfaction—is that what he really has in mind, what he wants to filibuster against, is the railway labor bill, because of the fact that he filed a minority report.

Mr. HASTINGS. No, no; that is not the only reason.

Mr. WHEELER. The fact that the leader on the other side and the leader upon this side may have said at some time that that was not in the list of bills to be taken up is no reason why a majority of the Senate of the United States which wants that bill considered should not be privileged to have it considered. I say to the Senator that when he takes the position that he is going to filibuster on the last night of the session, just because he feels that he can do so, against the railroad labor bill which has passed the House, and which is recommended to the Senator is a member, I feel that he is doing a great injustice not only to himself but to the Members of both Houses of Congress.

Mr. HASTINGS. I desire to say, in reply, that when Senators are in charge of a bill and want to pass it, they always think they are being imposed upon, and that Senators are talking longer than they ought to talk.

Mr. DILL. Mr. President, will the Senator yield?

Mr. HASTINGS. We all realize that this talk in the Senate convinces nobody. I know it generally, and I know it with respect to this bill. I shall not even be able to convince the Senator from Louisiana that I am right with respect to the matter now pending; but we have a right, and it becomes our duty if we are conscientious about it, to make a record with respect to it.

I think the bill that is now before the Senate, that has been brought back from the House, is a bill that is dangerous for America, and has no analogy to the bankruptcy bills that we passed in the past year or two, or in this year; and before I sit down I propose to prove that that is true, even to the Senator from Louisiana.

Mr. DILL. Mr. President-

Mr. HASTINGS. I yield to the Senator from Washington. Mr. DILL. The Senator a moment ago referred to the agreement by which the railroad labor bill was not to be taken up. I do not know about any agreement between the majority leader and the minority leader.

I do know that ever since the 21st of May I have been trying to have that bill taken up, and I have been assured again and again that there would be an opportunity to take it up; and I hope to make a motion to take it up before adjournment, whether it be tonight or next week.

## BENEFITS FOR WIDOWS AND CHILDREN

Mr. HARRISON. Mr. President, will the Senator yield? Mr. HASTINGS. I yield.

Mr. HARRISON. The Senator has been very gracious, and I dislike to impose upon him; but there is a bill here that is really of very tremendous importance, and I should like to have it passed. I am sure there will be no debate. If there is any debate, I shall withdraw it.

The bill passed the House, and I do not think there was a dissenting vote over there. It is with reference to the pensions of widows and children of disabled soldiers with service connection where there is more than 30-percent disability, where the soldiers die of causes that are not connected with the service. It is a bill which has the approval of the President of the United States and of the Veterans' Administration; and I am sure that if the Senator will let me ask unanimous consent for its consideration, and it can be granted, the bill can be passed without any further debate.

Mr. HASTINGS. Mr. President, I hope there will be no objection to the request. I shall be only a few moments more on the pending matter.

Mr. HARRISON. Does the Senator object to my bringing up this bill?

Mr. HASTINGS. Not at all.

Mr. HARRISON. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside,

in order that we may proceed to the consideration of House bill 9936.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the unfinished business is temporarily laid aside.

Mr. HARRISON. Mr. President, I ask that the Senate proceed to the consideration of the bill to which I have referred.

There being no objection, the bill (H.R. 9936) to compensate widows and children of persons who died while receiving monetary benefits for disabilities directly incurred in or aggravated by active military or naval service in the World War was considered, ordered to a third reading, read the third time, and passed.

#### STOCK EXCHANGE PRACTICES-REPORT

Mr. FLETCHER. Mr. President, will the Senator from Delaware yield to me to submit a report?

Mr. HASTINGS. I yield.

Mr. FLETCHER. Mr. President, the Committee on Banking and Currency, authorized by Senate Resolutions 84, 239, and 371 of the Seventy-second Congress, and continued in effect by Senate Resolutions 56 and 97 of the Seventy-third Congress, to investigate security dealings, banking practices, and effects of same, submits the accompanying report.

The committee submits a comprehensive report covering the entire investigation. It thoroughly analyzes (1) securities exchange practices, (2) investment banking practices, (3) commercial banking practices, (4) investment trusts and holding companies, and (5) income-tax avoidances; and concludes with (6) a summary of the legislation thus far enacted as a result of the investigation and the recommendations of the Committee as appear appropriate at this time.

The printing of the report and of the hearings including the index to the hearings will be completed in a few weeks.

# MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed, without amendment, the bill (S. 3528) to grant permission to the Willard Family Association to erect a tablet at Fort Devens, Mass.

The message also announced that the House had passed the bill (S. 2702) to amend the Civil Service Retirement Act of May 29, 1930, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 8910) to establish a National Archives of the United States Government, and for other purposes.

The message also announced that the House had passed a joint resolution (H.J.Res. 371) authorizing the creation of a Federal Memorial Commission to consider and formulate plans for the construction, on the apex block, Constitution and Pennsylvania Avenues, in the city of Washington, D.C., of a permanent memorial to the memory of Thomas Jefferson, third President of the United States and author of the Declaration of Independence, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the bill (S. 1639) to establish a Federal Credit Union System, to establish a further market for securities of the United States and to make more available to people of small means credit for provident purposes through a national system of cooperative credit, thereby helping to stabilize the credit structure of the United States, with an amendment, in which it requested the concurrence of the Senate.

## ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

S. 1103. An act to authorize the Secretary of the Navy to proceed with certain public works at the naval air station, Pensacola, Fla.;

S.1510. An act to amend the act entitled "An act to adjust water-right charges, to grant other relief on the Federal irrigation projects, and for other purposes", approved May 25, 1926, with respect to certain lands in the Langell Valley Irrigation District;

S. 3178. An act authorizing the George Washington Bicentennial Commission to print and distribute additional sets of writings of George Washington;

S. 3541. An act to authorize production credit associations to make loans to oyster planters;

S. 3545. An act to extend the times for commencing and completing the construction of a bridge across the St. Clair River, at or near Port Huron, Mich.;

S. 3645. An act to conserve and develop Indian lands and resources; to establish a credit system for Indians; to provide for higher education for Indians; to extend toward Indians the right to form business and other organizations; and for other purposes;

S. 3742. An act granting the consent of Congress to the State Board of Public Works of the State of Vermont to construct, maintain, and operate a toll bridge across Lake Champlain at or near West Swanton, Vt.;

H.R. 9178. An act to regulate the business of life insurance in the District of Columbia;

H.R. 9410. An act providing that permanent appropriations be subject to annual consideration and appropriation by Congress, and for other purposes;

H.R. 9946. An act providing for the ratification of Joint Resolution No. 59 of the Legislature of Puerto Rico, approved by the Governor May 5, 1930, imposing an import duty on coffee imported into Puerto Rico;

S.J.Res. 108. Joint resolution authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point, Eloy Alfaro and Jaime Eduardo Alfaro, citizens of Ecuador; and

S.J.Res. 117. Joint resolution authorizing the President of the United States to present the Distinguished Flying Cross to Emory B. Bronte,

## MEMORIAL TO THOMAS JEFFERSON

Mr. WAGNER. Mr. President, will the Senator from Delaware yield to me?

Mr. HASTINGS. Mr. President, I do not want to be charged with filibustering by yielding to everybody.

Mr. WHEELER. It is not necessary to charge the Senator with that. He has already admitted it.

Mr. WAGNER. If the measure for which I desire consideration shall take any time, I will not press it.

Mr. President, there is on the desk House Joint Resolution 371, authorizing the creation of a Federal memorial commission to consider and formulate plans for the construction, on the apex block, Constitution and Pennsylvania Avenues, in the city of Washington, D.C., of a permanent memorial to the memory of Thomas Jefferson, third President of the United States and author of the Declaration of Independence.

I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of the joint resolution.

There being no objection, the unfinished business was temporarily laid aside, and the Senate proceeded to consider House Joint Resolution 371, which was ordered to a third reading, read the third time, and passed.

## AMENDMENT OF BANKRUPTCY ACT

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from North Dakota [Mr. Frazier] to concur in the amendment of the House to the bill (S. 3580) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

Mr. HASTINGS. Mr. President, I hope Senators will permit me to conclude. I shall be only a few minutes more.

I have discussed the railroad bill. Following that, what was known as the corporate reorganization section was taken up, and that has just become a law.

Under that particular measure, with which I am a little more familiar, because it is a little more recent, 66% percent of the creditors of any class can compel the other third, or 33% percent, to agree to whatever they propose with respect to the reorganization of the corporation.

It will be observed that in none of those bills passed by the Congress heretofore, those which refer to the individual debtor, the railroads, or the corporations, could anything be done to the advantage of the bankrupt, or the debtor, without the consent of a considerable percentage, more than a majority, of the creditors of the particular debtor.

This proposal is entirely different from those others. There is no effort here and no demand made here to get the consent of creditors at all. It is wholly a different proposition. In this instance, instead of getting the consent of the creditors, the Congress has by a single act provided for an appraisal of the property, and, the property having been appraised and the value having been fixed, it has decided how the debtor might pay off the various creditors

I submit that is an entirely different proposition from anything that has been done by the Congress before. As I have pointed out, we have done nothing heretofore except to force upon a minority the judgment of a majority with respect to the best way to handle the property of a particular debtor.

Here no such thing is asked at all. An appraiser is merely appointed; no creditor is asked whether he agrees with it at all; no attention is paid to his judgment about it; no attention is paid to anything except the fixing of the value of the property by some court proceeding, and the value of the property having been fixed, then they proceed to tell how the debtor may pay off.

Mr. FESS. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. FESS. I want the Senator to correct me if I am in error. My question is suggested by the statement of the Senator from Louisiana. It is my recollection that in the bankruptcy legislation which was passed under the last administration there was bankruptcy legislation which was applied to the farmer, under which, if a proper agreement could be reached with the machinery set-up, the time of maturity of the debt could be extended, the interest rate could be reduced, and the principal could be shaved down. Am I in error about that?

Mr. HASTINGS. Not at all; and I am sorry I do not recall the details of that legislation sufficiently to explain it to the Senator. My recollection is that that legislation was proposed to the committee by the farm leaders, and, through the Senator from Arkansas, to me. They called upon me and the other members of the committee, and we gave the matter careful consideration and provided for some separate and distinct method of dealing with the farmers in the matter of bankruptcy.

Mr. FRAZIER. Mr. President, will the Senator yield? Mr. HASTINGS. I yield.

Mr. FRAZIER. I do not remember the exact wording of the bankruptcy act proposed for the benefit of the farmers; but I will say that I do not know of a single farmer, not one, who has taken advantage of that act with any satisfaction.

Mr. HASTINGS. Mr. President, in reply to that I will say that we put an amendment onto the last bankruptcy measure which came before us increasing the amount that was allowed to the commissioners, or whatever they were called, from \$10 to \$25. That was done also at the request of some person in the South, and he told me of great numbers of farmers who were taking advantage of that provision in the South. I cannot remember the number or the details sufficiently to be at all accurate about it. He explained to me that the \$10 was not sufficient to cover the expenses of his office in relation to the matter, and there had been something discovered in the law which prevented the Department of Justice from adding anything to the fee. Congress changed the fee from \$10 to \$25 so as to take care of that situation.

Mr. SMITH. Mr. President, will the Senator allow me ! now to ask unanimous consent for the consideration of a bill?

Mr. HASTINGS. Mr. President. I am about to conclude if the Senator will permit me.

I think I have covered the subject. All I have sought to do has been to explain the difference between the proposal before us and that which has been adopted by the Congress heretofore, and if I have made myself clear with respect to that, I am entirely content.

Mr. SMITH obtained the floor.

Mr. LONG. Mr. President, I ask for the yeas and nays.

Mr. SMITH. Mr. President-

Mr. LONG. We are ready for a vote. Will not the Senator withhold his matter until we can vote on the motion before us?

Mr. HASTINGS. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll

The legislative clerk called the roll, and the following Senators answered to their names:

Johnson Adams Couzens Reynolds Ashurst Cutting Davis Kean King La Follette Robinson, Ark. Robinson, Ind. Austin Bachman Dickinson Russell Bailey Bankhead Lewis Schall Dieterich Sheppard Shipstead Smith Logan Lonergan Dill Duffy Barkley Erickson Long Steiwer Stephens Thomas, Okla. Thomas, Utah McCarran McGill Fess Fletcher Bone Frazier George McKellar Borah McNary Metcalf Brown Bulkley Gibson Thompson Townsend Tydings Murphy Bulow Goldsborough Byrd Neely Norbeck Gore Hale Vandenberg Byrnes Wagner Capper Norris Caraway Carey Harrison Hastings Nye O'Mahoney Walcott Walsh Clark Hatch Overton Wheeler Hatfield Patterson Pittman Connally White Coolidge Havden Hebert Pope Costigan

Mr. President, I merely wish to reannounce Mr. LEWIS. the absences of the Senators whom I have previously announced as being absent from the Senate.

The PRESIDENT pro tempore. Ninety Senators having answered to their names, a quorum is present.

Mr. FRAZIER. Mr. President, I ask for the yeas and

Mr. SMITH. Mr. President, I ask unanimous consent for the immediate consideration of a bill.

Mr. COUZENS. Mr. President, I shall have to object until a vote is taken on the bill now before the Senate.

Mr. SMITH. I understand there are three or four speeches to be made.

Mr. COUZENS. I shall object until a vote is taken. This bill has been before the Senate for a considerable time.

The PRESIDENT pro tempore. Objection is made.

Mr. BANKHEAD. Mr. President, I am not going to delay the vote.

I am disturbed about this bill. I am sure that my record in the Senate has abundantly manifested my position with regard to the farmers of this country. What I have to say is not addressed to the eastern Senators who are opposing this bill; it is addressed to the Senators who are supporting it.

There are two phases of it, Mr. President, which disturb me. The first is as to the effect that the bill will have upon credits to farmers hereafter. If it applied only to existing mortgages, I should be glad to support it; but here is a program presented, not limited to existing mortgages, but a permanent program for the composition of mortgages.

When a farmer goes to his advancing merchant, or goes to his banker, or applies to an insurance company for a loan under this bill, I want to know, and I am inquiring with earnest anxiety about it, what effect it is going to have upon those credit facilities for the farmers of this country.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Administration, and the Governor of the Farm Credit Administration said he did not want to interfere in the passage of the bill; that he did not object to it; that he thought it would be a help to the farmers in paying up their indebtedness.

Mr. BANKHEAD. Mr. President, I am not talking about the agencies of the Government, though I do perceive the possibility of difficulties in the matter of loans now being made by the Federal land banks of this country upon farm property. It has been suggested that I ask the Senator from North Dakota what representative he referred to. What representative of the farm agency did he refer to? Who was it?

Mr. FRAZIER. Representative LEMKE.

Mr. BANKHEAD. I thought the Senator said a representative of the Farm Credit Agency.

Mr. FRAZIER. No; a Representative in Congress.

Mr. BANKHEAD. I thought I understood the Senator to say that a Member of the House talked to a representative of the Farm Credit Agency.

Mr. FRAZIER. A representative of the Farm Credit Administration-Governor Myers.

Mr. BANKHEAD. Governor Myers?

Mr. FRAZIER. Yes.

Mr. BANKHEAD. My attitude is not in opposition to this bill, and if I can be satisfied about it I shall be happy to support it.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. LONG. The Senator has asked a question which is very easy to answer. They are guaranteed at all times. There is never a reduction in the value or in the debt below what the place will possibly bring and even beyond that. In other words, they can never reduce the debts below the value of the property, and that is all they can get anywhere.

The difference which my friend does not discern is that these mortgages, most of them, were made when the dollar was valued at about 60 cents. Today mortgages are being made when the dollar is valued at about \$1.36, so that today the mortgages are made on the dollar at its aggravated value.

The trouble is with those mortgages which were made when the dollar was worth less than one-half what it is worth today. At no time can the court depreciate the value and the amount the creditor is going to have at less than its value. They cannot lose anything.

Mr. BANKHEAD. I stated to the Senate, and I am quite glad to reaffirm the statement, that if this bill applied to existing mortgages, such as described by the Senator from

Louisiana, I should be glad to support it.

There is no doubt about the need for relief of the farmers who have mortgages on their properties based upon values that prevailed at the time of the execution of the mortgages. in view of the reduced debt-paying power of the farmer. If there is any possibility, under the rules of the Senateand I desire to submit that question to the Senator from Louisiana and to the Senator from North Dakota—if there is any method under the rules of the Senate by which this composition idea can be limited to existing mortgages, I should be glad to have it presented, and I should be glad to support it, and support this bill. But are those of us. Mr. President, who are the real friends, as I conceive it, of the farmers, doing them an advantage?

I submit to the friends of the farmer, are we doing them an advantage by the passage of a bill which will deter all creditors in the future from making loans to farmers secured by mortgages on their properties?

Mr. MURPHY. Mr. President, will the Senator yield? Mr. BANKHEAD. I yield.

Mr. MURPHY. Did the Senator vote for the municipal bankruptcy bill?

Mr. BANKHEAD. I did.

Mr. MURPHY. Did the Senator think we were doing an injustice to municipalities in permitting them to compose their debts?

Mr. FRAZIER. A Member of the House told me that he had an interview with the Governor of the Farm Credit ferent proposition. The municipality bankruptcy bill was

based upon an agreement by a certain percentage of the creditors of the municipalities.

Mr. LONG. So is this. Mr. BANKHEAD. Oh, no.

Mr. LONG. I beg the Senator's pardon.

Mr. BANKHEAD. If a majority percentage do not agree to it, then the farmer may appeal to the court and have ipso facto upon an appeal, a stay for a fixed period.

Mr. LONG. That is right.

Mr. BANKHEAD. I am in favor of that on existing mortgages. That is all right. I am for it.

Mr. LONG. Then there is no harm in the bill.

Mr. BANKHEAD. Oh, yes; I see great difficulty about it. I do not want to support a measure that will put the farmers of the country in position where they cannot hereafter secure credit as they have done in the past.

Mr. MURPHY. The Senator fears that the passage of the farmers' bankruptcy bill would dry up the source of credit for the farmers. If that be true, why would not the passage of the municipal bankruptcy bill dry up the source

of credit for municipalities?

Mr. BANKHEAD. Because the municipality bankruptcy bill was based solely upon an agreement among the creditors. This bill ignores the creditors, as I have just stated. If the creditors do not agree then upon application to the court there is a stay for the time fixed in the bill.

I know the Senator from Iowa is a friend of the farmer. I am anxious, if we can, if there is any parliamentary method by which we can, to make the law apply to existing indebtedness. I should be happy if that could be done. But who is going to loan to the farmers of Iowa or Alabama after this law is enacted when it is known that the farmer at any time after the loan is made may go to the court and stay the foreclosure of the mortgage upon payment of 1 or 1½ percent for 6 years?

Mr. MURPHY. Many States now are preventing creditors from foreclosing on farms. The argument against that procedure was that it would discourage credit for the farmers. If the condition continues, will not Government financing have to be extended to the farmer for all his necessities? Private financing is failing—has failed. Private financing today is imposing terrific burdens upon the farmer, insisting frequently upon renewal of loans at the rate of 53/4 percent. The Farm Credit Administration is putting out its own securities at 3 and a fraction percent, and loaning to the farmer at 4 and a fraction percent.

The high interest rate which it is impossible for the farmer to pay is destroying him. The bill would permit a composition of the farmers' debts. Its passage would operate to prevent transfer of the ownership of our farms from the individuals now owning them to the corporations.

Mr. BANKHEAD. Of course it would be conceded that all credits to farmers hereafter must be made by the Government if the suggestion of the Senator from Iowa be sound; but I cannot concede that.

Mr. FESS. Mr. President, will the Senator from Alabama yield to me?

Mr. BANKHEAD. I yield.

Mr. FESS. If the Senator from Alabama will permit me, I think he has been submitting some observations worth while, and which in the main not only impress me as sound but no doubt impress other Senators in the same way.

Mr. BANKHEAD. Mr. President, there is so much confusion in the Chamber I cannot hear the Senator from Ohio.

The PRESIDENT pro tempore. The Chair wishes to announce to the occupants of the galleries that they are here as guests of the Senate, and while they may be talking only in undertones, the combined voices cause much confusion. I hope those in the galleries will refrain from all conversation. I also hope that those on the floor of the Senate will refrain from conversation so that Senators engaged in colloquy may hear each other.

Mr. FESS. Mr. President, I was remarking that the observations the Senator is making on the hesitation of any Senator to vote for the proposal are impressive to me. It does seem to me that we might destroy the credit which he insists the farmers have, because everyone realizes that by

the passage of the bill we may be making it impossible for the farmer in the future to borrow money. On May 4 we had the matter before us. There were 11 votes for it and 37 votes against it.

(At this point Mr. Bankhead yielded to receive a message from the House of Representatives.)

MESSAGE FROM THE HOUSE—DIRECT LOANS FOR INDUSTRIAL PURPOSES

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3487) relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes.

Mr. GLASS. Mr. President-

The PRESIDENT pro tempore. Does the Senator from Alabama yield to the Senator from Virginia?

Mr. BANKHEAD. For what purpose?

Mr. GLASS. If the Senator will yield to me, I desire to call up a conference report which came over from the House, on the bill providing for the making of direct loans to the smaller industries of the country.

Mr. BANKHEAD. I yield to the Senator from Virginia for that purpose.

Mr. GLASS. Mr. President, I ask unanimous consent for the immediate consideration of the conference report on the bill (S. 3487) relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes.

The PRESIDENT pro tempore. The Senator from Virginia asks unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of the conference report. Is there objection?

There being no objection, the Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3487) relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes.

(For conference report, see House proceedings, p. 12226.) Mr. COUZENS. Mr. President, I should like to ask the Senator from Virginia what is in the bill that is different from what was in it when it left the Senate.

Mr. GLASS. It is my purpose to explain it, and I think I can explain it more explicitly than the reading of the conference report would disclose it.

Mr. President, this is a bill passed by the Senate by an almost unanimous vote, authorizing the 12 Federal Reserve banks to make loans in exigent circumstances direct to going commercial and industrial enterprises.

As Senators will recall, it was proposed at one time to set up 12 intermediate-credit banks for this purpose; but to some of us that was so obviously an extravagant thing to do that we prevailed upon those in authority to agree to a substitute bill which authorized these loans to be made by the Federal Reserve banks instead of 12 intermediate-credit banks.

The authorization extends to the surplus funds of the Federal Reserve banks plus a like amount contributed from the Federal Treasury, to be returned to the Treasury under a scheme of amortization of a minimum of 2 percent, and such additional amounts as may be earned by the Federal Reserve banks upon the loans or discounts made by the respective banks to going commercial and industrial concerns.

That was the chief provision of the bill and the primary purpose of it, as passed by the Senate. The House struck out all after the enacting clause and substituted its own amendments, consisting largely of two banking bills that had previously been passed by unanimous vote of the Senate.

The Senate conferees thought that the attachment of these two banking bills was superfluous, for the reason that when they passed the Senate this bill authorizing direct loans by Federal Reserve banks had not been proposed or even drafted; but, inasmuch as these provisions are harmless, though not especially beneficial, in order to reach an agreement the Senate conferees accepted these amendments.

There is some new matter, notably authorizing loans by | SPECIAL COMMITTEE TO CONDUCT INVESTIGATIONS OF PHILIPPINE the Reconstruction Finance Corporation for the payment of school teachers in certain cities of the country.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. GLASS. Yes; I yield.

Mr. COUZENS. When the bill passed the Senate, there was a certain amount allocated out of Reconstruction Finance Corporation funds to be loaned to private industry, with a limit of \$1,000,000 to any one industry.

Mr. GLASS. Yes.

Mr. COUZENS. How did that come back from confer-

Mr. GLASS. It comes back at \$500,000. It came from the House at \$100,000. It went from the Senate at \$1,000,-000. It came into conference with the House amendment authorizing loans not in excess of \$100,000. The conferees agreed on loans of not in excess of half a million dollars to various industries.

Mr. COUZENS. May I ask the Senator to state the terms under which the \$75,000,000, I understand, is to be loaned

for the payment of school teachers?

Mr. GLASS. The report provides that an aggregate amount of \$75,000,000 may be loaned out of funds of the Reconstruction Finance Corporation, upon full and adequate security, to public-school districts or other similar publicschool authorities organized pursuant to State law for the payment of teachers' salaries due prior to June 1, 1934.

Mr. LEWIS. Mr. President, may I be pardoned if I interrupt the Senator from Virginia for one question?

The VICE PRESIDENT. Does the Senator from Virginia yield to the Senator from Illinois?

Mr. GLASS. I yield to the Senator. Mr. LEWIS. Conscious of the fact that I am one of those whose persistency no doubt has persecuted the able Senator and the other conferees, advocating as I have been this relief of school teachers, I wish to ask the able Senator from Virginia, the chairman of the subcommittee, if the present provision in the bill as now accepted by the conferees differs in the manner of its enforcement or the manner in which it is to be administered from the provision as it came from the House.

Mr. GLASS. There is no difference whatsoever. We accepted the House amendment.

Mr. LEWIS. For which I thank the Senator.

Mr. GLASS. Which I do not think we should have done. however.

Mr. LEWIS. As to that part of it, I know there has been considerable difference. I appreciate the generosity of the Senator from Virginia, and to him much credit must go for this generous allowance to the school teachers in their necessity.

Mr. GLASS. I think I have enumerated the main points of difference. I may say that the Senate conferees are confident that in the agreement made in general we reflected the sense of the Senate, and certainly the attitude of the Senate conferees, on this bill. If the House conferees are pleased, then all of us are pleased.

Mr. BLACK. Mr. President, an amendment was agreed to in the Senate, which was offered by me. May I ask what was done with that amendment?

Mr. GLASS. It was not agreed to.

Mr. BLACK. It was the amendment prohibiting the use of influence in securing loans. That was not agreed to?

Mr. GLASS. It was not agreed to.

Mr. BLACK. May I ask whether the bill still provides for loans to industry by the Reconstruction Finance Corporation in the same amount as was provided in the Senate?

Mr. GLASS. No; in an additional amount of \$50,000,000. The Senate provided \$250,000,000, and the House increased that to \$300,000,000.

I move that the conference report be agreed to.

Mr. BLACK. Mr. President, I shall register my objection by voting against the adoption of the conference report. The VICE PRESIDENT. The question is on agreeing to

the conference report.

The conference report was agreed to.

CONDITIONS

The VICE PRESIDENT laid before the Senate the following communication from the President of the United States, which was read and ordered to lie on the table:

> THE WHITE HOUSE. Washington, June 16, 1934.

MY DEAR MR. VICE PRESIDENT: I am transmitting herewith a copy of a concurrent resolution adopted by the Philippine Legislature on May 2, 1934. You will observe that this resolution requests me to appoint a committee, including an economic expert, to conduct hearings and investigations in the Philippine Islands, in accordance with my message to Congress of March 2, 1934.

It does not seem to be appropriate that I should appoint such a committee at this time, since the Constitution which may be adopted under the provisions of the independence act has not yet been ratified. Since, however, the Congress has been giving close attention to the relations between this Government and the Philippine Islands, it has occurred to me that the Senate and the House of Representatives might consider it useful and opportune at this moment to appoint a committee consisting of probably three of the members of each branch of the legislature for the purposes of investigating the present conditions in the Philippines and reporting to the Congress thereon. It is therefore to the end that any action which may be deemed appropriate in the premises may be taken by the Congress that I am transmitting to you a copy of the resolution aforementioned.

I am communicating in the same sense to the Speaker of the House of Representatives.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

The VICE PRESIDENT. United States Senate.

The VICE PRESIDENT. Without objection, the accompanying resolution of the Philippine Legislature will be printed in the RECORD and lie on the table.

The Chair has consulted the leader of the majority and the leader of the minority, and they are of the opinion that the Chair can, without additional action of the Senate, appoint a committee.

Pursuant to the suggestion of the President of the United States, the Chair appoints the following Senators to represent the Senate on the special committee to conduct hearings and investigations in the Philippine Islands pursuant to the concurrent resolution adopted by the Philippine Legislature on May 2, 1934: The Senator from Maryland, Mr. Typings; the Senator from Arizona, Mr. Hayden; the Senator from Tennessee, Mr. McKellar; and the Senator from Vermont, Mr. Gibson.

The concurrent resolution adopted by the Philippine Legislature is as follows:

(Concurrent Resolution 53, adopted by Philippine Legislature on May 2, 1934)

Concurrent resolution inviting the committee of the Government of the United States to conduct hearings and investigations in the Philippine Islands for the purpose of ascertaining such imperfections and inequalities as may exist in the Tydings-McDuffie law

Whereas, in his message to Congress of March 2, 1934, recommending the approval of a Philippine independence legislation, the President of the United States said: "I do not believe that other provisions of the original law need be changed at this time. Where imperfections or inequalities exist, I am confident that they can be corrected after proper hearing and in fairness to both peoples ";

Whereas it is the desire of the Philippine Legislature that an authorized committee of the Government of the United States conduct hearings and investigations in due time in the Philippine Islands for the purpose of ascertaining such imperfections and inequalities as may exist in the Tydings-McDuffle Act: Now,

and inequalities as may exist in the Tydings-McDume Act: Now, therefore, be it

Resolved by the Senate (the House of Representatives of the Philippines concurring), That the President of the United States be requested, and he is hereby requested, to appoint a committee, including an economic expert, to conduct hearings and investigations in the Philippine Islands, in accordance with his message to Congress of March 2, 1934, the expenses of said committee and economic expert to be borne by the Philippine Government.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT

Mr. GIBSON. Mr. President-

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Vermont?

Mr. BANKHEAD. The Senator asked me to yield for the consideration of a matter which he said would require no

Mr. LONG. Mr. President, I shall have to object, as the Senator from Michigan did. We never will get through with the pending bill.

Mr. GIBSON. This will take but a minute.

Mr. LONG. This other ought to take but a minute also. We have only a little while. I understand the Senator from Alabama has about finished with his remarks.

The VICE PRESIDENT. The Chair will state to the Senator from Louisiana that a message from the House is a privileged matter.

Mr. LONG. We have under consideration a message from the House of Representatives. That is what we have before

The VICE PRESIDENT. A message from the House of Representatives can be laid before the Senate at any time. Mr. LONG. Very well. I withdraw the objection.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2702) to amend the Civil Service Retirement Act of May 29, 1930, and for other purposes, which was, on page 4, after line 14, to insert: "This act shall become effective upon the transfer of civil-service retirement functions from the Veterans' Administration to the Civil Service Commission, as provided in Executive order of April 7, 1934, as amended by the Executive order of June 5, 1934."

Mr. GIBSON. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

## AMENDMENT OF BANKRUPTCY ACT

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from North Dakota [Mr. FRAZIER] to concur in the amendment of the House to the bill (S. 3580) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

Mr. BANKHEAD. Mr. President, as I stated in the beginning, I am frankly disturbed about this situation which has been so suddenly projected upon the Senate. It appears to me that there must be a decision by us as to whether or not we will protect existing mortgagees, with whom I am sure all of us are in sympathy, at the risk of drying up credits hereafter under this bill to other farmers who need credit facilities to be secured by mortgages upon their farms.

Frankly, I do not know how to make a decision on the subject. It seems clear to my mind that if this bill shall be enacted, while it will afford relief which all of us desire to extend to existing mortgagees, at the same time we will be creating a situation under which the farmers will not be able hereafter, until the expiration of the law, to secure credits of the character which require mortgage security upon their farms.

Unfortunately, the sponsors of the measure have presented to us the alternative of deciding whether it is better to give relief to those who are now in distress or, upon the other hand, to leave them to work out the situation as best they can, and to dry up, as I have expressed it, the sources of mortgage credit to farmers.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. LONG. I have tried to explain to the Senator that this is only a temporary measure, and will expire in about 4 years. I have not been able to get him to see that.

Mr. BANKHEAD. I have seen it.

Mr. LONG. It is under section 75 of the act we passed in the preceding Congress, a year or so of the time of which has already run, and this matter would not affect the situation the Sentor talks about at all, particularly the credits | simplify the administration of air-mail routes and contracts.

which are extended by the Farm Credit Administration. which extend beyond the time. The Senator is wholly at sea on this matter. Furthermore, we did not even have that kind of a safeguard in the municipal bankruptcy bill; we did not have that kind of a safeguard in the corporation bankruptcy bill; we did not have that kind of a safeguard in the railroad-bankruptcy bill, but it is confined to a temporary period under this proposed legislation.

Mr. BANKHEAD. Mr. President, I well understood what the Senator from Louisiana was seeking to accomplish. I know that his heart is in the right place. I would be delighted if I could find some solution of the question. I would like to see the bill enacted, but what is to happen in the next 4 years in the matter of credit for the farmers? What is to happen to loans to insurance companies, to merchants, and to bankers?

As I see it, we must decide whether it is more important to pass this bill, which would afford this opportunity for a stay for 5 or 6 years upon existing mortgages, or, on the other hand, to go back and tell our people at home that under this bill it is difficult for a farmer to secure a credit.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. FRAZIER. I want to say that it is difficult for the farmers to secure credit now. There are literally thousands upon thousands of farmers who cannot be refinanced under the existing conditions. They are losing their homes, and they are bound to lose their homes.

Mr. BANKHEAD. The Senator must take into consideration those who can secure credit if they are not handicapped in the manner provided in this bill, so that after securing credit they can go into court and secure a moratorium for 4 or 5 years. I do not object to the moratorium, and I do not object to the composition item.

Mr. President, I would like to submit a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. BANKHEAD. I would like to know whether there is any procedure under which we could refer this report back to the conferees with a direction to limit the bill to existing mortgages. If there is any such procedure, I shall be glad to make the motion and will be happy to support the bill.

The VICE PRESIDENT. The bill has not been in conference. A motion is in order either to agree to the amendment or to send the bill to conference.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. LONG. I will make the motion that the bill be referred to a conference committee with instructions that it be confined to debts presently existing.

Mr. BANKHEAD. I will shake hands with the Senator on that.

Mr. LONG. I make the motion.

Mr. BANKHEAD. I yield for that purpose.

The VICE PRESIDENT. Does the Senator from Louisiana move to refer the bill to a conference committee?

Mr. LONG. I do.

The VICE PRESIDENT. The question is on the motion of the Senator from Louisiana that the Senate disagree to the House amendment, ask for a conference, and that the Chair appoint the conferees.

The motion was agreed to; and the Chair appointed Mr. McCarran, Mr. Long, and Mr. Robinson of Indiana conferees on the part of the Senate.

SIMPLIFICATION OF ADMINISTRATION OF AIR-MAIL ROUTES AND CONTRACTS

Mr. McKELLAR. Mr. President, I move that the Senate proceed to the consideration of House Joint Resolution 366, to simplify the administration of air-mail routes and con-

The VICE PRESIDENT. The Senator from Tennessee moves that House Joint Resolution 366 now be made the pending business.

The motion was agreed to; and the Senate proceeded to the consideration of the joint resolution (H.J.Res. 366) to Mr. McKELLAR. Mr. President, this joint resolution proposing an amendment to the law, requires the aircraft commission established by the recent Air Mail Act to report its recommendations about routes. That is not material.

The second section is very material. It would permit the Government to consolidate two contracts into one route, so that where there was a route on which it had received very low bids, a route from Newark, N.J., or New York, to Los Angeles, which was divided in the advertising into two routes and two contracts, one from Newark to Fort Worth, on which it received a low bid of 13 cents, and the remainder of the route for 39 cents, when they were consolidated as would be permitted under this act, into one route, there would be a very low rate across the continent. For that reason it seems to me that the joint resolution should be passed.

Mr. AUSTIN. Mr. President, this is only the beginning, as Unele Henry, of Show Boat fame, says. This amendment to the law is necessary. This joint resolution proposing the amendment ought to pass, but it is only one of a great many amendments which will be found necessary to the ill-considered air mail law recently enacted.

The conference report upon the act to revise air-mail laws and to establish a commission to make a report to Congress recommending the aviation policy came to the Senate on the 5th of June. It was opposed, but the Senate adopted the conference report. That was on June 5. On the very next day, June 6, it was found necessary to introduce amendments affecting one of the most essential policies contained in that report. The bill became a law by the signature of the President on the 13th day of June. We therefore see that this amendment was offered before even the bill had been signed by the President.

I now call attention to this matter, because it emphasizes a fact which was heretofore called to the attention of the Senate, and, notwithstanding full knowledge of the situation, the Senate passed the air mail bill.

In section 3, subsection (d), of the bill the following language appears:

The Postmaster General may designate certain routes as primary and secondary routes and shall include at least four transcontinental routes—

I am undertaking to call attention to the section of the act which is supposed to be amended by the amendment now pending, because I feel sure that some Members of the Senate would like to know what they are about to vote upon.

The Postmaster General may designate certain routes as primary and secondary routes and shall include at least four transcontinental routes and the eastern and western coastal routes among primary routes. The character of the designation of such routes shall be published in the advertisements for bids, which bids may be asked for in whole or in part of such routes.

Another section of the Air Mail Act made a limitation upon the number of routes as well as the number of contracts which any one operator could have. This is the limitation in section 15 of that bill:

After October 1, 1934, no air-mail contractor shall hold more than three contracts for carrying air mail, and in case of the contractor of any primary route, no contract for any other primary route shall be awarded to or extended for such contractor. It shall be unlawful for air-mail contractors, competing in parallel routes, to merge or to enter into any agreement, express or implied, which may result in common control or ownership.

What did that affect as it was passed by the Senate? There had been created under the McNary-Watres Act and by virtue of the wise, far-reaching policy of Postmaster General Brown three transcontinental routes, each of which was independent of the other, and all of which were competitive, as evenly as possible, at all points of contact. That admirable structure was intended to be destroyed by the legislation which was passed here, after full notice that that was one of the objectives of that legislation. Nevertheless, the Senate put it through. The roller flattened us out as completely as anything could be flattened. We made a vigorous resistance, and explained the situation fully.

Within 24 hours the administration discovered what that meant to it, because it had let certain contracts for a

temporary period to contractors who were qualified to transport the mail in a great transcontinental flight, and by virtue of this act passed, it found itself embarrassed by the situation which has been described by the Senator from Tennessee. They had cut the transcontinental route from Newark via Fort Worth to Los Angeles into two routes, and made two primary routes, and now comes the United States Congress and forbids a contractor flying the mail over two primary routes.

With that obsession to restrict, with that obsession to cut down the mileage of these routes so as to make more routes for distribution among those who kept the Democratic donkey alive, as the witnesses testified before our special committee, they rushed in and enacted this bill. They then found the administration had gotten into a very embarrassing situation and that they must come to Congress within 24 hours and have an amendment which would reverse entirely the policy to which Congress has subscribed, and go back to the policy of Postmaster General Brown of having one organization, one contractor, manage and operate one of the great transcontinental routes.

What I have said about the southern transcontinental route applies to all of them. It applies to the midtranscontinental route and to the northern transcontinental route. This injurious measure, this poisonous piece of legislation, is just as damaging to the other two as it is to the southern route for which American Airways has a contract.

If we were entirely frank in offering the amendment we would admit that it affects them all. We would also admit that what we did in the passage of the bill in respect to one of the most essential features of the bill was absolutely fallacious, that it was contrary to the public welfare, that it was against economy, that it was against the interests of those who send mail from ocean to ocean, that it was against the interests of the people who have become passengers and would desire to continue to travel by air from coast to coast.

Mr. BULKLEY. Mr. President-

The VICE PRESIDENT. Does the Senator from Vermont yield to the Senator from Ohio?

Mr. AUSTIN. I yield.

Mr. BULKLEY. Will the Senator permit me to submit a unanimous-consent request? I ask unanimous consent that the business now before the Senate be laid aside to permit us to complete consideration of the measure which I previously had before the Senate, to amend the Banking Act of 1933 and the Federal Reserve Act?

Mr. DILL. I object.

The VICE PRESIDENT. Objection is heard. The Senator from Vermont will proceed.

Mr. AUSTIN. Mr. President, so far as I am concerned I am perfectly willing to have that matter intervene, but I certainly want to be on record at this time with respect to the proposed amendment of the law, because the amendment speaks with more persuasion than I was able to use when we were considering the subject in advance of the enactment of the law, though we had the power to reason and we had the evidence upon which to base reason. Certainly there is no sane person who could not have seen that what we were about to do was a damaging thing to do and that no purpose could be served except vindictiveness.

What I am saying applies in principle to every other one of the 18 important changes created by the conference report and the bill as it was passed. There were 19 sections preceding the creation of the Commission to investigate aeronautics and report to Congress in order that we might enact some rational legislation relating to the entire subject of aeronautics. But could we await the report of the Commission that should investigate the matter?

Oh, no; not at all. We had to save the face of the administration. We must pass 19 of those sections which altered completely the face of the air-mail map of the United States, which reversed the policy of the Government with respect to encouraging the development of safety and speed and efficiency in this growing industry, and which would wreck, if possible, all the material efficiency and splendid

development that has occurred during the past 4 years. We did it. We did it more than effectively, and we began to rue it within 24 hours.

I prophesy that unless the Congress is willing to open the door to that Commission in respect to all the other 18 fundamental changes made in the bill, the Commission will be a total failure, a total loss so far as the public welfare is concerned.

The amendment of the act now before the Senate should be extended beyond the limits of section 3 and should include every other section of the act in order that the Commission might have just an even chance to come here to Congress with recommendations which would be constructive and which would be feasible.

Let me read what we are about to adopt. I know we will adopt it. I want it adopted. What I want to say is that we ought to adopt the same thing with respect to every other phase of the act. I read the first part:

That subsection (d) of section 3 of the act entitled "An act to revised air-mail laws, and to establish a commission to make a report to the Congress recommending an aviation policy", approved June 12, 1934, is hereby amended by adding at the end thereof the following sentence: "The Commission created under section 20 of this act shall review the designations made by the Postmaster General under this subsection, and include in its report to Congress its conclusions upon such review.

Mr. President, I suggest to the Senate that it is a good thing to do that, but there is implied in the joint resolution an interpretation of the act which excludes a review of any other one of the important changes effected. To that extent the amendment is faulty. The amendment ought to be adopted, but there should be an additional power extended to the Commission to cover the entire act.

Mr. President, I am hurrying and straining my voice in an effort to be heard, not because I think it is interesting at all to anybody else, but because I want to be on the record with all we have said and done heretofore with respect to the legislation.

Section 2 of the proposed legislation, the joint resolution before us, is as follows:

The first sentence of section 15 of such act is hereby amended to read as follows: "After March 1, 1935, no person holding a contract or contracts for carrying air mail on a primary route shall be awarded or hold any contract for carrying air mail on any other primary route, nor on more than two additional routes other than primary routes."

The meaning of that is that one contractor may have 1 primary route and 2 secondary routes, but he may not have a system like that which runs across the center of this continent, with north and south feeders operated by the same company that operates the transcontinental line. All that he may have is the primary route across the continent and two other routes.

I ask the Senate, What sense is there in undertaking to make restrictive provisions of this character, which can have no other object save that of feeding the cupidity of someone, no other object than to cripple the service and to narrow it in such a way that there is no possibility of development through any great transcontinental operator?

Of course, the second section also proves beyond any question how ill-considered that bill was. The second section is an admission that the original bill was defective; that it was crudely drawn. I will not charge that the authors were not acquainted with their subject, because I know that at least one of them was acquainted with his subject; but I call attention to the difference between the phrase as it was originally written and as it is now asked to be written. I read it as it is in the bill. This is section 15.

ESTABLISHMENT OF FEDERAL CREDIT UNION SYSTEM

Mr. SHEPPARD. Mr. President-

Mr. AUSTIN. I yield to the Senator from Texas.

Mr. SHEPPARD. Will the Senator permit me to submit a privileged request which will take only a moment?

Mr. AUSTIN. I yield for that purpose.

Mr. SHEPPARD. Mr. President, I ask the Chair to lay before the Senate the amendment of the House to Senate bill no. 1639.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 1639) to establish a Federal Credit Union System, to establish a further market for securities of the United States, and to make more available to people of small means credit for provident purposes through a national system of cooperative credit, thereby helping to stabilize the credit structure of the United States, which was to strike out all after the enacting clause and to insert a substitute therefor.

Mr. FLETCHER. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed without amendment the joint resolution (S.J.Res. 131) providing for membership of the United States in the International Labor Organization.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H.R. 9829) to amend the Agricultural Adjustment Act with respect to the processing tax on hogs.

The message further announced that the House had passed the following bill and joint resolution, in which it requested the concurrence of the Senate:

H.R. 9769. An act to amend the act of June 19, 1930 (46 Stat. 788), entitled "An act providing for the sale of the remainder of the coal and asphalt deposits in the segregated mineral land in the Choctaw and Chickasaw Nations, Oklahoma, and for other purposes"; and

H.J.Res. 452. Joint resolution to provide an additional appropriation for expenses of special and select committees of the House of Representatives for the fiscal year 1935.

## ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 3231. An act to provide a retirement system for railroad employees, to provide unemployment relief, and for other purposes:

H.R. 3357. An act to amend section 99 of the Judicial Code (U.S.C., title 28, sec. 180), as amended; and

S.J.Res. 59. Joint resolution to provide for the expenses of delegates of the United States to the Ninth Pan American Sanitary Conference.

AMENDMENT OF BANKING ACT OF 1933 AND FEDERAL RESERVE ACT

Mr. BULKLEY. Mr. President, will the Senator permit me to interrupt him?

The VICE PRESIDENT. Does the Senator from Vermont yield to the Senator from Ohio?

Mr. AUSTIN. I yield.

Mr. BULKLEY. I renew my request for unanimous consent to lay aside the pending business temporarily for the purpose of concluding the consideration of Senate bill 3748.

The VICE PRESIDENT. The Senator from Ohio asks unanimous consent to lay aside temporarily the pending business for the purpose of taking up Senate bill 3748. Is there objection?

Mr. DILL. I object.

Mr. WHEELER. I object.

The VICE PRESIDENT. Objection is made.

SIMPLIFICATION OF ADMINISTRATION OF AIR-MAIL ROUTES AND CONTRACTS

The Senate resumed the consideration of the joint resolution (H.J.Res. 366) to simplify the administration of airmail routes and contracts.

Mr. AUSTIN. Mr. President, section 15, as it was adopted by the Senate in its unswerving course toward its objective, reads as follows:

SEC. 15. After October 1, 1934, no air-mail contractor shall hold more than three contracts for carrying air mail, and in case of the contractor of any primary route, no contract for any other primary route shall be awarded to or extended for such contractor.

Now, listen to the proposition before the Senate. I read

After March 1, 1935, no person holding a contract or contracts After March 1, 1935, no person holding a contract or contracts for carrying air mail on a primary route shall be awarded or hold any contract or contracts for carrying air mail on any other primary route, nor on more than two additional routes other than primary routes.

In the one case—that is, in the bill itself—they were dealing with contracts. In the amendment which is now pending before the Senate they are dealing with routes-two vastly different things. They were not contented to limit the mileage. They were not contented to be able to determine the service. They must go still further and, by this amendment, determine both the mileage and the service by making this provision relate to routes instead of to contracts.

As I have urged with respect to this subject before, this will surely plague them as much as did the other provision, for they are going to encounter the proposition that those who have been awarded routes already, under temporary contracts which they have provided for in this bill, may have them extended 9 months first, and then again extended perpetually. The law makes it compulsory, that they shall be extended indefinitely. They will find themselves confronted with the proposition that this contractor or that contractor who has been granted more than one primary route and two subsidiary or ordinary routes will not surrender his rights, will not surrender his vested property on this date of March 1, 1935, because the Constitution guarantees to him that he has a right to that unless the Government is willing to pay him for its surrender.

That is the type of legislation we are now amending. That is the type of this particular section of the amendment itself.

I conclude, Mr. President, by saying that there is no role that I abhor more than that of a prophet of evil. I am rather inclined to be optimistic. I am inclined to believe that these great air-mail companies which have been destroyed by the ruthless cancelation of these contracts, and by the consolidation of that damage by this law that we passed, nevertheless will have genius enough—the same genius which enabled them to build up the splendid institution that they did-by reorganization, and by other means to continue to serve the public, even though it costs the public, and it costs them the sacrifice of the finest qualified men and personnel in every one of those companies.

I call attention to the fact that that legislation has already, in the brief period of time since it was enacted, forced the disintegration of the great companies that flew the air mail. It has already forced the separation of manufacturers and of operators in the air. That is so theoretically; but so far as the practical business of disentangling these organizations goes, the calling in of a great number of different certificates of shares of stock, the exchange of different types of major securities involved in the unscrambling of these corporations, of course it has not been effected. It cannot be effected in the time allowed by the law; and when they come to the committee today and ask for just a reasonable extension of time in which to do that, does the committee allow them an amendment for that purpose? Some of them, I understand, were perfectly willing to grant that extension of time, and others, whose purpose has been demonstrated from the beginning to the instant time, refused to grant a request for an amendment which came from that side of the contract.

"Oh, yes; it is fine; we will bring in an amendment that saves the face of the administration." But let one of the citizens of the United States ask for an amendment which will save the property and the rights of the citizens, and what about that? Not at all. Let me read a letter I have received.

Mr. LONG. Mr. President, will the Senator yield?

Mr. AUSTIN. For what purpose?

The VICE PRESIDENT. Does the Senator from Vermont yield to the Senator from Louisiana?

Mr. AUSTIN. I yield for a question only.

Mr. LONG. I only wish to ask a question. What is the proposition the Senator is discussing? I have been out of the Chamber, and I want to keep in touch with the Senator.

Mr. AUSTIN. I am quite sure that if the Senator from Louisiana had been present he would not have heard me. I cannot raise my voice loud enough to attract the attention of the Senator from Louisiana.

I now read from this letter of O. Max Gardiner, attorney for the Aeronautic Chamber of Commerce of America, dated June 14, 1934:

Hon. Kenneth McKellar,
United States Senate, Washington, D.C.
My Dear Senator McKellar: Herewith enclosed find the suggested amendments to the air-mail laws, which amendments

gested amendments to the air-mail laws, which amendments are respectfully recommended to be embodied in the pending Senate joint resolution.

May I say in this connection that a meeting was held in Washington yesterday by the directors of the Aeronautical Chamber of Commerce of America and, by unanimous vote of the representatives of the entire industry, the proposed amendment was adopted. adopted.

The obvious purpose of these amendments is to grant an extension of 6 months to the companies affected in order to give them additional time in which to perfect the reorganizations required by law and dispose of their stocks and holdings without undue sacrifice to the stockholders.

### PERMISSION TO INDIANS TO DISPOSE OF LAND

Mr. THOMAS of Oklahoma. Mr. President, there has just been messaged to the Senate a bill affecting about 40 .-000 Indians in Oklahoma. It will occasion no debate. At the present time these Indians own some coal land. The Secretary of the Interior leases the land for the Indians. Under the present law he can only lease in tracts of a thousand acres. This measure would amend existing law so as to enable him to lease the land in small tracts. The Indians are very much in need of the income, and they claim they can lease the lands in small tracts but not in thousand-acre tracts. So I ask unanimous consent for the immediate consideration of the bill. The Senate has a similar bill on the calendar.

The VICE PRESIDENT. The Senator from Oklahoma asks unanimous consent temporarily to lay aside the pending business for the purpose of proceeding to the consideration of House bill 9769. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H.R. 9769) to amend the act of June 19. 1930 (46 Stat. 788), entitled "An act providing for the sale of the remainder of the coal and asphalt deposits in the segregated mineral land in the Choctaw and Chickasaw Nations, Oklahoma, and for other purposes", which was ordered to a third reading, read the third time, and passed.

The VICE PRESIDENT. Without objection, Senate bill 3863 will be indefinitely postponed.

EXPENDITURES BY THE HOUSE OF REPRESENTATIVES

Mr. GLASS. Mr. President, will the Senator from Vermont yield to me?

Mr. AUSTIN. I yield.

Mr. GLASS. I ask unanimous consent temporarily to lay aside the pending business, and that the Senate proceed to the consideration of House Joint Resolution 452, which relates to House expenditures.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the joint resolution (H.J.Res. 452) to provide an additional appropriation for expenses of special and select committees of the House of Representatives for the fiscal year

Mr. GLASS. Mr. President, I may say, in a word, that the Senate never argues with the House about House expenditures, nor does the House argue with the Senate on Senate expenditures. This joint resolution is to take care of the expenditures which were overlooked, apparently, by the House conferees, when we had under consideration the

deficiency appropriation bill.

The VICE PRESIDENT. The question is on the third

reading of the joint resolution.

The joint resolution was ordered to a third reading, read the third time, and passed.

PRESERVATION OF DOMESTIC SOURCES OF TIN

Mr. BARBOUR. Mr. President, will the Senator from Vermont yield to me?

Mr. AUSTIN. I yield.

Mr. BARBOUR. From the Committee on Military Affairs I report favorably, without amendment, the bill (H.R. 9275) to provide for the protection and preservation of domestic sources of tin. I ask unanimous consent temporarily to lay aside the pending business and to proceed to the consideration of the bill.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H.R. 9275) to provide for the protection and preservation of domestic sources of tin, which was ordered to a third reading, read the third time, and passed.

DIVISION OF WATERS OF YELLOWSTONE RIVER

Mr. NYE. Mr. President, will the Senator from Vermont

Mr. AUSTIN. I vield.

Mr. NYE. From the Committee on Public Lands and Surveys, I report favorably, without amendment, the bill (H.R. 8954) to amend an act approved June 14, 1932 (47 Stat. 306), entitled "An act granting the consent of Congress to the States of Montana and Wyoming to negotiate and enter into a compact or agreement for division of the waters of the Yellowstone River."

I ask unanimous consent for the immediate consideration of the bill.

The VICE PRESIDENT. Does the Senator from Vermont yield for that purpose?

Mr. AUSTIN. I yield for that purpose.

The VICE PRESIDENT. The Senator from North Dakota asks unanimous consent that the pending business be temporarily laid aside and that the Senate proceed to the consideration of House bill 8954.

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

ASSISTANT CLERK TO THE COMMITTEE ON PATENTS

Mr. BYRNES. Mr. President, will the Senator from Vermont yield to me?

Mr. AUSTIN. I yield. Mr. BYRNES. From the Committee to Audit and Control the Contingent Expenses of the Senate I report favorably Senate Resolution 219. I ask for the present consideration of the resolution.

The VICE PRESIDENT. Is there objection?

There being no objection, the resolution was considered and agreed to, as follows:

Resolved, That the Committee on Patents is hereby authorized to employ, for the duration of the Seventy-fourth Congress, an assistant clerk, to be paid from the contingent fund of the Senate at the rate of \$2,400 per annum.

INVESTIGATION OF FEDERAL LAND BANK, ST. LOUIS

Mr. BYRNES. From the Committee to Audit and Control the Contingent Expenses of the Senate, I report favorably Senate Resolution 272.

I ask unanimous consent for the immediate consideration of the resolution.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the resolution.

Mr. WHEELER. Mr. President, I move to amend the resolution by including the land bank at Spokane, Wash.

Mr. McKELLAR. Mr. President, I am informed that it will take the Senator from Vermont but a short time to complete what he has to say on a measure which is of great importance and which is strongly recommended by the Department. I hope that we can go ahead with it.

The VICE PRESIDENT. The Senator from Vermont has

has given consent to the Senator from South Carolina for the consideration of a resolution. That resolution is before The Senator from Montana has offered an the Senate. amendment.

Mr. BYRNES. If there is to be offered to the resolution an amendment which provides for an investigation of anything other than the St. Louis bank, which investigation is provided for by the resolution, then, under the rules of the Senate, it must be referred to the Banking and Currency Committee, and it can then go to the Committee to Audit and Control the Contingent Expenses of the Senate. If such a resolution is introduced. I shall be glad to have the Committee to Audit and Control the Contingent Expenses of the Senate meet and consider it.

Mr. WHEELER. There is no reason why a resolution cannot be amended on the floor of the Senate. There is no rule which prevents the inclusion of another Federal land bank in the resolution without having the resolution go to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. BYRNES. My understanding is that under the rules no investigation can be provided for unless the resolution is passed upon by the legislative committee, and when so acted upon it must be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. WHEELER. This is not another investigation. It is simply adding to the investigation which has been authorized. The subject to be investigated is a land bank. I am simply asking that when the land bank at the particular place called for in the resolution is investigated, the committee at the same time shall investigate the land bank at Spokane. Under the rules of the Senate there is nothing to prevent such a step being taken. There is nothing which requires such a resolution to go to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. BYRNES. Mr. President, I have no objection to it as the Chairman of the Committee to Audit and Control the Contingent Expenses of the Senate.

The VICE PRESIDENT. The Chair rules that if the proposed amendment incurs additional expense, certainly it would be violative of the spirit of the rule.

Mr. WHEELER. I am not asking for any additional

The VICE PRESIDENT. The rule can be waived, of course. Is there objection to the amendment?

Mr. BARKLEY. Mr. President, how can the committee go to Spokane, Wash., and St. Louis as cheaply as they can go to St. Louis alone?

Mr. WHEELER. The resolution does not ask for more

Mr. AUSTIN. Mr. President, I shall have to object. Mr. BYRNES. Mr. President—

The VICE PRESIDENT. Does the Senator from South Carolina withdraw the resolution?

Mr. BYRNES. I offered the resolution believing that it would not be the subject of debate. If the Senator from Vermont refuses to yield further, I withdraw the resolution.

The VICE PRESIDENT. The Senator from South Carolina withdraws the resolution.

ASSISTANT CLERK, COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

Mr. BYRNES. From the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably Senate Resolution 257, continuing the employment of an assistant clerk to the Committee on Public Buildings and Grounds, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. The resolution will be read.

The Chief Clerk read the resolution (S.Res. 257), submitted by Mr. Connally on the calendar day of May 28, 1934, and it was considered and agreed to, as follows:

the foor.

Mr. McKellar. I know that.

The VICE PRESIDENT. Under the rules of the Senate, no one can take him off the floor without his consent. He

Resolved, That Resolution No. 111, agreed to January 19, 1934, authorizing the Committee on Public Buildings and Grounds to employ an assistant clerk to be paid from the contingent fund of the Senate, is hereby continued in full force and effect until the end of the first session of the Seventy-fourth Congress.

SIMPLIFICATION OF ADMINISTRATION OF AIR-MAIL ROUTES AND CONTRACTS

The Senate resumed consideration of the joint resolution (H.J.Res. 366) to simplify the administration of air-mail routes and contracts.

Mr. AUSTIN. Mr. President, I am trying to finish the reading of a letter addressed to the chairman of the Committee on Post Offices and Post Roads, the Senator from Tennessee [Mr. McKellar]. I have read that part of the letter which pointed out some of the reasons why it is necessary to extend by 6 months the time in which to effect the reorganization commanded by the law. I continue reading as follows:

It is not necessary to say that the market for aviation securities is greatly depressed at this time and a precipitate liquidation over

a short period would entail further loss.

Under the provisions of subsections (a) and (b) of section 7 of the original act, the companies are compelled to dispose of their the original act, the companies are compelled to dispose of their securities and stocks on or before a fixed date, to wit, December 31, 1934. The proposed amendment does not affect the bill in any respect except to grant 6 months' additional time, to wit, until June 30, 1935, and thereby afford these companies opportunity to avoid the hardships and losses likely to occur if they are arbitrarily compelled to find the market for their securities on or before December 31, 1934.

Respectfully submitted.

O. MAX GARDNER, Attorney for the Aeronautical Chamber of Commerce of America.

Mr. President, I am about to conclude what I have to say respecting the proposed amendment by offering an amendment thereto, which I send to the desk to be read; and I do hope that for one moment the Senate will pause long enough to consider that rational proposition, and to adopt it without a protest.

The VICE PRESIDENT. The amendment offered by the Senator from Vermont will be stated.

The legislative clerk read as follows:

That subsection (a) of section 7 of the act entitled "An act to revise air-mail laws and to establish a commission to make a report to the Congress recommending an aviation policy", approved June 13, 1934, is hereby amended by striking out the words "December 31, 1934", and inserting in lieu thereof the words "June 30, 1935."

That subsection (b) of section 7 of said act be amended by striking out the words "December 31, 1934", and inserting in lieu thereof the words "June 30, 1935."

Mr. McKELLAR. I hope that amendment will be voted down.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Vermont [Mr. AUSTIN 1.

The amendment was rejected.

The VICE PRESIDENT. The question is on the third reading and passage of the joint resolution.

The joint resolution was ordered to a third reading, read the third time, and passed.

## ORDER OF BUSINESS

Mr. BULKLEY. Mr. President, I move that the Senate proceed to the consideration of Senate bill 3748, to amend certain sections of the Banking Act of 1933 and the Federal Reserve Act, and for other purposes.

Mr. DILL. Mr. President, this is a debatable motion. Mr. KING. Mr. President, a parliamentary inquiry. Did the bill which the Senator from Ohio [Mr. BULKLEY] is championing lose its status because of the consideration of a privileged conference report?

The VICE PRESIDENT. This is the bill which the Senate has had under consideration for 3 or 4 hours. The Senator from Tennessee [Mr. McKellar] moved to displace the unfinished business by substituting his bill, and it was done. The Senate has now passed the measure presented by the Senator from Tennessee. The Chair has now recognized the Senator from Ohio to make the measure which he is sponsoring again the pending business.

Mr. LONG. Mr. President, a point of order. We had under consideration the motion of the Senator from Alabama [Mr. Black] to strike section 18 from the bill at the point where we displaced the bill.

The VICE PRESIDENT. The Senate has not yet decided to consider the bill.

Mr. DILL. Mr. President, this is a debatable motion, as I understand.

The VICE PRESIDENT. It is.

Mr. DILL. I ask recognition.

The VICE PRESIDENT. The Senator from Washington is recognized.

Mr. DILL. Mr. President, I have been waiting for weeks to take up the railroad labor bill. It was reported to the Senate on the 21st of May. It has been on the calendar, and I have tried to cooperate with those in charge of legislation here in the hope that the bill might be reached for action before adjournment.

It is evident that unless this bill is taken up and made the unfinished business there is not any chance for it to be passed. The Senator from Ohio has had his bill here for several hours. No one knows how many more hours it will take. It seems to me that in circumstances of this kind we ought to take up some other kind of legislation, and at least make an effort to pass it.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. DILL. I yield.

Mr. BARKLEY. Of course, the Senator from Washington realizes that so far as I am personally concerned, I am very greatly interested in the bill which he is discussing. I helped to frame it in the Committee on Interstate Commerce. I am very anxious to have it considered. However, the bill of the Senator from Ohio has passed the House, and can be acted on very shortly by the Senate. The Chairman of the House Committee on Banking and Currency has advised me that they are waiting for an opportunity to pass in the House without amendment, when we can get it over there, the bill that the Senator from Ohio is now sponsoring. There is no reason why there should be any delay in passing that bill. It can be sent over to the House and acted on, and then we can take up the bill which the Senator from Washington referred to and dispose of it before we adjourn.

Mr. DILL. I will say to the Senator from Kentucky that

the railroad labor bill has passed the House also.

Mr. BARKLEY. The bill under discussion has not passed either House, but the Chairman of the Banking and Currency Committee of the House has assured me that if we get the bill over there it will be passed by the House without referring it to the committee or amending it.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DILL. I yield.

Mr. LONG. There is a motion over there for a conference. Until the House has disposed of that matter I am sure it would not be in a position to take up any new business.

Mr. DILL. The bill of the Senator from Ohio, as I understand, is not even on the House Calendar now.

Mr. BULKLEY. An identical bill is on the House Calendar. The House undoubtedly can pass it at any time it wants to.

Mr. DILL. Why does not the House pass it?

Mr. BULKLEY. They want to get our bill, and they say they are willing to take it without amendment.

Permit me to explain the situation to the Senator. are within a few moments of completing this bill. The several hours that it has been the pending business have not been occupied with the consideration of the bill. The time has been occupied, as the Senator knows, with the discussion of other matters, notably the Frazier-Lemke bill.

Mr. DILL. The bill has been discussed since early in the afternoon.

Mr. BULKLEY. It was not discussed for more than an hour. It was displaced by the discussion on the Frazier-Lemke bill. We are nearly through with the banking bill. It will take only a few minutes.

Mr. DILL. I wish that were true. I have been waiting all afternoon for the bill to be disposed of with the understanding that I should then have an opportunity to take up the railroad labor bill.

Mr. BULKLEY. I hope the Senator may do that.

Mr. DILL. Instead of that, a motion was made by the Senator from Tennessee [Mr. McKellar]—and I am not blaming him—to take up his air mail bill. That was taken up and discussed for nearly an hour and was finally disposed of. When am I to get an opportunity to take up my railroad labor bill?

Mr. BULKLEY. In just a few minutes, I hope.

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. DILL. I yield.

Mr. FLETCHER. The bill in charge of the Senator from Ohio is not an involved bill. It is recommended by the Federal Reserve Board and by the Comptroller of the Currency. We have not discussed the bill more than 30 minutes altogether. There have been many other things intervening in the way of conference reports and messages from the House, and that is where the time has gone. It has not been spent on the bill of the Senator from Ohio. I think we can dispose of it in 15 minutes.

Mr. DILL. If I might have some understanding that when we dispose of the bill of the Senator from Ohio I shall have an opportunity to move to take up the railroad labor bill,

I would not be quite so concerned.

Mr. BARKLEY. The Senator may be assured of our as-

sistance in that regard.

Mr. DILL. The Senator's assistance is all right, but if we take up another measure we will have the same argument again. We have here a proposal to take up a bill that has not passed either House. I am proposing to take up a bill that has passed the House and is here for action, a bill which has been considered and worked out by both Houses, a bill which has the endorsement of Coordinator Eastman, is backed by the President and is asked for by the President, and yet the session apparently is to be adjourned without it even being brought up for consideration.

The bill has passed the House and can be passed here quickly, and that would be the end of it. We are asking an opportunity to take it up. We are asked to take up another bill which has not passed either House, which involves a lot of definitions that no one understands with the exception of a few Senators who handled the bill in committee. There are a number of amendments involved. In view of that fact, I think we ought to have an oppor-

tunity to take up the railroad labor bill.

Mr. ROBINSON of Indiana. Mr. President, in addition to those whom the Senator mentioned, his bill is also en-

dorsed by the railroad brotherhoods.

Mr. DILL. It is not only endorsed but it is demanded by the railroad organizations and insisted upon by them. We have had banking legislation here, one bill after another, as well as Reconstruction Finance Corporation bills. We have adopted two conference reports tonight. There has been no legislation for the railroad laboring men of the country. I am told by representatives of the railroad labor organizations that if there is not such legislation as this a strike vote will be called among the railroad employees of the country.

I think with the amount of legislation that has been enacted for the banks and for the Reconstruction Finance Corporation, it is about time that Congress began to think

a little bit in terms of help for railroad labor.

I have been silent, trying to work in harmony with those in charge of the legislative program, but when I see such a situation as exists here tonight, I know it is going to be impossible to dispose of the bill to which I am referring unless I get an opportunity to have it called up very quickly.

The Senator from Ohio [Mr. Bulkley] has made a motion to take a piece of proposed legislation. If the motion is adopted, then I propose to submit a substitute motion to take up the railroad labor bill unless I can have an understanding that I may be recognized to take up that bill immediately following disposition of the bill in charge of the Senator from Ohio. I do not propose to sleep on my rights and not take advantage of the situation.

The railroad labor men of the country, more than a million in number, are entitled to some kind of system under which they can adjust their differences.

We have had conference reports adopted today. We had a measure acted on today which was substituted for the Wagner labor bill so that we can handle labor disputes. I am asking to take up proposed legislation which will take charge of the situation so far as the railroad laboring men are concerned. There is no legislation on the statute books today to prevent a great railroad strike or to bring about settlement of their disputes.

The bill has in it provisions which the railroad employees of the country and their organizations are backing. They have agreed to submit to compulsory arbitration of their disputes. That is a new thing in the labor world. That is something which has not been secured in any prior labor legislation that has been proposed.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. DILL. I yield.

Mr. GEORGE. I suggest to the Senator from Washington that he might procure unanimous consent to take up the railroad labor bill immediately following the disposal of the Bulkley bill.

Mr. DILL. No; I do not believe I could secure unanimous consent. Certain Senators are very much opposed to enacting the legislation, as they have a right to be; but I do insist that I have a right to have it taken up and considered. The Senator from Ohio is sure that his bill will take such little time. If he would let me take up the railroad labor bill and make it the unfinished business, I should be willing to ask unanimous consent to lay it aside for the consideration of his measure. But I do insist, with the crisis in the country today, that the bill to which I am referring, which is designed to meet the troubles that may arise in the railroad world, should be considered and that the Congress should not adjourn before at least making an effort to enact it into law.

Mr. KING. Mr. President, will the Senator yield?
The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Utah?

Mr. DILL. I yield.

Mr. KING. Does not the Senator believe that upon the conclusion of consideration of the measure which is being championed by the Senator from Ohio, and which measure should not take half an hour to dispose of, he could submit a motion for consideration of the bill to which he refers and secure the consent of the Senate to consider it?

Mr. DILL. I have been in the Senate long enough to know that in order to do that I must have recognition, and if somebody else gets recognition then I cannot submit a substitute motion, but must go through the same procedure again and move to override any other motion which may be made. All I can do is to give notice that if the motion of the Senator from Ohio is adopted I shall feel called upon to make a motion to displace his bill and take up my bill. I know of no other way to get the bill considered.

Mr. LONG. Mr. President, it seems we do not understand the status of our legislation. We have a bill which has already passed both Houses and we are waiting for the House to appoint conferees. It would be the height of folly to take up the bill of the Senator from Ohio, the bill which he is sponsoring, a bill which has not even been passed by one House, and proceed to its consideration. Perhaps there is some kind of a rule by which that can be done, but in point of time I know of no reason why a bill which has already passed the Senate and passed the House should not be acted upon before we proceed to the consideration of a bill which has not passed either body.

Mr. BARKLEY. Mr. President, will the Senator yield?
Mr. LONG. I yield for a question, but I do not want to lose the floor.

Mr. BARKLEY. I am not going to let the Senator lose the floor.

Mr. LONG. I thank the Senator.

Mr. BARKLEY. There is no trouble about it. The matter of sending the Frazier bill to conference is in the House. We cannot displace that, of course, it being in the other body, but it could not be taken up here until that privileged motion in the House is disposed of.

Mr. LONG. I hope that is so. If that is true, then just as soon as I get news that they have taken up the Frazier bill in the House, I shall not desire to stay here any longer. Under the rule about which my friend from Kentucky tells me, the motion will have to come up first over there, and therefore I shall not delay the bill here. As soon as I hear that the motion has been acted on in the House, I am going to quit, even though I have not concluded my remarks.

Mr. President, I am inexperienced in the rules of parliamentary procedure and have had very little experience in the matter. I am only trying to go by the rule of thumb. In other words, I know that the shortest distance between two points is a straight line. As soon as they crowd the bill of the Senator from North Dakota out of the way over yonder, I will know that this other bill is ready to go in there; but until they get that other wadding out of the gun I know of no other wadding that has any business going in that gun barrel.

In other words, I do not know anything about what is a preference motion and what is a privileged motion, but I know that we have not any business pulling wadding out of a gun barrel until the shot has gone out of there. That

is the language that I understand.

The bill of the Senator from North Dakota is over there, and it moves rather slowly unless it has something behind it. We shall have to get something behind this bill to relieve the farmers to make it move at all, because it took 6 hours for that bill to get from the other end of the Capitol over here this afternoon. It took 6 hours to get a bill over here to let the farmers have the same kind of relief that has already been given to the municipalities and to the railroads and to the corporations. It took 6 hours to get that kind of a bill over here, but this bill to help the banks can get over there quicker than lightning.

It does not take any time at all to get a bill through here and through there if it has a bank in it, top side or bottom; but if it has the farmers in it, it takes time. So now I want to get pressure behind the Frazier bill, and the only way I see to do it is to keep this bill right here behind

the Frazier bill.

Mr. DILL. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question. I do not want to lose the floor. I am getting smart on this business. [Laughter in the galleries.]

The VICE PRESIDENT. Let the occupants of the galleries understand that they are the guests of the Senate, and that the rules of the Senate require that our guests shall not express themselves in audible tones.

Mr. DILL. Does not the Senator think, then, that the best thing to do is to vote down the motion of the Senator from Ohio, in order that we may make a motion to take up the railroad labor bill?

Mr. LONG. We shall be some time in getting to that motion. We are not going to vote for some little time yet. Mr. GEORGE. Mr. President, will the Senator yield?

Mr. LONG. I yield to my friend for a question.

Mr. GEORGE. I suggest to the Senator from Louisiana that if we should proceed here in order, and dispose of some of these matters, we would get to the bill to which he refers, and get to all of these matters with some likelihood of disposing of them.

Obviously, the tactics that are now being adopted lead nowhere except to prolonging the session of the Senate, because I think most Senators know that the Senate cannot be sandbagged into action and compelled to act without any regard to its own wishes about how it shall proceed.

Mr. LONG. Mr. President, I wish to say to my friend from Georgia that I would not have a bit of trouble in the world in settling this matter with him; and the only trouble I have over in the other House is that they have not got the Senator from Georgia over there handling the bill. If we had the Senator from Georgia over there, we would have no trouble about the matter. That is our trouble in this situation now.

Mr. BARKLEY. Mr. President, will the Senator yield to me?

Mr. LONG. I yield.

Mr. BARKLEY. I want to help the Senator if I can.

Mr. LONG. I thank the Senator.

Mr. BARKLEY. Of course, if the House shall adopt the motion to send that bill to conference, it must then go to conference, and be agreed to in conference, and be brought back to both Houses.

Mr. LONG. Yes, sir.

Mr. BARKLEY. Does not the Senator think the adoption of the conference report on that bill would be facilitated by disposing of all these pending matters, and getting them out of the way, so that when the Senator's bill comes here it will have a clear track?

Mr. LONG. I am advised by the wise men of the Senate that that is not the way to do it. [Laughter.]

Mr. BARKLEY. I may not be as wise as some of the Senator's advisers, but I am afraid he struck a fool that time.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question.

Mr. ROBINSON of Arkansas. I do not wish to ask the Senator a question.

Mr. LONG. I do not want to lose the floor; that is all.

The VICE PRESIDENT. The Senator from Louisiana has the floor.

Mr. LONG. I will yield to my friend from Arkansas with the understanding that I do not lose the floor, if I may have that understanding.

Mr. ROBINSON of Arkansas. I merely wish to say that I do not think there is any relationship between the question of what the Senate shall take up and the question of when the body at the other end of the Capitol shall send a bill over there to conference. I do not believe that the two subjects can be related in any way, either in parliamentary practice or in actual results.

It is my thought, and I think that I ought to say it, that the Senator from Ohio [Mr. Bulkley] should be given an opportunity to dispose of his bill. I realize that, as is always the case at the end of a session, there is a contest here for precedence; but during the time that the Senator had the bill before the Senate, as a matter of fact, there were irrelevant discussions, and then there were discussions of many other subjects, and very little time was devoted to the bill. I think some time was given to the consideration of amendments that might very well have been disregarded; but I say to the Senator from Louisiana that I do not think delaying action either on this bill or on any other bill will affect the action in the House on the conference report, and I do not think any wise man-I do not care whether he is in the Senate or somewhere else-would make that suggestion, nor do I believe that any wise men will accept it.

Mr. WHEELER. Mr. President-

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Montana?

Mr. LONG. I desire to continue my remarks. I do not want to yield to the Senator from Montana now. I want to get through.

Here are the facts about this matter: We have been promising the farmers help ever since I have been here. I came here when these eastern Republicans and Democrats—there is no difference between them except which one has the jobs—wanted us to vote to free the railroads in the bankruptcy proceedings. I got down here and worked as hard as I knew how to try to put that bill through, to free the railroads of the debts that they said they had to be freed from to keep the trains running on the railroad tracks. That was all right, to shave down the interest and to shave down the principal, and give them something that they had to have.

Then we came along here and voted to have the corporations freed and given bankruptcy to get them out of debt, and I was in favor of that relief.

Then we came along here and wanted to relieve the municipalities of all the debts that they had, and we finally put that over, too.

Then we came in here with the farm bill,

Nobody else knows what is in the bank bill. You can bet your boots that it is something for the banks, however. No bank bill ever went through here that did not have something in it for the banks. Here is a bill that has not passed either one of the Houses. This bank bill has not even passed the United States Senate: and they tell us that if the United States Senate will just get out of the way and act on it quickly enough, the bill will go over there just as fast as a martin ever went to his gourd, and will be concurred in without amendment. They already have the cake cooked up. We know what is inside the house before we unlock the door. All we have to do is to pass the bill. They have it all fixed up over there in the House, already cutand-dried and sandpapered and oiled. It will go through just as they put it through the Senate, and there will not be any amendment, and it will come right back over here.

All right. I want my farmers taken care of. I want my farmers to have just as speedy consideration as the banks get here. I want these men at the forks of the creek and down on the bayou to be given some consideration.

When it takes 6 hours to get a bill from one end of the Capitol over here that is relieving the farmer and half a minute to get a bill from here over yonder, and approved at the same time, that affects the bankers, I want to find out what the difference is, because my folks back home are waiting for me to explain to them why it is that we can give bankruptcy to a railroad and cannot give it to a farmer; why it is that we can give bankruptcy to a corporation and cannot give it to a farmer; why it is that we can give bankruptcy to a city and cannot give it to a farmer; why it is that we can put a bill from one end of the Capitol to the other, if it concerns bankers, before we can fire a shotgun, and it takes 6 hours to get a bill from one end of the Capitol to the other if it is going to do anything for the farmer.

I have nothing to do with the rules over in the House, and do not want to have anything to do with them; but if they are to do anything, it is time they did something for the farmers. Twenty million people demand action! Twenty million people demand action!

Forty million, the Senator from Virginia tells me. I do not know; I left the farm 20 or 30 years ago, and I figured lots of other people had as much sense as I had. [Laughter.] That again goes to show that I am above the average man raised on the farm. I had sense enough to get away from it 20 years ago, and never to go back.

Forty million people are entitled to just as much consideration as are a handful of bankers. These people I am talking about are being dispossessed of their homes at the rate of 3,000 farm families a day, and the bankers are not losing anything whatsoever. They can get along without this bill, whether we pass it or not. I do not care particularly whether the bank bill gets through or not. I was one of the men in the side-pocket agreement we had here that we were to take up two or three bills, but they came along with two or three more, and two or three more, and two or three more. I did not complain about it, but the chances are that if we had not had those bills in the way, we would have had this other bill out of the way.

We hear a lot of talk on the other side of the Chamber from the Senator from Rhode Island—I do not indict the Senator from Delaware exactly—to the effect that he stepped out of the Chamber when the farm bill came up, and did not hear when it was passed. Now he wants the whole thing done over because he went outside the Chamber when we voted on the bill. Well, if the Senator had been as much interested in this bill as I was, he would have been here when the bill was called up. I was watching for that bill to come up, and there was not one man in the Senate who objected to the passage of the bill granting bankruptcy to the farmers.

But we know something about this business. Ah, Mr. President, I began to see the telegrams coming in here last night, and I knew there was going to be something dead up the creek by morning. When I began to see the telegrams come in that the farm bill was to be disastrous to invest-

As to this bank bill, I do not know what is in it anyway. I ments of the country, that it was a radical thing, would be body else knows what is in the bank bill. You can bet pur boots that it is something for the banks, however. No going to be something rotten in Denmark before we ever that bill ever went through here that did not have some-

Some people think they have to eat a whole beef in order to tell that it is tainted. You do not have to eat all there is in the beef to tell that it is tainted. I say that to my friend the Senator from South Carolina. There are a lot of people who think you have to eat the hide and hoof to know there is anything wrong. But when I saw that bill take 6 hours, and they told me it would be over here every 10 minutes, I knew there was going to be trouble.

Lo and behold, the minute that bill came here and we moved to concur in the House amendments, notwithstanding the fact that those amendments of the House were more favorable to the creditor than the bill passed by the Senate itself—oh, right cocked and primed rose the Senator from Rhode Island and the Senator from Delaware, spick and span with a stump speech as though they had polished it up to deliver to a country-school audience 14 years ago. I saw smack off the bat they were ready to make a high-low speech against this bill going through. They were all deceived. Everything was in the bag. Something was wrong about the bill.

The Senator from Rhode Island spoke about how he had been misled. This young country boy from Providence, R.I., came down here, and the farmers put something over on him! And this bright young man who had never had a chance to know anything about city life, from Wilmington, Del., had been misled by the farmers, and did not have a chance to see what was in this bill when it passed through here.

Well, we took the bill up, finally got the little amendments agreed to, and then it suddenly developed they had not found just what there was in the bill they could kick about, except that one of them said he did not hear when they passed it, and the other did not know why they passed it.

Then they finally found one little thing, that it did not limit itself to the past debts, and they grabbed onto that just like a jay bird looking for a grubworm, and they went out with that.

Nothing would do but something had to be done about that. If we would just make it apply to nothing except the debts of the time being, everything would be just hunky-dory.

Now we send over there, and they tell us to send this bankers bill over there, and they will get the bankers bill out.

I said, I have been in that business, not exactly directly, but I want to tell you, when you are dealing with these politicians, get yours first. Remember that, Mr. President, when you go back to Texas. [Laughter.]

Mr. NEELY. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question.

Mr. NEELY. The entire voting record of the Senator from Louisiana in this body proves that he is a genuine friend to labor. But the policy that he is now pursuing is not friendly to the railroad men. Will not the Senator give us an opportunity to vote down the pending motion that was made by the Senator from Ohio, and immediately after that is done it will be possible to vote to take up the railroad men's bill, and the Senate would probably pass it before midnight.

A continuation of the futile debate that has been in progress for nearly an hour will mean that there will be no vote on anything, and that the railroad men's bill and the bill for the relief of the farmers will not be passed before the Congress adjourns sine die at midnight.

Mr. LONG. How is Congress going to adjourn in an hour and 15 minutes?

Mr. NEELY. After the Senator has been a Member of the Congress as long as I have, he will know that it is always possible to adjourn in circumstances such as now exist.

the creek by morning. When I began to see the telegrams | Mr. LONG. Mr. President, I think I have a way of keepcome in that the farm bill was to be disastrous to investing them from adjourning at midnight. [Laughter.]

I will say this, however: I have no objection to the railroad | labor bill being considered eo instanti; none at all.

Mr. NEELY. Let me thank the Senator for the assurance which he has so kindly given us.

The VICE PRESIDENT. The Senator has yielded to the Senator from West Virginia.

Mr. LONG. I yield for a question. Mr. NEELY. If the Senator from Louisiana will refrain from speaking long enough to permit us to vote on the pending question, it may become possible to obtain a vote on the railroad men's bill within an hour.

Mr. LONG. Mr. President, as I understand the parliamentary situation, we first would have to vote down the motion of the Senator from Ohio.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question.

Mr. NEELY. If the motion of the Senator from Ohio should prevail, the Senator from Louisiana, or any other Senator could move to substitute the railroad men's bill for the bill the Senator from Ohio has asked the Senate to

Mr. LONG. I should be glad to take that course, just in one moment, after I have explained my position in the

The VICE PRESIDENT. The Senator from Louisiana and the Senator from West Virginia will understand that if the Senator from Louisiana yields the floor, any other Senator may get the floor on the motion of the Senator from Ohio and occupy it for such time as he sees fit to.

Mr. LONG. I understand that, Mr. President.

Mr. HASTINGS. Mr. President-

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Delaware?

Mr. LONG. I yield for a question.

Mr. HASTINGS. I wanted to inquire of the Senator from West Virginia, if the Senator from Louisiana will permit, whether he contemplates offering an amendment to the bill offered by the Senator from Ohio, which is now on the desk.

Mr. NEELY. The so-called "insurance bill"?

Mr. HASTINGS. Yes.

Mr. NEELY. The Senator from West Virginia certainly does intend to offer the amendment about which the Senator from Delaware inquires if the motion of the Senator from Ohio prevails.

Mr. LONG. Mr. President, does the Senator from Dela-

ware desire to ask me a question?

Mr. HASTINGS. I just wanted to make this observation, that if the Senator from West Virginia proposes to insist upon his amendment to the banking bill, the Senate is not apt to adjourn at 12 o'clock, because that is a very controversial question; I have very decided views upon it, and I expect to address the Senate upon that question if it shall be brought up.

Mr. LONG. Mr. President, I am willing to have a vote taken, and to see what will happen to the railroad bill. In other words, I should like to see the railroad labor bill passed. In a few moments I will take my seat in order that we may vote on the motion of the Senator from Ohio [Mr. Bulkley], following which I shall expect the Senator from Washington [Mr. Dill] to make his motion, and I will vote for that. If it should happen, however, that the Senator from Washington should be voted down, and we should come into a discussion of the banking bill, the first thing to come up is section 18, upon which I shall desire to make some remarks.

Mr. President, I desire to say to the Members of the Senate that I wish to expedite the work here tonight. No one is more anxious to adjourn than I. I shall be happy to adjourn. However, here are two Houses of Congress which have almost unanimously put themselves on record to the effect that they are going to take care of the farmers. With both Houses already on record in favor of taking care of the farmers of this country, to let this bill die here. Mr. President, would be a crime against the whole country.

Mr. GLASS. Mr. President-

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Virginia?

Mr. LONG. I yield for a question.

Mr. GLASS. I desire to ask upon whose motion it was that the Frazier farm mortgage bill got into conference. And may I intrude another question while I am on the floor? Why did not the Senator from Louisiana pursue the effort to pass that bill instead of sending it to conference? Had the Senator done so, we would have avoided all this delay and all this discussion.

Mr. LONG. I will state the reason to the Senator from Virginia. I canvassed the situation around here, and I was very much afraid we should not be able to put the bill over on a vote, so we sent it to conference. I am a pretty good judge of how Senators will vote, so I went around and found out what the sentiment was; and if the Senator wants me to speak frankly-the Senator from Virginia himself speaks frankly-

Mr. GLASS. I do with reference to the Senator from Louisiana.

Mr. LONG. Yes; for which I thank the Senator from Virginia. The facts of the case are that the Senator well knows that there are a great many Senators who will vote for that bill who are not half as anxious to pass it as I am. I want the bill passed, because I am entirely in favor of the

Mr. GLASS. Mr. President, why did not the Senator endeavor to have it passed when it was before the Senate, or have a vote taken on it, instead of sending it to conference?

Mr. LONG. I did not think I could pass it. That is the

Mr. GLASS. The fact is, the Senator must hold himself responsible for this delay.

Mr. LONG. I am responsible for the bill going to conference on the suggestion of the Senator from Alabama, and other Senators who suggested that course. I considered it the best thing to do. Now, over on the other side of the Capitol, in the House, they want to make use of the gag rule; but I am going to keep the Members over there waiting long enough so that next time they will not want to gag the Senator from Louisiana.

I will pull off a gag of my own for the Members over there. They will do some sitting up over there tonight before they get out of there. They may gag 435 men of the

Mr. DIETERICH. Mr. President, I rise to a point of order.

The VICE PRESIDENT. The Senator will state the point of order.

Mr. DIETERICH. The Senator from Louisiana, in casting reflections on the other House, is entirely out of order.

The VICE PRESIDENT. The point of order is well taken. Mr. LONG. Very well, Mr. President. The Senator from Virginia [Mr. Glass] and I understand one another, because I have already told him.

Mr. President, the measure to which I refer ought to be here. It ought to have come over from the House. I am not going to cast any reflections on the House. I am going to talk about them in good language. I am going to talk about them for just a moment.

It has just been suggested by one of the Senators that we vote on the question. I am willing to take a vote on the matter now before the Senate, and then proceed a little further.

Mr. COUZENS. Mr. President, I desire to say something in behalf of what the Senator from Washington [Mr. Dill] has said about the railroad labor bill. It does seem to me a strange thing that that bill remained on the calendar from the middle of May, whereas in the case of this banking bill, under the urge of the Federal Reserve banks, the Wall Street bankers who wanted first an extension from June 16, 1934, to June 16, 1935, before they had to elect as to whether they would remain in the securities business or in the banking business, come here and get all the amendments they ask for. The bill goes through the Committee on Banking and Currency with some 18 amendments to the Banking Act of 1933 and the Federal Reserve Act, the 1933 act requiring a segregation of the securities

business and the banking business; but in the case of the railroad labor bill, which has been on the calendar since May 17, although several pleas have been made to bring up the bill, the railroads write the reports for Senators that are filed in this body and one single railroad in particular practically dominates the Senate when it comes to dealing with the railroad question.

Mr. WAGNER. Mr. President, will the Senator yield? Mr. COUZENS. I yield.

Mr. WAGNER. What objection is there to the railroad labor bill?

Mr. COUZENS. I know of no particular objection except from the Pennsylvania Railroad, which has its representatives here, and writes the report. It has objection to the railroad labor bill.

I protest against a committee reporting a bill under the domination of the Federal Reserve Board, the Comptroller of the Currency, and the Wall Street bankers, having it reported out here 3 weeks after the railway labor bill is reported, and still we cannot get the railway labor bill up for consideration. There is a determined and fixed opposition, represented by one great powerful railroad, which continues to block and prevent the passage of this bill, which is wanted, not only by the railroad brotherhoods but by the President of the United States, who originally asked for this legis-

Mr. ADAMS. Mr. President, I am one of those who would like to see all three of the measures which seem to be under consideration brought before the Senate for a vote. I do not understand why one Senator or another should think it necessary to preclude consideration of other bills in order to consider the one in which he is primarily interested.

I happen to be so minded that I expect to vote for the railway labor bill. I expect to vote for the bank bill, and I shall probably vote for the Frazier bill. It seems to me that it might be possible for the Members of the Senate so to arrange their affairs that all these bills may be brought before the Senate, and not make it impossible to do so, so as to defeat some of them.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. ADAMS. I yield. Mr. CLARK. I should like to suggest to the Senator that we would have had plenty of time in which to pass all these bills in the time we have been wasting in the discussion of what bills we should take up.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. WHEELER. What the Senator says is probably true, excepting for the announcement which has been made by the Senator from Delaware to the effect that he is going to prevent the passage of the railway labor bill.

Mr. ADAMS. Does the Senator from Montana ascribe such great powers to the Senator from Delaware [Mr. HAST-

INGS]? Does the Senator think he can do that?

Mr. WHEELER. He would not have such great power, in my judgment, except for the fact of the lateness of the hour, because we are to adjourn at 12 o'clock, and he can filibuster until that time.

Mr. ADAMS. The Senator from Montana knows that the Senate will not adjourn until a majority of the Senators vote to adjourn. If a majority of the Senators are in favor of any one of these bills they have the power to stay here until the bill is passed.

Mr. NEELY. Mr. President, will the Senator yield? Mr. ADAMS. I yield.

Mr. NEELY. I object to paying the Senator from Delaware or anyone else any undeserved compliments. At this time of the evening anyone knows that any Senator who has legs and lungs can accomplish a great deal; and the Senator from Delaware can prevent the passage of a bill before adjournment if he sees fit to indulge in the parliamentary expedient which the Senator from Delaware frequently uses.

Mr. ADAMS. The Senator from West Virginia must know that we are not under compulsion to adjourn at midnight or any other particular time. The Senate is not involved in any urgent necessity for concluding its business at any particular time. It seems to me that if we have business to be finished, it is our duty to stay here until we have finished our business; and I am among those who propose to vote against adjournment until these proper measures shall be considered.

Mr. HASTINGS. Mr. President, the Senator from West Virginia has called attention to the fact that I frequently participate, as he stated, in delaying legislation. So far as I know, that statement is not correct.

Mr. NEELY. Mr. President, will the Sentor yield?

The VICE PRESIDENT. Does the Senator from Delaware yield to the Senator from West Virginia?

Mr. HASTINGS. I vield.

Mr. NEELY. The Senator manifestly misunderstood me. I did not mean to say or intimate that the Senator has improperly delayed legislation. The Senator freely exercises his right to talk in the Senate. Of this right he cannot be and should not be deprived.

Mr. HASTINGS. The Senator from Colorado [Mr. ADAMS] has expressed the hope that there may be passed by the Senate three measures, two of which he very much favors and about the third I understood he might be doubtful. I want to say to him that I am very much opposed to all three of them, and under the circumstances I ask him

what he expects me to do?

I had nothing to do with fixing today as the time when the Senate might be expected to adjourn. I have been told by persons in authority that it is the President's desire that the Senate adjourn tonight. In order to do that the leader on this side of the Chamber undertook to map out a program, and, so far as I know, each of us on this side of the aisle has attempted to carry out that program. I want to say to the Senator from Colorado [Mr. ADAMS], to the Senator from West Virginia [Mr. NEELY], to the Senator from Louisiana [Mr. Long], to the Senator from Montana [Mr. WHEELER], and to any other Senator who is listening that neither of the three bills was on that program. I cooperated, so far as it was possible for me to cooperate, to carry out the program, and I understood that when the three bills on the program were passed that would be satisfactory to the administration.

Mr. COUZENS. Neither was the banking bill on the

Mr. HASTINGS. All right; I am coming to that.

I do not know how much influence Wall Street is having with the Senate; but, so far as I am concerned, it is having no influence with it. It seems to me the suggestion that the banking bill is being urged upon the Senate at the suggestion of Wall Street is a reflection upon those who are urging the necessity for its passage. In addition to that, I think the suggestion that one railroad is in the control of the opposition to the railroad labor bill also is unfair.

The Senator from Michigan [Mr. Couzens] talks about the bill having been on the calendar since May 17. I have never opposed it being brought before the Senate. It is now 5 minutes past 11 o'clock on the night when it is proposed to adjourn the session, when it is suggested that it is unfair to labor and it is unfair to the other railroads not to permit this particular bill to come up for consideration because some great railroad is opposed to it. I am opposed to the bill. I am not opposed to it because the Pennsylvania Railroad is. I am opposed to it because the employees of the Pennsylvania Railroad are opposed to it.

I know it is said the Pennsylvania Railroad employees belong to a company union and it is desired to outlaw the company union. I know something about the Pennsylvania Railroad and the operation of the company union. I know for the period of a generation there has not been a strike nor the likelihood of a strike on the Pennsylvania Railroad under the company union.

The reason why I am particularly interested in the bill and why I am opposed to it is because the bill practically outlaws the company union and gives it no share in the board that is created to control labor difficulties,

The Senator from Washington [Mr. Dill] knows not only that I am opposed to it, but he knows that other members of the committee are opposed to it. He knows it is a controversial measure. I heard him say a moment ago that there is a great demand for it, that there is likely to be a strike on the railroads unless some such legislation as this is enacted.

I invite his attention to the fact that the man who is running the railroads of the country, the Coordinator, said this:

I do not now suggest legislation because of immediate need, but in order that the legislative situation may be clarified and stabilized, and proper provision made for the future.

Under circumstances like that, when the man who knows more about it than any other individual in the country comes before the country and says that, I ask whether it is fair to insist upon this matter being considered at 10 minutes past 11 o'clock at night, and when, in addition to the things I have stated, it has been before the House for nearly 6 months and action was taken on it only 2 or 3 days ago? I inquire whether or not we were not in a proper position to believe that under reasonable circumstances we would not be called upon to oppose the bill in this session of the Congress?

Mr. DILL. Mr. President-

Mr. HASTINGS. I yield to the Senator from Washington.

Mr. DILL. I invite the Senator's attention to the fact that the outlawing of company unions is not new in railroad legislation. The difficulty is that the present outlawing of company unions in the emergency railroad transportation act cannot be made effective because there is no penalty and therefore that part of the law is a dead letter. Congress has repeatedly approved legislation for outlawing company unions. The only new part in the bill in that regard is to make the law effective by providing a penalty.

Mr. HASTINGS. Mr. President, it is a long story; it is a long bill, and it will take a lot of time to consider. Regardless of what may be charged against me, I do not want to interfere with the Senate. I do not care whether it adjourns tonight or at some other time. I am not interested in that. I am only trying to cooperate. But I do not propose that the Senate shall pass these bills in which I am greatly interested without their being fairly discussed.

Mr. GLASS. Mr. President, I wish at this late hour of the night I might impart some of my well-known precaution and conservatism and amiability to other Senators. [Laughter.]

I think I might say without giving offense that I rather think it scandalous of the distinguished Senator from Michigan [Mr. Couzens] to charge on the floor that honorable members of the Banking and Currency Committee of the United States Senate are dominated by anybody. I challenge him now to show a single provision of the bill that was even suggested by Wall Street or is of interest to a solitary Wall Street banker.

Mr. COUZENS. Mr. President, I shall do that in my own time when the Senator has concluded his speech. I will show plenty that went on in executive session concerning the domination of bankers in the bill.

Mr. GLASS. The Senator is at liberty to do it now. I invite him to do it in my time.

Mr. COUZENS. I shall take the floor in my own time.

Mr. GLASS. I want to say for myself that there is not a banker in Wall Street, individually or collectively, who has ever opened his lips to me on the subject of the provisions of the bill. I was chairman of the subcommittee to which all these matters were referred.

I do not know that it is a compliment to any Senator to say that he has been approached by Wall Street bankers or that he is of such a subservient nature that he may be dominated by Federal Reserve authorities. I resent it, as one member of the Banking and Currency Committee. I have never been approached, suggestively or otherwise, by letter or in person, by a New York banker or any other sort

of a banker, except perhaps by distinguished members of this body who felt that their little banks in the small towns in the country districts were treated harshly in requiring them to separate immediately their investment and their deposit transactions.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. GLASS. Yes; I yield.

Mr. COUZENS. I desire to tell the Senator from Virginia that he was not present when the Senator from Ohio and the Senator from Connecticut reported to the full committee which drafted this bill and finally prepared it for consideration. I do not know what connection the Senator from Virginia had with this bill, and I refer him to a statement he made on the floor this very evening in which he said that he delegated the job of fixing this bill to the Senator from Ohio. So nothing I have said could possibly have had any reference to the Senator from Virginia.

Mr. GLASS. If the Senator has in mind the declaration of the Senator from Ohio that I now have in mind, it disproves his assertion that there is anything in this bill that was propounded to us by Wall Street bankers. On the contrary, the thing that some Wall Street bankers did want

in this bill is not in the bill.

Mr. COUZENS. And the reason why it is not in the bill is because there was a split among the Wall Street bankers. The Senator from Connecticut testified before the committee that after the subcommittee had expressly agreed to extend for 1 year the period for the segregation of the banking and the securities business, there was a split among the Wall Street crowd, and the Senator from Ohio had one viewpoint, and the Senator from Connecticut had another viewpoint; and as a result of that split they cut out the extension of 1 year for the segregation of affiliates and the banking business.

Mr. GLASS. So far as I know, the subcommittee never has agreed to the extension of the provisions requiring the separation of affiliates from parent banks. It never has agreed to do anything of the kind.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. GLASS. I do.

Mr. COUZENS. I should have said the prevention of

taking deposits and doing a security business.

Mr. GLASS. Nor was the proposition to defer that for 1 year, so far as I can recall, before I was taken too ill to attend the meetings of the subcommittee, ever agreed to. The only thing that was agreed to tentatively was that investment bankers who received deposits must apply those deposits to the investment banking business and not to the commercial banking business, and that was not a postponement for a year or any other period of time. Tentatively, it was agreed to make it a permanent provision of the bill. In other words, if the great investment bankers of the country wanted to continue to receive deposits, they must not be received for commercial banking purposes, but the deposits so received must be applied to investment banking. That was the tentative agreement of the subcommittee; and, so far as I know, no other was agreed to.

Mr. COUZENS. Mr. President, if the Senator will yield, I point out to the Senator from Virginia that he was not present and he cannot answer for what took place when this bill was drafted by the Senator from Ohio in collabora-

tion with the Senator from Connecticut.

Mr. GLASS. I am perfectly confident that the Senator from Virginia can answer the proposition of the Senator from Michigan that the Banking and Currency Committee of the United States Senate is dominated by Wall Street bankers. I think it is a charge that the Senator from Michigan should withdraw.

Mr. COUZENS. Mr. President, will the Senator yield? I said that the Wall Street bankers, the Federal Reserve Board, and the Comptroller of the Currency wrote this bill,

Mr. GLASS. I deny that all of them put together dominated the Banking and Currency Committee.

Mr. COUZENS. I assert it.

Mr. GLASS. I deny the assertion; and the Senator cannot present any proof to sustain his position, Mr. COUZENS. I can submit the proof that the Senator from Virginia was not there when this bill was drafted for submission to the Senate.

Mr. GLASS. The Senator did not need to be there to know that his colleagues on the Banking and Currency Committee are honest and upright men.

Mr. COUZENS. I did not charge that they were otherwise than honest and upright men.

Mr. GLASS. Yes; the Senator did. He charged that they were dominated by Wall Street, that they were dominated by the Federal Reserve Board, and I deny the assertion.

Mr. COUZENS. I assert that it was so, and it was clearly evidenced in the meeting when the Senator was not present.

Mr. GLASS. I do not know what was done at the meeting which I did not attend.

Mr. COUZENS. Of course the Senator does not.

Mr. GLASS. But I know what is in this bill; and the Senator cannot point to a provision of it that was advocated by Wall Street bankers.

Mr. COUZENS. No; that was taken out because there was a division among the committee.

Mr. GLASS. It was taken out, I venture to say, because it was the judgment of the committee that it should not be put in.

Mr. COUZENS. Oh, no.

Mr. GLASS. Had it been put in by either suggestion or dictation of Wall Street, the Senator might have had some justification for his accusation.

It is a serious matter for any honorable Senator to stand on this floor and bring such an accusation as that against his colleagues. If I could think that the Banking and Currency Committee of the United States Senate could be dominated by Wall Street, or by the Federal Reserve Board, or by the Comptroller of the Currency, or by all three of them combined, I should be ashamed to accept membership on it.

### EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT, as in executive session, laid before the Senate several messages from the President of the United States submitting nominations (and withdrawing a nomination), which were referred to the appropriate committees

(For nominations this day received and nomination withdrawn, see the end of Senate proceedings.)

# EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nominations of several officers in the Regular Army.

Mr. WALSH, from the Committee on Naval Affairs, reported favorably the nominations of sundry officers in the Navy.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. STEPHENS, from the Committee on Commerce, reported favorably the nomination of Jesse E. Murry to be supervising inspector, Navigation and Steamboat Inspection

Mr. ASHURST, from the Committee on the Judiciary, reported favorably the following nominations:

William H. McDonnell, of Illinois, to be United States marshal, northern district of Illinois, to succeed Henry C. W. Laubenheimer, resigned;

Sid A. Willis, of Montana, to be United States marshal, district of Montana, to succeed Rolla Duncan, whose resignation is effective June 30, 1934;

Samuel E. Swinney, of Oklahoma, to be United States marshal, eastern district of Oklahoma, to succeed Clark B. Wasson, term expired; and

William C. Lewis, of Oklahoma, to be United States attorney, western district of Oklahoma. (Mr. Lewis is now serving under an appointment by the court.)

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

## SENATORS FROM LOUISIANA-ADDITIONAL PETITION

The VICE PRESIDENT laid before the Senate a letter in the nature of a petition from Hilda Phelps Hammond, chairman of the Women's Committee of Louisiana, relative to the action of the Senate in regard to discharging the Committee on Privileges and Elections from further consideration of the charges filed by the Women's Committee of Louisiana against the Senators from that State, Mr. Long and Mr. Overton, and praying further investigation of said charges, which was ordered to lie on the table.

### ENROLLED BILLS AND JOINT RESOLUTIONS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on today, June 16, 1934, that committee presented to the President of the United States the following enrolled bills and joint resolutions:

S. 504. An act to authorize the Secretary of the Navy to make a long-term contract for the supply of water to the United States naval station at Guantanamo Bay, Cuba;

S. 551. An act for the relief of A. W. Holland;

S. 555. An act to authorize the acquisition by the United States of the land upon which the Seneca Indian School, Wyandotte, Okla., is located:

S. 822. An act to amend the act entitled "An act to amend section 217, as amended, of the act entitled 'An act to codify, revise, and amend the penal laws of the United States', approved March 4, 1909", approved January 11, 1929, with respect to the use of the mails for the shipment of certain drugs and medicines to cosmetologists and barbers:

S. 1508. An act providing for the final enrollment of the Indians of the Klamath Indian Reservation in the State of

Oregon;

S. 3096. An act for the relief of John T. Garity;

S. 3151. An act to convey to the King Hill Irrigation District, State of Idaho, all the interest of the United States in the King Hill Federal Reclamation Project, and for other purposes;

S. 3446. An act to authorize the Postmaster General to receive, operate, and to maintain for official purposes motor vehicles seized for violations of the customs laws:

S. 3530. An act relating to Philippine currency reserves on deposit in the United States;

S. 3618. An act to grant a portion of the Fort Douglas Military Reservation to the University of Utah, Salt Lake City, Utah;

S. 3655. An act to amend the act entitled "And act for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes", approved June 30, 1906, as amended:

S. 3696. An act authorizing the President to make rules and regulations in respect to alcoholic beverages in the Canal Zone, and for other purposes;

S. 3739. An act to authorize the President to transfer to the Government of Haiti without charge to that Government certain property of the United States in Haiti:

S. 3764. An act to reduce the fee to accompany applications for entry as second-class matter of publications of limited circulation;

S. 3765. An act to enable the Postmaster General to withhold commissions on false returns made by postmasters;

S. 3766. An act to amend the act entitled "An act authorizing the Postmaster General to adjust certain claims of postmasters for loss by burglary, fire, or other unavoidable casualty", approved March 17, 1882, as amended;

S. 3779. An act to amend section 4 of "An act to amend an act entitled 'An act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, and acts amendatory thereof and supplementary thereto", approved June 7, 1934;

S.J.Res. 106. Joint resolution authorizing loans to fruit growers for rehabilitation of orchards during the year 1934;

S.J.Res. 130. Joint resolution to amend section 72 of the Printing Act, approved January 12, 1895, and acts amendatory thereof and supplementary thereto, relative to the allotment of public documents, and section 85 of the same act | fixing the date of the expiration of the franking privilege to Members of Congress; and

S.J.Res. 138. Joint resolution to amend an act entitled "An act to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes" (Public, No. 169, 73d Cong.), approved April 21,

WORLD-WIDE DEPRESSION-ADDRESS BY SENATOR H. D. HATFIELD

Mr. DICKINSON. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by the Senator from West Virginia [Mr. HATFIELD] at Pennsboro, W.Va., on Saturday, October 1, 1932.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The address is as follows:

Ladies and gentlemen, is there a man or woman here who ever can forget the high adventure of America's entry into the great war among the nations?

Then, under the profound spell of exalted idealism; imbued with zeal for a cause appraised as right and just; impelled by ardor for principles esteemed sacred and honorable, America unsheathed her mighty sword, and rushed—youthful, strong, and courageous—onto a battlefield that even then was red with the blood of a

It was a war to end all war.
From ocean to ocean the drums throbbed and rumbled. A

whole nation mobilized.

whole nation mobilized.

It was a holy war, we were told. A war against militarism and autocracy. A war against despotism and tyranny. A war against imperialism, a war for the freedom of democracy, and justice for small nations and oppressed peoples everywhere.

These were the noble aims to which the Nation dedicated its vast resources, its manhood and its womanhood, its blood and its treasure, without measure and without stint.

In the dead of night our transports, heavily freighted with our dear ones, stole warlly down the harbor, carrying many destined nevermore to return. Our legions of men in khaki and in blue sailed away across the seas. sailed away across the seas.

How proud we were when the first contingents reached the foreign shore. Our brave and knightly host hastened eagerly to confront the foe. Of the outcome we never entertained a doubt.

There were moments of agonizing suspense, of numbing appre-

refer were moments of agonizing suspense, of numbing apprehension. The grey-green horde of the enemy had swept down the valley of the Danube and across those historic plains, crimsoned with the strife of the thousand years, carrying all before them; revulsion from the hunger and horror of war had dethroned the autocrat of all the Russians and brought the Slavic giant to his types, back across the crean came that memorable cry of despair. knees; back across the ocean came that memorable cry of despair, "We are fighting with our backs to the wall."

The battlements of Paris and the very citadel of the British Empire, we were told, were endangered. America responded with a mightier effort. We poured out upon the altar of our patriotism

more money and more men.

The tide turned. There came the glorious victory at Chateau-Thierry and the Belleau Woods. The enemy's final lunge at the heart of France had been caught upon our sturdy buckler and hurled back.

hurled back.

More victories. More triumphs for our arms. Two million Americans are on the western front. Two million more are encamped and ready to embark. The weight and power of a resolute young republic have tipped the scales, quickened the drooping spirit of our beleaguered allies, and overwhelmed our war-wearled adversary. The subsea cables hum with the glad tidings. The enemy falters, he retreats, he recoils before the death stroke. He sues for peace.

From the bivouac of the dead, from the fields where poppies blow, and the ranks of crosses row on row, we travel to the mir-

blow, and the ranks of crosses row on row, we travel to the mir-rored halls of Versailles where are gathered the envoys and plenipotentiaries, the ministers and ambassadors, the sages and philosophers, the economists and experts, the military chiefs and statesmen of all nations, and their satellites.

Not since the dawn of civilization had there been such a con-

A man-made rainbow had been stretched across the firmament, and it hung there, suspended high in the heavens, a ribbon of many colors, beautiful to behold. The covenant to be effected under its magic spell was to usher in a millenium, a thousand

years of peace.

It was, we were told, to be a "peace without victory.

This assurance, insistently expounded behind the battle lines; this catchword, so contrary to all the previous practices of mankind, had been polished and perfected and set up to form the very keystone of a magnificent arc de triomphe, through which we were to march—a vast multitude of peoples of all nations, races, and climes—to form a great concourse in the oft-dreamed temple of the parliament of man.

In fancy we could see the whole stupendous panorama of man's long, slow, upward climb from the ferocity of the jungle until

at last, purged of his bestiality, he renounces and repudiates right that is made by might.

Such was the gorgeous spectacle offered at Versailles. the refuge to which we might repair while we bound up the wounds of the war. Weary mothers, poring over casualty lists for names they could never find, were comforted and ennobled by it. Society was to be transformed and human nature cleansed of its iniquity by the stroke of the pen.

Then, like a mirage, the vision vanished from before our bedazzled eyes. As the scene eluded our enraptured gaze, we saw it was a phantom conjured up by our own tortured imagination. The scenery was whisked away, and there standing upon the world stage in the gilded chambers of Versailles, we saw neither messiahs nor redeemers, but men and women like ourselves, who had striven mightily and failed.

I speak sorrowfully, my friends, not of the remote events of long ago, but of a recent occasion with which we are all too familiar—that delusive attempt to create a super-government, familiar—that delusive attempt to create a super-government, resting upon force of arms, to perpetuate a world status quo repugnant, in many respects, to the enlightened opinion of mankind. I can portray but feebly the disillusionment that then overtook the world. The American people sensed the sham, and in a great and solemn referndum rightfully refused to pledge the unborn generations of this Nation to a succession of wars that inevitably must ensue from what is essentially a league of allested distatus coolemns of Armagaddon. plighted dictators, spoilsmen of Armageddon.

It is not my purpose here to review the protracted debate, turning largely upon abstract principles of government, that eventually led the United States Senate to refuse to mortgage the sovereignty of this Nation. My conviction is that our people forever have disposed of the issue of entry by this country into the League

disposed of the issue of entry by this country into the League of Nations, either by the front door or the back door.

Nor would I carry you back to the bitter memories of the compacts of Versailles, except for their collossal, their indefensible economic stupidity. The passions of war now have cooled, and in a calmer light, I trust, we shall be able to examine those economic phases of the treaties, to which this Nation resolutely declined to be a party. It is my belief that in the heat of conflict over the League of Nations we have been inclined to overlook these economic effects. economic effects

We have now become accustomed to think of the peace as a punitive peace, a peace imposed by the victors upon the vanished; and we are fully aware that it did not carry out the pre-armistice pledges made to a beaten and conquered foe.

I do not propose here to debate the moral rectitude or lack of it, of the pacts of Versailles, but to discuss their economic restrictions that right but were the proposed in the pacts of Versailles.

tions that, rightfully or wrongfully, have been imposed upon the world.

That it was the deliberate intention of the pact-makers to destroy the economic power of Germany is evident. Face to face with starvation of her 60,000,000 people, and confronted with the bayonets of an invading army, she was forced to cede to France the payonets of an invading army, she was forced to cede to France the enormously rich iron, coal, and potash mines of Alsace-Lorraine; to yield up, pending a plebescite in 1935, the rich coal mines of the Saar; to Poland were handed over her immensely valuable coal reserves in Upper Silesia. These seizures, though condoned at the time on the assumption that Germany was uniquely guilty of provoking the war, deprived the nation of 35 percent of her coal and 75 percent of her iron.

Furthermore, she was directed to deliver 140,000,000 tons of her remaining coal to France during a period of 10 years, with an additional 25,000,000 tons annually to others of the victorious nastions. To these exactions was added the further vexation that she was compelled to submit to the dumping of foreign goods upon her markets, while her own unrivaled industrial machine stood idle. Her railways were denuded of their best rolling stock,

whilst her principal waterways were subjected to alien control.

To complete her economic humiliation, she was stripped of her to complete her economic humilation, she was stripped of her colonies, her navy, and her merchant marine, and saddled with the huge indemnity of \$125,000,000,000, which was later reduced to \$33,000,000,000 and then to \$8,000,000,000 by the realization that the collection of this staggering figure in gold was not only impossible but the exaction of even a smaller sum would be detrimental to the victorious allies.

Germany's partner in the war, that fearful and wonderful ag-glomeration of races, over which the Hapsburg dynasty held sway, was designedly expunged from the economic map. In pre-war days haughty, cultured Vienna proudly sat at one of the great crossroads of the world.

At her feet converged four great routes, hewn by nature in remote geological times. Through these mountain clefts, over these rolling plains, and down these fertile valleys, swarmed the very progenitors of modern Europe. Ancient hunters, with stone axes, bows, and arrows, intimately knew her forested glades and dwelt contentedly on her pleasant grasslands. Their successors, down the long march of the centuries, savagely have fought over these desirable areas to this very day.

the long march of the centuries, savagely have fought over these desirable areas to this very day.

This marvelous handiwork of nature was scorned and disdained by the peacemakers of Versailles. They deliberately blockaded the four great highways spreading fanwise from Vienna to the seas. They sought to close for all time the great arterial waterway that wound along the Danube to Bavaria and thence by canal to the Main and the Rhine; they walled up the magnificent passage down the Danube to the Black and Aegean Seas; they cut off the thoroughfare that ran up the March to the Oder and via the Moravian Gate to the North German Plain and the Baltic; they closed up the avenue of trade that in other days naturally flowed over the Semmering Pass to Trieste.

Today, Vienna is but a shadow of her former self. In sackcloth and in ashes, she mourns the loss of 173,000 square miles of her land and 35,000,000 of her people. Is it any wonder that she is bankrupt, a beggar among the nations?

Formerly the Austro-Hungarian Empire, embracing 50,000,000 of people and 241,000 square miles of land, virtually was self-sufficing, from an economic point of view. She had coal in Bohemia, Silesia, and Moravia; iron ores in Styria; oil in Galicia; timber in the Tyrol, together with agricultural lands of incomparable fertility.

When the peacemakers of Versailles decided to rend her apart, her coal in Bohemia and Moravia was turned over to the new Republic of Czechoslovakia. Her Galician oil went to Poland; the timber in the Tyrol, together with 2,000,000 of her inhabitants, went to Italy and the tender mercies of the Facisti; Bosnia and Herzegovina were awarded to Serbia, allegedly chief instigator of the events immediately precedent to the war; while a section of the rich Hungarian borderland went to Rumania.

The Austro-Hungarian industrial machinery, likewise, was scattered among these new-born states. Formerly integrated and thrifty, the dismemberment precipitated stagnation and chaos. To cite but one example, her textiles: Austria, to employ her looms today, needs must export her yarn to Czechoslovakia for weaving, bring it back for printing and dyeing, and then reexport the finished product to markets in Galicia and Hungary. Under the free internal trade of the old empire this could be accomplished, but now punitive tariffs impede the process at every frontier. The Austrian metallurgical industries, so vital in this modern era, are prostrated. Because her coal is gone, she cannot use her iron.

Thus, we find the fragments of the Austro-Hungarian economic machine parceled out to seven nations, where one sufficed before. The business, commerce, and banking that formerly radiated along natural economic channels from Vienna, superbly stationed at the focal point, must now be done elsewhere or not at all.

The baneful economic effects of the pacts of Versailles long have The Austro-Hungarian industrial machinery, likewise, was scat

The baneful economic effects of the pacts of Versailles long have been disguised to the world under the deceptive names of "postwar readjustments." We are now in position to see that instead of readjustment reconstruction may be necessary. The map makers of Versailles, insofar as their economics are concerned, appear to be in the position of the small boy who took the clock apart. He scattered the fragments into seven heaps on the floor, and then was amazed because each individual pile did not come to life and begin to tick.

begin to tick.

Not war debts but the Treaties of Versailles are blocking the road to permanent prosperity in Europe. I mean to criticize these treaties on several grounds, not because I have any wish to interfere in any way whatever with the affairs of Europe, but because Europe has chosen to bring the issue to us by falsely asserting that the intergovernmental debts are a stumbling block to world prosperity. The time has come when these treaties again must be passed in review before the enlightened opinion of mankind, for these treaties truly are the cause of Europe's unhappiness and uneasiness for the future. In the references that I am about to make in regard to the Treaties of Versailles, I wish it in general to be understood that I refer to the Treaty of Versailles (Germany), the Treaty of Trianon (Hungary), the Treaty of St. Germain (Austria), the Treaty of Neuilly (Bulgaria), the Treaty of Lausanne (Ottoman Empire), and the Treaty of Sevres (Ottoman Empire), because all sprang from the Congress of Versailles, and for the sake of brevity can best be enumerated under that general heading. Not war debts but the Treaties of Versailles are blocking the

that general heading.

In recent times we have heard more of the Treaty of Versailles than we have of the auxiliary treaties, because Germany is a more powerful nation and a more vociferous one than the others; but in their disruptive effects upon the prosperity of Europe I believe that the auxiliary treaties, and in particular those which dismembered the Austro-Hungarian Empire, were even more calami-

that the auxiliary treaties, and in particular those which dismembered the Austro-Hungarian Empire, were even more calamitous than that which dismembered Germany, for the reason that the Treaties of Trianon and St. Germain disregarded geographical conditions such as are now recognized to be so intimately connected with the social well-being of the various peoples.

If the Treaties of Versailles were to be revised on a basis of reason and justice, the whole world would be grateful.

Nearly everyone agrees that the treaties were conceived and imposed in the mad hates and wild lusts of the war. Only now, after a lapse of nearly 15 years, are we beginning to discuss them publicly, and certainly no one in America has a right to discuss them unless it be with a spirit of friendliness toward all of the parties and in full recognition of the deep passions and violent hatreds that war always breeds and intensifies. In the calmermoods that are beginning to prevail we may hope, amongst all nations, it would seem that all nations are entitled to examine these treaties, because all nations are affected by them directly or indirectly. If the injustices of the treaties have destroyed the prosperity of Europe, then it follows that they have to a greater or a lesser degree impaired the prosperity of the whole world. If the injustices and mistakes of the treaties can be corrected by negotiation, then it also follows that one of the principal impediments to world preventing will have been removed. It was a supplementation of the principal impediments to world preventing will have been removed. It was a supplementation of the principal impediments to world preventing will have been removed. It was a supplementation of the principal impediments to world preventing will have been removed. It was a supplementation of the principal impediments to world preventing will have been removed. negotiation, then it also follows that one of the principal impedinegotiation, then it also follows that one of the principal impediments to world prosperity will have been removed. In view of these extremely important factors, therefore, I do not consider it indelicate to discuss these treaties, all the while bearing in mind the tremendous difficulties of a psychological character that are involved, and also keeping constantly in the foreground the fact that the unmaking or revision of these treaties is principally the concern of Europe and not of America.

If we are to comprehend why these treaties destroyed the peace and prosperity of Europe however we must not content ourselves.

and prosperity of Europe, however, we must not content ourselves with a merely superficial examination of them. We must get down to the fundamentals. We must go back, as need be, to the roots of the war itself.

It is contended that the treaties are immoral; that they rest upon untenable ethnic premises; and that they have wreaked economic havoc not merely in Europe but throughout the world. I shall discuss these under their separate headings.

The contention that the treaties are unmoral is based upon the challenges that have been hurled against the war-responsibility clause of the treaties. I take this up first, because there has been so much agitation about the war-guilt phase, and because even the most casual perusal of the history of modern times, together with the most ordinary exercise of common sense, ought, in my opinion, to convince any fair-minded person that the Central Empires and their allies, Bulgaria and the Ottoman Empire, were not uniquely guilty of provoking the war. Yet it is a question to be faced.

The very profound part that the war-guilt clause has played in the history of the world is strikingly revealed in the following quotations from a highly informative book, World Politics in Modern Civilization, by Prof. Harry Elmer Barnes, an American historian of considerable repute. He writes (p. 507):

"And it will not avail anything to assert that the treaties are not bound up in the war-guilt thesis of the Entente. As Lloyd George frankly admitted at the London Conference in 1921: For the Allies, German responsibility for the war is fundamental. If the Allies, German responsibility for the war is fundamental. If it is the basis upon which the structure of the treaty has been erected, and if that acknowledgment is repudiated or abandoned,

"On December 20, 1920, Poincare wrote in the Paris Temps: 'In fact, if it was not the Central Powers that brought on the war, why should they be condemned to pay for it? If there is divided responsibility, then, in justice, there should be a division of the

costs

Lloyd George evidently has not changed his mind, for in a very remarkable treatise that has just come across the seas, he says:

"As to the justice of exacting reparation from Germany for the damage caused to other countries by the war, there can be no doubt once you assume that the German Nation was primarily responsible for the war." (Lloyd George, The Truth About Reparations and War Debts, p. 7.)

To indicate that a considerable shadow of doubt has now been cast of the war-guilt clause, I now quote the opinion of another eminent American historian, Prof. Charles Austin Beard, author of two highly fascinating volumes called "The Rise of American Civilization." His view may be accepted as fairly typical of a number of distinguished historians:

"Finally there are the defenders of grace, remission, absolution,

Finally there are the defenders of grace, remission, absolution, "Finally there are the defenders of grace, remission, absolution, and oblivion at home and abroad, who rest their case on the mythology of the red, green, orange, yellow, and other rainbow books issued by the Entente belligerents, containing, as we know now, falsified and garbled dispatches for the purpose of gulling gudgeons. According to this argument, " \* \* the Germans were solely responsible for starting the war and the Entente Allies were really defending the United States from the beginning. Mr. Wilson's government, instead of springing heroically to the defense of American rights in August 1914, delayed nearly 3 years, causing great damage, suffering, and distress to the defendants in the debt case; and therefore, Q.E.D., any part of the bill paid by the United States would fall far short of justice. In other words, runs this plea, the debts should be canceled in full and with a contrite heart. plea, heart

heart.

"If the major premise of this contention be granted, the conclusion is inexorable; but the major premise is now shot so full of holes by horny-handed historical scholarship that it looks more like a scarecrow than a Greek statue. Can anyone read the writings of Gooch, Fay, Fabre-Luce, and a host of American, French, and English scholars, to say nothing of Mr. Barnes' powerful book (in spite of its argumentative tone) and then stand up in court and declare on oath that the Entente war mythology deserves the credence of intelligent men and women?

"The advocate of debt cancelation, foreign and domestic, might as well learn once and for all that the American people are not all boobs in matters of European history; that in magazines, newspapers, scholastic journals, classrooms, shops, railway trains, and fields the question of war responsibility is being debated with understanding and with zeal; that while some lean one way and some another, no one can revive the stinking corpse of war propaganda; that nobody who has read the new diplomatic materials believes that England, France, and Russia were innocent in the aganda; that nobody who has read the new diplomatic materials believes that England, France, and Russia were innocent in the long preparations that led up to this war or in the negotiations that precipitated it; that the names of the parties who grabbed the spoils at the council table at Versailles are well known; that to ask the United States to pay one penny more on the score of sacrificial obligation is nothing short of laughable." (Barnes, World Politics in Modern Civilization, pp. 561–562, quoting Professor Beard in the American Mercury of July 1927.)

The distinction that President Wilson drew between our actual motives in entering the war, and the idealistic picture that he later drew to inflame the ardor of our heroic soldiers, is an important one, and I have nowhere seen it set forth more lucidly than by the distinguished historian, Prof. Herbert Adams Gibbons, formerly of Princeton. To quote him:

formerly of Princeton. To quote him:

"The great majority of Americans regarded the European war as an interesting and dramatic spectacle in which their own country was not concerned. Hence they found no difficulty in following the President's advice that Americans remain neutral in thought as well as in action. Despite the tireless propaganda carried on by both groups of belligerents to win American support, public opinion in general accepted without question the declaration of President Wilson that he did not know the causes of the war and wished that someone would tell him. Those elements that took sides violently when war was first declared and that worked hard for 30 months to advance the cause of one or the other of the belligerent groups met with little succe

"But in time the Germans, who seemed to glory in violating the ordinary ethics of warfare on land and sea, aroused American indignation by the sinking of the Lusitania and other ships; and this bitterness was enhanced by the relation of German plots against American industries \* \* \* planned and carried out on American soil. In addition to their monumental tactlessness, the Germans suffered, too, from three handicaps that gradually turned American public opinion against them.

"(1) Unlike Great Britain, Germany had not a single place on

the American Continent where she exercised political sovereignty, and therefore her propaganda and espionage service was driven to violation of the neutrality of the United States and other

nations.

"(2) Not controlling any cables or being able to use in communication with the New World means that were not under the surveillance of her enemies, Germany had to resort to discreditable practices to keep in touch with her agents.

"(3) Her inability either to contest the supremacy of the sea with the British or to import under neutral flags and through neutral countries made it impossible to purchase war supplies from the United States, and thus American finance and industry became more and more interested in the success of the Entente. Interests engender sympathies and customers are backed against noncustomers.

\* \*

noncustomers. • • • "
"After 2 years of war, however, during which there was ample opportunity for the United States to become fully acquainted with the German methods of waging war on land and sea, and after we had suffered much at the hands of Germany, the sentiment for maintaining neutrality was still so strong that neither candidate at the Presidential election in the autumn of 1916 dared risk giving the impression that his program for the conduct of our foreign relations implied a departure from neutrality. President Wilson and Mr. Hughes were equally afraid to advocate preparedness, thinking that defeat at the polls was certain for any man whom the American people suspected of wanting to lead

them into the war.
"In view of these facts, which tragically stand in the way "In view of these facts, which tragically stand in the way of the sentimentalists, it is difficult to accept at their face value the principal reasons set forth by President Wilson on April 2, 1917, and in his subsequent speeches, for the entry of the United States into the World War. The vindication of principles of peace and justice against selfish and autocratic power, the fight for democracy, rights of small nations, and universal domination of right by consent of free peoples were splendid ideals to set before a by consent of free peoples were spienfid ideas to set before a nation entering upon a costly struggle, and none questions the wisdom and propriety of voicing them. But the Entente powers had begun the war with the proclamation of those very principles almost 3 years earlier. Either these principles were not deemed by the American people sufficiently important to fight for, or the Nation and its leaders had as a whole been unaware that they were the issues at stake until the beginning of 1917. We can they were the issues at stake until the beginning of 1917. We cannot get away from this dilemma. It is important to admit it, and to state the bald fact of the case, that our intervention in the World War followed the great law of history, which is that peoples fight when they feel themselves menaced in their security and

prosperity and not until then \* \* \*.

"\* \* Had Great Britain, France, and Italy not been capacity purchasers of American commodities, whose orders were making the United States experience an unexampled prosperity boom, the German submarine blockade might not have been considered

a casus belli

The notes of the American States Department, al-"\* \* The notes of the American States Department, although they continued to protest against violations of international law, became academic and temporizing as the Entente powers increased their orders for American goods and floated loans at attractive rates through American bankers. Our notes to Germany became more insistent and less compromising in proportion as our trade with the Entente powers grew in importance.

"\* \* American prosperity gradually seemed to become dependent on the defeat of Germany and at the same time German successes began to worry Entente sympathizers in the United States, who had always been more optimistic than the military situation justified.

situation justified.

"Without exaggerating or attempting to build up through the exclusion of other factors \* \* \* we are we are justified 358, 359, 360.)

If corroboration be needed, it may be found in the view of another authority:

"We did not actually get into the war to protect ourselves from imminent German invasion or to make the world safe for democracy but to protect our investment in allied bonds and to insure a longer period and more extensive development of the manufacturing of war materials." (Barnes, World Politics in Modern Civilization, p. 378.)

Of course, in connection with the foregoing it must be recollected that Mr. Gibbons was writing in 1922, when he did not have before him the multitude of new historical data that since have been made available to him, I assume, as they have been to Mr. Barnes and other eminent historians.

There is, indeed, a natural tendency to recoil from the whole restudy of war-time responsibility. The idea that we must "forget the war", therefore is a particularly dangerous one, because the war has not ended. The war is still being fought in an economic and political way in Europe. Nor can we blame the war upon the so-called "European system" of a balance of power. Professor Fay points out this fallacy:

points out this fallacy:

"Finally, with the growing realization that all the powers were more or less responsible, and with the increased attention which came to be given to the underlying causes of the war, more judiciously and historically minded persons were less inclined to accept the easy solution of explaining the war on the scapegoat or personal-devil thory—that is, the guilt of this or that individual. They fall back on the truer explanation that the war was caused by the system of international anarchy involved in alliances, armaments, and secret diplomacy. But, after all, the system was worked up by individuals; their personal acts built it up and caused it to explode in 1914. In the discussion of the future it will be the work of the historian to explain the political, economic, and psychological motives which caused these individuals to act as they did. He will also cease to talk about 'war guilt' since no person in authority was guilty of deliberately working to bring about a general European war. But he will still continue to discuss the 'responsibility' which each statesman must bear for acts which ultimately contributed to the catastrophe." (Fay, Origins of the World War, vol. I, pp. 2-3.)

of the World War, vol. I, pp. 2-3.)

To quote further from this authority:

"Nevertheless a European war broke out. Why? Because in each country political and military leaders did certain things which led to mobilizations and declarations of war, or failed to do certain things which might have prevented them. In this sense all the Furncean countries in a greater and declarations. certain things which might have prevented them. In this sense all the European countries in a greater or less degree were responsible. One must abandon the dictum of the Versailles Treaty that Germany and her allies were solely responsible. It was a dictum exacted by victors from vanquished under the influence of blindness, ignorance, hatred, and the propagandist misconceptions to which war had given rise. It was based on evidence which was incomplete and not always sound. It is generally recognized by the best historical scholars to be no longer tenable or defensible. They are agreed that the responsibility for the war is a divided. They are agreed that the responsibility for the war is a divided responsibility. But they still disagree very much as to the relative part of this responsibility that falls on each country and on each individual political or military leader." (Fay, Origins of the World War, vol. II, pp. 548-549.)

To my mind this conclusion by the eminent historian would seem to comport with the composite of the best informed opinion in this country at this time. We are not convinced that the central empires were wholly innocent of responsibility for the war: now

tral empires were wholly innocent of responsibility for the war; nor are we convinced that they were solely guilty. Enough has been shown to convince many of us that the Treaties of Versailles were immoral treaties, because they were based upon an altogether un-reasonable assessment or appraisal of the war responsibility. Hence it is heartening to have such statesmen as Mr. MacDonald

suggest that a negotiated peace supplant the one imposed by force of arms at Versailles. This evidently is the path which Europe must take toward peace, if Europe is to have any peace. But it is a path which I hope the American Nation will not again venture. upon by assuming any commitments in the readjustments that must be made, either at the point of the bayonet or over the conference table; because America, if she makes the peace, would be morally bound to attempt to sustain it. Without seeking to dogmatize, to me it is obvious that if Europe is to have any peace it must be made in Europe. Europe made the war; she should make the peace

should make the peace.

If the Treaties of Versailles were an unjustified infringement of international morality, undertaken in the passion of war, that would seem to justify a thorough revision of these pacts. Yet there are many other practical grounds which suggest revision. That the treaties are based on an exaggerated nationalism few will deny and many hold that their ethelic promises are whelly follows. deny, and many hold that their ethnic premises are wholly fal-

There is sometimes a tremendously deep gulf between race and nationality. If that be so, then the labored effort to free the so-called "suppressed nationalities of Europe" was a step backward in the evolutionary processes of government. The creation of the 30 nations of Europe to replace the 18 that existed prior to the war was a reversion to medieval tribalism, rather than a response to any natural craving, except when stimulated by erroneous conceptions of the differences between the races. To say that the succession states have a right to a separate existence on the succession states have a right to a separate existence on ethnic grounds is insupportable from any scientific standpoint. But here, I fear, as in the case of the historians, psuedo scientists were dragooned into the cause of nationalism and succeeded in imposing their artificial deductions upon the world. Since we cannot assume that the statesmen of Europe are ignorant of the true biological background, we must assume that the creation of the succession states sureng from motives other than those of the succession states sprang from motives other than those of a purely scientific character.

It is most doubtful whether on biological grounds there is any justification whatever for the reconstruction of Europe into numerous small states. The possibility of a limited practical autonomy within a larger governmental framework, more suited to the economic times—an autonomy that would seem to satisfy any but overstimulated national yearnings—appears never to have been considered. That this thesis of the supposedly irreconcilable racial groups in Europe was very carefully disseminated on this continent seems plain, because eventually its apostles found a convert in President Wilson, who based his plea for the self-

determination of small groups, however, more largely on grounds of historical and political expediency.

No great flight of the imagination is required to understand why such a subterfuge was resorted to by those powers bent upon the partition of the Germanic, Austro-Hungarian, and Ottoman Emperations of the Germanic, Austro-Hungarian, and Ottoman Emperations of the Germanic Austro-Hungarian, and Ottoman Emperations of the Company of the partition of the Germanic, Austro-Idingarian, and Ottoman Empires. If these empires were to be partitioned and expunged from the economic map, something more than the ordinary excuse had to be offered. In the case of Alsace-Lorraine no such an ethnic philosophy could reasonably be made to apply; so the divorcement of that appanage of the Germanic Empire was conveniently made of that appanage of the Germanic Empire was conveniently made a matter of restitution. In the other cases, however, much was made of the rights of small nations, and the plea was advanced that these peoples were so different in their racial strains that naught would do but that each be given a definite area, a flag, an army, a tariff, and if possible a democratic form of government. Much was made of the agglomeration of races of the Austro-Hungarian Empire, with little thought for the fact that these peoples, insofar as they were within the empire, had dwelt together with a fair degree of amiability for nearly a century, and that from an economic standpoint their condition was infinitely superior to what it is today.

superior to what it is today.

While the war theoretically was against militarism in all its forms, no thought seems to have been given at the time to the fact that each of these new-born states would find the individual burden of armament far heavier than was the case prior to the

Having touched upon the moral obloquy and the ethnic follies of Versailles, and having seen that they rest on the most shadowy historical and scientific bases, one would expect that at least some economic justification existed. But here again we find blunders of a magnitude that transcends these considerations, for the economic miscalculations of Versailles have wreaked a world-wide catastrophe. The economic disintegration of middle Europe was effected in complete defiance of geographic considerations.

Let us examine the economic phases through the eyes of two

distinguished authorities:

"The decade preceding the World War witnessed a marked in-dustrial trend in Austria-Hungary in response to the rapid growth of population whose increase neither emigration nor agriculture was able to accommodate. This expansion in manufacturing was or population whose increase neither emigration nor agriculture was able to accommodate. This expansion in manufacturing was greatly facilitated by the large variety of raw materials, fuel, and foodstuffs within the boundaries of the Empire. Thus in pre-war Austria alone there were large coal fields in Bohemia, Moravia, war Austria alone there were large coal fields in Bohemia, Moravia, and Silesia; iron ores in Styria; timber in the Tyrol; oil in Galicia; and agricultural lands in Bohemia, Moravia, and Silesia. Unhampered by tariff barriers these raw materials could be assembled according to the location of coal, labor, and markets. Under these conditions there had grown up two great industrial areas, one, by far the more important in the Bohemia-Moravia-Silesia region; a second in the vicinity of Vienna and the Styrian coal fields. It is estimated that of the national income of pre-war Austria two-thirds was from industry and trade and one-third from agriculture. Hungary, on the other hand, realized about 60 percent from agricultural activities. Vienna, through its advantages as the capital and the focus of great transportation routes, became the great financial and commercial center from which Austria's industries were directed.

"The break-up of the old empire left the Austrian Republic

the great financial and commercial center from which Austria's industries were directed.

"The break-up of the old empire left the Austrian Republic with only a remnant of the old industrial equipment and resources. Czechoslovakia possessed the main industrial region, the major part of the coal, and much of the better soil. Austria retained considerable timber and excellent iron ores, but very little fuel and no coking coal. With nine-tenths of her former markets gone, the industrial capacity of present Austria is far in excess of her domestic requirements unless she manufactures for export and can rely on imports of fuel, raw material, and foodstuffs.

"In some cases the various branches of large industrial enterprises were widely scattered, the various steps in manufacturing being completed in different regions. Thus the textile industry had much of its spinning done in Austria, the weaving in Bohemia, the finishing in Austria, and important markets in Poland and Hungary. Dismemberment places these various units in different countries whose intense nationalistic efforts and hostility toward the old domination of Vienna have made their integration and cooperation extremely difficult. Austria has facilities for producing a surplus of manufactures of wood, electricity, paper, and steel.

paper, and steel.

"Of the industries the metallurgical occupy first place, based largely upon the manufacture of excellent steel from the high-grade iron ore which though only moderately rich in iron—40 per-

grade iron ore which though only moderately rich in Iron—40 percent—is practically free of sulphur and phosphorus. The chief handicap is \* \* \* the lack of domestic coking coal so that most of the fuel must be imported. Of some 10,000,000 tons required, only 3,000,000 are produced at home, and of this latter amount five-sixths are lignite. Imports are mainly from the upper Silesia and Teschen regions, and the high cost of such fuel naturally retards progress in industry, especially iron and steel. A move full of significance for the reestablishment of integrated industries in the succession states is to be seen in the purchase by the chief

in the succession states is to be seen in the purchase by the chief Austrian steel company of an interest in Silesian coal mines.

"Textiles ranked next to the metal industries in importance and,

"Textiles ranked next to the metal industries in importance and, like them, suffered much by the political changes resulting from the war. Much of the spinning required imported raw materials, hence the mills tended to locate along the great transportation routes found in lower Austria (40 percent) and Vorariberg (30 percent); the weaving, on the other hand, sought cheap labor and fuel and found both in present Czechoslovakia. Finishing plants centered again in the Vienna district close to the most important

local market. Thus present-day Austria inherited 30 percent of the looms of the old monarchy, while similar conditions character-ized the worsted and silk industries. As a result there was twice as much spinning as the weavers could use. It would seem logical to export yarn to Czechoslovakia, return it for finishing, dyeing, printing, etc., then export it to Galicia and Hungary, but high

"Geography and politics combined to make Vienna one of Europe's leading centers of art and culture, of commerce and finance. Its position at the crossing of great trade routes is its chief asset; all the more important because it is situated in a part of the all the more important because it is situated in a part of the Continent where topography has rigidly restricted movement to well-defined paths. The city lies in a small plain, the smallest of the three Danube basins, at the place where that great waterway separated the Alps from the Bohmer Wald. Here converge routes leading (1) up the Danube to Bavaria, thence by canal to the Main and Rhine or by the Inn over the Brenner to the Place of path Italy. (2) down the Danube to the Place of the Place plains of north Italy; (2) down the Danube to the Black and Aegean Seas; (3) up the March to the Oder and via the Moravian Gate to the North German Plain and the Baltic; and (4) to the southwest over the Semmering Pass to Trieste. This superb focal position made it the natural center from which the commerce, banking, and industry of much of southeast and central Europe was directed. With the great iron-ore deposits nearby and fuel and raw materials available within the old monarchy, the Vienna district became an important industrial section, second only to Bohemia in the old empire.

"In addition to these natural advantages, Vienna was the capital of an empire of 30,000,000 people, embracing 116,000 square miles. As such it became the home of thousands of soldiers, government officials, and tradesmen, as well as the seat of a great

array of institutions.

"The break-up of the old monarchy suddenly reduced the area of the nation from a population of 30,000,000 to 6,500,000. A mere remnant, mostly mountainous, was left with a great city having the administrative and business machinery designed for the direction of the political and economic life of a large empire, and the readjustments have brought tragic consequences

"Eastward from Austria the ranges of the Alpine system sepa-rate; the southern limestone belt branches southeastward along the Adriatic to join the Rhodope Massive and the Balkans, in a great arc to meet the Iron Gate, completing an almost closed mountainous rim. The great basin thus encircled has been a region of subsidence and, within recent geologic times, has been covered by an inland sea. \* \* \* Across this wide, flat, featureless plain winds the great Danube and its major tributaries, the Tisza, Sava, and Drava. \* \* \* Favorable conditions of climate, soil, and topography have combined to make this a great agricultural region, second only to Russia as the chief granary of Europe. \* \* \* Hungary occupies the heart of the middle Danubian plain. Settled over 1,000 years ago by the Magyars, nomadic horsemen from the Asiatic steppes, the earliest use of the land was as pasture for great herds of cattle, horses, and sheep. In course of time the better sections were cultivated, and to the pastoral interests were left only those parts of the plain too dry Adriatic to join the Rhodope Massive and the Balkans, In course of time the better sections were cultivated, and to the pastoral interests were left only those parts of the plain too dry or too rough for cropping, conditions found particularly about the mountainous margins. Present Hungary is almost wholly agricultural, practically the entire land surface being productive. Three-fifths of the total area is arable, next to Denmark, the largest proportion of any country in Europe. Cereals occupy over one-half the cultivated land, wheat being considerably more important then corn. than corn

"After the World War Hungary faced a disrupted industrial organization which has not yet been readjusted. Of her former territory and population she lost somewhat over two-thirds. From the standpoint of industry she still produces three-fourths of her former output of coal, sufficient for her nonindustrial needs, but only one-fifth of her former output of iron ore, while five-sixths of her timber industries, including woodworking and papermaking, have been lost. making, have been lost. \*

making, have been lost. \* \*

"Present problems have their origin mainly in the country's history—particularly in the past relations of the races. Old Hungary contained non-Magyar peoples, subject races whose economic, social, and political conditions were made all but intolerable by Magyar oppression. With the defeat of the Central Powers, of which group Hungary was a member, that country's borderlands, largely inhabitated by non-Magyars, were detached and added to her neighbors on three sides. Considerable numbers of Magyars inhabited the lands to the east; in fact, in order to give strategic advantages to Czechoslovakia, Rumania, and Yugoslavia, there were included within those regions some border zones predominantly Magyar. Such boundaries, largely arbitrary, worked havoc with transportation lines and the cooperation of industrial, mining, and agricultural sections, so that economic disorganization approached a state of chaos. To the tragic consequences of the World War was added a brief but disastrous communistic regime, an invasion by Rumania, and a short civil war. Of all the defeated nations the Hungarians feel the most bitter, openly declaring that when an opportunity comes they will force a revision claring that when an opportunity comes they will force a revision of the peace terms. This hostile feeling, in view of the unbalanced condition of present resources and the necessity of foreign trade, makes commercial intercourse and economic recovery slow."

(W. O. Blanchard and S. S. Visher, Economic Geography of Europe, page 207 209 200 254 255 256 259 250 250

pp. 286, 287, 288. 289, 354, 355, 356, 358, 359.)
From the foregoing, Mr. President, it would seem that had the mapmakers of Versailles deliberately chosen to commit economic hari-kari they could not have chosen a better method than this arbitrary dismemberment of the old Austro-Hungarian dual mon-

archy. Its trade ways fixed by immutable geological factors, its commerce long integrated over an area in which the freest internal trade prevailed—the one partner predominantly industrial and the other predominantly agricultural—Austria-Hungary presented a

other precommantly agricultural—Austria-Hungary presented a practical, if not an ideal, example of the economic advantages of free trade within a specific federalized zone.

But the havoc wrought within the diminished areas of post-war Austria and Hungary was not all the havov. The succession States that fringed the border suffered as much, if not more, from the arbitrary dislocation of the business, commerce, and banking that formerly radiated along natural economic channels from Vienna and Budapest, superbly stationed at focal points along the great Danubian waterway. Punitive tariffs impede the flow of trade at every frontier. The fragments of the Austro-

Hungarian economic machine were parceled out to seven nation, where one sufficed before. All of Europe suffered in consequence.

Was it any wonder, then, that the storm signal of the total collapse of European economy came with the eruption at Vienna, when the great Credit-Anstalt Bank failed in 1931? Tremors from this eruption shook the whole world. The immediate clamor for a Pan European moratorium on governmental finance was proof enough that the structure of Versailles had given way at its weakest point. It was proof that the commercial excision of Austria and Hungary from the fraternity of nations had produced an appalling penalty. The hodge-podge map of Versailles recoiled upon its makers. They could make maps, but they could not move mountains.

Mr. President, there is abundant proof of the economic unwis-

dom of the treaties

dom of the treaties.

Mr. President, on June 28, 1914, if someone had asked what great holiday it was, I should have been compelled to answer that I did not know. In Serbia, however, it was a great holiday, for it was the five hundred and twenty-fifth anniversary of the Battle of Kossovo. After being told that much, the average American still would have been compelled, in most cases, to ask, "Well, what was the Battle of Kossovo?" If he had been curious enough to look it up, he would have found that on this particular day, back in the year 1389, the Serbs, Albanians, and Croats fought a terrible battle with the Turks, were crushed and enslaved, and remained under the Turkish yoke for more than 400 years.

On the five hundred and twenty-fifth anniversary of this battle occurred the assassination at Sarajevo, the pistol shot that signalized the World War, resulting in the slaughter of 8,538,315 human beings.

Most remote from the affairs of America seemed anything relating either to the Battle of Kossovo or the assassination at Sarajevo when the war broke out. Even President Wilson, a scholar, levo when the war broke out. Even President Wilson, a schoar, confessed that he did not know what caused it. But in Europe the meaning of Sarajevo was plain even to the man in the street; the black cloud of war loomed at once over the whole of Europe; no literate European could mistake the meaning of Sarajevo.

It was not until President Wilson had sounded the alarm 2 years and 6 months after the World War began that the average American was ready to fight, and even then his anger was directed

at the Germans because they had affronted our honor, killed our citizens, and sunk our ships. I venture the opinion that the ensuing utilization of the American press for the war-time propa-

ensuing utilization of the American press for the war-time propaganda has had a profound effect in prolonging the depression. Since the war ended the average American has sensed that something very closely akin to a deception was perpetrated on him. The whole case for the looting of the Germanic, Austro-Hungarian, and Ottoman Empires, as we have seen, rests on the socialed "war-guilt clause", article 231 of the Treaty of Versailles. Lloyd George admits it. Poincare admits it. Therefore, if it should be shown that the Germanic empires were not wholly responsible for the World War, the whole case of the Allies hoth

should be shown that the Germanic empires were not wholly responsible for the World War, the whole case of the Allies, both for cancelation and for reparations, collapses.

After reading a number of the most recent treatises on these subjects I confess I find it impossible to draw any other conclusion but that America was urged into the war by our war profiteers and that the story that the Germanic empires deliberately premeditated and brought on the war is no longer credible.

I shall here not make any attempt to interpose my own personal view of the war responsibility, but content myself with

sonal view of the war responsibility, but content myself with citing the final conclusions reached in 1928 by that distinguished American historian Prof. Sidney Bradshaw Fay, formerly of Smith College, now of Harvard University. Professor Fay, so far as I know, has no bias whatever in favor either of the Germanic empires or toward the Ottoman empires. When the war ended, he did not hastily plunge in to express an opinion or draw a conclusion. I know that he enjoys the respect and even admiration of distinguished historians on both sides of the water, and from of distinguished historians on both sides of the water, and from the tone of his masterful work that he writes dispassionately and in the detached manner of the scholar who is resolved to get at the truth, no matter whom it hurts. And it is apparent that he has had access to all, or nearly all, of the documentary evidence that came to light as a result of the revolutions in Russia, Austria, and Germany. So it may be said that his is a conclusion that is entitled to respect by all fair-minded persons everywhere. Before proceeding to some of the details, let me here quote from Professor Fay's outspoken verdict:

"But the fact that a formal revision (of the war-guilt clause of the Treaty of Versailles) probably cannot take place until public opinion has been further enlightened as to the actual facts now available does not lessen one whit my belief that it ought to be revised on historical, political, and moral grounds." (Barnes, World Politics in Modern Civilization, p. 500, quoting Professor Fay in the New York Times of Dec. 7, 1928.)

Again Professor Fay writes:
"While it is true that Germany, no less than all the other great powers, did some things which contributed to produce a situation which ultimately resulted in the World War, it is altogether false to say that she deliberately plotted to bring it about or was solely responsible for it. On the contrary, she worked more effectively than any other great power, except England, to avert it, not only in the last days of July 1914 but also in the years immediately preceding." (Barnes, World Politics in Modern Civilization, quoting Professor Fay, p. 315.)

I am conscious, of course, of the dangers and of the respon-

sibility of detaching quotations such as these from their context; but I can assure my audience that the utterances just quoted are fully sustained and documented by the researches of Professor Fay, I can only wish that time would permit us to travel together step by step through the whole maze of intrigue which his remarkable book lays bare from the days when the development of steam power began to provoke bitter commercial rivalries until the transformation of society by this agency set the stage for the World

War

War.

Of course, it is not enough to rest the case for revision of the war-responsibility clause on the researches of a single historian, however eminent and impartial he may be. But, as Professor Barnes points out, Professor Fay is by no means alone in arriving at this conclusion; and enumerated with him as belonging to the prorevisionist school of thought are such distinguished American historians as Charles Austin Beard, whose opinion we have obhistorians as Charles Austin Beard, whose opinion we have observed; Ferdinand Schevill and Quincy Wright, of the University of Chicago; William E. Lingelbach, of the University of Pennsylvania; Carl Becker and Preserved Smith, of Cornell University; Joseph Ward Swain and A. H. Lybyer, of the University of Missouri; Robert J. Kerner, of the University of California; Joseph V. Fuller, formerly of the University of Wisconsin; and Prof. W. L. Langer, who is cited as the foremost American authority on pre-war Russian diplomacy.

The American are not alone however in suggesting a redis-

pre-war Russian diplomacy.

The Americans are not alone, however, in suggesting a redistribution of the war responsibility. Among the historians enumerated by Professor Barnes as "believing the major guilt attaches to the Entente, but that the Central Powers must bear some responsibility" are, besides Professor Fay, R. J. Kerner, J. F. Scott, P. T. Moon, J. S. Ewart, Hermann Lutz, G. Lowes Dickinson, G. P. Gooch, Corrado Barbagallo, Augusto Torre, Victor Marweritta

gueritte.

Enumerated in another group which Professor Barnes sees as Enumerated in another group which Professor Barnes sees as holding that the "primary responsibility for the war is to be found in the premature general mobilization of the Russian Army" are Max Montgelas, Friedrich Stieve, Gunther Frantz, Erich Brandenburg, Paul Herre, Alfred von Wegerer, Hermann All, N. Japikse, Georges Demartial, Mathias Morhardt, Gustav Dupin, Alfred Fabre-Luce, F. Gouttenoire de Toury, Alberto Lumbroso, M. N. Pokrovski, E. A. Adamov, E. D. Morel, Raymond Beazley, M. Edith Durham, Irene Cooper Willis, Ferdinand Schevill, W. E. Lingelbach, W. L. Langer, A. H. Lybyer, Joseph Ward Swain. Lingelbach, W. L. Langer, A. H. Lybyer, Joseph Ward Swain, Frederick Bausman.

Mr. President, I submit that here is a respectable body of opinion, which, differing with preconceived notions of the war responsibility, must now be reckoned with. I do not deny that there are a considerable number of historians who cling to the original thesis of a war-mad Germany running amuck. Yet we cannot fall to be impressed when Professor Barnes, toward the close of his extraordinary work, tells us:

"The progress of scholarly research into the causes of the

"The progress of scholarly research into the causes of the World War has now demonstrated for all time the fallacy of article 231 of the Treaty of Versailles to the effect that the Central Powers were solely responsible for the outbreak of the war. Therefore the United States should suggest revision of such parts of the Treaties of Versailles, St. Germain, Trianon, and Neuilly as were based upon the assumption of the unique guilt of the Central Powers. We must also request abandonment of all treaty settlements which conflict directly with those principles of democracy of the rights of small nations which were alleged by the Entente to be the very cornerstone of their aims in the late world struggle. Particularly is it necessary to recognize the complete absence of any justification whatever for any reparations from the Central Powers beyond their just mutual participation in restoring areas devastated by actual warfare. \* \* Particularly ridiculous is the assertion of cancelationist propagandists that we owe the Entente states a deep debt of gratitude for protecting us from German invasion and enslavement. It also needs to be pointed out that the Entente countries owe the United States large sums of money as damages due to Entente violations of our commercial of money as damages due to Entente violations of our commercial rights as neutrals before April 1917—a type of indebtedness which has not thus far been brought up for active consideration. From the standpoint of strict international morality and justice, then, not a single, sensible argument can be adduced for the cancelation

not a single, sensible argument can be adduced for the cancelation of these debts (to America) (Barnes, World Politics in Modern Civilization, pp. 602-603).

We are told, however, that the dislocation and disintegration of the industry of the Austro-Hungarian and Germanic Empires was a necessary, if not a wise, concomitant of the peace pacts. The stubborn fact remains, however, that a great deal of the business formerly done with at least a fair degree of efficiency within the borders of these countries, must now be performed by new-born political entities, that are small in area, and totally unversed in and unused to the responsibilities of self-government.

There were two great domestic events in America which unmistakably apprised us that the pacts of Versailles had proved an economic blunder, dangerous to the peace and prosperity of the

whole world. One warning came when our former allies and companions in arms presented us with a neat bill for \$11,000,000,000 which we were asked to wipe off the slate by the process of cancelation. The second warning came, and the two are inseparately linked, with the shock of the stock-market debacle in 1929. There is little doubt that the international financiers of this and other nations probably knew, far in advance of the American public, of the approaching cataclysm, the successive reverberations of which have prostrated the world. Their flight from the one catastrophe provoked the other. A wave of fear swept the nations. It seemed that the very thing we call civilization was in danger of obliteration.

As Senator William E. Borah, in his remarkable address of May 5, 1932, said:

5, 1932, said:

5, 1932, said:

"Mr. President, it seems clear to me, when all the facts are considered, that the fright which still obtains was engendered by this maladjustment of the gold supply. But the world was in a condition to be easily frightened. Still crippled from the fearful losses incurred by the war; laboring under the peace treaties, which started an economic war; tormented by reparations; and bled white for additional armaments, it was natural that uneasiness should for additional armaments, it was natural that uneasiness should develop into a deep-seated fear the moment gold supplies began to fall in other parts of the world. The fall of prices in the economic world is like the glacier on the side of the mountain, once started, it sweeps all before it."

In the light of these events, it is inconceivable that the experts at Versailles, except in the madness of war, ever could have sanctioned the strait-jacket in which they fettered the brawn and eight of all Events.

sinew of all Europe.

sinew of all Europe.

These international financiers—and it is not my purpose here merely to criticize these powerful gentlemen—in their precipitate retreat from the inevitable consequences of the Versalles pacts have performed a valuable service. They have shown that the treatles are unworkable, and caused us to examine them anew, and for that we are grateful. Like any of the rest of us they undertook to protect themselves from the onrushing avalanche of financial disaster. The less informed followed suit, and those who possessed no information at all were hopelessly and helplessly left to deal with the financial wreck that ensued.

When high and mighty financiers such as these flee to cover.

when high and mighty financiers such as these flee to cover, inundating the marts with their choicest securities, rocking the stock markets as in an earthquake, and sending tremors along every hidden fault of the commercial world, we of a lesser status and importance in the affairs of mankind well may take heed and wisely entertain the premonition that something is radically

The extent to which our national economy had become enmeshed with that of Europe is strikingly revealed when we reflect that, under a Democratic administration, American governmental money under a Democratic administration, American governmental money and credit were poured out to foreign nations to the extent of \$22,000,000,000.000. On top of this our international financiers negotiated and privately placed among American investors an additional debt estimated at \$15,000,000,000. Thus, not even considering what we ourselves spent in prosecuting the war, our public and private stake in foreign lands amounted to \$37,000,000,000. Although the intergovernmental debts have been scaled down an average of 50 percent through American generosity, the total amount still owing us can be conservatively placed at \$26,000,000,000, a tremendous weight of public and private debt that had an important and distinct bearing on the crisis.

Overshadowing the whole and awaiting an inexorable reckoning at no distant day was the national debt to the 4,000,000 American veterans and their dependents, which, noted economists predict, eventually will bring the American cost in the war to the grand total of \$100,000,000,000.

Need I picture the desolation that overspread this country like a plague—in the wake of that black Friday in 1929, when occurred the great treat waste treat treat touch waste to the standard the great treat waste treat the property and the property that the great treat treat the great treat treat the great treat treat treat the great treat treat the great treat treat treat the great treat treat treat the great treat treat treat treat treat treat the great treat trea

Need I picture the desolation that overspread this country like a plague—in the wake of that black Friday in 1929, when occurred the great stock-market crash that, overnight, wiped out billions of dollars in paper profits? You saw a legion of something like 10,000,000 persons thrown out of work, as the contagion of despair gripped thousands of our factories, causing them to bank their fires, and snuffing out the plumes of smoke that hitherto had billowed up into the skies of a prosperous and contented Nation. Nation.

You saw 26 foreign nations, one after the other, abandon the You saw 26 foreign nations, one after the other, abandon the gold standard as conditions of misery and deprivation were aggravated by drought and famine. You saw banks falling and depositors losing their life's savings. You read of farmers burning their crops because they could not sell them; you knew of men driven to crime for the sake of a crust of bread; you heard of women and children in rags begging for clothes and shelter from the wintry blizzard; you remember the epidemic of suicides of despairing men. The wrong, as we now clearly see, was the monstrous economic crime perpetrated in the halls of Versailles.

Let me turn now to the very core of the whole issue; that is, the

Let me turn now to the very core of the whole issue; that is, the thesis that the punishment devised, decreed, and promulgated at Paris was a just retribution, righteously imposed upon the defeated central empires as twin malefactors and designing disturbers of the

peace of the world.

peace of the world.

For the last 14 years learned historians, skilled expositors in the legends of the nations, have pored long and tirelessly over the archives of the chancellories of Europe. They have brought to light some startling facts, circumstances of a kind and character that in bygone wars sometimes have been kept hidden for half a century. I do not refer merely to the destruction of the war-time myths, to the propaganda and atrocity fabrications on which we were so liberally fed to bring us to the fighting edge, and which long since have been dismissed as full of guile and error.

I do not refer to the voluminous data which these learned scholars, seemingly without prejudice or bias, have accumulated and which, some of them say, completely disapproves the indictment upon which the Germanic powers were found guilty.

They demand revision of the Versailles treaties on the ground that the pacts effected a moral wrong. I have the conviction a revision is necessary on the ground that they perpetuated an economic tragedy that has brought us all, the victors and the vanquished, to disaster.

To these emingly without prejudice and historiess who now clemer for

vanquished, to disaster.

To these eminent scholars and historians, who now clamor for a retrial of the convicted chief culprits and advise a redistribution of the war guilt, we are indebted, however, for the discovery of significant facts and matters of record that are beyond dispute.

When the autocratic government of the Romanoffs collapsed, the revolutionaries seized upon and made public for all the world to read the secret stipulations that bound their Czar and his vast

empire to the All'es.

By a treaty of March 20, 1915, long before many of us ever dreamed that we should become enmeshed in the broils of Europe, was provided that Russia might annex Constantinople and thus achieve the warm water port for which she previously had fought three unsuccessful wars.

By a treaty of April 26 of that same year Italy was to receive the Trentino, the southern Tyrol, the area of Gorizia and Gradisca, Istria, northern Dalmatia, numerous islands off the Dalmatian coast, 12 islands off the coast of Asia Minor, a share in the then contemplated partition of Turkey, a slice of the war indemnity, and other compensations of territory in Africa.

By a treaty of March 11, 1917, a few weeks before we entered the war, France was to get Alsace-Lorraine.

In various other secret engagements and understandings it was agreed that Great Britain should gain a neutral sphere in Persia, a sphere of influence in Mesopotamian oil land, a free hand in Egypt, and that she would divide with France the colonies of Ger-Egypt, and that she would divide with France the colonies of Germany in Africa. Rumania was brought into the war with seizures of territories in Transylvania, Bukowina, and the Banat dangled before her eyes. To Japan went the promise of German interests in the Shantung Peninsula.

These secret treaties which were so carefully concealed from public view until the war was over—that this unsavory episode may be brought before the American people (in many cases for the first time), I give the following quotation from an authoritative historical summation:

"While the British Liberals and Product Wiles."

the first time), I give the following quotation from an authoritative historical summation:

"While the British Liberals and President Wilson were expounding the noble and unselfish aims which they believed were being forwarded by the great sacrifices of blood and money from 1914 to 1918, the realistic statesmen who were actually guiding the destiny of Europe and the world took adequate precautions to insure that the fruits of victory would go beyond the realization of lofty ideals. In a series of secret treaties negotiated between 1915 and 1917 elaborate provisions were made for the readjustment of the map of Europe and the world. We have already briefly summarized the war plans of France and Russia between 1912 and 1914, envisaging the occupation of the Straits by Russia and the restoration of Alsace and Lorraine to France. These war aims were embodied in secret treaties to be put into effect in the event of an Entente triumph. England, who had opposed for a century the Russian domination over the Near East, naturally demanded compensations. Italy had to be bribed by extensive territorial awards to abandon her alliance with Austria and Germany and make war on her former allies. Likewise, the participation of Rumania and Japan in behalf of the Entente cause had to be purchased by extensive concessions of territory or special interests. As a result the following arrangements were embodied in the secret negotiations of the powers involved:

"Br. the treaty of Merch 20, 1915 it was provided that Pussion."

following arrangements were embodied in the secret negotiations of the powers involved:

"By the treaty of March 20, 1915, it was provided that Russia might annex Constantinople and the Straits, and that Isphan and Yezd were to be included in the sphere in which Russia was to have full liberty of action. By a treaty of March 11, 1917, the earlier understandings between Russia and France were brought together in the following summary of set provisions regarding the eastern frontier of France, while France recognized the complete freedom of Russia relative to the reconstitution of the western frontiers of Russia.

the western frontiers of Russia.

"1. Alsace-Lorraine to be restored to France.

"2. The frontiers (of this territory) to be extended so as to include at least the former Duchy of Lorraine and to be fixed according to the wishes of the French Government, the strategic requirements being taken into account, so that the whole iron ore district of Lorraine and the whole coal basin of the Saar shall be included in French territory.

"3. The remaining districts on the left bank of the Rhine which now form part of the German Beich are to be detached.

which now form part of the German Reich are to be detached from Germany and to be freed from all political and economic

dependence upon Germany.

"4. The districts on the left bank of the Rhine which are not incorporated in the French territory, shall form an autono-mous and neutral state and shall remain occupied by French troops until the enemy countries shall have finally fulfilled all the conditions and guarantees to be enumerated in the treaty of

peace.

"On April 26, 1915, there was concluded the notorious Treaty of London between the Entente and Italy. For this we can do no better than to quote Seymour Cocks' summary:

"'Italy to receive the Trentino, the Southern Tyrol, the county of Gorizia and Gradisca, Istria, northern Dalmatia, numerous islands off the Dalmatian coast, Valona (in Albania), 12 islands off

the coast of Asia Minor, a prospective share in the partition of Asiatic Turkey, a prospective addition to her colonial territory in Africa, and a share in the war indemnity. The remainder of the Austro-Hungarian coast is to be divided between "Croatia", Ser-Austro-Hungarian coast is to be divided between "Croatia", Serbia, and Montenegro, thus cutting Austria-Hungary completely off from the sea. Certain stretches of the Adriatic coast are to be neutralized. There is also a suggestion to partition the greater part of Albania between Serbia, Montenegro, and Greece."

"The benevolence of Great Britain in permitting these understandings did not go unrewarded. It was agreed in the various secret treaties that the neutral sphere in Persia should be added to the British sphere of influence; that Great Britain might de-

secret treaties that the neutral sphere in Persia should be added to the British sphere of influence; that Great Britain might develop a sphere of influence in Mesopotamia; that she should have a free hand in transforming Egypt into a protectorate; and that she should divide with France the German colonies in Africa; and that the German colonies in the Pacific Ocean south of the Equator should be added to the British Empire. Rumania was included to take her ill fated street with the France by the property of the property induced to take her ill-fated stand with the Entente by the promise of Transylvania up to the River Theiss, Bukowina up to the River Pruth, and the Banat. Japan was promised the German colonies in the Pacific north of the Equator and the German inter-

ests in the Shantung Peninsula.

"Had these arrangements been fully revealed to the Entente peoples there would have been great difficulty in maintaining a high morale among the Entente troops and their relatives at home. Fortunately for them, these treaties were kept a secret until the spring of 1918, while the German lust of territorial additions, as revealed by the Treaty of Brest-Litovsk, was immediately seized upon and played up by Entente propaganda. After the Bolshevik revolution in Russia in November 1917 the Bolsheviks discovered revolution in Russia in November 1917 the Bolsheviks discovered the secret treaties and gave them to the world with an introduction by Leon Trotsky condemning the secret diplomacy of capitalistic national states. They were published in the Manchester Guardian in England and by the New York Evening Post in the United States. So powerful and perfect, however, was Entente propaganda that the more influential papers of all the Entente States refused to publish or comment on the secret treaties, except in some cases to denounce them as palpable Communist forgeries. The peoples of the Entente countries, right up to November 1918. The peoples of the Entente countries, right up to November 1918, persisted in their belief that they were pouring out their resources in man power and finances for the promotion of international idealism and peace." (Barnes, World Politics in Modern tional idealism and peace." (Barnes, World Politics in Modern Civilization, pp. 408-409.) Mr. President, one might be tempted to pause here and indulge

in recrimination, but, allowing these tremendous facts to speak for themselves, we can pass immediately to the narrative of the ultimate realization, almost in full, of these secret Entente war aims. Quoting further from the same authority:

"The principle of national self-determination and freedom of

The principle of national sent-determination and freedom to the oppressed nationalities was one of the leading slogans of the propaganda of the Entente during the World War, and it must be confessed that, almost alone of the Entente promises, this assur-ance was actually carried out with some thoroughness in the peace treaties. The treaties of Versailles, Trianon, and St. Ger-main gave free vent to the ambitions of nationalism and constituted a veritable orgy of nationalistic abandon. Never before in the history of Europe had so many new States been created as a result of the treaties following a European war. Indeed, the acquiescence in granting free rein to the nationalists was extreme and exaggerated and resulted in a complete overdoing of the whole matter. Europe in 1928 could boast of 30 national States instead of the 18 which existed in 1914, and the reallotment of nationals of the 18 which existed in 1914, and the realistment of nationals was so imperfectly done that quite as many areas of dissatisfaction and protest existed in 1928 as in 1914. Thirty national States of 1928 create almost twice as many potential causes of war as the 18 of 1914, and in some cases the national dissatisfaction is more pregnant with danger for European peace than such matters as Serbian ambitions in 1914.

Serbian ambitions in 1914.

"The post-war treaties restored Alsace-Lorraine to France, allowed Denmark to annex northern Schleswig and handed over Italia Irredenta to Italy. In the case of Italy the matter of restoration was overdone and Italy received the almost wholly German population of the South Tyrol. \* \*

"The Baltic states were granted independence from Russia and four independent national states were created: Finland, Estonia, Latvia, and Lithuania. Granting the difficulties which existed, the territorial and ethnic assignments in this Baltic settlement were reasonably just, with the exception that Lithuanian claims were sacrificed to the stronger and more aggressive Poland, a situwere sacrificed to the stronger and more aggressive Poland, a situ-

were sacrificed to the stronger and more aggressive Poland, a situation rendered even more deplorable by the subsequent Polish seizure of the important Lithuanian city of Vilna.

"Poland was restored as a great national state, with an area about equal to that of the new German Republic. The Poles seemed to have learned little from the history of the past, and demanded a settlement designed to alienate their neighbors and constitute a standing impulse to destroy or reduce Poland as soon as diplomatic realinements permit. Not only did Poland encroach upon Russia and Lithuania, thus creating enmity on the north and east, but she also insisted upon German terrifory in Posen. upon Russia and Lithuania, thus creating enmity on the north and east, but she also insisted upon German territory in Posen, East Prussia, and Upper Silesia, which permanently prevent cordial relations with Germany. Beyond all else, with doubtful wisdom, she demanded the creation of a Polish corridor separating East Prussia from the remainder of Germany. This is an arrangement which Germany will never accept, and it will lead her to anticipate and accept alliances designed to weaken or defeat Poland. Only the present French military alliance gives any assurance of Polish safety and permanence.

"The Ruthenians were granted their independence and a separate Republic of the Ukraine was created. In 1922 the Ukraine rejoined Russia as one of the states federated in the United Soviet Socialist Republics. The Czechs and Slovaks were freed from Austro-Hungarian domination and a new national Republic of Czechoslovakia was established. This has been the most effi-ciently governed of the new states, but it contains many elements of serious internal weakness and potential discord. It is almost a miniature Austria-Hungary. The Slovaks are not unanimous in their enthusiasm for the union, and there is a great German minority in the west which may never cordially accept the Czech dominion. Finally many Magyars have been included within the boundaries of Slovakia.

boundaries of Slovakia \* \*.

"Rumania was enormously enlarged at the close of the war, even though her military record on the side of the Entente was inglorious, indeed, and her administrative record one of the worst in Europe, containing no justification for entrusting her with in Europe, containing no justification for entrusting her with even greater responsibilities. She was assigned Bessarabia, Transylvania, Bukowina, and part of the Banat, thus taking within her frontiers many Russians and even more Magyars. Neither the Russians nor the Magyars will permanently acquiesce in this settlement, and the gorged post-war Rumania constitutes one of the leading danger spots in Europe, though she is temporarily safe as one of the eastern outposts of the military hegemony of France.

"The Serbs realized their wildest dreams at the peace table. To the pre-war Serbia were added Bosnia, Herzegovina, Croatia, Montenegro, and smaller portions of other Balkan territory in the Banat and elsewhere. A great state, the Kingdom of Jugoslavia.

Montenegro, and smaller portons of other based of Jugoslavia, Banat and elsewhere. A great state, the Kingdom of Jugoslavia, was created. It faces little danger at the hands of Austria or Hungary, but it is confronted with a serious challenge from Italy Hungary, but it is confronted with a serious challenge from Italy in regard to Albania and the Dalmatian coast. Albania was granted independence and an Albanian Republic (since become a monarchy) was created in 1925, but anarchy has prevailed and Italy has a very definite ambition to control Albania as part of her program of making the Adriatic an Italian lake.

"Greece was also rewarded for her ultimate participation on the side of the Entente by territory taken chiefly from Bulgaria and Turkey. Greece developed great ambitions to become a strong imperialistic power in the Near East, but she overstepped herself and was driven from Asia Minor in disgrace, and the plan of creating a Magna Graecia collapsed.

creating a Magna Graecia collapsed.

"The Entente also planned to extinguish Turkey both in Europe and Asia if victorious in the World War, and had assigned Turkey in Europe to Russia and her Balkan allies. By the time the war had been won, however, Russia had dropped out of the conflict and the Tsarist regime had been terminated. The Entente powers were too jealous of each other to assign Turkey to any one of them, and they did not trust their Balkan allies to retain all the loot in this area. Greece attempted to take things into her hands, with the decisive defeat that we have just

"Taking advantage of the lack of unity among the victors, the Turks, under the leadership of one of the ablest figures in the post-war world, Mustapha Kemal Pasha, tore up the Treaty of Sevres and established a modernized and highly nationalistic Turkish Republic in Asia Minor. They have retained a large part of their pre-war possessions, agreeing to demilitarize and de-nationalize the Straits. Near eastern nationalism has also been manifested in Arabia and Egypt, in both of which England has been compelled to make some formal concessions to nationalistic

"Nationalism was also promoted in the Far East by the Japanese ambitions at the Peace Conference, by the Chinese resentment at the awards to Japan, by the independence aspirations of the peoples of India, and by the enthusiasm of Australasia over its part in winning the war and annexing parts of the German colonial empire \* \*. colonial empire \*

"In conclusion, then, we may say that, while the principle of nationality was more respected than any other at the peace conference at the close of the World War, the territorial and ethnic readjustments were so ill-advised and unscientific that the new problems which have been created almost equal the older introduced them in intensity and justices in number, and often exceed them in intensity and potential danger to the peace of Europe. While the new readjustment of Europe actually reduced the subject nationalities from about 50,000,000 to less than 20,000,000, the present situation represents a more obviously flagrant violation of the principle of national self-determination than the pre-war situation, in which the Teutonic inhabitants of Alsace-Lorraine and the Slavic Poles

were classed as repressed or subject nationalities.

"With respect to the overseas ambitions of the Entente, aspirations embodied in the secret treaties were substantially realized, though the details of the distribution of the German possessions were modified to no small degree. In Africa the German colonies were divided between France and the British Empire. The majority of Togoland and Kameroon were given to France and the remainder to Great Britain. German Southwest Africa was awarded to Great Britain with the exception of a small Africa was awarded to Great Britain with the exception of a small but rich portion, Ruanda-Urundi, which was given to Belgium. Great Britain temporarily reduced Egypt to a protectorate. Turkey in Asia was partitioned and most old German interests in the Near East were absorbed by France and Great Britain. The latter took over Mesopotamia, which is organized under the mandate of Iraq. France took over Syria as a mandate. Palestine became a British mandate. The British took over the virtual domination of Persia upon the withdrawal of Russia from her sphere of interest. The German interests in the Shantung Peninsula were awarded to Japan, although she agreed at the Washington Conference of 1921-22 to return them to China, which she later did. The German possessions in the Pacific Ocean were divided between Japan man possessions in the Pacific Ocean were divided between Japan and the British Empire. The German islands in the Pacific north of the Equator were handed over to Japan; those remaining were divided between Australia, New Zealand, and Great Britain. There were no German possessions in the New World, but the United States followed the European confiscation of German property and patents, a dangerous precedent for another war in which

we may be the losers.
"In short the German Empire overseas disappeared as a result

of the World War, and France and England gained elsewhere, notably at the expense of Turkey and Egypt. \* \* \* One of the clauses of the secret treaties had provided for 'the destruction of the economic power of Germany. The Treaty of Versailles represented a robust effort to execute this ambition. The most serious blow to Germany in a long-time sense was her deprivation of sources of coal and iron ore. The rich coal mines Versailles represented a robust effort to execute this ambition. The most serious blow to Germany in a long-time sense was her deprivation of sources of coal and iron ore. The rich coal mines in the Saar Valley were given to France pending the results of a plebiscite in 1935. If the inhabitants at this time vote to return to Germany, then the latter must purchase the coal mines from France. Germany was further deprived of most of her coal supply in Upper Silesia, from which she derived a considerable portion of her hard coal. These losses meant about 35 percent of her entire coal reserves. This was not all; from this reduced reserve she was required to make enormous free deliveries of coal to her victorious enemies. She was ordered to deliver 20,000,000 tons annually to France for 5 years, and 8,000,000 tons annually for the next 5 years. Further, as part of the reparations system, she was directed to deliver 25,000,000 tons annually to other Entente states. Along with these great losses and depletions of her coal supply Germany lost three-fourths of her iron ore through the restoration of Alsace-Lorraine to France. Germany was also ordered, at a time when her own civilians were dying of starvation, to deliver to France great quantities of livestock and agricultural products. Germany was commanded to surrender her merchant marine to the Entente and to build 200,000 tons of shipping annually for the Entente. France took over the best rolling stock from the German railroads. German trade was further penalized by tariff and administrative arrangements. German products were excluded from Entente countries, while Germany was compelled to put the Entente nations in the status of 'most favored nations' under the German tariff regulations. Germany was thus denied access to Entente markets for 5 years and exposed to Entente 'dumping' during the same period. German many was thus denied access to Entente markets for 5 years and exposed to Entente 'dumping' during the same period. German commerce was further handicapped by the fact that her main commercial rivers were placed under administrative commissions manned chiefly by non-German members.

serious of all as an immediate burden were the repara most serious of the treaty. Germany was compelled to indemnify the Entente for all the so-called 'civilian damages' to the Entente during the World War. In this category of damages to civilians were placed the potential pensions to Entente soldiers and their relatives, an enormous increase in the total reparations bill. \* \* \*

"No exact statement of reparations account was formulated at the time, though one prominent British member of the commission put the figure at \$125,000,000,000. The final determination was not reached until May 1921 when the Entente set the amount at \$33,000,000,000. In 1922 Germany was forced to default on reparations payments. The Dawes plan worked out in the spring of 1924 did not set any final sum for the total reparations payments but specified the nature and the amount of the annual payments to be made. \* \* payments to be made. \* \* \*
"An international commission to fix the total amount of repara-

tions payments drew up its plan in the spring of 1929. \* \* \* \* "The most striking single achievement of the Young plan was finally to settle the total amount which Germany will be required to pay. It stipulated that for 37 years Germany will pay annuities averaging 2,050,000,000 gold marks. For the next 21 years she will be required to pay annuities averaging 1,700,000,000 gold marks, and for the last and final year the payment will be 900,000,000

gold marks.
"An important administrative change in supervising reparations payments was also embodied in the Young plan. The administra-tion of reparations is to be removed from the reparations commis-sion and lodged in an international bank with a capital of \$700,-000,000. \* \* \* The Young plan also involved a full recognition of the fact that reparations and war debts are inseparably intertwined in European public finance." (Barnes, World Politics and Modern Civilization, pp. 414-420, 572.)

The foregoing in a summarized way depicts the looting of the

The foregoing in a summarized way depicts the looting of the German, Austro-Hungarian, and Ottoman empires. However, the mere enumeration of the geographical names of the various alienated lands by no means conveys the full picture of the colossal pillage distributed at Versailles.

Even a modest estimate of the systematized plundering of the German, Austro-Hungarian, and Ottoman Empires runs to the astounding total of \$175,000,000,000. By comparison with such spoliation on the grand scale, the pickings of the marauding Vikings and buccaneers of the Spanish Main dwindle to the merest peccadillo. And, by contrast, the sum of \$11,000,000,000 spread over a period of 62 years, shrinks almost to nothingness. So far as the American public were concerned, they were kept in complete ignorance of these agreements to divide up the world and doom the central empires to economic mutilation.

It is not enough to say that not all these aims ultimately were realized, for, in their major decrees, the Treaties of Versailles closely adhere to these secret compacts.

The outstanding and the impressive fact is that, before we were led into the conflict, before we were committed to enormous sacrifices of the lives of our youth on the field of battle, and while we believed we were fighting for international idealism and

while we believed we were fighting for international idealism and permanent peace, and for the perpetuation of democracy in the interest of the common man in Europe, our prospective allies and associates already had divided up the spoils.

The highest and noblest sentiments of a great nation thus were played upon, despoiled, and betrayed. A peace "without victory" never was contemplated and never could be achieved.

I willingly grant that from the viewpoint of the Allies the case was desperate, and certainly only the direst necessity on their part could have provoked such shameful deception of the American people. My quarrel, however, is not with the war but with the

Having thus penetrated the illusion that we were fighting a holy war for the emancipation of mankind, we perceive that the peace of Versailles was a peace of selfishness, greed, and hate; a peace of aggrandizement and imperialism.

the peace of Versallies was a peace of seinsnness, greed, and nate, a peace of aggrandizement and imperialism.

With the rose-colored glasses of utopianism removed from our eyes, we may begin to view the picture in its harsh realities that, if we are not on our guard, threaten to devastate every city, county, village, hamlet, and neighborhood of our land.

These realities are that the war-mad ministers at Versailles pulled down two of the main supporting pillars of the European economic edifice, smashed to fragments the economic machines that formerly fed 100,000,000 persons, set in motion a train of events that undermined the gold standard, and now, astonished because the roof caved in, they ask us to extricate them from the because the roof caved in, they ask us to extricate them from the

Their avenues of approach follow the idealism which they have good reason to believe animates this unsophisticated Nation of ours. They ask us to "forgive the debts, as we forgive our debtors." Be your brother's keeper, they implore.

Under threat of a continuance of the world-wide depression they demand cancelation of their \$11,000,000,000 debt to us. The alternative to that concession, they plead, is the lowering of our protective tariff that would permit them to invade our vast domestic market. They cannot pay they say except in goods and services.

market. They cannot pay, they say, except in goods and services.

And, as in the age of innocence of this Nation, we find the same leadership, in part, that led us into the war and helped to ruin the world with the settlement of the war, pleading for reciprocal tariffs and a return to pre-war idealism.

In the face of an immigration policy sanctioned by 90 percent, or practically all of America, reducing and warding off the competition of foreign labor in this country, this leadership would let that low-wage labor in through another door—the tariff door—by freely admitting low-wage foreign goods.

With consummate naïveté, the diplomacy of Europe again pipes up the masquerade; and again this leadership inclines a willing ear to the siren song from across the seas.

We have no choice they inform us. Caucht between the two

We have no choice, they inform us. Caught between the two contentious demands, we must play the role of Shylock or of Santa Claus. We must choose between Europe's hatred and

Europe's contempt.

Well, I for one can entertain no pretensions to omniscience in this great drama. To my humble mind one horn of the dilemma seems as painful as the other.

Nor can I aspire to evolve some magic formula, which backed by the bayonets and cannon of the victors will quicken the fainting pulses of European trade, and bring them back to prosperous felicity and accord.

Yet, dare we not hope that the mighty chancellories of Europe themselves will redress the economic wrongs of Versailles that have devastated and prostrated the world, and doomed untold millions of men, women, and children to poverty and misery?

Cannot these exalted gentlemen across the seas take pity on those former guardians of the western front, who in many lands, are now but regred sentingles of the bread lines?

those former guardians of the western front, who in many lands, are now but ragged sentinels of the bread lines?

If, as some learned scholars affirm and depose, the Germanic powers were not guilty of sole responsibility for the war, then it would seem to be the victors' duty to strike off the shackles that enslave these nations; to remove these impediments that have brought the victors nothing but distress and bankruptcy.

If, as some scientists aver, the Treaties of Versailles are based upon untenable racial premises; and have placed the economy of Europe in the hands of infant nations that are unable to cope with the stern requirements of the modern industrial era, then it would seem to be the victors' duty to repair the damage.

The present leadership of this great Nation ignores the great fundamental blunder of Versailles, and offer reciprocal tariffs as a world solution.

as a world solution.

A reciprocal tariff is but a high-sounding word for free trade. If it means anything, a reciprocal tariff means the barter and exchange of goods with foreign nations on a basis of reciprocity. It means the surrender of our economic sovereignty. It means giving to other nations the right to say what we shall buy and sell.

A competitive tariff means the admission of foreign-made commodities into this country on a basis that will enable them to compete with American-made products. There is no disguising either a reciprocal or a competitive tariff, they both spell free

They mean that the great protective dike would be breached beyond repair, to permit a great mountain of European commodities to be dumped upon our shores.

Every dollar paid for these foreign commodities, according to this thesis, would remain here as quit-rent on the debt that

Europe owes us. That may be true, but the significant fact remains that every dollar expended by Americans on the foreign goods admitted through a reciprocal tariff would be a dollar which otherwise would be expended on American commodities made by American workmen in American factories.

Every dollar expended on foreign food-stuffs admitted through a reciprocal tariff would be a dollar which otherwise would be expended on American produce raised by American farmers on American farms.

Thus, it becomes clear, a reciprocal tariff is but another road to cancelation. In either case, by cancelation or by reciprocal tariff, America pays for the World War.

Now, the tenderness of the remains of war-time leadership to-ward the Treaties of Versailles can well be understood. They helped to make them. The gentleman who now bravely carries aloft the banner of their party was one of that group of notables who, as knightly idealists, made the memorable pilgrimage to Paris. When the pacts eventually were signed and sealed he was

Paris. When the pacts eventually were signed and sealed he was one of the consultants and advisers in the antechamber.

One of the fondest dreams of the great Napolean, who spoke softly and carried a big stick, was a single coin that would run the length and breadth of Europe. He sought to bring that about by force of arms. A few decades after this great military man and patriot passed from the stage another Napoleon sat upon a throne in France. He was Napoleon III. He is often referred to as "Napoleon the Lesser", or "the Little Napoleon", and seemingly with very good reasons.

with very good reasons.

Now, the great Napoleon, Napoleon I, was avowedly a tariff protectionist. With him, Frenchmen and the markets of France always came first. He once proclaimed to all nations:

"I swear that I do nothing except for France. I have nothing

"I swear that I do nothing except for France. I have nothing in view but her advantage."

Along came the little Napoleon, and although he bore a great name, he was not big enough to fill the great Napoleon's shoes. This little Napoleon began by entering into a reciprocal tariff with France's traditional enemy, that tight little isle and manufacturing center across the channel. Then the little Napoleon entered into reciprocal tariffs with many other nations on the Continent. Defying the warning and doctrine of his great predecessor, the little Napoleon, Napoleon III, broke the backbone of protection in France.

ecessor, the little Napoleon, Napoleon III, broke the backbone of protection in France.

What happened? His rash experiment with reciprocal tariffs in less than a decade had prostrated the farmers of France. And when the farmers of France take a positive position, something is bound to happen. The inevitable thing did happen. France returned to republican rule and went back to protectionism, and has been there ever since.

While we are reviewing the Napoleonic period of 1814—in which was the remote genesis of the war of 1914—let us not forget the aftermath, in which there may be a distinct parallel, and perhaps a lesson for our own future.

a lesson for our own future.

The high and haughty statesmen who gathered in the Congress of Vienna in 1815 bargained shamelessly with each other for the spoils of war, then agreed to combine their military power to enforce the peace. They failed, just as the high and haughty statesmen at the Congress of Versailles, 100 years later, have

The League of Holy Emperors sought to impose by force the divine right of kings, and failed; just as the League of Nations sought to impose by force the divine right of supergovernment, and has failed.

Republican doctrines prevailed over the divine right of kings, and republican doctrines will prevail again, if we but rightly guide them.

Now, I maintain that a solution of the world-trade crisis must be arrived at, that will reserve America's domestic trade to Americans; because the American people will tolerate no other solution. For 16 years the American domestic market has averaged a total of \$64,000,000,000 a year.

At the same time I contend that the solution must provide a way wherein Europe can repay her \$11,000,000,000 war debt to us, because the American people do not propose to have this huge sum saddled upon them.

sum saddled upon them.

In the world as constituted today there are now four great self-sufficing economic areas. One of these is the 3,000,000 square miles comprising the Republic of the United States of America, to us the fairest land on earth; the second is that vast domain stretching across the roof of the world from the Atlantic to the Pacific, the 8,000,000 square miles occupied by the Union of Socialist Soviet Republics; the third is the great British Empire, occupying 13,000,000 square miles, or one-fourth of the habitable area of the whole terrestrial globe; the fourth great trade area, and by far the greatest in civilized population, is continental Europe.

With the single exception of Europe, each one of these huge self-sufficing economic and political areas now is dedicated to the policy of free trade within and tariff protection from without.

What an object lesson was the recent imperial trade conference in Ottawa, when the duly designed delegates of the British Com-

what an object lesson was the recent imperial trade conference in Ottawa, when the duly designed delegates of the British Commonwealth of Nations scuttled their historic policy and embraced imperial preference, which is but another name for free trade within, and protection from without.

Upon what does the great empire of Soviet Russia, groping her ay to industrial freedom, stake her destiny? Free trade within ad protection from without.

and protection from without.

What single thing was it which enabled our own great Nation to rise in the short space of 150 years to a position of industrial supremacy that has amazed the world? That wise provision, placed by our forefathers in the very bedrock of the Constitution, namely, that there shall be no tariffs between the States.

One is naturally reluctant to advance or approve a step which essentially must spring from the initiative of governments other than his comments.

than his own.

But the light of these illustrious and time-tried examples I make bold to suggest to the harried statesmen of continental Europe that they do now adopt and take up as their own the selfsame principle that has made us great; the selfsame principle to which the British Empire now turns in her hour of need; the

selfsame principle to which Russia entrusts her future, namely, free trade within and protection, where needed, from without.

Within continental Europe, if anywhere, are reciprocal tariffs needed. There, if anywhere, is the opportunity to return to prewar idealism. But was there any idealism in Europe before the

war?

The solution of a continental tariff union, such as here suggested, would be no castle of dreams such as the League of Nations, ready to topple over at the first breath of adversity. Instead it would be a towering citadel of protection, able to weather the severest storms, and an enduring monument to the peace and prosperity of Europe.

This house of papier maché, the League of Nations, fell because it was based upon might. This new house, this union of continental tariffs, will stand because it is based upon right. The one is based upon fear of punishment; the other on the hope and expectancy of reward. One sways on the shifting sands; the other is founded upon the rock.

is founded upon the rock.

Furthermore, the resultant renaissance and Continent-wide revival of internal trade unquestionably would enable them to pay their honest debt to America.

Ah! you say, it cannot be done—festering feuds of two milleniums cannot be composed in a single generation.

Then I reply to the diplomacy of Europe, you may continue to dwell in a house of hate, but as long as you do, you will dwell alone, and the vision of a happy Europe will still remain in the far and distant future. far and distant future.

far and distant future.

Before the map makers sat at Versailles there were 17 tariff barriers on continental Europe. When they had finished they had added 7 new ones, making 24 in all. Cannot the same powers that put these tariffs up meet and tear them down again?

Let us see the picture whole. The organization and the establishment of a continental tariff union in no wise need impair the sovereignty of a single member. When the Thirteen Original Colonies of this Nation, under the pressure of dire necessity, sought to federate, they were a group of thoroughly independent little sovereigns—with a background of conflicting social, political, religious, and economic ambitions, that they had brought over here from Europe.

United by the bonds of untrammeled commerce within and protection from without, they have prospered and expanded until today within that selfsame Union are to be found 48 States, each with a measure of sovereignty, but bound together by the principle that they will trade among themselves without artificial let

or hindrance.

Is not the analogy clear? Which one of those seven new-born states of Europe, for example, could lay claim to the economic dignity of the great Empire State of New York? Could Latvia do it? Could Finland, Czechoslovakia, Lithuania, or Poland independently claim any such distinction? In economic resources could Estonia, or even bleeding Hungary, compare? To ask these questions is to answer them.

Consider West Virginia. Of all her vast volume of mineral and industrial products, she consumes less than 10 percent. How would West Virginia fare if she found herself encircled by a barrier of hostile tariff walls like those in Europe? Would Ohio, or Pennsylvania, having mines of their own, admit her coal? If she were

sylvania, having mines of their own, admit her coal? If she were not free to enter the whole wide and rich market of this Nation, her pottery, her chemicals, her textiles, her glass and iron products, and her coal would remain, for the most part, unused within her borders. But given a free interchange of goods and services with the entire Nation, her commerce, in ordinary times, can flourish.

Unger the aegis of a Continental Tariff Union, with free trade within and protection from without, the tiniest and the poorest of these new European states could well aspire to a new and higher standard of living. All things are possible to this age of science. Delaware, one of the smallest States in the Union on this side of the water, possesses matchless chemical and other industries, and because of her freedom of trade with other States, is one of the brightest gems in the American economic diadem.

Similarly, in the American Southwest, desert lands of no fewer than seven States are being reclaimed through the great cooperative hydroelectrical development of Hoover Dam. Our States are not so favored as continental Europe in their access to the ocean. Over there, because of indentations of the coast line, the average

not so favored as continental Europe in their access to the ocean. Over there, because of indentations of the coast line, the average distance from great manufactories to tidewater is but 71 miles. Over here Chicago is nearly 1,000 miles from the sea. But with the cooperation of our great friend and neighbor, the Dominion of Canada, we may be able by means of the St. Lawrence waterway to bring the sea to Chicago.

Our economic unity in the United States of America was not achieved without a heavy cost in blood and sorrow. We had to

learn amid the roar of cannon and slaughter of brother by brother that we could not exist half slave and half free. The Europe which has just fastened economic chains on her own people some day will also learn that she cannot prosper half slave and half free; but I trust that without further bloodshed, she will learn the bitter lesson that we learned by the carnage of Gettysburg.

To say that the diverse nationalities of Europe cannot live together in amity is refuted by our own experience. To our ports for 150 years have come countless fugitives from the economic hardships of Europe. Yet, under the beneficent principle of free trade within and tariff protection from without, they have dwelt here in amity and contentment up to that disastrous moment—

here in amity and contentment up to that disastrous moment—when the pacts of Versailles began to create an economic debacle in which neither victors nor vanquished could pay their debts. On a continent not nearly so favored as Europe we have been able to develop a domestic trade, by the free exchange of commodities among ourselves, that in prosperous times amounts to the staggering figure of \$90,000,000,000 a year, and has averaged sixty-four billions during the last 16 years.

What, then, might not be expected of continental Europe, with 2,000,000 square miles of land; free access to the sea; a salubrious and quickening climate; enormous deposits of coal and tron; unique deposits of potash; inexhaustible fountains of hydroelectric power; a vast domain of grass, forest, and plow land; and 350,000,000 of population?

Under a continental tariff union the standard of living of the great masses of toilers would be enormously elevated. They could hope quickly to attain for all, instead of the few, the comforts and luxuries that the masses of Americans ordinarily enjoy.

The resulting trade transformation would so enrich the coffers of European governments that, if desired, they could support and

of European governments that, if desired, they could support and sustain armaments even larger than those now deemed essential to their security. But, of course, the free interchange of trade under a continental tariff union would have an ever-increasing tendency to promote mutual understanding and friendship, rather than jealousy and hate.

than jealousy and hate.

Then they could shake off the dreadful burden of armament, which in Great Britain, France, and Italy alone amounts annually to the enormous total of \$1,500,000,000. Besides paying their honest debts to us, Europe then would be able to buy in our markets with real money instead of sweatshop goods, or money borrowed from us, or depreciated currency.

Depreciated these statements and injurities to the forces within

Remove these 24 irritating and iniquitous tariff fences within Europe and the picture of continental Europe's domestic future bewilders the imagination. It would not be too much to expect

bewilders the imagination. It would not be too much to expect that in a single decade she would far surpass the significantly large domestic trade that we customarily enjoy here in America.

So, let Europe tear down these petty man-made walls and let the beautiful blue Danube again roll on unfettered to the sea. Build the railway from Bagdad to Berlin, not for one single, selfish power, but for all the nations. Throw wide open the gates of the Golden Horn for all to enter. Like Alexander of old, cut through the economic Gordian knot of Versailles.

When we think of the matchless hydroelectric power of Sweden.

When we think of the matchless hydroelectric power of Sweden, Norway, and Switzerland; the busy workshops of Belgium and Holland; the rich ores that lie unexplored in Spain; the fair plains that nurtured old Rome; how can Europe explain to posterity that all the world fought a great war over the coal bins of the Ruhr?

But, you inquire, what of the British Commonwealth of Na-tions, that vast confederation which exercises dominion over more than one-half of Africa, a vast area in Asia, and innumerable islands?

I have the faith to believe that old England, like ourselves content with what she has. Could she be assured of the extinction of European envy and malice, could she be certain of the peace and prosperity of her neighbors, I doubt it not that she would consider the cession of all her continental trade as a price

not too heavy to pay.

So the road lies open and beckoning. Will Europe take it or will she march on over the cliffs and drag down civilization to self-extermination?

Statesmen strut upon the world's stage but a little while and then, like all the rest, must needs bow to time and circumstance. Was it Bismarck's policy of blood and iron or the increasing pressure of the mechanical age that unified the Germanic people and brought them to the forefront of the dreadful armament race? Was it Cavour's foresight or economic forces that unified the States of Italy after a millennium of disunity?

What is it that has wrought the glory, the brilliance, and the genius of France? Is it not the very commingling of all the great subraces of Europe? Each one of them—the tall, blue-eyed Nordic, the worthy Alpine, and the sturdy Mediterranean man—under the beneficence of her republican government, has helped to make her great to make her great.

to make her great.

So, I say again, the road to unity, harmony, and prosperity lies open and beckoning. Will Europe take it? Why should not all the world travel together on and up this open road that stretches so invitingly toward the Olympian heights of perpetual peace?

Along that road, marching hand in hand, I can see those two great revolution-born republics who first proclaimed the everlasting tenets of liberty, equality, and fraternity, with their identical tricolors, those hard-won banners of red, white, and blue, in the van. Hovering beside them and helping them on I can see the spirits of those two great warriors for freedom, Washington and Lafayette; and those two great men of peace, Lincoln and Briand. And following in their train I can see a multitude of men, women,

and children being led out of the valleys of the shadow of death, where in every land and clime they perish in the midst of plenty.

Why not an open covenant, openly arrived at—a covenant that will undo the wrong of Versailles; that will wipe away the shame and degredation from these great nations? Why not a peace with victory—victory not measured by booty and military hegemony but a victory of intelligence and reason, a triumph of man over his own inhumanity, and a step forward to the better tomorrow for the welfare of civilization?

Let us wisely use the billions of mechanical slaves that answer our every beck and call, and leave behind forever this dark epoch

our every beck and call, and leave behind forever this dark epoch of economic barbarity.

In the humblest ranks of those 4,000,000 khaki-clad Americans

In the humblest ranks of those 4,000,000 khaki-clad Americans many were just unknown soldiers, and but for the grace of God many more would be there with him moldering in the grave.

Shall we prove a traitor to him now, when he is gone and we are here? Could he but speak from that hallowed sanctuary there beneath the earth, he would tell us that he fought a war to end all war. Shall his convictions be betrayed, or shall we, so far as is within our power, support them?

If we are to comprehend the depression, we must not rivet our gaze alone on that black Friday in 1929 when the American stock market was swept by a tornado of liquidation. We must compel our mind's eye to sweep unflinchingly back to another memorable Friday, April 6, 1917, when an administration in which were many of our present leaders brought America into the World War.

At that moment our national debt was at the comparatively

At that moment our national debt was at the comparatively insignificant level of \$1,200,000,000. We were free—independent of the broils of Europe. When the war closed, less than 2 years later, our national debt had increased twentyfold. On June 30, 1919, it had mounted to the enormous level of \$25,500,000,000.

This sum, large though it be, was only a part of the gigantic wastage of human life and property. The actual and ultimate cost to all belligerents now has been calculated by competent actuaries of unquestioned repute. They bring in the stupendous bill of \$500,000,000,000—a sum so large that it confuses and appalls imagination.

the imagination.

When we contrast this incalculably oppressive burden with the fact that the total of monetary gold in the world was only \$11,000,000,000 and realize the billions and billions of debts that were required to be paid in gold, we begin to see that the abandonment of the gold standard by 26 foreign nations was more than a passing phenomenon—it was a barometer of disaster.

Of that \$500,000,000,000, the total cost of the World War, the huge share allotted to America, as we have seen, is one-fifth, or \$100,000,000,000, when we consider the eventual tax for benefits to veterans and their dependents.

Our share we can liquidate, heavy though the burden will press down upon us in succeeding decades. But what of Europe? Her gross share in that tremendous wastage and consumption of human life and property is \$400,000,000,000.

Is it not easy to see that at the height of the crisis in 1932 a moratorium on European obligations was a choice of necessity—the alternative between extension and repudiation?

A grave question has been raised by President Roosevelt's

extension and repudiation?

A grave question has been raised by President Roosevelt's obtaining a grant of power in advance of his forthcoming negotiations with the governments of Europe on such matters as tariffs, war debts, reparations, and armaments. It matters not that the authority he has at the moment relates only to tariffs, for in the eyes of these foreigners with whom he proposes to negotiate, tariffs, war debts, reparations, and armaments are so closely related as to be inseparable.

The basic question then is, Having got ourselves officially out of the maelstrom of European politics, are we going in for another plunge?

I have nowhere seen the issue better stated than by the Foreign Policy Association, and which seems to be an organization financed by and dedicated to the propaganda of cancelation. I really admire the association's frankness when they boldly serve

really admire the association's frankness when they boldly serve notice on us that—

"\* \* \* The United States as a creditor must choose between the loss of \$11,000,000,000 of foreign investment and \$17,000,000,000 of private investments, and the temporary inconvenience of tariff revision."

Here, indeed, succinctly is stated the whole issue with which the

Here, indeed, succinctly is stated the whole issue with which the President has confronted us. This seventeen billions was invested abroad by the international financiers of Wall Street and their customers. The eleven billions was invested in Europe by the American people as a whole, through their war-time Government. The two investments, in the view of the Foreign Policy Association, are seemingly indistinguishable. But that is not so. The proposition really is:

You (the American people) take over this \$28,000,000,000 of debt. Let European goods come into your markets to wipe out the \$17,000,000,000 of private loans to Europe. Let the American taxpayer pay off the \$11,000,000,000 of public loan to Europe."

The very fact that these proposed tariff treaties would permit the industrial partition of America, arraying State against State

in the granting of tariff favors, and contrary to the Constitution, which expressly forbids such barriers, ought to make us especially cautious. Tariff by treaty, in my opinion, would sanction a species of brigandage on the part of foreign nations, with the fatal corollary that one part of the United States would not know when disaster had befallen another part, until the whole fell from economic attrition.

Propaganda in favor of the cancelation of the eleven billions owed America now rests chiefly upon the argument that failure to cancel is blocking the road to recovery from the world-wide

depression. A number of eminent men, among them Lloyd George, the former Prime Minister of England, one of the architects of Versailles, has even gone so far as to intimate that failure to cancel will force some of our European debtors into default and

bankruptcy.

Those who advocate cancelation or excuse the defaulting nations forget that the nonpayment of the \$11,000,000,000 means an additional burden of \$90 for every man, woman, and child in America.

As Senator Borah has pointed out, the war debts figure in a most insignificant way, an almost infinitesimal way, in the budgets of Europe. The pressure of the war debts upon the treasuries of Europe really is of the very smallest consequence. Some of the war-debt charges on foreign governments are smaller than one-half of 1 percent. Following are the exact percentages of the latest budgets available. They disclose the whole panorama in a startling way: startling way:

Comparison of total annual expenditures and debt service

Expenditures	Scheduled annual payments to United States	
	Total	Per- centage
1 \$309, 803, 000	\$8, 460, 000	2.73
		3. 07 6. 35
		1.47
		. 13
		1.09
	523,000	2.65
1 37, 924, 000	340,000	.90
		. 19
		. 03
		. 63
		. 64
		2, 44
<sup>3</sup> 199, 285, 000	275, 000	.67
	1 \$309, 803, 000 3 1, 985, 000, 000 2 2, 735, 786, 000 2 130, 786, 000 1 275, 842, 000 1 37, 924, 000 2 133, 042, 000 2 133, 042, 000 2 14, 104, 000 3 211, 104, 000 3 275, 114, 000 4 152, 574, 000	Total    \$309, 803, 000   \$8, 460, 000

\* 1931-32 budget. \* 1932-33 budget. \* 1931 actual figures. 1 1932 budget.

When these extremely low annuities are contrasted with the when these extremely low annuities are contrasted with the enormous annual expenditures of these same governments in support of armaments, it becomes clear that the American war debt scarcely figures at all in the budgetary processes of European government. Our debtors have been spending more than \$2,000,000,000 a year on armament, and then complain about paying the ridiculously small sums of these annuities.

They show the amazing total of \$15,000,000,000 to \$20,000,000,000 spent on armament since the armistice was signed, or far more than enough to liquidate the intergovernmental debts.

far more than enough to liquidate the intergovernmental debts, insofar as America is concerned. Had Europe disarmed, as was solemnly pledged in the pacts of Versailles, the war debts to us long since could have been liquidated and the whole slate wiped clean.

To trade our war debts for tariff favors, is, to my mind, a fantasy. When we lower our tariff barrier to let in European goods we are merely taking bread out of the poor man's basket fantasy. When we lower our tariff barrier to let in European goods we are merely taking bread out of the poor man's basket to give it to the international banker, who has more bread than he needs, and who alone stands to profit by American cancelation. In theory, it is a very fine proposition from the cancelationist point of view. The theory is that Europe will ship enough machine-made goods into America and make a sufficient profit on these goods to pay off the \$260,000,000 debt annuity, if we lower our tariff. On a basis of 10-percent profit, Europe would then have to sell us \$2,600,000,000 worth of goods a year, for 62 years, in order to discharge the debt, and this over and above the normal exchange. In other words we would be compelled to sustain a \$2,600,000,000 adverse balance of trade for more than half a century. Supposing, however, that our tariffs were lowered so as to permit this kind of a transaction. What, in the meanwhile, would happen to the American workingman? The factories which formerly employed him and produced goods worth \$2,600,000,000 a year would be closed down entirely. They would be driven from the American market. The workingman himself would be jobless. To be sure, the \$260,000,000 annuity from Europe then would be coming in regularly, provided another war did not break out in Europe. In theory the Treasury would be enriched to that extent each year. But where is the money coming from to support the workingman out of work? Is it to come from further doles from the Treasury? If so, then the process merely means that the United States Treasury has canceled the war debt owed by these European nations.

It is a very pretty scheme, but it is a scheme which scarcely can by these European nations.

It is a very pretty scheme, but it is a scheme which scarcely can be disguised from the American workingman, or the American factory owner, who is as anxious to be at work as the man he employs. There is a further implication, however, which gives the whole plan the aspect of a gigantic fraud upon the American the whole plan the aspect of a gigantic fraud upon the American people. Our international bankers, with a prodigality unrivaled in the history of the world, have lent to foreign nations the sum of \$17,000,000,000. If the \$11,000,000,000 of public debt owed by Europe to our Government can be wished on the American taxpayers and workingmen, then the international bankers rightly calculate they will have a much better chance to collect the \$17,000,000,000 which they so imprudently risked in the way of private loans to foreign countries. I repeat this fact, at the risk of seeming tedious, as I want to make it perfectly clear how the

American workingman may be robbed of his bread to enrich the international banker if we attempt to trade tariff favors for debt cancelation.

debt cancelation.

I do not profess to surmise what is now in Governor Roosevelt's mind, but apparently in the past he has dallied with some such an idea, for in August 1932 he stated:

"The (war) debts will not be a problem; we shall not have to cancel them; \* \* \* our policy declared for payment but at the same time for lowered tariffs and a resumption of trade that opens the way for payment." (The Associated Press, Aug. 12, 1932.)

A little later the President also stated:

"I have advocated a lowering of tariffs by negotiations with foreign countries. But I have not advocated, and I never will advocate, a tariff policy which will withdraw protection from American workers against those countries which employ cheap labor or who operate under a standard of living which is lower than that of our own great laboring groups." (The Associated Press, Oct. 19, 1932.)

On this seemingly irreconcilable position the New York Times,

On this seemingly irreconcilable position the New York Times, in summing up his campaign, thus commented:

"Mr. Roosevelt has, in fact, taken both sides of the question of the protective tariff. Perhaps he felt that he could do nothing else in view of the divided state of his own party, and of the confusion at present in the public mind about the whole subject. On it his speeches have not indicated clear and strong and business. On it his speeches have not indicated clear and strong and burning convictions. It may be said, however, that they have been nicely adjusted to the political situation and that he has exhibited the sagacity of a seasoned politician." (New York Times editorial, Nov. 6, 1932.)

I have grave misgivings over this plan to enter into reciprocal trade treaties with our foreign debtors. Although the enabling act officially disclaims any intent to cancel the debts, the procedure nevertheless seems ominously in line with the fundamental tenet of Mr. Roosevelt, the Democratic candidate for the Presidency, that I previously quoted.

To cancel the war debts by means of tariff favors to our debtors is, to my mind, even worse than outright cancelation, because it would be done at the expense of American toilers, and inevitably means the displacement of many hundreds of thousands of them, possibly millions of them, from their jobs over a long period of years. I cannot conceive how they can fairly be asked to make such a sacrifice.

asked to make such a sacrifice.

The contemporaneous scene within the remnant of the German Empire is scarcely to be wondered at. Parts of that nation, reduced to despair by long years of waiting for justice, and tormented by economic suffering, at length have given way to the madness of religious intolerance. The resulting agitations cannot fail to give point to the urgent need not merely for compliance with the Treaty of Versailles but for actual revision. Can it be doubted that the war-guilt stigma was a burden on Germany heavier and more cruel by far than the \$9,200,000,000 indemnity wrested from her, or the loss of her colonies and ore-bearing lands? The world, tardy in recognizing the fundamental errors of this and other Treaties of Versailles must now make some show of reparation. of reparation.

Lloyd George warns us:

"Look at disarmament. We have been at it 10 or 12 years. We were getting a little nearer until this Government came in. They adopted a policy that has driven Germany to despair. I speak as one who largely organized the defeat of Germany and who helped to draft the very stern Treaty of Versailles.

"Germany did its best to carry the treaty through. It carried out the disarmament clauses honorably. But armaments were increased yearly while Germany was kept down. What has been the result? A proud, great people will stand that for a short time, but not forever.

"The result has been to drive Germany to an aggressive military dictatorship, a menace to the peace of the world and fatal to disarmament. The powers that signed the treaty were responsible by their action last year when they refused equal status to Germany." (From an address by Mr. Lloyd George at Ashford, Kent, England, Mar. 11, as reported in the New York Times, Mar. 12, 1933.)

Similar attention to the background of the present-day hysteria in Germany is also suggested by the world's most eminent Jewish scientist, who himself is a refugee from persecutions in his native

"It should not be forgotten that the tragic psychological situation in Germany was to a great extent brought about as a result of the post-war policy adopted by the former allied nations at a time when the liberal regime was in power in Germany." (From a statement by Prof. Albert Einstein, at Coq-sur-Mer, Belgium, Apr. 5, as reported in the New York Times, Apr. 6, 1933.)

To sum up: While the cauldron of unrest and despair seethes in Europe because of the economic enslavement of approximately 100,000,000 persons, little can be accomplished toward the restora-

tion of permanent prosperity on that Continent.

Questions of European armament, tariffs, reparations, and war debts are indissolubly linked to the evils of the Treaties of Versailles. No lasting result can be obtained unless and until these evils are exorcised. When and if revision is accomplished, such matters as armament, tariffs, war debts, and reparations settle themselves.

In any case it is wholly a European problem. The crisis was made in Europe by Europeans. Our interference in the past, either by force of arms or through agencies of financial pressure, has brought us nothing but grief. Our whole Nation is prostrate as a result of unwisely associating our destiny with that of Europe.

Does not ordinary prudence suggest that we now withdraw? Does not common sense suggest that we bind up our own wounds before recklessly venturing into the foreign entanglements again? To my way of reasoning there can be but one choice. America can stay at home, nearly all Americans want to stay at home, and, in my

opinion, America ought to stay at home.

Therefore to encourage Mr. Roosevelt to voyage across these treacherous seas in an attempt to settle such matters as European armament, tariffs, war debts, and reparations, without getting at the fundamentals, is but to invite further disaster.

We find that several European countries, including our principal debtors—England and France—are recovering more rapidly from the depression than we ourselves are. In the light of the historical facts that I have just reviewed, is it unfair to assert that they have been tremendously aided by the enormous booty obtained by reason of their victory, achieved in part through our aid? In that booty I include not only seized lands and indemnities but leave to the privileges.

also trade privileges.

Nevertheless, over that returning prosperity in Europe looms the shadow of Versailles, and for that reason we cannot envy the position of the victors. If high protective tariffs have proved a handicap to recovery, where employed by a self-sufficing entity, why is it that England leads the way in recovery with the highest protective tariff in the Empire's history?

There is no doubt that the existence of the war debts owed America is an oppressive factor. For that reason I should be the last to insist that annuities be met in full at the present time. For example, I am very much inclined to accept at full value the honorable and courteous statement of Great Britain that she does honorable and courteous statement of Great Britain that she does not wish to repudiate, was prepared to continue token payments, and finds it difficult to make larger payments at the present time. This need not mean further cancelation. It can mean a temporary extension of the time for payment based on an avowal of inability to pay conveniently at the present moment. There is no need for a Shylockian attitude. We have every moral right to collect the debt in full, but we have no moral right to question the assertion of a friend of long standing that financial difficulties exist, and that more time is needed in which to pay. I think this especially is true in the case of the British Commonwealth of Nations. Nations.

If our debtors cannot pay in gold, and if we dare not accept payment in goods for fear of adding more millions to the ranks of the unemployed, and if new-born nationalisms in Europe are so inflamed with pride as to insist upon self-destroying, punitive intracontinental tariffs, there is still another solution of the war-

intracontinental tariffs, there is still another solution of the wardebt problem that might appeal to the American people.

That is the cession to us of certain lands on this hemisphere. It is nothing new to settle wars by cessions of lands. Nearly all wars of the past have been settled that way. In fact, the Congress of Versailles not only ceded lands to various of the victors but also transferred peoples from one sovereignty to another, with very little compunction.

Therefore, it is my modest view that the policy of self-symmetry.

Therefore, it is my modest view that the policy of self-sufficing, self-sustaining, self-respecting nationalism, with the interests of our millions of suffering people coming first, is a better policy for the United States than a policy of internationalism which brought us nothing but sorrow when exercised in the past, and which will bring us nothing but sorrow so long as we mingle our affairs with those of Europe in the matters of tariffs, reparations, armament, and war debts.

Let American recover first herself before she again ventures

THE NEW DEAL-ARTICLE BY JOHN SNURE, PR.

Mr. DICKINSON. Mr. President, I ask unanimous consent to have printed in the Congressional Record an article by John Snure, Jr., on the new deal, appearing in the Washington Times of June 12, 1934.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington (D.C.) Times, June 12, 1934]

THE GREATEST SHOW ON EARTH

By John Snure, Jr.

As new-deal doctors leap from one experimental panacea to another with the agility of frogs bouncing on Iliy pads in a ruffled pond, the apprehension of members of the Supreme Court in-

Certain elders, it is said, have grave doubts about the remedies prescribed by the President's advisers for the national ills.

Reports have been circulated that liberal Associate Justice Louis D. Brandeis is in accord with the many changes being made in the structure of Government under the classification of emergency action. It has been said that the progressive justice has played a part in the formulation of the recovery program.

His associates deny this and say that not only has Brandeis not been influential in formulating recovery remedies but he is ap-

prehensive of the many experiments.

It is not the features of the multiplicity of recovery measures to which Justice Brandeis objects, his associates declare. It is the policy of experimentation which causes him to be disturbed. He objects to the fluttering from bush to bush in the hope that

a honey-laden flower will be found to sweeten the economic dis-

Disk the people of Washington who have no vote, the popula-tion of the tiny Virgin Islands find that their wishes have no influence.

Since his appointment under the Hoover regime, the natives of the islands have constantly sought to force the withdrawal of Gov. Paul M. Pearson.

appeals to this Government they have asked that he be withdrawn.

They voted on the question:
"Do you favor Paul M. Pearson's remaining Governor?"

The island population totals 23,000. The vote was for residents over 18 years of age.

Governor Pearson received the staggering total of 165 votes in favor of his retention. Voting against him were 7,939 people. He remained in office

remained in office.

Editorially, publicly, at mass meetings and churches the people have asked that Pearson be supplanted. When Mrs. Roosevelt visted the islands, she was asked to exert her influence to have the Governor recalled.

The administration, thus far, has turned a deaf ear to the appeals of the people of the Virgin Islands.

The Congressional Record is usually the acme of correctness.

Rarely are sentences, words, or even punctuation jumbled or in

In the closing hours of Congress, however, clerks are apparently becoming carele

In a recent issue there is contained on one page a portion of the proceedings of the House. Representative William B. Bank-Head, of Alabama, was making one of his customary utterances.

The next page, however, records a part of the speech of Senator William E. Borah, of Idaho, and the entire page is devoted to

Senate proceedings.

Years ago a drafting clerk in Congress made an error in an act which was passed. He inserted a comma in the wrong place. It cost the Government several millions of dollars.

Like other officials of the Government, Secretary of the Interior Harold Ickes has created an intelligence system of giant propor-tions to carry on under-cover work in his Department and the P.W.A

Its ramifications are so great that few people know the exact number of workers engaged in the secret work.

Creation of the spy organization came because of the Secretary's fear of dishonesty. He has a horror of finding crooked men in the vast organization he heads.

The secret police however have stepped on important toos.

reast organization he heads.

The secret police, however, have stepped on important toes. In one of the States was a P.W.A. official who made a business trip to Washington which was paid for by P.W.A. funds.

A member of Ickes' secret agency approached him at his office at home and demanded to know if his wife knew that he had come to Washington in company with his secretary. The man referred the agent to his wife, to the secretary's mother, and to the girl's finance. The agent was satisfied, but said:

"We also have information that on another trip you registered at a Washington hotel as man and wife when, we are told, you were not with your wife. What about that?"

The official, angered, replied:

"That trip was personal. I paid for it myself. It is none of your business whether my wife was with me or not. If the organization I'm working for is spying on its workers, I don't care to be associated with it. You can tell the man that sent you that I am resigning."

am resigning.

And resign he did.

ADDRESS BY WILLIAM ALLEN WHITE, OF EMPORIA, KANS.

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD the able address delivered June 11 by William Allen White, of Emporia, Kans., at the commencement exercises of the University of Kansas, at Lawrence, Kans.

It is a masterful, clear-cut, philosophical discussion of the economic and political trends of these times, and their implications, and as such, is well worth the careful attention of every Senator and every thoughtful American citizen.

The speech is an analysis and a warning, as well as a hope and our civilization. I send the address to the desk for printing in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The only educational course I ever completed was that of the El Dorado High School where I was graduated in 1884, 50 years ago. Today, 50 years after, we graduate from our Kansas colleges more students than were graduated from all the Kansas high schools 50 years ago. And in that far day it was a rather more unique distinction to be a high-school graduate than it is to be college graduate today. So times have changed Today was a college graduate today. So times have changed. Today we have about the same number of citizens in Kansas that were here 50 years ago. We have distributed our wealth so equitably that we stand in a class by ourselves in the number of college graduates we turn out. We have used taxation as an agency of distributive justice to provide not a mere common school education indeed. justice to provide not a mere common school education indeed, not only a high-school education but a college and professional education available to all the youth in the State. Fifty years ago to have envisioned what we are doing today in Kansas in the matter of education, public health, highways, social work, the regulation of various agencies of commerce for the public welfare would have made our fathers in 1884, and your grandfathers, most uneasy. To have told them what Kansas is doing, what the various municipalities of Kansas are doing, what the Nation is doing

to help common men to enjoy the fruits of the civilization in the Commonwealth which their common work has built, would have made the founding fathers of Kansas cry out with angry amazement at the paternalism of a socialistic order. For the founding ment at the paternalism of a socialistic order. For the founding fathers were trudging through hard ways to the stars. My generation, the high-school class of 1884 in Kansas 50 years ago, the sons and daughters of the young men who crossed the prairie as of old their fathers crossed the seas, were told by implication as we walked out of the high school in that day, that the job of State building was done and well done; that our task was to preserve what we had. Edward Bellamy had written a book called "Looking Backward", filled with what his generation regarded as prophetic folderol. Yet out of his vision for the young men of yesterday we elders today dream our dreams. Fifty years from now, some of you, dearly beloved, may stand where I am standing here and you may tell the class of 1984 that at your commencement an ancient of days from the class of 1884 stood up and told you of the visions of the young men which were realized in his dreams. The span will be 100 years. It is something to think about. But how far—how far will be your dreams as old men in 1984 from the visions we saw as young men in 1884!

about. But how far—how far will be your dreams as old men in 1984 from the visions we saw as young men in 1884!

Yet we come with no pride of achievement in what our generation has done. Looking over the work of our hands which we lay at your feet today, I should say, speaking broadly, that we have dumped at the portals of your life one of the most elaborate, metallic scrapheaps that the history of civilization has recorded. A gaudy bauble it is. It shimmers with the simulation of bright reality, this modern civilization that we leave on your doorsten. It roars it clatters it shrieks and hums like

lation of bright reality, this modern civilization that we leave on your doorstep. It roars, it clatters, it shrieks and hums like a going concern. It will do almost anything but work. It is jammed—may I say in these classic haunts, "jimmled", "gypped", and some of it is ready to be junked.

Five years ago we thought it was hitting on all 12 cylinders, a gorgeous mechanism headed straight for the millennium. We hired a competent engineer to put a few gadgets on it; two chickens in every pot, two garages on every lot. He was a good engineer. He carried in his kit all the accouterment needed, and under his hat all the experience required to fill the order. But scarrely had he touched it before the machine blew up. and under his hat all the experience required to fill the order. But scarcely had he touched it before the machine blew up under his hands and here it is. No one knows why it was or what it is. But it is yours. And when you put it together again, maybe you will have a lot of pieces left over and perhaps you won't have enough to go around. It will be a sweet job for your generation. Take it from the class of 1884 with our felicitous condolences. And may we cheer you on with the cynical hope that you will have the old bus going by 1924 so that you can brag to our great-great-grandchildren how you saved the world from chaos. the world from chaos.

Let us for a moment consider the chaos that is facing you. You, of all the classes who have come out of our colleges with eager eyes and shining countenances, must face the fact that you are confronting a new thing in the world, the first a definite challenge to democracy. Liberty, for a thousand years, has been assumed as the goal of humanity. Now men say—not merely by the millions, nor in limited hundreds of millions, not in minorities but in vast majorities, half a billion east of the Rhine—say democracy is dead, liberty is a mocker. Rub your eyes, class of 1934, and face this challenge. What are you going to do about it? The western fringe of Europe, France, the Netherlands, the Scandinavian countries and the English speaking Commonwealths still champion democracy, still hold that freedom is a worthy aim for humanity. But from the Rhine to the Pacific under the dictatorships of Italy, of Central Europe, of Russia, humanity is rallying around tyrants who deny the value of our ancient rights. Why bother with free speech, they cry, when the drums and guns brook no reply? Why fiddle around with the delays of parliamentary government when the ukase and the army can push the wisdom of the few to its quick achievement. Why waste time with a trial by jury, with a writ of habeas corpus, when the police and the private armies of the dictators can establish order with no nonsense about it? Why waste money on the ballot box, pro-claim the tyrants, Mussolini, Stalin, Hitler and their kind, when claim the tyrants, Mussolini, Stalin, Hitler and their kind, when authoritative government goes to its purpose as an arrow from the bow. So speak the new despots of the modern world at the bier of democracy. So do they brush aside a thousand years of human aspiration as though the noble vision of free men in a free government as a legend of some intrigue in Nineveh or Tyre. Is democracy dying? Don't think, young men and women of 1934 that you can evade the searching question that is shaking the

America is facing a crossroad crisis in which she may have to choose between two tyrannies or to fight again the old fight, the ancient battle of our race, the fight for freedom. Down one fork of the road we see looming before us a potential plutocracy embattled as an army with banners. Here stand those who control the machinery of the machine age. They are not necessarily trol the machinery of the machine age. They are not necessarily owners. They represent on the whole merely a dominant minority, small groups of stockholders. But they are entrenched. They have possession of the machines, the superlooms, the giant forges, the rails, the pipes, the wires, the flickering airways through the night that span the continent. They control the mines and the production of all the basic commodities. They are amiable despots for the most part, benevolent in their mellower moments, greedy only by virtue of their appointed task, flendishly acquisitive, without real need or wisdom, for their voracious appetites. They are merged where they are not actually physically amalgamated by a growing class consciousness and the arrogance that

comes with power. They would rule us under the altruistic despotism of a financial fascism. To maintain its reign sooner or later that fascism will have to cramp our liberty, shut off free later that fascism will have to cramp our liberty, shut off free utterance in the forum, on the air, from the press. Moreover, in the guise of suppressing demagogues and agitators, this despotism of unchecked capital will have to curtail the rights of trial by jury, the writ of habeas corpus and naturally they will control the courts. If they are left to their own devices under their cherished doctrine of laissez faire in government, some time in the decade of the forties these amiable plutocrats will demand the attention of the class of 1934. What are you going to do about it? Are you going to forget Runnymede, Cromwell, Bunker Hill, Jefferson, Lincoln, and go to Mussolini, or Hitler, or just as bad, to Stalin? Do you propose to fight for the middle course, or perhaps lie supine and let the juggernaut roll over you?

And down the other fork of the road, what is the prospect? Behold the politician. So long as he is what he is and what he must be under the democracy as it is—an average man—keen to please an average electorate, government will be what it is. Let us consider for a moment this politician. Does he hold his place in representative government because he embodies the high-

Let us consider for a moment this politician. Does he hold his place in representative government because he embodies the highest wisdom of his electorate? He does not. He is in power because his intelligence quotient is the greatest common divisor of a not too quick-witted constituency. These constituents demand a certain amount of back-slapping, hand-shaking, babykissing, time-serving, job-getting to deceive them into voting for him. So, because he is really of the people and rather dumbly for the people, he gets by with the people. He is not a bad lot. He will go as far in his patriotism as the tether of politics will let him go. He is honest enough, money honest. But remember this, when we award the highest prizes of our American civilization to the keenest, most acquisitive men, politics, whose rewards are comparatively slight, gets on the whole our second-rate and third-rate citizens. So we find too often after the ballots are counted we have picked a dub. Yet as an escape from the menacing plutocracy, down the right-hand fork of the road, we Americans are seriously considering handing over, either for drastic regulation, stringent control, or actual ownership, the vastly complicated, delicately intricate machinery of finance and commerce—to whom? Well, to our American politicians who in their better moments are statesmen, but in times of crisis too often better moments are statesmen, but in times of crisis too often turn demagogues. The prospect is appalling. With all the power that must come to men in government when these place-hunting politicians assume the added function of industry and banking, what then will become of liberty?

What then will become of liberty?

Will they not have the same arrogant sense of their importance that will inevitably make tyrants out of the plutocrats? Will not our politicians taking under the aegis of government, the business of production and distribution of basic commodities, either by too drastic regulation, by stringent control, or ownership, resent criticism, curb debate, and degenerate this Government into some sort of proletarian dictatorship or heirarchy of

political power?

This is what I mean when I say to the class of 1934 that sooner or later as you walk into the middle decades of this century you may meet the challenge to democracy. We have left you this amazing industrial, financial, political set-up and you must fight for your liberties if you hold them. You must line up in the next decade for or against the forces of freedom. You must choose or abandon the ideals that have been motivating men in the western world for a thousand years. It is a new challenge but an old struggle. but an old struggle.

Let us restate the question: Can freedom live in the machine age? A machine age presumes the mass production of things, goods, material service, things which formerly were produced by individuals for other individuals, chiefly neighbors. Mass production requires mass distribution. The individual worker and the individual consumer are thousands of miles apart. To make ends meet between the consumer and the producer requires channeling, stern, and inflexible. If those who control the machine make the channels, they are ruthless. If society under government attempts the channeling, the channeling becomes regimentation. Even now, even in America, over large areas where capital invested in coal, in textiles, in steel, in sugar, in citrous fruits, dominates a region, the democratic liberties always are threatened. Fire speech a fire press the right of assemblance threatened. Free speech, a free press, the right of assemblage, the writ of habeas corpus, these liberties wilt and wither as the the writ of habeas corpus, these liberties wilt and wither as the owners of machinery control the courts and the police. Democracy languishes. Freedom disappears before the machines. Would freedom thrive more sturdily when politicianss control the machine than it thrives now in those regions where the machine controls the politicians? I don't know. I check the question up to you. This challenge of the age: Can liberty survive in the machine age? Today it is true we still have liberty. But the machine is not functioning. The machinery of production and distribution of which we were so vain 10 years ago is having trouble with its transmission.

having trouble with its transmission.

So, therefore, young ladies and gentlemen, as you walk around this tinseled, splendid omnibus of stalled vanity which we are leaving to you, while you are making it refunction as your civilization, let me ask you what you propose to do about it? cams, cogs, levers, wheels, pulleys, and contraptions of renovation, invention, or repair do you propose to use in putting the old bus on the road? I can imagine your saying to us who wrecked it, "Where is your tool chest? What real heritage have you left us?" A fair question that; one that deserves a frank answer. In spite of all the progress we have made in five decades, since 1884; in spite of the surface sheen that we have given to our external civilization, it seems to me the heritage which my generation brings to you is precious little, in the net of it.

Is it a rich and prosperous nation?

No; our riches and prosperity will confuse you more than if we had brought you a leaner land.

Is it this interminable labyrinth of machines stretched on wires

and through pipes and over rails and around lighted airways across the rich green earth of spring?

No; it is not industry. That powerful engine is a Trojan horse out of which will stalk troubles to threaten your progress in the next decade.

Is it all these schools and colleges? No.
Is your heritage in the long hours of leisure which your fathers never knew?

I think it is none of these. All of them must be socialized. All of them must be made over into something real and true. It seems to me that we have brought you only the pure gold of our ancient liberties.

"All we have of freedom, all we use or know,
This our fathers bought for us, long and long ago.
Ancient right unnoted, as the breath we draw,
Leave to live by no man's leave, underneath the law."

Now, let me list those simple golden nuggets which are your Now, let me list those simple golden nuggets which are your heritage; they are the democratic liberties that have been established on this continent after 300 years of struggle. Here they are: The ballot box; the right of free utterance in every form, through the press, through free speech, through the right of assemblage and petition; the right of trial by jury, and of the writ of habeas corpus. That is the galaxy of liberties which insures to a definite legally ascertained majority of the American people "the consent of the governed"—simple, primitive things. Yet as you keep them or lose them will you win or fail in the battle of your generation for American freedom.

You may ask, How shall we use this democratic process, these

your generation for American freedom.
You may ask, How shall we use this democratic process, these rights and liberties which are our heritage out of the America of yesterday? I don't know. I distrust anyone who claims that he does know. The most dangerous enemy of democracy today is a man with a rigid plan, either for recovery or for reconstruction. For a man with a rigid plan is liable to feel that the adoption of his plan is more important than the retention of liberties which may endanger it. Therefore give honest consideration to any plan that in its adoption does not require the suspension of American liberties. Do not be too sure what plan will work and what will not. Try it. America has established herself by keeping an open mind and never fearing failure. Indeed, we have mapped our course in the long plebiscite of many failures. We groped

an open mind and never fearing failure. Indeed, we have mapped our course in the long plebiscite of many failures. We groped our way, almost leaderless after Yorktown, then wrote our Constitution. After Appomattox we were two, possibly three, decades stumbling in a morass of calamity and misrule, but we did not turn to a dictator. Democracy saved us whole, the slow, sure wisdom of the people, the American spirit—whatever it is—rising triumphant out of disaster. Let that be your guiding star. In the struggle of the next decade they may tell you force is more potent than reason to establish the new order which they propose, and if, therefore, they insist upon suspending, or for the moment modifying, any liberty required for the full free function of orderly parliamentary government under democracy, there, with all my heart, I beg of you to say "no". To compromise there is treason. For, however fair and fine a compromise the passing tyrant may hold out, when he would abrogate the reasonable process of democracy, still he is establishing tyranny. No man has a right to play providence with his neighbor's liberty, able process of democracy, still he is establishing tyranny. No man has a right to play providence with his neighbor's liberty, no matter how noble and apparent the benevolence may seem under which the amiable tyrant would establish his despotism. No tyranny can be erected for the common good. The power that comes with tyranny breeds the arrogance of tyranny; and tyrants are always tyrants. Also, remember this, in taking the meager heritage that we bring you, don't be fooled by the tyrant when he prates too glibly about this common good which he would establish by a rule of force. The common good is not entirely a thing of bread and butter, of warmth and shelter. It is something more. Our Republic was not erected to give men entirely a thing of bread and butter, of warmth and shelter. It is something more. Our Republic was not erected to give men a full stomach and a warm back. Our Nation was set up here in the wilderness for no mere material end or aim. Whatever material gain we have made is an incident of the quest for justice, an incident of the self-respect that comes with freedom. Material welfare is an inevitable incident of the triumph of justice, but still an incident. Let me read the preamble to our Constitution, which, more than any other document, sets forth the American aspiration; listen:

"We, the people of the United States, in order to form a more perfect Union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare and "here is the climax—" secure the blessings of liberty to ourselves and our posterity, do ordain and establish this the Constitution of the United States."

A kingdom not made with hands. No material end and aim

A kingdom not made with hands. No material end and aim inspired our fathers when-

"They brought us freedom at no little cost.

Wherefore we must watch the gain, lest our gain be lost."

Tyrant kings will come disguised as prosperity, as economic security, as regimented supernationalism. But beware this: The king is he, whoever he may be—Fascist or Communist—who tries to tear down our liberties and offers us material security in their place. If you heed him, this tyrant king, sooner or later shall

you awaken to stark reality—to despotism and its inevitable injustice and misrule.

I wish it distinctly understood that nothing in these remarks

I wish it distinctly understood that nothing in these remarks is intended as criticism of the new deal. As a matter of fact, on the whole I am for the new deal. Much of it is necessary. All of it is an honest experiment. And most of it is long overdue. So, tonight we bring you out of our generation, 50 years ago, our inheritance. In America it is still undefiled, the inheritance of liberty under a democratic republic. No man will minimize the gross injustices of our modern world. They cry to Heaven for redress. And you must redress those gross economic maladjustments. Don't be fooled by smoke screens behind which men, clamoring for the bill of rights, are digging entrenchments for wicked economic wrongs. Be sure that under the democratic process you can and will make the drastic social, economic, and industrial adjustments needed. industrial adjustments needed.

Force will only bring new evils in its train. Force will only bring new evils in its train. Even now the doctrinaires of a strong, stern government are beginning to tempt you as you step forth from the serenity of this sheltered life. Sirens will lure you to take their panaceas, the soft, soothing sirup of economic security. The Fascists will hail you, the Communists will begulie you—both tyrants! But hold fast to this your heritage, the self-respect of an American citizen free born, unshackled by the old oppressors in their new name.

"How so great their clamor, what so e're they claim Suffer not the old king under any name. Here is naught unproven—here to naught to learn, It is written what shall fall, if the king return."

VIRGIN ISLANDS CO .- ARTICLE BY JOHN SNURE, JR.

Mr. DICKINSON. Mr. President, I ask unanimous consent to have printed in the Congressional Record an article by John Snure, Jr., on the Virgin Islands Co., recently organized, which was printed in the Washington Times of June 9, 1934.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington (D.C.) Times of June 9, 1934]

THE GREATEST SHOW ON EARTH

By John Snure, Jr.

One of the most monopolistic organizations in the world is ready to function. It is the Virgin Islands Co., which will be financed with \$1,000,000 capital from P.W.A. funds.

Controlling the great rum industry and all other industries of the islands, the company will be headed by three stockholders. They are Secretary of the Interior Harold Ickes, whose Department controls the islands and who is Public Works Administrator; Oscar L. Chapman, and Paul M. Pearson, Governor of the islands.

The ordinance which created the company was adopted by the Colonial Council of the Islands of St. Thomas and St. John. It had been rejected by the Council of the Island of St. Croix. Both islands are municipalities in the Virgin Islands; and because of the adoption of the ordinance by the St. Thomas council, it will be foisted upon the people of St. Croix despite their expression. opposition.

Under the terms of the ordinance the company may acquire, construct, build, equip, administer, and supervise buildings, plants, factories, farms, market agencies, or any other activities it desires.

It may buy, lease, sell, mortgage, assign, or transfer, without restriction, real property of any description.

It may make any contracts it wishes, borrow or lend money, issue bonds, manufacture any and all merchandise, and carry on any business it believes convenient and advisable.

The creating ordinance sets up a Government company, financed originally by Government funds, to have an absolute monopoly over all industries of the island regardless of the wishes of the

The company may and will carry on the business of refining sugar and making rum, which is the greatest industry of the islands

In addition to the three stockholders—and only three shares of stock are to be issued—the ordinance provides for a board of directors. But the directors are to be elected by shareholders Ickes, Chapman, and Pearson.

Ickes, Chapman, and Pearson.

The check on the purchases, expenditures, and profits of the company will be made by the directors who have access to the books. But the directors are to be elected by the shareholders. A yearly financial statement will be issued.

The ordinance says that profits are to be used for the economic rehabilitation of the islands. As for economic rehabilitation, there appeared in an island newspaper, the Emancipator, when the ordinance was under consideration, the following statement:

"The people's only hope is that the bill be not passed and to this end they went to churches and prayed to the Lord to saye

"The people's only hope is that the bill be not passed and to this end they went to churches and prayed to the Lord to save them from the trap of slavery and the hands of Ickes and Pearson as trustees of a company to function for the people."

In the closing days of the session of Congress the Democratic donkey gives political fodder to the Republican elephant as the House passes legislation providing for a census.

At a cost of \$8,000,000 the census will be taken by 100,000 workers appointed by Democrats. The workers may be influen-

tial in securing votes back home for those Democratic Congressmen who need assistance in their primaries and elections.

When the House considered the bill, one of the most active opponents of the legislation was Representative Thomas O'Mal-LEY, a Democrat, from Wisconsin.

One of his queries was:

One of his queries was:

"Who are going to get these jobs? I see from the hearings that the bill is endorsed by college professors. I wonder if the teachers' pets are going to be employed during the months of October and November on the pay roll of the Government.

"We are told that they could not use C.W.A. workers, because they were not highly enough educated; they have got to use specially selected college boys to do this work; that is supposed to relieve unemployment among laboring people."

The expenditure of the \$8,000,000 was deplored by O'Malley, who said he knew what the views of farmers would be when they had not enough food and yet the Government was spending money that would have fed them.

Said he:

Said he:

Imagine what one of them would say when an enumerator comes up to him and says that the Government is spending \$8,000,000 to relieve distress by counting the distressed!"

In the reception room outside the office of Secretary of the

In the reception room outside the office of Secretary of the Treasury Henry Morgenthau, Jr., hang portraits of former Secretaries of that Department.

There is a portrait of Franklin MacVeagh, who served from 1909 to 1913; one of William Gibbs McAdoo, whose term was from 1913 to 1918. There is a protrait of Carter Glass, who occupied the office from 1918 to 1920, and one of David F. Houston, who served from 1920 to 1921. who served from 1920 to 1921.

Next, there is a huge portrait of Ogden Mills, whose term as

Next, there is a successful and the secretary of the Treasury ended with Secretary of the Treasury ended with Roosevelt administration.

There is one portrait that is conspicuous by its absence.

There is one portrait that is conspicuous by its absence.

No painting of that wizard of finance, Andrew W. Mellon, when the secretary is to pay for their own when It is the custom for Treasury Secretaries to pay for their own portraits so that posterity may gaze at their resemblance when they visit the Treasury officials.

Denials are emphatic that they would not hang Mellon's portrait. They say there is none of him.

Perhaps Andy couldn't pay for a sitting.

## MINNESOTA'S MENACE

Mr. SCHALL. Mr. President, I ask leave to print a speech, which carries a special message to the people of my State. It was made by former Congressman Franklin F. Ellsworth, from Minnesota, who served with me in the House for three terms, where he was a dominant figure of the Progressive Republican group. Had he desired, he would have still been in Congress, and it was a great loss to the country that he did not so choose to remain.

In the vital crisis through which my State is passing, he has again come to the fore as a candidate for Lieutenant Governor. He is a man of integrity and ability, means what he says and says what he means. I feel that his message should be of interest, under all the circumstances, not only to the people of the State of Minnesota but also to the United States; and I am therefore asking to print it in the RECORD.

The PRESIDING OFFICER. Is there objection? Chair hears none, and it is so ordered.

The address is as follows:

Minnesota is confronted with the adoption of a program of extreme radicalism which threatens to destroy the basic fabric of

extreme radicalism which threatens to destroy the basic labric of representative government itself.

The Farmer-Labor platform is clearly the device of opportunists to launch a course which will eventually bring about a complete change in our form of government.

Whatever may be the immediate campaign declarations of its candidates or leaders, or their explanations for political expediency's sake, every thinking man and woman must be driven to the inescapable conclusion that the ultimate goal of that party's managers is the form of government of the Russian Soviet.

The time of its accomplishment is incidental; the direction of

The time of its accomplishment is incidental; the direction of the next step is vital, and that that step should be toward the Russian system is unthinkable.

As a Member of Congress and candidate for office, I have always

advocated and supported progressive or liberal measures, but I regard this new proposed deal as thoroughly subversive of any

Is Minnesota to become a political poison spot?

Governor Olson told the Farmer-Labor convention that the whole Nation is watching Minnesota. He said he was what he wanted to be-a radical.

Then he went to Washington. The platform committee framed

Then he went to water a platform a platform.

That platform declared for "a complete reorganization of our social structure into a cooperative commonwealth", not a commonwealth of cooperatives, but a commonwealth itself to be the

cooperative entity.

If there was any question about the meaning of those words, the next paragraph explains:

"We declare that capitalism has failed and immediate steps must be taken by the people to abolish capitalism."

If there were still doubt as to what was intended, the platform

continued to amplify:

"A system where all the natural resources, machinery of production, transportation, and communication shall be owned by the Government

Lest there should still be doubt, the platform provides:

"We demand public ownership of all mines, water power, transportation and communication, banks, packing plants, factories,

"We demand particle of the state.

This language is the greatest departure from political platforms since the organization of American political parties.

It is the most astounding proposal for complete governmental overturn ever made to the people of a free sovereign state.

It runs the complete gamut from soap-box philosophy to Russian sovietism in a single ultimatum by an organized majority party in virtual control of the state.

The shock is made the more terrible by proclamation that this abolition is to be by immediate steps. The reassuring thing, abolition is to be by immediate steps. The reassuring thing however, is that it is to be accomplished in a peaceful manner There will be no rifles, no machine guns, no shrapnel for deposed bank cashiers, ousted mine owners, and factory operators to face as they sally forth into the streets to yield to their successors of the

new proletariat.

The arrogance and cupidity of this new regime are a challenge to representative government. It makes of our fair State of Minnerepresentative government. soft the local proving ground for conversion into a political poison spot in which the virus is to be incubated to inoculate the Nation.

They are to take over the factories, mills, and mines, to write the textbooks for the schools, to establish the propaganda system as a permanent governmental institution by immediate steps, but in a peaceful manner. Just how peaceful, we do not know. Whether they will be purchased or confiscated, we do not know. If purchased, we assume by bond. How the bonds will be paid or

chased, we assume by bond. How the bonds will be paid or refunded, we do not know.

They throw the gantlet to the voters of Minnesota with full confidence that the power that has thrilled them has robbed the men and women of our State of their deliberate choice and judgment and that we dare not oppose a bold and open proclamation for revolution with a secret ballot.

The daring of the proposition can only be predicated upon a notion that the temporary emergency measures of the Federal Government to which the people have submitted has weakened our character and broken our resistance power.

The most charitable view as to Governor Olson is that his original course was that of a true progressive or liberal; that he was captain of his ship of state; but we are not concerned with the captain, but with the course of the ship itself.

captain, but with the course of the ship itself.

The ship's pilots are steering her into the reefs and shoals. She lists from starboard. Her mizzenmast trembles in the hurricane.

She rocks astern

The problem for the ship's owners is to change the ship's cap tain when she reaches port at the end of the voyage. If it's mutiny, we must change both captain and crew.

Let there be no mistake; we are facing an issue in Minnesota.

It is not enough to condemn; it is not an answer to cry "Socialism and communism or sovietism." Most men and women do not appreciate the danger of a step in the wrong direction. We feel secure in our American ideals and standards and believe they will always endure. We think a departing step can be retraced and we fall to discern the purposes until it is too late and we are on our

There are thousands of men and women in Minnesota who are for a complete change in Government, for out and out socialism and communism. There are other thousands who are half-way convinced. Many others do not distinguish between liberalism and radicalism. They are not radical but liberal, but leaning toward desperate measures and prone to become convinced that

ultraradical measures are necessary.

We must convince them in this campaign that such measures lead to a leveling process that no true American would care to endure; that this leveling process within the Nation leads to the same process between nations, to internationalism. Communism is international. It recognizes no national standards

The worker in America who claims his right to collective bar-gaining, to maintain his standard as an American workingman, gaining, to maintain his standard as an American workingman, under this new communistic form would lose his right. He would have no employer to bargain with, but would take his place as a Soviet worker, ruled by the proletariat committee. In the open market of the world the product of his work would be sold in competition with the worker of Russia, of Czechoslovakia, of Japan. His wage would be adjusted to the wage that would make his product competable with the products of Europe and Asia.

The Russian peasant, under the rule of the Czars, had everything to gain by sovietism.

thing to gain by sovietism.

The American workingmen, who in normal times—and normal times will come again—live on a higher standard than that of any nation in the world, in these United States with the richest natural resources of any nation, have everything to lose if they lose their rights as free citizens of a representative republic.

There have been abuses of our present system and grave ones. There have been concentration of capital and control of utility companies and transportation companies that have imposed an unjust burden upon the people. There has been corruption in government and in political parties, and these things have helped to impose additional hardships and burdens upon the people.

That there should be agitation in these times to change our form of government is but natural, but let us not be carried away

with new ideals which in the end will level Americans to the

standard of Europe and the Orient.

That we should have this agitation is good. It will bring us to

That we should have this agitation is good. It will bring us to think and take active part in our public affairs. Nearly one-half of our voting population neglects to take part. There is not a single abuse of government or business that will not be corrected if every American will study public questions and exercise the right of franchise given to him by the Constitution.

Hitlerism and the dictatorship of Mussolini in Germany and Italy in the armed camp of Europe may be good; sovietism for the pauperized peasants of the Czars in Russia may prove a boon; but a representative government wherein every voter exercises his right to participate, is the ideal government if we in America want to continue to maintain the superior standards of living for which we are the envy of the world.

Mr. Upton Sinclair in his book the Way Out, written last year

we are the envy of the world.

Mr. Upton Sinclair in his book the Way Out, written last year (p. 71), said:

"Some day before long in one of our States a radical governor will lay down the law that the factories have to open, and will start commanding those which do not open. When that happens, President Roosevelt will decide whether or not to send in Federal troops. It is by decisions such as this that our future is to be determined."

This statement is prophetic.

determined."

This statement is prophetic.

Whether Sinclair was writing the Way Out, or it may be construed by the opposite view of "the way in", it is apparent that that day has come in our own fair State of Minnesota.

Our Governor, in a party convention of his own political party, has publicly proclaimed himself a radical—filling the exact specifications of Mr. Upton Sinclair.

The convention before which such declaration was made promulgated a platform for ownership of private properties by the Government, and again enumerated in such specifications was the word "factories"—again following Sinclair's exact specifications.

We have then the radical Governor and the factory to be commandeered.

We have then the radical Governor and the factory to be commandeered.

That word "factory" in the platform, following upon the declaration of radicalism, created a furor. A theretofore dormant political party, pronounced by the new radical as a corpse, became galvanized overnight into a fighting demon.

The people of Minnesota and of the country stood aghast. What did it mean? The answer was anxiously awaited.

Finally it came—and to an astounded public it was, "Yes; to feed the needy, he, the Governor, would take over an idle factory."

In Upton Sinclair's words: "It is by decisions such as these that our future is to be determined", Sinclair referred to the future of our National Government.

Thus, let there be no mistake. Minnesota has been made the clinic for a new order in the form of government in this country.

Minnesota has been pointed out as a poison spot of crime—an

Minnesota has been pointed out as a poison spot of crime—an accusation not susceptible of definite refutation.

Now, we Minnesotans must ask ourselves: "Are we to become, in the eyes of the people of this country, the poison spot of politics?" That question can be answered at the ballot box definitely, finally, and decisively.

May God forbid that Minnesota shall become the breeding

ground for a peaceful revolution.

## ORDER OF BUSINESS

Mr. WHEELER obtained the floor.

Mr. ROBINSON of Arkansas. Mr. President-

Mr. WHEELER. I yield to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. The Senate has been in session continuously since 9 o'clock this morning. A state of mind has arisen here, demonstrated in the last few speeches that have been made, which raises a doubt in my mind whether it is possible to conclude the labors of the session tonight.

It had been expected, as every one here understood, that we would be able to adjourn tonight. There are still at least two conference reports undisposed of. One of them has not been agreed upon by the conferees, and, indeed, they met only a very short time ago. I do not know what is the view of the House of Representatives as to the propriety or desirability of attempting to continue our labors until we are in a position to adjourn.

Let me say, while I have the floor with the indulgence of the Senator from Montana, that there are a number of very important bills which the administration would like to see passed, which the President and others connected with the administration, including myself, are willing to defer until the next session.

A great deal of work has been done by the present session. Our proceedings have been amicable and harmonious. There has been a measure of cooperation here which appears to me to be truly commendable, and it was regrettable that personal feelings should have been vented in the debate tonight, to the discredit of those who yielded to such impulses, and to the impairment of the dignity and the reputation of the body of which we are proud to be Members.

It is my intention to communicate at once with the majority leader of the House of Representatives, and then I think it is quite probable that I shall move a recess of the Senate until 11 o'clock Monday. It is impracticable, it is almost impossible, to conduct the public business under the conditions which have arisen here tonight. In the days to come those who were responsible for the manifestation of personal malice which we have witnessed will feel a regret, a very sincere regret.

I realize that it is not my business to lecture anyone. With respect to the program during this session, I have borne and attempted honorably to discharge a very grave responsibility, and I am proud of the accomplishments which are to be credited to this great body, and I hope that the good sense, splendid character, and kindly disposition which ought to animate anyone worthy of membership in this body will be demonstrated throughout our future pro-

ceedings. I thank the Senate.

Mr. WHEELER. Mr. President, I agree entirely with what the Senator from Arkansas has said, that we should take a recess until 11 o'clock Monday. I think it is quite apparent that it is impossible for us to legislate in the state of mind in which we find the Members of the Senate at the present time. Every Member of the Senate has been working almost night and day for several weeks, and I appreciate the fact that everyone's nerves are becoming rather frazzled. There are some bills which, in my judgment, ought to be considered before we adjourn, and some of us intend to insist that we at least be given an opportunity to be heard, and that those bills be discussed before an adjournment shall be taken.

I appreciate the fact that there are men who are opposed to this railroad labor bill, but the sponsors of the bill feel, as it has passed the House of Representatives and has been reported by two committees of the Congress of the United States, and as it has, as I am reliably informed, the approval of the President of the United States, who has agreed that it should be passed at this session of the Congress. that there can be no reason whatsoever why the bill should not be considered, and at least an opportunity be offered to take a vote to decide whether or not it should be taken up.

Mr. President, notwithstanding what the Senator from Delaware says, all of us who are familiar with this legislation know that what the Senator from Michigan said with reference to one great railroad being opposed to this proposed legislation is true. There cannot be a question in the mind of any man who is familiar with this measure, who has followed it through the committee, that the Pennsylvania Railroad is the one outstanding railroad in the United States of America which has violently opposed this legislation, and it is opposed to it because they have a company union. A company union, as was pointed out by the Senator from New York tonight, is a union dominated and controlled by the company itself. They write the constitution, they tell the men what they have to do, and unless the men do what they are told to do they lose their jobs.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield to me to make a motion for a recess?

Mr. WHEELER. I yield.

## RECESS

Mr. ROBINSON of Arkansas. I move that the Senate take a recess until 12 o'clock noon Monday.

The motion was agreed to; and (at 11 o'clock and 30 minutes p.m.) the Senate took a recess until Monday, June 18, 1934, at 12 o'clock meridian.

# NOMINATIONS

Executive nominations received by the Senate June 16 (legislative day June 6), 1934

SUPERVISING INSPECTOR, BUREAU OF NAVIGATION AND STEAM-BOAT INSPECTION

Jesse E. Murray, of Washington, to be supervising inspector, Bureau of Navigation and Steamboat Inspection.

## PROMOTIONS IN THE NAVY

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 5th day of June 1933:

Harmon V. Briner. Thomas K. Wright.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 4th day of June 1934:

Robert L. Taylor Bernard F. Roeder Joseph E. Flynn Edward M. Day Charles T. Booth, 2d Edward A. Wright Harold B. Russell Francis B. Merkle Henry E. Brossy Edwin B. Hooper William B. Braun Arthur N. Daniels Lee A. Ellis Damon M. Cummings Walter P. Schoeni Ronald K. Smith Willis M. Thomas Alfred E. Sharp, Jr. Elliott M. Brown Clifford T. Janz Henry Mullins, Jr. Peter G. Powell, Jr. John O. Miner Bafford A. Lewellen Joseph V. Kiehlbauch Richard R. Hay John B. Fellows, Jr. Frank C. McAllister, Jr. Thomas R. Kurtz, Jr. Theodore A. Torgerson Victor A. King Ward Bronson Charles F. Sell Charles C. Kirkpatrick Sinclair B. Wright Charles O. Cook, Jr. Millard J. Klein John D. Crowley Benjamin P. Field, Jr. Elliott E. Marshall Gerald L. Ketchum Samuel E. Nelson William H. Johnsen

Richard N. Antrim Andrew L. Young, Jr. Thomas W. Hogan, Jr. Frederic S. Steinke Jack B. Williams Ernest B. Ellsworth, Jr. John R. Moore Nathaniel E. Warman Madison Hall, Jr. Daniel A. Stuart Robert E. C. Jones Marvin J. Jensen James C. Dempsey Walter J. Stewart Harrington M. Drake Francis W. Hoye Alvin F. Richardson Robert D. King Joseph B. Swain Richard S. Andrews Hylan B. Lyon Augustus H. Alston, Jr. Raymond H. Jacobs Ernest W. Longton John A. Myer John F. Just Norman E. Smith Francis D. Crinkley Thomas C. Phifer Ronald J. Woodaman Robert W. Cooper Raymond H. Bass Alvin A. Jones Andrew P. Stewart Ralph G. Gillette Donald S. Graham Justin L. Wickens Frederick J. Brush Lawrence B. Cook John D. Cashman DeAtley I. Davis Eb S. Cooke William K. Parsons

The following-named passed assistant paymasters to be paymasters in the Navy, with the rank of lieutenant commander, from the 16th day of January 1934:

Raphael Gering Fillmore S. C. Layman George E. Duffy William E. McCain

Pay Clerk William O. Steinke to be a chief pay clerk in the Navy, to rank with but after ensign, from the 17th day of August 1933.

# POSTMASTERS

## ALABAMA

John B. Davidson to be postmaster at Fort Payne, Ala., in place of G. G. Guest. Incumbent's commission expired March 2, 1933.

Oscar W. Freeman to be postmaster at Gadsden, Ala., in place of T. H. Stephens. Incumbent's commission expired May 29, 1934.

Ruth Duffey to be postmaster at Dadeville, Ala., in place of M. C. Bronson, removed.

Bessie S. Combs to be postmaster at Fairfax, Ala., in place of C. E. Combs. Incumbent's commission expired March 18, 1934.

Samuel H. Tatum to be postmaster at Roanoke, Ala., in place of T. M. Swann, removed.

Harry J. Wilters to be postmaster at Robertsdale, Ala., in place of H. C. Peterson, resigned.

Leslie D. Strather to be postmaster at Shawmut, Ala., in place of L. F. Underwood. Incumbent's commission expired May 9, 1934.

Morgan M. Pearson to be postmaster at Wadley, Ala., in place of J. R. Harris, resigned.

William F. Croft to be postmaster at Crossville, Ala., in place of H. T. Graves, deceased.

#### ARIZONA

Andrew T. Kilcrease to be postmaster at Casa Grande, Ariz., in place of L. E. Fitzgerald, removed.

Joe H. Little to be postmaster at Glendale, Ariz., in place of H. G. White, resigned.

Annie L. Kent to be postmaster at Parker, Ariz., in place of A. L. Kent. Incumbent's commission expires June 20, 1934.

#### ARKANSAS

Lee Roy Jordan to be postmaster at Batesville, Ark., in place of Little Watson, removed.

Fred M. Johnson to be postmaster at Huttig, Ark., in place of J. L. Collett. Incumbent's commission expired December 16, 1933.

Ben W. Walker to be postmaster at Lewisvile, Ark., in place of F. W. Youmans. Incumbent's commission expired December 16, 1933.

Edward H. Taber to be postmaster at Leachville, Ark., in place of U. O. Thomasson, removed.

#### CALIFORNIA

John Carlos Rose to be postmaster at Milpitas, Calif., in place of F. S. Pashote. Incumbent's commission expired December 16, 1933.

Fannie R. Willey to be postmaster at Winton, Calif., in place of M. A. Smith. Incumbent's commission expired December 18, 1933.

William D. Mathews to be postmaster at Fort Jones, Calif., in place of M. E. Bailey. Incumbent's commission expired June 7, 1933.

## COLORADO

William H. Harrison to be postmaster at Cortez, Colo., in place of Rachel Crawford. Incumbent's commission expired March 8, 1934.

Harold W. Riffle to be postmaster at Eckley, Colo., in place of George Haver, removed.

## DELAWARE

William O. Martin to be postmaster at Lewes, Del., in place of N. B. Register, resigned.

William H. Draper to be postmaster at Wyoming, Del., in place of L. A. Downham. Incumbent's commission expired May 20, 1934.

## FLORIDA

Julia E. Seabloom to be postmaster at Ormond Beach, Fla., in place of J. E. Seabloom. Incumbent's commission expires June 20, 1934.

LeRoy E. Diggans to be postmaster at Delray Beach, Fla., in place of Frank Dean, removed.

Thomas G. Ozmer to be postmaster at Fernandina, Fla., in place of T. G. Ozmer. Incumbent's commission expired October 16, 1933.

Jesse E. Franklin to be postmaster at Glen St. Mary, Fla., in place of J. E. Franklin. Incumbent's commission expired January 9, 1934.

William C. Johnson to be postmaster at Jensen, Fla., in place of W. C. Johnson. Incumbent's commission expired March 18, 1934.

## GEORGIA

Joseph H. Gross to be postmaster at Alamo, Ga., in place of C. C. Hartley. Incumbent's commission expired April 2, 1934.

# ILLINOIS

Harry C. Stephens to be postmaster at Ashley, Ill., in place of H. M. Potter, resigned.

Hazel E. Wood to be postmaster at Bluford, Ill., in place of S. F. Coffman. Incumbent's commission expires June 24, 1934.

Edgar V. Galloway to be postmaster at Shawneetown, Ill., in place of E. C. Spivey, resigned.

William G. Gerbing to be postmaster at Ashland, Ill., in place of Sherman Dorand, deceased.

Bernard G. Finnegan to be postmaster at Bradford, Ill.,

in place of H. B. Mayhew, removed.

Esther R. Webb to be postmaster at Buda, III., in place of H. A. Hammer. Incumbent's commission expired February 6, 1934.

Jerry J. Zeman to be postmaster at Fox River Grove, Ill., in place of John Putta, Jr. Incumbent's commission expired June 19, 1933.

Carl E. Saur to be postmaster at Malta, Ill., in place of C. A. Pease. Incumbent's commission expired January 28, 1934.

Sophie Benhart to be postmaster at Medinah, Ill., in place of Sophie Benhart. Incumbent's commission expires June 24, 1934.

Joe W. Wilson to be postmaster at Morrison, III., in place of H. T. Berry. Incumbent's commission expired December 18, 1933.

Blanche B. Hood to be postmaster at Mound City, Ill., in place of I. A. Bankson, removed.

John F. McCann to be postmaster at Oglesby, Ill., in place of Edzard Johnson, removed.

### TNDTANA

Fletcher T. Strang to be postmaster at Culver, Ind., in place of C. L. Shively. Incumbent's commission expired March 8, 1934.

Biven Coburn to be postmaster at Medaryville, Ind., in place of R. E. Williams, resigned.

Ray H. Zeigler to be postmaster at Bristol, Ind., in place of B. B. Ganger. Incumbent's commission expired April 8, 1934.

Pearl E. Barnes to be postmaster at Hamlet, Ind., in place of I. N. Compton. Incumbent's commission expired June 6, 1934

Lloyd A. Rickel to be postmaster at Mentone, Ind., in place of E. R. Shinn. Incumbent's commission expired May 9, 1934.

Ora Stiver to be postmaster at New Paris, Ind., in place of A. F. Saylor. Incumbent's commission expired April 2, 1934.

Alton L. Metzger to be postmaster at Rossville, Ind., in place of O. E. Steward. Incumbent's commission expired February 18, 1933.

Earl C. McLain to be postmaster at Swayzee, Ind., in place of W. H. Ammon. Incumbent's commission expired March 18, 1934.

## IOW

John Moeller to be postmaster at Ireton, Iowa, in place of F. O. Parker. Incumbent's commission expired December 18, 1933.

Harley C. West to be postmaster at Linden, Iowa, in place of John Harden. Incumbent's commission expired March 18, 1934

Charles E. Miller to be postmaster at St. Ansgar, Iowa, in place of Nettie Lund. Incumbent's commission expired January 16, 1934.

Alice B. Smouse to be postmaster at Vinton, Iowa, in place of C. W. Rowe, transferred.

Willis C. Hussey to be postmaster at Albert City, Iowa, in place of T. B. Satory, removed.

Joseph F. Rettenmaier to be postmaster at Carroll, Iowa, in place of J. H. Post, retired.

Richard Tomke to be postmaster at Clarion, Iowa, in place of S. A. McCreery, deceased.

Nettie Blair Lewis to be postmaster at Columbus Junction, Iowa, in place of L. S. Meyers, resigned.

Albert E. Newell to be postmaster at Eddyville, Iowa, in place of J. L. Gallagher. Incumbent's commission expired April 16, 1934.

## KANSAS

Ivan R. Mort to be postmaster at Hill City, Kans., in place of Luella Meredith, resigned.

Lottie Victor to be postmaster at Larned, Kans., in place of D. D. Davis. Incumbent's commission expired January 28, 1934.

Greever Allan to be postmaster at Tonganoxie, Kans., in place of C. A. Freeman. Incumbent's commission expired December 19, 1931.

### KENTUCKY

Mary B. Helm to be postmaster at Stanford, Ky., in place of W. G. Morgan. Incumbent's commission expired February 28, 1933.

### LOUISIANA

Samuel Haas to be postmaster at Alexandria, La., in place of L. A. Turregano, retired.

Solomon C. Knight to be postmaster at Elizabeth, La., in place of S. C. Knight. Incumbent's commission expired May 20, 1934.

Vivien Swords to be postmaster at Kinder, La., in place of M. B. Leland. Incumbent's commission expired January 28, 1934.

Arthur Deshotels to be postmaster at Washington, La., in place of S. M. Plonsky. Incumbent's commission expired February 1, 1934.

John R. Romero to be postmaster at Welsh, La., in place of M. K. Abell, removed.

#### MARYLAND

Malcolm F. Caplan to be postmaster at St. Michaels, Md., in place of J. F. Mansfield. Incumbent's commission expired May 26, 1932.

Robert Conroy to be postmaster at Forest Glen, Md., in place of C. W. Miles. Incumbent's commission expired January 28, 1934.

### MASSACHUSETTS

John R. McManus to be postmaster at Concord, Mass., in place of F. A. Tower. Incumbent's commission expired December 20, 1932.

Alice C. Redlon to be postmaster at South Duxbury, Mass., in place of M. M. White, resigned.

John P. Brown to be postmaster at Bass River, Mass., in place of J. P. Brown. Incumbent's commission expires June 17, 1934.

Raymond W. Comiskey to be postmaster at Dover, Mass., in place of F. B. Roach. Incumbent's commission expired January 11, 1934.

John J. Quinn to be postmaster at East Douglas, Mass., in place of J. L. Holbrook. Incumbent's commission expired April 2, 1934.

Frank P. Todd to be postmaster at Rowley, Mass., in place of A. W. Haley. Incumbent's commission expired May 9, 1934.

Dorothy L. Schuster to be postmaster at Wellfleet, Mass., in place of J. P. McKay, deceased.

Philip J. Gallagher to be postmaster at Woburn, Mass., in place of Samuel Highley, deceased.

## MICHIGAN

Harold L. Muchler to be postmaster at Bad Axe, Mich., in place of Albert Hass, transferred.

Frank J. Nothelfer to be postmaster at Hemlock, Mich., in place of O. W. Bauer. Incumbent's commission expired February 25, 1934.

## MINNESOTA

Arthur A. Van Dyke to be postmaster at St. Paul, Minn., in place of C. J. Moos. Incumbent's commission expired January 21, 1930.

Henry A. C. Saggau to be postmaster at Ceylon, Minn., in place of R. W. Stewart. Incumbent's commission expired April 2, 1934.

Robert H. Burrill to be postmaster at Hawley, Minn., in place of S. A. Torgerson. Incumbent's commission expired January 31, 1934.

Ada L. Davies to be postmaster at Kasota, Minn., in place of E. H. Benjamin. Incumbent's commission expired January 22, 1934.

Robert A. Collopy to be postmaster at Lake Elmo, Minn., in place of F. A. Schneider. Incumbent's commission expired January 20, 1934.

John P. Lanto to be postmaster at Nashwauk, Minn., in place of W. F. Ott. Incumbent's commission expired January 31, 1934.

Richard F. Lamb to be postmaster at Slayton, Minn., in place of B. I. Weld. Incumbent's commission expired March 2, 1933.

Isaac B. Dybdal to be postmaster at Wendell, Minn., in place of Edwin Nelson, deceased.

### MISSOURI

Charles C. Oliver to be postmaster at Bloomfield, Mo., in place of K. W. Blomeyer. Incumbent's commission expires July 3, 1934.

Gladys I. Smith to be postmaster at Cassville, Mo., in place of E. K. Horine. Incumbent's commission expired April 8, 1934.

C. O. Raine, Jr., to be postmaster at Hayti, Mo., in place of P. S. Ravenstein, removed.

Joe G. Harms to be postmaster at Keytesville, Mo., in place of J. P. Stiles, removed.

Henry E. Roper to be postmaster at Bernie, Mo., in place of R. B. Woods. Incumbent's commission expired February 6, 1934.

Samuel B. McCollum to be postmaster at Bucklin, Mo., in place of C. A. Larson. Incumbent's commission expired December 18, 1933.

Ralph W. Cox to be postmaster at Dalton, Mo., in place of B. A. Grotjan. Incumbent's commission expired February 14, 1934.

Frank E. Sibley to be postmaster at Matthews, Mo., in place of R. M. Ratcliff, resigned.

Elmer S. Foster to be postmaster at Neelyville, Mo., in place of Hattie Biggs. Incumbent's commission expired April 30, 1934.

### MONTANA

Gladys Shannon to be postmaster at Bonner, Mont., in place of O. S. Draper. Incumbent's commission expired February 13, 1933.

Margaret M. Colligan to be postmaster at Walkerville, Mont., in place of M. M. Colligan. Incumbent's commission expired March 22, 1934.

Ethel E. James to be postmaster at Broadus, Mont., in place of J. F. Blenkner. Incumbent's commission expired January 31, 1934.

Alvin O. Lien to be postmaster at Brockton, Mont., in place of A. M. Lodmell, deceased.

Lewis W. Fetterly to be postmaster at Eureka, Mont., in place of G. E. McKain. Incumbent's commission expired April 30, 1934.

Cleola Ralston to be postmaster at Glacier Park, Mont., in place of G. W. Edkins. Incumbent's commission expired December 18, 1933.

Charles A. Berkner to be postmaster at Highwood, Mont., in place of L. E. Phillips. Incumbent's commission expired April 16, 1934.

Henry C. Wilcox to be postmaster at Joliet, Mont., in place of J. S. Honnold. Incumbent's commission expired April 2, 1934.

Clarence J. Morgan to be postmaster at Judith Gap, Mont., in place of G. S. Haynes. Incumbent's commission expired December 18, 1933.

David L. Williams to be postmaster at Moore, Mont., in place of H. C. Redman. Incumbent's commission expired January 16, 1934.

Peter J. Herbst to be postmaster at Plevna, Mont., in place of Letta Conser, resigned.

Sophia J. Guthrie to be postmaster at Reedpoint, Mont., in place of M. I. Moler. Incumbent's commission expired April 16, 1934.

John D. Johnston to be postmaster at Richey, Mont., in place of F. P. Blair. Incumbent's commission expired April 22, 1934

John C. Abrahamson to be postmaster at Roberts, Mont., in place of Emil Heikkila. Incumbent's commission expired March 8, 1934.

Rudolph P. Petersen to be postmaster at Rudyard, Mont., in place of R. P. Petersen. Incumbent's commission expired June 6, 1934.

Albert J. Dorris to be postmaster at Thompson Falls, Mont., in place of E. L. Stackhouse. Incumbent's commission expired January 31, 1934.

Charles A. Akofer to be postmaster at Valier, Mont., in place of J. N. Starbuck. Incumbent's commission expired April 2, 1934.

Lucy B. Cullen to be postmaster at Wibaux, Mont., in place of A. B. Cowee, resigned.

Sarah C. Brady to be postmaster at Wilsall, Mont., in place of L. C. Green. Incumbent's commission expired December 16, 1933.

Ella V. Millsap to be postmaster at Winnett, Mont., in place of L. A. Kragrud. Incumbent's commission expired February 20, 1934.

David R. Bowen to be postmaster at Worden, Mont., in place of Jessie Long. Incumbent's commission expired December 18, 1933.

#### NEBRASKA

John H. Holden to be postmaster at Gordon, Nebr., in place of R. D. Rash, removed.

Ferdinand H. Reuter to be postmaster at Syracuse, Nebr., in place of Willard Stong. Incumbent's commission expired December 16, 1933.

Lula Newman to be postmaster at Wallace, Nebr., in place of H. C. Robbins, removed.

Margaret C. Tomek to be postmaster at David City, Nebr., in place of E. G. Hall. Incumbent's commission expired February 25, 1933.

Clarence D. Gottula to be postmaster at Adams, Nebr., in place of A. O. Jones. Incumbent's commission expired April 16, 1934.

Helen W. Schneider to be postmaster at Elmwood, Nebr., in place of O. D. Clements. Incumbent's commission expired January 28, 1934.

Martha P. Westfall to be postmaster at Polk, Nebr., in place of I. T. Samuelson, removed.

William Stuart Campbell to be postmaster at Waterloo, Nebr., in place of J. C. Moore. Incumbent's commission expired January 22, 1934.

## NEW HAMPSHIRE

Joseph A. Desrosiers to be postmaster at Greenville, N.H., in place of J. W. Buttrick. Incumbent's commission expired December 16, 1933.

## NEW JERSEY

Edward J. Gleason to be postmaster at New Brunswick, N.J., in place of J. A. Morrison. Incumbent's commission expired December 18, 1933.

Warren Eckerson to be postmaster at Closter, N.J., in place of V. R. Bell. Incumbent's commission expired March 18, 1934.

Verona K. Christie to be postmaster at Fanwood, N.J., in place of H. G. Young. Incumbent's commission expired September 30, 1933.

Mary B. Naughton to be postmaster at Port Monmouth, N.J., in place of W. E. Walling. Incumbent's commission expired December 14, 1932.

## NEW MEXICO

Gertrude E. White to be postmaster at Melrose, N.Mex., in place of F. O. Polston. Incumbent's commission expired January 26, 1933.

## NEW YORK

Gerald Aldrich to be postmaster at Bemus Point, N.Y., in place of G. A. Phillips. Incumbent's commission expired January 28, 1934.

Joseph C. Miller to be postmaster at Croton Falls, N.Y., in place of L. C. Gregory. Incumbent's commission expired March 8, 1934.

William F. Agnew to be postmaster at Mayfield, N.Y., in place of H. N. Brown. Incumbent's commission expired March 8, 1934.

Mary J. Morgan to be postmaster at Medford Station, N.Y., in place of R. D. Rider, removed.

John H. Moore to be postmaster at North Cohocton, N.Y., in place of L. F. Wixom. Incumbent's commission expired March 8, 1934.

Kenneth W. Hagadorn to be postmaster at Almond, N.Y., in place of R. E. Brown, removed.

James D. Cheesman to be postmaster at Andover, N.Y., in place of John Common. Incumbent's commission expired March 18, 1934.

William R. Krohn to be postmaster at Bolton Landing, N.Y., in place of R. M. Gates. Incumbent's commission expired February 6, 1934.

Katherine H. Gallagher to be postmaster at Brentwood, N.Y., in place of Nicholas Reilly, resigned.

Frank M. Campbell to be postmaster at Wilson, N.Y., in place of W. A. Bush, resigned.

#### NORTH CAROLINA

Stephen C. Clark to be postmaster at High Point, N.C., in place of O. R. York. Incumbent's commission expired May 7, 1934.

Roy Prillaman to be postmaster at Stoneville, N.C., in place of J. M. Thrasher, removed.

William M. Jefferson to be postmaster at Belmont, N.C., in place of J. E. Armstrong. Incumbent's commission ex-

pired February 25, 1934.

Samuel B. Hovis to be postmaster at Bessemer City, N.C., in place of J. R. Rollins. Incumbent's commission expired

March 28, 1934.

Ike R. Forbes to be postmaster at Cramerton, N.C., in place of I. R. Forbes. Incumbent's commission expired February 22, 1922.

ruary 28, 1933.

Carl H. Hand to be postmaster at Lowell, N.C., in place of A. W. Titman. Incumbent's commission expired January 28, 1934.

Leon S. Venters to be postmaster at Richlands, N.C., in place of A. Z. Jarman, resigned.

James M. Hall to be postmaster at Roseboro, N.C., in place of C. L. Fisher. Incumbent's commission expired Jan. 20, 1934.

French W. Graham to be postmaster at Elkin, N.C., in place of C. N. Bodenheimer. Incumbent's commission expired May 7, 1934.

Clarence G. Pike to be postmaster at Fremont, N.C., in place of O. M. Davis. Incumbent's commission expired April 8, 1934.

Robert H. Edwards to be postmaster at Goldsboro, N.C., in place of E. A. Simkins, retired.

Shepperd Strudwick to be postmaster at Hillsboro, N.C., in place of T. R. Sparrow. Incumbent's commission expired April 16, 1934.

John L. Williams to be postmaster at Kenansville, N.C., in place of L. M. Gavin, resigned.

John V. Highfill to be postmaster at Mayodan, N.C., in place of C. L. Walters. Incumbent's commission expired April 16, 1934.

William S. Harris to be postmaster at Mebane, N.C., in place of C. R. Grant. Incumbent's commission expired April 28, 1934.

William E. Brown to be postmaster at Rocky Point, N.C., in place of D. J. Lewis. Incumbent's commission expired February 28, 1933.

## NORTH DAKOTA

Norton T. Hendrickson to be postmaster at Hoople, N.Dak., in place of N. T. Hendrickson. Incumbent's commission expired April 8, 1934.

## OHIC

Hettie Woodward to be postmaster at Chesterhill, Ohio, in place of C. A. Ridgley, deceased.

Lois Black to be postmaster at McDonald, Ohio, in place of M. J. Meek, resigned.

George M. Towle to be postmaster at Sardis, Ohio, in place of J. W. Rush. Incumbent's commission expired April 28, 1934

William T. Golling to be postmaster at Sycamore, Ohio, in place of W. B. Petty. Incumbent's commission expired March 8, 1934.

Ella M. Manson to be postmaster at Apple Creek, Ohio, in place of F. C. Troxel. Incumbent's commission expired December 18, 1933.

Henry B. Grevey to be postmaster at Hamilton, Ohio, in place of W. H. Bruning. Incumbent's commission expires June 20, 1934.

Charles A. Hart to be postmaster at Minerva, Ohio, in place of E. R. Burford. Incumbent's commission expired March 8, 1934.

Clark W. Mathias to be postmaster at Northfield, Ohio. Office became Presidential July 1, 1932.

#### OREGON

Thomas R. Roe to be postmaster at Gaston, Oreg., in place of A. M. Porter. Incumbent's commission expired February 6, 1934.

Ruby I. Loundree to be postmaster at Sandy, Oreg., in place of R. E. Esson. Incumbent's commission expired January 28, 1934.

#### PENNSYLVANIA

Laura E. Rich to be postmaster at Enola, Pa., in place of L. E. Rich. Incumbent's commission expired January 19, 1933.

James B. Candy to be postmaster at Langhorne, Pa., in place of Grant Umberger. Incumbent's commission expired January 19, 1933.

Leo Walker to be postmaster at Clairton, Pa., in place of H. J. Smoyer, removed.

Ethel G. Davis to be postmaster at Duncansville, Pa., in place of A. M. Hess, removed.

Lehman I. Leister to be postmaster at McAlisterville, Pa., in place of J. R. Davis. Incumbent's commission expired April 2, 1934.

Emery C. Mahaffey to be postmaster at Mahaffey, Pa., in place of J. A. McKeage. Incumbent's commission expired December 19, 1932.

Joseph L. Meehan to be postmaster at Montrose, Pa., in place of J. D. Titman. Incumbent's commission expired December 20, 1932.

Allen J. Noble to be postmaster at South Mountain, Pa., in place of C. S. Mayhugh. Incumbent's commission expired February 28, 1933.

John Richard Hancock to be postmaster at Williamstown, Pa., in place of J. N. Snyder, removed.

## RHODE ISLAND

Frank L. Giard to be postmaster at Pawtucket, R.I., in place of G. W. Burgess. Incumbent's commission expired April 16, 1934.

## SOUTH CAROLINA

Oscar Tuck to be postmaster at Westminster, S.C., in place of P. G. Barnett. Incumbent's commission expired February 18, 1933.

# SOUTH DAKOTA

Clarence W. Richards to be postmaster at Kimball, S.Dak., in place of B. W. Ryan, deceased.

Orville U. Melby to be postmaster at Summit, S.Dak., in place of J. D. Smull. Incumbent's commission expired March 22, 1934.

George E. Hagen to be postmaster at Armour, S.Dak., in place of Jessie Norton. Incumbent's commission expired April 28, 1934.

Marion C. Stewart to be postmaster at Cresbard, S.Dak., in place of W. A. Hodson. Incumbent's commission expired April 28, 1934.

Ian H. Maxwell to be postmaster at Delmont, S.Dak., in place of John Schafer, deceased.

Kathryn M. McCoy to be postmaster at Tulare, S.Dak., in place of Gertrude Snell. Incumbent's commission expired April 28, 1934.

## TENNESSEE

Hughes H. Hunt to be postmaster at Rives, Tenn., in place of J. O. Jennings. Incumbent's commission expired December 12, 1932.

William A. Rhea to be postmaster at Somerville, Tenn., in place of F. J. Latta. Incumbent's commission expired April 28, 1934.

#### TEXAS

Allen A. Collet to be postmaster at Handley, Tex., in place of J. W. Hampton. Incumbent's commission expired April 15, 1934.

John E. McClain to be postmaster at Roscoe, Tex., in place of L. S. Howard, resigned.

Kirby L. Scudder to be postmaster at Slaton, Tex., in place of J. S. Bates, transferred.

Winnette D. DeGrassi to be postmaster at Amarillo, Tex., in place of W. C. Kenyon, resigned.

Lou A. Sloma to be postmaster at Yorktown, Tex., in place of A. A. Ladner. Incumbent's commission expired May 9, 1934.

Hunter H. McWilliams to be postmaster at Atlanta, Tex., in place of A. H. O'Kelley, removed.

Jesse Wier to be postmaster at Best, Tex., in place of F. M. Taylor, resigned.

#### VERMONT

Smith M. Matson to be postmaster at Dorset, Vt., in place of W. M. Batchelder. Incumbent's commission expired March 8, 1934.

Henry C. Brislin to be postmaster at Rutland, Vt., in place of C. H. West. Incumbent's commission expired December 16, 1933.

#### VIRGINIA

Annie G. Davey to be postmaster at Evington, Va., in place of A. G. Davey. Incumbent's commission expired May 29, 1934.

Claude B. Nolen to be postmaster at Ferrum, Va., in place of Bertha Thompson. Incumbent's commission expired May 13, 1934.

Fred Adams to be postmaster at Galax, Va., in place of W. C. Roberson. Incumbent's commission expires June 24, 1934.

Clyde DeHaven to be postmaster at Hillsville, Va., in place of W. L. Martin. Incumbent's commission expires June 20, 1934.

Eloise C. Hay to be postmaster at Madison, Va., in place of L. G. Cook, deceased.

William A. Coates to be postmaster at South Washington, Va., in place of W. A. Coates. Incumbent's commission expired February 9, 1933.

Garvis E. Lemley to be postmaster at Stephens City, Va., in place of P. E. Lineburg. Incumbent's commission expired May 13, 1934.

Lloyd Sullenberger to be postmaster at Monterey, Va., in place of D. D. Curry. Incumbent's commission expired April 8, 1934.

John S. Hinegardner to be postmaster at Weyers Cave, Va., in place of B. L. Showalter. Incumbent's commission expired March 18, 1934.

## WASHINGTON

Leo B. Reed to be postmaster at Redmond, Wash., in place of H. S. Reed, deceased.

Grace A. Johnston to be postmaster at Orting, Wash., in place of Kathryn Reichert. Incumbent's commission expired December 18, 1933.

Joseph A. Wolf to be postmaster at Roy, Wash., in place of G. R. Moore. Incumbent's commission expired March 18, 1934.

George Rodman to be postmaster at Wapato, Wash., in place of E. E. Cox. Incumbent's commission expired April 2, 1934.

Fairleigh B. Wilkins to be postmaster at Yakima, Wash., in place of H. L. Leeper, retired.

## WEST VIRGINIA

Peter H. Lawless to be postmaster at Berwind, W.Va., in place of Otto Sharitz, resigned.

Williard I. Gulley to be postmaster at McComas, W.Va., in place of Calvin Shockey. Incumbent's commission expired March 8, 1934.

## WISCONSIN

Bernard G. Schramske to be postmaster at Boyceville, Wis., in place of R. C. Taylor. Incumbent's commission expired March 18, 1934.

Leo A. Eiden to be postmaster at Deer Park, Wis., in place of Emma Thompson. Incumbent's commission expired June 2, 1934.

Claude E. Rochon to be postmaster at Florence, Wis., in place of J. E. Huff. Incumbent's commission expired January 28, 1934.

William S. Casey to be postmaster at Knapp, Wis., in place of M. H. Schlosser. Incumbent's commission expired April 2, 1934.

Ruth S. Foley to be postmaster at Maiden Rock, Wis., in place of A. W. Priess. Incumbent's commission expired April 2, 1934.

Anna C. Buhr to be postmaster at Marion, Wis., in place of J. K. Buhr. Appointee deceased.

William Murray to be postmaster at Prescott, Wis., in place of J. E. Wehrman. Incumbent's commission expired May 7, 1934.

Arnold A. Conklin to be postmaster at Vesper, Wis., in place of E. O. Trickey. Incumbent's commission expired April 2, 1934.

Donald M. Warner to be postmaster at Whitehall, Wis., in place of H. J. Elstad. Incumbent's commission expired May 2, 1934.

#### WITHDRAWAL

Executive nomination withdrawn from the Senate June 16 (legislative day of June 6), 1934

#### POSTMASTER

Mary B. Helm to be postmaster at Stanford, Ky.

# HOUSE OF REPRESENTATIVES

SATURDAY, JUNE 16, 1934

(Legislative day of Friday, June 15, 1934)

The recess having expired, the House was called to order by the Speaker at 10 o'clock a.m.

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment bills and joint resolutions and a concurrent resolution of the House of the following titles:

H.R. 3357. An act to amend section 99 of the Judicial Code (U.S.C., title 28, sec. 180), as amended;

H.R. 5736. An act for the relief of Shelby J. Beene, Mrs. Shelby J. Beene, Leroy T. Waller, and Mrs. Leroy T. Waller;

H.R. 9618. An act authorizing the Sistersville Bridge board of trustees to construct, maintain, and operate a toll bridge across the Ohio River at Sistersville, Tyler County, W.Va.;

H.R. 9826. An act granting the consent of Congress to the State Highway Commission to construct, maintain, and operate a free highway bridge across Eleven Points River in the northwest half of section 31, township 25 north, range 3 west, 8 miles northeast of Alton, on route B, in Oregon County. Mo.:

H.R. 9904. An act to amend section 5 of Public Act No. 2 of the Seventy-second Congress, as amended;

H.J.Res. 370. Joint resolution to protect the revenue by regulation of the traffic in containers of distilled spirits;

H.J.Res. 373. Joint resolution to protect the revenue by requiring information concerning the disposition of substances used in the manufacture of distilled spirits; and

H.Con.Res. 46. Concurrent resolution providing that the provisions of S. 3696 be incorporated and printed in the proper place in the Canal Zone Code (H.R. 8700) prior to its enrollment and signature.

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 9830. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal

other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House thereon, and appoints Mr. Adams, Mr. Mc-Kellar, Mr. Byrnes, Mr. Hale, and Mr. Dickinson to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill and a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. 3788. An act to extend the times for commencing and completing the construction of a bridge across the Rio

Grande at Boca Chica, Tex.; and

S.Con.Res. 23. Concurrent resolution authorizing the Clerk of the House of Representatives in the enrollment of the bill H.R. 9830, the Emergency Appropriation Act, fiscal year 1935, to include payment to the sisters of the late Representative George F. Brumm, of Pennsylvania:

For payment to Susan I. Brumm and Joan L. Brumm, sisters of George F. Brumm, late a Representative from the State of Penn-

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill and a concurrent resolution of the House of the following titles:

H.R. 9476. An act to empower certain members of the Division of Investigation of the Department of Justice to make arrests in certain cases, and for other purposes; and

H.Con.Res. 32. Concurrent resolution authorizing and directing the Federal Trade Commission to investigate conditions with respect to the sale and distribution of milk

and other dairy products in the United States.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 3636) entitled "An act for the relief of Thelma Lucy Rounds", disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Bailey, Mr. Trammell, and Mr. Capper to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9410) entitled "An act providing that permanent appropriations be subject to annual consideration and appropriation by Congress, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate no. 3 to the bill (H.R. 9404) entitled "An act to authorize the formation of a body corporate to insure the more effective diversification of prison industries, and for other purposes.'

The message also announced that the Senate insists upon its amendments to the bill (H.R. 9046) entitled "An act to discontinue administrative furloughs in the Postal Service" disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McKellar, Mr. Hayden, and Mr. SCHALL to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9145) entitled "An act to authorize the attendance of the Marine Band at the National Encampment of the Grand Army of the Republic, to be held at Rochester, N.Y., August 14, 15, and 16, 1934, and at the national convention of the Disabled American Veterans of the World War, to be held at Colorado Springs, Colo., during the first week in July 1934."

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 3739. An Act to authorize the President to transfer to the Government of Haiti, without charge to that Government, certain property of the United States in Haiti.

THE WORK OF THE HOUSE COMMITTEE ON EDUCATION

Mr. DOUGLASS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include therein

years ending June 30, 1934, and June 30, 1935, and for | an article on the work of the House Committee on Education, written by its secretary.

> The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. DOUGLASS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following work of the House Committee on Education:

THE WORK OF THE HOUSE COMMITTEE ON EDUCATION—WILLIAM J. WALLACE, SECRETARY TO THE COMMITTEE, REPORTS EVENTS OF A BUSY YEAR FOR THE 21 MEMBERS OF CONGRESS ENDEAVORING TO SOLVE NATIONAL SCHOOL PROBLEMS

The second session of the Seventy-third Congress has been for the Education Committee of the House of Representatives an un-usually busy one, the product of the times in which we find

It is wise, before one reveals the actions of the committee, to dissect it into its component parts. Of the 21 members, 13 are serving their first term in Congress, and 14 are members of the Education Committee for the first time. There are 15 Democrats and 6 Republicans, which is about the ratio of both parties in the House

Most significant is the fact that many of the members were not merely assigned to the committee, but because of their great interest in education, asked to be placed on the Education Committee. As a whole, it is as interested a committee as can be found in the Capitol. No meeting is conducted without a large turnout, and this is unusual when one considers the fact that many of the members have conflicting committee assignments.

#### MEN OF EXPERIENCE

As the Representatives on the committee are gathered from many and varied walks in life, the reasoning processes and the final decisions are bound to be interesting. The chairman is a lawyer, playwright, and dramatist. In addition to the chairman there are eight other lawyers on the committee, all of them prominent in their States; one an author of law treatises; another who before being admitted to the bar, had taught school; another who had been a principal of a high school and lecturer upon economics, literary, and historical subjects; another, one of the leading constitutional lawyers in the United States, former Assistant Attorney General of the United States, former Assistant Attorney General of the United States, former solicitor general, author of numerous well-known law books, honored by three foreign coun-tries, fellow of Royal Historical Society, London, honorary bencher of Gray's Inn, England. The lady member of the committee is

also an attorney.

Leaving the law, we have a member who has been a practicing physician for 30 years. In addition to the two attorneys above mentioned who have had school experience, we find five other members with an educational background, one member a former chairman of a school board in New York State; another a teacher for 18 years and later a county superintendent of schools; another an outstanding educator in America, having been a professor at some of the leading educational institutions in the United States and since 1905 to date, professor of philosophy at Yale University; another who taught school, later a county superintendent, president of a junior college, editor and proprietor of a newspaper, and president of a bank; and another a former member of a local board of education. In business fields we have one member an editor and publisher with a keen interest for years in education; another a successful business man and founder of a bank; another a prominent banker and farmer; another a chairman and member tioned who have had school experience, we find five other members a prominent banker and farmer; another a chairman and member of a State commerce commission; and two others successful business men.

From this committee the educational policy of the country must be shaped, and the committee is well qualified to do it.

# TWO SCHOOLS OF THOUGHT

In the beginning, it must be remembered that there will be two well-defined schools of thought in greater or less degree present in most bodies which will have before the membership education as a subject matter—that which believes that education is essenas a subject matter—that which believes that education is essentially the duty of the State to care for without the Federal Government participating in any way, and that which believes that the Federal Government should assist the States in education more as a national matter. Especially today, in these hard times, is the argument heard advanced by many educators, "If agriculture, business, railroads, and banks are to be assisted by the Federal Government, why not the schools?" And there will be those who will retort, "If the Federal Government is to go on helping all these activities, the Federal Government is going to need assistance soon, and who will give it?"

The subject of education being a controversial matter as regards policies in Congress, it is to be expected that there would be some difference of views amongst the members of the committee and that compromise must be resorted to if there is to be any action. It can positively be stated that the members of the com-

action. It can positively be stated that the members of the committee have the greatest respect for the views of each and every member, and they have endeavored to work out harmoniously plans to which the great majority can in a large measure agree.

Having in mind the make-up of the committee and the controversial subjects before it, let us look at the agenda.

## VOCATIONAL EDUCATION

Vocational education was the first question to come before the committee. As the George-Reed Act was to expire on June 30, 1934, if the program under the act was to continue, new legis-

lation had to be approved by the committee and passed by the Congress. Vocational education had its birth with the passage of the Smith-Hughes Act in 1917, which provided for aid by the Federal Government under a match-fund agreement, to the several States, in the field of vocational education, for the benefit of agricultural education and home economics and trade and industrial education. This was permeant legislation. Starting industrial education. This was permanent legislation. Starting with the year 1918, \$500,000 was appropriated for agricultural education and \$500,000 for home economics and trade and industrial education—home economics not to receive more than 20 percent of the latter appropriation. This appropriation of \$1,000,percent of the latter appropriation. This appropriation of \$1,000,000, which was to be divided as mentioned, was to increase each year by \$500,000 until in 1926 the sum of \$6,000,000 was reached; one-half for agriculture and one-half for home economics and trade and industrial education, and from 1926 thereon it was to remain at \$6,000,000. In 1933 the appropriations were reduced 10 percent by an act approved June 30, 1932, the Economy Act. This reduction amounted to \$600,000 per year from the total amount. In 1934, the appropriations were further reduced by an act approved March 20, 1933, entitled "An act to maintain the credit of the United States Government." This reduction amounted to approximately \$400,000.

Thus in 1934 agricultural education, under the Smith-Hughes Act, received \$2,270,250; trade and industrial subjects, \$1,830,000, and home economics, \$457,500.

In addition, under the Smith-Hughes Act, \$1,000,000 is allotted each year for maintenance of teacher-training. In 1934, \$910,000 was appropriated.

was appropriated.

In 1929 Congress passed the George-Reed Act, the purpose of which was to add funds to the original Smith-Hughes Act, in the which was to add funds to the original Smith-Hughes Act, in the field of agricultural education and home economics, excluding trade and industrial subjects. The appropriation was to be divided equally between agriculture and home economics. This act provided for \$500,000 for the first year, 1930, to be increased \$500,000 each year for 4 years. Thus on June 30, 1934, this act expires. In 1933, instead of receiving the \$2,000,000 authorized under the act, only \$1,500,000 was received under the provisions of the Economy Act. Instead of receiving the \$2,500,000 for 1934, \$1,275,000 was appropriated under the Independent Offices Act of June 16, 1933.

#### ELLZEY AND BLACK

This was the situation when Mr. ELLZEY of Mississippi introduced bill H.R. 7059, "To provide for the further development of vocational education in the several States and Territories." The Ellzey bill asked for \$3,750,000 annually and was intended to be permanent legislation. Under the George-Reed Act, now expiring, \$1,250,000 of the \$2,500,000 authorized in 1934, goes to agricultural education and \$1,250,000 to home economics. It was proposed in the bill (H.R. 7059) that a further \$1,250,000 be added to be allotted to trade and industrial subjects, making a total of \$3,750,000. Mr. Ellzey of Mississippi was granted a hearing on H.R. 7059 on

February 8, 1934, at which hearing there appeared the Commissioner of Education, Dr. George F. Zook; the Assistant Commissioner for Vocational Education, Dr. J. C. Wright; and the Chief, Home Economics Education Service, Federal Board for Vocational Education, Miss Adelaide S. Baylor. There were no witnesses

Education, Miss Adelaide S. Baylor. There were no witnesses from the States at this hearing.

Later Mr. Black of New York introduced bill H.R. 7802, which was substantially the same as the Ellzey bill with the exception that a proviso was included in the Black bill that the allotment of funds to any State or Territory for each of the three purposes, mentioned previously, shall be not less than a minimum of \$5,000 for any fiscal year and \$64,600 annually was sought for the purpose of providing the minimum allotments to the States and Territories. Under the present law some of the States receive less than \$5,000 and the purpose of this proviso was to enable them. than \$5,000, and the purpose of this proviso was to enable them all to receive at least \$5,000. With this exception, the bills were

Under the leadership of Mr. L. H. Dennis, executive secretary of the American Vocational Association, Washington, D.C., a hearing was sought on this bill, and the Black bill, H.R. 7802, was heard on February 20, 21, 1934. A comprehensive report of the work of vocational education in this country was presented to the committee, and among those appearing, in addition to Mr. Dennis, who had charge of witnesses, were: T. E. Browne, State director of vocational education for the State of North Carolina; Bobby Jones, Radnor, Ohio, president of the Future Farmers of America; Mr. Frederic Brenckman, secretary of the National Grange: Mr. of vocational education for the State of North Carolina; Bobby Jones, Radnor, Ohio, president of the Future Farmers of America; Mr. Frederic Brenckman, secretary of the National Grange; Mr. Chester H. Gray, representing the American Farm Bureau Federation, Washington, D.C.; Mrs. Hugh Bradford, Sacramento, Calif., president National Congress of Parents and Teachers; Mrs. Rose Coppage, president Maryland Parent-Teachers Association; Mrs. S. Blair Luckie, chairman of legislation of the National Federation of Women's Clubs; Miss Alice L. Edwards, executive secretary American Home Economics Association; Miss Margaret Edwards, head of the home economics department of the University of North Carolina; Mr. Charles A. Prosser, representing William Hood Dunwoodie Institute, Minneapolis, Minn.; Sidney B. Hall, State superintendent of public instruction, Virginia; Mrs. Betty Hawley, vice president New York State Federation of Labor, and executive secretary New York State Vocational Board; and Mr. Thomas H. Quigley, representing the Georgia School of Technology. In addition, Representatives Robertson, Virginia; Woodrum, Virginia; Carter of Wyoming; and Bankhead, Alabama, appeared in behalf of the bill. Shortly thereafter the committee met in executive session and considered both bills. Since the Ellzey bill, H.R. 7059, was first received, the committee decided to consider that and to add to

it the proviso of the Black bill, H.R. 7802, which in fact was the only difference between the two bills.

#### COMMITTEE REPORTS

Instead of allowing the bill to be permanent as requested, the committee cut it down to 3 years; and instead of granting the \$3,750,000 as requested, \$3,000,000 was reported. In fact, however, it will be noted that this is an increase of \$500,000 over the authorization of the fiscal year ending June 30, 1934. The committee of the state of th mittee said:

authorization of the fiscal year ending June 30, 1934. The committee said:

"The committee is reporting this bill not as a permanent measuse but to cover a period of 3 years as an emergency measure during the present depression, in the sum of \$3,000,000 annually, commencing with the fiscal year ending June 30, 1935; one-third to be allotted to agricultural education, one-third to home economics, and one-third to trade and industrial education. It is believed that trade and industrial education should be included in order to assist those young people who, because of lack of employment, are going back to school to learn trades. It is thought that this is not the proper year and time to withdraw Federal aid, as this action would mean probably the immediate loss of employment to many people engaged in this work, and there is no desire on the part of the committee to bring about this situation. But it is recommended strongly that the States put their houses in order and prepare themselves just as soon as possible to take over this whole program of vocational education, and rid the Federal Government of a task which is properly the duty of the State." (Italicized by the writer.) The committee also mentioned "that there is no question of the great value of vocational education has made a splendid social contribution, as evidenced by the testimony and reports of those appearing before the committee in favor of this bill. But it is believed that this problem of vocational education is essentially a problem for the individual State while it is able to carry it on."

One can readily understand that in order for there to be any action at all on a bill of this nature, compromise was in order,

One can readily understand that in order for there to be any action at all on a bill of this nature, compromise was in order, and some Members with varying views had to relent somewhat. In order that the bill might pass this session and there be no break in the vocational program, the chairman, John J. Douglass, appeared before the Rules Committee on April 5, 1934, and argued for a special rule, which rule was granted diving legislative price.

appeared before the Rules Committee on April 3, 1934, and argued for a special rule, which rule was granted giving legislative priority to H.R. 7059.

On April 25 the bill came up on the floor of the House, and debate was continued over on April 26. Attempts were made to put a labor amendment on the bill and also an amendment changing the plan of distribution so that the bill would read, "That put a labor amendment on the bill and also an amendment changing the plan of distribution so that the bill would read, "That in States and Territories where there are separate schools between white and colored pupils that the funds herein mentioned shall be divided according to the population based on the last United States census." Chairman Douglass vigorously opposed both amendments on the ground that it would mean the Federal Government interfering with education in the States and starting a precedent for Federal control of education. Both amendments were defeated, and the vocational education bill was passed by the House in exactly the form that the Education Committee reported House in exactly the form that the Education Committee reported House in exactly the form that the Education Committee reported it. The bill then went to the Senate, where it was referred to the Senate Committee on Agriculture and Forestry. This committee received the bill, instead of Education and Labor, where it would ordinarily go, due to the volume and pressure of labor measures before the Committee on Education and Labor. The Agriculture and Forestry Committee promptly reported the bill favorably in the same form as passed by the House, and it is now on the Senate Calendar where it is expected to be passed any day.

## FEDERAL RELIEF

One of the most important questions ever to come before the House Education Committee was that of Federal emergency relief House Education Committee was that of Federal emergency relief to education. Schools in various sections of the country were either closed or terms were curtailed. The school situation was alarming. Under the leadership of United States Commissioner of Education Dr. George F. Zook, representatives of 32 national organizations met as the Federal Advisory Committee on Emergency Aid in Education. After much study a 6-point relief program was drawn up and presented to Commissioner Zook. The committee then dissolved. Thereafter many of the organizations represented formed the National Committee for Federal Emergency Aid for Education, under the chairmanship of Dr. James H. Richmond, superintendent of public instruction for the State of Kentucky. Headquarters were established in Washington by Dr. Richmond and his secretary, James W. Cammack, Jr., and they went about their task of securing relief legislation for 1934-35.

Dr. Richmond planned to prove to the committee by facts that there was a great need for relief to education. He did not attempt to have the committee deluged with letters and telegrams from all over the country; the only thing he attempted was to

from all over the committee deluged with letters and telegrams from all over the country; the only thing he attempted was to deluge the committee with convincing facts presented at the hearing. I believe that Dr. Richmond's handling of the cause and its presentation were very pleasing to the members of the committee.

Hearing

Hearings commenced Monday, February 26, and continued through Thursday, March 1, with morning and afternoon sessions, and everyone who desired to appear was heard. There were 11 bills before the committee dealing with relief to education in some form or other: H.R. 7477, H.R. 7479, H.R. 7520, H.R. 7525, H.R. 6968, H.R. 6533, H.R. 7873, H.R. 6621, H.R. 8219, H.R. 8289, and H.R. 8137. The hearings were not confined to these bills, however, but were on the general subject of Federal Emergency Aid to Education, and most of the witnesses tackled the problem along this general line.

#### HOPKINS TESTIFIES

Some bills provided for the money to be taken from the Reconstruction Finance Corporation; others from the Federal Emergency Relief Administration; and others from the Treasury. Administrator Harry L. Hopkins, of the Federal Emergency Relief Administration, appeared against the proposition that \$50,000,000 be taken from his funds for 1934. He maintained as his personal opinion that relief funds should not be used for educational purposes; that the Relief Administration should not have anything to do with education in any way, shape, or form; that the whole question whether the Federal Government should give aid to schools was something which was entirely outside his province and that he did not wish to express any judgment as to whether the Federal Government should give aid to school

systems.

Mr. Stanley Reed, general counsel for the Reconstruction Finance Corporation, testified that under existing law there were no provisions whereby his organization could give the relief asked for in the bills—that Congress would have to legislate upon it; and as to its desirability, the Corporation would not care to give an opinion. The proposition that money should be taken from the R.F.C. as a gift to States and Territories appeared to be clearly inapplicable as the R.F.C. is a loan organization.

Dr. Richmond made a long and comprehensive statement setting forth the needs of many of the States as based on figures he had received from the various heads of education in the States. Among the speakers were:

Among the speakers were Commissioner of Education George F. Zook; A. T. Allen, super-intendent of public instruction, North Carolina; H. F. Alves, diintendent of public instruction, North Carolina; H. F. Alves, director of research, State department of education, Texas; W. F. Bond, State superintendent of education, Mississippi; Robert L. Bynum, State department of education, Tennessee; L. V. Cavins, director of research, State department of education, West Virginia; M. D. Collins, superintendent of schools, Georgia; Howard A. Dawson, director of research, department of education, Arkansas; Floyd I. McMurray, superintendent of public instruction, Indiana; J. N. Rule, superintendent of public instruction, Pennsylvania; Charles R. Mann, National Advisory Committee on Education; Paul Mort, professor at Columbia University; Robert C. Keenan, representing the American Federation of Teachers, Chicago, Ill.; representatives of many women's organizations; and Congressmen Allgood, Dondero, Dunn, Glover, Hoeppel, and Swank. Amongst statements submitted were those by Sidney B. Hall, chairman legislative commission, National Education Association and State superintendent of public instruction, Virginia; B. O. Skinner, director of education, Ohio; and John K. Norton, professor of education. rector of education, Ohio; and John K. Norton, professor of education, Columbia University, and chairman of the joint commission of the emergency in education of the department of super-intendence of the National Education Association.

No opposition appeared at the hearings.

The entire committee held executive sessions, discussing the whitest fully and called in witnesses for more information at the

subject fully and called in witnesses for more information at the private sessions. Finally a subcommittee was appointed to draw up a rough copy of a bill, confer with the President of the United States, and report back to the main committee. The subcommittee is composed of John J. Douglass, Democrat, Massachusetts, chairman; Russell Ellzey, Democrat, Mississippi; Brooks Fletcher, Democrat, Ohio; Albert E. Carter, Republican, California; and Charles M. Bakewell, Republican, Connecticut.

The subcommittee went over this problem exhaustively, procuring information from every available source and also receiving the benefit of the testimony of witnesses who were called. On April 26, Harry L. Hopkins, Federal Emergency Relief Administrator, was directed by the President to confer with the subcommittee on this matter. The Administrator, the Commissioner committee on this matter. The Administrator, the Commissioner of Education, and the subcommittee had a very satisfactory conference on this date. On May 8, the subcommittee approved a bill by Mr. Douglass, the chairman, who introduced this bill the same day. This bill calls for \$75,000,000 as an emergency measure for 1 year, i.e., the fiscal year ending June 30, 1935, to be distributed to the States, Territories, and the District of Columbia on the basis of need and to be administered by the Federal Emergency Relief Administrator with the advice and cooperation of the Commissioner of Education. The funds are to be taken from the Federal Emergency Relief which have been heretofore appropriated or hereinafter appropriated. The bill will come before the main committee on May 9, and it is expected to be reported favorably to the House. favorably to the House.

favorably to the House.

In passing, I might say that there are many difficulties attendant upon a program of this nature, especially in determining the actual needs of the States and Territories for 1934-35; many complicated matters, such as the financial structure of the States and taxing systems, would have to be considered. This article is intended to be factual and not opinionative, but this writer, present every minute of the time at the hearings and following the subject closely, cannot help giving one or two personal observations. It would appear to me, from testimony I heard at the hearings, that if some of the States had used more foresight, had reorganized inadequate and ancient taxing systems, had properly set aside sufficient funds for education realized from an efficient taxing system, and had consolidated rural schools as much as set aside sufficient funds for education realized from an efficient taxing system, and had consolidated rural schools as much as possible, the need today for financial assistance would be nowhere near as much as it is. A wholesale reorganization of education and finances for education at once by the States would appear to be the only way the States can take care of themselves and not be coming back to the Federal Government for assistance after 1934-35.

If the evils are not uprooted now by the States, then they will be in the same situation the next year and the year after as they are today. It means great sacrifice on the part of the people and the leaders of the State government, but from the testimony at the hearing, Indiana appears to have taken care of its own situation courageously through revising its tax system and allocating the proper funds to education. Of course, it means hardship, for no tax falls easily on anyone. From figures available, Massachusetts, Maryland, Connecticut, Delaware, New Hampshire, Indiana, Rhode Island, and Virginia are seeking no Federal aid for 1934-35, but it must be evident to all that these States are forced to retrench and sacrifice in order to continue without Federal assistance. assistance.

assistance.

Perhaps one of the most startling conditions brought to light during the hearing was the almost complete lack of consolidation of rural schools. There were situations in many States where a tremendous saving could be made if these small one-room country schools were consolidated wherever possible. Local pride often tends to prevent consolidation, and it also appears that the only worth-while consolidation, and it also appears that the only a State-wide survey and not independent country surveys.

It seems that we are always going to run into the two schools

It seems that we are always going to run into the two schools of thought; that which believes the Federal Government should assist the schools of America as a permanent policy and that which believes the States should look after their own affairs without any

The present proposition is an emergency one, however, and we are able to avoid this argument for the time being, but it seems we are almost certain to run into it in some form in the future.

Mr. FOULKES. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman will state it.

Mr. FOULKES. Mr. Speaker, it was not surprising to me that there should emanate last night from the gentleman from New York [Mr. TABER] a complaint because I used franked post-card announcements to notify citizens of Washington of a recent address on public questions and national problems before the Washington Institute, Church of Christ,

Now, it happens that my concept of government—which is the truly Democratic one-differs fundamentally from that of reactionaries like my friend, the gentleman from New York, who believes that it is highly improper to use Government facilities to acquaint the people with the facts about civic affairs and about their own business. I believe in open, candid, honest discussion of these things. I believe that in a country which rests upon the foundation of free and universal education, it is right to use Government facilities to provide discussion about matters that relate to public policies.

Just the other day the newly appointed Commissioner of Education stated that he felt that a modern, broad, and progressive educational policy should include the use of schools and publicly owned halls for open forums, debates, lyceums, and other educational organizations for the whole people. His statement revealed him as a man who possesses the real American ideals of education, knowledge, and intelligence.

The gentleman from New York, who has barked and whined at every effort of the present administration to relieve human misery and save people from starvation, is naturally opposed to the extension of knowledge at public expense.

I make no apologies for mailing out announcements of a civic address on franked congressional post cards. If other Members of this House who are so wedded to reaction and so hostile to open discussion would use Government facilities to reach the people and talk over the Nation's problems and needs, they would be using their time and energies to far better advantage than by indulging in cheap carping criticism of everything that tends in the direction of humanitarianism and enlightenment. I should like to see other Congressmen do exactly as I did. And I care not whether they are Democrats or Republicans or members of any other party, for I believe in free speech, and I ask no privilege for myself that I am not willing to extend to others. If our Government is to stand, it must assure free speech for all, and that means assuring it to my opponent as much as to myself.

These disciples of reaction love darkness rather than light; prefer to keep the people in ignorance to allowing them access to information; and are devoted to the doctrine that the best government is that which operates in star chamber proceedings with no ray of illumination ever allowed to enter. Men of that attitude would have been at home in the catacombs of Rome. They are out of place in the modern America of the new deal of Franklin D. Roosevelt and Dr. Rexford G. Tugwell.

Mr. Speaker, on page 11808 of the Congressional Record, the gentleman from New York [Mr. Taber] made a serious attack upon me last evening for the use of the frank, in

which he used the following language:

I never supposed that this was a proper use of the frank. I supposed that we were only to use it in responding to letters and in writing letters about official business or sending official documents or in sending out parts of the Congressional Record.

I have in my hand copy of the card to which he refers. May I state that this card was submitted to the Post Office

Department before it was sent out.

The gentleman from New York appears to object to these meetings being held in churches and he also appears to object to the wording of the card. For the information of the gentleman may I state that the wording is absolutely correct and has been passed on by the Post Office Department.

The gentleman from New York who has barked and whined at every effort of the present administration to relieve human misery and save people from starvation—

Mr. TABER. Mr. Speaker, a point of order.

Mr. FOULKES. Is naturally opposed to the extension of knowledge at public expense. Considering the source, what other expression of opinion could be expected from him? I am reminded of the Chinese blybird, which is a bird that flies backward, and the reason it flies backward—

Mr. TABER. Mr. Speaker, I ask that the gentleman's words be taken down. We are not going to have that sort

of thing here.

The SPEAKER. The gentleman from New York asks that the words be taken down. The gentleman from Michigan will suspend.

Mr. BANKHEAD. Mr. Speaker, does the gentleman from New York insist that the words be taken down?

Mr. TABER. If the gentleman is willing to take them out of the Record, I do not care, but I do not propose to have such things as that in the Record.

Mr. FOULKES. Mr. Speaker, the reference to the Chinese blybird that flies backward, I ask unanimous consent to withdraw from the Record.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. FOULKES. The trouble with the gentleman from New York—

Mr. TABER. Mr. Speaker, I am not ready to withdraw my request.

The SPEAKER. The objectionable words have been withdrawn by unanimous consent.

Mr. TABER. All of the words?

The SPEAKER. The objectionable words have been with-

drawn by unanimous consent.

Mr. FOULKES. Mr. Speaker, the trouble with the gentleman from New York, and a few of the same cast of mind who unfortunately remain in public office, is that they are thinking in terms of the Middle Ages and of the days of King George III. They believe in the Tory doctrine that we repudiated in the American Revolution; in the suppression of intelligence that is practiced by the insane despot, Hitler, when he burns the greatest literary works of the ages because he does not agree with some of them; and in the dogma of the British colonial governor who, before the American Colonies revolted and founded the United States, "thanked God that the Colony he governed had no free schools that might arouse discontent among the masses."

I want to tell the gentleman something else. I have remained day after day on the floor of this House, and I have taken particular notice of the gentleman. I have listened to his yapping—

Mr. TABER. Mr. Speaker, I demand that the gentleman's words be taken down.

Mr. FOULKES. At every opportunity that presents itself.
Mr. TABER. Mr. Speaker, I demand that all of his words
be taken down, and I specify particularly the word "yapping."

Mr. BYRNS. Will the gentleman specify the words he wants taken down?

The SPEAKER. The gentleman will specify the particular words he wants taken down.

Mr. TABER. I demand that all of his words be taken down, and especially such words as "yapping."

Mr. BYRNS. That is not unparliamentary. I do not think it is subject to criticism. The gentleman has the right to use any word he wants to use which expresses his sentiments.

Mr. MARTIN of Massachusetts. The gentleman from Tennessee does not think that is a word that should be used in parliamentary debate?

Mr. TABER. The present Speaker has ruled that that is

not in order.

Mr. BYRNS. I would not use the word myself, but I do not think it is particularly objectionable. I will not say anything further, because the gentleman might want my words taken down. You know in some assemblies there is always a lot of yapping.

Mr. FOULKES. May I ask the Speaker if the word 'yapping" is unparliamentary?

The SPEAKER. The Chair will rule when the words are taken down.

The Clerk will report the words.

The Clerk will report the words objected to.

The Clerk read as follows:

And I have listened to his yapping at every opportunity that presents itself.

Mr. TABER. There was a lot more to it than that. There were personalities all the way through.

The SPEAKER. The gentleman will indicate the further words he wishes taken down.

Mr. TABER. The gentleman from Michigan [Mr. Foulkes] stated, in addition to the words the Clerk has reported, that I went back to the Middle Ages, and he said a lot of other things that altogether were highly improper and unparliamentary.

The SPEAKER. With reference to the words so far taken down, the Chair finds, by consulting Webster's Dictionary, that the word "yap" means "to talk loudly; chatter;

scold."

The Chair holds that is not objectionable language. Are there any further words the gentleman desires taken down?

Mr. TABER. It was meant in a way that is entirely contrary to the ruling of the Chair which was made with reference to the remarks made by the gentleman from Texas, with reference to the gentleman from Pennsylvania [Mr. DITTER].

The SPEAKER. The Chair cannot rule in the matter until he gets the words. The Chair has ruled on the word "yap."

Mr. SABATH. Furthermore, Mr. Speaker, it cannot be denied-

Mr. RANKIN. Mr. Speaker, I demand the regular order. Mr. BYRNS. Mr. Speaker, has the gentleman's time expired?

The SPEAKER. It has expired.

Mr. KOPPLEMANN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. FOULKES. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER. The gentleman's request comes too late.

## THE NEW DEAL IN CONNECTICUT

Mr. KOPPLEMANN. Mr. Speaker, as the history-making Seventy-third Congress nears its close, it is appropriate to pause, take inventory, and ask: "What has the new deal meant to Connecticut?"

What does the future under this awakened, revitalized, understanding plan of government mean to Connecticut?

The first of these questions requires but a review of the record of Congress since the inauguration of Franklin Delano Roosevelt as President of the United States, March 4, 1933.

The second, while at first glance it might appear to be one inviting nothing more than mere conjecture, will, upon further inquiry, be found to be predictable with an uncommon degree of assurance.

Connecticut is an industrial, commercial, and agricultural State, with a great variety of interests, not conflicting interests, but ones which, nevertheless, require specialized thought and treatment. No political or economic panacea suffices to meet its problems; no old-deal theory of special privilege is acceptable to its institutions. It requires, and I am happy to say that it has, under the leadership of President Roosevelt and the cooperation of this Congress, received for the first time the especial consideration which points the avenue to complete and lasting recovery.

Connecticut has observed with great satisfaction the orderly development of the well-rounded program of legislation which it has been our privilege to write on the statute books. Led by a great man in the White House we have gone well along the road not only to recovery from a temporary depression but also to insurance against recurrence of conditions such as were visited upon our Nation during the preceding administration. This Congress has ripped by their very roots the principal sources of the depression and has charted a course for further exploration where experience dictates its wisdom, and for retrogression where that policy is found to be wise.

Government, like the universe itself, is an animate, constantly moving thing. It must, and under this enlightened administration does, adjust itself to new conditions. Congress cannot write laws; then dismiss them from mind. There is need for constant attention and study, for close observation. It has been my policy, and that of many others in this body, to follow every public act of Congress, to study its effects, its advantages and disadvantages, and the benefits that accrue. Only by such study can we be equipped properly to fit into the legislative structure those other laws now in process of formulation, which are necessary to create a lasting prosperity.

To know what the new deal has meant to Connecticut, as I have before commented, it is necessary to know her problems. In Connecticut is manufactured just about everything that is fabricated from raw materials. (I am frequently reminded by my good friends from the Southern States that we once carried that truth to the point of manufacturing and marketing wooden nutmegs and, with Yankee ingenuity, created a market for them in the South.)

The diversified industries which gave employment to so many thousands of my people felt the blow severely when the business slump came. Factories which had never before known a business pinch in a century of operations, others which in the post-depression period sprang up—monuments to the industry, ambition, and faith of Connecticut investors and artisans—found themselves unable to obtain working capital through the usual channel of credit, the banks. Perfectly solvent, with orders on file, but needing a small but unobtainable amount of cash, they faced destruction while within the immediate grasp of prosperity.

This situation gave me no end of concern, but I am proud to say that I sponsored a bill setting up a program for direct loans to small industries and mercantile establishments, the principles of which have been enacted into statute law. To-day relief to small industry is available, yet the passage of that law need not necessarily cost the United States Government one cent over and above administrative costs.

The success of this bill leads me to the belief—and I propose to continue my study of the subject—that a permanent program for industrial and mercantile relief against business "rainy days" is feasible. Meanwhile, Connecticut industries and business establishments are reaping a muchneeded and deserving benefit.

Connecticut agriculture, especially in my own district, is made up principally of leaf-tobacco growing and milk production. The Seventy-third Congress has been mindful of their needs. With the permission of my distinguished friend

and coworker, Congressman Kerr, I had the honor of writing portions of the bill which is graced by his name—the Kerr tobacco bill. This bill, in my opinion, places in the hands of the Connecticut River Valley tobacco growers the instrumentality by which they can, for the first time, work out their production and marketing problems.

It is based upon a new theory and naturally must be considered in a degree an experiment, but it is one of great promise. After it has been in operation for 1 year we shall be in a better position to determine in what respects it needs expansion and where modification is suggested. I am particularly interested in this problem, and look forward to the acquisition of much valuable information on the subject in the months to come.

The great spread between the prices which milk producers of my district have been receiving for the product and the prices which consumers have been paying for milk has long had my attention. Disclosure that there is unquestionably a Milk Trust operating in the United States, creating monopoly which has crushed the producer and wrung heavy profit at the expense of the consumers, prompted me to introduce a resolution which, with your cooperation, passed both Houses of Congress, calling for a Nation-wide inquiry by the Federal Trade Commission. My office has received scores of letters from milk producers the country over subscribing to this inquiry and citing the benefits certain to accrue to Connecticut producers and consumers through this, another action of the new-deal Congress.

Common to agricultural, industrial, and mercantile workers has been the problem of maintaining the homes which represent, in most instances, a lifetime of saving and of planning. The backwash of old-deal principles and theories of government was, as you can readily imagine, disastrous to States such as Connecticut. From the home owners of the once thriving communities of my district came plaintive calls for aid to keep the family roof overhead, and this Congress answered that call with the Home Owners' Loan Act. More recently, and in line with the policy of rounding out our social program, we have enacted the housing bill, with its multiple benefits to home owners, building trades, the durable-goods industries, and so forth.

The unbridled speculation and the securities-market manipulation made possible by the baseless encouragement of the Hoover administration, "Prosperity is just around the corner" were, as we all know, the chief contributors to the legacy of disaster that was handed down by the last administration. I have seen scores of my townspeople financially destroyed by conditions which, I am happy to say, we have legislated out of all possibility for the future. This Congress has enacted the Federal securities bill, which relegates the destructive principle, "Let the buyer beware", and institutes a new one, "Let the seller beware." No longer must an investor buy a poke in a bag. That law requires the full and frank disclosure of facts that every purchaser is entitled to have. Again rounding out a task well begun, but not left half done, Congress has passed the stock-exchange control bill, a measure that rips up by the roots the basic vices of stock-market machinations and insures legitimate trading under the watchful eye of the Government. This subject is, we must all concede, a very large one. As a member of the House Committee on Banking and Currency, I have been charged with a responsibility, which I gladly accept, of inquiring deeply into this and other financial matters that affect so many of our people. I feel that the broad groundwork of information that we have acquired, as members of that committee, will serve us in good stead in our future considerations of these subjects.

It was not only those whose financial inclination led them into the field of speculation who suffered from the financial upheaval of the modern "dark age." The conservative and frugal depositors in many banks thought to be sound were dealt a crushing blow, as great a blow as those who had turned to the stock market for quick profits. We have made some progress in the direction of relieving those depositors through the so-called "bank pay-off" bill, which permits Federal purchase of assets of closed banks,

but the most important step taken, in my opinion, in the history of banking is the bill adopted by this Congress for insuring bank deposits. The Federal Deposit Insurance Act opens new vistas for study on the part of those who recognize the importance of a sound banking structure.

No words of mine are necessary to tell of the benefits that have accrued to the people of my district through the many direct relief agencies. Hundreds of boys, the sons of the finest parents in the land, were saved from a condition too close to vagrancy through the Civilian Conservation Corps, which has built strong and healthy bodies and minds for many of our youths; the C.W.A. and the F.E.R.A. have given jobs to hundreds who walk the streets of my district with heads uplifted, enabled to earn an honest week's pay by the toil they have been eager to expend; the National Recovery Act has placed industry and business on a sound footing, has wiped out competitive abuses, has scotched child labor for all time and has insured a decent wage.

What has the new deal meant to Connecticut?

The answer is simple: It has instituted a forward march on the part of Connecticut business and industry back on the road to prosperity; it has fed the hungry; given work to the jobless; constructed parks, highways, bridges, and public buildings in my State; it has guaranteed the investor and the depositor against the onslaught of special interests; it has been beneficent to the tobacco grower and the milk producer; it has bolstered the greatest bulwark of our national life by saving the homes of thousands; it has restored the American Government to the American people where it rightfully belongs and from whose custody it should never again be wrested.

#### PROPOSED DRAINAGE LEGISLATION

Mr. DOXEY. Mr. Speaker, there are on the Consent Calendar and also on the Union Calendar several bills reported from the Committee on Agriculture by myself, which I have discussed with you—one in particular with regard to proposed drainage legislation, H.R. 8389.

Mr. Speaker, you will remember in our conference a few days ago you very kindly expressed the thought we could probably bring this bill up soon under suspension of the rules because Congress would be in session about 1 week longer. For this consideration, I am thankful to the Speaker. It is now evident, however, that this session will close very shortly, and I wish to thank the Speaker and to say that under the prevailing conditions I realize the Senate would hardly have time to pass the bill even though we should be successful in passing it at this time in the House, and I shall not ask the Speaker to recognize me to suspend the rules, because I think it would be a vain thing to do as we all know the legislative complications that confront us this near adjournment. I thank the Speaker, however, for this privilege and assure him that I appreciate it very much.

Indeed, I am grateful for this opportunity to say a few parting words to my colleagues as we approach the end of the second session of the Seventy-third Congress.

This has been a busy and memorable session. We have made history. Constructive and far-reaching legislation has been enacted. The Members of this House have their different views and they are entitled to them. Nature and necessity so decree. However, generally speaking, Congress has followed the leadership of our great and beloved President, Franklin Delano Roosevelt, and cooperated with the administration in the heroic efforts of administering relief to the distressed, helping those who are deserving, attacking depression from many sides, and gradually, yet surely, restoring prosperity throughout the land we love.

It is not my purpose to describe conditions as they existed prior and up to March 4, 1933, when this administration came into power. Those critical times are deeply impressed upon us all. We all agree that we were faced then and have since been faced with some of the most complex and perplexing economic problems that ever confronted this confidence is putting it mildly.

unprecedented depression and on the verge of an economic collapse. Drastic and quick action was imperative. Our President met the situation with dauntless courage and matchless leadership. Congress supported him with devotion and wisdom. Emergency legislation was fashioned and speedily passed.

During the special session of the Seventy-third Congress we passed, and there was enacted into law, some 12 major constructive administration measures.

The second session of this Seventy-third Congress, which will soon close, has enacted some 25 major administration measures.

Naturally, many of these measures are classed as "emergency legislation." More permanent and far-reaching legislation is in the making. Necessarily, it will require time, talent, constructive thought, and united efforts to effectuate this program. To illustrate what I mean: At the beginning of this administration agriculture was the first industry to be considered by Congress. No one doubts that the millions of dollars that have gone directly to the struggling farmer throughout the country saved our country from complete economic chaos. The relief granted the taxpayers and debt-burdened home and land owners is one of the brightest spots in the achievements of this administration. However, there is yet much more work to be done and many adjustments to be made in the operation of the governmental machinery used in bringing about the desired results set forth in the legislation already enacted.

If we are to have a planned industry, we must have a well-rounded and planned agriculture, not only as to production but also as to marketing and distribution, for agriculture to survive.

These complete plans have not as yet definitely taken shape, but I know some of the greatest minds and the best friends of agriculture are working day and night to perfect these plans.

The same thing applies to our monetary system, banking reforms, Government guaranty of bank deposits, recovery plans, loans to small industries, labor problems, unemployment insurance and old-age pensions, civil employment and public-works construction, reforestation, flood control, fertilizer and power at Muscle Shoals, regulation of stock and commodity exchanges, including cotton, social reforms, foreign trade and international relationships, cancelation of foreign debts, tariff, veterans' legislation, military and naval defense, Federal funds for schools and roads, readjustment and economy in government, and like matters of great concern to us all. The Seventy-fourth Congress will be a momentous one; and I hope that if not all at least a large majority of the present Democratic Members will be returned here to give the benefit of their experience and knowledge to the tasks ahead of us.

The American people throughout this Nation appreciate the grave responsibilities resting upon Congress and full well realize that it will take wise, patriotic, unselfish, and united efforts to restore this country to normalcy.

When and how, the future will reveal. Yet we all are confident that we are on the road and will go forward and approach or reach the goal by carrying on and following through with the general policies of the Roosevelt administration.

Sincerely and deeply I feel that our efforts will be rewarded and appreciated by our people whom we have tried to serve.

It would be a trespass upon your time for me to review the accomplishments of this Congress and this administration. Permit me in passing, however, to say to our Speaker, our leader, our committee chairmen, and other leaders, the members of my committee, and the Membership generally that we have fought a good fight and kept the faith.

My colleagues, always will I cherish our associations and value most highly the friendships here freighted and laden with so many pleasant memories.

You have in many, many ways testified to your friend-ship and confidence in me. To say that I am appreciative is putting it mildly.

With your permission, may I briefly give a synopsis of my record during this present administration and some facts and figures incident thereto.

The measures I have sponsored, the bills I have introduced, the efforts I have made, the positions I have taken, and the votes I have cast are matters of record to which I invite your attention.

Today I am the second ranking member on the great Agriculture Committee of the House of Representatives, which has done as much for the country as any other committee in Congress. This exclusive and powerful committee is composed of 25 Members of Congress. Because the work of the Committee on Agriculture is of such magnitude and the duties are so exacting, no Democratic member of it is permitted to serve on any other committee.

Since March 4, 1933, when President Roosevelt announced his general recovery program, there is no committee that has had more work or played a more important part in the passage of legislation than the Committee on Agriculture.

After the various bills and relief measures were steered through the House by the Committee on Agriculture and passed by the Senate and it was necessary for the House and the Senate to iron out their differences before sending the legislation to the President for his signature, I was in every instance selected by the Speaker of the House, Mr. Rainey, as one of the House conferees.

Some of the more important measures, where a conference by either branch of Congress was demanded before the measures were signed by the Speaker of the House, the President of the Senate, and the President of the United States, on which I served as a conferee were Agricultural Adjustment Act; crop production and marketing; refinancing of farm debts; 1934 crop production loans; amendments to Agricultural Adjustment Act to include cattle and other commodities as basic commodities, Bankhead Cotton Control Act, and amendments to Agricultural Adjustment Act to include sugar beets and sugar cane as basic commodities.

In September 1933 I was selected by the Southern Cotton Conference, held in the city of Washington, as one of the nine men to present the facts to Mr. Roosevelt and the Secretary of Agriculture in an effort to have the Government pay to the cotton farmers of the South at least 10 cents per pound for their cotton. This committee worked for days on this and finally their efforts were crowned with success, and last fall the Government guaranteed and paid at least 10 cents per pound for cotton and gave cotton farmers the privilege of the cotton-option plan. The cotton plow-up checks and the rental benefits, whereby all of us, either directly or indirectly, have been benefited, were the direct results of the provisions of the Agricultural Adjustment Act.

I have worked in season and out of season to raise the level of agricultural commodity prices for the benefit of the producers and to furnish ready money for the relief of agriculture in general, for the crop producers, for the taxpayers of the various levee and drainage districts throughout the country, and for long-time loans at a low rate of interest for those whose homes and farms were mortgaged.

As chairman of a subcommittee I handled and reported some of the most important pieces of legislation considered by the full Committee on Agriculture during this administration, as shown by the printed hearings.

Never in the history of this Nation has any administration tried to do for agriculture what this Roosevelt administration has done for the benefit of the farmers. By virtue of the program Mississippi alone has received cash benefits amounting to over \$10,000,000, paid the farmers as of March 31, 1934, for the cotton plow-up under the cotton-reduction program of 1933.

The 10 counties comprising the Second Congressional District of Mississippi, which I have the honor to represent in Congress, has up to April 1, 1934, received more than a million and a quarter dollars in plow-up checks under the reduction program of 1933, as follows:

Benton \$44, 432, 13 De Soto 158, 647, 15

Lafayette	\$79, 273, 41
Marshall	140, 476, 26
Panola	157, 440. 99
Tallahatchie	273, 457, 86
Tate	105, 111, 87
Tippah	112, 911. 15
Union	105, 939, 69
Yalobusha	52, 018. 81

In addition to this amount, Mississippi, under the reduction program of 1934, wherein rental benefits are to be paid, will receive more than \$13,000,000. The payment of these rental checks to the individual farmers began in May 1934 and will continue throughout the year, and each county will receive its proportionate share in this program, just as was done under the plow-up program.

These benefits, of course, do not include the benefits derived from the Government paying at least 10 cents per pound to the producer for his cotton and giving the farmer the benefit of the cotton-option plan.

There has also been recently established in the Second Congressional District of Mississippi a national forest reservation with a potential acreage of at least 200,000 acres, known as the "Holly Springs National Forest." There is already under contract for purchase for this particular unit about 50,000 acres, amounting to approximately \$250,000.

The Government is developing this particular forest unit as rapidly as possible.

Mississippi today has six national forest units resulting in the expenditure of several million dollars in Mississippi. The establishment and purchase of these national forests throughout the United States is within the jurisdiction of the National Forest Reservation Commission; the development of the forest units is the work of the Federal Forest Service. The Commission's membership is officially selected and consists of the Secretary of War, the Secretary of the Interior, the Secretary of Agriculture, two United States Senators, and two Congressmen. I am the Democratic Congressman on this National Forest Reservation Commission.

Since I have been a member of this Commission, no State in the Union has received more direct benefits under this farreaching program than has Mississippi.

According to the present plans of this Commission, the purchase of worn-out and submarginal lands, the development and reforestation of the forest units, the erosion and conservation work, and the efforts to control the flood waters in the upper watersheds of our section of Mississippi, have just begun. I spent most of the summer and fall last year working on this program. Far-reaching and permanent results have already been obtained.

The Second District of Mississippi today has more C.C.C. camps located within it than any congressional district in the State of Mississippi. It is the only district in Mississippi that has camps located on privately owned land, the policy being to locate these C.C.C. camps on Government- and State-owned lands throughout the United States.

The beneficial results to the boys themselves, their dependents, and the communities in which the camps are located are self-evident.

Results in Congress are obtained by virtue of the Member occupying key positions. Senority as well as ability, coupled with a Congressman's standing with his colleagues and associates, place him in these key positions. Length of service is as necessary as the kind of service rendered in order to really register in Congress. I have served my apprenticeship here and with modesty yet with pride, I say I have grown in this field of endeavor.

The record shows I have had some key positions in helping to shape the policies of this administration.

Whether Congress is in session or not most of us devote our entire time to the duties incident to the office. The various types of legislation demanding our thought, our committee work and activities on the floor of the House, our contacts with the many different departments of government ever increasing, our office work and personal attention to the many, many inquiries and requests of our con-

stituents, continuously keep us busy. I have always been on the job and tried to do the best I could.

My record is-results, not promises. [Applause.]

#### THE MILITARY AFFAIRS COMMITTEE

Mr. COCHRAN of Missouri. Mr. Speaker, I offer a privileged report from the Committee on Accounts and ask for its immediate consideration.

The Clerk read as follows:

# House Resolution 439

Resolved, That the Committee on Military Affairs is hereby authorized to expend not exceeding the sum of \$20,000 in addition to the amount authorized to be expended by House Resolution 284, Seventy-third Congress, second session, to continue the investigation authorized and directed by House Resolution 275, Seventy-third Congress, second session, such additional amount to be paid out of the contingent fund of the House on vouchers authorized by the committee, signed by the chairman thereof, and approved by the Committee on Accounts.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN of Missouri. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. How much is this appropriation?

Mr. COCHRAN of Missouri. The Committee on Military Affairs was authorized by the Rules Committee to conduct an investigation, and in the original resolution there was a limitation of \$10,000 for expenses. The Committee on Military Affairs appointed a subcommittee and this subcommittee has been carrying on an investigation behind closed doors for more than 4 months. They have disclosures sufficient to warrant them to go before the Rules Committee again and ask for an additional appropriation of \$20,000. The House passed that resolution. Yesterday, the subcommittee, which is composed of 4 Democrats, 3 Republicans, and 1 member of the Farmer-Labor Party, appeared before the Committee on Accounts.

A scandal that will arouse the people of the country and, in all probability, open the doors of penitentiaries to Government officials will undoubtedly be the result of this investigation.

If the Members of this House could have heard those who constitute the investigating committee disclose their findings to date they would realize the necessity of this appropriation.

I have been a member of the Committee on Accounts for 8 years, and never before have I heard members of an investigating committee submit such a statement. Of course, the House is entitled to an explanation, but I am, in my opinion, limited in disclosing the findings of the committee in its work up to the present time. I do, however, feel justified in saying that this committee has been in executive session for over 4 months. Its organization followed the investigation by the War Department and by the Federal grand jury in Washington, which failed to result in the indictment of anyone or the court-martialing of any officers of the Army. At the outset the members of the investigating committee felt there was little to the investigation, but gradually they secured leads which developed sensational facts. There are four expert accountants of the Comptroller General's staff, as well as a representative of the Attorney General, now assigned to the committee.

I might go further and say that Government agents are accused of receiving retainers from firms and corporations that have been selling supplies to the Government.

This investigating committee has disclosed that by requiring the War Department to change specifications for the purchase of supplies in the last 4 months it has already saved the Government hundreds of thousands of dollars. It has been examining specifications before contracts for supplies are let and has changed specifications which resulted in competition, whereas if the original specifications had been permitted to stand some particular individual or firm would have had practically a monopoly on the business, which, of course, would have meant an exorbitant price to the Government for the supplies needed.

It so happens that there was called to my attention a few weeks ago the specifications for the purchase of fire extinguishers. The manner in which these specifications were originally drawn was such that they favored a New York firm. I demanded at the time that the specifications ba changed so as to permit all firms engaged in the industry an equal opportunity to bid, threatening to take the matter to the President if the specifications were not changed. The specifications were changed to the satisfaction of the firms complaining. That ended my connection with the case, and I have never taken the trouble to learn who was the low bidder. This is simply cited to show how business was being conducted by the War Department.

When you take into consideration that hundreds of millions of dollars are spent annually for the purchase of supplies by the War Department you will readily understand what this committee is confronted with in its investigation.

The results so far disclosed by this committee warrant this House in passing this resolution without delay. When men like Mr. McSwain, chairman of the committee, Mr. James, Mr. Goss, Mr. Rogers of New Hampshire, Mr. Kvale, Mr. Montet, and others, who have long served on the committee handling the affairs of the Military Establishment, say that they are utterly amazed at the revelations, you can realize its importance.

The investigating committee is nonpartisan, consisting of 4 Democrats, 3 Republicans, and 1 member of the Farmer-Labor Party. The investigations not only apply to the present but years past. It is the duty of the Congress to give our colleagues all the support necessary in order that the guilty might be punished.

Mr. BLANTON. Mr. Speaker, will the gentleman yield? Mr. COCHRAN of Missouri. Yes. I am sure my friend, who always fights corruption, will be for this resolution.

Mr. BLANTON. I am in hearty accord with everything that this committee is doing. It is doing splendid work. If it can accomplish what it started out to accomplish, this sum will be a mere bagatelle. I think this is one committee whose investigation is well worth while, and every dollar it needs we ought to give to it.

Mr. MARTIN of Massachusetts. How much will it cost? Mr. COCHRAN of Missouri. The investigation will cost \$30,000 in all. We have already given them \$10,000 and this provides for \$20,000 additional.

Mr. Speaker, President Roosevelt has created the Procurement Division in the Treasury Department. Its purpose is to concentrate under one head the purchase of supplies for the Government. As yet its powers do not extend to the War and Navy Departments. The President, in my opinion, should not hesitate a day to issue the proper Executive order and place the purchasing division of every Government agency in the Procurement Division. It would save the Government millions. I would not only give this power to the Procurement Division but I would go further and give the Director of Procurement the last word in all contracts and specifications, including ships for the Navy and ordnance for the Army. The sooner all such activities are concentrated under one head the better it will be for the taxpayer.

Mr. BLANTON. It is delving into a subject that involves hundreds of millions of dollars.

Mr. COCHRAN of Missouri. They have already saved the Government several hundred thousand dollars.

Mr. Speaker, I move the previous question on the resolu-

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to, and a motion to reconsider laid on the table.

## RESIGNATION FROM A CONFERENCE COMMITTEE

Mr. WARREN. Mr. Speaker, I am on the conference committee on the archives bill, H.R. 8910. That conference committee will meet in a few minutes. I have another meeting to attend at that time, and I ask unanimous consent that I may resign as one of the conferees on the archives bill.

be accepted.

There was no objection.

The SPEAKER. The Chair appoints the gentleman from Ohio [Mr. Secrest] in the place of Mr. WARREN; and the Clerk will notify the Senate of the resignation and the

#### ADDRESSES OF REPRESENTATIVE BECK

Mr. BLANTON. Mr. Speaker, our distinguished colleague the gentleman from Pennsylvania, Mr. Beck, who was a former Solicitor General of the United States, knows nothing of the request that I am about to make. All of us older Members here remember the brilliant addresses of our colleague, Mr. Beck, made in this House since 1927, on the Constitution of the United States and in memory of Washington, in memory of Jefferson, in memory of Marshall, in memory of Joffre, in memory of Foch, and others, which I think ought to be preserved in a single printed document. They are absolutely nonpartisan. No partisanship enters into them. I should be glad if every school child in my district had a copy of them.

I ask unanimous consent that these splendid, patriotic addresses, together with the addresses on the Constitution, made by our colleagues, Mr. Beck of Pennsylvania, be printed as a House document.

The SPEAKER. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, I reserve the right to object. Will the gentleman tell us how many copies he expects to have?

Mr. BLANTON. Just as many as may be printed without going to the Committee on Printing for special permission.

Mr. BYRNS. Has the gentleman conferred with the gentleman from North Carolina [Mr. LAMBETH], Chairman of the Committee on Printing?

Mr. BLANTON. No; I have not had the time, I have been so very busy. I am asking for just as many as may be printed without having to go to the Committee on Printing.

Mr. BYRNS. I wish the gentleman would defer that request until he can confer with the Chairman of the Committee on Printing.

Mr. BLANTON. Mr. Speaker, I withdraw the request for the present.

LIBERAL LEGISLATIVE POLICY WOULD SPELL ADVANCE FOR AMERICAN FARMER AND LABORER

Mr. JOHNSON of Minnesota. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an address delivered by me a few days ago.

The SPEAKER. Is there objection?

There was no objection.

Mr. JOHNSON of Minnesota. Mr. Speaker, we are now in the closing week of the Seventy-third Congress and in the closing week of a Congress that should and could have spelled the greatest advance in liberal legislation since the drafting of the Constitution and a Congress that would have marked the greatest stride of our great masses of citizens toward human and social happiness.

It is impossible for me to do other than review briefly what has been enacted into law by the special session. At the outset of this session the President let it be known that he would need legislation along many fronts to combat the depression that this country was then in the midst of. As a member of the Farmer-Labor Party I was sent here by the voters of Minnesota to support legislation that would bring adequate relief to the farmer, the local merchant and banker, the laborer, and the great masses of American citizens who were feeling more acutely the need for a strong Federal program.

The Farmer-Labor Party supported President Roosevelt not only in his drive to be elected President of the United States but in a large sense his emergency program for recovery, although, mind you, they were not in any sense pledged to him by any party affiliation. Although this session and the emergency session has not enacted into law the progressive program that the liberal voters of my State have advocated and are seeking, nevertheless the President has provided, I believe, the stepping stone for legislation

The SPEAKER. Without objection, the resignation will | that will provide adequate protection and liberal enough provisions to enable them to enjoy living in the world's greatest and richest country.

It was my hope as a member of a liberal third party to see enacted into law a sound and pronounced measure for refinancing of American agriculture. To this end I supported and worked for the passage of the Frazier-Lemke bill. It is one of the great regrets in my legislative career that I could not see the passage of this measure in the House. This bill has the indorsement of the farmers, the business men and the State legislature of my State; it is a part of the platform of the Farmer-Labor Party and has been supported by my party since its introduction into the Senate and House.

I had hoped that the passage of the Agricultural Adjustment Act would have created better prices and parity for the farmers, although there has been a marked increase in the cash income of the farmer through this bill, it is unfortunate that the Department must continually fight chiselers and profiteers that will not go along with the administration in a sound program for farm recovery. I should have liked to see enacted into law by this Congress the Swank-Thomas bill for cost of production features for the farmer in the sale of his product. A level must be set upon which the farmer can accurately determine his cost of production so that he may collect a reasonable profit. For years our farmers have been working at a loss and it has forced everyone into debt. Mortgage obligations coupled with high interest rates prevent the farmer from showing anything but a loss for his untiring efforts in producing the country's food and dairy products.

Every farmer now burdened by mortgage indebtedness and fear of losing his home will rejoice in the knowledge that today in the last minutes of the session this Congress has passed the Lemke moratorium bill which briefly will provide for court arrangement between the farmer and creditor and where a scaling down of the debt can be arranged. The bill further provides an interest rate of 1 percent on the principal and interest and taxes. The beneficial portion of this bill makes it possible for the farmer to retain possession of the farm under court order for 6 years with a reasonable rental and interest fixed by the court. This is indeed, one of the best measures to be enacted in Congress and I want to congratulate Congressman Lemke for his fine work in behalf of this measure.

The Farmer-Labor Party has urged adequate State and Federal old-age pensions. They stand ready to enact into law liberal social legislation which this Congress has failed to do, namely, unemployment insurance, pension measures, and short work week with good wages for labor.

The President, in asking for the passage of laws to regulate the stock exchange, has, I believe, the great investing public of this country behind him in his efforts to make bond and stock investments more exacting and less of a gamble. The President has asked for the authority to deal with foreign nations and to enter into trade agreements with these countries, and I supported the Chief Executive in this measure, because I feel that he is in a strategic position to dispose of our surplus and to again restore a two-way street with our foreign neighbors.

Congress has granted the President the power to revaluate gold, and now they have given him authority to establish a ratio for silver and, under these two metallic measures, he can inflate our money to a point where it will be on a parity with meeting our present-day conditions.

Confronted with the greatest human relief need that has ever faced the Federal Government was one of the major assignments for the President and Congress to meet. With millions of men and women out of work, although they were willing and able, and alarming conditions of unrest hovering in every corner of the Nation, Congress, through the leadership of President Roosevelt, appropriated and planned huge work-relief and public-works planning measures that would immediately take out of the ranks of unemployed more than 4,000,000 men and women. Once at work these persons put their pay-roll checks into the purchasing power of the Nation and it was not long before industry had called back 2,000,000 persons to work, and inside of 1 year's time more than 6,000,000 have been taken off of the unemployed lists.

Differing with the President in the special session on the Economy Act and voting against the passage of this measure which so unfairly and unjustly dealt with our former soldiers and Federal employees, I naturally was much pleased when the opportunity was presented at the regular session to vote for a repeal of the major portions of this act insofar as it affected the veterans of our wars and the great army of Government employees.

May I state at this point that I am solidly behind economy in Government operation and that many of the bureaus and departments created under previous administrations can and should be merged. I do not, however, believe in cutting wages of low-paid Government employees. I have advocated on this floor the slicing of salaries over \$5,000, and have myself introduced a bill during the special session to cut salaries from \$10,000 a year to \$7,500 for Members of Congress. I worked for this amount in the Senate and it was completely ample. I do not believe in picking the pockets of wage earners to balance a Government Budget while we continue to vote millions of dollars for ship and air subsidies, and while we continue to loan billions to our European debtors without ever receiving a penny in return.

I am voting against the adjournment of this Congress because I feel that there is still a great amount of beneficial work left to be done. I feel that measures now in Congress should be made law. Farmers have through their farm organizations been seeking a measure for price parity. Such a bill is now in Congress and should become a law. Labor has sought, and is still asking for, the passage of a bill which will assure them fair wages and collective bargaining, and such a bill is before this body for action and should be passed. These social and economic acts affect millions of persons and their daily lives, and if this Congress can make them a happier people, then it should not be afraid to shoulder the great responsibility that goes along with major changes in a system.

Although we are headed for better times, real inroads on the depression have not yet been made. It is true confidence has been restored. Much of the panic that assailed the Nation a year ago has left, and in its place we find a hard-working, sober-minded people anxious to do the task set out for them, but we can and must help to make that load easier. Prosperity can only be definitely on the way when we return purchasing power to the farmer and laborer as these two great groups of consumers form the basis upon which industry and business can look for substantial recovery; and, consequently, we must legislate in such a way so as to establish benefits for them.

## LABOR BOARDS

Mr. BYRNS. Mr. Speaker, I ask unanimous consent for the present consideration of House Joint Resolution 375, to effectuate further the policy of the National Industrial Recovery Act, which I send to the desk and ask to have read.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, I reserve the right to object. Is this the so-called "Wagner substitute bill"?

Mr. BYRNS. This is the bill that we have been reading about in the newspapers in the last 2 or 3 days. The bill, as originally published but not introduced, and which has the support of the administration, was taken under consideration, so the newspapers state, and so I have been told, by a conference of the minority of the Republican Members of the Senate. They suggested one or two amendments, which have been incorporated in this bill, which is an exact copy of the bill introduced by Senator Robinson of Arkansas in the Senate, and which I introduced in the House. I understand that the minority of the Senate are agreeable to the passage of the resolution.

Mr. MARTIN of Massachusetts. Does not the gentleman think that we ought to have some explanation of the resolution? It is a very important matter. Has it ever been to any committee in the House?

Mr. BYRNS. No; it has not. I introduced it only yester-day afternoon after the various conferences which were held had agreed upon the bill. I introduced it at the earliest possible moment thereafter.

Mr. MARTIN of Massachusetts. There are a great many people interested in this bill. They were not aware of the fact that it was to come up at this early hour, and I do not think we ought to give unanimous consent at this time. I wish the gentleman would defer his request until a little later.

Mr. BYRNS. I feel that if we are to get away tonight, it is important for the House to take action on this bill now. The gentleman knows that the Senate has under consideration at this moment the housing bill. Of course, no one knows how long that will take in the Senate. It is a complicated measure and ought to be considered by the Senate and passed so that it can go to conference, and the differences, if any, between the House and Senate be composed so as to pass it at the earliest possible moment.

It is important that this bill be passed now so that it can be sent to the Senate and can be taken up by the Senate, and become law. So, I think, it is important the matter should be taken up now.

Mr. MARTIN of Massachusetts. I do not see how there would be any particular delay by postponing it an hour or so.

Mr. BYRNS. This bill, together with comments about it, has been printed for 2 or 3 days. I do not think there is anybody in this House who is not familiar with the provisions of the bill. Anyone who has read the Washington papers should know about it. It was published in full this morning and it was published yesterday.

Mr. MARTIN of Massachusetts. I have not had an opportunity to read it until just this moment when it was passed to me by the Clerk.

Mr. BYRNS. I understand this bill is acceptable—it is only an understanding—to all Members of the gentleman's party in the Senate. I may be mistaken about it. Senator McNary, who is the leader of the Republican minority in the Senate, is quoted in this morning's paper as saying that the bill is satisfactory.

Mr. O'CONNOR. Will the gentleman yield?

Mr. BYRNS. Certainly.

Mr. O'CONNOR. The gentleman will recall the Railway Labor Act which we passed yesterday. That even goes further than this particular resolution. This resolution is not much different from the Railway Labor Act which passed this House yesterday, except that this resolution is even milder than that. Now, Congress has already provided for the settlement of labor disputes as far as employees of the railroads are concerned. This mild resolution is as to other industries, and surely should not be objected to.

Mr. MAPES. Mr. Speaker, reserving the right to object, and I do not expect to object, I read the draft of this resolution as it appeared in this morning's paper, with as much care as I could. It was the first time, however, that I have been able to see it, and I believe it was the first time it was available. Of course, it is an important piece of legislation. It is the result of weeks of negotiation at the other end of the Capitol. Before unanimous consent is given I should like to have the gentleman from Tennessee explain exactly what the resolution contains, partly for the Record and partly to confirm my own conclusions after reading it.

Will the gentleman yield that I may ask him two or three questions, and perhaps we can get at the matter, or what I have in mind, better in that way than in any other way?

Mr. BYRNS. I yield.

Mr. MAPES. In the first place, as I understand it, the life of the resolution is confined to the life of the National Recovery Act?

Mr. BYRNS. June 16, 1935.

Mr. MAPES. The resolution authorizes the President to appoint boards to make investigation of controversies arising out of the National Recovery Act; is that correct?

Mr. BYRNS. Yes.

Mr. MAPES. In the language of the resolution-

The President is authorized to establish a board or boards authorized and directed to investigate issues, facts, practices, or

activities of employers or employees in any controversies arising read it but I think a sufficient answer to the statement of out of section 7 (a)—

Of the National Recovery Act?

Mr. BYRNS. That is correct.

Mr. MAPES. Is there any provision in the resolution that gives these boards any authority further than to make investigations? Can they put into effect any conclusions of findings or orders which they make, after having made the investigation?

Mr. BYRNS. As I read the bill, it does not, except as carried in the National Industrial Recovery Act. Of course,

there is the benefit resulting from publicity.

Mr. MAPES. I agree with the gentleman. The only effect the investigations or findings of such boards can have, as I read the resolution, will be the moral effect and such effect as they may have upon public opinion. Let me ask the gentleman further: In addition to making these investigations, as I understand it, any board so established is empowered, "when it shall appear in the public interest, to order and conduct an election by a secret ballot" of employees to determine who shall represent them in their negotiations with their employers for the purpose of collective bargaining?

Mr. BYRNS. That is true in general terms; yes.

Mr. MAPES. In addition to those two things, does the resolution contain anything except to limit the effect of it to the life of the National Recovery Act?

Mr. BYRNS. That is practically all, as I read the resolution. Of course, there is a provision for the purpose of enabling the board to hold an election and to enforce any orders that it may issue toward holding that election.

Mr. MAPES. Yes; but, as I read the resolution, the only thing it does is to give these boards power to make the investigation referred to and to conduct the elections of employees as mentioned.

Mr. BYRNS. Yes. And to guarantee to the board authority to hold elections, free from coercion either on the part of the employees or the employer, and to insure freedom, in the language of the act, from coercion in respect to those elections.

Mr. MAPES. Yes; I intended to include that in my question.

Mr. O'CONNOR. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. O'CONNOR. Now, there should not be any mistake about it. Surely, in the second paragraph of section 2 they have the power, necessarily must have it, to issue an order.

Mr. BYRNS. That is understood.

Mr. SABATH. But only as to that particular matter.

Mr. O'CONNOR. As to that dispute.

Mr. BYRNS. That is involved in the question of the gentleman.

Mr. MAPES. Section 2 relates to election of representatives of employees for the purposes of collective bargaining. Mr. O'CONNOR. And orders.

Mr. BYRNS. Any order issued under the authority of this section; and this section, as I read it, applies only to the election to which the gentleman has referred.

Mr. MAPES. That is the way I understand it. I wanted confirmation of my understanding by the gentleman from Tennessee.

Mr. BYRNS. Of course, the gentleman understands that while he and I may undertake to construe this act here and now, our construction will have no effect upon the court, if the act ever should reach the courts, or upon the Board in its administration of the act. I have stated to the gentleman frankly my own opinion on the act; and the gentleman stated his.

Mr. MAPES. I understand that, but it did seem to me that we ought to have in the Record the expression of someone as to the general content of the legislation before we granted unanimous consent to take it up and pass it.

Mr. SABATH. Mr. Speaker, it is plain and simple; anybody can understand it.

Mr. MAPES. Mr. Speaker, the gentleman from Illinois says it is plain and simple and that anyone can understand it. That may be true if one has had an opportunity to

read it but I think a sufficient answer to the statement of the gentleman from Illinois is that probably not half a dozen Members of the House of Representatives have had an opportunity to read the resolution.

Mr. SABATH. The gentleman from Michigan has read it; he understands it, and I am satisfied he knows there

can be no misconstruction of the bill.

Mr. MAPES. I may say to the gentleman that it seems to me quite clear; but I may be mistaken, and I wanted to get confirmation of my understanding by the gentleman from Tennessee.

Mr. Speaker, it has been suggested to me that I ask the gentleman from Tennessee this question: There is nothing in the resolution which provides for, or squints at, any compulsory arbitration, is there?

Mr. BYRNS. No; there is nothing in here of that nature, as I read it.

Mr. BLANTON. Mr. Speaker, will the gentleman yield for one observation on the question of legislative intent? Mr. MAPES. I yield.

Mr. BLANTON. Mr. Speaker, the courts do pay some attention to legislative intent as expressed from the floor at the time legislation is passed. So the observations of the gentleman from Michigan and of the gentleman from Tennessee, being expressions of legislative intent, will have some bearing in the future.

Mr. MAPES. Answering the observation of the gentleman from Texas, Mr. Speaker, I realized that; but we are in such a hurry here this morning that I did not want to take the time necessary to make the statement which the gentleman from Texas has made.

Mr. BOLTON. Mr. Speaker, will the gentleman yield? Mr. MAPES. I yield.

Mr. BOLTON. There seems to be some confusion in the minds of certain parties as to whether this resolution is the resolution that is supposed to have emanated from the White House, or whether this is the resolution that was written by Mr. Green of the American Federation of Labor. Can the gentleman inform us about the matter?

Mr. BYRNS. I may state to the gentleman from Ohio that this resolution is the result of a conference with the President, and that it has administrative sanction and administrative endorsement. It cannot be said that it was prepared by anybody other than the President of the United States.

Mr. BOLTON. But has it the endorsement of the American Federation of Labor?

Mr. BYRNS. I cannot tell the gentleman definitely as to that.

Mr. BOLTON. The reason for my inquiry is because the newspapers have carried statements to the effect that it was not acceptable to the American Federation of Labor.

Mr. BYRNS. I am not informed as to that.

Mr. CONNERY. Mr. Speaker, will the gentleman yield? Mr. MAPES. I yield.

Mr. CONNERY. Mr. Speaker, answering the gentleman from Ohio, I may say that I just talked with President Green, of the American Federation of Labor, over the telephone. He asked me to state to the leaders of the House and to the Members that while the American Federation of Labor naturally would have preferred the Wagner bill in its original form, that this late in the day they are not going to ask their friends to vote against this bill.

Mr. MARTIN of Oregon. Mr. Speaker, reserving the right to object, for the purpose of asking a question, is it not the gentleman's understanding that this resolution was prepared by the President after consultation with the leaders of both political parties?

Mr. BYRNS. That is my understanding; yes.

Mr. LEHLBACH. Mr. Speaker, reserving the right to object, I want to ask the gentleman from Tennessee this question: Section 3 provides "that any such board may subscribe such rules and regulations as it deems necessary to carry out the provisions of this resolution."

Does the gentleman agree that this resolution deals with only two specific subjects: Section 1 to make investigation, and section 2 to conduct an election? Consequently, under this resolution there can be issued no rules or regulations enforceable by penalties save for the production of papers and witnesses with respect to an investigation and for the conduct of an election; is this correct?

Mr. BYRNS. Speaking generally, I think that is correct. But I think we should understand that section 1 gives authority to this board or boards to investigate issues, facts, practices, or activities of employers or employees in any controversy arising under section 7 (a) of the National Industrial Recovery Act, or which are burdening or obstructing, or threatening to burden or obstruct, the free flow of interstate commerce. That is section 1. Section 2 relates to the conduct of elections.

Mr. LEHLBACH. This empowers them to conduct an investigation to inquire into the matter, but are they empowered to conduct an election? The disclosures of an investigation would not justify the issuance of rules and regulations save to conduct an election.

Mr. BYRNS. Not so far as this particular resolution is concerned.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. LEHLBACH. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. May I call attention to line 13, page 2, where it says "any order issued by such a board." I took the gentleman's statement to mean that he holds this board has not authority to do anything except to handle these elections?

Mr. LEHLBACH. Yes.

Mr. JENKINS of Ohio. How does the gentleman interpret the language where it says "any order issued by such a board under the authority of this section may be enforced or reviewed" under the rules and regulations applicable to the Federal Trade Commission. What does that mean?

Mr. LEHLBACH. They may order an election and either side may have it reviewed just as an order of the Federal Trade Commission may be reviewed.

Mr. JENKINS of Ohio. Who reviews it?

Mr. LEHLBACH. I do not know what the provisions are. I think they take it to court.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## DEFICIENCY APPROPRIATION BILL, 1934

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 9830) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes, with Senate amendments, disagree to the Senate amendments, and agree to the conference asked by the Senate; and that the managers on the part of the House be authorized to agree to all Senate amendments, notwithstanding the provisions of clause 2, rule XX.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Chair appointed the following conferees: Mr. Buchanan, Mr. Taylor of Colorado, Mr. Ayres of Kansas, Mr. Arnold, Mr. Collins of Mississippi, Mr. Oliver of Alabama, Mr. Taber, Mr. Bacon, Mr. Thurston, and Mr. Bolton.

## MILK INVESTIGATION

Mr. KOPPLEMANN. Mr. Speaker, I ask unanimous consent for the present consideration of House Concurrent Resolution No. 32, with Senate amendment, and move to concur in the Senate amendment.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The Clerk read the Senate amendment, as follows: Page 4, strike out lines 2, 3, and 4.

The Senate amendment was agreed to.

AMENDMENT OF WAR MINERALS RELIEF STATUTES

Mr. COX. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution No. 395, and ask for its immediate consideration.

Mr. TABER. Mr. Speaker, I make the point of order there is not a quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and fifty-five Members are present, not a quorum.

Mr. BYRNS. Mr. Speaker, I move a call of the House. A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 195]

De Priest DeRouen Allgood Keller Seger Shoemaker Andrews, N.Y. Kerr Kleberg Dickstein Doutrich Auf der Heide Simpson Bacharach Lee, Mo. Lesinski Sirovich Bacon Bailey Duffey Eltse, Calif. Sisson Smith, Wash, Smith, W.Va. Lindsay Beedy Brennan Fernandez Fish Luce Snell Fitzgibbons Fitzpatrick McClintic McKeown Brooks Somers, N.Y. Browning Steagall Stokes McLean McLeod Maloney, La. Marland Buck Ford Buckbee Burke, Calif. Frey Studley Gambrill Sullivan Cannon, Wis. Gasque Gifford Sumners, Tex. Norton Swank Goldsborough Chase Church Terrell, Tex. Haines Thurston Treadway Waldron Peavey Prall Reid, Ill. Claiborne Hamilton Clark, N.C Healey Holmes Richardson Rogers, Okla. Collins, Miss. Corning Huddleston Jeffers Scrugham

The SPEAKER. Three hundred and forty-two Members have answered to their names; a quorum is present.

On motion of Mr. Byrns, further proceedings under the call were dispensed with.

## THE LATE HONORABLE THOMAS C. COFFIN

Mr. MAY. Mr. Speaker, I rise for the purpose of making a few brief remarks upon the life and character of one of our late colleagues.

On the 8th day of this month the grim monster of death that is conquered only beyond the grave invaded the ranks of the Committee on Military Affairs of this House and struck down in the prime of life and young manhood the Honorable Thomas C. Coffin, late a Representative in the Congress of the United States from the State of Idaho. He was loved and respected by all his colleagues, by every Member of this House, and recognized as a scholar, a patriot, and a gentleman.

The committee to which he belonged has unanimously in written resolutions expressed its high esteem of the nobility of purpose, purity of character, and qualities of heart of our beloved colleague; and at this point, Mr. Speaker, I desire to include in my remarks a copy of the resolutions of the Committee on Military Affairs.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The resolutions are as follows:

We, the undersigned members of a committee appointed by the Chairman of the Military Affairs Committee of the House of Representatives to draft resolutions upon the life and career of the Honorable Thomas C. Coffin, late a Representative in Congress from the State of Idaho, submit the following:

Whereas the Honorable Thomas C. Coffin, late a Representative in the Congress of the United States from the State of Idaho, was, upon assuming the duties of his office at the opening of the Seventy-third Congress, assigned to membership upon the Com-

was, upon assuming the duties of his omce at the opening of the Seventy-third Congress, assigned to membership upon the Committee on Military Affairs; and

Whereas, after having been assigned to said committee and having served continuously as an able, conscientious, and courageous member thereof until the time of his death on June 8, 1934:
Therefore, as an expression of the high regard and warm esteem of this committee for the splendid and unquestioned character

and great ability of our late colleague, be it

Resolved, That it is the sense of this committee that in his sudden death and untimely death our committee has sustained

an irreparable loss, his State and Nation have lost an able and lostinguished public servant, and his family a devoted husband gambling concern is located, just over the line out of the

The shadows have fallen around us as a noble career has ended, and yet with an abiding faith in immortality we look not in vain to a rich fruition of a broken life, but confidently believe that our loss is Heaven's eternal gain; be it further

Resolved, That as a further mark of respect a copy of these resolutions be spread upon the records of this committee and a copy be sent to his surviving widow, Mrs. Aileen Coffin, Pocotello, Idaho, and to the local newspaper for publication, and that same be printed in the Congressional Record.

A. J. MAY,
Chairman Committee.
THEODORE A. PEYSER.
VINCENT CARTER.

#### THE LATE ROBERT F. NORTON

Mr. KENNEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. KENNEY. Mr. Speaker, I regret to announce the death this morning of Robert F. Norton, of Jersey City.

Mr. Norton was one of our distinguished citizens and the husband of our colleague from New Jersey, Mrs. Norton. For long months Mrs. Norton has administered to him during his illness, at the same time attending to her affairs here in Washington. Notwithstanding the strain she has been under, Mrs. Norton has rendered every service to the people of her district, and not only this, she has efficiently conducted the arduous duties of her responsible office as Chairman of the Committee on the District of Columbia. We all sympathize with her in her profound sorrow.

#### GAMBLING NEAR THE NATION'S CAPITAL

Mr. STRONG of Texas. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. STRONG of Texas. Mr. Speaker, I desire to make a statement to the House concerning crime at the seat of our Nation's Capital. I will make this statement feeling sure that each Member of this Congress desires to see the law of our Nation reign supreme, and especially in the city of Washington, where the laws are made for the purpose of protecting the citizenship of this Nation.

There is in the State of Maryland, just over the line of the District of Columbia, one of the largest gambling dives, no doubt, in the whole world. This gambling den has representatives at many places in the city of Washington who will convey persons in automobiles who desire to visit this lawless den and participate in gambling. The person so conveyed to the gambling den must first satisfy the representative of this den that he has money he expects to use in gambling when he arrives at this lawless place. I am further informed that if any person visiting this gambling hell wins money, the proprietor of that den will furnish him transportation back to the city and a guard to see that he is not held up and robbed in returning to the city with his ill-gotten wealth.

There are also large gambling places within the city of Washington, and I have the names of the persons operating such places and the street number of same. I have information showing that these gambling dens have representatives whose especial duty it is to solicit Government employees to visit these gambling dens.

I am also informed that there is a special gambling place of large proportions in the city of Washington, especially for women, and that the proprietor of this den has women representatives soliciting patrons among the women of our Capital City.

My first intention was to ask Congress for a committee of investigation, but I, being a member of the Committee on Accounts, know what it costs the Government to carry on such investigations and decided to make this statement and notify the officers in the District of Columbia whose duty it is to see that all laws are properly enforced and also to

notify the proper officers in the State where the immense gambling concern is located, just over the line out of the District of Columbia, if they do not enforce the laws and put an end to this awful crime—almost in the shadow of the Capitol of our Nation—that I will at the next session of Congress ask for an investigation and take steps to have such officers impeached who fail or refuse to enforce the laws against gambling.

## AMENDMENT TO WAR MINERALS RELIEF STATUTES

Mr. COX. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 395, and ask for its immediate consideration.

The Clerk read as follows:

#### House Resolution 395

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H.R. 7984, a bill to amend section 5 of the act of March 2, 1919, generally known as the "War Minerals Relief Statutes", and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Mines and Mining, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COX. Mr. Speaker, may I inquire if the ranking minority member of the Committee on Rules desires any time on this resolution?

Mr. RANSLEY. Mr. Speaker, we desire the entire 30 minutes.

Mr. COX. The gentleman desires a division of the time? Mr. RANSLEY. Yes.

Mr. COX. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. Ransley], the ranking minority member of the Committee on Rules, to be yielded by him as he may see fit.

Mr. Speaker, I ask unanimous consent that the pending resolution be amended by striking out "H.R. 7984" and inserting in lieu thereof "S. 3675." The Senate bill has been adopted by that body and is identical with the pending House bill.

The Clerk read as follows:

Amendment offered by Mr. Cox: Page 1, line 4, strike out "H.R. 7984" and insert in lieu thereof "S. 3675."

The SPEAKER. Without objection, the amendment is agreed to.

Mr. GOSS. Mr. Speaker, I object.

Mr. COX. Mr. Speaker, I move to amend the pending resolution by striking out "H.R. 7984" where it appears in the resolution and inserting in lieu thereof "S. 3675", and permit me to make the explanation that the Senate bill is identical with the House bill, H.R. 7984.

The SPEAKER. The question is on the motion of the gentleman from Georgia

The motion was agreed to.

Mr. COX. Mr. Speaker, this is a resolution to make in order Senate bill 3675, which is an amendment to the War Minerals Relief Act in certain particulars.

The sole purpose of the bill is to make possible the protection of citizens of the country against losses as a result of their having performed certain acts at great expense to themselves during the war, as a result of requests which may at that time have been taken as commands from authorized agents of the Government.

This bill was introduced by my colleague from Georgia, Mr. Vinson. He is familiar with all prior legislation bearing upon the question involved, and with all court decisions dealing with the question, and is in a position to make clear and satisfactory explanations to the House as to what is intended by the resolution. I now yield 12 minutes to the gentleman from Georgia [Mr. Vinson].

Mr. VINSON of Georgia. Mr. Speaker, the purpose of this bill and the necessity for its passage can be best shown by

the history of the so-called "war minerals relief statutes", which have heretofore been passed by the Congress, and the several decisions of the Supreme Court.

Previous to the World War the United States was practically entirely dependent upon importations for its supply of these minerals. Accordingly when the Government entered the World War the supply of these minerals was almost entirely cut off by reason of the shortage of ships necessary for their importation from foreign countries. Realizing the urgent necessity of these materials for the manufacture of necessary munitions, the Secretary of the Interior through its departments, the United States Geological Survey and the Bureau of Mines, also the War Industries Board, Shipping Board, and other governmental agencies, appealed to citizens all over the United States to open and develop properties known to contain minerals needed, some of which had been partially developed.

Complying whole-heartedly and patriotically with these requests or demands from governmental agencies, citizens in more than 35 States of the Nation patriotically responded, depending upon promises of the then Secretary of the Interior, the late Franklin K. Lane, that he would sponsor legislation to protect these people who responded to the Government requests and demands against loss. In many instances where properties were known to be of sufficient magnitude to supply the deficiencies if large operations were undertaken or existing operations enlarged, direct personal requests and demands were made to the owners and unqualified assurance given insofar as existing authority permitted that these people would be protected by the Government

As an illustration of the Government activities to secure the minerals needed, the case of the Chestatee Pyrites & Chemical Corporation, of Atlanta, Ga., is cited.

The most urgent necessity appearing to be pyrites for the manufacture of sulphuric acid necessary for the manufacture of all forms of explosives, the Secretary of the Interior, being advised by the Geological Survey of the magnitude of the property of the Chestatee Corporation made a personal direct appeal in writing for enlargement of these operations to supply these ores which theretofore had been supplied almost exclusively by importation from Spain. In reply to this communication the Chestatee Corporation replied in writing tendering its property to the Government and expressed its inability to finance the enlarged enterprise demanded. Whereupon the Secretary of the Interior appealed to financial interests to supply the money for the necessary enlarged enterprise. Complying with these requests the Ashcraft Wilkinson Co., of Atlanta, Ga., financed this enterprise to the extent of \$695,000 and the owners of the corporation on their individual credit secured additional financing and purchased machinery and equipment on credit where necessary and enlarged the operation from approximately 100 tons per day to more than 400 tons per day, the corporation increasing its investment from approximately \$150,000 to approximately \$1,150,000.

In the meantime, complying with his promise to the Chestatee Corporation, the Ashcraft Wilkinson Co., and to other producers of minerals in other lines to sponsor legislation for their protection against loss, the Secretary of the Interior, the late Franklin K. Lane, sponsored and caused to be introduced in Congress a bill entitled "An act to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of those ores, metals, and minerals which have formerly been largely imported or of which

there is or may be an inadequate supply."

The first section of this act named some 40 minerals and metals covered by the provisions of the act which provided, among other things, that the Government might take over or use or otherwise secure the benefit of any land, deposit, mine, or plant, or any part thereof, or that it might take the output from such at reasonable prices and that contracts could be made for the protection of producers to extend for 2 years after the termination of the war.

Section 6 of the act appropriated the sum of \$50,000,000 as a revolving fund for the carrying out of the objects of the act.

Section 3 provided, among other things, that the United States should make "just compensation" for the taking over or the use or the occupation or the operation of any such properties named as "necessities", and that if the compensation determined by the President (or the Secretary of the Interior named by him to administer the act) was unsatisfactory to the person, firm, or corporation entitled thereto, that there should be paid to him 75 percent of the amount so determined, and that he should be entitled to sue the United States to recover such further sum as added to the said 75 percent would make up such amount as would be such just compensation."

Appearing before the Committee on Mines and Mining of the House of Representatives in urging the passage of this bill. Secretary Lane emphasized at great length the necessity for encouraging the production of these urgently needed minerals, particularly emphasizing the necessity for pyrites. manganese, chrome, and tungsten. At this hearing, referring particularly to the necessity for pyrites, Secretary Lane recited the activities of his agents in Georgia and the results which had been obtained in the way of production and cited these operations in pyrites as an example as to what could be done in other lines through the necessity to supply the needs of the Government in the prosecution of the war.

This bill passed the House of Representatives promptly after the hearing, but by reason of press or other necessary war-emergency legislation did not pass the Senate until October 1918, being approved and becoming law October 5, 1918. (40 Stat. 1109).

Promptly after the approval of this act those who had responded patriotically to the Government requests and demands to produce these needed minerals applied to the Secretary of the Interior for contracts for their protection under the provisions of the act. Shortly thereafter, November 11, 1918, the war suddenly terminated, whereupon the Secretary of the Interior upon the advice of the Attorney General of the United States declined to administer the act, declined to contract with producers, declined to take their output (minerals no longer needed since the war was ended) and in lieu thereof promised to sponsor legislation to permit him to take such part of the \$50,000,000 appropriation provided by that act to pay "losses" sustained by these producers who had complied with Government requests or demands as the measure of "just compensation" these producers were entitled to under the provisions of the act.

Producers in good faith accepted this assurance from the Secretary that their losses would be paid. Complying with this promise the Secretary of the Interior, Mr. Lane, sponsored legislation which was introduced in the Senate amendatory to the act of October 5, 1918, to authorize him to pay "net losses", which bill, as amended, finally passed as section 5 of the act, approved March 2, 1919, which directed the Secretary "to adjust, liquidate, and pay such net losses as have been suffered by any person, firm, or corporation by reason of producing or preparing to produce either manganese, chrome, pyrites, or tungsten in compliance with the request or demand of the Department of the Interior, the War Industries Board, and other Government agencies named to supply the urgent needs of the Nation in the prosecution of the war, said minerals being enumerated in the act of Congress approved October 5, 1918. This act carefully safeguarded the interest of the Government. No speculative investments were admitted for reimbursement. It was required that claimants must show that their operations were in "good faith" to supply the urgent needs of the Nation in the prosecution of the war.

The act specifically provided that payments of losses sustained by reason of "moneys expended or obligations incurred" should be reimbursed provided such "moneys were expended or such obligations were incurred" during the period of the war. Attention is particularly called to the wording of this act of Congress which provided that losses sustained by reason of "moneys expended or obligations incurred" shall be reimbursed. A careful reading of this act (sec. 5) will show that there is not the slightest ambiguity as to its meaning and it is hard to understand why the administration of this war minerals statute so clearly expressed has required additional repeated acts of Congress and repeated decisions by the Supreme Court of the United States on questions of law involved to result at this late date in payments of claims thereunder which should have been paid promptly after the passage of that act. It provided that losses should be paid from the \$50,-000,000 appropriation carried by the previous act of 1918, limiting, however, the total amount to be disbursed to not exceeding \$8,500,000.

If the act had been administered as Congress plainly intended it should be, the amount set aside would have been sufficient to discharge in full all obligations of the Government thereunder, but erroneous interpretation by the commission appointed by the Secretary of the Interior and narrow technical decisions resulted in complete denials in many cases, small niggardly allowances in others, and such general dissatisfaction that Congress was again required to act and passed a second amendment, approved November 23, 1921, which act provided that—

any claim which had been filed within the time and in the manner prescribed by the act approved March 2, 1919, if the proof and support of said claim clearly showed them to be based upon action taken in response to request, demand, solicitation, or appeal of the Government shall be reimbursed such net losses as they may have incurred and are in justice and equity entitled to from the appropriation carried in said act.

The report of the Committee on Mines and Mining accompanying this bill stated, among other things, that in the administration of the act of March 2, 1919, the commission appointed by the Secretary had "erred in its interpretation of the legislative intent, its interpretation and application of the provisions of the act \* \* " and stated further—

The language of the act is clear and if interpreted as the courts of the country have repeatedly held such statutes should be interpreted, the committee is of the opinion that the provisions of the acts can be fully carried out and a just and equitable settlement can be had of every legitimate claim.

Under this authority many claims were reopened. Some errors in previous settlements were corrected and additional small awards made, but the commission appointed by the Secretary of the Interior adhered to erroneous ruling on questions of law and still denied many items of loss.

By agreement with the Secretary of the Interior the case of the Chestatee Pyrites & Chemical Corporation, being the largest and most conspicuous operation undertaken in compliance with the direct personal request of the Secretary of the Interior, was selected as a test case. A petition was filed in the Supreme Court of the District of Columbia on the subject of interest paid on borrowed capital as a legitimate "obligation incurred" within the meaning of the statute and therefore reimbursable as a loss. This court deciding affirmatively in favor of the Chestatee Corporation, appeal was taken by the Government to the court of appeals. The court of appeals affirmed the lower court and adjudged interest paid and obligated to be paid on borrowed capital to be a loss reimbursable within the meaning of the statute. The Government further appealed the case to the Supreme Court of the United States, which Court ruled that under the wording of the act of March 2, 1919, no court had jurisdiction, that the decision of the Secretary of the Interior was final and conclusive no matter how erroneous it might be.

After the decision of the lower courts in favor of the Chestatee Corporation as the test case and upon being informed by the Secretary of the Interior that the appropriation of eight and a half million dollars would be insufficient, Congress again acted, expressing its acquiescence and approval of the decision of the Supreme Court of the District of Columbia and the Court of Appeals and passed the act

approved June 7, 1924, short but emphatic as follows: In order-

To enable the Secretary of the Interior to lawfully pay adjudicated claims arising under the so-called "War Minerals Relief Act" \* \* \* approved March 2, 1919, as amended, the limitation in said act on the aggregate amount to be disbursed thereunder in payment of said claims is hereby repealed.

Thereafter, the Supreme Court of the United States ruling that the courts had no jurisdiction, Congress again, after extended hearings, passed the act approved February 13, 1929, which conferred jurisdiction on the same courts which had affirmatively decided the questions of law in favor of claims which had theretofore arisen or which might thereafter arise in the adjustment, liquidation, and payment of claims under the War Minerals Relief Act.

Under the authority of this act of February 13, 1929, the Chestatee Corporation submitted to the demand of the then Secretary of the Interior that its case be again carried through the courts as a test case. The Secretary required that the question of interest on borrowed capital be carried through as a separate and distinct case and agreed that other questions of law involved should remain in status quo and should stand decided by the Supreme Court decisions in other cases. In order to get any further consideration by the Secretary of the losses involved in these questions of law the Chestatee Corporation was forced to comply with these arbitrary unjust requirements.

Accordingly the case was again tried in the Supreme Court of the District of Columbia and carried on appeal to the Court of Appeals, which courts reaffirmed their previous decisions. Being carried by the Government on a writ of certiorari to the Supreme Court of the United States that Court, affirming the lower courts, said:

It (interest) constituted part of relator's expenditures and cost of the undertaking and so is within the terms of the section (5) as amended. (Parentheses supplied.) \* \* \* It must be shown clearly that such interest was paid or the obligation incurred by relator at the instance of one of the specified Government agencies.

Attention is particularly called to the fact that not only have all of the acts of Congress which have been passed looking to the adjustment and equitable payment of these claims emphasized that losses due to obligations incurred are reimbursable, but the Supreme Court of the United States has also so ruled, using the exact wording contained in the statute.

After this decision of the Supreme Court affirming interest on borrowed capital to be reimbursable within the meaning of the act, the Department of the Interior apparently acquiesced in this decision and required claimant to state in answer to a questionnaire the amount of interest which had been paid in cash and also the amount of interest which had accrued to the date of the questionnaire which had not been paid (on or about Dec. 31, 1931). Subsequently, to wit, on March 14, 1932, for reasons which have never been made apparent, the Department ruled that interest which had been paid or accrued only to the date of the passage of the Relief Act (Mar. 2, 1919) was reimbursable as a loss. Whereupon the Chestatee Corporation was again required to go through the courts on a petition to enforce the previous decree. The Supreme Court of the District of Columbia and the Court of Appeals again affirmed the legal contention of the Chestatee Corporation. In the course of its opinion the court of appeals said:

The amount of the principal sum being established as of that date, the interest payable thereon can be ascertained at the same time and readily computed at the time of final payment. \* \* \*

The principal sum was borrowed and lost and had not been paid on March 2, 1919, and was not then due. Relator, however, was under obligation to pay this principal sum which is conceded to be a loss within the act and he was likewise under obligation to pay the interest incurred in the creation of this obligation. In other words, relator was as much obligated on that date to pay the interest as it was to pay the principal. The aggregate of the two items at the time of payment by the Government consti-

tutes the net loss. If relator could not make claim for net | loss of interest conceded as not payable at that time, then by analogous reasoning relator could not be compensated for the principal debt, which was not due and payable at that time. The justice and equity in the one case is equal and parallel to that in the other. The Court of Appeals said further:

An examination of the statutes fails, in our opinion, to disclose any intention on the part of Congress to limit the recovery of interest paid or incurred on obligations allowable under the provisions of the 1919 act.

This case being carried by the Government to the Supreme Court of the United States, that Court, in its opinion by Mr. Justice Brandeis, handed down May 29, 1933, construing and interpreting the act of March 2, 1919, and amendments thereto, said, among other things:

The method of determining the net losses during a particular period or a particular adventure is well settled.

It must be perfectly plain that these war minerals operations were particularly hazardous "adventures", started in compliance with demand of the Government to supply its urgent needs and terminated when these needs were over and there was no more market for the output of these adventures.

Accepted accounting methods for the determination of profits or losses of a particular adventure must include consideration of all elements in connection with the said adventure; that is to say, all assets and all liabilities, including those liabilities or obligations which may not have matured until after all operations ceased. The loss sustained or suffered in such adventure cannot be limited only to payments and accruals up to the time of the termination of the adventure but must include all "obligations incurred", including loans and interest thereon, in connection with or as a result of the adventure, to the date of payment. On the other hand, the Supreme Court in this opinion affirming the decision of the Secretary in his interpretation of the act, as to cut-off date for interest March 2, 1919, said that the language of the act of March 2, 1919, wherein the use of the words "losses suffered by reason of 'obligations incurred'", meant losses suffered by reason of "obligations accrued" only to the date of the passage of the act.

No word has ever been uttered either by Congress or the Secretary of the Interior or the Department of Justice or any of the courts against the "justice and equity" of including interest paid on borrowed capital as a loss within the meaning of the statutes, but the interpretation of the Supreme Court of these statutes as to a cut-off date necessitates a further act of Congress to more clearly state its intention when it passed the act of March 2, 1919, and the several amendments.

Let me impress this one fact upon you that the act of 1918 provided to pay claimants "just compensation", and the Supreme Court of the United States, in the opinion of Mr. Justice McReynolds, has stated the act of 1918 to be the governing statute.

The amendment of 1919 provided that "net losses" should be paid, being in effect an interpretation of the Congress as the measure of "just compensation" provided by the previous act.

Until, therefore, all "net losses", including those suffered by reason of "obligations incurred" have been paid, neither 'iust compensation" provided for in the act of 1918, nor the "net losses" provided for by the amendment of 1919, have been paid or discharged by the Government.

There is no cut-off date for "net losses." Congress itself in the amendment of 1919 fixed its own cut-off date as the date of the armistice, wherein it said that only expenditures made and obligations incurred theretofore might be included in the adjustment of losses, but this did not intend to limit any reasonable date of any obligation incurred in this allembracing phrase.

To do equity and justice to these claimants who responded patriotically to the call of the Government in that time of great emergency, it is necessary for this bill to be enacted.

The pending bill simply provides the present Secretary of the Interior with authority to correct the gross injus-

tices which have been done to these citizens who patriotically and whole-heartedly spent their time and their money and their properties in faithful performance of their duties to their Government in time of emergency.

Mr. WOODRUM. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. WOODRUM. The gentleman used the phrase, inadvertently, I think, that interest was paid on these claims up to a certain date. The gentleman means, I am sure, that these claimants were reimbursed for interest they had paid.

Mr. VINSON of Georgia. As a loss.

Mr. WOODRUM. In other words, these claimants have never asserted any claim that they should be paid interest on that claim.

Mr. VINSON of Georgia. The gentleman is correct.

Mr. WOODRUM. But they have claimed, and the Supreme Court has ruled, that interest they have actually had to pay for capital they borrowed to put into the business of getting out these minerals for the Government while a part of the principal claimed, and the Supreme Court so ruled.

Mr. VINSON of Georgia. That is right. The gentleman has clearly stated the question in reference to the obliga-

tions incurred for interest.

Mr. CULKIN. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. CULKIN. I am advised that in the original equities between these parties these mining interests went into this business at the request of the Department.

Mr. VINSON of Georgia. The gentleman is correct.

Mr. CULKIN. And from the outset it appeared that it would be a nonprofitable venture. Can the gentleman throw some light on that phase of it?

Mr. VINSON of Georgia. In a great many cases the Secretary of the Interior was notified by the property owners that they would not go into this enterprise because it was purely an adventure, that it was not justified by economic conditions; but the Secretary of the Interior, or the War Minerals Board, or some of the other Federal activities aiding in the prosecution of the war, insisted in a great many cases by personal contact or by writing letters to these people who own the mines.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. VINSON of Georgia. I yield. Mr. WHITTINGTON. I understand settlements have been made in many of these claims and final receipts, covering all amounts due, have been executed. Are additional amounts to be paid to those parties?

Mr. VINSON of Georgia. The question of the obligation for interest having been incurred on borrowed capital is

only involved in 335 cases.

Mr. WHITTINGTON. Will the cases be reopened where final settlements have been made?

Mr. VINSON of Georgia. No; not all, because the language of the bill is so drafted that they are not included.

Mr. MOTT. Will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. MOTT. I understand the Secretary of the Interior opposes this bill?

Mr. VINSON of Georgia. I am pleased that the gentleman has called my attention to the fact. As a matter of fact, the Secretary's letter is against favorable consideration of the bill, but here is what the representative of the War Minerals Relief Commission says:

The real objection to this bill is simply the appropriation of money at this session of Congress.

The objection was not based on the merits of the question involved, but merely to keep the Budget within its bounds they are opposed to any appropriation at this session. No appropriation can be made until the Appropriations Committee recommends it.

Mr. MOTT. I understand the gentleman is asking Congress to pass this bill notwithstanding the fact that the Secretary of the Interior disapproves it?

Mr. VINSON of Georgia. Yes.

Mr. MOTT. I am very glad to see that precedent established on the Democratic side of the House.

Mr. VINSON of Georgia. I thank the gentleman.

Mr. COX. For the purpose of shedding further light upon the question propounded by the gentleman, may I call the gentleman's attention to the fact that the War Minerals Commissioner, testifying before the House Committee, said that he himself prepared the letter that was written by the Secretary of the Interior, and his views were the views of the

The SPEAKER. The time of the gentleman from Georgia

[Mr. Vinson] has expired.

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the

gentleman from New Jersey [Mr. LEHLBACH].

Mr. LEHLBACH. Mr. Speaker, these mineral war claims are one of a diverse series of war claims that have been adjudicated, that are substantially based on the same premises as these mineral claims. For instance, money was lost by people who were induced to import sugar from the Argentine. We have settled a number of such claims. other industries in other lines there have been similar claims settled along the same general lines as these mineral claims have been settled. When you say that paying interest on money borrowed to carry on the activities which they say they were induced to enter into by the Government is just and right in mineral claims, you will have to appropriate hundreds of millions of dollars to pay interest on money borrowed in various other directions, the claims of which have heretofore been recognized by Congress.

Mr. BEAM. Will the gentleman yield?

Mr. LEHLBACH. I yield.

Mr. BEAM. Is it not true that by the passage of this act you impliedly wipe out the statute of limitations pertaining to practically every claim which has been outlawed by

Mr. LEHLBACH. Certainly. That is a consideration. Now, these claims are not legal obligations of the Government. The courts have passed on that. In one of these claims, in the case of Ickes against Cuyuna Mining & Investment Co., the court held that awards under the War Minerals Relief Act are purely in the nature of a gratuity by the Government and are not legal claims; nor does this act create in the claimants any vested legal right. So they come here and ask for added gratuities, 15 years after the war is over, and are opening the door, whether unwittingly or intentionally, for hundreds of millions of similar claims in all lines of activity that were carried on at the inducement of the Government during the time of war. The Supreme Court has said in the Chestatee case-and in that case the company has over \$600,000 in interest coming if this bill passes—the Supreme Court held that March 2, 1919, was the date to which interest was allowable for money borrowed and lost in producing and preparing these products. That is the decision of the Supreme Court. That was the intention of Congress and that is what was accepted. The awards that have been accepted have been accepted in full settlement of the claim in each instance except one. There is no equity, there is no merit in these cases. It has even been suggested that where an award has been made and paid and the money was not due to the creditor for several years that, notwithstanding the money was in possession of the debtor, these mineral companies were entitled to recover for the interest on the money which they had in their possession.

Mr. Speaker, will the gentleman yield? Mr. CULKIN.

Mr. LEHLBACH. I yield.

Mr. CULKIN. Does the gentleman understand that this was obviously a nonprofit venture from the beginning; that these people were gotten into it at the request of the Government which was prosecuting the war?

Mr. LEHLBACH. Oh, no; they were taking a chance as everybody did who was making profit out of the war.

Mr. CULKIN. But it was concededly nonprofitable, I may say to the gentleman, concededly nonprofitable.

Mr. LEHLBACH. Mr. Speaker, this bill is limited to \$1,250,000. The bill also provides as follows:

It is also provided that all settlements under this act and pursuant to its provisions shall constitute full and complete discharge of all obligations of the United States.

Not one of the series of war mineral acts but what carried this language.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Connecticut [Mr. Goss].

Mr. GOSS. Mr. Speaker, I regret that it is necessary for me to take the floor in opposition to this bill, this morning, but I want to bring out a few facts in reference to some of the things that have been disclosed to the special committee of the Committee on Military Affairs, disclosures that we believe involve this particular matter.

Already \$8,500,000 has been appropriated to settle these claims. The present deficiency bill, now in conference, carries \$800,000 more for this purpose, and the Secretary of the Interior states that it will take at least another \$800,000 to clear up these claims.

Now, why have I taken the floor against this bill? Our investigating committee (subcommittee no. 3, House Military Affairs Committee) found that at least one claimant interested in this subject of war claims has paid an officer of the Government approximately \$200 per month, besides a rather large lump-sum payment, to pass upon or lobby for these bills through the House of Representatives; and may I add that my colleagues on the Military Affairs Committee are going to follow me and ask the House this morning to hold up the passage of this bill until we have completed our investigation, because we have documentary evidence, the duplicate deposit slips, deposited by this man. At the present time we have found slips only on one bank, but we may find slips on other banks; and we do not feel that the House this morning should pass this legislation until we have proceeded further with our investigation, as this very matter is involved.

The effect of this bill is stated in a letter from Mr. Ickes, the Secretary of the Interior, dated March 23, 1934, in House Report No. 1740, in which he states that, if this bill is enacted into law, it will extend from March 2, 1919, to the date of the approval of this act the time for the payment of interest.

> THE SECRETARY OF THE INTERIOR, Washington, March 23, 1934.

Hon. JOE L. SMITH,

Chairman Committee on Mines and Mining,

House of Representatives.

My Dear Mr. Smith: Your letter of February 17 requesting a report on H.R. 7984, Seventy-third Congress, which bill is now before your committee for consideration, has been received.

The United States Supreme Court in the Vindicator-Chestatee

case (284 U.S. 231), rendered December 7, 1931, held that March 2, 1919, was the date to which interest was allowable for money borrowed and lost in producing and preparing to produce chrome, manganese, pyrites, and tungsten under the War Minerals Relief Act

manganese, pyrites, and tungsten under the War Minerals Relief Act.

The effect of this bill, if enacted into law, will be to extend the date from March 2, 1919, to the date of the approval of this act, for the payment of interest.

The records of the Department disclose that 126 cases already given awards and 44 cases certified by the Supreme Court of the District of Columbia to the Secretary of the Interior for review, and 161 cases awaiting action of the Supreme Court of the District of Columbia, making a total of 351 cases, would be subject to review by the Secretary of the Interior upon petition by the claimant under authority of this bill.

There is no way of reasonably approximating the total amount of interest losses involved by the enactment of this bill into law, for the reason that the only evidence before me at this time is that in the cases upon which awards have been made.

In many of the awards made by my predecessor since the amendment of February 13, 1929, the claimants have accepted such awards in "complete and final settlement of their rights under the War Minerals Relief Act." One exception to this is the case of the Chestatee Pyrites & Chemical Corporation, in which awards to the amount of \$829,850 have been made, of the last of which, on February 23, 1933, acceptance was made by claimant "as payment of its losses in full to March 2, 1919, as stated in the award." From our records in the case the approximate interest which would be claimed under the proposed act, if passed as to April 1, 1934, would be \$608,221.24.

In all awards which I have made under the War Minerals Relief Act, with one exception the claimant has signed a release in complete and final settlement of all rights under the act.

The exception is the case of the Hanna Minerals Co., to which awards have been rendered in the amount of \$314,924.31. The approximate interest which would be claimed under the proposed act, if passed as of April 1, 1934, would be \$324,367.68.

act, if passed as of April 1, 1934, would be \$324,367.68.

A decision by the Court of Appeals of the District of Columbia February 19, 1934, in the case of Harold L. Ickes, Secretary of the Interior, v. Cuyuna Mining & Investment Co. holds that awards under the War Minerals Relief Act are purely in the nature of a gratuity by the Government and are not legal claims, nor does the act create in the claimants any vested legal right.

I am not at this time able to give your committee the effect which this decision will have on the 161 cases pending in the Supreme Court of the District of Columbia.

It may be a timely observation to say that all these claims are

It may be a timely observation to say that all these claims are based upon World War operations during the period between April 6, 1917, and November 12, 1918, and that good administration would require that complete and final settlement should be made in all claims at the earliest opportunity consistent with justice

I therefore find myself disposed to object to the passage of this

Sincerely yours,

HAROLD L. ICKES Secretary of the Interior.

He further states that the records of his department disclose 161 cases pending. I call attention to the fact, Mr. Speaker, that several hundred cases may be involved if this bill passes; and I do not believe the House of Representatives wants to pass upon this legislation, when the full amount was supposed to have been paid and when one or more vicious lobbies exist.

Mr. BEAM. And there was a receipt for full payment,

was there not?

Mr. GOSS. Yes. We have the man's duplicate deposit slip showing money paid him from one or more claimants. We cannot disclose all the data at this time, but I am informing the House what has happened; and I am sure the Chairman of the Committee on Military Affairs, sitting before me, will corroborate my statement.

Mr. Speaker, permit me to ask the gentleman from South Carolina [Mr. McSwain] if I am correct.

Mr. McSWAIN. Mr. Speaker, I expect to make a statement.

Mr. GOSS. The gentleman from South Carolina is going to take the floor himself.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman vield?

Mr. GOSS. I yield.

Mr. WHITTINGTON. What is the nature of the report of the Secretary of the Interior with respect to this bill; is he for or against it?

Mr. GOSS. He is against it as per the following partial statement:

I cannot at this time give your committee the effect which this will have on the 161 cases pending.

And I want to say that I am sure that Mr. Ickes did not even know that the facts I am disclosing here existed. As a matter of fact, the members of the Military Affairs Committee did not know it 2 weeks ago.

Mr. Speaker, I am sure other members of the Committee on Military Affairs investigating this important subject will follow me and tell the House more about it. [Applause.1

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the

gentleman from Michigan [Mr. James].

Mr. JAMES. Mr. Speaker, I was a member of the House Committee on Mines and Mining during the war and at the time the bill referred to by the gentleman from Georgia [Mr. VINSON] was considered. I voted against H.R. 13274 at that time. Others who voted against it at that time were Martin B. Madden, John N. Garner, Nicholas Longworth, James R. Mann, Carl E. Mapes, C. C. Dowell, James R. Frear, Clyde M. Kelly, Ernest Lundeen, George W. Edmonds, and F. H. LaGuardia.

I was present when Mr. Lane, Secretary of the Interior, came before the committee and stated what he wanted to do. We had no idea at that time, however, it was going to result in legislation like this. It was not the intent of Mr. Lane; it was not the intent of Congress. Thereafter I became a member of the Committee on Military Affairs, of which committee I have been a member since that time.

SUBCOMMITTEE NO. 3, HOUSE MILITARY AFFAIRS COMMITTEE

In our investigations we found in one bank duplicate de-

credit of one man who ought to be looking after the interests of the Government; yet that man has received check after check from certain concerns. We do not know how far it is going to reach, for we have examined only one bank. One of our investigators, from the office of the Comptroller General, is in New York now to see what else can be found; and I beg of you, gentlemen, until such time as we have had an opportunity to find out how many concerns are involved in this matter, that you do not pass either the resolution or the bill.

Mr. YOUNG. Mr. Speaker, will the gentleman yield?
Mr. JAMES. I yield.
Mr. YOUNG. Does it not appear to the gentleman to be unwarranted and, in fact, rather raw to bring in during the closing hours of this session a bill calling for the expenditure of \$1,250,000, in view of the fact that the Secretary of the Interior has stated that these are not legal claims but are purely in the nature of gratuities? I. therefore, find myself disposed to object to the passage of this bill.

Mr. JAMES. I agree with the gentleman. If Mr. Ickes had the information that our subcommittee (subcommittee no. 3, House Military Affairs Committee) had, his report

would be 100 times stronger than it is.

Mr. WEIDEMAN. There is no hurry to put this across. If they will let the gentleman go ahead with his investigation, he will discover some good reason why this bill should not be passed.

Mr. JAMES. The passage of this bill is not to the interest of the Government.

Mr. WEIDEMAN. It will cost the people \$1,200,000? Mr. JAMES. At least this amount and also it is a precedent for other claims.

Mr. WEIDEMAN. We should vote this resolution down?

Mr. JAMES. Absolutely.

Mr. BEAM. Will the gentleman yield?

Mr. JAMES. I yield to the gentleman from Illinois. Mr. BEAM. If we pass this bill, it does establish a precedent whereby other claimants who have signed a complete release in the case of war materials could come in here and by the same method or process demand full payment?

Mr. JAMES. If we pass this bill, we are practically inviting them to come in and do the same thing.

Mr. BEAM. It will nullify previous action in this respect?

Mr. EDMONDS. Will the gentleman yield?

Mr. JAMES. I yield to the gentleman from Pennsyl-

Mr. EDMONDS. If this bill should pass, the company in which I am interested will benefit by the bill. I propose to vote against it, because I think the Government has dealt fairly with these people and they are not entitled to another cent.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina [Mr McSwain].

Mr. McSWAIN. Mr. Speaker, it is no pleasure to oppose claims that come, no doubt with great sincerity on the part of Members of Congress, in the name of what is described as justice and righteousness. But I submit to you that, in my opinion, justice and righteousness will better be done on the part of the Government and taxpayers if this matter is delayed for at least 6 months during the investigation that will be completed by subcommittee no. 3 of the Committee on Military Affairs.

This very morning the House unanimously appropriated an additional \$20,000 in the belief that that subcommittee is on the trail of something that needs to be uncovered.

Mr. JAMES. Will the gentleman yield?

Mr. McSWAIN. I yield to the gentleman from Michigan. Mr. JAMES. If it was not for this one thing and conditions just like that, we would not have asked to have the appropriation increased from \$10,000 to \$30,000.

Mr. McSWAIN. I have been a member of the Committee on Military Affairs only 12 years it is true, but continuously during this time various representatives of these claimants posit slips that showed considerable money deposited to the have come to me as an individual and as chairman of the committee, and particularly during the last 3 years, insisting that these old claims should be reopened, and, as the gentleman from Georgia stated, we have reopened them by legislative act five times, and finally in 1929 the claim was made that justice had to be done. It was then claimed that human justice demanded what? Not that the claims be settled by Congress but that the claimants be authorized to go into court. We passed an act authorizing them to go into court. Having gotten into court, from which appeal was taken to the Supreme Court of the United States, they now come back here to Congress on a plea of justice.

It is represented that no money is to be asked at this session of Congress, that it is only intended between now and January that the Secretary of the Interior shall be investigating these claims preparatory to making his recommendation. If that be so, I submit the best thing to do is to stop the whole proceeding here and now and let this committee of seven men from the Military Affairs Committee continue their investigation. I am a member of that subcommittee, and I am not going to be on the subcommittee. May I say that for more than 90 days they have been sitting all of every day and often into the night, and for the last three nights some of them have spent the greater part of the night preparing their report which is now in the hands of the printer. When you read that report your eyes will be opened. You will be amazed at the conditions prevailing in one of the departments of your Government for years. Just wait till you get their final report.

Mr. Speaker, I yield back the balance of my time.

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Alabama [Mr. Hill.]

Mr. COX. Will the gentleman yield?

Mr. HILL of Alabama. Briefly. This is not to be taken out of my time, however.

Mr. COX. Possibly we can take care of the entire situation if the gentleman will yield to me in order to use a little of my time.

Mr. HILL of Alabama. I yield to the gentleman.

Mr. COX. Mr. Speaker, so far as I am concerned, I know absolutely nothing of any bad practices on the part of any claimant who would in anywise be affected by this bill. I am confident that most of them came here with clean hands. But in view of the statement made by the gentleman from South Carolina, the Chairman of the Committee on Military Affairs, I am persuaded that the interests of the country, the claimants and the citizens affected by the bill would probably be better served if the measure was not pressed to an issue at this time.

In view of the disclosure made by the gentleman from South Carolina and other members of his committee, I am unwilling to proceed with this resolution until matters referred to shall have been cleared up by the investigation that we are told is being made, and therefore, Mr. Speaker, I ask unanimous consent that the resolution be withdrawn from further consideration,

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. CULKIN. Mr. Speaker, reserving the right to object, may I say that I was disposed to vote in favor of this bill, but I think the gentleman's course is timely and proper. That is my reaction.

Mr. RAMSPECK. Mr. Speaker, reserving the right to object, may I say to the House with reference to these claims, and especially to the gentlemen on the Military Affairs Committee, that this morning is the first time insofar as I am concerned, this proposition of an investigation by the Military Affairs Committee has come to my notice. If there is anything in the world wrong with the claimants who come from my district, I would be the first one to tell them to get out of Washington and not to come back here any more. I am perfectly satisfied from the evidence they have produced before me that they have not engaged in any lobby and that they have not employed anyone, and, as a matter of fact, no one has approached me about the matter except the claimants themselves.

Therefore I ask the Chairman of the Military Affairs Committee if he will not do us the courtesy to include specifically in his investigation the activities of the Virginia Ores Corporation and the Chestatee Pyrites & Chemical Co., who are the two people who have been to see me about this matter. As a matter of fact, the Chestatee claim would take one-half of all the money involved in this bill and it comes under section 5 of the act of March 1919, and not under the sections that the Secretary of War dealt with. I am pleased to see the resolution withdrawn for a complete investigation and I understand this will be satisfactory to my constituents.

Mr. VINSON of Georgia. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield.

Mr. VINSON of Georgia. As the author of the bill which the resolution seeks to make in order, in view of the disclosures made by the gentleman from South Carolina [Mr. McSwain] and the gentleman from Michigan [Mr. James], I want to concur in the request my colleague has made with respect to this measure. I know but one claimant, the Chestatee Pyrites Co., of Atlanta, Ga. This concern is not in my district and the only reason they requested that I introduce the bill is because some 15 years ago I introduced a bill dealing with this matter.

I am pleased that the Military Affairs Committee is making this investigation, and I ask, as my colleague from Georgia has already done, that this resolution be withdrawn pending further investigation.

Mr. GOSS. Will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. GOSS. I may say that no one has made any accusation, so far, against any one particular company, but we want to go on with our investigation.

Mr. VINSON of Georgia. Let me say to the gentleman from Connecticut that I hope the gentlemen will go on with the investigation and will investigate the conduct of some of the men who have been administering this law and I am sure they will then see the manner in which these claimants have been treated.

Mr. McSWAIN. Mr. Speaker, will the gentleman from Georgia yield to me?

Mr. COX. I yield.

Mr. McSWAIN. Mr. Speaker, responding to the suggestion and request of the gentleman from Georgia [Mr. RAMSPECKI, I feel I am authorized to speak for the gentleman from New Hampshire [Mr. Rogers] who is chairman of the subcommittee conducting the investigation. The gentleman is not upon the floor, because he is at work completing the report to which I referred when I had the floor. He sent me word to express to the House his opposition to this measure, but I feel I can assure the gentleman from Georgia [Mr. Cox] and the author of the bill [Mr. VINSON] and all others interested in these claims, that not only will the claims of the Chestatee Pyrites & Chemical Co. and the Virginia Ores Corporation, be investigated, but every one of the claims will be thoroughly investigated, fairly and impartially, by subcommittee no. 3 that has worked so hard for the past 3 months.

Mr. LEHLBACH. Mr. Speaker, reserving the right to object, of course, I do not intend to impugn the motive of anyone, but the gentleman knows that under the rules of the House, this rule could be called up, subsequently, as a matter of privilege, and would it not be simpler to vote down the resolution?

Mr. COX. I hope the gentleman will not insist upon that. I think I can assure the gentleman that no such thing as calling up the resolution will be undertaken.

Mr. Speaker, I renew my unanimous-consent request.

The SPEAKER. The gentleman from Georgia asks unanimous consent to withdraw the resolution. Is there objection?

Mr. TRUAX. Mr. Speaker, reserving the right to object, I want to say, without accusing anyone about this bill, I think the gentlemen who have sponsored it have all acted

in good faith, but it is bills of this kind that the committee of objectors, as they are commonly known, has stopped at all times on the private calendar and the consent calendar and thereby saved the taxpayers \$18,822,000.

I withdraw my reservation of objection.

Mr. BLACK. The gentleman has no right to say that the committee that he has referred to has stopped anything

Mr. TRUAX. The gentleman does make the statement again.

Mr. BLACK. This bill has not come up on the private calendar.

Mr. TRUAX. I said similar bills.

Mr. BLACK. No; similar bills have not come up.

Mr. TRUAX. Oh, yes; they have.

Mr. KENNEY. Mr. Speaker, reserving the right to object, I should like to take this opportunity to compliment the Chairman of the Military Affairs Committee on his efforts to establish the Junior Air Corps in this country. His work can only be compared with the great country-wide movement of the Junior Birdmen of America, sponsored by William Randolph Hearst, Jr. Soon the Committee on Military Affairs will, I trust, further promote the cause by advocating the teaching of aviation in all our public schools.

I withdraw my reservation of objection, Mr. Speaker. The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

## UNIFORM SYSTEM OF BANKRUPTCY

Mr. OLIVER of New York. Mr. Speaker, I move to suspend the rules and pass the bill (S. 3580) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, as amended, by striking out all after the enacting clause of the Senate bill and substituting therefor the provisions of the House bill (H.R. 9865).

The Clerk read the Senate bill as amended, as follows:

Be it enacted, etc., That section 75 of the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States", as amended, is amended as follows: In section 75, entitled "Agricultural Compositions and Extensions", after subsection (r) add a new subsection (s), to read

as follows:

as follows:

"(s) Any farmer failing to obtain the acceptance of a majority in number and amount of all creditors whose claims are affected by a composition or extension proposal, or, if he feels aggrieved by the composition or extension, may amend his petition or answer asking to be adjudged a bankrupt. Such farmer may, at the time of the first hearing, petition the court that all of his property, whether pledged, encumbered, or unencumbered, by liens or otherwise, be appraised, and that his exemptions as prescribed by the State law, subject to any liens thereon, be set aside and that he be allowed to retain possession of any part or parcel or all of the remainder of his property and pay for same under the terms and conditions set forth in this sub-

same under the terms and conditions set forth in this subsection (s).

"(1) Upon such a request being made in the petition or answer, at the time of the first hearing, appraisers shall be designated and appointed. Such appraisers shall appraise all the property of the debtor at its then fair and reasonable value, not necessarily the market value at the time of such appraisal. The appraisals shall be made in all other respects, with right of objections, exceptions, and appeal, in accordance with this act: Provided, That in case of real estate either party may file objections, exceptions, and appeals within 1 year from date of order approving the appraisal.

appraisal.

"(2) After the value of the debtor's property shall have been fixed by the appraisals as herein provided, the referee shall issue an order setting aside to such debtor his exemptions as prescribed by the State law, subject to any existing mortgages or liens upon any such exemptions to an amount equal to the value, as fixed by the appraisal, of the value of such exempt property as is covered by any mortgage or lien, and shall further order that the possession, under the control of the court, of any part or parcel or all of the remainder of the debtor's poperty, shall remain in the debtor subject to a general lien, as security for the payment of the value thereof to the trustee security for the payment of the value thereof to the trustee as security for the payment of the value thereof to the trustee of the creditors, if a trustee is appointed, such a lien to be subject to and inferior to all prior liens, pledges, or encumbrances. Such prior liens, pledges, or encumbrances shall remain in full force and effect, and the property covered by such prior liens, pledges, or encumbrances shall be subject to the payment of the claims of the secured creditors holding such prior liens, pledges, or encumbrances up to the actual value of such property as fixed by the appraisal provided for herein. All liens herein on livestock shall cover all increase, and all liens on real property

shall cover all rental received or crops grown thereon by the debtor, as security for the payment of any sum that may be due or past due under the terms and provisions of the next paragraph, until the full value of any such particular property has been paid.

"(3) Upon request of the debtor, and with the consent of the len holder or lien holders, the trustee, after the order is made setting aside to the debtor his exemptions, shall agree to sell to the debtor any part, parcel, or all of the remainder of the bankrupt estate at the appraised value upon the following terms and conditions, and upon such other conditions as in the judgment of

conditions, and upon such other conditions as in the judgment of the trustee shall be fair and equitable:

"a. Payment of 1 percent interest upon the appraised price within 1 year from the date of said agreement.

"b. Payment of 2½ percent of the appraised price within 2 years from the date of said agreement.

"c. Payment of an additional 2½ percent of the appraised price within 3 years from the date of said agreement.

"d. Payment of an additional 5 percent of the appraised price within 4 years from the date of said agreement.

"e. Payment of an additional 5 percent of the appraised price within 5 years from the date of said agreement.

"f. Payment of the remaining unpaid balance of the appraised

"e. Payment of an additional 5 percent of the appraised price within 5 years from the date of said agreement.

"f. Payment of the remaining unpaid balance of the appraised price within 6 years from the date of said agreement.

"Interest shall be paid on the appraised price and unpaid balances of the appraised price yearly as it accrues at the rate of 1 percent per annum and all taxes shall be paid by the debtor.

"The proceeds of such payments on the appraised price and interest shall be paid to the lien holders as their interest may appear, and to the trustee of the unsecured creditors, as their interests may appear, if a trustee is appointed.

"(4) An agreement having been reached as provided in subsection (3), the debtor may consume or dispose of any part or parcel or all of said property whether covered by the general lien to the trustee, if a trustee is appointed, or subject to pledges or prior liens or encumbrances held by secured creditors, provided he pays the appraised value of such part or parcel or all, as the case may be, to the secured creditors, as their interests may appear, and the trustee of the unsecured creditors, as his interests may appear, if a trustee is appointed, or he may put up a bond approved by the referee in bankruptcy that he will make payments, as provided for herein, of any property so consumed or disposed of.

"(5) In case the debtor fails to make any payments, as herein provided, to any or all of the secured creditors or to the trustee may proceed to enforce their pledge, lien, or encumbrances in accordance with law. It shall be the duty of the secured creditors and of the trustee of the unsecured creditors to discharge all liens of record in accordance with law, whenever the debtor has paid the appraised value of any part, parcel, or all of his property as herein provided.

"(6) Having complied with the provisions of subsection (3).

property as herein provided.

has paid the appraised value of any part, parcel, or all of his property as herein provided.

"(6) Having complied with the provisions of subsection (3), the debtor may apply for his discharge as provided in this act.

"(7) If any secured creditor of the debtor, affected thereby, shall file written objections to the manner of payments and distribution of debtor's property as herein provided for, then the court, after having set aside the debtor's exemptions as prescribed by the State law, shall stay all proceedings for a period of 5 years, during which 5 years the debtor shall retain possession of all or any part of his property, under the control of the court, provided he pays a reasonable rental annually for that part of the property of which he retains possession; the first payment of such rental to be made within 6 months of the date of the order staying proceedings, such rental to be distributed among the secured and unsecured creditors, as their interests may appear, under the provisions of this act. At the end of 5 years, or prior thereto, the debtor may pay into court the appraised price of the property of which he retains possession: Provided, That upon request of any lien holder on real estate the court shall cause a reappraisal of such real estate and the debtor may then pay the reappraised price, if acceptable to the lien holder, into the court, and thereupon the court shall, by an order, turn over full possession and title of said property to the debtor and he may apply for his discharge as provided for by this act.

"If the debtor fails to comply with the provisions of this subsection the court may order the trustee to sell the property as provided in this act."

Mr. HANCOCK of New York. Mr. Speaker, I demand a

Mr. HANCOCK of New York. Mr. Speaker, I demand a second.

Mr. OLIVER of New York. I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection?

There was no objection.

Mr. OLIVER of New York. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. Jones].

Mr. JONES. Mr. Speaker, this is an important bill, rather a drastic bill, but one that seems to me thoroughly justified in these times. We have passed a bankruptcy measure permitting corporations to take advantage of the bankrupt act. We have passed a measure authorizing municipalities to take advantage of that act. This amendment simply makes workable the bankruptcy provisions in the interest of the most important industry in America.

There is only one compulsory feature in the bill. It provides that the man must be a bankrupt, or at least, incapable of paying his debts—practically the same definition inserted in other bills—and there are certain features in the bill that provide for agreement on terms of repurchase—but these are purely voluntary, and must have the lienholder's consent before they take effect.

The real compulsory feature of the bill is to the effect that if the lien holder and the owner of the land cannot agree on the program as set out in the bill, or some other program, then the owner of the land has the right to appeal to the bankruptcy court, and under the control of that court foreclosure is forbidden for a period of 5 years, on condition that a reasonable rental be paid during that period, and the mortgagor complies with the requirements of the court to keep the land in condition. If he fails to meet these requirements a sale may be ordered at any time.

Now, there are two classes that need to be handled in this kind of a way. Of course, most people do not foreclose in a period such as this; there are a few hard-boiled people who want to take advantage of these conditions. I have no sympathy with any man who comes within that classification. I have no sympathy with any man who wants to take advantage of these times to take away from a man his own

home. [Applause.]

This old Republic is anchored in the farm homes of America, and we can afford to say that they shall not be fore-closed for a definite stated period.

If you will read the last provision carefully you will find that it is all within the option of the court, and that the lien holder is protected.

It is a well thought out bill. It was considered by the Judiciary Committee, and someone who knows his business drafted the bill.

The other part of the bill applies to mortgage companies, insurance companies, and others who have a trustee relationship but who do not feel that in handling other people's money they can afford to consent to a general moratorium. This will put it in the hands of the court, and then these companies will have authority for such action.

As of March 1, 1933, about 29 percent of the volume of outstanding mortgages was held by individuals, about 23 percent by insurance companies, about 19 percent by the Federal and joint-stock land banks, 11 percent by commercial banks, 10 percent by mortgage companies, and the remainder by other agencies. Since that time the volume held by the joint-stock banks has decreased and that held by the Federal land banks has materially increased.

This bill is not intended to deprive anyone of his rights. It provides for the protection of the lien holder as well as the mortgagor. It will be in the hands of a just court, which will see that it is legally administered. I believe they will all be better off with this kind of an act, because when there is foreclosure in any community on a farm, and a forced sale, it reduces the value of property all around.

The SPEAKER pro tempore. The time of the gentleman from Texas has expired.

Mr. HANCOCK of New York. Mr. Speaker, I yield myself 5 minutes.

Of course, the purpose of this act appeals to every man here. An effort is being made to help the farmer protect himself from the loss of his farm through foreclosure proceedings. Such a purpose as that appeals to every one of us, and we are all in sympathy with it. I suspect that the bill will be passed because of the label it bears, though not 20 people in the House have read it, and not 6 have made any effort to analyze it. If the bill passes, there are a lot of headaches in it for lawyers and judges and referees in bankruptcy who will be called upon to interpret it, because the bill is loosely drawn. I have made an effort to analyze the bill, but I do not claim that I have had very much success. We have gone a long way in this country, and in modern times, from the days when a man could be thrown into jail for debt. If the evolution in the relationship between debtor and creditor continues, the time is not far distant when the creditor will be thrown into jail, and a

man will be hung by the neck until dead who asks for the payment of his honest debt. About a year ago we passed an act called "a bill for the relief of debtors." Under that act the farmer may negotiate with his creditors in bankruptcy court, and with the aid of the court and of conciliators appointed for that purpose, compromise his debts and extend the time of their payment. This year we passed a bill under which the farmer may get together with the holder of the mortgage on his farm, exchange the mortgage for a Government bond, and obtain for himself a reduction of principal, an extension of time, and a reduction of interest. It seems to me that that is about as far as we have any right to go.

Mr. McCORMACK. Mr. Speaker, will the gentleman

Mr. HANCOCK of New York. Yes.

Mr. McCORMACK. What consideration has been given to the home owner in the cities?

Mr. HANCOCK of New York. None as yet under this scheme, but that will undoubtedly come later. Under this bill the farmer is dealt with. This bill will call for other legislation and will produce problems we do not foresee. We have not yet gotten around to the home owners in the cities. That will be the next step. Under the bill before us, the farmer may go into the bankruptcy court, ask for an appraisal of his property, reduce the liens on his property to present appraised value, obtain a stay of proceedings for 5 years, retain possession of all his property, reduce the interest to be paid to 1 percent per annum, and get easy terms of payment for the principal of the mortgage. That is the gist of the first part of the original Lemke bill, as well as the McKeown bill, which is about to be substituted. Both bills contain two alternatives, one of which I have briefly outlined without going into details. The second alternative, if the first plan is objected to, permits a referee to fix what he regards as a fair rent on the appraised price of the farm, and hold up proceedings for 5 years. During those 5 years the farmer, if he is able, may pay the principal of the reduced amount of the mortgage. In case neither of those alternatives is agreed to or the farmer becomes in default, then the bankruptcy proceeding takes its usual course, the property is sold in bankruptcy, and all the creditor can hope to get under any circumstances is the amount of the appraisal of the property on which he holds a lien.

Mr. RICH. Mr. Speaker, will the gentleman yield? Mr. HANCOCK of New York. Yes.

Mr. RICH. If the farmer is permitted to remain on the farm for 5 years and takes everything off the farm and does not give the farm the ordinary care which it is naturally supposed to get, what will the farm be appraised at in 5 years?

Mr. HANCOCK of New York. That is a danger against which the referee can safeguard the creditors because he is given authority to fix the terms of the lease under which the farmer continues to occupy his property.

Mrs. GREENWAY. Mr. Speaker, will the gentleman yield? Mr. HANCOCK of New York. Yes.

Mrs. GREENWAY. Answering that question, on page 6, line 17—

Mr. HANCOCK of New York. Which bill? Mrs. GREENWAY. Of the Senate bill, it says:

Possession of all or any part of this property under the control of the court.

I think that takes care of it.

Mr. HANCOCK of New York. It might; but the language ought to be a little plainer and more definite.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. HANCOCK of New York. Mr. Speaker, I yield myself 1 minute more.

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. HANCOCK of New York. Yes.

Mr. REED of New York. Glancing over this report I fail to see any provision for the payment of taxes.

Mr. HANCOCK of New York. None except what the gentlewoman from Arizona has pointed out, that this property is at all times under the control of the court.

Mr. REED of New York. What about insurance? Mr. HANCOCK of New York. That is not mentioned specifically. Neither is there any specific mention of any of the clauses which ordinarily are parts of the mortgage itself. The covenants in the mortgage are not specifically mentioned here. You must rely on the good judgment of the judge or referee who has control of the bankruptcy case.

Mr. REED of New York. Where is the court to get the money to keep up the taxes and the insurance?

Mr. HANCOCK of New York. That is one of the difficult problems we put up to the court.

Mr. REED of New York. I should say it is a very difficult one under present conditions.

Mr. HANCOCK of New York. I think it is an impossible problem, but the only hope we have is that the referee will make proper safeguarding provisions in whatever arrangements he makes.

Mr. REED of New York. Then is the court going to protect them against the stripping of the land of timber and things like that?

Mr. HANCOCK of New York. Well, we hope so. I doubt if any of the things which the gentleman speaks of can be properly taken care of, but, as I say, it is up to the courts.

Mr. ELTSE of California. Will the gentleman yield?

Mr. HANCOCK of New York. I yield.

Mr. ELTSE of California. Is it not true that there are homestead exemptions which exempt farmers as well as urban owners?

Mr. HANCOCK of New York. Yes. The exemptions must be set aside under the terms of the bill.

Mr. REED of New York. Will the gentleman yield further?

Mr. HANCOCK of New York. I yield.

Mr. REED of New York. I know of cases where creditors have simply gone the limit in trying to protect farmers who have mortgaged properties, and they have made real personal sacrifices.

The SPEAKER pro tempore. The time of the gentleman from New York [Mr. HANCOCK] has expired.

Mr. HANCOCK of New York. Mr. Speaker, I yield myself 2 additional minutes.

I should like to call attention to a fact that I think has been entirely overlooked. This bill does not apply to mortgages on real estate only but it applies to liens on all kinds of property and pledges as well. For example, a farmer may buy an automobile on a conditional contract, or a radio, or he may have a chattel mortgage on his cows and pigs and on his furniture. He may have pledged stocks and bonds at the village bank to secure a loan, and he may have a mortgage on his real estate. If he goes into bankruptcy, every one of those liens is reduced to the reappraised value of the articles they cover, to the then value of the property covered by the lien, and it can never be restored to the original amount, no matter how much values increase. If the bankruptcy takes its usual course, the property is finally sold, and even though it is sold for more than the amount of appraisal, the man who owns the security cannot get the benefit of that increased price. He must take the appraised value. The property might be sold for considerably more than the amount of the reduced lien, but the surplus would go into the bankrupt estate for the benefit of all the creditors, unsecured as well as secured. That is one method of taking property from one man and giving it to another without process of law. Certainly no one will contend that it is a constitutional proposition.

It might be well to bear in mind just who is affected. The biggest owner of mortgages on the farms of this country is Uncle Sam himself. We have been exchanging farm mortgages for United States bonds at the rate of about \$100,-000,000 a month, and it is going to continue as long as there is any money left for the purpose.

The gentleman from New Jersey [Mr. Perkins] has furnished me with a table, showing who holds farm mortgages.

Although it is not up to date, I ask unanimous consent to include this statement at this point as a part of my remarks.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The statement is as follows:

The most illuminating information that I have been able to find is in the book The Internal Debts of the United States, by Evans Clark. With respect to the holdings of farm mortgages as Evans Clark. With respect to the holdings of farm mortgages as of January 1, 1928, there appears a table on page 40 of this volume showing that the total farm mortgage indebtedness in the country of about \$9,500,000,000 was distributed as follows:

	Amount	As percentage of total
Life-insurance companies Federal land banks Commercial banks	\$2, 164, 000, 000 1, 146, 000, 000 1, 020, 000, 000	22. 9 12. 1 10. 8
Mortgage companies.  Joint-stock land banks.  Retired farmers.	988, 000, 000 667, 000, 000 1, 006, 000, 000	10.4 7.0 10.6
Active farmers Other individuals Other agencies	339, 000, 000 1, 453, 000, 000 685, 000, 000	3.6 15.4 7.2
Total	9, 468, 000, 000	100.0

Some changes undoubtedly have occurred in the distribution since 1928 but it has probably not disturbed the comparative percentages very much. It is pointed out in this book, for expercentages very much. It is pointed out in this book, for example, that at the end of 1932, insurance companies held but 21.4 percent of the total outstanding farm mortgages. In other words, from 1928 to 1932 there was a reduction from 22.9 to 21.4. The percentages of these mortgages held by retired farmers, active farmers, and other individuals may have increased somewhat, but probably not materially probably not materiallly.

Mr. HANCOCK of New York. The figures given for insurance companies and banks are much too large today, and the figures for Federal land banks much too small.

The SPEAKER pro tempore. The time of the gentleman from New York has again expired.

Mr. HANCOCK of New York. I yield myself 1 additional minute, Mr. Speaker.

As was suggested by the gentleman from Massachusetts, various States are meeting this critical farm situation in accordance with local needs. In some States there is an extension of the time to redeem real estate after foreclosure. In others, personal deficiency judgments have been prohibited. In others, the court simply controls the situation by brute strength. That is, a complaint in a foreclosure action is served. The judge takes the papers and he reserves decision indefinitely. No order of foreclosure is ever granted. I understand something like 14 States have passed special legislation to handle the farm crisis. If we pass this general law it is an invitation to farmers everywhere, even though they are able to struggle along and pay their debts, to come into court and scale down their debts and reduce the interest rate which they have agreed to pay their creditors. It is demoralizing. It is dishonest legislation. The constitutional rights of honest creditors cannot be utterly disregarded.

Just in conclusion, let me say that when you pass legislation like this you are coming close to putting the farmers in the class of Indians, imbeciles, and infants. You will destroy their credit. No one will lend them money and in the long run you are doing them a disservice. The farmer is an honest, self-respecting, self-reliant man. Let States adopt laws to meet local needs. Do not injure the farmers in my section to help them elsewhere. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from New York [Mr. Hancock] has again expired.

Mr. OLIVER of New York. Mr. Speaker, I yield such time as he may desire to the gentleman from Texas [Mr. JOHNSON].

Mr. JOHNSON of Texas. The purpose of this bill, H.R. 9865, is to grant, under the bankruptcy power of Congress, extensions of time to distressed farmers for payment of their debts and mortgages, and to permit them to remain in possession of their property during the period of such extensions while payments are being made under the terms and conditions of the bill.

Under the act approved March 3, 1933, the Bankruptcy Act was amended by adding what is known as "section 75" thereto, with reference to agricultural compositions and extensions. In brief, that act authorized farmers, at any time within 5 years, to file a petition, stating that the farmer was insolvent and unable to meet his debts, and that it was desired to effect a composition or extension of time to pay his debts, which petition the farmer would accompany with schedule of his indebtedness. Without going into detail, provision was made for a meeting of the creditors, and, after hearing was had, a means was provided by which an agreement might be reached between the farmer and his creditors with reference to scaling down his indebtedness and reaching some agreement with reference to an extension of time and also a reduction of the indebtedness upon agreement had between the farmer and his creditors.

This bill is a further extension of the act of March 3, 1933, by providing that a farmer, whose efforts under the present agricultural composition section of the Bankruptcy Act to secure an adjustment of his indebtedness have been unsuccessful, may amend his petition asking that he be adjudged a bankrupt and petition for an appraisal of his property. The court shall then appoint appraisers, who are directed to appraise the property "at its then fair and reasonable value, not necessarily the market value at the time of such appraisal."

If the debtor requests and the lien holder consents, the trustee in bankruptcy is directed to agree to sell to the debtor a part or all of the bankrupt estate at the appraised price upon the following terms:

(a) Payment of 1 percent interest upon the appraised price within 1 year from the date of said agreement.

(b) Payment of 21/2 percent of the appraised price within 2 years from the date of said agreement.

- (c) Payment of an additional 21/2 percent of the appraised price within 3 years from the date of said agreement.
- (d) Payment of an additional 5 percent of the appraised price within 4 years from the date of said agreement.
- (e) Payment of an additional 5 percent of the appraised price within 5 years from the date of said agreement.
- (f) Payment of the remaining unpaid balance of the appraised price within 6 years from the date of said agreement.

Interest shall be paid on the appraised price and unpaid balances yearly as it accrues at the rate of 1 percent, and the debtor shall pay the taxes.

If any secured creditor shall file written objections to the manner of payments and distribution of the debtor's property as above provided for, then the court shall stay all proceedings for a period of 5 years, during which time the debtor may retain possession of all or any part of his property under control of the court upon payment of a reasonable rental therefor. At the end of 5 years, or prior thereto. the debtor may pay into court the appraised price of the property, provided that upon request of any lien holder upon real estate the court shall cause a reappraisal of such real estate to be made and the debtor may then pay the reappraised price, if acceptable to the lien holder, into court, and thereupon the debtor shall have full possession and title of said property and be discharged from all his debts, both private and public, as hereinbefore provided.

This legislation is temporary and is an emergency measure. The act which it amends expires 5 years from March 3. 1933, and this amendment will therefore expire at the same

time, to wit, March 3, 1938.

Thousands of farmers are losing their homes and the savings of a lifetime, and this legislation is designed to prevent the harsh and unjust creditor from taking away from the farmer his savings of a lifetime.

The effect that this legislation will have and the relief that it will afford, like much of the other legislation passed

by Congress, is speculative.

However, in addition to other legislation passed, this bill is an attempt upon the part of Congress to give the farmers a chance to try to save their homes from their creditors, and I am glad, therefore, to support it, and believe that the bill should pass.

Mr. OLIVER of New York. Mr. Speaker, I yield such time as he may desire to the gentleman from Ohio [Mr. LEHR].

Mr. LEHR. Mr. Speaker, I want to answer the query just made by the gentleman from Massachusetts [Mr. Mc-CORMACK] as to whether the Congress is giving any consideration to the condition of the home owners in the cities. I want to say to the gentleman from Massachusetts that if the Federal land bank, under the emergency farm-mortgage relief legislation which this Congress has enacted could have applied the benefits of that law to the distressed mortgage-burdened farmers of my State as well as the Home Owners' Loan Corporation has applied the benefits of the Home Loan Act to the home owners of the cities of Michigan, that there would not be the demand today on the part of the farmers in Michigan for this kind of legislation that there is. I further say to the gentleman from Massachusetts and to those who have used this same argument against granting additional mortgage relief benefits to the farmers, that the Home Owners' Loan Corporation created by this Congress has done a tremendous good to the home owners in the cities, because so far as my State of Michigan is concerned, it has been administered by persons whose sympathies are with this administration, who want to make a success of that law, who want to see that the relief is granted to the home owners, and therefore a great amount of good has been done to the home owners in the State of Michigan. I only wish that I could say as much with equal truth with reference to the farmers of my State, but unfortunately this relief is being administered by the Federal Land Bank Administration, and I say to you that judging from the manner in which the law has been administered by the Federal Land Bank of St. Paul, that they are not sympathetic either with the farmer or with this administration. As a matter of fact, I know that in certain instances the statement has been made by men working under the direction of the Federal land bank that they could not do too much for the farmer because if they did the Roosevelt administration would get the benefit of it.

As far as my State is concerned, and I speak of conditions in no other State, because I am not sufficiently familiar with those conditions except from the statements that have been made here in Congress, the administration of this relief is largely, if not almost entirely, in the hands of the same people who have been operating the Federal land bank during the Hoover administration. They do not want to see real relief furnished to the farmers; they do not want the Roosevelt administration given the credit for doing anything for the farmers. If they can hold down this relief to the smallest number and in the smallest amount, if they can create dissatisfaction among the farmers who apply for this assistance, they naturally feel there will be a reaction on the part of the farmers against our Democratic national administration. That is my answer to the gentleman from Massachusetts. This being the condition, the farmer not having received the mortgage relief which we intended he should have needs this assistance just as much now as he did a year ago.

This bill which is now under consideration came to our Judiciary Committee as the Lemke bill, it having been introduced by the gentleman from North Dakota. Our committee spent many days and some nights in earnest consideration of the problems which this bill was sought to meet and of the machinery which it was intended to set up in this bill by which to solve those problems. After giving it our serious and best consideration, we drafted a new bill known as the "McKeown" bill, which is the bill before you today and in simple fairness to the Judiciary Committee, of which I am a member, and in fairness to the lawyers in Congress, I want to say that the Judiciary Committee is composed entirely of lawyers, because of course the juridical questions which come to the Congress are supposed to be passed upon by a committee of lawyers. But the fact that this committee is composed entirely of lawyers did not prevent at least the big majority of the committee of being wholeheartedly in favor of this legislation. We redrafted the bill as originally presented by Mr. Lemke in order to make it more workable and in order that it might withstand any attacks which might be made against it in the courts of the land, and it has been reported out to you by a big majority of that committee.

I know that there is no more sincere friend in this Congress of the distressed farmer than is the gentleman from North Dakota [Mr. Lemke], and I am glad that today we in the House of Representatives are going to have the opportunity of voting for one of the phases of legislation in which he has been so vitally interested all during this period of depression and when this bill has been passed by this House, and I predict it will pass by an almost unanimous vote, the gentleman from North Dakota will be entitled to the greatest credit for its enactment.

Substantial, permanent prosperity will not come back to America in its fullest measure until prosperity shall have been brought back to the agricultural industry in America. I do not mean by that, that a prosperous agricultural condition alone will make the Nation prosperous. The wage earners in the cities must be prosperous in order to furnish the consuming power for the products of the farmer, but the condition in which we have found ourselves as a result of the depression must be attacked from all sides and that is what we are doing in this type of legislation. We are merely giving to the farmer who is distressed some of the same advantages as far as the bankruptcy laws are concerned that we have given to corporations so that they can scale down their outstanding indebtedness and reorganize and carry on. The indebtedness of the people of this Nation is so staggering today that there will have to be in some form or other a scaling down of those debts. Many of the holders of mortgages and other obligations realize this and are voluntarily effecting a compromise by which the indebtedness is being reduced. This bill merely gives the distressed farmer who simply cannot carry on under his present indebtedness an opportunity to take advantage of the bankruptcy courts of the Nation and place themselves in a position where they can carry on. We do not want a Nation of tenant-occupied farms-we want a Nation of farms that are occupied and operated by the owners and this bill will help to accomplish that end.

Many of us would have liked to have had the Frazier-Lemke bill enacted into legislation because in my humble opinion it would have given greater relief to more farmers than this present bill, but if we cannot at this session of the Congress enact the Frazier-Lemke bill, surely that is the greater reason why we should pass the bill now under consideration.

The farm problem is nothing new. It has been with us continuously since 1921 with the conditions getting worse and worse every year, and practically nothing done of any material benefit to the farmers until our administration went into power in March of 1933, and it is with a great deal of personal satisfaction that I make the statement that in the 15 months which have elapsed since we took over the administration of governmental affairs in this country, we have passed more legislation for the benefit of agriculture in America than was passed in all of the 12 years which preceded it under Republican administration. I do not mean to say that all of this legislation will be successful. I do not mean to say that I have favored all of this legislation, because some of it I feel will not accomplish the purposes that it was intended it should accomplish; but I do say that at least we have enacted more legislation seeking to help agriculture than was ever passed before, and in many, many sections of this country a very perceptible improvement in agriculture was obtained as a result of that legislation, but we are now faced with an acute emergency condition, the like of which this country has not faced, in my recollection. The drought situation is one over which we have no physical control, and the result of that situation only added to this tremendous problem and makes the need that much more for this kind of legislation.

The other day the gentleman from Kansas [Mr. McGugin] under an extension of remarks granted to him, inserted certain statements into the Record in which he criticized

this administration for not doing anything relative to the enactment of the Frazier-Lemke bill. My answer to him is that this same legislation was up for consideration for approximately 4 years under the Coolidge and Hoover administrations, when his party was in complete control and yet they did nothing. At least those of us who have favored this legislation have done what he and his party never did before-we obtained the signatures of 145 Members of this Congress to a petition to bring this bill up for the consideration of the Congress, and it is my humble opinion today that had he in particular and the members of his party not engaged in the filibuster which they did, in an attempt to prevent the Democratic Members from completing the Roosevelt recovery program, that we would have been given an opportunity at this session of the Congress to have voted for the Frazier-Lemke bill.

But now that is water over the dam. We are given here today the opportunity of voting for this bill originally introduced by the gentleman from North Dakota [Mr. Lemke]. I think it is a splendid commendation of the sincerity of purpose of the members of the Judiciary Committee that they have reported this bill out for your consideration and for your action and I hope that this bill will receive the endorsement of the Members of this House and as a result of it real benefit will be obtained by the farmers of America.

real benefit will be obtained by the farmers of America.

Mr. OLIVER of New York. Mr. Speaker, I yield to the gentleman from Arkansas [Mr. Miller] 2 minutes.

Mr. MILLER. Mr. Speaker, I regret exceedingly that we do not have an opportunity to fully discuss this bill. I do not believe there is a Member on the floor who would oppose this bill if he thoroughly understood it. We must look at it from a common-sense standpoint. We all admit that there have been, by various legislation enacted by this Congress and the prior Congress, moratoria extended to every class except the farmers. We have made efforts to save the homes of the city people of this country, and this bill must pass to give the farmer the same protection. Go with me to any rural district in this country today and we will find the farmer struggling under a burden of debt. There are two things that must be done. I am not a prophet and I do not want to engage in prophecies, but before this country recovers and before a reasonable degree of prosperity returns, there must be a scaling down of indebtedness or there must be more money put into circulation in this country. Prior to doing that, are we going to permit the farmers, who are just as honest as any class of people that we have, to lose their homes? This is not like a city proposition. You may foreclose a city man's business, but you leave his home intact. Not so with the farmer, when you foreclose his business you take his home and send him and his family out on the highways, broken in spirit and in morale. You have not helped the mortgagee by so doing but in many instances you have withdrawn this land from cultivation and it does no one any good.

This bill might correctly be deemed and styled a conservation measure because it provides the machinery for the conservation of the assets of the farmer and at the same time preserves the security of the mortgage holder. It gives the actual farmer a chance to live and pay his debts. That is all they ask. That is justice and you must not for the benefit of this country deny him that right and privilege. We can by the enactment of this bill save the rural homes and we must not fail.

Mr. HANCOCK of New York. Mr. Speaker, I yield 4 minutes to the gentleman from North Dakota [Mr. Lemke].

Mr. OLIVER of New York. Mr. Speaker, I yield 3 minutes to the gentleman from North Dakota [Mr. Lemke].

Mr. LEMKE. Mr. Speaker, the stability of Government depends upon homes—a Government without home owners is in danger. The present Farm Mortgage Refinancing Act is not sufficient to protect and save the farm homes. There are over 3,000 mortgage foreclosures in this Nation every 24 hours. Hundreds and thousands of the best citizens of this Nation will, within the next year, lose their homes unless we take some steps to prevent it. There is not a Member of this Congress who has not received hundreds of letters from farmers asking that something be

ilies against pending or threatened mortgage foreclosure. These are the undisputed facts and the sad realities that confront us. This Congress must not and cannot adjourn until it has provided at least a temporary remedy. A few insurance companies and a few other mortgagees, bent upon the destruction of farm homes—upon the destruction of agriculture-must not be permitted by this Congress to commit suicide. They are their own worst enemies. They must not be allowed to demand selfishly the last pound of flesh-the last drop of blood from agriculture. They, in their selfishness, would destroy the goose that lays the golden egg. The farmers have been and are paying all they can. The agricultural debts must be scaled down within the ability of the farmers to pay.

The bill here under consideration simply provides that if a farmer is unable to meet his obligations and unable to adjust his indebtedness with his creditors, that then he can go into a Federal court and file his petition in bankruptcy and have his property appraised at its fair and reasonable market value, have his exemptions set aside and retain possession of any or all of the remainder of his property, as he may decide, under the control of the court, and pay for it on the installment plan with interest at

1 percent per annum.

These payments consist of 1-percent interest on the appraised value of the property the first year, 21/2-percent principal annually for the next 2 years, and 5 percent on the principal annually for the next 2 years, and the balance of the appraised value at the end of 6 years, together with 1-percent interest each year on all unpaid balances.

If any creditor is not satisfied with this arrangement, he may object, and the court will then, after setting aside the debtor's exemptions, stay all proceedings for a period of 6 years. In the meanwhile the debtor will be permitted to retain possession of all or any part of his property, under the control of the court, provided he pays a reasonable annual rental for that part which he retains. The first payment of such rental must be made within 6 months of the order staying proceedings. The bill provides, further, that at the end of 6 years or at any time prior thereto, the debtor may pay into court the appraised price of the property which he retains, and that thereupon the court shall turn full possession and title over to the debtor and discharge him from all further debts.

All that this bill does is to put teeth into section 75 of the Bankruptcy Act, which was passed during the closing days of the previous administration. It gives a farmer debtor an opportunity to scale down his existing indebtedness to the present value of his property and gives him an opportunity to pay that indebtedness on the installment plan with 1 percent interest. This bill gives to the farmers the same rights that we have already given to corporations, and other industries, and other debtors.

The gentleman from Massachusetts asks what about the city homes. My answer is that we are now making loans on mortgages on city homes up to 80 percent of their value, but on farms and farm homes, under the Farm Mortgage Refinancing Act, we grant loans on first mortgages only up to 50 percent of the value of the land and 20 percent on insured buildings and improvements, making the average about 40 percent of the total value of farm homes and improvements, as compared to 80 percent on city homes. I do not object to the 80 percent on city homes, but I do object to the 40 percent on farms and farm homes. That is why we need this legislation.

The Farm Credit Administration, which is most vitally concerned in this legislation, is not opposed to this bill. This bill, in fact, will assist the Farm Credit Administration. It will scale down farm indebtedness to their present values so that the Farm Credit Administration can function. This bill is an amendment to section 75 of the Bankruptcy Act. It is not a new bankruptcy act. All of the provisions of the Bankruptcy Act apply to this bill. It simply amends section 75 of that act by adding a new subsection. It puts a

done by the Government to protect them and their fam- | few teeth into section 75 and makes it possible for the farmer to keep his home and to provide for his family until he is able to meet his obligations properly scaled down.

The arguments that have been advanced against this bill should have been advanced against the Bankruptcy Act in 1867 when it was first proposed and passed—they apply with equal force against the original Bankruptcy Act. There is nothing new about this amendment. Courts have already been doing everything that we ask for in this amendment for commercial businesses. Under the supervision of the Federal courts, going concerns have been continued in business. Now, by this amendment, we are asking the courts to permit the farmer to continue his business under the control of the court. The necessity for such an amendment is here.

I know that not a single Member of this House would vote against this bill if they all knew the facts and the desperate situation that exists in many of the States of this Union; if they could realize that the defeat of this bill will mean the loss of the men, women, and children occupying 400,000 farm homes within the next 2 years. If only we all could see and understand the dire distress of the millions of men and women living on farms in the North Central and South Central States, then there would not be one moment's hesitation in the passage of this bill.

Mr. BROWN of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. LEMKE. I yield.

Mr. BROWN of Kentucky. I am very much interested in this bill. Does the gentleman not think, under the language on page 3-

Upon request of the debtor and with the consent of the lienholder or lienholders.

if he has got to get the consent of the lienholders, then he is not going to derive much benefit from this act?

Mr. LEMKE. I agree with the gentleman that the original bill was better, but under section 7 of this bill the farmer gets a moratorium for 6 years, and he has the opportunity to get his indebtedness scaled down to present values, so that he will be in a position to be refinanced.

Answering the gentleman from Pennsylvania that under this bill, farmers could remain in possession of their farms for 6 years by paying rental-why not? Surely we do not wish to destroy 400,000 homes and add still further to the army of unemployed in the cities and towns. The courts of bankruptcy are now doing this very thing for other industries-going concerns. It is about time that we realize that a farm is a going concern.

With regard to the constitutionality of this bill, I shall not discuss it, because on the Judiciary Committee of the House there are 25 lawyers, more able than I, and 17 on the Senate Committee on the Judiciary. These committees have o.k.'d it. I am not worried about the constitutionality of it. Let the Supreme Court decide that. I may say that I was able to answer every question asked by the members of the Senate Committee on the Judiciary with citations from decisions of the Supreme Court of the United States; and those Senators who at first objected to the bill finally accepted it, and the bill has passed the Senate without amendment. The House, however, substituted the House bill. I am for it because it is, after all, the best we can get. The House bill makes the whole thing voluntary except in section 7 which is compulsory.

Mr. PEYSER. Mr. Speaker, will the gentleman yield?

Mr. LEMKE. I yield.

Mr. PEYSER. The gentleman stated that the insurance companies were vitally interested in this. Is it not true that about 80 percent of these mortgages are held by indi-

Mr. LEMKE. No; that is not true. Less than 22 percent are held by individuals. The individuals generally have second, third, and fourth mortgages. The insurance people have protected themselves with first mortgages and they, as a matter of fact, are trying to commit suicide. I am sorry for them, for they are the ones who should be the last to object to this bill.

Mr. ZIONCHECK. Even if the law is eventually held to be unconstitutional, it would give the farmers some relief

and a breathing spell in the meantime?

Mr. LEMKE. Yes; that is correct. Something has been said concerning orphans and widows who have loaned money on farms, but nothing has been said of the orphans and widows that live on the farms who have created the agricultural wealth of this Nation. Nothing was said when these orphans and widows lost their money in the banks. We scaled down the deposits of orphans, widows, and other people some six billion. If that had not been done, then the farmers would not have to scale down now. There would have been plenty of money so that their farms could be refinanced and this bill will not be necessary.

Mr. CHRISTIANSON. Are we any more lenient to the farmer under this bill that we were to corporations under a measure that was enacted here some few weeks ago?

Mr. LEMKE. No; we are not as lenient to the farmer; but whenever the farmer asks for something, for some reason we assume that he is not entitled to it. We feel that he is not entitled to any consideration. We forget that this 130,000,000 will in the near future make itself felt in, no uncertain way unless we deal justly with them. I am sure the gentlemen of the House do not want that.

Mr. HASTINGS. Will the gentleman tell us the differ-

ence between the House and Senate bills?

Mr. LEMKE. The principal difference is that the House bill makes it voluntary on the part of the creditors. It has easier terms of payment than the Senate bill. The Senate bill requires higher payments. The creditors are bound more by the Senate bill. In this bill they have their own way. Their consent is required, excepting in section 7.

Mr. HASTINGS. Who pays the taxes?

Mr. LEMKE. In the Senate bill nothing is said about

that, but in the House bill the debtor does.

Mr. TRUAX. It is said by the gentleman from New York that this would place the farmer in the class of imbeciles and infants. I resent that statement, as I know the gentleman from North Dakota does, but may I say that is typical of the argument of the money lender and his representatives. They are the ones that placed the farmers in the poorhouse.

Mr. HANCOCK of New York. The gentleman misconstrues the statement of some one everytime he comments. He misconstrues the statements of everyone. I did not expect the gentleman to understand it, but everybody else

understands the matter.

Mr. LEMKE. The gentleman from New York has been eminently fair to us in connection with this bill so far, and has been reasonable in all the dealings I have had with him on the bill.

Mr. KURTZ. May I ask the gentleman what the exemption is in some of the States of the Union?

Mr. LEMKE. The exemptions of the States of the Union are different. In Minnesota it is 80 acres for a homestead, but if that 80 acres is mortgaged for more than it is worth, then there is no homestead. In my State it is 160 acres, and they are all mortgaged for more than they are worth. Therefore, there are no homestead rights in North Dakota at the present time. The same thing is true of Minnesota. There are different laws in the different States, and I am not familiar with all of them. In my State even the chickens, the turkeys, horses, pigs, and cattle are mortgaged.

Mr. KURTZ. If the mortgage is on a homestead of 160 acres, then that mortgage is attached and is a voluntary

indebtedness of the debtor?

Mr. LEMKE. Yes. The homestead right is subject to mortgage. All liens under this bill remain the same as

before. It does not affect any priorities.

In conclusion, may I repeat that H.R. 9865 is constitutional and finds its authority in section 8 of the Constitution providing that Congress may pass uniform laws on the subject of bankruptcy, that all of its provisions in some form or other have been sanctioned in bankruptcy proceedings and have the approval of the Supreme Court of the United States and the Federal courts. It is true that the principles established are applied in a little different way and a little

more to the protection of the agricultural bankrupt and to his reestablishment as a useful member of society.

This new application of well-settled principles of law toward the reestablishment of the bankrupt as well as the protection of the creditor has been also recognized in an extension of time in mortgage foreclosures by the Supreme Court of the United States in the Minnesota case, and by the President of the United States during the bank holiday.

Therefore, I respectfully submit that H.R. 9865 is constitutional; that in case the debtor and creditor cannot get together and conciliate under section 75 it provides an honest and efficient method of scaling down indebtedness to the present reasonable value of the debtor's property; that it is humane and will protect and save the homes of hundreds and thousands of families, and that it is essential to the well-being not only of the people living on the farms but of the people of this Nation. We cannot and should not crowd more people into our already over-crowded cities. In the adjustment inevitably brought about by the depression, no one should be permitted to destroy society in order to exact the last pound of flesh. All must give and take. The creditor is no more holy and sacred than the debtor. The Constitution was made for the people and not the people for the Constitution.

[Here the gavel fell.]

Mr. OLIVER of New York. Mr. Speaker, I yield to the gentleman from West Virginia [Mr. RANDOLPH] such time as he desires.

Mr. RANDOLPH. Mr. Speaker, the distressed farmers in the district I represent need this measure. It will not place them in a special, privileged class, but will actually put them on a parity with others who are being helped in this crisis. This is a vital bill and deserves united support.

Throughout West Virginia there are thousands of really desperate farmers who, under this important measure, will be given the opportunity for extension of time to pay their debts and to handle mortgages. They will be able to remain on their farms during the time of the extensions while paying those debts which they honestly desire to settle but which cannot be met as conditions now exist.

Prompt passage of this bill in the closing hours of the Seventy-third Congress will be one of the real humanitarian acts which we can perform here. To destroy the farmers of America is to destroy those fine citizens who are always our bulwark in time of need. Now they are faced with a need. We must not fail to give them this legislation today.

Mr. OLIVER of New York. Mr. Speaker, I yield 2 minutes to the gentleman from Washington [Mr. Lloyp].

Mr. LLOYD. Mr. Speaker, your Committee on the Judiciary has realized the far-reaching effect of this legislation. It realizes, too, the fact that this is no new legislative policy upon which we are embarked. By the passage of this act we are simply making workable the bankruptcy act which is already existing law. We are providing a means whereby the farmer may avail himself of an existing law passed by a preceding Congress that was intended to benefit him.

Under the law as it now exists, the farmer who cannot pay his debts and avails himself of the bankruptcy act must submit to rules and regulations laid down by the conciliators appointed. Those conciliators may, and oft-times do in the broad discretionary power conferred upon them by the law, make terms and conditions which the farmer cannot meet. By this act, it is our intent and purpose to provide an honest remedy for the creditor and to provide, too, some method by which the honest farmer who is willing and anxious to pay his debts may save his home and become again a useful member of society.

Something has been said of the justice and equities of this act. Permit me to remind the Membership of this House that at the peak of our predepression prosperity when most of these mortgages to be affected by this act were procured and given, this country had national assets of approximately \$391,000,000,000. At the same time, we had debts outstanding and existing of between two hundred and thirty-five and two hundred and forty billions of dollars so that at that time, based upon the monetary values

then existing, the Nation, as a whole was solvent-in other words, the assets of the people exceeded the liabilities of the people, but came the depression, and it is estimated by those who have given careful study to the subject that our \$391,000,000,000 representing the sum total of our national assets have depreciated in value by at least two hundred billion dollars, leaving at the most a hundred and ninety-one billions of dollars with which to pay at the least two hundred and thirty-five billion in debts, based upon the present value of the American dollar. It is a safe assumption that the debts of the Nation have not decreased, but rather that they have increased since the peak of prosperity in 1928.

It is all too plain that the people of this Nation cannot pay \$235,000,000,000 in debts with total assets of only \$191,-000,000,000. It is all too plain that somehow and in some way if the creditor class of this Nation insists upon immediate payment at present monetary values, it must submit to a scaling down of those debts, for if judgments were taken and executions rendered upon every debt existing in the Nation today and all of the assets of all of the people taken to satisfy the creditors' obligations there would not be within 40 percent enough assets to meet the obligations, to say nothing of the expensive process of suit and judgment and execution, and foreclosure, and to say nothing, too, of the lack of wisdom that would be involved in a policy that would permit the wiping out of practically all of the assets of the average man and woman of this Nation. We are trying in every way possible to raise prices to decrease the value of the commodity dollar to enable the people of this country who are anxious and willing to pay to meet their obligations upon conditions reasonably similar to the conditions that prevailed at the time the debts were incurred. We are trying to go ahead; we are trying to bring this country and the people of this country out of the depression, and again onto the broad road of prosperity.

By the passage of this act we say to the man who demands payment now: "You may take the full value of your security and you shall be secured while the farmer who wants to pay and is willing to pay may be enabled to raise the money to pay you. If you are unwilling to do that you shall wait for a period of 5 years during which we hope to raise prices of farm commodities and of farms and homes to a point somewhere nearly equal to the values calculated by you and the borrower at the time the obligation was incurred."

The commodity dollar still wavers somewhere in the neighborhood of the value of 200 cents so that the farmer who in 1928 borrowed a thousand dollars upon his farm must of necessity pay back today to satisfy that debt in commodities, in earning power, in effort, at least \$2,000, or twice what he borrowed, which is a condition that neither the debtor nor creditor contemplated at the time the transaction was entered into and, in my judgment, a 200-cent commodity dollar is no more an honest dollar than a 50-cent commodity dollar would be.

We are confronted with a practical proposition. We will either give the relief demanded by this resolution, and give to the farmer a respite until we are able to raise commodity prices so that it will be possible for him to pay his debts, or we will see a Nation bankrupt. The great bulwark of the American people is and always has been and always will be the farmers of this Nation. Wipe them out and you will have destroyed American ideals, American institutions, and all that which represents the finest and noblest and best in American life.

It is my hope that you will follow the committee and choose the course of wisdom and the course that we believe will result in ultimate prosperity to all of the American people.

Mr. HANCOCK of New York. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. Boileau].

Mr. BOILEAU. Mr. Speaker, this bill is simple justice. Any creditor having a mortgage or lien on the property of a farmer today certainly is not entitled to any more than the property will bring if it is sold at this time.

Many of these large insurance companies and others who have invested heavily in farm mortgages have for the past couple of years patted themselves on the back and said, "Why, we have not foreclosed many mortgages." That is true, many of them have not foreclosed mortgages, but the reason they have not foreclosed the mortgages is that if they were to foreclose they would get much less than the amount of their lien, and for that reason they are having the farmer stay on the farm in the hope that he will hang on to it until the property is worth the amount of the lien against it.

The present system forces the farmer to stay on the property and work himself out of that tremendous debt burden. This bill provides that the creditors are entitled to all the property is worth and no more, and it provides that if the farmer stays on the property he will get the benefit of any increase in value of the property as a result of his energy, his effort, his feeding of the livestock, and his doing his utmost to preserve the value of the property. [Applause.1

At the present time if any one has a lien upon business property and the business man decides to go into bankruptcy, all the creditors get is the present fair value of the property. It probably would not even be the fair value, because it would be knocked down under the hammer and sold at a forced sale. This bill protects the farmers' creditors as much as commercial creditors are protected under existing law.

[Here the gavel fell.]

Mr. OLIVER of New York. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi [Mr. Busby].

Mr. BUSBY. Mr. Speaker, this bill is one made necessary by a condition. The income and paying power of the farmer when he made the debts he is called upon now to settle was perhaps three or four times what his income and paying power is now. It is absolutely impossible for him to pay the debt at the old level with his present income and paying power.

Now, what is the effect of selling farm homes? When you sell a farm you sell a man's home. If you sell a business in a city, you likely leave the home of the man, and he can go and get another job. If you sell his home in the city, you leave his business, and he can find somewhere else to live, but whenever you sell the farm of a man you put him and his family in the road without business, without home, and without hope.

National distress is most keenly felt where men have lost their homes and farms and business together. A farm sold out from under a man and taken over by his creditors becomes almost a useless thing, because the creditor cannot operate the farm. He has something he hopes to pass on to another farmer, and the best condition will be maintained if the farm remains in the hands of its present owner, with the owner given an opportunity to meet his obligations, scaled down to the paying power he can raise, so that he can go forward in caring for his family, redeeming his home, and being an American citizen. [Applause.]

[Here the gavel fell.]

Mr. HANCOCK of New York. Mr. Speaker, I yield the balance of my time to the gentleman from New York [Mr. PEYSER 1.

Mr. PEYSER. Mr. Speaker, I believe that many of the Members are overlooking a very vital point in connection with this legislation-that is the fact that you are removing from the farmer the possibility of securing any mortgage assistance in the future. I believe in the enactment of this law and the scaling down of values you are going to take away the possibility of help that may be needed by these farmers in the future.

Mr. DOWELL. Mr. Speaker, will the gentleman yield for a question?

Mr. PEYSER. Gladly. Mr. DOWELL, If the farm is sold under the mortgage, the mortgagor will get less than its actual value usually, will he not?

Mr. PEYSER. Not necessarily.

Mr. DOWELL. Then will he not fare better if this bill | is passed and he gets the actual value of the property or all that the man has?

Mr. PEYSER. I do not know whether he will fare better or not, but the holder of the mortgage is certainly the man who is going to suffer, no matter what happens, under this

Mr. DOWELL. But he will get all the value there is in the property—he will get everything there is in it.

Mr. PEYSER. Who will?
Mr. DOWELL. The holder of the mortgage will get all there is in the property.

Mr. PEYSER. I do not agree with the gentleman, and I cannot yield further, because I want to bring out this further point.

A point has been made about the enormous amount of these mortgages held by the insurance companies. Regardless of what the gentleman from Minnesota says, the percentage is less than 30 percent, and you are not taking into account the individuals, probably widows and orphans, who may hold mortgages on these properties in the communities in which they reside.

Mr. GILCHRIST. Mr. Speaker, will the gentleman yield?

Mr. PEYSER. I have not time to yield.

You are asking, under this bill, that the insurance company, the mortgage company, the savings bank, or individual holder of the mortgage be forced to take 1 percent on his money when he may have been a borrower of money himself. He may have gone out into the market and borrowed money at 3 percent, and yet he is forced to turn around and accept 1 percent.

Another feature of the bill is the rental feature. Under the terms of the bill, under the 5-year moratorium, the man is bound to accept as the tenant of the property the debtor who owns the property. It may be an advantage that he is depriving the mortgage holder of, because he may have a neighbor next door who would pay double the price to occupy the same property, and you are also losing sight of the fact that you are considering here a measure to help a few million farmers, but you do not realize that you are hurting about 60,000,000 policyholders throughout the country, who are interested in their savings as well as the farmer. Ninety-two percent of the assets of insurance companies is held by nonprofit or mutual companies, and everything that is to the disadvantage of such a company is reflected in the pocketbook of the man who owns a policy of insurance.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. PEYSER. I yield.

Mr. McCORMACK. What benefit does the home owner

Mr. PEYSER. None.

Mr. McCORMACK. Are they not in the same position?

Mr. PEYSER. Absolutely.

[Here the gavel fell.]

Mr. OLIVER of New York. Mr. Speaker, I yield one-half minute to the gentleman from Missouri [Mr. RUFFIN].

Mr. RUFFIN. Mr. Speaker, anybody can realize the intricacies involved in formulating a piece of legislation of this character. I happen to have been a member of the subcommittee that had the responsibility of preparing this proposed legislation. There are two or three amendments in here that I suggested which the Senate has left in the bill.

I think the legislation is in the best possible shape, and I am inclined to think it will do a great deal more good to the entire country, including the farmers, than it will harm.

We all regret the fact that conditions are such that we have to pass legislation such as this, but we must meet the facts and conditions as they exist.

Mr. OLIVER of New York. Mr. Speaker, I yield 2 minutes to the lady from Arizona [Mrs. GREENWAY],

Mrs. GREENWAY. Mr. Speaker, there is an element in this bill that has not been properly stressed, and that is the element of peace of mind. Unfortunately, the penalty of pending disaster is unfairness—and the object of this legis-

lation is to arrive at a reasonable compromise for all people involved. We are asking that the group who holds the mortgages on our farms take a sacrifice such as other businesses are taking in order to allow the farmer with his family to remain in the four walls of his home on these farms until they can have time to work their way out. There are no people in the United States who mean more to the Nation's future than our farmers. [Applause.]

Mr. OLIVER of New York. Mr. Speaker, I yield 2 minutes

to the gentleman from Kentucky [Mr. Brown].

Mr. BROWN of Kentucky. Mr. Speaker, I agree with the sentiment just expressed by the lady from Arizona. The farmers of the country are and always have been an honest class of people. They want to pay their debts when able to pay them. At this time, due to losses, when the farm products have brought low prices for several years, the farmers have found themselves in a condition where they are about to be dispossessed of their homes.

This bill works no injustice to the creditor class. It does not take a solitary penny from them. It simply says that you must give the farmer a reasonable time to repossess his property. That is the same right that we have conceded to the owner in the city.

Mr. CARPENTER of Kansas. Inasmuch as we have given a moratorium to every other class in this country why then should we not give the farmers of this country a moratorium at the same time since it does not take anything away from the creditor class?

Mr. BROWN of Kentucky. I agree with the gentleman. This simply gives the farmer the right to repossess his property.

Mr. TRUAX. Will the gentleman yield?

Mr. BROWN of Kentucky. I yield.

Mr. TRUAX. Is it not a fact that those who oppose the bill are simply playing into the hands of the money lenders who rob the people?

Mr. BROWN of Kentucky. I do not know that I can agree with the gentleman-I think the opponents of the bill are honest.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. BROWN of Kentucky. I yield.

Mr. CHRISTIANSON. In view of the fact that the total indebtedness of the American people now aggregates \$200,-000,000,000, which is equal to the value of all the physical wealth in the United States, does not the gentleman believe that economic stability cannot be reestablished and the buying power restored unless debts generally are scaled down as proposed in this bill?

Mr. BROWN of Kentucky. I think that is true.

Mr. MILLER. Will the gentleman yield?

Mr. BROWN of Kentucky. I yield.

Mr. MILLER. As a matter of fact this bill conserves the interest of the farmer and the mortgagee also?

Mr. BROWN of Kentucky. That is true. It conserves the rights of the holder of the mortgage as well as the mortgagor. There is no question about that.

Mr. DONDERO. If you destroy the farmers of this coun-

try, you will not have any country.

Mr. BROWN of Kentucky. If you wipe out the farmers of this country, the mortgage holders' rights would not be worth a darn.

The SPEAKER. The time of the gentleman from Kentucky has expired. All time has expired. The question is on the motion to suspend the rules and pass the bill as amended.

The question was taken; and on a division (demanded by Mr. Peyser) there were—ayes 133, noes 16.

So (two-thirds having voted in favor thereof) the rules were suspended, and the bill was passed.

The SPEAKER. Without objection, H.R. 9865, a similar House bill, will be laid on the table.

There was no objection.

Mr. BUSBY. Mr. Speaker, I ask unanimous consent to extend my remarks upon this bill.

The SPEAKER. It is not necessary to make that request now. Everyone has permission under the general rule adopted to extend their remarks in the RECORD.

## UNIFORMITY OF LAWS RESPECTING LABOR IN INDUSTRY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent for the present consideration of House Joint Resolution 267, which I send to the desk and ask to have read.

The Clerk read as follows:

Resolved, etc., That the consent of Congress is hereby given to the several States to negotiate and enter into compacts or agree ment among them or any of them providing for greater uniformity in the laws of the several States affecting the relation of employers

and employees.

Sec. 2. Such consent is given upon condition that a representative or representatives of the United States, to be appointed by the President, shall participate in such negotiations and shall report to the Congress, as soon as practicable after the conclusion of such negotiations, the proceedings and any compact or agreement entered into. No such representative so appointed shall be paid any salary or compensation for such services but shall be allowed such reasonable actual and necessary traveling and subsistence expenses as the President shall determine. There is authorized to be appropriated such sums, not in excess of a such compact or agreement shall be binding or obligatory upon any State a party thereto unless and until it has been approved by the legislatures of each of the States whose assent is contemplated by the terms of the compact or agreement and by the Congress.

and by the Congress.

## With the following committee amendment:

Page 2, strike out all of section 2 and insert the following: "SEC. 2. Upon the request of the States negotiating under this act the President may designate a representative to attend upon such negotiations."

# The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, I reserve the right to object to call attention of the House to the fact that we just passed the bill that I spoke for. I withdraw my reservation of objection

Mr. LUNDEEN. Mr. Speaker, I reserve the right to object in order to have the Record show that until the legislative program of the farm organizations has been enacted into law and until the legislative program of labor organizations has been enacted into law and until the legislative program of the veterans is enacted into law, until we obey their mandate, I am opposed to the adjournment of Congress.

## PASS THE FRAZIER-LEMKE FARM BILL

What became of the Frazier-Lemke farm bill? Why do we fail to enact a program of social insurance; for instance, why not pass H.R. 7598?

## PASS H.R. 7598-THE WORKERS' UNEMPLOYMENT BILL

The Lundeen bill for unemployment, part-time employment, old-age pensions, accident, health, and maternity benefits-there you have a complete picture of social insurance legislation-why not real social-service legislationyou have got to come to it-why not now? Why are we adjourning without the soldiers' adjusted-service compensation, the so-called "bonus law"? It passed the House on my motion, 313 to 103, and on final passage 295 to 125.

# PASS THE VETERANS' ADJUSTED-COMPENSATION BILL

Yet a feeble attempt is made in the Senate by trying to tack it on the silver bill as an amendment. It had no business on the silver bill and lost 51 to 31. Why did not the Senate vote on the bill on its merits—there is unlimited debate in that great body-where was the veterans' phalanx there? Who delivered blazing, fiery speeches there for the men of the World War? We did our duty in the House and Senators assured me today that a vote on its merits would pass this bill in the Senate. Then why was there no vote on its merits? Let those who are responsible answer that question. America needs these proposed laws, and until we pass them and enact them into law I am opposed to adjournment.

The SPEAKER. Is there objection?

There was no objection.

The committee amendment was agreed to, and the joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

# PERMANENT APPROPRIATIONS

Mr. GRIFFIN. Mr. Speaker, I call up the conference report upon the bill H.R. 9410, providing that permanent

appropriations be subject to annual consideration and appropriation by Congress, and for other purposes, and move the adoption of the conference report.

The Clerk reported the conference report.

The conference report and statement are as follows:

#### CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9410) providing that permanent appropriations be subject to annual consideration and appropriation by Congress, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered

That the House recede from its disagreement to the amendments of the Senate numbered 79, 80, 81, 82, 84, 85, 86, 89, 93, 98, 99, 101, 204, and agree to the same.

Amendments numbered 1 to 38, inclusive: That the House recede from its disagreement to the amendments of the Senate numbered 1 to 38, inclusive, and agree to the same with an amendment as follows:

Amend the amended section to read as follows:

"SEC. 2. (a) Effective July 1, 1935, the permanent appropriations under the appropriation titles listed in subsection (b) of this section are repealed, and such portions of any acts as make permanent appropriations to be expended under such accounts are amended so as to authorize, in lieu thereof, annual appropriations from the general fund of the Treasury in identical terms and in such amounts as now provided by the laws providing such permanent appropriations, except that any appropriation for 'Adjusted losses and contingencies, postal fund', is authorized to be made from the postal revenues. Any unobligated balances remaining in the permanent appropriations under these accounts on June 30, 1935, shall be covered into the surplus fund of the Treasury: Provided, That in addition to amounts in lieu of the permanent appropriation 'Meat Inspection, Bureau of Animal Industry (fiscal year)' there is authorized to be appropriated such other sums as may be necessary in the enforcement of the meat-inspection laws (U.S.C., title 21, secs. 71 to 96, inclusive).

"(b) (1) Interest on Indian trust funds.

"(2) Civilization of the Sioux (4x950).

"(3) Meat Inspection, Bureau of Animal Industry (fiscal vear) (3-114).

"(4) National Forest Reservation Commission (fiscal year) (3-494).

"(5) Pay of consular agents for services to American vessels and seamen (1x561).

"(6) Allowance or drawback (Internal Revenue) (2x438).

"(7) Redemption of stamps (Internal Revenue) (2x432).

"(8) Refunding legacy taxes, act March 30, 1928 (2x430).

"(9) Refund of excessive duties (Customs) (2x324).

"(10) Debentures or drawbacks, bounties, or allowances (Customs) (2x321).

"(11) Allowance or drawback (Industrial Alcohol) (2x440).

"(12) Permanent International Commission of Congresses of Navigation (fiscal year) (8-887).

"(13) Operating and care of canals and other works of navigation (8x881).

"(14) Removing sunken vessels or craft obstructing or endangering navigation (8x888).

"(15) Removing obstructions in Mississippi, Atchafalaya, and Old Rivers (fiscal year) (8-961.58).

"(16) Maintenance of channel, South Pass, Mississippi River (fiscal year) (8-961.55).

"(17) Gaging waters of the Mississippi and its tributaries (fiscal year) (8-961.54).

"(18) Examinations and surveys at South Pass, Mississippi River (fiscal year) (8-961.53.)

"(19) Recoinage of silver coins (2x106).

"(20) Refunding duties on goods destroyed (Customs) (2x330).

"(21) Refunding to national banking associations excess of duty (2x228).

"(22) Salaries and expenses, Federal Board for Vocational Education (fiscal year) (0-801).

"(23) Repayment of taxes on distilled spirits destroyed by casualty (2x431).

"(24) Adjusted losses and contingencies, postal fund (9x256).

"(25) Refunding proceeds of unclaimed merchandise (Customs) (2x326).

"(26) Proceeds of goods seized and sold (Customs) (2x322).

"(27) Operating snag and dredge boats on upper Mississippi, Illinois, and Minnesota Rivers (fiscal year) (8–962.60).
"(28) Operating snag boats on the Ohio River (fiscal year)

(8-962.51)."

And the Senate agree to the same.

Amendments numbered 39 to 78 inclusive: That the House recede from its disagreement to the amendments of the Senate numbered 39 to 78, inclusive, and agree to the same with an amendment as follows: Amend the amended section to read as follows:

"Sec. 4. (a) Effective July 1, 1935, all receipts of the character theretofore credited to the appropriation accounts appearing on the books of the Government and listed in subsection (b) of this section shall be deposited into the Treasury as miscellaneous receipts, and amounts equal thereto are authorized to be appropriated annually from the general fund of the Treasury for the same purposes for which such receipts are now appropriated. Appropriations to which expenditures under such accounts have been chargeable theretofore are hereby repealed, effective on such date: *Provided*, That if the total of receipts for any one fiscal year for any of the foregoing purposes under this authority is greater than the amounts appropriated for such purpose, such excess is authorized to be appropriated for the following fiscal year.

"(b) (1) Wagon roads, bridges, and trails, Alaskan fund (4s524).

"(2) Public schools, Alaska fund (4s366).

"(3) Coos Bay Wagon Road Grant fund (4s168).

"(4) Payment to Oklahoma from royalties, oil and gas, south half of Red River (4s028).

"(5) Five-percent fund of net proceeds of sales of agricultural lands in Colorado (4s183).

"(6) Annette Islands Reserve, Alaska, fund from leases (5s740).

"(7) Relief of the indigent, Alaska fund (2s108).

"(8) Naturalization fees, publishing citizenship textbooks, Bureau of Naturalization (6-836).

"(9) Additional income tax on railroads in Alaska (2s442).

"(10) Ordnance material, proceeds of sales (War) (8s422).

"(11) Maintenance and operation of dams and other improvements of navigable waters (88876).

"(12) Construction, irrigation system, Wapato project, Washington, act February 14, 1920 (5s781).

"(13) Maintenance, irrigation system (name of project), act August 1, 1914.

"(14) Maintenance, irrigation system (name of project), act May 18, 1916.

"(15) Maintenance, power system, Flathead Reservation, Mont., act May 10, 1926 (58796).

"(16) Power plant, Coolidge Dam, Ariz., electric-current fund, act March 7, 1928 (5s804.9).

"(17) The Oregon and California land-grant fund (4s169).

"(18) Redistribution, funds for indigent, Alaska fund (2s109).

"(19) Building or purchase of vessels for the Coast Guard from proceeds of sales (28373).

"(20) Rebuilding and improving Coast Guard stations from proceeds of sales (28363).

"(21) Military post construction fund (8s250).

"(22) National Guard, section 87, National Defense Act, fiscal year (8-715).

"(23) Indian school improvements, act April 21, 1904 (4x794)

"(24) Purchase of lands for landless Indians in California, act March 3, 1925 (4x812).

"(25) Yuma auxiliary irrigation project, Arizona (4s507).

"(26) Alaska reindeer fund (4s365).

"(27) United States naval prison activities fund (7s925).
"(28) Injury claims assigned, Veterans' Administration

(0s878).

"(29) After June 30, 1936, migratory bird conservation fund (3s362).

"(30) Losses on war-risk insurance of American vessels, their cargoes, etc., special fund (0s865).

"(31) Gas production, helium plants, Bureau of Mines

"(32) Perry's Victory Memorial (0s727).

"(33) Inland and Coastwise Waterways Service fund (8x875).

"(34) Five-percent funds to States (4s166)."

And the Senate agree to the same.

Amendment numbered 83: That the House recede from its disagreement to the amendment of the Senate numbered 83, and agree to the same with an amendment, as follows:

Restore the matter stricken out by said amendment amended to read as follows:

"Sec. 8. Effective July 1, 1935, the appropriation account on the books of the Government entitled 'Recreation Fund, Army' (8T078) is abolished and the balance thereof shall be covered into the surplus fund of the Treasury: Provided, That an amount equal to the amount so covered into the surplus fund of the Treasury is hereby authorized to be appropriated from the general fund of the Treasury in the event of war, for the recreation, amusement, comfort, contentment, and health of the enlisted personnel of the Military Establishment."

And the Senate agree to the same.

Amendment numbered 87: That the House recede from its disagreement to the amendment of the Senate numbered 87, and agree to the same with an amendment, as follows:

Restore the matter stricken out by said amendment amended to read as follows:

"Sec. 10. (a) Effective July 1, 1935, credit shall be made to the replacement accounts appearing in subsection (b) of this section of only such amounts as represent sales of stores, materials and supplies at actual cost to the War Department.

"(b) (1) Replacing Army transportation (fiscal year) (8-228).

"(2) Replacing clothing and equipage (fiscal year) (8-231).

"(3) Replacing subsistence of the Army (8s666).

"(4) Replacing regular supplies of the Army (fiscal year) (8-234).

"(5) Replacing Signal Corps supplies and equipment (fiscal year) (8-545).

"(6) Replacing medical supplies (fiscal year) (8-511).

"(7) Replacing engineer equipment of troops (fiscal year) (8-315).

"(8) Replacing engineer operations in the field (fiscal year) (8-316).

"(9) Replacing engineer depots (fiscal year) (8-317).

"(10) Replacing ordnance and ordnance stores (fiscal year) (8-425).

"(11) Replacing barracks and quarters (fiscal year) (8-209).

"(12) Replacing water and sewers at military posts (fiscal year) (8-233)."

And the Senate agree to the same.

Amendment numbered 88: That the House recede from its disagreement to the amendment of the Senate numbered 88, and agree to the same with an amendment as follows: Renumber the section to read "11"; and the Senate agree to the same.

Amendment numbered 90: That the House recede from its disagreement to the amendment of the Senate numbered 91, and agree to the same with an amendment as follows: Renumber the section to read "12"; and the Senate agree to the same.

Amendment numbered 91: That the House recede from its disagreement to the amendment of the Senate numbered 91,

and agree to the same with an amendment as follows: Renumber the section to read "13"; and the Senate agree to the same.

Amendment numbered 92: That the House recede from its disagreement to the amendment of the Senate numbered 92, and agree to the same with an amendment as follows: Renumber the section to read "14"; and the Senate agree to the same.

Amendment numbered 94: That the House recede from its disagreement to the amendment of the Senate numbered 94, and agree to the same with an amendment as follows: Renumber the section to read "15"; and the Senate agree to the same.

Amendment numbered 95: That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with an amendment as follows: Renumber the section to read "16"; and the Senate agree to the same.

Amendments numbered 96 and 97: That the House recede from its disagreement to the amendments of the Senate numbered 96 and 97, and agree to the same with an amendment as follows: Amend subsection (a) of the amended section to read as follows:

"SEC. 17. (a) Effective July 1, 1935, the appropriation accounts appearing on the books of the Government and listed in subsection (b) of this section, as well as appropriation accounts bearing similar titles on the books of the Government, are abolished, and any unobligated balances under such accounts as of June 30, 1935, shall be covered into a trust fund receipt account in the Treasury to be designated "Unclaimed moneys of individuals whose whereabouts are unknown." Any appropriations to which expenditures under such accounts have been chargeable theretofore are hereby repealed. There are authorized to be appropriated, annually, from such account such sums as may be necessary to meet any expenditures of the character now chargeable to the appropriation accounts abolished by this section. The Secretary of the Treasury or the Commissioners of the District of Columbia, as the case may be, shall submit with their annual estimates of appropriations an amount necessary to meet expenditures properly chargeable to this account."

And the Senate agree to the same.

Amendment numbered 100: That the House recede from its disagreement to the amendment of the Senate numbered 100, and agree to the same with an amendment as follows: Renumber the section to read "18"; and the Senate agree to the same.

Amendments numbered 102, 103, and 104: That the House recede from its disagreement to the amendments of the Senate numbered 102, 103, and 104, and agree to the same with an amendment, as follows: Amend the amended section to read as follows:

"SEC. 19. Effective July 1, 1935, moneys received as: Patent Office fees; unearned moneys, lands (Interior Department); reentry permit fees (Labor Department); naturalization fees (Labor Department); and registry fees (Labor Department); and held in the official checking accounts of disbursing officers, shall be deposited in the Treasury of the United States to appropriately designated trustfund receipt accounts and shall be available for refunds, and for transfer of the earned portions thereof into appropriate receipt fund titles on the books of the Government: Provided, That donations, quasi-public and unearned moneys carried in official checking accounts of disbursing officers and of others required to account to the Comptroller General (including clerks and marshals of the United States District Courts), administered by officers of the United States by virtue of their official capacity, shall be deposited similarly into the Treasury as trust funds and are hereby appropriated and made available for disbursement under the terms of the trust."

And the Senate agree to the same.

Amendments numbered 105 to 201, inclusive: That the House recede from its disagreement to the amendments of the Senate numbered 105 to 201, inclusive, and agree to the

same with an amendment as follows: Amend the amended section to read as follows:

"SEC. 20. (a) The funds appearing on the books of the Government and listed in subsections (b) and (c) of this section shall be classified on the books of the Treasury as trust funds. All moneys accruing to these funds are hereby appropriated, and shall be disbursed in compliance with the terms of the trust. Hereafter moneys received by the Government as trustee analogous to the funds named in subsections (b) and (c) of this section, not otherwise herein provided for, except moneys received by the Comptroller of the Currency or the Federal Deposit Insurance Corporation. shall likewise be deposited into the Treasury as trust funds with appropriate title, and all amounts credited to such trust-fund accounts are hereby appropriated and shall be disbursed in compliance with the terms of the trust: Provided, That, effective July 1, 1935, expenditures from the trust fund 'Soldiers' Home, Permanent Fund' (8t184) shall be made only in pursuance of appropriations annually made by Congress, and such appropriations are hereby authorized: Provided further, That personal funds of deceased inmates, Naval Home, now deposited with the pay officer of the Naval Home, shall be deposited in the Treasury to the credit of the trust fund account 'Personal Funds of Deceased Inmates, Naval Home' (7t989): Provided further, That on June 30 of each year there shall be transferred to the trust fund receipt account directed to be established in section 17 of this act, such portion of the balances in any trust-fund account hereinbefore or hereafter listed or established, except the balances in the accounts listed in subsection (c) of this section, which have been in any such fund for more than 1 year and represent moneys belonging to individuals whose whereabouts are unknown, and subsequent claims therefor shall be disbursed from the trust-fund receipt account 'Unclaimed Moneys of Individuals Whose Whereabouts are Unknown', directed to be established in section 17 of this act.

- "(b) (1) Philippine special fund (customs duties) (2s332).
- "(2) Philippine special fund (internal revenue) (2s443).
  "(3) Unclaimed condemnation awards, Treasury Depart-
- "(3) Unclaimed condemnation awards, Treasury Department (2021).
- "(4) Naval reservation, Olangapo civil fund (7s967).
- "(5) Personal funds of deceased inmates, Naval Home (7t989).
- "(6) Return to deported aliens of passage money collected from steamship companies (61749).
  - "(7) Vocational rehabilitation, special fund (0c980).
  - "(8) Library of Congress gift fund (0c260).
- "(9) Library of Congress trust fund, investment account (0c249).
- "(10) Library of Congress trust fund, income from investment account (0c246).
- "(11) Library of Congress trust fund, permanent loan (0c248)
- "(12) Relief and rehabilitation, Longshoremen's and Harbor Workers' Compensation Act (0t476).
  - "(13) Cooperative work, Forest Service (3c209).
- "(14) Wages and effects of American seamen, Department of Commerce (6t055).
  - "(15) Pension money, St. Elizabeths Hospital (4t545).
- "(16) Personal funds of patients, St. Elizabeths Hospital (4546)
- "(17) National Park Service, donations (4c470).
- "(18) Purchase of lands, national parks, donations (4c408).
- "(19) Extension of winter-feed facilities of game animals of Yellowstone National Park, donations (4c410).
- "(20) Indian moneys, proceeds of labor, agencies, schools, and so forth (5t301).
  - "(21) Funds of Federal prisoners (1t951).
- "(22) Commissary funds, Federal prisons (1t953).
- "(23) Pay of the Navy, deposit fund (7t980).
- "(24) Pay of Marine Corps, deposit fund (7t981).
- "(25) Pay of the Army, deposit fund (8t183).
- "(26) Preservation birthplace of Abraham Lincoln (4c395).

- "(27) Funds contributed for flood control, Mississippi River, its outlets and tributaries (8c961.86).
- "(28) Funds contributed for flood control, Sacramento River, Calif. (8c946.54).
- "(29) Effects of deceased employees, Treasury Department (2t089).
- "(30) Money and effects of deceased patients, Public Health Service (2t607).
- "(31) Effects of deceased employees, Department of Commerce (6t054).
- "(32) Topographic survey of the United States, contributions (6c303).
  - "(33) National Institute of Health, gift fund (2c616).
- "(34) National Institute of Health, conditional gift fund (2c617).
- "(35) Patients' deposits, United States Marine Hospital, Carville, La. (2t623).
- "(36) Estates of deceased personnel, War Department (8180).
- "(37) Effects of deceased employees, Department of the Interior (4t029).
- "(38) Fredericksburg and Spotsylvania County Battlefields memorial fund (8c813).
  - "(39) Petersburg National Military Park fund (8c814).
  - "(40) Gorgas Memorial Laboratory quotas (1c304).
- "(41) Contributions to International Boundary Commission, United States and Mexico (1c398).
- "(42) Salvage proceeds, American vessels (1t581).
- "(43) Wages due American seamen (1t630).
- "(44) Federal Industrial Institution for Women, contributions for chapel (1c948).
- "(45) General post fund, National Homes, Veterans' Administration (Ot930).
  - "(46) Repatriation of American seamen (1s555).
  - "(47) Expenses, public survey work, general (4s172).
  - "(48) Expenses, public survey work, Alaska (4s173).
- "(49) Funds contributed for improvement of roads, bridges, and trails, Alaska (4c528).
- "(50) Protective works and measures, Lake of the Woods and Rainy River, Minn. (88863).
  - "(51) Washington redemption fund (DCt622).
  - "(52) Permit fund, District of Columbia (DCt615).
- "(53) Unclaimed condemnation awards, National Capital Park and Planning Commission, District of Columbia (DCt629).
- "(54) Unclaimed condemnation awards, Rock Creek and Potomac Parkway Commission, District of Columbia (DCt620).
- "(55) Miscellaneous trust-fund deposits, District of Columbia (DCt613).
  - "(56) Surplus fund, District of Columbia (DCt621).
- "(57) Relief and rehabilitation, District of Columbia Workmen's Compensation Act (DCt604).
- "(58) Inmates' fund, workhouse and reformatory, District of Columbia (DCt605).
- "(59) Soldiers' Home, permanent fund (8t184).
- "(60) Chamber Music Auditorium, Library of Congress (Os259).
- "(61) Bequest of Gertrude Hubbard (Ot256).
- "(62) Puerto Rico special fund (Internal Revenue).
- "(63) Miscellaneous trust funds, Department of State.
- "(64) Funds contributed for improvement of (name of river or harbor).
- "(65) Funds advanced for improvement of (name of river or harbor).
  - "(66) Funds contributed for Indian projects.
- "(67) Miscellaneous trust funds of Indian tribes.
- "(68) Ship's stores profits, Navy (7s985).
- "(69) Completing surveys within railroad land grants (4t186).
- "(70) Memorial to women of World War, contributions (0c075).
- "(71) Funds contributed for memorial to John Ericsson
- "(72) American National Red Cross Building, contributions (0c426).

- "(73) Estates of decedents, Department of State, trust fund (1t580).
- "(74) Funds due incompetent beneficiaries, Veterans' Administration (0t852).
- "(75) To promote the education of the blind (principal) (2t092).
- "(76) Paving Government road across Fort Sill Military Reservation, Okla. (8c664).
- "(77) Bequest of William F. Edgar, museum and library, office of Surgeon General of the Army (8c504).
- "(78) Funds contributed for flood control (name of river, harbor, or project).
- "(79) Matured obligations of the District of Columbia (21070)
- "(80) Naval hospital fund (7s815).
- "(81) Navy fines and forfeitures (7s984).
- "(82) To promote the education of the blind (interest) (2x093).
  - "(83) Soldiers' Home, interest account (8x185).
- "(c) (1) United States Government life-insurance fund, Veterans' Administration (0t875).
- "(2) Estates of deceased soldiers, United States Army (8t189).
- "(3) Teachers' retirement fund deductions, District of Columbia (DCt624).
- "(4) Teachers' retirement fund, Government reserves, District of Columbia (DCt627).
- "(5) Expenses of Smithsonian Institution, trust fund (principal) (0t596).
- "(6) Civil-service retirement and disability fund (0t843).
- "(7) Canal Zone retirement and disability fund (0t850).
- "(8) Foreign Service retirement and disability fund (11560)."

And the Senate agree to the same.

Amendment numbered 202: That the House recede from its disagreement to the amendment of the Senate numbered 202, and agreed to the same with an amendment, as follows: Restore the matter stricken out by the Senate, amended to read as follows:

"SEC. 21. Hereafter all checks drawn on the Treasurer of the United States, except those issued on account of public-debt obligations and transactions regarding the administration of banking and currency laws, shall be payable only until the close of the fiscal year next following the fiscal year in which such checks were issued, and the amounts of all such checks properly due and payable which have not been presented for payment within such period shall be deposited into the Treasury to the credit of a trust fund account entitled 'Outstanding Liabilities (fiscal year)', designated by fiscal years in which the checks were issued. The balances in the outstanding liabilities account now carried on the books of the Government, representing the amounts of unclaimed checks, shall be transferred to the account 'Outstanding Liabilities, 1934', and any balances remaining therein, or in any succeeding fiscal year account, unclaimed for 2 fiscal years after the deposit therein shall be covered into the surplus fund of the Treasury: Provided, That the balances to the credit of the outstanding liabilities account of any fiscal year which has not been covered into the surplus fund of the Treasury shall be available to pay claims on account of any check, the amount of which has been included in any balance so covered into the surplus fund."

And the Senate agree to the same.

Amendment numbered 203: That the House recede from its disagreement to the amendment of the Senate numbered 203, and agree to the same with an amendment as follows: Renumber the section to read "22"; and the Senate agree to the same.

Amendment numbered 205: That the House recede from its disagreement to the amendment of the Senate numbered 205, and agree to the same with an amendment as follows: Renumber the section to read "23"; and the Senate agree to the same.

Amendment numbered 206: That the House recede from its disagreement to the amendment of the Senate numbered

Restore the matter stricken out by said amendment, amended to read as follows:

"SEC. 24. The Comptroller General of the United States shall cause a survey to be made of all inactive and permanent appropriations and/or funds on the books of the Government, and also funds in the official custody of officers and employees of the United States, in which the Government is financially concerned, for which no accounting is rendered to the General Accounting Office; and he shall submit to the Congress annually, in a special report, his recomendations for such changes in existing law relating thereto as, in his judgment, may be in the public interest."

And the Senate agree to the same.

Amendment numbered 207: That the House recede from its disagreement to the amendment of the Senate numbered 207, and agree to the same with an amendment as follows: Renumber the section to read "25"; and the Senate agree

Amendment numbered 208: That the House recede from its disagreement to the amendment of the Senate numbered 208, and agree to the same with an amendment as follows: Renumber the section to read "26"; and the Senate agree to the same.

Amendment numbered 210: That the House recede from its disagreement to the amendment of the Senate numbered 210, and agree to the same with an amendment as follows: Renumber the section to read "27"; and the Senate agree to the same.

> ANTHONY J. GRIFFIN, THOS. S. MCMILLAN, GLOVER H. CARY, E. W. Goss, R. B. WIGGLESWORTH, Managers on the part of the House. CARL HAYDEN, JOHN H. OVERTON, FREDERICK STEIWER.

Managers on the part of the Senate.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9410) providing that permanent appropriations be subject to annual consideration and appropriation by Congress, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to such amendments, namely:

On amendments 1 to 38, inclusive: An amended section has been inserted in the bill with clarifying language and including the authorization for appropriations for meat inspection. Items for the Library of Congress and the Smithsonian Institution have been stricken from the amended section. The permanent appropriations for the American Printing House for the Blind and the interest account, Soldiers' Home, have been transferred to section 20 and classified as trust funds. The items for refund of excessive duties in the Customs Service and recoinage of silver coins, stricken out by the Senate, have been reinserted in the amended section. The Senate provision requiring the payment of certain refunds from the appropriation account entitled "Refunding taxes illegally collected" has been

On amendments 39 to 78, inclusive: An amended section has been inserted in the bill in place of the section which embraced all of these amendments. As agreed to by the conferees, the items for various payments to States which had been stricken out by the Senate are not included in the amended paragraph. The Senate amendments deleting certain payments to be made to Alaska and the Yuma auxiliary irrigation project and transferring these accounts to the trust-fund group in section 20 have been disagreed to and the amended section includes these accounts in this section as passed by the House. The effective date of the operation of the section as regards the migratory bird conservation

206, and agree to the same with an amendment as follows: | fund is made as of July 1, 1936, instead of July 1, 1938, as provided by the Senate amendment. The Senate has receded from its action in striking out the National Guard account.

On amendments 79, 80, and 81: The House agrees to the action of the Senate in striking out the House provision abolishing the Alaska Railroad, special fund.

On amendment 82: Assigns a numerical designation to an

On amendment 83: Adopts the House language abolishing the recreation fund, Army, but adds a proviso authorizing an appropriation for welfare of enlisted personnel of the Army in the event of war, in an amount equal to the balance in the account covered into the Treasury as a result of its abolition.

On amendments 84 and 85: The House agrees to the action of the Senate in striking out the Naval Hospital fund and the naval fines and forfeitures fund, and transferring them to the trust-fund group of accounts in section 20.

On amendment 86: Changes a section number.

On amendment 87: Inserts an amended subsection (a) of section 10, the effect of which is to preserve the War Department replacement accounts intact, but to permit credits to be made to the accounts in only such amounts as represent sales of material, stores, etc., at actual cost.

On amendment 88: Corrects a section number.

On amendment 89: The House agrees to the action of the Senate in deleting the provision requiring that assessments levied on national banks to cover salaries and expenses of national-bank examiners, contingent expenses of the national currency, and the salaries of Deputy Comptrollers of the Currency, should be covered into the Treasury and annual appropriations made to meet the above-described salaries and expenses.

On amendments 90, 91, and 92: Correct section numbers. On amendment 93: The House agrees to the action of the Senate in placing the Policemen and Firemen's Relief Fund under section 14, thus requiring annual definite appropriations rather than permitting it to remain under section 20 as provided by the House.

On amendments 94 and 95: Correct section numbers.

On amendments 96 and 97: In lieu of the changes made by the Senate in this section the conferees have recommended the insertion of a new section substantially the same in effect as contemplated by the Senate amendments but requiring that the unclaimed moneys be segregated in a trust fund from which annual appropriations will be made rather than having them deposited into the surplus fund of the Treasury with annual appropriations made from the general fund of the Treasury.

On amendments 98 and 99: The House recedes from its disagreement to these Senate amendments which look to placing two additional accounts under the unclaimedmoneys provision of section 17 dealing with this type of

On amendment 100: Corrects section number.

On amendment 101: Makes a change respecting the effective date of the provision establishing the account for refund of moneys erroneously received and covered.

On amendments 102, 103, and 104: Inserts a section rewritten by the conferees which neither adds to nor detracts from the action of the House on this section, but serves to clarify the intent of the language. The Senate has receded from its action in striking out the word "donations", thus requiring that all donations administered by officers of the United States by virtue of their official capacity shall be deposited in the Treasury.

On amendments 105 to 201: Inserts a new amended section in lieu of the section as amended by the Senate. The effect of the amendments agreed to by the conferees is to require unclaimed moneys in trust funds to be deposited into and disbursed from a special trust-fund account authorized to be established in section 17 of the act. Certain trust-fund accounts, including retirement and insurance funds, are exempted from the operations of this provision. These exceptions will be found classified in subsection (c) under this section 20.

On amendment 202: Restores the House language pertaining to the bookkeeping methods to be employed in handling outstanding checks of the Government with an amendment exempting checks issued on account of publicdebt obligations and transactions regarding the administration of banking and currency laws from the operations of the provision.

On amendment 203: Corrects a section number.

On amendment 204: Adopts the Senate amendment striking out the House provision requiring certain collections from erroneous payments and overpayments made by disbursing officers and recoveries from liquidated damages, to be deposited into the Treasury as miscellaneous receipts.

On amendment 205: Corrects a section number.

On amendment 206: Restores the House provision requiring the Comptroller General to make a survey of certain appropriations and funds in custody of Government officers, amended to the extent of limiting the survey to funds in which the Government is financially concerned.

On amendments 207 and 208: Correct section numbers. On amendment 209: Strikes out a Senate amendment authorizing the President to submit alternate budgets to Congress.

On amendment 210: Corrects a section number.

ANTHONY J. GRIFFIN, THOS. S. MCMILLAN, GLOVER H. CARY, E. W. Goss, R. B. WIGGLESWORTH, Managers on the part of the House.

Mr. GRIFFIN. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to. A motion to reconsider was laid on the table.

## REPRESENTATIVE FRANK OLIVER

Mr. JONES. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. JONES. Mr. Speaker, I do this for the purpose of saying a word of tribute to our colleague, Frank Oliver, who handled the farmers' bill so skillfully a few moments ago, and who leaves the House next Monday to go on the bench. Every one in the House who knows Mr. OLIVER loves him; and when one knows him, he cannot speak of him except in terms of praise. He is one of the finest characters I have ever known, and one of the most generous. His generosity was evidenced a moment ago when he had control of the time. Many gentlemen wished to speak. He finally yielded all his own time and used none himself. That is typical of the man. He will be an ornament to the bench, and will grace any position to which he may be assigned. He will make a just and capable judge as he has made a fine record as Congressman. I am sure every Member of the House regrets that he finds it necessary to leave and wishes him much success as well as joy in his new field of usefulness. [Applause.]

#### WIDOWS OF VETERANS WHO DIED WHILE RECEIVING MONETARY BENEFITS

Mr. RANKIN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9936) to compensate widows and children of persons who died while receiving monetary benefits for disability directly incurred in or aggravated by active military or naval service in the World War, which I send to the desk and ask to have read.

The Clerk read as follows:

Be it enacted, etc., That the surviving widow, child, or children of any deceased person who served in the World War before November 12, 1918, or if the person was serving with the United States military forces in Russia before April 2, 1920, who, while receiving or entitled to receive compensation, pension, or retirement pay for 30-percent disability or more directly incurred in

or aggravated by service in the World War, dies or has died from a disease or disability not service connected and not the result of the person's own misconduct shall, upon filing application and such proofs in the Veterans' Administration as the Administrator of Veterans' Affairs may prescribe, be entitled to receive compensation: *Provided*, That the provisions of this act shall not apply to any person during any year following a year for which such person was not entitled to exemption from the payment of a

person was not entitled to exemption from the payment of a Federal income tax.

Sec. 2. That the monthly rates of compensation shall be as follows: Widow but no child, \$22; widow and one child, \$30 (with \$4 for each additional child); no widow but one child, \$15; no widow but two children, \$22 (equally divided); no widow but three children, \$30 (equally divided); (with \$3 for each additional child, total amount to be equally divided).

The total compensation payable under this paragraph shall not exceed \$56. Where such benefits would otherwise exceed \$56 the amount of \$56 may be apportioned as the Administrator of Veterans' Affairs may prescribe.

Sec. 3. That as used in this act—

erans' Affairs may prescribe.

Sec. 3. That as used in this act—

(a) The term "person who served" shall mean a person, whether male or female, and whether commissioned, enlisted, enrolled, or drafted, who was finally accepted for active service in the military or naval forces of the United States, members of training camps authorized by law, and such other persons heretofore recognized by statute as having a pensionable status:

(b) The term "widow" shall mean a person who was married to the veteran prior to July 3. 1931, and who has not remarried:

(b) The term "widow" shall mean a person who was married to the veteran prior to July 3, 1931, and who has not remarried; (c) The term "child" shall mean a person unmarried and under the age of 18 years, unless prior to reaching the age of 18 the child becomes or has become permanently incapable of self-support by reason of mental or physical defect, who is a legit-imate child, a child legally adopted, a stepchild if a member of the man's household, an illegitimate child, but, as to the father only, if acknowledged in writing signed by him or if he has been judicially ordered or decreed to contribute to such child's support, or has been judicially decreed to be the putative father of such child: Provided, That the payment of compensation shall be continued after the age of 18 years and until completion of education or training (but not after such child reaches the age of 21 years), to any child who is or may hereafter be pursuing a course of instruction at a school, college, academy, seminary, technical institute, or university, particularly designated by him and

of 21 years), to any child who is or may hereafter be pursuing a course of instruction at a school, college, academy, seminary, technical institute, or university, particularly designated by him and approved by the Administrator, which shall have agreed to report to the Administrator the termination of attendance of such child, and if any such institution of learning falls to make such report promptly the approval shall be withdrawn.

SEC. 4. That the Administrator of Veterans' Affairs is authorized and directed to receive evidence and adjudicate claim for compensation under this act when it is claimed that the veteran was 30 percent or more disabled immediately prior to his death from disease or injury established to the satisfaction of the Veterans' Administration prior to date of death to have been directly incurred in or aggravated by service in the World War, although a determination of 30-percent disability or more had not been made by the Veterans' Administration prior to the veteran's death: Provided, That for the purpose of awarding compensation under the provisions of this act, direct service connection of disability and degree thereof at date of death may be determined in any case where claim has been or is filed by the widow, child, or children of a deceased World War veteran, except that proof of 30-percent disability or more at date of death must be filed no later than 3 years after date of enactment of this act or the date of death, whichever is the later, and evidence required in connection with any claim must be submitted in accordance with regulations prescribed by the President and/or the Administrator of Veterans' Affairs.

Sec. 5. That payment shall be effective from the date of enactment of this act in all cases where death occurred prior to the

dent and/or the Administrator of Veterans' Affairs.

SEC. 5. That payment shall be effective from the date of enactment of this act in all cases where death occurred prior to the date of enactment of this act and in all other cases payment shall be made from the date the application of the widow, child, or children in the form prescribed by the Administrator of Veterans' Affairs is filed in the Veterans' Administration: Provided, That a claim for pension or compensation under Public Law No. 2, Seventy-third Congress, and the Veterans' Regulations, or Public Law No. 141, Seventy-third Congress, on account of death of a veteran from directly service-connected disability shall be accepted as a claim for benefits under this act.

The SPEAKER. Is a second demanded?

Mr. SWICK. Mr. Speaker, I demand a second.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. SWICK. I am not opposed to it all the way through. The SPEAKER. Is any member of the committee opposed to the bill?

Mr. RICH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RICH. Have these bills that are now coming in been acted upon by the Veterans' Committee before they

are reported to the House?

The SPEAKER. The gentleman from Mississippi [Mr. RANKINI can answer that probably.

Mr. RANKIN. I will explain this whole proposition in a very few minutes.

Mr. RICH. Mr. Speaker, I should like to know if the Veterans' Committee has reported these bills to the House?

The SPEAKER. The gentleman can propound that question to the gentleman from Mississippi.

Without objection, a second will be considered as ordered.

There was no objection.

Mr. RANKIN. Mr. Speaker, this is a bill to compensate widows and orphans of World War veterans who at the time of their death were suffering from service-connected disabilities, but who died from other causes.

I have been working on this measure for many years, trying to take care of the widows and orphans of those men who suffered disabilities during their service in the World War. We started hearings on this bill this morning, after we had reached an agreement with the Administration, but owing to the fact that the Veterans' Committee was to meet at the same time the House was to meet we polled the committee, and with the exception of one gentleman, who was absent and could not be found, the members of the committee were unanimous on both sides of the House in favor of this bill.

I will take but a moment to explain it. There are veterans of the World War who had their eyes shot out on the western front, but who died of some other cause, whose widows and orphans have not been able to draw one penny of compensation to this date. There are men whose arms were shot off; there are men whose legs were shot off; there are men who were maimed and disfigured for life, but, because they died of some other disabilities, their widows and orphans have been denied any compensation whatever. This measure should have been passed 16 years ago.

Now, you will want to know something about the cost. To start with there will be 13,900 cases. They will cost \$4,114,000 a year. That will increase slightly as the years go by, but the expense will not increase, because the veteran now draws more compensation than his widow and orphans will get under this bill. This is a sane bill. It is reduced to the irreducible minimum, and I sincerely trust there will not be a single vote against it in the House. [Applause.]

Mr. TAYLOR of Tennessee. Will the gentleman yield?

Mr. RANKIN. I yield.

Mr. TAYLOR of Tennessee. I wish to say that I am very much in favor of the bill. I think it is a highly meritorious bill, but I do not think it goes quite far enough. Why could it not be made to include all widows?

Mr. RANKIN. The widows and orphans of other wars are already taken care of. They are generously taken care of compared to these widows and orphans of the World War veterans. The bill I got passed through the House in the last Congress did go further, but we found we could not get approval of that measure, so I have gone just as far as I could to get what I could for these deserving widows and orphans.

Mr. TAYLOR of Tennessee. While I should have liked to see all the widows and minor orphans included, I think the gentleman has done a good job of it under the circumstances, and I congratulate him on the good work he has done.

Mr. MILLARD. Will the gentleman yield?

Mr. RANKIN. I yield.

Mr. MILLARD. Does the President approve of this bill?
Mr. RANKIN. I understand this bill will be approved.
It has been submitted to the Director of the Budget.

Mr. MILLARD. The gentleman is sure the President approves of it?

Mr. RANKIN. I feel sure that it will be approved.

Mr. Speaker, I reserve the balance of my time.

Mr. SWICK. Mr. Speaker, I yield 2 minutes to the gentleman from California, Mr. Hoeppel.

Mr. HOEPPEL. Mr. Speaker, I wish to add my approval of this bill. This measure is one in which I have been vitally interested for a long, long time. I am not going to discuss it. The chairman of our committee has discussed it quite clearly, I believe. I hope the entire Membership will vote

for this bill in order that the widows of World War veterans who, at the time of death, had service-connected disabilities, may at least obtain equality with the widows of Spanish-American War veterans. [Applause.]

We should not adjourn until we enact into law H.R. 9705, which restores to the pension rolls Spanish War veterans who served outside of the continental limits of the United States during the period of the Spanish-American War and the Philippine insurrection. Today pensions are paid only to those who actually served in China or in the Philippine Islands. It is understood that the President endorses this pending legislation, and for that reason we should not adjourn until we erase this discrimination from our statute books. While very few men are involved, the principle is important and we can ill afford to preclude these worthy veterans in their declining years from receiving equal benefits with those who served with them during these periods.

Members of Congress who acted hastily in enacting the economy bill are to be congratulated, as is the President, on the various remedial acts and regulations which have for their objective the removal of discriminations and the granting of pensions to veterans and their dependents where the question of justice is clearly involved. I am convinced, from my experience and observation, that many of the Democratic and Republican Representatives who supported the Economy Act should not be severely criticized for their action inasmuch as they did not thoroughly understand this measure at the time it was placed before them under the stress of emergency, with the banks closed and conditions generally chaotic.

There is no doubt in my mind that many on the Democratic side, including our distinguished floor leader, felt a genuine pang of sympathy for the veterans while they were enacting the Economy Act, torn as they were between the question of loyalty to our Executive and the best interests of the veterans.

The session of Congress which we are now concluding through legislation, and the President through regulations, has now eliminated many of the injustices contained in the original Economy Act; and for that reason I do not feel that any of my colleagues, on either the Republican or Democratic side, should be unduly censured for their votes on the veteran question which, I am inclined to believe, many of them cast in good faith.

There were, however, some Members of the House who, despite opposition and pressure from every angle, continued to stand fast in the interests of the veteran. I have made a close check of the essential votes which were cast where the interests of the veterans and their dependents and the Federal employees were involved, and I am pleased, therefore, to insert in the Record from my own analysis the names and records of the Members of the House who never swerved in their uncompromising loyalty to these deserving groups:

Official record of votes of outstanding friends of the veterans, House of Representatives, Seventy-third Congress

and the	Party	Mar. 16, 1933	June 15, 1933	Jan. 11, 1934	Mar. 14, 1934	Mar. 16, 1934	Mar. 27, 1934	Percent
Arens	Farmer-Labor.	FV	FV	FV	FV	FV	FV	100
Black Connery	Democrat	FV	FV FV	FV	FV	FV	FV	100
Dunn	do	FV	FV	FV	FV	FV	FV	100
Focht	Republican	FV	FV	FV	FV	FV	FV	100
Hoeppel	Democrat	FV	FV	FV	FV	FV	FV	100
Johnson (Minn.).	Farmer-Labor	FV	FV	FV	FV	FV	FV	100
Lemke	Republican	FV	FV	FV	FV	FV	FV	100
Lundeen	Farmer-Labor_	FF	FV	FV	FV	FV	FV	100
Murdock	Democrat	FV	FV	FV	FV	FV	FV	100
Scrugham	do	FV	FV	FV	FV	FV	FV	100

The vote March 16, 1933, which all of the above-listed Members supported, and also the votes on March 14 and 16, 1934, which were likewise supported by the above, were crucial veteran issues which Congressman Connery, the outstanding veteran friend in the House, explained to the House Membership before the vote was taken.

Note.-FV=For veterans.

There is no doubt that in the Congress there are many | other Members who are equally sympathetic with the veterans as is the group named. Nevertheless, for some reason or another, their votes were not recorded at all or were not recorded in favor of the veterans in the crucial roll calls which I have indicated.

The action of the House on the veteran question can, in no way, be explained from a partisan standpoint, inasmuch as party lines were continually broken in the debates and in the voting which is, indeed, a testimonial to the balanced thought of the House Membership on questions pertaining to minority groups.

I would not feel justified in concluding my remarks if I failed to include my commendation for that outstanding. fighting friend of the veterans, the Federal employees, and organized labor, WILLIAM P. CONNERY, of Massachusetts, whose leadership in behalf of these distinctive groups is one of the gratifying memories I will always have of the Seventythird Congress.

The veterans of America can look hopefully forward to the ultimate removal of the existing discriminations. That these discriminations can be best erased through a nonpartisan approach is a suggestion which I respectfully tender to them in the closing days of this session.

Mr. SWICK. Mr. Speaker, I intend to use but a few minutes of my time, because I know the House is anxious to proceed with other legislation. I have been a member of the Committee on World War Veterans' Legislation since coming to Congress, and have always favored legislation for the widows and orphans of deceased World War veterans, and sponsored a measure similar to this one in a previous Congress. My only criticism of this bill is that it does not go far enough.

I cannot refrain from commenting on the manner in which this legislation has been presented to the House. To my knowledge, there has never been a hearing on the bill, neither has the committee met to discuss it. The committee has met three times in the present Congress, and all of those meetings were held within the past 10 days. A meeting was called for this morning by the chairman but was called off. I presume it was intended for the discussion of

It seems to me that legislation of this character should have received the careful consideration of the committee members, and an opportunity should have been given veterans' organizations and others interested in the welfare of widows and orphans of veterans to appear in behalf of the legislation. Certainly the committee has had ample time during the past 2 years to have prepared a bill that would have covered this question in all of its phases.

Since the chairman of the committee has decided at the last minute to place some legislation in the RECORD which will justify the existence of his committee, I am happy indeed that he selected a bill of this character to represent the sum total of the work done during the Seventy-third Congress. In view of the fact that this is the only opportunity the Members of this Congress will have to vote on veterans' legislation of this kind, I hope this bill will pass overwhelmingly. This legislation, if enacted, will bring needed and deserving relief to many widows and orphans of deceased veterans who have been denied compensation because of the failure of physicians to note contributing factors in the deaths of veterans, thereby preventing service connection, even though such factors did exist and dated from the veteran's service.

It seems to me that in this legislation some of these things can be overcome. Many times men die from disabilities or from diseases which at first blush would not be thought to be service connected, but nearly every one of these cases, when investigated to their source, will be found to be service connected and should really be considered as service con-We have the cases of men who had amputations, amputations of fingers, amputations of hands, arms, or legs. Some years after that, prematurely, these men die from cerebral hemorrhage, or from a so-called "stroke." Very frequently the cause of death is not what the doctor thought. The death was probably due to an embolism that

was caused by the loosening of a small clot near where the amputation took place, which clot lodged in the heart and caused death in just the same way that cerebral hemorrhage would cause death, but probably quicker. Yet it is hard to say that this case is not a cerebral hemorrhage, whereas in truth and in fact it was directly service connected because of the fact the man had this amputation some years before.

So I am very much in favor of this legislation. My only regret is that it does not go somewhat further in taking care of those whose service-connected disabilities were not as much as 30 percent.

Mr. THOM. Mr. Speaker, will the gentleman yield?

Mr. SWICK. I yield.
Mr. THOM. For purpose of illustration, take the case where death results partly from a service-connected disability and partly from some other disease; what would be the verdict of the Veterans' Bureau?

Mr. SWICK. I have found that it is most difficult to prove service connection when the death certificate points out that it was something else. Time after time we have had this same experience. For instance, a man had influenza during the war, was hospitalized for influenza, but some years later died of pneumonia, and the death certificate is filled out, saying that he died from pneumonia. In such a case we have a most difficult time to prove that the cause of the death was service connected, yet that old attack of influenza had its influence all down through the years, probably 8 or 10, and was responsible for this case of pneumonia years later. I have a case just like that at the present time, and it is most difficult to prove service connection in these cases.

Because there are so many cases that are actually service connected in which the service connection cannot be proved this law will be a good one, and I am very glad this bill has been brought in. The only regret I have is that we have not had a chance to have hearings on this legislation.

Mr. CONNERY. Mr. Speaker, will the gentleman yield?

Mr. SWICK. I yield.

Mr. CONNERY. We had plenty of hearings, however, on the original Rankin bill, and the facts were pretty well developed.

Mr. SWICK. Yes; that is true. Mr. RANKIN. And, if the gentleman will permit, we also had hearings on the bill introduced by the gentleman from Pennsylvania himself a year or two ago.

Mr. SWICK. I remember.

Mr. RANKIN. So we have pretty nearly all the facts, I may say to the gentleman from Pennsylvania.

Mr. SWICK. That bill, however, was not of this particular kind.

Mr. RANKIN. No; it went further than this bill goes. Mr. SWICK. It went further than this bill. That is

about the only difference.

Mr. Speaker, I yield back the balance of my time.

Mr. RANKIN. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

## PENSION BILL FOR WORLD WAR WIDOWS

Mr. PATMAN. Mr. Speaker, the gentleman from Mississippi, the Chairman of the Committee on World War Veterans' Legislation, has been working all during this session of Congress for the passage of this legislation but has not been saying anything about it. I happen to know, however, that he has been trying to get a bill that would be approved by the administration, the House of Representatives, and the Senate. It was only yesterday afternoon that he was successful in getting an agreement from all parties concerned; and I want to commend the gentleman for his efforts in helping the widows and orphans of the veterans of the World War. [Applause.]

As stated by the gentleman from Mississippi [Mr. RANKIN], a veteran who had lost his eyes on the battlefields of France, suffering from a 100 percent permanent total disability, drawing the limit so far as compensation was concerned, if he lost his life in an automobile accident or if he died from tuberculosis or some other disease, although his widow had taken care of him all these years, she would not get a penny in the world in the form of pension or

compensation; neither would the children. If it happens that the veteran dies from some other disease, or from an injury, which disease or injury is not service connected, his widow and children do not draw one penny. This bill is intended to correct that situation.

The widows and orphans of such men will not get as much under this bill as the widows and orphans of regular service-connected cases. A widow, under this bill, will get \$22, with \$6 for the first child and \$4 for each additional child; whereas, if it were a regular service-connected case she would get \$30 with \$10 for the first child and \$6 for each additional child. I feel, however, that this bill is more liberal and generous than it is believed to be.

Not only does this bill permit widows of veterans who were drawing 30-percent disability pay before their death, to receive pensions or compensation, but it permits the widow to apply for this pension and state that although her husband did not have a rating of 30 percent permanent disability, he was in effect really 30 percent permanent and totally disabled, and if she submits the proof she and her children are given the right to receive the benefits provided by this law.

Not only can they do it for cases in the past, but they have 3 years from now or from the time the law is enacted in order to present their application to show 30 percent disability. May I again commend the chairman of the committee, Mr. Rankin, for the great work he has done in protecting these poor widows and orphans. He has worked noiselessly and without publicity of any sort, but he has gotten results and we are proud of him for what he has done

Mr. DONDERO. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Michigan.

Mr. DONDERO. Can the gentleman inform the House how much money this will entail upon the part of the Government of the United States?

Mr. PATMAN. The gentleman from Mississippi [Mr. Rankin] answered that question. He said \$4,100,000, and it will assist 13,000 widows and children.

Mr. RANKIN. Four million one hundred and ten thousand dollars.

[Here the gavel fell.]

Mr. RANKIN. Mr. Speaker, I yield 4 minutes to the gentleman from Massachusetts [Mr. Connery].

Mr. CONNERY. Mr. Speaker, may I add my praise to the distinguished Chairman of the Veterans' Committee [Mr. Rankin] for the fine work he has done in getting this legislation before the House and before Congress at this time.

I had a lady come into my office last summer, and I believe her case in particular would describe the need of even further legislation along this line. This lady had two sons who had gone to France. They had both been through all the big battles with their regiments. One of them was shot at the base of his spine, and the other was shot in the head. They came back and were receiving compensation for their battle casualties. They died of some other disease later. She said, apparently from what the doctors told her, that each had died as a result of the wounds which they received in battle. This had caused a break-down and the opening up of the system to another disease, but still, the doctor said, death came as a direct result of being shot in the head in the case of one of the sons, and being shot in the spine in the case of the other son. Yet, because they had not died directly from their wounds, as demanded in the present law, that lady, a widow, who had given her only two boys to the United States, the boys being between the ages of 25 and 30 when they died, was left alone in the world, and she could not get a nickel from the United States Government.

While the bill presented by the distinguished gentleman from Mississippi, the chairman of the committee, does not take care of that kind of a situation, I hope this bill will lead the way to the passage of legislation not only to care for widows and orphans but also dependent parents such as the case I have mentioned.

Mr. GRISWOLD. Will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from Indiana. Mr. GRISWOLD. Is the gentleman aware of the fact that under the present law and regulations, even though a man has a complication of diseases and is suffering from his original service-connected disability on the date of his death, if the death certificate does not show the disease which is service connected, he cannot collect?

Mr. CONNERY. That is correct. If he had tuberculosis and was service connected on tuberculosis and yet it was complicated with pneumonia, causing his death, and if pneumonia were on the death certificate, his widow could not get a penny.

Mr. O'CONNOR. Will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from New York.
Mr. O'CONNOR. As I understand it, this bill only applies
to widows and children, not mothers?

Mr. CONNERY. It applies to widows and orphans.

Mr. O'CONNOR. The mothers would not be protected? Mr. CONNERY. That is true. The original bill which

Mr. CONNERY. That is true. The original bill which the gentleman from Mississippi introduced would have taken care of the dependent mothers and fathers. This bill does not. I wish it did take care of the mothers and fathers; but this is something, anyway. We had it in the original bill and could not get it by. I hope this bill will pass the House unanimously.

Mr. RANKIN. May I say to the gentleman from New York that I tried also to get this extended to take care of dependent parents, and I hope to do that at the next session.

Mr. O'CONNOR. I remember the valiant fight that the gentleman from Mississippi made before the Rules Committee.

[Here the gavel fell.]

Mr. RANKIN. Mr. Speaker, I yield 3 minutes to the gentlewoman from Kansas [Mrs. McCarthy].

Mrs. McCARTHY. Mr. Speaker, as a member of the Committee on World War Veterans' Legislation, may I add my word of approval to this splendid measure. We have found in dealing with veterans in any number of cases that it is very hard to establish the proof of a service-connected injury or a service-connected death. In other words, the direct cause of death, as has been stated here, may be pneumonia; it may be tuberculosis, it may be something else; but in many cases you will find, if you trace back, that the veteran's death was caused indirectly by his service and some disability he incurred in connection therewith.

Many times we have gone down to defeat after months of effort to get compensation for our worthy veterans just because they did not have a doctor's record within the period of a year. Perhaps the doctor had died, perhaps the records were destroyed, and on account of that technicality you could not get compensation for deserving men. The husbands and fathers of these widows and children are not here to speak for themselves. If they were, in some cases they could help to establish that the direct cause of death would lead back to a service-connected disability.

Since they are not here, we should have even more tender solicitude for this particular type of case, and I am glad that at last the widows and orphans of these World War veterans who were receiving disability benefits are getting the same consideration as the families of the veterans who are living and who have been able to establish their service-connected disability. [Applause.]

[Here the gavel fell.]

Mr. FULLER. Will the gentleman yield for a question? Mr. RANKIN. I yield to the gentleman from Arkansas. Mr. FULLER. Does this apply where the veteran is dead

Mr. RANKIN. Yes.

Mr. Speaker, I yield a half minute to the gentleman from Pennsylvania [Mr. Dunn].

Mr. DUNN. Mr. Speaker, no doubt in every congressional district there are widows and orphans of ex-service men. If this bill is going to provide a little money with which she may be able to provide herself and children with the necessities of life every Member of the House should support this bill.

Mr. RANKIN. Mr. Speaker, I yield 2 minutes to the gentleman from Kansas [Mr. Carpenter].

Mr. CARPENTER of Kansas. Mr. Speaker, in the status of civilization that we are living in now and in the standards of living and the path of social legislation that we are on, this is one of the steps along the right direction.

In our legislation during this session we have been looking forward to taking care of the needy. That is what this Government is doing. In this connection we should first look after those who have some service connection with the Government, and this class would include the veterans who fought for the Government and for its maintenance, and after they have answered the last call we should look after their widows and orphans.

I am pleased, as a member of the World War Veterans' Committee and a Member of the Congress, that I am going to be able to take home with me some relief for these people.

As has been stated, in every congressional district we have cases of this kind. They are on our doorstep and, therefore, on behalf of these widows and children who are looking to us for relief, I wish to express my appreciation, along with the other members of the committee, of the hard work and the good work that our chairman has done with respect to this bill. It would not have done any good to have brought up a bill here and for all of us to have made a lot of speeches in favor of the veterans unless we were going to get the bill through. This is exactly what the chairman of our committee has stated time after time—that he wanted to get through a bill that would amount to something.

[Here the gavel fell.]

Mr. RANKIN. Mr. Speaker, I yield to the gentleman from Mississippi [Mr. Colmer].

Mr. COLMER. Mr. Speaker, when I requested time to address the House on the subject of the passage of this bill, I did not realize that the sentiment in its favor was as strong as it apparently is. I shall therefore take very little of the House's time on this, the final day of the session in commenting on the pending legislation.

The pending bill introduced by my colleague Mr. RANKIN, Chairman of the World War Veterans' Committee, is in my opinion a tardy recognition of justice to the widows and orphans of our World War veterans who themselves were entitled to receive compensation during their lifetime. I sincerely regret that the bill does not go further in its scope. As it is now drawn it provides for a pension or compensation to the widows and orphans of those veterans of the World War who, while living, received or were entitled to compensation, pension, or retirement pay for 30 percent disability as a result of the veteran's service in the late World War; where the veteran in addition to receiving the compensation has died from some cause attributable to other cause than the disability for which he was entitled to draw the compensation or pension.

Under the provisions of this bill such a widow with no children will receive \$22. A widow with one child will receive \$30 with a provision for \$4 for each additional child, Each orphan child of the veteran will receive \$15 where the widowed mother is dead, except where there are more than one child and provision is made in such instances for two children to receive \$22 and three children to receive \$30 with \$3 for each additional child, the total amount to be equally divided. Of course these rates or compensation are computed on a monthly basis.

It is difficult for me to conceive how any Member of the House could oppose this bill. Certainly there is no Member of Congress who does not feel at least in a sense the debt of gratitude that the country owes those who offered their lives in the service of their country in the late World War. Then, if one believes that a veteran with disability traceable to his service is entitled to compensation during his lifetime, he certainly must believe that the widow and children of such veteran are entitled to that compensation upon the veteran's death. While the veteran is living he is to some degree able to assist in caring for his loved ones, his wife and children. Certainly then after he

is dead a grateful American people, expressing their will through their Representatives in Congress, must feel the responsibility to carry on for him after he is dead.

Mr. Speaker, I know of several instances where great hardship has been worked upon the children as well as the widow of a deceased veteran who was drawing compensation as a result of a service-connected disability but who died from a cause other than the disability for which he was drawing the compensation. Moreover, I have in mind a case of a veteran in my district who was drawing compensation for tuberculosis. I have recently and am still trying to do something for the orphan children of this veteran. It so happens that although he had tuberculosis and had been treated for this almost continuously the attending physician attributed his death to pneumonia. Not only did these orphan children lose their father but on the same day their mother also died from the same cause. We are now told by the Department of the Veterans' Administration that notwithstanding the fact that the veteran was suffering from tuberculosis and had been drawing compensation for some time that since the attending physician had designated the immediate cause of the veteran's death as pneumonia that the orphan children would not be entitled to compensation. This is indeed a pathetic case, but there are many other similar ones.

In conclusion, Mr. Speaker, may I suggest that there is no possession prized by a veteran more than the love that he has for his dependent wife and children. When, after death, there is nothing more that he can do for them, I am sure that it would be a great comfort for him to know that even though he died from a cause other than that for which he was drawing compensation, a grateful Government would care for his widow and orphaned children. I hope that there will not be a single vote cast against this bill.

Mr. RANKIN. Mr. Speaker, I yield one-half minute to the gentleman from Florida [Mr. Green].

Mr. GREEN. Mr. Speaker, I am heartily in accord with this bill and regret the committee could not have gone far enough to have reported legislation that would give a pension to widows and orphans regardless of the cause of the veteran's death and even though he was not a service-connected disabled veteran.

We have many pathetic cases of this nature in my district. You will recall that we passed legislation of this kind in the House last Congress, but it did not survive in the Senate. I hope our committee will be able to report and the Congress to pass such legislation during the next session. Dependent widows and orphans of all veterans, regardless of the cause of veteran's death, should be provided. I also hope my colleagues will cooperate for the reenactment of the disability allowance act. All disabled veterans who need relief should be provided for.

I am glad that our committee has been able to get even as far as the present bill goes, and I am glad to lend my support and vote for its passage.

[Here the gavel fell.]

Mr. RANKIN. Mr. Speaker, I yield 1 minute to the gentleman from Idaho [Mr. White].

Mr. WHITE. Mr. Speaker, I welcome an opportunity to support this measure. It is the kind of legislation I have been in favor of and wanted an opportunity to vote for ever since taking up my work here in the House.

In handling veterans' cases from my district I have come across some very distressing instances where the dependents of World War veterans were cut off without any hope of assistance from the Government. This bill, in a measure, will take care of this situation, and I welcome an opportunity to vote for it.

Mr. RANKIN. Mr. Speaker, I yield 1 minute to the gentleman from Missouri [Mr. RUFFIN].

Mr. RUFFIN. Mr. Speaker, I have always subscribed to the view that it is primarily the duty of the Government to take care of the men who served their country during time of war and who sustained direct, service-connected disability by reason of such service. I think this principle ought to be extended to the widows and orphans of such men. I am pleased to lend my support to this bill because I think this principle is sound.

[Here the gavel fell.]

Mr. RANKIN. Mr. Speaker, I yield one-half minute to the gentleman from Kentucky [Mr. VINSON].

Mr. VINSON of Kentucky. Mr. Speaker, I am very happy to see this bill come before the House at this time. I am very heartily in accord with it. My only regret is that it does not go further.

I desire to congratulate the Veterans' Committee and its distinguished chairman, the gentleman from Mississippi [Mr. Rankin] in securing its consideration at this time. I feel that the House leadership should not be overlooked in appreciation in permitting this righteous legislation to be brought before the House Membership for passage.

It has never been the purpose of legislation to bar governmental award for sacrifices in body and health in the cause of country. It so happens that I can call to mind cases where service-connected disabilities were undoubtedly established and the death actually caused by such service injuries. Yet, because the immediate causes of death were not such wounds the dependents of such veterans could receive no recognition from our Government. I know of several cases where the death was caused by the service-connected disability as though it had occurred on the battlefield. One case was tuberculosis of the lungs. The death certificate showed lobar pneumonia. The Government held that the death was caused by lobar pneumonia, even though such latter condition was immediately preceded by profuse hemorrhage from the lungs.

This legislation is estimated to cost \$4,500,000 annually. The chairman of the committee says it has been agreed upon by those in authority for this character of legislation. It does not go as far as I would go along this line, but it is a step in the right direction and I am happy to support the

measure.

Mr. RANKIN. Mr. Speaker, I yield to the gentleman from Missouri [Mr. Cochran].

Mr. COCHRAN of Missouri. Mr. Speaker, 8 years ago the Record will show I introduced a bill providing for the pensioning of widows and orphans of World War veterans. I have long advocated this measure.

This bill is being considered by unanimous consent. Amendments are not in order. If an amendment were permitted, I would not confine the bill to the widows and orphans of veterans who were previously drawing compensation or pension, but I would have it so worded as to take care of all widows and orphans of veterans shown to be without an income sufficient to sustain themselves properly.

We all know that this bill will not be reached in the Senate before adjournment. The mere fact that it is called up and Members given an opportunity to express themselves is going to be beneficial to the cause in the next Congress.

The President a few days ago sent us his message on security. The needy widows and orphans can be considered in the class he would help.

I have always contended, when discussing legislation with representatives of service organizations, that they should devote their efforts toward securing recognition for the dependents of the veterans who have passed away.

My vote here today only supports the arguments I have advanced in the past.

Mr. RANKIN. Mr. Speaker, I yield one-fourth of a minute to the gentleman from Wisconsin [Mr. O'MALLEY].

Mr. O'MALLEY. Mr. Speaker, I am glad to be here today to vote for this bill. It is a measure of justice for the widows and dependents of veterans which I have advocated since the beginning of my term in Congress. I wish to congratulate the chairman of the committee upon bringing in the legislation and hope the legislation will receive the unanimous support of the House.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that on page 2, line 21, in the spelling of the word "means" the letter "s" be stricken out.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that all Members of the House may have 5 legislative days within which to extend their own remarks on this bill.

The SPEAKER. The Members of the House have that permission.

The question is on the motion of the gentleman from Mississippi to suspend the rules and pass the bill.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended, and the bill was passed, and a motion to reconsider was laid on the table.

Mr. CARPENTER of Nebraska. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record at this point.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

PRACTICAL LEGISLATION THAT WILL RELIEVE THE DISTRESS OF THE FARMER

Mr. CARPENTER of Nebraska. Mr. Speaker, as it is my privilege to be a member of the special congressional committee in the House handling the drought situation I feel that I should not let this opportunity pass to make a few observations as to the attitude of this administration in regard to this problem and the general farm program to relieve this distress and also to give some of my views along this line of thought.

As a direct result of the activity of this drought committee we have been instrumental in obtaining immediate and adequate relief for the farmers and people generally throughout the drought section. The President's message this morning indicates that an appropriation of \$525,000,000 will be made available almost immediately to relieve this distress. This shows that the administration is fully alive to the situation, which, according to the best information, has become the closest we have had to a national catastrophe in the past 50 years. We have been assured that everyone will be taken care of and that the amount necessary to take care of my State of Nebraska until another crop can be planted and raised will be somewhere around \$10,000,000.

Of course, everyone will not agree with the methods that will be pursued, nor with the results accomplished, which is quite natural; but at least we cannot be criticized for not taking immediate action and appropriating a sufficient amount of funds, except possibly by some people seeking political office from a strictly partisan viewpoint without regard to facts.

The tentative allotments suggested by the committee and the President are as follows:

First. \$125,000,000 for special work program and human relief.

Second. \$75,000,000 for livestock purchase in addition to the funds already available under the Jones-Connally Act. Third. \$100,000,000 for shipping, processing, and relief

distribution of purchased cattle.

Fourth. \$100,000,000 for loans to farmers to finance emergency feed purchases and shipments.

Fifth. \$50,000,000 for emergency acquisition of submarginal farms and assistance in relocating destitute farm families.

Sixth. \$50,000,000 for work camps to afford employment in the drought area for young men principally from cities and towns.

Seventh. \$25,000,000 for purchase of seed for 1935 plantings, and for loans to get seeds into farmers' hands.

After a survey sent by each individual county in Nebraska I have compiled a detailed report of the needs of my State, and have been assured that it will receive every assistance necessary. This drought situation brings to the front a problem that is important not only to the State of Nebraska but to the Nation as a whole—that of the proper development of the proposed irrigation, power, and conservation of water of the various streams running in and through my State. It is absolutely necessary that we take immediate steps to conserve and store this available water when it is not in use in order that this country at some future time will not be faced with a shortage of foodstuffs, which up to

the present time has not seemed possible. Two projects have already been approved, but, due to delays caused by one thing or other, the actual work has not been started. Several other projects of great merit, namely, the Tri-County, North Loup, Middle Loup, Benkleman, and Blue Creek, should all be approved and the work started as soon as possible. This would provide for the preservation of our natural resources and the assurance of an ample supply of water, a work which would build and create something of great value and use to our citizens. I sincerely hope that our present condition will expedite the starting of all these

In order to give the proper relief that the farmer is in need of, the following legislation should be enacted into law. Until some such laws are passed the condition of the farmer will still be very serious.

First. An act to establish a uniform system of bankruptcy throughout the United States, upon petition of at least five farmers within any county:

Any such farmer failing to obtain the acceptance of a majority in number and amount of all creditors whose claims are affected by a composition or extension proposal, or if he feels aggrieved by the composition or extension, may amend his petition or answer asking to be adjudged a bankrupt. Such farmer may at the time of the first hearing petition the court that all of his property, whether pledged, encumbered, or unencumbered by liens or otherwise, be appraised at its then actual value, and that his homestead and exemptions be set aside and that he be allowed to retain possession of any part or parcel or all the remainder of his property and pay for same under the terms and conditions set forth in this act.

forth in this act.

(1) Upon such a request being made in the petition or answer, or at the time of the first hearing, appraisers shall be designated and appointed. Such appraisers shall be designated and appointed, and their appraisals shall be made in all other respects, with right of objections, exceptions, and appeal, in accordance with this act: Provided, That in case of real estate, either party may file objections, exceptions, and appeals within 1 year from date of order appropriate the appraisal

date of order approving the appraisal.

(2) After the value of the debtor's property shall have been fixed by the appraisal as herein provided, the referee shall issue an order setting aside to such debtor his homestead and exempan order setting aside to such debtor his homestead and exemptions, subject to any existing mortgages or liens upon such homestead or upon any such exemptions to an amount equal to the value, as fixed by the appraisal, of such homestead or to the value of such exempt property as is covered by any mortgage or lien, and shall further order that the possession, under the control of the court, of any part or parcel or all of the remainder of the debtor's property, shall remain in the debtor subject to a general lien, as security for the payment of the value thereof to the trustee of the creditors, if a trustee is appointed, such a lien to be subject to and inferior to all prior liens, pledges, or encumbrances. Such prior liens, pledges, or encumbrances shall remain in full force and effect, and the property covered by such prior liens, pledges, or encumbrances shall be subject to the payment of the claims of the secured creditors holding such prior liens, pledges, or encumbrances up to the actual value of such property as fixed by the appraisal provided for herein. All liens herein on as fixed by the appraisal provided for herein. All liens herein on livestock shall cover all increase, and all liens on real property shall cover all rental received or crops grown thereon by the debtor as security for the payment of any sum that may be due or past due under the terms and provisions of the next paragraph, until

due under the terms and provisions of the next paragraph, until full value of any such particular property has been paid.

(3) At the time of the order setting aside to the debtor his homestead and exemptions, and giving him possession, under the control of the court, of any part, parcel, or all of the remainder of his property, whether pledged or covered by any prior lien or encumbrance, the debtor shall agree and bind himself that he will pay to the secured creditors, as their interests may appear, and to the trustee of the unsecured creditors, as his interests may appear, if a trustee is appointed, the value of the property as fixed by the appraisal together with interest at the rate of 1 percent per annum on the following terms: 2½ percent, together with interest on or before 18 months; 2½ percent, together with interest on or before 18 months, 2½ percent, together with interest on or before 24 months, and that thereafter he will pay 5-percent principal, together with interest thereafter he will pay 5-percent principal, together with interest semiannually for the following year and will pay the balance on or before 6 months after the last semiannual payment has been made to the secured creditors, as their interests may appear, and

made to the secured creditors, as their interests may appear, and to the trustee of the unsecured creditors, as his interests may appear, if a trustee is appointed.

(4) The debtor may consume or dispose of any part or parcel or all of said property whether covered by the general lien to the trustee, if a trustee is appointed, or subject to pledges or prior liens or encumberances held by secured creditors, provided he pays the appraised value of such part or parcel or all, as the case may be, to the secured creditors, as their interests may appear, and the trustee of the unsecured creditors, as his interests may appear, if a trustee is appointed, or he may put up a bond approved by the referee in bankruptcy that he will make payments, as provided for herein, on any property so consumed or disposed of.

(5) In case the debtor fails to make any payments, as herein provided, to any or all of the secured creditors or to the trustee of the unsecured creditors, then such secured creditors or the trustee may proceed to enforce their pledge, lien, or encumbrances in accordance with law. It shall be the duty of the secured creditors and of the trustee of the unsecured creditors to discharge all liens, or record in accordance with law, whenever the debtor here with the secured to secure the debtor here. of record in accordance with law, whenever the debtor has paid the appraised value of any part, parcel, or all of his property as herein

of record in accordance with law, whenever the debtor has paid the appraised value of any part, parcel, or all of his property as herein provided.

(6) The secured creditors holding prior liens and the trustee of the unsecured creditors holding a general lien hereunder, shall have all the rights of such lienholders under existing law except the extension of time and the reduction of the indebtedness to the amount of the appraised value of the debtor's property and such debtor shall be discharged from all his debts, both private and public, as provided for in this act with the exception of those provided for and agreed to by him in this section.

(7) In case a majority in number and amount of all the secured and unsecured creditors of the debtor file written objections, at the first hearing, to the manner of payments and distribution of debtor's property as herein provided for, then the court after having set aside the debtor's homestead and exemptions, shall stay all proceedings for a period of 6 years, during which 6 years the debtor shall retain possession of all or any part of his property, under the control of the court, provided he pays a reasonable rental annually for that part of the property of which he retains possession. The first payment of such rental to be made within 6 months of the date of the order staying proceedings, such rental to be distributed among the secured and unsecured creditors, as their interests may appear, under the provisions of this act. At the end of 6 years, or prior thereto, the debtor may pay into court the appraised price of the property of which he retains possession, less rentals paid: Provided, That upon request of any lienholder on real estate the court shall cause a reappraisal of such real estate and the debtor may then pay the reappraisal price, less rentals paid, into the court and thereupon the court shall, by an order, turn over full possession and title of said property to the debtor and he shall be discharged from all his debts, both an order, turn over full possession and title of said property to the debtor and he shall be discharged from all his debts, both private and public, as hereinbefore provided.

Second. A resolution introduced in the House of Representatives by myself:

Whereas a great emergency exists over a large area throughout the farm belt of the United States, caused by severe drought; and Whereas the farmers in this area are exerting every effort and using every available resource to keep their livestock alive, and the Federal Government has, through the Department of Agriculture and the Federal Emergency Relief Administration, been spending sums to alleviate the suffering in this drought-stricken

whereas the farmers have been and are being foreclosed because of their inability to pay interest on their obligations because of the reduced yields, and if these wholesale foreclosures are allowed to continue they threaten dangerous civil strife and discontent:

Therefore be it

Resolved, That there be declared a moratorium on all interest and principal payments falling due on all farm mortgages and all farm indebtedness held by any agency of the Government for a period of 1 year in the area designated as drought area by the Department of Agriculture and the Federal Emergency Relief Administration: be it further

Resolved, That no foreclosures be made on farm property, real or personal, by reason of the operation of this resolution, and that this resolution shall take effect on its passage; and be it

Resolved, That where any chattel mortgage of livestock, held by any agency of the Government, by reason of any action of the Government or its agencies, necessitates the purchasing or destroying of said livestock the proceeds from the sale of such act shall constitute full and complete settlement with that agency of the Government

Third. The bill which reads as follows:

This act shall be known by the title "The Farmers' Farm

SEC. 2. That the Government now perform its solemn promise and duty and place American agriculture on a basis of equality with other industries by providing an adequate system of credit, with other industries by providing an adequate system of creat, through which farm indebtedness and farm mortgages now existing may be liquidated and refinanced, through real-estate mortgages on the amortization plan, at 1½-percent interest and 1½-percent principal per annum, and through mortgages on livestock used for breeding or agricultural purposes at 3 percent interest per annum through the use of the machinery of the Federal farm loan system and the Federal Reserve Banking System.

SEC. 3. The Federal Farm Loan Board is hereby authorized and directed to liquidate, refinance, and take up farm mortgages and other farm indebtedness, existing at the date of enactment of this act, by making real-estate loans, secured by first mortgages on act, by making real-estate loans, secured by first mortgages on farms, to an amount equal to the fair value of such farms and 50 percent of the value of insurable buildings and improvements thereon, through the use of the machinery of the Federal land banks and national farm-loan associations, and to make all necessary rules and regulations for the carrying out of the purposes of this act with expedition. In case such farm mortgages and other farm indebtedness to be liquidated and refinanced exceeds

the fair value of any farm and 50 percent of the value of insurable the fair value of any farm and 50 percent of the value of insurable buildings and improvements thereon, then such farm mortgages and indebtedness shall be scaled down in accordance with the provisions of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1393, and acts amendatory thereof. Such loans shall be made at a rate of 1½-percent interest and 1½-percent principal per annum, payable in any lawful money of the United States.

SEC. 4. The Federal Farm Loan Board is further authorized and directed to liquidate, refinance, and take up chattel mortgages and other farm indebtedness existing at the date of enactment

and other farm indebtedness existing at the date of enactment of this act, by making loans at the rate of 3-percent interest per annum, secured by first mortgages on livestock used for breeding or agricultural purposes, to an amount equal to 65 percent of the fair market value thereof, such loans to run for a period of 1 year, with right of renewal from year to year for a term of 10 years: *Provided*, That any depreciation in the value of such livestock is replaced by additional livestock used for breeding or agricultural purposes, and the amount of the loan is reduced 10 percent each year.

sec. 5. There is hereby authorized to be appropriated, out of any money not otherwise appropriated \$100,000 for the use of the Federal Farm Loan Board to carry out the provisions of this act. The necessary and actual expenses incurred in carrying out the provisions in this act shall be apportioned and prorated and added to each individual mortgage, and such sums so added shall be paid to the Federal Farm Loan Board for administrative

purposes.

SEC. 6. The funds with which to liquidate and refinance existing farm mortgages and other farm indebtedness shall be provided by the issuing of farm-loan bonds by the Federal farm-loan system, through the Federal Farm Loan Board and Federal land banks, as now provided by law, which bonds shall bear interest at the rate of 1½ percent per annum, if secured by mortgages on farms, and 3 percent per annum if secured by chattel mortgages on livestock used for breeding or agricultural purposes. These bonds, after delivery to the Federal Farm Loan Board, may, by it, be sold at par to any individual or corporation, or to any State, National, or Federal Reserve bank, or to the Treasurer of the United States. And it shall be the duty of the Federal Reserve banks to invest their available surplus and net profits, after the dividends are paid to their stockholders, in such farm-loan bonds. Such profits to include the franchise tax now paid to the United States.

SEC. 7. In case all of said farm-loan bonds are not readily pur-

SEC. 7. In case all of said farm-loan bonds are not readily purchased, then the Federal Farm Loan Board shall present the remainder to the Federal Reserve Board, and the Board shall forthwith cause to be issued and delivered to the Federal Farm Loan Board, Federal Reserve notes to an amount equal to the par value of such bonds as are presented to it. Such farm-loan bonds to be held by the Federal Reserve Board as security in lieu of any

to be held by the Federal Reserve Board as security in lieu of any other security or reserve.

Sec. 8. The Federal Farm Loan Board and the Federal land banks shall turn over all payments of interest and principal on such farm-loan bonds, for which the Federal Reserve Board issues Federal Reserve notes, to the Treasurer of the United States and shall be by him kept for the purpose of redeeming said Federal Reserve notes and reinvested by him as a sinking fund in municipal or State bonds and bearing interest at the rate of at least 2 percent per annum, both principal and interest to be paid in any lawful money of the United States.

Sec. 9. Whenever the amount of money actually in circulation

SEC. 9. Whenever the amount of money actually in circulation in the United States shall exceed \$75 per capita, then the Treasurer of the United States, by and with the approval of the Federal Reserve Board and the President of the United States, may retire Federal Reserve notes in an amount equal to the principal paid on farm-loan bonds, for which Federal Reserve notes were issued, not to exceed 2 percent in any one year, of the amount of Federal Reserve notes so issued.

SEC. 10. There is hereby created a Board of Agriculture consisting of one member from each State, elected by the farmers of such State, who shall be elected by delegates selected by a mass convention of farmers in each county or parish within the United States, who are indebted and declare it to be their intention to take advantage of this act, such county or parish convention to be its own judge as to who are bona fide farmers and otherwise eligible to participate in its proceedings.

and otherwise eligible to participate in its proceedings.

SEC. 11. The Federal Farm Loan Board is hereby authorized and directed to give public notice, through the Federal land banks, to the farmers of each county or parish of the time and place of holding the first county or parish convention, which shall be held at the seat of government of each county or parish; and it shall at the same time give notice of the first convention of the State delegates, to be held at the State capital of each State, notice of such convention to be given within 60 days after the enactment of this act.

SEC. 12. The farmers attending such county or parish convention and the State delegates attending such State convention

SEC. 12. The farmers attending such county or parish convention and the State delegates attending such State convention shall organize and make such rules and regulations for their procedure as they deem necessary or convenient and shall elect a president and a secretary and make arrangements for such other and future conventions as they may deem necessary to carry out the purposes of this act, and they shall at all times cooperate and assist the Board of Agriculture, the Federal Farm Loan Board, the Federal land banks, and national farm-loan

associations to liquidate and refinance farm mortgages and farm indebtednes

SEC. 13. The State delegates so elected shall meet at the State SEC. 13. The State delegates so elected shall meet at the state capitals of their respective States and elect a member of the Board of Agriculture, who shall hold his office from the date of such election and for a period of 2 years from January 20 following and who shall receive \$15 per diem and necessary traveling expenses while on official business, to be paid by the Federal Farm Loan Board out of any funds set apart by section 5 of this act. act.

act.

SEC. 14. Immediately after their election, the members of the Board of Agriculture, upon call of the Federal Farm Loan Board, shall meet at Washington, in the District of Columbia, and organize by electing a chairman and a secretary, and they shall make such rules and regulations as they deem necessary and expedient to carry out the purposes of this act. They shall elect an executive committee of three, none of whom shall be members of the Board of Agriculture, who shall hold their office at the will of said Board.

SEC. 15. The members of the Board of Agriculture shall keep.

SEC. 15. The members of the Board of Agriculture shall keep in touch with and report to the executive committee the progress of liquidating and refinancing farm mortgages and farm indebtedness in their respective States. They shall cooperate with county or parish and State governments and with all farm and cooperative organizations within their respective States to speedily bring thout the liquidation and refine spective States to speedily bring about the liquidation and refinancing of farm mortgages and farm indebtedness

SEC. 16. The executive committee of the Board of Agriculture shall advise with and supervise the work of liquidating and re-financing farm mortgages and farm indebtedness by the Federal Farm Loan Board and the Federal Reserve Board, and they shall Farm Loan Board and the Federal Reserve Board, and they shall cooperate with said boards and with county or parish and State governments and with the various farm organizations and with the agricultural colleges of the Nation in order to bring about a just and speedy liquidation and refinancing of farm mortgages and farm indebtedness. They shall report any member of the farm-loan system or the Federal Reserve Board who neglects, hinders, or delays the carrying out of the provisions of this act to the President of the United States, and it shall be the duty of the President. Upon cause shown, to remove any such officer and the President of the Chied States, and it shall be the day of the President, upon cause shown, to remove any such officer and to appoint some other suitable person in his place with the advice and consent of the Senate.

SEC. 17. The benefits of this act shall also extend to any farmer, or member of his family, who lost his farm through indebtates are president as a 1019 and who desires

farmer, or member of his family, who lost his farm through indebtedness or mortgage foreclosure since 1919 and who desires to purchase the farm lost or another farm. It shall also extend to any tenant, or member of his family, who desires to purchase a farm, provided he has lived on and operated a farm as a tenant for at least 3 years prior to the enactment of this act.

Sec. 18. The executive committee of the Board of Agriculture shall have power, in case of crop fallures and in other meritorious cases, to extend the time payments due on loans made under this act from time to time for a period not exceeding 3 years provided

act from time to time for a period not exceeding 3 years, provided the mortgagor keeps up the payment of all taxes on the mortgaged property

property.

SEC. 19. This act shall be liberally construed, and no technicalities or limitations shall be imposed or permitted to interfere with the speedy carrying out of its purposes; and the provisions of the Federal farm-loan system and the Federal Reserve Banking System shall apply as far as applicable in the carrying out of the provisions of this act; and all laws or parts of laws in conflict herewith are for the purpose of this act repealed. The persons charged with the duty of carrying out the provisions of this act are authorized and directed to do all things necessary or convenient to accomplish its purposes with expedition.

In regard to currency there are several things that our Government must eventually do and I agree in full with my

Government must eventually do, and I agree in full with my colleague from Texas in his observations and views in the following:

- 1. The Federal Reserve banks should be taken over by the Government and operated in the interest of all the people, banks, industry, agriculture, and commerce.
- No private corporation, or corporation owned by private cor-porations, should have the right to issue money.
- 3. The Government should issue currency when in need of money instead of tax-exempt interest-bearing bonds.
- 4. No additional taxes should be levied as long as we need additional money.

  5. Very few of the bankers of the country, even the real good ones, have ever studied or thought anything about this monetary
- problem.
- 6. A billion dollars a year can be used by the Government to a better advantage than paying it as interest on Government bonds that may be used as a basis for the issuance of currency.
- 7. Direct credits should receive the thoughtful consideration of the people.
- 8. Opposition to any progressive proposal may be expected from those who will be deprived of special privileges, the die-hard, orthodox, hard-money advocates and the poll-parrot satellites of Wall Street who only repeat what others say and never think
- for themselves.

  9. We need and must have more money as a circulating medium, but we should not issue more Government bonds in order to

Money itself is of no value. It is a simple tool desired for the one purpose of making exchanges. Money is no mysterious thing, no mystic principles veil or obscure it. It is a tool for making exchange, just as a hammer is a tool for driving nails.

One great economist defined money to be-

That which passes freely from hand to hand throughout the community in payment for goods and in full discharge of debts, being accepted without reference to the character or credit of the person offering it, and without the intention of the person who receives it to consume it otherwise than in tendering it to others.

Suppose we did not have money. If you had wheat to spare and needed shoes, possibly you could trade the wheat for the shoes, but not likely. You would probably have to trade the wheat for hides and then trade the hides for shoes. This would be very inconvenient. It is much better that we have something called "money" that has a definite value measured in all commodities in order that anything may be exchanged for money and money may be exchanged for anything. Money is a standard or common denominator of value. Money itself is of no value. It is a simple tool desired for the purpose of making exchanges.

Different commodities have been used as money; knives were formerly used as money in China; tobacco served the same function in Virginia. Some other commodities that have served this function are wheat, bark, cattle, iron, and shells. The Department of Commerce recently made a survey and discovered because of a necessity of money over a thousand cities and groups are using scrip and barter for money; it was acceptable to the people at these places in the absence of a sufficient medium of exchange.

It is desirable that we have a stable dollar. Our farmers borrowed money and voted upon themselves road, school, and other improvement bonds when wheat was worth \$1.50 a bushel and cotton was worth 20 cents a pound. Later they were called upon to pay these debts when wheat was 40 cents a bushel and cotton 5 cents a pound. This resulted in the payment of \$4, in what the farmer had to pay with, to every \$1 borrowed; instead of being called upon to pay 6- or 10-percent interest, they were called upon to pay the equivalent of 24 or 40-percent interest.

Do not be misled into believing that supply and demand of a commodity is the sole controlling factor in determining the price of the commodity. Just as much depends on the supply and demand of money and credit. If our cotton and wheat farmers produce only one-fourth of a normal crop this year and money and credit are made scarce, high, and dear, cotton and wheat will be cheap.

Since the supply and demand of money, which includes credit, controls the price of all labor, services, and commodities, our Government should be careful about who controls this great privilege. The people are entitled to have someone who has their general welfare at heart in charge of that great lever that expands or contracts money and credit at will; no one should have charge of this lever who can manipulate it in a way to make profit for themselves to the detriment of the general welfare. What chance has a producer or wage earner of this Nation to earn a decent livelihood for himself and family if the value of his products or labor is fixed by someone who has in mind making a profit for himself?

The framers of the United States Constitution, in article I, section 8, very wisely said:

Congress shall have the power to coin money and regulate the value thereof.

This provision of the Constitution is mandatory. All Members of Congress are sworn to uphold the Constitution. Why has this provision never been carried out? The answer is simple. In the early days of our national existence the people were deceived into believing that the subject of money was so mysterious and intricate that only a few of the financiers understood the subject, and, therefore, the great privilege of issuing and distributing money should be farmed out to them. This was done, and it has never been changed, except to give them more power and authority. The strange part of it all is, as often pointed out by Congressman Busby, of Mississippi, that the ones who are the

beneficiaries of this great privilege are not even charged with the duty of furnishing the people a sufficient circulating medium.

Do not blame the bankers for this. They are not to blame; they are doing what Congress has permitted them to do; Congress should be held responsible. However, when Congress seriously considers printing sufficient money to carry out this constitutional mandate, the holders of this great privilege and their satellites repeat like parrots such phrases as "printing-press money", "rag money", "fiat money", "baloney money", and "greenbacks." They do not tell you that it is the same kind of money that is printed for them and that it will be backed by the same security, which is the credit of this Nation. Let me make a prediction: The people are getting wise to such false, selfish, and greedy propaganda, and will before very long compel their Congress to change our idiotic monetary system by complying with the Constitution. I will admit it takes a long time to sell the people of this Nation a good proposal.

From 1861 to 1865 there was a War between the States. The United States Government, or the Union, issued \$400,-000,000 of money to assist in carrying on the war. money was not secured by gold or any other metal; it was secured by the credit of the Nation. When General Early, of Southern Confederacy fame, was about to take Washington, and the Union was losing ground, this money went down to 35 cents on the dollar. When peace was restored and the credit of the Nation was no longer questioned, this money went back to 100 cents on the dollar, and has remained there ever since. It was the restoration of the Nation's credit, and not gold, that caused these greenbacks to become worth 100 cents on the dollar. Three hundred and forty-six million dollars of this paper money has remained outstanding and is outstanding today; no one ever refused to take it; as it is worn out it is replaced with new bills. These greenbacks up to June 30, 1933, have saved the people of this country more than \$11,000,000,000 at 5-percent compound interest.

We do not desire to destroy and will not destroy our monetary system, but we do want the people to be allowed the privilege to pay their debts in dollars that are worth approximately what they were worth when borrowed.

Here in Washington City the Government owns and operates a modern, up-to-date printing plant for the purpose of printing paper money and Government securities. It is the Bureau of Engraving and Printing, employs 5,500 people, and at one time got behind with its money printing until it had to be operated 24 hours a day. The question is: Who gets this paper money, how do they get it, and who benefits by its issuance?

There are 12 Federal Reserve banks in the Nation; they are not the same banks or same system created in 1913. The law has been completely changed; so-called "perfecting" amendments have diverted these banks from the course intended by Congress in 1913. They are owned by the member banks—private corporations—which are in turn owned by individuals. The Government does not own one penny of stock in these institutions, neither does it at this time get one penny of profit from their operations, although they use the credit of the Nation free, are exempt from all taxes except upon their real estate, and are given the greatest privilege that any institution on earth has ever had—a franchise that is worth billions of dollars.

These banks have the right to issue paper money that our Government prints for them at their request; they do pay about 27 cents for printing every thousand dollars worth of bills. I will read from one side of one of these bills:

Federal Reserve note. The United States of America will pay to bearer on demand \$5.

On the other side is the picture of the United States Treasury and the words:

United States of America, \$5.

You will notice that the Government of the United States agrees to redeem this note that is issued by an institution that is owned solely by private corporations. The Government's agreement carries with it a blanket mortgage on all

the homes, other property, and the incomes of all the people of this Nation.

Do such banks pay for the privilege of issuing these blanket mortgages on the property and incomes of the people? The answer is, "No." The Federal Reserve Act, section 16, provides that they shall pay an interest charge that may be fixed by the Federal Reserve Board. The Board fixed the rate at zero. Therefore, these 12 banks have used the people's credit up to the amount of \$60,000,000,000 a year turnover for 20 years for the zero rate of interest. If they had paid a reasonable rate of interest, the Government would have collected hundreds of millions of dollars.

Practically all the money we have in circulation today is money issued by these banks. They use the Nation's credit free to issue it, but someone is paying interest on it every day it is outstanding. The only way the people can expand their currency under this system is to go into debt deeper and pay more interest. The people owe \$203,000,000,000 in debts now. During the year 1932 the national income was \$40,000,000,000; that year, when we had less than \$5,000,000,000 in circulation, the people paid \$10,000,000,000 in interest charges alone.

I hope the people get money minded, money conscious. Look at the paper money in your pocket and do not stop investigating until you know all about why, how, and for whose benefit it was issued. It is the one big problem; when it is solved most of all our other problems will sink into insignificance. Congress is the branch of government charged by the Constitution with solving it or with submit-

ting to the Executive proposals to that end.

Nine hundred and eighty-eight million dollars of the present circulating money was obtained by banking institutions depositing Government bonds as collateral security for its issuance. Under the present set-up, if the Government needs a million dollars it issues bonds for the amount and sells the bonds. If certain banking institutions buy the million dollars in bonds it can redeposit the bonds with the Government and receive a million dollars in new money printed at the Bureau of Engraving and Printing. At the same time it uses the money it will get interest on the bonds deposited, but will be required to keep 5 percent of it on deposit with the Treasury and pay one-half of the 1 percent tax, which is to cover the cost of printing and replacing the money. In this way many banks are subsidized by the Government. No one can give a good reason why the Government should not issue the money in the first place rather than issue a tax-exempt, interest-bearing bond and then permit its holder to use the bond or debt as security for the issuance of the money. The Wall Street parrots have never been taught to call this money printing press or flat or "baloney" money.

Our Government, under the leadership of a great President, is making a determined effort to restore prosperity to the people. Much has been done toward helping wage earners, laborers, farmers, home owner, business, industry, and commerce. Debts have been scaled down, extended, and interest charges have been reduced. It is almost inconceivable that we can continue this start on the road to recovery without the Government having control over its own media of exchange. The issuance and distribution of money is a governmental function. It never should have been farmed out to private corporations; since it has been, the Congress should immediately reassume this great privilege and exercise it in the interest of the people. The first step should be for the Government to take over the 12 Federal Reserve banks and coordinate their activities with the Reconstruction Finance Corporation; then the Government's credit can be used for all banks-National, State, or private-all business, all agriculture, all commerce, and all people. Interest rates can be substantially reduced and the Government can obtain considerable revenue by charging a small sum for the use of its credit; all governmental financing can be handled through the new set-up without charging the Government interest which will eliminate the necessity for the issuance by the Government of another taxexempt, interest-bearing bond, or to increase taxes.

Is there a need for additional money? During the last year there has been a shrinkage of actual currency in circulation of \$1,600,000,000. There has been a contraction of commercial checking deposits of \$20,000,000,000 since the depression began. Ex-Senator Robert L. Owen, framer of the Federal Reserve Act and one of the best-informed men in the world on our monetary problems, has pointed out that the effect of this contraction has been to destroy the value of property in terms of money and to give money a very extraordinary value in terms of property. The banks apparently are unable or unwilling to expand these deposits by loans and thus restore the volume of credit which we previously had, in whole or even in substantial part.

The Government alone can expand the currency money to replace the check money contracted. In 1929 money was turning over or was being used in exchange at an average rate of 22 times a year; it is now turning over 11 times a year. The contraction of money and credit, together with the slow turn-over, has reduced the business of the country more than \$800,000,000,000 the last year. That situation can be cured by Congress doing what the Constitution says it should do, "coin money and regulate the value thereof."

A few years ago Thomas A. Edison was inspecting Muscle Shoals. He remarked that the Government should operate that great project in the interest of the people. He was asked if he favored the Government borrowing the \$50,-000,000 necessary to make repairs. His answer substantially was: "No; why should the Government borrow its own credit? If it issues tax-exempt, interest-bearing bonds and sells the bonds to Wall Street bankers to get the money, by the time the bonds are paid the bankers will have collected as much in interest as the Government received on the bonds. In other words, the bankers who will not furnish an ounce of material or a lick of labor will get as much out of it as the men who do the work and furnish the material." Mr. Edison also said at the same time: "Any Government that can issue a dollar bond, interest bearing, that is good can issue a dollar bill, noninterest bearing, that is good: the only difference is the bill is easier to redeem because it does not draw interest." No one can answer Mr. Edison's argument.

The Government has outstanding today about \$26,000 .-000,000 in bonds and securities. Others are to be issued soon. The interest this year to be paid by the Government will amount to almost \$1,000,000,000. A program should be considered now that will call for the gradual retirement of all Government bonds upon maturity or when callable with new currency and issue no more of such obligations. It will be a simple process. We will merely substitute one form of Government obligation for another form of Government obligation. The stock argument against this is that every dollar issued will go into the banks and upon each dollar as a base the banks may issue 10 credit dollars. which will cause undue expansion of the currency. That is true, but the argument may be destroyed completely by changing the law allowing the banks to use 1 dollar to issue 10; as the actual money is increased, require the banks to use a larger reserve or prevent them from lending money they do not have, if the facts and circumstances should warrant. Many people who are against issuing a few billion dollars in money are highly in favor of the banks issuing the same amount in credit, claiming it will serve the same purpose. It will serve the same purpose, but an enormous amount of interest would have to be paid on the credit that would not have to be paid on the money, and besides the banks could call in the credit, deflate values, and destroy prices as they did in 1920. They could not control the actual money in that manner; therefore, they are against it.

The Treasury and the Federal Reserve banks have sufficient gold to be used as a reserve for the retirement of this money if a gold base is desired. Silver may also be used. We have and can obtain plenty of it for that purpose, and at the same time help our export trade. Neither gold nor silver is absolutely necessary, as the money issued will be good for the payment of all debts, taxes, and import duties, although from an international-trade standpoint it may be desired to use silver. It will be redeemable in services ren-

dered by the post offices; in payment of all kinds of taxes, including income and excise; in payment of all debts, including debts due the Reconstruction Finance Corporation. We will be using cash instead of interest-bearing credit as a medium of exchange. Money will go into channels of trade and production instead of into tax-exempt, interest-bearing bonds.

It is contended that if more money is issued the dollar will become cheaper, which will be harmful to the farmers and those who live on fixed incomes. We can get on a currency basis, instead of a credit basis, without changing the purchasing power of the dollar, but most of us who advocate issuing more money really desire the return of what may be termed a "cheaper" dollar. As the dollar becomes cheaper real estate, common stocks, cotton, wheat, raw materials, labor, and all goods and services, upon which there is no fixed price, increase in value. This will enable the ones in these groups to have additional purchasing power.

Let us see how much it will affect the wage earner who receives one of these so-called "cheaper" dollars. He can use it to pay 100 cents on his debts, taxes, insurance, rent, electricity, gas, water, telephone, railroad freight and passenger rates, and all other bills, goods, and services upon which there is a fixed and inflexible price. Any adjustment will be in favor of additional purchasing power, which will be in the direction of additional consumption of goods. The factory employee will probably pay a little more for eggs which will enable the farmer to buy more of what his factory produces. It will be better for the wage earner to receive a dollar that will not purchase so much in certain commodities than not to have a job which will enable him to earn a dollar. I much prefer to bring purchasing power up to the point where our surplus may be consumed rather than force production down to a very limited buying power.

In order for this country to progress the farmers of this Nation must receive at least the cost of production. No real prosperity can arrive until then.

It is my earnest desire that the A.A.A. does not place a processing tax on cattle until such time as we have further experience with the commodities that already have such a tax. The A.A.A. has the power and means to pay benefit payments to the farmers in compliance with their program with reference to the cattle industry, and a processing tax at this time on cattle is not necessary.

## REAL ESTATE BONDHOLDERS' REORGANIZATION

Mr. COCHRAN of Missouri. Mr. Speaker, I present the following privileged report from the Committee on Accounts. The Clerk read as follows:

## House Resolution 448

Resolved, That the expenses of conducting the investigation authorized by H.Res. 412, incurred by the select committee to investigate real-estate bondholders' reorganizations, acting as a whole or by a subcommittee, not to exceed \$25,000, including expenditures for the employment of experts, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee or by any subcommittee thereof conducting such investigation, signed by the chairman of the committee and approved by the Committee on Accounts.

With the following committee amendments:

Page 1, line 5, strike out "\$25,000" and insert "\$15,000." After line 11, add "Section 2. That the official committee reporters shall be used at all hearings held in the District of Columbia."

The committee amendments were agreed to.

Mr. MARTIN of Massachusetts. Will the gentleman from Missouri yield?

Mr. COCHRAN of Missouri. I yield to my good friend from Massachusetts.

Mr. MARTIN of Massachusetts. I wonder if the gentleman can state how many investigations have been authorized at this session of Congress, and the total amount of money involved?

Mr. COCHRAN of Missouri. I do not know off-hand how many investigations have been authorized. The Committee on Accounts does not order investigations. The Committee on Rules reports resolutions calling for investigations, and

the gentleman from Massachusetts is a member of the Committee on Rules. Certainly the gentleman must be as well advised on that subject as I am. Let me repeat what I have often said: The Committee on Accounts never takes up a resolution to appropriate money to pay the expenses of an investigating committee until this House passes a resolution. The Committee on Accounts, so far as such resolutions are concerned, is the servant of the House, and if it should refuse to appropriate money, after the House orders an investigation, it would be subject to criticism and very properly so.

Mr. O'CONNOR. Will the gentleman yield?

Mr. COCHRAN of Missouri. I yield to my friend from New York also a member of the Committee on Rules.

Mr. O'CONNOR. The fact that the committee amendment reduces the amount to \$15,000 proves that the majority of the committee is more economical than the minority in this House.

Mr. COCHRAN of Missouri. After hearing those for and against a resolution the committee uses its own judgment as to amount. The House can change it if it desires.

Mr. MARTIN of Massachusetts. The only purpose of my inquiry was that I hope the House will not act like another branch of the Government, to which I am not privileged to refer, of which it is said that it is opened with a prayer and closed with a probe.

Mr. COCHRAN of Missouri. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## TIN INVESTIGATION

Mr. WARREN. Mr. Speaker, I offer the following privileged resolution from the Committee on Accounts.

The Clerk read as follows:

## House Resolution 444

Resolved, That the expenses of conducting the investigation authorized and directed by House Resolution 404 necessarily incurred by the Committee on Foreign Affairs, acting as a whole or by subcommittee, not to exceed \$10,000, shall be paid out of the contingent fund of the House on vouchers authorized by the committee, signed by the chairman thereof and approved by the Committee on Accounts.

SEC. 2. That the official committee reporters shall serve said committee at its meetings in the District of Columbia.

Mr. MARTIN of Massachusetts. Mr. Speaker, may I ask the gentleman why it is necessary to appropriate this large sum of money to get this information, which is available without resorting to this?

Mr. WARREN. The gentleman knows the House passed the resolution for this investigation on a roll call yesterday by a vote of 220 to 90, or thereabouts.

Mr. MARTIN of Massachusetts. I appreciate that, but how does the gentleman arrive at the amount?

Mr. WARREN. The committee was assured that there was no other way of getting this information except through this investigation. They very carefully told us what they expected to do with this money and the committee thinks that the full amount of \$10,000 is justified.

Mr. MARTIN of Massachusetts. 1 wonder if the gentleman would take us into his confidence.

Mr. WARREN. They are going to employ an expert on tin, and in the very nature of the inquiry he will have to be an expert. They figure that his expenses for a 6-month period, for such assistants as he may employ, plus expenses and in assembling all of the data, will be about \$7,500. That would leave about \$2,500 for the usual expense of the committee at the sessions here and probably in New York. The Committee on Accounts think they made a reasonable and fair statement as to their needs.

I move the previous question.

The SPEAKER. The question is on ordering the previous question.

The previous question was ordered.

The resolution was adopted.

A motion to reconsider the vote by which the resolution was agreed to was laid on the table.

### CAMPAIGN EXPENDITURES

Mr. WARREN. Mr. Speaker, I call up House Resolution 449, from the Committee on Accounts, which I send to the desk and ask to have read.

The Clerk read as follows:

Resolved, That the expenses of conducting the investigation authorized by House Resolution 336, incurred by the special committee to investigate campaign expenditures, acting as a whole or by subcommittee, not to exceed \$10,000, including expenditures for the employment of experts and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee or by any subcommittee thereof conducting such investigation, signed by the chairman of the committee and approved by the Committee on Accounts.

SEC. 2. That the official committee reporters shall be used at all hearings held in the District of Columbia.

all hearings held in the District of Columbia.

Mr. WARREN. Mr. Speaker, it ought to be a source of gladness to at least some us in the House to know that the Committee on Accounts has closed down and closed its shop for the present session of Congress. Because under the rules of the House I have to bring in these expenditure resolutions does not mean that I favor same, for, as I stated yesterday, I am opposed to about 90 percent of the investigations authorized by the House.

I think the House is entitled to know what they have done at this session of Congress insofar as investigations are concerned. They have authorized expenditures for investigations since the 3d of January amounting to \$170,500. In order to take care of those investigations, \$132,000 of that amount having been voted here during the present week, it is going to be necessary for the Committee on Appropriations to pass, before the final adjournment of Congress, a special appropriation for the contingent fund of the House amounting to approximately \$130,000. As the gentleman from Missouri [Mr. Cochran] stated, when the House passes these things it is incumbent upon the Committee on Accounts to come in here and grant the money.

Mr. BRITTEN. Mr. Speaker, will the gentleman yield?

Mr. WARREN. Yes. Mr. BRITTEN. Has the Chairman of the Committee on Accounts any figures to indicate how this \$170,000 to be expended this year compares with the appropriations in previous years, and particularly in former administrations?

Mr. WARREN. Yes; I shall be frank with the gentleman and say that this is the highest amount in any one year in the last 6 or 7 years.

Mr. BRITTEN. The gentleman is always frank, and I compliment him upon his frankness, his intelligence, and his honor. Thinking of former administrations, I recall when gentlemen on the other side of the aisle would derisively call for the appointment of another commission or another investigation or something of that sort during the Hoover administration. The demand was always made in complete derision of that administration, and my thought now is that in the history of the American Government we have never had so many costly investigations, we have never established so many costly commissions, we have never had so many snoopers throughout the United States, as have been provided for during the present administration. Your campaign promises have been thrown to the winds. The word "economy" is a lost word and your orgy of spending supersedes the expenditures of any peace-time government in the history of the world. Future generations will have to foot the bills.

Mr. WARREN. Mr. Speaker, I did not yield to the gentleman for a speech.

Mr. SABATH. Mr. Speaker, will the gentleman yield? Mr. WARREN. Yes.

Mr. SABATH. The gentleman is well informed, and he may recall a number of investigations we had in the Sixtyfifth and Sixty-sixth Congresses, and the approximate cost. That was after the Republicans, by misrepresentation, secured a majority of the House. Of course, we did not spend so much money in the last few years under Republican administrations, because they did not want to investigate themselves, but if we could have investigated some of the actions of a few years ago, I think the country would have | much higher standard than that produced in Brazil?

been much better off, even if it had cost twice the amount that we expect to expend this year.

Mr. WARREN. The gentleman is talking about a period long before I was here, but I do know that he is accurate in the excessive investigations carried on during that period.

Mr. Speaker, may I digress here and say this: I think I shall be back here as a Member of the House next January, and I hope when we meet here on the opening day of next session that the Democratic majority and the Republican minority, in the interest of orderly procedure, in the interest of organization here in this House, in the interest of responsible party government, will have the courage and the intelligence to repeal this damnable abomination known as the "discharge rule." [Applause.]

I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider the vote by which the resolution was agreed to was laid on the table.

## IMPORT DUTY ON COFFEE INTO PUERTO RICO

Mr. McDUFFIE. Mr. Speaker, I ask unanimous consent for the immediate consideration of H.R. 9946, providing for the ratification of Joint Resolution No. 59 of the Legislature of Puerto Rico, approved by the Governor May 5, 1930, imposing an import duty on coffee imported into Puerto Rico, which I send to the desk and ask to have read.

The Clerk read as follows:

Be it enacted, etc., That the taxes and duties imposed by Joint Resolution No. 59, enacted by the Legislature of Puerto Rico and approved by the Governor of Puerto Rico May 5, 1930, are legalized and ratified, and the collection of all such taxes and duties made under or by authority of such joint resolution of the Puerto Rican Legislature is legalized, ratified, and confirmed as fully to all intents and purposes as if the same had, by prior act of Congress, been specifically authorized and directed.

The SPEAKER. Is there objection?

Mr. JENKINS of Ohio. Reserving the right to object, and I do not intend to object unless something develops in the discussion, but I should like to have the bill explained.

Mr. McDUFFIE. Mr. Speaker, the act of Congress of 1930, enacted June 15 of that year, provided that the Legislature of Puerto Rico might impose certain tariff duties on coffee. It so happened that the Puerto Rican Legislature passed a resolution, no. 59, about 1 month before the approval of the act of Congress, levying a tariff of 10 cents a pound on coffee. That resolution has been held invalid because Congress, at the time of its passage, had not granted authority to pass it.

Coffee is one of the basic industries of the islands, probably the second largest, and, as the gentleman knows, we have already loaned so much money in Puerto Rico with a view to its rehabilitation that we hope some day to realize something upon. The Customs Court within the last few days, on the 12th of June, held that because the resolution of the island legislature was passed after the act of Congress, it was thereby invalid. In other words, the legislature of the island, after authority was granted, could impose the duty, but its action was not retroactive, and must have the approval of Congress to be effective. It so happened that they levied the tax prior to the time when it was proper for them to act. The suggestion for this quick emergency action was sent up yesterday, with the request that it have immediate consideration. I am submitting the letters of the Governor of Puerto Rico, the Honorable Blanton Winship, and the Assistant Secretary of Agriculture which explain and ask for this legislation.

I will state to the gentleman the reasons why this bill is necessary. Brazil or other coffee-producing countries can now, without this tariff, dump its cheap coffee into Puerto Rico and there have it mixed with the better grade of coffee, and destroy the market for one of the basic industries of that island.

Mr. JENKINS of Ohio. As a matter of fact, as I understand it, the grade of coffee produced in Puerto Rico is of a Mr. McDUFFIE. Very much. The best in the world.

Mr. JENKINS of Ohio. And very little of the Puerto Rican coffee comes to this country. It all goes to Spain and those places where the people have a finer taste for coffee.

Mr. McDUFFIE. Yes; but many of us here have a taste for good coffee.

Mr. KNUTSON. Will the gentleman yield?
Mr. McDUFFIE. I yield.
Mr. KNUTSON. The gentleman mentioned the tax on

coffee. Was that an import tax?

Mr. McDUFFIE. It is an import tax. It is simply for the protection of the coffee producers in Puerto Rico who have formed cooperative associations and who might be unable to compete with cheaper coffee.

Mr. McFADDEN. Will the gentleman yield?

Mr. McDUFFIE. I yield.

Mr. McFADDEN. I am heartily in favor of what this bill proposes. I think it is right and proper. Many of the loans that have been made through the Federal Farm Loan system in Puerto Rico have been made to coffee producers. We have been doing all we could to help them develop the coffee industry, and if they have to compete with Brazilian coffee it will destroy the very industry we have been trying to

Mr. McDUFFIE. I thank the gentleman for his contribution. He has given you the very meat and purpose of the legislation.

Mr. MARTIN of Massachusetts. Will the gentleman vield?

Mr. McDUFFIE. I yield.

Mr. MARTIN of Massachusetts. The reason for the legislation is that we, not growing any coffee in the United States, have not had any tariff on coffee coming into the United States. Therefore Puerto Rico finds it necessary to have a tax to protect the kind they grow?

Mr. McDUFFIE. Yes. I think the gentleman from Pennsylvania [Mr. McFadden] gave us the main reason for this bill, and that is to prevent the destruction of an industry to which we are lending money through their cooperative associations in the island of Puerto Rico.

Mr. MARTIN of Massachusetts. It is giving to Puerto Rico protection that we would insist upon if we grew coffee in the United States?

Mr. McDUFFIE. That is correct, doubtless, if we are to adhere to the theory of protecting our own industry from the dumping here of cheap products.

Mr. JENKINS of Ohio. I take it the gentleman has contacted the different departments which are vitally interested in this matter?

Mr. McDUFFIE. Yes. The Farm Administration wrote a letter this morning. I had a letter from the Bureau of Insular Affairs or the Secretary of War, sending up this court decision which was rendered on the 12th of June, and asking if possible to secure this legislation at this time. I realize it is very late in the session to undertake it. The bill was introduced yesterday. It is an emergency.

Mr. JENKINS of Ohio. And there was no objection in the gentleman's committee?

Mr. McDUFFIE. None whatsoever. I talked to members of the committee this morning.

Mr. SHALLENBERGER. Will the gentleman yield?

Mr. McDUFFIE. I yield.

Mr. SHALLENBERGER. Does this tax in any way affect the revenues of the United States Government?

Mr. McDUFFIE. None whatsoever.

Mr. SHALLENBERGER. It is entirely for the benefit of the people of the island of Puerto Rico?

Mr. McDUFFIE. It is for the benefit of their treasury, and they certainly need the money, as well as this protection.

Mr. SHALLENBERGER. And it does not affect the price of coffee to the American people?

Mr. McDUFFIE. None whatsoever. Most of our coffee comes from Brazil.

I submit here the communications referred to, the report of the committee, and a statement of the effect of the ruling of the United States Court of Customs Appeals.

#### COMMITTEE REPORT

[H.Rept. No. -, 73d Cong., 2d sess.]

Mr. McDuffie, from the Committee on Insular Affairs, sub-

mitted the following report (to accompany H.R. 9946):

The Committee on Insular Affairs, having had under consideration H.R. 9946, reports the same with the recommendation that it

The purpose of this bill is to ratify the joint resolution, no. 59, of the Puerto Rican Legislature approved May 5, 1930, which is as follows:

"Whereas as a result of the hurricane of September 13, 1928, the coffee industry suffered losses estimated at 75 percent, and one-fourth of the rural population of Puerto Rico was reduced to a condition of misery;

"Whereas the lands devoted to the cultivation of coffee are, due

to their hilly nature, unsuitable for the employment of mechanical means of cultivation, and the enforced use of manual labor increases the cost of production to such an extent that it makes it impossible to compete in price with other coffee-exporting

"Whereas the prices now prevailing in the world market are ruinous to such an essentially Puerto Rican industry, and, in the absence of tariff protection, the industry would very soon dis-

appear;
"Whereas an act is now pending approval by the Congress of
the United States which authorizes the Legislature of Puerto Rico to impose a duty of 10 cents on every pound of foreign coffee im-

ported into Puerto Rico: Now, therefore, be it

"Resolved by the Legislature of Puerto Rico—
"Section 1. From and after August 1, 1930, an import duty of 10 cents a pound is hereby levied on all coffee imported into Puerto Rico, such duty to be collected by the Federal Customs Service established in Puerto Rico, according to such regulations

as said Service may prescribe.
"SEC. 2. All laws or parts of laws in conflict herewith are

hereby repealed.

"SEC. 3. This act shall take effect as soon as any act is approved by the United States Government, whereby the Legislature of Puerto Rico is authorized to impose an import duty on all coffee brought into this island."

This bill has the approval of the President of the United States, the Secretary of War, and the Governor of Puerto Rico, and is considered absolutely essential to the rehabilitation of the coffee industry of Puerto Rico, upon which a great part of the administration's recovery program for the island is based.

In the following letter to the Secretary of War the Governor of Puerto Rico, Hon. Blanton Winship, states the emergency for the passage of this bill:

JUNE 15, 1934.

Hon. GEORGE H. DERN,

Hon. George H. Dern,

Secretary of War, Washington, D.C.

Dear Mr. Secretary: I am enclosing herewith a draft of a bill to ratify Joint Resolution No. 59, of the Puerto Rican Legislature, approved May 5, 1930, imposing a 10-cent import duty on coffee imported into Puerto Rico. The enactment of this bill at the present session of Congress as an emergency matter is necessary to protect a vital portion of the administration's program for the rehabilitation of Puerto Rican industries.

The coffee industry is one of the basic industries of Puerto Rico. The 10-cent tax levied by the joint resolution of 1930, which has heretofore been regularly collected, is necessary to protect the industry, particularly during the present period of recovery from the effects of the hurricane. The levy of the tax is in accord with the intention of Congress as evidenced by the enactment of section 319 of the Tariff Act of 1930, enacted June 15, of that year, which specifically authorized the Legislature of Puerto Rico to impose tariff duties upon coffee imported into Puerto Rico, including coffee grown in a foreign country and imported into Puerto Rico from the United States.

Unfortunately the Puerto Rican act, Joint Resolution No. 59,

Unfortunately the Puerto Rican act, Joint Resolution No. 59, was enacted and approved by the Governor on May 5, 1930, a month and 12 days before the approval of the act of Congress, and consequently the United States Court of Customs and Patent Appeals has now held, in a decision handed down within the past few days (June 12, 1934), that the act of the Puerto Rican Legislature is invalid and void because at the time it was passed Congress had not yet given that legislature the power to enact such legislation. legislation.

Therefore it is necessary to have the Puerto Rican act ratified. The bill herewith submitted is drawn to follow substantially the language used in the act of Congress of June 5, 1920 (c. 253, 41

language used in the act of Congress of June 5, 1920 (c. 253, 41 Stat. 1025), ratifying an export tax theretofore attempted to be imposed by the Philippine Legislature. That ratifying act was upheld by the United States Supreme Court in the case of Rafferty v. Smith, Bell & Co. (257 U.S. 226, 232).

The vital necessity for this legislation at the present term of the Congress arises especially from the fact that cooperatives have been formed of the coffee raisers through the Farm Credit Administration for the purpose of extending to them the aid necessary to preserve the industry. This could not be extended if the cheap coffee from Brazil were thrown into the country, thus reducing the price of the Puerto Rican product to a point where little of that could be sold except at the depreciated value on which the

Farm Credit Administration would not be willing to extend the

I urgently request that you transmit this to the chairman of the appropriate committees of Congress with the request that the enactment of this legislation be secured at the present session. Sincerely yours,

BLANTON WINSHIP, Governor of Puerto Rico.

DEPARTMENT OF AGRICULTURE, Washington, D.C., June 16, 1934.

HON. JOHN MCDUFFIE,

House of Representatives.

My Dear Mr. McDuffie: The President directs me to assure you that the contemplated approval of the 10-cent tax on Puerto Rican coffee meets with his hearty approval.

Sincerely yours,

R. G. TUGWELL Assistant Secretary.

UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS DUTY ON COFFEE IMPORTED INTO PUERTO RICO HELD INVALID

The United States Court of Customs and Patent Appeals, by

The United States Court of Customs and Patent Appeals, by Hatfield, associate judge, handed down an opinion today holding that the act of the legislature of Puerto Rico imposing a duty of 10 cents per pound on coffee is invalid.

As a result of the hurricane of September 13, 1928, in Puerto Rico the coffee industry suffered losses estimated at 75 percent, and one-fourth of the rural population was reduced to a condition of misery. It was felt that tariff protection was necessary for the rehabilitation of the industry.

The 10-cent duty on coffee was adopted by the Legislature of Puerto Rico May 5, 1930, effective "\* \* \* as soon as any act is approved by the United States Government, whereby the Legislature of Puerto Rico is authorized to impose an import duty on

lature of Puerto Rico is authorized to impose an import duty on all coffee brought into this island."

all coffee brought into this island."

Several weeks later Congress, in section 319 of the Tariff Act of June 17, 1930, empowered the Legislature of Puerto Rico to impose duties upon coffee. The collector of customs of Puerto Rico assessed the 10-cent duty commencing July 15, 1930. The Puerto Rico Brokerage Co. and others protested against the assessment of this duty upon coffee imported into Puerto Rico from the United States, and when the trial court overruled the protest and upheld the duty, they appealed to this court. (Puerto Rico Brokerage Co., Inc., et al., v. the United States. Customs Appeal No. 3666). 3666).

The opinion handed down today reverses the judgment of the lower court and holds that the action of the Legislature of Puerto Rico was void for want of constitutional power to adopt it, and that it was not validated by the later action of Congress, which was not retroactive and which only authorized subsequent enactment of the necessary legislation. It is held that the protest of the Puerto Rico Brokerage Co. should be sustained, and that the duty was illegally assessed.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. McDuffie]?

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

# RAILROAD RETIREMENT ACT

Mr. LEA of California. Mr. Speaker, I call up the conference report on the bill (S. 3231) to provide a retirement system for railroad employees, to provide unemployment relief, and for other purposes, and I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. LEA]?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

## CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3231) to provide a retirement system for railroad employees, to provide unemployment relief, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

" DEFINITIONS

"Section 1. That as used in this act-

"(a) The term 'carrier' includes any express company sleeping-car company, carrier by railroad, subject to the Interstate Commerce Act, and any company which is directly or indirectly owned or controlled by or under common control with any carrier by railroad and which operates any equipment or facilities or performs any service (other than trucking service) in connection with the transportation of passengers or property or the receipt, delivery, elevation, transfer in transit, refrigeration or icing storage, and handling of property transported by railroad, and any receiver, trustee, or other individual or body, judicial or otherwise, when in the possession of the business of any such 'carrier': Provided, however, That the term 'carrier' shall not include any street, interurban, or suburban electric railway, unless such railway is operating as a part of a general steam-railroad system of transportation, but shall not exclude any part of the general steam-railroad system of transportation now or hereafter operated by any other motive power. The Interstate Commerce Commission is hereby authorized and directed upon request of the Board or upon complaint of any party interested to determine after hearing whether any line operated by electric power falls within the terms of this proviso.

"(b) The term 'employee' means each person in the service of a carrier, subject to its continuing authority to supervise and direct the manner of rendition of his service, who has been in such service within 1 year before the enactment hereof, or who after the enactment hereof shall have been in such service. The term 'employee' also includes each officer or other official representative of an 'employee organization', herein called 'representative', who has performed service for a carrier, who is duly designated and authorized to represent employees under and in accordance with the Railway Labor Act, and who, during or following employment by a carrier, is engaged in such representative service in behalf of such employees.

"(c) The term 'Board' means the Railroad Retirement Board hereby created.

"(d) The term 'annuity' means regular payments at the end of each completed month during retirement, ceasing at death or at resumption of compensated service.

"(e) The term 'service' means the employment relation between an employee and a carrier whether before or after the enactment hereof.

"(f) The term 'service period' means the total service of an employee for one or more carriers whether or not continuously performed, and includes as 1 month every calendar month during which the employee has been paid compensation by a carrier and includes as 1 year every 12 such months. An ultimate fraction of 6 months or more shall be computed as 1 year.

"(g) The term 'retirement' means the status of cessation of compensated service with the right to receive an annuity.

"(h) The term 'age' means age at the latest attained birthday.

"(i) The term 'carrier contribution' means the payment to be made by each carrier.

"(j) The term 'employee contribution' means the payment to be made by each employee.

"(k) The term 'voluntary contribution' means the payment made by an employee equal to the total of both the employee and the carrier contribution.

"(1) The term 'effective date' means the 1st day of the second month after the taking effect of this act.

"(m) The term 'Railroad Retirement Act' means and may be used in citing this act and subsequent amendments thereto.

## " PURPOSES

"SEC. 2. (a) For the purpose of providing adequately for the satisfactory retirement of aged employees and promoting efficiency and safety in interstate transportation, and to make possible greater employment opportunity and more rapid advancement of employees in the service of carriers, and it is made the duty of all carriers and employees subject to this act to perform and fulfill the obligations imposed thereby. This act shall be administered and construed with the intent and to the purpose of providing the greatest practicable amount of relief from unemployment and the greatest possible use of resources available for said purpose and for the payment of annuities for the relief of superannuated employees.

" SPECIAL REPORT

"(b) Not later than 4 years from the effective date, the Board, in a special report to the President of the United States to be submitted to Congress, shall make specific recommendations for such changes in the retirement system hereby created as shall assure the adequacy and permanency of said retirement system on the basis of its experience and all information and experience then available. For this purpose the Board shall from time to time make such investigations and actuarial studies as shall provide the fullest information practicable for such report and recommendations.

"SEC. 3. Each employee having attained the age of 65 years, or having completed a service period of 30 years, shall be paid an annuity, to begin on a date specified in a written application, which date shall not be more than 60 days before the making of the application. No annuity shall begin less than 6 months after the effective date. Such annuity shall be based upon the service period of the employee and shall be the sum of the amounts determined by multiplying the number of years of service, not exceeding 30 years, by the following percentages of the monthly compensation: 2 percent of the first \$50; 11/2 percent of the next \$100; and 1 percent of the compensation in excess of \$150. The 'monthly compensation' shall be the average of the monthly compensation paid to the employee by the carrier, except that where applicable for service before the effective date the monthly compensation shall be the average of the monthly compensation for all pay-roll periods for which the employee has received compensation from any carrier out of eight consecutive calendar years of such services ending December 31, 1931. No part of any monthly compensation in excess of \$300 shall be recognized in determining any annuity for any employee contribution. The annuity shall be reduced by one-fifteenth of such annuity for each year the employee is less than 65 years of age at the time of the first annuity payment. No such reduction shall be made if the Board shall determine that the carrier has retired the employee because of physical or mental inability to continue in active service. Upon death of an employee before or after retirement an amount, equal at his death to a computation, with interest at 3 percent compounded annually, of the accumulation from his payments less any annuity payments received by him, shall be paid as he may have designated or to his legal representative. Any employee who upon retirement shall be entitled to an annuity with a value determined by the Board of less than \$300 shall be paid such value in a lump sum.

## " RETIREMENT

"SEC. 4. Retirement shall be compulsory upon employees who, on the effective date, have attained or thereafter shall attain the age of 65 years. The carrier and the employee may, by an agreement in writing filed with the Board, extend the time for retirement as to such employee for 1 year and for successive periods of 1 year each, but not beyond the age of 70 years. Until 5 years from the effective date, the compulsory retirement shall not apply to an employee who from and after the effective date occupies an official position in the service of a carrier.

# "CONTRIBUTION

"SEC. 5. Each employee shall pay an employee contribution in a percentage upon his compensation. Each carrier shall pay a carrier contribution equal to twice the contributions of each employee of such carrier. The employee

there is hereby established a railroad retirement system; | such employee by the carrier excluding compensation in excess of \$300 per month. The contribution percentage shall be determined by the Board from time to time, and shall be such as to produce from the combined employee and carrier contributions, with a reasonable margin for contingencies, the amount necessary to pay the annuities, other disbursements and the expenses becoming payable from time to time. Until the Board shall determine on a different percentage the employee contribution percentage shall be 2 percent. Employee contributions shall be deducted by the carrier from the compensation of its employees and shall be paid by the carrier, together with the carrier contributions, into the Treasury of the United States quarterly or at such other times as ordered by the Board.

# "EXISTING PENSION SYSTEMS

"SEC. 6. The Board shall have the power to provide by appropriate rules and regulations for substituting the provisions for annuities and other benefits to employees under this act, for any obligation for prior service or for any existing provisions for the voluntary payment of pensions to employees subject to this act by a carrier or any employees subject to this act, so as to relieve such carrier from its obligations for age retirement benefits under its existing pension systems and to transfer such obligations to the retirement system herein established. If the fulfillment of any such transferred obligation shall require additional contributions or larger payments than would otherwise be required under the provisions of this act, then such additional contributions shall be made by the carrier originally responsible for the creation of such obligation or for the excess amount of such payments over those which would be required under the provisions of this act. In the event that the Board is unable to make satisfactory arrangements with any carrier for the substitution of the provisions under this act for its existing pension system, then, and in that event, the provisions of this act shall be applied to said carrier and its employees without regard to any conflict or duplication in the operation of such an existing pension system and the operation and effect of the provisions of this act: Provided, That the Board, at its option, shall have power, in lieu of the foregoing provisions of this section, to order that all former employees of carriers, who prior to the effective date have become separated from the service at the age of 70 years or over and who may or may not be receiving age retirement benefits, shall be entitled to the benefits of this act.

# "EMPLOYEE REPRESENTATIVES

"Sec. 7. Any representative of an employee organization who is included within the definition of 'employee' in paragraph (b), section 1, of this act shall have the option, but shall not be required to continue or to become a beneficiary under the provisions of this act. If he shall elect to continue or to become such a beneficiary he shall pay all voluntary contributions.

"For the purposes of this section the requirements of section 4 of this act shall not apply. Service rendered to an employee organization shall be included in computing the total service period of such representative.

"For such representative who shall elect to become a beneficiary under this act, the basic compensation upon which contributions shall be made and benefits calculated shall be that compensation paid by the carrier for service rendered in the position to which the rights of such representative would entitle him for the period defined in section 3 of this act: Provided, That if no definite and specific rights obtain, the average compensation paid to the four employees whose last date of entry in the service is nearest the date of entry in the service of the same carrier by such representative, shall be his basic compensation to be determined for the period defined in section 3 of the act. When a question arises as to rights under this provision the Board shall investigate and determine rights of such representative.

For such representative who elects to continue as a beneficiary under the provisions of this act, his basic compencompensation shall be the compensation for service paid to sation shall be the average monthly compensation paid to him by the carrier during the last 12 months of active and expenses, as may be necessary to the proper discharge of its functions. All rules, regulations, or decisions of the

#### " RETIREMENT FUND

"SEC. 8. All moneys paid into the Treasury under the provisions of this act, all interest, and other receipts, and all refunds of moneys paid out under this act shall constitute and be kept in a separate fund in the Treasury to be known as the 'railroad retirement fund.' At the request and direction of the Board, the Treasurer of the United States, with the approval of the Secretary of the Treasury is authorized to invest such funds as are not immediately required for disbursements in interest-bearing bonds, notes, or other obligations of the United States, and to collect the principal and interest of such securities and to sell and dispose of the same as in the judgment of the Board shall be in the interest of said fund. There is hereby appropriated such sums not in excess of the amounts in said fund as may be necessary to pay all annuities, other disbursements, and the expenses of administration of this act.

#### " RETIREMENT BOARD

"SEC. 9. (a) Personnel: There is hereby established as an independent agency in the executive branch of the Government a Railroad Retirement Board, to be composed of three members appointed by the President, by and with the advice and consent of the Senate. Each member shall hold office for a term of 5 years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed for the remainder of the term and the terms of office of the members first taking office after the date of enactment of this act shall expire, as designated by the President, 1 at the end of 2 years, 1 at the end of 3 years, and 1 at the end of 4 years, after the date of enactment of this act. One member shall be appointed from recommendations made by representatives of the employees and one member shall be appointed from recommendations made by representatives of the carriers, in both cases as the President shall direct, so as to provide representation on the Board satisfactory to the largest number, respectively, of employees and carriers concerned. One member, who shall be the chairman of the Board, shall be appointed, initially, for a term of 2 years, without recommendation by either carriers or employees and shall not be in the employment of or be pecuniarily or otherwise interested in any carrier or organization of employees. Vacancies in the Board shall not impair the powers nor affect the duties of the Board nor of the remaining members of the Board of whom a majority of those in office shall constitute a quorum for the transaction of business. Each of said members shall receive a salary of \$10,000 per year. together with necessary traveling expenses and subsistence expenses, or per diem allowance in lieu thereof, while away from the principal office of the Board on duties required by this act. The members and employees of the Board shall be included as employees under this act and together with employees receiving annuities shall be furnished free transportation in the same manner as such transportation is furnished to employees.

"(b) Duties: The Board shall have and exercise all the duties and powers necessary to administer this act. The Board shall receive and take such steps and institute and prosecute such proceedings and actions as may be necessary to enforce the payments and obligations required under the act, make and certify awards and payments, and account for all moneys and funds necessary thereto. The Board may require such advances upon the payments of carriers as necessary to put this act into operation. The Board shall establish and promulgate rules and regulations and provide for the adjustment of all controversial matters, with power as a Board or through any member or subordinate designated therefor, to require and compel the attendance of witnesses, administer oaths, take testimony, and make all necessary investigations in any matter involving annuities or other payments, and shall maintain such offices, provide such equipment, furnishings, supplies, services, and facilities and employ such persons and provide for their compensation

of its functions. All rules, regulations, or decisions of the Board shall require the approval of at least two members and shall be entered upon the records of the Board and shall be a public record. The Board shall gather, keep, compile, and publish in convenient form such records and data as may be necessary, and at intervals of not more than 2 years shall cause to be made actuarial surveys and analyses, to determine from time to time the payments to be required to provide for all annuities, other disbursements and expenses, and to assure proper administration and the adequacy and permanency of the retirement system hereby established. The Board shall have power to require all carriers and employees and any officer, board, commission, or other agency of the United States to furnish such information and records as shall be necessary for the administration of this act. The Board shall make an annual report to the President of the United States to be submitted to Congress. Witnesses summoned before the Board shall be paid the same fees and mileage that are paid witnesses in the courts of the United

#### "COURT JURISDICTION

"Sec. 10. The several District Courts of the United States and the Supreme Court of the District of Columbia shall have jurisdiction to entertain an application and to grant appropriate relief in the following cases which may arise under the provisions of this act:

"(a) An application by the Board to compel an employee or other person residing within the jurisdiction of said court, or a carrier subject to service of process within said jurisdiction, to comply with any obligations imposed on said employee, other person, or carrier under the provisions of this act.

"(b) An application by an employee or carrier to the Supreme Court of the District of Columbia or to the district court of any district wherein the Board maintains an office or has designated an agent authorized to accept service in its behalf, to compel the Board to set aside an action or decision claimed to be in violation of a legally enforceable right of the applicant, or to take an action, or to make a decision necessary for the enforcement of a legal right of the applicant, when the applicant shall establish his right to a judicial review upon the jurisdictional ground that, unless he is granted a judicial review of the action or decision, or failure of the Board to act or to decide, of which he complains, he will be deprived of a constitutional right to obtain a judicial determination of his alleged right.

"(c) The jurisdiction herein specifically conferred upon the said Federal courts shall not be held exclusive of any jurisdiction otherwise possessed by said courts to entertain actions at law or suits in equity in aid of the enforcement of rights or obligations arising under the provisions of this act.

# "EXEMPTION

"Sec. 11. No annuity or death payment shall be assignable or be subject to any tax or to garnishment, attachment, or other legal process under any circumstances whatsoever.

# " PENALTY—CARRIER

"Sec. 12. On the failure of any carrier to make any payment when due under the provisions of this act, such carrier, unless excused by order of the Board, shall pay an additional 1 percent of the amount of such payment for each month such payment is delayed.

## " OTHERS

"Sec. 13. Any employee, other person, officer, or agent of a carrier subject to this act who shall willfully fail or refuse to make any report or furnish any information required by the Board in the administration of this act or who shall willfully fail or refuse to make any accounting required under this act, or who shall knowingly make any false or fraudulent statement or report required for the purpose of this act, or who shall knowingly make or aid in making any false or fraudulent statement or claim for the purpose of receiving any award or payment under this act shall be punished by a fine of not less than \$100 nor more than \$10,000 or by imprisonment not exceeding 1 year.

#### " SEPARABILITY

"SEC. 14. If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of the act or application of such provision to other persons or circumstances shall not be affected thereby."

And the House agree to the same.

CLARENCE F. LEA, ROBERT CROSSER, J. G. MILLIGAN, PEHR G. HOLMES. B. CARROLL REECE, Managers on the part of the House. FRED H. BROWN. B. K. WHEELER, ROBERT F. WAGNER, DANIEL O. HASTINGS, H. D. HATFIELD, Managers on the part of the Senate.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3231) to provide a retirement system for railroad employees, to provide unemployment relief, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment strikes out all of the Senate bill after the enacting clause. The Senate recedes from its disagreement to the House amendment with an amendment which is a substitute for both the Senate bill and the House amendment.

The Senate bill (sec. 3) provided that the amount of annuities shall be determined by multiplying the number of years of service by 2 percent of the monthly compensation. The House amendment provides for determining the amount of the annuity by multiplying the number of years of service, not exceeding 30 years, by the following percentages of the monthly compensation: 2 percent of the first \$50, 11/2 percent of the second \$50, and 1 percent of the compensation in excess of \$100. The substitute follows the House amendment except that the following percentages of the monthly compensation are adopted: 2 percent of the first \$50, 11/2 percent of the next \$100, and 1 percent of the compensation in excess of \$150. The House provision that no part of the monthly compensation in excess of \$300 shall be recognized in determining any employee's compensation is retained in the substitute. The substitute omits the prohibition against any annuity exceeding \$100.

The Senate bill (sec. 6) contained a provision authorizing the board to make necessary adjustments in connection with present pension systems. The House amendment provides specifically for the payment of such pensions out of the fund created by the act. The substitute contains the Senate provision.

CLARENCE F. LEA, ROBERT CROSSER. J. L. MILLIGAN, PEHR G. HOLMES, B. CARROLL REECE, Managers on the part of the House.

Mr. LEA of California. Mr. Speaker, the agreement reached in conference is substantially the same as the bill passed the House, with three principal exceptions. The first of the concessions made to the Senate was the elimination of the \$100 limitation on annuities. Under this bill as agreed upon and as it will operate in practice, the maximum annuity will be \$120 instead of \$100, as in the House bill.

The second and most important concession made by the House conferees was in reference to the percentages on which annuities are based. The bill, as it passed the House, carried 2 percent on the first \$50 of compensation, 11/2 percent on the second \$50, and 1 percent on the balance of \$200. The bill as agreed upon carries 2 percent on the first \$50, 11/2 percent on the first \$100, and 1 percent on the

balance of \$150 of the computable compensation. This percentage of the monthly compensation multiplied by the number of years of service, not exceeding 30, constitutes the annuities allowed by this bill.

Mr. MARTIN of Massachusetts. Will the gentleman vield?

Mr. LEA of California. I yield.

Mr. MARTIN of Massachusetts. That would give the smaller salaried man a better break than he would get under the original House bill, would it not?

Mr. LEA of California. Slightly; yes.

Mr. BLANCHARD. Will the gentleman yield?

Mr. LEA of California. I yield.

Mr. BLANCHARD. What was the maximum benefit carried in the original Senate bill?

Mr. LEA of California. The maximum benefit would have been \$180, based on a \$300 computable compensation.

Mr. BLANCHARD. Under the compromise measure the maximum annuity is \$120.

Mr. LEA of California. Yes. Mr. BLANCHARD. So, as compared with the original House bill the amount of the annuity has been increased from a maximum of \$100 to a maximum of \$120.

Mr. LEA of California. The gentleman is correct.

Mr. MILLIGAN. The maximum in the Senate bill, as I remember, was \$180.

Mr. LEA of California. Under the Senate bill after the computable basis was reduced.

The third change made was in section 6. The House yielded to the Senate as to section 6 which provides for transferring company insurance into this system, under certain circumstances. The Senate conferees strongly resisted the proposed change. Under section 6 of the Senate bill provisions are made for the continuance of existing pension systems as to those already retired, or for taking certain aged employees into the system provided by this bill.

It has been our desire that those already drawing annuities under private systems shall not be treated less favorably than at present. After careful consideration we felt we could make this concession without sacrificing any of the rights of those who are now enjoying benefits under the railroadpension system.

The aggregate amount of these concessions, I am advised, will not exceed 10 percent of the total amount involved.

Mr. MARTIN of Massachusetts. Does this come with the unanimous report of all the conferees?

Mr. LEA of California. Yes; it has the unanimous approval of all the conferees.

Mr. MARTIN of Massachusetts. I thank the gentleman. The funds provided by this bill will be ample to assure a surplus for each of the first 4 years. Prior to that time it is hoped a permanent, practical, and sound plan will be well established. The contributions required are the same as in the bill when it passed the House.

I submit a brief illustrative table showing annuities on a monthly basis on the bill as agreed to in conference, based on 30 years' service and various average monthly compensation and full retirement at 65 years.

	Annuity		
Average monthly compensation:	per month		
\$80	843.50		
100	52.50		
125	63.75		
150	75.00		
175	82. 50		
200	90.00		
225	97.50		
250	105.00		
275	112.50		
300	120.00		

The proposed permanent plan can be worked in the light of the practical experience under this initial plan.

The retirement board placed in charge of the administration of this act will have a splendid opportunity to perform a very useful service.

Mr. LEA of California. Mr. Speaker, I move the previous question on the adoption of the conference report.

The conference report was agreed to, and a motion to reconsider was laid on the table.

#### ARCHIVES BILL

Mr. KELLER. Mr. Speaker, I submit the following conference report (Rept. No. 2048) on the bill (H.R. 8910) to establish a National Archives of the United States Government, and for other purposes, and ask unanimous consent for its present consideration:

## CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8910) to establish a National Archives of the United States Government, and for other purposes having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate and agree to the same with an amendment as follows:

On page 6, line 19, strike out the figures "\$8,000" and insert "\$10,000."

On page 7, line 9, strike out the words "to secure" and substitute therefor the words "and shall have."

On page 7, line 10, after the word "inspections", strike out the remainder of line 10, and all of line 11 and line 12, to the words "and to requisition."

On page 7, line 14, strike out the word "Commission" and substitute therefor the word "Council."

On page 7, line 18, after the word "building", insert a semicolon and add the following: "Provided, That any head of an executive department, independent office, or other agency of the Government may, for limited periods, not exceeding in duration his tenure of that office, exempt from examination and consultation by officials, private individuals, or any other persons such confidential matter transferred from his department or office, as he may deem wise."

On page 8, line 4, after the word "publication", insert the following: "and/or otherwise recording."

On page 9, following line 12, insert a new section, as follows:

"Sec. 7. The National Archives may also accept, store, and preserve motion-picture films and sound recordings pertaining to and illustrative of historical activities of the United States, and in connection therewith maintain a projecting room for showing such films and reproducing such sound recordings for historical purposes and study."

On page 9, line 13 and line 15, and on page 10, line 6 and line 23, strike out the figures "7", "8", "9", and "10", after the word "Sec.", and insert the figures "8", "9", "10", and "11."

KENT E. KELLER,
ROBERT T. SECREST,
ROBERT LUCE,
Managers on the part of the House.
A. W. BARKLEY,
KENNETH MCKELLAR,
S. D. FESS,
Managers on the part of the Senate.

Mr. KELLER. Mr. Speaker, I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the statement.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the

gentleman from Illinois explain the bill?

Mr. KELLER. This is a unanimous report of the Senate

and House conferees. There are no important changes, because the bills are very similar. The only actual change of any importance made by the Senate was in that provision of the Bloom bill for films and recording sound apparatus. There is no change of any importance. It is a unanimous agreement between the conferees.

Mr. Speaker, I move the previous question on the adoption of the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

#### INDIAN RIGHTS

Mr. HOWARD. Mr. Speaker, I submit the following conference report (Rept. No. 2049) on the bill (S. 3645) to conserve and develop Indian lands and resources, to establish a credit system for Indians, to provide for higher education for Indians, to extend toward Indians the right to form business and other organizations, and for other purposes, and ask unanimous consent for its present consideration.

The conference report and statement are as follows:

#### CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3645) to conserve and develop Indian lands and resources; to establish a credit system for Indians; to provide for higher education for Indians; to extend toward Indians the right to form business and other organizations; and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That hereafter no land of any Indian reservation, created or set apart by treaty or agreement with the Indians, act of Congress, Executive order, purchase, or otherwise, shall be allotted in severalty to any Indian.

"Sec. 2. The existing periods of trust placed upon any Indian lands and any restriction on alienation thereof are hereby extended and continued until otherwise directed by Congress.

"SEC. 3. The Secretary of the Interior, if he shall find it to be in the public interest, is hereby authorized to restore to tribal ownership the remaining surplus lands of any Indian reservation heretofore opened, or authorized to be opened, to sale, or any other form of disposal by Presidential proclamation, or by any of the public-land laws of the United States: Provided, however, That valid rights or claims of any persons to any lands so withdrawn existing on the date of the withdrawal shall not be affected by this act: Provided further, That this section shall not apply to lands within any reclamation project heretofore authorized in any Indian reservation: Provided further, That the order of the Department of the Interior signed, dated, and approved by Hon. Ray Lyman Wilbur, as Secretary of the Interior, on October 28, 1932, temporarily withdrawing lands of the Papago Indian Reservation in Arizona from all forms of mineral entry or claim under the public land mining laws, is hereby revoked and rescinded, and the lands of the said Papago Indian Reservation are hereby restored to exploration and location, under the existing mining laws of the United States, in accordance with the express terms and provisions declared and set forth in the Executive orders establishing said Papago Indian Reservation: Provided further, That damages shall be paid to the Papago Tribe for loss of any improvements on any land located for mining in such a sum as may be determined by the Secretary of the Interior but not to exceed the cost of said improvements: Provided further, That a yearly rental not to exceed 5 cents per acre, shall be paid to the Papago Tribe for loss of the use or occupancy of any land withdrawn by the requirements of mining operations, and payments derived from damages or rentals shall be deposited in the Treasury of the United States to the credit of the Papago Tribe: Provided further, That in the event any person or persons, partnership, corporation, or association, desires a mineral patent, according to the mining laws of the United States, he or they shall first deposit in the Treasury of the United States to the credit of the Papago Tribe the sum of \$1 per acre in lieu of annual rental, as hereinbefore provided, to compensate for the loss or occupancy of the lands withdrawn by the requirements of mining operations: Provided further. That patentee shall also pay into the Treasury of the United States to the credit of the Papago Tribe damages sum as may be determined by the Secretary of the Interior, but not to exceed the cost thereof; the payment of \$1 per acre for surface use to be refunded to patentee in the event that patent is not acquired.

"Nothing herein contained shall restrict the granting or use of permits for easements or rights-of-way; or ingress or egress over the lands for all proper and lawful purposes; and nothing contained herein, except as expressly provided, shall be construed as authority for the Secretary of the Interior, or any other person, to issue or promulgate a rule or regulation in conflict with the Executive order of February 1, 1917, creating the Papago Indian Reservation in Arizona or the act of February 21, 1931 (46 Stat. 1202).

"SEC. 4. Except as herein provided, no sale, devise, gift, exchange or other transfer of restricted Indian lands or of shares in the assets of any Indian tribe or corporation organized hereunder, shall be made or approved: Provided, however, That such lands or interests may, with the approval of the Secretary of the Interior, be sold, devised, or otherwise transferred to the Indian tribe in which the lands or shares are located or from which the shares were derived or to a successor corporation; and in all instances such lands or interests shall descend or be devised, in accordance with the then existing laws of the State, or Federal laws where applicable, in which said lands are located or in which the subject matter of the corporation is located, to any member of such tribe or of such corporation or any neirs of such member: Provided further, That the Secretary of the Interior may authorize voluntary exchanges of lands of equal value and the voluntary exchange of shares of equal value whenever such exchange, in his judgment, is expedient and beneficial for or compatible with the proper consolidation of Indian lands and for the benefit of cooperative organizations.

"SEC. 5. The Secretary of the Interior is hereby authorized, in his discretion, to acquire through purchase, relinquishment, gift, exchange, or assignment, any interest in lands, water rights or surface rights to lands, within or without existing reservations, including trust or otherwise restricted allotments whether the allottee be living or deceased, for the purpose of providing land for Indians.

"For the acquisition of such lands, interest in lands, water rights, and surface rights, and for expenses incident to such acquisition, there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, a sum not to exceed \$2,000,000 in any one fiscal year: Provided, That no part of such funds shall be used to acquire additional land outside of the exterior boundaries of Navajo Indian Reservation for the Navajo Indians in Arizona and New Mexico, in the event that the proposed Navajo boundary extension measures now pending in Congress and embodied in the bills (S. 2499 and H.R. 8927) to define the exterior boundaries of the Navajo Indian Reservation in Arizona, and for other purposes, and the bills (S. 2531 and H.R. 8982) to define the exterior boundaries of the Navajo Indian Reservation in New Mexico and for other purposes, or similar legislation, become law.

The unexpended balances of any appropriations made pursuant to this section shall remain available until ex-

"Title to any lands or rights acquired pursuant to this act shall be taken in the name of the United States in trust for the Indian tribe or individual Indian for which the land is acquired, and such lands or rights shall be exempt from State and local taxation.

"SEC. 6. The Secretary of the Interior is directed to make rules and regulations for the operation and management of Indian forestry units on the principle of sustained-yield management, to restrict the number of livestock grazed on Indian range units to the estimated carrying capacity of such ranges, and to promulgate such other rules and regulations as may be necessary to protect the range from deterioration, to prevent soil erosion, to assure full utilization of the range, and like purposes.

"SEC. 7. The Secretary of the Interior is hereby authorized to proclaim new Indian reservations on lands acquired pur-

for the loss of improvements not heretofore paid in such a | suant to any authority conferred by this act, or to add such lands to existing reservations: Provided, That lands added to existing reservations shall be designated for the exclusive use of Indians entitled by enrollment or by tribal membership to residence at such reservations.

> "SEC. 8. Nothing contained in this act shall be construed to relate to Indian holdings of allotments or homesteads upon the public domain outside of the geographic boundaries of any Indian reservation now existing or established here-

> "SEC. 9. There is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated. such sums as may be necessary, but not to exceed \$250,000 in any fiscal year, to be expended at the order of the Secretary of the Interior, in defraying the expenses of organizing Indian chartered corporations or other organizations created under this act.

> "SEC. 10. There is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of \$10,000,000 to be established as a revolving fund from which the Secretary of the Interior, under such rules and regulations as he may prescribe, may make loans to Indian chartered corporation for the purpose of promoting the economic development of such tribes and of their members. and may defray the expenses of administering such loans. Repayment of amounts loaned under this authorization shall be credited to the revolving fund and shall be available for the purposes for which the fund is established. A report shall be made annually to Congress of transactions under this authorization.

> "SEC. 11. There is hereby authorized to be appropriated, out of any funds in the United States Treasury not otherwise appropriated, a sum not to exceed \$250,000 annually, together with any unexpended balances of previous appropriations made pursuant to this section, for loans to Indians for the payment of tuition and other expenses in recognized vocational and trade schools: Provided, That not more than \$50,000 of such sum shall be available for loans to Indian students in high schools and colleges. Such loans shall be reimbursable under rules established by the Commissioner of Indian Affairs.

> SEC. 12. The Secretary of the Interior is directed to establish standards of health, age, character, experience, knowledge, and ability for Indians who may be appointed, without regard to civil-service laws, to the various positions maintained, now or hereafter, by the Indian Office, in the administration of functions or services affecting any Indian tribe. Such qualified Indians shall hereafter have the preference to appointment to vacancies in any such positions.

> "SEC. 13. The provisions of this act shall not apply to any of the Territories, colonies, or insular possessions of the United States, except that sections 9, 10, 11, 12, and 16, shall apply to the Territory of Alaska: Provided, That sections 2, 4, 7, 16, 17, and 18 of this act shall not apply to the following-named Indian tribes, the members of such Indian tribes, together with members of other tribes affiliated with such named tribes located in the State of Oklahoma, as follows: Cheyenne, Arapaho, Apache, Comanche, Kiowa, Caddo, Delaware, Wichita, Osage, Kaw, Otoe, Tonkawa, Pawnee, Ponca, Shawnee, Ottawa, Quapaw, Seneca, Wyandotte, Iowa, Sac and Fox, Kickapoo, Pottawatomi, Cherokee, Chickasaw, Choctaw, Creek, and Seminole. Section 4 of this act shall not apply to the Indians of the Klamath Reservation in Oregon.

> "SEC. 14. The Secretary of the Interior is hereby directed to continue the allowance of the articles enumerated in section 17 of the act of March 2, 1889 (23 Stat.L. 894), or their commuted cash value under the act of June 10, 1896 (29 Stat.L. 334), to all Sioux Indians who would be eligible, but for the provisions of this act, to receive allotments of lands in severalty under section 19 of the act of May 29, 1908 (25 Stat.L. 451), or under any prior act, and who have the prescribed status of the head of a family or single person over the age of 18 years, and his approval shall be final and conclusive, claims therefor to be paid as formerly from the permanent appropriation made by said section 17 and carried on the books of the Treasury for this purpose. No

person shall receive in his own right more than one allowance of the benefits, and application must be made and approved during the lifetime of the allottee or the right shall lapse. Such benefits shall continue to be paid upon such reservation until such time as the lands available therein for allotment at the time of the passage of this act would have been exhausted by the award to each person receiving such benefits of an allotment of 80 acres of such land.

"Sec. 15. Nothing in this act shall be construed to impair or prejudice any claim or suit of any Indian tribe against the United States. It is hereby declared to be the intent of Congress that no expenditures for the benefit of Indians made out of appropriations authorized by this act shall be considered as offsets in any suit brought to recover upon any claim of such Indians against the United States.

"Sec. 16. Any Indian tribe, or tribes, residing on the same reservation, shall have the right to organize for its common welfare, and may adopt an appropriate constitution and bylaws, which shall become effective when ratified by a majority vote of the adult members of the tribe, or of the adult Indians residing on such reservation, as the case may be, at a special election authorized and called by the Secretary of the Interior under such rules and regulations as he may prescribe. Such constitution and bylaws when ratified as aforesaid and approved by the Secretary of the Interior shall be revocable by an election open to the same voters and conducted in the same manner as hereinabove provided. Amendments to the constitution and bylaws may be ratified

and approved by the Secretary in the same manner as the

original constitution and bylaws.

"In addition to all powers vested in any Indian tribe or tribal council by existing law, the constitution adopted by said tribe shall also vest in such tribe or its tribal council the following rights and powers: To employ legal counsel, the choice of counsel and fixing of fees to be subject to the approval of the Secretary of the Interior; to prevent the sale, disposition, lease, or encumbrance of tribal lands, interests in lands, or other tribal assets without the consent of the tribe; and to negotiate with the Federal, State, and local Governments. The Secretary of the Interior shall advass such tribe or its tribal council of all appropriation estimates or Federal projects for the benefit of the tribe prior to the submission of such estimates to the Bureau of the Budget and the Congress.

"SEC. 17. The Secretary of the Interior may, upon petition by at least one-third of the adult Indians, issue a charter of incorporation to such tribe: Provided, That such charter shall not become operative until ratified at a special election by a majority vote of the adult Indians living on the reservation. Such charter may convey to the incorporated tribe the power to purchase, take by gift, or bequest, or otherwise, own, hold, manage, operate, and dispose of property of every description, real and personal, including the power to purchase restricted Indian lands and to issue in exchange therefor interests in corporate property, and such further powers as may be incidental to the conduct of corporate business, not inconsistent with law, but no authority shall be granted to sell, mortgage, or lease for a period exceeding 10 years any of the land included in the limits of the reservation. Any charter so issued shall not be revoked or surrendered except by act of Congress.

"Sec. 13. This act shall not apply to any reservation wherein a majority of the adult Indians, voting at a special election duly called by the Secretary of the Interior, shall vote against its application. It shall be the duty of the Secretary of the Interior, within 1 year after the passage and approval of this act, to call such an election, which election shall be held by secret ballot upon 30 days' notice.

"Sec. 19. The term 'Indian' as used in this act shall include all persons of Indian descent who are members of any recognized Indian tribe now under Federal jurisdiction, and all persons who are descendants of such members who were, on June 1, 1934, residing within the present boundaries of any Indian reservation, and shall further include all other persons of one-half or more Indian blood. For the purposes of this act, Eskimos and other aboriginal peoples of Alaska

shall be considered Indians. The term 'tribe' wherever used in this act shall be construed to refer to any Indian tribe, organized band, pueblo, or the Indians residing on one reservation. The words 'adult Indians' wherever used in this act shall be construed to refer to Indians who have attained the age of 21 years."

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same.

EDGAR HOWARD,
ROY E. AYERS,
FRED C. GILCHRIST,
SAM L. COLLINS,
KNUTE HILL,
Managers on the part of the House.
BURTON K. WHEELER,
ELMER THOMAS,
LYNN J. FRAZIER,
Managers on the part of the Senate.

#### STATEMENT

After conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3645) to conserve and develop Indian lands and resources; to establish a credit system for Indians; to provide for higher education for Indians; to extend toward Indians the right to form business and other organizations; and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report. The conferees have recommended the adoption of the House amendment with certain modifications. The substance of the agreement is as follows:

Section 1: This section retains the exact language of both Senate and House bills.

Section 2: The proviso in this section adopted in the House bill is stricken out, leaving this section exactly as in the Senate bill.

Section 3: This section is almost identical with section 3 of the House bill with a slight amendment, making the restoration of Indian lands to tribal ownership discretionary with the Secretary of the Interior rather than mandatory.

Section 4: This section is section 4 of the House bill with the elimination of the last two provisos, the first of which permitted the alienation of restricted Indian allotted lands, and the last proviso exempted Indians in the State of Oklahoma from the operation of certain features of the bill. This proviso was found unnecessary in view of the provisions of section 13 of the measure agreed upon by the conferees.

Section 5: The language of this section as agreed upon is that of section 5 of the House bill with the acceptance of the Senate language with reference to the Navajo Indians in Arizona and New Mexico.

Section 6: The language of section 6 of the House bill was adopted verbatim, except for the elimination of the provision permitting reduction in the contract price for the purchase of Indian timber.

Section 7: This section as agreed upon is verbatim section 7 of the Senate bill.

Section 8: This section as agreed upon is verbatim section 8 of the House bill.

Section 9: This section as agreed upon is the language of section 10 of the House bill and section 11 of the Senate bill. Section 10: The language of this section is that of section

11 of the House bill and section 12 of the Senate bill. Section 11: This section as agreed upon is section 12 of

the House bill.

Section 12: This section as agreed upon is identical with section 13 of the House bill and section 14 of the Senate bill.

Section 13: This section as agreed upon is identical, except for minor changes of numbering made necessary by rearrangement of the sections, with section 14 of the House bill and section 15 of the Senate bill.

Section 14: This section as agreed upon is section 15 of the House bill and section 16 of the Senate bill. Section 15: The language of this section as agreed upon is that contained in section 16 of the House bill and also in section 17 of the Senate bill.

Section 16: This section as agreed upon is exactly that of section 9 of the Senate bill, except that tribal organizations may be dissolved in the same manner as formed, rather than by two-thirds vote.

Section 17: The conferees agreed to recommend the adoption of section 10 of the Senate bill, striking out the last half of the section which would have permitted the transfer of Government property to Indian tribes or corporations.

Section 18: A corresponding section did not appear in the Senate bill and section 19 of the House bill was agreed upon, changing the time within which election must be held from 6 months to 1 year.

Section 19: The definitions contained in section 18 of the

Senate bill were agreed upon.

The provisions of the House bill embodied in section 9, which it was agreed should be eliminated, would have permitted small Indian groups to organize under the cooperative plan. In view of the tribal organizations permitted under the bill as recommended, the power granted is sufficient for the time being.

The title of the House bill was agreed upon.

EDGAR HOWARD,
KNUTE HILL,
ROY E. AYERS,
FRED C. GILCHRIST,
SAM L. COLLINS,
Managers on the part of the House.

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The Clerk read the statement.

Mr. HOWARD. Mr. Speaker, your conferees have nothing to offer further than the report and the statement which has been read. The gentleman from Wyoming [Mr. Carter] desires a little time to ask some questions, which is quite agreeable to your conferees.

Mr. CARTER of Wyoming. Mr. Speaker, I want to interrogate the chairman of the committee a little with regard to the conference report. Was not the House bill entirely different from the Senate bill?

Mr. HOWARD. Not entirely. A great many of the sections were exactly the same.

Mr. CARTER of Wyoming. Is the bill as it comes from conference more like the bill which passed the Senate, or the bill which passed the House?

Mr. HOWARD. Mr. Speaker, I would say the major part of it is taken from the House bill.

Mr. CARTER of Wyoming. I am glad to know that. Is the bill as it now stands different from the original bill that was introduced?

Mr. HOWARD. Indeed, the original bill would not recognize this as its own child.

Mr. CARTER of Wyoming. Mr. Speaker, the reason for these inquiries is because Commissioner Collier told the Indians at the plains congress in South Dakota that if the bill which finally passed the Congress was different from the bill which was drawn in his department he would go to the President and ask the President to veto the bill. The gentleman from Nebraska says the bill now before us is entirely different than the original bill. Does the gentleman know whether or not Commissioner Collier intends to ask the President to veto this bill?

Mr. HOWARD. I am quite satisfied that the Commissioner will be satisfied with the work of the Congress with reference to this legislation and will not discuss the problem with the President.

Mr. CARTER of Wyoming. Then the gentleman does not think the Commissioner is going to keep the word he gave to the Indians at South Dakota a month or so ago?

Mr. HOWARD. I have no thought on that subject. I do not know what word he gave.

Mr. CARTER of Wyoming. I am referring to the statements Mr. Collier made to the Indians at the plains congress in South Dakota at which time he stated that if the bill was changed he would ask the President to veto it.

Mr. HOWARD. I do not recall any such statement. I have known John Collier for 12 years, since I have been a member of the Committee on Indian Affairs; and whatever John Collier has told me in years gone by I have found to be absolutely true to the letter. That is all I know about it.

Mr. CARTER of Wyoming. I hope, in view of the fact the gentleman thinks so much of the integrity of Mr. Collier, that Mr. Collier will keep his word which he has given the Indians.

Mr. HOWARD. I feel I can guarantee that.

Mr. AYERS of Montana. Will the gentleman from Nebraska yield?

Mr. HOWARD. I yield to the gentleman from Montana. Mr. AYERS of Montana. The great difference between this bill as reported and the original Wheeler-Howard bill is that everything in this bill is optional with the Indians, while in the original bill everything was mandatory—the Indian Department could crack its whip under the original bill and the Indian had to "root, hog, or die." In the original bill every reservation positively had to come under the provisions of the bill and every tribe within every reservation had to abide by and be subjected to the provisions of the bill and according to its terms, instead of being a selfgovernment bill it was the most autocratic, dictatorial program ever heard of. Under the original bill no Indian had the right to devise his land by will except to the tribe and no heir could inherit as an heir. If an Indian died intestate his property did not go to his children or to his legal heirs but to the tribe. The original bill attempted to lay down and promulgate matters of higher education, and it went so far as to legislate on matters of religion. Under this bill, as reported, the laws of the State in which the reservation is located shall be the yardstick on devise by will and inheritance. By this will we appropriate for Indian education, but, mind you, only one-fifth of such appropriation is to be used for higher education, the other fourfifths must be used for industrial, commercial, vocational, and trade schooling. It is our desire to give the Indian an education which he can use and which will be of benefit to him and his tribe.

In order that the Indian, after being educated in a practical way, may pursue his trade or vocation and be preferred in positions upon Indian reservations, we have set up in the bill reported a preference for him and we have provided and directed a special set-up without regard to the civil-service laws, whereby he can establish a rating for such reservation positions.

Under the bill, as reported, no reservation in America shall come under the provisions of this act until a majority of the adult Indians of such reservation shall vote to do so. Such election must be called by the Secretary of the Interior within 1 year after the passage and approval of the act and no move on the part of the Indian is necessary to call this election—the Secretary and the Indian Department must assume that responsibility.

After any reservation has elected to come within the provisions of the act, then it is still discretionary with the members of the reservation if they come within the corporate provisions of the law.

For the common welfare of any tribe or tribes residing upon the same reservation, the right to organize and adopt a constitution and bylaws is provided for, and a majority of the adult Indians residing on such reservation is required to do so. In short, this is a provision to legalize the tribal councils of the various reservations of the country if a majority of such tribes so desire.

Mr. O'MALLEY. It is my understanding that the set-up of Indian corporations, as expressed in both the House and Senate bills, was dropped out of the bill in conference and is not now in there.

Mr. AYERS of Montana. Insofar as the cooperative end is concerned; yes, sir. So far as the tribes on these reserva-

tions are concerned; no. A majority of an Indian tribe, or | was passed at that time. I am not familiar with their grieva majority of the adult Indians on a reservation, may come under the provisions of the bill, so far as the corporate end is concerned, as well as under the general provisions of the

Mr. BLANCHARD. Perhaps it is presumptuous to ask the gentleman this question, but I should like to know whether or not the Committee on Indian Affairs favored the original bill that was introduced?

Mr. AYERS of Montana. Absolutely no. We were un-

alterably opposed to it.

Mr. BLANCHARD. I take it the gentleman has expressed his opinion as to where he stood, probably opposed to the original bill?

Mr. AYERS of Montana. The gentleman from Wisconsin is absolutely right. Under no conditions would I support the original bill. It was vicious.

Mr. BLANCHARD. Is the gentleman from Montana now satisfied with the bill that is presented in this conference report?

Mr. AYERS of Montana. I will not say I am satisfied with it, but the Indians should be given some home-rule legislation, and, while this is inefficient, it is a starter.

Mr. BLANCHARD. We have not acceded to the Senate in this conference report?

Mr. AYERS of Montana. Oh, maybe to the extent of 10 percent. We have our bill to the extent of 90 percent.

Mr. HOWARD. Mr. Speaker, I yield to the gentleman from Michigan [Mr. Mapes].

Mr. MAPES. Mr. Speaker, the gentleman from Nebraska and others in the discussion during the consideration of the bill in the House stated that the House bill eliminated the provisions to which the Christian Reformed and other churches objected, but that the bill as it came over from the Senate contained the provisions to which they objected. Will the gentleman inform the House whether or not the House yielded on those provisions or whether the Senate yielded and what the situation now is in reference to those particular provisions?

Mr. HOWARD. In reply to the gentleman's question, may I say that the religious folks, of which the gentleman speaks, specifically objected to the words "Indian traditions" in the original bill. That was entirely stricken out in the House bill, and I do not believe it appears in the bill as reported by the conferees.

Mr. AYERS of Montana. It is eliminated in the bill reported by the conference. Certainly not a member of the conference would let anything of a religious nature remain in any bill they reported back to the Congress.

Mr. MAPES. Did the conferees have an opportunity to consult any representative of the churches to know whether

or not they approve the conference report?

Mr. AYERS of Montana. There was no need to consult with them for the reason that all matters of churches and religion had long since been emphatically eliminated by both the Senate and House committees.

Mr. MAPES. There was some need. They stated it allowed the Indians to go back to their tribal forms of worship and so on. I wondered if the conference report would allow that?

Mr. AYERS of Montana. We neither allowed nor disallowed it. We refused to consider the subject. We contended that we now have adequate legislation on that sub-

Mr. O'MALLEY. The missionaries apparently objected to the section allowing the Indians to revive their old traditions. I talked this over with the missionaries of many denominations, and they are perfectly satisfied with the bill.

Mr. MAPES. And with the conference report?

Mr. O'MALLEY. Yes. It was my motion that laid the original bill on the table. This bill is satisfactory.
Mr. JENKINS of Ohio. May I ask the gentleman from

Montana [Mr. Ayers] a question? There are a group of Indians here from southern California. They apparently are very much dissatisfied with all of these bills. Even as late as yesterday they were dissatisfied with the bill that

ance and I am not familiar with the details of this bill, but can the gentleman tell me whether or not in this conference any of these objections have been removed?

Mr. AYERS of Montana. As far as I know, their objections had reference to property rights. Now, I will ask the gentleman from Ohio to understand that the original bill sought to take all the private property of the Indians and put it into a community tribal project. When an Indian died he was not permitted to will his property except to the tribe. If he died intestate, the tribe inherited all his property to the exclusion of his heirs except as they were members of the tribe. Under the provisions of this bill as now reported, every Indian heir inherits property according to the State law of the State in which the reservation is located. That was the principal objection, as I understand it, and, believe me, it was a meritorious objection. We have protected them better than previously, because under the old system they inherited according to Government law, and Government law simply gave the Commissioner of Indian Affairs, or the Secretary of the Interior, the right to make rules on descent and inheritance. Now we have confined it to the State laws where the doctrine of petition and distribution apply, and where all of the natural laws of kin and relationship apply.

Mr. JENKINS of Ohio. Was that in the bill which we

passed yesterday?

Mr. AYERS of Montana. Yes, sir. The conference has not changed a word of our bill on that subject.

Mr. JENKINS of Ohio. And the conference has not changed that feature?

Mr. AYERS of Montana. No.

Mr. WERNER. May I ask the gentleman from Montana if the continuing propaganda being put out by the Commissioner of Indian Affairs referring to the measure as the original Wheeler-Howard bill may not be the reason there is still opposition to this bill coming to us from the Indians?

Mr. AYERS of Montana. I think so. The Indians think we are dealing with the original Wheeler-Howard bill, when as a matter of fact all we have of it is the title and number. I am confident this was never Wheeler's or Howard's babyit was laid on their doorstep, and they have cast it off and brought forth legitimate offspring.

Mr. WERNER. The gentleman from Montana aided a majority of the members of the committee in the rewriting of the original Wheeler-Howard bill?

Mr. AYERS of Montana. Yes. I was opposed to the original bill, and if it were here today, you would find me fighting it with all my strength.

Mr. WERNER. The gentleman does not agree with the statement put in the Congressional Record as recently as 3 days ago, being an article by the Commissioner of Indian Affairs to the effect that this measure is in fact the original Wheeler-Howard bill?

Mr. AYERS of Montana. I am sorry to admit that I have not read the RECORD on that point, but I emphatically assert that the legislation we are considering is not the original Wheeler-Howard bill. The instant bill makes everything optional with the Indians, whereas the original bill reposed exclusively on mandatory provisions. There is nothing mandatory in this bill as reported, and I may say that a large measure of credit for eliminating those obnoxious provisions is due to the long and hard work of the gentleman from South Dakota [Mr. WERNER]. He has always exerted his every effort for the Indian, and his battles for them in our committee were most commendable.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

## THOMAS JEFFERSON

Mr. BOYLAN. Mr. Speaker, I ask unanimous consent for the present consideration of the joint resolution (H.J.Res. 371) authorizing the creation of a Federal memorial commission to consider and formulate plans for the construction, on the apex block, Constitution and Pennsylvania Avenues. in the city of Washington, D.C., of a permanent memorial to | the memory of Thomas Jefferson, third President of the United States and author of the Declaration of Independ-

The Clerk read the joint resolution, as follows:

Whereas there exists no adequate permanent national memorial to Thomas Jefferson in the Nation's Capital; and
Whereas the American people feel a deep debt of gratitude to Thomas Jefferson and in honor of the services rendered by him: Therefore be it

Resolved, etc., That there is hereby established a commission, to be known as the "Thomas Jefferson Memorial Commission", for the purpose of considering and formulating plans for designing and constructing a permanent memorial in the city of Washington, D.C. Said commission shall be composed of 12 commissioners, as D.C. Said commission shall be composed of 12 commissioners, as follows: Three persons to be appointed by the President of the United States, 3 Senators by the President of the Senators of the House of Representatives by the Speaker of the House of Representatives, and 3 members of the Thomas Jefferson Memorial Foundation, Inc., to be selected by such foundation.

Sec. 2. The Thomas Jefferson Memorial Commission may, in its

discretion, accept from any source, public or private, money or property to be used for the purpose of making surveys and investigations, formulating, preparing, and considering plans and estimates for the improvement, construction, or other expenses incurred or to be incurred.

SEC. 3. That said commission shall annually submit to Congress a report of the progress of the work of the commission.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I should like to ask the gentleman from New York if there is any special significance in the fact that all these Jefferson memorials or monuments are coming up this year. Jefferson has been dead a good many years and just recently we have had two such measures. The gentleman is not afraid his memory is going to be forgotten in any way?

Mr. BOYLAN. I may say to the gentleman, Mr. Speaker, I have had this resolution here for the last 5 or 6 years. I think we are a neglectful Republic, inasmuch as to my mind the debt of gratitude we owe Thomas Jefferson is second to no other man who helped in the formation of this country. I believe our ingratitude and neglect of the past should come to an end at this time by the appointment of a commission to erect a suitable memorial to Thomas Jefferson in the Nation's capital.

Mr. CELLER. Mr. Speaker, will the gentleman yield for a question?

Mr. BOYLAN. Yes. Mr. CELLER. I am heartily in favor of this resolution since, in the city of Washington, Jefferson should certainly have some memorial of this kind, because a statue of him in the corridor of the House of Representatives is the only memorial to Thomas Jefferson, as I understand, anywhere in Washington.

Mr. BOYLAN. Yes; I was going to explain that. The statue of him in the corridor of the House is the only memorial I can find in the city of Washington.

Mr. BRITTEN. Mr. Speaker, will the gentleman yield for a question?

Mr. BOYLAN. Yes.

Mr. BRITTEN. I have been informed that plans and specifications are in the making for a so-called "Apex Building" on the block that is designated in the gentleman's resolution. Can the gentleman inform the House whether the Apex Building plans and specifications have been completed?

Mr. BOYLAN. I may say to the gentleman that they have not. I objected to any building going on that block, because I think that is the appropriate place to erect a memorial to Thomas Jefferson. In addition, the gentleman being a connoisseur of the arts, has probably noted that the beautiful facade of the Archives Building, that is, the easterly approach, is of particular and special artistic value, and the erection of a memorial to Jefferson on the block to the east would preserve the view of that beautiful facade of the Archives Building.

Mr. BRITTEN. Mr. Speaker, I entirely agree with the gentleman, even though the plans and specifications for the Apex Building have been concluded. I think that block ought to be preserved for a fitting monument to one of our heroes, whoever he may be, and it is unimportant whether

he was a Democrat or Republican. I think it should be embellished with something along the line of the gentleman's suggestion in the interest of beautiful Washington. Ultimately this city is going to be the most beautiful capital an dthe most beautiful city in the world, and I should much prefer seeing a monument such as the gentleman has in mind on this particular block than any building erected there, because of the peculiar shape of the block.

Mr. BOYLAN. I am very happy to have the support of

the gentleman from Illinois.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. BOYLAN. I yield.

Mr. MARTIN of Massachusetts. Does the gentleman's resolution call for the expenditure of any money at this time?

Mr. BOYLAN. It does not.

Mr. MARTIN of Massachusetts. The gentleman is not going to ask for an investigation to further investigate the matter?

Mr. BOYLAN. No; I expect the patriotism and gratitude of the country and of the Congress, at some future time, will rise to the needs of the occasion and provide the necessary funds for a suitable memorial to the author of the Declaration of Independence, the third President of the United States, and the author of the statute providing for religious liberty in Virginia. [Applause.]

The SPEAKER. Is there objection to the request of the

gentleman from New York?

There was no objection.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### CONDUCT OF BUSINESS BY RECEIVERS

Mr. MONTAGUE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8544) making receivers appointed by any United States courts and authorized to conduct any business, or conducting any business, subject to taxes levied by the State the same as if such business were conducted by private individuals or corporations, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Line 6, after the word "shall", insert "from and after the enactment of this act."

Mr. PARSONS. Mr. Speaker, a parliamentary inquiry. The SPEAKER. The gentleman will state it. Mr. PARSONS. Under what conditions is this bill being reported to the House?

The SPEAKER. This is a unanimous-consent request to concur in the Senate amendment.

Mr. PARSONS. I object, Mr. Speaker.

## EXTENSION OF REMARKS

Mr. GOSS. Mr. Speaker, I ask unanimous consent to extend the remarks I made this morning and to include therein a letter from the Secretary of the Interior.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

## THE HOUSING BILL

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H.R. 9620, commonly called "the housing bill", disagree to the Senate amendments, and ask for a conference.

The Clerk read the title of the bill, as follows:

# H.R. 9620

To encourage improvement in housing standards and conditions, to provide a system of mutual mortgage insurance, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. O'MALLEY. Reserving the right to object, I should like to ask the distinguished Chairman of the Banking and Currency Committee whether there is any prospect of getting

the direct-loan industry bill passed before the adjournment? | I should like to see that passed before we vote for an

Mr. STEAGALL. I am in full accord with the gentleman, and have reasonable hope and belief that we shall get

Mr. O'CONNOR. Reserving the right to object, I want to ask the gentleman if there has been any change in the low-cost housing proposition?

Mr. STEAGALL. No. Mr. O'CONNOR. Is there any change as to the restoration by the House of the original title 2 of the bill?

Mr. STEAGALL. There are changes and rearrangement of title 2, but title 2 is still in the bill.

Mr. LANZETTA. Reserving the right to object, has the gentleman any assurance that the low-cost housing proposition will be retained in the bill?

Mr. STEAGALL. I can only say that I do not think that that will be in conference.

Mr. LANZETTA. Will the House conferees insist on that remaining in the bill?

Mr. STEAGALL. I say I do not think that is in conference. Mr. BROWN of Kentucky. Reserving the right to object, the gentleman's committee has under consideration an amendment to the banking laws which will allow the State banks the same privilege that the Federal banks now have: Is it the intention of the gentleman to bring that bill up?

Mr. STEAGALL. I am not sure about that bill. The Senate has passed practically the same bill, and we are hesitating to consider the House bill until we get the Senate bill, and we may adopt that.

Mr. McFADDEN. Reserving the right to object, what is the intention of the committee in regard to reporting out the so-called "Barkley bill" relating to the affiliates of banks?

Mr. STEAGALL. I am not sure as to what bill the gentleman refers to. I have not examined the Barkley bill, but I do not think it deals with affiliates as inferred by the gentleman. Does the gentleman refer to the omnibus banking bill or to the single matter to which he refers?

Mr. McFADDEN. I refer to the so-called "Barkley bill." Mr. STEAGALL. That is the bill I had in mind a moment ago in answering the gentleman from Kentucky. That makes a technical revision or rearrangement of the Banking Act of 1933. That bill has passed the Senate, and we hope to get it up in the House.

The SPEAKER. Is there objection?

There was no objection.

The Chair appointed the following conferees: Mr. STEAGALL, Mr. Goldsborough, Mr. Prall, Mr. Luce, Mr. Beedy.

## CONDUCT OF BUSINESS BY RECEIVERS

Mr. MONTAGUE. Mr. Speaker, I have been advised that the gentleman from Illinois [Mr. Parsons], withdraws the objection that he entered a few moments ago to the consideration of the bill H.R. 8544, making receivers appointed by any United States courts and authorized to conduct any business, or conducting any business, subject to taxes levied by the State the same as if such business were conducted by private individuals or corporations, with a Senate amendment thereto, and I ask unanimous consent for the present consideration of the Senate amendment and to concur in the

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the Senate amendment.

The Clerk read as follows:

Line 6, after the word "shall", insert ", from and after the enactment of this act."

The SPEAKER. The question is on agreeing to the Senate amendment.

The Senate amendment was agreed to.

A motion to reconsider the vote by which the Senate amendment was concurred in was laid on the table.

ARRESTS BY CERTAIN MEMBERS OF THE DIVISION OF INVESTIGATION

Mr. MONTAGUE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H.R. 9476, to em-

power certain members of the Division of Investigation of the Department of Justice to make arrests in certain cases, and for other purposes, with a Senate amendment and to concur in the Senate amendment.

The SPEAKER. Is there objection.

There was no objection.

The SPEAKER. The Clerk will report the Senate amendment.

The Clerk read as follows:

Page 1, line 8, after "felonies", insert: "which have been committed and which are."

The SPEAKER. The question is on concurring in the Senate amendment.

The Senate amendment was concurred in.

A motion to reconsider the vote by which the Senate amendment was concurred in was laid on the table.

### OVERGRAZING AND SOIL DETERIORATION

Mr. DEROUEN. Mr. Speaker, I ask unanimous consent for the present consideration of the conference report upon the bill H.R. 6462 (Rept. No. 2050), to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes, which I send to the desk and ask to have read.

The SPEAKER. The gentleman from Louisiana asks unanimous consent for the present consideration of the conference report which the Clerk will report.

The Clerk read the conference report.

The conference report and statement is as follows:

#### CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6462) to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses, as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "Nothing in this act shall be construed in any way to diminish, restrict, or impair any right which has been heretofore or may be hereafter initiated under existing law validly affecting the public lands, and which is maintained pursuant to such law except as otherwise expressly provided in this act, nor to affect any land heretofore or hereafter surveyed which, except for the provisions of this act, would be a part of any grant to any State"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following: "To groups, associations, or corporations authorized to conduct business under the laws of the State in which the grazing district is located. Preference shall be given in the issuance of grazing permits to those within or near a district who are landowners engaged in the livestock business, bona fide occupants or settlers, or owners of water or water rights, as may be necessary to permit the proper use of lands, water or water rights owned, occupied, or leased by them, except that until July 1, 1935, no preference shall be given in the issuance of such permits to any such owner, occupant, or settler, whose rights were acquired between January 1, 1934, and December 31, 1934, both dates inclusive, except that no

permittee complying with the rules and regulations laid | down by the Secretary of the Interior shall be denied the renewal of such permits if such denial will impair the value of the grazing unit of the permittee when such unit is pledged as security for any bona fide loan. Such permits shall be for a period of not more than 10 years, subject to the preference right of the permittees to renewal in the discretion of the Secretary of the Interior, who shall specify from time to time numbers of stock and seasons of use. During periods of range depletion due to severe drought or other natural causes, or in case of a general epidemic of disease, during the life of the permit, the Secretary of Interior is hereby authorized, in his discretion, to remit, reduce, refund in whole or in part, or authorize postponement of payment of grazing fees for such depletion period so long as the emergency exists"; and the Senate agree to the same

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "Provided further, That nothing in this act shall be construed or administered in any way to diminish or impair any right to the possession and use of water for mining, agriculture, manufacturing, or other purposes which has heretofore vested or accrued under existing law validly affecting the public lands or which may be hereafter initiated or acquired and maintained in accordance with such law. So far as consistent with the purposes and provisions of this act, grazing privileges recognized and acknowledged shall be adequately safeguarded, but the creation of a grazing district or the issuance of a permit pursuant to the provisions of this act shall not create any right, title, interest, or estate in or to the lands"; and the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment as follows: Page 18, line 21, at the end of section 16 insert a colon and add the following: "Provided, however, That nothing in this section shall be construed as limiting or restricting the power and authority of the United States"; and the Senate agree to the same.

René L. DeRouen,
Harry L. Englebright,
J. W. Robinson,
G. W. Edmonds,
Dennis Chavez,
Managers on the part of the House.
Alva B. Adams,
Joseph C. O'Mahoney,
Gerald P. Nye,
Managers on the part of the Senate.

## STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6462) to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On no. 2: Clarifies the language by adding to the amendment "validly affecting the public lands", meaning that the laws in question do validly affect the public domain.

On no. 12: To insure that the permittee complies with the rules and regulations and maintains his permit in good standing to enjoy the benefits of renewal as provided in this section.

On no. 13: Means that the laws in question do validly affect the public domain.

On no. 47: Cannot invade Federal jurisdiction or authority, thus leaving the State laws in full operation.

RENÉ L. DEROUEN,
HARRY L. ENGLEBRIGHT,
J. W. ROBINSON,
G. W. EDMONDS,
DENNIS CHAVEZ,
Managers on the part of the House.

The SPEAKER. Is there objection? There was no objection.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. DEROUEN. Yes.

Mr. RICH. Did the Senate take any action in reference to the dual control of grazing lands so far as the Forestry Bureau having jurisdiction of grazing lands also and the Interior Department? Has there been an agreement on that point?

Mr. DEROUEN. To some degree; yes.

Mr. CARTER of Wyoming. Mr. Speaker, will the gentleman yield?

Mr. DEROUEN. Yes.

Mr. CARTER of Wyoming. As I understand it, this grazing bill was passed in the House and then the Senate passed the bill with a number of amendments. A few days ago the gentleman came here and asked unanimous consent to concur in a conference report. How does this bill come up here now, when the House and the Senate had already agreed upon a conference report?

Mr. DEROUEN. I introduced a resolution a few days ago asking permission to recall those proceedings, and they were recalled.

Mr. CARTER of Wyoming. Will the gentleman explain why he wanted this bill recalled after the conferees had agreed upon it.

Mr. Derouen. There was a legal question which the legal department did not catch until we had agreed. Recalling it was the only way that we could cure the difficulty. We have cured it, and I am bringing here a unanimous report from the House and Senate conferees.

Mr. CARTER of Wyoming. And this is to correct a legal defect?

Mr. DEROUEN. And to include some clarifying language, which came as a result of that.

Mr. CARTER of Wyoming. Will the gentleman explain the new language?

Mr. DEROUEN. Yes; it is on page 6. We changed the language and said:

Except that no permittee complying with the rules and regulations laid down by the Secretary of the Interior shall be denied the renewal of such terms where such unit is pledged as security for a bone fide loan.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. DEROUEN. Yes.

Mr. RICH. In our committee we were informed by the Secretary of Agriculture and the Secretary of the Interior that this dual jurisdiction of grazing lands would be put into the hands of one of the Departments, and that the President would see that that was agreed to.

Mr. DEROUEN. The bill authorizes the President to do

Mr. RICH. Will the President do it?

Mr. DEROUEN. That is a question which I cannot answer.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider the vote by which the conference report was agreed to was laid on the table.

## EXTENSION OF REMARKS

The SPEAKER. The Chair will recognize any Member who desires to ask unanimous consent to extend his remarks in the Record, and to embrace a document, which does not come under the general rule of extensions.

## THE PURCHASE OF THE VOLLBEHR COLLECTION

Mr. KVALE. Mr. Speaker. I ask unanimous consent to extend my remarks in the RECORD, in defense of a colleague, against an unfortunate attack, and to include a short newspaper article which explains the attack and retracts it.

The SPEAKER. Is there objection?

There was no objection.

Mr. KVALE. Mr. Speaker, from time to time criticism recurs in uninformed quarters of the action of Congress in providing for the purchase of the Vollbehr collection of 3.000 incunabula—books printed prior to the year 1501 A.D. and the Gutenberg Bible.

That naturally reacts against the author of and guiding spirit in the enactment of this splendid legislation, our colleague with whom we now regretfully part in order that he may enter the campaign for the Senate. I refer to the Honorable Ross Collins of Mississppi, who is voluntarily concluding a 14-year span of unsurpassed usefulness in this

It has just been brought to my attention that a newspaper in his own State, the Jackson Daily News, at one time, presumably through lack of information, violently criticized the acquisition of these priceless treasures. My colleagues assure me that this newspaper has an enviable reputation for truth and for accuracy.

That newspaper subsequently was appraised of all the facts, and with a generosity typical of its reputed sense of justice completely reversed itself. In a statement published in its issue of October 18, 1933, it gave a clear and succinct account of the entire transaction, which I shall ask to include as a part of my remarks in its entirety. The paper's statement concludes with this paragraph:

In the light of the above information the News deeply regrets its hasty action in criticizing Representative Collins and tenders to him its apology. With the facts before it, it is proud that the Fifth District of Mississippi has a Congressman so deeply interested in the advancement of culture in America and such a true friend of one of its greatest cultural institutions, the Library of Congress

Like the Jackson Daily News, I feel certain that all critics, when possessed of all the facts, will hasten to applaud an act conceived and executed solely in the interest of the advancement of our country in a cultural sense.

[From the Jackson (Miss.) Daily News, Oct. 18, 1933] A STATEMENT OF FACTS

In the issues of July 24, August 3, August 11, August 14, September 15, and October 16 of 1932 this paper editorially attacked the purchase by Congress of the Vollbehr collection of incunabula (books printed prior to 1501) and imputed improper motives to the sponsor of the bill providing for the acquisition thereof, the Honorable Ross Collins, Member of Congress from the Fifth District. Since then reliable information has come within the posterior of the Duly News from which this clear that Description session of the Daily News from which it is clear that Representa-tive Collins acted only from the most disinterested and patriotic Hence the News hastens to tender a complete apology to Representative Collins and to print a correct version of the history of this purchase, so as to dispel all doubts of the News'

history of this purchase, so as to dispel all doubts of the News' sincerity.

A year before the question of buying the books arose, the collection had been exhibited by Dr. Volibehr at the Library of Congress, where it excited a great deal of attention. At the time Dr. Volibehr stated that it was worth \$3,000,000, but that he would be willing to sell it for half price, namely, \$1,500,000, to any philanthropist on condition that the latter deed it over to the Library. He did not then anticipate that the Government itself would purchase the historic volumes for the Nation.

In other words, he was willing to undergo a financial sacrifice of a million and a half dollars if by that means he could be certain that the priceless material he had so carefully gathered would be deposited in the world's greatest library where it would be available to scholars and would be adequately preserved for posterity. And the statement that the incunabula, which the News in an unguarded moment spoke of as "a bunch of musty books of no value to anybody", were really worth three million was fully substantiated by the experts. In fact, E. Paul Saunders, writing in the Saturday Review of Literature, stated as an argument for their purchase that "Dr. Vollbehr valued his collection at \$3,000,000 with other qualified experts boosting the figure by

at \$3,000,000 with other qualified experts boosting the figure by as much as \$2,000,000 in their appraisals."

Hearing about this offer and knowing that the Librarian of Congress, Dr. Herbert Putnam, had completed 30 years of distinguished service, Representative Collins deemed it eminently appropriate for Congress to acquire the collection for its National Library as a fine tribute to Dr. Putnam, especially as in doing so advantage would be taken of a remarkable opportunity to secure a cohesive group of ordinarily unprocurable volumes. Hence he introduced a bill in the House of Representatives on December 3, 1929, authorizing the purchase of 3,000 incunabula and the Gutenberg Bible on vellum for \$1,500,000. It may be mentioned at this point that the final price paid was this sum and not \$2,500,000, as stated previously by the News. A little later Representative Collins learned that Dr. Vollbehr had in his possession 1,500 additional items and so hastened to amend his bill to sion 1,500 additional items and so hastened to amend his bill to cover these latter rarities. However, it developed that they were part of a collection that Dr. Vollbehr had begun to assemble subsequent to the completion of the gathering of the 3,000 volumes he was offering for sale. These he was not willing to forego for the purchase price, so that the attempt to have them included was abandoned. It was on a visit to explain this to Representative Collins that Dr. Vollbehr first met the former.

was abandoned. It was on a visit to explain this to Representative Collins that Dr. Vollbehr first met the former.

At first the idea of spending a large sum of money on books seemed fantastic, as the Government had never spent anywhere near that amount for such a purpose at any one time, and it was freely predicted that there was no chance for the bill to pass. However, when book lovers throughout the country heard about the proposition sentiment began to crystallize, and an avalanche of letters descended upon Representative Collins, the chairmen of the Library committees of the House and Senate, and the leaders of Congress urging its approval. Not only were the bibliophiles aroused but leading churchmen also became interested, among them Bishop William F. McDowell of the Methodist Episcopal Church, Bishop James Freeman of the Episcopal Church, and many other distinguished churchmen. Even citizens in faroff Texas and California, solicitous of their country's cultural interests, heartily endorsed the bill. Typical of the viewpoint of the Nation's leaders was the statement of the Honorable Eithu Root: "I strongly hope that this (the Vollbehr collection) may be

off Texas and California, solicitous of their country's cultural interests, hearfily endorsed the bill. Typical of the viewpoint of the Nation's leaders was the statement of the Honorable Elihu Root: "I strongly hope that this (the Vollbehr collection) may be obtained for the Library of Congress." Other prominent men who expressed their support of the bill were Owen D. Young. Newton Baker, Gov. Franklin Roosevelt, Maj. Gen. Henry T. Allen, Maj. Gen. M. W. Ireland, the Surgeon General of the United States Army, Judge Finis J. Garrett, former Democratic leader, Dr. Julius Klein, Dr. Harvey Cushing, the distinguished historian and political scientist, Dr. Charles A. Beard, and President Lovett, of the Rice Institute of Houston. Nor was the press inactive.

Favorable comments appeared in the Public Ledger (Philadelphia), Chicago Evening Post, Philadelphia Inquirer, Evening Star (Washington), Sunday Record (Columbia, S.C.), the Call (Paterson, N.J.), Library Journal (New York), Post-Dispatch (St. Louis), Saturday Review of Literature, New York Times, Christian Science Monitor, Washington Herald, United States Daily, Washington Post, New York World, Houston (Tex.) Press, the Churchman (New York), Evening Transcript (Boston), Winston-Salem (N.C.) Journal, Mobile (Ala.) Register, Miami (Fla.) News, Minneapolis News, New York Tribune, Herald Examiner (Chicago), Hartford (Conn.) Courant, Evening German Herald, Brooklyn Eagle, Publishers' Weekly (New York), New York Herald, Printing (New York), Kansas City Press, and in other papers and magazines. Hearings were held on the bill at which distinguished librarians and scholars testified and united in urging the acquisition of the rarities. So strong was the demand for the passage of the bill that it was reported out and passed unanimously by the House. From there it went to the Senate, where Senator Bingham already had taken up the cudgels in behalf of the purchase by introducing similar bills, and, following further hearings, was again reported out. The Senate followed the

In the light of the above information, the News deeply regrets its hasty action in criticizing Representative Collins and tenders to him its apology. With the facts before it, it is proud that the Fifth District of Mississippi has a Congressman so deeply interested in the advancement of culture in America and such a true friend of one of its greatest cultural institutions, the Library of

STATEMENT OF THE STATUS OF CASES FILED BY THE FIVE CIVILIZED TRIBES AGAINST THE GOVERNMENT UNDER JURISDICTIONAL BILLS PASSED IN PRIOR CONGRESSES

Mr. DISNEY. Mr. Speaker, I desire to ask unanimous consent to extend my own remarks and to set out in the RECORD a complete statement of the status of cases filed by the Five Civilized Tribes against the Government under jurisdictional bills that were passed in prior Congresses.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma [Mr. DISNEY]?

There was no objection.

Mr. DISNEY. Mr. Speaker, I have had many inquiries as to the status of the suits filed as a result of the jurisdictional bills enacted, which permitted the tribes of the Five Civilized Indian Nations in Oklahoma to bring suits against the Government of the United States in the Court of Claims, with the right of appeal to the Supreme Court upon such claims as the tribes might have against the Government. The suits heretofore referred to have been filed accordingly in the Court of Claims on behalf of the respective tribes.

It should be understood that the Congress has done everything it can do until the suits have been tried and finally determined, and then it devolves upon the Congress to make appropriations according to the judgments rendered by the courts. Until the courts have spoken, Congress has done all possible in favor of these Indians.

Recently one of these judgments was finally determined by the Court of Claims, and the Creek Indian Tribe, as a result, is entitled to \$149,000, or approximately \$5.60 per capita. At the moment these remarks are being made in Congress this item is in the deficiency bill, placed there on motion of Congressman W. W. Hastings of the Second Oklahoma District, who has been untiring in his efforts in behalf of the Indians. No doubt this item will become a part of the final appropriation under the deficiency bill.

Letters in the nature of reports as to these suits are as follows: Shortly summarized they consist of a letter from ex-Senator Robert L. Owen, who is counsel in some of the suits; a letter and report from Hon. Frank J. Boudinot, attorney of record in Cherokee suits; a letter from the clerk of the Court of Claims; a letter from the Assistant Commissioner of Indian Affairs, William Zimmerman; a letter from William L. Hart, clerk of the Court of Claims: a letter and report as to the status of Choctaw and Chickasaw cases in the Court of Claims from W. F. Semple, formerly chief of the Choctaw Nation and now counsel for the Choctaws and Chickasaws; a letter and report from Ralph H. Case, Frank K. Niebeker, and C. C. Calhoon, all attorneys of record in these cases; as well as a report by Hon. Houston B. Tehee. once Registrar of the Treasury but now counsel in these cases.

It is a matter of interest and therefore of comment that practically all of the attorneys of record in these cases are either Indians or of Indian descent, notably ex-Senator Robert L. Owen and Hon. William F. Semple, as well as Houston B. Tehee and Frank J. Boudinot, all brilliant law-

> CONGRESS OF THE UNITED STATES, House of Representatives, Washington, D.C., December 11, 1933.

Hon. Robert L. Owen, Wardman Park Hotel, Washington, D.C.

MY DEAR SENATOR: I have many inquiries about the Cherokee Indian claims, the cases in which you and Mr. Tehee represent the

I wonder if you will not give me a short letter as to the status of these cases now, so that I may have the information with which to answer inquiries.

Sincerely yours,

WESLEY E. DISNEY.

DECEMBER 15, 1933.

MY DEAR DISNEY: Petitions were filed by Tehee and myself in the cases a year ago, but the United States attorney refuses to act until the United States General Accounting Office makes a final report on possible "gratuitles." They say they cannot complete this report until next April. Until then we cannot proceed. I have requests for proceedings ready.

Sincerely yours,

ROBERT L. OWEN.

Washington, D.C., June 14, 1934.

Washington, D.C., June 14, 1934.

Hon. W. E. Disney,
Washington, D.C.

Dear Sir: Agreeable to your request of the other day, I am enclosing herewith a report on the Cherokee Indian claims, which you advised me you desired to have placed in the Congressional Record. I am spending all of my time on these cases, working with my assistant counsel.

Sincerely yours,

F. J. BOUDINGT.

WASHINGTON, D.C., June 13, 1934.

To the Cherokee People in Oklahoma:

Report showing the present status of suits on claims against the United States now pending in the Court of Claims at Washington.

There are two separate jurisdictional acts under which the

There are two separate jurisdictional acts under which the Cherokees have filed suits against the United States, to-wit:

1. Act approved March 19, 1924, authorizing suits by the Cherokee Nation, etc.

2. Act of April 25, 1932, authorizing suits by Eastern or Emigrant Cherokees and/or Western or Old Settler Cherokees.

Under the first act, 9 suits have been filed, in all of which the Cherokee Nation is party plaintiff and the United States party defendant, as required by the act, viz:

H-47, Clifton Roll case, Frank K. Nebeker, attorney of record.
J-8, Too Late Baby case, Ralph H. Case, attorney of record.
K-17, Freedman case, C. C. Calhoun, attorney of record.
L-46, Trust Fund case, Ralph H. Case, attorney of record.
L-174 (a), Eastern Cherokee case, Frank J. Boudinot, attorney of record.

of record.

L-174 (b), Old Settler case, Frank J. Boudinot, attorney of

L-257, Land Shortage case, Frank J. Boudinot, attorney of record. L-266, Outlet West 100° case, Frank J. Boudinot, attorney of record.

L-267, Intruder and IW case, Frank J. Boudinot, attorney of

L-268, General Accounting case, Ralph H. Case, attorney of

Under the second act 5 suits have been filed, to-wit:

No. 42077, Eastern or Emigrant Cherokee case, H. B. Teehee, attorney of record.

No. 42078, Western or Old Settler Cherokee case, Robert L.

Owen, attorney of record.

(The claims sued on in these two cases are identical in every respect with the two claims asserted, respectively, in L-174, supra.)
These two claims are called "interest cases."

No. 42079, Too Late Baby case; Teehee and Owen, attorneys of record (this claim is practically the same in J-8, supra).

No. 42080: Outlet West of 100° case; Teehee and Owens, attorneys of record (this claim is practically the same in L-266, supra).

No. 42081: Freedman case; Teehee and Owen, attorneys of record (this claim is practically the same in K-17, supra).

Up to quite recently it has been impossible for us to proceed more rapidly in the prosecution of any of the suits filed, because the Government's audit had not been completed. That audit is now finished; we may now go ahead and get the cases ready for

The Government's audit, or accounting, was finally completed April 6, 1934.

The first suit filed under the act of 1924—H-47, Clifton Roll case—is about ready for final trial on its merits. We claim in our petition the sum of \$463,803.36 with interest. The Government's report shows that the claim should be for \$313,123.29, instead, with interest.

There seems to be no reason to doubt that this suit will be tried and finally decided next fall. Mr. Frank K. Nebeker, a former Assistant Attorney General of the United States under the Wilson administration, is attorney of record in this suit; and he believes we will win. The claim is for money paid by the Government to Negroes who were never "Cherokee Freedmen" but State Negroes.

State Negroes. K-17, our Freedman case, was dismissed on demurrer by the Government's attorneys. We filed a motion for a rehearing and leave to file an amended petition. This motion is set for argument at the fall (1934) term. We cannot proceed further with this case until that motion is disposed of. C. C. Calhoun, attorney of record.

J-8, Too Late Baby case: The defendant also demurred to this petition. The demurrer was overruled last January 8 (1934). We expect to have this case ready for trial also next fall. Ralph H. Case is attorney of record in this suit.

Case is attorney of record in this suit.

Petitions based on the last two claims (K-17 and J-8) have been filed by Teehee & Owen under the act of 1932 for the Eastern, or Emigrant, and Old Settler Cherokees (that is, for the Cherokees by blood), case no. 42079 and case no. 42081. No demurrers have been filed to these petitions. Mr. Teehee has prepared requests for findings of fact in these two suits; I am advised that they intend to bring the suits to trial this coming term of court which will begin next October.

I-43 and I-263 are both General Accounting cases: There is nothing in these cases but figures—a proper statement of payments or failure to pay undisputed moneys due. The Government's audit will speak for us in these suits—there will be no argument. Mr. Case is attorney of record, is thoroughly familiar with the facts now that the Government's audit is finished, and he feels confident that we shall win substantial sums in both suits.

he feels confident that we shall win substantial sums in both suits. We expect, also, to bring these suits to final determination next

term of court.

L-257, Land Shortage case: This claim is for the value of 575,000 acres of land (round numbers), bought from the United States and paid for, which in some manner unknown to us has not been accounted for. I, Frank J. Boudinot, am attorney of record in this suit. We expect to bring this case to determination at the next term of court.

at the next term of court.

I-266, Outlet West of 100°: The claim is for the value of 4,000,000 (round numbers) acres of land, now comprising Texas, Beaver, and Cimarron Counties, Okla., owned by the Cherokees by blood as an "outlet." We have the request for findings of fact in this suit ready for printing. It, too, will, we trust, be finally decided during the next term of the court.

Teehee & Owen, as attorneys for the Cherokees by blood (Eastern or Emigrant and Old Settler Cherokees), have filed suit on this same claim (no. 42080).

I-267. Intruder and Intermarried White case: I am attorney of record in this suit. The claim is for moneys paid to intruders for their improvements (paid on condition that they leave the farms they were occupying, and where they got the money and

farms they were occupying, and where they got the money and

did not leave), and moneys paid to about 200 intermarried white persons and to which payment they were not entitled under a decision of the Supreme Court of the United States. This claim

persons and to which payment they were not entitled under a decision of the Supreme Court of the United States. This claim has some complications; it will require some additional time and evidence. However, the suit will be pressed for trial and decision as rapidly as circumstances will permit.

L-174. The interest cases: I am attorney of record in this suit also. The suit was filed before the enactment of the act of April 25, 1932, by the Cherokee Nation for the benefit of the Eastern and Western Cherokees, respectively. Since the passage of that act Messrs, Owen and Teehee have filed suits on the same claims for the real parties in interest in their own names. Their requests for findings of fact and briefs have been printed and filed in the Court recently. The old settler claim is for \$1,000,000 requests for findings of fact and briefs have been printed and filed in the Court recently. The old settler claim is for \$1,000,000 (round numbers). The Eastern Cherokee claim is for \$5,000,000 (round numbers). This claim will undoubtedly be disposed of early next fail. Of course, I shall continue to do whatever I may properly do to aid in the winning of these claims, but since the real beneficiaries are now in court themselves I am not sure I may ethically do more than help and advise in a friendly way. My associate attorneys (Cherokee Nation's attorneys under the act of 1924), do not apparently agree with my view as to our position 1924), do not apparently agree with my view as to our position with regard to these two suits, but there is no unfriendliness—

with regard to these two suits, but there is no unfriendliness—we all of us wish to win the claims for the Cherokee owners, and we will cooperate to that end. All three suits, L-174, no. 42077, and 42078 will be tried and determined at the same time.

I cannot close this report without saying a word about the recent voluntary retirement of our fellow Cherokee, Hon. W. W. HASTINGS. To Mr. HASTINGS must, in all honesty, be accorded the credit for making it possible for us, and the other four civilized tribes for that matter, to have our last day in court for a final settlement of all unadjusted claims we may have against the Government under treaties, laws, agreements, etc. We have lost, for a time at least, the man who for almost 20 years has been our best friend in Congress, the man who has been the ablest and most intelligently successful supporter of every one of our proper contentions at all times since he became a Member of Congress in 1914. He has done more for the advancement of the education of our young people than any other man ever did. Personally, I sincerely regret that Mr. HASTINGS will not be here in the next Congress, because our work is not finished and we will miss him then.

will miss him then.

However, we have in the House of Representatives another able Congressman now representing the First Oklahoma District, which includes a large portion of our former nation and thousands of Cherokees—Hon. Wesley E. Disney, of Tulsa. I have known Mr. Disney personally and intimately for about 25 years. I know him to be our friend, able, well informed, and thoroughly acquainted with our affairs and contentions and absolutely dependenced. able at all times. Personally, again, I would like to see Mr. DISNEY returned as a Member of the next Congress.

Very sincerely, your fellow Cherokee,

FRANK J. BOUDINGT.

TULSA, OKLA., December 18, 1933. In re status of Choctaw and Chickasaw cases in the Court of

Congressman Wesley E. Disney,

House Office Building, Washington, D.C.

My Dear Congressman: I have your letter of December 11, in which you request to be advised as to the present status of the cases pending in the Court of Claims in which the Choctaw and

which you request to be advised as to the present status of the cases pending in the Court of Claims in which the Choctaw and Chickasaw Nations are plaintiffs.

In reply thereto, I wish to say that our last report to the principal chief bears date of December 5, 1933, and I am sending a copy of the same for your files.

With kindest regards and best wishes I am,

Yours very truly,

W. F. SEMPLE.

**DECEMBER 5, 1933.** In re report of special attorneys for Choctaw Nation.

Hon. BEN DWIGHT,

Hon. Ben Dwight,

Principal Chief of Choctaw Nation, Durant, Okla.

Dear Sir: Pursuant to the terms of contract entered into with William H. Harrison, principal chief of the Choctaw Nation, we beg to submit the following report with reference to the present status of the cases pending in the Court of Claims in which the Choctaw Nation is plaintiff.

1. In case no. F-181, styled Choctaw and Chickasaw Nations v. United States, the nations have involved the claim for compensation for lands allotted to freedmen minors and lands filed upon as

tion for lands allotted to freedmen minors and lands filed upon as preferential filings by freedmen of the Choctaw and Chickasaw Nations. All testimony has been taken in this case and the reports of the departments have been completed and briefs are in the hands of the printer, but have not been printed. The total named of the printer, but have not been printed. The total amount involved in this case is \$525,508.81, and so far as the nations are concerned we expect to have briefs filed with the court within 30 days. After our brief is filed the Department of Justice will have the time allowed by the rules of the Court of Claims within which to file answer brief and the case in all probability go on the docket for oral argument before the court within the next 6 months.

In case no. F-182, styled Choctaw Nation v. United States,

ment of the Interior and Accounting Office. Brief has been pre-pared by the Choctaw Nation and is in the hands of the printer, and we expect our brief to be filed in the office of the clerk of the

pared by the Choctaw Nation and is in the hands of the printer, and we expect our brief to be filed in the office of the clerk of the Court of Claims within the next 30 days.

3. In case no. H-37, styled "Choctaw and Chickasaw Nations v. United States", the taking of testimony has been completed and the record has been made up and all reports from the Department have been filed and we have prepared brief on the claim involving Mississippi per capita payments amounting to approximately \$2,000,000. A severance has been ordered in this case and the three different matters are separately treated and have been briefed separately. Our brief as to Mississippi Choctaws has been filed for about 30 days and we expect to have answer brief from the Government at an early date. In that part of the case involving original Choctaw freedmen, you are advised that we are briefing this case at this time and expect to have our brief ready to go to the printer within the next 60 days. A considerable amount of testimony has been taken in this case and the reports from the Department of the Interior, cover about 2,500 pages of typewritten matter. As to that part of the case involving claims for compensation by reason of the sums due from the railroads, we have not taken any further testimony and the case has not been briefed, but will be given attention as soon as we can get to it. That part of the case relating to the original Choctaw freedmen is being actively worked on at this time. It involves a claim for \$2,883,620 and we are trying to get it up to the court as one of our first cases.

4. In case no. J-231, styled Choctaw Nation v. United States, involving claim for \$4,68,000. wish to say that the record in

4. In case no. J-231, styled Choctaw Nation v. United States, involving claim for \$468,000, wish to say that the record in this case has been made up and all reports from the Department have been filed and brief of plaintiff has been served upon the Department of Justice. We are waiting to hear from the Department of Justice with answer brief and expect to be able to get this case on the docket in the Court of Claims at an early date. It involves arbitrary apportionment of tribal funds on basis of one-fourth to the Chickasaws and three-fourths to the Choctaws, and the Choctaw Nation contends in this case it was entitled to more than three-fourths and that under the treaties tribal funds should have been apportioned on a per capita basis without regard to tribal enrollment in which event, Choctaws, according to our contention, would have received 76.74 percent and the Chickasaws 23.6 percent of the common fund amounting to more than \$34,000,000. We are trying to get this case up to the court at the earliest possible date.

5. In case of Choctaw and Chickasaw Nations v. United States (no. J-619), involving the alleged balance of \$85,000 due upon the leased-district country, we wish to say that we dismissed this case In case no. J-231, styled Choctaw Nation v. United States,

leased-district country, we wish to say that we dismissed this case in the Court of Claims some time ago. We proceeded upon the assumption that it would be unwise to insist upon this claim in view of the fact that we were contending that no consideration had been paid for the leased district or that no consideration had ssed to the nations for the lands allotted to the Choctaw

freedmen

freedmen.

6. In the case styled Choctaw Nation v. United States (no. K-281), the Choctaw Nation sued for \$1,162,000, alleged to be due for fees paid the law firm of Mansfield, McMurray & Cornish and other citizenship matters. We proceed on the theory that the fee of \$750,000 paid the above firm was without treaty authority and in violation of a specific contract providing for a maximum fee of \$250,000. We take the position that the expenses involved in this case were illegally paid from the tribal funds and that we are entitled to be reimbursed for the same. The attorneys for the Chickasaw Nation did not join with us in this case. We are ready to brief this case and it is receiving attention at this time. We were delayed in getting this case ready for trial because of the fact that a great many of the items challenged by this suit were involved in the report to be filed in the General Accounting case.

7. In the case styled Choctaw Nation v. United States (no. K-260) the Choctaws seek to have an accounting on all matters in which the Federal Government has had the responsibility of disbursing tribal funds or in which any financial transactions are

m which the rectar Government has had the responsibility of disbursing tribal funds or in which any financial transactions are involved. The report filed by the General Accounting Office covers 888 pages of typewritten matter and is a very exhaustive statement of tribal financial transactions. It has been completed within the last 6 months and it covers the period from June 1898 to June 30, 1929, and accounts for receipts and disbursements totaling \$34,-

1929, and accounts for receipts and disbursements totaling \$34,470,650.27. It will be some time before we will be able to try this case, as it involves many complicated transactions, but we are pressing our investigations as rapidly as possible and expect to get this case ready for trial as soon as possible, but it is not likely that it will be reached within the next year.

8. In no. L-261, styled Choctaw and Chickasaw Nations v. United States, we sought to recover for grounds taken by the different railroads for station grounds and this case has been argued in the Court of Claims and final judgment rendered against the nations. We submitted this case upon demurrer and the Court of Claims wrote the first opinion construing our jurisdictional bill, and, in fact, the first opinion dealing with the scope of the five tribes' jurisdictional bills, and we feel that while we lost this case we have succeeded in getting an interpretation of our jurisdictional bill. The amount involved was indefinite and uncertain and we had never entertained the hope of recovering any substantial sum had never entertained the hope of recovering any substantial sum

in the case in any event.

9. In the case of Choctaw and Chickasaw Nations v. United States (no. J-260) the nations sue jointly for breach of treaty proinvolving \$175,000 paid Senator Owens on fee for services to the Mississippi Choctaws, all testimony has been taken and the record has been completed, including filing of all reports from the Departyet been printed. We are suing for \$8,830,015 and some of the reports are still due in the case. We expect it to be reached on the docket after several other cases, which are now being briefed, and we cannot make any very definite statements as to when it will be reached. We expect to press it for trial as vigorously as possible and believe we have stated a good cause of action against

the Government.

the Government.

10. In the case of Choctaw Nation v. United States (no. K-187) the nation seeks to recover judgment for about \$1,000,000 spent by the Department on schools in the Choctaw Nations. We contend that the schools were run in violation of treaties and that children not on the rolls and persons who were enrolled as Mississippi Choctaws were given school benefits without authority of law and contrary to treaty stipulations. The reports are in on this case and it will be reached as soon as we can get it up to the court for hearing. We are still compiling data on behalf of the plaintiff and feel that we are entitled to a judgment in this case. It is probable that our judgment, if we are sustained on the questions of law, will be for a much larger sum than the amount set out in the petition.

11. We filed case no. L-253 styled "Choctaw and Chickasaw

11. We filed case no. L-253 styled "Choctaw and Chickasaw Nations to cover amounts due on coal royalties", but it is likely that we will cover the matters involved in this case in the trial

of the accounting case

In conclusion, we wish to advise that the filing of the report of the General Accounting Office has cleared up our situation to the extent that we may now go ahead with the trial of our cases and they will be reached and disposed of just as expeditiously as is practicable under the circumstances. We are giving the cases active attention and will get three additional briefs filed in the Court of Claims within the next 30 days.

Yours very truly,

W. F. SEMPLE. Tulsa, Okla.

Ardmore, Okla.

CREEK NATION CASES

There is now pending claims filed on behalf of the Creek Nation as follows:

1. F-205. Creek-Oklahoma boundary case: On March 13, 1933, the Court of Claims rendered judgment in favor of the Creek Nation for \$86,823.19. The United States appealed this case to the Supreme Court, and the questions will be argued in that court

2. F-369. Railroad reservations case: Involving the right of the Creek Nation for payment for lands used for rights-of-way. This case is awaiting a report from the Interior Department.

3. F-373. Erroneous enrollment case: Involving duplicate and

fraudulent enrollments. A report from the Interior Department has been filed, and this case is awaiting a supplemental report from that Department.

4. H-510. Accounting cases. On December 4, 1933, the Court of Claims rendered judgment in favor of the Creek Nation for \$144,106.01. This is a final judgment.

5. L-78. School case, involving expenditure of Creek funds for education of children not on Creek rolls. This case is awaiting a

report from the Interior Department.

6. I-136. Building case, involving the failure of the Secretary of the Interior to sell buildings, property, etc., of the tribe. This case is awaiting a supplemental report from the Interior Depart-

7. L-137. Town-lot frauds case. This case is awaiting a report

from the Interior Department.

8. L-205. Creek-Seminole boundary, involving intrusion on

2,397.71 acres of Creek land.

9. L-206. Creek attorney fee case, involving \$270,283.71, part of the proceeds of sales of Creek lands under the act of March 1, 1889 (25 Stat. 757). This case is awaiting a report from the Interior Department.

10. L-234. River beds case, involving the right of the Creek Nation to minerals in the river beds. The report of the Interior Department on this case has been received, and the case being

prepared for trial.

11. L-263. A general claim for any amounts due the Creek Nation under its trust relations with the United States. This petiwill be amended as soon as the investigations of Creek

matters is completed.

12. L-232. Unclaimed money petition, involving the right of the Creek Nation to property of its members who are deceased without leaving heirs. This case is awaiting a report from the Interior Department.

SEMINOLE NATION CASES

There is now pending claims filed on behalf of the Seminole Nation as follows:

1. L-51. Accounting case: This case is being prepared for trial, and will probably be tried this fall.

2. L-87. This case involves the mismanagement of the \$500,000 Seminole school fund and the failure of the Secretary of the Interior to sell buildings, property, etc., of the tribe. This case is awaiting a report from the Interior Department.

3. L-88. Railroad reservations case, involving the right of the Seminole Nation for payment for lands used for rights-of-way. This case is awaiting a report from the Interior Department.

4. L-89. Seminole Freedmen case, involving the right of persons of African descent to Seminole tribal property. The court sus-

tained a demurrer to the petition in this case. An amended petition was filed, and the United States filed a demurrer to this petition. Argument on this demurrer will be made early next fall. Messrs. Frank Boudinot and C. C. Calhoun are handling this matter for the Seminole Nation.

5. L-123. School case, involving expenditure of Seminole funds for education of children not on Seminole rolls. This case is awaiting report from the Interior Department.

6. I-207. Seminole town lots case, involving illegal sale of town lots. This case is awaiting report from the Interior Department. 7. I-209. This case presents various miscellaneous claims. This

as a waiting report from the Interior Department.

8. I-231. Unclaimed money petition, involving the right of the Seminole Nation to property of its members, who are deceased without leaving heirs. This case is awaiting a report from the Interior Department.

9. L-233. Seminole mineral rights case, involving the right of the Seminole Nation to minerals reserved to the tribe by the Seminole Agreement and the Curtis Act. This case is awaiting a report from the Interior Department.

10. L-262. A general claim for any amounts due the Seminole Nation under its trust relations with the United States. This petition will be amended as soon as the investigations of Seminole

matters is completed.

11. L-208. Erroneous boundary survey of west line of Seminole National domain, excluding 11,550.54 acres of land belonging to the Seminole Nation; also for the value of Wewoka Mission School property which was built on Creek Nation lands because of an erroneous survey of the east line of the Seminole national domain.

Mr. E. J. Van Court, of Eufaula, Okla., is attorney of record in all of the above-listed cases, and Mr. P. M. Niebell, of Washington, D.C., is his assistant. All of these cases have been prepared for trial, for plaintiff, and will be tried as soon as reports are received on these cases.

#### MY RECORD IN THE SEVENTY-THIRD CONGRESS

Mr. O'MALLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD concerning my record in the Seventy-third Congress, and to include some excerpts from bills and resolutions which I have introduced.

The SPEAKER. Is there objection?

There was no objection.

Mr. O'MALLEY. Mr. Speaker, under permission to extend my remarks, I am taking this occasion to give an accounting of my stewardship in the eventful 2 years that have just passed. I have tried, since taking my seat in this body, to have a keen appreciation of the responsibility of representing the constitutional rights of upward of 300,000 people. I have endeavored to be guided by the principle of conduct so ably set forth by the brilliant Edmund Burke in 1774, when, in reporting to his constituency, he enunciated his rule for a Representative in a Democratic legislative body, which is summarized in the following extract from his speeches to his constituency:

It should be the glory as well as the honor of a Representative to live in the strictest union, the closest correspondence, the most unreserved communication with his constituents. Their wishes should at all times have great weight with him, their opinions high respect, their business his unremitted attention. But his mature opinion, his unbiased judgment, his enlightened conscience he should not surrender to any men or set of men. These he does not derive from the law or the Constitution. They are the gift of Providence for the use of which he is deeply responsible.

With the exception, I believe, of the few occasions when illness prevented my attendance, I have been present and voting on all major legislation as well as being constantly in attendance during those days of the session when minor legislation was under consideration. I have voted my convictions after considered thought and study, and have refused to be a rubber stamp or vote blindly for any legislation. I have tried to oppose bad legislation as vigorously as I have supported good legislation, regardless of which side of the House, majority or minority, the legislation came from. Those measures introduced by me, some of which have passed and some of which remain upon the calendar of unfinished business, have been introduced with a sincere desire to remedy particular conditions which have brought distress, unemployment, and unfair taxation on our people. All the legislation introduced by me that has reached the floor of the Congress has been passed and I am particularly gratified that, when charged with the responsibility of sponsoring in the House the O'Malley-Johnson bill for a new deal in Indian affairs, a measure endorsed by the administration, I was successful in obtaining passage for it in the House, and it has been signed by the President.

In an effort, however, to make this summary of my record as brief as possible I make the following digest of my acts and votes in both sessions of the Seventy-third Congress. I voted for and supported the following legislation in the special session:

1933 SPECIAL SESSION

Voted for the Emergency Bank Act to open the closed banks of the Nation and restore the confidence of our people in the banking structure.

Voted for and spoke in behalf of the legalization of beer.

Voted for the Farm Mortgage Relief Act.

Voted for the reduction of postage rates amendment to Revenue Act of 1932.

Voted for the Unemployment Relief Act.

Voted for the Muscle Shoals and Tennessee Valley development by Government.

Voted for the impeachment of Federal Judge Lowell, of Massachusetts, whose disregard of duty resulted in the release of a confessed criminal and murderer of a former citizen of my district.

Voted for the creation of the Home Owners' Loan Corporation with relief for distressed home owners.

Voted for the expansion of currency amendment known as the "Thomas Act" of the agricultural relief measure.

Voted for the cost of production for agricultural products amendment, which passed the Senate but was defeated in the House.

Voted for an investigation into the motion-picture industry in the interests of clean, decent pictures.

Voted for the Public Works and Industrial Recovery Act providing for employment through Government building and the N.R.A.

Voted for the act to insure uniform value for the coins and currencies of the United States.

In the same special session I voted against and opposed the following measures:

Voted against the so-called "economy bill", which repealed all veterans' legislation subsequent to the Civil War and which was steam-rollered through the House without a copy of the bill for any Member to read before the vote was taken.

Voted against press censorship bill, which was repudiated by the administration a few minutes after it had passed the House and was pigeonholed in the Senate.

Voted against the first bill introduced in the House prohibiting exportation of arms to warring countries because bill as written permitted the United States to designate aggressor nations, thus involving us in foreign disputes. Amended measure providing for ban on exportation of arms to any and all warring countries voted for by me.

Voted against bill to give State of New York prior claim to power generated on St. Lawrence waterway project.

Voted against releasing claims of the United States Government against the Teapot Dome oil thieves.

Voted against amendment to House rules which would compel Membership to vote for omnibus bills containing different kinds of legislation rather than vote separately upon each individual item of legislation.

Voted against bill to permit Reconstruction Finance Corporation to buy stock and securities of casualty and indemnity insurance companies in financial difficulties.

Voted against amendment to Federal Highway Act reapportioning road funds on basis of population instead of area of States and mileage of roads. Passage of this amendment would have cut Wisconsin's apportionment of road funds \$2,000,000, but amendment was defeated in the Senate.

Voted against sales-tax amendment to public works bill providing for 2½-percent tax on all products purchased by

Voted against repeal of home rule for Territory of Hawaii. Voted against all gag rules brought before House in this session, the effect of which, when passed by a Membership, was to prevent any amendments to legislation and restrict debate.

During the regular session of the Seventy-third Congress, which convened January 3, 1934, my voting record was as follows:

#### 1934 REGULAR SESSION

Voted for the act to devaluate gold to protect the currency system of the United States.

Voted for additional appropriations for Federal relief and continuance of the civil-works program.

Voted for the Revenue Act of 1934, which revised the income-tax laws in many features.

Offered amendment to Liquor Tax Act to reduce beer tax from \$5 to \$3 per barrel.

Voted for the bill to authorize the Postmaster General to let new contracts for carrying mails by air by private com-

Voted for the motion to discharge the Ways and Means Committee from further consideration of the bill to provide for immediate payment of the veterans' adjusted-service certificates.

Voted for the bill to pay the veterans' adjusted-service certificates.

Voted to accept Senate amendment to independent offices bill restoring Spanish War and disabled World War veterans' benefits.

Voted for the Dies silver bill, which provided for sale of surplus American agricultural products to foreign buyers for silver and the issuance of silver certificates.

Voted to pass the Independent Offices Appropriation Act of 1935 over the veto of the President.

Voted for the amendment to the Tariff Act of 1930 providing for the making of reciprocal tariff agreements by the President.

Offered amendment to tariff act to protect Americans from flood of foreign-made goods made in foreign branch factories of American companies.

Voted for the bill to guarantee by the Government the bonds of the Home Owners' Loan Corporation.

Voted for bill to provide for payment of flood-control work in Mississippi Valley.

Voted for acceptance by House of conference report on Revenue Act of 1934.

Offered preferential motion to adopt Senate amendment providing for 10-percent emergency recovery tax on large incomes.

Voted for the National Securities Exchange Act, commonly known as the "stock-exchange regulation bill."

Voted for bill to increase employment by providing funds for emergency construction of public highways and related projects.

Voted for bill to authorize Secretary of Treasury to purchase silver and issue silver certificates.

Voted in favor of amendment to Agricultural Adjustment Act exempting hogs from processing-tax requirements, with limitation of 2,000 pounds.

Voted for Indian self-government bill.

Voted for investigation of tin monopoly and control of prices by special congressional committee.

Voted for bill authorizing the deportation of habitual criminals and to guard against the separation from their families of aliens of noncriminal classes.

Voted for investigation of petroleum industry.

Voted for extension of insurance on bank deposits.

Voted for the Vocational Education Act.

Voted for bill to prevent interference of Federal courts with State courts and utility regulatory commissions and matters affecting rate cases entirely within the States.

Voted for the guaranty of farm-loan bonds.

Voted for the Norris resolution to prevent public officeholders from using their positions to control elections and nominations.

Signed petition to bring out McLeod bill for relief of depositors in closed banks.

Voted for depositor's relief amendment to Banking Act.
Voted for investigation into frauds in real-estate bonds,
having sponsored resolution for such investigation in March
1933

Voted for the National Housing Act.

Voted for embargo on the sale and shipment of arms and munitions of war in the South American Chaco conflict.

Voted for Johnson bill forbidding leans to foreign nations in default on their war debts.

Voted for United States participation in the World's Fair. Voted for the Railway Workers' Retirement Pension Act.

Voted for the Railway Workers' Retirement Pension Act.

Voted for amendments to Railway Labor Act providing
for prompt disposition of disputes between carriers and their

Voted for Wagner labor disputes law as revised and approved by the administration.

Voted for a bill to amend the bankruptcy laws to enable farmers and distressed farm home owners to receive relief under the law for their mortgage indebtedness.

Voted for the bill to provide compensation for widows and children of veterans who died as a result of disabilities incurred in active service in the World War.

Voted for the bill establishing a Federal system of credit unions providing for small loans to wage earners.

During the regular session I voted against and opposed all gag rules preventing amendments to any appropriation and other bills by Members of Congress during the regular session of the Seventy-third Congress.

Voted against appropriation bill to provide for the establishment of a Federal furniture factory.

Voted against any further extension of authority for the United State to accept securities from Federal Reserve banks for the issuance of currency by the banks.

Voted against bill to give authority to Interior Department for control of all grazing lands.

Voted against establishment of foreign-trade zones in United States ports to enable foreign-made goods to be landed in our ports duty free until sold to American consumers

Voted against census bill providing for an expenditure of \$8,000,000 from relief funds for taking census of unemployed in November 1934.

Voted against bill appropriating \$23,000,000 as a gift to the Philippine Islands for difference in ratio of value between Philippine currency and American currency since Gold Devaluation Act was passed.

Voted against further extension of the Inland Waterways Corporation powers and authority for operation on Columbia and Snake Rivers.

Voted against resolution providing United States entry into the international labor organization of the League of Nations at Geneva.

## LEGISLATION INTRODUCED

During my service in the two sessions of Congress I introduced the following legislation: House Joint Resolution 155, the purpose of which, as described in the resolution, provides that the Congress cannot conscript persons for military service without at the same time conscripting wealth and industry for service during the war period without payment or profit.

House Joint Resolution 161, providing for a 50-percent emergency tax, to carry on the recovery program, on the profits of American manufacturers made in plants operated in foreign countries.

I sponsored and introduced the legislation known as "House Joint Resolution 257", providing for a new method of handling the Indian affairs, and, as a member of the Committee on Indian Affairs, was successful in obtaining the passage of this resolution. This measure is now a law signed by the President.

As a member of the Committee on Patents, I introduced H.R. 5093 to provide that owners of patents without the funds to protect themselves from infringement upon their patent rights should be defended in their rights by the United States Government which issued them the patent.

House Joint Resolution 175, introduced May 5, 1933, has for its purpose the imposition of a tax on securities now tax exempt and to prevent further expansion of the great evil of issuing tax-exempt securities, which deprives our Government of needed revenue in times of emergency.

March 30, 1933, I introduced House Joint Resolution 137, providing for the creation of a committee to investigate the frauds in the sale of real-estate bonds and the operation of properties upon which these bonds were issued. This measure was reported to the Committee on Rules, where a number of hearings were held, and during the regular session I followed up this legislation by the introduction of a revised measure, House Concurrent Resolution 31. As a result of my fight of more than a year and a half for a thorough congressional investigation into probably one of the greatest financial frauds ever perpetrated on the American people, the Committee on Rules brought out a revised committee resolution embodying many of the points brought to public attention by my two previous resolutions, and upon the passage of the resolution by the House I had the honor of being appointed a member of the special committee by the Speaker of the House.

During the debates on legislation in both sessions of Congress in which I participated, I call attention to statements and speeches as appearing in the Congressional Record. As an advocate of the legalization of beer and the repeal of the eighteenth amendment, I spoke in favor of the measure legalizing the return of beer. (Congressional Record, Tuesday, Mar, 1933, p. 402.)

I voted against all endeavors to fasten upon the Membership of the House a gag rule and also against proposals to repeal the discharge rule which, as it now stands, permits 145 members of the House, upon the signing of a petition, to prevent a committee from pigeonholing legislation and brings the measure to the floor for debate and decision by the entire Membership of the House.

As an advocate of a uniform national system of old-age pensions, I was the first Representative to make an appeal over a national broadcasting system for support of this legislation by the American people. (Congressional Record, Friday, Jan. 5, 1934, p. 138.)

Other statements I have made as a Member of the Seventy-third Congress on legislation of interest and importance, which indicate my attitude on legislation, are summarized in the following extracts appearing in the Congressional Record.

## LEGALIZING BEER-H.R. 3341

Mr. O'MALLEY. Mr. Speaker, I am more than happy to be able to stand upon the floor of this House today to favor the passage of the beer measure which is now before us. For more than 6 years I have campaigned in my district for the legalization of good beer as a measure which would not only restore the morality of the people of my own State but of the United States, and as a measure which would hasten the return of prosperity and employment in these United States. The record of my humble political activity, should any Member of this House desire to inspect it, will show that in the campaign of 1928 I was the only candidate for Congress in the State of Wisconsin on any party ticket who favored the outright repeal of the eighteenth amendment. Again in 1930, when I was again a candidate for Congress in the fifth district of Wisconsin, I likewise followed this consistent course of campaigning upon the single platform of a return to sanity through the repeal of the eighteenth amendment and the abolition of the infamous and fanatical Volstead law.

when I was again a candidate for Congress in the fifth district of Wisconsin, I likewise followed this consistent course of campaigning upon the single platform of a return to sanity through the repeal of the eighteenth amendment and the abolition of the infamous and fanatical Volstead law.

This is the first step toward the destruction of the reign of terror fastened upon the American people by the prohibition law. The passage of this measure is the first step in this speedily moving drama of the restoration of personal liberty. It is likewise the first official act of this extraordinary session of Congress toward the relief of unemployment and the relief of agriculture. Never before was a great industry upon which so many people depended, from farmers to laborers, wiped out with such ruthless and hasty action as brought about the ill-fated and unfortunate passage of the eighteenth amendment over the Presidential veto of that great Democrat Woodrow Wilson

of that great Democrat, Woodrow Wilson.

I feel that I can speak for a younger generation today upon this important measure, a generation that with a knowledge of the mistakes of its elders is ready and determined to wipe out the evils which the iniquitous and fanatical prohibition enactment has fastened upon us. The people of the United States and of my district are anxiously watching this Congress in the hope of an era of prosperity. I am happy, indeed, to be able to support this measure introduced here today. To date this House, in a hectic extraordinary session of the Seventy-third Congress, has adopted two measures, neither of which, to my mind, bear any relation to their greatest problem of all—that of unemployment. This measure you are asked to pass upon today will relieve unemployment, relieve it in my district and throughout the State and the Nation in a satisfactory and truly American way, of restoration of liberty to a liberty-loving people (Congressional Record, Mar. 14, 1933, p. 402).

AMENDMENT PREVENTING FURTHER ISSUANCE OF TAX-EXEMPT SECURITIES

Mr. O'Malley. Mr. Chairman, a parliamentary inquiry. The Chairman. The gentleman will state it. Mr. O'Malley. Do I understand this is an amendment to that section?

The Chairman. That is correct.

Mr. O'Malley. I desire to submit an amendment to the amendment offered by the gentleman from Alabama.

Mr. Cochran of Missouri. Mr. Chairman, I make the point of order that the unanimous-consent request was solely for the purpose of striking out this language, and that was agreed to by the House.

The CHAIRMAN. The unanimous-consent request was to return to section 4 for the purpose of considering an amendment on page 5, as indicated, and therefore the gentleman from Wisconsin [Mr. O'MALLEY] is recognized and the amendment will be reported by the Clerk

the Clerk.

The Clerk read as follows:

"Amendment by Mr. O'MALLEY: Page 5, line 3, after the word

'thereof', strike out 'and shall be exempt, both as to principal
and interest, from all taxation (except surtaxes, estate inheritance,
and gift taxes) now or hereafter imposed by the United States or
any District Territory, dependency, or possession thereof, or by

and gift taxes) now or hereafter imposed by the United States or any District, Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority."

Mr. Steacall. Mr. Chairman, I make a point of order.

The Chairman. The gentleman will state it.

Mr. Steacall. The point of order is that the amendment which has just been read does not relate to the amendment offered under the unanimous-consent agreement.

The Chairman Does the gentleman from Wisconsin desire to be

The CHAIRMAN, Does the gentleman from Wisconsin desire to be heard upon the point of order?

Mr. O'MALLEY. I do.

Mr. Goss. Mr. Chairman, I make the further point of order that the House in Committee of the Whole has already passed upon a similar amendment

Mr. O'CONNOR. Mr. Chairman, I desire to be heard on the point

The CHAIRMAN. The Chair will first hear the gentleman from Wisconsin on the point of order made by the gentleman from

Mr. O'MALLEY. Mr. Chairman, the amendment proposed by the distinguished chairman of the committee, the gentleman from Alabama, seeks to strike out the words that would make these bonds instrumentalities of the United States or allow them to be construed as being instrumentalities of the United States.

My amendment to the amendment of the gentleman from Alabama is to strike out the further part of the section which makes

these bonds exempt from taxation.

I am entirely opposed to any more tax-exempt bonds of the United States being released upon the public by Congress; and I believe that if we are to decide here that these are not to be instrumentalities of the United States, we likewise remove all reason why these bonds should be exempt from taxation.

I believe upon this basis my amendment is entirely germane and that it should and can be a part of the amendment of the gentleman from Alabama. (Congressional Record, Apr. 28, 1933,

## ST. LAWRENCE WATERWAY PROJECT

Mr. O'MALLEY. Mr. Speaker, I object particularly to bringing this resolution in at this time, because it seeks to determine the rights of the State of New York in the benefits of the St. Lawrence waterway in tovance of the ratification of the treaty.

If we adopt the rule, we are prevented from amending this resolution to determine and protect the rights of other States affected by the Great Lakes-St. Lawrence waterway. [Applause.]

My particular State is just as much interested in the St. Law-ence waterway as the State of New York, and it has just as

rence waterway as the State of New York, and it has just as much justification to have its rights determined in advance of the ratification of the treaty as the State of New York has.

This is no time for the consideration of this resolution.

If the House passes it, notice is served on the Senate that the House is in favor of the Great Lakes-St. Lawrence Waterway Treaty. If we defeat it, the action likewise serves notice on the other body that we do not particularly favor the St. Lawrence Waterway Treaty and the ratification of that treaty.

I believe this rule should be defeated, because this resolution.

I believe this rule should be defeated, because this resolution has no place at this time in this legislative body.

Mr. Weideman. Mr. Speaker, will the gentleman yield for a question?

Mr. O'Malley. I yield.
Mr. Weideman. This rule could be brought up for consideration just as well after the ratification of the treaty as now.

Mr. O'MALLEY. Absolutely.

Mr. O'MALLEY. Absolutely.

Mr. Weideman. Did the gentleman ever hear of a law being passed to determine the rights of people before the law which gives them the rights is even passed?

Mr. O'MALLEY. Never before. (Congressional Record, Apr. 25,

Mr. O'Malley. Mr. Chairman, will the gentleman yield?
Mr. O'Malley. Mr. Chairman, will the gentleman yield?
Mr. SNELL. I yield.
Mr. O'Malley. One reason the people of Chicago are against this waterway is because they have not taken some of the money they have otherwise wasted to build sewage-disposal plants similar to those that have been built in my city of Milwaukee, and they note that have been built in my city of Milwaukee, and they are trying to wash their sewage down the Mississippi with Lake Michigan water. (Congressional Record, Jan. 17, 1934, p. 829.)

#### PROPOSAL TO REPEAL HOUSE DISCHARGE RULE

This measure, gentlemen, is not aimed at the Republican Party; it is aimed at the Democrats. It is not designed to choke off Republican legislation because it is a laughable proposition to go before the press and the American people and say we are more afraid of fewer Republicans today than we were of the larger group of them less than a year ago, when we supported and approved the present liberal rule.

This very measure camouflaged under the guise of stifling a Republican minority, is in reality intended to stifle a Democratic majority who have come down here to enact liberal legislation and not make a racket out of holding a seat in Congress by doing only enough to give them an excuse and an issue for a reelection campaign. There are some of us here who are anxious to see this House of Representatives carry out the pledges made to the American people as quickly as possible regardless of the set opinions of any chairman of any committee in the House. And unless we forget, pemit me to point out that the change in the Membership of this House, by the election of 169 new Members, was not alone a question of party. The people of the United States were sick and tired of the antics of Congress, and the election in a good many districts was tn election decided upon a basis of the

against the outs.

Let me interject here that the contention that unless we change this rule we place the fate and the future of our President and his measures in danger through the actions and opposition of a this rule we place the fate and the future of our President and his measures in danger through the actions and opposition of a small Republican minority is stretching the facts. For, if this contention is true, we likewise place the President, by a change to a stricter rule, in the dangerous position of being entirely at the mercy of these committees as they are now constituted in the House. With the rule raised to a total of 218 or more members, as is now proposed, every committee in this House is in a position to say to the President, "Unless we approve the provisions of the measures you advocate, or unless you make us these concessions, you, Mr. President, have not a chance of getting your measures to the floor of the House from the Democratic side or any other side." In arguments in favor of this proposed change the remark has been made that it is a matter of practical politics. I have studied this proposal to incorporate the gag rule more definitely in the House rules than heretofore, from a political standpoint, and I should like to point out a few of the political aspects for the benefit of those Members who are not completely familiar with the set-up of this Seventy-third Congress. First of all, I have noticed that a delegation from one financially and industrially powerful eastern State seems to be unanimous in supporting this proposed change which would prevent a committee from heavy discovery when porting this proposed change which would prevent a committee from being discharged when it refused to act upon a measure of interest to the great majority of the Membership of this House. It is interesting to note that this particular eastern State is represented with a chairmanship on seven important committees in the present Congress. Most of the Members of the House know that the chairman of a committee is usually the deciding authority on whether or not any legislation shall be reported out of the committee for hearing and decision by the Membership of the House as a whole.

Practical politics would lead me to wonder if a minority block of votes in the Democratic Party in the present Congress was not seeking a means by which a few eastern financial and industrial centers would be in a better position to make their power felt in decisions affecting not only the people of the United States but the peoples of the great Middle, North, and Southwest sections when this eastern block of votes in the House were in a position to throw their weight from one side to another under the stricter rules. It is practical politics to suspect that a block of 30 or 40 to throw their weight from one side to another under the stricter rules. It is practical politics to suspect that a block of 30 or 40 votes in the Democratic House, well organized and controlled, would be far more effective under the 218 rule than they would be under the present 145 rule. That is the practical politics side of this proposed change, and it perhaps would not have occurred to me had not some of the eastern delegations in the Democratic Party in this House taken such an active and positive stand in favoring the application of a stricter rule against the entire Membership of the present Congress. It is practical politics from the lavoring the application of a stricter rule against the entire Membership of the present Congress. It is practical politics from the side of an organized minority in the Democratic Party to wish their position strengthened in their ability to affect Democratic policies through a change of this rule, but it is most impractical for any Democratic Member not alined with a definite organized minority within the Democratic ranks to support such a change which will in the future, I am sure, react most unfavorably toward the liberal legislation, which the majority of Democratic have come the liberal legislation which the majority of Democrats have come here to endeavor to enact.

here to endeavor to enact.

Now, we come to the argument that is being advanced to a good many new Members that perhaps the President wants this rule changed. Perhaps he wants the Democrats to become reactionaries now that they are in power? Perhaps he wants the Democrats to play machine politics; to bring machine or boss politics on the floor of the House and choke off liberal thought, not only in our party but in the House as a whole? I do not believe that is true, and the reason for my disbelief is my knowledge of Mr. Roosevelt's political career, which is a guaranty that he would never sponsor such a boss measure. How would our President vote on this issue of departing from a liberal rule when

President vote on this issue of departing from a liberal rule, when his own mother says of him in his early career, and I quote:

"Franklin was one of the opposing senators who refused to stop thinking and do as he was told. On the contrary, he set quietly to work organizing an upstate opposition movement. Franklin, who had been elected on an antibecism pletform, was determined. who had been elected on an antibossism platform, was determined to carry out his pledge to his constituents, even though it meant an open break with the bosses of his own party; and, further, he

had run on a self-imposed platform which promised that he would try to represent the voters insofar as they made their desire known to him through their votes."

Now let me point out that the very President in whose name some are endeavoring to convince us that we should change this liberal rule under the pretense of blocking a Republican minority refused to let even a lower court reversal stand in his way to fight for what was right. When the Democratic Party departs from this liberal rule, fostered and promoted by them for years, they are departing not only from the liberals of the United States and divorcing themselves from a principle for which the Democratic Party has always stood but they are straying from the path of our own President's personal political philosophy. The people are not going to be fooled by the hokum that a vast majority of Democrats are afraid of the political tricks of a ridiculously small minority of Republicans. When a Member votes for a departure from this liberal rule he votes to pass the buck to a committee in order that he can go back to his constituents and say, "I could not carry out my pledges to you because the committees were against me." The citizens of every district represented here in the House expect their Congressmen to fight just as hard as they can to promote the interests of their districts and the carrying out of pledges made in the campaign. And the last election should be a warning that the people will not tolerate a buck passer, regardless of whether he is a Democrat or Republican.

passer, regardless of whether he is a Democrat or Republican.

Now, ladies and gentlemen of the House, the motto of the great

State from which I come is expressed in one word. It is "Forward." I want to go forward with the Democratic Party in
this Congress. I want to go forward without sacrificing my
right to support and fight for the interests of my constituents by
every possible and legitimate means. If this unfortunate attempt
is to saddle upon the Democratic majority and the President. is to saddle upon the Democratic majority and the President of the United States a dictatorship of committees in this House through a change in the rules, I must vote against the proposed change. (Congressional Record, Apr. 17, 1933, p. 1856.)

#### MOTION-PICTURE MONOPOLY PROBE (H.RES. 95)

Mr. O'MALLEY. Mr. Speaker, the investigation proposed by this resolution should have the support of the Members of this House. This resolution proposes the creation of a congressional committee to investigate numerous charges, many of them contained in the resolution itself, so that Congress may recommend legislation to effectively protect the American people, the governments of the several States, and the independent producers, distributors, and exhibitors of motion pictures from the unfair and restraining influences of an established monopoly in this important American industry.

industry.

There is no other business in America that so directly affects

the motion-picture business. Likewise the American public as the motion-picture business. Likewise there is no other business that has for so long brazenly disregarded fair regulation, fiaunted public decency, and which has been so successfully monopolized by a small group of producers who have thwarted every effort of State and National Legislatures to expose their insidious activities and enact legislation to control them.

them.

For more than a decade scores of responsible people in every walk of life from the educational field to the pulpit, and from the ranks of labor, and even in the industry itself, have charged that the business of producing and exhibiting motion pictures is being carried on by various corporations in direct violation of the antitrust laws. In addition, they have charged that indecent pictures, unfit for public display, are weekly being forced upon a defenseless public, even over the protest of exhibitors themselves. The rankest kind of frauds have been perpetrated on a large section of the investing public, due to the manipulations of certain picture-producing and theater-operating companies. This wellorganized monopoly of producers, through unfair devices, such as uniform sales contracts, compulsory arbitration, blacklisting of independent theaters, block booking, unreasonable zoning regulations, secret deals with censorship boards, and even the regulation of admission prices at theaters has promoted and established itself to a point of absolute control of the motion-picture business. State governments have been rendered helpless in their en-

itself to a point of absolute control of the motion-picture business. State governments have been rendered helpless in their endeavors to remedy this situation by legislation because of repeated rulings of United States courts that the States have no jurisdiction. In the case of Paramount-Publix Corporation against the Wisconsin Department of Agriculture and Markets the department of my State charged and was ready to prove the allegations which are contained in the court records of the United States District Court, Western District of Wisconsin, filed on December 20, 1832.

20, 1932

The net result of the case from which I have quoted some of the record shows that the United States court rendered a decree for an interlocutory injunction on April 14, 1933, thereby preventfor an interlocutory injunction on April 14, 1933, thereby preventing the sovereign State of Wisconsin to proceed against Paramount-Publix Corporation in the injunctional proceedings to stop their violations of Wisconsin statutes, section 99.14, known as the "fair trade" law of my State. So when I say that the States are helpless to act against this monopoly to protect their citizens against unfair trade practices I speak from the record of the inability of our established State departments to act to prevent the monopolisation of the median printure industry in prevents. ability of our established state departments to act to prevent the monopolization of the motion-picture industry in not only my own State but in every other State of the Union. The investigation proposed by the gentleman from New York is absolutely necessary in order that this Congress may proceed to recommend legislation to effectively smash this monopoly and protect the States against the actions of these certain producers.

In conclusion, I want to say that when any organization, through its lobbyists, through its secret propaganda, and through its publications and press releases, boldly asserts that it can get any picture past any board of censorship it wants to; that when its representatives go so far as to tamper with and fix news reels to influence public and political opinion; that when, under cover of a copyright law enacted by this Congress, it extracts penalties and payments from defenseless small theater owners; and when, by intimidations of employees and its influence and friendships among members of public bodies, it dares to openly boast in the press of the Nation that it can continue to bunco and hoodwink the public and the lawmakers and still successfully choke off any investigation proposed, it has made a direct challenge to the integrity and courage of every Member of this House of Representatives.

The motion-picture lobby and the powerful influences back of The motion-picture lobby and the powerful influences back of them protecting certain big companies in the violation of antitrust laws and their violation of the American public code of decency have issued a direct challenge to this House. They have attempted and are attempting to prevent and forestall this investigation; to heap ridicule upon its proponents; to inject everything but reason into their arguments, which certainly proves that if they were clean and able to face public opinion they would not now be seeking by every means, fair and foul, to defeat this resolution. If we have the courage to justify our place in this body at all, we will answer the challenge thrown down to us that says that the "movie monopoly is bigger and more powerful than the House of Representatives" and support this resolution as our answer to the challenge (Congressional Record, May 12, 1933, p. 3366). p. 3366).

#### BILL TO REPEAL HAWAIIAN HOME BULE

Mr. O'Malley. Mr. Speaker, I wish to call attention of the Members of the House to the fact that we are proposing here to undermine and destroy a principle which the Democratic Party, in my opinion, has always supported; that is, the principle of home rule. The law as it now affects the Territory of Hawaii provides that the Governor shall be a resident of the islands for at least 3 years next preceding his appointment. This measure brought in here by the committee proposes to so amend the law that the Governor need not be a citizen of the islands, and consequently need know nothing about the problems of the people of the islands for whom he is to administer the laws and regulate many of their living conditions. In the short time allotted me on the floor of this House to register my opposition to this proposal I pointed out that the Democrats have always favored home rule, and that particularly in the South for more than two generations the Democratic Party has opposed carpetbag government in all its insidious cratic Party has opposed carpetbag government in all its insidious

circularly in the South for more than two generations the Democratic Party has opposed carpetbag government in all its insidious forms.

Now, with this measure we would deny to the citizens of the Territory of Hawaii the decent, fair, and truly democratic principle of having a Governor to administer their laws who is a citizen of their own Territory. I think this House should stand by its colleagues, should uphold the wishes of the Hawaiian people and their legislature, who have protested against this change in the organic law, and vote down this measure which proposes to deprive the Hawaiians of the same measure of State rights, if I might so compare it, as the sovereign States of the United States have enjoyed since the drafting of the Constitution. It is a surprising anomaly to me that the Democrats and the Democratic Party, the living, vital proponents of State rights, should, through this measure, wish to deny to the Territory of Hawaii that great human right and great principle which they have so zealously and insistently approved and supported throughout the history of our great Democratic Party. It is a surprising, disconcerting, and somewhat disheartening thing that a true Democrat and believer in the right of home rule and local self-government should be forced in this House, in an endeavor to save that small measure of justice to which I feel the people of Hawaii are entitled, to turn to the opposite side of the House for support. Now, I do not know the Hawaiians' problems. I have never been there. I do not know that their differences may be, but I do feel that just as we settle our local differences in our 48 sovereign States of the Union through elections and through the will of the people, that the people of Hawaii should be let alone to settle their own differences in the same manner.

As a good American, and as a Democrat who is a Democrat because he believes in the principles of Jefferson and the Constitution, I should hesitate to say that I, as a Member of the House of Representatives, would c

and defeat a principle of government for which the Democratic Party has always stood—home rule—and impose upon the citizens of this Territory of ours by the sheer weight of our numbers a change in the law which might or might not work ill to the rights of every individual citizen of Hawaii.

Carpetbag government in any form is obnoxious to a free people. No good Democrat can defend it under any guise; and if the principles for which the Democratic Party has stood for generations are worth anything at all, the Democratic side of this House should refuse by its vote to take away from the citizens of Hawaii that justly cherished right of having a Governor for their Territory who is a citizen of their Territory and who is familiar with and in sympathy with their problems.

This is almost another proposition of "taxation without repre-This is almost another proposition of "taxation without representation", a principle over which this country fought to gain its freedom from a foreign power; it is another proposition from which the people from whom I am descended have fought and bled for nearly 700 years. It is a proposition antagonistic in principle to everything a real Democrat has believed in and supported, and it rises above the mere question of patronage and the rewards of political victory, because it involves a change in a fundamental concept in which the kind of Democrats I have known have always believed. I trust that the Democratic side of this House will not countenance this proposition because a principle is no longer not countenance this proposition, because a principle is no longer a principle if we make an exception to it, and the principle of home rule and local self-government is a Democratic principle that we Democrats should have courage enough to support, regardless of minor considerations or momentary advantages of any kind. (Congressional Record, June 6, 1933, p. 5233.)

AMENDMENT TO REDUCE BEER TAX

Mr. O'MALLEY. Mr. Chairman, I offer an amendment.
The Clerk read as follows:
"Amendment offered by Mr. O'MALLEY: Page 5, line 24, after the ord 'of', strike out '\$5' and insert in lieu thereof '\$3.'"
Mr. O'MALLEY. Mr. Chairman. word

Mr. Doughton. Mr. Chairman, all debate on this section has been closed.

Mr. O'Malley. Then, Mr. Chairman, I ask unanimous consent

to proceed for 5 minutes.

The CHARMAN. Is there objection to the request of the gentle-man from Wiscensin?

There was no objection.

Mr. O'Malley. Mr. Chairman, I offer this amendment for a \$3 tax upon beer in the hope of reaching a compromise on this question

If I were a dry, the best thing I would want to do as a matter of strategy would be to try to load onto wine and beer a tax that is so high that its consumption would be reduced and at the same time hold whisky or hard liquor at a point where it could come to the consumer at as low a price as possible. That would

come to the consumer at as low a price as possible. That would be good dry strategy.

I supported repeal in the hope that we would try to discourage the increased consumption of hard liquor. I find on the Republican side that there is a gentleman who argues for a lower tax in the hope we may increase the consumption of whisky. If I had known or expected that repeal was to bring about an increased consumption of whisky, I might not have voted as I did. I think the workingman's drink—beer—that does not intoxicate anybody and which this Congress said was not intoxicating, should not be loaded with 400 percent more tax than we are loading on whisky today.

and which this congress said was not interacting, loaded with 400 percent more tax than we are loading on whisky today.

I think we ought to be fair in this matter and the tax which we are raising should be equal in proportion on all of the beverages that come to us after repeal.

We have increased the tax on whisky about 30 percent. We reduced it on champagne, the rich man's drink, the millionaire's drink. Someone told me that it was an invalid's drink. I have seen some men become invalids only after they drank it. We are worried about American champagne. Let me say to you that beer employs more people per gallon than champagne ever did. It helps the farmer more. I particularly enjoyed the advice of the gentleman from Illinois to the new Members that we ought to appreciate his tears for the champagne drinkers. I think the Government can divest this matter of a beer tax entirely from the revenue and Budget features. If we place a tax of \$3 on beer we will get just as much revenue as we will out of a \$5 tax. When the breweries of my State started into operation they began with a shift of workers 24 hours each iday. Today, because of the high price of beer, they are down to the point where they are laying men off and operating only 7 or 8 hours a day. hours a day.

point where they are laying men off and operating only 7 or 8 hours a day.

Mr. O'Connor. Will the gentleman yield?

Mr. O'Connor. Does the gentleman really believe that his breweries will charge less for a barrel of beer with a \$3 tax than they are charging now with a \$5 tax? If I believed that were so I would be with him, but I know it is not so.

Mr. O'Malley. I do not know whether they would or not, but we have the N.R.A. and the Consumers' Council and we have the Federal Trade Commission to bring the prices down if they are overcharging the consumer. We ought to take the excuse away from them that they must charge this price because the Federal Government is getting \$5, the State government \$1, and the other taxes bring it up to nearly \$10.

Mr. Cooper of Tennessee. Will the gentleman yield?

Mr. O'Malley. Yes.

Mr. Cooper of Tenessee. The evidence before the committee shows that in the gentleman's city, Milwaukee, I believe, beer is selling to the consumer, the large-sized glasses, at 5 cents.

Mr. O'Malley. That is probably where some poor fellow was trying to get a little business in order to keep himself in operation, or some tavern keeper is trying to outdo the other man who operates at a loss across the street from him. But there is not a man in my city that can sell beer at 5 cents a glass and keep out of the hands of a receiver for a year at present prices.

Mr. Healey. Will the gentleman yield?

Mr. HEALEY. Will the gentleman yield?

Mr. O'MALLEY. Yes.
Mr. Healey. Is it not a fact that the ingredients used in the manufacture of beer have gone up 50 percent since last April?

Mr. O'Malley. Yes; and because of tax processing and other

Mr. O'CONNOR. What does the gentleman think it costs to make

a barrel of beer?

Mr. O'MALLEY. I do not know what it costs to make a barrel of beer, but I do know that small breweries are spending now, to

turn out a barrel of beer, about \$2.60.

Mr. O'Connon. If they are, they are paying at least \$1.40 more than is the usual rate. I understand it costs about 60 cents to turn out a barrel of beer.

Mr. O'Malley. Maybe those are breweries that do not chisel on the N.R.A. and the process tax and pay their employees a good

Mr. Knutson. Will the gentlemen from Wisconsin yield?
Mr. O'Malley. Yes. I yield to the gentlemen.
Mr. Knutson, I am in thorough sympathy with what the gentlemen says about the N.R.A. and about the process tax. The process tax has increased the price of flour \$1.35 a barrel to the consumer. It has increased the price of mill feed to the dairymen by 40 to 50 percent, and the price of butter is lower today than it ever has been at this time of the year.

Mr. O'Malley, I agree with the gentleman. I come from Wis-

consin, where we make lots of butter.

Mr. Knutson. Yes.

Mr. O'Malley. We can divest this question from the matter of raising revenue and if we vote for a \$3 tax we will be going on record in favor of a 5-cent glass of beer for the workers and real

temperance for the Nation.

The CHAIRMAN. The time of the gentleman has expired. The question is on the adoption of the amendment offered by the gen-

tleman from Wisconsin [Mr. O'MALLEY].

#### REFINANCING FARM MORTGAGES

Mr. O'MALLEY, Mr. Chairman, I move to strike out the last

Mr. Chairman, I do not represent a farming district, but I am in sympathy with many of the problems of the farmers in my State and in other States, because I know they affect my district, which

and in other States, because I know they affect my district, which is an industrial district.

I notice we have been concerned with the way the appraisal forces of the Federal Government are acting on appraisals. I have not yet seen anything done about the old Federal farm land bank acts. There are a great many people in my district, which is a city district, an industrial district, who have the savings of their lifetime invested in farm mortgages. There are a great number of widows, workers, teachers, and small investors of all kinds who were told for years they should put their money into farm mortgages, as it was the safest kind of investment. They have practically lost all of their savings as a result of present conditions. They believe it is right to reduce and scale down their mortgages to a fair basis of present-day land values, but their position is this: They are being asked by Federal Government to scale down their mortgages, and the Federal land bank refuses to scale down mortgages which it has carried for a number of years.

mortgages which it has carried for a number of years.

I received a letter yesterday which shows the situation of a great many farmers in my State and may account for some of the reasons why people who are holding farm mortgages are reluctant to scale down those mortgages and accept farm-loan bonds in return for those mortgages. I want to read a part of this letter which shows what has happened in my State as a result of the administration of some of the Federal farm-loan laws that we have

passed here.

passed here.

This is just one of the instances that have come to my attention from my own State, where the Federal Government, which is supposed to be administering these laws we passed for the relief of the farmer, is refusing to do exactly what they are asking the mortgage holders and small investors to do. We might at least be logical and not ask the investor in farm mortgages to do what the Government refuses to do.

Mr. Wilson. Mr. Chairman, will the gentleman yield?

Mr. O'MALLEY. I yield.

Mr. Wilson. Does not the gentleman think if we increased the amount that may be loaned by the farm commissioners it would relieve many of these situations?

Mr. O'MALLEY. I think it would relieve the situation if we could get the commissioners to scale down their mortgages just as they are asking the mortgages to do with their mortgages. The Government should set the example where relief to the farmer is concerned.

Mr. Wilson. If we increased the amount of the loans that may be made by the farm commissioners, would not that take care of

the situation?

Mr. O'Malley. It might be of help, if the gentleman says so. In my State they are making appraisals on an acreage basis and have my state they are making appraisals on an acreage basis and have used in many cases, as a guide, appraisals made in other States. Why, there are buildings on farms in my State that are insured for more than what 400 or 500 acres of land in other States is worth. I am, however, not familiar with appraisal work going on now, but I am familiar with the distress of the small investors in farm mortgages in the cities. (Congressional Record, Jan. 16, 1934, p. 750.)

# VINSON NAVAL BILL

Mr. O'MALLEY. Will the gentleman yield?
Mr. VINSON of Georgia. I yield to the gentleman from Wisconsin.
Mr. O'MALLEY. The substitute provides for one-half of the construction in private shipyards. Would the gentleman accept an amendment to his amendment that all ships should be built in

Government yards except those that the President decided could

not be built there within the proper time? And is not that one way to take the profit out of building up these ships and guns?

Mr. Connery. Yes; absolutely; and keep men working at a decent, living wage in the navy yards. (Congressional Record, Jan. 30, 1934, p. 1625.)

## LAKE MICHIGAN WATER DIVERSION

Mr. O'MALLEY. Mr. Speaker, reserving the right to object, I do not know whether the chairman of the committee that reported not know whether the chairman of the committee that reported this bill is here or not, but apparently this is an attempt to extend to the Inland Waterways Corporation an additional franchise to operate on the Snake River and Columbia River. Back where I come from we have had some experience with the Inland Waterways Corporation. It operates a few scows out of Chicago, because political influence has reversed the flow of the Chicago River, draining needed water from the Great Lakes. I think that we have given them a lot more than they are entitled to, including water. I am going to object to this bill, because it is an extension of a grant which should never have been given any public or private corporation.

Mr. Where. This has nothing to do with drainage.

Mr. White. This has nothing to do with drainage.

Mr. O'Malley. They will get around to doing some drainage in some way. In fact, although Lake Michigan water is really being pilfered to operate power plants, the excuse for the pilfering is that it is needed to make navigation possible.

Mr. White. This is just to supply the farmers who raise wheat out there a means for transporting their wheat to market, and I hope the gentleman will withdraw his objection.

Mr. O'Malley. I should like to accommodate the gentleman but

hope the gentieman will withdraw his objection.

Mr. O'MALLEY. I should like to accommodate the gentleman, but our experience with rivers used by the Waterways Corporation shows that they are the excuse to bring about drainage of the Lakes. I am impelled to believe that whenever they get the right to a franchise on a river they will manage to get enough water to navigate through trick legislation or on some other basis. A navigation plea is a good front for water thievery, any way it is used. (Congressional Record, Apr. 5, 1934, p. 6157.)

#### DR. WIRT INQUIRY

Mr. O'MALLEY. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. O'Malley. Mr. Speaker, I feel a good deal like the gentleman from Ohio [Mr. Cooper]. Every day and every minute of time that we devote to Dr. Wirt costs the American taxpayers a lot of that we devote to Dr. Wirt costs the American taxpayers a lot of money. My private impression was that this investigation should never have been held, because it was cheap partisan politics, and the only object it seems to have had is to make a comic opera campaign issue for Members on both sides of the House to discuss for hours and hours at great expense to the taxpayers. Every day this Congress runs costs the taxpayers a lot of money. Every minute we use, either in committee hearings or in session in the House, costs the taxpayers scores of dollars when the bill is finally rendered to them. Personally I have not taken up much time on the floor of this House for any partisan speeches, and from now on I am impelled to object to unanimous-consent requests to on the floor of this House for any partisan speeches, and from now on I am impelled to object to unanimous-consent requests to discuss Dr. Wirt, that nervous little fellow from Gary, Ind., who does not yet realize that when we had an election in 1932 we did have a revolution which the people were in favor of. That bloodless revolution against organized greed and exploitation is going on right now with the help of the Democratic administration, and it is returning this country to where it should have been if the Republican Party had given the people the same kind of a planned program for recovery that the Democratic administration has done. I do not think we ought to waste any more time on Dr. Wirt or any of his charges. He has disclosed by his statements that he has been doing the work of some people who have private profits and special interests at stake in this new deal, which they do not want to give up, even if their special privileges destroyed the welfare of millions of the common people. (Concressional Record, Apr. 11, 1934, p. 6437.)

Mr. McGugin. Mr. Speaker, I now ask unanimous consent to

Mr. McGugin. Mr. Speaker, I now ask unanimous consent to address the House for 5 minutes.

Mr. O'Malley. Mr. Speaker, reserving the right to object, last week I pointed out that between \$15,000 and \$20,000 of the people's money had been spent on Dr. Wirt as a result of the resolution, committee hearings, and the use of space in the Record and time of the House. I should like to inquire of the gentleman from Kansas whether he intends to continue this Wirt comic opera in the 5 minutes he requests and continue to waste comic opera in the 5 minutes he requests and continue to waste the taxpayers' time and money?

Mr. McGugin. I want the committee to get its program in such shape that the people will get their money's worth for the \$15,000 or \$20,000 that the gentleman says is being spent. I want to call

all of the witnesses

Mr. Schulte. Mr. Speaker, I object.

The Speaker. The Clerk will call the Consent Calendar.

The Clerk called the first bill on the Consent Calendar, H.R.
4870, a bill to extend the times for commencing and completing the construction of a bridge across Lake Sabine at or near Port Arthur, Tex.

Mr. McGugin. Mr. Speaker, I object. There is going to be no

Mr. O'MALLEY. Mr. Speaker, let the gentleman object all he wants, just so the Record shows it is he who is holding up the business of the House. (Congressional Record, Apr. 16, 1934, p. 6649.)

#### AMENDMENT TO RECIPROCAL TARIFF ACT

Mr. O'MALLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:
"Amendment offered by Mr. O'MALLEY: Page 3, between lines

22 and 23, insert the following new paragraph:

"'(c) No foreign-trade agreement concluded pursuant to this act shall contain any provision permitting directly or indirectly the shipment into the United States of any article manufactured or produced by a foreign subsidiary of a company organized under the laws of any State of the United States."

Mr. O'Malley, Mr. Chairman, and the Chairman and the Chairman

Mr. O'MALLEY. Mr. Chairman, on the previous section I offered an amendment. I did not get time to discuss it because of the haste which the committee seems to want on this bill. It provides that no foreign-trade agreement concluded pursuant to this act shall contain any provision permitting, directly or indirectly, the shipment into the United States of any article manufactured or produced by a foreign subsidiary of a company organized under or produced by a foreign subsidiary of a company organized under the laws of any State of the United States.

the laws of any State of the United States.

I am again offering that amendment to this section, in the hope the House will adopt it before passing the bill. Since 1929, \$5,000,000,000 of American money has gone across the ocean to build factories to compete with our factories. More than 2,000,000 men have been put out of work by the American manufacturers transferring their factories to other countries. I do not want to see a reciprocal trade agreement made by anybody, including the President of the United States, that will take care of the cheap labor of other countries and replace our men here at home and still allow these deserting American industrialists to bring in goods manufactured by them abroad to come into competition with our loyal industries that stay in this country despite difficult times. times

I think my amendment ought to be adopted. It will not harm the bill, but it will make it impossible for Great Britain or any other country to make conditions in reciprocal agreements that her employees in American factories and the products of the employees of those factories shall be included in the trade agreement with this country to the harm of our industries who have refused to be lured abroad. (CONGRESSIONAL RECORD, Mar. 29, 1934, pp. 5799, 5807.)

My purpose in offering this amendment to the Reciprocal Tariff Act is to specifically provide that no foreign nation, in negotiating a reciprocal trade agreement with the United States, shall be a reciprocal trade agreement with the United States, shall be allowed to permit these deserting American industrialists to import back into this country the goods manufactured by them in their foreign subsidiaries which will come into competition in our domestic market with the products of our loyal manufacturers who have stayed in this country despite the difficult times. I regret that the House by its vote has not seen fit to adopt my amendment, since it cannot harm this tariff bill in any way, but would make it clear and unmistakable that the American market belongs first to the American manufacturer with all his resources belongs first to the American manufacturer with all his resources and capital invested in this country insofar as we can help him to and capital invested in this country insofar as we can help him to get that market; and, secondly, my amendment closes a loophole against those profit-hungry deserters who have thought more of dividends upon their investments than of the welfare, employment, and economic happiness of our American citizens, who, through their purchases, made possible the growth of many of these great corporations now entrenched and producing their products abroad. (Congressional Record, Apr. 28, 1934, p. 5820.)

# EMERGENCY RECOVERY TAX

Mr. O'Malley. Mr. Speaker, I offer a preferential motion. I move to recede and concur in the Senate amendment no. 13. . . .

Mr. O'MALLEY. Mr. Speaker, I offered my preferential motion to recede and concur in the Senate amendment because I believe the American people cannot be fooled by political byplay on the tax question.

Congress has obligated the American people to pay millions This Congress has obligated the American people to pay millions and millions of dollars for the recovery program. Any man or woman in this country who objects to paying 10 percent additional on his or her income tax for a year of two when they are fortunate enough in these times to have an income on which to pay a tax is not patriotically in support of the recovery program. The political thing to do, of course, is to tell the voters back home in the coming campaign, "I spent all kinds of money for you; I gave you everything for which you asked, and then I refused to make sufficient provision for paying the bills."

It is the duty of the Congress to levy taxes in sufficient amount.

It is the duty of the Congress to levy taxes in sufficient amount to pay not only the ordinary and necessary expenses of government but also the extraordinary and emergency expenses such as the cost of the depression and our legislative attempts to overcome it. Likewise, it is the duty of the Congress to be fair with the American people and not put them in the position of contracting debts and then refusing to raise the money to pay them. I believe that and then refusing to raise the money to pay them. I believe that the people of this country want to pay for the things they get from government as they go along and not live beyond their means. Naturally, it is a nice thing to vote huge appropriations for C.W.A., P.W.A., A.A.A., and all other activities designed to give employment and take us out of the depression. It is a difficult thing in the foce of a comparison after 2 years of appropriations thing in the face of a campaign, after 2 years of appropriation making, to turn around and render the bill, but the bill must be rendered and no fair-minded person, in my opinion, objects to paying a small additional tax for the benefits the recovery program

has brought about so far.

Of course, the political thing to do is to vote for all appropriations and against all taxes, but that is not the practical, the

honest, the courageous, or the fair thing to do if the American people hope to be kept a solvent Nation and the Budget is to be balanced and stay balanced.

Mr. Truax. Will the gentleman yield?

Mr. O'MALLEY. I yield to the gentleman from Ohio for a question.

Mr. Truax. Does the gentleman realize that 95 percent of the people of this country pay no income tax? The gentleman from New York says that this is a plan to soak the rich. If so, 95 percent of the men on this side ought to vote for it and a good many on that side.

percent of the men on this side ought to vote for it and a good many on that side.

Mr. O'MALLEY. This question of soaking the rich is entirely aside from the question of taxing the people who have the income. If we do not tax the people who have money, who are we going to tax? Where are we to get the money? How are we going to pay our way as we go along? Are we going to adopt the honest policy of paying our way as we go, or are we going to continue to make political thunder cut of tax bills by authorizing all sorts of expenditures on one hand but on the other hand tell the citizens of this Nation that these expenditures do not have to be met by taxes?

taxes?

I cannot imagine anyone unwilling to contribute 10 percent additional on any income they are fortunate enough to be able to pay in the next 2 years in order to help the American people get back on their feet. I think every man in this Congress would be willing to do that part to help meet our national burden. If we want to go into a campaign and say that we prevented higher taxes, that would make a very nice campaign talk, but in the face of our huge expenditures we would be insincere and not accepting our constitutional duty to keep our country a solvent nation. I do not think we could go to the American people on that kind of an issue and get reelected, if it is reelection we are seeking by defeating this 10-percent emergency tax. If at any time this emergency tax provides too much revenue, the Congress meets again next January and it can be taken from the bill. If the revenues under the bill justify it, and the Director of the Budget so advises, this tax can be eliminated only 8 months or so from now. But in the meantime, with this emergency tax provision, so advises, this tax can be eliminated only 8 months or so from now. But in the meantime, with this emergency tax provision, we are playing fair with the people and providing some of the means to pay our way as we go along and pay the interest on these billions of dollars of bonds that have been issued to bring about recovery and employment. I do not believe there is anyone in this country who is not willing to pay 10 percent added income tax when they have a job and an income sufficient to pay taxes on at all. If anyone is unwilling to do that much to continue our remarkable progress toward the day when every man is employed, then we are indeed a nation of selfish individuals.

If a man is fortunate enough, with 10,000,000 unemployed still

then we are indeed a nation of selfish individuals.

If a man is fortunate enough, with 10,000,000 unemployed still walking the streets of this country, to have an income sufficiently large to pay \$25 taxes to the Government under the ordinary rates of this bill, I cannot conceive of his objection to paying \$2.50 additional for a year or two to help continue a program that will mean the eventual employment of these still jobless 10,000,000 of our fellow Americans. Of course, 10 percent additional tax on a man who pays a tax of a million dollars is \$100,000 more than he will pay if this amendment is defeated; but \$100,000 additional taxes, if distributed in C.W.A. or P.W.A. work, would employ 100 heads of dependent families for 1 year at \$1,000.

We have a better bill now than when it left the House. As it originally came before us under the gag rule, it lowered taxes on incomes in which our own salaries are involved. This emergency tax would, of course, nullify in part that reduction.

Mr. BOYLAN. Does the gentleman think it is correct to write a revenue bill on the floor?

Mr. O'Malley. That is where it should be written—on the floor; the intext and purpose of the Constitution giving the

revenue bill on the floor?

Mr. O'MALLEY. That is where it should be written—on the floor—if the intent and purpose of the Constitution giving the whole Congress the right to express itself on taxes is to be preserved without gag rules preventing all the Representatives of all the people expressing themselves directly on the vital proposition of taxation. (Congressional Record, May 1, 1934, p. 7845.)

## EIGHT-MILLION-DOLLAR SPECIAL CENSUS BILL

Mr. O'MALLEY. Mr. Chairman, I rise for the purpose of striking out the last word, because in the limited amount of time originally allotted to the bill I did not have time to study the bill.

inally allotted to the bill I did not have time to study the bill.

I find great difficulty in supporting this measure, because two wrongs do not make a right. I know that during the Republican administration they did all they could to pack the Government service with temporary jobs. They even sent out in my district Government employees to campaign for the Republican candidates, on Government money. Two wrongs do not make a right. They tell us this census is absolutely necessary to find out how many unemployed there are in this country. In my district the registration lists of the C.W.A. will show exactly how many unemployed there are who want jobs. [Applause ]

I know the political pressure that comes from back home by a group of selfish job seekers, for I have experienced it. One of our Presidents, I think it was Lincoln, once said that the people who want to get on the Government pay rolls will some day dewhich want to get on the Government pay following stroy the Government with their greedy disregard for decency and honor unless they are checked. There are all kinds of people who want to get soft Government jobs. Those are the ones who will get these census jobs, and the deserving people who do not know how to get jobs through political influence will never get any of

The gentleman from Missouri, for whom I have a great deal of respect, said that this census bill was endorsed by partisan Republicans serving in the President's Cabinet. Now, it may be possible that these partisan Republicans who endorse this bill are

trying to mislead the Democrats into passing a bill that may give them a lot of trouble in the election. [Applause.]

Who are going to get these jobs? I see from the hearings that the bill is endorsed by college professors. I wonder if the teachers' pets are going to be employed during the months of October and November on the pay roll of the Government? We were told in the committee hearings that they could not use the C.W.A. workers because they are not highly enough educated; they have got to use specially selected college boys to do this work that is supposed to relieve unemployment amongst laboring people. [Applause.] Mr. Rice, of the Census Bureau, probably a partisan Republican, said in the hearing: "I think I might make this statement: It would be entirely out of the question from the standpoint of efficiency for the Bureau of the Census to take this census by using only, or in any number, work-relief people, or people who are working out their relief under the Federal Emergency Relief Administration." Administration.

If this bill is for relief of this kind of people, why does this gentleman in the Census Bureau say they cannot use them?

I think this is a piece of legislation of which Congress will not

I think this is a piece of legislation of which Congress will not be proud to have enacted in its closing days. We are going to do something for the unemployed by counting them! [Laughter.] I know how the farmers in the drought-stricken counties of Wisconsin, without enough food in prospect for the coming year, will look at the spending of nearly \$8,000,000 for counting them when this money might better have been used to feed their children. Imagine what one of them would say when an enumerator comes up to him and says that the Government was spending \$8,000,000 to relieve distress by counting the distressed! [Applause.] (CONGRESSIONAL RECORD, June 7, 1934, p. 10730.)

#### REAL-ESTATE BOND FRAUDS (H.RES. 412)

Mr. O'MALLEY. Mr. Speaker, there are times when a person can be so full of a subject that he finds difficulty in deciding where to begin its discussion. Back on March 30, 1933, during the first few weeks of my term of office, I introduced House Joint Resolution 137 which provided for an investigation similar to that authorized in this Resolution 412 brought in here today by the Rules Committee.

Inasmuch as the pressure of legislative business tending toward recovery in the special session of the Seventy-third Congress was so great, my resolution for this investigation at that time was recovery in the special session of the Seventy-Linit Congress was so great, my resolution for this investigation at that time was not acted upon. However, on February 5, 1934, in conjunction with Senator Patrick McCarran, of Nevada, I reintroduced my proposal for this investigation under the title of House Concurrent Resolution No. 31. This resolution was sent to the Committee on Rules and I enjoyed the privilege of appearing before that committee in behalf of its passage. The resolution now before us in the House is the result of the studied thought and consideration of our very excellent Rules Committee, and proposes an investigation into a colossal legal fraud that I have fought to bring about for more than a year and a half. The situation which calls for an investigation of this kind is simply this: From 1920 to 1929 billions of dollars' worth of bonds, secured by real property in this country, were sold to American investors, most of these investors being persons of small incomes. These people, lured into the purchase of these securities by offers of high interest and widely publicized propaganda of safety for their investment, put their small life savings entirely into this type of security. of security.

When the depression came, many of these properties were unable to sustain the interest charges on the bonds or make any payments upon principal, but a great many of the properties were still operating and obtaining revenue sufficient to pay some money to the investors. A group of racketeers, who have increased in numbers tremendously in the past few years, however, saw in the depression an opportunity to reap huge profits at the expense of these investors in these bonds and, using depression hysteria, forced, by means of false statements and absolutely misleading propaganda, a vast majority of these investors to turn their securities over to so-called "protective committees," obtaining with the deposit agreements on these bonds powers of attorney that gave the committee absolute authority to manage and exploit the building securing the bonds. In thousands of different reorganization and bondholder protective schemes I have found few in more than a year and a half of investigation in which the bondholders, the people who built the buildings, have received anything at all upon their investment, although the buildings are operated, rents are being paid, and someone is collecting the

revenues.

I hold here in my hands a booklet containing a list of buildings in the United States upon which real-estate bonds were floated. This book is 86 pages in content. Each page contains an average of 40 different buildings upon which separate bonds issues have been floated, which gives us a total of 3,500 real-estate bond issues that I know of, and I venture to say that 90 percent of these issues are in default and have been in default for from 3 to 5 years. This list covers every city and State in the country.

More than 1,000,000 of our American citizens have investments in these kind of securities. These investments have been mishandled and misappropriated by committees of attorneys, inside operators, brokers, owners, and professional financial racketeers in scores of cases, and unless the Congress of the United States authorizes this investigation it would be doubtful if these hundreds of thousands of small investors will be able to get fair treatment and salvage anything of their hard-earned investments.

Now, Mr. Speaker, it is not my purpose to disclose at this time and place all of the evidences of this fraud which have come to

my attention as a result of the hundreds of letters received by me my attention as a result of the hundreds of letters received by me urging this investigation after the introduction of my first resolution on the subject. However, at the proper time and place, and upon the creation of this committee, I shall submit for its consideration some of the astonishing evidences of corruption and fraud practiced against innocent and trusting investors which I believe will amaze the American people. I did not believe that there was any group of persons in this great country of ours that would take unscrupulous advantage of persons unfamiliar with the ways of finance, but in one year and half of my personal investigations I have been astonished at the mismanagement and downright thievery of other people's money that is being carried downright thievery of other people's money that is being carried on through the actions of some of these so-called "investors'

on through the actions of some of these so-called "investors' protective committees."

I feel it is the duty of this Congress to authorize this investigation and find out why these people are being defrauded of their investments and why those responsible for this Nation-wide racket have not been brought to the bar of justice and required to make an accounting for every penny of the funds with which they have been intrusted. I hope that this House today will pass this resolution, create this committee, and that at the next session of Congress the recommendations of the committee will be such that never again in this country will a legal fraud such as is being practiced be possible. (Congressional Record, June 15, 1934, p. 11631.)

p. 11681.)

RAILROAD WORKERS' RETIREMENT ACT

Mr. O'Malley. Mr. Speaker, as an ardent advocate of this particular legislation for more than 4 years in both my campaigns and since my election to office, may I say that I hope this law will be the keystone in a broad structure of social security that will extend its arches across this great country of ours. Much has been said about experiment in connection with the program designed to rehabilitate and restore the prosperity of this Nation. Experiment by the trial-and-error method is the only way to progress. We perfect a program, enact it into law, and sometimes even as it is enacted it may not be satisfactory to everyone. Only by enacting some law, however, do we find the things to discard and the things to keep after a trial period. Mr. Speaker, this legislation to my mind is the noblest of the experiments in behalf of human welfare that we have embarked upon in this Seventyof human welfare that we have embarked upon in this Seventy-third Congress. It is an experiment designed to bring happiness third Congress. It is an experiment designed to bring happiness and security in old age to hundreds of thousands of loyal, efficient workers who have helped to make this the great Nation it is. It is a beneficial system of old-age security that has been justified in every part of the world by similar legislation that we propose to establish here. I am particularly proud that the Democratic administration has placed its stamp of approval upon this forward-looking, progressive effort in behalf of the workers upon whom the safety of the commerce and industry of the Nation depends in large measure depends in large measure

depends in large measure.

History's pages show that generations of men have interested themselves in legislation affecting man's relationship to his individual fellow man. We can be thankful that out of the woe and depression of the past years, the unemployment, deprivation, and financial loss has taught us that the new and ideal conception of government also recognizes the need of legislating for human welfare under an economic system over which the individual has small control. Our system has produced a state of things where men must be retired from the ranks of competitive labor at reasonable ages to make room for those who are coming into manhood and who must take up careers to provide themselves and their families with the necessities of life. At the same time, we must guarantee those whom modern industry and science have placed guarantee those whom modern industry and science have placed in the ranks of the obsolete, as surely as machines are worn out, the opportunity to retire on incomes where they may remain consumers of our production and not become the degrading objects

of charity.

We have learned the value of retiring our postal employees, vet eran soldiers, policemen, firemen, teachers, and others. How great, then, the need for retiring that army of workers in the railway then, the need for retiring that army of workers in the railway industry upon whose daily performance of duty rests the lives of thousands of travelers. I have long favored the principle of an industrial retirement system supported by workers and employers alike; and because of this great interest and because I have lived in daily contact with the loyalty and dependability that is an inherent characteristic of those who labor on the steel highways of our Nation, I have been ardently supporting the successful

age of this measure.

passage of this measure.

It may be true that in some small details this legislation is not completely satisfactory to all who have urged its passage. But legislation is nearly always a matter of compromise in detail in order to achieve the adoption of a basic principle. I am satisfied that this act will provide a reasonably adequate pension raised by a sound and equitable method from employee and employer alike; that it will provide countless new jobs for workers in the railroad industry now on the extra or lay-off lists; and that it will remove the fear of the poorhouse and indigent old age that constantly the fear of the poorhouse and indigent old age that constantly besets the worker. It is my sincere hope, Mr. Speaker, that what we do here today will lay down the framework for a broader program of retirement legislation that will prove so beneficial that the next session of Congress will extend its benefits to other today will be a merican industrial system. It think I may stake groups in the American industrial system. I think I may safely predict that the passage of this bill will do much to hasten the time when workers and industrial leaders alike in other fields of American commerce will ask similar legislation from the United States Congress. (Congressional Record, June 25, 1934, p. 12785.)

Since taking my oath of office I have tried to remember that work is the only practical way to learn one's job. The

Honorable Champ Clark, Democratic Speaker of the House of Representatives, once stated in a speech that "A man has to learn to be a representative just as he must learn to be a blacksmith, a carpenter, a farmer, an engineer, a lawyer, or a doctor." I have tried to spend all my available time in a faithful discharge of the duties which I was elected to perform and in learning how I might better carry out the will and desires of my constituents and efficiently discharge the responsibilities of my office. It has always seemed to me much fairer to the voters of any community to account for what has been done in their behalf, rather than to hold forth promises of future acts when asking their consideration.

#### THE RECIPROCAL TRADE AGREEMENT ACT

Mr. BUCK. Mr. Speaker, I desire to ask unanimous consent to extend my own remarks in the RECORD, and to include a letter from the President of the United States to me.

The SPEAKER. Is there objection?

There was no objection.

Mr. BUCK. Mr. Speaker, during the debate on the Reciprocal Trade Agreement Act a concerted drive was made by interested parties to terrify producers of agricultural commodities and line them up in opposition to the act. Appeals were made to their fears, and statements were quite widely circulated that the bargaining powers which we have granted the President would be used to the detriment of agriculture. I supported the recicrocal-trade agreement bill and voted for it in the sincere belief that this measure was an integral part of the recovery program; that it was as essential to the restoration of our foreign trade as the National Industrial Recovery Act and the Agricultural Adjustment Act were to the restoration of domestic prosperity. A large portion of the agricultural products of my own State are marketed on an export basis; dried and canned fruits of every description, barley, and other products are sold abroad in such large quantities—in some cases totaling half of the crop—that the failure to keep alive our foreign trade has worked untold hardships upon thousands of California

When the President signed the reciprocal-trade agreement bill, he called attention to the fact that the unprecedented shrinkage of world trade has been an important element in the present world condition. He asserted that the use of the powers which had been granted him would require care to assure that each agreement should make a real contribution to recovery. The very use of the word "reciprocal" in describing the bill indicates that there must be benefits obtained for the United States as well as for the country with which the bargain is made. Since the Great War countries have spent years in building barriers against mutual trade which have impaired not only foreign but also domestic commerce of our and every other country. The President realizes that the restoration of healthy trade by the removal of these impediments will require time and patience. No definite program has been prearranged and all the efforts of the special interests to impair the confidence of the people of the United States by making misstatements about the policy of the President will be shown to have been baseless and unfounded.

Mr. Speaker, in my own State allegations have been made and widely disseminated in the press that those who would have administrative authority under this act had in mind a purpose to "sacrifice the farmers and fruit growers of California in pursuit of the will-o'-the-wisp of foreign markets." Mr. Speaker, such a statement is an attack upon the integrity and honor of the President of the United States, to whom such administrative authority has been given. I have never had any doubt as to the honesty with which the provisions of this act would be administered; but in order now and for all time to set the matter at rest, I include in my remarks a copy of a letter received by me today from the President of the United States, which will lay at rest the fears of my California friend. The letter is as follows:

THE WHITE HOUSE Washington, June 15, 1934.

Hon. FRANK H. BUCK,

House of Representatives, Washington, D.C.

My Dear Congressman Buck: I am somewhat surprised and a little amused at the fears you say have been aroused in Cali-

fornia because of the enactment and the possible administration of the Reciprocal Trade Agreement Act.

Certainly it is not the purpose of the administration to "sacrifice the farmers and fruit growers of California in pursuit of the will-o'-the-wisp of foreign markets", as published reports would make believe

would make believe. I trust that no Californian will have any further concern or fear that anything damaging to the fruit growers of that State, or of any other State, will result from this legislation.

Very sincerely yours,

Mr. Speaker, we do not know what benefits may be gained under this act. It is frankly a bargaining act and we do not know with what attitude foreign countries may approach us in the negottation of trade agreements, but we do know, and the letter I have quoted definitely shows, that it is the purpose of the administration to make such trade bargains as will benefit the people of every State of the United States.

#### STATEHOOD FOR PUERTO RICO

Mr. McDUFFIE. Mr. Speaker, I desire to ask unanimous consent to extend my remarks in the RECORD with reference to the legislation in regard to Puerto Rico, and to include letters from the departments.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. McDUFFIE. Mr. Speaker, under leave to extend my remarks, I herewith submit the views of one of the factions in Puerto Rico, also a letter to me from Senator Luis Marin, of Puerto Rico, also explanation of Liberal Party's vote against statehood. I understand a bill, designed to give such a status to Puerto Rico, has been introduced. I am in no wise endorsing such a proposal because I have given no study to the question. I realize it is an issue that will doubtless be passed upon by one of the committees of the Congress at some future date.

The purpose of printing the letter, which is written by Senator Luis Munoz Marin, a member of the Liberal Party, and who assumes to speak for one faction in Puerto Rico on the question of statehood, is to give the benefit of his views to those who may see fit to study the question.

WASHINGTON, D.C., May 22, 1934.

Hon. JOHN McDuffie,

Chairman Committee on Insular Affairs, House of Representatives, Washington, D.C.

MY DEAR CONGRESSMAN McDUfffe: In the first page of the Senate section of the Congressional Record of May 15, there was printed a resolution of the Legislature of Puerto Rico on the subject of statehood for that island. The Liberal Party, of which I am one of the representatives in the Senate of Puerto Rico, and which I now represent in Washington, voted against that resolu-tion and officially explained its reasons for so doing. I feel that in order that Congress should be fully informed as to the state of public opinion in Puerto Rico in regard to that resolution, and as to the realities underlying it, the official explanatory vote of the Liberal senators and representatives should also be printed in the Congressional Record. I have asked Senator Tydings to request the insertion of a translation of that document in the Record,

together with an explanatory letter.

I hope that the attention of your committee will be called to this letter and to the Liberal Party's statement, a copy of which

Of the three large political parties in Puerto Rico only one—the Republican Party—advocates statehood. This party polled in the last elections 29 percent of the votes. The Liberal Party, which opposes statehood, polled 47 percent of the votes. The Socialist Party does not advocate statehood, but its members in the legislature voted for the resolution, thus giving it a majority. The Socialist members also explained officially their reasons for voting the resolution. They voted it because they are allied with the Republican Party because they understand that the resolution contains a request that the people of Puerto Rico be given the opportunity to reject statehood at the polls, and because the resolution also solicits certain economic reforms, such as local tarifflution also solicits certain economic reforms, such as local tariff-making powers, which the Socialist Party deems beneficial, but which are antagonistic to statehood.

The Liberal Party opposes statehood principally for economic reasons. Puerto Rico is faced with tremendous economic problems which call for broad powers—whether these be exercised by the Federal Government or the people of Puerto Rico—in order that they may be adequately dealt with. The Liberal Party feels that statehood not only would make the economic situation of Puerto Rico more serious than it is, or more serious than it would be at the moment of granting statehood—no matter when that moment might be—but would tie the hands of Congress and the Federal Government in perpetuity in its dealings with the economic situation in Puerto Rico.

percent of the people of my country and much less among the members of the Liberal Party. This was the party which in 1917 offered the services of Puerto Ricans to fight in the armies of the United States, before the draft act was approved. It is also the only political party in Puerto Rico which is now supporting—in the face of bitter opposition from certain sugar interests—the sugar policy of the Congress and the administration. The attitude of the Liberal Party both toward independence and toward the American people may be said to be identical with that of the followers of Manuel Quezon in the Philippines.

I need not urge upon you the very serious damage that uncer-

I need not urge upon you the very serious damage that uncertainty as to the future definitive political status of the people of Puerto Rico does to our public life. In the economic field alone this uncertainty makes it exceedingly difficult to lay down intelligent plans. You will readily understand the reason for this: Whatever economic measures would be sound if Puerto Rico were to develop its present economic and political autonomy, or become independent, would be unsound if Puerto Rico were ever to become

a State. And vice versa.

The issue is this: One line of economic development will have to be taken if Puerto Rico is ever going to be made a State against the wishes of a very large part of its population; another line of economic development will have to be taken if Puerto Rico is either to remain in its present status, or develop its present autonomy, or be independent. We are at the crossroads. We must plan for the future; and we must plan without delay. It is for the reason that we most emphatically urge that whatever the decision it should be prompt and so clear-cut as to leave no room for doubt

Faithfully yours,

LUIS MUNOZ MARIN.

EXPLANATION OF THE LIBERAL PARTY'S VOTE AGAINST STATEHOOD OFFICIAL DOCUMENT OF THE SENATE AND HOUSE OF REPRESENTATIVES OF PUERTO RICO

The undersigned senators voted against the resolution that solicits the admission of Puerto Rico as a State of the American Union, and being authorized by the senate to explain their vote, now do so in the name of the Liberal Party.

The party which we represent, which embodies by many thousands of votes the largest volume of public opinion in Puerto Rico, sets forth in its platform the desire that the independence Rico, sets forth in its platform the desire that the independence of Puerto Rico be granted by the United States. In making this statement, we do not wish it to be understood that the idea of independence versus statehood has been under discussion during the consideration of the present resolution. What has been under discussion is whether statehood is desirable or undesirable with respect to the legitimate interests of our people. We affirm the independence program of our party as a firm expression of the wishes of our constituents and as a very important fact that throws light on whether statehood is desirable or undesirable from the point of view of Puerto Rico, possible or impossible from the point of view of Puerto Rico, possible or impossible from the point of view of the United States. That this fact may be presented with its full implications, we also affirm our unalterable purpose to oppose statehood in the present and in the future, under whatever political circumstances may prevail in Puerto Rico or in the United States. We hold that such status, although it is not objectionable on grounds of dignity, should always be rejected from motives related to the distinct culture, language, traditions, and personality of our people, and also from always be rejected from motives related to the distinct culture, language, traditions, and personality of our people, and also from motives related to the supreme economic interest affecting the sustenance of our population and the necessity that the powers to fight our economic ills—whether these powers be in the hands of our people or in the hands of the Government of the United States—shall never be congealed into rigid and perpetual limitations. tions.

Therefore, without considering at this time the objective of our party, we affirm that it is extremely dangerous and, therefore, un-desirable that the relationship of Puerto Rico with the fiscal system of the United States as the latter is fixed and limited by the Constitution shall be fixed and confirmed in perpetuity. This we consider potentially as undesirable for the United States as for Puerto Rico. Complete powers should always exist to limit, transform, or readjust this relationship at any moment in which the needs of Puerto Rico or the legitimate interests of the United States should so demand. These powers can exist both under the American flag, as they do now, or under the flag of a free republic of Puerto Rico. In the first case, the powers rest with the Government of the United States. In the second case, they would rest with the representatives of Puerto Rican sovereignty and the representatives of United States sovereignty. But in either case. tem of the United States as the latter is fixed and limited by the representatives of United States sovereignty. But in either case, the powers subsist for attacking the economic problems of Puerto Rico with entire flexibility, as may be demanded by the convenience, the necessities, and the convictions of both peoples at any given moment.

The need of maintaining this flexibility has been evident at all times, and it was so recognized by the Government of the United States in drafting the Treaty of Paris, which invests Congress with flexible authority over the affairs of Puerto Rico; and it has been so recognized by the Supreme Court of the United States in all of its decisions affecting Puerto Rico handed down from the Spanish-American War to date. (See Original Insular cases, Balzac case,

at the moment of granting statehood—no matter when that moment might be—but would tie the hands of Congress and the Federal Government in perpetuity in its dealings with the economic situation in Puerto Rico.

The Liberal Party stands for the independence of Puerto Rico.

There is no unfriendliness towards the United States among 98

their existence, which is their territorial nationality, as distinguished from their territorial jurisdiction, and in protection also of the people of Puerto Rico, whose life, prosperity, and culture would have been gravely menaced if the limitations of a rigid uniformity had been established in the juridical relationship of Puerto Rico and the United States. American citizenship has not changed this situation, as is demonstrated by the unanimous decision of the Supreme Court in the Balzac case (1921). It is interesting to note that the opinion in this case was written by Chief Justice Taft, one of the few public men thoroughly familiar with the relationships between the United States and the territory acquired as a result of the Spanish-American War.

the territory acquired as a result of the Spanish-American War.

The wisdom of this policy and the intelligence of its motives have been demonstrated in the past and up to the present by the relationships between the Government of the United States and the government of Puerto Rico. From the beginning, Puerto Rico was allowed to retain in its treasury the receipts obtained through the American tariff in Puerto Rican customhouses. Puerto Rico was also exempted from the payment of the miscellaneous internal-revenue taxes; and in 1916 Puerto Rico was granted the power to accent revise or abolish Federal income-tax legislation.

to accept, revise, or abolish Federal income-tax legislation.

In 1927 the government of Puerto Rico was granted authority to impose excise taxes collectible at the ports of entry, provided they were equally assessed on similar goods produced on the island; and in 1930, in the Smoot-Hawley law, Puerto Rico was granted the right to impose a tariff on coffee imported from the United States for the protection of its soundest agricultural activity. Measures that have been absolutely necessary to the very existence of the government of Puerto Rico could not have been adopted if the authority exercised in Puerto Rico had not been flexible and broadly adaptable to the vital needs of our govern-

Necessary as this flexible relationship has been so far as our government is concerned, it is much more necessary so far as our whole community is concerned; and as a fact this begins to be

so recognized.

The economic ills developed in Puerto Rico during 36 years, added to those that already existed before the American regime, demand, in order that they may be attacked with any possibility of success, the greatest liberty of action vested in the authority called upon to solve them, whether this authority be that of the people of Puerto Rico or that of the Government of the United States. In 1927, as has been noted, the last special measure in favor of the government of Puerto Rico was adopted; and in 1930—when the imposition of a tariff on coffee by the Puerto Rican Legislature was permitted by act of Congress—the first special measure for the benefit of our economy, not merely as a government but as a people, was adopted.

ment but as a people, was adopted.

The economic situation that makes it of such great importance to maintain an entire flexibility in the juridical relations of Puerto Rico with the United States is well known. The system of economic development established in Puerto Rico has caused the loss of their lands by many thousands of farmers, concentra-tion of the land in the hands of a small nucleus of corporations, most of them absentee, the annual exodus of a considerable part of the wealth produced, the peonage of a great group of those that formerly owned the lands which they cultivated, the imposition of what is practically a single-crop system, arbitrarily controlled by political forces over which our people exert no power, the decrease in the production of foodstuffs, and the consequent compulsion in the external market, at high prices with low wages, the food that is consumed. And as a constant note, every year more ominous, the implacable growth of the population.

It is evident that if the most energetic measures are not taken by an authority—whether of the people of Puerto Rico or of the Government of the United States—that may plan, legislate, and execute without juridical obstructions that are unnecessary, or nongermane to Puerto Rican realities, the country will continue its march toward a social catastrophe of major proportions. This may come upon us this very day in the form of an epidemic which, in the words of Mrs. Roosevelt, "might arise in the slums and sweep the island", infecting American and Caribbean ports. But, even in the best case, such social catastrophe can hardly be de-

even in the best case, such social catastrophe can hardly be de-layed more than 20 years.

The possibility of producing the major part of our food, of our clothing, of our shoes; the possibility of going beyond the limits of the one-crop system, the possibility of reconquering the mar-ket for our coffee and of opening a way in local and outside mar-kets for the industrialization which is necessary if production and population are to be equalized and chronic unemployment is to be stopped—all these possibilities are based on the prerequisite that public efforts in Puerto Rico, whether by the people of Puerto Rico or by the Government of the United States, should not be limited in the manner in which they are limited in the States of the American Union. No better proof could be adduced of the universal recognition given in Puerto Rico to the need of preserving this flexibility—which statehood would make perpetually impossible—than the supplementary petition for economic measures, incongruous with statehood, contained in the very resolution petitioning for statehood.

resolution petitioning for statehood.

In a country in which the broadest powers are needed to attack problems which, if transposed to the scale of the United States, would cause a revolutionary outbreak in 24 hours—what powers does statehood confer? What improvement in the economic status does statehood offer even over the present colonial system? What additional powers could statehood give us for solving the problems which confront us with such peremptory insistence? Not a single economic power would be added. On the other hand,

we should have to pay Federal internal revenue taxes and the Federal income tax. Statehood would immediately put us in a worse economic position than that existing today or that existing at the time it was granted. It would make forever impossible the exercise of powers which, without statehood, Congress has already granted us, or can grant us at any time when it is deemed convenient or necessary to do so. To ask for statehood under these circumstances seems to us as absurd as for a man drowning in a tempestuous sea to beg for an honorary bronze medal suspended

circumstances seems to us as absurd as for a man drowning in a tempestuous sea to beg for an honorary bronze medal suspended from a heavy chain instead of clamoring for a lifesaver.

From the point of view of the United States statehood seems to us none the less absurb. The United States have nothing to gain by embarking on a new and dangerous policy of noncontinental States. It is conceivable that if the people of Puerto Rico unanimously asked for it they would grant us statehood, as an act of extreme generosity to please the wishes of a people, even without any benefit and with grave risks to the American Nation itself. But it is not the people of Puerto Rico who ask for statehood. It is requested in the present resolution by the Republican Party, which in the last elections was backed by 29 percent of the electorate. The Socialist votes cast in the legislature in favor of the rate. The Socialist votes cast in the legislature in favor of the resolution were explained in the following manner by the president of the Socialist Party, Mr. Rafael Alonso Torres, member at

large of the house of representatives:

"If it were not for the plebiscite clause contained in the resolution, the representatives of the Socialist Party would not have been able to vote for it, since the platform of our party, although it expresses the aspiration of living in close relationship with the American people, does not, however, contain any specific solution as to the final political status of the Puerto Rican people.

"The plebiscite means that the Puerto Rican people."

"The plebiscite means that the Puerto Rican people wil have an opportunity to vote for or against the State constitution, which may be drafted if Congress passes an enabling act permitting the people of Puerto Rico to convoke a constituent assembly and to draft and prepare a constitution, which must be approved by the United States Congress, to admit Puerto Rico as a State of the American Union

the American Union.
"The Socialist Party has in its platform the declaration that any solution that may be given to the question of the political status of the island must be approved by the direct vote of the Puerto Rican people in a free and impartial election, in which each voter has the opportunity to cast his ballot without restraint of any sort and in complete accord with the dictates of his

"Furthermore, the resolution has been amended in such a way that it contains the fundamental points and the economic principles for which the Socialist Party has striven during its existence. If it were not for these clauses we should not have been able to vote for the resolution which seeks to have the United States Congress resolve the political status of Puerto Rico, through suffrage, as a State of the American Union.

is for these reasons that we have voted in favor of the

resolution.

As may be seen, the Socialist votes were not cast in favor of As may be seen, the Socialist votes were not cast in favor of statehood. They were cast under the understanding that the resolution requests for the Puerto Rican electorate an opportunity to reject it. They have also been cast on the basis of the economic clauses contained in the resolution presented by the Republican Party, and which the Socialist Party, as well as the Liberal Party, consider beneficial for Puerto Rico. Since the majority of these clauses solicit measures antagonistic to and incompatible with statehood, measures which, if put into effect, would place Puerto Rico further still from the possibility of becoming a State of the Rico further still from the possibility of becoming a State of the Union, the Socialist Party and the Liberal Party, as well as the Republican Party itself, insofar as its backing of these clauses is concerned, have in effect voted against statehood.

As far as the plebiscite is concerned the clause in the resolution which solicits it simply does not make sense in reference to Puerto Rico, and constitutes, of itself, a demonstration of how distant from our realities statehood is. When the people of the tant from our realities statehood is. When the people of the Territories voted on their proposed State constitutions, through plebiscites, the vote was never on the issue of whether or not the people wanted to have the Territory become a State of the Union. The desire to become part of the Union was always unani-mous among the inhabitants of the Territories, because of their contiguousness to other Federal States and because they were formed by emigration of the people from those States, who carried to the deserts or to the sparsely populated regions the same language, the same culture, the same traditions, and the same personality as a people. What was put to the vote in the Territorial plebiscites was never the idea of statehood but the specific character of the State constitution under which, with the approval of Congress, the new State was to be inaugurated.

proval of Congress, the new State was to be inaugurated. In Puerto Rico, as we have seen, the situation is very different. The most powerful party in the country is against statehood. The Socialist Party votes for it, for the sake of solidarity with its ally, and because the resolution apparently contains a petition for power to reject statehood, and because it also contains a request for economic measures beneficial to the people, although antagonicity to and incompatible with statehood. And the Republican nistic to and incompatible with statehood. And the Republican Party presents and votes for the resolution with the very economic measures which are antagonistic to and incompatible with statehood

We do not go into an extensive consideration either from the legitimate point of view of Puerto Rico or from the equally legitimate point of view of the United States, of the racial, cultural, and spiritual factors involved in the whole question, because we consider, on the one hand, that the significance of these factors is all too evident and that, on the other hand, the economic realities which we have pointed out are of themselves overwhelming in their force.

ANTONIO R. BARCELO, LUIS MUNOZ MARIN.

H.R. 9790—THE INJUSTICE OF THE TAX ON COCONUT OIL IMPORTED FROM THE PHILIPPINE ISLANDS

Mr. McDUFFIE. I also desire to extend my remarks further in the RECORD with reference to the tax on coconut oil. The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. McDUFFIE. Mr. Speaker, under leave to extend my remarks, I beg to call respectfully the attention of the Congress to H.R. 9790. This bill is now pending before the Ways and Means Committee, a copy of which is herewith submitted:

A bill to amend section 6021/2 (a) of the Revenue Act of 1934.

Be it enacted, etc., That the provisions of section 602½ (a) of the Revenue Act of 1934 shall not take effect with reference to coconut oil brought into the continental United States from the Philippine Islands or to coconut oil produced within the continental United States from copra brought in from the Philippine Islands, the growth or product of those islands, until the President of the United States, after a full investigation of the trade relations between the Philippine Islands and the continental United States, shall by proclamation declare that the tax provided by this section will not substantially injure trade relations now existing between the Philippine Islands and the continental United States and shall fix a date for going into effect of the same.

I doubt if in the history of all the relationship and dealings between a great government and a dependent people within the last century there is a case on record fraught with more injustice and a greater lack of fair play than the imposition of the tax of 3 cents per pound on coconut oil, the second largest industry of the 14,000,000 inhabitants of the Philippine Islands.

I should like again to call to the attention of the Congress the fact that after conferences between authorities of the islands and those of our own Government, the so-called "independence act" was passed with certain understandings. Amongst those understandings was one to the effect that the importation of Philippine products to this country would remain in status quo until the inauguration of the interim government, which it is hoped will be initiated within 12 months, and which is the first great step leading to final and complete independence. When the new government is inaugurated free importation will be curtailed 40 percent.

The Filipino people, in accordance with their agreement, carried out their part of what may properly be termed a "contract" by unanimously accepting the independence act, acting through its legislature in joint session on May 1, 1934. Within 10 days after this compliance on the part of the Filipino people with their part of the contract, this great Government breached its agreement by an act of Congress placing a tax of 3 cents a pound on coconut oil, the second largest industry of the islands. This tax is not a tax; in effect, it is an embargo tariff.

Seventy percent of this oil goes into technical use for which we have no substitute in this country. The farmer, the animal-fat producer, and the manufacturer of tallow have been led to believe that this oil is a great competitor, while as a matter of fact the figures do not justify such an assumption. It is a known fact that cottonseed oil does not make good soap. It is also known that the spread between oleomargarine, for which coconut oil is used, and butter fat is so wide, regardless of the tax imposed, that the competition of oleomargarine cannot be eliminated. People will continue to buy the cheaper butter so long as we permit it to be manufactured in this country. No tax of any kind is placed upon tallow, which is made largely from the refuse of kitchen restaurants and garbage. The benefit to flow to the animal-fat producer is infinitesimal according to all figures pertaining thereto, which have been set forth in the CONGRESSIONAL RECORD from time to time.

On the other side of the picture we have, first, the desire of our people to grant complete independence to the Philippine Islands; secondly, the Filipinos have always been amongst our best customers in the purchase of Americanmade products—they are our first customers in the purchase of dairy products; thirdly, the trade of these islands must inevitably fall into the hands of Japan, and already an offer has been made by the Japanese Government to establish free trade with the Philippine Islands.

The Imperial Chamber of Commerce of Japan has visited the islands and offered them capital as well as labor. With cheap labor they will take over the coconut-oil industry, together with the soap industry, and sell soap in America more cheaply than we can make it. This means, of course, injury to the American farmer and the American laborer, as well as driving a major industry to foreign lands. There would be no way to meet this Japanese competition without an embargo on Japanese goods, which might indeed lead to serious international complications.

It is altogether possible that in addition to the existing stagnation which we now find prevalent throughout the coconut-oil industry loopholes will be found which will permit European companies to circumvent the tax we have imposed while our American and Philippine companies will be helpless.

In the refining of coconut oil and palm-kernel oil to condition these oils for edible purposes, a by-product is produced which, after further processing, results in relatively pure fatty acids of these oils. The European method of refining, which has never been used with any degree of success in this country, produces exceptionally high-quality fatty acids, which in a great many instances can completely replace either coconut oil or palm-kernel oil in the manufacture of soap. These fatty acids will impart to the soap essentially the same characteristics as though regular coconut oil or palm-kernel oil were used.

In our present tariff schedules coconut-oil fatty acids are not classed as coconut oil, and we do not see how the excise tax law could possibly be construed to apply the excise tax to these fatty acids. The European refiners could lay down their high-quality fatty acids at New York with the nominal ad valorem duty applying on them paid, and still greatly undersell coconut oil subject to the excise tax. These fatty acids would, of course, replace just that much more of the limited amount of coconut oil which American consuming industries could normally be expected to use in spite of the excise tax applying on it.

There will unquestionably be a sharp curtailment in coconut-oil consumption as a result of the application of the excise tax on it. The importation of these fatty acids will be an added factor in causing sharper curtailment of coconut-oil consumption, and illustrates the type of loophole through which the circumvention of this excise tax will be possible.

It is doubtful if we can produce any substantial quantity of coconut-oil fatty acids of refined oil. Their large production in Europe is only possible by reason of the large consumption of palm-kernel oil and coconut oil for edible purposes. In our opinion, the European refiner will find a very profitable market for these fatty acids in the United States, while the American and Philippine companies will be help-less to compete with this product.

The effect thus far of the enactment of section 602½ (a) of the Revenue Act of 1934 on the coconut-oil industry has been little short of a complete paralysis. There is now practically no movement of coconut oil, except in very limited quantities which are the result of contract commitments made previously to the enactment of this tax, and for which the vendee has been unable to arrange for either deferment of the delivery or complete cancelation of the contract.

The depressing picture revealed by a comparison of present sales with sales for corresponding periods in other years is further intensified by a comparison of recent deliveries with the past deliveries for corresponding periods in other years. Deliveries during the May accounting periods in 1933 and 1932 averaged between 15,000 and 18,000 barrels. For this same period in 1934, deliveries have totaled only 3,000 barrels. Expressed in percentages, these 1934 deliveries were less than 20 percent of the deliveries made during 2 of the worst depression years. From the foregoing analysis of sales for future delivery positions, it is not dif-

ficult to predict the alarming extent to which our future deliveries may be expected to decline.

I herewith submit statement by the Standard Statistics Co., on June 13, this year, relative to coconut oil.

[Analysis by Standard Statistics Co., June 13, 1934] COCONUT-OIL POTENTIAL BLOW TO ALKALI PRODUCERS

In an endeavor to kill oleomargarine as a competitor of butter, the farm bloc succeeded in writing into the recent Treasury revenue bill a processing tax of 3 cents a pound on coconut oil. Coconut oil sells for 2 cents a pound; hence the tax is 150 percent of the product's value. The error, from the standpoint of the soap and alkali trades, was that the measure did not specify that the tax was to apply only to edible oil, and although specify that the tax was to apply only to edible oil, and although the President will have the power to halve the levy, a tax of even 1½ cents per pound might not be sufficient to save the cheap, white-soap branch of the domestic industry. Fortunately, it happens that Procter & Gamble, Colgate, and other leading producers of soaps embodying a considerable coconutoil content own factories in Canada, or abroad, and there is neither a tariff on the importation of cheap soap into the United States nor one on the importation of coconut oil into Canada. The big soap makers consequently are not greatly worried. But The big soap makers consequently are not greatly worried. But the domestic alkali people are. If the major concerns transfer their operations to Canada, they will be required to use British their operations to Canada, they will be required to use British alkali. And unless some way can be found to greatly reduce the coconut-oil levy where the product goes into soap, there is small question but that a substantial share of the cheap soap manufacturing business, along with its alkali requirements will move over into Canada or go abroad. Such a move would boost costs slightly as compared with those in force in the United States at the present time, but the increase would be considerably less than that involved in the coconut-oil tax. The soap industry is not the major user of soda ash or caustic soda, but it does account for about 12 percent of total soda ash and in the neighborhood of 15 percent of this country's caustic soda consumption. The glass, general chemical, petroleum, and rayon industries take substantially larger proportions of the domestic output of both. output of both.
Stocks: Of the concerns in which there is a general market in-

terest, Allied Chemical, Mathieson and Westvaco Chlorine Products are the most important of the scap alkali producers. Facts and Forecasts is recommending switch of the first named and

retention of the other two.

Although the situation at present, and as it may be expected to continue for many weeks to come, might be somewhat worse than it may be expected to be after existing stocks accumulated in anticipation of the enactment of this tax have found their way into consumption, there will doubtless be a very substantial curtailment in the consumption of coconut oil, as reflected by developments since this excisetax legislation was first considered by the respective congressional committees.

Every business engaged in manufacturing soap is much concerned with the possibility that the reduced volume of consumption will be inadequate to permit anything like an efficient scale of operations in their crushing plants. They have been compelled to curtail their operations in Philippine mills to such an extent that it is difficult to reduce them further without a complete shut-down. Indeed, this complete shut-down may be expected if there is not some improvement manifested in the near future.

Unfortunately the devastating results of legislation of this type are not immediately perceptible to those responsible for its enactment; hence, it is difficult for them to realize the serious consequences which will inevitably follow their legislative endeavors. It is hoped, once the ruinous effect of this legislation is fully apparent to the consumer, to the coconut-oil consuming industries, and, most important, to the Philippine copra producers, there will be more of a disposition on the part of the public to support the President and those friends of the Philippine people in Congress in the position they have taken to bring about the repeal of this excise tax as it relates to Philippine coconut oil and copra.

Free trade between the United States and the Philippine Islands for the last quarter of a century has proved a blessing both to the islands and to the United States; and as Japanese bid for that blessing, it is impossible to forecast the reaction of the Philippine people.

It must be expected, however, that the Filipinos will take all necessary steps to find an outside market for their products, and what is the result? The answer is that we are losing the best customer we have in the Far East and we are cutting ourselves off from a profitable market.

Manila is the front door to the Orient for us, and the time may come when we will need more than ever the friendly interest and business associations of these 14,000,000 people.

The blindness of certain interests in this country that have propagandized the Congress and the American people in shutting out coconut oil under the guise of a tax is inviting trouble for this Nation. The President of the United States endeavored to keep faith with these dependent people, and when the trouble comes it cannot be laid at his door, but the Congress of the United States must answer for the embargo on coconut oil and all of its dire results. both at home and abroad.

OUR NATIONAL ARCHIVES BUILDING-WHAT SHALL WE DO WITH IT?

Mr. BLOOM. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include a statement written by the clerk of the Committee on the Library of the House of Representatives with regard to the Archives Building.

The SPEAKER. Is there objection?

There was no objection.

Mr. BLOOM. Mr. Speaker, under specific leave this day granted, I insert in the RECORD an article which appeared in the Washington Star on Sunday, June 10, 1934, by John G. Bradley. The subject of this article is "Our National Archives Building-What Shall We Do With It?"

The article by John G. Bradley, clerk of the House Committee on the Library, is set forth herein as follows:

Our National Archives Building, located between Pennsylvania and Constitution Avenues at the point of the Triangle, is nearing completion. When the scaffolding shall have been removed and the building dedicated one will view a magnificent structure. Its symmetry, its fine proportions, its great mass coming up out of the earth, and its solidarity will catch the eye and stir the heart of the most casual passerby.

But if one would appraise this building justly he cannot depend merely on its physical appearance. He must read into it some of the hopes and struggles of the past. Only through a knowledge of its history, its purpose, and its future possibilities can this pile of stones be transmitted into the thing it really is. At best this thing you see is but the outward and incomplete reality of a dream born over a half century ago and which encompasses many centuries to come. An incomplete reality for the reason that no legislation as yet has been provided for its administration. But more of that later. First, let us start at the beginning. The first public record of arguments in behalf of some kind of an archives building shows the date of 1878, although it had been discussed many years before that. This is contained in the Annual Report of the Secretary of War, McCrary, quoted, in part, as follows:

"The Quartermaster General calls attention to the danger of destruction of records of great value to the Government and to its citizens \* \* \* and urges that a building be constructed as a hall of records. \* \* In this he proposes that the records not in daily use of the several executive departments be stored, under charge of competent superintendents and watchmen, to be properly filed and easy of access."

In his annual message of 1878 President Haves commended to the favorable consideration of Congress the recommendation of the Secretary of War "that provisions be made for the erection of a fireproof building for the preservation of certain valuable records, now constantly exposed to destruction by fire." These arguments were continued without results until December 1880, when a fire broke out in the War Department, threatening the loss of valuable papers. On February 8, 1881, another fire broke out in the War Department, and 2 days later the Senate passed a bill providing for \$200,000 to erect a hall of records, but it died for lack of action in the House. This was the Fortysixth Congress. The Forty-seventh, Forty-eighth, Forty-ninth, Fiftieth, Fifty-first, Fifty-second, and Fifty-third Congresses passed similar bills in the Senate, but the House, in spite of the fact that this legislation was sponsored by Presidents Arthur and Cleveland, never concurred. While the Secretary of War was the first Cabinet member to advocate this, later others joined in the fight, until by 1902 five additional Cabinet members had joined the movement. Year after year they included in their annual reports recommendations for a hall of records. An extract from one of these reports will suffice:

"The departments are crowded with files of official papers to "The departments are crowded with files of official papers to the detriment of the working force and the serious inconvenience of the public business. Costly public buildings erected for office purposes should not be used for storage. The files not in current use should be stored elsewhere. A hall of records becomes more and more necessary each year."

From the Fifty-fourth to the Fifty-seventh Congress 25 bills were introduced on this subject without material result. A quotation from Senator Vest, of the Fifty-seventh Congress, is significant:

significant:

"This bill has been before Congress for 20 years. Every department of the Government, and especially the Treasury Department, I had almost said, begged that it might be passed. If a fire should take place tomorrow \* \* \* it would involve the Government in the loss of millions of dollars."

In 1907 President Theodore Roosevelt took up the fight. In 1908

In 1907 President Theodore Roosevelt took up the fight. In 1908 Secretary of the Treasury Cortelyou said:

"The necessity for some structure of the character described grows constantly. An investigation made in 1906 showed that the files then on hand in all the buildings under the control of the Treasury Department in Washington and in space rented exclusively therefore occupied over a million cubical feet and that they were accumulating at the rate of over 25,000 cubical feet per annum. The condition of these uncurrent files is precarious in the extreme." the extreme.

Late in 1908 the American Historical Association joined in the fight and appointed a committee, including Dr. J. Franklin Jameson, then of the Carnegie Institution, of Washington (now of the Library of Congress, Division of Manuscripts), to study the problem. And it is only fair to say that to Dr. Jameson belongs much of the credit for carrying on the fight since, resulting in the final legislation for the Archives Building under discussion.

That conditions had grown intolerable is evidenced by a report issued by Dr. Jameson in 1914, extracts of which appear below:

issued by Dr. Jameson in 1914, extracts of which appear below:

"Not a mile from this spot, for instance, there is a warehouse in which the papers of the Treasury Department have simply been dumped on the floor—boxes, bundles, books, loose papers—till the pile reaches well toward the ceiling; and no man knows what it contains or could find in it any given book or paper." \* \* Referring to the Treasury Building, he says: "In its attic story several miles of wooden shelving contain old Treasury papers, closely packed together and dry as tinder, which up to the present time have not succumbed to spontaneous combustion under our August sun." \* \*

"If by mistake one goes to the old building of the Corcoran Art Gallery instead of the new, he will be compensated by the unusual sight, in the basement, of a body of Government records so stored that in a dry season they can be consulted by any person wearing rubber overshoes, while in a wet season they are accessible by means of some old shutters laid on the basement floor. At the General Land Office (really the worst case of all) he may see a body of archives representing the title to 400,000,000 acres of formerly public but now private lands, stored in a place not, I think, as fit for the purpose as the average coal cellar \* \*. If he goes into the Pension Office Building, he will find the rich and interesting archives of the Indian Office stored in the courtyard. As he looks at the small dome that surmounts the House wing of As he looks at the small dome that surmounts the House wing of the Capitol he may reflect with pleasure that the old files of the House of Representatives are stored, in open boxes, in a manner not unlike that formerly followed by country lawyers, in the stifling heat of the space between roof and ceiling of the dome. Danger of destruction by fire is constant under such circumstances. It is surprising that fires have not been more frequent. But they have occurred several times in former years, and only last summer a fire in the building of the Geological Survey burned up papers which it had cost \$100,000 to produce. There are a half a dozen places in Washington where, if an extensive fire should break out, by burning up the documents with which claims against the Government are defended, would cause the Government to lose several times the cost of a good archives building."

Thus we have a sketchy view of past events leading up to the

Thus we have a sketchy view of past events leading up to the construction of the National Archives Building. But not all stories construction of the National Archives Building. But not all stories end with "and they were married and lived happily ever after." Although the building itself is an almost completed reality, there is no legislation to cover its use; and unless something is done soon, Congress will adjourn and leave a \$10,000,000 investment standing idly waiting. And the intolerable conditions described by Dr. Jameson (although somewhat relieved in certain departments by the addition of new buildings) will continue. We are still depositing valuable records in odd places all over the city, and the danger from crowding, rotting, excess heat, and fire still exists, while the factor of inaccessibility mounts by geometrical progression as the months go by.

exists, while the factor of inaccessibility mounts by geometrical progression as the months go by.

Fortunately, however, in view of these conditions, there is a ray of hope in that the Bloom bill, H.R. 8910, has already passed the House. This is an excellent bill and makes adequate provisions for the known situations likely to arise in this regard. It also anticipates most of the future and unknown situations as far as a cossible. Characteristic of Mr. Broovier receased techniques had a possible. Characteristic of Mr. Bloom's research technique, he dug deeply into this subject, collected and analyzed the laws and regulations of foreign countries governing their archives, and counseled with prominent historians and archivists in this country. while perhaps not a perfect bill, it should be remembered that a perfect bill (if there be such a thing) can be written only on the basis of actual experience over a period of years with our own peculiar problems. It is, however, worthy and adequate for our present needs.

This bill passed the House on April 16, 1934. On May 28, 1934, the Senate Committee on the Library reported it out favorably, but only by deleting everything except the enacting clause and substituting the language and the provisions of the McKellar bill, S. 3681. If the Senate should pass this amended version of the Bloom bill, it will then come back to the House for approval. If the House should not concur, the next step will probably be the appointment of a committee of conferees to work out some kind of a compromise measure. It is sincerely to be hoped that this can be done and the necessary legislation passed before Congress adjourns. An early appointment of an archivist is much to be desired, as he can contribute materially to the building's usefulness by advising on the arrangement of shelves, vaults, and space in general, and thus expedite an early and much-needed use of the building.

But legislation, any kind of legislation, does not solve the problem. It is all important that the right kind of legislation be passed. A half century or more in getting a building is but a span compared to the centuries ahead of us. With the experience of the past, however brief, to guide us, it seems altogether fitting that some kind of public policy should be adopted, at least to point the direction of our journey. Perhaps this might be called a national policy or consciousness of permanency. As a people and as a nation we are guided too much by the demands of expediency. In respect to our buildings and our records we have not yet learned to think in terms of centuries. Perhaps we are too young to have had to face such a problem. Perhaps in the fullness of our youth we have been too busy developing our resources and exploiting our frontiers.

For example, it has been said by those in a position to know But legislation, any kind of legislation, does not solve the prob

For example, it has been said by those in a position to know that 1,000 years hence Egyptian records will be more legible than the records of our present day history. Or to put it in another way, Egyptian records 5,000 years old will be in better condition than American records only 1,000 years old. In fact, under present conditions few of our records will do well to last even 500 years, and probably 100 years would be a fairer estimate.

The Egyptians (and other ancients as well) carved their records on stone and wrote them with good lake on good paper. They have

on stone and wrote them with good ink on good paper. They built their pyramids and vaults in dry places where the aridity would lessen erosion. They built solidly and painstakingly. But we, for the most part, write and print with poor ink on poor paper made from wood pulp which has been broken down by acid. This acid, in turn, has an affinity for the moisture of our climate so that in a few years the texture of the paper starts to degenerate. The ink becomes flaky and falls off. Under such conditions our records become fragile and easily destroyed. Their handling becomes a delicate and expensive matter. In order to perpetuate them, photography or engraving has to be employed. Or what is still less satisfactory, hand-made replicas or printed copies have to be made.

Again, fortunately, there are a few men who are giving considerable thought to this very problem. Experiments in new kinds of paper are being conducted. The science of air conditioning is moving forward. All these will help. Then there is sound recording (the Bloom bill contains provision for this) and motion-

ing (the Bloom bill contains provision for this) and motionpicture recording. Not only can sound be recorded on films and
on disks (by needles) but on metal bars by electrical process that
is said to rearrange the molecular pattern. This latter is still in
the process of experimentation and amounts as yet to hardly more
than a scientific rumor as far as commercial usage is concerned.
When the Bloom bill was being written attention was called to
a new recording disk made of aluminum, which is supposed to
last 10,000 years or more. What would it mean to us now if we
could hear the voice of Lincoln or Washington; of Jesus or
Buddha? What an insight to their character, their force, or
gentleness would this reveal? What a heritage to our children
and our children's children to pass on down through the ages the
voices of great men and women of this age before it is too late?
And motion pictures (this provision is specifically mentioned in

And motion pictures (this provision is specifically mentioned in both the Bloom bill and the Fess bill). By this magic we can record the manners and customs as well as the costumes of the passing generations; events of peace and war; the motion of our great machines which may seem feeble a few centuries hence; and of a transportation system still on wheels fighting the bottle necks of traffic. How stupid that will appear 100 years from now! And in this connection it is interesting that already one great film company has indicated its readiness to donate free of charge valuable collections of motion pictures to our national archives as soon as we are ready to receive them.

Speaking of permanency why stop with five or ten thousand

as soon as we are ready to receive them.

Speaking of permanency, why stop with five or ten thousand years? Gutzon Borglum talks casually of a million years hence and is carving his great figures at Mount Rushmore to last even longer than that. He remarks with a snap of his fingers that his work will survive two or three glacial periods. He talks of an epoch when even the English language may not be known and is planning to fix the date of his work in the stars. But that is enother story, albeit one from which we challenge that another story, albeit one from which we should receive inspi-

ration.

Regardless of what legislation is enacted into law, it should look well to the future, far into the centuries set in a row and waiting. The details of transferring public documents and manuscripts to the building; flexible mandates, ironclad mandates, or no mandates at all; and the matter of supervision of the building are, after all, just details. A competent archivist and the archives competently administered will solve most of the problems, providing we think more than a few years in advance. And provided further we do not wait too long, until some of our early and priceless things are irretrievably lost.

PRINTING OF PROCEEDINGS OF JOINT SESSION COMMEMORATING THE DEATH OF GILBERT DU MOTIER, MARQUIS DE LA FAYETTE

Mr. LAMBETH. Mr. Speaker, by direction of the Committee on Printing, I send to the desk a privileged resolution (H.Con.Res. 39, Rept. No. 2051) and ask for its immediate consideration.

The Clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That there shall be compiled, printed with illustrations, and bound in such manner as may be directed by the Joint Com-

mittee on Printing, 15,000 copies of the proceedings at the joint session of the two Houses of Congress in the Hall of the House of Representatives on May 20, 1934, held in commemoration of the centennial anniversary of the death of Gilbert du Motier, Marquis de La Fayette, together with such other matter as the committee may deem pertinent, of which 3,000 copies shall be for the use of the Senate, 7,000 copies shall be for the House of Representatives, and 4,000 copies for the use of the Joint Committee on Arrangements.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That there shall be compiled and printed with illustrations, in such manner as may be directed by the Joint Committee on Printing, 7,000 copies of the proceedings at the joint session of the two Houses of Congress in the Hall of the House of Representatives on May 20, 1934, held in commemoration of the centennial anniversary of the death of Gilbert du Motier, Marquis de La Fayette, together with such other matter as the committee may deem pertinent, of which 1,500 copies shall be for the use of the Senate, 3,500 copies shall be for the House of Representa-tives, and 2,000 copies for the use of the Joint Committee on Arrangements.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. LAMBETH. I yield.

Mr. MARTIN of Massachusetts. Is this to be distributed to the Members through the document room?

Mr. LAMBETH. Yes, sir.

The committee amendment was agreed to. The resolution as amended was agreed to.

A motion to reconsider the vote whereby the concurrent

resolution was agreed to was laid on the table. PRINTING OF PRAYERS BY THE CHAPLAIN, REV. JAMES SHERA MONTGOMERY, D.D.

Mr. LAMBETH. Mr. Speaker, I present for the present consideration of the House, House Concurrent Resolution 44 (Rept. No. 2052)

The Clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That 2,500 copies of the prayers offered by the Reverend James Shera Montgomery, Chaplain of the House of Representatives, at the opening of the daily sessions of the House during the Seventy-second and Seventy-third Congresses, be printed and bound for the use of the House of Representatives.

The concurrent resolution was agreed to.

A motion to reconsider the vote whereby the concurrent resolution was agreed to was laid on the table.

#### CALL OF THE HOUSE

Mr. MILLIGAN. Mr. Speaker, I make the point of order that there is not a quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and forty-six Members are present; not a

Mr. BYRNS. Mr. Speaker, I move a call of the House. A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

## [Roll No. 196]

Abernethy	Clark, N.C.	Hollister	Perkins
Andrews, N.Y.	Collins, Calif.	Huddleston	Prall
Auf der Heide	Collins, Miss.	Jeffers	Richardson
Bacharach	Connery	Kennedy, N.Y.	Sadowski
Bacon	Corning	Kleberg	Sandlin
Bailey	Culkin	Kramer	Schuetz
Bankhead	Cummings	Lee, Mo.	Scrugham
Beedy	De Priest	Lesinski	Seger
Berlin	Dickstein	Lindsay	Shoemaker
Boland	Douglass	Lozier	Simpson
Brennan	Doutrich	Luce	Smith, Wash.
Brooks	Dunn	McClintic	Smith, W.Va.
Brown, Mich.	Fernandez	McKeown	Snell
Browning	Fish	McLean	Somers, N.Y.
Buckbee	Ford	McLeod	Studley
Burke, Calif.	Fuller	Mansfield	Sullivan
Cady	Gambrill	Marland	Sumners, Tex.
Cannon, Wis.	Gasque	Montet	Swank
Carley, N.Y.	Gifford	Moran	Terrell, Tex.
Carpenter, Nebr.	Goldsborough	Moynihan, Ill.	Thurston
Chapman	Griffin	Norton	Traeger
Chase	Griswold	O'Connell	Treadway
Church	Haines	Palmisano	Withrow
Claiborne	Hamilton	Peavev	Wood, Mo.

The SPEAKER. Three hundred and thirty-three Members have answered to their names, a quorum.

On motion of Mr. Byrns, further proceedings under the call were dispensed with.

The doors were opened.

Mr. BYRNS. Mr. Speaker, I wish to announce that the gentleman from New Hampshire, Mr. Rogers; the gentleman from Alabama, Mr. Hill; the gentleman from Michigan, Mr. James; the gentleman from Connecticut, Mr. Goss; the gentleman from Vermont, Mr. PLUMLEY; and the gentleman from Ohio, Mr. HARTER, the subcommittee investigating purchases in the War Department, are now engaged in drawing their report preparatory to presenting it to the House before adjournment. For this reason I ask that they be excused from answering the roll call.

#### WASHINGTON AND LINCOLN

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a very able and eloquent address delivered by our colleague from New York, Mr. Bloom, at Lincoln University in East Tennessee on the occasion when the degree of doctor of laws was conferred upon him the other day.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BYRNS. Mr. Speaker, on June 3, 1934, during the commencement exercises of Lincoln Memorial University. Cumberland Gap, Tenn., an address was delivered by the Honorable Sol Bloom on Washington and Lincoln.

Lincoln Memorial University was established by Gen. Otis O. Howard at the suggestion of Abraham Lincoln as an educational opportunity for the underprivileged youth of the southern highlands. Through the gateway of this university, which is making an applied science of the principles of Abraham Lincoln, thousands of ambitious youth have entered and qualified for efficient citizenship.

In recognition of the devotion of Congressman Bloom to the memory of Washington and Lincoln, and his helpful influence in the practical educational program of Lincoln Memorial, on commencement day, June 4, the university conferred upon Mr. Bloom the honorary degree of doctor of laws, the citation of which by Chancellor John Wesley Hill was as follows:

In recognition of his preeminence in law, history, and political science, his epochal services as Director of the United States George Washington Bicentennial Commission, his influence and distinguished leadership as Member of Congress from the State of New York, his contribution to social and economic progress, his patronage of higher education, and his adherence to the ideals of Abraham Lincoln.

Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including the very able and eloquent address delivered by our colleague from New York, Mr. Bloom, at Lincoln Memorial University in east Tennessee on the occasion when the degree of doctor of laws was conferred upon him.

The address is as follows:

One of the memorials of the Civil War period is a large bronze plaque bearing the imposed profiles of Washington, Lincoln, and Grant, labeled, respectively, in Latin, "Father, Savior, and Protector." That this combination was not one of transitory enthusiasm due to the Nation's victory over separation is shown by the fact that the same association is to be found on the great Mall in the city of Washington, the Capital of our country. At the head of this long esplanade under the shadow of the dome of the Capitol stands the imposing statue of Grant; down in line with the White House is the sky-piercing monument to Washington, while the temple that enshrines the memory of Lincoln rests at the end, on the shore of the Potomac opposite Arlington Cemetery. With the Federal general who brought to an end the civil strife we are not here concerned. His place is secure in American recollection.

That Washington and Lincoln stand unique in our history and That this combination was not one of transitory enthusiasm

That Washington and Lincoln stand unique in our history and stand together is of wonderful interest. Never were there two great men of less outward resemblance. True, they were both tall, and both were of great physical strength; but they had nothing in common as to looks, movements, poise, or demeanor. Weshington was considered a handsome man his features sufficient. Washington was considered a handsome man, his features suffi-ciently regular and expression almost always calm and under com-plete control. Lincoln's looks were hewn roughly, he was as his neighbors might have said, "downright homely", his face was mobile, his expression fleeting, but with a vividness that Washing-ton's seemed to have lacked except on rare occasions. Wash-ington was prompt, precise, careful of dress, of stately walk, and

formal courtesy. In these things the shambling Lincoln was almost complete opposite, except in innate courtesy. Washington's life was well ordered, his affairs attended to with exactitude, his mind pigeonholed. In none of these things did Lincoln show a special aptitude. Washington's sense of justice, justice to himself as well as to others, was stern and unbending; Lincoln's kind-heartedness has become a national tradition. Lincoln was a as well as to others, was stern and unbending, Lincoln's kind-heartedness has become a national tradition. Lincoln was a shrewd politician; Washington's ear was never close to the ground, and he was little influenced by public opinion or unpopularity, if he felt that the course upon which he had decided was right and for the ultimate good of the people. Washington was a colonial-bred aristocrat; Lincoln, a prairie-raised democrat. This string of contrasts might be made much longer, but it is

sentially one of outward contrast, of methods of approach rather essentially one of cutward contrast, of methods of approach rather than of the goal, for the goal in each was the same—his country's good. And there were also resemblances. Both men were self-educated; both had little formal schooling; both were trained by experience, though Washington's was much more varied than Lin-coln's was, just as his career was consequently more varied. Both had in the depths of their own character and genius the strength and force that made them leaders. Both developed the ability of clear and convincing statement of equally clear and convincing thought, though Lincoln developed a power of expression which reached, in the Gettysburg address and second inaugural, heights which Washington never attained. Both were essentially reverent. Neither gave very much thought to religious conformity or orthodox expression, though Washington was more careful in formal observances; but both had faith in an imposing beneficent Proviobservances; but both had faith in an imposing beneficent Providence, whose judgments might sometimes be inscrutable but less were true and righteous altogether.

That faith we later Americans might well emulate as we consider the career of these two great national heroes, for never were men more divinely raised for their tasks, tasks so different that each would undoubtedly have failed where the other succeeded. Washington was called forth to father a nation, Lincoln to save one; Washington to lay enduring foundations, Lincoln to ward off the lightning that flamed to destroy the structure built on Washing-ton's plans. The seed of our national tree was matured before Washington's day, but he planted it, bedded it securely, and saw it take form after its young growth had been watered by the blood of Revolutionary soldiers. Lincoln's task was to eradicate the disease that had fixed itself upon the well-grown and still fast-spreading limbs, the disease of sectionalism fostered by the

spreading limbs, the discussed existence of slavery.

George Washington was a scion of a family of tobacco planters in colonial Virginia. His descent was entirely English, except for a slight Huguenot-French strain from a great-great-grandmother. In the colony the plantation class was the ruling one, and its rule hand an aristocracy. The planters clung to the tidewater region, bred an aristocracy. The planters clung to the tidewater region, had large families, were generally land poor, much in debt to their English factors, and proud of their rights as Englishmen as they understood those rights, which, in general, meant being left alone without more than formal allegiance to the King of England or his Parliament or guidance by them.

George Washington was of the fourth generation of the family George Washington was of the fourth generation of the family in Virginia. He was left fatherless at the age of 11 and thrown thus early largely upon his own resources. How much this misfortune, or fondness for mathematics, or an ardent love of the wilds and adventure, had to do with his choice of an occupation cannot be judged; but certainly he found in surveying, especially the surveying of the back country, a training which began the cannot be judged; but certainly he found in surveying, especially in the surveying of the back country, a training which began the fitting for his great career as perhaps no other calling would have done under the existing circumstances. It prepared his body as well as his mind. It brought him into close contact with the frontier settlers, which contact bred tolerance in him, and whose democracy was of even greater influence.

democracy was of even greater influence.

Observe how carefully fate guided his steps. Surveying gave him knowledge of the frontier, aided in the early maturity and judgment which attracted the attention of the leaders of the colony, and made natural his selection for the dangerous winter mission of warning to the French on the Ohio. The success of this mission and the information gained during it gave him his first frontier command and started the military career for which he professed a desire. The service in the French and Indian War furnished the practical instruction that was essential to the far wider command during the Revolution, and made his choice for that command possible.

command possible.

command possible.

The colonial war service over, for the next 17 years the supervising fate saw that he should be a member of the colonial legislature and show there the knowledge and reliability that brought him recognition as a civil leader. This service gave him insight respecting the developing strife between the Colonies and the British Government. At the same time he was a country gentleman, who as vestryman and church warden, justice of the peace and member of the county court, gained other training that was invaluable; and who kept his wits polished by the friction of social intercourse with leaders of his own and other Colonies. Also be Invaluable; and who kept his wits polished by the friction of social intercourse with leaders of his own and other Colonies. Also he was absorbed in the many problems of a thoughtful farmer and business man combined; experimenting for better methods of agriculture, meeting the troubles of rude slave labor, and worried by the crude methods and financial troubles of commercial intercourse with his British agents across the broad Atlantic. Nor did he forget his early frontier interests. Increasingly he recognized the importance of the West to the young American Nation and acquired interests there. Finally he was to share as a Member of acquired interests there. Finally he was to share as a Member of the Continental Congress in the preliminaries of the Revolution, to start upon its vast evolution the principles of unionism and

Truly he was not flung haphazard into the still small arena of American history.

Abraham Lincoln's ancestry was also purely English and the immigrant of it came to New England even before Washington's ancestor landed in Virginia. Lincoln's forefathers went to Pennsylvania, thence to western Virginia, and finally into Kentucky, where Lincoln was born. He grew up in Indiana and made his home in Illinois. This frontier impulse and search for new lands had as attendants a fondness for democratic principles and ecohad as attendants a fondness for democratic principles and eco-

nomic progress.

The boyhood was one of unschooled and extreme poverty and all the trials of frontier existence; a severe forging such as would give proper temper only to the best metal, but which would indeed all the trials of frontier existence; a severe lorging such as would give proper temper only to the best metal, but which would indeed be of great value in making such metal ring true. He made various attempts at occupation, including a short military service in the Black Hawk war, manual labor, storekeeping, and surveying; and the life he led gave wonderful training to an understanding of human nature, to the development of the political sense, and to the growth of popularity and wide personal influence. His election to the State legislature was a natural outcome; and when after this first public service he began to practice law and ride the circuit his political training and leadership widened until it included the whole State. He was a good fellow, told robust stories, called people by their first names spontaneously, delighted in physical prowess, was a keen and successful lawyer, and a brilliant stump speaker. In 1847-49 he served one term in Congress. Here he made no mark. He showed himself to be a good Whig politician and party worker; but anyone who would then have prophesied the man's return to Washington as the head of the Nation would have been considered a rank visionary.

It cannot be said that he had as yet risen above party politics or showed any of the elements that were, given the right opportunity, to make him one of the world's great men. But when the opportunity came he was prepared. While his political progress

opportunity came he was prepared. While his political progress was building up the following that gave him a right to be heard, the inner man was developing the principles for which he was to demand a hearing. The opportunity came with the final struggle over slavery inaugurated by the passage of the Kansas-Nebraska bill with its requirement that slavery have the right to expand. Lincoln became a champion of the restrictive policy, which all recognized as meaning slow death to the institution. The joint debates with Douglas in 1857, during their campaign for the Sendeclares with Douglas in 1857, during their campaign for the S2n-ate, made his reputation national; and his keen logic, trenchant sarcasm, clarity of expression, appeals for a democratic civil liberty, and the principles of the Declaration of Independence made his speeches a storehouse of wisdom for the young Repub-lican Party. Yet his nomination for the Presidency came pri-marily because of his availability, and his election was due to the hopeless split of his opponents.

Truly he was flung haphazard into the now great arena of American history.

Truly he was flung haphazard into the now great arena of American history.

The contrast between the careers of the two men continues after their elevation to leadership. Washington was first the allessential military commander, then dominantly concerned with framing a new government, and finally the indispensable organizer of that government into practical operation—a combined service that covered 22 years. Three years later he sank quietly to rest, mourned by the whole Nation he had so faithfully fathered. Lincoln was the mighty leader for the 4 most trying years of our history; and was struck down at the moment of triumph for his principles, and just when his wisdom was needed to guide the Nation through the period of reconstruction without the wounds and scars that resulted from the blundering management that followed the withdrawal of his master hand. We need not dwell upon the outstanding deeds of Washington and Lincoln during the periods that made them world figures.

Lincoln during the periods that made them world figures. Washington was not a military genius; he lost battles but he won campaigns. We cannot imagine that any other of the known Revolutionary characters could have kept the Army together and carried the Revolution to a successful conclusion. The military aspects of Lincoln's tasks were most important, for everything was based upon the Federal success in the field. was sorely embarrassed by repeated failures, but it is probable that his and his civil subordinates' interference in purely milithat his and his civil subordinates interference in purely military matters did more harm than good. It must be remembered, however, that it was never possible for him to consider things from a purely military point of view. Political acumen is one of Lincoln's chief claims to greatness. The all-important military success could never be achieved in a democracy without proper civil support; and he knew to a nicety how to balance the large The Civil Wer might have been very suppose by a distance. two. The Civil War might have been won sooner by a dictator; it had to be won by the consent of the people. And it was.

In civil matters Washington, as a builder, dealt more in funda-

mentals than did Lincoln, the preserver; and his problem was much less political in the narrow sense of that word. He had in the long years of military service and cooperation with the inefficient Continental Congress time to meditate calmly on what was needed to make the Union "more perfect" and "to promote the general welfare and secure the blessings of liberty." When the theories and experiences of himself and the other framers had been made into a Constitution, the fundamental law of the land, and he was called upon to organize and administer under it, he was able to establish the Government in accordance with his ideas, which remain to this day the foundational ones. Washington realized that a strong government was requisite, one that not only dealt with the people directly but had sufficient as well as coercive power. The Nation had to be put on a firm basis.

The opposing schools of political thought—implied powers and nationality against strict construction and State rights—which had their beginning under Washington came to the final settlement of arms under Lincoln. His task it was to see that the Government set in operation by Washington and sent forth on its march of destiny by the principles of democracy "should not perish from the earth." He had little time for meditation; he was stormed by events. He was forced by the crisis of State rights made sectional by economic conditions and demanding its logical outcome of separation; and he, bred in the great West that was the very child of the Union, knew how fatal to his country and to world progress would be the success of that demand. He must save what Washington had fathered; and he came untried to the task, with a necessity of preserving the fatth of the loyal North in him as their leader and in conducting his country, which had been Washington's country, through the long soul-searing war, not only to a triumph of arms but to a removal of the economic cause of the contest and to an unquestioning acceptance of Washingtonian unionism.

The prevision which we call statesmanship showed him what the steps must be toward this great consummation; his wonderful political sense when each step could be taken. As he lay unconscious under the assassin's bullet, awaiting the flight of his soul and the beginning of his eternal fame, may we not hope that his inner mind realized how supremely he had wrought, how worthly in national honor he was to be placed next to Washington, of whom he had himself said, "In solemn awe we pronounce the name, and in its deathless splendor leave it shining on."

PROTECTION AND PRESERVATION OF DOMESTIC SOURCES OF TIN

Mr. FADDIS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9275) to provide for the protection and preservation of domestic sources of tin, amended to read as follows:

The Clerk read the bill as amended, as follows:

Be it enacted, etc., That within 1 year from the passage of this act there shall not be exported from the United States any tin plate scrap material from which the tin can be recovered by detinning or other reclamation process, except upon permit issued by the Secretary of War in each case for exportation of specified quantities. Any violation of the provisions of this act shall be a misdemeanor and shall be punished by a fine of not more than \$500 or by imprisonment of not more than 1 year, or by both such fine and imprisonment. The Secretary of War is authorized to extend the application of the provisions of this act for periods of 6 months.

The SPEAKER. Is a second demanded? [After a pause.] If not, the Chair will put the question.

The question is, Shall the rules be suspended and the

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended, and the bill was passed as amended, and a motion to reconsider was laid on the table.

## NAVAL AIR STATION, PENSACOLA, FLA.

Mr. VINSON of Georgia. Mr. Speaker, I move to suspend the rules and pass the bill (S. 1103) to authorize the Secretary of the Navy to proceed with certain public works at the Naval Air Station, Pensacola, Fla.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy is hereby authorized to construct additional buildings, structures, roads, utilities, and appurtenances, and to remove, relocate, replace, remodel, and extend existing buildings, structures, roads, utilities, and appurtenances at the Naval Air Station, Pensacola, Fla., at a cost not to exceed \$5,363,500, and said sum is hereby authorized to be appropriated.

The SPEAKER. Is a second demanded?

Mr. MARTIN of Massachusetts. A second is not demanded, Mr. Speaker, but we should like to have the bill explained.

Mr. VINSON of Georgia. Mr. Speaker, the purpose of the bill is to authorize the Navy Department over a period of years, probably 3 to 5 years, to make certain improvements at the Pensacola Air Station. In view of the fact that Congress has authorized 1,184 new planes for the Navy, it is necessary that in the course of time certain improvements be made at the naval station at Pensacola.

Pensacola is the only air station for the Navy in the United States. Conditions there are most deplorable. It is necessary among other things to acquire an aviation field, and the object and purpose of this bill is to authorize these improvements.

At each session of Congress it will be necessary for the Budget and the Navy Department to submit their recommendations to the Appropriations Committee, and Congress

will have an opportunity to vote on each item when it comes up in the appropriation bill.

If any Member desires to ask a question I shall be pleased to yield.

Mr. SUTPHIN. Mr. Speaker, will the gentleman yield? Mr. VINSON of Georgia. I yield.

Mr. SUTPHIN. Does not the gentleman think it desirable, in view of the fact that we are about to expand our aviation very much, that we should have other training centers rather than concentrate it all at one place?

Mr. VINSON of Georgia. I hope we can utilize to the fullest extent the training station at Lakehurst. [Applause.]

The Committee on Naval Affairs sent two of its members to make a personal investigation of conditions at Pensacola, and upon their return they made their recommendations. This bill has the approval of the Navy Department. It has already passed the Senate.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. SABATH. What arrangements have been made for using or extending the facilities of the Great Lakes Training Station in Illinois?

Mr. VINSON of Georgia. The Great Lakes Station is not an air-training station.

Mr. SABATH. It is the most wonderful site in the United States for air training.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. BLANTON. I just wanted to say that in my opinion of all the great chairmen of the great Naval Affairs Committee who have honored this House, the gentleman from Georgia [Mr. Vinson] is the greatest. [Applause.]

The SPEAKER. The question is, Shall the rules be sus-

pended and the bill pass?

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended, and the bill was passed, and a motion to reconsider was laid on the table.

## ELOY ALFARO AND JAIME EDUARDO ALFARO

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent for the present consideration of Senate Joint Resolution 108.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved, etc., That the Secretary of War be, and he is hereby, authorized to permit Eloy Alfaro and Jaime Eduardo Alfaro, citizens of Ecuador, to receive instruction at the United States Military Academy at West Point: Provided, That no expense shall be caused to the United States thereby, and that said Eloy Alfaro and Jaime Eduardo Alfaro shall each agree to comply with all regulations for the police and discipline of the Academy, to be studious, and to give his utmost efforts to accomplish the courses in the various departments of instruction, and that neither shall be admitted to the academy until he shall have passed the mental and physical examinations prescribed for candidates from the United States, and that each shall be immediately withdrawn if deficient in studies or in conduct and so recommended by the academic board: Provided jurther, That in the cases of said Eloy Alfaro and Jaime Eduardo Alfaro the provisions of sections 1320 and 1321 of the Revised Statutes shall be suspended.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House joint resolution (H.J.Res. 324) was laid on the table.

## THELMA LUCY ROUNDS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that the conferees on the bill (H.R. 3636) for the relief of Thelma Lucy Rounds be discharged and that the House concur in the Senate amendment to said bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the Senate amendment as follows:

Page 1, line 5, strike out "\$1,500" and insert "\$270.28".

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

GEORGE WASHINGTON BICENTENNIAL COMMISSION

Mr. BLOOM. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3178) authorizing the George Washington Bicentennial Commission to print and distribute additional sets of the writings of George Washington.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, how many of these sets are to be

Mr. BLOOM. This does not increase the present publication. It merely allows a price to be put on the books so that they can be sold publicly.

There being no objection, the Clerk read the bill as

Be it enacted, etc., That section 1 of the act entitled "An act to enable the George Washington Bicentennial Commission to carry out and give effect to certain approved plans", approved February 21, 1930, is amended by striking out all preceding the last sentence therein and inserting in lieu thereof the following: "That the United States Commission for the Celebration of the Two Hundredth Anniversary of the Birth of George Washington established by the joint resolution entitled 'Joint resolution authorizing an appropriation for the participation of the United States in the preparation and completion of plans for the comprehensive observance of that greatest of all historic events, the bicentennial of the birthday of George Washington', approved December 2, 1924 (hereinafter referred to as the 'Commission'), is authorized and directed to prepare, as a congresproved December 2, 1924 (hereinafter referred to as the 'Commission'), is authorized and directed to prepare, as a congressional memorial to George Washington, a definitive edition of all his essential writings, public and private (excluding the diaries), including personal letters from the original manuscripts or first prints, and the general orders, at a cost not to exceed \$56,000 for preparation of the manuscript. Such definitive edition shall be printed and bound at the Government Printing Office and shall be in about the same form as the already published diaries of George Washington and shall consist of 25 volumes, more or less. There shall be 3,000 sets of such edition, 2,000 of which shall be be in about the same form as the already published diaries of George Washington and shall consist of 25 volumes, more or less. There shall be 3,000 sets of such edition, 2,000 of which shall be sold by the Superintendent of Documents (1) at a cost of \$50 per set for sets sold to public libraries, and institutions and societies of learning, and (2) the remainder of the 2,000 sets, at \$75 per set. The Commission shall, upon the publication of each volume of the remaining 1,000 sets, distribute copies of each such volume as follows: Two each to the President, the library of the Senate, and the library of the House of Representatives; 25 to the Library of Congress; 1 to each member of the Cabinet; 1 each to the Vice President and the Speaker of the House of Representatives; 1 to each Senator, Representative in Congress, Delegate, and Resident Commissioner; 1 each to the Secretary of the Senate and the Clerk of the House of Representatives; 1 each to the libraries of the executive departments and independent establishments located in Washington City, which were not created after March 4, 1933; and 1 to each member and officer of the Commission. Every such recipient eligible to receive any volume or volumes of such writings at any time prior to the issue of the final volume (but not later than December 31, 1934) shall be entitled to receive a complete set of such writings. The remaining sets, if any, shall be distributed as Library of Congress directs, including such number of sets as may be necessary for foreign exchange. The usual number for congressional distribution and for depository libraries shall not be printed." exchange. The usual number for congressional distribution and for depository libraries shall not be printed."

SEC. 2. Section 1 of such act of February 21, 1930, is further amended by adding at the end thereof the following new para-

"The 1,000 extra copies (heretofore privately printed) of the first volume of such writings shall be considered to have been authorized by the Commission and the Commission may accept a donation of such extra copies for distribution for reviews, advertising, and for such other promotional purposes as it may deem advisable. If the Commission shall direct the Superintendent of Documents to sell any such extra copies of the first volume, he shall offer the same for sale at a cost per copy equal to the cost per copy of the first volume as computed under clause (2) of the third sentence of this section. Such extra copies shall be the only copies of any volume of the set distributed or sold separately."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISTINGUISHED FLYING CROSS TO EMORY B. BRONTE

Mr. WELCH. Mr. Speaker, I ask unanimous consent for the present consideration of Senate Joint Resolution 117, authorizing the President of the United States to present the Distinguished Flying Cross to Emory B. Bronte.

The Clerk read the joint resolution, as follows:

Senate Joint Resolution 117

Resolved, etc., That the President of the United States is authorized to present the Distinguished Flying Cross to Emory B. Bronte,

of San Francisco, Calif., in recognition of his heroic courage and great skill as a navigator on the second successful airplane flight-from California to the Hawaiian Islands, made under extremely adverse weather conditions in 25 hours 2 minutes, on July 14 and 15, 1927.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider and a similar House joint resolution (H.J.Res. 108) were laid on the table.

#### SUSAN I. BRUMM AND JOAN Q. BRUMM

Mr. DARROW. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Concurrent Resolution No. 23.

There being no objection, the Clerk read the concurrent resolution, as follows:

#### Senate Concurrent Resolution 23

Resolved by the Senate (the House of Representatives concurring), That the Clerk of the House of Representatives is authorized in the enrollment of the bill (H.R. 9830) making appropriations to supply deficiencies in certain appropriations for the tions to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes, to insert on page 2, after line 23, of the House engrossed bill the following:

poses, to insert on page 2, after line 23, of the House engrossed bill the following:
"For payment to Susan I. Brumm and Joan L. Brumm, sisters of George F. Brumm, late a Representative from the State of Pennsylvania, \$8,500."

The concurrent resolution was agreed to. A motion to reconsider was laid on the table.

#### FOREIGN DECORATIONS

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table, H.J.Res. 330, authorizing certain retired officers or employees of the United States to accept such decorations, orders, medals, or presents as have been tendered them by foreign governments, with Senate amendment, and agree to the Senate amendment.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain this resolution?

Mr. McREYNOLDS. This is the resolution that came out of the gentleman's committee, giving the right to certain people to accept decorations.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the Senate amendment as follows:

Page 2, after line 12, insert:
"Sol Bloom, Member of Congress, Director of United States
George Washington Bicentennial Commission."

The Senate amendment was agreed to.

## GEORGE M. COHAN

Mr. PEYSER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 7290), authorizing the President to present a gold medal to George M. Cohan.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman.from New York?

Mr. TRUAX and Mr. WADSWORTH objected.

## UNITED STATES NAVY BAND

Mr. BRITTEN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 7742) for the relief of the present leaders of the United States Navy Band and the band of the United States Marine Corps, with a committee amendment.

The Clerk read the bill, as follows:

Be it enacted, etc., That from and after the date of approval of this act the present leader of the United States Navy Band shall have the rank, pay, and allowances of a lieutenant in the Navy and, in the computation of his pay and allowances, all naval service of whatever nature rendered by said leader shall be counted as if it were commissioned service; and the said leader,

of the United States Navy Band shall be entitled to retirement as a lieutenant in the Navy in the same manner as other officers of the Navy of this rank and length of service, computed as stated above, would be entitled to retirement.

With the following committee amendment:

Page 1, line 4, after the word "band", strike out the balance of line 4 and all of lines 5, 6, 7, 8, 9, 10, and line 11, down to and including the word "this", and insert: "and the present leader of the band of the United States Marine Corps shall have the rank, pay, and allowances of a lieutenant in the Navy and of a captain in the Marine Corps, respectively; and in the computation of their pay and allowances all service in the Navy and the Marine of their pay and allowances all service in the Navy and the Marine Corps of whatever nature rendered by said leaders shall be counted as if it were commissioned service; and the said leaders of the United States Navy Band and the band of the United States Marine Corps shall, at such time as the President in his discretion may direct, be entitled to retirement as a lleutenant in the Navy and as a captain in the Marine Corps, in the same manner as other officers of the Navy and Marine Corps of such rank and length of service, computed as stated above, would be entitled to retirement."

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COAL AND ASPHALT DEPOSITS OF CHOCTAW AND CHICKASAW NATION, OKLAHOMA

Mr. CARTWRIGHT. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 9769) to amend the act of June 19, 1930 (46 Stat. 788), entitled "An act providing for the sale of the remainder of the coal and asphalt deposits in the segregated mineral land in the Choctaw and Chickasaw Nations, Okla., and for other purposes."

The Clerk read the title of the bill.

Mr. HOLMES. Mr. Speaker, reserving the right to object. I should like to have a little information on this bill. Does this bill provide for the sale of asphalt or mineral rights?

Mr. CARTWRIGHT. I may say that the Choctaw and Chickasaw Indians in my district have thousands of acres of segregated coal lands and under the law as it now exists they cannot sell it in tracts of less than 960 acres. This bill provides that they may sell it in smaller tracts.

Mr. HASTINGS. This is a Department bill.

Mr. CARTWRIGHT. Yes; it is a Department bill, unanimously reported by the Committee on Indian Affairs, and approved by the Indians and everyone concerned.

Mr. HOLMES. We are not giving anything away?

Mr. CARTWRIGHT. No.

Mr. HASTINGS. This legislation was passed 30 or 40 years ago when money was more plentiful. Now, some of the smaller companies have mined out all the coal, but there are small tracts adjacent thereto which they want to buy and will buy if this legislation is enacted.

Mr. HOLMES. I have no objection.

Mr. TRUAX. Mr. Speaker, has this bill passed the House? The SPEAKER. It has not.

Mr. TRUAX. Then I shall object, Mr. Speaker. [After a pause.] Mr. Speaker, I withdraw the objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act of June 19, 1930 (46 Stat. 788), entitled "An act providing for the sale of the remainder of the coal and asphalt deposits in the segregated mineral land in the Choctaw and Chickasaw Nations, Okla., and for other purposes", is hereby amended so as to permit the Secretary of the Interior, in his discretion, to sell under the provisions of said act the coal and asphalt deposits referred to therein in tracts of less than 960 acres where such smaller tract or acreage adjoins a developed tract on which active mining operations are being conducted and tract on which active mining operations are being conducted and is needed by the operator in further developing the existing mine: Provided, That where the sale of such smaller tract or acreage is not deemed advisable, the Secretary of the Interior may, in his discretion, lease said tract under the same terms and conditions as developed tracts are leased under the act of April 21, 1932 (47 Stat. 88), with the exception that the minimum tonnage requirement contained therein is hereby waived as to leases on such small tracts.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. RICH. Mr. Speaker, reserving the right to object, I should like to know what the bill is.

Mr. CARTWRIGHT. Mr. Speaker, I yield to the gentleman from Oklahoma [Mr. Hastings], who has a similar situation in his district.

Mr. HASTINGS. Mr. Speaker, this is a Department bill that allows the Department to put up less than 960 acres of the reserved coal deposits of the Choctaws and Chickasaws in Oklahoma. The law now requires them to put it up in tracts of 960 acres. The Department has drawn this bill and has asked permission to cut these tracts into smaller ones, and that is all the bill does.

Mr. RICH. As I understand, the Committee on Public Lands has not had any opportunity to go over this bill.

Mr. HASTINGS. This bill does not go to the Public Lands Committee. This bill goes to the Committee on Indian Affairs, and it is unanimously approved and was really drawn by the Department and requested by the Department.

Mr. RICH. What committee has the bill?

Mr. HASTINGS. The Indian Affairs Committee.

Mr. RICH. Has the Indian Affairs Committee acted on it? Mr. HASTINGS. Yes; unanimously.

Mr. RICH. Mr. Speaker, I withdraw the reservation of objection.

Mr. DIRKSEN. Mr. Speaker, reserving the right to object, this bill does not affect oil, does it?

Mr. CARTWRIGHT. No.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

YAQUINA BAY LIGHTHOUSE RESERVATION, OREG.

Mr. MOTT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7922) authorizing the Secretary of Commerce to dispose of a portion of the Yaquina Bay Lighthouse Reservation, Oreg., with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 1, line 7, strike out "twenty-two" and insert "thirty-

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

## LANGELL VALLEY IRRIGATION DISTRICT

Mr. MARTIN of Oregon. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 1510) to amend an act entitled "An act to adjust water-right charges, to grant other relief on the Federal irrigation projects, and for other purposes", approved May 25, 1926, with respect to certain lands in the Langell Valley Irrigation District.

The Clerk read the bill as follows:

Be it enacted, etc., That the act entitled "An act to adjust water-right charges, to grant other relief on the Federal irriga-tion projects, and for other purposes", approved May 25, 1926, is amended by adding after section 16 thereof the following new

sections:

"SEC. 16-A. All payments upon construction charges shall be suspended against such lands in the Langell Valley irrigation district as the Secretary of the Interior shall cause to be classified as to productivity and as the said Secretary may determine to be temporarily unproductive because nonagricultural and suitable for irrigation, and the said Secretary is hereby authorized to reduce the construction obligations of the Langell Valley irrigation district exclusive of costs incurred in the construction of Clear Lake Channel in the racio and proportion as the numof Clear Lake Channel in the ratio and proportion as the number of acres so found and determined to be temporarily unproductive bears to the total number of acres now included as a part of said irrigation district: Provided, That the amount of irrigation water to which the Langell Valley irrigation district is entitled shall be reduced in proportion to the area temporarily suspended from construction charges.

"Sec. 16-B. The Secretary of the Interior, as a condition precedent to the allowance of the benefits offered under section

16-A, shall require the Langell Valley irrigation district to execute a contract providing for the resumption of construction charges by said district upon all, or any, of such acreages so found and determined to be temporarily unproductive, as the Secretary of the Interior may, subsequent to such suspension, find and declare to be possessed of sufficient productive power to be again placed in the paying class."

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

Mr. O'MALLEY. Mr. Speaker, reserving the right to object, I should like to ask the gentleman a question. Is this bill the same as H.R. 9124?

Mr. MARTIN of Oregon. No; it is not.

Mr. McFARLANE. Mr. Speaker, reserving the right to object, I should like to have an explanation of the bill.

Mr. MARTIN of Oregon. The only purpose of the bill is to authorize a reclassification of the lands of Langell Valley irrigation district, Klamath project, Oregon-California, and to permit the suspension of construction charges on such lands as the Secretary of the Interior may determine to be temporarily unproductive because nonagricultural and unsuitable for irrigation.

Mr. McFARLANE. Does this cost the Government anything?

Mr. MARTIN of Oregon. No.

Mr. McFARLANE. Who is paying it?

Mr. PIERCE. The district. There is an irrigation district here and the engineers took in land they cannot irrigate and now they compel the settlers to pay charges on a vast amount of land that cannot be irrigated.

Mr. MARTIN of Oregon. And it is not fit for agriculture. Mr. PIERCE. There is a report here from Harold L. Ickes recommending the bill.

Mr. McFARLANE. Is there a unanimous report?

Mr. PIERCE. Yes.

Mr. TRUAX. Mr. Speaker, reserving the right to object, has this bill passed the Senate?

Mr. MARTIN of Oregon. It has passed the Senate and has been approved by the Committee on Irrigation and Reclamation.

Mr. TRUAX. Is it a good bill?

Mr. MARTIN of Oregon. Yes, it is.

Mr. TRUAX. Mr. Speaker, the next governor of Oregon says this is a good bill and I withdraw my reservation of objection.

The SPEAKER. Is there objection?

There being no objection, the bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### UTILITIES INVESTIGATION

Mr. RANKIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Joint Resolution 115.

The Clerk read as follows:

# Senate Joint Resolution 115

Resolved, etc., That the Federal Trade Commission be, and it is hereby, authorized and directed to proceed under the Senate resolution aforesaid until it has investigated such of said corporations as in its judgment should be investigated, but the investigation shall be completed and the Commission's final report, with recommendations, shall be submitted to the Congress not later than the first Monday in January 1936.

The SPEAKER. Is there objection?

Mr. WEIDEMAN. Reserving the right to object, I should like to have an explanation.

Mr. RANKIN. This is to extend the time for the Federal Trade Commission to complete its investigation on utilities. It was started 7 years ago, and they want until January 1, 1936.

Mr. MARTIN of Massachusetts. Is there any additional money required?

Mr. RANKIN. I do not think so, they have not asked for any. The bill has been passed by the Senate.

Mr. ELTSE of California. Reserving the right to object, was not there a bill passed the other day on this same subject?

Mr. RANKIN. No; that was for the Federal Power Commission.

Mr. WADSWORTH. Mr. Speaker, I object.

AUTHORIZING THE CONVEYANCE OF CERTAIN LANDS TO THE MARY-LAND NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Mr. LEWIS of Maryland. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 2603) authorizing the Secretary of Agriculture to convey certain lands to the Maryland National Park and Planning Commission of Maryland for park purposes.

The SPEAKER. Is there objection?

Mr. LEWIS of Maryland. This bill has been passed by the Senate, and it has the approval of the House committee. The Secretary of Agriculture has been using 50 acres of land in Bethesda for the Animal Industry Bureau. That has now been abandoned, and they are moving to Beltsville. They are moving the buildings, also. This would provide 50 acres of land to be added to the park system of the Capital.

Mr. WEIDEMAN. Reserving the right to object, if we add this 50 acres to the park system it will cost money to keep

it in repair.

Mr. LEWIS of Maryland. It will be a part of the park system.

Mr. TRUAX. What is the value of the land?

Mr. LEWIS of Maryland. I am not able to say. This was occupied, as I say, by the Agricultural Department for the Bureau of Animal Industry. They found it was too small, and they have taken a larger tract at Beltsville and moved the buildings. The bill provides that the deed shall not be made out until it is satisfactory to the Secretary of Agriculture.

Mr. WEIDEMAN. This adds 50 acres to the park system, and it will cost thousands of dollars to keep it up.

Mr. LEWIS of Maryland. There is a general parking system in the city of Washington and the State of Maryland. In the nature of things the two parking systems have to go together. They have a commission that handles it, and so far as I know not a dollar of extra expense will be involved, and there is none sought by this bill.

Mr. WEIDEMAN. It will by the mere fact that it will have to be developed. That is in Bethesda. They have a lot of park there now. It will just put another burden on the people. In Washington instead of putting the parks in the poor districts where the people really need them, they build the parks in other places.

The SPEAKER. Is there objection.

Mr. WEIDEMAN. Mr. Speaker, I object.

Mr. RICH. Mr. Speaker, if more requests come in here and gentlemen do not say that it is made with the unanimous consent of the committee, I will object.

# CIVIL SERVICE RETIREMENT ACT OF 1930

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2702), to amend the Civil Service Retirement Act of May 28, 1930, and for other purposes, with an amendment thereto, and consider it at this time.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, will the gentleman explain the bill?

Mr. RAMSPECK. Mr. Speaker, this bill simply gives benefits of the retirement system of the Federal Government a right to name a beneficiary so that when they die leaving some money still due them, it will not be necessary to go to the expense of administration for a small sum of money. The bill is unanimously reported by the Civil Service Committee.

Mr. TRUAX. I withdraw my objection.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That subsection (c) of section 12 of the Civil Service Retirement Act of May 29, 1930, as amended (U.S.C., supp. VII, title 5, sec. 702a (c), is amended to read as follows:

"(c) In case an annuitant shall die without having received in annuities purchased by the employee's contributions as pro-

vided in (2) of section 4 of this act an amount equal to the total amount to his credit at time of retirement, the amount remaining to his credit and any accrued annuity shall be paid, upon the establishment of a valid claim therefor, in, the following

order of precedence:
"First, to the beneficiary or beneficiaries designated in writing

"First, to the beneficiary or beneficiaries designated in writing by such annuitant and recorded on his individual account; "Second, if there be no such beneficiary, to the duly appointed executor or administrator of the estate of such annuitant; "Third, if there be no such beneficiary, or executor or administrator, payment may be made, after the expiration of 30 days from the date of the death of the annuitant, to such person or persons as may appear in the judgment of the Civil Service Commission to be legally entitled thereto, and such payment shall be a bar to recovery by any other person.

or persons as may appear in the judgment of the Civil Service Commission to be legally entitled thereto, and such payment shall be a bar to recovery by any other person.

"In the case of an annuitant who has elected to receive an increased annuity as provided in section 4 of this act, the amount to be paid under the provisions of this subsection shall be only the accrued annuity."

SEC. 2. Subsection (d) of such section 12 (U.S.C., supp. VII, title 5, sec. 702a (d)), is amended to read as follows:

"(d) In case an employee shall die without having attained eligibility for retirement or without having established a valid claim for annuity, the total amount of his deductions with interest thereon shall be paid, upon the establishment of a valid claim therefor, in the following order of precedence:

"First, to the beneficiary or beneficiaries designated in writing by such employee and recorded on his individual account;

"Second, if there be no such beneficiary, to the duly appointed executor or administrator of the estate of such employee;

"Third, if there be no such beneficiary or executor or administrator, payment may be made, after the expiration of 30 days from the date of the death of the employee, to such person or persons as may appear in the judgment of the Civil Service Commission to be legally entitled thereto, and such payment shall be a bar to recovery by any other person."

SEC. 3. Subsection (e) of such section 12 (U.S.C., supp. VII, title 5, sec. 702a(e)) is amended to read as follows:

"(e) In case a former employee entitled to the return of the amount credited to his individual account shall become legally incompetent, the total amount due may be paid to a duly appointed guardian or committee of such former employee. If the amount of refund due such former employee does not exceed \$1,000, and if there has been no demand upon the Civil Service Commission by a duly appointed guardian or committee, payment may be made, after the expiration of 30 days from date of sep-Commission by a duly appointed guardian or committee, payment may be made, after the expiration of 30 days from date of separation from the service, to such person or persons, in the discretion of the Commission, who may have the care and custody of such former employee, and such payment shall be a bar to recovery by any other person."

SEC. 4. Subsection (f) of such section 12 (U.S.C., supp. VII, title 5, sec. 702a(f)) is amended to read as follows:

"(f) Each employee or annuitant to whom this act applies may, under regulations prescribed by the Civil Service Commission, designate a beneficiary or beneficiaries to whom shall be paid, upon the death of the employee or annuitant, any sum remaining to his greatly (including any accuracy annuity) under the proing to his credit (including any accrued annuity) under the provisions of this act."

With the following committee amendment:

The Clerk read as follows:

At the end of the bill insert "This act shall become effective upon the transfer of civil-service retirement functions from the Veterans' Administration to the Civil Service Commission, as provided in Executive order of April 7, 1934, as amended by the Executive order of June 5, 1934."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to; and the bill as amended was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

A similar House bill, H.R. 9283, was laid on the table.

# BRIDGE ACROSS LAKE CHAMPLAIN, VT.

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3742) granting the consent of Congress to the State Board of Public Works of the State of Vermont to construct, maintain, and operate a toll bridge across Lake Champlain at or near West Swanton. Vt.

The SPEAKER. Is there objection?

Mr. McFARLANE. Mr. Speaker, I reserve the right to object. What is this bill?

Mr. PLUMLEY. This bill grants to the State Board of Public Works in the State of Vermont the right to construct and maintain a toll bridge across Lake Champlain. The objections of the official objectors have been obviated by the introduction of this bill. This is approved by the propriation?

Acting Secretary of War and by the Acting Secretary of Agriculture.

Mr. McFARLANE. What will it cost?

Mr. PLUMLEY. I do not know. It does not cost the Government anything.

Mr. ZIONCHECK. It grants to the State of Vermont permission to do this instead of to a private corporation. We objected to a bill granting the right to a private corporation.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the State Board of Public Works of the State of Vermont to construct, maintain, and operate a bridge and approaches mont to construct, maintain, and operate a bridge and approaches thereto across Lake Champlain, at a point suitable to the interests of navigation, between a point at or near East Alburg, Vt., and a point at or near West Swanton, Vt., in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act. Sec. 2. If tolls are charged for the use of such bridge, the rates of tolls may be so adjusted as to provide a fund sufficient to pay (a) the reasonable cost of maintenance, repair, and operation of

of tolls may be so adjusted as to provide a fund sufficient to pay (a) the reasonable cost of maintenance, repair, and operation of the said bridge and its approaches, and (b) the amortization within a reasonable time, and not exceeding 25 years from the date that the bridge is opened to traffic, and under reasonable condition, of any loan or loans, including reasonable interest, taxes, and financing charges made or to be made in connection with the construction of said bridge and its approaches.

SEC. 3. An accurate record of the cost of the bridge and its approaches, and of all the expenditures for maintaining, repairing, and operating the same, and of the tolls collected from time to time, shall be kept and shall at all reasonable times be available for the information of all persons interested in the construction, operation, and maintenance thereof.

SEC. 4. The right to sell, assign, transfer, mortgage, or pledge

tion, operation, and maintenance thereof.

SEC. 4. The right to sell, assign, transfer, mortgage, or pledge any or all of the rights, powers, and privileges conferred by this act is hereby granted to the said State Board of Public Works of the State of Vermont or any corporation to which, or any person to whom, such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same through mortgage, pledge, foreclosure, or otherwise, including therein the United States of America acting by or through the President, the Federal Emergency Administrator of Public Works, such other agency or agencies as may be designated or created for such purpose pursuant to the National Industrial Recovery Act or any other amendment or supplement thereto, or any other agency or agencies as may be created for such purpose by the Congress of the United States, and such person or corporation is hereby authorized and empowered to exercise all of the rights, powers, and privileges conferred upon the State Board of Public Works of the State of Vermont as fully as though conferred herein directly upon such corporation or person. directly upon such corporation or person.

Sec. 5. Whenever a sum sufficient to amortize and pay off the amount of money used in building and constructing said bridge shall have been collected, the State Board of Public Works of the State of Vermont shall declare said bridge free and open to the use of the general public without the imposition of any further tolls or charges for the use of said bridge.

Sec. 6. The right to alter, amend, or repeal this act is hereby expressly reserved.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider laid on the table.

PRELIMINARY EXAMINATION OF CROMLINE CREEK, N.Y.

Mr. WILSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3408) to provide for a preliminary examination of Cromline Creek in the State of New York, with a view to the control of its floods, and for its immediate consideration.

The Clerk reported the title of the bill.

The SPEAKER. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman explain the purposes of the bill?

Mr. WILSON. This is a bill for a preliminary examination of a creek in New York. The bill has been passed by the Senate and has been favorably reported by the House committee.

Mr. MARTIN of Massachusetts. Does it carry any ap-

Mr. WILSON. The appropriation will come out of a regular river-and-harbor appropriation. There is no additional appropriation.

Mr. MARTIN of Massachusetts. I have no objection.

Mr. WEIDEMAN. Where is this creek?

Mr. WILSON. It is for a preliminary examination for flood control. The creek is in New York State.

Mr. McFARLANE. Is this an authorization and will it come back again for an appropriation?

Mr. WILSON. Oh, no. Appropriations are made for surveys, and they are made for flood control.

Mr. McFARLANE. What kind of a showing do they make as to the necessity for this bill.

Mr. WILSON. There has been damage by flood, but it is necessary to have a preliminary survey in order to recommend plans for flood control.

The SPEAKER. Is there objection? Mr. WEIDEMAN. Mr. Speaker, I object.

Mr. BYRNS. Mr. Speaker, there is not the slightest reason on earth for passing House bills at this late hour of the session. [Applause.] I am informed that in the Senate they will not be considered, and there is not the slightest chance of having them considered.

Mr. Speaker, I move that the House stand in recess subject to the call of the Chair. I am willing to withdraw that motion if it will be agreed to take up Senate bills.

The SPEAKER. The Chair will recognize Members to call up Senate bills.

#### W. B. FORD

Mr. BLACK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2419) an act for the relief of W. B. Ford, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the Senate amendment, as follows: Page 1, line 6, strike out "\$2,000" and insert "\$1,000."

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. BLACK]?

Mr. TRUAX. Reserving the right to object, what is this

Mr. LAMBERTSON. This is a bill arising out of an injury in a post office. The House bill was originally for \$4,000. The committee cut it to \$2,000, and the Senate has cut it from \$2,000 to \$1,000. We are simply asking to concur in the Senate amendment.

Mr. TRUAX. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection?

There was no objection.

The Senate amendment was agreed to.

# RELIEF OF PERSONS ENGAGED IN FISHING INDUSTRY

Mr. BLAND. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3780) for the relief of persons engaged in the fishing industry.

The SPEAKER. Is there objection?

Mr. JENKINS of Ohio. Reserving the right to object, I understand this bill carries about \$2,000,000?

Mr. BLAND. That is true.

Mr. JENKINS of Ohio. Mr. Speaker, I think this bill ought to be brought up under suspension of the rules, and I would therefore object unless it is called up under suspension of the rules.

Mr. O'CONNOR. Reserving the right to object, this bill was carefully considered before the Rules Committee. It has a great deal of merit. The only question was whether it should be broadened, rather than stand in the shape it was. It is really a meritorious bill as far as it goes. If it is broadened, it will take more money.

Mr. JENKINS of Ohio. I have no personal objection to it, but we have objected time and time again to bills of this magnitude coming up under unanimous consent.

Mr. O'CONNOR. The only fault is that the amount is so small.

Mr. JENKINS of Ohio. If the minority member of the Rules Committee is satisfied with it, I will have no objection.

O'CONNOR. The gentleman from Massachusetts [Mr. Martin], I am sure, can satisfy the gentleman on that.

Mr. MARTIN of Massachusetts. I am in favor of the bill, but I agree it should be called up under suspension of the rules, rather than by unanimous consent.

Mr. TRUAX. Mr. Speaker, I object to any appropriation of \$2,000,000 on the Private Calendar.

Mr. O'CONNOR. This is not an appropriation. The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, I object.

## INTERNATIONAL ARMS & FUZE CO., INC.

Mr. BLOOM. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 2809) conferring jurisdiction upon the Court of Claims to hear and determine the claims of the International Arms & Fuze Co., Inc.

The SPEAKER. Is there objection?

Mr. WEIDEMAN. Mr. Speaker, I object. The SPEAKER. The Chair objects, too. There will be no recognition for Senate bills on the Private Calendar.

#### HON. HENRY ELLENBOGEN

Mr. GAVAGAN. Mr. Speaker, I call up a privileged resolution (H.Res. 370) which I send to the desk.

The Clerk read as follows:

Resolved, That when HENRY ELLENBOGEN, on January 3, 1934, took the oath of office as a Representative from the Thirty-third Congressional District of the State of Pennsylvania, he was duly

qualified to take such oath; and be it further

Resolved, That said Henry Ellenbogen was duly elected as a
Representative from the Thirty-third District of Pennsylvania,

and is entitled to retain his seat

The resolution was agreed to.

A motion to reconsider the vote by which the resolution was agreed to was laid on the table.

## THE PRIVATE CALENDAR

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. BANKHEAD]?

There was no objection.

Mr. BANKHEAD. Mr. Speaker, it is not my purpose in asking this indulgence to take the time on one of our usual valedictory addresses which will soon be approaching, but there is a matter that I feel all Members of the House are very deeply interested in that I should call to your attention in these brief remarks. I know the disappointment and confusion and, I might almost say, heartache that has come to many Members of this House in the closing days of the session because of the impossibility of their securing an opportunity for the consideration of bills on the Private Calendar in this House. For a number of years I have realized that under the present rules of the House, where claims have been fully and carefully considered by the Committee on Claims and other committees of the House, and where there can be no fair and reasonable doubt whatever as to the justness of those claims, a great many American citizens, because of the parliamentary situation which we have had for a number of years, are denied the abstract, just right of having those bills considered upon their merits by the Congress of the United States. [Applause.]

The present rule, of course, is the result of experiments over a long period of years. The present difficulty has addressed itself to former Congresses and some of the ablest parliamentarians of this House have undertaken from time to time to cope with and remedy this most unfortunate and distressing situation.

The Committee on Rules has had its mind, and I may say its heart, deeply impressed in the closing hours of the session of Congress with this unfair situation, to such an extent that some days ago the Committee on Rules voted out a resolution which if it had been called up and passed would have given the Chairman of the Committee on Claims

the right to be recognized by the Speaker of the House to call up such claims as in his opinion were of paramount importance. But, after consultation with the majority leader and the Speaker of the House in these last hours of the session it was thought improvident and perhaps unwise to attempt to call up that measure. It would place a very deep responsibility upon the Speaker with all of the other great duties he has in these closing hours, because it would have required him possibly to have looked into the merits of these bills that the Chairman of the Claims Committee wanted to call up. In addition to that it would probably have subjected the Claims Committee and its chairman to the charge that it was playing favorites, that he was just calling up bills that he wanted to pass. So, for these and other reasons it has been decided not to call up that rule at this time. A great many Members from the Northwest and particularly from Minnesota were interested in that because it was possibly contemplated that the Minnesota fire claims bill was one that would have been called up if this rule had been passed, together with others that have been very strongly pressed upon our consideration.

The thing I rose to say is this: On realizing that we must pass some remedial and, indeed, possibly some revolutionary method devised for the consideration, the fair consideration of bills of this sort, I, as Chairman of the Committee on Rules, am going to request the gentleman from New York, the ranking Democrat upon that committee [Mr. O'CONNOR], the gentleman from Indiana [Mr. GREENWOOD], who has given this matter great consideration; the gentleman from Virginia [Mr. Smith], who is deeply interested; and two very able parliamentarians upon the minority side, the gentleman from Michigan [Mr. Mapes] and the gentleman from New Jersey [Mr. Lehlbach], to act as a subcommittee during the recess of Congress to undertake to fashion and frame some new, just, and fair method by which every claimevery just claim-pending in the Congress of the United States wherein the Government is involved, shall have a fair and decent opportunity during a session of Congress to be considered upon its merits.

Mr. GLOVER. Mr. Speaker, will the gentleman yield? Mr. BANKHEAD. I yield. Mr. Speaker, if I am trespassing unduly beyond the time allotted to me I ask unanimous consent that it be extended.

The SPEAKER. Without objection, it is so ordered. There was no objection.

Mr. GLOVER. I heartily agree with what the gentleman from Alabama has said. Could not the situation be remedied by having the Committee on Claims examine each claim, and those claims which in its opinion should be passed then be brought to the House in an omnibus bill under such conditions, then amendments could be offered to individual

Mr. BANKHEAD. Mr. Speaker, I may state to the gentleman from Arkansas that that is one of the suggestions that has been proposed; and I am sure that when this subcommittee undertakes to give careful study to this whole project the gentleman's suggestion will be given very serious consideration

Another proposal that was suggested is the setting up of some type of tribunal, judicial or otherwise, with limited jurisdiction as to amounts, which would have authority to consider these claims as the Court of Claims now considers claims against the Government up to \$5,000, and to have final jurisdiction to dispose of them.

There are bills on the Private Calendar where the amount involved is \$15, \$20, \$50, or \$75—very negligible amounts, yet they take a great deal of the time of the Members and of

Mr. BLANCHARD. Mr. Speaker, will the gentleman vield?

Mr. BANKHEAD. I yield.

Mr. BLANCHARD. Is it not the gentleman's opinion that should a separate tribunal for the consideration of these claims be set up it would save a considerable sum of money due to the present expensive way of handling bills on the Private Calendar?

Mr. BANKHEAD. I have no doubt there is great merit in what the gentleman suggests.

Now, these two inquiries that have just been submitted indicate the possibilities of a careful and prudent investigation of some new method.

Mr. Speaker, I have no interest in the Private Calendar. have but one little claim on the Private Calendar, the first I have had in probably 15 years, and it involves a very small amount, I think about \$150; but my attention has been called to claims against the Government of the United States involving large sums of money, of the real justice of which, and of the merits of which there is no question on the face of the earth. These bills have been put on the Private Calendar, and these claimants have been here year after year knocking at the doors of Congress, of the House of Representatives, asking that their claims be adjudicated upon their merits. I think it is outrageous to have a system under which upon the possibly capricious objection of one Member or of three Members, such claimants are denied for the session of the Congress the privilege of having their claims considered.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. BANKHEAD. I yield to the gentleman from New

Mr. FITZPATRICK. What would the gentleman think of having the requirement that the first time the bill is called up 5 Members shall object, and the second time 15?

Mr. BANKHEAD. I will not undertake now to answer categorically any proposition that may be made. But these inquiries indicate the possibility of this subcommittee considering maturely and carefully a well-thought-cut system.

Mr. O'CONNOR. Will the gentleman yield? Mr. BANKHEAD. I said I was not going to indulge in any eulogy, but inasmuch as the gentleman from New York has risen to interrogate me, I want to publicly express to him as the ranking majority member of the Committee on Rules my great personal debt of gratitude for the invaluable assistance he has given to the committee, to this House, and to the country by reason of his fine knowledge of the rules and his excellent judgment on all legislation. [Applause.]

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent to proceed for 3 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BANKHEAD. I yield to the gentleman from New

Mr. O'CONNOR. A while ago there was demonstrated a particular situation in reference to these private bills. The gentleman from New York [Mr. Bloom], asked unanimous consent to pass a Senate bill that had passed that body unanimously, and had been favorably reported by the House committee which merely permitted a claimant to go before the Court of Claims. That is what we call a "jurisdictional" bill. Why anybody should object to a jurisdictional bill is beyond the comprehension of some of us. Of course, I know what is said here, that is, the mere fact that Congress lets the claimant go before that court is proof that the claimant is going to get the money. That is not the fact, however, because the Court of Claims very often turns down the case. Those bills are in a class by themselves, and the committee of which you did me the honor to appoint chairman will look into that subject and try to solve the problem and bring out something of advantage with reference to those bills as well as the other private bills.

Mr. BANKHEAD. May I make this suggestion to those who are interested in this matter. The gentleman from New York [Mr. O'CONNOR], the chairman of the subcommittee, during the recess I am sure will be very happy to receive the benefit of any suggestions that you might have in mind with reference to the working out of this problem of supreme importance to this Congress and to the claimants before it.

BRIDGE ACROSS RIO GRANDE RIVER AT BOCA CHICA, TEX.

Mr. WEST of Texas. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3788) to extend the times for commencing and completing the construction of a bridge across the Rio Grande at Boca Chica, Tex.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, is this a public bridge?

Mr. BLOOM. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BLOOM. Mr. Speaker, the majority leader asked unanimous consent for the House to consider Senate bills unobjected to on the Private Calendar. I asked unanimous consent to consider a Senate bill and the Speaker stated he would not consider Senate bills unobjected to on the Private Calendar. I was presenting my bill for consideration on account of the unanimous-consent request of the majority leader, which I understood the Chair put and there was no objection by the House.

The SPEAKER. The Chair did not put any such request as that. If the Chair recognized one Member to ask for the consideration of a Senate bill on the Private Calendar, the Chair would have to recognize all Members who have such bills on the calendar.

Mr. MOTT. Mr. Speaker, would a unanimous-consent request be in order at this time to take up all of the Senate bills on the Private Calendar that are unobjected to?

The SPEAKER. No. That would not be in order, because it would not be possible to enroll the bills in time, and the Chair, as a Member of the House, would object to such a request, if no other Member objected.

Is there objection to the present consideration of this bill? Mr. MILLARD. Mr. Speaker, reserving the right to object, does this bill compete with a bridge already in exist-

Mr. WEST of Texas. No; it does not. Mr. MILLARD. Is the gentleman sure?

Mr. WEST of Texas. This bridge is about 400 miles down the river from the nearest other bridge.

The SPEAKER. Is there objection?

There being no objection, the Clerk read the bill, as fol-

Be it enacted, etc., That the times for commencing and com-Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Rio Grande at Boca Chica, Tex., authorized to be built by the Boca Chica Bridge Co. by an act of Congress approved June 10, 1932, heretofore extended by act of Congress approved March 1, 1933, are hereby further extended 1 and 3 years, respectively, from March 1, 1934.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider and a similar House bill, H.R. 9761, were laid on the table.

LEGISLATION OF THE SEVENTY-THIRD CONGRESS AND ITS RELATION TO THE PHILIPPINE ISLANDS

Mr. GUEVARA. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein several resolutions adopted by the Philippine Legislature.

The SPEAKER. Is there objection to the request of the Resident Commissioner of the Philippine Islands?

There was no objection.

Mr. GUEVARA. Mr. Speaker, in a few hours the Seventythird Congress will adjourn, leaving behind it a glorious record of human achievement. I realize that the final judgment belongs to history, but as for myself I wish to say that I feel very proud to have served in this Congress. When the Seventy-fourth Congress convenes in January 1935. many of us may have severed forever our services with the Congress of the United States, but there is no question that, whatever the future may have in store for us, we can face the world and say that we have done our duty as we saw it and as God made us to understand it.

In human undertakings, it is impossible to find perfection. What may seem perfect to some may appear imperfect to others. To those who happen not to agree with our endeavors, we can only justify our acts by showing the sincerity of our motives. If we have made any mistakes or inflicted any injustice as a result of our deliberations, it was not because we intended to do it but because we were anxious to respond to the call of our duty.

In this spirit I venture to say that the passage of the McDuffie-Tydings bill, now on the statute books of the United States as Public Act No. 127, is primarily intended to fulfill the solemn pledge of the American people to the Philippines in a manner beneficial to both countries. Any injustice or iniquity that may be discovered in the operation of this law I make so bold as to hope that the Congress of the United States will be more than willing to correct in due time. President Roosevelt, the responsible and constitutional leader of the American people, so asserted in his message to Congress of March 2, 1934.

Permit me, Mr. Speaker, to address myself to Public Act No. 127, commonly known as the "McDuffie-Tydings bill". and the subsequent legislation which affected the Philippines. Right on this floor, when I had the privilege to apprize the House of the acceptance by the Philippine Legislature of Public Act No. 127 I said that that act is now a solemn covenant between the United States and the Philippine Islands, and that its terms must be observed without reservation by either party. I have assured this House that the Filipino people are prepared to do their part in the observance of its terms. I ventured to express the belief that the United States also is sympathetically willing to do her part to make of the covenant a success, thus giving the harassed and weary world a practical example of the sanctity of national pledges.

I repeat these words of mine in the profound conviction that the American people are really sincere in their desire to build a new nation in the Far East. Also I am convinced that they are moved by the altruistic desire to maintain and preserve in the Philippine Islands those democratic institutions which have become the most precious heritage of the Filipino people.

To translate into reality these aims and purposes of the United States, her helping hand should be extended to the Philippines at least during the transition period. It was very clear that the United States was willing to be helpful to the Filipino people when in Public Act 127 was inserted a provision that-

The United States may, by Presidential proclamation, exercise the right to intervene for the preservation of the government of the Commonwealth of the Philippine Islands and for the maintenance of the government as provided in the constitution thereof, and for the protection of life, property, and individual liberty, and for the discharge of government obligations under and in accordance with the provisions of the constitution.

It is evident, Mr. Speaker, that the provision just quoted tends to assure for the people of the Philippine Islands a government capable of protecting life, property, and individual liberty, utilizing, if necessary, all the power and authority of the Government of the United States.

I regret to say, however, that subsequent legislation affecting the Philippines, as for instance the Revenue Act of 1934 relating to the coconut-oil excise tax, represents a departure from the policy and philosophy which inspired the insertion of the provision of which I spoke in Public Act 127.

Section 602 of the revenue act endangers the economic structure of the Philippines, the preservation of which is most essential to the success of the Commonwealth. The immediate effect of this section is the unemployment and consequent hardship of 4,000,000 Filipinos who are dependent upon the coconut-oil industry. Four million people out of employment in a population of 13,000,000 necessarily will cause the collapse of other industries. In this event it is easy to predict that social and political disturbances will follow, and the Government of the United States will be compelled to intervene, and then God only knows what will

The destruction of the coconut-oil industry in the Philippines because of the Revenue Act of 1934 would be a virtual repeal of Public Act 127. Why do I say this, Mr. Speaker? As I have stated, the destruction of the coconut-oil industry of the Philippines will drag down other industries. In this situation the government of the Commonwealth will find itself without revenue, and consequently it will be unable to pay the ordinary governmental expenses. Also, it will find itself incapable of meeting its bonded obligations to the United States, and in this case the high commissioner appointed by the President of the United States, in accordance with the provisions of section 7, subsection 4, of the Independence Act, shall immediately report the facts to the President, who may thereupon direct him to take over the customs offices and administration of the same, administer the same, and apply such part of the revenue received therefrom as may be necessary for the payment of such overdue indebtedness or for the fulfillment of such contracts.

Once the customs offices have been taken over by the high commissioner, the government of the Philippine Commonwealth will, for all practical purposes, cease to exist. A blanket of despair and disappointment will then envelop the Filipino people, compelling the Government of the United States, whose flag will still be flying over the Philippines, to assume the responsibility of Philippine local affairs and exercise such authority as may be necessary to administer them. The political concessions in Public Act 127 and the altruistic aims of the American people for the creation of a new nation in the Far East will have become a mere dream, never to be realized. Another and far more critical situation may develop if the United States is not willing to take this responsibility. Some other nation, which has interests in the Philippines, or whose nationals' lives and property cannot be protected, may intervene and assume the responsibility that the United States has refused, and administer the local affairs of the Philippines in such a way as to insure protection of life and property of foreigners.

It is with profound sorrow that I am picturing to the American people the situation of the Philippines. I am compelled to do so, however, in justice to the United States and in fairness to the Filipino people. I have learned to love America for her traditions and for her altruistic policy in the Philippines. For this reason I feel compelled to raise my humble voice in warning the American people that their responsibility before history is more sacred than anything else. The history of the American people constitutes a source of inspiration to mankind. In every one of its chapters will be found naught but humanitarian endeavor and glorious achievement. However, if my prediction concerning the future of the Philippine Islands comes true it will be the

first black page written in American history.

Mr. Speaker, I have served here for 12 years without interruption. I consider my seat in this House as the highest privilege and the greatest honor to which any citizen of the Philippine Islands could ever aspire. For the first time in the history of the United States representatives of a semiforeign country has been granted the privileges of the floor and take part in its deliberations. Not only this, but my predecessors and I have been the recipients of many courtesies and of cordial treatment by the leaders and members on both sides of the aisle. Therefore, there is more than one reason for the Filipino people to be grateful to the Republicans as well as to the Democrats of this House. Personally I can only say that I have been accorded such treatment in my 12 years of service in this House that I shall ever treasure it as the most pleasant and sweetest memory of my career.

Very soon, Mr. Speaker, I shall return to my homeland, and I am sure I shall take along with me fond recollections of the generosity and kindness of the American people. I shall tell them that the United States is their best friend, always willing to be of service. I shall tell them that the American people are very proud of the accomplishments of

their Government in the Philippines in the last 36 years. I shall tell them that the American people have at heart the best interests of the Filipinos.

In return I shall ask my fellow countrymen to consider your interests as their interests.

Mr. Speaker, just a few words more. I merely want to say good-by to you all, assuring you of my sincere admiration and love for America and the American people. I wish also to convey to the Speaker of this House, Mr. RAINEY, and to the majority and minority leaders, Mr. Byrns and Mr. SNELL, my profound gratitude for the many courtesies I have received at their hands. Nothing would make me happier than to be accorded the opportunity to reciprocate.

Thank you.

The following are resolutions adopted by the Philippine Legislature:

#### Concurrent Resolution 54

Concurrent resolution petitioning the Congress of the United States to reconsider its action making retroactive to January 1, 1934, the provisions of the so-called "Jones-Costigan bill"; requesting the President of the United States to disapprove said bill failing its reconsideration by Congress or to suspend its application to the Philippine Islands during the calendar year 1934, and tor other purposes.

Whereas the Congress of the United States has recently passed a bill, commonly known as the "Jones-Costigan bill", to include sugar beet and sugar cane as basic agricultural commodities under

the Agricultural Adjustment Act;

Whereas section 9 of said bill provides for the retroactive effect thereof to the 1st day of January, 1934, notwithstanding the fact that in the case of Philippine sugar more than 1,030,000 short tons have already been shipped and sold prior to the enactment of said bill, and there still remain to be disposed of, of the crop to be harvested prior to July 1, 1934, approximately 400,000 short tons of sugar;

400,000 short tons of sugar;

Whereas the inclusion of the sugar already shipped to the United States prior to the enactment of the Jones-Costigan bill in the quota to be given to the Philippine Islands for the calendar year 1934 would necessarily result in a tremendous surplus which will have to be carried over to 1935, which surplus together with the 1934-35 crop would leave no appreciable quota for 1936, thus vitally crippling the sugar industry of the Philippines and causing grave consequences to the millions of inhabitants dependent upon said industry, and would further render impracticable a just and equitable enforcement of the provisions of said bill among the sugar producers in the Philippines: Now, therefore, be it

Resolved by the house of representatives (the Philippine Senate concurring), To respectfully petition as it does hereby petition the American Congress to reconsider its action on the pertinent portion of the said Jones-Costigan bill making its provisions retroactive to January 1, 1934;

Resolved jurther, That should this petition fail to be granted by the American Congress, the President of the United States of America is hereby respectfully requested to disapprove said Jones-Costigan bill, and, faling this, to suspend the application of the provisions of the said bill to the Philippine Islands during the calendar year 1934, under the authority granted him in section

Resolved further, That in the event the Jones-Costigan bill should be enacted into law, and the President of the United States should extend its provisions to the Philippine Islands, that the Secretary of Agriculture of the United States be, and he hereby is, respectfully petitioned to fix a quota of 400,000 short tons of sugar for the Philippine Islands for the second semester of the celepidar year 1934 without record to the shipments and tons of sugar for the Philippine Islands for the second semester of the calendar year 1934 without regard to the shipments and sales made prior thereto, and that the regular quota for the Philippine Islands under the provisions of said bill be made to take effect starting with the calendar year 1935; and Resolved finally, That a copy of this resolution be furnished through the Resident Commissioner in Washington, Hon. Pedro Guevara, to the President of the United States, the presiding officers of both Houses of the United States Congress, and the Secretary of Agriculture of the United States.

Adopted May 4, 1934

Adopted May 4, 1934.

MANUEL QUEZON, President of the Senate. QUINTIN PAREDES,

Speaker of the House of Representatives.

Finally adopted by the senate on May 4, 1934. FERMÍN TORRALBA [SEAL]

Secretary of the Senate.

This resolution, which originated in the House of Representatives, was finally adopted by the same on May 2, 1934.

| SEAL | José LA O, [SEAL] Acting Secretary of the House of Representatives.

#### Concurrent Resolution 56

Concurrent resolution petitioning the Congress of the United States to classify cigars manufactured in the Philippine Islands States to classify cigars manufactured in the Philippine Islands on the same basis as cigars manufactured in the continental United States under House bill no. 8735, introduced by Congressman Haines in the Congress of the United States, amending section 400 (a) of the Revenue Act of 1926, reducing the tax rate of \$2 paid on cigars weighing more than 3 pounds per thousand to \$1, the reduction to be applicable only to cigars manufactured in the continental United States, and for other purpose

Whereas a bill has been introduced by Representative Haines in the Congress of the United States (H.R. 8735) amending section 400 (a) of the Reven & Act of 1926, reducing the tax rate of \$2 paid on cigars weighing more than 3 pounds per thousand and retailed now at not more than 3 cents each, to \$1, and this

reduction is to be applicable only to cigars manufactured in the continental United States;

Whereas this bill is a discrimination against Philippine cigars whereas this bill is a discrimination against Philippine cigars imported into the United States as they would pay double the internal-revenue tax paid by similar cigars made in the continental United States, and thus violate the reciprocity provisions contained in section 301 of the United States Tariff Act of 1930, which provides that Philippine merchandise coming from the Philippines into the United States will pay taxes equal to the internal-revenue taxes imposed in the United States upon like articles:

Whereas the tobacco trade between the United States and the Philippine Islands is truly reciprocal due to the importation into the Philippine Islands of American cigarettes, Florida and Georgia wrapper, Virginia tobacco for cigarette manufacture, tobacco machinery and supplies for tobacco factories, including cartons,

cellophane, flaps, bands, etc.;

Whereas this bill is an indirect amendment of the economic provisions of the Tydings-McDuffle Act, now accepted by the

Philippine Legislature;

Whereas said bill would cause the complete ruin of the cigar trade of the Philippine Islands in the United States, would work hardships on the tobacco farmers in the Philippine Islands, and would reduce our government revenue to a considerable extent:

Now, therefore, be it

Resolved by the bouse of respectations.

Resolved by the house of representatives (the Philippine Senate concurring), To petition, as it does hereby petition, the United States Congress to classify cigars manufactured in the Philippine Islands on the same basis as cigars manufactured in the continental United States under House bill No. 8735, reducing the tax on cigars produced in the continental United States from \$2 to \$1. and

Resolved finally, That copies of this resolution be furnished, through Resident Commissioner Pedro Guevara in Washington, to the President of the United States, the Presiding Officers of both Houses of the United States Congress, and the Secretary of Agriculture of the United States.

Adopted May 5, 1934.

President of the Senate.
QUINTIN PAREDES,

Speaker of the House of Representatives. Finally adopted by the senate on May 5, 1934.

[SEAL] FERMÍN TORBALBA,

This resolution, which originated in the house of representatives, was finally adopted by the same on May 5, 1934.

[SEAL]

JOSÉ LA O,

Acting Secretary of the House of Representatives.

## Concurrent Resolution 52

Concurrent resolution petitioning the Congress of the United States of America to reconsider its action on the excise tax on Philippine coconut oil or in case Congress fails to reconsider its action, requesting the President of the United States to veto

Whereas in its present session the Congress of the United States of America passed the revenue bill providing among other things the levying of an excise tax of 3 cents gold on each pound of Philippine coconut oil, or on oil extracted from Philippine copra

Philippine coconut oil, or on oil extracted from Philippine copra imported into the United States of America;

Whereas notwithstanding the 2-cent gold differential tax provided for by the American Congress in favor of Philippine coconut oil, the imposition of 3 cents gold on oil coming from the Philippines will necessarily increase to more than 300 percent the market value thereof in America, thereby practically eliminating said commodity from that market;

Whereas up to the present the American market is the only best available market for the Philippine copra and coconut oil so that the exclusion of this commodity from said market will consequently kill the copra industry in the Philippines;

Whereas according to the statistics of the Department of Agriculture and Commerce more than 4,000,000 Filipinos are depending for their living on copra industry, while on the other hand

ing for their living on copra industry, while on the other hand the government income derived therefrom amounts to more than 4 million pesos per year, which amount will be entirely lost to the Government of the Philippine Islands once the copra industry

whereas the imposition of the excise tax on Philippine coconut oil is contrary to the letter and spirit of the provision of section 6, paragraph (b) of the Tydings-McDuffle Act accepted today by

the Philippine Legislature under the provision of section 17 thereof; which section 6, paragraph (b) in the opinion of the Philippine Legislature constitutes a covenant and which for all intents and purposes is in the nature of a commercial treaty be-

intents and purposes is in the nature of a commercial treaty between America and the Philippine Islands insofar as their economic and trade relations are concerned: Now, therefore be it Resolved by the house of representatives (the Philippine Senate concurring), To petition as it does hereby petition the American Congress to reconsider its action on the pertinent portion of the revenue tax of the United States of America imposing an excise tax of 3 cents gold on each pound of Philippine coconut oil by completely eliminating therefrom said tax, or at least excluding from the imposition thereof Philippine coconut oil intended for industrial and not for human consumption purposes; Resolved further. That should this petition fail to be granted by

Resolved further, That should this petition fail to be granted by the American Congress, the President of the United States of America is hereby respectfully requested to disapprove or suspend the effect of the portion of the revenue bill imposing the excise tax above mentioned, or to exclude the Philippine Islands from the effect of said tax;

Resolved finally, That copy of this resolution be furnished through the Resident Commissioner in Washington, Hon. Pedro Guevara, to the President of the American Senate, the Speaker of the House of Representatives and the President of the United States of America.

Adopted.

Manuel L. Quezon,
President of the Senate.
QUINTIN PAREDES,
Speaker of the House of Representatives.

Finally adopted by the senate on May 1, 1934.

FERMÍN TORRALBA Secretary of the Senate.

This resolution which originated in the house of representatives was finally adopted by the same on May 1, 1934.

José LA O, Acting Secretary of the House of Representatives.

#### OSAGE NATION OF INDIANS

Mr. HOWARD. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill, S. 1948, amending the act entitled "An act authorizing the Court of Claims to hear, determine, and render judgment in the civilization fund claim of the Osage Nation of Indians against the United States", approved February 6, 1921 (41 Stat. 1097).

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the provisions of the act of Congress approved February 6, 1921 (41 Stat. 1097), conferring jurisdiction upon the United States Court of Claims to hear, determine, and render judgment in the civilization fund claim of the Osage Nation of Indians against the United States be, and the same hereby are, amended to read as follows:

hereby are, amended to read as follows:

"Jurisdiction is hereby conferred upon the Court of Claims of the United States, notwithstanding the provisions of article I of the treaty of September 29, 1865 (14 Stat. 687), proclaimed January 21, 1867, and notwithstanding the lapse of time, to hear and determine the net amount realized by the United States under said treaty of 1865 from sales of Osage lands and deposited in the civilization fund in the Treasury of the United States, with interest thereon at the rate of 5 percent per annum from the dates of deposits of money received from such sales in the Treasury of the United States, and to enter judgment for the Osage Nation of Indians against the United States for any and all such sum or sums, less any legal and equitable set-offs or counterclaims, including gratuities, arising since the date of the proclamation of said treaty on January 21, 1867, which the United States may have against the Osage Nation of Indians. The judgment of the said Court of Claims hereunder shall be subject to a special right of appeal on the full record by either party to the Supreme Court of the United States, and any such judgment, when satisfied, shall the United States, and any such judgment, when satisfied, shall annul and cancel all claims of the said Osage Nation in and to all the matters and claims adjudicated hereunder.

"SEC. 2. That proceedings hereunder may be by an amended petition in the Court of Claims, to be filed within 1 year of the passage of this act, making the Osage Nation of Indians party plaintiff and the United States of America party defendant, to be verified by the authorized attorney or attorneys of the said Osage Nation employed under contract approved by the Commissioner of Indian Affairs and the Secretary of the Interior May 5, 1931, as provided by law, on information and belief as to the facts, and no other statement, or verification shall be necessary or said action provided by law, on information and belief as to the facts, and no other statement or verification shall be necessary; or said action hereunder may be by motion to be filed for and on behalf of the Osage Nation of Indians within I year of the passage of this act, to reopen and reconsider the case filed in said Court of Claims under the said act of Congress of February 6, 1921, supra, entitled 'Osage Nation of Indians against the United States of America', and known as No. B-38: Provided, That the evidence heretofore submitted to the said Court of Claims in the said cause shall be admitted for all purposes in the action hereby authorized, and additional evidence, including official letters, papers, and public records, or certified copies thereof, may be offered in such

proceedings.
"Sec. 3. That upon the final determination of such suit or suits the Court of Claims shall decree such fees and expenses as may be reasonable to be paid the attorneys employed by the Osage Nation of Indians under contracts approved by the Commissioner of Indian Affairs and the Secretary of the Interior on May 6, 1908, and May 5, 1931, and in no event shall such fees and expenses exceed the amount stipulated in such contracts, nor amount to more than 10 percent of the judgment recorded in the said

With the following amendment:

Strike out all after the enacting clause and insert: "That there is hereby authorized to be appropriated the sum of \$776,742.03, being the net amount received by the United States from the sale of surplus lands of the Osage Tribe of Indians in Oklahoma under article I of the treaty of September 29, 1865 (14 Stat.L. 687), credited to the 'civilization fund' on the books of the Treasury and used for the benefit of Indian tribes other than the Osage.

than the Osage.

"SEC. 2. Said amount, when appropriated, shall be placed in the Treasury to the credit of the Osage Tribe of Indians at 4 percent interest per annum, both principal and interest to be subject to appropriation for the benefit of the said Indians or for payment to them, as Congress may direct.

"SEC. 3. Said appropriation shall be in full, complete, and final settlement of the claims of the Osage Tribe of Indians against the United States arising under the treaty of 1865, above cited.

"SEC. 4. That the Court of Claims is hereby authorized to fix and determine a reasonable fee, together with necessary and proper expenses, to be paid to the attorneys of record holding approved contracts of May 6, 1908, and May 5, 1931, in this case out of the said appropriation, the said fee and expenses not to exceed the amount provided in said contract, nor in the aggregate exceed 10 percent, and the said court is authorized to review its own records in this case and such evidence as may be submitted by said attorneys, in determining the attorneys' fee and expenses to be paid hereunder."

The amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed.

The title was amended.

A motion to reconsider was laid on the table.

### FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3645) entitled "An act to conserve and develop Indian lands and resources; to establish a credit system for Indians; to provide for higher education for Indians; to extend toward Indians the right to form business and other organizations, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3231) entitled "An act to provide a retirement system for railroad employees, to provide unem-

ployment relief, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 551) entitled "An act for the relief of A. W. Holland."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (H.R. 6462) entitled "An act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes."

The message also announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 6920. An act to encourage improvement in housing standards and conditions, to provide a system of mutual mortgage insurance, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House thereon, and appoints Mr. Bulkley, Mr.

BARKLEY, Mr. WAGNER, Mr. TOWNSEND, and Mr. STEIWER to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to a bill of the following title:

S. 3764. An act to reduce the fee to accompany applications for entry as second-class matter of publications of limited circulation.

The message also announced that the Senate disagrees to the amendment of the House to the joint resolution (S.J. Res. 59) to provide for the expenses of delegates of the United States to the Ninth Pan American Sanitary Conference, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PITTMAN, Mr. HARRISON, and Mr. Borah to be the conferees on the part of the Senate.

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 9829. An act to amend the Agricultural Adjustment Act with respect to the processing tax on hogs.

#### THE OMAHA TRIBE OF INDIANS

Mr. HOWARD. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate bill (S. 2557) to investigate the claims of and to enroll certain persons, if entitled, with the Omaha Tribe of Indians, a companion bill having been favorably reported by the House Committee on Indian Affairs.

The Clerk read the title of the bill.

Mr. HANCOCK of New York. Mr. Speaker, is this a Private Calendar bill?

The SPEAKER. No.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, is this a bill that was on the Consent Calendar and was objected to?

Mr. HOWARD. I think so, but it has passed the Senate. Mr. ELTSE of California. I object, Mr. Speaker.

The SPEAKER. Does any other Member desire to call up, by unanimous consent, any Senate bill not on the Private Calendar?

#### BAINBRIDGE ISLAND CHAMBER OF COMMERCE

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3604) to revive and reenact the act entitled "An act to authorize the Bainbridge Island Chamber of Commerce, a corporation, its successors and assigns, to construct, maintain, and operate a bridge across Agate Pass, connecting Bainbridge Island with the mainland in Kitsap County, State of Washington", approved March 2, 1929, which is the same as the House bill H.R. 9723.

The Clerk read the title of the bill.

#### THE TOBACCO TAX

Mr. VINSON of Kentucky. Mr. Speaker, reserving the right to object, will the Speaker permit me to ask unanimous consent to extend my remarks by including therein a short address on the subject of tobacco tax reduction by Mr. Breckinridge?

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. VINSON of Kentucky. Mr. Speaker, I insert in the RECORD an address delivered before the Lexington Rotary Club on June 8, 1934, by the Honorable Desha Breckinridge, editor of the Lexington Herald, Lexington, Ky., upon a most important subject to the tobacco farmers of America. The subject of this address was the Tobacco Tax.

The address of Mr. Breckinridge is as follows:

Mr. President and members of the Rotary Club, I appreciate greatly the opportunity to speak with you about the reduction of taxes levied by the Government on tobacco products, which I think of major importance, pregnant with the possibility of benefit to the residents of the burley belt, to the growers of every type of tobacco in every State of the Union in which tobacco is produced. If, in the effort to be brief, I make statements that may seem exaggerated without giving my authority therefor, I trust that any who doubt them will ascertain the facts, verify the accuracy or error of any allegation I may make, and satisfy himself

as to the import thereof. All I may do is to suggest, rather than expound, mayhap to excite the interest, arouse the desire

for all to fully ascertain the facts about tobacco.

All of you probably know more about it than did I when I became interested in this question. I was most ignorant. My interest in it was aroused by Fred Vinson. As I returned to Lexington from a meeting of the code committee of the A.N.P.A. in New York I stopped in Washington to see Vigil. Chapman, who is a member of the Committee on Interstate and Foreign Commerce, that was holding hearings in regard to the bill regulating exchanges and issuance of securities, and Senator BARKLEY, who is a member of the Senate Finance Committee and Committee on Interstate Commerce.

I was fortunate in getting Virgil Chapman and Fred Vinson to dine with me. After we had discussed the securities and exchange bills Mr. Vinson told of his desire, purpose, and hope to have the tax on tobacco products reduced. I had heard in a general way for long years of the excessive rate of taxation imposed on tobacco products, particularly on cigarettes, and of efforts to have the tax reduced. But until I heard FRED VINSON I had no accurate knowledge of the growth of the tax imposed on cigarettes; of the indefensible amount of taxes on cigarettes; of the comparative pittance received by the grower as measured by the profit made by the manufacturer and the revenue collected by the Government.

Mr. Vinson had given long study to the history of the tax, consideration to its effect and the effect of the reduction that he desired to secure.

Briefly, the tax on cigarettes and other tobacco products had its genesis largely in the thought that not only was tobacco a luxury but injurious. I do not attempt to give the full record of the imposition of the taxes but at the beginning of 1917 the tax on cigarettes was \$1.25 a thousand; as a war measure on October 4, 1917, it was increased to \$1.65, or about 3½ cents on a pack of 20. On November 2, 1917, it was increased to \$2.05 a thousand, a little more than 4 cents a pack. That was the maximum during the war. To make up for the revenue lost because of the coming of prohibition, on February 25, 1919, the tax was raised to \$3 a thousand, where it has remained since. The preof the coming of prohibition, on February 25, 1919, the tax was raised to \$3 a thousand, where it has remained since. The prewar tax on chewing and smoking tobacco was 8 cents a pound. It was increased to 10½ cents a pound in October 1917, and in November 1917 it was increased to 13 cents a pound. On February 25, 1919, it was increased to 18 cents a pound. On February 25, 1919, it was increased to 18 cents a pound. In the 5 years since 1929, when grim privation has marched through the tobacco patch, when the wolf of want has howled at the very door of tobacco growers, the Government has collected over \$2,000,000,000 from the tax on tobacco products; the annual revenue taken by the Government through the tax on tobacco has averaged over \$400,000,000 a year.

The Government has properly and of necessity appropriated hundreds of millions of dollars of money raised through taxation for the benefit of the growers of wheat and of cotton and of corn

for the benefit of the growers of wheat and of cotton and of corn and for the producers of hogs and cattle and for the relief of the unemployed in city and in country. Yet during those years it has imposed on one and only one agricultural product of which I know or have been able to learn on which the tax imposed to raise revenue for the war has not been reduced, but increased. It is the only product on which the tax imposed because of the coming of prohibition and the decrease in the revenue from the tax on spiritous and vinous beverages has not been reduced.

#### JUSTICE CALLS FOR CUT

Unorganized, inarticulate until they found a voice through FRED VINSON, the tobacco farmers have continued to have the product of their sweat and toil and sacrifice taxed far beyond any other product grown or manufactured in America. Every mandate of wise economy, every dictate of justice demands that there shall be a reduction in this tax and, further, that all who are interested in the production of tobacco shall unite in making that demand effective

effective.

Due to the efforts of Representative Vinson, the Ways and Means Committee, of which he is a member, appointed a subcommittee to investigate and ascertain the facts and report to the full committee. That committee held hearings in Washington in March and April at which there appeared representatives of manufacturers. I have here the report of those hearings. They are interesting, astounding, tragic.

To summarize briefly, yet with practical accuracy, as stated by James C. Stone, who appeared before the committee, a man who in 1933 had 30 acres of land in tobacco that produced 1,000 pounds to the acre received for that tobacco approximately \$3,500, of which the landowner received half and the men and women and children who cultivated and wormed and cut and stripped

and children who cultivated and wormed and cut and stripped that tobacco half—less than \$1,800 each. On that tobacco the

Government imposed and collected taxes of approximately \$30,000. Is there any justification for the imposition of such taxes? Is there any palliation for governmental officials, whether they be Representatives in Congress or officials of the Department of Agriculture, who fail to exert to the limit their influence to have this intolerable burden of indefensible taxation reduced?

The subcommittee of which Mr. Vivvey was challenged and the control of th

The subcommittee, of which Mr. Vinson was chairman, made a report to the full committee that is a condensed yet graphic recital of the facts, with the recommendation that the taxes on all tobacco products be reduced 40 percent. The Ways and Means Committee, by a vote of 17 to 2, reported a bill providing for such

a reduction. Mr. Doughton, Chairman of the Ways and Means Committee, has submitted a report favoring the passage of that bill

#### HEARD NONE IN PROTEST

We heard scores testify at the hearings in Washington. We have talked with many more. We have heard no human being, either directly or indirectly, attempt to justify the present tax. There are some who have said that the Government could not stand the loss of revenue that would come through the reduction of the tax. There are others who favor what they call a grad-uated tax, instead of the horizontal reduction.

The question of the loss of revenue that the Government will suffer is analyzed conclusively in the report by the Vinson committee. As based on the figures of 1933, when the aggregate tax mittee. As based on the figures of 1933, when the aggregate tax on tobacco products was approximately \$400,000,000, the possible loss to the Government through a 40-percent reduction would be \$160,000,000. The increase in the use of cigarettes in the first 2 months of this year indicates that there will be an increase of at least 15 percent in the consumption of cigarettes this year. In January and February of this year, the last 2 months for which I have the figures, the revenue from tobacco taxes increased by \$12,000,000, which would indicate an increase of \$72,000,000 in the tax on cigarettes alone in 1934 over 1933, which would make the tax paid on tobacco products \$472,000,000.

This natural increase would, in large measure, make up for the

the tax paid on tobacco products \$472,000,000.

This natural increase would, in large measure, make up for the 40-percent reduction. In 1929 there were approximately 8,000,000,000 cigarette papers used in roll-your-own cigarettes, upon which taxes were paid. In 1933 taxes were paid on 48,000,000,000 cigarette papers—six times as many papers sold for roll-your-own cigarettes in 1933 as in 1929. It takes 2 pounds of tobacco on which the Government at present collects 18 cents to make 1,000 roll-your-own cigarettes. It takes 3 pounds of tobacco on which the Government collects a dollar a pound, and under the reduction would collect 60 cents a pound to make 1,000 manufactured cigarettes.

#### WOULD LOWER PRICES

With the reduction of 40 percent the price of the cigarettes known as standard brands would be reduced so that they would be retailed at 10 cents a package, enabling the purchaser to buy three packs for 30 cents, for which he now purchases two. It would enable the manufacturers of 10-cent cigarettes to retail

would enable the manufacturers of 10-cent cigarettes to retail their cigarettes with larger profit at two packages for 15 cents.

Can anyone doubt that with the reduction of 33½ percent in the price of standard brands and 25 percent in the price of the 10-cent cigarettes that there would be an enormous increase in the use of manufactured cigarettes; that millions of those who since 1929 have made the sale of cigarette papers jump from 8,000,000,000 to 48,000,000,000 would return to the use of manufactured cigarettes? factured cigarettes?

factured cigarettes?

What would be the increase in the consumption of cigarettes none may tell with absolute accuracy. The estimates vary from 20 to 75 percent. James C. Stone, whose judgment by reason of his ability and experience is entitled to respect, stated on the stand that in his opinion a decrease of 50 percent in the tax would in time increase the consumption over 50 percent.

The authorized spokesman for the big four companies stated before the committee that if the 40-percent reduction in taxes were made the companies would sell their cigarettes at a price so that they could be retailed at 10 cents.

The difference between the amount paid by consumers under the present tax and the amount that would be paid by them under the reduction, only on the consumption of last year, amounts to \$136,000,000, which would be left in the pockets of the consumer to spend for other products.

## CONSUMER BENEFITS, TOO

The man who uses one package of cigarettes a day, the tax on which is 6 cents, pays in taxes \$21.90 a year. Under the statement by the spokesman for the great companies, none of the tax reducby the spokesman for the great companies, none of the tax reduction would be retained by the companies. We have no illusions that the great companies are benevolent associations formed and conducted for the benefit of the growers. They were organized and have been conducted and will be conducted for the benefit of the stockholders. The profits they have made have been out of all proportion to the return to the tobacco growers. But under this administration the full benefit of the reduction of taxes will be passed on to the consumer. With the inevitable increase in the consumption of cigarettes, with a certain and inevitable increase in the price of tobacco because of the increased demand, in my judgment, the manufacturers both of the present 15-cent and the present 10-cent cigarette will make as great or greater profits than they now make because of the greater consumption. That is the only chance they will have to make more, by increasing the consumption of cigarettes and tobacco products, leading to an increased demand for the raw tobacco. increased demand for the raw tobacco.

an increased demand for the raw tobacco.

From 1919 to 1929 the average for burley tobacco was, as I recall, between 21 and 22 cents. From 1929 to 1934 the average was between 10 and 11 cents. I am as certain as I am of the rising of the sun that with this reduction the average for burley tobacco will equal or exceed the average paid before 1929. I believe it will be higher than that average, but that is a matter of opinion, the correctness of which cannot be proved until the reduction is made. Speaking from my own experience, with full appreciation of the fact that you gentlemen may know more than I, I do not believe that many, if any, realize to the full the possibilities of the reduc-

tion in the tax on tobacco, nor the vital part that tobacco plays in the well-being and happiness of the people of the State.

#### IS BOON TO FARMERS

Is boon to parmers

I do not take time to go into the figures. I only ask all of you to ascertain the full facts for yourselves and clothe them with your imagination. There are more than 100,000 tobacco farmers in Kentucky, the great majority of whom are today just hanging on the edge of self-sustained subsistence. An increase of 50, or if I am correct, 100 percent in the price of tobacco this coming year, which will come with the reduction of the tax, will raise them and their families above the danger of being submerged. If they are submerged the Government, under the policy of this administration, must and will care for them, which will cost more than the Government will lose through the reduction in the taxes.

Not only will those hundred thousand tobacco farmers be benefited, but everyone in their community—the doctor, the lawyer, the merchant, the school teacher, the laboring man, everyone who is benefited by the circulation of the golden stream that comes from the sale of the golden leaf—will be benefited and communities made more self-sustaining, with what I believe the certainty, most assuredly the possibility and probability, that instead of requiring aid from the Government they will be able to extend aid to others. to extend aid to others.

There are some mysterious forces opposing the passage of the Vinson bill. What they are I have been unable to ascertain sufficiently accurately to make public statement. Yet whatever they are, they should be exposed to the light that all may know who favors and who opposes this reduction.

#### THE GRADUATED TAX

Just a word, and only a word, in regard to the so-called "grad-uated tax" as favored by Mr. Axton and by Brown-Williamson. The only man that I know who declares himself in favor of it who has no direct or indirect financial interest in the manufacture of 10-cent cigarettes, is Mr. James C. Stone, for whose opinion I have great regard, yet who in a 2-hour conversation that I sought with him when I was trying to inform myself and studying the question convinced me by his argument in favor of the graduated tax that it was impractical and would be of inestimable injury to the tobacco growers.

I want the manufacturers of 10-cent cigarettes to succeed; I want every factor that furnishes an outlet for the growers of tobacco to succeed and expand. But I am absolutely convinced of two things: First, that the imposition of the graduated tax would drive the manufacturers of all cigarettes to the 10-cent cigarettes, requiring a lowering of the price paid for tobacco, and further, that there is no possibility of any bill going through Congress this year nor next year reducing the tax on tocacco products except the bill providing for the 40-percent horizontal reduction. I base that statement upon statements made to me by members of the Ways and Means Committee, by other Representatives and Senators who have given the subject most careful study and have reached definite conclusions that the graduated tax would be injurious instead of beneficial to the tobacco growers, however beneficial the manufacturers of the 10-cent cigarettes may think it would be to them. want the manufacturers of 10-cent cigarettes to succeed; I

it would be to them.

#### WILL INCREASE CONSUMPTION

There is no one-tobacco grower, smoker or chewer, manufacturer, public official—I have ever heard deny that a horizontal reduction of the taxes would increase the consumption of tobacco

and would benefit both the grower and the consumer.

From 1919 till 1929 the use of manufactured cigarettes increased, from 1929 to 1934 the consumption of manufactured cigarettes has decreased; the consumption of roll-your-own cigarettes increased enormously.

The tobacco growers have been largely inarticulate. Now a bill representing their desire, their just demand, is before Congress, favorably reported by the Ways and Means Committee. There is assurance given by such distinguished and influential Senators as Senator Barkley, of Kentucky; Senator Byrn, of Virginia; Senator Barkley, of North Carolina; Senator Byrnes, of South Carolina; Senator Goldsborough, of Maryland, and others equally interested in the welfare of the tobaccomposition that the bill pro-

Carolina; Senator Goldsborough, of Maryland, and others equally interested in the welfare of the tobacco growers that the bill providing for the 40-percent horizontal reduction can pass the Senate and that a bill providing for the so-called "graduated tax" has no chance to pass either House of Congress.

If we can make our voice audible, can make our conviction as to the injustice of the present tax heard, can make our demand for the repeal of the tax denominated in the subcommittee report as "unconscionable" heeded by those in high position, this reduction can and will be made at this session of Congress, so that the next crop will be sold to meet the increased demand. Each of us can do something. It needs a thorough cooperation of all to do what is needed. do what is needed.

# BAINBRIDGE ISLAND CHAMBER OF COMMERCE

There being no objection, the Clerk read the bill S. 3604, as follows:

Be it enacted, etc., That the act approved March 2, 1929, authorizing the Bainbridge Island Chamber of Commerce, a corporation, its successors and assigns, to construct, maintain, and operate a bridge and approaches thereto across Agate Pass connecting Bainbridge Island with the mainland in Kitsap County, State of Washington, be, and the same is hereby, revived and reenacted: Provided, That this act shall be null and void unless

the actual construction of the bridge herein referred to be commenced within 1 year and completed within 3 years from the date of approval hereof.

SEC. 2. That the right to alter, amend, or repeal this act is

hereby expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider and a similar House bill, H.R. 9723, were laid on the table.

#### INTERNATIONAL ARMS & FUZE CO.

Mr. CHAVEZ. Mr. Speaker, I ask unanimous consent that we may return to the bill (S. 2809) that I objected to a moment ago and consider the same.

The SPEAKER. This bill is on the Private Calendar.

COLLIER MANUFACTURING CO., OF BARNESVILLE, GA.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 2242) for the relief of the Collier Manufacturing Co., of Barnesville. Ga.

The SPEAKER. This bill is also on the Private Calendar and cannot be considered.

Mr. WOLFENDEN. Mr. Speaker, I make the point of order there is not a quorum present.

The SPEAKER. Will the gentleman withhold that a moment?

Mr. WOLFENDEN. I withhold it, Mr. Speaker.

#### AGRICULTURAL ADJUSTMENT ACT

Mr. WALTER. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3419) to exempt articles of machinery belting from the tax on floor stocks imposed by the Agricultural Adjustment Act.

The Clerk read the bill as follows:

Be it enacted, etc., That the provisions of section 16 of the Agricultural Adjustment Act, as amended, shall not apply to articles of machinery belting processed wholly or in chief value from cotton, if such processing was completed prior to January 1, 1930. SEC. 2. Any tax which has been assessed or paid under such

section on any such article prior to the enactment of this act shall be credited or refunded to the taxpayer, or abated if remaining unpaid: Provided, That claim therefor must be filed within 3 months after the date of enactment of this act: Provided further, That no such credit, refund, or abatement shall be made with respect to any such article which was disposed of by the taxpayer prior to the filing of the claim therefor.

Mr. TRUAX. Mr. Speaker, I object.

Mr. WALTER. Mr. Speaker, will the gentleman withhold his objection a moment?

Mr. TRUAX. Mr. Speaker, reserving the right to object, I should like to inquire if we are going to continue with bills on the Private Calendar without having any report on

The SPEAKER. This is not a Private Calendar bill. Mr. O'CONNOR. This bill relates to agriculture.

Mr. TRUAX. Then I withdraw my objection.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## PERMISSION TO ADDRESS THE HOUSE

Mr. BRITTEN. Mr. Speaker, I desire to submit a unanimous-consent request that I may address the House for 5 minutes. I desire to present to the House a letter from the Secretary of State.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BRITTEN. Mr. Speaker, from the floor of the House on April 20, I publicly requested the recall of Gerald Campbell, British consul general in New York City, because of his participation in a meeting in that city organized by the Woman's International League for Peace and Freedom, at which time certain legislation then pending before the Congress of the United States was discussed.

The sole purpose of this meeting was to prevent further Federal expenditures to increase the Navy, and the Vinson bill, then on the House Calendar, was the target of various speakers, among them being the British consul general

Five hundred and twenty-nine dollars and fifty-five cents was collected from those present and the officers of the Woman's International League immediately prepared for another meeting in Washington to prevent the passage of the Vinson bill in the Senate and also to oppose its final approval by the President.

I am now informed by Secretary of State Cordell Hull that upon inquiries made by officials of the British Embassy, who conferred with Mr. Campbell, that he was unaware of the character of this meeting when he accepted the invitation to attend, and that in his impromptu remarks he scrupulously avoided any reference to or criticism of pending American legislation.

What a sad commentary this is upon the much-praised British diplomacy of the past for a high-ranking consul general to say that "he was unaware of the character of this meeting when he accepted the invitation to attend", when undoubtedly every other person at the meeting knew in advance that it was a pacifist meeting promoted by a radical organization and intended for only one purpose-the defeat of the Vinson Navy bill.

After Mr. Campbell arrived at the meeting place and he was called upon for a speech and when money was collected for the sole purpose of defeating the Vinson bill, he still was in doubt about its character and did make a speech.

Mr. Speaker, if this is an example of the keen, intelligent British diplomacy of today, then God help England.

As a sequel to my request for the recall of Consul General Campbell, Gerald Campbell was created a Knight Commander of St. Michael and St. George, on the occasion of the sixty-ninth anniversary of the birthday of the King last week, thus to inform the world that foreign governments should not interfere with British diplomacy, even when it is wrong, and a further announcement to British diplomats the world over that "snooping", even though fraught with temporary foreign disgrace, will be rewarded by His Majesty's Government, as in the case of Sir Gerald.

Sir Gerald's elevation to knighthood is a direct slap in the face for Uncle Sam, who should henceforth expect British representatives on American soil to use their American influence to mold public sentiment favorable to Great Britain, and to oppose American legislation that is inimical to the best interests of England. Snooping must now be added to the duties of every British diplomat if he has aspiration to the knighthood.

Mr. Speaker, if conditions were reversed and an American diplomat in London had publicly opposed British legislation pending in Parliament on February 20 last, he would have received his walking papers before the 1st of March.

Great Britain knows the great importance of maintaining respect for its tradition, while we in the United States allow that Sir Gerald incident to be "laughed off."

Mr. O'MALLEY. Mr. Speaker, will the gentleman yield?

Mr. BRITTEN. Yes. Mr. O'MALLEY. Did the British diplomat contribute to

that collection to which the gentleman referred?

Mr. BRITTEN. I was not at the meeting and I do not know. Probably he did, because he was undoubtedly the guest of honor. But my thought is this, that that was a very deliberate way Great Britain has of showing her insolence. What does she care about Uncle Sam? announcement to the world on yesterday that she would not pay her debt of honor to us is the best evidence of the depth to which her present government has fallen. A cheap coconspirator with France to defraud the Nation which saved both of them from ignominious defeat by Germany. What a folly our participation in the war now presents.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. BRITTEN. Mr. Speaker, may I proceed for 1 minute more?

The SPEAKER. Is there objection?

Mr. BURKE of Nebraska. Mr. Speaker, I object.

CENTENNIAL OF INDEPENDENCE, REPUBLIC OF TEXAS

Mr. BLOOM. Mr. Speaker, I ask unanimous consent for the present consideration of Senate Concurrent Resolution No. 21, which I send to the desk and ask to have read.

The Clerk read as follows:

Senate Concurrent Resolution 21

Resolved, by the Senate (the House of Representatives concur-Resolved, by the Senate (the House of Representatives concurring), That there is hereby established a joint congressional committee to be composed of 3 Senators, to be appointed by the President of the Senate, and 3 Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives, to inquire into and report to Congress to what extent, if any, the Federal Government should participate in the Centennial of the Independence of the Republic of Texas, to be held in the State of Texas in the year 1936.

The expenses of the committee, including necessary clerical assistance and traveling expenses, which shall not exceed \$5,000, shall be paid, one-half from the contingent fund of the Senate, and one-half from the contingent fund of the House of Represented the senate of the senate, and one-half from the contingent fund of the House of Represented the senate of the sena

and one-half from the contingent fund of the House of Representatives, upon vouchers approved by the chairman.

The SPEAKER. Is there objection?

Mr. WEIDEMAN. Mr. Speaker, I reserve the right to object. Will the gentleman please explain the resolution? Mr. BLOOM. Mr. Speaker, I yield to the gentleman from Texas [Mr. Lanham].

Mr. LANHAM. Mr. Speaker, Texas, as my friend from Michigan is aware, has a glorious history, which is in no way provincial. In 1936 Texas is to celebrate the centennial anniversary of the establishment of her independence. After the establishment of that independence Texas was for 9 years a republic, and then joined the American Union. Texas is having a centennial celebration of that occasion. The legislature has appropriated money for a proper investigation of it and has appointed a committee. This resolution simply provides for the appointment of 3 Members of the Senate and 3 Members of the House. The concurrent resolution has already passed the Senate. That committee is to collaborate to see to what extent it would be proper or practicable for the Federal Government to participate in that centennial celebration.

Mr. WEIDEMAN. Mr. Speaker, I object. I do not see why we should spend \$5,000 to inquire into why we should participate in some State centennial. We have been appropriating money too freely, and inasmuch as the colleague of the gentleman from Texas [Mr. Blanton] is not here to object, to save the Treasury, I think that I should.

Mr. LANHAM. Will the gentleman withhold his objection?

Mr. O'BRIEN. Mr. Speaker, I object. The SPEAKER. Objection is heard.

SECRETARY ICKES

Mr. SIMPSON. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. SIMPSON. Mr. Speaker, I have received under the official frank of the Secretary of the Interior a copy of a letter signed by him, addressed to the editor of the Chicago Tribune, in which he makes a scurrilous attack upon me in denying his interest in the impeachment of Judge Wilkerson. Why the Secretary risks prosecution for this private abuse of the official franking privilege may be explained on the theory that in this matter, as in others, he is afflicted with such delusions of grandeur that he regards himself as above

Mr. Ickes denies that he is interested in bringing about the impeachment of an honest and fearless judge in order to procure the appointment of Donald Richberg, his former partner. I would accept this denial at its face value if the assertions of Mr. Ickes in political matters were worthy of credence. But the chameleon character of his party record and his heartless betrayal of political friends and parties stamp him as a Judas Iscariot in such matters, whose word is not only valueless but always presumably false. Neither he nor any other turncoat can reconcile truthfulness with treachery. A man who is false in one thing establishes the presumption that he is false in all.

The psychology of Mr. Ickes' case illustrates the danger of elevating to exalted office men whose limitations disable them from observing ordinary decencies in public life. The act of the Secretary of the Interior in sending false and scurrilous letters concerning me during the primary campaign called for instant rebuke by the President. It was an insult to the other members of the Cabinet and a gross misuse of public office to feed a private grudge. This political trickster who wears a coat of many colors-Republican, Progressive, Democrat, Republican again, today a Democrat for a job's sake, and perhaps tomorrow a Cassius who will stab his benefactor-this polygamist of politics did not dare to go to Illinois and vote in the primary into which he injected poisonous venom from his place at President Roosevelt's side. In the primary he could not have voted without stultifying himself, either as a Republican, a Democrat, a Progressive, or whatever he may now happen to be.

It is unfortunate that the President of the United States should have imposed upon himself the burden of a misfit like Harold L. Ickes. The President carries too big a load as it is, without having to countenance repeated blunders of subordinates who use their place to promote private political ends. The country deserves and needs at this critical time a competent Secretary of the Interior who will attend

strictly to his duties.

Temporary elevation to an office absurdly beyond his capacity deprives Mr. Ickes of all sense of proportion. His infirmity is not an uncommon affliction among individuals who find themselves raised above their natural level of obscurity. The disease manifests itself in an assumption of superior virtue and infallible wisdom. Mr. Ickes prides himself upon his hatred of monopoly. Why he turns about and attempts to monopolize virtue and wisdom is explained by the nature of his malady. His assumption that public men are bent upon misusing public-works funds would be regarded by them as deeply insulting if they were not aware that suspicion of corruption in others is a symptom of his affliction. Those who are as honest as he is in all matters and entirely unlike him in their fidelity to political ideals and principles are only hoping that he will combine intelligence with watchfulness in the disbursement of the immense sums which have been intrusted to him.

Overwhelmed as Mr. Ickes might be if he confined himself to his official duties, he finds time to utilize the advantages he enjoys as a Cabinet member to deny patronage to Democrats in Congress so that he can build up a personal machine of his own in Illinois. His vigilance in this direction doubtless is energized by the thought that he must provide for himself after his brief glory here has gone into eclipse. In this, as in all other political adventures, Mr. Ickes has no regard for others. He takes advantage of Mr. Roosevelt's patience and forbearance without compunction, and has no hesitation in misuing his office for personal political ends.

In the course of his devious meanderings through politics Mr. Ickes has been consistent in only one particular—he has associated with and given aid and comfort to individuals and movements which strike at the fundamentals of Americanism. His natural obliquity in matters of principle and loyalty makes it an agreeable task on his part to strike at institutions which are cemented by the blood of American patriots. If he were really of Cabinet caliber he might be feared in this respect. At any rate, many Democrats share with me the opinion that an individual holding his subversive views has no rightful place at the side of a President of the United States.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. BYRNS. Mr. Speaker, several days ago a number of his colleagues paid high tribute to the service of our friend and colleague, the Honorable William W. Hastings, of

Oklahoma, who is voluntarily retiring from Congress. It so happened at the time that I was called out of the Chamber and was not present while those tributes were being paid. My friendship for Mr. Hastings, our long acquaintance, prompts me to ask your indulgence for a few moments while I have something to say in regard to my high esteem and my respect for him. I have known Mr. Hastings longer than I have known any other Member of this House. More than 40 years ago he was a student at Vanderbilt University in Nashville, Tenn., my home city. I knew him then and learned to love him as I have loved him ever since. He was then as now an earnest, a close, a conscientious student of everything that he undertook. He had the respect and esteem of all of his classmates, and was regarded as one of the leaders.

After he graduated from the university he left Nashville and returned to the Indian Territory, his native home, now the State of Oklahoma. I did not see Mr. Hastings from that time until I came to Congress a number of years ago. For some reason—I have never understood just why—Uncle Joe Cannon, who was Speaker of the House at that time, made me a member of the Committee on Indian Affairs. Mr. Hastings was here frequently during that time, representing, as he did, the Cherokee Tribe of Indians in Oklahoma. He appeared on numerous occasions before the committee in support of bills which were proposed in the interest of the tribe. He showed the same loyalty and ability and the same studious zeal, the same conscientious devotion to the cause he was representing, as he showed when he was a student at the university.

Later on he came to Congress, and our friendly relations were renewed. You gentlemen who have served with him know that there has not been a Member of this House who has had the esteem and respect of his colleagues to a greater extent than our friend the gentleman from Oklahoma [Mr. Hastings]. [Applause.] We all know that while Members perform important work upon the floor of the House, after all, in the framing of the bills which are presented and in the work which is done in committee, a Member does his very best work. It is not a matter which gives him any publicity, but the Member who works in committee in the preparation of the bills for presentation to the Congress, really, as I say, does his very best work.

It was my privilege and my pleasure to serve upon the Committee on Appropriations with Mr. Hastings, and he carried into his work there, his work upon the subcommittees, and his work upon the full committee, that same able, earnest, tireless, and conscientious devotion to duty that he has always shown during the more than 40 years I have known him. He is one of the very able men of this Congress and enjoys his position of leadership because he has the friendship, the respect, and the confidence of its Membership.

I want to say to my colleagues that I regard his voluntary retirement from Congress as a real loss, not only to his district, not only to his State, but also to his Nation. We will miss him after he is gone, and we all hope that he may enjoy a long life and the greatest happiness and prosperity during the years that will be his in the future. [Applause.]

## NINTH PAN AMERICAN SANITARY CONFERENCE

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution (S.J.Res. 59) to provide for the expenses of delegates of the United States to the Ninth Pan American Sanitary Conference, and I move that the House recede from its amendment to the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. McReynolds]?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Tennessee that the House recede from its amendment to the Senate Joint Resolution.

The motion was agreed to.

A motion to reconsider was laid on the table.

#### AMENDMENT OF AIRWAYS ACT

Mr. MALONEY of Louisiana. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3526) to amend the Air Commerce Act of 1926 and to increase the efficiency of the Aeronautics Branch of the Department of Commerce with respect to the development and regulation of civil aeronautics.

The SPEAKER. Is there objection to the request of the

gentleman from Louisiana?

Mr. MALONEY of Louisiana. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk and consider Senate bill No. 3526. This bill has been unanimously passed by the Senate and a similar bill has been approved by the Committee on Interstate and Foreign Commerce.

The bill is an amendment to the Airways Act-making its provisions more workable so the Department can render a

better service to the public and the industry.

Mr. BAKEWELL. Reserving the right to object, Mr. Speaker, and I shall not object, I should like to have this discussion continue long enough to enable the gentleman from Louisiana [Mr. Maloney] enter into the Record a statement by Secretary Roper interpreting a sentence in this bill which may, without that interpretation, be regarded as ambiguous.

Mr. MALONEY of Louisiana. I shall gladly comply with the request.

I have, Mr. Speaker, a letter from Secretary Roper, in which he says:

Reference is made to subparagraph (g), section 5, of the Senate and House bills covering an amendment to the Air Commerce Act of 1926, which I understand is to be acted upon by the House today. My interpretation of this paragraph (g) is that its provisions would apply only to bridges, coastwise transportation, and transmission lines over navigable water. I hope this clarifies the matter to the entire satisfaction of the House Membership and there will be a policition to the investigation and there will be no objection to its immediate consideration and

Mr. BAKEWELL. I ask that this interpretation be noted in the RECORD as the interpretation of the committee.

Mr. McFARLANE. Reserving the right to object, I do not understand yet what bill is now being called up.

Mr. MALONEY of Louisiana. This bill is an amendment to the Airways Act, making its provisions more workable.

Mr. McFARLANE. Is it an amendment to the Aircraft Act?

Mr. MALONEY of Louisiana. Yes.

Mr. McFARLANE. What section does it amend? Mr. MALONEY of Louisiana. It amends several sections in minor particulars.

Mr. McFARLANE. Does it give competition or do away with competition?

Mr. MALONEY of Louisiana. Oh, it has nothing to do with that. It has to do with the safety of aircraft.

Mr. McFARLANE. What section does it amend? Mr. MALONEY of Louisiana. The amendment to subdivision (d) of section 2 is for the purpose of authorizing the Aeronautics Branch to cooperate with other Government agencies in the development of airplanes and accessories in addition to the present authorization for such cooperative action in the development of aids to air navigation. This authorization is highly essental to enable the Aeronautics Branch to carry out the mandate of the Air Commerce Act of 1926 to foster commercial aviation. Under the act as now written the Aeronautics Branch can and has assisted greatly in the development of scheduled air transport by its construction of airways and its weather-reporting service, but it has been powerless to do more than regulate private flying. As a result this most important phase of aviation has been retrogressing while air transport has been progressing. It is believed highly desirable, particularly from the nationaldefense standpoint, to correct this unbalanced condition immediately. There is no Federal agency now authorized to further the development of equipment for the private pilot which must be safer, easier to fly, and more economical than equipment used by the Army and Navy. With the authorization requested, the Aeronautics Branch can materially fur-

ther the safety of private flying without any additional appropriation.

The amendments to section 2 provide authority for the Secretary of Commerce to hold hearings to determine the causes of accidents and contain the immunity clause of the Federal Securities Act to protect witnesses called upon to testify in such hearings. The publication of the results of such investigations is made mandatory when the accident has caused serious or fatal injury and discretionary otherwise. Provision is also made that employees of the Department of Commerce shall not be called upon to testify in any suit or action involving aircraft. These provisions are similar to those contained in the bill under which the Interstate Commerce Commission functions.

Without the provisions contained in this amendment the Department of Commerce cannot require the submission of evidence required to determine the causes of accidents, and such evidence as is voluntarily submitted must be treated confidentially to protect the interests of the witnesses. This necessity of refusing to give out the results of our findings in important accident cases tends to shroud such accidents in an undesirable atmosphere of mystery, whereas in most cases the causes are well known. Were the Department enabled to issue a statement of the causes of such accidents, it could dispel this air of mystery and could make available to aircraft manufacturers and operators much valuable information which would be used in the prevention of subsequent accidents.

The amendment to subdivision (a) of section 3 permits granting limiting registration of aircraft owned by aliens. We not infrequently have requests for such registration and in most cases there is no good reason for denying them.

The amendments to subdivision (b) of section 3 and subdivision (k) of section 9 extend our licensing and inspection

authority to include parachutes.

The amendments to subdivision (d) and (f) of section 3, and subdivision (a) of section 11, paragraphs 3 and 5, are for the purpose of clearly defining the authority of the Secretary of Commerce to regulate air lines to insure maximum safety of operation. Certificates are now granted to air lines under the authority vested in the Secretary by section 3 (f) "to issue such other certificates as the Secretary of Commerce deems necessary in administering the functions vested in him under this act." Although this authority has never been contested, it has been questioned and should be more clearly defined. It is not intended that this authority should encompass regulation for other than safety purposes. H.R. 9599 has a provision in section 6 to limit this authority, which should be included in S. 3526.

Section 7 of S. 3526 is designed to discourage appeals from decisions of the Secretary in revoking licenses and assessing penalties when the appellant has insufficient grounds for appeal. With no deterrent to an appeal, appeals are readily resorted to and result in needless expense to the Government.

Mr. McFARLANE. Does it in any way affect the procurement of aircraft?

Mr. MALONEY of Louisiana. It does not.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That subdivision (d) of section 2 of the Air Commerce Act of 1926 (U.S.C., supp. VII, title 49, sec. 172 (d)) is amended by inserting before the period at the end of the first sentence thereof a comma and the following: "aircraft, aircraft power plants, and accessories."

SEC. 2. Subdivision (e) of such section 2 (U.S.C., supp. VII, title

49, sec. 172 (e)) is amended to read as follows:

"(e) To investigate accidents in civil air navigation in the
United States, including the attending facts, conditions, and cir-United States, including the attending facts, conditions, and circumstances, and for that purpose the Secretary, or any officer or employee of the Department of Commerce designated by him in writing for the purpose, is authorized to hold public hearings in such places and at such times as he shall deem practical, and for the purpose of such hearings, administer oaths, examine witnesses, require the preservation of evidence, and issue subpenss for the attendance and testimony of witnesses, or the production of books, papers, documents, exhibits, and other evidence, or the taking of depositions before any designated individual competent to administer oaths for the purposes of this act. Witnesses summoned or whose depositions are taken shall receive the same fees and mileage as witnesses in the courts of the United States. All evidence taken at the hearing shall be recorded and forwarded to the Secretary. At the conclusion of an investigation of, or hearing on, any such accident or as soon thereafter as circumstances permit, the Secretary of Commerce shall, if he deems it in the public interest, make public a statement of the probable cause or causes of the accident, except that when the accident has resulted in serious or fatal injury, it shall be the duty of the Secretary to causes of the accident, except that when the accident has resulted in serious or fatal injury, it shall be the duty of the Secretary to make public such a statement. Neither any such statement nor any report of such investigation or hearing, nor any part thereof, shall be admitted as evidence or used for any purpose in any suit or action growing out of any matter referred to in any such statement, investigation, hearing, or report thereof."

SEC. 3. Subdivision (a) of section 3 of such act (U.S.C., supp. VII, title 49, sec. 173 (a)) is amended by inserting after the second sentence thereof a semicolon and the following: "but the Secretary may, if he deems it advisable, grant limited registration to aircraft owned by aliens under such conditions as he may by regulation prescribe, but aircraft granted such limited registration shall not be permitted to engage in interstate or foreign air commerce."

SEC. 4. Subdivision (b) of such section 3 (U.S.C., supp. VII, title 49, sec. 173 (b)) is amended by inserting after the words "United States" in the first sentence thereof the following:

"United States" in the first sentence thereof the following:
"and parachutes used in connection with such aircraft,".

SEC. 5. Subdivision (d), as amended, of such section 3 (U.S.C., supp. VII, title 49, sec. 173 (d)) is amended by inserting before the period at the end thereof a comma and the following: "and provide for the examination and rating of all air lines engaged in interstate or foreign air commerce and establish minimum

safety standards for the operation thereof."

safety standards for the operation thereof."
SEC. 6. Subdivision (f) of such section 3 (U.S.C., supp. VII, title 49, sec. 173 (f)) is amended by inserting after the word "aircraft" in the first sentence thereof the word "airline" and a comma, and by inserting after such sentence the following sentence: "The Secretary of Commerce shall not deny any application for an airline certificate or revoke or suspend any airline certificate, except for failure of the airline to comply with safety standards applicable to the operation thereof prescribed by the Secretary."

Secretary."

SEC. 7. Subdivision (f) of such section 3 is further amended by adding at the end thereof the following sentence: "Where the decision in such hearing is adverse to the applicant for hearing, such applicant shall pay to the Secretary of Commerce, to be covered into the Treasury as miscellaneous receipts, an amount equal to such portion of the costs of the hearing as the Secretary of Commerce may designate, and in any case the applicant may be required by the Secretary of Commerce to furnish bond, with such surety as he may approve, to cover all such costs before the matter is heard."

SEC. 8. Such act, is amended by adding after section 3 (U.S.C.)

the matter is heard."

SEC. 8. Such act is amended by adding after section 3 (U.S.C., supp. VII, title 49, sec. 173) a new section as follows:

"SEC. 3a. (1) In case of failure to comply with any subpena issued under authority of this act, the Secretary of Commerce, or his authorized representative, may invoke the aid of any United States district court, the Supreme Court of the District of Columbia, or the United States court of any Territory or other place to which this act applies. The court may thereupon order the person to whom the subpena was issued to comply with the requirements of the subpena or to give evidence with respect to the matter in question. Any failure to obey the order may be punished by the court as a contempt thereof.

"(2) No person shall be excused from attending and testifying

"(2) No person shall be excused from attending and testifying or from producing books, papers, documents, exhibits, and other evidence before the Secretary of Commerce or his designated representative or in obedience to the subpena of the Secretary of Commerce or his designated representative, or in any cause or proceeding instituted by the Secretary of Commerce or his designated representative, on the ground that the testimony or evidence, documentary or otherwise, required of him, may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, documentary or otherwise, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

"(3) Any notary public or other officer authorized by law of the United States, or any State, Territory, or possession thereof, or the District of Columbia, to take acknowledgment of deeds, any consular officer of the United States, and any officer or employee of the Department of Commerce designated by the Secretary in writing for the purpose, shall be competent to administer oaths for the purposes of this act. Subpenas for the purposes of this act may be served personally or sent by registered mail."

Sec. 9. Section 5 of such act (U.S.C., supp. VII, title 49, sec. 175) is amended by adding at the end thereof the following new subdivision:

"(8) The persons owning or operating any bridge, causeway, "(2) No person shall be excused from attending and testifying

subdivision:

"(g) The persons owning or operating any bridge, causeway, transportation or transmission line, or any structure over navigable waters of the United States shall maintain at their own expense such lights and other signals thereon for the protection

of air navigation as the Secretary of Commerce shall prescribe."

SEC. 10. Subdivision (k) of section 9 of such act (U.S.C., supp. VII. title 49, sec. 179 (k)) is amended by inserting before the period at the end thereof the following: "or of parachutes."

SEC. 11. Paragraph (3) of subdivision (a) of section 11 of such act (U.S.C., supp. VII, title 49, sec. 181 (a) is amended by inserting before the period at the end thereof the following: "or the period at the end thereof the following: "or

to operate any airline in interstate or foreign air commerce with-out an airline certificate or in violation of the terms of any such certificate."

Sec. 12. Paragraph (5) of subdivision (a) of such section 11 is amended by inserting before the period at the end thereof the following: "or to operate any aircraft registered as an aircraft of the United States otherwise than in conformity with the regulations of the Secretary of Commerce pertaining thereto.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### TURTLE MOUNTAIN BAND OF CHIPPEWA INDIANS

Mr. SINCLAIR. Mr. Speaker, I ask unanimous consent for the present consideration of the bill, S. 3626, referring to the claims of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota to the Court of Claims for adjudication and settlement.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

The Clerk read the Senate bill, as follows:

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That jurisdiction be, and is hereby, conferred upon the Court of Claims, with right of appeal to the Supreme Court of the United States by either party, notwithstanding the lapse of time or statutes of limitation, to hear, adjudicate, and render judgment, according to right and justice, on any and all claims not heretofore determined and adjudicated on their merits by the Court of Claims or the Supreme Court of the United States, arising under any treaty, act of Congress, agreement, Executive order, or treaty with any other tribes or nations of Indians, or relating to, affecting, or violating the land occupancy or other rights of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota, including the band of Chief or Thomas Little Shell, and other isolated bands of Chippewas of North Dakota and Montana. The said courts shall consider all such claims de novo, upon a legal and equitable basis, and without regard to

kota and Montana. The said courts shall consider all such claims de novo, upon a legal and equitable basis, and without regard to any settlement heretofore had in respect to any such claims.

Sec. 2. Any and all claims against the United States within the purview of this act shall be forever barred unless suit or suits be instituted or petition or petitions filed as herein provided in the Court of Claims within 5 years from the date of the approval of this act, and such suit or suits shall make the Indians mentioned in section 1 hereof party or parties plaintiff and the United States of America party defendant. The claim or claims of the band or bands aforementioned may be presented separately or jointly by petition or petitions, subject, however, to amendment. The petition or petitions shall be verified by the respective attorney or attorneys employed to prosecute such claim or claims under the contract with the Turtle Mountain Band or Bands of Chippewa Indians, approved by the Commissioner of Indian Affairs and the Secretary of the Interior, as provided by law. Official letters, papers, documents, reports, and records, or certified copies thereof, may be used in evidence; and the departments of the Government shall give access to the attorney or attorneys of said Turtle Mountain Band or Bands such treaties, agreements, papers, reports, correspondence, or records as may agreements, papers, reports, correspondence, or records as may be needed by the attorney or attorneys of said band or bands of

SEC. 3. That if any claim or claims be submitted to said court it shall determine the rights of the parties thereto, notwithstanding lapse of time or statutes of limitation, and any payment which may have been made by the United States upon any claim so

may have been made by the United States upon any claim so submitted shall not be pleaded as an estoppel but may be pleaded as a set-off in any suit; and the United States shall be allowed credit subsequent to the date of any law, treaty, agreement, or Executive order under which the claims arise for any sum or sums, including gratuities, heretofore paid or expended for the benefit of said Indians.

SEC. 4. That if the Court of Claims shall determine that the United States, under the provisions of any agreement, Executive order, law, or treaty referred to in section 1 hereof, has unlawfully appropriated or disposed of any property belonging to the said Turtle Mountain Band or Bands of Chippewa Indians, or to which the said Indians had the right of title by occupancy; or if the said court shall determine that the United States, under the provisions of any such agreement, Executive order, law, or treaty, herein referred to, under mistake of fact or duress, obtained title to or the cession of any land from the said Indians for an inherein referred to, under mistake of fact or duress, obtained title to or the cession of any land from the said Indians for an inadequate consideration; or if the court shall determine that the United States obtained cessions of land from said band or bands of Indians without obtaining the consent of a majority of the male adult members thereof; or if the court shall determine that the United States, to the loss of said Indians, appropriated to its own use or to the use of any other Indian tribe or band, or permitted white settlers to occupy and acquire title under the public-land laws of the United States, to any lands in North Dakota the title or occupancy of which by the said Indians had been recog-nized by other tribes and by official reports of the Secretary of the Interior and the Commissioner of Indian Affairs; or if a of the Interior and the Commissioner of Indian Alairs, of It a portion of the land so claimed by the said band or bands was taken from them by an Executive order for the benefit of any other band or tribe of Indians, without compensation to the said Turtle Mountain Band or Bands of Chippewa Indians, the damages rurtle Mountain Fand or Hands of Chippewa Indians, the damages shall be confined to the reasonable money value thereof at the time of such appropriation: Provided, That if the Court of Claims shall determine that the United States, by reason of any delay on the part of its authorized agents in submitting for ratification any agreement with the said Turtle Mountain Band or Bands of Chippewa Indians, for the purchase or cession of any land so occupied and possessed by them, or that the Congress of the United States unduly delayed the ratification of any such agreement whereby any such lands were ceded to the United States, to the detriment and loss of the said Indians, then the said court is ment whereby any such lands were ceded to the United States, to the detriment and loss of the said Indians, then the said court is hereby authorized to award and enter judgment, as justice and equity may demand, for damages due to such delay at 4 percent per annum of the stipulated or agreed amount set out in any such agreement ceding such lands to the United States, and to compute such interest from the date the said agreement was signed or executed by the said Indians; and with reference to all claims which may be the subject matter of the suit or suits herein authorized, the decree of the court shall be in full settlement of all damages, if any, committed by the Government of the United States and shall annul and cancel all claim, right, and title of the said Turtle Mountain Band or Bands of Chippewa Indians in and to such money or other property.

said Turtle Mountain Band or Bands of Chippewa Indians in and to such money or other property.

Sec. 5. Upon the final determination of such suit or suits the Court of Claims shall have jurisdiction to fix and determine a reasonable fee, not to exceed 10 percent of the recovery in each instance, together with all necessary and proper expenses incurred in preparation and prosecution of the suit or suits, to be paid to the respective attorneys employed by the said band or bands of Indians, and the same shall be included in the decree and shall be paid out of any sum or sums found to be due said band or bands of Indians. The court shall have jurisdiction and is hereby further authorized to determine what amount of the recovery, if any, shall be awarded to the respective bands who bring

ery, if any, shall be awarded to the respective bands who bring suit or suits hereunder.

Sec. 6. The Court of Claims shall have full authority by proper orders and process to bring in and make parties to such suit or suits any other tribe or band of Indians deemed by it necessary or proper to the final determination of the matters in controversy. A copy of the petition or petitions shall, in such case, be served upon the Attorney General of the United States, and he, or some attorney from the Department of Justice to be designated by him, is hereby directed to appear and defend the interests of the United

SEC. 7. The proceeds of all amounts, if any, recovered for said band or bands of Indians, less fees and expenses, shall be deposited in the Treasury of the United States to the credit of the Indians decreed by said court to be entitled thereto, and shall draw interest at the rate of 4 percent per annum from the date of the judgment

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONVEYANCE OF CERTAIN LANDS TO STATE OF SOUTH DAKOTA FOR PUBLIC-PARK PURPOSES

Mr. WERNER. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3741), to convey certain lands to the State of South Dakota for publicpark purposes, and for other purposes.

The Clerk read the title of the bill.

Mr. ENGLEBRIGHT. Mr. Speaker, reserving the right to object, is this the Norbeck bill?

Mr. WERNER. It is.
The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

The Clerk read the bill as follows:

Whereas it has been the policy of the United States to set aside and maintain for public-park purposes areas of the public domain having striking and unusual scenic features and which are more valuable for park than commercial purposes; and Whereas the State of South Dakota is the only State in the

Union that has set aside and maintained as a public park an area which, in point of scenic beauty, unusual features, size, and development, compares favorably with the better class of national parks; and

Whereas said park contains 60,000 acres which are owned by the State of South Dakota, but which are exclusively devoted to the use and benefit of all the people of the United States without discrimination, but which are separated into two areas

by intervening national-forest lands; and
Whereas the procurement of additional lands is necessary to
consolidate and enlarge said park into an ideal park unit of

approximately 100,000 acres, which the State of South Dakota agrees to maintain in perpetuity for public-park purposes; and Whereas said State has expended \$300,000 in the construction of highways through forest lands now attached to said park for game purposes without material contribution from the United

Whereas division of administration and control is not conductve to a proper and ideal development of the area as a public play-

to a proper and ideal development of the area as a public playground and recreational region: Therefore

Be it enacted, etc., That upon the conditions hereinafter set out
there be, and is hereby, granted and conveyed to the State of
South Dakota for public-park purposes the publicly owned forest
and other lands included in the following Presidential proclamations, with certain exceptions hereinafter referred to, aggregating
approximately 40,600 acres, to wit:

(a) The proclamation of the President of October 9, 1920 (41
Stat. 1305) made in pursuance of the act of June 5, 1920 (41

tions, with certain exceptions hereinafter referred to, aggregating approximately 40,600 acres, to wit:

(a) The proclamation of the President of October 9, 1920 (41 Stat. 1805), made in pursuance of the act of June 5, 1920 (41 Stat. 986), covering the following-described land:

In township 2 south, range 4 east, Black Hills meridian, all of those parts of sections 22 and 27 lying east of the right-of-way of the Chicago, Burlington & Quincy Railroad, north half section 35, sections 23, 24, 25, 26, and 36; in township 2 south, range 5 east, Black Hills meridian, south half sections 7, 8, 9, 10, 11, and 12, all of sections 13 to 36, inclusive; in township 2 south, range 6 east, Black Hills meridian; south half sections 7 and 20, southwest quarter section 21; west half sections 28 and 33; all of sections 18, 19, 29, 30, 31, and 32; in township 3 south, range 5 east, Black Hills meridian; sections 3, 4, 5, and 6.

(b) The proclamation of the President of January 8, 1925 (43 Stat. 1981), made in pursuance of the act of June 7, 1924 (43 Stat. 632), covering the following described land:

East half section 13, township 2 south, range 4 east; south half sections 2, 3, 4, and 5, and the north half sections 8, 9, 10, 11, and 12, township 2 south, range 5 east; north half section 27, eschion 18, east half section 28, east half section 21, west half section 27, township 3 south, range 4 east; south half section 27, township 3 south, range 5 east; north half section 27, township 3 south, range 5 east; southeast quarter southeast quarter section 21, south half section 22, north half north half section 27, township 3 south, range 5 east; sections 1, 2, 11, 12, 13, 14, 23, 24, 25, and 26, township 5 south, range 5 east; section 7, north half of section 8, south half of section 9, all of section 7, north half of section 8, south half of section 9, all of section 16, and north half of section 10, township 5 south, range 6 east, Black Hills meridian.

(c) The proclamation of the President of January 14, 1929 (45) meridian.

(c) The proclamation of the President of January 14, 1929 (45 Stat. 2985), made in pursuance of the act of June 7, 1925 (43 Stat. 632), covering the following-described land:

South half section 21, north half north half section 28, town-ship 3 south, range 5 east, Black Hills meridian.

ship 3 south, range 5 east, Black Hills meridian.

(d) All the above-described lands, when conveyed, are to be and become a part of the enlarged Custer State Park in the State of South Dakota. The grant and conveyance herein provided for shall be conditioned upon (1) the perpetual use of all the lands herein conveyed for park purposes by the State of South Dakota;
(2) the said State maintaining in perpetuity for park purposes not less than 100,000 acres to be comprised of the present Custer State Park and the lands herein conveyed: Provided, That this grant shall not include any land which on the date of the approval of this act is covered by any existing bona fide right or claim under the laws of the United States, unless and until such right or claim is relinquished or extinguished.

(e) The State of South Dakota shall have the right to acquire by contest, relinquishment, or purchase, any valid mining or other claim now existing therein.

Sec. 2. That existing contracts entered into by the United

SEC. 2. That existing contracts entered into by the United States Forest Service for the cutting of timber upon the lands described in section 1 shall remain in full force and effect and shall be carried out and administered by said Service under the direction of the Secretary of Agriculture.

Timbering as carried on by the United States Forestry Service, under existing regulations, may be continued by the Department of Agriculture within the areas above described after such lands are formally transferred to the State of South Dakota, but no contract for the cutting of timber shall be made which will permit the removal of timber after the expiration of 7 years from effective date of this act: Provided, That the scenic beauty along highways and trails shall be preserved, and no timber adjacent thereto shall be cut without the consent of the State of South Dakota.

SEC. 3. That such special-use permits as are in force at the time of the actual transfer of the above-described lands to the time of the actual transfer of the above-described lands to the State of South Dakota covering cabin sites upon which substantial improvements have been made shall continue in force so long as such sites shall be used by the permittees then occupying the same for the purposes and in the manner specified in such permits, subject to such reasonable annual fees, rules, and regulations as the State of South Dakota may impose.

SEC. 4. The United States reserves all coal, oil, gas, or other minerals in the lands conveyed under this act with the right, in case any of the conveyed lands are found by the Secretary of the Interior to be more valuable for minerals therein than for park purposes, to provide by special legislation for the disposition and extraction of the coal, oil, gas, or other minerals therein: Provided,

That in passing such legislation due regard shall be had for the rights of the State of South Dakota in the premises.

SEC. 5. In the event of the failure on the part of the State of

South Dakota to maintain the above-described lands for public-park purposes the title to the lands granted by this act shall revert to the United States, and the Secretary of Agriculture and the Secretary of the Interior are hereby authorized to determine the facts and report to the President, who may then declare a forfeiture and reversion, whereupon such lands shall be restored to the public domain.

SEC. 6. That the State of South Dakota shall cut no timber in the Rushmore Reservation, within which the National Rushmore Memorial is located, but shall maintain the same in its natural state and in its present wilderness condition and protect it against forest fires. The Rushmore Reservation contains 1,420 acres and

described as follows:

In township 2 south, range 6 east, Black Hills meridian, the northwest quarter southeast quarter and north half southwest quarter section 8, the south half and the southwest quarter northwest quarter section 7, the northwest quarter and west half southwest quarter and northeast quarter southwest quarter and west half northeast quarter section 18, the west half northwest quarter and southwest quarter northeast quarter northwest quarter and northwest quarter southeast quarter northwest quarter section 19: in township 2 south, range 5 east, Black Hills meridian, section 19; in township 2 south, range 5 east, Black Hills meridian, the east half southeast quarter and southeast quarter northeast quarter section 12, the northeast quarter and north half southast quarter and southeast quarter southeast quarter section 13 and east half northeast quarter section 24.

SEC. 7. That the grant and conveyance of the lands described herein from the United States to the State of South Dakota shall become effective when the conditions herein are accepted by the State of South Dakota. The President shall then issue a proclamation declaring that the conditions precedent herein required have been complied with, whereupon said conveyance shall be and become complete, subject to the conditions provided in this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THREE HUNDREDTH ANNIVERSARY OF THE DISCOVERY OF THE NORTHWEST

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. Hughes] may have 5 minutes in which to address the House.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. HUGHES. Mr. Speaker, I have requested this time and I seek the attention of the Members of the House in the consideration of the event of great historical interest and importance. This year of 1934 marks the three hundredth anniversary of the white man's coming to the great Northwest. Three centuries have passed since that vast region out of which were carved the sovereign States of Ohio, Indiana, Michigan, Illinois, and Wisconsin was first discovered and explored, opened up, to yield to the influence and the settlement of the Old World and its people, their Christianity, culture, and civilization.

No chapter in all America's history records more of daring action, brave enterprise, and unselfish devotion to cause. Across its pages move men whose vision, resolution, and courage made a generous contribution to the building of a Nation and to the historic lore and traditions of a people. In the review of the history of the early stages of discovery and exploration, one name, one man, dominates the picture. It is Jean Nicolet, adventurous French explorer and voyageur, the first white man to penetrate this great unknown region. By this achievement he ranks with the illustrious Marquette, Joliet, De La Salle, and other heroic figures whose lives and deeds are interwoven in the history of the discovery, exploration, and settlement of the great Northwest territory. It is true that Nicolet precedes all of these in his activity; it is a most significant fact that his discovery and exploration carried on more than a thousand miles in the great interior of the Great Lakes territory at a time when the Colony of Jamestown struggled to survive; when the Pilgrims at Plymouth Rock and the Puritans of the Massachusetts Bay Colony were so involved with hardship, trial, and trouble that they had little thought and no concern for what lay beyond the setting sun.

At this period Oglethorpe experimented in Georgia; Lord Baltimore ventured the Maryland colony. Samuel Champlain, founder of New France, was responsible for and

sponsored this voyage of discovery and exploration. His leadership had attracted and inspired the youthful Frenchman, Nicolet, to dedicate his life to a career of service to his king and the colony. Under Champlain's direction and guidance and discipline, Nicolet had journeyed deep into the Canadian wilderness and joined a tribe of the Algonquins. Eagerly he sought to learn their language; closely he studied the manner and the method of their mode of living. He sat at their council fires and joined them on the wilderness trail and in hunt and in warfare. Through these long years of apprenticeship, and because he was able and worthy, he gained the good will, the faith, and confidence of the sav-They made him a chief, and they called him ages. brother", and he was recognized by the tribes of the Canadian wilderness as a leader honest in trade, wise in council, strong and brave in battle. Nicolet emerged from this long experience with full knowledge and information; grown strong in ability and character; qualified to the highest degree to assume leadership in the ambitious plans of Champlain for the further extension and expansion of the power and possessions of the Old France in the New World. Champlain, at Quebec, had heard rumors through the envoys of the tribes of the far regions of a great stream that emptied into a western sea and upon whose shores there lived a powerful, warlike tribe called the Winnebagoes, the people of the fetid waters. This suggested to Champlain the possibility of a water route to China and access to the rich oriental trade which for more than a century and a half had been the great objective of explorers and discoverers. It was his decision to seek out the water route and to explore and claim it in the name of his king. Jean Nicolet was selected to head this expedition. Eminently prepared, and in the high spirit of adventure, he accepted the mission and undertook the task. He departed from Quebec early in July of the year of 1634, and accompanied by seven men of the Huron Nation he plied his way up the Ottawa River, entered Lake Nippising, and pushed on by water to Georgian Bay and into Lake Huron; the small company then passed through the Straits of Mackinac into the then unknown majestic Lake Michigan.

The saga of this journey is written in hardship and trial. in peril and exposure, ever met with courage and fortitude, and as Nicolet journeyed he contacted the tribes, and from them he gained further knowledge of the general character of the region and the tribes that peopled it.

Again, he heard of the Winnebagoes and their permanent village on the shores of Green Bay, the largest arm of the great Lake Michigan. Over leagues of water wastes he traveled, and when within 2 days of the Indian village, he paused and sent ahead an emissary bearing gifts and words of friendship and peace; 2 days later he arrived at the village and found gathered there a great number of the savages. He prepared for the occasion by donning a mandarin robe, beautiful in oriental color and design, and as he touched foot upon the shore, he saluted the chiefs and the tribal members by firing two pistols into the air, the first ever to be heard in this ancient world. The women and children fled, terrified, to the forest that fringed the water-The braves were awed and impressed by this great white stranger who came bearing thunder in his hands.

The explorer joined the Winnebagoes in a feast of friendship and related to them the story of the power and the glory of his king and country. Shortly after, he pushed on down the River Fox into the interior of what now is Wisconsin. His canoes entered Lake Winnebago, and by following its southern outlet, pushed farther into the interior. Hard overland portages worked great difficulty on the small company, and it may be believed that this and other difficulties encountered caused Nicolet to turn back when within only a few miles of the Mississippi River.

It was about the time of his turning back that Nicolet realized that his dream of a water route to China was a myth, but he was quick to recognize that he had discovered an empire—an empire of rich lands, dense forests, great waterways-all of which would add a thousandfold and more to the wealth and power of his king.

The expedition halted its return to Quebec at the Indian village on Green Bay, spending the winter with the tribe. From this point he conducted exploratory trips; he summoned outlying tribes to councils of peace and friendship, and in this way prepared the ground for colonization. When spring came, Nicolet prepared to journey back to Quebec, but before taking leave he called all the tribes and their chiefs into a grand council and feast, at which a treaty of peace was made.

Upon returning to Champlain's headquarters, Nicolet reported in person, and told in glowing terms of the vast new empire which he had laid bare and claimed as a part of New France.

Briefly, this is the story of the voyage of Nicolet, and in a few short years following his enterprise, there came to these shores the black-robed missioners of the ancient They had left the peace and quiet and the security of the monastaries of the Old World and journeyed over a turbulent sea to New France. They plunged into this wilderness, not seeking power of wealth, but inspired by the sole thought of bringing to the savages the message of peace on earth and good will to men. In the villages, where the tribes gathered to trade and barter, they erected on high the cross of the crucified Christ and built their humble missions. In patience, with sympathy and understanding, they taught the way of the Master, the story of their efforts and labors, their sublime courage and Christian fortitude, their suffering and sacrifices and the martyrdom of many of their number writes one of the most beautiful pages in the annals of men in all the history of time.

In the wake of the missionaries came the fur trader and trapper, the courier du bois of the north woods, and these men of the wilderness built the trading stations and the frontier posts. France and England, great rivals, both seeking the domination of North America, both striving for supremacy and control of the fur trade, became involved in war, and England, victorious, took possession of the Northwest and made it British domain, and dominated and controlled the whole territory.

The War of the revolution and the success of the Colonies in that great conflict brought the Northwest into being as part of the new American Nation. The great factors in this attainment were the wise planning of Gov. Patrick Henry, of Virginia, the military genius and leadership of the peerless George Rogers Clark, and the wisdom and persistency of the peace envoys of the new Nation. Thus, the history of the Northwest was written under the flag of France, the emblem of England, and now, and forever and a day, under the Stars and Stripes of the United States of America.

Years; yes, centuries have joined the march of time since Nicolet discovered and explored the Northwest. Great changes have been wrought by the passing years. Indian wigwams and villages have long since disappeared; the white man has built and erected on these spots great cities that rival those of the whole world. Out of the dense forests have been carved great farms and modern civilized communities of trade and industry, and on the waterways, where once the birch-bark canoe served as the only mode of travel, now move great ships and vessels carrying the commerce of the world. In this northwestern area more than 22 percent of the Nation's tangible wealth is to be found; within its limits live 25 percent of the whole population.

Wisconsin is celebrating the three hundredth anniversary of Nicolet's discovery, this summer, at the historic old city of Green Bay, Wis.

This old community is rich in historic lore and romance to interest and charm America and Americans. Our great President, Franklin Roosevelt, will honor Wisconsin as its guest, and representatives of France, England, and Canada will participate in the tercentenary, thus commemorating a great historic event in the affairs of the Nation.

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to proceed for 30 seconds.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SNYDER. Mr. Speaker, 1 year ago today, the extra session of the Seventy-third Congress adjourned. At that time I called attention to the thousands—yes, hundreds of thousands—of unemployed high-school graduates and college graduates walking the streets throughout our Nation, looking for work. This June our colleges and high schools are turning out another quarter million of graduates who are looking for work.

Added to these, we had on March 4, 1933, some fifteen million other men and women in the Nation that were unemployed. Just averaging three to a family, it left us some forty-five or fifty millions of men, women, and children who were unemployed and, in most cases, living on charity. When President Roosevelt took his oath of office on March 4, 1933, he said: "We need action and need it now." The Seventy-third Congress went into action on March 8, 1933, and set up a government procedure which embodied some fifteen major administrative measures, passed by that extra session of Congress which ended a year ago today.

The governmental machinery has been operating under these measures for the last year, and the constructive citizenship and nation-building results are in evidence everywhere. Some six or seven million of the unemployed at that time are now employed. Hope and confidence has been restored in the hearts of a hundred and twenty million of our people.

The C.C.C. camps, established by the Government some 11 months ago, absorbed some 300,000 of our boys, and another three or four hundred thousand of the high-school boys and college boys that I referred to, have found employment in stores, shops, mines, mills, and factories, and other institutions.

My reference to the youth, or the high-school group, was prompted by the remark made by an old stand-pat Republican dictator or leader in a recent address. He referred to the fact that we have now many radical Socialists and Communists in our country. He inferred that the Government set-up of the Seventy-third Congress had something to do with bringing about this attitude of mind in the hearts of this group of our citizens. His reasoning, or rather his lack of reasoning, is evidence that old bossism and Wall Street manipulation of governmental affairs is out of step with the youth of the Nation.

The Seventy-third Congress and some hundred and twenty million of the people remember vividly that it was the bad leadership, or lack of leadership, on the part of the Republican leaders and dictators in the Nation during the fat years from 1922 to 1929 that plunged us into the chaotic depression and panic of 1929 to 1933.

The communistic ideas and ideals that are now found in our country are the direct result of the Government's bad management during these prosperous years prior to 1929.

When the social and economic fabric of our Nation ceased to function for almost 4 long years, and the days and the weeks grew darker and darker and the multiplied millions of unemployed walked our streets and alleys—it was during these times and during these hours that the Communists and Bolsheviki that we now have were driven into this attitude of mind. Yes, Mr. Speaker, the Communistic and Bolshevik outbreaks and demonstrations in our country are a result of the actions of the Nation's leaders and the soup-house environment of the Nation in the years just prior to March 4, 1933.

Today, we find the Nation heartened because of the splendid results of a year's activities under the Roosevelt administration. Members of the Seventy-third Congress, realizing the splendid results of the measures passed by the first session of the Seventy-third Congress set to work and spread upon the statute books during this regular session, beginning January 3, 1934, and ending today, some fifteen other major measures which are designed to further strengthen the social and economic fabric of the Nation and put millions more men and women back to work.

In passing, I should like to say that some of our more selfish and greedy citizens referred to some of the bills that Congress has passed in the last two sessions as unconstitutional. It is encouraging to realize that this same group know within their own hearts that the framers of the Constitution of the United States intended it in spirit and in letter that the Constitution should be broad enough and flexible enough to protect all the people of the United States. It is encouraging to the Members of Congress to know that the multiplied millions and millions, yes, practically the entire citizenship of the Nation believe and follow the Constitution-they swear by it and are willing to die to protect it, because they know that it is broad enough to protect them.

Mr. Speaker, I did not want to take the time to discuss at length any of the bills passed at this session of Congress, but I beg leave to call attention to four of them. We might call them the "four horsemen."

The first of these is the railroad employees' retirement bill. This bill will bring cheer and comfort at once to some 50,000 homes. Over a space of years, we will find that it will be found to be economical in its operation.

Since we have drifted from an agricultural nation into an industrial nation, it is evident that we must somehow care for those who have grown old in the service as employees. Very few business institutions, whether store, mine, mill, or factory, will employ a man after he has reached 55 years of age. Therefore, if we pension this group at a reasonable pension and give work to the younger group, we will increase the efficiency, especially in the physical jobs and positions. Thus, over a space of years, the Nation or the institution (if it be a private company) saves money.

The committee also found that it costs an average of \$50 a month or \$600 a year to keep one person in an old-age house, poorhouse, or some similar institution. From a money point of view, it will be a saving to pay a \$30 or \$40 a month pension. But there is much more than money involved in citizenship building and nation building. If we pay these old people \$30 or \$40 a month and let them live in their own home, or be cared for by their families, we will save tens of thousands of heartaches and prolong tens of thousands of lives.

The second bill I wish to call your attention to is the bill known as "An act to establish a uniform system of bankruptcy throughout the United States." The provision in this bill in section 75 entitled "Agricultural Compensation and Extension" will save thousands, yes, tens of thousands of farmers, from losing their homes. I am glad I had a part in setting up a measure that puts the farmer on the same basis as the banker and the business man when it comes to mortgages and loans and values. As soon as the farmers of the Nation are acquainted with the merits of this measure they will forever give praise to the Democratic Party and the Seventy-third Congress for saving them and making it almost impossible for the Mellons and the Morgans to close in on them when they are in financial difficulties.

The third bill we just passed, which will give pensions to the widows and orphans of the World War veterans is a humane measure that I have been working for, and I dare say, every Member of Congress, since the Seventy-third Congress was called into action. It puts the World War widows and orphans on a parity with the Spanish War widows and orphans. I was glad to hear our able Chairman on the Pension Committee, Mr. RANKIN, of Mississippi, say that it was a most liberal provision. I am of the belief that these widows and orphans should be cared for, just as I believe every soldier who was actually disabled or in any way physically impaired directly or indirectly from war activities should be pensioned according to his inability and need.

We could make several other of the outstanding measures the fourth in our "four horsemen", but perhaps the Wagner labor bill as amended and finally passed is the most appropriate one to include in the fourth. It deals primarily with the controversies that have grown out of section 7-A of the National Recovery Act. This bill provides in its set-up, a Federal Memorial Commission to consider and formulate

where both boards are honest in their purposes, for an amicable adjustment of all disputes. Of course, where the human element enters into any technical question or controversial question, it is assumed that both sides will act for the best interests of all concerned. If this, in letter and spirit, is carried out by the several companies or labor boards concerned, we will have almost solved the strike problem and other agitating problems that have confronted us in our mills, factories, and mines for many years.

Mr. Speaker, I want to say in closing that the people of the Nation have confidence in President Roosevelt; they have confidence in the administrative procedure, and they have confidence that the laws enacted by the Seventy-third Congress in this session will further strengthen and vitalize

the social and economic fabric of our country,

The four bills, or measures I referred to here, together with a number of others I could have mentioned, are evidence and proof that the Democratic party is the party of the plain people and the common people; it is the party that protects and provides for the miners, the farmers, the laborers, and the business men.

Mr. WOLFENDEN. Mr. Speaker, I suggest the absence of a quorum.

#### RECESS

Mr. BYRNS. Mr. Speaker, I move the House stand in recess, subject to the call of the Chair.

Mr. KVALE. Would it not be better for the House to stay in session and consider some of the Senate bills on the Private Calendar?

The SPEAKER. It would not, without having a quorum present

The question is on the motion of the gentleman from Tennessee.

The motion was agreed to; accordingly (at 5 o'clock and 5 minutes p.m.) the House stood in recess to meet at the call of the Chair.

## AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 7 o'clock p.m.

## APPOINTMENT TO COMMITTEES

The SPEAKER announced the following appointments: Pursuant to the provisions of House Resolution 412, the Chair appoints as members of the Committee to Investigate Real Estate Bondholders' Reorganizations the following Members of the House: Mr. Sabath, of Illinois; Mr. O'Con-NOR, of New York; Mr. Fuller, of Arkansas; Mr. O'Malley, of Wisconsin; Mr. Connolly, of Pennsylvania; Mr. Cul-KIN, of New York; and Mr. DIRKSEN, of Illinois.

Pursuant to the provisions of House Resolution 336, the Chair appoints as members of the Committee to Investigate Campaign Expenditures the following Members of the House: Mr. Black, of New York; Mr. Granfield, of Massachusetts; Mr. Adams, of Delaware; Mr. Lehlbach, of New Jersey; and Mr. Hancock, of New York.

## FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment bills, a joint resolution, and concurrent resolutions of the House of the following titles:

H.R. 3726. An act to grant a patent to Albert M. Johnson and Walter Scott;

H.R. 9178. An act to regulate the business of life insurance in the District of Columbia;

H.R. 9867. An act amending the Independent Offices Appropriation Act of 1935;

H.R. 9936. An act to compensate widows and children of persons who died while receiving monetary benefits for disabilities directly incurred in or aggravated by active military or naval service in the World War;

H.R. 9946. An act providing for the ratification of Joint Resolution No. 59 of the Legislature of Puerto Rico, approved by the Governor May 5, 1930, imposing an import duty on coffee imported into Puerto Rico;

H.J.Res. 371. Joint resolution authorizing the creation of

plans for the construction, on the apex block, Constitution and Pennsylvania Avenues, in the city of Washington, D.C., of a permanent memorial to the memory of Thomas Jefferson, third President of the United States and author of the Declaration of Independence;

H.Con.Res. 39. Concurrent resolution to print, with illustrations, the proceedings at the joint session of Congress in the House of Representatives on May 20, 1934, held in commemoration of the centennial anniversary of the death of Gilbert du Motier, Marquis de La Fayette; and

H.Con.Res. 44. Concurrent resolution to provide for the printing and binding of prayers offered by the Reverend James Shera Montgomery, Chaplain of the House of Representatives, during the opening of the daily sessions of the Seventy-second and Seventy-third Congresses.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 1103. An act to authorize the Secretary of the Navy to proceed with certain public works at the Naval Air Station, Pensacola, Fla.; and

S. 2702. An act to amend the Civil Service Retirement Act of May 20, 1930, and for other purposes.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3646. An act to amend section 938 of the Revised Statutes to vest the courts with discretion to refuse to order the return of vessels seized for violation of any law of the United States; and to amend subsection (b) of section 7 of the Air Commerce Act of 1926, as amended, to provide for the forfeiture of aircraft used in violation of the customs laws.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, joint resolutions of the House of the following titles:

H.J.Res. 365. Joint resolution to amend the Settlement of War Claims Act of 1928, as amended; and

H.J.Res. 375. Joint resolution to effectuate further the policy of the National Industrial Recovery Act.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9046) entitled "An act to discontinue administrative furloughs in the Postal Service."

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 3580) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States, approved July 1, 1898, and acts amendatory thereof and supplementary thereto", requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McCarran, Mr. Long, and Mr. Robinson of Indiana to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3487) entitled "An act relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8910) entitled "An act to establish a National Archives of the United States Government, and for other purposes."

## MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On June 13, 1934:

H.R. 311. An act for the relief of Martin Henry Waterman, deceased:

H.R. 2692. An act for the relief of Lula A. Densmore;

H.R. 2748. An act for the relief of A. C. Francis;

H.R. 3353. An act to provide a preliminary examination of Stillaguamish River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 3354. An act to provide a preliminary examination of Snohomish River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 3362. An act to provide a preliminary examination of Nooksack River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 3363. An act to provide a preliminary examination of Skagit River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 4541. An act for the relief of George Dacas;

H.R. 4932. An act for the relief of Judd W. Hulbert;

H.R. 5636. An act for the relief of Jose Ramon Cordova;

H.R. 5935. An act for the relief of Oscar P. Cox;

H.R. 6890. An act for the relief of Mrs. Pleasant Lawrence Parr;

H.R. 7299. An act to authorize the Post Office Department to hold contractors responsible in damages for the loss, rifling, damage, wrong delivery, depredation upon, or other mistreatment of mail matter due to fault or negligence of the contractor or an agent or employee thereof;

H.R. 8234. An act to provide a preliminary examination of the Paint Rock River in Jackson County, Ala., with a view to the control of its floods;

H.R. 8562. An act to provide for a preliminary examination of the Connecticut River, with a view to the control of its floods and prevention of erosion of its banks in the State of Massachusetts;

H.R. 9400. An act to exempt from taxation certain property of the American Legion in the District of Columbia;

H.R. 9430. An act to provide a preliminary examination of the Cowlitz River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 9431. An act to provide a preliminary examination of Chehalis River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 9432. An act to provide a preliminary examination of the Lewis River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 9433. An act to provide a preliminary examination of Columbia River and its tributaries in the State of Washington, with a view to the control of its flood waters; and

H.R. 9694. An act to amend the Emergency Railroad Transportation Act, 1933, approved June 16, 1933.

On June 14, 1934:

H.J.Res. 340. Joint resolution to harmonize the treaties and statutes of the United States with reference to American Samoa;

H.R. 2287. An act for the relief of Warren Burke; H.R. 3167. An act for the relief of Sue Hall Erwin;

H.R. 3423. An act for the relief of Benjamin Wright, deceased:

H.R. 3992. An act for the relief of C. A. Betz;

H.R. 4337. An act to amend the Judicial Code by adding a new section to be numbered 274D;

H.R. 4962. An act for the relief of Joseph R. Lynch;

H.R. 5175. An act to provide a preliminary examination of the Green River, Wash., with a view to the control of its floods;

H.R. 5597. An act to afford permanent protection to the watershed and water supply of the city of Coquille, Coos County, Oreg.;

H.R. 5780. An act for the relief of Lt. H. W. Taylor, United States Navy:

H.R. 5823. An act to authorize the purchase by the city of McMinnville, Oreg., of certain tracts of public lands and certain tracts revested in the United States under the act of June 9, 1916 (39 Stat. 218);

H.R. 6847. An act providing for the acquisition of addi- | tional lands for the naval air station at Hampton Roads Naval Operating Base, Norfolk, Va.;

H.R. 7028. An act for the relief of Mrs. Joseph Roncoli;

H.R. 7185. An act to authorize the purchase by the city of Forest Grove, Oreg., of certain tracts of public lands and certain tracts revested in the United States under the act of June 9, 1916 (39 Stat. 218);

H.R. 7213. An act to provide hourly rates of pay for substitute laborers in the Railway Mail Service and time credits when appointed as regular laborer;

H.R. 7367. An act for the relief of Sarah Smolen;

H.R. 7653. An act to authorize the establishment of the Ocmulgee National Monument in Bibb County, Ga.;

H.R. 8779. An act to authorize the Secretary of Agriculture to adjust claims to so-called "Olmstead lands" in the State of North Carolina:

H.R. 8927. An act to define the exterior boundaries of the Navajo Indian Reservation in Arizona, and for other purposes: and

H.R. 9392. An act to reclassify terminal railway post offices:

On June 15, 1934:

H.R. 1405. An act for the relief of the Yosemite Lumber Co.;

H.R. 6675. An act to authorize the acknowledgment of oaths by post-office inspectors and by chief clerks of the Railway Mail Service;

H.R. 7360. An act to establish a minimum area for the Great Smoky Mountains National Park, and for other

H.R. 7759. An act to amend the law relating to timber operations on the Menominee Indian Reservation in Wis-

H.R. 8541. An act to provide for the enrollment of members of the Menominee Indian Tribe of the State of Wis-

H.R. 9184. An act to authorize the Commissioners of the District of Columbia to sell the old Tenley School to the duly authorized representative of Saint Ann's Church of the District of Columbia; and

H.R. 3768. An act to change the name of the retail liquor dealers' stamp tax in the case of retail drug stores or pharmacies.

On June 16, 1934:

H.R. 5344. An act granting a franking privilege to Grace G. Coolidge:

H.R. 6037. An act to exempt from taxation certain property of the National Society of the Sons of the American

H.R. 3214. An act to compensate the Post Office Department for the extra work caused by the payment of money orders at offices other than those on which the orders are drawn:

H.R. 4272. An act for the relief of Annie Moran;

H.R. 4460. An act to provide for the payment of compensation to George E. Q. Johnson;

H.R. 8525. An act to amend the District of Columbia Alcoholic Beverage Control Act to permit the issuance of retailers' licenses of class B in residential districts; and

H.R. 9002. An act to provide relief to Government contractors whose costs of performance were increased as a result of compliance with the act approved June 16, 1933, and for other purposes.

NECESSITY FOR EQUIPPING FOR NIGHT FLYING DIRECT AIR-MAIL ROUTE BETWEEN DENVER AND KANSAS CITY

Mr. LEWIS of Colorado. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a resolution of the Colorado General Assembly.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. LEWIS of Colorado. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following resolution of the Twenty-ninth General Assembly of the State of Colorado urging the necessity for lighting and

equipping with radio-range beacons the direct air-mail route between Denver and Kansas City in order to permit night

Senate Concurrent Resolution No. 1 (by Senators Knous, Healy, Ammons, Quiat, Kettering, Hill, Manley, Houston, and Nelson; Representatives Aspinall, Atencio, Barrick, Barron, Bishop, Bixler, Brownlow, Burnett, Burns, Calkins, Cawlfield, Childress, Constantine, Cullen, Dameron, Day, Dunn, England, Fisher, Fogg, Galloway, Hallen, Hanney, Higby, Hillman, Hinkley, Hirschfeld, Hoag, Hoefnagels, Hudson, Irwin, Jankovsky, Johns, Johnston, Kavanagh, Keating, LaFolette, McCandless, McDonald, McNaughton, Miller, Morris, Mofatt, Moynahan, Newman, Palmer, Parfet, Poppen, Prather, Preston, Rogers, Seidensticker, Smith, Tinsley, Trainor, Vincent, Weeks, White, Wilson, Woodward, Woods, and Twining) Woods, and Twining)

Whereas the improvement of air transportation facilities, emergency landing fields, the construction of radio-range stations, and the lighting of air-mail routes throughout the United States have heretofore been approved by the Public Works Administration of the United States of America as appropriate measures to be undertaken by the Federal Government in its Nation-wide Public Works

taken by the Federal Government in its Nation-wide Public Works program; and

Whereas no facilities for night flying, directly to the east or directly to the west, have been afforded to the State of Colorado, although the Federal Government has equipped almost every other air-mail route in the United States with either radio-range stations or lighting beacons to enable night flight; and

Whereas communication between Colorado and the large eastern business centers, including New York, Washington, Chicago, St. Louis, and Kansas City, will be greatly facilitated by the night transportation of passengers and mail; and

Whereas the building up of a transportation system directly from Colorado to the east and west is of great importance to the entire State and to the military program of the Federal Government, and can only be accomplished when night flight is made possible; and

whereas the air-mail route between Denver and Kansas City can be equipped with beacon lights and radio-range equipment for an expenditure of approximately \$200,000, making possible the delivery of passengers and mail between Denver and New York on a schedule of approximately 12 hours; and Whereas the Governor of Kansas has joined with the Governor of Colorado in petitioning the Public Works Administration of the United States of America for the allocation of Federal funds to light and equip with radio-range beacons the said air-mail route: Now, therefore, be it Now, therefore, be it

Resolved by the Senate of the Twenty-ninth General Assembly of the State of Colorado (the house concurring). That it is the sense of the twenty-ninth general assembly that the proposal to enable night flight direct to the east, so made by the said Governor of Colorado and the Governor of Kansas, is of great importance to the people of this State, and is a project which conforms to all the purposes of the Federal appropriations for the Public Works Administration; be it further

Resolved, That we urge upon the Secretary of the Interior of the United States and upon the Public Works Administration, the immediate allocation of the necessary funds to bring about this important development for the State of Colorado.

RAY H. TALBOT,
President of the Senate.
W. H. TWINING,
Speaker of the House of Representatives.
ED C. JOHNSON, Governor of the State of Colorado.

WILLARD FAMILY ASSOCIATION TABLET, FORT DEVENS, MASS.

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3528) to grant permission to the Willard Family Association to erect a tablet at Fort Devens, Mass., which has been reported favorably by the Committee on Military Affairs.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of War is authorized and directed to grant permission to the Willard Family Association to erect an appropriate tablet at Fort Devens, Mass., on the site of the farm formerly owned by Maj. Simon Willard, but the United States shall not be put to any expense in or by the erection thereof.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT TO THE AGRICULTURAL ADJUSTMENT ACT

Mr. JONES. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 9829) to amend the Agricultural Adjustment Act with respect to the processing tax on hogs, with Senate amendments, and agree to the Senate amendments.

Mr. MARTIN of Massachusetts. Will the gentleman explain the amendments?

Mr. JONES. There are three amendments. If the gentleman will recall, the first part of the bill provided an exemption up to a certain amount, I believe 2,000 pounds. This was stricken out by the Senate. This leaves an exemption of 300 pounds and also what is used by a man for members of his own household as provided by regulation. Then the Senate left in the bill the House provision which stops the practice which had grown up in some sections on the part of processors who required the producer to kill his own hogs before sale, thus placing the tax on the farmer. Under this provision, the tax will be placed on the processor instead of the farmer.

Then they added an amendment which stipulates that whenever the floor tax on any commodity is increased or decreased the tax may be adjusted, and where it is reduced or eliminated they can refund the floor tax without having to wait until the entire processing is removed or ended.

A third change which they make is that they give discretion to the Department to permit any processor on any of these commodities to have 180 instead of 90 days in which to pay the processing tax. These amendments are liberalizing amendments, and about the only chance we have to get this through is to agree to the Senate amendments. If these amendments are not agreed to, there will be very little chance of securing any legislation before adjournment.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the Senate amendments, as follows:

Page 1, strike out lines 3 to 9, inclusive.

Page 1, strike out lines 3 to 9, inclusive.
Page 1, after line 9, insert:

"That (I) section 16 of the Agricultural Adjustment Act is amended by adding thereto the following new section:

"'(C) Upon the sale or other disposition of any article processed wholly or in chief value from any commodity with respect to which the existing rate of the processing tax is to be increased, or decreased, that on the date such increase, or decrease, first takes effect with respect to the commodity, is held for sale or other disposition (including articles in transit) by any person, and upon the production of any article from a commodity in process on the date on which the rate of the processing tax is to be increased, or decreased, there shall be made a tax adjustment as follows:

is to be increased, or decreased, there shall be made a tax adjustment as follows:

"'(1) Whenever the rate of the processing tax on the processing of the commodity generally or for any designated use or uses, or as to any designated product or products thereof for any designated use or uses, or as to any class of products, is decreased, there shall be credited or refunded to such person an amount equivalent to the difference between the rate of the processing tax payable or paid at the time immediately preceding the decrease in rate and the rate of the processing tax which would have been payable with respect to the commodity from which processed if the processing had occurred on such date: Provided, however, That no such credit or refund shall be made unless the rate of processing tax immediately preceding said decrease is equal to, or less than, the rate of the processing tax in effect on the date on which any floor-stocks tax was paid prior to the adoption of this amendment.

"'(2) Whenever the rate of the processing tax on the processing of the commodity generally, or for any designated use or uses, or as to any designated product or products thereof for any designated use or uses, or as to any class of products, is increased, there shall be levied, assessed, and collected a tax to be paid by such person equivalent to the difference between the rate of the processing tax payable or paid at the time immediately preceding the increase in rate and the rate of the processing tax which would be payable with respect to the commodity from which processed, if the processing tax is suspended or is to be refunded pursuant to a certification of the Secretary of Agriculture to the Secretary of Agriculture to the Secretary of Agriculture revokes any cer-

this act, the provisions of subdivision (1) of subsection (c) of this section shall become applicable.

"'(4) Whenever the Secretary of Agriculture revokes any certification to the Secretary of the Treasury under section 15 (a) of this act, the provisions of subdivision (2) of subsection (c) shall become applicable.

"'(5) The provisions of this amendment shall be effective on and after June 1, 1934.'

"(II) Section 15 (a) of the Agricultural Adjustment Act, as amended, is amended to read as follows:

"'(a) If at any time the Secretary of Agriculture finds, upon investigation and after due notice and opportunity for hearing to

interested parties, that any class of products of any commodity is of such low value, considering the quantity of the commodity used for their manufacture, that the imposition of the processing tax would prevent in whole or in large part the use of the commodity in the manufacture of such products and thereby substantially reduce consumption and increase the surplus of the commodity, then the Secretary of Agriculture shall so certify to the Secretary of the Treasury, specifying whether such result will in his judgment most effectively be prevented by a suspension of the imposition of the processing tax or a refund of the tax paid, with respect to such amount of the commodity or any product thereof as is used in the manufacture of such products, and thereafter, as shall be specified in such certification, (1) the imposition of the processing tax shall be suspended with respect to such amount of the commodity as is used in the manufacture of such products, and thereafter, as shall be specified in such certification, (1) the imposition of the processing tax shall be suspended with respect to such amount of the commodity as is used in the manufacture of such products until such time as the Secretary of Agriculture, after further investigation and due notice and opportunity for hearing to interested parties, revokes notice and opportunity for hearing to interested parties, revokes his certification to the Secretary of the Treasury, or (2) the Sec-retary of the Treasury shall refund (in accordance with the proretary of the Treasury shall refund (in accordance with the provisions of, to such persons and in such manner as shall be specified in, such certification) the amount of any tax paid (prior to the date of any revocation by the Secretary of Agriculture of his certification to the Secretary of the Treasury, upon further investigation and after due notice and opportunity for hearing to interested parties) under this title with respect to such amount of the commodity or any product thereof as is used after the date of such certification in the manufacture of such products."

Page 2, strike out lines 10 and 11.

Page 2, after line 11, insert:

"Sec. 3. Section 19 (b) of the Agricultural Adjustment Act, as amended, is amended by striking out the word 'ninety' and inserting in lieu thereof the words 'one hundred and eighty.'"

The Senate amendments were agreed to. A motion to reconsider was laid on the table.

#### EXTENSION OF REMARKS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to insert therein a copy of an interstate compact recently entered into at Concord, N.H.

There was no objection.

# THE VULTURES

Mr. WEIDEMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include therein a statement by the manager of the Home Owners' Loan Corporation concerning the work of the Corporation.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WEIDEMAN. Mr. Speaker, for over a year many members of the Michigan congressional delegation have been of the opinion that there were certain officials and party leaders of the Democratic Party in Michigan who were trying to sell the party short and were following a course of conduct that would eventually ruin not only the Democratic Party in Michigan but would put the national administration in disrepute. Alas, this has come to pass.

The national committeeman, Horatio J. Abbott, has de-

ceived our President, lied to our Secretary of the Treasury, and embarrased the rank and file of good Democrats in the State of Michigan. He has accomplished this deception with the aid of the Governor of the State of Michigan, William A. Comstock, and the chairman of the Democratic State central committee, W. Alfred Debo, and George Woods, a convicted felon, and secretary to Horatio J. Abbott. These men are the vultures who have been gnawing at the vitals of the Democratic Party and the Democratic administration for well over a year now. But, Mr. Speaker, while they have been eating at the body of the party they have not destroyed it, as the people of the State of Michigan have arisen as a unit and are driving these vultures away from the body. The honest men in the Democratic Party of Michigan have come to the rescue of the party at the risk of subjecting themselves to the abuse of these malicious slanderers. They will bring the body safely back to life with the aid of those people in Michigan who are desirous of having a clean and honest Government. We want officials who will cooperate with our President, and not subject him and his party to further shame and humiliation.

#### IT IS HARD TO KILL A VULTURE

In January of 1933 Mr. John F. Hamilton, then leader of the progressive Democrats in the Fourteenth District of Michigan, which district I have the honor to represent in Michigan, warned the Governor of the State of Michigan he was looking to dangerous people-chiselers and connivers-for advice. He said that there was an unholy alliance between the Governor and Isaiah Leebove and his crowd, and that if he did not seek better company he would not only disgrace himself but also the good citizens of the State of Michigan, who had reposed in him a position of trust and confidence. Alas, that has borne fruit, and the Governor was repudiated in the eyes of the voters when they defeated his pet "pork barrel" bond issue project by a vote of over 8 to 1 against the Governor. The fight to cleanse the party of these and other vultures has been carried on steadily since that time. But vultures, like snakes, are hard to kill. It takes more than one blow to down them. But they will be downed this fall by the people of the State of Michigan in their election.

On January 21, 1934, I wrote a letter to the President of the United States, and also to the Postmaster General, James A. Farley, advising them that they had falsely reposed confidence in the Democratic national committeeman, Horatio J. Abbott. Mr. Abbott was deceiving them and also profiteering from his connection with the party.

I said then that I did not think it proper for the national committeeman to acquire contracts for the sale of oil and gasoline to the State of Michigan for his personal gain merely because he was in a position of power in the party. I did not think that the President and Mr. Farley knew that when Mr. Abbott recommended Mr. W. Alfred Debo for appointment as collector of customs for the port of Detroit that Mr. Debo had been dismissed from the Internal Revenue Department, with the following farewell note, on August 15, 1922:

In making a recommendation befitting the result of the investigation pertinent to former Chief Field Deputy W. A. Debo, the writer is of the belief that Mr. Debo, although a person probably capable of holding a position in the Internal Revenue Service, is not a person to be trusted with such position, as shown by his past service.

It is therefore recommended that former Chief Field Deputy W. A. Debo be permanently separated from the Internal Revenue Service of the United States.

I did not think that Mr. Farley as party leader would continue in office as national committeeman for Michigan a person who had sent out a letter to the business men of Michigan stating that the Michigan Congressmen were political accidents and had no standing in Washington. Some of them may have been accidents, but surely this statement cannot go unchallenged in view of the fact that the Michigan delegation in Congress on both sides of the aisle have attempted to do their duty and is composed of high type and honorable men.

# HOW THE VULTURES TRIED TO KILL THE PARTY

Mr. Abbott, together with Mr. Debo and Governor Comstock are the party leaders recognized by Mr. Farley, chief dispenser of patronage, and his assistant, Emil Hurja, assistant chief dispenser of patronage, when they want recommendations to fill Federal positions. These men have aided and abetted the official Democratic Patronage Triumvirate of Michigan to retain their power in the national party circles by looking to them for guidance on political appointments in Michigan despite numerous warnings by the Democratic Congressmen from the State of Michigan. They have insisted in keeping these men in power, and have not brought their information to their attention when they should have done so. In spite of repeated warnings of the President they have insisted on doing business with these men who should not have been trusted. As late as June 6, 1934, Mr. Hurja, at a meeting called by Governor Comstock and held in room 146 House Office Building, made it plain to all the Michigan Congressmen there assembled that the national committee would look only to the party representatives, that is, the Democratic Triumvirate, for recommendations for appointment to office in Michigan. This was even after the

many unethical and deceitful practices of the trio. Present at this meeting were Governor Comstock; Mr. Abbott; Mr. Debo; Martin Bradley, speaker of the House of Michigan; John Barc; Allen Stebbins, Lieutenant Governor of Michigan, who was not with the Governor's party; and all the Michigan Congressmen. Mr. Hurja then tried to force the Congressmen to adopt a slate of candidates hand-picked by Abbott for major positions in the Federal Government. The Congressmen did not want to talk patronage and refused to do so. This matter of patronage has assumed altogether too important a place in both political parties. and there are many important positions within the Federal Government that should in no manner or means be tied up in any patronage deal. I refer specifically to those positions of trust and experience in the Federal Government, such as the Customs Division and the Internal Revenue Division, where men should be trained for their particular job in those Departments, and should be men who have a high ethical regard for the importance of their work in those Departments. At this same meeting Mr. Hurja forecast the eventual separation of Mr. John F. Hamilton as manager of the Home Owners' Loan Corporation, and told all the Democratic Congressmen from Michigan that they would not be consulted on any matter.

The first dagger in the back of the Democratic Party was the attempt to appoint Debo as collector of customs for the port of Detroit.

The second stab was when Mr. Abbott appointed Mr. George W. Woods secretary to himself and appointed him to a position in the Internal Revenue Department. He later appointed Woods director of foreign and domestic commerce at Detroit, which appointment the Detroit Chamber of Commerce protested. And why was this obnoxious? Only because Abbott appointed to a position of trust a man who was a convicted felon. On January 17, 1928, Mr. Woods was placed on probation in the recorder's court at Detroit and ordered to pay restitution in the sum of \$14,300. He was released from probation January 17, 1933, and shortly thereafter Mr. Abbott made him a deputy inspector of internal revenue and also secretary to the national committeeman some months before. This case was file no. 77816. It might be well to remark in passing that Mr. Woods also had pending against him three other warrants and indictments for larceny, false pretenses, and violating the "blue sky" laws, being case nos. 77257, 74477, and 74474.

Mr. Farley had notice of these facts, but fiddled while Democracy in Michigan was being scorched. And while Michigan Congressmen protested these and other conditions in person, the only advice they got was to "be cool, calm, and collected." And how could they, with the fires of public and party resentment already singeing the hairs on their legs?

The third drawing of blood which was weakening the party was when Mr. Abbott sent a Mr. Karnopp into Huron County, Mich., to solicit moneys to be used by Mr. Abbott so he could finance his trips to Washington to secure the appointments of postmasters. Not only one but several solicitations were made from acting postmasters in amounts from \$100 to \$150 by Karnopp for Abbott and Woods. Some of these people protested, but were helpless in the hands of vultures Wood and Abbott. These matters were brought to the attention of Mr. Farley, but he was discovered "still fiddling." And the fires continued to burn.

The fourth stab was when Mr. Abbott sent his deputy collector of internal revenue, John J. Tighe, to the Packard Motor Co., demanding \$50,000 to establish a lobby at Washington, so they could hire two lobbyists at \$10,000 per year "to get things done for Michigan that Senators and Congressmen had failed to get done", and also to pay off a \$30,000 deficit to the Democratic Party. Just as if the 2 able Senators from Michigan and its 17 Congressmen could not get anything done for Michigan. The statement of Tighe was a bald-faced lie and a slander on the Michigan Senators and Congressmen. Remember this, Mr. Tighe always exhibited his internal-revenue collector's badge, indirectly using duress upon the people he approached, who

were all liable to pay taxes to the Government. Then this | matter, along with others, was brought to the attention of the Secretary of the Treasury, Mr. Morgenthau. And did he fiddle? He did not. He sent his investigators to Detroit and brought Mr. Abbott back with him. That same afternoon Mr. Abbott resigned as collector of internal revenue for the State of Michigan. Abbott says it was voluntary. At any rate, he "is no more" in the Treasury Department, but still holds on as national committeeman for Michigan, and is going to sell the virtues of his branch of the Democratic Party to the good citizens of Michigan this fall. I will be in another branch of the party. I want nothing to do with his kind. In passing, we might observe that this John J. Tighe is the same man Mr. Abbott tried to have appointed as Michigan manager of the Home Owners' Loan Corporation. Thanks to Mr. Stevenson, then Chairman, who was not fooled by Abbott, he was not appointed. Had he been appointed, he probably would have ended up with all the homes of the destitute in Michigan. As you will later see, the Comstock-Abbott-Debo combination, later referred to by alphabet as C.A.D., with the help of Mr. Hurja, political wizard, succeeded in disrupting the H.O.L.C. in Michigan, and Mr. Hamilton resigned, having the best record for operation of any Home Owners' Loan office in the United States during the last 3 months, and with the second largest number of loans of any State in the Union.

The fifth cut in the back of the Democratic Party was when Mr. Woods, secretary to Abbott, wrote to the public officials and business men of a little town of Plymouth, Mich., on December 29, 1933, the following:

Partly by political circumstances and partly by political accident, Michigan has bitterly failed at the hands of its elected public servants in obtaining from Washington those benefits which Michigan is entitled to receive, resulting from the 1933 recovery and reconstruction legislation. As a result of this failure on the part of certain of our public servants, Mr. Horatio J. Abbott, national committeeman, seems to have inherited a trust Abbott, national committeeman, seems to have inherited a trust greater than the capacity of any one individual to handle—Mr. Abbott has become the main individual who is trusted at Wash-

I presume there was no more sound small city in Michigan than your home town of Plymouth, but the time has come when this your name town of Plymouth, but the time has come when the town must be reconstructed, and the amount of benefits which Plymouth might receive out of this effort to benefit the entire State of Michigan seems to me to be quite up to Plymouth itself.

In behalf of the national committeeman, may I wish you all a happy New Year. Cordially yours,

GEORGE W. WOODS, Secretary to Mr. Abbott, National Committeeman.

And this from a convicted embezzler, swindler, and cheater of old women. What a great director for the great Democratic Party of Jackson, Jefferson, and Roosevelt.

As a result of this letter, in which the town of Plymouth was told it had to pay for relief benefits of our Government, a check for \$372 was sent to Ralph C. Wilson, secretary of the "Michigan recovery committee."

Another member of this so-called "recovery committee" and of the C.A.D. group is former National Committeeman William F. Connolly, who tried to get the Michigan delegation to bolt the Roosevelt standard at the Chicago convention, but who now has "got religion" and is acting as a member of the collection committee. Mr. Connolly is also receiver of the Detroit Bankers, holding company of the First National Bank, Detroit, at a salary of tens of thousands per year, which the poor depositors will pay.

At the meeting of June 6, 1934, Mr. Hurja said that if I did not soft-pedal my attacks upon Mr. Abbott and his faction, in retaliation he would seek the removal of John F. Hamilton as Michigan manager of the Home Owners' Loan Corporation, who is a personal friend of mine since boyhood, and that he, Mr. Hurja, had talked to a person of high power in the Home Owners' Loan Corporation and that Hamilton had better watch his step. The person of high power beyond a doubt was Mr. John H. Fahey, who had ridden on a train with Mr. Hurja just previous to this meeting, and who acknowledged to Mr. Hamilton later that he had talked to Mr. Hurja regarding the Michigan situation. Well, Hurja did not succeed in muzzling me, and Hamilton resigned as Michigan manager with a most successful and

enviable record. It looks as if Fahey is trying to destroy the H.O.L.C., from the following statement of Hamilton, which, pursuant to permission of the House, I include in my

STATEMENT OF JOHN F. HAMILTON, MICHIGAN MANAGER OF H.O.L.C.

In order to clarify the situation arising from my resignation as Michigan State manager, I believe that the people of the State of Michigan should have a complete statement covering everything

leading up to my resignation.

leading up to my resignation.

Since the inception of the Michigan office last July, it has been necessary to stage a continual fight against inefficiency and lack of cooperation from the Washington office of the Home Owners' Loan Corporation. I, myself, as well as all other State managers, were sent out of Washington last July with a copy of the Home Owners' Loan Act, and little else, for instructions. Each State has its own peculiar problems to deal with in connection with the administration of the Home Owners' Loan Act. The situation in Michigan was the worst in the United States, due to the collapse at just about the same time of a real-estate boom in the cities of Detroit. Pontiac, Flint, and numerous other automobile centers, in Detroit, Pontiac, Flint, and numerous other automobile centers, in conjunction with the complete collapse of the stock market. The national bank holiday was started in Michigan through the action national bank holiday was started in Michigan through the action of the Governor of Michigan. As a result, on the opening of our office we were faced with a condition very nearly a riot, through the anxiety of people in distress to get the assistance promised under the Home Loan Act. Our office was the first office in the United States to open, and we closed the first loan in the United States on August 13, 1933. We were operating for over a month without instructions from Washington as to even how to pay a control or properties for the bulls incurred in operating the office. Even pay roll or pay for the bills incurred in operating the office. Even our printed forms had to be made up by ourselves from sample forms given us.

At the opening of the Michigan office, and for at least a month thereafter, the demand for relief was so great that it was necessary to keep police details at the Detroit office to keep the crowds in order, so that applications could be received. In September of 1933 I could see that with the limited personnel we had been allowed of less than 100 nearly the administration of the act. allowed, of less than 100 people, the administration of the act would be only a gesture in proportion to the volume of applicants for assistance. I appeared before the Board at that time and for assistance. I appeared before the Board at that time and asked for permission to expand the operation in Michigan in accordance with the need in that State, and was refused, being given only authority for a very limited increase in personnel. Toward the end of September 1933 we were faced with a situation in Michigan which threatened the future of the entire administration of the act through the refusal of the Comptroller of the Currency to except bende of the Merra Currency. ministration of the act through the refusal of the Comptroller of the Currency to accept bonds of the Home Owners' Loan Corporation in exchange for mortgages held by the closed national banks in Michigan. The First National Bank, Detroit, alone held more first mortgages than all of the national banks in the United States put together, and we had thousands of applications for assistance from home owners whose mortgages were held by this bank, and the Guardian National Bank of Detroit, as well as other numerous closed banks in Michigan. The bonds of the Home Owners' Loan Corporation were selling in open market at approximately \$82, and it was necessary to make a great effort to obtain the consent of all of the mortgagees for the acceptance of the bonds. of the bonds.

of the bonds.

We were continually being told that inasmuch as the United States Treasury Department apparently did not think that the bonds of the Home Owners' Loan Corporation were good enough to accept in exchange for mortgages held in closed national banks under their supervision that you could not very well expect them, as private corporations and individuals, to accept the bonds of the Home Owners' Loan Corporation when a division of the Government did not have confidence in the Government's own bonds. I took this matter up with Mr. Webb, Vice Chairman of the Federal Home Loan Bank Board over long-distance telephone, through correspondence, and other personal contact, and all that I could receive was continual assurance that he and the Board were working on this matter. About this time the Comptroller of the Curing on this matter. About this time the Comptroller of the Currency went to the extent of issuing a general bulletin to all receivers of closed national banks throughout the United States receivers of closed national banks throughout the United States to the effect that no receiver of any closed national bank could under any circumstances accept bonds of the Home Owners' Loan Corporation. I wrote a letter directly to the President of the United States, and, through the cooperation of the Michigan Congressmen and Judge Arthur Lacy, of Detroit, succeeded in having this letter studied and acted upon, and the Comptroller of the Currency reversed his ruling and agreed to accept bonds. In spite of the fact that if this ruling had been allowed to continue it would have absolutely destroyed the effectiveness of the entire would have absolutely destroyed the effectiveness of the entire Home Loan Act, I was called to Washington by Mr. Webb, Vice Chairman of the Home Loan Board, severely rebuked, threatened with dismissal, and only through the intervention of Mr. Steven-son, then Chairman of the Board, was I allowed to continue in my

Mr. Webb, however, grandstanding after the ruling had been received, came to Detroit for half a day, went over with Mr. Austin, of Baltimore, and me to the receiver of the First National Bank, Detroit, and said that we were now ready to go through with an attempt to refinance all mortgages held by the First National Bank, Detroit, as well as the Guardian National Bank of Detroit. They went far enough to agree to accept any and all mortgages in these institutions, regardless of whether or not the holders of the mortgages were in distress. I protested against this

ruling, inasmuch as it was easily seen that it would be impossible to ever refinance all of the mortgages held by the First National Bank, Detroit, and inclusion of any and all mortgages would mean that many undeserving applicants would be refinanced to the eventual loss of deserving applicants. Starting the 24th of October, we completed the appraisals and made offers on all mortgages on which we had applications from First National Bank, Detroit, and Guardian National Bank of Detroit by Decem-

mortgages on which we had applications from First National Bank, Detroit, and Guardian National Bank of Detroit by December 1, 1933. In spite of that fact, there was no acceptance on the part of the Comptroller of the Currency of any of these offers until February 1934, so that the expenditure of close to \$100,000 in appraisal fees and other costs were marked up against the cost of the Home Owners' Loan Corporation in Michigan as of December 31, 1933, without any explanatory provision in the report of the Federal Home Loan Board as of that date.

About November 15, 1933, Mr. Fahey, who had replaced Mr. Stevenson as Chairman of the Federal Home Loan Board, sent a telegram to me, as State manager, asking for the recommendation of a sufficient personnel to close all applications in the State of Michigan within 90 days. This was sent in spite of the fact that he knew that we had at that time over 80,000 applications and had closed approximately 1,200 loans. I came to Washington and in an interview with Mr. Webb stated that the Chairman's request was asinine, and that I would submit a list of personnel that would be capable of closing an average of 200 loans per day in the State of Michigan, and would do so by March 1, 1934. At the same time the telegram from the Chairman arrived a bulletin from the general manager arrived saying that from that time forsame time the telegram from the Chairman arrived a bulletin from the general manager arrived saying that from that time forward no personnel could be employed in any capacity until a letter of application with letters of endorsement had been received, sent to Washington, and formally approved by the Federal Home Loan Board for employment, regardless of how minor the position might be. I informed Mr. Webb that if we were to attempt to increase our production, secure an additional 700 people necessary, hire them, train them, secure office space, equipment, and other things necessary in a short period of time, that it certainly was not going to be possible to wait until we had secured these applications, sent them to Washington, and secured the Board's approval, as our experience had been that it took from 3 to 6 weeks to receive an answer from the Board on any request of this type. I stated, however, that I felt that I would be able to secure people for these positions who would be competent and who would be willing to work without salary with the Corporation until their approval was secured, and received his authorization before three witnesses to go back to Washington, go to work, and get organized witnesses to go back to Washington, go to work, and get organized as rapidly as possible. In accordance with this order the personnel in Michigan was increased over 500 employees during December and in the early part of January. Eleven new branch offices were opened, equipment and space secured, and production was jumped to such an extent that more loans were closed in January than in the previous 4½ months, and this production has been increased constantly ever since.

About December 24, 1933, an order was received from the Washington office that after January we were to cease paying our own pay rolls, and forward all pay rolls to Washington for payment. The practice previously had been to pay our own pay rolls and forward the pay rolls to Washington afterward for audit, and all pay rolls paid by us were forwarded to Washington 3 days after that Washington and pay rolls paid by the total payment at the transfer of the pumper of forward the pay rolls to Washington afterward for audit, and all pay rolls paid by us were forwarded to Washington 3 days after payment, so that Washington always had notice of the number of people upon the pay rolls and the size of that pay roll. The pay roll from January 1 to January 15 was sent to Washington and was paid as sent in without question. The pay roll due January 31 was not paid, and there was no pay roll paid in Michigan until February 28. At that time approximately half of the pay roll was paid, the balance being held up because of the silly technicality that there was no formal approval of this personnel in the minutes of the Board. All expense vouchers of repair inspectors and others throughout the State, who were forced to be constantly on the outside in the midst of a bitter winter, were held up on the same technicality by Mr. Fahey's direct orders. In spite of the fact that we were able to show to the assistant general manager that a formal application for employment and letters of endorsement for all of these people hired since the order of November 18, 1933, had been sent to Washington, we were forced to again secure these letters and transport them to Washington, and it was not until the middle of March that a complete pay roll was paid in Michigan. In spite of that fact the personnel in the State of Michigan were loyal enough to the interests of the President and the welfare of their State, that there was not a single resignation during this period, in spite of the fact that these Government employees, in numerous occasions, were unable to feed their families while Mr. Fahey in Washington played with silly red tape. I personally, together with Mr. Leo Kuhlman and Mr. Frank Fleming, borrowed on our personal credit to the limit and went to the extent of borrowing \$1,500 on a note from the Industrial Morris Plan Bank of Detroit in order to loan to the Mr. Frank Fleming, borrowed on our personal credit to the limit and went to the extent of borrowing \$1,500 on a note from the Industrial Morris Plan Bank of Detroit in order to loan to the employees of the United States Government who were destitute. All district managers were faced with the same situation, and were all doing the same thing and pledging their personal credit so that these employees of the Government could eat.

In February of 1934 a new general manager of the Corporation was appointed. There was an immediate change of policy in the Corporation, and as a result confusion was caused and it was almost impossible to intelligently plan a production set-up resulting from conflicting orders caused by Chairman Fahey continually contradicting orders given by other officials in Washington, thus handicapping both the State officers and the depart-

ments in Washington. In spite of this, however, our production increased greatly each month, loans closed in February being practically double of January, and loans closed in March again showing a material increase. The organization as then set up was functioning smoothly and was just beginning to show the results of the 3 months' organization. Mr. McNeill, general manager, then decided that a standard form of organization was to be set up through the United States, and after considerable deliberation Michigan was selected as the first State to be set up under the new plan. I protested vigorously against the setting up of any plan in which I had not been given a chance to be heard on, because of the confusion that would necessarily result in a smoothly running organization which was just beginning to show results; and as a result of protesting so vigorously I was called to Washington and spent I complete week going over the entire set-up with the general manager and became convinced that, although this set-up would result in a considerable amount the entire set-up with the general manager and became convinced that, although this set-up would result in a considerable amount of work, that it was entirely practical and feasible and would ultimately result in considerably increased production. A definite agreement was reached between Mr. McNeill, the assistant general manager for our district, and myself, and was formally approved by the Federal Home Loan Board. In accordance with this agreement, on April 1 we started to revise the set-up in Michigan; and since April 1 have opened 9 new branch offices in Detroit, transferred approximately 200 employees from our then existing offices in the Barlum Tower in Detroit, transferred approximately 250 additional employees from the pay roll of the Home Owners' Loan Corporation to the pay roll of Charles W. Burton, an attorney in Detroit, opened up complete separate disbursing and transmittal units at Battle Creek, Grand Rapids, and Saginaw, Mich., so that each of these districts completes a loan and forwards these completed loans directly to Washington as a separate Mich., so that each of these districts completes a loan and forwards these completed loans directly to Washington as a separate unit; transferred the entire office of St. Ignace to Marquette, Mich. In spite of all these changes, production was increased to such an extent that a total of approximately 4,600 loans were closed in April and 7,700 in May, Michigan thereby leading in each of these months the entire United States in volume of business. In spite of increasing this production, the cost of the Michigan operation was reduced over \$5 per loan during the month of April and was again reduced substantially during the month of May because of economy in operation and reduction in personnel. The personnel was reduced to where it now consists personnel. The personnel was reduced to where it now consists

of approximately 935 people.

These changes were made and reductions secured despite the fact that the State of Michigan has in existence more land contracts than all of the rest of the United States put together, and that this necessitates more work in legal search and preparation than any other operation of this type in use in the United States, due to the fact that under the laws of Michigan a conveyance by land contract need not be registered, and all of these contracts necessitated personal contact. In many cases of conveyance by land contract there were numerous assignees who had to be contacted so that the exact status of the condition of the property could be ascertained and the Government of the United States would be properly protected. Furthermore, as a result of the real-estate boom in Detroit and Michigan and the overselling of homes at prices far over their value, on approximately 75 percent of the applications the balances due were considerably more than any appraisal would show. As a result it was necessary to make adjustments, and all of these adjustments necessitated personal contacts. Every effort was made to bring these facts to the attention of the Board, and we were not even accorded the opportunity of a hearing. However, the record of the Michigan office is as follows:

As of the date of my resignation, June 16, 1934, we were second in total number and volume of loans closed in the United States, with an average of \$2,800, which shows that we had secured the proper adjustments and were therefore complying secured the proper adjustments and were therefore complying with the spirit of the Home Loan Act, as intended by the Congress of the United States, and assisting the small home owners.

We had placed about one-third of all of the money lent for repairs in the United States, due to the fact that we had built up about the only complete repair modernization unit in any

State operation.

In spite of the fact that the Board was continually hampering us in the matter of personnel, I insisted on placing a complete accounting and disbursing unit, so that we were in a position to show the disposition of every dollar expended in Michigan. show the disposition of every donar expended in michigan. This was done on our own responsibility, and we have been carrying out the intentions of the act by collecting at the time of closing the loans in cash as much as possible of the fees and necessary cost of completing a loan, to the extent that our monthly collections have averaged close to \$100,000, which money can be used for the retirement of the bonds of the Corporation. We have the largest amount of cash fees collected of any State in the United largest amount of cash fees collected of any State in the United States. In addition to the approximately 28,000 loans closed there are approximately 32,000 loans in the State that have reached the closing stage, and there should be closed, if the operation is properly administered from this time on, at least 1,600 loans per week.

However, in the administration of this act there have been continuous cases of rulings of the Board which were beyond any doubt in my mind both discriminatory against the home owners of the State of Michigan and a matter of poor public policy and not in spirit with the Home Loan Act. As a result of these rulings, I have constantly protested and have had considerable and continuous differences of opinion with the Board for the past 3 months. First, I have followed a policy in Michigan ever since last July of completing an appraisal and making a final adjustment, and insisting that the mortgagee release any and all claims which he or they might have against our applicant at the time of closing the loan. I felt that this was necessary in order to give the distressed home owner an opportunity of starting with a clean slate, without an obligation hanging over his head which might place him in exactly the same position from which we were seeking to relieve him, and also have a debt hanging over his head which he would be unable to pay. I have had considerable pressure from institutions in the State of Michigan to allow second mortgages for the difference between the amounts we were second mortgages for the difference between the amounts we were able to loan and the full balance of these mortgages. I have refused to permit the second mortgages, and an appeal was made over my head directly to the Home Loan Board, and I was ordered

to permit the use of second mortgages in Michigan, thus resulting in the home owner being put from the frying pan into the fire.

The Metropolitan Life Insurance Co. has approximately 15,000 mortgages in Wayne County alone, 12,000 of which are in default of some sort. We have over approximately 4,000 applications, and from July of last year have been continually attempting to receive the accentence upon the part of the Metropolitan Life Insurance. the acceptance upon the part of the Metropolitan Life Insurance Co. for bonds in exchange for their mortgages. They have con-tinuously refused to do this, and in hundreds of cases where our applicant was purchasing on land contract and we were able to secure acceptance of the land-contract owner, but where the Metropolitan Life Insurance Co, held the mortgage the company still refused to accept the bonds, and thus applicants suffered the loss of their homes. In March 1934 I was asked by Mr. Malotte, the fiscal representative of the Metropolitan Life Insurance Co. in Detroit, to go to Washington with him to contact Mr. Eckers, president of the Metropolitan Life Insurance Co., and Mr. Norton, comptroller, because he felt that I might be able to present the Michigan picture in such a way that they might relent and accept Mr. Fahey personally refused to allow me to go and sent instead a man from Washington who was formerly employed by one of the large life-insurance companies, and as a result nothing was accomplished. Even after the guaranty of the bonds, the Metropolitan Life Insurance Co. has refused to accept, except in

Metropolitan Life Insurance Co. has refused to accept, except in isolated cases.

In March of 1934 we were ordered to cease appraisals in Michigan. After protesting vigorously, I was told that this order was issued because over \$4,000,000,000 worth of applications for loans had been filed, and that it was going to be impossible to complete and close loans on applications then on record. I protested against the stopping of our progress, however, due to the fact that I felt that we should work at topmost speed until all of the funds had been expended—the faster the loans were being placed, the faster the distressed home owner would be taken out of jeopardy and would be relieved. After a few days an order was given authorizing us to proceed with appraisals on loans held by closed institutions in Michigan only. I protested against this, as there are a number of banks in Michigan which are still open, but which are on the ragged edge of closing, and should, I feel, be given assistance ahead of closed banks in order that they might be kept from closing, rather than rushing loans to closed institutions who are already in liquidation. Not only that but this was discrimination against the distressed home owner whose mortgage was held by a private institution or individuals. I was again overruled. The Home Owners' Loan Corporation, under Mr. Fahey's direction, instituted a so-called "wholesale loaning operation" in the Cleveland Trust Co. at Cleveland, Ohio, an open institution. A handful of employees of the Corporation were placed in that institution, all others being employees of the Cleveland Trust Co., and thousands of mortgages were bailed out of that institution to the extent that now when a shortage of bonds is threatened the distressed home owner may lose his home because of the bailing-out operation in an open bank. I was instructed that I should make every effort to have the operation cause of the bailing-out operation in an open bank. I was instructed that I should make every effort to have the operation upon which we were engaged with the First National Bank, Detroit, handled in the same way, and have the bank pay for the employees. I felt that the Corporation's interests were distinctly separate and should be protected, and that any action of this type might lead to the acceptance of mortgages by people not under the control of the Corporation, but rather under the control of the institution. Furthermore, I felt that as the First National Bank, Detroit, was a closed bank, any cost incurred in an operation of this sort was at the expense of the depositor whom we were supposed to be helping, and I refused to do so. A man was sent from Washington, and an operation was engineered over my head and over my protest of putting this plan into effect. This entire plan is a deception and gives a false impression to the depositors of these two banks, as all mortgages being refinanced are the property of the Reconstruction Finance Corporation, and these bonds are only converted to the Reconstruction Finance Corporation, and are not being used to pay off the depositors; so, therefore, the depositors are paying the costs of an operation which does not benefit them

I have, since last July, been fighting the efforts of crooks in Detroit to take advantage of the Home Owners' Loan Corporation Act. I have submitted numerous affidavits covering violations of the act to both the United States district attorney's office at Detroit, and to the legal department of the Home Owners' Loan Corporation in Washington. In spite of the fact there has only been one case of a prosecution in the city of Detroit today, and the attorney who are the Weshington of the state of the st and the attorney who came from Washington and instituted this prosecution and secured the only action which we have had was recalled immediately to Washington because what he did was contrary to their direct orders. I have vigorously protested the

procrastination in the prosecution of these people, and apparently there is no chance for any action.

We have been continually hampered by the inability to secure needed supplies or rulings from Washington, and as a concrete example of this, upon my coming to Washington to resign I investigated one instance. The mortgagee's consent to obtain bonds is the agreement necessary for signature at the time of making a settlement, and unless a supply of these forms are on hand the entire operation would have to cease. A requisition was sent to Washington over 6 weeks ago, and in spite of several telegrams no action was received. A telegram was finally received from the stock department on June 9 saying that the form was up for revision and could not be released until approved. We had reached the point where it would be necessary to cease operation if this was not available. I was informed by the stock room that this form had been presented to the Chairman to be approved and was on his desk for 5 weeks without action. This is a concrete was on his desk for 5 weeks without action. This is a concrete example of how the Home Loan Act is hampered through the Chairman's continual insistence upon interfering in even the smallest matter of details. It is impossible to secure permission to purchase any supplies over \$25 without the formal approval of the Federal Home Loan Board, which brings us to the spectacle of a \$2,000,-000,000 Corporation being administered by a board of directors having the responsibility of administering the Federal home-loan banks, the Home Owners' Loan Corporation, and the Federal savings and loan societies and also the new modernization program, and these five men being placed in a position by the Chairman's insistence, of having to waste their time passing upon minor matters of purchases throughout hundreds of offices in the United States, and the selection of stenographers and minor clerks, when these details under proper organization would be delegated to the official with authority to handle them. The general manager of the Corporation was placed in such a position that he was not able to even authorize the purchase of more than \$25 in supplies or the employment of a single clerk in the service.

The final and conclusive evidence of the confusion caused by conflicting orders and changes of the previous orders by the Chairman was best shown by the fact that after approving the principle of the establishment of separate individual autonomous offices, such as we have completed in Michigan, throughout the United States, and formal approval of the establishment of these united States, and formal approval of the establishment of these autonomous offices at Milwaukee, in the State of Ohio, at Oklahoma City, and numerous other places, and authorizing the calling of a meeting at Chicago, Ill., to which State managers, State counsel, and all district managers for all of the Middle Western States were invited, that on the night of the first day of the meeting the general manager was notified that the Chairman and the control of the meeting the general manager was notified that the Chairman and the control of the meeting the general manager was notified that the Chairman and the control of the meeting the general manager was notified that the Chairman and the control of the meeting the general manager was notified that the Chairman and the control of the meeting the general manager was notified that the Chairman and the control of the meeting the general manager was not the chairman and the control of the meeting the general manager was not the chairman and the chair man had again changed his mind and that he should not give the instructions for which this meeting had been called. About 2 weeks later a general bulletin was sent out to all States in which these autonomous offices were in progress of being established, ordering the halting of these immediately. This order was received in Michigan just as we had completed the establishment of the last autonomous office, and therefore did not affect us, but caused tremendous confusion in numerous other States.

I was instructed that it would be necessary to reduce the per-

I was instructed that it would be necessary to reduce the personnel in Michigan to 800 people or less, regardless of the effect upon the loan production in the State. I protested vigorously against this. It was my opinion that the Home Owners' Loan Corporation Act was passed by the Congress to relieve distressed home owners and that this should be done as rapidly as possible. On June 6 a meeting was held in Washington, and those present included the entire Michigan Democratic delegation of Congressmen; Governor Comstock, of Michigan; Horatio Abbott, national committeeman of Michigan; Emil Hurja, assistant to the chairman of the Democratic National Committee; Alfred Debo, State central committee chairman; Martin Bradley, speaker of the House of Repcommittee chairman; Martin Bradley, speaker of the House of Representatives of Michigan; and John Barc, Democratic politician from Detroit. Congressman Weideman had been the aggressor from Detroit. Congressman Weideman had been the aggressor in charges which had resulted in the removal of Horatio Abbott as collector of internal revenue at Detroit, Mich., by the Secretary of the Treasury, Mr. Morganthau, as well as the removal of two of his assistants. Carl Weideman has been a personal friend of mine since boyhood, and in this meeting Mr. Hurja threatened Weideman hat that unless he softpedaled his attacks upon the national committeeman, Abbott, that in retallation he would see to it that I, as his friend, was removed as State manager from Michigan. I did not pay much attention to this threat when it was reported to me, as I was too busy in reorganization which had started in the State offices, but when, upon my return to Detroit from Marquette on June 8. I found that, on instructions from Washington, emon June 8, I found that, on instructions from Washington, employees in Michigan were being contacted by people sent from Washington and asked about their political contributions, their political preferences, and other matters, I became interested and started to investigate. I then found that an appointment of one started to investigate. I then found that an appointment of one Luther D. Hoffman as regional modernization director for the States of Michigan and Indiana had been secured through the intercession of Mr. Comstock and Mr. Tarsney, State counsel for Michigan, a personal friend of Mr. Comstock. On June 8, I also received notice of the appointment of Mr. Frank Eurich, Jr., as State modernization director, at a salary of \$4,500 per year, from Washington. This salary was higher than anyone in the State of Michigan was receiving, with the exception of myself and the general State counsel, and even exceeded that of the district State manager and the chief State appraiser. I immediately dispatched a telegram to Chairman Fahev protesting against the appointment a telegram to Chairman Fahey protesting against the appointment of anyone in the State pay roll over my head at such a salary, and

asked permission to come to Washington. In reply I received a telegram from Mr. Webb, Vice Chairman of the Board, stating that Mr. Fahey was out of the city and that I should write fully covering my problem. In answer I dictated a complete letter of protest to the Chairman, as follows:

JUNE 11 1934

Hon. John H. Faher,

Chairman Federal Home Loan Board, Washington, D.C.

Honorable Sir: I have just dispatched a telegram to yourself requesting permission to come to Washington to discuss matters of policy in Michigan regarding the Home Owners' Loan Corporation.

I have never had an opportunity to talk to you personally in spite of the fact that I have been employed in the Corporation for

approximately 1 year. I have been forced to judge your policies and read between the lines of your letters and have endeavored at all times to conduct this office in accordance with your wishes. I have felt that you were honestly sincere in endeavoring to keep polities as much as possible out of the operations of the Home Owners' Loan Corporation.

At the time of my appointment as State manager in July of last year you, beyond a doubt, know that I was instructed directly in friont of the meeting of the Board by the Chairman of the Board at that time to see the Michigan Congressmen and consult them, as well as the national committeeman in Michigan in regard to appointments. However, I informed each of the Congressmen and the national committeeman in the State of Michigan that I would be always the contract of the congressmen that I would be always the contract of the congressmen that I would be always the contract of the congressmen than I would be always the contract of the congressmen than I would be always the contract of the congressmen than I would be always the congressment of the congressment o absolutely refuse to entertain any recommendations from them unless I felt that the man recommended was qualified for the In addition to that, I insisted in August position he sought. last year, in the selection of the appraisers for the State of Michigan, that I be allowed to select members of the Michigan Real Estate Association and associated real-estate boards regardless of their politics. I also insisted that in the selection of attorneys that any attorney recommended be passed upon by the bar

association in his community.

I have had one continual fight in this State against various official to even suggest to us that anyone's loan be given

preference.

The situation was so bad in the State of Michigan that at the time of our entering the field we were flooded with a volume of applications which beyond any doubt we would never be able to close, and if this was the situation and we allowed the slightest impression of political influence being able to secure preferred treatment of loans, it would have been the worst thing that could have happened to the Home Owners' Loan Corporation here.

I personally have refused to play politics with human misery. However, I have had men appointed over my head through political manipulations in this State three different times, and in each of these instances things have been done that I have not appropried.

of these instances things have been done that I have not approved of and for which eventually I have had to bear the blame.

of and for which eventually I have had to bear the blame.

I have offended practically every politician in the State of Michigan in attempting to keep this act clean, and have been informed that I week ago Mr. Hurja, assistant to Mr. Farley, Democratic national chairman, made the statement that there would be a new State manager in Michigan in the near future.

I have been up in the State for the last several weeks almost continuously reorganizing the State offices where necessary, and upon my return to Detroit this morning I have been faced with a telegram stating that another man had been appointed over

a telegram stating that another man had been appointed over my head as State reconditioning supervisor, and the rejection of a faithful employee in another case who is entitled to a promotion asked.

It appears to me that there may be some truth in Mr. Hurja's statement, and it may be that an effort is being made to make conditions such in Michigan that I would resign.

I am personally willing to stand upon my record in a difficult task in this State, and if desirable to you and if my continuance as State manager is embarrassing to you, I am hereby tendering my resignation, effective immediately.

Very truly yours,

Home Owners' Loan Corporation, John F. Hamilton, Michigan State Manager.

And followed this up by taking a train Monday night and going to Washington. I called the Chairman's office and asked for an appointment with him, and was told by Mr. Loomis, his assistant, that my letter was unnecessary and that there was no truth in that my letter was unnecessary and that there was no truth in Hurja's statement, and that the Chairman would be glad to see me as soon as possible, but that he was busy in Congress on the National Housing Act, and I would have to wait some time, but that he himself would see me. I met with him and Mr. Donald McNeill, national modernization director, next day, and was informed that a letter had been sent by Mr. Hoffman stating that Mr. Eurich had been selected by me and met with my approval as well as his own. This was an absolute falsehood, as I had never met Mr. Eurich until introduced to him Monday morning, lune II. I immediately professed against the selection of some-June 11. I immediately protested against the selection of someone from outside the organization when there were numerous qualified technical men within the organization better fitted to the position and entitled to advancement. I was told that this matter would be taken up with Mr. Fahey. I then talked with Mr. Newton, member of the Board, and was told that at the time the appointment of Mr. Eurich was up before the Board he asked personally whether or not this appointment met with my approval

and was told that it did, which was a lie. I then went to Mr. Weideman's office and suggested to Mr. Weideman that he call Mr. Hurja and ask Mr. Hurja just what he meant by his remark at the meeting. He did so, and I listened on an extension telephone, and Mr. Hurja said that beyond doubt I had an excellent record in Michigan, but that unless Mr. Weideman soft-pedaled his complaints, and unless I refused to have anything to do with Judge Arthur Lacy, Democratic candidate for Governor, and opponent of Governor Comstock, that he had been assured that I would be removed from my position. I did not have a meeting with Chairman Fahey until 2:30 Friday afternoon, at which time, with Mr. Webb present, the Chairman acknowledged that he had talked with Mr. Hurja on a train trip from Chicago and asked me whether I was taking an active part in the campaign of Judge Lacy. I have not taken any part and have never made any statement in favor of Judge Arthur Lacy up to this time, and have not permitted any activities, to my knowledge, in the organization. He then began to go over numerous disputes of the past and I proceeded to bring up the various questions of policy which I believed were wrong, and we were unable to reach any agreement. He finally said I had better go back to Michigan, go to work, and obey the orders of the Board. I stated that I did not intend to be a rubber stamp for any organization, and that my acquiescence in orders and policies which were contrary to the best interests of the home owners of Michigan would make me an accessory to the procedure, and I thereupon tendered my resignation, effective immediately.

Mr. Fahey stated that he thought there was collusion in the and was told that it did, which was a lie. I then went to Mr.

immediately.

Mr. Fahey stated that he thought there was collusion in the letting of repair contracts to the brother of the Detroit district manager, Mr. Leo Kuhlman, and that he had evidence in a letter manager, Mr. Leo Kuhlman, and that he had evidence in a letter from Mr. Hoffman, mentioned above (and a personal friend of Mr. Comstock, said Hoffman was to be awarded the Wahjahmegua \$1,500,000 building propect under the P.W.A. program which was rejected by a vote of the people of Michigan recently), to the effect that Kuhlman-Rhode, with which a brother of Leo Kuhlman, Detroit manager, was connected, had secured 107 repair contracts in the last 2 weeks. I told him that I did not have the facts but that I knew that his was a base lie. Upon a telegram from the Detroit office I secured statistics and forwarded the following telegram to the Chairman:

"As an example of kind of false information you will always."

"As an example of kind of false information you will always receive from liars making underhand investigation, in place of Kuhlman-Rhode Co. receiving 107 repair contracts in last 2 weeks facts are follows: Over 22,000 repair contracts in last 2 weeks facts are follows: Over 22,000 repair contracts have been let in Detroit since last July; over 14,000 have been authorized to begin work as loans were closed; Kuhlman-Rhode have received 107 contracts since last July as low bidder, with only 70 authorized go-

" JOHN HAMILTON.

Inasmuch as our repair contracts only average about \$150 per job, the gross amount of all these contracts over a year's period represents less than the cost of one moderate home-building job.

represents less than the cost of one moderate home-building job. I also stated to Mr. Fahey that it was very plain to see that he was attempting to bring pressure to bear upon me for political purposes and that without any doubt if I was in favor of the Comstock group this pressure would not be brought. I feel that the following series of events in a political way had a great deal of bearing upon these developments.

At the time of my appearant on Talk 5 1000

At the time of my appointment on July 5, 1933, upon reaching Washington I found that a district manager at St. Ignace had already been selected through the manipulation of Horatio Abbott, Democratic national committeeman, and Prentiss Brown, Congressman, and that the office site at St. Ignace had already been selected. The appointment of George Schermerhorn, at Battle Creek, was also dictated by Horatlo Abbott, and about the middle August the Board again appointed Carole Sweet of August the Board again appointed Carole Sweet manager at Grand Rapids, through the intervention of Horatio Abbott. I had been instructed to come back to Michigan and accept the recommendations of the Democratic Congressmen and the national committee, but I had insisted from the start that the man recommended be qualified for the position he sought. About the middle of August I insisted that the appraisers in the State of Michigan be selected from the members of the Michigan Real Estate Association and associated real-estate boards in Michigan, regardless of their political affiliations, and secured the consent of the Democratic Congressmen to this vital matter of policy. They also consented to the selection of the attorneys in the State from among the members of the various bar associations in the State regardless of politics. manager at

State regardless of politics.

About the middle of September I found that the location of the office at St. Ignace was not desirable because of the fact that 90 percent of the applications for assistance which we were receiving in the Upper Peninsula of Michigan were west of the city of Manistique, Mich., and were in the western part of Michigan. I recommended the establishment of an office at Marquette and was overruled by the Board because of the objection of Conand was overruled by the Board because of the objection of Congressman Prentiss Brown and Horatio Abbott, to the removal of this office out of Congressman Brown's home city and congressional district. The office was located in the First National Bank Building at St. Ignace, in which Prentiss Brown has an office, and of which bank he is a member of the board of directors. I did not think it was ethical to have such close contact of the Home Owners' Loan Corporation and the Congressman. Mr., Fahey, Chairman of the Board, was a member of the Board at that time and apparently acquiesced in this ruling, due to the fact that Mr. Brown was a member of the Banking and Currency Committee of the House of Representatives that had charge of the Home Owners' Loan Corporation legislation. When in Washington in March I consulted with the general manager over the recommended changes and procedure in Michigan, and I again recommended the removal from St. Ignace to Marquette and obtained his consent. When we attempted to remove the office a protest was immediately made by PRENTISS BROWN to Chairman Fahey, and I was called by PRENTISS BROWN from Washington and told that he had been informed by Chairfrom Washington and told that he had been informed by Chairman Fahey that he would order me to hold up this removal for some time. This conversation was taken down by my stenographer on an extension telephone. I, however, immediately ordered Mr. Shanks, my representative from Detroit at that office, to secure a moving van and place the entire equipment in the office in the van that afternoon, and we succeeded in removing the office to Marquette the next day, and as a result the protest was too late. Because of the political maneuvering in the Upper Peninsula we had closed, until the office was moved to Marquette, less than 250 loans in that district, and we have closed more than that in the past 3 weeks. I transferred nine employees from the Detroit office to that office, and we are now giving the home owners in that part of the State a square deal. At Battle Creek, Mich., I discovered about the middle of February that loans were being made in a very inefficient and superficial manner, and upon a thorough in-vestigation of the office found that this was caused by incompetence and carelessness of political appointees recommended in that office by Horatio Abbott, Governor Comstock, and every politician in that district. I accepted the resignation of the manager on in that district. I accepted the resignation of the manager on March 28 and on April 1 discharged 32 employees in that district, and since then have discharged employees there until over 70 have been replaced. These discharges included a Democratic county chairman, a member of the Democratic State central committee, personal friends of Horatio Abbott, Governor Comstock, and practically every other politician in that district. In addition I found that an appraiser at St. Ignace, Mich., a Democratic county chairman at Mackinac County, had sent out letters soliciting contributions for the committee of C.W.A. workers in that district, and removed him, thus again antagonizing Congressman Brown. As a result of these discharges I was told by certain people that pressure was going to be brought upon me at Washington.

I feel that beyond a doubt the fact that Emil Hurja has a brother upon the State pay roll and another brother as a post-master recommended by Horatio Abbott, together with the various discharges of influential politicians throughout the State, in order to secure the best results in the Home Owners' Loan Corporation operation for the home owners of Michigan, and the fact that Congressman Weideman, my friend, was the instigator of the attack upon the policies of Horatio Abbott as internal-revenue collector and the sale of mostmesterships in Michigan which has lector and the sale of postmasterships in Michigan, which has been whitewashed by Mr. Hurja, was directly behind the pressure brought to bear upon Mr. Fahey and was beyond a doubt responsible for efforts being made to find some excuse to discharge me.

I therefore feel that rather than give this group of politicians, playing politics with the Home Owners' Loan Act, an opportunity

to frame me that I should resign and in the best interests of the Home Owners' Loan Act and of President Roosevelt give these matters publicity, thereby possibly bringing the political maneuvering of the Chairman of the Home Loan Board and of Mr. Hurja to the personal attention of President Roosevelt and possibly correct a vicious political situation in the State of Michigan.

Hurja to the personal attention of President Roosevelt and possibly correct a vicious political situation in the State of Michigan. I feel that it is about time that the true activities of Mr. Fahey, who has been grandstanding as a nonpolitical head of the Home Owners' Loan Corporation, although a member of the Board at the time when the political appointments were being made and acquiescing in them without protest, should be shown in their true light, and I feel that the best interests of the Home Owners' Loan Corporation and of this great act would be best served by the immediate removal of Mr. Fahey and Mr. Webb, Chairman and Vice Chairman, respectively, of the Board.

To substantiate my own statements as to the record of the Michigan office, William H. McNeal, who resigned as general manager of the Home Owners' Loan Corporation for the United States, I week ago gave the following statement to a representative of the Detroit Free Press commenting upon my resignation.

"I, of course, am not concerned with Mr. John F. Hamilton's resignation as State manager of Michigan. However, while I was general manager of the Corporation, I received 100 percent cooperation from Mr. Hamilton in everything I suggested for the best interests of the Corporation and distressed home owners. During the past 3 months he not only increased the production of his office, but cut approximately \$300,000 per annum from the cost of operating his State organization. If no less able man than John Hamilton is selected as his successor and if the plan and policies now established in Michigan are continued, it is my opinion that Michigan will get its full share of relief to which it is entitled under the act.

"WILLIAM H. McNeal." it is entitled under the act.

Mr. William H. McNeal has a Nation-wide reputation as a mortgage man, having been associated with some of the greatest mortgage institutions in the United States, and was selected by the Home Loan Board to clean up the mess in the State of Illinois, resulting from the Board's neglect. He was then made general manager of the Corporation. I never saw Mr. McNeal in my life until March 25 in Washington, and I am proud of the endorsement of a man of his caliber. If I have nothing else to show for 11 months of killing work, I know that I have done well in an almost impossible task and the approval of Mr. McNeal is reward enough for me. "WILLIAM H. MCNEAL." is reward enough for me. JOHN F. HAMILTON.

Mr. WEIDEMAN. Mr. Speaker, the official records of the Home Owners' Loan Corporation as of June 1, 1934, show the following figures:

Ohio, loans closed, 32,547; amount, \$101,117,600. Michigan, loans closed, 25,936; amount, \$73,714,535. New York, loans closed, 18,184; amount, \$99,560,934.

United States, loans closed, 274,980; amount, \$822,829,888. These figures show that as of June 1, 1934, over 30 percent of all the loans in the country were closed in only 3 States and that Michigan had very nearly 10 percent of all the loans in the country closed, so apparently the efficiency and record of a great many other States would bear close examination, and it appears that merit does not rule in the Home Owners' Loan Corporation, according to Mr. Fahey's ideas.

Last Saturday, together with two other Michigan Congressmen, I went down to the Standard Oil Building office of the H.O.L.C. and saw thousands of docket files containing the complete records of individual loans, abstracts, and records of properties stacked along corridors and in rooms. In room 529 there were stacks of complete files regarding properties under consideration 7 feet high, five tiers deep, all around the room, in such a manner that it would be virtually impossible to locate or find any file necessary without spending days to search through this pile. These are the complete files and only evidence of the Government's investment in mortgages of home owners. No wonder mortgagees cannot get their bonds from the Government and their loans closed. No wonder there are weeks of delay in closing deals at Washington. All because Mr. Fahey is pennywise and pound foolish and will not buy filing cabinets for these important Government documents. Recently the Washington police department found three of these files on the streets, lost while being moved from one office to another in a loose bundle of files put into a truck.

And, lastly, the people of Michigan have lost confidence in the C.A.D. combination-Comstock-Abbott-Debo-because of the number of felons in the State prisons being released by the hundreds.

From January to October 1933, 1,900 persons were paroled from Michigan prisons; among them murderers, kidnapers, robbers, and rapists. Our Governor even released young Metzger, because he was the son of a high-ranking official in his official party, after the sturdy boy of 23 years, and of mean disposition and reputation, had assaulted an aged man of 67 years and had put him in the hospital for 8 days, where he was in danger of losing his eyesight. This boy was not paroled but pardoned by the Governor without having served one minute in jail, after being fined \$200 and sentenced to 60 days in jail. The people of Michigan are lawabiding people and do not like these practices.

To close, let me cite the case of Joseph Lightsy, colored, another convict paroled by State Chairman Debo, who is also pardon and parole commissioner for Michigan, and Governor Comstock. This is his record at the time of parole last summer:

October 25, 1927.—Arrested for carrying concealed weapons. Dismissed by police superintendent.

March 28, 1930.—Arrested and tried for statutory crime on young

Acquitted.

May 15, 1930.—Arrested for investigation after he had answered an advertisement for a male companion. Stated at time he "got a thrill from dating white women."

August 14, 1931.—Arrested for investigation.
September 15, 1931.—Arrested for investigation.
November 5, 1931.—Arrested for larceny of an automobile.
Was shot twice when officers tried to arrest him. Later tried and convicted and sentenced to 2 to 5 years in Jackson Prison. Later paroled. Parole would have expired last week.

August 29, 1933.—Arrested as a purse snatcher.
October 14, 1933.—Arrested on a statutory crime; released when victim refused to prosecute on account of nature of charge.

May 15, 1934.—Arrested for investigation of a statutory crime; later charged with carrying concealed weapons. Was at liberty awaiting trial on bond of \$1,000 until his arrest.

May 24, 1934.—While on bond murdered Martha Kangas, 19-

year-old housemaid while attempting rape.

June 3, 1934.-Robbed and murdered William Kraft, a beergarden proprietor. In addition, Lightsy was identified for assault, robbery, and attempted rape by five other white women in the city of Detroit. These above-enumerated facts show why the progressive Democrats in Michigan will clean out their own party in Michigan, so it can again be represented in the Union of the United States of America with head erect, with conscientious and clean officials at the head of its State and party. The Old Guard will be no more, and progressive Democracy of Roosevelt will march on to victory.

THE FAMILY NEPOTISM OF THE CLIQUE IN CONTROL

Emil Hurja, assistant patronage dispenser for Mr. Farley, has had his brother appointed postmaster at Crystal Falls, Mich., with the recommendation of Abbott; and another brother on the pay roll of the State. This may be the reason that Mr. Hurja thinks Mr. Abbott and Mr. Comstock should be the ones to be trusted with the fate of Democracy in Michigan.

With so much unemployment you would think that if there are jobs to be given out these public-spirited citizens would pass out some of the patronage to the working Democrats who have large families to support and pass the benefits of the new deal around a bit.

I have just been informed that Mr. Hurja has put me on the blacklist for future favors. That is too bad; I will remain in the same status that I was before. I am not so sure that I want to be classed with the men that he does business with. This condition has existed not only with me but with other Congressmen who have been lulled to sleep by his sweet voice.

The entire State government of Michigan is filled up with relatives and personal friends of the men in power. How many these may be it is impossible to say at this moment, but investigation beyond a doubt would show a startling situation.

The only consideration the Fourteenth District of Michigan received was on the occasion of Mr. Louis Rabaut being appointed census director on the recommendation of Horatio Abbott. This was done so Rabaut could appoint the under positions, so he could build an organization to defeat me in the contest for Representative in Congress this fall. Mr. Rabaut is now in the contest as the choice of Messrs. Comstock, Abbott, Debo, and George W. Woods, the convicted swindler of old women and secretary to Mr. Abbott.

We will let the people of Michigan decide whether they want Mr. Rabaut as their Congressman, representing and transplanting to our National Halls of Congress Comstockism, Deboism, and Abbottism and nepotism, favoritism, and bossism, or whether they want to reelect a supporter of the President of the United States.

The smaller vultures I have not mentioned. If I did I would have to write a book. These vultures are of the type that cannot work in the light of day, and for that reason I am attempting to turn the searchlight of publicity upon them in order that the people of the State of Michigan may see these men in their true status.

## WHEELER-HOWARD BILL

Mr. MEAD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the work of the Post Office Committee for this session.

The SPEAKER. The gentleman has that permission. Mr. MEAD. Mr. Speaker, the original Wheeler-Howard bill (H.R. 7902) contained a provision which excluded New York State Indians from the application of the legislation. The amended bill, which comes before us from the Committee on Indian Affairs of the House, has stricken that amendment from the bill, and, therefore, in its present form it applies to the Indians who are residents of the State of New York.

I have no complaint to make against the members of the committee nor do I find fault with the Commissioner of Indian Affairs, but I do desire to have printed in the Record a statement which I received from the president of the Seneca Nation of Indians, Mr. Ray W. Jimerson. This letter indicates the position of the Seneca Nation of Indians to the passage of this measure. It is held by the Indians of our State that this legislation is in direct conflict with their treaty rights.

I believe the Indians of the State of New York should be given a full opportunity to present their views and when such an opportunity arrives I should like to have the official representatives of the several tribes in attendance to present the attitude of those they represent.

I have no doubt that the members of the committee, as well as the Commissioner of Indian Affairs, are anxious to be helpful and just to the Indians of our Nation but our problem may be a little different and it is quite possible that what would be exact justice for one tribe might prove an injustice in other instances.

LETTER FROM RAY W. JIMERSON, PRESIDENT OF THE SENECA NATION OF INDIANS, IN REGARD TO THE WHEELER-HOWARD BILL

My Dear Mr. Mean: The bill (H.R. 7902) has been favorably reported out of the House Committee on Indian Affairs. We call your attention to the fact that the New York Indians were given no opportunity to speak their wishes on this legislation either in council assembled with the Commissioner of Indian Affairs or before the House.

We have copies of the bill as it was reported out of the House committee. As president of the Seneca Nation of Indians, representing the majority of the Indians in New York State, I hereby respectfully request you to file in the Congressional Record of the House the following protest when this bill shall come before that governing body:

The Seneca Nation of Indians protest against the passage of H.R. 7902 unless it be amended to exclude the New York Indians from all provisions thereof. The application of this bill to the New York Indians or any attempt to apply the provisions of this bill to them would be a direct violation of the sacred treaty rights.

rights.

Thanking you sincerely for your interest and endeavors in behalf of the Indians, I am,

Very sincerely yours,

RAY W. JIMERSON, President Seneca Nation of Indians.

#### REPORT OF COMMITTEE ON THE POST OFFICE

Mr. MEAD. Mr. Speaker, I ask unanimous consent to submit a report from the Committee on the Post Office on flooring materials, architects' pay, and other matters pertaining to the Post Office Department, in accordance with the Sabath resolution of investigation.

Mr. MARTIN of Massachusetts. This is a request to submit a report?

Mr. MEAD. Yes; for printing.

The SPEAKER. The report will be received and ordered

## FEDERAL CREDIT UNION SYSTEM

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 1639) to establish a Federal Credit Union System, to establish a further market for securities of the United States and to make more available to people of small means credit for provident purposes through a national system of cooperative credit, thereby helping to stabilize the credit structure of the United States, and I ask unanimous consent that the bill may be considered in the House as in Committee of the Whole; and pending that, may I ask the gentleman from Massachusetts to suggest what would be an agreeable amount of time for debate.

Mr. LUCE. Mr. Speaker, I do not think long debate is necessary.

Mr. STEAGALL. Would 30 minutes, 15 minutes to the side be agreeable to the gentleman?

Mr. LUCE. Yes.

Mr. STEAGALL. Then I include that in my request, Mr. Speaker.

The SPEAKER. The gentleman from Alabama asks unanimous consent that the bill (S. 1639) may be considered in the House as in Committee, and that the time for debate be limited to 15 minutes on the side. Is there objection?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That this act may be cited as the "Federal Credit Union Act."

### DEFINITIONS

SEC. 2. A Federal Credit Union is hereby defined as a cooperative society organized in accordance with the provisions of this act for the purpose of promoting thrift among its members and creating a source of credit for provident or productive purposes. A

Federal Central Credit Union is hereby defined as a central organization of credit unions formed in accordance with the provisions of this act.

#### PART I

#### FEDERAL CREDIT UNION ORGANIZATION

SEC. 3. Any seven or more persons who are actual residents of or do business or are employed within the Federal Reserve district designated in the organization certificate and who desire to form a Federal Credit Union shall subscribe before some officer competent to administer oaths an organization certificate which shall specifically state:

(1) The name of the association, which shall include the words

"Federal Credit Union.

(2) The location of the proposed Federal Credit Union, includ-g the name of the Federal Reserve district and the city or town

within said district within which it proposes to do business.

(3) The names and addresses of the subscribers to the certificate and the number of shares subscribed by each.

(4) The par value of the shares which shall not exceed \$10

each

(5) The proposed field of membership, specified in detail.(6) The term of the Federal Credit Union's existence, which

may be perpetual.

POWER OF THE DIRECTORS OF BANKS FOR COOPERATIVES TO ISSUE CHARTERS HEREUNDER

SEC. 4. The organization certificate shall be presented to the board of directors of the banks for cooperatives in the Federal board of directors of the banks for cooperatives in the Federal Reserve district indicated in the organization certificate who shall determine (1) whether or not the certificate conforms with the provisions of this act; (2) the general character and fitness of the subscribers; (3) the advisability of establishing a Federal Credit Union in the proposed field of membership. The directors of said bank for cooperatives shall within 30 days of the receipt of said certificate determine whether what the approved it and shell these

certificate determine whether or not to approve it and shall there-upon notify the subscribers to said certificate of their decision. Sec. 5. If the decision is favorable, the certificate, with the approval of said board of directors noted thereon, shall be re-turned to the subscribers after due record of said approval has been filed by said directors with the records of the bank for cooperatives in the Federal Reserve district within which the proposed Federal Credit Union is located at which time a filing fee of \$10 shall be paid by said subscribers to said bank for cooperatives to be deposited by said bank in the Treasury to the credit of the United States. At such time as the approved certificate is so filed and the bylaws hereinafter provided for are approved, the subscribers and their successors shall thereupon become a body corporate and as such shall, subject to the limitations herein contained, be vested with all of the powers and charged with all the liabilities conferred and imposed by this act upon corporations organized thereunder as Federal Credit Unions. If the decision of said directors should be unfavorable, an appeal may be had to the Governor of the Farm Credit Administration, whose decision shall be final.

## SUPERVISION BY THE COMPTROLLER OF THE CURRENCY

SEC. 6. Federal Credit Unions shall be under the supervision of SEC. 6. Federal Credit Unions shall be under the supervision of the Comptroller of the Currency. They shall report to him at least once annually on or before the 1st day of February in each year on blanks supplied by said Comptroller of the Currency. Additional reports may be required. Federal Credit Unions shall be examined at least once annually by said Comptroller of the Currency, but the cost of said examination shall not exceed a basic fee of \$5.03 per \$1,000 of assets per annum: Provided, however, That if a Federal Credit Union has assets of less than \$25,000, the said Comptroller of the Currency may accept the audit of a practicing public accountant in the place of such examination: Provided further, That within 30 days of the conclusion of each fiscal year as defined herein said Federal Credit Union shall pay a fee of \$10 to said board of directors as a license fee for the subsequent year: And provided further, That the said fee for the subsequent year: And provided further, That the said directors of the said bank for cooperatives may suspend or revoke the approval of the organization certificate of any Federal Credit Union upon proof of bankruptcy or insolvency of any such Federal Credit Union or upon conviction of a violation of any provision of this act or of any law or regulation of the State within which the Federal Credit Union operates or of the United States.

## POWERS

SEC. 7. A Federal Credit Union shall have succession in its corporate name during its existence and shall have power—

(1) To make contracts.

(2) To adopt a corporate name and to sue and to be sued in

such name.

(3) To adopt and use a common seal and alter the same at

(4) To purchase, hold, and dispose of property necessary to enable the Federal Credit Union to carry on its operations.

(5) To make loans to its members for provident or productive (b) To make loans to its members for provident or productive purposes, upon such terms and conditions as this act and the bylaws provide and as the credit committee may approve, at rates of interest not exceeding 1 percent a month on unpaid balances, inclusive of all charges incident to making the loan: Provided, That no loan to a director, officer, or member of a committee shall exceed the amount of his holdings in the Federal Credit Union in shares and deposits; nor shall any such director, officer, or committee member endorse for borrowers. A borrower may prior

to maturity repay his loan in whole or in part on any business

day.
(6) To receive from its members payments on shares and on

(7) To invest its funds (a) in loans exclusively to members; (b) in securities of the United States of America; (c) in the way and manner hereinafter indicated in the shares of a Federal Central Credit Union located in the State in which the Federal

Central Credit Union located in the State in which the Federal Credit Union is operating.

(8) To make deposits in national banks, in postal savings banks to the limit permitted by law, in Federal Central Credit Unions as hereinafter defined, and in State banks, trust companies, and mutual savings banks operating in accordance with the laws of the State in which the Federal Credit Union does

business

(9) To borrow (from any source) in an aggregate amount not

exceeding 50 percent of its paid-in and unimpaired capital.

(10) To fine members for failure to meet promptly their obligations to the Federal Credit Union in the way and manner provided in the bylaws

(11) To impress a lien upon the shares, deposits, and dividends any member to the extent of any loan made to him and any dues or fines payable by him.

#### BYLAWS

SEC. 8. At the time of presenting the organization certificate SEC. 8. At the time of presenting the organization certificate the incorporators shall submit to the said board of directors of the said Federal Reserve bank proposed bylaws which shall be prepared on a standard form as approved for Federal Credit Unions operating under provisions of this act by the Comptroller of the Currency. In order to simplify the organization of credit unions the said Comptroller of the Currency shall, upon the passage of this act, cause to be prepared a form of certificate of organization and a form of bylaws, consistent with this act, which may be used by credit union incorporators for their guidance. may be used by credit union incorporators for their guidance, and on written application of any seven residents of a district, shall supply them without charge with a blank certificate of organization and a copy of said form of suggested bylaws.

#### MEMBERSHIP

SEC. 9. Federal Credit Union membership shall consist of the incorporators and such other persons and organizations as may be elected to membership and subscribe to at least one share, pay the initial installment thereon and the entrance fee; except that Federal Credit Union membership shall be limited to groups having a common bond of occupation, or association, or to groups within a well-defined neighborhood, small community, or rural district district.

SEC. 10. The fiscal year of all Federal Credit Unions shall end December 31. The annual meeting of the Federal Credit Union shall be held at such time during the month of the following January and at such place as the bylaws shall prescribe. Special meetings may be held in the manner indicated in the bylaws. No member shall be entitled to vote by proxy, but a member other than a natural person may vote through an agent delegated for the purpose. No member shall, irrespective of the number of shares held by him, have more than 1 vote. All offices of a Federal Credit Union shall be within the Federal Reserve district within which it is organized. Reserve district within which it is organized.

### MANAGEMENT

SEC. 11. (a) The business affairs of a Federal Credit Union shall be managed by a board of not less than 5 directors, a credit committee of not less than 3 members, and a supervisory committee of 3 members, to be elected at the annual meeting and to hold office for such terms, respectively, as the bylaws may provide and until successors qualify. A record of the names and addresses of the members of the board and committees and officers shall be filed with the bank for cooperatives of the Federal Reserve district within which the Federal Credit Union operates within 10 days after their election. No member of the board or of either 10 days after their election. No member of the board or of either committee shall, as such, be compensated: *Provided*, That no person shall be elected to the board or to either committee unless he be duly elected to membership as provided in section 9 of this act.

this act.

(b) Officers: At their first meeting after the annual meeting the directors shall elect from their own number a president, a vice president, a clerk, and a treasurer, who shall be the executive officers of the corporation. The offices of clerk and treasurer may be held by the same person. The duties of the officers shall be as determined by the bylaws, except that the treasurer shall be the general manager of the corporation.

(c) Directors: The board of directors shall meet at least once a month and shall have the general direction of the affairs of the

(c) Directors: The board of directors shall meet at least once a month and shall have the general direction of the affairs of the corporation. They shall act upon applications for membership; fix the amount of the surety bond required of any officer having custody of funds; recommend the declaration of dividends; determine interest rates on loans: Provided, however, That the interest rate on loans shall not be in excess of the maximum amount fixed by the provisions of this act; fill vacancies in the board and in the credit committee until successors to be elected at the next annual meeting have qualified; have charge of investments other than loans to members; determine from time to time the maximum individual share holding and the maximum individual loan which may be made with and without security, except that no loan in excess of \$50 shall be made without ade-

quate security. For the purposes of this subdivision an assignment of shares or the endorsement of a note shall be deemed

(d) Credit committee: The credit committee shall hold such meetings as the business of the Federal Credit Union may require and not less frequently than once a month, of which meetings due notice shall be given to members of the committee by the treasurer, to consider applications for loans to members of the corporation, and no loan shall be made unless all of the members of the committee who are present when the application is considered and a majority of all the committee approve the loan. Applications for loans shall be made on forms prepared by such committee, which shall set forth the purpose for which the loan is desired, the security, if any, and such other data as may be required.

required. (e) Supervisory committee: The supervisory make an examination of the affairs of the Federal Credit Union at least quarterly, including an audit of its books, shall make an annual audit and a report to be submitted at the annual meeting of the corporation; by a unanimous vote may suspend any officer of the corporation, or any member of the credit committee or of of directors until the next members' meeting said meeting shall, however, be held within 7 days of said suspension at which meeting said suspension shall be acted upon by the members; and, by a majority vote, may call a special meeting of the shareholders to consider any violation of this act or of the bylaws, or any practice of the corporation deemed by the committee to be unsafe and unauthorized. The said committee shall fill vacancies in its own membership until successors to be elected at the next annual meeting have qualified: Provided, how-That before the treasurer shall enter upon his duties he ever, That before the treasurer shall circuity, in an amount shall give bond with good and sufficient security, in an amount and character to be determined from time to time by the board and character to be determined from time to time by the board that the faithful performance of his of directors conditioned upon the faithful performance of his trust, and approved by the governor of the Federal Reserve bank within the district in which the credit union operates. The supervisory committee shall cause to be verified from time to time, and not less frequently than once every 2 years, the passbooks of the members with the records of the treasurer.

#### RESERVES

SEC. 12. All entrance fees and fines provided by the bylaws and, before the declaration of any dividend, 20 percent of the net earnings of each year shall be set aside as a reserve fund against possible bad loans, which funds shall be kept liquid and intact and not distributed except in case of liquidation.

#### DIVIDENDS

SEC. 13. At the annual meeting a dividend may be declared from net earnings on recommendation of the board of directors, which dividend shall be paid on all paid-up shares outstanding at the end of the preceding fiscal year. Shares which became fully paid up during such year shall be entitled to a proportional part of said dividend calculated from the 1st day of the month following such payment in full.

### EXPULSION AND WITHDRAWAL

Sec. 14. A member may be expelled by a two-thirds vote of the members of a Federal Credit Union present at a special meeting called for such purpose, but only after an opportunity has been given him to be heard. The Federal Credit Union may require 60 days' notice of intention to withdraw shares and 30 days' notice of intention to withdraw deposits, which period of notice may be extended if in the opinion of the board of directors the best interests of the Federal Credit Union require and for such longer time as the said governor of the Federal Reserve bank in the district in which the Federal Credit Union operates may permit. Expulsion or withdrawal shall not operate to relieve a member from any liability to the Federal Credit Union. All amounts paid in on shares or deposits by expelled or withdrawing members prior to their expulsion or withdrawal shall be paid to them in order of their withdrawal or expulsion, but only as funds become available and after deducting any amounts due from such members to the Federal Credit Union.

Sec. 15. Shares may be issued and deposits received in the name of a minor or in trust in such manner as the bylaws may provide. The name of the beneficiary shall be disclosed to the Federal

RESTRICTION ON THE USE OF THE WORDS "FEDERAL CREDIT UNION

Sec. 16. It shall be unlawful for any individual, partnership, association, or corporation, except corporations organized in accordance with the provisions of this act, to transact business under any name or title containing the words in combination "Federal Credit Union" or "Federal Central Credit Union", or "Federal Credit Union" or "Federal Central Credit Union", or other words indicating that the business is transacted pursuant to the authority of this act of Congress. This section shall not, however, apply to credit unions organized and operating in accordance with the terms of State credit union laws. Any individual, partnership, association, or corporation violating this section shall, upon conviction thereof, be subject to a fine of not more than \$10 for each day during which the violation continues.

# PART II

### FEDERAL CENTRAL CREDIT UNIONS

Sec. 17. For the purpose of forming a Federal Central Credit Union any 25 credit unions operating within a State, including Federal Credit Unions organized in accordance with the provisions

of this act and State credit unions operating in accordance with the terms of State laws which permit said credit unions to have membership in a Federal Central Credit Union, may submit before some officer competent to administer oaths an organization certifi-

cate which shall state specifically:

(1) The name of the association, which shall include the words
"Federal Central Credit Union" preceded by the name of the
State in which the credit unions which present the certificate

(2) The names and addresses of the credit unions presenting the certificate and the number of shares subscribed by each which shall be not less than 10 shares payable in cash on authorization to do business.

(3) The par value of the shares, which shall be \$50.
(4) The term of said Federal Central Credit Union, which may be perpetual.

There shall be but one Federal Central Credit Union in each State

All credit unions in a State which comply with the conditions herein contained shall be eligible to membership in the Federal Central Credit Union of that State.

#### METHODS OF ORGANIZATION

SEC. 18. The organization certificate, properly executed as aforesaid, shall be presented to the board of directors of the bank for cooperatives in the Federal Reserve district in which said Federal Central Credit Union is to be located, for approval or disapproval. The said board of directors shall, within 30 days of the receipt thereof, approve it or disapprove it and shall notify the subscribers to the certificate of its decision. If said decision is favorable it shall return the certificate with its approval noted thereon to the subscribers who shall thereupon file the said approved certificate with the office of the bank for cooperatives in the Federal Reserve with the office of the bank for cooperatives in the Federal Reserve district in which is located the city or town in which the prin-cipal office of the said Federal Central Credit Union is to be located, at which time said subscribers shall pay a fee of \$100 to the said bank for cooperatives for deposit by said bank in the Treasury to the credit of the United States. During the month of January in each year thereafter following the completion of the first full fiscal year of the said Federal Central Credit Union a similar fee of \$100 shall be paid to the said bank for cooperatives for deposit by it in the Treasury to the credit of the United States. a similar fee of \$100 shall be paid to the said bank for cooperatives for deposit by it in the Treasury to the credit of the United States, Federal Central Credit Unions shall be examined at least once annually by the Comptroller of the Currency and shall pay the actual cost of said examination. Federal Central Credit Unions shall report at least once annually to the Comptroller of the Currency on forms supplied by him for that purpose, and more frequent reports may be required by said Comptroller.

## POWERS

Sec. 19. A Federal Central Credit Union shall have succession in its corporate name during its existence and shall have power—

(1) To make contracts.

(2) To adopt a corporate name and to sue and to be sued in

said name.

(3) To adopt and use a common seal and alter the same at pleasure.

pleasure.

(4) To purchase, hold, and dispose of property necessary to enable it to carry on its operations.

(5) To receive from its members payments on shares, including an original cash subscription from each subscribing member of not less than \$500 and installments on not more than 10 additional shares per individual member, payable on such installment basis as the directors may determine.

(6) To receive deposits from its members in such fashion as

- the bylaws may provide.

  (7) To make loans to its own members within the individual (1) To make loans to its own members within the individual borrowing power of each borrowing credit union in each case as established by this act or by State law and to accept as security for such loans such collateral as the board of directors in the individual case may require, including the right to discount the notes of the borrowing credit union received from its members: Provided, That no loan shall be made unless the fair market value of the security of each or the total expense. of the security offered or the total amount of personal notes offered for discount equal at least twice the amount of the loan: Provided further, That a borrowing member credit union may at any time borrow the amount of its share holdings and deposits in the Federal Certail Credit Union with no other security than an assignment of said shares and deposits: And provided further, That the rate of interest charged on loans shall be determined from time to time by the board of directors of the Federal Central Credit Union and in no case shall exceed the prevailing rate paid on deposits in said Federal Central Credit Union by more than 1 percent per annum.
- (8) To pay interest on deposits from member credit unions at a rate which shall not exceed 5 percent per annum and to pay dividends on its shares at a rate which shall not exceed 6 percent per annum.

(9) To invest its funds in the securities of the United States.

(9) To invest its funds in the securities of the United States.
(10) To make deposits in national banks, postal savings banks, Federal Reserve banks, and in State banks, mutual savings banks and trust companies located in the State in which said Federal Central Credit Union has its principal office.
(11) To borrow from any source in an aggregate amount which shall not exceed 50 percent of its paid-in and unimpaired capital and surplus: Provided, That the total of rediscounts as provided in subsection (8) hereof and amounts borrowed shall at no time together exceed 50 percent of said paid-in and unimpaired capital and surplus.

(12) To impress a lien upon the shares and dividends and deposits and deposit interest of any member to the extent of any loan made it and any dues and fines payable by it.

SEC. 20. At the time of presenting the organization certificate the incorporators shall submit to the board of directors of the bank for cooperatives in the Federal Reserve district in which said Federal Central Credit Union is to be located proposed bylaws which shall be prepared on a standard form as approved for Federal Central Credit Unions operating in accordance with this act by the said board of directors of said bank for cooperatives. In order to simplify the organization of Federal Central Credit Unions the said board of directors of said bank for cooperatives. shall, upon the passage of this act, cause to be prepared a form of organization certificate and a form of bylaws consistent with this act which they shall supply to credit unions for their guidance in the organization of Federal Central Credit Unions.

#### MEMBERSHIP

SEC. 21. Membership in a Federal Central Credit Union shall consist of the credit unions within the State within which it operates which are eligible to membership and comply with the conditions of membership as herein set forth. All Federal credit unions in any State in which a Federal Central Credit Union is in process of organization or has been organized may join it upon compliance with the terms of this act, as may all credit unions organized in accordance with State laws in said State if said State laws permit said membership in a Federal Central Credit Union and the said State credit union has the approval of the board of and the said State credit union has the approval of the board of directors of the bank for cooperatives in the Federal Reserve district within which it operates after said board of directors shall have determined on examination that said State credit union is in satisfactory condition.

#### MEMBERS' MEETINGS

SEC. 22. The fiscal year of all Federal Central Credit Unions shall end December 31 of each year. The annual meeting of the said Federal Central Credit Union shall be held at such time during the month of the following January and at such time during the month of the following January and at such place as the bylaws shall prescribe. Special meetings shall be held in the manner indicated in the bylaws. No member credit union shall have more than one vote, which shall be cast at meetings by a delegate duly authorized by said member credit union as its representative, and there shall be no proxy voting. All offices of a Federal Central Credit Union shall be located in the State within which it is

#### MANAGEMENT

Sec. 23. The business affairs of a Federal Central Credit Union shall be managed by a board of not less than 11 directors and a supervisory committee of 3 members, to be elected at the annual meeting and to hold office for such terms, respectively, as the bylaws may provide and until successors qualify, except that the subscribers to the organization certificate shall elect from the subscribers to the organization certificate shall elect from the membership of the credit unions which they represent the first board, which shall serve until the first annual meeting following said organization meeting. No credit union may have more than one of its members on the board of directors at any one time. Two months prior to the annual meeting in each year the clerk of the board of directors of a Federal Central Credit Union shall notify each member credit union of the date, hour, and place of the next annual meeting as determined by the board of directors and the number of vacancies to be filed, if any, on the board of directors and the supervisory committee, requesting each credit union to nominate one of its members to a vacancy on said board or committee if no one of its members is a member of said board or committee if no one of its members is a member of said board or committee whose term does not expire at said annual meeting. Elections at the annual meetings shall be by ballot and shall be confined to nominees named in the way and manner above indicated: Provided, however, That if there is not a sufficient number of such nominees to fill existing vacancies, nominations completing the necessary number may be made from the floor. A record of the names and addresses of the members of the board and of the supervisory committee elected shall be filed with the bank for cooperatives in the Federal Reserve district within which said Federal Central Credit Union has its principal office within 10 days after said election. No member of said board or of said committee shall as such be compensated, but the actual expenses of a member of said board of directors or of said supervisory committee incurred in attending meetings may be refunded to said mittee incurred in attending meetings may be refunded to said

The board of directors shall have the general direction of the affairs of the association, including the matter of determining loans. They shall fix the amount of the surety bond which they shall require of any officer or employee having custody of funds; recommend the declaration of dividends within the limit herein contained; determine the interest rates on loans to members and the interest rate to be paid on deposits, both within the limits herein indicated; fill vacancies in the board until successors to be elected at the next annual meeting have qualified; elect from their own number the officers; have charge of all investments within the limitations herein set forth; determine from time to time the maximum amount which may be loaned to any one member which loans shall be made on an application form prepared by said board of directors which application shall set forth the purpose of the loan, the terms and security offered, together with a certified copy of the vote of the board of directors of the borrowing credit union authorizing acceptance of said loan and the authority required by any State law or this act as a condition elected at the next annual meeting have qualified; elect from

precedent to the right of a credit union to borrow in the way and manner provided, together with a statement that the total amount owed by the borrowing credit union including the proposed loan does not exceed the borrowing limit of the credit union as established by State law or by this act.

At their first meeting, which shall be held within not less than 10 days after the annual meeting of the membership, the directors shall lead from their own numbers a president state.

shall elect from their own number a president, a vice president, a clerk, and a treasurer, who shall be the executive officers of the said Federal Central Credit Union, who shall hold office for the said Federal Central Credit Union, who shall hold office for the terms indicated in the bylaws and until successors are elected and qualify. The duties of the officers shall be as provided by the bylaws, except that the treasurer shall be general manager. The officers may be compensated in such amounts as the directors may from time to time determine within the limits set each year by the members at their annual meeting. The supervisory committee shall make or cause to be made an examination of the affairs of the Federal Central Credit Union at least quarterly, including an audit of its books; shall make an annual audit and a report to be submitted at the annual meeting of the corporation; may by a unanimous vote suspend any officer of the corporation or any member of the board of directors until the next members' meeting, which said meeting shall, however, be held within 15 days of said suspension, at which meeting said suspension shall be acted upon by the members; and, by a majority vote, may call a special meeting of the members to consider any violation of this act or of the bylaws, or any practice of the corporation deemed act or of the bylaws, or any practice of the corporation deemed by the committee to be unsafe or unauthorized. The said committee shall fill vacancies in its own membership until successors to be elected at the next annual meeting have qualified: Provided, to be elected at the next annual meeting have qualified: Provided, however, That before the treasurer shall enter upon his duties he shall give a surety bond in an amount and character to be determined from time to time by the board of directors, conditioned upon the faithful performance of his trust and approved by the board of directors of the bank for cooperatives within the Federal Reserve district in which the Federal Central Credit Union

#### REPORTS

SEC. 24. The Federal Central Credit Union shall make such reports from time to time as may be required by the Comptroller of the Treasury or by the board of directors of the bank for cooperatives in the Federal Reserve district within which it

SEC. 25. Each credit union on joining a Federal Central Credit Union shall pay an entrance fee of \$10. The entrance fees to-gether with all fines and, before the declaration of a dividend gether with all lines and, before the declaration of a dividend each year as hereinafter provided, 20 percent of the net earnings of each year, shall be set aside as a reserve fund against possible bad loans, which fund shall be kept liquid and intact and not distributed except in case of liquidation. To this fund shall also be added at the end of each fiscal year all undivided earnings.

## DIVIDENDS

Sec. 26. At the annual meeting of the membership a dividend may be declared out of net earnings within the limits hereinbefore indicated. Said dividends shall be paid on all paid-up shares outstanding at the end of the preceding fiscal year. Shares which became fully paid up during such year shall be entitled to a proportional part of said dividend calculated from the 1st day of the month following such payment in full.

SEC. 27. A member of a Federal Central Credit Union may be expelled by a two-thirds vote of the members of the Federal Central Credit Union at a special meeting called for such purpose, but only after an opportunity has been given to be heard. The Federal Central Credit Union may require 60 days' notice of the intention of a member credit union to withdraw shares, which withdrawal may be permitted to a minimum of 10 shares per member and may require 30 days' notice of the intention of a member credit union to withdraw deposits. The period of withdrawal notice may in either case be extended by said board of drawal notice may in either case be extended by said board of directors if in their opinion the best interests of the Federal Central Credit Union require and for such longer time as the board Central Credit Union require and for such longer time as the board of directors of the bank for cooperatives in the Federal Reserve district in which the said Federal Central Credit Union has its principal office may permit. Expulsion or withdrawal shall not operate to relieve a member credit union from any liability to the Federal Central Credit Union. All amounts paid in on such shares or deposits by expelled or withdrawing member credit unions prior to their expulsion or withdrawal shall be paid to them in order of their withdrawal or expulsion, but only as funds become available and after deducting any amounts due from such member credit unions to the Federal Central Credit Union.

# RESERVATION OF RIGHT TO ALTER

SEC. 28. Congress reserves the right to alter, amend, or repeal this act or any part thereof, or any charter or certificate of incorporation issued pursuant to the provisions of this act.

With the following committee amendments:

Strike out all after the enacting clause and insert the fol-wing: "That this act may be cited as the 'Federal Credit Union Act.

### "DEFINITIONS

"Szc. 2. A Federal credit union is hereby defined as a cooperative association organized in accordance with the provisions of

this act for the purpose of promoting thrift among its members and creating a source of credit for provident or productive purposes. When used in this act the term 'Administration' means Farm Credit Administration, and the term 'Governor' means the Governor thereof.

#### "FEDERAL CREDIT UNION ORGANIZATION

"SEC. 3. Any seven or more natural persons who desire to form a Federal credit union shall subscribe before some officer competent to administer oaths an organization certificate in duplicate which shall specifically state—

"(1) The name of the association.

"(2) The location of the proposed Federal credit union and the territory in which it will operate.

"(3) The names and addresses of the subscribers to the certificate and the number of shares subscribed by each.

"(4) The par value of the shares, which shall be \$5 each.

"(5) The proposed field of membership, specified in detail.

"(6) The term of the existence of the corporation, which may be perpetual.

"(6) The term of the existence of the corporation, which may be perpetual.

"(7) The fact that the certificate is made to enable such persons to avail themselves of the advantages of this act.

"Such organization certificate may also contain any provisions approved by the Governor for the management of the business of the association and for the conduct of its affairs and relative to the powers of its directors, officers, or stockholders.

#### "APPROVAL OF ORGANIZATION CERTIFICATE

"SEC. 4. Any such organization certificate shall be presented to the Governor for approval. Upon such approval the Federal credit union shall be a body corporate and as such, subject to the limitations herein contained, shall be vested with all of the powers and charged with all the liabilities conferred and imposed by this act upon corporations organized hereunder. Before any orthis act upon corporations organized hereunder. Before any organization certificate is approved an appropriate investigation shall be made for the purpose of determining (1) whether the organization certificate conforms to the provisions of this act; (2) the general character and fitness of the subscribers thereto; and (3) the economic advisability of establishing the proposed Federal credit union. Upon approval of such organization certificate by the Governor it shall be the charter of the corporation and one of the originals thereof shall be delivered to the corporation after the payment of the fee required therefor. after the payment of the fee required therefor.

" FEES

"SEC. 5. For the purpose of paying the costs incident to the ascertainment of whether an organization certificate should be approved the subscribers to any such certificate shall pay, at the time of filling their organization certificate, the amount prescribed by the Governor, which shall not exceed \$20 in any case; and on the approval of any organization certificate they shall also pay a fee of \$5. During December of each calendar year each Federal credit union shall pay to the Administration a fee of not to exceed \$10, to be fixed by the Governor, for the cost of supervision: Provided, however, That no such annual fee shall be payable by such an organization for the fractional part of the first calendar year during which it is formed. All such fees shall be deposited with the Treasurer of the United States for the account of the with the Treasurer of the United States for the account of the Administration and may be expended by the Governor for such administrative and other expenses incurred in carrying out the provisions hereof as he may determine to be proper, the purpose of such fees being to defray, as far as practicable, the adminis-trative and supervisory costs incident to the carrying out of this

# "REPORTS AND EXAMINATIONS

"Sec. 6. Federal credit unions shall be under the supervision of the Governor, and shall make such financial reports to him (at least annually) as he may require. Each Federal credit union shall be subject to examination by, and for this purpose shall make its books and records accessible to, any person designated by the Governor. The Governor shall fix a scale of examination fees designed, as far as is practicable, so that in each case the fee to be paid shall equal the expense of such examination, which fees shall be assessed against and paid by each Federal credit union promptly after the completion of any such examination. Provided, however, That if a Federal credit union has assets of less than \$25,000 the Governor may accept the audit report of a practicing public accountant in place of such examination and may relieve such Federal credit union of the obligation to pay the examination fee required by this section. Examination fees collected under the provisions of this section shall be deposited to the credit of the special fund created by section 5 hereof, and shall be available for the purposes specified in said section 5.

"POWERS "SEC. 6. Federal credit unions shall be under the supervision of

## " POWERS

"SEC. 7. A Federal credit union shall have succession in its corporate name during its existence and shall have power-

"(1) To make contracts.
"(2) To sue and be sued.
"(3) To adopt and use a common seal and alter the same at pleasure.

"(4) To purchase, hold, and dispose of property necessary and

"(4) To purchase, hold, and dispose of property necessary and incidental to its operations.

"(5) To make loans with maturities not exceeding 2 years to its members for provident or productive purposes upon such terms and conditions as this act and the bylaws provide and as the credit committee may approve, at rates of interest not exceeding 1 percent per month on unpaid balances (inclusive of all charges incident to making the loan): Provided, That no loans to a director, officer, or member of a committee shall exceed the

amount of his holdings in the Federal credit union as represented by shares thereof. No director, officer, or committee member shall endorse for borrowers. A borrower may repay his loan, prior to maturity, in whole or in part on any business day.

"(6) To receive from its members payments on shares.

"(7) To invest its funds (a) in loans exclusively to members; (b) in obligations of the United States of America, or securities fully guaranteed as to principal and interest thereby.

"(8) To make deposits in national banks and in State banks, trust companies, and mutual savings banks operating in accordance with the laws of the State in which the Federal credit union does business.

does business

"(9) To borrow (from any source) in an aggregate amount not exceeding 50 percent of its paid-in and unimpaired capital and surplus: Provided, That any Federal credit union may discount with or sell to any Federal intermediate credit bank any eligible obligations up to the amount of its paid-in and unimpaired capital, subject to such rules and regulations as may be prescribed by the Governor. the Governor.

"(10) To fine members, in accordance with the bylaws, for failure to meet promptly their obligations to the Federal credit

"(11) To impress and enforce a lien upon the shares and dividends of any member, to the extent of any loan made to him and any dues or fines payable by him.

"(12) To exercise such incidental powers as shall be necessary or requisite to enable it to carry on effectively the business for

which it is incorporated.

" BYLAWS

"SEC. 8. In order to simplify the organization of Federal credit unions the Governor shall, upon the passage of this act, cause to be prepared a form of organization certificate and a form of bylaws, consistent with this act, which shall be used by Federal credit union incorporators, and shall be supplied to them on request. At the time of presenting the organization certificate the incorporators shall also submit proposed bylaws to the Governor for his approval.

#### " MEMBERSHIP

"SEC. 9. Federal credit union membership shall consist of the incorporators and such other persons and incorporated and unincorporated organizations, to the extent permitted by rules and regulations prescribed by the Governor, as may be elected to membership and as shall, each, subscribe to at least one share of its stock and pay the initial installment thereon and the entrance fee; except that Federal credit union membership shall be limited to groups having a common bond of occupation, or association, or to groups within a well-defined neighborhood, community, or rural district.

# " MEMBERS' MEETINGS

"SEC. 10. The fiscal year of all Federal credit unions shall end December 31. The annual meeting of each Federal credit union shall be held at such time during the month of the following January and at such place as its bylaws shall prescribe. Special meetings may be held in the manner indicated in the bylaws, meetings may be held in the manner indicated in the bylaws, No member shall be entitled to vote by proxy, but a member other than a natural person may vote through an agent designated for the purpose. Irrespective of the number of shares held by him, no member shall have more than one vote.

# " MANAGEMENT

"Sec. 11. (a) The business affairs of a Federal credit union shall be managed by a board of not less than 5 directors, a credit committee of not less than 3 members, and a supervisory committee of 3 members (a majority of whom shall not be directors) all to be elected by the members (and from their number) at their annual meeting, and to hold office for such terms, respectively, as the bylaws may provide. A record of the names and addresses of the members of the board and committees and officers shall be filed with the Administration within 10 days after their shall be filed with the Administration within 10 days after their election. No member of the board or of either committee shall, as such, be compensated.

# " OFFICERS

"(b) At their first meeting after the annual meeting of the members, the directors shall elect from their number a president, a vice president, a clerk, and a treasurer, who shall be the executive officers of the corporation and may be compensated for their services to such extent as the bylaws may provide. The offices of clerk and treasurer may be held by the same person. The duties of the officers shall be as determined by the bylaws, except that the treasurer shall be the general manager of the corporation. Before the treasurer shall enter upon his duties he shall give bond with good and sufficient surety, in an amount and character to be determined from time to time by the board of directors, conditioned upon the faithful performance of his trust.

(c) The board of directors shall meet at least once a month and "(c) The board of directors shall meet at least once a month and shall have the general direction and control of the affairs of the corporation. Minutes of all such meetings shall be kept. Among other things they shall act upon applications for membership; fix the amount and character of the surety bond required of any officer having custody of funds; recommend the declaration of dividends; fill vacancies in the board and in the credit committee until successors are elected at the next annual meeting have qualified; have charge of investments other than loans to members; determine from time to time the maximum number of shares

that may be held by any individual; and, subject to the limitations of this act, determine the interest rates on loans and the maximum amount that may be loaned with or without security to any member.

"CREDIT COMMITTEE

"(d) The credit committee shall hold such meetings as the business of the Federal credit union may require and not less frequently than once a month (of which meetings due notice shall be given to members of the committee by the treasurer) to consider applications for loans. No loan shall be made unless approved by a majority of the entire committee and by all of the members of the committee who are present at the meeting at which the application is considered. Applications for loans shall be made on forms prepared by such committee, which shall set forth the purpose for which the loan is desired, the security, if any, and such other data as may be required. No loan in excess of \$50 shall be made without adequate security and no loan shall be made to any member in excess of \$200 or 10 percent of the Federal credit union's paid-in and unimpaired capital and surplus, whichever is greater. For the purposes of this subdivision an assignment of shares or the endorsement of a note shall be deemed security. (d) The credit committee shall hold such meetings as the deemed security. " SUPERVISORY COMMITTEE

"(e) The supervisory committee shall make, at least quarterly, an examination of the affairs of the Federal credit union, including an audit of its books; shall make an annual audit and a report to be submitted at the annual meeting of the corporation; and, by a unanimous vote, may suspend any officer of the corporation, or any member of the credit committee or of the board of directors until the next members' meeting, which said meeting, however, shall be held within 7 days of said suspension and at which meeting said suspension shall be acted upon by the members; and, by a majority vote, may call a special meeting of the shareholders to consider any violation of this act, the charter, or of the bylaws, or any practice of the corporation deemed by the committee to be unsafe or unauthorized. The said committee shall fill vacancies in its own membership until successors to be shall fill vacancies in its own membership until successors to be elected at the next annual meeting have qualified. The supervisory committee shall cause the passbooks and accounts of the members to be verified with the records of the treasurer from time to time and not less frequently than once every 2 years.

" RESERVES

"SEC. 12. All entrance fees and fines provided by the bylaws and 20 percent of the net earnings of each year, before the declaration of any dividends, shall be set aside, subject to terms and conditions specified in the bylaws, as a reserve fund against

" DIVIDENDS "SEC. 13. At the annual meeting a dividend may be declared from the remaining net earnings on recommendation of the board of directors, which dividend shall be paid on all paid-up shares outstanding at the end of the preceding fiscal year. Shares which become fully paid up during such year shall be entitled to a proportional part of said dividend calculated from the 1st day of the month following such payment in full.

"EXPULSION AND WITHDRAWAL

"SEC. 14. A member may be expelled by a two-thirds vote of the members of a Federal credit union present at a special meeting called for the purpose, but only after an opportunity has been given him to be heard. Withdrawal or expulsion of a member shall not operate to relieve him from liability to the Federal credit union. The amount to be paid a withdrawing or expelled member by a Federal credit union shall be determined and paid in the manner specified in the bylaws.

" MINORS

"SEC. 15. Shares may be issued in the name of a minor or in trust, subject to such conditions as may be prescribed by the bylaws. The name of the beneficiary shall be disclosed to the Federal credit union.

"CERTAIN POWERS OF GOVERNOR

"Sec. 16. (a) The Governor may prescribe rules and regulations for the administration of this act (including, but not by way of limitation, the merger, consolidation, and/or dissolution of corporations organized under this act).

porations organized under this act).

"(b) The Governor may suspend or revoke the charter of any Federal credit union upon his finding that the organization is bankrupt or insolvent or has violated any provisions of its charter, its bylaws, or of this act, or of any regulations issued thereunder.

"(c) The Governor is hereby authorized and empowered to execute any and all functions and perform any and all duties vested in him hereby, through such persons as he shall designate or employ; and he may delegate to any person or persons, including any institution operating under the general supervision of the administration, the performance and discharge of any authority, power, or function vested in him by this act.

"(d) All books and records of Federal credit unions shall be kept and reports shall be made in accordance with forms approved by

and reports shall be made in accordance with forms approved by the Governor.

"FISCAL AGENTS AND DEPOSITORIES

"Sec. 17. Each Federal credit union organized under this act, when requested by the Secretary of the Treasury, shall act as fiscal agent of the United States and shall perform such services as the Secretary of the Treasury may require in connection with the collection of taxes and other obligations due the United States

and the lending, borrowing, and repayment of money by the United States, including the issue, sale, redemption, or repurchase of bonds, notes, Treasury certificates of indebtedness, or other obligations of the United States; and to facilitate such purposes the Governor shall furnish to the Secretary of the Treasury from time to time the names and addresses of all Federal credit unions with such other available information concerning them as may be requested by the Secretary of the Treasury. Any Federal credit union organized under this act, when designated for that purpose by the Secretary of the Treasury, shall be a depository of public money, except receipts from customs, under such regulations as may be prescribed by the Secretary of the Treasury.

"SEC. 18. Nothing herein contained shall prevent the shares of stock in any Federal credit union organized hereunder from being included in the valuation of the personal property of the owners or holders of such shares in assessing taxes imposed by authority of the State in which the Federal credit union is located or shall prevent the taxation of any Federal credit union or its property by authority of such State in the manner and not to exceed the

rate imposed upon domestic banking corporations.

"SEC. 19. Not to exceed \$50,000 of the fund available to the Governor under section 4 of the act of March 3, 1932, for expenses of administration in connection with loans made thereunder to aid in the establishment of agricultural credit corporations, hereby made available also for administrative expenses in admin-

istering this act.

Sec. 20. (a) If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, and the application of such provisions to other persons or circumstances, shall not be affected thereby.

"(b) The right to alter, amend, or repeal this act or any part thereof, or any charter issued pursuant to the provisions of this act, is expressly reserved."

Mr. STEAGALL. Mr. Speaker, this bill comes to the House with a unanimous report from the Committee on Banking and Currency.

The bill was considered by a Subcommittee of the Banking and Currency Committee of the Senate, and then in turn by the entire Committee of the Senate and passed by the Senate unanimously. The bill has the approval of, and is earnestly desired by the administration, including the Secretary of the Treasury and other Treasury officials.

The measure provides for a system of cooperative credit institutions by citizens who form credit unions, not to be less than seven in number, to be controlled by them and supervised by the Governor of the Farm Credit Administration.

There have been organized in about 38 States of the Union and are now in existence something like 2,500 credit unions. They have served their members satisfactorily and successfully. During the entire period of the depression these institutions have been able to carry on to the satisfaction of their members without loss and without difficulty.

This system of institutions will fill a most desirable need in the credit world of a class of people who have suffered from exorbitant and unjustifiable interest rates.

We are advised that this class of people has been paying interest charges of 42 percent plus. With a charge of that type in mind, \$2,000,000,000 and over are wrested annually from citizens of small means, involving a curtailment of purchasing power of a class of society that is most in need of elevation in the standard of living.

The organizations would be under the Governor of the Farm Credit Administration, who would supervise their operations, but in the meantime the term of ownership would be in small investors having small savings. Loans to members would be limited to \$50 for each individual unless secured either by endorsement or by collateral.

The measure represents an effort to build from the bottom. It represents an effort to help citizens solve their own economic problems and meet their own conditions of distress out of their own resources and by their own efforts. The system loans on character, a thing greatly to be desired.

The Banking and Currency Committee of the House think it marks a forward step in a movement or program that will be of great aid in the administration and in meeting conditions that call for solution.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. COCHRAN of Missouri. I concur in everything the gentleman from Alabama says as to the value of this legislation, but in bringing this bill here at such a late hour with an amendment striking out everything after the enacting clause and substituting the House bill, necessitating the return of the bill to the Senate, are you not in danger of defeating the bill if the Senate fails to agree to the House amendment?

Mr. STEAGALL. Let me say to the gentleman that it is a source of great regret to the Banking and Currency Committee that business has been such that the bill had to be delayed, but I assure my friend that every member of the Banking and Currency Committee on both sides is heartly in favor of the passage of the bill.

The changes that have been made have been worked out by those who out of public spirit and on behalf of the public welfare have considered this legislation in all its details. The changes made are not fundamental but really more as to details and as to the supervisory power under whose control the system of institutions would operate.

Mr. COCHRAN of Missouri. Has the gentleman any assurance that the Senate will agree to the amendment?

Mr. STEAGALL. I have not the slightest doubt, if we can secure the immediate passage of this bill, that it will be passed by the House and the Senate before Congress adjourns. I have every assurance of that.

Mr. COCHRAN of Missouri. I am very glad to have such assurance from the gentleman from Alabama.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. Yes.
Mr. O'CONNOR. In the States these credit unions are under the supervision of insurance commissioners or some similar governmental agency. Why were they not put under

the control of the Comptroller of the Currency?

Mr. STEAGALL. These institutions are not comparable in the matter of their resources and the nature of the organization and the service they render to the institutions that are supervised by the Comptroller of the Currency. There were various suggestions. In the Senate bill it was provided that they should go under the Farmers' Cooperative Credit Association, but those who were interested in framing the bill thought the best place to put it was under the Farm Credit Administration for the reason that that branch of the Government is the most experienced branch in the matter of cooperative credit. We are advised that the control of these institutions is not desirable from the standpoint of salaries and remuneration, and there was no clamor on the part of any governmental agency to assume responsibility for them.

Mr. RANDOLPH. Is it not a fact that in other countries of the world where they have been instituted they have worked successfully?

Mr. STEAGALL. Wherever these institutions have been organized they have worked successfully.

Mr. LUCE. Mr. Speaker, more years ago than I like to admit, when as a young man I was working on the staff of a Boston newspaper, the city editor formed an organization made up of the men from the editorial staff, from the composing room and the press room-everybody willing to come in being admitted—the members of which agreed to put in a small sum each week in order that there might be a fund from which the members might meet unexpected money needs as in the case of severe sickness or death or because of some other unforeseen occasion. I would not say that this organization was the beginning of this great movement for, indeed, the seeds had been sown in Germany long before. In Germany the small loan cooperative organization so flourished that it spread over the world. Coming across the Atlantic it landed in the Province of Quebec, and there was so useful to the people in humble walks of life that it attracted the attention of certain philanthropists in my own State, notably Edwin A. Filene, a prosperous Boston merchant, whose chief object in life has been to spend his money where it could help his fellow men. Out of his purse has come a very large amount of money to acquaint the people of the country with the benefits of the credit union idea.

The growth of the unions has been a battle, a long, hard battle. It has been a battle between the men on the one

hand who have taken interest in their fellows, and the loan sharks on the other. The loan sharks do a small-loan business which in the aggregate runs up into billions of dollars annually. The usury laws permit a charge in most of the States of 42 percent a year. In this depression in a few States it has been dropped down to 36 percent a year. Those who fatten on the necessities of the poor make charges far above this. We were told of one instance where a loan shark collected 3,200 percent in a year. This outrageous state of affairs has brought great loss and hardship to those whose means are small, yet whose necessities are just as great as those of us who are more prosperous. In various States of the Union the loan sharks have been able to control the legislatures so that they have secured the passage of laws making it almost impossible to form one of these credit unions. For instance, by placing the incorporation fee so high that the unions cannot pay it, the unions have been unable to organize. In 10 States they have thwarted entirely the organization of these unions by preventing the passage of laws permitting incorporation.

In order that all parts of the country, including not only the industrial centers but also the agricultural regions, might have the benefit of this system, it was decided to ask from Congress a law that would permit the creation of these credit unions wherever they might be needed. As the bill first came before us I was somewhat disturbed to find in it provisions for the creation of central credit unions, which threatened to take these unions out from under the State laws, even in those States where the laws are salutary and their enforcement judicious. It has since then been decided to drop that part of the bill, which was the only questionable part. Both in the Senate and the House those who have studied this bill have not only approved its purpose but the form in which it is now laid before the House. I can imagine no ground for opposition to the bill. It satisfies those who are most concerned in the welfare of this institution.

Mr. BULWINKLE. Mr. Speaker, will the gentleman yield?

Mr. LUCE. Yes.

Mr. BULWINKLE. Is this supposed to take the place of the crop-production loans?

Mr. LUCE. Not at all. It is turned over to the Department of Agriculture to handle, I understand, because that Department already has a division which is handling various credit agencies. This does not in any way interfere with any of the existing loaning institutions.

Mr. STEAGALL. In connection with the inquiry of the gentleman from North Carolina, I would like to say that the bill, as it passed the Senate, provided that these institutions be organized under the Crop Production Credit Association.

Mr. BLANCHARD. Will the gentleman yield for a brief question?

Mr. LUCE. I yield.

Mr. BLANCHARD. May I ask if the form of this proposal is modeled after any of the State laws on the same subject? For instance, Massachusetts and other States have excellent laws on credit unions. I am wondering whether this is an entirely new set-up or whether or not the proposal here contained is modeled after those excellent laws of the States?

Mr. LUCE. It is modeled after the better laws in the States. There is nothing novel, as far as I know, introduced.

Mr. KNUTSON. Will the gentleman yield?

Mr. LUCE. I yield.

Mr. KNUTSON. Will this legislation take care of the small business concern?

Mr. LUCE. I do not think they join these unions. As far as I know, the memberships are all personal and individuals. For example, a man wants to start a barber shop and he is able to borrow enough money from the organization to buy a barber's chair. If a needlewoman wants a sewing machine, they loan her enough money to buy a sewing machine. If there is a serious illness or death, they loan money enough to pay the doctor or the funeral expenses.

100,000,000 people in the United States who do not use and cannot use banks, national, savings, or otherwise, for small borrowings.

Mr. KNUTSON. Will the gentleman yield further?

Mr. LUCE. Certainly.

Mr. KNUTSON. Will this legislation take care of small business men who have one or two clerks?

Mr. LUCE. I have no reason to believe that they cannot join the union and profit thereby, but these unions mostly make little loans-\$25, \$50, \$75, and \$100.

Mr. DOWELL. Will the gentleman yield?

Mr. LUCE. I yield.

Mr. DOWELL. Is the interest rate fixed in this law?

Mr. LUCE. No. The interest rate is fixed by the associations themselves. Nobody makes any money out of these

Mr. DOWELL. That might be different in different localities, or will they be the same?

Mr. LUCE. I should suppose they would be different. Each union fixes its own rate.

Mr. DOWELL. Are there any limits of rates?

Mr. LUCE. The only limit is that resulting from the very nature of the business. If there were high charges, the institutions would not work.

Mr. DOWELL. But there is no maximum limit?

Mr. LUCE. No.

Mr. BULWINKLE. Will the gentleman yield?

Mr. LUCE. I yield.

Mr. BULWINKLE. The interest rate would have to be governed by the State law?

Mr. LUCE. It would have to be governed by the State law wherever that might apply. There might be a different rate in a credit union in the Post Office Department and a credit union among telephone operators or a credit union among a group of farmers.

Mr. DOWELL. Will the gentleman yield?

Mr. LUCE. I yield.

Mr. DOWELL. But the rate is fixed by the union itself?

Mr. LUCE. The rate is fixed by the union itself.

Mr. BULWINKLE. Will the gentleman yield further?

Mr. LUCE. I yield.

Mr. BULWINKLE. This rather takes the place of one of these industrial-loan banks?

Mr. LUCE. I am not familiar with those institutions.

Mr. FLETCHER. Will the gentleman yield?

Mr. LUCE. I yield.

Mr. FLETCHER. Do they have to make a report to any-

Mr. LUCE. This division of the Department of Agriculture will supervise.

Mr. BECK. Will the gentleman yield?

Mr. LUCE. I yield. Mr. BECK. Under what grant of power is this legislation sought to be justified?

Mr. LUCE. In passing the law for the Federal buildingand-loan associations we did the same thing, under, possibly, the power that we have in issuing national charters.

Mr. BECK. The power of incorporation for a Federal purpose, but I should like to know in connection with what Federal power the creation of these small boards is sought

Mr. LUCE. The question has not confronted me before, and in the short time at my command I shall not attempt

I now yield 3 minutes to the gentleman from Texas [Mr. PATMANI.

## CREDIT UNION BANKS

Mr. PATMAN. Mr. Speaker, this bill comes before the House with the unanimous support of the Committee on Banking and Currency. I wish to commend the Committee on Banking and Currency for bringing this bill out. It is sponsored by Senator Sheppard, of Texas, in the Senate. This is his bill. I think it one of the most important and most meritorious bills we have had before us for considera-

These are the credit facilities to meet the needs of | tion at this session of Congress. There are 2,200 credit unions in the Nation today. There are not so many credit unions in this country as there are in other countries. There are literally thousands of them in other countries. These are what are known as "baby banks." They serve a great need. Between two and three billion dollars' purchasing power each year is destroyed by reason of excessive interest rates that are paid. This bill is sponsored by publicspirited citizens in the interest of the poorest people of our Nation, one of whom not so long ago borrowed \$30 from a loan office and actually paid back \$1,080, and was then sued for the original \$30.

This bill is opposed by loan sharks and shotgun loan offices. It serves a great need, as I said. Although we have 2,200 of them in the United States, I think the greatest tribute I can pay to the services of those in charge of these baby banks is that during the depression not a one of them failed. I again want to commend the Committee on Banking and Currency for bringing this very meritorious measure before us for consideration and passage. [Applause.]

The SPEAKER. The time of the gentleman from Texas [Mr. Patman] has expired.

Mr. STEAGALL. Mr. Speaker. I yield the balance of my time to the gentleman from Maryland [Mr. Goldsborough]. Mr. LUCE. Mr. Speaker, I yield the balance of my time to

the gentleman from Maryland [Mr. Goldsborough].

Mr. GOLDSBOROUGH. Mr. Speaker, this is one bill about which no member of the Committee on Banking and Currency of the House had any doubt.

For almost 2 weeks we have been importuned to consider this credit-union bill, and we began to wonder whether there was anything wrong with it; but when we had our hearings the attitude of the witnesses was so evidently disinterested, so evidently humanitarian, that we had absolutely no doubt whatever about the fact that we ought to report this bill

I do not have to tell any Member of the House of the great distress that poor people have suffered throughout the ages from usury. Forty-two percent was an ordinary cost, and we had cases cited before us where as much as 600 percent had been charged.

Under this bill a group of any trade, or any profession, or the citizens of any town or village can submit a charter to the governing body for the formation of one of these credit unions. The officers of the union receive no pay for the services they perform. The charges made to the members are only enough to support the union. Loans can be made up to \$50 without security. Over \$50 there has to be security.

We made careful inquiry as to what would be the usual rate of interest to be paid in these credit unions and we were assured that it was never burdensome. We were also convinced that the loan shark never charges less than 42 percent.

Mr. JOHNSON of Texas. Mr. Speaker, will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. JOHNSON of Texas. In what way is the capital derived from which these loans are made?

Mr. GOLDSBOROUGH. By assessments upon the members, just as funds are raised in building-and-loan associations.

Mr. DOWELL. Mr. Speaker, will the gentleman yield? Mr. GOLDSBOROUGH. I vield with pleasure.

Mr. DOWELL. How far will this law eliminate these

Mr. GOLDSBOROUGH. The experience, of course, is that the sharks are eliminated in those communities where these unions exist.

Mr. DOWELL. And, of course, it is the purpose of this legislation to encourage these unions in all communities in order that the poor people may be able to get their loans at reasonable rates?

Mr. GOLDSBOROUGH. That is true; and, in addition, in States where the loan sharks have had considerable political make charters cost these people who wanted to form credit unions large sums, the people are by this act relieved of the necessity of obtaining State charters.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. O'CONNOR. What is the theory on which the Federal Government is to do this? What advantage does this proposed system have over the State credit unions?

Mr. GOLDSBOROUGH. These credit unions have been formed in 28 States; but they have not been able to get the legislatures of the other States to reduce charter charges so these unions could be formed; in these 17 States the charter charges have been so heavy, due to the political influence of the loan sharks in State legislatures, that the credit unions have been unable to operate to the best advantage of those who want to borrow money.

Mr. STEAGALL. Mr. Speaker, will the gentleman yield?

Mr. GOLDSBOROUGH. Yes; gladly.

Mr. STEAGALL. These organizations under Federal supervision will have a more advantageous position in undertaking to secure credit accommodations through rediscount and borrowings from other institutions.

Mr. GOLDSBOROUGH. That is correct.

Mr. Speaker, I yield back the balance of my time.

Mr. STEAGALL. Mr. Speaker, I move the previous question on the passage of the bill.

The previous question was ordered.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The bill as amended was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 180, noes 2.

So the bill was passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

### TOBACCO TAXES

Mr. WOODRUFF. Mr. Speaker, I ask unanimous consent to file minority views on the bill (H.R. 9441), to reduce internal-revenue taxes on tobacco products.

The SPEAKER. Is there objection to the request of the

gentleman from Michigan?

There was no objection.

## MEMORIAL ADDRESS

Mr. McGUGIN. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein a short oration, a memorial address by a former colleague, Mr.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. McGUGIN. Mr. Speaker, our former colleague, the Honorable William A. Pittenger, of Minnesota, is now deputy grand sire of the Independent Order of Odd Fellows. Following the custom of that lodge, he will in a few months be the grand sire, which is the chief executive officer, of that great fraternal order.

Recently Mr. Pittenger, as deputy grand sire of the I.O.O.F., delivered a most eloquent memorial address. While this address is of particular interest to members of the Independent Order of Odd Fellows, it is at the same time of interest to all of our people. This address of Deputy Grand Sire Pittenger is as follows:

Memorial Day will soon be with us, and the grand sire will so Memorial Day will soon be with us, and the grand sire will so proclaim. Our lodges will hold appropriate exercises to honor the memory of those who have gone, never to return. Memorial Day is a day of reverence and of new resolutions. One of our past grand sires expressed the sentiment some years ago that the true test of the progress of civilization is to be found in the measure of the appreciation we have for our departed friends. If we love and honor them not, then fallure of all that man has cherished will result. But if we recognize that the past is but a

influence and have been in a position where they could stepping stone to the future and that those who have fought make charters cost these people who wanted to form credit. entitled to reverent consideration, then the future of mankind is bright with the promise of human betterment.

bright with the promise of human betterment.

In Odd Fellowship we pay tribute each year to the departed, to the noble men and women who sleep in the silent city of the dead, but who builded for us a glorious fraternity. We honor their memory, and we glory in the fact that those who preceded us builded the temple of Odd Fellowship where friendship, love, and truth still assert their claims to the favorable consideration of all mankind. From their records we draw inspiration for the order which we must cherish and which claims from each and every one of us sacrifice and devotion. If we miss this sentiment every one of us sacrifice and devotion. If we miss this sentiment, Memorial Day means nothing.

every one of us sacrifice and devotion. If we miss this sentiment, Memorial Day means nothing.

I have given some attention to my incomplete records of the order, covering the past 14 years. In all of them I find that Memorial Day is declared to be a part and parcel of the order. Its observance is requested. Our records chronicle the passing of our stalwart leaders. Perhaps it is a coincidence, but the last Journal that I checked and studied contained the proclamation of the first grand sire that I ever met. I learned to love and respect him. He has passed away. But his message 14 years ago, has a powerful appeal. He said:

"We have celebrated the closing of one century of Odd Fellowship and enter upon another with the confidence that follows successful effort. Many of our brethren were not permitted to come to this auspicious era in this fraternity. They stopped by the wayside, and the simple mounds tell the story of where they lie awaiting resurrection day. The book of life to them is closed, but the record they made lives after them, for 'The dead are sceptered sovereigns who still rule our spirits from their urns."

I join with this distinguished leader in his tribute to those who builded the temple of Odd Fellowship. I join with him in his hope that we who follow may be worthy to carry on the good work of the men and women who went about doing good and who left the world a better place than they found it.

Death is the most certain thing in the world. But the human race can never reconcile itself to this fact. No messages of hope or words of cheer, or assurances of immortality can ever make this incident in the journey of life one to be welcomed. Its terrors, of course, are removed, but grief never, by the hope of eternal life.

But Memorial Day loses its significance if we fail to recognize the great service of our departed friends, their virtues, and their

But Memorial Day loses its significance if we fail to recognize the great service of our departed friends, their virtues, and their work for posterity. We must build for them in our memories a monument of love and affection and veneration. Their lives must be for us an inspiration for good thoughts and good deeds for all

mankind.

We as Odd Fellows should carry out the proclamation. We as Odd Fellows should carry out the proclamation. We should observe the day with appropriate ceremonies. Proper programs should be arranged. They should not be filled with gloom and sadness. They should be inspirational in character. Every one of us has a loved one whose memory is sweet and dear. Every one of us can recall the friends of bygone days. But grief must not be the keynote of Memorial Day. We but respect the wishes of those who held their place in the world and who did their part, by following in their footsteps for humanity. We need the philosophy contained in these lines:

Death is in the world; All that is born must die; All things that we love and cherish Like ourselves, must fade and perish; Such is our rude mortal lot.

Oh! Why should the spirit of mortal be proud? Like a swift-fleeting meteor, a fast-flying cloud, A flash of the lightning, a break of the wave, Man passes from life to his rest in the grave.

RESOLUTION ADOPTED BY STRIKE COMMITTEE

Mr. MONAGHAN of Montana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a resolution which the Butte, Anaconda, and Great Falls unions have asked me to insert in the CONGRESSIONAL RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. MONAGHAN of Montana. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following resolution adopted by strike committee representing workers of the Anaconda Copper Mining Co.

BUTTE STATIONARY ENGINEERS' UNION, No. 83, Butte, Mont., June 12, 1934.

Hon. Joseph P. Monaghan,

House of Representatives, Washington, D.C.

Dear Sir: Enclosed is an original copy of a resolution adopted today by the general strike committee, representing all the crafts and unions involved in the general strike of all the A.C.M. employees in Butte, Anaconda, and Great Falls, and which is going forward by the same mail as this letter. Please give it careful consideration as representing the sentiments of the largest group

of voters in these counties, and if possible introduce it in your House of Congress and have it made part of the Congressional RECORD.

Respectfully yours, [SEAL]

REID ROBINSON, Secretary, General Strike Committee.

JUNE 12, 1934.

To the Honorable Franklin D. ROOSEVELT,

President of the United States, Washington, D.C.

DEAR SIR: Following is a resolution adopted by the general strike committee, representing all the workers formerly employed by the Anaconda Copper Mining Co., in Butte, Anaconda, and Great Fells Mont. Great Falls, Mont.:

Whereas the Anaconda Copper Mining Co. did refuse to treat with its employees on the demands presented by them April 9,

1934: and

Whereas since the calling of the general strike of all its employees in Butte, Anaconda, and Great Falls, the Anaconda Copper Mining Co. has refused to consider the demands of its employees or to show any indication of considering said demands: Therefore

Resolved by the General Strike Committee, representing all the crafts and unions involved in said general strike. That we call upon Franklin D. Roosevelt, executive head of the Federal Government of these United States, to confiscate all the Montana properties of the said Anaconda Copper Mining Co. and operate the same for the benefit of the people of these United States; guaranteeing to the workers a 6-hour workday, a 30-hour workweek, good working conditions, and an American standard of living, thereby taking these workers off the relief rolls, where they are merely wards of the Government, and placing them on a coll respective. self-respecting, self-supporting basis, the only basis of civil and economic liberty.

Thereby guaranteeing to the Government and people of these United States an adequate supply of copper and zinc so necessary to the national defense and making the Government and people independent of profiteering capitalists as a source of supply for this absolutely necessary material in such a vital national

for this absolutely necessary material in such a vital national emergency as war.

In urging this upon the President, we wish to point out that this would not be a difficult problem, as the Montana properties of this company are, taken together, an independent producing unit with refined copper, refined zinc, sheet copper, and copper wire and cable as the final finished products of its plants.

We further point out that with the installation of a few comparatively inexpensive units, the Great Falis plant of this company could be made a producer and fabricator of brass, with a plentiful supply of both copper and zinc (the necessary raw materials for such products) in the Butte mines of this company.

We further urge that such confiscation would return to the people, through their Government, a valuable natural resource, which, by and of right, belongs to them.

Also that it would result in a vast saving of expense to both Federal and State Governments by removing from the relief rolls at least 15,000 workers and their dependents in the State of Montana.

Montana

Finally, we urge consideration of this fact: That it is only by the removal of the profit motive from production that we can have reemployment of all idle workers and an equitable and fair distribution of the products of their labor.

In view of this fact we can see no reasonable basis for a denial of this most reasonable demand.

## EXTENSION OF REMARKS

Mr. TRUAX. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein several excerpts and two letters, not to exceed two pages in

Mr. WOLFENDEN. Mr. Speaker, I object.

THE RECORD AND PAST ACCOMPLISHMENTS OF A MEMBER OF CON-GRESS FURNISH A FAIRLY RELIABLE YARDSTICK BY WHICH TO MEASURE THE CHARACTER OF SERVICE HIS CONSTITUENTS MAY EXPECT OF HIM IN THE FUTURE

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Missouri [Mr. Lozier] may be allowed to extend his remarks in the RECORD and to include excerpts from remarks of his

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. LOZIER. Mr. Speaker, the second session of the Seventy-third Congress ends today. The terms of the 435 Members of the House end on January 4, 1935. Many of the Members desire to succeed themselves. I belong to that group, and as bearing on my candidacy and qualifications, I invite an examination of the record of my 12 years' service as a Member of the lower House of Congress. That record will conclusively demonstrate whether or not I have the capacity and qualifications to efficiently represent the great Second District, which is carved out of the heart of Missouri,

with a population of nearly 300,000 intelligent, progressive, upstanding, forward-looking people. Men who serve in Congress make their own records. Some of these records are good, some just ordinary, and others indifferent. The influence and usefulness of a Member of Congress is in proportion to his industry, his personality, his mental equipment, his knowledge of economics and governmental problems, and his mastery of statecraft. The Congress of the United States is not a kindergarten, a grade school, town meeting, or a national convention. The record and past accomplishments of a Member furnish a fairly reliable yardstick by which to measure the character of service his constituents may expect of him in the future.

I am a Democrat. I am convinced that the principles and policies of the Democratic Party, when accurately interpreted and intelligently applied, will afford a greater solution of every governmental problem that now confronts the American people or that they may face at any time in the

The new deal sponsored by President Roosevelt and the Democratic Congress is not contrary to our scheme of representative Government, and does not violate the cardinal principles of the Democratic Party, but is a new application of century-old principles and policies to unprecedented, grave, and exceedingly complicated present-day conditions; and while the new deal may not afford an all-sufficient remedy for our economic, agricultural, and industrial ills, and while it must be materially amended in many of its essential details, its adoption was, in my opinion, absolutely necessary to avert national disaster, lift the pall of depression, and lead the American people back to prosperity and normal national life.

By unanimous consent of the House I am submitting herewith letters from Speaker RAINEY, Majority Leader Byrns, Representative Crosser, chairman of the Democratic steering committee, Representative WRIGHT PATMAN, Representative JOHN E. RANKIN, Chairman of the Committee on World War Veteran' Legislation, Representative Mell G. Underwood, Chairman of the Committee on Invalid Pensions, and Representative A. H. Gasque, Chairman of the Committee on Pensions, all commendatory of my legislative activities. These letters are as follows:

HOUSE OF REPRESENTATIVES Washington, D. C., June 1934.

Versailles, Mo.

My Dear Mr. Wendleton: I am in receipt of your letter with reference to the record of Congressman Ralph Lozier from your district.

In reply, I desire to say that Congressman Lozier is now finishing his sixth term as a Member of Congress from Missouri. He is serving now as Chairman of the important Committee on Census and also is a Member of three other committees. recognized as one of the leaders here in the House.

Out of 25 test votes selected by the speaker, Congressman Lozier has voted always with the administration and in support of the House leadership, except on the votes which affected the World War soldiers, and in these matters he voted for the soldiers. This is not held against him, however. Many Democratic Members voted as he did on these propositions. His record is considered

His long service has earned for him a recognized place in the House of Representatives. He is regarded as one of the effective and able Members of that body. Congressman Lozier is also one of the best speakers in the House.

Very truly yours,

HENRY T. RAINEY.

HOUSE OF REPRESENTATIVES Washington, D.C., June 1934.

Mr. HENRY F. WENDLETON,

Versailles, Mo.

NY DEAR MR. WENDLETON: I have your letter of June 13 asking my opinion as to the ability and character of service rendered by your Congressman, Hon. RALPH F. LOZIER.

Mr. Lozier is a very able and capable Member; he is studious and gives close attention to all pending legislation. He is an influential factor in the legislative affairs of the House. He is Chairman of the important Census Committee and holds a high place on several other committees. He has also been chosen as a member of the Democratic steering committee, which gives great weight to his advice and counsel.

Mr. Lozier has advocated and supported all of the measures proposed by the President for the carrying out of this recovery program and enjoys the respect and confidence of all his colleagues. Very sincerely yours,

JOSEPH W. BYRNS.

HOUSE OF REPRESENTATIVES, Washington, D.C., June 1934.

Mr. HENRY F. WENDLETON,

Versailles, Mo.

Dear Mr. Wendleton: Your letter requesting my opinion of the Honorabie Ralph F. Lozier has been brought to my attention.

I have known Mr. Lozier for some years, and during the present Congress my association with him has been unusually close for the reason that he has been a member of the House Democratic steering committee of which I am chairman.

I have no hesitation in saying that Mr. Lozier is one of the most

scholarly men of the House, and a man of real ability.

One of the principal reasons for my friendship and admiration for Ralph Lozier is the fact that he is fundamentally democratic and not merely labeled Democrat in the party sense. He is very industrious and as I have already indicated is well informed. Mr. Lozier's heart is in sympathy with the every-day man and I am pleased to say that his record in regard to what is known as "labor legislation" is excellent.

Very truly yours,

ROBERT CROSSER.

HOUSE OF REPRESENTATIVES, Washington, D.C., June 1934.

Dr. R. W. BOZWORTH. Boonville, Mo.

DEAR DR. BOZWORTH: Replying to your inquiry relative to our mutual friend, Hon. RALPH F. LOZIER, I desire to say that I have served in the House with him for 12 years. During that time I have been a member of the Committee on World War Veterans' Legislation, of which I am now chairman.

I am familiar with every piece of veterans' legislation that has been a member of the Veterans' Legislation that has been a member of the very piece of veterans' legislation that has been a member of the very piece of veterans' legislation that has been a member of the very legislation that has been a member of the very legislation that has been a member of the very legislation that has been a member of the very legislation that has been a member of the very legislation that has been a member of the very legislation that has been a member of the very legislation that has been a member of the very legislation that has been a member of the very legislation that has been a member of the very legislation that has been a member of the very legislation that has been a member of the very legislation that has been a member of the very legislation that has been a member of the very legislation that has been a member of the very legislation that has been a member of the very legislation that has been a member of the very legislation that has been a member of the very legislation that has been a member of the very legislation that has been a member of the very legislation that has been a member of the very legislation that has been a member of the very legislation that has been a member of the very legislation that has been a member of the very legislation that has been a member of the very legislation that has been a member of the very legislation that has been a member of the very legislation that has been a member of the very legislation that has been a member of the very legislation that has been a member of the very legislation that has been a member of the very legislation that has been a member of the very legislation that have been

passed through Congress during those years, and with the attitude of every Member of Congress on legislation touching the welfare

of veterans.

I want to say to you that Mr. Lozier has been a consistent friend of the veterans, and to my certain knowledge has gone further in their support by far than the average Member of the House.

We have just passed the widows' and orphans' compensation bill—a measure granting compensation to the widows and orphans of the veterans of the World War who had direct service-connected disabilities, but who died of other causes. In my opinion, this is the most meritorious piece of legislation that has ever passed the American Congress. It brings relief to the desolate homes of more than 13,000 helpless dependents of men who suffered actual disabilities during the war. I am glad to say to you that this measure had Mr. Lozier's whole-hearted support. This alone is sufficient to commend him to the favorable consideration of every friend of the veterans of the World War.

If I can answer any more questions relative to Mr. Lozier's record, I shall be glad to do so.

record, I shall be glad to do so. Yours very truly,

J. E. RANKIN, M.C.

HOUSE OF REPRESENTATIVES. Washington, D.C., June 1934.

Dr. R. W. Bozworth, Boonville, Mo.

Dear Dr. Bozworth: No congressional district has a Congressman to represent them who stands higher in the confidence of his colleagues, and is as able, well informed, and influential as my good friend, RALPH F. LOZIER.

By reason of my interest in veterans' legislation, I am in posttion to know the attitude of the Membership toward veterans, and I am pleased to state that Mr. Lozzer is a sincere and consistent friend of the veterans of all wars and their dependents, and by his voice, vote, and wise counsel he has materially contributed to the enactment of legislation sponsored by the several veteran organizations. I have frequently sought his counsel in veteran legislation and always found his heart right, his judgment sound, and his advice dependable.

In June 1933 I served with Mr. Lozier on a special veterans' committee appointed by the Democratic caucus to confer with President Roosevelt with a view of securing more allowances for veterans and a relaxation of the drastic regulation prescribed by the Veterans' Administration under the Economy Act. Largely through the initiative and efforts of that committee a compromise with the President was reached under which approximately \$100,-000,000 were added to veterans' allowances for the year 1933.

This compromise also restored to the pension rolls 36,000 widows of World War veterans without any reduction of their pensions.

No member of the committee did more than Mr. Lozier in bringing about these desired results.

Yours very truly,

WRIGHT PATMAN

House of Representatives, Washington, D.C., June 14, 1934.

Dr. R. W. Bozworth, Boonville, Mo.

DEAR DR. BOZWORTH: Replying to your letter of recent date, I will

DEAR DR. BOZWORTH: Replying to your letter of recent date, I will say that Hon. Ralph F. Lozier is the ranking Democratic member of the Committee on Invalid Pensions of which I am chairman.

During his 10 or 12 years' service on that committee he has at all times shown a friendship for and sympathetic interest in veterans and their dependents, advocating a liberal pension policy, fair to the veterans and not unfair to the Government. He has probably obtained more pensions by special acts than any other Member of Congress.

As a member of a special veterans' committee appointed by the Democratic steering committee and caucus in 1933. Mr. Lozier had an active part in negotiating a compromise with President Roosevelt by which approximately \$100,000,000 was added to the veterans' allowances for the year 1933.

Mr. Lozier is recognized as one of the best informed and most influential most in the House and its amplequent located

influential men in the House and is an eloquent, logical, and

convincing speaker. Yours very truly,

MELL G. UNDERWOOD, Chairman, Committee on Invalid Pensions.

HOUSE OF REPRESENTATIVES, Washington, D.C., June 1934.

Honorable RALPH LOZIER, Washington, D.C.

MY DEAR COLLEAGUE:

Before leaving Congress I want to take this opportunity to express to you my appreciation of your consistent support of all pension legislation looking toward the care of the men who have made America possible.

In my 12 years with you in the House of Representatives we have never had a man who has been more consistent in his support of all legislation in behalf of the ex-soldiers of all wars. As Chairman of the Committee on Pensions I want to assure you of my appreciation of your help with regard to legislation of this nature.

With kindest regards, I am, Respectfully,

A. H. GASQUE, M.C.

#### HON. FRANK OLIVER

Mr. FITZPATRICK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FITZPATRICK. Mr. Speaker, I take this opportunity of paying my respects to one of our colleagues who is about to retire as a Member of this distinguished body to accept another honorable position as a judge of one of the courts in the great city of New York.

He has been a Member of Congress for 12 years, and during that time he has served not only his congressional district well but the entire country. I refer to my distinguished colleague from the Bronx, the Honorable Frank OLIVER.

We will miss Frank's pleasant smile and congenial manner; at the same time I am happy to see him placed in a position that he is so qualified to fill. I know he will bring honor to the court over which he presides.

In conclusion, I want to congratulate my colleague and hope that in the near future he will be promoted to higher honors, which he so richly deserves. [Applause.]

# INDUSTRIAL LOANS BY FEDERAL RESERVE BANKS

Mr. STEAGALL. Mr. Speaker, I submit the following conference report on the bill (S. 3487) relating to direct loans for indutrial purposes by Federal Reserve banks, and for other purposes, and ask unanimous consent for its immediate consideration.

The Clerk read the title of the bill.

The conference report and statement is as follows:

## CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3487) relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment, insert the following:

"That the Federal Reserve Act, as amended, is amended by adding after section 13a thereof a new section reading as follows:

"'SEC. 13b. (a) In exceptional circumstances, when it appears to the satisfaction of a Federal Reserve bank that an established industrial or commercial business located in its district is unable to obtain requisite financial assistance on a reasonable basis from the usual sources, the Federal Reserve bank, pursuant to authority granted by the Federal

Reserve Board, may make loans to, or purchase obligations of, such business, or may make commitments with respect thereto, on a reasonable and sound basis, for the purpose of providing it with working capital, but no obligation shall be acquired or commitment made hereunder with a maturity exceeding 5 years.

"'(b) Each Federal Reserve bank shall also have power to discount for, or purchase from, any bank, trust company. mortgage company, credit corporation for industry, or other financing institution operating in its district, obligations having maturities not exceeding 5 years, entered into for the purpose of obtaining working capital for any such established industrial or commercial business; to make loans or advances direct to any such financing institution on the security of such obligations; and to make commitments with regard to such discount or purchase of obligations or with respect to such loans or advances on the security thereof, including commitments made in advance of the actual undertaking of such obligations. Each such financing institution shall obligate itself to the satisfaction of the Federal Reserve bank for at least 20 percent of any loss which may be sustained by such bank upon any of the obligations acquired from such financing institution, the existence and amount of any such loss to be determined in accordance with regulations of the Federal Reserve Board: Provided, That in lieu of such obligation against loss any such financing institution may advance at least 20 percent of such working capital for any established industrial or commercial business without obligating itself to the Federal Reserve bank against loss on the amount advanced by the Federal Reserve bank: Provided, however, That such advances by the financing institution and the Federal Reserve bank shall be considered as one advance, and repayment shall be made pro rata under such regulations as the Federal Reserve Board may prescribe.

"'(c) The aggregate amount of loans, advances, and commitments of the Federal Reserve banks outstanding under this section at any one time, plus the amount of purchases and discounts under this section held at the same time, shall not exceed the combined surplus of the Federal Reserve banks as of July 1, 1934, plus all amounts paid to the Federal Reserve banks by the Secretary of the Treasury under subsection (e) of this section, and all operations of the Federal Reserve banks under this section shall be subject to such regulations as the Federal Reserve Board may prescribe

cribe.

"'(d) For the purpose of aiding the Federal Reserve banks in carrying out the provisions of this section, there is hereby established in each Federal Reserve district an industrial advisory committee, to be appointed by the Federal Reserve bank subject to the approval and regulations of the Federal Reserve Board, and to be composed of not less than three nor more than five members as determined by the Federal Reserve Board. Each member of such committee shall be actively engaged in some industrial pursuit within the Federal Reserve district in which the committee is established, and each such member shall serve without compensation but shall be entitled to receive from the Federal Reserve bank of such district his necessary expenses while engaged in the business of the committee, or a per diem allowance in lieu thereof to be fixed by the Federal Reserve Board. Each application for any such loan, advance, purchase, discount, or commitment shall be submitted to the appropriate committee and, after an examination by it of the business with respect to which the application is made. the application shall be transmitted to the Federal Reserve bank, together with the recommendation of the committee.'

"(e) In order to enable the Federal Reserve banks to make the loans, discounts, advances, purchases, and commitments provided for in this section, the Secretary of the Treasury, upon the date this section takes effect, is authorized, under such rules and regulations as he shall prescribe, to pay to each Federal Reserve bank not to exceed such portion of the sum of \$139,299,557 as may be represented by the par value of the holdings of each Federal Reserve bank of Federal Deposit Insurance Corporation stock, upon the execution by each Federal Reserve bank of its agree-

ment (to be endorsed on the certificate of such stock) to hold such stock unencumbered and to pay to the United States all dividends, all payments on liquidation, and all other proceeds of such stock, for which dividends, payments, and proceeds the United States shall be secured by such stock itself up to the total amount paid to each Federal Reserve bank by the Secretary of the Treasury under this section. Each Federal Reserve bank, in addition, shall agree that, in the event such dividends, payments, and other proceeds in any calendar year do not aggregate 2 percent of the total payment made by the Secretary of the Treasury under this section, it will pay to the United States in such year such further amount, if any, up to 2 percent of the said total payment, as shall be covered by the net earnings of the bank for that year derived from the use of the sum so paid by the Secretary of the Treasury, and that for said amount so due the United States shall have a first claim against such earnings and stock, and further that it will continue such payments until the final liquidation of said stock by the Federal Deposit Insurance Corporation. The sum so paid to each Federal Reserve bank by the Secretary of the Treasury shall become a part of the surplus fund of such Federal Reserve bank within the meaning of this section. All amounts required to be expended by the Secretary of the Treasury in order to carry out the provisions of this section shall be paid out of the miscellaneous receipts of the Treasury created by the increment resulting from the reduction of the weight of the gold dollar under the President's proclamation of January 31, 1934; and there is hereby appropriated, out of such receipts, such sum as shall be required for such purpose.

"SEC. 2. Section 5202 of the Revised Statutes of the United States, as amended, is hereby amended by adding at the end thereof the following new paragraph:

"'Tenth. Liabilities incurred under the provisions of sec-

tion 13b of the Federal Reserve Act.'

"SEC. 3. Section 22 of the Federal Reserve Act is amended by adding at the end thereof the following new paragraphs:

"'(h) Whoever makes any material statement, knowing it to be false, or whoever willfully overvalues any security, for the purpose of influencing in any way the action of a Federal Reserve bank upon any application, commitment, advance, discount, purchase, or loan, or any extension thereof by renewal, deferment of action, or otherwise, or the acceptance, release, or substitution of security therefor, shall be punished by a fine of not more than \$5,000 or by imprisonment for not more than 2 years, or both.

"'(i) Whoever, being connected in any capacity with a Federal Reserve bank (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to it or pledged or otherwise entrusted to it, or (2) with intent to defraud any Federal Reserve bank, or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiner, makes any false entry in any book, report, or statement of or to a Federal Reserve bank, or, without being duly authorized, draws any order or issues, puts forth, or assigns any note, debenture, bond, or other obligation, or draft, mortgage, judgment, or decree shall be punished by a fine of not more than \$10,000 or by imprisonment for not more than 5 years, or both.

"'(j) The provisions of sections 112, 113, 114, 115, 116, and 117 of the Criminal Code of the United States, insofar as applicable, are extended to apply to contracts or agreements of any Federal Reserve bank under this act, which, for the purposes hereof, shall be held to include advances, loans, discounts, purchase, and repurchase agreements; extensions and renewals thereof; and acceptances, releases, and substitutions of security therefor.

"'(k) It shall be unlawful for any person to stipulate for or give or receive, or consent or agree to give or receive, any fee, commission, bonus, or thing of value for procuring or endeavoring to procure from any Federal Reserve bank any advance, loan, or extension of credit or discount or purchase of any obligation or commitment with respect thereto, either directly from such Federal Reserve bank or indirectly through any financing institution unless such fee, commission, bonus, or thing of value and all material facts with respect to the arrangement or understanding therefor shall be disclosed in writing in the application or request for such advance, loan, extension of credit, discount, purchase, or commitment. Any violation of the provisions of this paragraph shall be punishable by imprisonment for not more than 1 year or by a fine of not exceeding \$5,000, or both. If a director, officer, employee, or agent of any Federal Reserve bank shall knowingly violate this paragraph, he shall be held liable in his personal and individual capacity for any loss or damage sustained by such Federal Reserve bank in consequence of such violation.'

"SEC. 4. Section 10 of the Federal Reserve Act, as amended, is further amended by changing the period at the end of the third paragraph thereof to a comma and inserting thereafter the following: 'and such assessments may include amounts sufficient to provide for the acquisition by the Board in its own name of such site or building in the District of Columbia as in its judgment alone shall be necessary for the purpose of providing suitable and adequate quarters for the performance of its functions. After approving such plans, estimates, and specifications as it shall have caused to be prepared, the Board may, notwithstanding any other provision of law, cause to be constructed on the site so acquired by it a building suitable and adequate in its judgment for its purposes and proceed to take all such steps as it may deem necessary or appropriate in connection with the construction, equipment, and furnishing of such building. The Board may maintain, enlarge, or remodel any building so acquired or constructed and shall have sole control of such building and space therein.'

"Sec. 5. That the Reconstruction Finance Corporation Act, as amended (U.S.C., supp. VII., title 15, ch. 14), is amended by inserting before section 6 thereof the following new section:

"'SEC. 5d. For the purpose of maintaining and increasing the employment of labor, when credit at prevailing bank rates for the character of loans applied for is not otherwise available at banks, the Corporation is authorized and empowered to make loans to any industrial or commercial business, which shall include the fishing industry, established prior to January 1, 1934. Such loans shall in the opinion of the board of directors of the Corporation be adequately secured, may be made directly, or in cooperation with banks or other lending institutions, or by the purchase of participations, shall have maturities not to exceed 5 years, shall be made only when deemed to offer reasonable assurance of continued or increased employment of labor, shall be made only when, in the opinion of the board of directors of the Corporation, the borrower is solvent, shall not exceed \$300,000,000 in aggregate amount at any one time outstanding, and shall be subject to such terms, conditions, and restrictions as the board of directors of the Corporation may determine. The aggregate amount of loans to any one borrower under this section shall not exceed \$500,000.

"'The power to make loans given herein shall terminate on January 31, 1935, or on such earlier date as the President shall by proclamation fix; but no provision of law terminating any of the functions of the Corporation shall be construed to prohibit disbursement of funds on loans and commitments, or agreements to make loans, made under this section prior to January 31, 1935, or such earlier date.'

"Sec. 6. (a) Section 882 of the Revised Statutes (U.S.C., title 28, sec. 661) is amended to read as follows:

"'SEC. 882. (a) Copies of any books, records, papers, or other documents in any of the executive departments, or of any corporation all of the stock of which is beneficially owned by the United States, either directly or indirectly, shall be admitted in evidence equally with the originals thereof, when duly authenticated under the seal of such department or corporation, respectively.

"'(b) Books or records of account in whatever form, and minutes (or portions thereof) of proceedings, of any such executive department or corporation, or copies of such books, records, or minutes authenticated under the seal of such department or corporation, shall be admissible as evidence

of any act, transaction, occurrence, or event as a memorandum of which such books, records, or minutes were kept or made.

"'(c) The seal of any such executive department or corporation shall be judicially noticed.'

"(b) Section 4 of the Reconstruction Finance Corporation Act, as amended (U.S.C., supp. VII, title 15, sec. 604), is amended by inserting immediately before the semicolon following the words 'corporate seal' a comma and the words 'which shall be judicially noticed.'

"Sec. 7. Section 1001 of the Revised Statutes, as amended (U.S.C., title 28, sec. 870), is amended by inserting immediately after the word 'Government' the following: 'or any corporation all the stock of which is beneficially owned by the United States, either directly or indirectly.'

"Sec. 8. The Reconstruction Finance Corporation Act, as amended (U.S.C., supp. VII, title 15, ch. 14), is further amended by inserting after section 5a thereof the following new section:

"'SEC. 5b. Notwithstanding any other provision of law-"'(1) The maturity of drafts or bills of exchange which may be accepted by the Corporation under section 5a of this act, and the period for which the Corporation may make loans or advances under sections 201 (c) and 201 (d) of the Emergency Relief and Construction Act of 1932, as amended, and under section 5 of this act, may be 5 years, or any shorter period, from February 1, 1935: Provided, That in respect of loans or advances under such section 5 to railroads, railways, and receivers or trustees thereof, the Corporation may require as a condition of making any such loan or advance for a period longer than 3 years that such arrangements be made for the reduction or amortization of the indebtedness of the railroad or railway, either in whole or in part, as may be approved by the Corporation after the prior approval of the Interstate Commerce Commission.

"'(2) The Corporation may at any time, or from time to time, extend, or consent to the extension of, the time of payment of any loan or advance made by it, through renewal, substitution of new obligations, or otherwise, but the time for such payment shall not be extended beyond 5 years from February 1, 1935: Provided, That the time of payment of loans or advances to railroads, railways, and receivers or trustees thereof, shall not be so extended except with the prior approval of the Interstate Commerce Commission, and, in the case of a loan to a railroad or railway, with the prior certification of the Interstate Commerce Commission that the railroad or railway is not in need of financial reorganization in the public interest.

"'(3) In connection with the reorganization under section 77 of the Federal Bankruptcy Act, approved July 1, 1898, as amended, or with receivership proceedings in a court or courts, of any railroad or railway indebted to the Corporation, or of any railroad or railway the receivers or trustees of which are indebted to the Corporation, the Corporation may, with the prior approval of the Interstate Commerce Commission, adjust or compromise its claim against such railroad or railway, or any such receiver or trustee, by accepting, in connection with any such reorganization or receivership proceedings and in exchange for securities or any part thereof then held, new securities which may have such terms as to interest, maturity, and otherwise as may be approved by the Corporation, or part cash and part new securities so approved: Provided, That any such adjustment or compromise shall not be made on less favorable terms than those provided in the reorganization of the railroad or railway for holders of claims of the same class and rank as the claim of the Corporation.'

"SEC. 9. Section 301 of the National Industrial Recovery Act (U.S.C., supp. VII, title 40, sec. 412) is amended by inserting before the period at the end thereof a colon and the following: 'Provided further, That in connection with any loan or contract or any commitment to make a loan entered into by the Reconstruction Finance Corporation prior to June 26, 1933, to aid in financing part or all of the construction cost of projects pursuant to section 201 (a) (1) of the Emergency Relief and Construction Act of 1932, as amended, the Corporation may make such further loans and

contracts for the completion of any such project, or for improvements, additions, extensions, or equipment which are necessary or desirable for the proper functioning of any such project, or which will materially increase the assurance that the borrower will be able to repay the entire investment of the Corporation in such project, including such improvements, additions, extensions, or equipment; and the Corporation may disburse funds to the borrower thereunder, at any time prior to January 23, 1939, notwithstanding any provisions to the contrary contained in this section or in section 201 (h) of the Emergency Relief and Construction Act of 1932, as amended: Provided further, That any such further loans shall be made subject to all the terms and conditions set forth in the Emergency Relief and Construction Act of 1932, as amended, with respect to the loans authorized by section 201 (a) (1) of said act.'

"Sec. 10. Notwithstanding any limitations on its power, the Reconstruction Finance Corporation, upon request of any borrower under section 201 (a) of the Emergency Relief and Construction Act of 1932, as amended, may adjust the maturities of any obligations of such borrower now held by it, or hereafter acquired by it under lawful commitments, to such periods as may in the discretion of the Reconstruction Corporation be proper, but such adjustment shall not extend any such maturity to more than 20 years from the advancing of the sum or sums evidenced thereby.

"SEC. 11. Section 36 of the Emergency Farm Mortgage Act of 1933, as amended (U.S.C., supp. VII, title 43, sec. 403), is amended as follows:

"(1) By striking from the first sentence thereof '\$50,-000,000 to or for the benefit of drainage districts, levee districts, levee and drainage districts, irrigation districts, and similar districts', and inserting in lieu thereof '\$125,000,000 to or for the benefit of drainage districts, levee districts, levee and drainage districts, irrigation districts, and similar districts, mutual nonprofit companies and incorporated water users' associations.'

"(2) By striking from the second sentence thereof 'district or political subdivision' and inserting in lieu thereof 'district, political subdivision, company, or association.'

"(3) By amending clause (4) thereof to read as follows:
"'(4) the borrower shall agree, insofar as it may lawfully
do so, that so long as any part of such loan shall remain unpaid the borrower will in each year apply to the repayment
of such loan or to the purchase or redemption of the obligations issued to evidence such loan, an amount equal to the
amount by which the assessments, taxes, and other charges
collected by it exceed (a) the cost of operation and maintenance of the project, (b) the debt charges on its outstanding obligations, and (c) provision for such reasonable reserves as may be approved by the corporation; and.'

"(4) By adding at the end thereof the following new paragraph:

"'When any loan is authorized pursuant to the provisions of this section and it shall then or thereafter appear that repairs and necessary extensions or improvements to the project of such district, political subdivision, company, or association are necessary or desirable for the proper functioning of its project or for the further assurance of its ability to repay such loan, and if it shall also appear that such repairs and necessary extensions or improvements are not designed to bring new lands into production, the Corporation, within the limitation as to total amount provided in this section, may make an additional loan or loans to such district, political subdivision, company, or association for such purpose or purposes. When application therefor shall have been made by any such district, political subdivision, company, or association any loan authorized by this section may be made either to such district, political subdivision, company, or association or to the holders or representatives of the holders of their existing indebtedness, and such loans may be made upon promissory notes collateraled by the obligations of such district, political subdivision, company, or association or through the purchase of securities issued or to be issued by such district, political subdivision, company, or association.

"Sec. 12. (a) Sections 2 and 3 of the act entitled "An act to authorize the Reconstruction Finance Corporation to subscribe for preferred stock and purchase the capital notes of insurance companies, and for other purposes", approved June 10, 1933, as amended (U.S.C., supp. VII, title 15, secs. 605f and 605g), are amended to read as follows:

"'SEC. 2. In the event that any such insurance company shall be incorporated under the laws of any State which does not permit it to issue preferred stock, exempt from assessment or additional liability, or if such laws permit such issue of preferred stock only by unanimous consent of stockholders, or upon notice of more than twenty days, or if the insurance company is a mutual organization without capital stock, the Reconstruction Finance Corporation is authorized for the purposes of this act to purchase the legally issued capital notes of such insurance company, or, if the company is a mutual organization without capital stock, such other form or forms of indebtedness as the laws of the State under which such company is organized permit, or to make loans secured by such notes or such other form or forms of indebtedness as collateral, which may be subordinated in whole or in part or to any degree to claims of other creditors.

"'SEC. 3. The Reconstruction Finance Corporation shall not subscribe for or purchase any preferred stock or capital notes of any applicant insurance company, (1) until the applicant shows to the satisfaction of the Corporation that it has unimpaired capital, or that it will furnish new capital which will be subordinate to the preferred stock or capital notes to be subscribed for or purchased by the Corporation, equal to the amount of said preferred stock or capital notes so subscribed for or purchased by the Corporation: Provided, That the Corporation may make loans upon said preferred stock or capital notes, or other form or forms of indebtedness permitted by the laws of the State under which said applicant is organized, if, in its opinion, such loans will be adequately secured by said stock or capital notes or other form or forms of indebtedness and/or such other forms of security as the Corporation may require, (2) if at the time of such subscription, purchase, or loan any officer, director, or employee of the applicant is receiving total compensation in a sum in excess of \$17,500 per annum from the applicant and/or any of its affiliates, and (3) unless at such time, the insurance company agrees to the satisfaction of the Corporation that while any part of the preferred stock, notes, bonds, or debentures (or, in the case of a mutual insurance company, other form or forms of indebtedness permitted by the laws of the State under which the company is organized) of such insurance company is held by the Corporation, the insurance company, except with the consent of the Corporation, will not (a) increase the compensation received by any of its officers, directors, or employees from the insurance company and/or any of its affiliates, and in no event increase any such compensation to an amount exceeding \$17,500 per annum, or (b) retire any of its stock, notes, bonds, debentures, or other forms of indebtedness issued for capital purposes. For the purposes of this section, the term "compensation" includes any salary, fee, bonus, commission or other payment, direct or indirect, in money or otherwise for personal services."

"(b) Section 11 of such act of June 10, 1933, as amended (U.S.C., supp. VII, title 15, sec. 605i), is amended by adding at the end thereof the following new sentence: 'As used in this section and in sections 1, 2, and 3 of this act, the term "State" means any State, Territory, or possession of the United States, the Canal Zone, and the District of Columbia.'

"Sec. 13. The Reconstruction Finance Corporation is authorized and empowered to make loans upon full and adequate security, based on mineral acreage, to recognized and established incorporated managing agencies of farmers' cooperative mineral rights pools not engaged in drilling or mining operations, said loans to be made for the purpose of defraying the cost of organizing such pools.

"Sec. 14. The Reconstruction Finance Corporation is authorized and empowered to make loans upon adequate security, based on mineral acreage to recognized and established incorporated agencies, individuals, and partnerships engaged in the business of mining, milling, or smelting

"Sec. 15. The Corporation is authorized and empowered to make loans under section 5 of the Reconstruction Finance Corporation Act, as amended, to any person, association, or corporation organized under the laws of any State, the District of Columbia, Alaska, Hawaii, or Puerto Rico, for the purpose of financing the production, storage, handling, packing, processing, carrying, and/or orderly marketing of fish of American fisheries and/or products thereof upon the same terms and conditions, and subject to the same limitations, as are applicable in case of loans made under said section 5, as amended.

"Sec. 16. The Reconstruction Finance Corporation is hereby authorized and empowered to make loans at any time prior to January 31, 1935, out of the funds of the Corporation upon full and adequate security, to public-school districts or other similar public-school authorities organized pursuant to State law, for the purpose of payment of teachers' salaries due prior to June 1, 1934: Provided, That the aggregate amount of such loans at any time outstanding shall not exceed \$75,000,000."

And the House agree to the same.

HENRY B. STEAGALL,
T. ALAN GOLDSBOROUGH,
ANNING S. PRALL,
ROBERT LUCE,
Managers on the part of the House.
CARTER GLASS,
ROBERT F. WAGNER,
ALBAN W. BARKLEY,
JOHN G. TOWNSEND, Jr.,
F. C. WALCOTT,
Managers on the part of the Senate.

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3487) relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment contained a provision amending the Reconstruction Finance Corporation Act to authorize the establishment or utilization by the corporation of export or import trading and banking corporations, in which the United States shall own the entire beneficial interest, and to authorize the corporation to subscribe for and purchase the stock and obligations of such corporations, for the purpose of aiding in financing exports and imports between the United States and other nations. The bill as agreed to in conference eliminates this provision.

Section 6 of the Senate bill, which authorized direct loans to industry to be made by the Reconstruction Finance Corporation, limited the aggregate amount of loans to any one borrower to the sum of \$1,000,000. Section 13 of the House amendment provided an aggregate limitation of \$100,000. The conference agreement (sec. 5) fixes the amount at \$500,000.

Section 2 of the Senate bill provided with respect to direct loans to industry by the Federal Reserve banks, that the Secretary of the Treasury should pay to the Federal Reserve banks the sum of \$139,299,557 for the purpose of aiding in the making of such loans, such amount to be paid back to the Treasury by the Federal Reserve banks at a rate of at least 1 percent per annum. The House amendment, while it authorized the loans to industry by the Federal Reserve banks, made no such provision. The bill as agreed to in conference (sec. 1) carries into the new section 13b added to the Federal Reserve act by the bill a provision which authorizes, but does not direct, the payment of not to exceed an identical sum to the Federal Reserve banks which is to be returned to the Treasury at a rate of not less than 2 percent per annum.

Section 5 of the Senate bill contained a provision permitting the Federal Reserve Board to construct, equip, and furnish a building to provide suitable and adequate quarters for the performance of its functions. The House amendment contained no such provision. The bill as agreed to in conference (sec. 4) contains this provision.

HENRY B. STEAGALL,
T. ALAN GOLDSBOROUGH,
ANNING S. PRALL,
ROBERT LUCE,
Managers on the part of the House.

The SPEAKER. Is there objection to the request of the gentleman from Alabama.

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read the statement.

Mr. STEAGALL. Mr. Speaker, this is the conference report on the industrial loans bill. The report embodies a compromise of the views of the two Houses as expressed in conference and in the measure passed by the two bodies.

The House yielded on the provision for loans by the Federal Reserve banks in that we agreed to accept with amendments the Senate provision which authorized direct loans to industry and provided for advancement by the Treasury to the Federal Reserve banks of an amount equal to the surplus of each of the Federal Reserve banks, representing the amounts subscribed by each of the Federal Reserve banks to the capital stock of the Federal Deposit Insurance Corporation. Under the provision embodied in the Senate bill and accepted in conference, the Federal Reserve banks would hold their investment in the capital stock of the Federal Deposit Insurance Corporation as security for the advancements made by the Treasury for making industrial loans. These advancements by the Secretary of the Treasury are to be made under rules and regulations prescribed by him, and the provision of the Senate bill which required the Secretary of the Treasury to make such advances was changed so that as the measure is reported to the House, the Secretary of the Treasury is simply authorized to make such advances.

Under an amendment agreed to, the Secretary of the Treasury would make advances not to exceed the amount of the capital in the Federal Deposit Insurance Corporation held by each of the Federal Reserve banks, so that the Secretary of the Treasury has complete discretion. The latter is entirely permissive so far as the making of the loans is concerned, and they will be made under rules and regulations prescribed by the Secretary of the Treasury.

The Federal Reserve banks would be required to reimburse the Treasury by the payment of any dividends and earnings on stock held by Federal Reserve banks in the Federal Deposit Insurance Corporation supplemented by earnings on the sums advanced by the Treasury.

Under the House bill the Reconstruction Finance Corporation is authorized to make loans upon sound and reasonable security for industrial and commercial purposes, with a proviso that not more than \$300,000,000 may be loaned for such purposes at any one time. The Senate bill provided a limit of \$250,000,000. The Senate yielded and the House provision fixing the limit at \$300,000,000, instead of \$250,000,000, was adopted. Under the House bill the maximum individual loan to be authorized by the Reconstruction Finance Corporation would be \$100,000. The Senate bill provided a maximum loan in each individual case not to exceed \$1,000,000. The conferees agreed upon \$500,000 as the maximum individual loan.

We struck from the bill or eliminated a provision authorizing the Reconstruction Finance Corporation to establish export banks. It will be remembered that we have two such institutions in existence at the present time, and it is contemplated that another may be established. The funds have been supplied under existing law. We were advised that

there would not be any termination of those activities by reason of the elimination from the bill of that provision.

Mr. Speaker, these represent in brief the changes made in the conference, and the departure from the provisions of

Mr. KOPPLEMANN. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Con-

Mr. KOPPLEMANN. I note with interest the agreement between the conferees on the change from \$100,000 as provided in the House bill originally and \$1,000,000 as provided in the Senate bill, this being changed to \$500,000 as a maximum loan. The question I desire to propound to the distinguished chairman of the committee is, Will there be sufficient money under that circumstance of increasing the maximum loan to permit the Reconstruction Finance Corporation and the Federal Reserve banks to make loans to those who are in need of them and who deserve considera-

Mr. STEAGALL. I will say to the gentleman from Connecticut that I appreciate his interest in this legislation. He has labored industriously and steadfastly throughout this session of the Congress for the passage of this measure and a large share of the credit should go to him for the success that has crowned the efforts of the Banking and Currency Committee to secure this legislation.

I will say to the gentleman from Connecticut [Mr. Kop-PLEMANN] that the President of the Reconstruction Finance Corporation Board testified before our committee that with the amounts supplied in this bill he would be able amply to take care of the demands upon the Reconstruction Finance Corporation for loans from now until the time of the expiration of his authority on the 31st day of January 1935. We were also advised that there would not be more than two or three instances-or at least no more than that were called to our attention-in which the maximum loan of \$500,000 would not take care of the requirements of any application and of any situation that would be presented to the Reconstruction Finance Corporation Board.

Mr. KOPPLEMANN. I thank the gentleman for the information and want to express to the chairman of our committee appreciation for the tremendous amount of work put in by him and his colleagues on the conference committee, who for considerably over a week labored to bring this legislation into the House in order that it might become law before this Congress adjourned.

Mr. STEAGALL. I may say to my friend we have certainly labored industriously and faithfully.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman

Mr. STEAGALL. I yield to the gentleman from Missis-

Mr. WHITTINGTON. What is the amount carried in the bill for refinancing drainage and irrigation districts?

Mr. STEAGALL. Seventy-five million dollars. There is no change in the House bill in that respect.

Mr. WHITTINGTON. Is there any change in the provisions of section 13 of the House bill with respect to loans to business and industry?

Mr. STEAGALL. There is not, and I have called attention to the amounts.

Mr. COLMER. Mr. Speaker, will the gentleman yield? Mr. STEAGALL. I yield to the gentleman from Mississippi.

Mr. COLMER. In the bill as finally agreed upon, is adequate provision made for the refinancing of outstanding indebtedness by these industrial corporations?

Mr. STEAGALL. Of course, it would require more complete information than I have to say it is adequate for such far reaching refinancing. I have stated that the Chairman of the Reconstruction Finance Corporation Board testified that with the funds supplied in this bill he would be able to care amply for the demands on the Corporation.

Mr. CARTER of California. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. CARTER of California. I want to ask the gentleman from Alabama whether or not sections 4 and 5 of the House bill, which are amendments to the National Recovery Act and, particularly, the Reconstruction Finance Corporation Act, were retained?

Mr. STEAGALL. They are retained.

Mr. LUDLOW. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Indiana. Mr. LUDLOW. Will the chairman of the committee state

how much money under this bill is available for loans to industry?

Mr. STEAGALL. Under this bill the Reconstruction Finance Corporation would be permitted to lend as much as \$300,000,000 and the Federal Reserve banks would be authorized to employ the amount of their surplus, plus a like amount to be furnished by the Treasury, which at this time would equal approximately \$280,000,000. I may say to the gentleman that the service that may be rendered to industry under this bill is not accurately indicated by the specific amount of advances authorized, for the reason that the funds of these two lending agencies would be in the nature of revolving funds.

Mr. LUDLOW. I think this is one of the most important bills that has come before the Congress, and I believe I am one of the pioneers in proposing this sort of legislation. On the opening day of the present session, I introduced the first bill on this subject. May I ask this further question: Is the amount the gentleman speaks of as being available a fixed sum or is it replenished in the future?

Mr. STEAGALL. The provision in each instance is the amount that may be outstanding at any time; that is to say, the Reconstruction Finance Corporation would have a revolving fund of \$300,000,000 available for these loans and the Federal Reserve Banks would have a revolving fund amounting to their surplus, supplemented by an equal amount advanced by the Treasury, which at this time is approximately \$280,000,000 and which, of course, will be a greater amount as it will be increased from time to time. But at this time it is \$280,000,000.

Mr. BULWINKLE. Is there a limit upon any one loan,

and what is the amount?

Mr. STEAGALL. The maximum limitation by the Reconstruction Finance Corporation is \$500,000.

Mr. LUDLOW. The ultimate amount may be much more than the amounts the gentleman has referred to.

Mr. STEAGALL. I thought I had made that clear. I undertook to make a statement to that effect.

Mr. RICH. Mr. Speaker, will the gentlemen yield?

Mr. STEAGALL. I yield.

Mr. RICH. If an industry wishes to negotiate a loan under this act, what procedure must it go through in order to secure the loan?

Mr. STEAGALL. It would apply through regular channels, and if it did not obtain the money it would apply to the Federal Reserve banks, and if the Federal Reserve bank did not make the loan, the application would then go to the Reconstruction Finance Corporation, which in this case would be in the nature of an appellate court for loans, where applications might be reviewed and reconsidered.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Illinois. Mr. SABATH. I have no reason to question the correctness of a report which came to me a few moments ago that the House conferees have succeeded in convincing the Senate conferees of the righteousness of the House amendment providing for \$75,000,000 in loans that could be received for school purposes.

Mr. STEAGALL. The gentleman is correct. The item was retained.

Mr. Speaker, I yield 10 minutes to the gentleman from Maine [Mr. BEEDY].

Mr. BEEDY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BEEDY. The Clerk in reading the conference report, said it was signed by the managers on the part of the House. May I ask whether my name appears on the conference report?

Mr. STEAGALL. Mr. Speaker, I may have made an inaccurate statement when I said that the conference report was signed by all the managers. The gentleman from Maine did not sign the conference report.

The SPEAKER. The name of the gentleman from Maine does not appear on the conference report as one of the

Mr. BEEDY. I want the House to know something about this matter, because it is very important. If you adopt this conference report you will embark upon a most novel and unprecedented course.

Some of you will recollect that in the original discussion of this bill in the House I said that I regretted the provision with reference to the 12 central banks which authorized them to make direct loans to industry. We voted, however, in the House, not to give the Federal Reserve banks the \$139,000,000 from the Treasury, as provided in the Senate bill. And because the Governor of the Board had made it clear that unless that sum of money was advanced to the 12 banks in question they could not make direct loans, it was very clear that any direct lendings to industry must be made by the Reconstruction Finance Corporation. The bill was originally designed to meet an emergency, and not to establish a permanent loaning policy.

The Reconstruction Finance Corporation is an emergency institution. I was content to vote for the bill which gave power to the emergency Reconstruction Finance Corporation temporarily to make whatever loans seemed necessary in the emergency.

Now, mark you this: These 12 banks were designed for two purposes; one to rediscount commercial paper for member banks, never to do business with individuals or persons; and, secondly, they were designed to supply currency to the banks for commerce, industry, and agriculture.

When the House conferees reversed the decision of this House and gave authority to take \$140,000,000 out of the Treasury of the United States and turn it over to these 12 banks to be loaned directly to industry, I believe they thereby took a decided step toward destroying the character of the Reserve banks. I therefore decided that I could not go along with the House conferees. I will not make myself a party to the perversion, the subversion, and seduction of these 12 great central banks.

I begged the conferees to put a limitation on this power which they proposed to give the Reserve banks. I asked them to grant it, if at all, on the theory that this is emergency legislation. I said, "If you must give these banks power, let it terminate January 1, 1936." Their answer was, "No." As the bill now comes from conference the power to make direct loans to industry by the Federal Reserve banks is made permanent. And I want this House to understand that for the sake of my own self-respect, for the sake of the concern I have for this great banking system, and the desire which I have to preserve its integrity and its capacity to serve commerce, agriculture, and industry, as originally designed, I cannot vote to take \$140,000,000 out of the Treasury and put it into the banks and turn these great banks of issue and rediscount into lending agencies for all time. Therefore, Mr. Speaker, I did not sign this report.

You gentleman may vote for this conference report if you will, and you will, because it is the desire of the President that you do so. You may vote to confirm and approve this conference report, but it is but another step toward breaking down the institutions which have been builded with great care and with concern for the future; it is but another step in the direction of disintegration and upheaval of established institutions and the destruction of our entire economic fabric. I raise my feeble voice here in this commotion, in this hour of the Nation's crisis, when the Congress shuts its eyes and votes blindly when commanded to do so by the President. I know that I shall avail myself and my country nothing, but, Mr. Speaker, I shall keep the record clean and some day, pray God, somebody may read this record and understand that there were those who were fighting to save the institutions of this Nation, to keep intact the

great economic structure of our people, and preserve the integrity of the very Government itself.

Mr. MAY. Mr. Speaker, will the gentleman yield? Mr. BEEDY. Yes.

Mr. MAY. As I understand the gentleman's statement, the 12 Federal Reserve banks are to be put into the business of competing and making loans to private industry with the member banks they were designed to serve. Is that the

Mr. BEEDY. That is it, and I call attention to another thing, and I would like the Members of the House to understand this. The Reconstruction Finance Corporation, a great emergency institution, set up for the purpose of coming to the relief of industry with loans, will, in my opinion, never be able to make any loans under this bill, because, if you read its terms, you will see that before industry can ever get to that Corporation for a loan it must prove it has not been able to get loans from any banks. By this provision power to exercise an emergency function is taken from an emergency institution and turned over to banks of issue, and as a matter of permanent banking policy authorizes them to deal directly with individual borrowers rather than with banks.

Mr. MAY. What is the reason for authorizing the Federal Reserve banks that are not within themselves direct dealers in making loans to industry and individuals, when we have the Reconstruction Finance Corporation for that purpose?

Mr. BEEDY. The gentleman ought to have the facts, and I would give them to him, but I am unable to stem this tide of confusion and make myself heard. I may say this. The claim was that private bankers are failing in their duty to the industries of the Nation; that they are refusing to make loans; and that if there was a threat hanging over them that, upon their continued refusal, the Federal Reserve banks would make the loans, it might pry loose moneys from these banks for the benefit of industry; but the gentleman and I know that the reason for the failure of these banks to make loans to industry is not through any unwillingness on their part. They are indeed eager to make good loans and increase their income. They are now forced to buy short-term Government securities and realize two and a fraction percent when they are eager to get good loans yielding 6 percent. But there are no values left in the country on which to loan; and until the price level goes up, confidence is restored, and business activities are increased, few loans can be made with safety. That is the danger of taking money out of the Treasury, passing it over to these Federal Reserve banks, and inducing them to throw it into channels of trade on an uncertain loaning basis.

The SPEAKER. The time of the gentleman from Maine has expired.

Mr. BEEDY. Mr. Speaker, for the accommodation of Members who wish to ask questions, will the chairman of the committee yield me 5 minutes more?

Mr. STEAGALL. I yield 5 minutes more to the gentleman from Maine.

Mr. KVALE. Mr. Speaker, will the gentleman yield?

Mr. BEEDY. Yes. Mr. KVALE. Is it not true, I will ask the gentleman from Maine, a well-informed Member, that from the White House, the Treasury Department, the Federal Reserve Board, and down, these smaller banks have been urged and urged to make loans to industry, and have not done so?

Mr. BEEDY. That is true.

Mr. MAY. The Federal Reserve banks get their money on which to do business by assessment of certain percents on the different kinds of deposits of the member banks. If they are authorized to take this fund out of the United States Treasury and loan it in competition with the money that they get direct from their member banks, which encouragement will that be to member banks to continue to loan or to make new loans?

Mr. BEEDY. I cannot see how it is going to do other than discourage wise banking by member banks. Whenever you take Government moneys and set up Government institutions, finance them with the people's money and put them into the field of industry, you are retarding the day of normal business recovery. We are never going to get anywhere following that road.

Mr. KELLY of Pennsylvania. Will the gentleman yield?

Mr. BEEDY. I yield. Mr. KELLY of Pennsylvania. Many Members of the House introduced bills providing for loans by the Reconstruction Finance Corporation. Does the gentleman mean to say that under this bill hard-pressed business in this country has little hope of receiving direct loans through the Reconstruction Finance Corporation?

Mr. BEEDY. In my opinion, since they must, under the terms of this bill, furnish proof that they have been to every banking institution within reasonable radius and are unable to receive accommodation there, they will be refused loans by the Reconstruction Finance Corporation. If the loans are any good at all they will have to be made by banks. Prospective borrowers will never get to this great emergency corporation, in my opinion, unless their loans are so poor that no bank should ever make them.

Mr. KELLY of Pennsylvania. That will be a very great disappointment to many business men in this country.

Mr. BEEDY. Very great. If all these loans could be made through this temporary emergency corporation—the Reconstruction Finance Corporation-all the loans would be made on adequate security, and ultimately the institution will be liquidated and the money will be paid back into the Treasury. Under the Federal Reserve provisions of this bill the \$140,000,000 may come back, but not within 50 years by the terms of this bill.

Mr. TAYLOR of Tennessee. Will the gentleman yield?

Mr. BEEDY. I yield.

Mr. TAYLOR of Tennessee. The theory is that the Reconstruction Finance Corporation will make loans on less satisfactory collateral than that taken by a bank?

Mr. BEEDY. The Reconstruction Finance Corporation can only make them on adequate security. Under the phraseology of this bill, the Federal Reserve banks may make them on sound and reasonable security. Now, if the gentleman can figure that out, he can define a distinction without a difference.

Mr. BOILEAU. Will the gentleman yield?

Mr. BEEDY. I yield.

Mr. BOILEAU. The bill as we originally passed it in the House carired a provision for the bank pay-off.

Mr. BEEDY. No. That was another bill. That was a bill extending the temporary provisions of deposit insurance.

Mr. LUDLOW. Will the gentleman yield?

Mr. BEEDY. I yield.

Mr. LUDLOW. Without challenging the good faith of the banks or their willingness to make loans, is it not true that the banking system of this country has broken down and is not functioning? Is that not true? The gentleman knows I have great respect for his judgment, and I should like to know if it is not true that the banking system is not functioning. What does he think about that?

Mr. BEEDY. The banking system has not broken down. The banks are overliquid with money. They are eager to make loans, but values both in the security market and in the produce markets are so low, and anybody who has anything of value has borrowed so to the limit that there are few outstanding safe loans in which any bank can risk its money.

Mr. LUDLOW. The banks are not functioning, and industries are starving for working capital.

The SPEAKER. The time of the gentleman from Maine [Mr. BEEDY] has expired.

Mr. STEAGALL. Mr. Speaker, I yield 10 minutes to the gentleman from Maryland [Mr. Goldsborough].

Mr. GOLDSBOROUGH. Mr. Speaker, we have had great difficulty in reaching an agreement in this conference. As you know, the Senate put a provision in the bill whereby the Federal Reserve banks were given \$140,000,000 on the

faith that they would reloan the money to industry. The House struck that \$140,000,000 from the bill. Then we went into conference and have been working on the matter for the best part of a week. Today we went into conference at half past 10 and came out at 6 o'clock. At first we proposed to the Senate to strike the Federal Reserve banks out of the bill, that is, their power to loan direct. They would not agree to that. Then we proposed that the Treasury should advance to the Federal Reserve banks money as it was needed to actually make loans. That is, that the Federal Reserve banks should not get the money until they were ready to make the loans, and that when the loans were paid off, the proceeds should be returned to the Treasury, and the Senate refused to accept that.

Then we proposed that the Treasury should advance onehalf of every loan made by the Federal Reserve banks, and that when the loans were collected, one-half should be paid to the Treasury and the other half should be retained by the Federal Reserve banks. But the Senate refused that.

You understand thoroughly the tremendous pressure brought upon the House conferees from the very highest sources, to report this conference, but we absolutely refused. [Applause.] We absolutely refused to turn over \$140,000,000 of the people's money to the Federal Reserve banks for them to loan or not as they pleased. [Applause.] That we would not do under any circumstances. So we reached this agreement: In the first place, the Secretary of the Treasury was, under the Senate bill, authorized and directed to turn over \$140,000,000 to the Federal Reserve banks, which they should loan or not as they saw fit. If they loaned it or made a profit, the profit should go into the Treasury, but if they saw fit not to loan it at all, they kept it for all time.

They could have invested the money, the whole \$140,-000,000, in Government banks and got proceeds of from 3 percent to 4 percent, and then turned back to the Treasury

only 1 percent. That was the Senate bill.

Under this agreement the amortization of 1 percent is increased to 2 percent. The Secretary of the Treasury is not directed to turn one dollar over to them; he is authorized to do it under such rules and regulations as he himself may prescribe when they actually make loans. Now, this is the very best we could get; and we finally agreed to it upon the advice of the administration itself. We have done the very best we could in a tremendously difficult situation.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. RICH. Should there be a loss on a loan that is made through the Federal Reserve banks, who sustains the loss, the Federal Reserve bank or the Treasury?

Mr. GOLDSBOROUGH. The Treasury.

Mr. HOEPPEL. Mr. Speaker, will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. HOEPPEL. What interest will the Federal Reserve banks pay to the Government for this \$140,000,000?

Mr. GOLDSBOROUGH. They do not pay any interest whatever.

Mr. KVALE. Mr. Speaker, will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. KVALE. Does the gentleman think the position of the House conferees will be respected by the administration under this discretionary grant of power?

Mr. GOLDSBOROUGH. Our feeling is that the Treasury realizes that the Senate proposition was simply a gift of \$140,000,000 to the Federal Reserve banks and that the Treasury does not believe in that sort of a proposition: that the Treasury will do what it can to conserve this fund. That is what we believe.

Mr. KVALE. For the RECORD, will the gentleman make the position of the House conferees a little more explicit, a little more clear before he concludes?

Mr. GOLDSBOROUGH. I have done the best I can, I may say to the gentleman.

Mr. KVALE. And the gentleman has done very ad-

Mr. GOLDSBOROUGH. I thank the gentleman.

Mr. DONDERO. Mr. Speaker, will the gentleman yield? Mr. GOLDSBOROUGH. I yield.

Mr. DONDERO. What rate of interest will be charged by Federal Reserve banks for loans made to industry; and how long will these loans run?

Mr. GOLDSBOROUGH. They can be made for 5 years. No rate of interest is prescribed.

Mr. DONDERO. It is a matter that might fluctuate from time to time.

Mr. GOLDSBOROUGH. Yes.

Mr. BEEDY. Mr. Speaker, will the gentleman yield?

Mr. GOLDSBOROUGH. With pleasure.

Mr. BEEDY. The gentleman and I stood shoulder to shoulder on this proposition for hours in conference.

Mr. GOLDSBOROUGH. Yes.

Mr. BEEDY. And does not the gentleman think it fair to say to this House that this would be a much better bill and more in conformity with the desires of this House if the whole section regarding the Federal Reserve lending powers were stricken from the bill?

Mr. GOLDSBOROUGH. I am very much opposed to direct loans by central banks. I announced my stand in this matter many times to the conference.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. MAY. Of course, the Federal Reserve banks have all of their deposits from the member banks and they under the law have penalized the member banks for failure to pay in their assessment, or the amount they are required to pay in. Now, if the Treasury furnishes \$150,000,000 to the Federal Reserve banks to enable them to loan money to the customers of the member banks, is not that, in effect, putting the Federal Reserve banks as Government institutions into business in competition with their member banks?

Mr. GOLDSBOROUGH. It certainly is.

Mr. MAY. Is not this all wrong?

Mr. GOLDSBOROUGH. In my judgment it is; yes.

Mr. MAY. I agree with the gentleman.

Mr. CAVICCHIA. Mr. Speaker, will the gentleman yield?

Mr. GOLDSBOROUGH. With pleasure, yes; yes.

Mr. CAVICCHIA. Some members of the committee seem to be very much in doubt as to whether these Federal banks will lend any of this money out.

Mr. GOLDSBOROUGH. Under this compromise the Secretary of the Treasury is not required to let the Federal Reserve banks have this money until they are ready to make the loans; as a matter of fact, does not have to let them have it at all.

Mr. Speaker, I yield back the remainder of my time.

Mr. STEAGALL. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. Patman].

# DIRECT LOANS TO INDUSTRY

Mr. PATMAN. Mr. Speaker, the need for direct loans to industry was recognized before this Congress convened. Banks were not making loans. Another body, instead of authorizing loans to be made directly by the Reconstruction Finance Corporation, seemed to seize upon the opportunity to try to get \$140,000,000 back into the surplus funds of the Federal Reserve banks; and this bill as it passed the other body was not a direct loans to industry bill; it was a bonus bill, a bonus to the Federal Reserve banks; that is what it was. When the bill came to the House our Committee on Banking and Currency made a good bill out of it.

They struck out a provision in the Senate bill and put in an authorization for \$300,000,000 in direct loans to be made by the Reconstruction Finance Corporation. Then the bill went to conference and the conferees on the part of the House, I am convinced, have made a hard and stubborn fight to carry out the will of this body. They have kept faith. They have done everything in their power I am convinced they could do in order to bring to us the very kind of a bill we asked here; one that would really make direct loans to industry; but they were not successful, and this compromise is the best that they can get.

It is not so bad after all. The main part of the bill contains provision for \$300,000,000 to be loaned by the R.F.C.

That is in the bill and is the good part of the bill. That is the reason I am willing to vote for it, although there are bad parts in it. The good parts are sufficient to justify our forgetting the bad parts. The bad part is the \$139,000,000 or \$140,000,000 that will be just handed over to the Federal Reserve banks without any strings, without interest, just giving it to them in the hope that they will extend some loans to industry. That is the part that I do not like.

Another part authorizes the Federal Reserve Board to build a separate building here in Washington called the "Federal Reserve Board Building." They want to get away from the Treasury. That is the only slim contact that the people of this Government have with the Federal Reserve banks, and that is a very slender thread. The Federal Reserve banks, and that is a very slender thread. The Federal Reserve Board want to get off to themselves, so that when they get the Bureau of Engraving and Printing to furnish them money at 27 cents a thousand dollars they can use that money and charge the people any rate of interest they choose to charge them for it, and they will not be in a Treasury Building where an Assistant Secretary of the Treasury will even pass by their office occasionally. They will be away from them entirely.

In truth and in fact, Mr. Speaker, the American people should resent the other body's determination to give these Federal Reserve banks this bonus of \$139,000,000 or \$140,000,000. They should resent it and they should rise up with this body and make this American Congress take these banks away from private corporations that are now using the people's credit and restore it to the Congress of the United States where we can do what the Constitution says, that is, coin and regulate its value. [Applause.]

Mr. MAY. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Kentucky. Mr. MAY. What is the necessity of having the Reconstruction Finance Corporation that is now a \$5,000,000,000 concern lending money to private industry and also having the Federal Reserve banks doing the same thing?

Mr. PATMAN. The Federal Reserve banks are taking advantage of this opportunity to get a little money back. The Banking and Currency Committee of the House won a great victory about a year ago and the Federal Reserve banks did not like it. The committee took \$139,000,000 out of the surplus of the Federal Reserve banks and put this sum into the Federal Deposit Insurance Corporation to insure the deposits of the people. The Federal Reserve banks did not like this.

Mr. MAY. Does this bill give the Federal Reserve banks the right to lend the \$140,000,000?

Mr. PATMAN. The effort of the other body is to try to get the money back which has been taken away from them a year ago, and since the money belonged to the people a year ago and did not belong to the Federal Reserve banks, it should not be returned to them now.

Mr. MAY. Does the report give it to them? If it does, I want to vote against the report.

Mr. PATMAN. The report does not give it to them. This committee says: We will agree to let the Federal Reserve banks have it, and they are to pay it back at the rate of 2 percent a year—in other words, over a period of 50 years. We have a little hold on them. I hope by the time this Congress meets again there will be sufficient public sentiment for the Congress to absolutely take over, own, control, and operate the Federal Reserve banks in the interest of all the people. [Applause.]

Mr. STEAGALL. Mr. Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken; and on a division (demanded by Mr. Kopplemann) there were—ayes 190, noes. 4.

So the conference report was agreed to.

A motion to reconsider was laid on the table.

## NATIONAL INDUSTRIAL RECOVERY ACT

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the resolution (H.J.Res. 375)

to effectuate further the policy of the National Industrial Recovery Act with Senate amendments, and agree to the Senate amendments.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the Senate amendments, as follows:

Page 1, line 11, after the word "commerce", insert a comma and "the salaries, compensation, and expenses of the board or boards

"the salaries, compensation, and expenses of the board or boards and necessary employees being paid as provided in section 2 of the National Industrial Recovery Act."

Page 2, line 22, after the word "resolution", insert "with reference to the investigations authorized in section 1."

Page 3, after line 13, insert:
"Sec. 6. Nothing in this resolution shall prevent or impede or diminish in any way the right of employees to strike or engage in other concerted activities."

Mr. MARTIN of Massachusetts. Will the gentleman explain the amendments?

Mr. BYRNS. Yes. The first amendment relates to employees and the compensation to be paid to the board or boards which may be appointed by the President, and it simply provides that the compensation and the appointments shall be made in accordance with the provisions set forth in section 2 of the Industrial Recovery Act.

The second amendment refers to the regulation and rules which the bill authorizes the board or boards to adopt, and simply confines those rules and regulations to section 1 of the pending joint resolution, which, as the gentleman recalls, relates to the investigation of the causes, the issues, and the facts involved in any controversy between employer and employee.

Mr. MARTIN of Massachusetts. Neither one is a radical change in the language of the bill as passed by the House.

Mr. BYRNS. No; they are very slight changes.

The third amendment is simply a declaration of a fact which is already conveyed in the resolution, that nothing in the resolution shall be construed as impeding or preventing the right to strike upon the part of employees.

The SPEAKER. The question is on the motion of the gentleman from Tennessee to concur in the Senate amend-

The motion was agreed to.

On motion of Mr. Byrns, a motion to reconsider the vote by which the Senate amendments were agreed to was laid on the table.

### APPROPRIATIONS FOR INVESTIGATING COMMITTEES

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent for the present consideration of the House joint resolution (H.J.Res. 452) to provide an additional appropriation for expenses of special and select committees of the House of Representatives for the fiscal year 1935, which I have sent to the Clerk's desk.

The Clerk read the House joint resolution, as follows: House Joint Resolution 452

Resolved, etc., That for the payment of expenses of special and select committees authorized by the House of Representatives, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$110,000 for the fiscal year 1935: Provided, That no person shall be employed under this appropriation or under the appropriation for this purpose in the Legislative Branch Appropriation Act, 1935, at a rate of compensation in excess of \$3,600 per annum.

Mr. TABER. Mr. Speaker, I should like to have 3 or 4 minutes on this joint resolution.

Mr. BUCHANAN. I shall be pleased to yield to the gentleman later.

Mr. Speaker, I wish to say just a few words. This is a joint resolution to appropriate \$110,000 as a supplemental appropriation for the House contingent fund to provide for the investigating committees of the House that you gentlemen have authorized and the Committee on Accounts has allowed since we passed our regular appropriation. I feel that since the House has passed the authorizations, and since the Committee on Accounts has allowed the respective amounts which total about \$110,000, we should bring the appropriation into the House.

Individually, I do not endorse a great many investigations, whether in the House or in the Senate. I am one Member of the House who believes the regular committees of the House can get all the facts that are necessary for them to have in 99 cases out of 100 [applause], but this House gave a command to the Appropriations Committee, and we have brought in this joint resolution.

We have put on one limitation, which is a provision that no employee of any one of these investigating committees shall be paid a greater salary than \$3,600 per annum.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. Yes. Mr. O'CONNOR. In connection with some of these investigations they are going to employ experts?

Mr. BUCHANAN. Yes. Mr. O'CONNOR. In the tin investigation, for instance, where does the gentleman think they are going to get a man who knows anything about the tin supply of the world for \$300 a month? And in the mortgage and bond investigation they will need the best accountants they can get. The Federal Trade Commission pays \$4,600 as a minimum for their accountants. What kind of accountants does the gentleman think they are going to be able to get for \$3,600 a year-not even an apprentice accountant.

Mr. BUCHANAN. We do not expect them to go out and hire brains. We expect the committee itself to furnish the brains and not the investigators whom they employ. expect your investigators to bring out the facts and then have the committee, with its brain power or its brain trust, if it has one, furnish the brains of the investigation. [Laughter and applause.]

That is all I have to say, Mr. Speaker. If you want the money to conduct these investigations, pass the joint resolution. If you do not, this is the last time I shall put the matter before you.

Mr. TABER. Mr. Speaker, I ask recognition for a few moments on the resolution.

Mr. Speaker, I think the Chairman of the Appropriations Committee has done a good job in putting this rider on this joint resolution.

Mr. BUCHANAN. Mr. Speaker, will the gentleman yield? Mr. TABER. Yes.

Mr. BUCHANAN. Is it not a fact that the Senate has this limitation of \$3,600 a year with respect to all of its investigations?

Mr. TABER. Yes; and they get just as good men as there are available, and there are thousands and thousands of lawyers and engineers and scientists of all descriptions who are ready to give their services for this compensation. Things are so just now that they are glad to get these jobs.

Mr. BUCHANAN. If the gentleman will yield further, is it not also a fact that some of the private employees of these investigations have been paid as much as \$14,000 and \$15,000 a year?

Mr. TABER. Yes; and it is ridiculous. We can get along just as well without spending so much money on these investigations, and I hope when we get back here in January we will not authorize so many investigations. We have had a regular epidemic of them throughout this session and we have had tremendous deficiencies in the House.

The House has always had a good, clean record on this sort of thing heretofore, but this time we have gone too far and I hope the House will take this to heart, will pass this joint resolution, just as it is, provide for what has been authorized, and provide the limitation that is necessary if we are going to keep things in bounds.

Mr. RICH. Mr. Speaker, will the gentleman yield? Mr. TABER. I yield.

Mr. RICH. Is it not a fact that when an investigating committee is appointed by the House, there are many, many people around Washington who go to these investigating committees trying to get the committees to employ them, and after they are employed they try to the get the largest salary they can get?

Mr. TABER. I do not know about that, but I presume it is true.

Mr. RICH.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield? Mr. TABER. I yield to the gentleman from New York.

Mr. O'CONNOR. The Chairman of the Committee on Appropriations said that committees should be their own brain trust" and that they should do the investigating. Is it not a fact that your committee, the Committee on Appropriations, has experts to whom you pay \$7,500 a year and upward, and other committees have clerks and experts who are paid \$7,500 a year?

Mr. TABER. We have competent clerks on the pay roll of the Appropriations Committee who have been here a quarter of a century.

Mr. O'CONNOR. Why do you need them-why do you

not do the investigating yourselves?

Mr. TABER. And other committees of the House have competent clerks who are able to do the work of these investigations without hiring outsiders, and there are plenty of men in the departments of the Government who are able to do this work and have not so much to do that it bothers them any. I think we should use them to the limit instead of going ahead and spending a lot of money needlessly.

Mr. WOLFENDEN. I want to inform the gentleman from New York that in one committee they raised the pay of a

clerk from \$90 to \$330.

Mr. TABER. That shows that the committee should exercise caution in making these expenditures.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. Buchanan]?

There was no objection.

Mr. VINSON of Georgia. Mr. Speaker, I offer the following amendment to the resolution.

The Clerk read as follows:

At the end of the resolution add a paragraph as follows:

"To carry out the purpose of H.R. 9145, Seventy-third Congress, second session, providing for the attendance of the Marine Band at the National Encampment of the Grand Army of the Republic to be held at Rochester, N.Y., and at the National Convention for Disabled Veterans of the World War, to be held at Colorado Springs, Colo., there is appropriated out of any money in the Treasury not otherwise appropriated the sum of \$11,000."

Mr. BUCHANAN. Mr. Speaker, I could not bring in that appropriation because the President has not signed the bill. It has passed the House and passed the Senate, and no doubt the President will sign it, but I could not bring it in. I have no objection to it.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

# INTERNATIONAL LABOR ORGANIZATION

Mr. McREYNOLDS. Mr. Speaker, I move to suspend the rules and pass the bill S.J.Res. 131.

Mr. TINKHAM. Mr. Speaker, I object.

The Clerk read the resolution as follows:

Whereas progress toward the solution of the problems of in-ternational competition in industry can be made through inter-national action concerning the welfare of wage earners; and Whereas the failure of a nation to establish humane conditions of labor is an obstacle in the way of other nations which desire to maintain and improve the conditions in their own countries; and

Whereas the United States early recognized the desirability of international cooperation in matters pertaining to labor and took part in 1900 in establishing, and for many years thereafter supported, the International Association for Labor Legislation; and

Whereas the International Labor Organization has advanced the welfare of labor thoughout the world through studies, recommendations, conferences, and conventions concerning conditions

of labor; and
Whereas other nations have joined the International Labor Or-Whereas other nations have joined the International Labor Organization without being members of the League of Nations; and Whereas special provision has been made in the constitution of the International Labor Organization by which membership of the United States would not impose or be deemed to impose any obligation or agreement upon the United States to accept the proposals of that body as involving anything more than recommendations for its consideration: Therefore be it

Resolved, etc., That the President is hereby authorized to accept membership for the Government of the United States of America in the International Labor Organization, which, through its general conference of representatives of its members and through its International Labor Office, collects information concerning labor throughout the world and prepares international conventions for the consideration of member governments with a view to improving conditions of labor. view to improving conditions of labor.

SEC. 2. That in accepting such membership the President shall assume on behalf of the United States no obligation under the covenant of the League of Nations.

Mr. TINKHAM. Mr. Speaker, I demand a second.

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection?

There was no objection.

Mr. McREYNOLDS. Mr. Speaker, I yield myself 5 minutes. I am very sorry that my good friend from Massachusetts is so disturbed over this resolution that he objected to suspending the rules, and was so anxious to go to bat that he hardly wanted me to explain the bill.

The resolution merely provides for giving the President of the United States the right to join the United States in the International Labor Organization. The bill was passed in the Senate by unanimous consent. The resolution provides for the participation of the United States in the International Labor Organization at Geneva, an instrumentality maintained by some 60 countries, with the sole objective of improving labor conditions.

The idea in these conventions is that if we can improve labor conditions throughout the world and thereby raise the standard of living, that it will enable us not only to render a great service to humanity but to more readily compete in the tariff situation where we have markets abroad.

This resolution is backed by every department of Government—the Labor Department, the Commerce Department. the Secretary of State, and by the Chief Executive himself. I ask you to give my friend on the committee, the gentleman from Massachusetts, a faithful hearing.

Mr. COCHRAN of Pennsylvania. Will the gentleman

vield?

Mr. McREYNOLDS. I yield.

Mr. COCHRAN of Pennylvania. Is not the International Labor Organization practically an American institution? Was it not organized by Samuel Gompers and President Wilson?

Mr. McREYNOLDS. It was organized by Mr. Gompers and President Wilson in 1919, but we do not have a membership in that organization at the present time. It is endorsed by labor organizations throughout this country.

Mr. O'MALLEY. Mr. Speaker, will the gentleman yield?

Mr. McREYNOLDS. Yes.

Mr. O'MALLEY. Is not this International Labor Organi-

zation a part of the League of Nations?

Mr. McREYNOLDS. It is not, although my good friend, the gentleman from Massachusetts [Mr. TINKHAM] will tell you that it is. It is a separate organization. Its building is separate, and is one mile away from the League of Nations and has been built out of the budget of these countries.

Mr. O'MALLEY. Are not some of its funds obtained through the League of Nations Council in Geneva?

Mr. McREYNOLDS. I don't know anything about that, but I know that other tountries outside of the League of Nations belong to this organization. I am just as much opposed to the League of Nations as is my good friend from Wisconsin.

Mr. O'MALLEY. I am afraid that this might be a stepping stone used for the purpose of getting us into the League of Nations.

Mr. FITZPATRICK. Is it endorsed by the Federation of Labor?

Mr. McREYNOLDS. It is. Mr. Speaker, I reserve the remainder of my time.

Mr. TINKHAM. Mr. Speaker, this is the hour and this is the time, as we near adjournment in confusion, when legislation is reported to this House which never would be reported if due deliberation could be given to it. It is the

spawning hour for the propagation of proposals fostered by corruption, by special interests, by foreign intrigue, and by conspirators against the public weal.

The proposal now before the House is a proposal of this character. It is being promoted by those who are opposed to American interest, American independence, and American principles. It provides that the United States accept membership in the International Labor Organization of the League of Nations; that the United States accept part 13 of the Versailles Treaty, which treaty the United States has refused to accept and the people of the United States regard as an instrument of oppression, of hate, and of chaos for the civilized world.

Let me also state here that this resolution is not before the House in accordance with a fair interpretation of the rules; in accordance with honest procedure. There was no notification to the members of the Committee on Foreign Affairs that the resolution was to be considered, a quorum was not present when the resolution was reported, and no witnesses appeared before the committee.

A letter signed by the Secretary of Labor, Frances Perkins, was sent to the committee and was made a part of the report of the committee. It contains this wholly false statement:

The organization-

Wrote Miss Perkins, referring to the International Labor Organization-

is not even now an integral part of the League of Nations.

Let me read Article 387 of the Versailles Treaty. It states:

A permanent organization is hereby established for the promotion of the objects set forth in the preamble.

The original members of the League of Nations shall be the original members of this organization, and hereafter membership of the League of Nations shall carry with it membership of the said organization. said organization.

Now, let me read 391 of the Versailles Treaty. It reads:

The meetings of the Conference shall be held at the seat of the League of Nations, or at such other place as may be decided by the Conference at a previous meeting by two-thirds of the votes cast by the delegates present.

Article 392 of the Versailles Treaty reads:

The International Labour Office shall be established at the seat of the League of Nations as part of the organization of the League.

Yet, Miss Perkins states that the International Labor Organization is not an integral part of the League of Nations. This statement of the Secretary is wholly false. It was made to deceive and to mislead the Committee on Foreign Affairs of the House and the House itself.

Let me explain what the real intent of this proposal is. The League of Nations is a part of the Versailles Treaty. The Covenant of the League of Nations is the center; its two wings, affiliates, or branches are the Permanent Court of International Justice and the International Labor Organization. Both are bureaus, instrumentalities, or agents of the League of Nations. This set-up can be compared with the Capitol in which we are sitting. There is a center and there are two wings. An entry to either wing is an entry into the building itself. An entry into either wing of the League of Nations is an entry into the League of Nations itself. If you vote for this resolution you vote to enter the League of Nations. You commit the United States to internationalism under the lash of foreign influences and through alien machinations you take the first step into the League. You will be following the dictates of the foreign propagandists in this country and in Europe. Is propaganda and foreign propagandists going to rule us?

The intent of those who are opposed to American nationalism is first to have the United States become a member of the International Labor Organization, then adhere to the Permanent Court of International Justice, and finally become signatories of the Covenant. This would be a gross betrayal of the people of the United States to Europe, where people of the United States have lost their wealth and their institutions, which are now toppling to destruction.

Section 2 of the resolution provides: "That in accepting such membership the President shall assume on behalf of the United States no obligation under the Covenant of the League of Nations."

This is simply saying that we shall go to one wing of the edifice but that we shall not go to the center at this time. It is the first step which we are asked to take, and the first step is the fatal one.

Mr. O'MALLEY. Will the gentleman yield? Mr. TINKHAM. I am sorry. I cannot yield at this moment.

Mr. Speaker, we must face the issue; we must decide whether or not we are going to vote in favor of the League. We are not asked now to face the issue on the Covenant. No one dares to put the Covenant before us at this time. We are not asked to face the issue on the Court. No one dares to put the Court before us at this time. But we are asked to vote on the International Labor Organization, which is an integral part of the League of Nations, as stated in the Versailles Treaty.

Mr. KENNEY. Will the gentleman yield?

Mr. TINKHAM. I yield.

Mr. KENNEY. Will the gentleman tell us, if he knows, who drew this resolution?

Mr. TINKHAM. I do not know.
Mr. O'MALLEY. Will the gentleman yield?
Mr. TINKHAM. I yield.
Mr. O'MALLEY. It says:

Whereas said provision has been made in the constitution of the International Labor Organization—

What was the said provision and why should they have to make it to get us into this organization?

Mr. TINKHAM. Let me explain that. While the Versailles Treaty was under consideration in Europe proposing to entangle us in the affairs of Europe, one-third of the Senate notified Europe by what was called a "round robin" that the United States would not join the League of Nations. Whereupon the European intriguers, men of ingenuity, desiring to involve the United States into European affairs, provided in the protocol of the court and in the International Labor Organization that any country not a member of the League might enter these organizations without becoming a signatory to the Versailles Treaty or to the Covenant of the League of Nations.

Are you willing to involve the United States in the League of Nations and the future wars of Europe? Will you take the first step in that direction by accepting this resolution? Will you accept a part of a treaty which has been repudiated as a whole by the American people and held by the American people not only in abhorrence but in hatred and in fear? Will you commit the United States at this time to the Versailles Treaty, to foreign entanglements and foreign wars, which would be the inevitable consequences of your action if you adopt this resolution? Will you be lashed into line by foreign and international money and organizations?

Mr. LUNDEEN. Will the gentleman yield for a question? Mr. TINKHAM. I yield.

Mr. LUNDEEN. Is it not a fact that large sums of money are being expended by foundations and organizations in this country to disseminate foreign propaganda? I wish the gentleman would put in the RECORD a list of those organizations and the money they are expending in America to devitalize Americanism. It is a government by propaganda.

# GOVERNMENT BY PROPAGANDA

Arthur Sears Henning, of the Chicago Tribune, in the 1927 edition of his pamphlet reports on 81 organizations which disseminate propaganda or otherwise seek to influence public opinion, legislation, and the administration of government.

## SOURCES OF PROPAGANDA CASH

More than \$10,000,000 a year is now being expended by these organizations in amounts of \$2,000,000 or more down to \$1,000 per unit. Mr. Henning tells us that the United States Chamber of Commerce influences legislation and voices the

attitude of organized business men on domestic and international questions, expending more than \$1,000,000 per year. CARNEGIE ENDOWMENT

Carnegie Endowment for International Peace promotes internationalism and propagandizes for the League of Nations and World Court. In 1927 it expended \$530,000 in 1 year. This represents the earnings of approximately a \$25,000,000 fund.

#### LEAGUE OF NATIONS NONPARTISAN ASSOCIATION

This foreign-minded league is working for the entrance of the United States into the League of Nations, and expended in 1927 more than \$200,000. It takes more than \$5,000,000 to earn this amount now being expended by traitorous un-American pro-foreign people who masquerade as Americans to deceive their fellow men. They would lead us straight to the battlefields of Europe under the mask of

#### AMERICANS READ WASHINGTON'S FAREWELL ADDRESS

Let us write upon the tablets of mind and heart the immortal words of Washington, Father of our Country, never to entangle ourselves in the quarrels of Europe.

#### FOREIGN WAR DEBTS

Yes; I spoke against loaning \$10,000,000,000 to European kings way back on April 6, 1917. I quoted Washington against Wilson in that fatal hour. Washington said, "There are no real favors between nation and nation." But our internationalists lead on, and we are now playing Santa Claus to the whole world. There must be an end to this. Those who try to drag us into the back door of the League of Nations are no friends of America.

Mr. TINKHAM. At the beginning of this Congress I introduced a resolution providing for the investigation of the disloyal and seditious organizations and individuals who were attempting to denationalize the United States-those who for their own vicious and alien ends were seeking to merge us with western Europe and to embroil us into its affairs. The resolution was not passed. I disclosed at that time that millions of dollars were being spent in the United States to denationalize the United States and to bring about our destruction through European entanglements. I could prove these statements true if this House would pass my resolution ordering an investigation.

Mr. O'MALLEY. Will the gentleman yield further? Mr. TINKHAM. I yield.

Mr. O'MALLEY. As a matter of fact, when they tried to induce us into the World Court, did they not make the same exceptions to provisions as they are making here?

Mr. TINKHAM. They did. Mr. O'MALLEY. Is it not a fact that League of Nations' money supported this labor organization?

Mr. TINKHAM. Yes; it is.

Mr. O'MALLEY. And the report shows it. Mr. TINKHAM. Let me ask the chairman of the committee on which I have the honor to serve: Has there been an estimate of the cost to the American people of our annual contribution to this organization? If so, how much?

Mr. McREYNOLDS. It will not cost anything for the next fiscal year.

Mr. TINKHAM. What will be the subsequent yearly contribution?

Mr. McREYNOLDS. That will depend on a number of circumstances.

Mr. TINKHAM. Mr. Speaker, I may say that it is estimated that we shall contribute to the support of this organization from \$150,000 to \$400,000 a year.

Mr. COOPER of Ohio. Mr. Speaker, will the gentleman

Mr. TINKHAM. I yield to the honorable Representative from Ohio.

Mr. COOPER of Ohio. I would like to ask the gentleman from Massachusetts what prompted the bringing in of this resolution? It is something new to me. It comes in here at the last minute. None of us has had an opportunity to study it, and I would like to know if labor of the United

States is in favor of joining an international labor organization which in the European countries today is controlled chiefly by Communists?

Now, I do not know about this, but I think we have got enough to do in the United States of America to take care of our own labor without mixing in any of the brawls of European and Asiatic countries. [Applause.]

Mr. TINKHAM. I thoroughly agree with the honorable Representative from Ohio.

Mr. FITZPATRICK. Mr. Speaker, will the gentleman yield?

Mr. TINKHAM. I yield.

Mr. FITZPATRICK. Has the committee held any hearings on the bill?

Mr. TINKHAM. No hearings were held on the bill; and there were no witnesses.

Mr. FITZPATRICK. Was there any report from any labor organizations on the bill?

Mr. TINKHAM. Not to the committee; no.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. TINKHAM. I yield.

Mr. JENKINS of Ohio. If this resolution is adopted, is it not true that this will take us further into the League of Nations than anything we have tried to do?

Mr. TINKHAM. It will take us even further than the Court would, because, as I have stated, the Versailles Treaty says that the International Labor Office shall be established at the seat of the League of Nations as part of the organization of the League, whereas the Versailles Treaty merely authorizes the setting up of the Court and the giving of advisory opinions.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. TINKHAM. I yield.

Mr. CELLER. What harm can come from an exchange of ideas on labor?

Mr. TINKHAM. The harm that can come is that which would come from taking the first step into the League. Other steps will follow. There will be the International Labor Organization, then the Court, then the Covenant, and then the destruction of America; that is all.

Mr. FULLER. The gentleman will admit that if there were no possibility of entrance into the League, then, there would be no harm to come from an exchange of ideas on labor.

Mr. TINKHAM. Let me say this: That there might be no harm if there were no possibility of entrance into the League, but adherence to the International Labor Organization is only the first step in the intrigue of the internationalists to get us finally into the League of Nations.

Mr. CELLER. I have listened with interest many times to the gentleman from Massachusetts; I have the greatest respect for him and admire his intellectual ability, but with his conclusions in this instance I must emphatically disagree. The gentleman is wrenching this bill out of its proper content, design, and its implication.

Mr. TINKHAM. Just one word more, Mr. Speaker. If the House wishes eventually to enter the League of Nations, which would mean the destruction of the United States in the next war, then let the House pass this resolution. If the House desires to commit the United States to internationalism under the direction and control of propagandists paid with the money of foreign interests, then let the House vote for this resolution. But if the House is for American independence, for American ideals, for American nationality untarnished, then let the House vote against this resolution. [Applause.]

[Here the gavel fell.]

Mr. McREYNOLDS. Mr. Speaker, since hearing the gentleman's speech, I ask for a vote.

The SPEAKER. The question is on the motion of the gentleman from Tennessee to suspend the rules and pass the bill.

The question was taken; and on a division (demanded by Mr. Martin of Massachusetts) there were—ayes 161, noes 59.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask for Chase Gam Church Giffo the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were-yeas 233, nays 109, not voting 88, as follows:

#### [Roll No. 197] VEAS 000

YEAS—233				
Adams	DeRouen	Johnson, Tex.	Richards	
Allgood	Dickinson	Johnson, W.Va.	Robertson	
Arnold	Dies	Jones	Robinson	
Ayers, Mont.	Disney	Kee	Rogers, N.H.	
Ayres, Kans,	Dobbins	Keller	Rogers, Okla.	
Bankhead	Doughton	Kelly, Pa.	Romjue	
Beiter	Dowell	Kloeb	Rudd	
Berlin	Doxey	Kniffin	Ruffin	
Biermann	Drewry	Kopplemann	Sabath	
Black	Driver	Kramer	Sadowski	
Bland	Duffey	Kvale	Sanders, La.	
Blanton	Duncan, Mo.	Lambeth	Sanders, Tex.	
Bloom	Dunn	Lanham	Sandlin	
Boehne	Eagle	Lanzetta	Schulte	
Boileau	Edmiston	Larrabee	Sears -	
Boland	Eicher	Lea, Calif.	Shannon	
Boylan	Ellzey, Miss.	Lehr	Sirovich	
Brennan	Faddis	Lewis, Colo.	Sisson	
Brown, Ga.	Farley	Lewis, Md.	Smith, Va.	
Brown, Ky.	Fitzgibbons	Lloyd	Snyder	
Brown, Mich.	Fitzpatrick	Lozier	Spence	
Brunner	Flannagan	McCarthy	Steagall	
Buchanan	Fletcher	McFarlane	Strong, Tex.	
Buck	Foulkes	McGrath	Sutphin	
Bulwinkle	Frear	McMillan	Tarver	
Burch	Frey	McReynolds	Taylor, Colo.	
Burke, Nebr.	Fuller	Maloney, La.	Terry, Ark.	
Byrns	Fulmer	Mansfield	Thom	
Caldwell	Gasque	Martin, Colo.	Thomason	
Cannon, Mo.	Gavagan	May	Thompson, Ill.	
Carden, Ky.	Gilchrist	Mead	Thompson, Ter	
Carmichael	Gillespie	Meeks	Turner	
Carter, Calif.	Gillette	Milligan	Umstead	
Carter, Wyo.	Glover	Mitchell	Underwood	
Cartwright	Goldsborough	Monaghan, Mont.		
Cary	Gray	Montet	Vinson, Ky.	
Castellow	Green	Murdock	Wallgren	
Celler	Greenway	Musselwhite	Walter	
Chapman	Greenwood	Nesbit	Warren	
Chavez	Gregory	O'Connell	Weaver	
Christianson	Griffin	O'Connor	Welch	
Cochran, Mo.	Hancock, N.C.	Oliver, Ala.	Werner	
Cochran, Pa.	Harlan	Oliver, N.Y.	West, Ohio	
Colden	Harter	Owen	West, Tex.	
Colden	Hastings	Parker	White	
Colmer	Healey	Parsons	Whittington	
DECOMPOSITION OF THE PROPERTY	Henney	Patman	Wilcox	
Connery Tonn	Hildebrandt	Peterson	Willford	
Cooper, Tenn.	Hill, Ala.	Pettengill	Williams	
Cox	Hill, Knute	Peyser	Wilson	
Cravens	Hill, Samuel B.	Pierce	Withrow	
Crosby	Hoeppel	Polk		
Cross, Tex.	Hoidale	Prall	Wood, Ga. Wood, Mo.	
Crosser, Ohio	Hughes	Ramsay	Young	
Crowe	Imhoff			
Cullen	Jacobsen	Ramspeck Randolph	Zioncheck The Specker	
Darden			The Speaker	
Dear	James James Ind	Rankin		
Deen	Jenckes, Ind.	Rayburn		
Delaney	Johnson, Okla.	Reilly		

Allen	Evans	Lamneck	Secrest
Arens	Fiesinger	Lehlbach	Shallenberger
Bakewell	Focht	Lemke	Simpson
Beedy	Foss	Luce	Sinclair
Blanchard	Goodwin	Ludlow	Stalker
Bolton	Goss	Lundeen	Stokes
Britten	Granfield	McCormack	Strong, Pa.
Burnham	Griswold	McFadden	Sweeney
Busby	Guyer	McGugin	Swick
Cadv	Hancock, N.Y.	Maloney, Conn.	Taber
Carpenter, Kans.	Hart	Mapes	Taylor, Tenn.
Cavicchia	Hartley	Marshall	Thomas
Clarke, N.Y.	Hess	Martin Mass.	Tinkham
Collins, Calif.	Higgins	Merritt	Tobey
Condon	Holmes	Millard	Traeger
Cooper, Ohio	Hope -	Morehead	Truax
Crowther	Howard	Mott	Turpin
Culkin	Jenkins, Ohio	Moynihan, Ill.	Wadsworth
Cummings	Johnson, Minn.	Muldowney	Waldron
Darrow	Kahn	O'Malley	Weideman
Dirksen	Kelly, Ill.	Plumley	Whitley
Ditter	Kennedy, N.Y.	Powers	Wigglesworth
Dondero	Kenney	Ransley	Wolcott
Durgan, Ind.	Kinzer	Reece	Wolfenden
Eaton	Knutson	Reid, Ill.	Wolverton
Edmonds	Kocialkowski	Rich	

NAYS-109

Rogers, Mass. Schaefer Kurtz Lambertson Englebright NOT VOTING-88

Auf der Heide Abernethy Adair Beam Bacharach Andrew, Mass. Andrews, N.Y. Bacon Bailey Brooks Browning

Buckbee Burke, Calif. Cannon, Wis. Carley, N.Y.

Shoemaker McLeod Gambrill Gifford McSwain Marland Smith, Wash. Smith, W.Va. Claiborne Clark, N.C. Collins, Miss. Martin, Oreg. Haines Snell Miller Hamilton Somers, N.Y. Montague Stubbs Hollister Connolly Huddleston Moran Studley Sullivan Corning Jeffers Norton Kennedy, Md. Crump De Priest O'Brien Palmisano Sumners, Tex. Swank Kerr Taylor, S.C. Terrell, Tex. Thurston Parks Peavey Perkins Dickstein Kleberg Dingell Lee, Mo. Lesinski Dockweiler Lindsay McClintic Douglass Doutrich Reed, N.Y. Richardson Treadway Vinson, Ga. Wearin Woodruff Woodrum Ellenbogen McDuffie Schuetz Fernandez McKeown McLean Scrugham Fish Seger

The SPEAKER. The Clerk will call my name.

The Clerk called Mr. Rainey's name and he answered

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs: On the vote:

The Clerk announced the following pairs:
On the vote:

Mr. Corning with Mr. Snell.
Mr. McDuffle with Mr. Treadway.
Mr. Kleberg with Mr. Beck.
Mr. McClintic with Mr. Fish.
Mr. Lindsay with Mr. Connolly.
Mr. Martin of Oregon with Mr. Hollister.
Mr. McKeown with Mr. Woodruff.
Mr. Huddleston with Mr. Andrew of Massachusetts.
Mr. Montague with Mr. Bacon.
Mr. Vinson of Georgia with Mr. Gifford.
Mr. Woodrum with Mr. McLeod.
Mr. Parks with Mr. Perkins.
Mr. Collins of Mississippi with Mr. Bacharach.
Mr. Crump with Mr. Andrews of New York.
Mr. Browning with Mr. McLean.
Mr. Adair with Mr. Beed of New York.
Mr. Dockweller with Mr. Seger.
Mr. Richardson with Mr. Thurston.
Mr. Douglass with Mr. Peavey.
Mr. Beam with Mr. Doutrich.
Mr. Kennedy of Maryland with Mr. Buckbee.
Mr. Fernandez with Mr. Chase.
Mr. Shoemaker with Mr. O'Brien.
Mr. Clalborne with Mr. Church.
Mr. Cannon of Wisconsin with Mr. Gambrill.
Mr. McSwain with Mr. Somers of New York.
Mr. Miller with Mr. Marland.
Mr. Abernethy with Mr. Dingell.
Mr. Kerr with Mr. Dickstein.
Mr. Lesinski with Mr. Brooks.
Mr. Schuetz with Mr. Auf der Heide.
Mr. Carley of New York with Mr. Burke of California.
Mr. Falmisano with Mr. Scrugham.
Mr. Palmisano with Mr. Scrugham.
Mr. Sullivan with Mr. Scrugham.
Mr. Sullivan with Mr. Strudey.
Mr. Swank with Mr. Smith of West Virginia.
Mr. Hildbebrandt, Mr. Durgan, Mr. Waldron chyotes from "yea" to "nay."

Mr. HILDEBRANDT, Mr. DURGAN, Mr. WALDRON changed their votes from "yea" to "nay."

Mr. Avers of Montana, Mr. Duffey, Mr. Thompson of Illinois, Mr. WERNER, and Mr. Wood of Georgia changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded. A motion to reconsider was laid on the table.

## DEFICIENCY APPROPRIATION BILL, 1934-35

Mr. BUCHANAN. Mr. Speaker, I submit the following conference report on the bill (H.R. 9830) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes, and ask unanimous consent for its immediate consideration.

The Clerk read the title of the bill.

The conference report (Rept. No. 2057) and statement are as follows:

# CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9830) making appropriations to supply deficiencies | as center head "Bureau of Agricultural Economics"; and the in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses

That the Senate recede from its amendments numbered 37, 41, 42, 44, 62, 84, 96, 97, 101, 105, 106, 281, and 284.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 6, 7, 8, 10, 11, 12, 13, 14, 15, 16, 17, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 30, 32, 33, 36, 38, 43, 45, 46, 47, 48, 49, 51, 52, 53, 54, 55, 56, 57, 58, 61, 63, 64, 65, 66, 69, 70, 71, 73, 75, 76, 79, 80, 81, 82, 83, 86, 87, 88, 89, 90, 91, 92, 93, 98, 102, 103, 107 to 265, both inclusive, 266, 267, 268, 269, 271, 272, 273, 274, 277, 278, 279, 283, 285, 287, 288, 289, 290, and 291, and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5. and agree to the same with an amendment as follows: In line 1 of the matter inserted by said amendment strike out the word "unexpended" and insert in lieu thereof the word unobligated"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In line 1 of the matter inserted by said amendment strike out the word "unexpended" and insert in lieu thereof the word unobligated"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "\$8,500"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$175,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31. and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "\$300,000"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment amended to read as follows: ": Provided, That persons employed hereunder may be appointed for temporary service for a period not in excess of 6 months, without regard to civilservice rules and regulations."; and the Senate agree to the same

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35. and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "\$50,000"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39. and agree to the same with an amendment as follows: In line 1 of the matter inserted by said amendment strike out the word "unexpended" and insert in lieu thereof the word "unobligated"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: In line 1 of the matter inserted by said amendment strike out the word "unexpended" and insert in lieu thereof the word "unobligated"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment as follows: Before line 1 of the matter inserted by said amendment insert

Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "\$5,000"; and the Senate agree to the same.

Amendment numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment as follows: In line 5 of the matter inserted by said amendment insert in the first blank "14" and in the second blank "352"; and the Senate agree to the same.

Amendment numbered 67: That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment, as follows: In lieu of the sum \$335,860 where named in said amendment insert the sum "\$250,000", and in lieu of the sum \$245,460 where named in said amendment insert the sum "\$160,-000"; and the Senate agree to the same.

Amendment numbered 68: That the House recede from its disagreement to the amendment of the Senate numbered 68, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "\$25,-000"; and the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment as follows: In line 9 of the matter inserted by said amendment strike out "\$91,190" and insert in lieu thereof "\$80,000", and in line 11 of the matter inserted by said amendment strike out "\$1,896,990" and insert in lieu thereof "\$1,500,000"; and the Senate agree to the same.

Amendment numbered 74: That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "\$125 .-000"; and the Senate agree to the same.

Amendment numbered 77: That the House recede from its disagreement to the amendment of the Senate numbered 77, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "\$100.-000"; and the Senate agree to the same.

Amendment numbered 78: That the House recede from its disagreement to the amendment of the Senate numbered 78. and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "\$75.000": and the Senate agree to the same.

Amendment numbered 85: That the House recede from its disagreement to the amendment of the Senate numbered 85. and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "\$75,000"; and the Senate agree to the same.

Amendment numbered 94: That the House recede from its disagreement to the amendment of the Senate numbered 94, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment, insert

'Waterways Treaty, United States and Great Britain; International Joint Commission, United States and Great Britain: For completing necessary special or technical investigations in connection with matters which fall within the scope of the jurisdiction of the International Joint Commission, including the same objects specified under this head in the Department of State Appropriation Act, 1935, \$17,555."

And the Senate agree to the same.

Amendment numbered 95: That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with an amendment as follows: In lieu of the sum named insert "\$75,000"; and the Senate agree to the same.

Amendment numbered 99: That the House recede from its disagreement to the amendment of the Senate numbered 99, and agree to the same with an amendment as follows:

In line 2 of the matter inserted by said amendment, strike out the word "the" where it occurs the second time and insert in lieu thereof the following: "final and complete"; and the Senate agree to the same.

Amendment numbered 100: That the House recede from its disagreement to the amendment of the Senate numbered 100, and agree to the same with an amendment as follows: At the end of the matter inserted by said amendment insert the following: "The expenditure of such sum shall be subject to the receipt of assurances satisfactory to the President from such governments of their cooperation in such survey and construction"; and the Senate agree to the same.

Amendment numbered 104: That the House recede from its disagreement to the amendment of the Senate numbered 104, and agree to the same with an amendment as follows: In line 9 of the matter inserted by said amendment insert in the blank "14"; and the Senate agree to the same.

Amendment numbered 270: That the House recede from its disagreement to the amendment of the Senate numbered 270, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"To meet the emergency and necessity for relief in stricken agricultural areas, to remain available until June 30, 1935, \$525,000,000, to be allocated by the President to supplement the appropriations heretofore made for emergency purposes and in addition thereto for (1) making loans to farmers for, and/or (2) the purchase, sale, gift, or other disposition of, seed, feed, freight, summer fallowing, and similar purposes; expenditures hereunder and the manner in which they shall be incurred, allowed, and paid, shall be determined by the President, and may include expenditures for personal services and rent in the District of Columbia and elsewhere and for printing and binding and may be made without regard to the provisions of section 3709 of the Revised Statutes."

And the Senate agree to the same.

Amendment numbered 275: That the House recede from its disagreement to the amendment of the Senate numbered 275, and agree to the same with an amendment as follows: In lines 15, 16, and 17 of the matter inserted by said amendment strike out the following "and not to exceed \$60,000 for a survey of the effect of the code on labor conditions in the petroleum industry, fiscal year 1935, \$2,096,000" and insert in lieu thereof "fiscal year 1935, \$1,500,000"; and the Senate agree to the same.

Amendment numbered 276: That the House recede from its disagreement to the amendment of the Senate numbered 276, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: ", and which sum is a part of the \$200,000,000 authorized to be appropriated by section 1 of the act entitled "An act to increase employment by authorizing an appropriation to provide for emergency construction of public highways and related projects, and to amend the Federal Aid Road Act, approved July 11, 1916, as amended and supplemented, and for other purposes", approved June —, 1934"; and the Senate agree to the same.

Amendment numbered 280: That the House recede from its disagreement to the amendment of the Senate numbered 280, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$5,000,000"; and the Senate agree to the same.

Amendment numbered 282: That the House recede from its disagreement to the amendment of the Senate numbered 282, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$2,000,000"; and the Senate agree to the same.

Amendment numbered 286: That the House recede from its disagreement to the amendment of the Senate numbered 286, and agree to the same with an amendment as follows: Strike out lines 68, 69, 70, and 71 of the matter inserted by said amendment and insert in lieu thereof the following: "be covered into the Treasury as miscellaneous receipts."; and the Senate agree to the same.

Amendment numbered 292: That the House recede from its disagreement to the amendment of the Senate numbered 292, and agree to the same with an amendment as follows: In line 2 of the matter inserted by said amendment strike out "October" and insert "December"; and the Senate agree to the same.

Amendment numbered 293: That the House recede from its disagreement to the amendment of the Senate numbered 293, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "Provided further, That not exceeding \$30.000 of the sum herein appropriated shall be expended for construction of a retaining wall and/or improvement of grounds of Federal Building at Reno, Nev."; and the Senate agree to the same.

J. P. Buchanan,
Edward T. Taylor,
W. A. Ayres,
William W. Arnold,
William B. Oliver,

Managers on the part of the House.
Alva B. Adams,
Kenneth McKellar,
James F. Byrnes,
Frederick Hale,
L. J. Dickinson,
Managers on the part of the Senate.

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9830) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On nos. 1 to 17, relating to the Senate: Appropriates \$17,000 for payments to widows of deceased Senators; appropriates \$100,000 for expenses of Senate inquiries and investigations and reappropriates the unobligated balance of the 1934 appropriation for such purposes; appropriates for miscellaneous items under the Senate \$14,305.35 for the fiscal year 1933 and \$50,000 for the fiscal year 1934; reappropriates the unobligated balance of the 1934 appropriation for folding speeches and pamphlets, and carries a number of legislative provisions with respect to Senate accounts, the commencement of terms of Senators and of their compensation and that of their clerical assistants, all as proposed by the Senate.

On nos. 18 to 23, relating to the House of Representatives: Appropriates \$8,500 for payment to widow of a deceased Member, instead of \$9,000, as proposed by the Senate, and appropriates \$6,000 for payment of expenses incurred in contested-election cases, as proposed by the Senate.

On nos. 24 to 26, relating to the Architect of the Capitol: Makes the appropriation and reappropriation proposed by the House in connection with enlarging the Capitol Grounds available until expended, as proposed by the Senate, and appropriates an additional \$29,536 for maintenance of the Senate Office Building, as proposed by the Senate.

On no. 27: Strikes out the appropriation and legislation proposed by the House with respect to the law library in the United States Supreme Court Building, as proposed by the Senate.

On no. 28: Appropriates \$75,000 for the expenses of the Aviation Commission in consequence of the act of June 12, 1934, as proposed by the Senate.

On no. 29: Appropriates \$175,000 on account of Government participation in the Chicago World's Fair, instead of \$150,000, as proposed by the House, and \$200,000, as proposed by the Senate.

On nos. 30, 31, and 32, relating to the Civil Service Commission: Appropriates \$334,000, instead of \$340,000, as proposed by the Senate.

On no. 33: Appropriates \$30,000 to enable the Federal Trade Commission to comply with the provisions of House Concurrent Resolution 32, as proposed by the Senate.

On no. 34: In connection with the appropriation to provide additional temporary personnel for the General Accounting Office, provides for their employment for a period not exceeding 6 months, in lieu of the Senate proposal providing for temporary appointments without regard to civil-service rules and regulations.

On no. 35: Appropriates \$50,000 for carrying out the provisions of the act establishing a National Archives of the United States, instead of \$100,000, as proposed by the Senate.

On no. 36: Appropriates \$300,000 for the purpose of administering the provisions of the Securities Exchange Act of 1934 and the Securities Act of 1933, as proposed by the Senate.

On no. 37: Strikes out the appropriation of \$6,012 proposed by the Senate on account of library and educational equipment for the National Zoological Park.

On nos. 38, 39, and 40: Continues available during the fiscal year 1935 the 1934 appropriations of the Tariff Commission for salaries and expenses and printing and binding, and increases the limitation previously established on expenditures during the fiscal year 1935 for personal services from \$725,000 to \$750,000, as proposed by the Senate.

On nos. 41 to 46, relating to the District of Columbia: Strikes out the additional appropriations proposed by the Senate for the fiscal year 1935 for the Public Utilities Commission and the Alcoholic Beverage Control Board; appropriates \$1,583 for judicial expenses, fiscal year 1933, as proposed by the Senate, instead of \$1,193, as proposed by the House; strikes out the appropriation proposed by the Senate of \$13,770 for personal services, Board of Indeterminate Sentence and Parole, and appropriates an additional \$1,238.45 for payment of claims, as proposed by the Senate.

On nos. 47 to 50, relating to the Department of Agriculture: Appropriates \$225,000 for forest-fire cooperation, as proposed by the Senate, instead of \$152,000, as proposed by the House; appropriates \$30,000 for road construction within grounds of Thomas Jefferson Memorial Foundation at Monticello, as proposed by the Senate, and appropriates \$47,670, to enable the Secretary of Agriculture to collect and analyze economic data on agricultural products pursuant to the act amending the Tariff Act of 1930, approved June 12, 1934, as proposed by the Senate.

On nos. 51 to 58, relating to the Department of Commerce: Appropriates an additional \$2,000 for contingent expenses, fiscal year 1935, also the additional amounts for such fiscal year indicated after the following heads, viz: Investigation of foreign-trade restrictions, \$45,210; customs statistics, \$11,580; allowance for quarters, foreign commerce service, \$57,060; propagation of food fishes, \$9,650; and inquiry respecting food fishes, \$24,140, all as proposed by the Senate.

On nos. 59 to 65, relating to the Interior Department: Makes \$5,000, instead of \$10,000, as proposed by the Senate, of the appropriation "Salaries and expenses, Division of Investigations, Department of the Interior, 1935", available for unforeseen emergencies of a confidential character; makes a reimbursable appropriation of \$481,879.38 for the purchase of land for the Navajo Indians in Arizona, as proposed by the Senate; provides for the deduction of "expenses" as well as attorneys' fees from the judgment rendered by the Court of Claims in favor of the Creek Nation before making per capita payments of the residue to members of the Creek Tribe, as proposed by the Senate; strikes out the appropriation of \$5,000, proposed by the Senate, for the appraisal and sale of vacant public lands within Federal irrigation projects and appropriates \$3,144,603 for carrying out the provisions of sections 1 and 2 of the act providing for the further development of vocational education, approved May 21, 1934, as proposed by the Senate.

On nos. 66 to 85, relating to the Department of Justice: In lieu of an additional appropriation of \$335,860, proposed

by the Senate, for salaries Department of Justice, fiscal year 1935, \$245,460 of such sum to be available for transfer to other appropriations of such Department, appropriates \$250,000, of which \$160,000 may be transferred to other appropriations; appropriates \$25,000 for payment of rewards for the capture or leading to the capture of persons charged with violation of criminal laws, instead of \$50,000, as proposed by the Senate; appropriates an additional \$25,000 for traveling and miscellaneous expenses, fiscal year 1935, as proposed by the Senate; appropriates \$293.74 for printing and binding, fiscal year 1932, as proposed by the Senate; appropriates \$36,683 for rent of buildings in the District of Columbia, fiscal year 1935, as proposed by the Senate; appropriates \$1,500,000 additional, instead of \$1,896,990, as proposed by the Senate, for salaries and expenses, Division of Investigation, \$80,000 of such sum being made available for personal services in the District of Columbia, instead of \$91,190, as proposed by the Senate; appropriates an additional \$22,750 for salaries and expenses, Division of Accounts, fiscal year 1935, as proposed by the Senate; appropriates an additional \$125,000 for enforcement of antitrust and kindred laws, fiscal year 1935, instead of \$140,800 as proposed by the Senate; appropriates \$40,830, as proposed by the Senate, instead of \$43,700, as proposed by the House, for domestic care under the marshal of the United States Supreme Court Building and Grounds, \$25,830 of such sum, as proposed by the Senate, instead of \$28,700 thereof, as proposed by the House, being set aside for personal services; appropriates an additional \$100,000, instead of \$140,000, as proposed by the Senate, for marshals' offices, United States courts, fiscal year 1935; appropriates an additional \$75,000, instead of \$100,000, as proposed by the Senate, for salaries and expenses of clerks, United States courts, fiscal year 1935; appropriates the additional amounts proposed by the Senate for fees of commissioners, United States courts, as follows: For 1930, \$18.30; for 1931, \$88; for 1932, \$320.60; appropriates \$465.99 for miscellaneous expenses, United States courts, fiscal year 1930, as proposed by the Senate, instead of \$456.44, as proposed by the House; appropriates an additional \$15,000 for the fiscal year 1935 for supplies for United States courts, as proposed by the Senate; strikes out the Senate provision excepting judges of the Supreme Court of the United States who have resigned or shall hereafter resign from the law requiring a reduction in their retired pay; and appropriates an additional \$75,000 for the support of United States prisoners, fiscal year 1935, instead of \$100,000, as proposed by the Senate.

On nos. 86 and 87, relating to the Navy Department: Appropriates an additional \$3,072 for claims for damages growing out of collisions with naval vessels, as proposed by the Senate.

On nos. 88 to 101, relating to the Department of State: Owing to the act amending the Tariff Act of 1930, approved June 12, 1934, makes additional appropriations for the fiscal year 1935, as proposed by the Senate, as follows: Salaries \$94,720, contingent expenses \$4,000, promotion of foreign trade \$75,000; appropriates \$6,000 for death gratuity to widow of Foreign Service officer, as proposed by the Senate: appropriates \$406.53 for reimbursement of Spanish Foreign Service officer representing American interests at Kiev, Russia, from March 1, 1918, to the end of February 1920, as proposed by the Senate; appropriates \$17,555 for investigations under the International Joint Commission, United States and Great Britain, as proposed by the Senate, amended to provide that such sum shall be for the completion of such investigations; appropriates \$75,000, instead of \$90,000, as proposed by the Senate, for expenses incident to participation by the United States in the examination and settlement at Istanbul, Turkey, of claims of the Government of the United States and of the Turkish Republic against each other; strikes out the proposal of the Senate to make funds available to pay the quotas of the United States in the Permanent Association of International Road Congresses for the calendar years 1932, 1933, and 1934; strikes out the proposal of the Senate to make funds available for participation by the United States in the Seventh

International Roads Congress to be held in Munich, Germany, in 1934; appropriates \$57,000, as proposed by the Senate, for expenses of the Mixed Claims Commission, United States and Germany; appropriates \$170,000 for the expenses of settlement and adjustment of claims by the General and Special Claims Conventions, United States and Mexico, as proposed by the Senate, amended to provide that the work shall be completed within such sum; appropriates \$1,000,000 in connection with the survey and construction of the proposed Inter-American Highway, as proposed by the Senate, amended to provide that expenditure shall be subject to the President being given such assurances as he may deem adequate of an appropriate measure of cooperation by the several Governments, members of the Pan American Union, and strikes out the appropriation of \$10,000 proposed by the Senate to defray the expenses of the American group of the Interparliamentary Union.

On nos. 102 and 103, relating to the Treasury Department: Makes existing appropriations available for reimbursing the Federal Reserve Bank of Philadelphia for the expense of shipping cash under contract, and appropriates an additional \$69,220 for the fiscal year 1935 for distinctive paper for United States securities, all as proposed by the Senate.

On nos. 104 to 106, relating to the War Department: Appropriates \$16,000 for the purchase of land for rifle-range purposes at Fort Francis E. Warren, as proposed by the Senate; strikes out the appropriation of \$6,000 proposed by the Senate for participation of Army units in ceremonies incident to the international celebration at Fort Niagara, N.Y., and strikes out the appropriation of \$171,034.31 for payment to the city of Baltimore and the appropriation of \$764,143.75 for payment to the city of New York for expenditures incurred by such cities incident to the Civil War, proposed by the Senate.

On nos. 107 to 120: Appropriates \$52,819.80 for the payment of damage claims, as proposed by the Senate, instead of \$34,863.27, as proposed by the House.

On nos. 121 to 132: Appropriates \$124,818.53 for payment of judgments, United States courts, as proposed by the Senate, instead of \$138,191.70, as proposed by the House.

On nos. 133 to 140: Appropriates \$1,415,154.82 for payment of judgments, Court of Claims, as proposed by the Senate, instead of \$1,135,170.15, as proposed by the House.

On nos. 141 to 258: Appropriates the additional sum of \$227,232.06 for the payment of audited claims, as proposed by the Senate.

On nos. 259 and 260: Appropriates \$24,319.25 for the payment of judgments against collectors of customs, as proposed by the Senate, instead of \$24,319.25, as proposed by the House.

On nos. 261 and 262: Appropriates \$137.13 for the payment of the claim of the estate of John C. Lederer, deceased, as proposed by the Senate, instead of \$7, as proposed by the House.

On nos. 263 to 265: Appropriates \$23,259.30 for payment of interest withheld from claimants by the Comptroller General, as proposed by the Senate, instead of \$11,393.03, as proposed by the House.

On no. 266: Strikes out, as proposed by the Senate, the House provision providing for a charge upon privately owned automobiles housed in Government-owned shelters.

On no. 267: Corrects a section number.

On no. 258: Imposes a limit of \$500,000,000, as proposed by the Senate, upon the employment of any savings or unobligated balances in the funds of the Reconstruction Finance Corporation for the purposes of the Federal Emergency Relief Act of 1933 and/or title II of the National Industrial Recovery Act.

On nos. 269 and 270, relating to relief in stricken agricultural areas: Appropriates \$525,000,000, as proposed by the Senate, amended to limit the availability of the appropriation to June 30, 1935, instead of without year, and making it subject to allocation by the President; also, in lieu of the general exception proposed by the Senate as to the application of statutes governing the expenditure of public funds, provides for certain specific exceptions.

On no. 271: Provides for rail carriers giving special rates to drought sufferers without violating the Interstate Commerce Act, as proposed by the Senate.

On no. 272: Authorizes the Reconstruction Finance Corporation to purchase not exceeding \$250,000,000 worth of marketable securities acquired or to be acquired by the Federal Emergency Administration of Public Works, receipts thus acquired by such Administration to be available for making additional loans (but not grants) under the provisions of title II of the National Industrial Recovery Act, as proposed by the Senate, in lieu of a similar House provision without limitation on the amount of purchases.

On nos. 273 and 274: Transfers enrollees of the Civilian Conservation Corps from the injury compensation provision of the act of March 31, 1933, to the provisions of the act of February 15, 1934, as proposed by the Senate, instead of making such a transfer as to all personnel connected with the Civilian Conservation Corps, as proposed by the House.

On no. 275: Appropriates \$1,500,000 for the Petroleum Administration, instead of \$2,096,000, as proposed by the Senate, eliminating, however, the Senate proposal that not to exceed \$60,000 of the appropriation might be used for a survey of the effect of the code of fair competition for the petroleum industry on labor conditions in the petroleum industry.

On no. 276: In connection with the appropriation for emergency construction of public highways, provides that such appropriation shall be part of the \$200,000,000 authorized to be appropriated by section 1 of H.R. 8781, as finally enacted by the Senate and House of Representatives, as proposed by the Senate.

On no. 277: Appropriates \$10,000,000 for forest roads and trails, as proposed by the Senate, instead of \$6,730,000, as proposed by the House, and strikes out, as proposed by the Senate, the House authorizations for an appropriation for such purposes for each of the fiscal years 1936 and 1937.

On no. 278: Strikes out, as proposed by the Senate, the authorization for an appropriation of \$2,500,000 for each of the fiscal years 1936 and 1937 on account of the construction and maintenance of roads through unappropriated or unreserved public lands, nontaxable Indian lands, or other Federal reservations other than the forest reservations.

On nos. 279, 280, and 281: Strikes out, as proposed by the Senate, the authorization for an appropriation of \$5,000,000 for each of the fiscal years 1936 and 1937 for roads, trails, and bridges under the National Park Service; appropriates for such purposes for the fiscal year 1935, \$5,000,000, instead of \$7,500,000, as proposed by the Senate, and strikes out the proposal of the Senate requiring that such work as to location, type, and design shall have the approval of the Bureau of Public Roads.

On nos. 282 and 283: Appropriates \$2,000,000 for the construction and improvement of Indian reservation roads for the fiscal year 1935, instead of \$4,000,000, as proposed by the Senate; strikes out, as proposed by the Senate, the authorization of \$2,000,000 for each of the fiscal years 1936 and 1937 on account of such work, and provides, as proposed by the Senate, that the location, type, and design of such work shall be approved by the Bureau of Public Roads.

On no. 284: Strikes out the appropriations for highways proposed by the Senate, as follows: Virgin Islands, \$250,000, Alaska, \$1,500,000, Puerto Rico, \$1,000,000.

On no. 285: Continues available during the fiscal year 1935 the unexpended balance of the appropriations heretofore made for road and bridge flood relief, State of Alabama.

On no. 286: Inserts the amendment proposed by the Senate amending sections 4 and 5 of the Agricultural Adjustment Act relating to cotton held by the United States and providing an appropriation to enable the Secretary of Agriculture to pay off any debt or debts incurred by him or discharging any liens against such cotton. The House accepted the Senate amendment with an amendment, the effect of which is to provide that any funds remaining after the entire transaction has been completed shall be covered into the Treasury instead of being credited to the appro-

priation of the Agricultural Adjustment Administration, as | proposed by the Senate.

On no. 287: Raises from \$9,000, as proposed by the House, to \$10,000, as proposed by the Senate, the limitation on salaries to be paid under sections 512 and 513 of the Revenue Act of 1934.

On nos. 288, 289, 290, and 291: Appropriates \$1,500,000, as proposed by the Senate, for any expenses in connection with carrying out the Silver Purchase Act of 1934.

On no. 292: Inserts the amendment proposed by the Senate providing that after October 1, 1934, no part of the appropriation made in this act or heretofore made for the fiscal year 1935 shall be used to pay the salary of any person formerly employed as investigator, special agent, senior warehouseman, deputy prohibition administrator, agent, assistant attorney, assistant prohibition administrator, senior investigator, deputy production administrator, storekeeper or gager, or any other position in the Prohibition Bureau or Alcoholic Beverage Unit, Department of Justice, who was separated from the service of such Bureau or Unit between June 10, 1933, and December 31, 1933, while in any such position in the Treasury Department, unless and until such person shall be appointed thereto as a result of an open, competitive examination to be hereafter held by the Civil Service Commission, modified so as to change the date of October 1, 1934, to December 1, 1934.

On no. 293: Makes available \$30,000 for a retaining wall and/or improvement on grounds of Federal building at Reno, Nev., as proposed by the Senate, except that the Senate amendment provided for a retaining wall only.

> J. P. BUCHANAN, EDWARD T. TAYLOR, W. A. AYRES. WILLIAM W. ARNOLD, W. B. OLIVER, Managers on the part of the House.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the report.

Mr. TABER (interrupting the reading of the conference report). Mr. Speaker, I would suggest to the chairman of the committee that he ask unanimous consent that the further reading of the conference report be dispensed with and the report printed in the RECORD.

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to dispense with the further reading of the conference

report.

Mr. BRITTEN. Mr. Speaker, I reserve the right to object. Mr. COCHRAN of Missouri. Mr. Speaker, reserving the right to object, how long is this conference report? There are some very important items that have been cut out of this bill and this House has a right to know just what they are. There is no print of the conference report and I am interested in two items that have been eliminated.

Mr. TABER. No one can hear the report being read and I was going to ask the gentleman from Texas to explain it. The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. COCHRAN of Missouri and Mr. BRITTEN objected. The Clerk resumed the reading of the conference report. Mr. COCHRAN of Missouri (interrupting the reading of the conference report). Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. COCHRAN of Missouri. Mr. Speaker, how are the Members of the House to understand what an amendment is when we have no copy of the amendment and the report simple states 'amendment no. so-and-so", "the House recedes", or "the Senate recedes"? What information has the House about the amendments?

The SPEAKER. The amendments will be explained after the reading of the conference report.

The Clerk concluded the reading of the conference report. Mr. BUCHANAN. Mr. Speaker, this is the last appro- | construction.

priation bill. Your Appropriations Committee and your conferees have done their level best to bring back to you a bill for approval by this conference report that reflects equal and exact justice to every section of our country. I shall not try to give you a detailed account of every item in this vast bill. Such a task would be impossible in the time allotted. I shall give you a general review of the emergency provisions of the bill and the amounts of money available for the different branches of relief work.

The original bill as passed by the House carried a general emergency item of \$899,675,000, to be allotted for the Tennessee Valley Authority, the Public Works Administration, the Emergency Relief Administration, and the C.C.C. camps. In addition to this, it carried authority for the allotment of unobligated balances from the Reconstruction Finance Corporation to the Relief Administration, and P.W.A. Under this conference report a limitation is placed on the amount of unobligated balances of Reconstruction Finance Corporation funds that can be transferred to either the Emergency Relief Administration, or to Public Works, of \$500,000,000.

The bill carries \$525,000,000, the amount of the estimate, for emergency or drought relief, to be spent in the droughtstricken agricultural areas of our country.

The bill carries authority for P.W.A. securities, municipal bonds, and the like, to be taken up or sold to the Reconstruction Finance Corporation, to the amount of \$250,000,000. This amount of money that is paid by the Reconstruction Finance Corporation for securities sold to the corporation is subject to reloan by the P.W.A.; in other words, the \$250,000,000 of securities that may be sold by the P.W.A. to the R.F.C. is for the present a revolving fund.

So to summarize, the amount that will be available for these two relief organizations, I may state to you, is as follows: For relief work, under Mr. Hopkins, there will be available from this and previous appropriations nearly \$1,400,000,000 to be spent in the next 8 months.

There will be, through direct appropriations and through securities taken by the Refinance Corporation, available to the P.W.A. in the neighborhood of \$800,000,000 or \$900,000,-000 for public works.

The testimony shows that Mr. Ickes stated that in making loans from this fund he will give preference to city waterworks, sewerage projects and similar public works.

We did not appropriate money to the Public Works Administration for public buildings. The bill takes public buildings away from the Public Works Administration and vests jurisdiction over the selection of projects in the Secretary of the Treasury and the Postmaster General, where such jurisdiction should have been all the time. [Applause.]

Mr. CARTER of California. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield. Mr. CARTER of California. Will the gentleman state what that amount is. Is it the same as the amount in the House bill?

Mr. BUCHANAN. Sixty-five million dollars; and I am informed that when this bill goes through, in less than 90 days, the Secretary of the Treasury, acting through Admiral Peoples, will have 80 or 90 percent of the buildings selected on the way to construction. If I had the time I could tell you why there has been so much delay in the construction of public buildings in this country.

The bill makes an appropriation of \$119,500,000 for public roads of all kinds, including park roads, forest roads and trails, and roads through Indian lands, justly distributed among the States, so there will be \$119,000,000 of new money for highway construction for the next fiscal year.

In addition to this there is authority carried in the bill that the Secretary of Agriculture can allot and actually place under contract, another \$100,000,000, so that the work can be done during the next fiscal year, although not paid until the following fiscal year.

So that with the funds we appropriate in the public highway program and otherwise make available there can be no excuse for lagging on employment in the public-road

And so summarizing, the bill appropriates or otherwise makes available for emergency work a total of \$2,359,-175,000. Add to that \$150,000,000 that we have already appropriated for relief for the livestock and dairying industry, \$40,000,000 that we have already appropriated for seed loans, and \$950,000,000 for emergency relief and C.W.A., we have a total at this session for relief of various characters of \$3,499,175,000, or about \$300,000,000 less than we made available last session. You know that we had this year \$3,300,000,000 for national recovery and \$500,000,000 for emergency relief.

Mr. LANZETTA. Will the gentleman yield?

Mr. BUCHANAN. Yes. Mr. LANZETTA. The gentleman says \$100,000,000 is appropriated for public roads and highways. Does that include outlying territory?

Mr. BUCHANAN. It does not.

Mr. LANZETTA. Was the amount for Puerto Rico and Alaska stricken from the bill? The bill contained items for construction in the Virgin Islands, \$250,000; Alaska, \$1,-000,000; and Puerto Rico, \$1,000,000.

Mr. BUCHANAN. That was disagreed to in conference. Mr. LANZETTA. Will the gentleman state whether that disagreement came on the part of the House conferees or the Senate conferees?

Mr. BUCHANAN. That is pretty hard to tell. Mr. LANZETTA. I understand the Senate put that in the deficiency bill to take care of outlying territory.

Mr. BUCHANAN. If the Senate had persisted the outlying territory might have gotten something for roads. But there is no reason why they cannot get road money next year as they did this year from the allotment from public road funds.

Mr. DIMOND. Will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. DIMOND. With respect to Senate amendment 284 which will be omitted from the bill upon adoption of a conference report, was the elimination of this amendment intended to prevent the Public Works Administration from allotting out of the Public Works moneys carried by the bill funds for roads in Alaska?

Mr. BUCHANAN. It was not, and it is not intended that any limitation or restriction shall be placed on the President to allot money to Alaska or Puerto Rico or the Virgin Islands or any other possession. You will remember that Alaska got \$1,100,000 this present fiscal year from public roads through the allotment of public works.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. McCORMACK. Will the gentleman state what happened, if anything, to the appropriation for the Department

Mr. BUCHANAN. The Department of Justice got considerable appropriations in this bill. Nothing happened to them except that we scaled some of them down a little.

Mr. McCORMACK. How much? Mr. BUCHANAN. I have not the total amount that we scaled them down, but we did not scale them down very materially.

Mr. BRITTEN. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. BRITTEN. As the chairman of this important committee realizes, it was impossible to follow the reading of the conference report because of the tumult in the House. I failed to observe what happened to amendment numbered 106, on page 63, affecting the cities of Baltimore and New York.

Mr. BUCHANAN. That amendment went out.

Mr. BRITTEN. What happened to amendment numbered 275 on page 76, for the petroleum code, \$1,500,000 being appropriated?

Mr. BUCHANAN. We allowed \$1,500,000 and eliminated the item of \$60,000 that provided for a labor survey to determine the effect of the N.R.A. code on labor in the oil industry.

Mr. BRITTEN. Will the gentleman indicate why it is necessary to appropriate \$1,000,000 for a particular code, when there are several hundred codes?

Mr. BUCHANAN. We did not appropriate for a code; we appropriated for the oil industry, to administer an act, in which tremendous power is given to the man who admin-

Mr. HEALEY. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. HEALEY. The gentleman states that \$65,000,000 were allotted for public buildings. Is that going to be sufficient for the public buildings already approved?

Mr. BUCHANAN. No. The lists carried in the report of the Appropriations Committee of the House would take \$150,000,000 to build all the buildings.

Mr. HEALEY. And only \$65,000,000 was allotted for

Mr. BUCHANAN. Yes. We cannot build all the buildings in the United States in 1 year.

Mr. LANZETTA. Mr. Speaker, the gentleman stated that public works funds can be used for buildings in Alaska, Hawaii, Puerto Rico, and other outlying territories. Does the gentleman think that Secretary Ickes will make these appropriations for these outlying territories?

Mr. BUCHANAN. I just stated to the gentleman that I

am not a mind reader.

Mr. LANZETTA. Does the gentleman not think that the appropriations for these outlying territories should have been contained in the bill and not be put up to the mercy of Secretary Ickes?

Mr. BUCHANAN. The gentleman will remember that these outlying territories have had considerable allotments far in excess of the ordinary amount they usually get for 1 year, and all of these allotments have not been expended.

Mr. LANZETTA. And the gentleman will also realize that continental areas have received large allotments for road

Mr. BUCHANAN. I realize that, and individually, I should like to have seen them have a small amount in this bill.

Mr. GLOVER. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. GLOVER. If I understood the gentleman's statement correctly, the language carried in the conference report with reference to public buildings is the same language that was in the bill when it passed the House.

Mr. BUCHANAN. It is identical.

Mr. ALLGOOD. How is the \$65,000,000 for public buildings divided as between the States and the District of Columbia?

Mr. BUCHANAN. The \$65,000,000 applies entirely out of the District of Columbia.

Mr. LANZETTA. In view of the statement made by the gentleman that he is not a mind reader and cannot read the mind of Mr. Ickes-

Mr. BUCHANAN. Can the gentleman?

Mr. LANZETTA. Does not the gentleman think it will be fair to these outlying territories to permit the Senate amendment to remain in the bill?

Mr. BUCHANAN. I feel confident that the President of the United States will do justice to the outlying possessions. That is one consolation I have. I believe he will do justice. because he is a wise and fair and just man, and I think you can safely rely upon him.

Mr. LANZETTA. I agree with the gentleman so far as the President is concerned.

Mr. BUCHANAN. Mr. Speaker, I have consumed about as much time as I should. Other people may want time on this bill. In conclusion, I state to the membership of this House that I have supported all the appropriations in the emergency program. I have gone along and advocated those appropriations because I thought that by making them, by wisely expending them, and with the cooperation of private enterprise throughout the United States, our country would recover from this depression; and why should it not recover? We have the greatest country in the world. God certainly smiled when He created it, and we have the greatest, the

most progressive, the most initiative, and the most indomitable people in the world. They have the intellect, the energy, and the initiative to bring this country out of this depression. All they want is a sympathetic Government. [Applause.]

Mr. FULMER. Can the gentleman tell me what percent of the total amount allotted for roads can be used on secondary roads or roads other than the Federal system

Mr. BUCHANAN. I do not recall what the final report on that is. I know in the House, in H.R. 8781, it could be done, and I think it can be done as that bill became law.

Mr. JOHNSON of Texas. With reference to projects not Government projects, where municipalities have voted bonds to construct waterworks, and those projects have been approved, what is the chance of an allotment's being made for construction of waterworks in these small towns?

Mr. BUCHANAN. The best chance of any application for a loan, especially those that have been approved. The Administrator of Public Works testified that he would give preference to waterworks, sewers, and such things, for cities or towns.

Mr. JOHNSON of Texas. I hope that will be done, because a great many municipalities have voted their bonds and gone to the expense of employing engineers. If they should now be denied construction of those projects, there would be a great many heartaches.

Mr. BUCHANAN. That is what the Administrator said.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. WHITTINGTON. As I understand the gentleman, this report carries \$100,000,000 as grants for highways during the next year; \$100,000,000 as grants to the States, with the provision that the Secretary of Agriculture will make contracts for \$100,000,000 more to be covered by an additional appropriation.

Mr. BUCHANAN. Correct.

Mr. WHITTINGTON. So that the \$200,000,000 authorized by the Highway Act is thus provided for?

Mr. BUCHANAN. Yes.

Mr. CARTER of California. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. CARTER of California. The gentleman stated there was something less than \$900,000,000 for public works?

Mr. BUCHANAN. Between eight and nine hundred

Mr. CARTER of California. Could the chairman inform the House how that is divided between Federal and non-Federal projects?

Mr. BUCHANAN. The administrator testified that he would apply about 75 percent of that to non-Federal projects. Now, Mr. Speaker, I yield to my colleague from New York

[Mr. TABER] 5 minutes.

Mr. TABER. Mr. Speaker, this bill calls for \$10,890,000 more than it did when it passed the House. Most of that is composed of items which ordinarily occur in the operations of the Government. All of them are represented by a Budget estimate.

Mr. HOLMES. Will the gentleman yield?

Mr. TABER. I yield.

Mr. HOLMES. Is any of that part applicable to

Mr. TABER. Oh, not any amount. I do not know of any particular item on that.

Amongst the items are one and one-half million dollars to carry on this oil proposition we have heard about, and \$1,000,000 to build a highway down in Mexico and Central America. That was originally put in here as an emergency item, but it now comes in here as a regular item. I do not know how much that is going to cost the United States. Frankly, speaking for myself, I do not believe it is wise for us to indulge in building a highway outside the United States.

Now, the bill calls for unusual emergency items of \$629,800,000. Of those \$525,000,000 is for relief in the drought areas. It is not specified that way exactly in the in the Cartwright bill?

bill. It calls for relief in the stricken agricultural areas. It calls for \$100,000,000 for cotton. I want to tell the House a little about that situation.

It calls for \$100,000,000 to be used by the Secretary of the Treasury, in his discretion, to pay off any debt or debts which might have been or may be incurred by the Secretary of Agriculture on account of liens on cotton. At the present time there are \$60,000,000 owed to a bank and \$40,000,000 owed to the Reconstruction Finance Corporation. reason alleged for this was fear that that loan might be called or the Government might be asked to pay too much interest. But what gets me on it is that it is drawn in such a way that it can cover future loans that are made, and it is not limited to loans that already exist.

Mr. HOPE. Will the gentleman yield? Mr. TABER. I yield. Mr. HOPE. What cotton is this?

Mr. TABER. Cotton that the Secretary of Agriculture has bought.

Mr. HOPE. Is it cotton taken from the Farm Board stocks?

Mr. TABER. That I do not know.

Mr. HOPE. Can the gentleman state when this cotton was bought?

Mr. TABER. No; I do not know. It did not appear in the talk that we had with the Senate. It may be in the hearings, but I have not had a chance to go over the details of those hearings which the Senate had. The Senate did not have any hearings on this, because this was put in on the floor of the Senate, and this is an item that the conferees necessarily could not know very much about.

Mr. BLANCHARD. Will the gentleman yield?

Mr. TABER. I yield.

Mr. BLANCHARD. That is a superficial reason given for paying off this loan, the threat of banks to raise the interest rate from 11/2 percent to 5 percent, because no bank would do that on a Government loan.

Mr. TABER. I do not believe any bank wants any loan called that is good, right now.

Mr. FOSS. Will the gentleman yield?

Mr. TABER. I yield.

Mr. FOSS. Is there anything in this report that would provide for the building of a factory at Reedsville, W.Va.? Mr. TABER. There is not anything specific.

The SPEAKER pro tempore. The time of the gentleman from New York [Mr. TABER] has expired.

Mr. BUCHANAN. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. TABER. There is not anything specific. Of course, the Secretary of the Interior, as Chairman of the Board of Public Works, can allot any part of those funds that are specifically appropriated to him, for something of that character. He has already allotted \$525,000 of the \$3,300,-000,000 that was appropriated a year ago.

Mr. FOSS. Does the gentleman understand from that that he could allot \$650,000 from the money that is provided in this appropriation for the building of that factory?

Mr. TABER. There would not be anything to stop him.

Mr. MAPES. Will the gentleman yield?

Mr. TABER. I yield. Mr. MAPES. My understanding is that the Comptroller General has not yet ruled that P.W.A. funds can be used for building the factory in Reedsville.

Mr. TABER. I hope that is the fact. I probably would be wrong if the Comptroller General would rule on it that way, and there would be no authority in the P.W.A. to allot funds this way.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman vield?

Mr. TABER. I yield.

Mr. JENKINS of Ohio. The gentleman will remember that the House passed what was known as the "Cartwright bill" carrying \$200,000,000 for public roads. I see in this bill the amount has been reduced to \$100,000,000. What will become of this other \$200,000,000 that was appropriated

Mr. TABER. There was not \$200,000,000 in addition to [ this. As I understand it, there is \$100,000,000 carried in this bill, together with contract authorizations for \$100,000,000 more, which makes \$200,000,000. So they can go ahead this year with contracts for \$200,000,000 just as soon as this bill becomes a law. Is that correct, Mr. Chairman?

Mr. BUCHANAN. The gentleman is correct.
Mr. JENKINS of Ohio. The gentleman will remember that the Cartwright bill carried a provision that 25 percent of the money should be used on feeder road-country roads. Will that amendment with regard to the 25 percent for feeder roads apply to the use of this \$100,000,000?

Mr. TABER. We have just appropriated money in accordance with the authorization contained in that bill. We have not attempted to change the legislative provisions of the Cartwright bill. Is that correct, Mr. Chairman?

Mr. BUCHANAN. Yes.

Mr. JENKINS of Ohio. This is a matter of very great importance. The gentleman says \$100,000,000 is carried in this bill and another \$100,000,000 is provided for under contract authorization?

Mr. TABER. One hundred million dollars in direct cash and \$100,000,000 in contract authorizations, which is just as good as cash, because this \$200,000,000 could not possibly be spent before the 1st of July 1935. In my judgment, \$100,000,000 is as much as they can possibly spend. There will be plenty under this \$100,000,000, in my opinion.

Mr. JENKINS of Ohio. According to the gentleman's understanding, then, the \$100,000,000 appropriated and the \$100,000,000 contract authorizations will be subject to this 25-percent provision?

Mr. TABER. That is my understanding.

Mr. JENKINS of Ohio. Mr. Speaker, may I ask whether or not that is the understanding of the chairman of the committee?

Mr. BUCHANAN. The second \$100,000,000 can be allocated and contracted this year subject to the provisions of the bill passed by the House and agreed to by the Senate.

Mr. TAYLOR of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. TAYLOR of Tennessee. I have been interested in Senate amendment no. 292. Is not its effect to require the men who are now in the civil service and who have already qualified under civil service to take civil-service examinations again?

Mr. TABER. The effect of amendment no. 292 is to wipe out and separate from the service those men with civilservice status who passed the civil-service examinations and who have been appointed, unless they pass another civilservice examination, and, as I understand it, are appointed

Mr. TAYLOR of Tennessee. Is it not the gentleman's opinion that this is just a subterfuge to get rid of Republican employees?

Mr. TABER. It is a subterfuge, not necessarily to get rid of Republicans but to get rid of existing civil-service employees. Of course you have to expect that sort of thing these days. They have not any respect, of course, for the civil service law.

Mr. TAYLOR of Tennessee. It is an attack upon both the civil service and the Republican employees.

Mr. TABER. Of course.

[Here the gavel fell.]

Mr. BUCHANAN. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. BRITTEN].

Mr. BRITTEN. Mr. Speaker, in the turmoil that accompanied the reading of the report it was practically, if not entirely, impossible to know just what the various amendments constituted.

This bill is 113 pages in length and contains 292 Senate amendments. Since the war days on the floor of this House no expenditures have been made which are comparable to the appropriations carried in this bill—two thousand million dollars-with provision made, as near as I can tell, for appropriating additional funds up to about \$3,000,000 for salaries

alone in the coming fiscal year. In addition to what has already been carried, appropriations are being made for the A.A.A., the P.W.A., the T.V.A., the R.F.C., the C.W.A., the N.R.A., and the F.A.C.A. to such gigantic proportions that if this Congress lasted another 30 days there would be no more anagrams left and we should have nothing but our B.V.D.'s

Such an orgy of spending has never been known in the history of the world during peace times. Just how long our Federal Treasury can stand this strain is hard to comprehend.

Mr. MONAGHAN of Montana. Mr. Speaker, will the gentleman yield?

Mr. BRITTEN. I yield to the gentleman from Montana. Mr. MONAGHAN of Montana. Is the gentleman for the bill?

Mr. BRITTEN. Yes. I shall vote for the bill as a compliment to the opinion and desire of the President. It may be necessary to spend these stupendous amounts to controvert the depression. I hope we are not making a mistake. I am willing to presume that the administration knows what it is doing, but sometimes I wonder if we are not handling the taxpayers' money carelessly.

Mr. Speaker, this bill carries \$75,000 for a codification, or something like that, of the air-mail laws. If \$75,000, which is an unimportant amount, will prevent in the future the blunders of the present administration in its manipulation of the air-mail contracts, I say let us pass the bill at once and include the \$75,000. I hold in my hands a tabulation of the many Senate amendments.

In every department of the Government there are such items as \$306,000, \$30,000, \$45,000, \$11,000, \$57,000, all for salaries of clerks and others. Some of the items are for clerks outside of the classified service, running into millions of dollars. One would imagine there was no limit to the Federal Treasury, and no limit to the demands that might be made by this Government, in spite of the fact that you gentlemen on the other side of the aisle have been preaching economy and were elected on that platform.

[Here the gavel fell.]

Mr. BUCHANAN. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland [Mr. Cole].

Mr. COLE. Mr. Speaker, may I express my disappointment in the fact that the claim of the city of Baltimore is not allowed in this conference report. When conferees such as we have had on this bill decide that this claim is not to be included. I have such respect and esteem for these gentlemen as to take my medicine; but only because of the parliamentary situation, which will not permit changes at this time. Let me emphasize: This claim, of tremendous importance to the city of Baltimore, passed the Senate, was reported out by a House committee, and was on the Speaker's table. The distinguished senior Senator from Maryland was able to have the claim allowed as an amendment to the deficiency appropriation bill and in this move the distinguished junior Senator from Maryland, Senator Golds-BOROUGH, assisted. For this reason it was not presented to the House under suspension of the rules. I understand the conferees felt that because the legislation had not passed the House it should not be in this bill. It is a meritorious claim, and I ask unanimous consent, Mr. Speaker, to include in the extension of my remarks the very able and convincing report of the distinguished Senator from Kentucky [Mr. Logan] on the merits of this claim.

The SPEAKER pro tempore (Mr. MEAD). Is there objection to the request of the gentleman from Maryland?

There was no objection.

The report is as follows:

[S.Rept. No. 721, 73d Cong., 2d sess.] CITY OF BALTIMORE, STATE OF MARYLAND

Logan, from the Committee on the Judiciary, submitted

The Committee on the Judiciary, to whom was referred the bill (S. 3272) for the relief of the city of Baltimore, having considered the same, report favorably thereon with the recommendation that the bill do pass without amendment.

Said bill reads as follows:

Said bill reads as follows:

"That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the city of Baltimore, the sum of \$171,034.31, being the balance of the amount incurred and expended by said city of Baltimore to aid in the construction of works of national defense in 1863, at the request of Maj. Gen. R. C. Schenck, United States Army, and as found and reported to the Senate on May 3, 1930, by the Comptroller General of the United States." United States.

By virtue of Senate Resolution 246, which passed the Senate on May 28, 1928, the Comptroller General of the United States was directed to readjust the claim of the city of Baltimore for amounts advanced at the request of Maj. Gen. R. C. Schenck, dated June 20, 1863, to aid the United States in the construction of works of

advanced at the request of Maj. Gen. R. C. Schenck, dated June 20, 1863, to aid the United States in the construction of works of defense, as allowed by the accounting officers of the Treasury and reimbursed pursuant to the Sundry Civil Act, approved March 3, 1879 (20 Stat. 385), and to report the amount so ascertained to the Senate for consideration.

On February 28, 1929, the Comptroller General of the United States submitted to the President of the Senate a preliminary report (S.Doc. 662, 70th Cong., 2d sess.), and on May 3, 1930, submitted a final report.

These reports disclose as follows:

1. That, to enable the city of Baltimore to provide funds called for by Maj. Gen. R. C. Schenck for the use of the Federal Government for the national defense, the amount of \$96,152 was temporarily withdrawn from the general funds in the city treasury during the period from June to August 1863, and reimbursed by the city to said general funds in the city treasury from the proceeds of a bond issue dated September 1, 1863. That said amount of \$96,152 was reimbursed to the city in the Sundry Civil Act of March 3, 1879, as a certified claim. (See debate in the Senate Feb. 28, 1879, Congressional Record, pp. 2297.)

2. That the bonds issued by the city of Baltimore to provide said \$96,152 ran for a period of 30 years, and that the bonds were redeemed on September 1, 1893, the city expended for interest payments on the bonds which yielded the said \$96,152 advanced for the use of the Federal Government the sum of \$171,034.31, the amount named in the bill.

the use of the Federal Government the sum of \$171,034.31, the

amount named in the bill.

At the time the above payment of \$96,152 was made to the city of Baltimore, it was the declared policy of the accounting officers not to reimburse moneys paid out by the several States for interest paid on bonds issued by said States to raise funds to interest paid on bonds issued by said States to raise funds to be advanced to the Federal Government for the national defense. January 6, 1896, this policy was changed by a decision of the Supreme Court of the United States in the case of the State of New York v. United States (160 U.S. 598), after which the settled accounts of the various other States which had issued bonds and paid interest thereon for the purpose of utilizing the proceeds in making advances to the Federal Government for the national defense during the Civil War, and which accounts had only been settled on the basis of the principal sum that had been advanced by said States to the Government, were, by special acts of Congress, reopened, and said States were refunded the amount of interest paid on so much of the proceeds of said bonds as the States had utilized by way of advances to the United States for the national defense. the national defense.

Inasmuch as the several States have been refunded the amount of interest paid by them on so much of the proceeds of said bonds as the States had utilized by way of advances to the United States for the national defense during the Civil War, your committee feel that the city of Baltimore also should be refunded the amount of interest in the sum of \$171,034.31 paid by said city on so much of the proceeds of the bonds issued by it as said city had utilized by way of advances to the United States for the national defense during the Civil War, as found and reported by the Comptroller General of the United States.

The reports of the Comptroller General of the United States to the President of the Senate are hereto appended.

In the Seventy-second Congress, first session, your committee reported in favor of the payment of this claim, and your committee again recommend payment thereof.

Mr. BUCHANAN. Will the gentleman yield?

Mr. COLE. I yield to the gentleman from Texas.

Mr. BUCHANAN. I want to state to the gentleman from Maryland that I shoulder the responsibility for defeating the amendment in reference to Baltimore and New York. The amendments were put in on the floor of the Senate last night, with no hearing, and they arise out of claims going back to the Civil War in 1863. Personally, I will have to know something about a proposed appropriation before I will recommend it. If the gentleman will come here next Congress and present the facts, and I think they are entitled to it, I will advocate the claim.

Mr. COLE. The gentleman states there was no hearing. On the contrary, there were very extensive hearings before a Senate committee, and the House committee; the latter on the bill introduced by my colleague Congressman Kennedy, and in which my colleagues Congressmen Gambrill, Pal-MISANO, GOLDSBOROUGH, and LEWIS were equally interested with me.

Mr. BUCHANAN. I am talking about the Appropriations Committee of the House.

Mr. COLE. It was not before the gentleman's committee; but the merit of the claim would convince anyone without a hearing if he would study the report to which I have referred.

[Here the gavel fell.]

Mr. BUCHANAN. Mr. Speaker, I move the previous question on the adoption of the conference report.

Mr. COCHRAN of Missouri. Mr. Speaker, a parlimentary inquiry.

The SPEAKER pro tempore. The gentleman will state it. Mr. COCHRAN of Missouri. Am I correct in assuming that the question cannot be divided and we cannot get a separate vote on any item in the conference report? It is a question of take it or leave it?

The SPEAKER pro tempore. The gentleman's assumption is correct.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the adoption of the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

#### FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 1639. An act to establish a Federal Credit Union System, to establish a further market for securities of the United States and to make more available to people of small means credit for provident purposes through a national system of cooperative credit, thereby helping to stabilize the credit structure of the United States.

The message also announced that the Senate had passed without amendment bills and joint resolutions of the House of the following titles:

H.R. 8954. An act to amend an act approved June 14, 1932 (47 Stat. 306), entitled "An act granting the consent of Congress to the States of Montana and Wyoming to negotiate and enter into a compact or agreement for division of the waters of the Yellowstone River";

H.R. 9275. An act to provide for the protection and preservation of domestic sources of tin;

H.R. 9769. An act to amend the act of June 19, 1930 (46 Stat. 788), entitled "An act providing for the sale of the remainder of the coal and asphalt deposits in the segregated mineral land in the Choctaw and Chickasaw Nations, Oklahoma, and for other purposes";

H.J.Res. 366. Joint resolution to simplify the administration of air-mail routes and contracts; and

H.J.Res. 452. Joint resolution to provide an additional appropriation for expenses of special and select committees of the House of Representatives for the fiscal year 1935;

# SETTLEMENT OF WAR CLAIMS ACT OF

Mr. COOPER of Tennessee. It passed the House unanimous consent to take from the Speaker's desk H.J.Res. No. 365, to amend the Settlement of War Claims Act of 1928 as amended, with Senate amendments, and agree to the Senate amendments.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the Senate amendments, as follows:

Page 4, after line 19, insert section 36 of the Emergency Farm Mortgage Act of 1933, as amended, is amended:

I. By striking the comma and the word "and" after the words "to reduce and refinance its outstanding indebtedness carried in connection with any such project" in the second sentence thereof and inserting in place thereof the following: "or whether or not it has any such indebtedness, to purchase or otherwise acquire in connection with such projects, storage reservoirs or dams or sites therefor or additional water rights or canals, ditches or rights-of-way for the conduct of water or other works or appurtenances necessary for the delivery of water provided said purchase or acquisition is not intended to bring additional lands into production by such loans," into production by such loans."

II. By adding at the beginning of (5) thereof, the following: "In case of a loan to reduce or refinance its outstanding indebt-

III. By adding at the beginning of (c) thereof the following: "In the case of a loan to reduce or refinance the outstanding indebtedness of an applicant."

Mr. JENKINS of Ohio. Mr. Speaker, may I ask for an explanation of the amendments? As I understand it, this is simply the same bill as was passed by the House. It has gone over to the Senate and some extraneous amendments have been placed on it.

Mr. COOPER of Tennessee. The gentleman is correct. This resolution has passed the House unanimously. It simply provides that in the case certain funds which are now held in the Treasury Department, where German nationals, growing out of the War Claims Act, are entitled to payment of these funds and at the same time certain American nationals are entitled to certain payments from the German Government or other nationals, this simply gives the Secretary of the Treasury the authority to hold these funds due other nationals until they make some provision for the payment of our nationals.

Mr. JENKINS of Ohio. The House and Senate have both agreed?

Mr. COOPER of Tennessee. It passed the House unanimously, and it passed the Senate just as it passed the House. Mr. JENKINS of Ohio. How about the amendment?

Mr. COOPER of Tennessee. In that body an amendment was added. It only provided for the Reconstruction Finance Corporation to have authority to make loans to an irrigation district in Idaho.

The amendments were agreed to.

A motion to reconsider was laid on the table.

UNIFORM SYSTEM OF BANKRUPTCY THROUGHOUT THE UNITED STATES

Mr. GREGORY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3580) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, with House amendments, insist upon the House amendments and agree to the conference asked by the

The Clerk read the title of the bill.

Mr. BLANCHARD. Mr. Speaker, reserving the right to object, what is this bill?

Mr. JONES. The Senate simply insists that it shall only apply to existing indebtedness and not future indebtedness.

Mr. GREGORY. It really makes it a better bill. Mr. BLANCHARD. Further reserving the right to object, I want to know about the language of the Senate amend-

Mr. GREGORY. The Senate amendment simply limits it to debts already incurred so that it does not apply to any future debts.

Mr. MAPES Mr. Speaker, this is important legislation and we should like to knok what the changes are that have been made by the Senate.

Mr. GREGORY. The only change made by the Senate is to limit the provisions of the bill to indebtedness already incurred; in other words, it would not apply to future debts on farms, but only past or existing debts.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none and appoints the following conferees:

Messrs. Gregory, Ruffin, and Kurtz.

## RETURN OF SEIZED VESSELS

Mr. LEWIS of Colorado. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3646) to amend section 938 of the Revised Statutes to vest the courts with discretion to refuse to order the return of vessels seized for violation of any law of the United States; and to amend subsection (b) of section 7 of the Air Commerce Act of 1926, as amended, to provide for the forfeiture of aircraft used in violation of the customs laws.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 938 of the Revised Statutes (U.S.C., title 28, sec. 751) is amended by adding at the end thereof the following new sentence: "Notwithstanding the pro-

thereof the following new sentence: "Notwithstanding the provisions of this section or any other provisions of law relating to the return on bond of vessels seized for the violation of any law of the United States, the court having jurisdiction of the subject matter may, in its discretion and upon good cause shown by United States, refuse to order such return of any such vessel to the claimant thereof."

Sec. 2. That subsection (b) of section 11 of the Air Commerce Act of 1926, as amended (U.S.C., supp. VII, title 49, sec. 181), is amended by striking out the first sentence thereof and inserting in lieu thereof the following two new sentences: "Any person who (1) violates any provision of subdivision (a) of this section or any entry or clearance regulation made under section 7 (b) of this act, or (2) any immigration regulation made under such section, shall be subject to a civil penalty of \$500 which may or this act, or (2) any immigration regulation made under such section, shall be subject to a civil penalty of \$500 which may be remitted or mitigated by the Secretary of Commerce, or the Secretary of Labor, respectively, in accordance with such proceedings as the Secretary shall by regulation prescribe. Any person violating any customs or public health regulation made under section 7 (b) of this act, or any provision of the customs or public-health laws or regulations thereunder made applicable to aircraft by regulation under such section shall be subject to a civil penalty of \$500, and any aircraft used in connection with any such violation shall be subject to seizure and forfeiture as provided for in such customs or public-health laws, which penalty and forfeiture may be remitted or mitigated by the Secretary of the Treasury."

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. LEWIS of Colorado. A similar House bill was unanimously reported by the Judiciary Committee. This bill simply provides an amendment to the present Revised Statutes so that it is within the discretion of the court to release vessels which have been seized for violation of customs

Mr. MARTIN of Massachusetts. This was a unanimous report from the Judiciary Committee in the first instance?

Mr. LEWIS of Colorado. Yes. It also includes an amendment to the present statute providing for the forfeiture of aircraft which have been used in violation of the customs and public-health laws.

Mr. ELTSE of California. Mr. Speaker, further reserving the right to object, who has the discretion at the present

Mr. LEWIS of Colorado. There is no discretion, because the courts have interpreted the present law as being mandatory that the vessel seized for violation of law must be returned to the claimant if a proper bond is filed. The Secretary of the Treasury and the Attorney General are very anxious that this bill should be passed. Under the present laws vessels have been released on bonds and then used for smuggling purposes.

The report of the committee is as follows:

The Committee on the Judiciary, to whom was referred the bill (H.R. 9746) to amend section 938 of the Revised Statutes to vest the courts with discretion to refuse to order the return of vessels seized for violation of any law of the United States; and to amend subsection (b) of section 7 of the Air Commerce Act of 1926, as amendel, to provide for the forfeiture of aircraft used in violation of the customs laws, after consideration, report the same favorably to the House, with the recommendation that the bill do

The purpose and effect of this proposed legislation are explained in the following communication from the Attorney General, with

its accompanying memorandum:

MAY 15, 1934.

Hon. Hatton W. Sumners, Chairman Committee on the Judiciary,

House of Representatives.

My Dear Mr. Chairman: At the request of the Treasury Depart MY DEAR MR. CHAIRMAN: At the request of the Treasury Department I transmit herewith, and request that you introduce it, a bill to amend section 938 of the Revised Statutes so as to vest the United States courts with discretion to refuse to order the return of vessels seized for violation of any law of the United States; and to amend subsection (b) of section 7 of the Air Commerce Act of 1926, as amended, so as to provide for the forfeiture of aircraft used in violation of the customs and public-health laws. The purpose and effect of this measure are set forth in more detail in the enclosed memorandum

enclosed memorandum. With respect to the proposed amendment of section 938, Revised Statutes, however, it is desired to point out that where a vessel is seized under the customs laws and the claimant files with the court a proper bond and the vessel is returned to him, the vessel proceeds on its way and judgment, if against the claim-

ant, is given on the bond. The provision for the release of the vessel on bond has been construed as mandatory upon the courts. The result has been that vessels released over the protest of the Government have continued in liquor-smuggling operations or Government have continued in liquor-smuggling operations or other law violations and in some instances the same vessel has been seized two or three, or perhaps more, times. Such conditions should not be permitted to continue; and some courts, being of this mind, have expressed a willingness to hold vessels if they were given discretion in the matter. The proposed amendment of section 938, Revised Statutes, would authorize the court in its discretion and upon good cause shown by the Government to refuse to order the return of any such vessel or vehicle to the

I regard the proposed amendment as highly desirable in the interest of Federal law enforcement and hope that you may be able to lend your support to the enclosed bill.

Sincerely yours,

HOMER S. CUMMINGS, Attorney General.

MEMORANDUM CONCERNING PROPOSED BILL TO VEST IN FEDERAL COURTS DISCRETIONARY POWER TO RETURN UNDER BOND VESSELS SEIZED FOR VIOLATION OF LAWS OF THE UNITED STATES, AND TO MAKE APPLICABLE THE SEIZURE AND FORFEITURE PROVISIONS OF CUSTOMS LAWS FOR A VIOLATION OF THE SAME BY AIRCRAFT

"I. Make discretionary the present mandatory provisions of the Judicial Code providing for the return under bond of vessels seized for violation of any law of the United States.

"II. Make applicable to aircraft, in addition to the administrative provisions, the seizure and forfeiture provisions of the customs and public-health laws for violation thereof.

Vesting Federal courts with discretionary power to refuse to er return of vessels seized for a violation of any law of the ited States.—Because of the conflict existing in the decisions of United States.—Because of the conflict existing in the decisions of the inferior Federal courts, considerable difficulty was experienced in the enforcement of the prohibition law and is being experienced in enforcement of the customs laws with reference to the mandatory provisions of section 771 of the Judicial Code (R.S. 938) directing the court to return under bond vessels seized while

smuggling contraband articles into the United States.

"Section 1 of the proposed bill (attached hereto) amends section 938 of the Revised Statutes by vesting in the courts the discretion to refuse to return under bond any vessel seized for a violation of any law of the United States, upon good cause shown

by the United States.

"Making applicable the seizure and forfeiture provisions of the customs and public-health laws for a violation of the same by aircraft.—A review of aircraft laws and regulations with reference to customs and public-health laws will be helpful in clarifying the purpose of the proposed amendment:

"(1) The definitions of the term 'vehicle' and 'vessel' con-

tained in the Tariff Act of 1922 included 'aircraft.'

"(2) Section 7 (b) of the Air Commerce Act of 1926 authorized the Secretary of the Treasury '\* \* by regulation to provide for the application to civil air navigation of the laws and regulations relating to the administration of the customs and public-health laws to such extent and upon such conditions as he deems necessary.

"(3) Section 11 (b) of such Air Commerce Act provided that any person who \* \* \* violates \* \* \* any customs or public-health regulation made under such section (sec. 7 (b))

- \* \* shall be subject to a civil penalty of \$500 \* \* \*."
  "(4) The definitions of the terms 'vehicle' and 'vessel' contained in the Tariff Act of 1932 exclude aircraft. However, section 644 of such act specifically provided that '\* \* the author-644 of such act specifically provided that '\* \* the authority vested in the Secretary of the Treasury under section 7 (b) of the Air Commerce Act shall extend to provisions of the Tariff Act of 1932.
- "(5) The Customs Regulations of 1931 provide by regulation for (1) landing at airports of entry, (2) giving of advance notice of arrival, (3) producing manifest upon arrival, (4) reporting of of arrival, (3) producing maintest upon arrival, (4) reporting of forced landing, (5) inspecting imported goods and paying duty thereon, (6) issuing permits for foreign alreraft to proceed inland, and (7) procedure relative to clearance. These regulations cover virtually all situations in which aircraft could be affected by the customs laws. The regulations then provide as follows:

  "'ART. 253. Except as otherwise in these regulations provided, aircraft arriving from a foreign \* \* \* place \* \* \* shall be subject to the administrative provisions of the customs laws and regulations applicable to vehicles arriving from contiguous territory \* \* \*.

"As a result of this situation, it will be observed that there may be some doubt whether it is possible to seize and forfeit aircraft for a violation of the customs and public-health regulations of the Secretary issued under the authority of section 7 (b) of the Air Commerce Act of 1926 because section 11 (b) of such act provides no penalty other than a fine of \$500 for a violation of such regulations. Although article 254 of the Customs Regulations of 1931 does make applicable to aircraft the penalties (including forfeitures) imposed upon vehicles arriving from contiguous foreign territory, it may be questioned whether authority for such regulation can be found in the Air Commerce Act as only the administrative, and not the seizure and forfeiture, provisions of the customs and public-health laws are made the subject of regulations by the Secretary.

"Section 2 of the proposed bill (attached hereto) would amend section 11 (b) of the Air Commerce Act by providing that, in addition to persons violating the regulations of the Secretary issued under section 7 (b) of such act, any person violating any customs or public-health laws or regulations thereunder made applicable to aircraft shall be subject to the civil penalty of \$500 and any aircraft used in connection with any such violations shall be subject to seizure and forfeiture as provided for in the customs or public-health laws." or public-health laws."

In compliance with clause 2a of rule XIII, there is printed below existing law with matter proposed to be stricken out in black brackets and new matter proposed to be inserted in italics:

"751. Upon the prayer of any claimant to the court, that any vessel, goods, wares, or merchandise, seized and prosecuted under any law respecting the revenue from imports or tonnage, or the registering and recording, or the enrolling and licensing of vessels, or any part thereof, should be delivered to him, the court shall appoint three proper persons to appraise such property, who shall be sworn in open court or before a commissioner appointed by the appoint three proper persons to appraise such property, who shall be sworn in open court, or before a commissioner appointed by the district court to administer caths to appraisers, for the faithful discharge of their duty; and the appraisement shall be made at the expense of the party on whose prayer it is granted. If, on the return of the appraisement, the claimant, with one or more suretles, to be approved by the court, shall execute a bond to the United States for the payment of a sum equal to the sum at which the property prayed to be delivered is appraised, and produce a certificate from the collector of the district where the trial is had, and of the payal officer thereof, if any there he that the which the property prayed to be delivered is appraised, and produce a certificate from the collector of the district where the trial is had, and of the naval officer thereof, if any there be, that the duties on the goods, wares, and merchandise, or tonnage duty on the vessels so claimed, have been paid or secured in like manner as if the same had been legally entered, the court shall, by rule, order such vessel, goods, wares, or merchandise to be delivered to such claimant; and the said bond shall be lodged with the proper officer of the court. If judgment passes in favor of the claimant, the court shall cause the said bond to be canceled; but if judgment passes against the claimant, as to the whole or any part of such vessel, goods, wares, or merchandise, and the claimant does not within 20 days thereafter pay into the court, or to the proper officer thereof, the amount of the appraised value of such vessel, goods, wares, or merchandise so condemned, with the costs, judgment shall be granted upon the bonds, on motion in open court, without further delay. Notwithstanding the provisions of this section or any other provisions of law relating to the return on bond of vessels seized for the violation of any law of the United States, the court having jurisdiction of the subject matter may, in its discretion and upon good cause shown by the United States, refuse to order such return of any such vessel to the claimant thereof.

[Any person who (1) violates any provision of subdivision (a) of this section or any entry or clearance regulation made under section 177 of this chapter, or (2) any customs or public health regulation made under such section, or (3) any immigration regulation made under such section, shall be subject to a civil penulation made under such section, shall be subject to a civil penulation made under such section, shall be subject to a civil penulation made under such section, shall be subject to a civil penulation made under such section, shall be subject to a civil penulation made under such section. regulation made under such section, or (3) any immigration regulation made under such section, shall be subject to a civil penalty of \$500, which may be remitted or mitigated by the Secretary of Commerce, the Secretary of the Treasury, or the Secretary of Labor, respectively, in accordance with such proceedings as the Secretary shall by regulation prescribe. I Any person who (1) violates any provision of subdivision (a) of this section or any entry or clearance regulation made under section 7 (b) of this act, or (2) any immigration regulation made under such section, shall be subject to a civil penalty of \$500, which may be remitted or mitigated by the Secretary of Commerce or the Secretary of Labor, respectively, in accordance with such proceedings as the Secretary shall by regulation prescribe. Any person violating any customs or public-health regulation made under section 7 (b) of this act, or any provision of the customs or public-health laws or regulations thereunder made applicable to aircraft by regulation under such section shall be subject to a civil penalty of \$500, and any aircraft used in connection with any such violation shall be subject to seizure and forfeiture as provided for in such customs or public-health laws, which penalty and forfeiture may be remitted or mitigated by the Secretary of the Treasury. In case the violation is by the owner or person in command of the aircraft, the penalty shall be a lien against the aircraft. Any civil penalty imposed under this section may be collected by proceedings in personam against the person subject to the penalty and/or in case the penalty is a lien by proceedings in personam against the person subject to the penalty and/or in case the penalty is a lien by proceedings in personam against the person subject to the penalty and/or in case the penalty is a lien by proceedings in personam against the person subject to the penalty and/or in case the penalty is a lien section. penalty shall be a lien against the aircraft. Any civil penalty imposed under this section may be collected by proceedings in personam against the person subject to the penalty and/or in case the penalty is a lien, by proceedings in rem against the aircraft. Such proceedings shall conform as nearly as may be to civil suits in admiralty; except that either party may demand trial by jury of any issue of fact, if the value in controversy exceeds \$20, and facts so tried shall not be reexamined other than in accordance with the rules of the common law. The fact that in a libel in rem the seizure is made at a place not upon the high seas or navigable waters of the United States, shall not be held in any way to limit the requirement of the conformity of the proceedings to civil suits in rem in admiralty. The Supreme Court of the United States, and under its direction other courts of the United States, are authorized to prescribe rules regulating such proceedings in any particular not provided by law. The determination under this section as to the remission or mitigation of a civil penalty imposed under this section shall be final. In case libel proceedings are pending at any time during the pendency of remission or mitigation proceedings, the Secretary shall give notice thereof to the United States attorney prosecuting the libel proceedings."

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill, H.R. 9746, was laid on the table.

## ADMINISTRATIVE FURLOUGHS IN THE POSTAL SERVICE

Mr. SWEENEY. Mr. Speaker, I submit the following conference report on the bill (H.R. 9046) to discontinue administrative furloughs in the Postal Service, and ask unanimous consent for its present consideration.

The conference report (Rept. No. 2061) and statement are as follows:

### CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9046) to discontinue administrative furloughs in the Postal Service, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 1. That the House recede from its disagreement to the amendments of the Senate numbered 2 and 3 and agree to the same.

> MARTIN L. SWEENEY, A. P. LAMNECK, WM. BRUNNER, CLYDE KELLY. Managers on the part of the House. KENNETH MCKELLAR. CARL HAYDEN, THOMAS D. SCHALL, Managers on the part of the Senate.

### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of bill (H.R. 9046) to discontinue administrative furloughs in the Postal Service, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the pending conference

On amendment no. 1: This amendment struck out the words "any branch of." The Senate recedes from its

On amendment no. 2: This amendment inserted the words "under 5 percent in any one year." The House recedes.

On amendment no. 3: This amendment struck out all of the remainder of the bill after the word "resignation" in line 6, page 2. The House recedes.

> MARTIN L. SWEENEY, A. P. LAMNECK, W. F. BRUNNER, CLYDE KELLY, Managers on the part of the House.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SWEENEY. Mr. Speaker, I ask unanimous consent that the statement may be read in lieu of the report.

The Clerk read the statement.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

# CITY OF MONTEREY, CALIF.

Mr. HILL of Alabama. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3660) to grant to the city of Monterey, Calif., an easement for street purposes, over certain portions of the military reservation at Monterey, Calif.

The Clerk read the title of the bill.

Mr. JAMES. Mr. Speaker, reserving the right to object, is there any language stricken out?

Mr. ALLEN. I object, Mr. Speaker.

Mr. HILL of Alabama. Mr. Speaker, will the gentleman withhold his objection?

Mr. ALLEN. Yes; I withhold it.
Mr. JAMES. Is there any language stricken out?

Mr. HILL of Alabama. No: the Senate bill is the same as the House bill.

Mr. JAMES. What is the new proviso?

Mr. HILL of Alabama. The new proviso is "that the Secretary of War is authorized to make such changes in the foregoing description of the three parcels as he deems necessary."

I may say to the gentleman from Michigan that some time ago the Government granted a right-of-way through this reservation to build a road going into the city of Monterey. This was a good many years ago, when we did not have the broad highways and the great amount of automobile traffic we have today. There are today on this old right-of-way three pretty bad curves, and what the city of Monterey wants to do is to straighten out these curves, and in order to do this it has to enlarge its easement, and that is what this bill does—it grants an additional easement to straighten out these three curves.

Mr. JENKINS of Ohio. Has a similar bill ever been passed by the House?

Mr. HILL of Alabama. It was not passed by the House, but reported by the House committee.

Mr. JAMES. The bill is all right, and if the gentleman will add as an extension of his remarks the letter of the Secretary of War, dated June 7, explaining the change, I have no objection.

Mr. BRITTEN. Is any cost to the Government involved? Mr. HILL of Alabama. No; it is just an extension of the easement already granted.

Mr. RICH. Has the Military Affairs Committee acted upon this bill?

Mr. HILL of Alabama. Yes; it was unanimously reported by the committee.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of War is authorized and directed to grant to the city of Monterey, Calif., an easement over certain parcels (to be used in widening Lighthouse Road in such city) of the military reservation at Monterey, Calif., described as follows:

sa follows:

Parcel 1. Beginning at a point on the southwesterly line of Lighthouse Road (sometimes called "Lighthouse Avenue"), distant south 67°17½' east, 140.43 feet from the point of intersection of the north line of the United States military reservation, Monterey, Monterey County, Calif., and the southwesterly line of Lighthouse Avenue, said point of intersection being distant south 89°30' west, 732.92 feet from a stone monument at the northeast corner of said United States military reservation; and running thence from said point of beginning south 62°26' east, 586.6 feet to a point; thence southeasterly (following the arc of a circle whose radius is 400 feet, and the center of which circle bears south 27°34' west, 400 feet distant from the last-mentioned point) 530.8 feet; thence south 13°36' west 568 feet to a point distant north 13°36' east, 58 feet from the point of intersection of the south line of said United States military reservation with the west line of said Lighthouse Road; thence north 29°40' east, 15.75 feet to a point on said west line of Lighthouse Road; thence along said west line of Lighthouse Road; thence along said west line of Lighthouse Road; thence sourses and distances: a point on said west line of Lighthouse Road; thence along said west line of Lighthouse Road the following courses and distances: North 15°47′ east 516.5 feet; thence north 12°55½′ east 100 feet; thence north 7°12′ west 100 feet; thence north 5°2½′ east 100 feet; thence north 45°29′ west 100 feet; thence north 60°26½′ west 71.63 feet; thence north 65° west 639.3 feet to the point of beginning.

Parcel 2. Beginning at a point on the north line of the United States military reservation, Monterey, Monterey County, Calif., distant north 89°30′ east 116.34 feet from the point of intersection of said north line of the United States military reservation with the southwesterly line of Lighthouse Avenue, said point of beginning also being distant south 89°30′ west 616.58 feet from a stone monument at the northeast corner of said United States military reservation; and running thence from said point of beginning north 89°30′ east along said north line of the United States military reservation, 77.9 feet to a point; thence south 62°26′ east 238.96 feet to a point on the northwesterly line of that certain part of said United States military reservation over which an easement was granted by the Secretary of War on July 14, 1926, pursuant to the act approved June 7, 1926 (44 Stat. 699); thence south 40°12′ west along said northwesterly line of said grant to the city of Monterey, 23.79 feet to a point on the northeasterly line of Lighthouse Road; thence north 65° west along said northeasterly line of Lighthouse Road 302.75 feet to the point of beginning.

Parcel 3. Beginning at the point of intersection of the northeasterly line of Foam Street with the northeasterly line of Lighthouse Road in the United States military reservation, Monterey, Monterey County, Calif., said point of beginning being the southernmost corner of that certain part of said United States military reservation granted to the city of Monterey, Calif., pursuant to H.R. 10203, March 10, 1926; thence south 65° east along said north-H.R. 10203, March 10, 1926; thence south 65° east along said north-easterly line of Lighthouse Road, 319.8 feet to a point; therene north 62°26′ west 346.6 feet to a point on said northeasterly line of Foam Street; thence south 34°36′ east along said northeasterly line of Foam Street 30.68 feet to the point of beginning: *Pro-*vided, That the Secretary of War is authorized to make such changes in the foregoing description of the three parcels as he

deems necessary.

Sec. 2. The easement authorized by this act to be granted shall continue during such period as it shall be used exclusively for street purposes, subject to such conditions, restrictions, and reservations as the Secretary of War may impose for the protection of the military reservation and subject to a right-of-way over such parcels for the use of the United States during the continuance of such easement.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. HILL of Alabama. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman already has that right.

#### RELIEF OF FISHING INDUSTRY

Mr. BLAND. Mr. Speaker, I move to suspend the rules and pass the bill (S. 3780) for the relief of persons engaged in the fishing industry.

The Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, the sum of \$2,000,000, or so much thereof as may be necessary, for the purpose of making loans to citizens of the United States engaged in any branch of the fishing industry for the purpose of repairing, rebuilding, and replacing boats, nets, poles, twine, wharves, plants, and other equipment damaged or destroyed by storms, hurricanes, cyclones, tornadoes, tidal waves, floods, or ice in the years 1933 and 1934, the said loans to include capital to resume fishing operations. Such loans shall be made by the Secretary of Commerce in such sums respectively and upon such terms and conditions as the said Secretary shall prescribe.

such terms and conditions as the said Secretary shall prescribe.

SEC. 2. The term "fishing industry" in the preceding section embraces all kinds of aquatic products, including sponges, shrimp,

embraces all kinds of aquatic products, including sponges, shrimp, lobsters, crabs, oysters, clams, mussels, and all other kind of fish whether specifically named herein or not.

By the term "citizens of the United States" in the preceding section is meant persons, corporations, partnerships, and associations, but no corporation, partnership, or association shall be deemed a citizen of the United States unless such corporation, partnership, or association was formed under the laws of the United States, or any State, Territory, District, or possession of the United States, and unless at least 90 percent of the interest in such corporation, partnership, or association is owned by persons who are citizens of the United States. In the case of a corporation, all of its officers and directors must be citizens of the United States.

SEC. 3. The loans herein authorized shall be available in the

United States, its Territories, and other possessions.

SEC. 4. The money herein authorized to be appropriated shall be immediately available, and loans made shall be paid in such installments, for such period, and at such rate of interest as the

Secretary of Commerce shall prescribe.

Sec. 5. That any person who shall knowingly make any false representation for the purpose of obtaining any loan under this act shall, upon conviction thereof, be punished by a fine of not exceeding \$1,000 or by imprisonment not exceeding 6 months, or

Mr. TABER. Mr. Speaker, I demand a second.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. TABER. I am. Mr. BLAND. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Without objection, it is so ordered.

Mr. BLAND. Mr. Speaker, I shall undertake to use very little of your time. This bill has been passed unanimously by the Senate and reported unanimously by the House Committee on Merchant Marine, Radio, and Fisheries, and was taken into consideration by the Rules Committee and favored by that committee. An examination was made by the committee into the condition of the fishermen and found deplorable by reason of the economic depression, and by reason of the storms of 1933 and the storms of 1934.

It was found that they were practically without sources of credit. In the storms of 1933, wharves, nets, and practically all their property were washed away.

In Maryland alone there was a loss of \$350,000; in Virginia, \$700,000; in North Carolina, \$200,000; and in Massachusetts the condition was similar. The fishermen themselves came down and showed the deplorable conditions in which they exist, and how they were unable to get credit. This is for the purpose of enabling them to rehabilitate themselves.

These storms came on, and the little capital that they could get did not enable them to recoup their losses. The storms in the winter of 1933 and 1934 washed their property away. The fishermen from Maine came down and told us how they had suffered.

Gentlemen, unless this bill is passed now the appropriation cannot be considered until the early part of next year, and much valuable time will be lost.

Mr. MARTIN of Massachusetts. Will the gentleman yield? Mr. BLAND. Yes.

Mr. MARTIN of Massachusetts. I want to say that I listened to the hearings before the Rules Committee, and I was very much impressed with the case the gentleman presented. I would like to ask if this is the only source the people have for relief?

Mr. BLAND. Absolutely; no relief has been granted to them. Yesterday there was passed a measure for the relief of the fruit industry, giving them \$10,000,000, and when the fishing industry comes and asks to have some recognition. I hope that it will not be said that no relief may be granted to them.

Mr. TABER. Mr. Speaker, will the gentleman yield? Mr. BLAND. Yes. Mr. TABER. Is it not customary in passing such bills to provide something with reference to the security that shall be given to loans of this character?

Mr. BLAND. Ordinarily it is, but when sometime ago you passed the relief measure for the relief of Puerto Rico there was no provision of that kind, and we are entitled to just as much consideration as those people. The Secretary of Commerce can work out the security. It is all a class, a peculiar class of work, that has to be handled in the discretion of an officer of that character.

Mr. RICH. When we passed the relief for Puerto Rico did the gentleman consider that a good bill?

Mr. BLAND. Yes; under the circumstances and the emergency that existed at the time.

Mr. HOPE. Who is to administer this fund? Mr. BLAND. The Secretary of Commerce.

Mr. GRANFIELD. Mr. Speaker, I am in sympathy with the gentleman's argument and with his bill. All this bill does is to provide loans and, of course, as the bill is administered, these loans will be granted by the Secretary of Commerce or whoever has authority to grant them upon proper security.

Mr. BLAND. Yes; and taking into consideration the moral risk of the people and how they have paid their debts in the past, I think the bill should be passed. My experience with these people is that 90 percent of them will pay their debts. They do their work, worship their God, and pay their debts.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. BLAND. Yes.

Mr. TABER. Has this measure the approval of the Budget?

Mr. BLAND. No; it has not and I do not care whether the Budget approves it or not. It is an emergency measure. and the appropriations will come from the appropriations committee.

Mr. TABER. Has any evidence from the department heads been submitted?

Mr. BLAND. They have not reported in favor of it. The Secretary of Commerce and the other Secretaries do not report unless the Budget approves, but the Bureau of Fisheries is in favor of it.

Mr. DONDERO. Will this fund be available to fishermen on the Great Lakes?

Mr. BLAND. Anywhere. Mr. TABER. Mr. Speaker, I yield 5 minutes to the gen-

tleman from Pennsylvania [Mr. EDMONDS].

Mr. EDMONDS. Mr. Speaker, in addition to what the chairman of the committee has told the House, we found in questioning these men, who were all hard workers, that they are individual fishermen running one boat. Their boats today are in bad shape. Their banks are in bad shape. We investigated the banks and we found they were overloaned; they could not help them in any way, shape, or form. I think this is a worthy bill, and I am glad to support

Mr. McCORMACK. As a matter of fact, this is only a matter of \$2,000,000, hardly enough, because this bill benefits the Atlantic, along the Gulf, the Pacific coast, and the Great Lakes.

Mr. EDMONDS. That is true. We had before our com-

mittee men from all of those districts.

Mr. TABER. Mr. Speaker, the trouble with this bill, as I understand it, is that we have just passed a conference report which permits the R.F.C. and the Federal Reserve banks to make loans of this character. Why should they go ahead and duplicate in this way? I have not had a chance to study this particular bill, but that is my information from those on the committee.

Mr. GRANFIELD. The gentleman knows from his experience with the Committee on Appropriations that there

will be no duplication of loans.

Mr. TABER. I do not see why we should set up another authority to make loans, when we have already provided for this sort of thing in the R.F.C. and the Federal Reserve through this loans to industry bill.

The SPEAKER. The question is on the motion of the gentleman from Virginia to suspend the rules and pass the

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended, and the bill was

A motion to reconsider the vote by which the bill was passed was laid on the table.

Mr. BYRNS. Mr. Speaker, I have just communicated with the Senate leaders, and the Senate is about to recess until 12 o'clock Monday. In accordance with that, I move that the House stand in recess until 12 o'clock Monday.

The SPEAKER. Will the gentleman withhold that motion for a moment?

Mr. BYRNS. I will withhold the motion. Mr. Speaker.

# LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to: Mr. Moran, for today, on account of important business. Mr. TERRELL of Texas, at the request of Mr. Thomason, on account of illness in his family.

E. B. ROSE-VETO MESSAGE OF THE PRESIDENT OF THE UNITED STATES (H.DOC. NO. 403)

The SPEAKER laid before the House the following message from the President of the United States, which was

To the House of Representatives:

I return herewith, without my approval, H.R. 2749, entitled "An act for the relief of E. B. Rose."

This bill authorizes and directs the Secretary of the Treasury to remit the payment by Burke Rose, of Del Rio, Tex., of the sum of \$1,230, being the amount of duties demanded and collected by the Treasury Department on certain sheep returned to the United States from Mexico in the month of October 1925.

This bill is objectionable, since it provides for the refund of the duty paid on the sheep which were, according to the records of the Treasury Department, not entitled to free entry

It is claimed that the sheep were entitled to free entry under the provisions of Public Resolution 52, Sixty-eighth Congress, which provides for the free entry on return to the United States, prior to December 31, 1925, of sheep driven across the boundary line, together with their offspring, for temporary pasturage purposes only.

The affidavits printed in the report do not in my opinion overcome the statement in the report of the deputy collector at Del Rio, where the duty was assessed, that the sheep were not taken abroad for temporary pasturage purposes.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, June 16, 1934.

The SPEAKER. The objections of the President will be spread upon the Journal.

Mr. BRYNS. Mr. Speaker, I move that the message of the President and the accompanying bill be referred to the Committee on Claims, and ordered printed.

The motion was agreed to.

ANNIE BRUCE-VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H.DOC. NO. 404)

The SPEAKER laid before the House the following message from the President of the United States, which was

To the House of Representatives:

I return herewith without my approval H.R. 6246, entitled "An act granting 6 months' pay to Annie Bruce."

The bill authorizes and directs the Secretary of the Navy to pay out of the appropriation "Pay of the Navy, 1935" to Annie Bruce, widow of the late Lt. Frank Bruce, United States Navy, an amount equal to 6 months' pay at the rate said Frank Bruce was receiving at the date of his death.

The official records of the Navy Department show that Lieutenant Bruce was killed on May 14, 1919, as the result of the explosion of a mine alongside the U.S.S. Bobolink while engaged in mine sweeping in the North Sea.

The act, approved May 13, 1908, which authorized the payment of a gratuity of 6 months' pay to widows of officers and enlisted men of the Navy, was repealed by the act of October 6, 1917, which provided for Government insurance; the repeal of the gratuity being predicated upon the theory that the insurance policies were liberal and the premium rates low and that the continuance of the gratuity of 6 months' pay would be in effect a double gratuity. Evidence of the liberality of the Government with respect to war-risk insurance is indicated by the fact that, excluding administration costs, the disbursements to date amount to \$1,700 .-000,000, while receipts from premiums amount to \$450,000,-000, which is approximately one-fourth of the cost, leaving a difference of \$1,250,000,000 which has been contributed to beneficiaries through appropriations from the Treasury. The general provisions of the act of 1908 were not reenacted until June 4, 1920, which was after the death of Lieutenant Bruce. The records show that Mrs. Bruce is now receiving from the Veterans' Administration \$57.50 per month under the war-risk insurance policy of Lieutenant Bruce, and a service pension of \$30 per month granted to her as the widow of an officer whose death resulted from injuries incurred in line of duty.

It has been estimated that if the precedents that would be established by this case were followed and payments of 6 months' pay as gratuity made to dependents of all officers and enlisted men of the military forces of the United States who died during the World War the amount would exceed \$3,300,000 in addition to the other benefits they may be receiving from the Government.

I fail to see any justification for the proposal to place the beneficiary of this bill in a different status than that which applies to all other widows of veterans who died in line of duty during the World War.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, June 16, 1934.

The SPEAKER. The objection of the President will be spread upon the Journal.

Mr. BYRNS. Mr. Speaker, I move that the message of [ the President, with the accompanying bill, be referred to the Committee on Naval Affairs and ordered printed.

The motion was agreed to.

#### ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 2414. An act for the relief of Frank Salisbury, executor of the estate of Emerson C. Salisbury, deceased;

H.R. 2418. An act for the relief of certain claimants at Leavenworth, Kans., occasioned through damage to property inflicted by escaping prisoners;

H.R. 2419. An act for the relief of W. B. Ford; H.R. 2669. An act for the relief of Paul I. Morris;

H.R. 3357. An act to amend section 99 of the Judicial Code (U.S.C., title 28, sec. 180), as amended;

H.R. 3636. An act for the relief of Thelma Lucy Rounds; H.R. 4253. An act for the relief of Laura Goldwater;

H.R. 5736. An act for the relief of Shelby J. Beene, Mrs. Shelby J. Beene, Leroy T. Waller, and Mrs. Leroy T. Waller;

H.R. 7212. An act to remove the limitation upon the extension of star routes:

H.R. 7301. An act to authorize the Postmaster General to charge an additional fee for effecting delivery of domestic registered, insured, or collect-on-delivery mail, the delivery of which is restricted to the addressee only, or to the addressee or order;

H.R. 8544. An act making receivers appointed by any United States courts and authorized to conduct any business. or conducting any business, subject to taxes levied by the State the same as if such business were conducted by private individuals or corporations;

H.R. 8919. An act to adjust the salaries of rural letter

carriers, and for other purposes;

H.R. 9145. An act to authorize the attendance of the Marine Band at the National Encampment of the Grand Army of the Republic to be held at Rochester, N.Y., August 14, 15, and 16, 1934, and at the National Convention of the Disabled American Veterans of the World War, to be held at Colorado Springs, Colo., during the first week in July 1934;

H.R. 9178. An act to regulate the business of life insurance

in the District of Columbia;

H.R. 9404. An act to authorize the formation of a body corporate to insure the more effective diversification of prison industries, and for other purposes;

H.R. 9410. An act providing that permanent appropriations be subject to annual consideration and appropriation by Congress, and for other purposes;

H.R. 9476. An act to empower certain members of the Division of Investigation of the Department of Justice to make arrests in certain cases, and for other purposes;

H.R. 9618. An act authorizing the Sisterville Bridge board of trustees to construct, maintain, and operate a toll bridge across the Ohio River at Sistersville, Tyler County, W.Va.;

H.R. 9904. An act to amend section 5 of Public Act No. 2

of the Seventy-second Congress, as amended;

H.R. 9936. An act to compensate widows and children of persons who died while receiving monetary benefits for disabilities directly incurred in or aggravated by active military or naval service in the World War;

H.R. 9946. An act providing for the ratification of Joint Resolution No. 59 of the Legislature of Puerto Rico, approved by the Governor, May 5, 1930, imposing an import duty on coffee imported into Puerto Rico;

H.J.Res. 330. Joint resolution authorizing certain retired officers or employees of the United States to accept such decorations, orders, medals, or presents as have been tendered them by foreign governments;

H.J.Res. 370. Joint resolution to protect the revenue by regulation of the traffic in containers of distilled spirits;

H.J.Res. 371. Joint resolution authorizing the creation of a Federal Memorial Commission to consider and formulate vide for higher education for Indians; to extend toward

plans for the construction, on the apex block, Constitution and Pennsylvania Avenues, in the city of Washington, D.C., of a permanent memorial to the memory of Thomas Jefferson, third President of the United States and author of the Declaration of Independence; and

H.J.Res. 373. Joint resolution to protect the revenue by requiring information concerning the disposition of substances used in the manufacture of distilled spirits.

The SPEAKER announced his signature to enrolled bills and joint resolutions of the Senate of the following titles:

S. 504. An act to authorize the Secretary of the Navy to make a long-term contract for the supply of water to the United States naval station at Guantanamo Bay, Cuba;

S. 551. An act for the relief of A. W. Holland;

S. 555. An act to authorize the acquisition by the United States of the land upon which the Seneca Indian school. Wyandotte, Okla., is located;

S. 822. An act to amend the act entitled "An act to amend section 217, as amended, of the act entitled 'An act to codify, revise, and amend the penal laws of the United States', approved March 4, 1909", approved January 11, 1929, with respect to the use of the mails for the shipment of certain drugs and medicines to cosmetologists and barbers;

S. 1103. An act to authorize the Secretary of Navy to proceed with certain public works at the Naval Air Station, Pensacola, Fla.;

S. 1503. An act providing for the final enrollment of the Indians of the Klamath Indian Reservation in the State of Oregon;

S. 1510. An act to amend the act entitled "An act to adjust water-right charges, to grant other relief on the Federal irrigation projects, and for other purposes", approved May 25, 1926, with respect to certain lands in the Langell Valley Irrigation District:

S. 1639. An act to establish a Federal Credit Union System. to establish a further market for securities of the United States, and to make more available to people of small means credit for provident purposes through a national system of cooperative credit, thereby helping to stabilize the credit structure of the United States;

S. 3096. An act for the relief of John T. Garity;

S. 3151. An act to convey to the King Hill Irrigation District, State of Idaho, all the interest of the United States in the King Hill Federal reclamation project, and for other purposes:

S. 3178. An act authorizing the George Washington Bicentennial Commission to print and distribute additional sets of the writings of George Washington;

S. 3231. An act to provide a retirement system for railroad employees, to provide unemployment relief, and for other

S. 3419. An act to exempt articles of machinery belting from the tax on floor stocks imposed by the Agricultural Adjustment Act:

S. 3446. An act to authorize the Postmaster General to receive, operate, and to maintain for official purposes, motor vehicles seized for violations of the customs laws;

S. 3541. An act to authorize production credit associations to make loans to oyster planters;

S. 3545. An act to extend the time for commencing and completing the construction of a bridge across the St. Clair River, at or near Port Huron, Mich.;

S. 3604. An act to revive and reenact the act entitled "An act to authorize the Bainbridge Island Chamber of Commerce, a corporation, its successors and assigns, to construct, maintain, and operate a bridge across Agate Pass connecting Bainbridge Island with the mainland in Kitsap County, State of Washington", approved March 2, 1929;

S. 3618. An act to grant a portion of the Fort Douglas Military Reservation to the University of Utah, Salt Lake City. Utah:

S. 3645. An act to conserve and develop Indian lands and resources; to establish a credit system for Indians; to proIndians the right to form business and other organizations;

and for other purposes:

S. 3655. An act to amend the act entitled "An act for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes", approved June 30, 1906, as amended:

S. 3696. An act authorizing the President to make rules and regulations in respect to alcoholic beverages in the Canal Zone, and for other purposes;

S. 3739. An act to authorize the President to transfer to the Government of Haiti without charge to that Government certain property of the United States in Haiti:

S. 3742. An act granting the consent of Congress to the State Board of Public Works of the State of Vermont to construct, maintain, and operate a toll bridge across Lake Champlain at or near West Swanton, Vt.;

S. 3764. An act to reduce the fee to accompany applications for entry as second-class matter of publications of limited circulation:

S. 3765. An act to enable the Postmaster General to with-

hold commissions on false returns made by postmasters; S. 3766. An act to amend the act entitled "An act authorizing the Postmaster General to adjust certain claims of postmasters for loss by burglary, fire, or other unavoidable casualty", approved March 17, 1882, as amended;

S. 3779. An act to amend section 4 of "An act to amend an act entitled 'An act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, and acts amendatory thereof and supplementary thereto", approved June 7, 1934;

S.J.Res. 59. Joint resolution to provide for the expenses of delegates of the United States to the Ninth Pan American Sanitary Conference;

S.J.Res. 106. Joint resolution authorizing loans for fruit growers for rehabilitation of orchards during the year 1934;

S.J.Res. 117. Joint resolution authorizing the President of the United States to present the Distinguished Flying Cross to Emory B. Bronte; and

S.J.Res. 138. Joint resolution to amend an act entitled "An act to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce. to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes" (Public, No. 169, 73d Cong.), approved April 21, 1934.

## BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and joint resolutions of the House of the following titles:

H.R. 9410. An act providing that permanent appropriations be subject to annual consideration and appropriation by Congress, and for other purposes;

H.R. 9946. An act providing for the ratification of Joint Resolution No. 59, of the Legislature of Puerto Rico, approved by the Governor May 5, 1930, imposing an import duty on coffee imported into Puerto Rico; H.R. 9178. An act to regulate the business of life insur-

ance in the District of Columbia;

H.R. 9404. An act to authorize the formation of a body corporate to insure the more effective diversification of prison industries, and for other purposes;

H.R. 8544. An act making receivers appointed by any United States courts and authorized to conduct any business, or conducting any business, subject to taxes levied by the State, the same as if such business were conducted by private indivíduals or corporations;

H.R. 9476. An act to empower certain members of the Division of Investigation of the Department of Justice to make arrests in certain cases, and for other purposes;

H.R. 2669. An act for the relief of Paul I. Morris;

H.R. 8919. An act to adjust the salaries of rural letter carriers, and for other purposes;

H.R. 4253. An act for the relief of Laura Goldwater;

H.R. 9145. An act to authorize the attendance of the Marine Band at the national encampment of the Grand Army of the Republic, to be held at Rochester, N.Y., August 14, 15, and 16, 1934, and at the national convention of the Disabled American Veterans of the World War, to be held at Colorado Springs, Colo., during the first week in July

H.J.Res. 370. Joint resolution to protect the revenue by regulation of the traffic in containers of distilled spirits;

H.J.Res. 373. Joint resolution to protect the revenue by requiring information concerning the disposition of substances used in the manufacture of distilled spirits:

H.R. 2414. An act for the relief of Frank Salisbury, executor of the estate of Emerson C. Salisbury, deceased;

H.R. 2418. An act for the relief of certain claimants at Leavenworth, Kans., occasioned through damage to property inflicted by escaping prisoners;

H.R. 5736. An act for the relief of Shelby J. Beene, Mrs. Shelby J. Beene, Leroy T. Waller, and Mrs. Leroy T. Waller;

H.R. 7212. An act to remove the limitation upon the extension of star routes;

H.R. 7301. An act to authorize the Postmaster General to charge an additional fee for effecting delivery of domestic registered, insured, or collect-on-delivery mail, the delivery of which is restricted to the addressee only, or to the addressee or order;

H.R. 9618. An act authorizing the Sistersville Bridge Board of Trustees to construct, maintain, and operate a toll bridge across the Ohio River at Sistersville, Tyler County, W.Va.;

H.R. 9904. An act to amend section 5 of Public Act No. 2 of the Seventy-second Congress, as amended;

H.R. 206. An act for the relief of Pierre E. Teets;

H.J.Res. 341. A joint resolution authorizing an appropriation for the participation of the United States in the international celebration at Fort Niagara, N.Y.:

H.R. 363. An act for the relief of James Moffitt:

H.R. 387. An act donating bronze trophy guns to the Cohoes Historical Society, New York;

H.R. 452. An act for the relief of Laura B. Crampton;

H.R. 471. An act for the relief of Physicians and Surgeons Hospital, Ltd.;

H.R. 529. An act for the relief of Morris Spirt;

H.R. 740. An act for the relief of Wade Dean:

H.R. 1133. An act for the relief of Silas B. Lawrence;

H.R. 1306. An act for the relief of Clarence A. Wimley;

H.R. 1308. An act for the relief of John Parker Clark, Sr.; H.R. 1345. An act for the relief of John Parker Clark, Jr.;

H.R. 1354. An act for the relief of C. V. Mason;

H.R. 1503. An act to amend the act entitled "An act to create the California Débris Commission and regulate hydraulic mining in the State of California", approved March 1, 1893, as amended:

H.R. 1567. An act amending section 1 of the act of March 3, 1893 (27 Stat.L. 751), providing for the method of selling real estate under an order or decree of any United States

H.R. 1731. An act to make provision for suitable quarters for certain Government services at El Paso, Tex., and for other purposes;

H.R. 1766. An act to provide medical services after retirement on annuity to former employees of the United States disabled by injuries sustained in the performance of their

H.R. 1769. An act for the relief of Jeannette S. Jewell:

H.R. 1792. An act for the relief of Michael Petrucelli;

H.R. 2038. An act for the relief of Jeanie G. Lyles;

H.R. 2326. An act for the relief of Emma R. H. Taggart;

H.R. 2416. An act for the relief of Mrs. George Logan and her minor children, Lewis and Barbara Logan;

H.R. 2632. An act for the relief of Wilson G. Bingham;

H.R. 3054. An act for the relief of Christopher Cott;

H.R. 3084. An act authorizing the sale of portions of the pueblo lands of San Diego to the city of San Diego, Calif .: H.R. 3161. An act for the relief of Henry Harrison Griffith;

H.R. 3176. An act for the relief of Ernest Elmore Hall;

H.R. 3243. An act for the relief of Harry E. Good, administrator de bonis non of the estate of Ephraim N. Good, deceased:

H.R. 3295. An act for the relief of the estate of White B. Miller:

H.R. 3296. An act for the relief of Carl F. Castleberry; H.R. 3318. An act to reimburse Earl V. Larkin for injuries sustained by the accidental discharge of a pistol in the

hands of a soldier in the United States Army;

H.R. 3595. An act for the relief of St. Ludgers Catholic Church of Germantown, Henry County, Mo.;

H.R. 3606. An act for the relief of William Sheldon;

H.R. 3705. An act for the relief of Julia E. Smith;

H.R. 3748. An act for the relief of Mary Orinski;

H.R. 3791. An act for the relief of Gustav Welhoelter;

H.R. 3793. An act for the relief of Anthony Hogue. H.R. 3912. An act for the relief of Roland Zolesky.

H.R. 4082. An act for the relief of John J. Corcoran;

H.R. 4224. An act to authorize the Postmaster General to hire vehicles from postal employees;

H.R. 4387. An act for the relief of Mary A. Rockwell;

H.R. 4446. An act for the relief of E. E. Hall;

H.R. 4579. An act for the relief of Dr. Charles T. Granger; H.R. 4659. An act for the relief of Carleton-Mace Engineering Corporation;

H.R. 4666. An act for the relief of Jerry O'Shea;

H.R. 4670. An act for the relief of Lyman D. Drake, Jr.; H.R. 4838. An act for the relief of the Massachusetts Bonding and Insurance Co., a corporation organized and existing under the laws of the State of Massachusetts;

H.R. 4952. An act for the relief of Theodore W. Beland; H.R. 4957. An act for the relief of F. M. Peters and J. T. Akers:

H.R. 5018. An act to correct the naval records of former members of the crews of the revenue cutters Algonquin and Onondaga:

H.R. 5031. An act for the relief of Edith L. Peeps;

H.R. 5344. An act granting a franking privilege to Grace G. Coolidge:

H.R. 5357. An act for the relief of Alice M. A. Damm;

H.R. 5584. An act for the relief of William J. Kenely;

H.R. 5606. An act for the relief of W. R. McLeod;

H.R. 5809. An act to provide compensation for Robert Rayford Wilcoxson for injuries received in citizens' military training camp;

H.R. 5864. An act to authorize the payment of expenses of delegates of the Yakima Confederated Tribes of Indians while on a mission to represent such tribes before Congress and the executive departments at the seat of government, and for other purposes;

H.R. 5947. An act authorizing adjustment of the claim of the Western Union Telegraph Co.;

H.R. 6037. An act to exempt from taxation certain property of the National Society of the Sons of the American Revolution;

H.R. 6238. An act for the relief of M. R. Welty;

H.R. 6284. An act for the relief of John R. Novak;

H.R. 6324. An act for the relief of Mabel Carver;

H.R. 6350. An act for the relief of Arthur Smith;

H.R. 6366. An act making appropriation to restore water of high mineral content on land owned and controlled by the Federal Government;

H.R. 6497. An act for the relief of James Henry Green;

H.R. 6622. An act authorizing the Secretary of Commerce to lease certain Government land at Woods Hole, Mass.;

H.R. 6625. An act for the relief of Charles Farr;

H.R. 6696. An act for the relief of William T. Roche;

H.R. 6393. An act authorizing the city of Atchison, Kans., and the county of Buchanan, Mo., or either of them, or the States of Kansas and Missouri, or either of them, or the highway departments of such States, acting jointly or severally, to construct, maintain, and operate a free highway bridge across the Missouri River at or near Atchison, Kans.;

H.R. 6998. An act for the relief of Capt. Frank J. McCor-mack:

H.R. 7067. An act for the relief of Saint Anthony's Hospital at Michigan City, Ind.; Dr. Russel A. Gilmore; Emily Molzen; and the Hummer Mortuary;

H.R. 7107. An act for the relief of Frank Baglione;

H.R. 7121. An act authorizing the Secretary of the Treasury to pay Dr. A. W. Pearson, of Peever, S.Dak., and the Peabody Hospital at Webster, S.Dak., for medical services and supplies furnished to Indians;

H.R. 7161. An act to provide for the refund or abatement of the customs duty on altar candlesticks and cross imported for the Church of the Good Shepherd, Memphis, Tenn.;

H.R. 7230. An act for the relief of J. B. Hudson;

H.R. 7264. An act for the relief of M. N. Lipinski;

H.R. 7272. An act for the relief of John W. Adair;

H.R. 7348. An act to amend section 3937 of the Revised Statutes;

H.R. 7372. An act for the relief of Donald K. Warner;

H.R. 7387. An act for the relief of Royce Wells;

H.R. 7428. An act providing for the transfer of certain lands from the United States to the city of Wilmington, Del., and from the city of Wilmington, Del., to the United States;

H.R. 7631. An act for the relief of Arthur A. Burn, Sr., and J. K. Ryland;

H.R. 7670. An Act relating to conveyance of letters by private hands without compensation, or by special messenger employed for the particular occasion only;

H.R. 7697. An act for the relief of William Chinsky;

H.R. 7781. An act for the relief of Rosemund Pauline Lowry;

H.R. 7816. An act for the relief of Oswald H. Halford, Hunter M. Henry, William C. Horne, Rupert R. Johnson, David L. Lacey, William Z. Lee, Fenton F. Rodgers, Henry Freeman Seale, Felix M. Smith, Edwin C. Smith, Robert S. Sutherland, and Charles G. Ventress;

H.R. 7893. An act for the relief of Ralph LaVern Walker; H.R. 7953. An act for the relief of the Dallas County

chapter of the American Red Cross;

H.R. 8108. An act for the relief of Jeannette Weir;

H.R. 8115. An act for the relief of May L. Marshall, administratrix of the estate of Jerry A. Litchfield;

H.R. 8328. An act for the relief of the heirs of C. K. Bowen, deceased;

H.R. 8460. An act to amend section 392 of title 5 of the United States Code;

H.R. 8513. An act to authorize the coinage of 50-cent pieces in commemoration of the boyhood home of Gen. Thomas J. (Stonewall) Jackson;

H.R. 8514. An act authorizing the Secretary of the Treasury to convey a part of the post-office site in San Antonio, Tex., to the city of San Antonio, Tex., for street purposes, in exchange for land for the benefit of the Government property;

H.R. 8587. An act to extend the benefits of the Employees' Compensation Act of September 7, 1916, to William Thomas;

H.R. 8644. An act to provide warrant officers of the Coast Guard parity of promotion with warrant officers of the Navy:

H.R. 8650. An act for the relief of B. J. Sample;

H.R. 8688. An act for the relief of Stella E. Whitmore;

H.R. 8727. An act for the relief of the First State Bank & Trust Co., of Mission, Tex.;

H.R. 8728. An act authorizing the Secretary of War to lease or sell certain lands and buildings, known as "Camp Eagle Pass, Tex.", to the city of Eagle Pass, Tex.;

H.R. 8833. An act to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the founding of the colony of Connecticut:

H.R. 8909. An act to authorize the Secretary of the Treasury to amend the contract for sale of post-office building and site at Findlay, Ohio;

H.R. 8930. An act to provide for the construction and operation of a vessel for use in research work with respect to ocean fisheries;

H.R. 9007. An act to amend section 11 of the District of Columbia Alcoholic Beverage Control Act;

H.R. 9234. An act to amend section 601 (c) (2) of the Revenue Act of 1932;

H.R. 9326. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near York Furnace, Pa.;

H.R. 9371. An act to authorize the incorporated town of Douglas City, Alaska, to undertake certain municipal public works, including construction, reconstruction, enlargement, extension, and improvements of its water-supply system; and construction, reconstruction, enlargement, extension, and improvements to sewers, and for such purposes to issue bonds in any sum not exceeding \$40,000;

H.R. 9401. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or

near Middletown, Dauphin County, Pa.;

H.R. 9402. An act to authorize the incorporated town of Fairbanks, Alaska, to undertake certain municipal public works, including construction, reconstruction, and extension of sidewalks; construction, reconstruction, and extension of sewers, and construction of a combined city hall and fire-department building, and for such purposes to issue bonds in any sum not exceeding \$50,000;

H.R. 9571. An act granting the consent of Congress to the county commissioners of Essex County, in the State of Massachusetts, to construct, maintain, and operate a free highway bridge across the Merrimack River, in the city of Lawrence. Mass.:

H.R. 9617. An act to authorize the reduction of the required distance between liquor distilleries and rectifying plants and to authorize higher fences around distilleries;

H.R. 9645. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Washington, Mo.;

H.R. 9646. An act to authorize the acquisition of additional land for the Upper Mississippi River Wild Life and Fish Refuge:

H.R. 9721. An act authorizing the Spencer County Bridge Commission, of Spencer County, Ind., to construct, maintain, and operate a toll bridge across the Ohio River between Rockport, Ind., and Owensboro, Ky.;

H.J.Res. 295. Joint resolution authorizing appropriation for expenses of representatives of United States to meet at Istanbul, Turkey, with representatives of Turkish Republic for purpose of examining claims of either Government against the other and for expense of proceedings before an umpire, if necessary;

H.J.Res. 325. Joint resolution extending for 2 years the time within which American claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the Mixed Claims Commission and the Tripartite Claims Commission, and extending until March 10, 1936, the time within which Hungarian claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the War Claims Arbiter;

H.R. 5369. An act providing for the issuance of patents upon certain conditions to lands and accretions thereto determined to be within the State of New Mexico in accordance with the decree of the Supreme Court of the United States entered April 9, 1928;

H.R. 6781. An act to authorize appropriations to pay the annual share of the United States as an adhering member of the International Council of Scientific Unions and associated unions:

H.R. 9123. An act to authorize the Secretary of War to lend War Department equipment for use at the Sixteenth National Convention of the American Legion, at Miami, Fla., during the month of October 1934;

H.R. 9526. An act authorizing the city of Port Arthur, Tex., or the commission hereby created and its successors, to construct, maintain, and operate a bridge over Lake Sabine, at or near Port Arthur, Tex.;

H.R. 8700. An act to establish a code of laws for the Canal Zone, and for other purposes;

H.R. 8912. An act to amend section 35 of the Criminal Code of the United States;

H.R. 194. An act to refund to Caroline M. Eagan income tax erroneously and illegally collected;

H.R. 8517. An act to provide for needy blind persons of the District of Columbia;

H.R. 8639. An act to repeal certain laws providing for the protection of sea lions in Alaska waters:

H.R. 9143. An act providing educational opportunities for the children of soldiers, sailors, and marines who were killed in action or died during the World War: and

H.R. 9622. An act to amend subsection (a) of section 23 of the District Alcoholic Beverage Control Act.

## EXTENSION OF REMARKS

### REPORT TO MY CONSTITUENTS

Mr. COCHRAN of Missouri. Mr. Speaker, when I was elected a Member of Congress 8 years ago from the Eleventh Congressional District of Missouri, I felt, having made promises to my constituents in my pre-election campaign, I owed it to the people who had honored me to make a report of my service. I have followed that policy on several occasions and I propose now to continue the practice.

In all my campaigns I promised to devote my entire time to my duties. This promise I have faithfully kept, the RECORD showing I am recorded on every vote taken since I

assumed office, 8 years ago.

While it is my purpose to cover briefly a history of my 8 years' service in the House; at the outset, I will refer to the present Congress.

On March 4, 1933, Franklin D. Roosevelt was sworn in as Chief Executive. For nearly 4 years the country had been in the grip of a depression during which period former President Hoover had done practically nothing to remedy an intolerable situation, gradually growing worse.

When President Roosevelt assumed command he immediately set in motion the machinery at his disposal and called upon the American people to aid him to correct the critical situation that confronted the Nation. He summoned Congress into extraordinary session on March 9, 1933.

Look back, if you will, and picture the conditions that existed when a Republican President was leaving the White House to make way for his Democratic successor. Within 24 hours every banking institution in the United States closed its doors. We experienced our first Nation-wide bank holiday. The President asked Congress to give him the power to control banks for the protection of depositors. Before adjournment on the opening day of Congress, the House and Senate had passed the necessary legislation, the bill had been sent to the President, signed by him, and the fight to end the depression was on. It has not stopped since that hour; it is still on.

Banks 100 percent sound were immediately reopened and the reorganization of other closed financial institutions was immediately commenced. Today the soundness of our banks cannot be questioned.

From the time that President Roosevelt requested Congress to give him the power to handle the banking situation, to the end of the second session of the Seventy-third Congress, I have, without exception, supported by voice and vote, every recommendation the President has submitted to the Congress, and further, I have opposed all legislation the President has stated would interfere with his program of recovery.

While I offer no apology for any vote that I cast, still I would not be honest if I did not say that in more than one instance I was moved to support the President because of the conditions confronting the Nation. I am thoroughly convinced, however, that every request the President made was backed by the thought that the legislation he advocated would prove beneficial, and that the legislation he opposed would be harmful. His demand for a new deal carried with it equal opportunity for all, special privileges to none.

We have often been asked if some of the legislation followed the teachings of Washington, Jefferson, and Jackson. When it is considered it was necessary to feed, clothe, and house our people, I feel, had they been faced with a situation similar to that which faced President Roosevelt, all of them would have done exactly as President Roosevelt did.

We have had panics and depressions, or whatever you may desire to call them, but history fails to show our country ever before in a condition such as confronted President Roosevelt on March 4, 1933. There has been criticism by some, mostly those personally affected, of some of my votes. I ask those who challenged my judgment to stop and consider what might have happened if the Congress had failed to respond to the President's calls. I assert it would have meant disaster. No more courageous man than our President has ever occupied the office of Chief Executive of this country, and history will so record.

My support of the President and his program was kindly referred to in a recent speech by the Honorable James Farley, the Postmaster General, at the laying of the cornerstone of the new Federal building in St. Louis, after referring to Missourians, who had been prominent in public life in the past, said:

The other person to whom I wish to pay tribute is from your own city. As a Congressman no one works more intelligently or more devotedly than he for the interests of his city and State. His interests, however, are not bounded by city and State lines. He has always placed his country's good above his personal friendships and his personal advantage. Foremost in every fight for the people's rights, he is loved by all who are alined with him in this battle and respected and feared by those who are not. I refer to the Honorable John J. Cochran, your Representative in Congress, of whom you may well be proud.

I have responded to every call made upon me where my assistance was asked by city and State civic organizations and officials in connection with Federal projects of every character. I have assisted in securing for Missouri, my native State, regional offices of various Government agencies, which resulted in employment for many of our unemployed citizens.

The late Champ Clark of Missouri always said "length of service is the most valuable asset a Member of Congress can have." Having served 14 years as a secretary to the late Senator William J. Stone, former Congressman William L. Igoe, and former Senator Harry B. Hawes, when he was in the House, I had a thorough knowledge of the procedure of the House and Senate when elected to succeed Congressman Hawes 8 years ago. That training enabled me to immediately take up my duties as a Representative and participate in debates and the enactment of legislation, as well as to promptly look after the interests of my constituents. I answer official correspondence the day it reaches my office, although at times long hours are required.

When the Democratic Party assumed control of the House in the Seventy-second Congress, I was honored by being selected as the chairman of a powerful committee, having jurisdiction over the expenditures of all of the executive departments, the first St. Louis Representative to be chairman of a House committee in over 25 years.

I am the author of a number of important laws; was coauthor of the law giving the Federal Government jurisdiction in kidnaping cases, and author of the law making it a felony to use the mails to extort money under threat of physical violence or property damage.

Prior to the passage of these laws the Federal Government was seemingly powerless to intervene in such cases. Since then many desperate criminals, gangsters, and racketeers have been placed in Federal and State penitentiaries through the activities of Federal agencies and the offenses are few in comparison with the terrorism that prevailed before the laws were passed. A few weeks ago those laws were strengthened and a number of other crime bills passed, all of which I vigorously supported. The right of our citizens to live peacefully and enjoy the fruits of their labor is a fundamental that must not be broken down. The Federal Government is now in a position to combat those who would deny this right to our people.

A great deal of direct relief legislation has been enacted during this Congress. From the outset I advocated that if the Government advanced funds to take up farm and home mortgages the bonds should be guaranteed by the Federal

Government. After several years of opposition the bonds were guaranteed, resulting in the savings of millions of dollars of property to our citizens, and the bonds are now selling above par.

I shall always be proud of the part I played in assisting to secure United States forest reservations for the State of Missouri. Our people will soon learn a Government forest reservation is a small national park and the acquisition of a half dozen large tracts together with our wonderful chain of State parks will make Missouri the recreation ground for central United States.

Some years ago I received the promise of the late Representative John Clark, of New York, co-author of the law that made it possible to buy State land for forest reservations, and a member of the commission that purchased the land, that if the Missouri Legislature would pass the necessary enabling act he would see that forest reservations were selected in our State. I appealed to the then Governor, Mr. Caulfield, and to members of the legislature and later to Governor Park. Finally a law was passed providing that not more than 25,000 acres could be taken from any one county, the previous limit having been 25 acres. Immediately following the passage of this law I took the matter up with the commission and three reservations were laid out. Later, when the 25,000-acre limit was removed, additional reservations were authorized and the Government is now buying hundreds of thousands of acres of land in the Ozarks where those who love the great outdoors will be able to construct their small cabins and enjoy life in the wide, open spaces. Trails and roads will be provided, work having already been started in various sections of the State.

Eight years ago, single-handed, I started the fight that has resulted in eliminating the private toll-bridge promoter. It took the country 150 years to do away with the toll gate. The people's money was being used to construct roads. Why should an individual, after the road had been constructed, be permitted to construct a bridge with money raised by the sale of bonds and charge tolls to cross a river? If the bridge was necessary I held the State, or a subdivision thereof, should construct it. As a result of my fight Congress now grants franchises to States, counties, cities, or officials elected by the people to construct toll bridges providing that within a reasonable time the bridges must be free.

The Federal narcotic farms were first suggested by me. I introduced the first bill providing for the construction of separate institutions to house Federal prisoners who were drug addicts, appeared before the committee in support of the legislation, and the laws that provided for the construction of three farms resulted.

Personal observations convinced me that the enactment of the eighteenth amendment was a mistake, that rather than promoting temperance it brought intemperance. I participated at every opportunity in efforts to bring about the repeal of the eighteenth amendment, and my speeches, What Prohibition Has Done to the Home and What Prohibition Has Done to the Farmer were widely circulated. They brought the true conditions to the citizens of this country. I contended the repeal of the eighteenth amendment would be beneficial to our country and our people.

The eighteenth amendment has been repealed, but there are many problems connected with the liquor question still to be solved. The liquor supply being in control of a few has resulted in prices far exceeding those that prevailed for medicinal liquor during the prohibition period; the bootlegger is still in the picture and thriving. He must be removed and the price of liquor brought down, even if it is necessary for the Government to manufacture and control the sale. I would not wish to see the Government enter the distilling business, but if that be necessary to promote temperance I would favor it.

I am opposed to the return of the saloon, and spoke on this subject and so voted when Congress passed the law providing for the regulation of the liquor traffic in the District of Columbia. Drinks can only be sold in hotels and restaurants for consumption on the premises in Washington, and bars are not permitted in the room where the purchaser is served. The law also provides strong penalties for selling to minors, and, while there is room for improvement, it is one of the best enforcement acts in the country. I believe in the right of the citizens to decide for themselves whether or not liquor is to be sold in their city, town, or county.

During this Congress a great deal of time has been given to the question of Government in business. The committee of which I am chairman has considered this matter for months. No Member of Congress in recent years has done more than I have to remove the Government from competition with private industry. There are certain activities the Government might properly engage in, such as construction of ships, munitions, and so forth, but there are many fields where the Government is now competing with private industry that it could well abandon. I speak honestly and frankly on this subject. I have repeatedly said that there is only one way to get the Government out of business and that is for the Congress itself to discontinue making money available to Government departments to manufacture needed supplies. When Members of Congress vote to appropriate the money and tell the departments to continue to manufacture their supplies there is nothing for the department to do but to carry out the mandate. I repeat, the fault lies with Members of Congress and the way to reach the situation is to fight that part of the appropriation bills which provides the money for the manufacture of supplies by Government departments.

Coming from a great city, naturally my constituents were more interested in the problems of industry. However, I am thoroughly convinced, and many times have publicly stated, the residents of the great cities cannot expect prosperity until we have increased the purchasing power of the farmer so he will be in a position to buy what we have to sell.

The farmer is entitled to a fair profit on that which he produces, the same as the owner of a corporation is entitled to a fair interest on his investment, and labor also is entitled to a fair wage for its contribution to the employer. Until the farmer is placed in that position the rehabilitation work of Congress will not be complete. We have no more right to ask the farmer to sell us his hogs for 3 or 4 cents a pound than we have to insist that the manufacturer sell us our clothes or other necessities for less than one-half of the cost of manufacture.

As long as I am a Representative of the people at Washington I will do all in my power to assist in solving the farm problems. The return of prosperity cannot be completely assured until such problems are properly solved.

Over 4,000,000 of our citizens are war veterans. No Member of Congress has done more than I have to assist individual veterans with their claims with the Veterans' Administration. Thousands have benefited by reason of my activities and while I have not found it expedient to vote for all the legislation veterans have demanded I have, and will continue to use every means at my disposal, to see that the man who received his disabilities in line of duty receives most liberal treatment from the Government, which has an obligation to assist him, that it cannot and must not shirk. It has always been my opinion the Government should assist widows and orphans of veterans of various wars. I was one of the first to advocate such legislation, introducing a bill several years ago. Therefore, it was pleasing to me to vote for the bill, now law, passed this week, which extends benefits to this class.

In conclusion I can conscientiously say I have faithfully performed the duties placed upon me and hope the services I have rendered meet with the approval of those who were responsible for placing me in my most important position.

In all my service to the people I have believed in and followed Grover Cleveland's declaration that "a public office is a public trust." I shall always be grateful to the people of my district and to the people of the entire State of Missouri for giving me the opportunity to serve them in Congress.

A BILL FOR A RETIREMENT SYSTEM FOR RAILROAD EMPLOYEES

Mr. PALMISANO. Mr. Speaker, I am glad that the Committee on Interstate and Foreign Commerce has recom-

mended Senate bill 3231, which provides a retirement system for railroad employees and for unemployment relief.

This bill in a minor degree accomplishes what I hope to accomplish in general by the resolution which I introduced requesting the Secretary of Labor (1) to compile a list of the labor-saving devices, mechanical and otherwise, put in operation in the United States after December 31, 1912, which are still in use, (2) to estimate the number of persons in the United States now unemployed by reason of the use of each kind or type of such devices, (3) to estimate the number of persons who would be employed in the United States in each of the various divisions of industry. commerce, and agriculture, but are not so employed by reason of the use of such devices, and (4) to report his findings in detail to the House of Representatives (or to the Clerk of the House if the House is not in session) during the present Congress, together with such observations and recommendations as the Secretary deems pertinent and useful. Every officer or employee of the United States is requested to supply the Secretary with such information relating to any matter under investigation or study pursuant to this resolution and contained in the records of the office of such officer or employee as the Secretary may request. For the purposes of this resolution, the term "labor-saving device" includes any improvement, made after December 31, 1912, of a labor-saving device put into operation on or before such date, and the term "United States" means the United States and all territory subject to the jurisdiction

The object of my resolution is to ascertain the number of men supplanted by each device in order that a proper tax may be placed on such device according to the manpower it supplants. For instance, if 1 machine does the work of 2 men, it should be taxed for the man it supplants. On the other hand, a machine supplanting 25 men should be taxed 25 times as much as the machine that supplants 1 man, and so on.

The quicker the ananciers that control monopolies realize that the human race must live and that it is necessary to give them employment in order to make a livelihood for their families the quicker we will get out of the depression, never to return to it. In my mind, it is necessary for large corporations to refrain from using labor-saving devices in order to permit a man to make a living wage for himself and his family; otherwise it will be necessary to tax the labor-saving devices and make the corporations pay for the old-age pension and the unemployment insurance.

I know that the American people prefer work instead of pension and unemployment insurance, but in the absence of work the pension and the unemployment insurance are the only alternatives, and I feel that the person that uses labor-saving devices which cause unemployment should pay the bill. Therefore, Mr. Speaker, I am happy to support Senate bill 3231, which, in effect, is somewhat in harmony with my resolution.

THE TECHNICAL PROGRESS AND MECHANIZATION OF INDUSTRY HAS DISPLACED MILLIONS OF AMERICAN WORKINGMEN, WHICH CAN ONLY BE COMPENSATED BY REDUCING THE HOURS OF LABOR

Mr. WELCH. Mr. Speaker, over 2 years ago, on May 3, 1931, in discussing unemployment in the United States before the House of Representatives, I said:

We are in the midst of the most violent and sudden economic changes our country has ever experienced. To adjust ourselves to these changes a new social policy must be adopted. Of all the principal measures advocated for this purpose, those that provide shorter hours of labor offer the most logical and direct steps without placing an additional burden on the Public Treasury.

Two years of distress have passed. The legislation I then urged was not enacted and we have witnessed the greatest peace-time burden ever placed upon the Public Treasury. But of even greater significance has been the almost universal testimony of employers of labor that reduction in the hours of labor is an essential factor in restoring normal conditions to our country. Their principal contention has been that such legislation should have flexibility.

Too long have we neglected the important part the workingman plays in the progress of our economic order. While

American inventive genius has been successfully devising | American output, through the mechanization of the process, ways and means of increasing individual production, principally in the mechanization of industry during recent years. and while legislation was being enacted to assist industry in almost every conceivable manner, we have failed to bring relief to the ever-increasing unemployment which has been engulfing the workingman. As a result, we are today faced with an unemployed army of over 10,000,000 persons-men who are anxious to work, men who are in dire distress without employment. In some States one-fourth of the entire population has been on relief rolls at one time.

I am not unmindful of the fact that technical progress has developed new industries employing thousands of workingmen. But when our social order is adjusted to these new industries and large groups of our people become solely dependent upon them for their livelihood, their displacement through the use of machinery becomes a very practical problem of the greatest import to the welfare of our country. It is the development of this machine age during and since the World War that has in large measure brought about the conditions of the past few years.

During the decade from 1899 to 1909 there was a 40-percent increase in the number of wage earners engaged in manufacturing in the United States, an increase of 1,903,000 workers. During this same decade production increased 59 percent. In the 10 years from 1909 to 1919, 2,481,000 additional wage earners were placed on the pay rolls of our manufacturing establishments, an increase of 38 percent, while production increased 35 percent. In other words, during this 20-year period, the absorption of employees into productive industry was almost equal to increased production.

The decade next following presents an entirely different picture. From 1919 to 1929 there was an actual decrease of 585,000 wage earners, or 7 percent of the total, while production increased 42 percent.

These statistics simply mean that while the producing power of the average wage earner was only increasing 11 percent during the 20 years from 1899 to 1919, his producing power under the impetus of improved and greater machine operations increased 53 percent during the post-war decade from 1919 to 1929, or his individual production increased almost five times as much during the 10 years, 1919 to 1929. as it did in the 20 years, 1899 to 1919.

This mass production or machine production immediately following the war was out of all proportion to the trend in purchasing power of the millions employed in manufacturing. Increased wage-earner production by the mechanization of industry was placing more and more wealth in fewer hands and the corresponding decrease in the purchasing power of the average citizen was curtailed until we reached beyond the saturation point and no market was to be found.

Our present distress is not so much due to overproduction as it is to underconsumption. Unemployment has reduced the purchasing power of our people when we should have been taking legislative as well as other steps to bring about greater consumption of domestic products.

In 1918, 1 man made 40 electric-light bulbs per day. Now, 1 machine can make 73,000 bulbs in 24 hours. Each machine thus installed displaces 992 men from their employ-

In 1913, 1 man made 500 safety-razor blades, while today 1 man, in the same time, but with the aid of improved machinery, can manufacture 32,000 safety-razor blades of finer quality.

In the boot and shoe industry machinery has been developed in recent years that is so efficient that each machine takes the place of 250 men.

When we consider the advances made by the use of machinery in the manufacture of automobiles, its extent makes the data available become bewildering. For example, in the United States 200 men can turn out 7,000 to 9,000 automobile frames daily. In central Europe, where American machinery used in this operation is not yet available, 200 men average 35 frames daily. In other words, the

has an output 200 times as great as that of central Europe.

A similar situation has existed in the steel industry. During the prosperous period from 1926 to 1929, improved machinery used in the steel industry was throwing thousands of workingmen out of employment. In the Bessemer process, during these 3 years, the working force was reduced 24 percent; in the open-hearth furnaces, it was reduced 8 percent; in puddling mills, 18 percent; in blooming mills, 9 percent; in plate mills, 11 percent; in bar mills, 17 percent; in standard rail mills, 14 percent; in tin-plate mills, 6 percent. Seven men working at steel-blast furnaces can now do the work that formerly required 60 men in casting pig iron. In the sheet mills only was there an increase in employment between 1926 and 1929, and that increase amounted to only 3 percent.

By effecting economies, the use of improved machinery, larger locomotives and larger freight cars, the railroads of the United States, although carrying more freight and passengers than ever before, employed a quarter of a million fewer men in 1929 than in 1920.

In the mining industry, formerly almost entirely dependent upon manual labor, the greatly increased use of machinery has displaced thousands.

Even in farming, the use of improved machinery has driven other thousands to our cities to seek employment.

This technical progress and mechanization did not cease with the coming of the depression. Its progress during the past 5 years has been so great that were we to return to the same production we had in 1929, between 4,000,000 and 5,000,000 men would not be able to find employment. The Right Reverend John A. Ryan, D.D., in his recent address on The Present Critical Situation, invited attention to this when he stated, "Between 1929 and the present date at least 2,000,000 and possibly 3,000,000 jobs have been abolished by technological improvements; that is, by the substitution of mechanical and automatic processes for human

Every person who has given any thought to our present difficulties knows that their solution lies in increasing purchasing power. Purchasing power can only be increased by spreading employment. The millions of able-bodied men walking our streets today, anxious to secure work, should be given gainful occupations. There is no need to argue this question in a circle. Employment stabilizes residence and builds homes; it gives the purchasing power to build houses, to find markets for the products of all industry. This is what brings prosperity and contentment to our people. The conditions of the past few years cannot continue. It means destruction-destruction of every sense of initiative and independence—the foundation stones of our national security.

Economic problems and social problems are here linked together. They are interdependent. The social questions involved are just as imperative as the economic.

Quoting from a statement made before the Committee on Labor of the House of Representatives-

Our whole industrial system has been the last part of our democracy, of our civilization to which we have paid attention from the standpoint of human rights and social welfare.

Gainful employment is the innate right of every citizen of a democracy. Upon this right our whole economic, social, and political structure rests. I would not curtail technical progress, but I would give to the workingman whom it displaces his proper share of the benefit gained. No sane man would destroy the spinning looms of the textile industry because one girl operating such a loom can turn out more yarn in 8 hours than an army of 45,000 girls could with the spinning wheel of 150 years ago. No sane man would destroy the automobile industry because it displaced the horsedrawn carriages and trucks of a generation ago. These advances have brought the opportunity for greater leisure. but greed destroys the opportunity and throws millions of our people upon charity instead.

### NORTHWEST FLOOD CONTROL NEEDS

Mr. WALLGREN. Mr. Speaker and ladies and gentlemen of the House. I desire in the time allotted to me to point out the grave necessities of a national program for the control and prevention of soil erosion such as is caused by floods in my State.

The attention of the entire Nation was directed to the disastrous floods in the Pacific Northwest last December. Thirteen lives were lost and damage estimated at \$20,000,-000 was caused.

Floods of the rivers of the Cascade Mountain slope in the State of Washington are a real menace and, on a different scale, as disastrous and costly to natural resources as are the floods of a great river such as the Mississippi.

President Roosevelt, in his admirable message to Congress, shows his remarkably comprehensive knowledge of the needs of the whole Nation. That the problems of conservation will receive long neglected study is amply evidenced by the following quotation from the President's message:

The extent of the usefulness of our great natural inheritance of land and water depends on our mastery of it. We are now so organized that science and invention have given us the means of more extensive and effective attacks upon the problems of nature than ever before. We have learned to utilize water power, to reclaim deserts, to recreate forests, and to redirect the flow of population. Until recently we have proceeded almost at random, making many mistakes.

Early this year a group of Representatives and Senators, including myself, called upon President Roosevelt urging upon him the necessity of a national plan that the loss of natural resources by erosion be stopped or curtailed. The President's message followed the transmission of the report of his Cabinet committee to Congress.

This cabinet committee was appointed to study flood control and soil-erosion prevention needs of the Nation. The investigation of this committee serves as a starting point for a vast conservation program and in the case of the Pacific Northwest flood-control survey bills now law will bring about a study of the specific problem in that area.

Interest in the needs and wisdom of Federal responsibilities in the conservation of our soil resources has increased during the past year. This seems largely because of the enlightened attitude toward public resources taken by the present administration. Out of this interest, I now feel certain, will come a general constructive program.

A national study of this question on a comprehensive scale seems especially necessary as I find that persons tend to minimize floods occurring in distant parts of the Nation. I also find that many of my colleagues little know our Pacific Northwest. One is led almost to believe that some of you think we are still fighting Indians. Quite the opposite is true. This Pacific Northwest is today far ahead of many of our eastern sections. Ahead in the development of fine roads. Ahead in the development of modern schools and up-to-date homes.

This has all been accomplished in not so many years. It was not long ago that sturdy pioneers came from the East to literally hew these now splendid communities out of the great forests which covered the area west of the Cascade Mountains. Their children have carried on with the same spirit until today we find a most beautiful country. River valleys dotted with farms surround fine, clean cities. All of this is the result of the desire to gain and to maintain a standard of living desired by true Americans. And true Americans these sturdy decendants of northern European races are.

Pioneer days when giant trees—douglas fir, hemlock, and cedar—covered every square foot of ground are gone. Billions of feet of valuable timber remain, for it has been the timber in the most accessible areas, usually in river valleys and bordering streams, which was first cut. Trees that once protected the banks of streams which fairly tumble out of the mountains have been removed.

The removal of this timber constitutes a sad commentary on the foresight during the era of individualism and gives us a remarkable argument for national planning. Timber barons lost no time in acquiring the beautiful forests and even sooner did they start their devastating slaughter. They gave no thought to reforestation, no thought to quota cutting nor to conservation, and no thought to flood hazards they created. Their one thought was lumber. Lumber to satisfy that same greed which today still craves satisfaction but which today faces forces of control.

It is difficult, Mr. Speaker, to give a realistic picture of this thoughtless devastation. Rivers navigable when forests were uncut have been permitted to fill with snags, stumps, and silt. Few of you realize the damage which can be started by a stump carried at flood to the center of a river. You can only understand if you know that such stumps as are common were once the foundation of 200-foot trees. Lodged in the river the stump causes a bar of silt to quickly form. This forms a barrier and the water swirls about, cutting a new channel which is often through a cultivated farm.

Erosion thus aided sends an increasing amount of silt into navigable rivers which in northern Washington empty into the Puget Sound and in the south into the Columbia River and the Pacific Ocean. The silt means both a hazard to navigation and a great loss to the farm from which it eroded.

The farms in these valleys so constantly menaced are devoted to dairying, berry raising, and such products of intensive agriculture as lettuce, celery, and vegetable seeds. In fact, one county in my district produces more than 85 percent of the cabbage seed grown in the United States. Such crops, you will admit, are not in direct competition with those farm products whose surplus now constitutes the problem of the A.A.A.

The early flood problems found farmers valiantly struggling with dikes and bank-protection measures. Financial aid in some cases was given by counties, but we find counties overburdened in efforts to protect highways and bridges.

Today, Mr. Speaker, we find a most deplorable condition. The present economic condition leaves our farmers unable to carry the financial burden, and coincident with this we find erosion becoming constantly greater. The problem has developed from the concern of merely a locality until it envelops the whole area and threatens the agricultural future of that area. Forced neglect of the larger aspects of the problem has only added to the increased menace of floods which have become more devastating each year.

Greater property damage is being reported each year and more land is being deserted, thus increasing the unemployment problem of the district and the Nation.

The area of greatest concern lies between the Cascade Mountains and the Pacific coast. A strip of land 30 miles wide and extending from Portland, Oreg., to the Canadian border, a distance of 350 miles, is dotted with many towns, including Bellingham, Everett, Seattle, Tacoma, and Olympia, and has a population of approximately 1,500,000 people. All of these are affected either directly or indirectly by recurring floods.

It is impossible, Mr. Speaker, to give the true picture of these devastating floods. The farmers have fought sturdily, never asking until now the aid of the Government. These people are not asking to be compensated for past losses. They seek only protection from an ominous future. They want security on the land which remains. They do not wish to reclaim additional land.

They are financially broke, but not spiritually, and if the Federal Government can come to their aid with a comprehensive flood-control program, as advocated by our President, they will start rebuilding their empire. They will be willing to face the future in a section of our Nation which knows what is meant by the "fruits of our labor."

So intensely do farmers feel the loss and so clearly do they see the necessity for a well-planned program that they have organized to gain accurate statistics on flood damage and to plan a lasting and economical flood-control plan. It appears, however, that only the National Government has the facilities to plan such a control program.

Reading from the report of such a committee on the Snohomish River, we find:

Because this (erosion, drowning of crops, damage to buildings and to roadways, and bridge losses) has been going on for a number of years and because no unified action had been taken previously, a committee of farmers and business men took upon themselves to call a mass meeting.

We find, however, that as long ago as 1928 the importance of soil preservation was recognized as a national problem. In the introduction to the published report of the President's research committee, speaking of land resources, we find:

Despite this vast reserve of land available for crop production, the Nation can ill afford to permit waste of soil resources by erosion and allow the people of a district to be slowly reduced to poverty.

And it continues:

Erosion, of course, leads to the silting of the rivers and to floods which are matters of national concern.

Speaking of effects of soil erosion, O. E. Baker in Recent Social Trends' report, states soil erosion "in many places has brought abject poverty."

In these statements we find the reasons for national concern as to the river erosion in the State of Washington.

Just to indicate that silting not only often means poverty to the individual farmer but becomes a liability to the Federal Government, I will quote from an Everett newspaper of March 3 concerning silting in the mouth of the Snohomish River:

Tugboat men say that the average shoaling in the river this winter was about 2 feet. A scow grounded in the river mouth recently on a  $7\frac{1}{2}$ -foot tide and had to be unloaded.

In such a problem as here presented the Government has an efficient agency in the Board of Engineers of the War Department. It is a sorrow that this agency is not better utilized in the formulation of erosion- and flood-control plans.

In the problem of topsoil erosion, the Federal Government has developed the Soil Erosion Service, which, under the direction of Mr. H. H. Bennett, is intelligently meeting the serious problems presented. The necessity for the control of silt in the watershed of the Tennessee Valley development is recognized and this agency is active there.

Here the Government is meeting a problem which often is not apparent to the eye. Topsoil erosion often becomes apparent when soil fails to produce crops. In the case of river erosion, the problem is doubly apparent, once in the loss of farm land and second in the silting of river channels. Why has nothing been done? Why does the Board of Engineers seem to lean backward when confronted with this great problem? You may say it is a State problem but it is also a national problem of great magnitude. I feel that in the President's interest as shown in his message, we are gaining the first rays of light which will eventually bring

Continued erosion will mean poverty to the county, the State, and this of course means decreased national wealth. To illustrate let me read from one of my constituent's letters:

Four years ago (1929) I bought this place. At that time the river was at least 1,000 feet from my buildings. Now it has cut a channel about 60 feet from my house and has covered most of my place with logs and stumps.

This is no isolated case; yet we find that the various reports of the War Department ignore such losses. Losses to railroad and highways it recognizes but loss of land it ignores. Such reports already made are entirely inadequate in answering the questions as to flood-control damages and the needs of protection. My bills for flood-control surveys were acted upon favorably by the War Department only after great effort. It was hard to convince them that a flood-control survey was necessary as they considered previous surveys answered all needs.

Writing to the Chairman of the Flood Control Committee, the Secretary of War last year stated:

It is believed that with the report already made on the Stillaguamish and the forthcoming reports on the Skagit and the

Snohomish, Congress will be in possession of all information necessary for its guidance in legislation on the subject.

Authorized in 1927, two of these reports have not been transmitted to Congress. The report on the Stillaguamish states that farmers find deposits of silt beneficial.

The Department has now withdrawn its opposition to survey bills and such have now passed both the House and the Senate.

The inadequacy of the War Department in computing damages is further shown when its report is compared with conservative estimates made by the farmers under the direction of the Federal extension agent. The Stillaguamish report states that 310 acres were entirely washed away during the year November 1932 to November 1933. A loss of \$24,650 was estimated from deposits of foreign materials on agricultural lands. On a very conservative scale of values the total loss during the 1 year was estimated at \$234,487. Loss on the Snohomish during the same period was estimated at \$381,333. The War Department estimates place annual loss at only \$72,000. Loss on the Nooksack over a number of years was estimated at \$535,519. In compiling these three reports, 841 farms were surveyed.

The real pathos and the utter hopelessness is to be found when the farmer vainly tries to protect his farm by revetments which he cannot understand as does an engineer. He builds a protection only to find the swirling waters wash through and eat away at his farm.

In House Document No. 307, Seventieth Congress, the War Department admits the necessity for curbing the silting of river mouths and harbors. It here recommends the construction of a dredge to keep the rivers dredged. This report states:

Difficulty is experienced in handling traffic at the mouths of rivers (rivers tributary to the Puget Sound) on account of the extensive deposits resulting from the large amounts of silt brought down each year by floods. \* \* \* Large tonnage handled justifies some expenditure to better the navigable conditions at the mouths of the principal rivers.

This report, as illustrative of the silting, states that the Skagit River was originally navigable at high water for a distance of 69 miles, whereas in 1928, when the report was made, it was navigable only 14 miles above the mouth.

Academically the problem has been recognized by Federal authorities. Many have pointed to prevention of soil erosion as a national problem. The now Under Secretary of Agriculture, Mr. Tugwell, has stated in a newspaper article as follows:

In accordance with the President's belief that more can be accomplished through group cooperation than through individual relations with the Government, a new approach to the entire problem is contemplated. It must be abundantly evident that the maintenance of our soil is a national problem.

And further he calls attention to the-

Contribution which erosion makes to the spectacular floods which terrorize the countryside and to the subsequent silting of river channels and engineering works.

The new policy, as outlined by the President, aids in placing the responsibility for flood work. I have repeatedly tried to find the governmental agency which gave its consideration to this problem. Such efforts so far have been almost useless.

President Roosevelt's message to Congress prior to signing Public, No. 5, indicated his interest. It seemed impossible, however, to gain recognition for erosion problems even though the President had said in his message to Congress:

I call attention to the fact that this type of work (reforestation, prevention of soil erosion, and flood control) is of definite practical value, not only through the prevention of great financial loss but also is a means of creating future national wealth.

Since the passage of this act, I have continually tried to gain the location of C.C.C. camps for the purpose of preventing soil erosion. I was unsuccessful in gaining original camps for this purpose and recent efforts are met with answers like the following from regional foresters:

If authorized it would divert many camps from projects for which they have been established.

It appears that the Forest Service, which is administering this act, can only see the needs of the forests and is utterly unable to understand that much more lasting and much more economically justified work could be done on the rivers by these men hired by Uncle Sam to preserve natural resources.

Some very important work has been started by C.W.A. workers. Should this work now be abandoned in the present stage of partial completion, there will be no signs of the present work after the next flood.

To make permanent work already accomplished is a problem presenting need for dredging the lower reaches of the rivers and revetments, reforestation, and debris basins in

the upper reaches.

The cost of such a program would be well within the bounds of economic justification. A comprehensive program of flood- and soil-erosion control would give diversified employment which is so needed now. In the final accounting the Nation would be richer, not poorer.

With millions still out of work, I believe the Federal Government is fulfilling its primary duty in coming to the rescue of these people. Especially when this duty can

become a profitable investment for the Nation.

Instead of aiding the unemployed in terms of charitable enterprise or terms of giving some unfortunate person a little food or paying his rent, the problem certainly should be interpreted in the terms of the right of Americans to a chance to earn a living. If private business cannot do this, the Government certainly has economically justified projects such as presented by our situation to provide work until industry can and will.

According to the Federal Emergency Relief Administration, there were during the week of March 1, 1934, 40,359 persons receiving work through the C.W.A. According to the same authority, in January 1934 there were 128,718 persons receiving relief from public funds. This is merely the number receiving relief, not the total of unemployed.

When we consider the duty of this Nation, the amount expended in public works and relief cannot be said to be too large even when figured in dollars and cents. It is but a mere pittance when compared to the Nation's credit as measured in its natural resources, in its plant and man

In closing let me repeat, if the Nation's assets may be made larger through judicious—and control of these mad waters in my State certainly falls within such a category—care of natural resources, the State and the Nation will be enriched and the unemployed given work. We cannot deny that men and women are a much more important part of national wealth than is property. A program which cares for these people, which protects valuable lands and saving investments already made in that land, certainly should be hastened in all possible ways.

## FACTS VERSUS FICTION REGARDING CHICAGO

Mr. SABATH. Mr. Speaker, on Monday, June 4, my colleague from Pennsylvania [Mr. Kelly], under leave of the House, inserted an extension of remarks carrying an oration of Harvey Schauffler, of the Glassport (Pa.) high school, which oration won the national original oration championship at Topeka. Kans.

The title of the oration was A Century of Progress, and Schauffler is to be commended for his vivid and truthful portrayal of the advancement and development in the last hundred years of science, medicine, chemistry, industry, art, and other science, and especially his splendid description of the exhibitions at this great World's Fair depicting the progress attained during the century. Credit is due to his instructors who aided him in his academic training and particularly in the preparation of his oration. Yet, unfortunately, the young man in his oration, misled by indefinite or general press reports during a former Republican administration, marred his wonderful oration by an allusion to the city of Chicago as "the mecca of crime—the gangster's playground."

This statement makes it necessary to bring home to this has been done. During the first 5 months of 1934 the numyoung man, Harvey Schauffler, to his school and its faculty, ber of automobiles stolen was reduced 46 percent. Chicago

and to the rest of the American people the facts showing that Chicago, though subject to severe criticism during Republican administration, never was a "mecca of crime" in proportion to its population compared with other cities or even with towns of smaller population.

Today Chicago exhibits a gratifying lessening in the perpetration of major crimes, and is wholly undeserving of the stigma so often cast upon it by the uninformed, the irresponsible, the indolent, and the inexperienced writer, who is wont to weave a story of generalities simply to make for himself and his employer profitable reading matter, with faint thought of the injustice wrought upon the fair name of a great city or the devastating influence of poisoning the minds of his readers.

So far as young Mr. Schauffler's brilliant oration is concerned, I would have had nothing but praise for this oration had it not been for its wholly inaccurate and entirely unjustified malevolent reference to Chicago.

### FACTS VERSUS FICTION ABOUT CHICAGO

The implication, I submit to any unprejudiced person, is that Chicago has a larger per capita percentage of crime, including murder, than other cities. This absolutely is not the fact. Twenty-six of the largest cities in the United States have a much larger number of murders yearly per 100,000 of population than Chicago. The American city that has the largest number of murders per 100,000 of population has a ratio of 43.88. The city that stands second has a ratio of 43.10. The city that stands third has a ratio of 39.92.

I will not mention the names of these cities, because I have no desire to unnecessarily besmirch any city. But the figures I have noted are accurate and official. Now for Chicago, the ratio of murders is only 9.31 per 100,000 of population. These figures speak for themselves, making it unnecessary for me to emphasize how unjustified was the implication of Mr. Schauffler.

Chicago never was anywhere near the top of the list of major crimes, even under the indefensible administration of William Hale Thompson. But beginning with the administration of the late Democratic mayor, Anton J. Cermak, in 1931, and continuing with the advent of the Democratic State's attorney, Thomas J. Courtney, who undauntedly flung the defiant challenge to the racketeers the very first day he entered office and who within 6 months had the gangsters and racketeers on the run and on the defensive, the crime situation has been steadily improving in Chicago as compared with the terrible conditions that existed under the previous Republican administration.

## CHICAGO'S IMPROVED CRIME SITUATION

Chicago's record for cleaning up crime is outstanding—politics has been removed from the police department, merit and fitness alone prompting appointment and promotion. Under our present efficient and conscientious Democratic mayor, Edward J. Kelly, with the cooperation of the State's attorney, judges, and every branch of the present Democratic city administration, hoodlums and hoodlumism are being cut out of the Chicago picture. The morale in Chicago's police department is high—this with all the discouragements, vicissitudes and tergiversations faced by the department due to finance.

During the first 5 months of 1934, felonious homicides in Chicago were reduced by 15 percent as compared with the same period in 1933. Robberies during the same period were reduced 15 percent. Rape cases were reduced 28 percent; burglaries, 12 percent.

Larceny was reduced 13 percent. This reduction is remarkable in the face of the fact that larceny cases usually increase during times of depression.

Now, here is one of the most interesting and outstanding pieces of work accomplished by Chicago's police department. Racketeering and crime rings marked the stealing of automobiles; insurance rates were high; the condition was not as it should be. But let us look at the figures—a real job has been done. During the first 5 months of 1934 the number of automobiles stolen was reduced 46 percent. Chicago

is praiseworthily cleaning up. And what happened? Insurance rates on theft were immediately cut.

All other crimes were reduced by 8 percent in 1934.

Now, looking at Chicago's crime picture as a whole, we find an average reduction of over 21 percent in 1934 over the first 5 months of 1933. This crime decrease is concrete evidence of a thoroughly constructive piece of important work.

Prof. Raymond Moley's report to President Roosevelt commends Chicago's police department. The report by the Crime Commission gives Chicago's police department a clean bill of health. Chicago has done and is doing a real job in making the city "crime proof."

No hoodlums are walking the streets of Chicago today no armed gangsters are making Chicago the "talk center" of the United States, as during the last Republican regime.

HIGHLIGHTS OF CHICAGO'S IMPROVING FINANCIAL SITUATION

And now, a few words as to Chicago's improved financial condition under Democratic administration:

The lead editorial in the Saturday Evening Post for June 9 states that Chicago has reduced its debt by some \$40,-000,000 and closed the gap between pay days by some 3½ months as compared with the same time a year ago.

Chicago is slowly but surely waging and winning her fight against the financial difficulties which beset her. The points recorded below are indications of how Chicago is solving the problem and getting back to normal:

First. Pay rolls 1 year ago were approximately 5 months behind. Today they are approximately a month and a half behind.

Second. The tax levy for city purposes in 1934 reduced from 1930 by over \$30,581,000, or approximately 41 percent.

Third. Corporate vouchers unpaid at June 1, 1933, were approximately \$9,000,000. At June 1, 1934, the amount unpaid is approximately the same figure, showing that in addition to catching up the pay rolls  $3\frac{1}{2}$  months, 1 year's expense, exclusive of pay rolls, has been paid off.

Fourth. Total expenditures for the year 1930 were \$58,-768,000, and in the year ending December 1, 1933, were \$44,602,000, a reduction of over \$14,000,000.

# CHICAGO THE WONDERFUL

Mr. Speaker, in conclusion, let me say that any fair-minded visitor to Chicago in 1933, it matters not whether he came from foreign lands or the United States, marveled at the greatness of Chicago, a city which I am satisfied is destined to excel every other city in the world before another half century shall have passed. The Chicago spirit "I will" is ever present.

Our city is composed of the best elements of all the progressive men and women of all nations who are part of the contributions that have been made for its true and enduring greatness and as has been so fittingly stated by young Shauffler—

Just as Chicago took root and grew to imposing size and beauty, so, too, those massive structures typified the very essence of the purpose of A Century of Progress. Here were shown the contribution of other civilizations, dwellings, and communities of foreign peoples and of aborigines, temples of the Orient, modern housing exhibitions, amusement places of thrills, pastimes, the talkies, racing, the drama; all in A Century of Progress.

On that lake shore stood the portrayal of man's marvelous con-

On that lake shore stood the portrayal of man's marvelous contributions to enlightenment, welfare, and happiness. Hundreds of thousands of people thronged the grounds daily, spending hundreds of thousands of dollars, admiring these achievements of men. Indeed, they had every right, every reason, every privilege, to stand open-mouthed and awe-struck in amazement at the achievements of their fellow men. Here, indeed, was A Century of Progress.

Mr. Speaker, I fully concur with that description of the wonders of a Century of Progress, and submit that it is the greatest compliment that could be paid to the city that staged this magnificent spectacle, the greatest exhibition that has been beheld by man since the curtain rose on the dawn of civilization. Chicago, indeed, as a great, modern, and beautiful city compares with A Century of Progress as the last word in a great exhibition.

The skyline of Chicago is one of grandeur and beauty; been reared and developed under the its many parks and hundreds of miles of boulevards and democratic governments in the world.

approximately 60 miles of widened avenues give easy access to the very heart of the great metropolis. No city excels Chicago, a city blessed by beautiful churches, schools, and libraries, its shore line dotted with bathing beaches, with its world-renowned Art Institute, and its aquarium and planetarium have no equal. Summer days see as many as 500,000 persons enjoying the lake and its cooling breezes.

Rail, water, and air transportation surpass those of any other city in the world. Its most modern hotels and apartment buildings are the envy of the architects and builders of the universe. We have a population of three and a half millions and another half million in population could be added by the suburbs which are now in fact part of our metropolis. There is no city that offers greater all-around opportunity than Chicago, due largely to its favorable location. Many valuable manufacturing sites line the Chicago River and its south, west, and north forks, and our deep waterway canal that spans the Nation connects the Great Lakes with the Gulf of Mexico, all of which stands for lower cost of production and transportation than can be found elsewhere in the United States.

Today Chicago is the safest and healthiest city; in fact, from every conceivable point of view Chicago easily surpasses all other cities and, as in the past, will afford the progressive, legitimate business man full and encouraging opportunity to recoup his fortune, as there are in Chicago more safe opportunities than are possible in the oil fields, or in the richest gold and silver mines.

We Chicagoans can truthfully say that we are coming, not thousands but millions strong, to make Chicago excel the finest dreams; and in this great effort of ours we fervently ask the good will and fair dealing of all. It is our fondest hope that hereafter and forever no one will ever be justified in assailing or attacking that which is inevitably to be the pride of America—Chicago!

A SMALL TRIBUTE TO THE PEOPLE OF SCANDINAVIAN DESCENT

Mr. JOHNSON of Minnesota. Mr. Speaker, Minnesota is the center of the Scandinavian population in the United States, the one State above all the others, where the physical environment is best fitted for these people. Norwegians, Swedes, Danes, and the Finns, who may rightly be reckoned in with the Scandinavians, live in Minnesota peacefully together, acting together in all kinds of endeavor to make Minnesota the best State in the Union in which to live.

There are many settlements where one or the other of these tribes predominate, but in most localities they all blend into a peaceful and harmonious whole, communities with beautiful and well-kept farms and well-ordered villages, where law and order rule.

They are practically all members of the same religious faith, which makes for strength and solidarity. The old immigrants still speak their mother tongue and many of the generations born here can also speak their father's or mother's tongue, but this must not lead to the belief that therefore they are deficient in the American language, which is the real mother tongue of those who are born in America.

These people believe that from worthy ancestors they inherited noble traits and characteristics which they can best preserve by not forgetting their forefathers; as the Norwegians often sing on festive occasions:

Lat os ikkje forfederne glöyma Under alt som me venda og snu! For dei gav os ein arv til aa göyma, Han er storre enn mange vil tru!

No people in the United States are more concerned about the education of their young. Besides the splendid educational facilities that the State offers, there are many Scandinavian denominational colleges where the young become strengthened in the faith of the fathers.

In all walks of life Scandinavians are coming to the front, not only in farming and merchandising but in science and art, as well as in politics, for which they show a special inclination and aptness. The Scandinavians came to the United States especially well-trained for citizenship, having been reared and developed under the most highly advanced democratic governments in the world.

Under the redistricting law passed by the last legislature in Minnesota, Congressman Knutson and I have been thrown into the same congressional district. We are both candidates for Congress on our respective party tickets. Our district has many Scandinavians within its confines. Mr. Knutson was born in Norway, and I was born in Sweden.

On May 17 last he made a speech in Brooklyn, N.Y., upon the constitutional day of Norway and on the achievements of the Norwegians in America.

The constitution of Norway is a great document, a true daughter of our own Declaration of Independence, under which the people of Norway have in full measure received the blessings of a democratic form of government. Such a great statesman as the late Sir Herbert Asquith, when Premier of Great Britain, said at one time that if England should ever adopt a written constitution, for which there was an agitation at the time, it would have to take the Norwegian constitution as a model, as that was the most democratic of all written constitutions at that time.

Wherever, throughout the world, Norwegians live, they celebrate their native country's constitution day, which spurs them on to better citizenship.

In Minnesota and the Northwest, many Norwegians have attained political prominence. Mr. Knutson in his speech lists many of the names of Governors, Senators, and Congressmen of Norwegian blood; but the most famous of them all, Minnesota's present Governor, Hon. Floyd Bjornstjerne Olson, is strangely forgotten and left out of the list of immortals; yet he is the most typical viking crusader for the rights of the people of all of them.

Maybe this is because, while the Governor's father was born in Norway, his mother was born in Sweden.

Yet, this mixture of blood is a happy one; the blunt strength of the Norwegian tempered with the humor and polish of the Swede makes an unbeatable combination. No Governor or Member of Congress will go as far with President Roosevelt as will Minnesota's tall, viking Governor, who has met all vituperative onslaught on his policies with a smile that rivals that of Roosevelt.

The Swedes have no day like the 17th of May to celebrate, for their freedom developed along different lines. Through the 400 years preceding the nineteenth century, the lot of the Swedish people was somewhat happier than that of the Norwegians, though, on the other hand, they bled and fought on larger battlefields, as in the religious wars following the Reformation, when, under Gustavus Adolphus, they struck a decisive blow for religious liberty, and in the unfortunate war with Russia under Charles the Twelfth. They fought for world-wide freedom, for the honor of Sweden, and for the solidarity of their race, as is reflected in this stirring poem:

Hell dig, du höga Nord! hell dig vår fosterjord! Kraft og mod, lif og blod vi offra for din ära! Hell dig, du fria strand! hell dig du hjeltars land! Enighet, trofasthet er dine söners lära! Hell er, I gamla berg! jätter med jern til marg! Fjäll og haf aldrig alaf i mannhem skola bära! Lefve, lefve, lefve vart fosterland!

The great festive day with the Swedes, not of a religious nature, is Midsummer Day, when all Swedes, wherever they live, make merry in thankfulness for all the good things of life that wars and strife could not take away from them. There is, perhaps, no happier festival celebrated by any people in the United States than the Swedish Midsummer Day in Minnesota.

On that day they take stock of themselves and recount the great deeds of their forbears, interspersing the program with good food, song, and merrymaking. Often these festivals are held by some lake, of which there are more than 10,000 in Minnesota, to give it a truer touch of the old homeland.

The Swedes have also produced many great men in America; they have given the United States much to be proud of, and they have advanced our country's interest from the days of the Revolution, particularly from the time that John Erickson built the famous Monitor.

There have been so many prominent Swedes in America that it is no use to begin to enumerate them, but I feel I must mention John Lind, famous Governor of Minnesota, a man of the people, and friend and confidant of Woodrow Wilson and Congressman Charles Lindbergh, who represented the Sixth Minnesota District, prophet and seer, whose warnings it would have been well if our country had heeded.

The once fierce and warlike Scandinavians are now the foremost evangels of peace; while they are highly developed individuals they are the protagonists of the cooperative Commonwealth. It is now not so much of an effort on the part of each of these tribes in the Northwest to see which can excel over the others as to what they all collectively can do for America and for mankind. If the Swede, Carl Sandburg, has written the best Lincoln biography, the Norwegian, Rölvaag, has written the greatest pioneer saga. If John Erickson, the Swede, built the Monitor which revolutionized naval warfare, the Norwegian, Dr. John A. Anderson. born in Minnesota of immigrant parents, is now building the world's largest telescope at Leland-Stanford University, by the aid of which undoubtedly hitherto unknown worlds will be discovered and the littleness of things on earth be made more plain.

The Dane, Gutzon Borglum, is carving American history in the mountains on a scale that will stagger the imagination of generations to come.

Out of their comparative poverty the Scandinavian countries have given America treasure beyond compare, a race of people whose aim will always be to point to high ideals and to quicken America's conscience.

When it comes to honesty, Finland, poor in natural resources, which is the only country in Europe who pays its war debt to the United States, is setting the world a great example. The same sturdy qualities that mark the people of Finland as a remarkable people are in full measure to be found in the Finns in the United States, the greatest cooperators in our land.

# THE FRAZIER-LEMKE BILL

Mr. STUBBS. Mr. Speaker, this is a critical hour for the farmers of the Nation, and those situated in California are no particular exception to the rule, and after 15 months of study, I believe that in spite of the gigantic efforts made by this administration to provide farm relief, the bulk of agriculture has not been given the assistance which it needs and deserves, and that probably our most favorable avenue of escape for our farm population is through enactment of the bill entitled "S. 457", known as the "Frazier-Lemke bill."

Scores of Members of Congress, including myself, have signed the petition on the Speaker's stand to bring this bill out of the committee and give us a chance to discuss it in the open and vote on it. I can find nothing wrong with this plan, as I believe the bill is meritorious, and open discussion of a legislative endeavor is a prime prerogative of our system of government. I know of no good reason why this bill should be buried in committee. Would that I had the power to bring it onto the floor of the House tomorrow.

My farming people—the backbone of my great district in California—are a level-headed and reasonable group of people. They appreciate the moves which this administration has made to help them, but now, in the light of events, they come to me with the report that what we are doing is not enough, and, inspecting their statements and the situation by microscopic study, I concur in their sentiments.

Results of the depression still weigh heavily upon our farmers. His debts are maturing. His commodities are selling below cost and the things he is required to buy have increased in cost. The farmer and those directly relying on the farmers constitute the bulk of our population and we cannot hope for stabilized prosperity without restoring the farmer to a fair degree of contentment and success.

The farmer is the greatest purchaser of the products of industry and without his buying power our system of business will fail. His present investments were made at a time when money was free and his products sold at a high price.

Now he is required to pay his debts and it is not humanly possible for him to do so.

If we cannot view his plight sympathetically from a sentimental standpoint, let us regard his situation from the practical side, and there, too, we will note the justice of the Frazier-Lemke bill.

S. 457, the Frazier-Lemke bill, would permit the farmer to finance his indebtedness up to 100 percent of the value of his farm. He would pay back at the rate of 11/2 percent annually in an easy amortization plan, and pay only 11/2percent interest. Funds to finance this plan would be provided through issuance of Federal Reserve notes and there would be no tax-exempt bonds for taxpayers to shoulder. Only the farmers would be required to foot the bill, and further, only those who borrow will be required to pay the cost.

Under this bill a farmer not only could finance his indebtedness up to 100 percent of the value of his farm, but also secure additional financial assistance equal to 50 percent of the value of his farm equipment and permanent improvements, and if that should not suffice, he also would have recourse to additional aid in the form of a loan up to 65 percent of the value of his livestock.

Probably one of the most remarkable features of this bill is that the farmers not only would obtain sufficient funds to rehabilitate their agricultural business but the Government also would make money on the deal, for it has been estimated conservatively that through the 47-year amortization plan the Government would gross a profit of more than \$6,000,000 through the small rate of interest.

This bill is designed solely to bring farmers out of their economic doldrums; it cannot, in any sense, be construed as a measure for the benefit of Wall Street and allied moneyed interests, and I am grateful for the opportunity to work on one measure so clean-cut in appearance that Wall Street and other selfish groups will not be able to get their hands on it.

Legislatures of a score of States have memorialized Congress to pass this bill. Farmers by the millions have asked for it. Cities, too, will benefit. Let us pass this vital piece of legislation at this session of Congress. Like others who are working actively on behalf of this bill, I, too, intend to work diligently for its enactment at the earliest possible

## YOUNG DEMOCRATS

Mr. DISNEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech delivered by me on January 6, 1934, before the Young Democrats Club of Williamsport, Pa .:

Ladies and gentlemen, young Democrats of the democracy, the name I invoke here tonight is one that no Democrat can utter without reverence and no Democrat can hear without pride. It is the name of Gen. Andrew Jackson.

In the long line of Presidents of the United States there have been three particular sons of the American Revolution who have exemplified Americanism at its truest and who have clothed in complete majesty the doctrines upon which it is founded. Washington is the first of these. You may remember that when Patrick Henry came home to Virginia from the Continental Congress his neighbors and friends crowded around him to ask who was the greatest man at the convention and he answered, "Washington was the greatest man there." The second great son of the American Revolution who was a living embodiment of Americanism was Andrew Jackson, whose State papers are a political bible for the common man and constitute an imperishable monument to the truths upon which this country was founded.

The third great son of the American Revolution who exemplified Americanism at its best, showing it forth in all his ways and deeds, in every turn of his head, in every glance of his eye, and in every word he spoke, was Abraham Lincoln. There was a man to devoid of all pretense, a man so candid and honest that error could not maintain itself in his presence.

All three of these men had American minds. Not one of them was an internationalist. They were not imitations of Europeans. They were not half European and half American. They were not half slave and half free. They were absolute Americans. They were Americans, first, last, and all the time. This country seemed to them to be such a good one and they were so proud to belong to it that they had no desire to go abroad to try to ingratiate themselves with the so-called "upper classes" of foreign country and they have the so-called themselves with th tries. America was good enough for them and they devoted their entire lives to the upbuilding of this country and to the welfare All three of them—Washington, Jackson, and Lincoln—understood the common life and knew how to use their hands in the struggle for existence; Washington as a surveyor and a practical farmer, Jackson as a soldier and a farmer, Lincoln as a farmer, a river pilot, and a rail splitter. All three knew what the struggle for liberty had cost the Colonies and all three knew the value of human freedom as ordained by the Declaration of Independence and guaranteed by the Constitution of the United States. All three knew that eternal vigilance is the price of liberty, and all three practiced vigilance because they knew what liberty was worth to them. All three offered their lives in defense of their country, and one died a martyr while in the service of the Government.

George Washington, Andrew Jackson, and Abraham Lincoln did not resemble one another in all of their mental and spiritual attributes, nor were they alike in all of their opinions, but they were exactly similar in their Americanism. I will give you three

incidents, one from the life of each, to illustrate my meaning.

When Washington was at Valley Forge and saw his army going barefoot in the snow, his resolution stiffened and he said to himself with invincible determination, "These are men. These are the forerunners of a new race of free men. I can win with these." He did not envy the British their hired mercenaries or their regimental tailors and supply wagons. An American him-self, he was proud of his American soldiers, ragged though they

were, with their feet leaving red marks in the snow.

The second incident occurred in South Carolina. When Andrew Jackson was 14 years old he was captured with his brother Robert by the British at the Waxhaws. While he was held a prisoner a British officer ordered him to black his boots. This boy, with his 14-year-old American heart, looked at the British officer and said, "No, I am a prisoner of war and I must be treated as one. Take care of your own boots." At this the British officer made a brutal and ferocious assault upon him, striking him with cavalry saber. The boy put up his hand to ward off the blow, but his head and his arm were so badly cut that he carried but his head and his arm were so badly cut that he carried the scars with him for the rest of his life. He wore them at New Orleans when he defeated the British in one of the great decisive battles of history. He wore them while he was President of the United States, and he went down into the grave with those scars on him At all times and in all places he was an American of Americans, yielding no inch to brutality and injustice, taking no orders from any foreigner.

no orders from any foreigner.

The third incident occurred at the White House. While Abraham Lincoln was President of the United States, an Englishman happened to see him blacking his own boots. "In England", said the Englishman, "no gentleman ever blacks his own boots." Lin-

coin looked at him and said, "Whose boots do they black?"

In the quick response of these three men to the circumstances of the moment, Washington's to the heroism of his ragged troops, Jackson's to injury, and Lincoln's to insult, you have an illustration of that peculiar quality which freedom breeds into a man, that quality which is known as Americanism. This quality is the finest part of our heritage, because nothing else would be of much worth to us if we had to be servile in the possession of of much worth to us if we had to be servile in the possession of it, if we had to touch our caps to a lord riding by, or walk backward out of a king's presence. In the United States, young Democrats, it is no disgrace to be poor. It is no disgrace to be without shoes, or to wear a ragged coat. The only real disgrace here is to have a craven heart and a servile mind; to forget that one was born free; to show no spunk, and to let the fight run out of one before the time comes to say with Jackson, "I take no orders from foreigners. Go and clean your own boots."

As young Democrats, in your respective fields, I hope that you will do everything you can to root snobbery and servility out of American life. We have too many habitual serfs in our midst. Try to make men more American-minded. Teach them to be Washington-minded, Andrew Jackson-minded, Lincoln-minded.

Washington-minded, Andrew Jackson-minded, Lincoln-minded, Teach them to stand up for their rights, the rights guaranteed to them by those immortal documents, the Declaration of Independence and the Constitution of the United States. Let us have more Americanism and less internationalism in America.

Most of you, I take it, are the sons and daughters of Democrats as your fathers before you were the sons of Democrats. Some of you, no doubt, are the great-grandchildren of men who voted for Andrew Jackson over 100 years ago. You are the descendants of men who followed with rapt attention every exploit of Old Hickory in his military career. Your fathers knew him of old and often had their hands warmly clasped in his. Some of them stood beside him in the swamps of Florida and in the canebrakes of Tennessee. If we could turn back our grand-fathers' clocks and tune in on the log houses of long ago, we should hear the whole story of the Battle of New Orleans as it was told in the candlelight by Jackson's homecoming soldiers after the War of 1812. In that battle, the Americans lost 8 killed and 13 wounded. The British lost 4,000 in killed, wounded, and centured

captured.
"God of battles, was ever a battle like this in the world before?" before?

Do you know what Jackson said while he was throwing up the earthworks which were to save the city of New Orleans and the children of New Orleans from destruction? He remembered the Waxhaws where he had been captured and marked for life by a British officer wielding a heavy saber. He remembered his dead brothers and his young mother whose grave he had vainly sought to find, and he said, "Come on, men. Let's give them a taste of the Waxhaws." What a wonderful thing it is for a country to

have in its history a man of such irresistible courage! Jackson | was the greatest fighting President this country has ever had. He had courage in his eye and in his voice and in his heart and in his head. He fought with any weapon that liked him. Sometimes he used his bare fists, sometimes he took his pistols out of their traveling case, sometimes he drew the sword, and when he was most terrible he sat him down before an old desk at the White House and took up his great steel pen.

You all know the story of his childhood. His parents came from Ireland to South Carolina, and Andrew was born at the Waxhaws in 1767. His father died shortly before he was born. His mother was cast in an heroic mold. She lost her son Hugh in one of the battles of the Revolution, and her son Robert died as a result of his imprisonment with Andrew after the second fight at the Waxhaws.

When the boys were captured they were carried off to Camden He had courage in his eye and in his voice and in his heart and

When the boys were captured they were carried off to Camden and confined in a stockade on a hill at the outskirts of the city. Mrs. Jackson went into Camden and obtained their release by Mrs. Jackson went into Camden and obtained their release by arranging an exchange of prisoners with Lord Rawdon. She then set out for home, with Robert in a dying condition from smallpox and Andrew stricken with the same disease. Robert died a few days after they reached the Waxhaws. Andrew recovered, and as soon as he was well enough to be left alone his mother, with two other patriotic women of the settlement, sent down to Charleston, 160 miles away, to see if she could do anything to mitigate the sufferings of the American men and boys who were imprisoned in hulks in Charleston Harbor. Conditions on those hulks were frightful, but the intrepid mother of Andrew Jackson held to her task until she was taken ill with vellow fever. She held to her task until she was taken ill with yellow fever. She died and was buried in an unmarked grave at Charleston, and the young boy who was vainly waiting for her to come home to the Waxhaws never saw her again nor did he ever find her grave, although he went to Charleston and made heartbreaking efforts

After his mother's death Jackson went to live with one of his uncles. He worked for a time as a saddler; attended an academy, taught school, and studied law. A legacy from his grandfather in Ireland enabled him to complete his education. So equipped for the battle of life, he left South Carolina and moved over into

Tennessee.

the battle of life, he left South Carolina and moved over into Tennessee.

He carried valuable memories away with him when he crossed the mountains to his new home. He could look back to the great patriots of South Carolina, to Lynch, Heyward, Middleton, and Rutledge, who had signed the Deciaration of Independence for his native State, and he could dwell, as all South Carolinians loved to dwell, upon the character and achievements of Gen. Francis Marion, whose methods of warfare had a part, no doubt, in the shaping of his own military genius. But most of all, he remembered his mother. Thirty-four years after her death, while he was disbanding the army with which he had won the Battle of New Orleans, he spoke of her to three members of his military staff.

"Gentlemen", he said, "how I wish she could have lived to see this day. There never was a woman like her. She was as gentle as a dove and as brave as a lioness. \* \* \* The memory of my mother and her teachings were the only capital I had to start life with and on that capital I have made my way."

Jackson was a splendid specimen of humanity. He was over 6 feet tall and as straight and almost as thin as a pole of hickory. He was polite but positive and his eyes, which were dark blue, were heavily charged with what might be called "mental dynamite." He was born to command and he looked the part. He always plunged heavily into anything he had to do and he employed no personal shock troops, bodyguards, or outriders. His political opponents endeavored to picture him as an uncouth personage from the wilds of Tennessee, but his appearance gave the lie to these fabrications. During his first campaign for the Presidency, Daniel Webster, who was a good judge, said that Jackson was the most Presidential-looking of all the candidates. And so, we may be sure, he was.

I have no doubt you are all acquainted with the successive steps by which he rose to fame. You may remember that not long after

I have no doubt you are all acquainted with the successive steps I have no doubt you are all acquainted with the successive steps by which he rose to fame. You may remember that not long after his arrival in Tennessee he was made district attorney or public prosecutor for the Territory. To fill that position at that time required all the courage a young man possessed. The records at Nashville show how well he filled it. Jackson's next step on the ladder brought him to the bench as a judge. Here he was equally fearless. Once when the sheriff was ordered to arrest a desperate criminal and to bring him into Jackson's court, the sheriff rereported that it was impossible for him to take the man unaided; whereupon Jackson descended from the bench, told the sheriff to summon him as his deputy, received the summons, walked outdoors, and crossed the street to the place where the man was waiting to shoot at sight. Jackson took the man, assured him waiting to shoot at sight. Jackson took the man, assured him that he would protect him from violence, marched him into court, took his place on the bench, and heard the case. There was no fear in him, and he taught men everywhere to respect law and order and to submit themselves with good grace to the restrictions of society.

In 1792 he led a military party against the Indians who had attacked Robertsons Station on the Watauga River. In 1796 he was a member of the constitutional convention which met at Nashville to form a constitution for Tennessee, and he it was who gave the new State its beautiful name. In that same year he became a Member of Congress. In 1797 he was appointed to the Senate of the United States, and in the following year he resigned and went into business of a mercantile nature in the vicinity of Nashville. From 1798 until 1804 he was chief justice of the Su-

preme Court of Tennessee, sharpening his legal faculties by strict applications of the law. In 1804 he left the bench and built himself a log house on a plantation 10 miles from Nashville, naming it "The Hermitage." For some years thereafter he was engaged in business with John Coffee and John Hutchings, the firm acting as general storekeepers, boat builders, supply merchants, and dealers in stock and produce. When the War of 1812 began he offered the services of the Tennessee Volunteers to the Government and mustered his men at Nashville for the Natchez campaign.

Thereafter he continued to take an active part in the War of Thereafter he continued to take an active part in the War of 1812, and, on January 8, 1815, he won his great victory over the British in the Battle of New Orleans. This, as I have said, was one of the decisive battles of history. If the British had taken New Orleans they would have disputed our right to the territory embraced in the Louisiana Purchase and all the lands west of the Mississippi would have passed under their control. Jackson won the Louisiana Purchase by the sword after we had paid Napoleon for it in cash. for it in cash.

After the War of 1812 General Jackson conducted a brilliant and successful campaign in Florida and took possession of the Florida Territory for the United States Government.

Senator Douglas, the "Little Giant" of Illinois, said of Jackson

that he never lost a battle or failed in a skirmish. On June 1, 1821, he was honorably discharged from the United States Army and a few weeks later he delivered his farewell address to the men of that service.

About this time "Old Hickory" began to be talked about as a candidate for the Presidency. He came back to the United States Senate in 1822. In 1824 he ran for the Presidency and received a plurality of the electoral vote but failed to receive a constitutional majority. The election went to the House of Representational majority. The election went to the House of Representatives and the House elected John Quincy Adams. Four years later Jackson was again a candidate and this time he defeated Adams by an overwhelming majority. Before he had been long in office he secured payment of the Danish indemnities, obtained a settlement of the West India trade question with Great Britain, negotiated a treaty with France for the payment of our claims against her, and electrified the country by his emphatic toast at Jefferson's birthday dinner, "Our Federal Union—it must and shall be preserved." In 1832 he issued a proclamation against the Nullification Act of South Carolina.

During his first term as President the lines began to form at Washington and throughout the country for what was destined to be the greatest battle of Old Hickory's career—a battle which ended in his destruction of the Second Bank of the United States. This bank was an unconstitutional monopoly which was slowly

but surely strangling the young Republic.

but surely strangling the young Republic.

One quarter of all its capital was owned by Britishers, and Britishers likewise owned stock in all the principal banks of the great cities. General Jackson had had a long experience in the mercantile business, and he saw that it was an evil thing to put all the business of the United States under the control of a banking monopoly. Individual banks, he thought, had their uses, but a central bank with branches spread out all over the country exacting tribute from every man, woman, and child, seizing the tax money paid in by the people and using it for its own benefit in stock market speculations and surreptitious commercial lense to foreigners, a bank with branches united under one monopoto foreigners, a bank with branches united under one monopolistic charter, seemed to him to be an engine designed for our destruction. He knew that such a bank, authorized to prey upon wages, prices, property, and savings, would, in the end, dominate and control the Government and destroy the Nation.

and control the Government and destroy the Nation.

To Jackson, with his fine moral sense, it seemed a hideous betrayal of the people to have such a slave-driving institution set up in the United States. He did not think it was right to have a corporation designed for plunder and able to levy tribute on every business transaction of the common man operating here for the benefit of foreigners and the so-called "upper classes" at the expense of the people and their Government. General Jackson, of course, was not alone in holding this opinion. Thomas Jefferson had said:

"I conceive the establishment of a United States bank as a direct violation of, and dangerous to, the free spirit of the Federal Constitution and oppressive and hostile to the free institutions of the American people."

of the American people."

Again, Jefferson said, in his official opinion of 1791:

"It is known that the very power now proposed as a means was rejected as an end by the Convention which formed the Constitution. A proposition was made to them to authorize Congress to open canals, and an amendatory one to empower them to incorporate. But the whole was rejected, and one of the reasons of the rejection urged in the debate was that they would then have a power to erect a bank which would render the great cities where there were prejudices and jealousies on that subject adverse to the reception of the Constitution."

In 1791 James Madison said, "A power to grant charters of incorporation was proposed to the General Convention of 1787 and rejected."

Again, James Madison wrote:

Again, James Madison wrote:

"I can never give my sanction to an institution which is capable, in any emergency, of controlling the mercantile interest of the country. I cannot recognize the authority of Congress to charter a bank."

Concerning the First Bank of the United States, which was the parent of the Second, Jefferson said in 1803:

"This institution is one of the most deadly hostilities existing against the principles and form of our government.

"The Nation is, at this time, so strong and united in its senti-

"The Nation is, at this time, so strong and united in its sentiments that it cannot be shaken at this moment. But suppose a series of untoward events should occur, sufficient to bring into doubt the competency of a Republican Government to meet a crisis of great danger, or to unhinge the confidence of the people in the public functionaries; an institution like this, penetrating by its branches every part of the Union acting by command and in phalanx, may, at a critical moment, upset the Government. "I deem no government safe which is under the vassalage of any self-constituted authorities, or any other authority than that

any self-constituted authorities, or any other authority than that of the Nation or its regular functionaries."

In 1811 Henry Clay said of the First Bank of the United States: "I conceive the establishment of this bank as dangerous to the safety and welfare of this Republic."

Again, Jefferson, in his Memoirs, made the following statement:

ment:

"The Federal Party now look to a single and splendid govern-ment of an aristocracy, founded on banking institutions and moneyed corporations, under the guise and cloak of their favored moneyed corporations, under the guise and closk of their lavored branches of manufactures, commerce, and navigation, riding and ruling over the plundered ploughman and beggared yeomanry. This will be to them a next blessing to the monarchy of their first aim, and perhaps the surest stepping stone to it."

These extracts show that if there is one thing more than another which is abhorrent to the true American mind, that thing is a central bank. The Democratic doctrine is that no authority the cold with the Government to eat it out of house and

should be set up inside the Government to eat it out of house and

should be set up inside the Government to eat it out of house and home and finally to wreck it, and then insolently to offer to take the Government over and to operate it for private gain.

The Constitution does not authorize the Federal Government to set up a central bank or anything resembling one. Central banks are instruments of oppression and injustice. Jackson, with his clear mind and highly developed logical faculties, saw that either the Second Bank of the United States would have to go or the Constitution be abandoned. As a man of honor, it did not take him long to decide which one should be destroyed. He decided to let the usurers and the foreign capitalists shift for themselves. He had taken an oath to preserve, protect, and defend the Constitution, and he set about the work he had to do as efficiently as he had once set about throwing up earthworks and storing ammunition for the decisive Battle of New Orleans. Nowadays, when people discuss the impropriety of permitting a banking monopoly in the shape of a central bank to rule the country, the discussion seems to revolve around the question of constitutionality. Some lobbyists come down to Washington try to tell us that the Constitution has been stretched and can still further be stretched to cover a central-bank monopoly. They miss one great point, and that is that a central bank is a vicious thing in itself.

It is as vicious as slavery and means in the end the slavery of all instead of the slavery of a few.

thing in itself.

It is as vicious as slavery and means in the end the slavery of all instead of the slavery of a few. Even if it were constitutional a central-bank monopoly would not be right any more than slavery was right under the Constitution before we got rid of it. Consequently, no amount of stretching the Constitution will ever make a central bank respectable.

Having given you the opinions of some of our greatest Democrats concerning the octopus of a central bank, I now wish to give you an opinion from within the ranks of the profit by such monstrous citadels of corruption. In a circumstant of the profit by such monstrous citadels of corruption.

crats concerning the octopus of a central bank, I now wish to give you an opinion from within the ranks of the privileged few who profit by such monstrous citadels of corruption. In a circular letter sent out by the London bankers, Baring & Co., in 1837, a central bank is thus described:

"A bank is an institution which gives great political power to its possessors and ministers. \* \* \* From its nature, the influence of a bank must be allied to the aristocracy of wealth and not to the democracy of numbers and this is more especially the case with great chartered banks having immense power. The Bank of the United States was one of this description and its political influence was prodigious."

This circular letter was designed by the London capitalists who had been identified with the second bank of the United States to act together in changing this country from a democracy of numbers, in which each one of us has an equal part and a chance to live in the world like a free man, to an aristocracy of wealth, in which the men at the top give orders and issue rations to the rest of the people in payment for their labor. The Baring circular was one of many efforts which English capitalists have made to bring us into a condition of financial servitude and governmental incapacity.

At various times I have been asked by my constituents to tell them in primer fashlon just how a central bank state and

At various times I have been asked by my constituents to tell them, in primer fashion, just how a central bank starts and what it really is. It usually begins with a small group of finanwhat it really is. It usually begins with a shall group of manicial adventurers who go to a government and say, "Let us have the tax money of the people as fast as they pay it in. We will take care of it and let you have it back in small sums whenever you need it. In the meantime we will use it for our own benefit, and what we make on it by speculation will pay us for the trouble of keeping it."

The Government says "What payt?" The money gaugesters

trouble of keeping it."

The Government says, "What next?" The money gangsters answer, "You will have to give us a charter and permission to issue paper money or to get paper money from the Government printing presses so that we can lend that paper money, which will cost us nothing, to the people at a high rate of interest."

In my opinion, a Government might as well jump over a cliff as to say yes to such propositions as these. Control and possession of the public funds and control of the currency are political

obligations resting on a government, and there can be no good government when these governmental functions are given over to private bankers operating a central bank for the financial benefit of themselves and their foreign confederates. A good government will never go into partnership with private interests. It will never create a monopoly for a favored class at the expense of the common people. It will not have one kind of money for the rich and another and a worthless kind for the poor. It will never tolerate a central bank. never tolerate a central bank.

Jackson not only destroyed the Second Bank of the United States but he left behind him a record of the conflict which no sophistry can ever refute. In his farewell message to the American people, he has this to say concerning the Second Bank when it was at the peak of its insolence, and daily engaged in defying the Government:

The immense capital and peculiar privileges bestowed upon it enabled it to exercise despotic sway over the other banks in every part of the country. From its superior strength it could seriously injure, if not destroy, the business of any one of them which might incur its resentment; and it openly claimed for itself the power of regulating the currency throughout the United States. power of regulating the currency throughout the United States. In other words, it asserted (and undoubtedly possessed) the power to make money plenty or scarce, at its pleasure, at any time, and in any quarter of the Union, by controlling the issues of other banks, and permitting an expansion, or compelling a general contraction, of the circulating medium, according to its own will. The other banking institutions were sensible of its strength, and they soon generally became its obedient instruments, ready at all times to execute its mandates; and with the banks necessarily they soon generally became its obedient instruments, ready at all times to execute its mandates; and with the banks necessarily went also that numerous class of persons in our commercial cities who depend altogether on bank credits for their solvency and means of business; and who are, therefore, obliged for their own safety, to propitiate the favor of the money power by distinguished zeal and devotion in its service.

"The result of the ill-advised legislation which established this great monopoly was to concentrate the whole moneyed power of the Union, with its boundless means of corruption, and its numerous dependents, under the direction and command of one acknowledged head; thus organizing this particular interest as one body, and securing to it unity and concert of action throughout the United States, and enabling it to bring forward, upon any occasion, its entire and undivided strength to support or defeat any measure of the Government. In the hands of

upon any occasion, its entire and undivided strength to support or defeat any measure of the Government. In the hands of this formidable power, thus perfectly organized, was also placed unlimited dominion over the amount of the circulating medium, giving it the power to regulate the value of property and the fruits of labor in every quarter of the Union; and to bestow prosperity, or bring ruin upon any city or section of the country, as might best comport with its own interest or policy.

"We are not left to conjecture how the moneyed power, thus organized, and with such a weapon in its hands, would be likely to use it. The distress and alarm which pervaded and agitated the whole country, when the Bank of the United States waged war upon the people in order to compel them to submit to its demands, cannot yet be forgotten.

"The ruthless and unsparing temper with which whole cities and communities were oppressed, individuals impoverished and ruined, and a scene of cheerful prosperity suddenly changed into one of gloom and despondency ought to be indelibly impressed on the memory of the people of the United States. If such was its power in a time of peace, what would it not have been in a season of war with an enemy at your doors? No nation but the freemen of the United States could have come out victorious from such a contest; yet if you had not conquered, the Governfreemen of the United States could have come out victorious from such a contest; yet if you had not conquered, the Government would have passed from the hands of the many to the hands of the few; and this organized money power, from its secret conclave, would have dictated the choice of your highest officers and compelled you to make peace or war, as best suited to their own wishes. The forms of your Government might for a time have remained, but its living spirit would have departed from it."

From these words of Andrew Jackson's you can see that

From these words of Andrew Jackson's, you can see that a central bank is a challenge to the Government. It is an outlaw which keeps its guns trained on the free institutions of the land. Its continued existence means the destruction of Americanism. It has no kinship with Democracy. Conditions during the last 4 years while we have been enduring the terrible panic brought on by those who control the Federal Reserve Board and the Federal by those who control the Federal Reserve Board and the Federal Reserve banks are the same in essence, only far more dreadful than those from which this country suffered when the second bank of the United States had the Government under its control. In fact, by a strange parallelism of history, the problems which are facing the United States today are exactly the same as those which Andrew Jackson, in his illimitable wisdom, faced and solved for us 100 years ago. We are in a condition of abject slavery to the Federal Reserve Board and the Federal Reserve banks and all of us have to dance like puppets when they pull banks, and all of us have to dance like puppets when they pull the strings. We have what Jackson called a hydra-headed monster of corruption which swallows up the taxpayer's money as fast as it is paid in, and which speculates with it and with Government credit in all parts of the world.

Let me show you how such evils increase and multiply them-selves. In 1913, when the United States Government handled its own money through the independent United States Treasury, the annual Federal Budget was about \$725,000,000. Year by year since then the costs of government have increased until of late the overburdened taxpayers have been compelled to find about \$5,000,000,000 annually to maintain the Federal Government and,

for the coming fiscal year, a Budget of nine and one-half billions How and why have United States governmental costs been so increased? They have been so increased because the Federal Reserve banks are not satisfied to handle yearly a mere Federal Reserve banks are not satisfied to handle yearly a mere \$725,000,000 of the taxpayers' money. They want more tax money to keep out on call in the New York Stock Market and to invest in the open-discount market in the bad debts of foreigners and to lend to foreign nations. The higher the Budget and the more governmental expenses are increased, the more money the Federal Reserve banks will have on hand for speculation. They monopolize every dollar of the public revenues, just as they have taken every dollar of our gold, and of all that they take nothing in the shape of real money ever comes back.

The bills of the Government are paid with checks or with Federal Reserve currency which is not money but merely a promise to pay money and with Government credit which is unlawfully appropriated by the Federal Reserve Board and the Federal Reserve banks in violation of the law. It is the mark of a good Democrat to abhor an institution of that sort. It may be necessary for the Government to spend \$9,500,000,000 plus other amounts, or a total of over \$10,500,000,000 during the coming fiscal year, but not one dollar of that money the revenues the Govern-

year, but not one dollar of that money the revenues the Govern-ment intends to take from the people should be handed over to the Federal Reserve Board and the Federal Reserve banks. Those the Federal Reserve Board and the Federal Reserve banks. Those banks are the legal agents of the Bank of England and an agent, as I understand it, is one who takes orders from his principal and executes them for that principal's benefit. Why should the Federal Reserve Board and the Federal Reserve banks and their principal, the Bank of England, be given possession of the tax money of the American people? Why should the people of the United States be taxed to upbuild the British Navy and to abolish the sluws of London? slums of London?

Besides having control of the revenues of the Government, the Federal Reserve Board and the Federal Reserve banks have com-plete power over all issues of United States currency. The sovplete power over all issues of United States currency. The sovereign power of the Government to control the issuance of currency was taken away from it by the Federal Reserve Act and given over to these private money sharks and their foreign confederates. One of their chief confederates is the governor of a foreign central bank of the worst kind. It has been said that he used to come here in disguise under an assumed name because the Federal Reserve Board and the Federal Reserve banks did not wish the people of the United States to find out the nature of his business in this country. If Jackson were here, he would say that these visits of that foreigner and his secret transactions with the Federal Reserve Bank of New York "smack so much of deception that they made my hair stand on end for 1 hour when I first heard of them."

It is the duty of the Government to preserve its sovereign power over the currency, to issue money, and to safeguard the tax money that the people of the United States pay into the Public Treasury. It is not the business of the Government to

lend money.

lend money.

It is the business of banks to take care of their depositors' money and to make loans, if they wish, on reasonable terms and on good security. It is not the business of banks to permit themselves to be placed in a condition of vassalage to a monstrous central bank which seizes the revenues of the Government and controls all the issues of its currency and by controlling its currency, exercises a life and death power over all the people. There is no excuse for continuing the existence of the Federal Reserve Board and the Federal Reserve banks. They are hopelessly corrupt; they have bankrupted the Government, and ruined and impoverished the people. In my opinion, there will be no peace or prosperity in this country until they are done away with.

with.

In matters pertaining to the public revenues and the currency, Jackson will always be our best guide. Before he came to the presidency, he had handled money all his life. As a lawyer, he collected hundreds of accounts for his clients. At one term of court in Tennessee, he was employed in nearly every case on the docket involving the collection of money. As district attorney for Tennessee, he had dealt in affairs involving money. As a judge, he had before him at one time or another almost every kind of money claim. Thereafter, as chief justice of the Supreme Court of Tennessee, he surveyed money matters on a larger scale and had the oversight of aggregations of capital. As a business man, he handled money and knew every shade of the money question as it concerns business. As a military officer, he disbursed large sums for the Government and did it efficiently. As a Member of Congress, first in the House and afterward in the Senate, he had an opportunity to become still better acquainted with the subject. He knew the way in which the common people of other nations were fleeced and kept in poverty and subjection by their rulers through the instrumentality of a central bank. rulers through the instrumentality of a central bank.

He saw the same evil instrumentality entrenching itself here,

He saw the same evil instrumentality entrenching itself here, and, in the most brilliant administration this country has ever witnessed, he rose to one of the greatest and most necessary tasks in our history and destroyed the bank. He destroyed it as unhesitatingly and as efficiently and remorselessly as he would have destroyed a rattlesnake on a schoolhouse path. I have been told that when certain international bankers foregather to plot new ways of getting something for nothing, they begin by cursing Andrew Jackson. Some of them see that old white head and those sparkling blue eyes, and that long forefinger, and the thought that he or his ghost may some day ride up Pennsylvania Avenue and take the Treasury away from them, haunts all their waking hours. These are the men who try to create the impres-

sion that Jackson came from the country and didn't know much

sion that Jackson came from the country and didn't know much about monetary matters and high finance. As a matter of fact, he knew all about money—historically, legally, politically, commercially, judicially, militarily, legislatively, and Presidentially. He was a master of the subject.

If you ask me where I stand on the money question, I will tell you. I stand with Andrew Jackson, the great young Democrat who came up from South Carolina to save and redeem his country from financial slavery to a class of parasites.

When "Old Hickory" left the Presidency and returned to his home in Tennessee, he had only \$90 in cash and it was necessary for him to sell a part of his plantation and to make a new start with the remainder. I mention this to let you know that no one could accuse him of having grown rich in office.

Before he became President, he had replaced his log house known as "The Hermitage" with the mansion which stands there to this day. "The Hermitage" is a beautiful house set at the end of a long avenue of cypress trees. In his later years,

known as "The Hermitage" with the mansion which stands there to this day. "The Hermitage" is a beautiful house set at the end of a long avenue of cypress trees. In his later years, General Jackson received many callers there and one of his visitors has described the interest he took in his apple orchard and in the gardens of that lovely home in the State where the ring dove's notes are mingled with the rippling Tennessee.

Tonight I have called your attention to the Americanism of Washington, Jackson, and Lincoln. It was an Americanism that did not begin and end in themselves alone. It was shot through and through with a love of country. Not one of them would have exchanged his title as a plain American for the proudest coronet the Old World has to offer. These men loved America with an abiding love. They wished the United States to endure. They wished our Nation, conceived in liberty and brought forth in righteousness, to stand up forever against the assaults of its enemies. They wished this to remain a government of the people, by the people, for the people. They wished it to be the sure haven of the common man and its free institutions to be the inalienable heritage of his children. But each one of them feared that the dream might be broken and the common people be dispossessed as their forefathers had, through centuries of misrule and orgies of political corruption, been dispossessed in Europe. Fearing that of political corruption, been dispossessed in Europe. Fearing that some evil might so overtake us, each one of them gave us a solemn warning. Washington told us to stay at home and to beware of entangling alliances

Lincoln warned us that if we perished, it would be by our own act, in short, by suicide. Jackson took the Second Bank of the United States and held it up before our eyes and warned us that this Nation cannot have at one and the same time a Constitution

this Nation cannot have at one and the same time a Constitution guaranteeing equality of opportunity to all and a central bank receiving special favors and exercising governmental functions in defiance of the people's rights.

Jackson's Americanism is characteristically shown in his last will and testament. The people of Philadelphia in this State of Liberty Bell had given him a beautiful sword in commemoration of their respect and affection for him. He bequeathed this sword to his grandson as follows:

"I bequeath to my beloved grandson, Andrew Jackson, son of Andrew Jackson, Jr., and Sarah his wife, the sword presented to me by the citizens of Philadelphia, with this injunction, that he will always use it in defense of the Constitution and our glorious Union and the perpetuation of our republican customs, remembering the motto, 'Draw me not without occasion nor sheath me without honor.'"

Another of his swords he willed away in the following terms:

Another of his swords he willed away in the following terms:
"To my grandnephew, A. J. Coffee, I bequeath the elegant sword
presented to me by the Rifle Company of New Orleans, commanded by Captain Beal, as a memento of my regard, and to bring
to his recollection the gallant conduct in defense of New Orleans
in 1814 and 1815, with this injunction, that he wield it in protection of the rights secured to American citizens under our
glorious Constitution against all invaders whether foreign foes
or intestine enemies."

Young Democrats of the Democracy, did I not speak truly when

Young Democrats of the Democracy, did I not speak truly when I said that no Democrat could utter the name of Andrew Jackson without reverence and that no Democrat could hear it without

# THE NEED OF A NATIONAL VETERANS' CONFERENCE

Mr. LEMKE. Mr. Speaker, within the last few days my office has again been flooded with propaganda from the so-called "Economy League" and some of its subsidiaries again calling attention to the enormous cost of caring for our veterans of the past wars. This propaganda comes from the same gang of coupon-clipping, tax-dodging "paytriots", some of whom worked for the Government at a dollar a year during the World War, and all of whom dipped their hands into the American people's pockets on liberal American war contracts to the tune of millions of dollars during that same period of time.

They are becoming active again because Congress has seen fit to remedy some of the injustices which were committed against the soldiers by the passage of the so-called "Economy Act", in the special session, March 20, 1933, because we, as representatives of all of the people, have again assumed some of the obligations which this Government owes its

It is not strange that this bunch of coupon-clipping international bankers should become active again. We saw some of them testifying before the Committee on Banking and Currency of the Senate last year, admitting that they made millions of dollars in profits, while this Nation was suffering the greatest depression in its history, and also admitting at the same time that by fine manipulation and semi-legal evasion of the law they failed to pay a penny in income tax to the United States Treasury. This group of men who make up the personnel of the organizations which have for their purpose, "Economy at the expense of the veterans and his dependents", were active in their own mad desire to accumulate wealth from whatever source it might be available, while the soldiers—the cream of this Nation-marched forth in the defense of the United States to give their limbs and life if necessary.

The way we have treated the veterans during and since the war is a national disgrace. We still have millions of dollars to spend for paraphernalia for future wars, but nothing for the care of the human wreckage which is the result of our past bad investments in foreign nations. I would like to read to you for your information a quotation from the Chicago Tribune of May 21, 1920:

Every soldier knows the training camps were located not for

Every soldier knows the training camps were located not for training purposes but to bring money to favored communities.

Every soldier knows that of the money not deliberately misspent, fully one-half was wasted, because it was administered by miserable incompetents appointed for political advantage.

Every soldier knows what an infinitesimal fraction of war-time

expenditures ever reached the battlefield.

Every soldier knows that both his comfort at the rear and his safety on the battlefield were sacrificed.

Every soldier knows that throughout the war his interest was sacrificed to that of the slacker and profiteer.

Every soldier knows that the only suggestion of national economy has been to economize at his expense.

When will all of this activity against the veterans, in the name of economy, be stopped? Not until the veterans, farmers, artisans, and professional men and women of this Nation take their proper united position and interest in their Government and in who they send to Congress to represent them. Not until they are united for action on a solid front in their own defense.

It has come to my attention that Victory Post No. 4 of the American Legion of Washington, D.C., has authorized a National Veterans' Conference Committee, of which Doak E. Carter is chairman, to call a national conference of representatives of all patriotic veterans' organizations and units of the veterans of the World War and Spanish-American War, regardless of their veterans' organization affiliations, to be convened in Washington, D.C., about the middle of October. This conference will afford the membership of each organization "the opportunity to take such action within each particular organized group as will permit and lead to the promotion of a planned national policy to the end that veterans will not always be vulnerable in the face of attack and that the veteran may again be restored to that high level of patriotic idealism which was once theirs." This I feel is a worthy objective and with the veterans coordinated in a cooperative united organization, they will be a power for justice and a better Government in this great Nation. I heartily endorse this movement on the part of the veterans.

## THE COMPACT OF CONCORD

Mr. McCORMACK. Mr. Speaker, one of the most important events of public interest in governmental efforts and action toward progress and the solution of problems confronting us today is the interstate compact entered into at Concord, N.H., on May 29, 1934, centering itself around the humane principle that "No employer shall pay a woman or a minor under 21 years of age an unfair or oppressive wage." The meeting at Concord consummated (subject to the approval of the legislatures of the several States-Maine, New Hampshire, Massachusetts, Rhode Island, Connecticut, New York, and Pennsylvania-signatories thereto, and to the assent of the Congress, the efforts of many months of unselfish, tireless, and constructive work by the commissioners of the several States signing the compact.

In the past the interstate-compact clause of the Federal Constitution has been resorted to only in a limited way, such as determining boundary disputes, river and waterway problems, and other problems of a limited and specific nature. For years progressive-thinking persons realized the opportunity of the use of such provisions of the Constitution in a broader way and for more general purposes. The compact entered into at Concord constitutes one of the most important events of our peace-time history. It represents a sound, constructive step forward. It is another illustration of the vision and the wisdom of the framers of the Constitution. It is also significant and interesting that the objective of the compact of Concord is to try to obtain for women and minors of the several States signing the same and employed in industry a greater degree of economic and social justice. It also shows the great possibility of the future use of this provision of the Constitution in solving problems or matters of a general nature in which two or more states have the same common interest and background. In this interesting field of governmental action the Concord compact blazes the pathway for the future.

It affords the opportunity for two or more States possessing a common interest on a particular question or problem of public concern to adjust it between themselves without resorting to legislative action by the Federal Government, which is usually at the expense of State sovereignty or State rights. Seldom resorted to in the past, and in a limited and specific manner, these provisions of the Constitution present an opportunity for future use of great benefit to our people and to the preservation of our dual system of govern-

The signing of the Concord compact was a dramatic scene. In my opinion, future historians will record it as one of the most important events of our peace-time history. President Roosevelt, who as Governor of the State of New York was a pioneer in this movement, in a letter to the commissioners representing the several States, said in part:

The Secretary of Labor has told me that on Tuesday representatives of the States of Connecticut, Maine, New Hampshire, New York, Rhode Island, Massachusetts, and Pennsylvania are to convene at Concord, under your chairmanship, to consider and to act upon a draft interstate compact establishing uniform minimum

upon a draft interstate compact establishing uniform minimum standards for conditions of employment.

You may recall that in January of 1931 when I was Governor of New York I called the first conference of officials of the Northeastern States to consider the possibility of proceeding by joint State action to maintain and to improve industrial and labor standards. Because this meeting on May 29 at least in part is an outgrowth of our earlier discussions in Albany, I naturally have a deep personal satisfaction in it. But my interest goes much further, for the State action now proposed is complementary to the national action already taken in Washington to give American citizens a more ample and more secure life. more ample and more secure life.

In a letter to the conference, Secretary of Labor Perkins, another pioneer advocate of this movement, said, in part:

I hope you will extend to the representatives and to the guests who attend the conference my heartiest congratulations and good wishes upon their substantial accomplishment.

Miss Perkins in her letter also said that she regarded the-

efforts of the conference as of the greatest significance and as one of the most important progressive steps taken in the labor field in the last decade.

In a statement to the conference, Governor Winant of New Hampshire, another pioneer in this movement, in clear and concise language, said:

One of the significant developments in labor legislation in the last year is that represented by revival in interest in interstate compacts and the application of the compact idea to labor and In section 10 of article 1 of the Constitution of the United States authorization is given by implication for States to enter into formal agreements on matters of mutual concern, provided the consent of Congress is secured. The authority has been used in the past in such matters as State boundaries and waterways. Its utilization in connection with labor legislation is

an innovation.

I long have thought it possible to use the compact plan as a means of securing greater uniformity in the labor laws of States with both common and competitive labor and industrial problems. It has taken a number of years before we could put this plan into practical effect. We have felt the importance of making interstate labor compacts practical, workable, and effective

within a reasonable period of time; we have felt the importance within a reasonable period of time; we have left the importance of safeguarding State legislation and supporting Federal legislation; and also the importance of taking up the question whether interstate compacts can be a means of making permanent the social gains resulting from the N.R.A. Through the means of interstate compacts, there is a possibility that States can be brought into closer relation with one another, and they also can be the means of securing cooperation with the Federal Govern-

In this constructive and progressive achievement men and women in public and private life of the States signing the compact have played a splendid and important part therein. Men and women in other States of the Union are also leaders in this movement to give real life and meaning, in a constructive and progressive way, to the use of the interstate-compact clause of the Federal Constitution and in a manner which will enure to the general welfare.

There is no question but that this movement is gaining headway, particularly among the Northeastern States. the Concord conference preparations were made to consider a title on child labor and a title on hours of labor at the next meeting of the commissioners to be held at either Augusta or Portland, Maine, the latter part of this month (June). Some of the Southern States have already held conferences, and other conferences have been arranged for the future.

The use of this provision of the Constitution by States having a common problem or a common interest on a matter of concern to their people affords an opportunity for the solution in a satisfactory way, without the necessity of the Federal Government taking jurisdiction, or of the States transferring their responsibilities to the National Government, of many regional problems. Our dual system of government has served us well in the past. It is the best system for our vast country, with differences in economic and social problems existing in different sections of the country. Uniform laws, applicable throughout the country, in some fields of legislative endeavor, meet with this obstacle, and while such legislation may be basically correct, is difficult of enforcement because of the difference in conditions which exist in the several sections of our country.

The interstate-compact clause, if resorted to in a proper and effective way, affords an excellent opportunity to regulate and control such a situation, with the differences that exist, for the general welfare of Nation and State. At the same time it enables our dual system of government to be preserved, and to continue to serve in the future with as great a degree of success as it has served in the past.

Copy of compact entered into at Concord, N.H., on May 29, 1934:

COMPACT FOR ESTABLISHING UNIFORM STANDARDS FOR CONDITIONS OF EMPLOYMENT, PARTICULARLY WITH REGARD TO THE MINIMUM WAGE, IN STATES RATIFYING THE SAME

## TITLE I. POLICY AND INTENT

Whereas enforcement among the industrial States of the Union of reasonably uniform standards for labor in industry, determined in accordance with the general welfare, would not only benefit labor but would be of real advantage to employers, removing the pressure toward low wages, long hours of work, exploitation of minors and women, and similar action commonly admitted to be

whereas the advantages of such uniform standards have already been indicated by the operation of the National Industrial Recovery Act and the codes of fair competition adopted thereunder; and

Whereas such operation points to the desirability of continued uniform legislation affecting labor standards, by Federal action or otherwise, and of joint action by the States to establish such uniform standards; and

Whereas the establishment of reasonably uniform standards in States concerned with the same general fields of industry and competitors in the same markets will afford the advantages of stability in labor legislation to all concerned, with disadvantage to none: Now, therefore,

The States whose commissioners have signed this compact, and which have, by their legislatures, ratified the same, acting to pro-

which have, by their legislatures, rathled the same, acting to promote the general welfare of the people, do hereby join in establishing the said compact to provide uniform minimum standards affecting labor and industry in the said States.

Provided, however, That nothing herein contained shall be construed as abrogating, repealing, modifying, or interfering with the operation of laws already in effect in any State party hereto which establish standards equivalent to or above those herein specified,

nor to prevent or discourage the enactment of additional laws establishing similar or higher standards; nor shall anything herein contained repeal or affect any laws concerning conditions of employment that are not in conflict herewith or that deal with subjects not included herein; and

Provided jurther, That no part of any title of this compact nor of any legislation adopted in pursuance thereof, except as may be expressly specified in such title or in such legislation shall be in effect in any State party hereto until this compact shall have been approved as provided in section 6 of title II, but whenever titles I and II hereof and any other title included herein are so approved and ratified, such titles shall be in full force and effect as laws of the States so approving and ratifying the same.

#### TITLE II. GENERAL PROVISIONS

Section 1. Each State party to this compact shall require its administrative agency or agencies charged with the administration and enforcement of this compact and of State laws relating thereto, to make comprehensive and detailed reports concerning the operation and administration of said compact and laws. Such agency shall report at least once each year and shall send copies of such report to the interstate commission established under the following section, to the Governors of the several ratifying States,

and to the appropriate administrative agencies in such States, sec. 2. Each State party hereto shall make provision for a continuing unpaid commission representing industry, labor, and the public, and appointed by the Governor of said State, to deal with the other ratifying States concerning questions arising under this compact and the operation of the same within the limits of their respective States. The chairmen of such States limits of their respective States. The chairman of such State commission shall be designated by the Governor and shall be the commission shall be designated by the Governor and shall be the representative of his State on an interstate commission which shall be composed of the representatives so designated by the several States parties to this compact. The Governors of the signatory States shall request the President of the United States to appoint a representative of the Federal Government to the interstate commission. The expenses of the interstate commission shall be shared equally by the States ratifying this compact. The interstate commission shall annually make a report of its activities and shall furnish copies to the Governors of the ratifying States and to the permanent commissions of such States.

Sec. 3. Should any question arise on the part of one or more of the States ratifying this compact, concerning a matter involved in said compact or in any State law adopted in pursuance thereof, then such question shall be brought before the said interstate commission for consideration. Said interstate commission shall make any necessary investigations, shall publish its find-ings and any recommendations, and shall furnish copies of such findings and recommendations to the State commissions in each

findings and recommendations to the State commissions in each State party to this compact.

Sec. 4. If any ratifying State should desire a modification of any provision or provisions of this compact, or a revision of the entire compact, or if for any reason it should become desirable to extend the scope of said compact, the aforesaid interstate commission shall, upon the application of one or more of the ratifying States, and after 30 days' notice to the Governors and State commissions of the other States, proceed to consider such application and the reasons advanced for the proposed modification or revision and shall make such recommendations to the ratifying States concerning the same as may seem fitting and proper. Whenever said modification, revision, or extension is ratified in the manner prescribed in section 6 of this title for the ratification of this original compact and the Congress of the United States has consented thereto, then such modification, revision, or extension shall be in full force and effect in the States ratifying the same. ratifying the same.

SEC. 5. Each State party to this compact agrees that it will not withdraw therefrom until it has reported to the interstate commission the reasons for its desire to withdraw. The interstate commission shall, upon receipt of such report, investigate the situation and shall, within 6 months, submit its recommendations. If the State still desires to withdraw from the compact, it shall defer such action for 2 years from the date of the findings of the interstate commission.

SEC. 6. Upon ratification by the legislative act of the requisite number of States as specified in subsequent titles of this compact, and with the consent of the Congress of the United States, this compact shall be in full force and effect in the States ratifying the same. Each State so ratifying shall forthwith enact necessary and suitable legislation to establish and maintain the minimum standards set forth in the following title or titles and shall make provision for the continuing State commission required by section 2 of this title. The appropriate administrative agencies of each State shall thereafter enforce and supervise the operation of the laws relating to this compact and the laws enacted to make of the laws relating to this compact and the laws enacted to make the provisions of said compact effective.

SEC. 7. Any State may at any time become a party to this compact by taking the action required by the preceding section of this title to ratify the same, subject to the consent of the Congress of

the United States.

SEC. 8. If any part of this compact or the application thereof to any person or circumstance should be held to be contrary to the Constitution of any ratifying State or of the United States, all other separable parts of said compact and the application of such parts to other persons or circumstances shall continue to be in full force and effect.

SECTION 1. No employer shall pay a woman, or a minor under 21 years of age, an unfair or oppressive wage.

SEC. 2. The State agency administering the minimum wage law enacted in conformity with this compact shall have authority to investigate the wages of women and minors; to appoint wage boards, upon which employers, employees, and the public shall have equal representation, for the purpose of recommending minimum fair-wage rates for women and minors; and, after a public hearing, to enter directory orders based on the determinapublic hearing, to enter directory orders based on the determina-tions of the wage boards, together with such administrative rulings as are appropriate to make the determinations effective; and may have further authority, without the agency of a wage board, to enter such orders in the case of occupations with less than a specified number of employees.

SEC. 3. The State administrative agency and the wage boards appointed by such agency shall have authority to administer oaths and to require by subpena the attendance and testimony of witnesses and the production of records relative to the wages of

women and minors.

Src. 4. The State administrative agency shall have further authority to inspect to determine compliance with its orders; to publish the names of employers violating a directory order; and, after a directory order has been in effect for a specified period, to make such order mandatory after a public hearing thereon. Such

make such order mandatory after a public hearing thereon. Such mandatory order shall carry a penalty of fine, imprisonment, or both. Said agency shall have authority to reconvene wage boards or to form new wage boards for the purpose of modifying wage orders. It shall have authority at any time on its own motion to modify administrative regulations after a public hearing thereon. Sec. 5. The State administrative agency shall have authority to issue special licenses to employees who, by reason of physical or mental condition are incapable of earning the minimum fair-wage rate established for the occupation in which they are employed. Said agency shall have authority to take assignment of wage claims at the request of women or minor employees paid less than the minimum wage to which they are entitled under a mandatory

claims at the request of women or minor employees paid less than the minimum wage to which they are entitled under a mandatory order, and to bring legal action necessary to collect such claims. Such employees shall be authorized, under the statute, to recover by civil action the full amount to which they are entitled under a mandatory fair-wage order.

SEC. 6. Employers subject to the minimum wage law enacted in conformity herewith shall be required to keep specified records, including the names, addresses, occupations, hours, and wages of the women and minors in their employ; to permit the inspection and transcript of such records by the State administrative agency and its authorized representatives; and upon request, to furnish said agency with a sworn statement of the same. Employers shall further be required to post and maintain the notices regarding wage orders issued by the State administrative agency.

SEC. 7. Each minimum wage law so enacted shall contain pro-

SEC. 7. Each minimum wage law so enacted shall contain provisions for appeal to the courts on questions of law by persons aggrieved by the decisions of said agency. Said law shall also contain a provision to the effect that in no case shall wage orders or decrees entered under a previously existing law be nullified until the provisions of the law enacted in conformity herewith have become operative and until new wage orders covering the same

occupations have been entered and made effective.

SEC. 8. Each minimum wage law enacted in conformity herewith shall contain a saving clause to the effect that if any provisions of such law or its application be held invalid, the remainder of the law and its application elsewhere shall not be affected

SEC. 9. Mandatory fair-wage legislation now in effect in any of the signatory States, and such legislation in course of passage in any of such States as is in conformity with the provisions of this compact, is hereby declared to meet the minimum standards required by this compact.

SEC. 10. This compact as applied to minimum wage shall, when ratified by two or more States in accordance with the provisions of section 6 of title II, be in full force and effect in the States

so ratifying the same.

In witness whereof the commissioners of the States of Connecticut, Maine, New Hampshire, New York, Rhode Island, and of the Commonwealths of Massachusetts and Pennsylvania have signed this compact in a single original which shall be deposited in the archives of the Department of State of the United States of America at Washington, D.C., and of which a duly certified copy shall be forwarded to the Governor of each of the signatory

Done at Concord, N.H., this 29th day of May in the year of our Lord one thousand nine hundred and thirty-four.

CONGRESS' DUTY TO REGULATE THE VALUE OF MONEY-CIRCULAR NO. 11 OF RECONSTRUCTION FINANCE CORPORATION— SYSTEM OF BANK EXAMINATIONS-EXPERTS WRITE OUR MONE-TARY LAWS

Mr. FIESINGER. Mr. Speaker, my views on the question of the value of money—that is to say, the purchasing power of gold-are pretty well known to this House. Gold is the supreme yardstick of measurement. Our circulating currency of every kind and description, including bank deposits, are its alter ego and are measured by it. It measures our debts, credits, commodities, and fixed property, and

when it is of high purchasing power, injustice results between debtor and creditor, producer and consumer of property. When gold is of high purchasing power we are in depression; when it is normal and stable we have prosperity. When it is low in purchasing power we have high cost of

The trick, therefore, is to harness it so as to keep it normal and stable. Now, that which is normal to a great producing nation like the United States, and I speak especially of prime commodities that come from our farms, mines, and forests, may not be normal to a nation that consumes more of these products than it produces. Generally such nations will strive for a higher purchasing power of gold so as to get these products cheaper. So you will readily see that there is a conflict of interest between producing and consuming nations of prime commodities-one wanting higher prices and the other lower prices. The United States is in a class by itself, producing surpluses of prime commodities, and requiring high prices for these to support its labor and property values. So the trick is not only to harness gold and keep it normal and stable, but to harness it and keep it normal and stable in our own interest as a seller of prime commodities, and not in the interest of those nations that are buyers of prime commodities. Now, knowing what the trick is that we have to accomplish, can the United States accomplish it? Gold is a world commodity, like any other commodity. It is subject to the law of supply and demand. Silver could be used as an equivalent of gold to relieve demand when demand is abnormal as now exists. At its gold value silver would operate as so much more gold.

But we must be careful now not to overplay our cards; the United States must take control of it, and feed it into our monetary reserves in just about the proper amount, or in that amount that will bring back gold to normalcy in our own interest. If we put too much in, the result will be bad, too, because then we shall have that other distressful phenomena, the high cost of living. But should this phenomena appear, it could be corrected by selling silver and buying gold, or selling Government obligations through the Federal Reserve. In brief, the trick is to place silver in our monetary reserves at its world-accepted value, giving it legal-tender qualities for exactly that value, under control as to amount and regulation of the Secretary of the Treasury, keeping gold the standard of value and thereby regulate the purchasing power of gold in the interest of producers of commodities which we have to sell in international markets. If the price of these products are sustained in international markets so that our sellers in international markets get cost, plus a reasonable profit, then the price structure of those commodities in the United States can be maintained, otherwise not. Now, while the foregoing is fundamental, I arose for another purpose. I want to discuss briefly three other subjects that have caused me no little

The first is Circular No. 11 of the Reconstruction Finance Corporation. That circular indicated that the Reconstruction Finance Corporation was going to furnish credit to business men through mortgage companies in existence or to be formed. That circular caused the hopes of thousands of business men in the United States to rise, in that their businesses might be saved after the long drain of the depression, and who normally were able to secure credit at the banks but are now unable to do so. So far as my experience goes, the hopes engendered by Circular 11 were false hopes, and it is most unfortunate that Circular 11 was ever issued at all. I have tried in a number of instances to qualify certain businesses for credit but entirely without results. It is no doubt true that the R.F.C. could not carry all or even a small part of the demands, but that should have been looked into before the unfortunate Circular 11 was given to the public. As far as I have been able to learn, after some inquiry, although I must confess not exhaustive. no business or business man in the State of Ohio has been able to secure credit by the method proposed in Circular 11. Where the fault lies, I do not know.

The situation is very unfortunate, because to my personal knowledge many businesses have expended considerable sums of money to have their books audited and placed in position for making these loans, as well as expending a great deal of effort in order to secure loans, and there is no way to recompense them for these considerable expenses as well as efforts made.

Another subject that distresses me much. What I now say is not said in a critical sense, because I do not know very much about the mechanics of the thing. Every Member of Congress has had more or less contact with the subject, but so far as I know, nothing has been said for the RECORD. It is this: On the one hand, responsible men connected with our Government have cajoled, begged, pleaded, and-yea, perhaps it is not too strong to say, even threatened—bankers generally to be more liberal with their supply of credit. On the other hand, our system of bank examinations has now become so stringent and severe that bankers everywhere shake in their boots for fear they may do the wrong thing, and the result is that many business men, deserving of credit, are unable to secure it, and from what I learn, under this system there is constantly going on a contraction, or at least no expansion worth while, of credit.

Under our system, credit is the lifeblood of commerce and industry, and without it business stagnates and dies. If I am right in what I have said, small business is being crushed and only large business, with ample credit resources, can survive. Do not misunderstand me, I want safe and sound banks. Maybe we have to have the present stringent and severe bank examinations, and, if we do, then the ballyhoo that we all have heard about banks liberalizing credit should be relegated to the discard. One cannot find consistency in the two positions, and I am not finding more fault with Democratic administration than with the Republican administration. Under the last years of the Republican administration, this ballyhoo and stringency were particularly pronounced. It is of the period opposite to these conditions that the Republican Party will, in my view, receive from history one of its severest criticisms for the period between 1920 and 1929.

And that brings me to the third and last point. We hear of the need for credit on every hand, and I hope the so-called "loans to industries bill" that we recently passed will ameliorate this condition. The R.F.C. has had limitations that prevent it from being effective. The banks are fearful of lowering price levels, which fears will persist until we control and stabilize the purchasing power of gold, and make for price levels that admit of reasonable profit to producers of prime commodities. This, to my mind, is a fundamental problem and normal conditions await its solution. Bankers, to be sure, fear bank examiners under such conditions, but this, to my mind, is not a fundamental problem, but is intensified, if it does not entirely grow out of the first problem stated.

Bank examiners should require of bankers under conditions like these-in fact, under any and all conditionsimpeccable honesty, and then they should throw into the equation a little smattering of horse sense. I may be wrong in that statement, but I have seen an instance or two where horse sense seemed to be totally lacking. But anyway, something is out of gear somewhere. It may be in the purchasing power of gold; in the Treasury in not putting out enough money; or it may be in the Federal Reserve and private control of credit. It is possible it may be in all of these things. The Congress would do well to take these things all apart and see what makes them tick. In saying this I am not unmindful of possible disturbances, and that there is a large body of our people who do not like disturbances and want things to continue without tampering, believing that things will right themselves. The answer to those so inclined is that every few years we have fallen into these tragic cataclysms, and if there is a remedy, let us find the remedy; for if we should cure the disease now by faith, which I think unlikely, another may come upon us and wreck civilization. The Treasury is advised by so-called "experts"; these experts make our monetary and banking laws.

Under the Constitution, Congress is supposed to write these laws, but from your experience and my experience you know that Congress does not write these laws. The principal monetary and banking laws that we have passed were written in the United States Treasury. What influences, if any, were brought to bear in the writing of these laws? What is the background of the writers of these laws? Are they powerful financiers' and bankers' men or the people's men? The people, I know, did not select them; that is, in the sense that they selected you and me. The Constitution enjoins upon you and me solemn and sacred duties, and we take an oath to discharge those duties. The Constitution enjoins no such duty upon these experts. The laws they write involve the distribution of the joint efforts of all our people. So that if some of your constituents are not getting their share of the joint effort, it may be because we have not done our full duty under the Constitution, but left our duties to the experts, who, so far as I know, have no constiutional responsibility.

WORLD WAR VETERANS' WIDOWS' AND CHILDREN'S PENSION BILL

Mr. LARRABEE. Mr. Speaker, I desire to offer a few comments regarding my thoughts on the bill H.R. 9936, a bill to compensate widows and children of veterans who died while receiving monetary benefits for disabilities directly incurred in military or naval service during the World War.

It has long been my belief that the dependents of veterans of all wars should be treated as nearly equal as is possible by the Federal Government with reference to monetary benefits. I believe this bill will go a long way toward establishing that policy of equal treatment.

But aside from this, the purely humanitarian side of the question is one that we cannot easily overlook.

While I do not have at my command any definite statistics regarding the number of persons to be relieved by this act, and while I have no definite information as to the expected cost of the act, I find from personal observation in my own district that there are a large number of cases which welfare workers would term "serious-need cases."

Widows whose husbands served honorably during the late war are left to fight for a meager living for themselves, and in a great many cases for a family of small children whom they are trying to keep in homes and feed, clothe, and educate.

In a great percentage of the cases of which I am personally aware, and in which this bill will, if passed, prove of great value, these widows are left penniless to struggle for a bare subsistence for themselves and their children. Their husbands, since the war, in too many cases have been unable to earn more than the bare necessities of life, and in passing have left no estate to provide for their families after their death.

Even if employment conditions were normal, it would be exceedingly difficult for most of these widows to find employment. Even if they could secure employment, most of them would doubtless be forced to leave their children at home alone during working hours to shift for themselves.

To a great number of us it is hard to visualize just how much good the small amount of pension this bill intends to provide in individual cases would do. In a great many cases, these small pensions will doubtless mean the difference between cold and hunger, and warmth and food, to widows and their children in every section of the Nation.

True enough, we expect local charity to care for these cases, to see to it that these widows and children are fed and clothed, but it is a far cry from American ideals to permit the widows and children of deceased veterans to become objects of common charity.

I believe sincerely that it will be far better to provide for them through the small pensions this bill intends to create than to say to them in effect, "you must depend on local charity to care for you."

The spirit of self-respect cannot be encouraged by permitting either the widow or her children to become objects of local charity, but the help that may be extended to them through a pension which they have a right to feel their

husband and father earned for them through faithful serv- | last to be benefited by the return of prosperity. This is a ice to his country can become a blessing in fact.

This bill intends that widows and children of all veterans who served prior to November 12, 1918, in the World War. or who, if his service was in Russia, served prior to April 2, 1920, and who died while receiving benefits for serviceconnected disabilities of 30 percent or more shall be entitled to a pension as the widow or child of such veteran.

The bill goes further, and intends that widows and children of veterans who had a right to service-connected pension benefits for disabilities of 30 percent or more at the time of his death, even though he may not have been receiving such benefits, shall receive the same pensions as those paid to widows and children of veterans who did draw such monetary benefits.

In these cases a widow will be paid \$22 a month; a widow with 1 child, \$30 per month, with \$4 additional for each additional child. In cases where the veteran leaves no widow but 1 child the child is paid \$15 a month, 2 children \$22 a month, 3 children \$30 per month, equally divided, with \$3 per month for each additional child, the total amount to be divided equally.

These benefits are provided in all cases I have described, if the widow was married to the veteran prior to July 3, 1931.

Benefits are payable to children in all such cases under the age of 18 years, unless such child, prior to reaching the age of 18 years, has become incapable of self-support by reason of mental or physical defect.

The bill further provides that in cases where such children are pursuing a course of education and training at a school. college, academy, seminary, technical institute, or university, benefits may be continued until the completion of such training if the period does not exceed the date of the child's twenty-first birthday.

Payments shall be effective from date of enactment of the act, in all cases where death of the veteran occurred prior to the date of enactment of this act, and in all other cases from the date of the application of the widow, child, or children.

I believe this bill to be entirely in line with our efforts to provide social and humanitarian legislation at a time when it is most needed. I am glad to support this bill and hope that it will become law.

## THE DATRY INDUSTRY

Mr. IMHOFF. Mr. Speaker, the Agricultural Adjustment Act passed last May declared that an emergency existed with respect to agriculture, especially with respect to certain products named in the act as basic. One of these products named was milk.

One of the largest industries of the district that I represent in eastern Ohio is that of dairying, and for a short time I wish to discuss the present situation of this important industry in connection with what has been done for it under the provisions of the Farm Act.

The whole intent of the Farm Act is to increase farm purchasing power until it is in similar sound relationship with the purchasing power of other large producing groups. In its application to the dairy industry the direct object was to raise farm purchasing power by raising the price the farmers were paid for milk.

This would seem at first blush a very simple problem, but the last 4 or 5 months have brought out the fact that it is not as simple as it seems. The dairy industry, like all the other branches of agriculture, is after all affected and governed by the economic laws of supply and demand regardless of whatever superficial regulations may be thrown around it. So it is evident that the recovery of this particular industry is interdependent upon the recovery of other industries. For while the supply may be in some measure regulated, the demand will depend upon the purchasing power of the consumers, which purchasing power will be in accordance with the prosperity of other industries.

It has been demonstrated in past depressions that the

peculiar situation, and is being demonstrated again in such proportions that it cannot be denied. On this account the administration has put forth the greatest efforts to bring relief to the farmers and the farming industry.

For a moment let us look at the problem involved. The dairy industry is the largest of all the branches of American agriculture. More than one-fourth of the entire farm income in the United States is attributed to dairy cows. including milk production and the value of dairy animals used as beef. For many years the dairy industry enjoyed comparative prosperity. Under the impetus of fair prices and helped by the growing purchasing power of consumers in the cities production of dairy products grew steadily. The annual production of milk increased from 87,000,000,-000 pounds in 1924 to nearly 102,000,000,000 pounds in 1932. During the two most severe years of the depression the increase from 1930 to 1932 was 2,000,000,000 pounds. During the years from 1924 to 1932 per capita consumption of milk increased from 768 pounds to 812 pounds. This came about from a growing understanding of the nutritive values of milk, together with an increased ability to buy.

When the depression came the purchasing power of the consumers dropped off drastically, but the cow population did not decline. It has gone on increasing in accordance with a 12-year cycle until it has reached a total of more than 26,000,000 cows, the highest on record. Under the double influence of the collapse of consumer purchasing power and the growth of milk production, the dairy industry in the last 2 years has had to undergo the most severe kind of punishment. The prices of all kinds of dairy products have fallen, and the total cash income of dairy producers declined from \$1,847,000,000 in 1929 to \$985,000,000 in 1932.

To meet this situation, the Agricultural Adjustment Administration is submitting to the dairy farmers of America an adjustment program for the industry. This program calls for an expenditure of \$165,000,000 and is designed to increase dairy farmers' income, to hold production at the low levels of recent months until purchasing power in cities recovers to the extent that consumers can buy larger quantities of milk products at better prices, and to provide benefit payments to farmers who agree to cooperate.

The plan will be tried out for a year, and may be continued a second year at the discretion of the Secretary of Agriculture

Some of the salient features of the plan are: To provide for a 10-percent reduction below the high-average volume of the 1932-33 period; benefit payments to farmers who cooperate and sign agreements to reduce sales below their 1932-33 average; expenditure of at least \$5,000,000 to aid in financing distribution of surplus milk to underfed children in cities; allocation of \$5,000,000 for purchase and distribution of healthy cows to needy farmers lacking milk cows; formation of a fund of \$5,000,000 to speed up the conquest of bovine tuberculosis.

During the last month 15 regional meetings have been held over the United States in which the plan has been presented. It is to be hoped that out of this plan may be evolved a situation that will put the dairy industry back on its feet and give the dairy farmer a fair return for time and labor. During the last few years no branch of industry has been hit harder than the dairy farmer. Especially is this true in my district in Ohio.

As I see it, one of the biggest problems to be solved in connection with the dairy industry is to secure to the producer a fair share of the market price of milk. In my district milk retails for 10 cents to 12 cents per quart and in most cases the farmers—the producers—are receiving less than 4 cents per quart. This situation is nothing short of

It appears to me that any plan that will be of any great benefit to the dairy farmer must have incorporated somewhere in it some kind of marketing agreements that will infarmer is the first to feel the effects of a depression and the sure to the producer his just share of the spoils.

It has been said a million times that all wealth comes ! from the soil, and it is the opinion of many that no general prosperity can come until it comes to those who till the soil and produce the wealth for the rest of the world. The farmer is the salt of the earth. He is law-abiding and Godfearing. No class of men who toil and earn their bread by the sweat of their brow puts in the long number of hours per day as do the men who turn out the products of agriculture, and no class of labor receives less for its toil.

In my humble opinion in this great crisis of our national life no industry and no class of people deserve more in the way of aid at the hands of the National Government than the farmers of America. The farmers of America feed not only the teeming millions of our cities, but other hundreds of millions among the population of the world. Were it not for them our country would be in the midst of a famine within 30 days. Without them we would be lost.

The original founders of our country were farmers. mighty millions that now make up the population of our country have in one form or other sprung from the soil. I am proud of the fact that I was born and reared on a farm in one of the finest, if not the finest, States of all the States of the Union-that of the State of Ohio. And as long as I have a voice and a vote in the legislative halls of my country I shall use them in such manner as to pay respects and my obligations to the American farmers-the backbone of the greatest country in the world.

## MY SERVICE IN THE HOUSE OF REPRESENTATIVES

Mr. McCANDLESS. Mr. Speaker, I wish to take this means of expressing, on behalf of the people of the Territory of Hawaii, and for myself, our appreciation of the treatment you have accorded the Territory during the session now drawing to a close.

Hawaii, represented as the Territory is by a Delegate in Congress without a vote, must depend for fair treatment at the hands of Congress on the honor, understanding, and sense of justice of the Members of this House and the Senate. It is gratifying to be able to point out to the people of Hawaii that my fellow Members of this Congress have included the Territory of Hawaii in every major piece of national legislation, and that Hawaii has reaped definite benefits from all of these measures with one exception.

That exception was the Jones-Costigan sugar bill, in which, to speak frankly, the Territory of Hawaii was treated shamefully. In passing that bill you forgot that Hawaii is an integral part of the United States, forgot that we pay our full share toward the upkeep of the Federal Government, even forgot the solemn pledge which this Nation made to the people of the Republic of Hawaii when that Republic voluntarily became annexed to the United States as an integral part thereof. But I realize that the sugar control bill was passed under stress of circumstances that were far from normal, and that corrections of errors in that as well as other legislation will undoubtedly have to be considered by the next Congress. I hope, when that time comes, that the wrong done to the Territory of Hawaii in the sugar bill will be righted.

However, with that exception, the rightful status of the Territory of Hawaii as an integral part of the United States has been recognized by this Congress. I am exceedingly pleased that in the vast majority of instances you have realized our rights. It is often one thing to be entitled to certain rights, and quite another thing to get them.

Through your recognition of our rightful place in this sisterhood of States, the people of Hawaii are participating in the new deal, and they are proud to have this opportunity to once again prove themselves worthy of their position under the American flag.

In closing let me say that I am proud to have been a Member of this Congress, proud to have had the opportunity of meeting and working with my fellow Members here. I sincerely hope that we will all meet here again in January of the coming year, and that together in the Seventy-fourth Congress we will have the opportunity to complete the many tasks which this Congress began.

AN ADEQUATE HIGHWAY PROGRAM INCLUDING PROVISION FOR A NATIONAL PARKWAY PROPOSAL

Mr. CARTWRIGHT. Mr. Speaker, the President has stressed the importance of moving up from the emergency basis to a permanent basis for the National Recovery program and has invited the assistance of the best minds in formulating such a program as the basis for further effort.

Fortunately Congress has availed itself of the services of a group of national voluntary associations, which in cooperation with the American Association of State Highway Officials and the United States Bureau of Public Roads has made a study of highway transport and has kept the public informed on all phases of the good-roads movement. Chief among these associations have been the National Highways Association, Lee Highway Association, the American Automobile Association, the National Automobile Chambers of Commerce, the American Civic Association, and the American Road Builders' Association. The educational campaign, Nation-wide in scope, conducted by these voluntary associations aroused and crystallized public sentiment, making possible the Recovery Act of June 1933 and the continuance of the highway program provided by the recent action of Congress under which almost a billion dollars will be expended on public works, which while they provide employment, increase industrial output, carloadings, bank clearings, retail sales, and the volume of business generally, are not the product of feverish haste, but the well-considered, formulated, and checked-up plans of scientifically trained men, engineers, executives, and administrators, thoroughly familiar with the subjects involved in the operation.

As Chairman of the Roads Committee of the House I desire to place on record our appreciation of the most helpful services of the voluntary associations and Government agencies whose services assisted us so much on the preparation of the road legislation just enacted. I wish also to place in the record a recent letter from President Roosevelt in which he also expresses appreciation of these services.

THE WHITE HOUSE, Washington, April 24, 1934.

Mr. ARTHUR CLARENDON SMITH.

President Lee Highway Association, Washington, D.C.

President Lee Highway Association, Washington, D.C.

My Dear Mr. Smith: I have read with interest the anniversary edition of the Fauquier Democrat, celebrating the completion of 14 years of the activities of Lee Highway Association in what President Coolidge, in a message to Congress, characterized as "the great Lee Highway undertaking."

I wish to add my tribute to those of Presidents Wilson, Harding, Coolidge, and Hoover to the highly patriotic service of the general director of your association, Dr. Samuel M. Johnson, national apostle of good roads.

Dr. Johnson helped to secure the funds for emergency public works and is one of the most active advocates of continuing the program.

His plan to secure a 200-foot right-of-way from San Diego, calif., to the Nation's Capital, and to make it as outstanding among highways as Lee was among men, appeals to the pride and patriotism of the entire Nation.

Your association is deserving of strong support in such a monu-

mental undertaking Very sincerely yours,

FRANKLIN D. ROOSEVELT.

Desiring to expedite an adequate highway program, I introduced H.R. 9896, providing for a national parkway connecting the national parks. The reasons for its enactment into law are mainly the reasons why the Public Works Administration is now expending \$16,000,000 of P.W.A. money on the Skyline Drive connecting the Shenandoah with the Great Smoky National Park. The Everglades National Park bill has just been approved and there are good reasons why the national parkway connecting the Shenandoah and the Great Smoky should be extended southeast to the Everglades and northeast to Acadia, 13 instead of only 3 of the States getting the benefit of our first real national highway. The greatest volume of interstate highway travel is between New England, the industrial America lying north of the Potomac on one hand, and Florida and other southern recreational areas on the other; and the eastern national parkway traversing almost all of the Thirteen Original States of the Republic would be as great a contribution to

the national unity, security, and welfare as could possibly be made.

The main development of our National parks and other recreational areas has been in the West, and it was due to their demonstration of their value that the eastern chain has been established. The policy of connecting the National parks by a highway also originated in the West and much of the National park-to-park highway is now paved, making possible a circular trip including Grand Canyon, Yosemite, Yellowstone, and other masterpieces of the Creator.

What is more important in these times of transition, of change, of unrest, than to keep the fires of patriotism burning?

Is there anything that would do more to arouse patriotism than to induce the people to fare forth, to tour the National domain? In order to love our country, we must know it. To know it, we must see it, not just our neighborhood, our town, our State, our section, but the whole of it, industrial, agricultural, East, West, North, South, mountains, plains, seacoast. If we are to see the United States, we can see it by railway, but the way to see the United States, to take in the latitudes, its longitudes, its ever-varying landscapes, its richness, its beauty, its grandeur, is on rubber tires.

Now, here we have an esatern parkway connecting the chain of eastern parks from Maine to Florida. We have a national park-to-park highway connecting the chain of western parks. The bill proposes to connect them so as to constitute an elongated national park, owned like all the national parks, by the Government. Two traffic lanes, each for travel going in one direction, a planting strip with shrubbery between, eliminating the glare of headlights; and with machines capable of 100 miles an hour, the distance between parks could be covered quickly, making possible slow travel through highly scenic regions. The 200-foot wide right-of-way could be all landscaped by Civilian Conservation Camps and the activities of garden clubs and civic and patriotic organizations. This right-of-way is to be sectionized as are the railways, with a family living on a subsistence farm and caring for each section. The construction and maintenance of the roadway, and the landscaping and care of the right-of-way would contribute directly to the welfare of the Nation in providing permanent employment. It should be a part of the national set-up for recovery, not primarily as an emergency measure, but as an important part of a carefully worked out plan of national development.

When Congress reconvenes I expect to reintroduce the national parkway bill, with such modifications as the best-informed minds may in the meantime suggest, and I hope for its approval as a part of an adequate highway program which will have the support on a nonpartisan basis of all who wish to get the most out of the motor age. We are not getting the most when a facility in use for the movement of men and goods from place to place which is about 100-percent efficient in itself yields to the user only about 40 percent of its efficiency because of a noneconomic track.

When the railway age began, the order of procedure was first to construct a special track and then, and not till then, was the rolling stock purchased and put in commission.

In the motor age we reversed the process. We bought our highway rolling stock and put it in commission before we constructed the special track required for economic operation. Results in the 4,100 counties of our country, over 100,000,000 rubber-tired wheels are revolving night and day, year in and year out, and with every revolution on over 2,000,000 of our 3,000,000 miles of roads show we are throwing off dollars, actual dollars, honest-to-goodness cash.

If the railways undertook to operate their rolling stock on as unfit and noneconomic a track as our highway rolling stock is now being operated on, every one of them would go into the hands of a receiver in less than 6 months. The actual loss due to this wastage, a wastage which is preventable, is far greater than the cost involved in paving the United States.

Therefore I and my associates on the Roads Committee did what we could toward recovery by the road bill just

passed, and when we reconvene next January my constituents at least may know in advance what to expect if I am to return and continue as chairman of the committee.

I am for an adequate highway program to be formulated through the assistance of those who by pure knowledge gained by training, observation, and experience are best fitted to formulate the plan.

I am for an adequate highway program. No program is adequate which does not include:

First. Completion of the Federal-aid highway system. Second. Completion of the State highway system.

Third. Completion of a primary county highway system selected as was the Federal-aid system on the basis of a maximum of service at a minimum of cost; namely, the most important roads, called "the farm-and-market roads", for which we made provision in the road bill just passed.

Fourth. Roads in cities and their regional area eliminating congestion and hazards.

Fifth. The construction program not to be delayed by lack of funds but to be financed and constructed as rapidly as they can be economically constructed.

### THE MISSING LINK IN EDUCATION

Mrs. ROGERS of Massachusetts. Mr. Speaker, first, I want to ask you what you consider the missing link in our educational system. I believe it is a lack of instruction in managing our money. Why do most of the squabbles in families take place? They are about money. Similarly in our great national problems invariably the causes of the difficulties are financial and budgetary.

In the past our efforts have been focussed upon the training of the youth to fit them to enter business life—to stand alone, work and achieve independence. That has always been the goal. But what is the ability to earn worth, if one has not the knowledge of how to spend? The man of today, earning a small salary, spending it judiciously, and saving a portion, is far better off then the high-salaried worker who throws his money away simply because he has not been taught how to get the most out of it. The former is happier, more contented, and a better citizen—the latter, usually overcome by money-troubles, bickers and quarrels at home.

In the schools of Brookline, Mass., economic education has been adapted to the age and understanding of all its pupils. Beginning with the A B C's of individual money management, the subject has been developed logically from the kindergarten through high school, so that no student need enter upon the financial responsibilities of maturity without a knowledge of how to get and keep control of personal finances. In other words, money management has been reduced to a simple science, and economic education pertaining to municipal, national, and world affairs is built around actual personal experience in the acquirement and use of money. That experience leads to establishment of the habit of living within income and distributing income proportionately, regardless of its size. Therein lies the secret of financial independence and contentment.

The plan is so simple that it can be used by everyone. It is suitable for every member of the family. It is so adaptable that it can be adjusted to meet the requirements of every purse simply by changing the proportions of each item. Under the three simple words of this money-management plan—save, give, and have—all the uses of money are being classified. Distribution among these three uses means that the children are learning to manage money.

The value of such a course of education cannot be underestimated. Results will depend only upon the amount of attention paid to it by the faculty. Just as a rubber ball rebounds in proportion to the speed with which it is thrown, so will such a course in money management rebound in results not only to the child but to the entire family.

Personal money management does not mean pinching pennies; it does not mean avarice—to the contrary, it teaches spending—wise spending. Unfortunately, and perhaps due to the rapid growth of our great country, the education of our children along these lines has been sadly

neglected. We Americans have acquired a reputation of being profligate spenders. The old picture of the shrewd Yankee, who always received the better of the trade, has faded during the last generation.

I am sure that you older people who are listening recall your youth, when as a boy or girl your grandmother sent you on an errand to the store for groceries. Do you remember when you returned with your bundles how carefully the wrappings and string were saved? Do you recall the top drawer in the cupboard where the balls of string—accumulated from countless former errands—were kept? You may even remember how one day you told your grandmother you couldn't see the sense in saving that old piece of string—that the task of untieing the knots was not worth the effort. Then the kindly old soul dropped her work, sat down, and explained to you that it was not a question of saving that particular piece of string, but a case of forming saving habits which would stand you in good stead in later life.

We must bring out and cultivate that inherent trait which is an innate part of the make-up of every American—the urge to be saving, prudent, and self-sustaining. In our splendidly equipped schools—unquestionably the finest system in the world—we can and should adopt such a course of training. You and I remember that formerly the young students who could afford it went abroad to complete their education. Today our educational standards have advanced to a point where the other nations admit the superiority of our institutions by sending their students here. But is there not a missing link in the chain? We pay much attention to courses in government, in manual training and preparation for the business career.

Why should we not pay particular attention to the child's training in handling the money which his education prepares him to earn? Should he not be taught to so distribute his money that it will do the greatest amount of work for him? Then, when he reaches that point in life where he takes a wife, his training and her education in budgeting and spending will do more to help smooth over the rough places than anything you may name. It is generally admitted that injudicious spending and wastefulness are the cause of much domestic unhappiness. Family rows are most apt to take place as a result of money matters. A sulky wife, a tired, harassed husband, because his wife and children do not realize that he cannot spend a large amount for some particular thing they have set their hearts upon. Proportionate spending will correct this. The family that has received training along these lines knows its limitations. It is prepared for eventualities and has a clear understanding of how to handle finances. While the average business man and head of the family will conscientiously protect his family by insurance, how often do you, Mr. Business Man or Business Woman, neglect that all-important duty of training the beneficiaries in the judicious handling of the bequest?

Never in the history of the country have the American people been so forcibly confronted with the stern, stark necessity for intelligent economy and strict checking up of resources as they have been during the past 5 years. One of the prime features of our efforts to return to normal business life should be the education of our young people along the lines of money management and budget control.

This is not a new idea. It has been tried, and successfully, in the Brookline schools. The old adage that "the proof of the pudding is in the eating" has been borne out by the results. Not only are the pupils enthusiastic, but the teachers who are applying the scientific principles of money management personally to their own affairs are, in effect, "raising" their own salaries, for they are discovering new ways to use the incomes they have to best advantage.

The taxpayers' money is being saved, for every child is made an ally of the taxpayer when he is learning to conserve those things for which tax money is used. The school committee of Brookline recently commended publicly the teachers and children of Brookline for the substantial

savings that have been effected through their care during the past year.

The children are being impressed with the truth that it is impossible to get something for nothing, because somebody always pays. To trace back to who pays in each case becomes an interesting problem. In thinking it through, we find that everyone in our great United States is vitally affected. Let us work to make not only the children intelligent consumers but also the adults by teaching a simple form of money management. This will supply the missing link in our education.

#### THE NAZI INVESTIGATION

Mr. CARPENTER of Nebraska. Mr. Speaker, there has been a great deal of discussion on the floor of the House relative to the Nazi investigation which was instigated by Representative Dickstein of New York, and which, in my judgment, will tend to create racial prejudice to a greater degree than that evinced at the present time. I understand that this is the thing to which Mr. Dickstein is objecting and the eradication of which has been made the purpose of the investigation.

The number of people of German extraction whom I represent is immaterial to the discussion of the propriety of the investigation. I am concerned with the principles behind the obvious facts. I have the highest respect for the American citizens of German extraction, not only of my State of Nebraska but of the Nation. At every point in the history of our great country where the welfare of the Nation and the Government has been at stake, the American citizens of German extraction came to the front and were among the first to offer their strength and their lives in defense of our country—even in cases where it meant brother fighting against brother.

I believe that it is no concern of ours as to the nature of the Government of Germany. I must confess that I have a great deal of admiration for the dictatorship of Mr. Hitler, in that he has apparently been able to consolidate the German people into a united front. I have enough confidence in the self-respect and intelligence of the people of Germany to believe that if the nature of his government were entirely insupportable they would repudiate him. His methods have been drastic but thorough, and he has succeeded. It is unfortunate that some racial prejudice has been evinced, but I cannot believe that it is the province of the American Government to dictate the policies of a law-abiding and self-governing nation.

I believe that the facts put forward by the Chairman of the Committee on Accounts, Mr. Warren, indicate fully that the investigation is merely another junket and that nothing will come of it except pure political propaganda.

I am inserting at this point a letter which I have received from the United German Societies of New York which adequately displays the sentiment of the citizens of this country of German extraction:

Representative Terry Carpenter, Scottsbluff, Nebr.

Honorable Sir: The times we are living in call for a unification of all constructive forces of our Nation in order to bring about an ascension from the depths of depression. The United German Societies of Greater New York will counteract all and every attempt which would tend to retard such ascension, and they are anxious to express to you as one of the duly elected Representatives of the American people their readiness to oppose all movements which are destructive to the welfare of our people and to our relations with the other great nations of the world.

Respectfully yours

Respectfully yours,
UNITED GERMAN SOCIETIES OF GREATER NEW YORK, INC.,
C. K. FROEHLICH. President.

I also wish to call to your attention at this time to some of the achievements in the world of science, invention, political and economic theory, and art which have been contributed to our civilization by the German people. Such data proves that we are not dealing with a group of monsters or cruel oppressors but with a nation which has contributed a great mass of material to the building of the world of thought and peaceful pursuits.

May I first list those of the German Nation who have contributed to the scientific achievements of our civilization:

Abbe, Ernst: Physicist. Invented the refractometer and made many improvements in microscopic and photographic lenses.

Behring, von Emil: Founder of immunology as a science. Blood-serus therapy. Practical application of this epochmaking discovery in cases of diphtheria and lockjaw. Was the first to demonstrate diphtheria antitoxin serum.

Benz, Friedrick Karl: Built the first automobile in 1886. Constructed the first 2-stroke engine model and high-speed, 4-stroke engine. Invented the electrical battery ignition-spark induction. Steering gear.

Diesel, Rudolph: Invented the Diesel oil engine (type of internal combustion).

Fraunhofer, von Joseph: Known for his work on the Solarspectrum (Fraunhofer's lines). Manufacturer of achromatic lenses and various optical instruments.

Gauss, Karl Friedrich: Astronomist. Standard work on the theory of numbers. Magnetic and electric researches. Greatest master of modern mathematical analysis. Earth magnetism. Dioptic researches.

Haeckel, Ernst: Most famous field naturalist. Doctrine of organic evolution. Fundamental biogenetic laws.

Helmholtz, von H. L. D.: Was the founder of the law of the conservation of energy. His work, On the Conservation of Force, was the epoch-making treatise of the century. Inventor of the ophtalmoscope. Most important contributions to physiological optics, acoustics, meterological physics, and theories of electricity.

Herwig, Oskar: Proved the fact that the union of an egg of most animals and plants with cells derived from the body of a male organism is the essential characteristic of fertilization. Laws of heredity.

Hoffman, von A. W.: Discovered benzine in coal tar. Production of synthetic dyes (indigo).

Keppler, Johannes: Established the three cardinal principles of modern astronomy—Keppler's laws. Founder of physical astronomy. Inventor of the astronomical telescope.

Kirchhoff, Gustav Robert: Known for his Principles of Dynamics. Thermal conductivity. Resistance bridge. Equations dealing with the flow of electricity in conductors. Researches on the development of spectrum analysis.

Koch, Robert: The greatest bacteriologist. Was the first to isolate the germs in pure culture for identification. Discovered bacteria of anthrax, tuberculosis, and cholera. Did most important research on bubonic plague, malaria, rinderpest, and so forth.

Korn, Artur: Invented the telegraphic pictures.

Kraepelin: Known as the father of psychiatry (disorders and diseases of the mind).

Liebig, von Justus: Constitution and analysis of organic bodies. Basic rules for agricultural chemistry. Infant food. Organic chemistry and its practical value for physiology and pathology. Research on benzaldehyde, composition of the fulminates, and ethyl theory.

Mayer, Robert: Was the propounder of the first law of thermodynamics. He was called the "Galilei of the nineteenth century."

Mendel, G. J.: Known for his theory relating to the distributive mechanism of organic inheritance. Principles of heredity. Mendelism.

Ohm, Georg Simon: Known for his Ohm's law. Researches on current electricity.

Pirquet, von K. J. V.: Discovered serum diseases. Treatment of tuberculosis with tuberculin.

Roemer, Ole: Discovered the finite velocity of light. Invented the equatorial telescope.

Roentgen, von K. O.: Was the discoverer of the X-rays (roentgen rays). Researches in various branches of physics, including elasticity, capillarity, electromagnetic rotation of polarized light, and so forth.

Siemens, Carl Wilhelm and Werner: Known for their Siemens steel. Invention and development of the dynamomachine, which converts mechanical into electrical energy. Multiple-coil armature. Construction of the trans-Atlantic cable. Turbine. Siemens electrical furnace.

Virchow, von Rudolf: Founded cellular pathology. Important contributions to morbid anatomy, histology, and anthropology.

Weber, Wilhelm Eduard: Invented the electromagnetic telegraph. Weber's law. Researches in the field of magnetism. Mirrow galvanometer. Treatise on waves.

Woehler, Friedrich: Known for his synthesis of the natural product urea. Fundamental investigation in the field of organic and inorganic chemistry.

Zeiss, Carl; known for his optical works. Apochromatic lenses. Microscopes. Planetarium.

Zeppelin, Graf Ferdinand; invented and constructed the first dirigible airship. Important contributions in the field of aeronautics.

German scientists have contributed largely to the field of the isolation of certain germs. Klebs-Loeffler isolated the deadly bac. diphtheriac; Pfeiffer isolated the germs of influenza, a discovery which has contributed greatly to the control of that disease. German scientists have also isolated the germs for leprosy, lockjaw, typhus, pneumonia, cholera, gangrene, Vincent's angina, and other deadly diseases.

In the field of music we have some of the greatest musicians the world has ever known: Bach, Beethoven, Brahms, Haendel, Haydn, Liszt, Mozart, Reger, Schubert, Schumann, Wagner, and many others. The arts of music and sculpture are well represented by Cornelius, Duerer, Grunewald, Holbein, Donner, Hildebrandt, Folbe, Rauch, and Stuch.

German philosophers have led the world of philosophic thought in modern times. Such men as Goethe, Hauptmann, Kant, Nietzsche, Schopenhauer are authorities for various schools and have been followed by thinkers of every nation.

It is estimated that today approximately 25 percent of our population is of German descent, origin, and blood infusion. The assimilation of German immigrants was accelerated by kinship with the early leading formative elements of the Nation, but distribution of the German population over the United States, and by the extensive settlement of German colonists on the frontier and in western territory, where the molding forces, typically American, were the most influential.

They sought to adapt those elements of German life which were best fitted to harmonize, as contributions, with the typically American mold of life.

In 1931 there were approximately 5,907,893 German immigrants in this country. This was a far larger proportion than that of any other foreign nation. They have become assimilated into the life of America and have made contributions beyond value.

I am quoting some statistics and historical data in the following paragraphs which may prove enlightening:

# IMMIGRATION ACCORDING TO RACES

The foregoing table already shows the shift in the immigration from the countries of northern Europe to those of southern Europe. This shift becomes more striking in an arrangement made by Andre Siegfried:

1. Nordic group: Great Britain, Germany, France, Belgium, Holland, Switzerland, Scandinavia.

2. Romanic-Slavonic group: Austria, Hungary, Russia (including Finland and Poland), the Balkan and Mediterranean countries,

	Nordic group	Romanie- Slavonie group
1860-70. 1870-80. 1880-90. 1890-1900. 1900-1910. 1910-20.	Percent 98. 4 91. 6 80. 2 48. 4 23. 3 22. 8	Percent 1.6 8.4 19.8 51.6 76.7 77.2

Native country of the foreign-born elements in the United States or their parents

[Census of 1930]

The Contract of the Contract o					
Native country	Foreign born	Foreign parentage	Total		
All nationalities, total	13, 366, 407	25, 361, 186	38, 727, 593		
Germany Italy Great Britain and North Ireland Poland Canada Irish Free State Russia Norway, Sweden, Denmark Czechoslovakia Germany, approximate percent	1, 608, 814 1, 790, 422 1, 402, 032 1, 268, 583 1, 278, 421 744, 800 1, 153, 624 1, 122, 576 491, 638 12	5, 264, 289 2, 756, 453 2, 952, 486 2, 073, 615 2, 058, 924 2, 341, 712 1, 516, 214 2, 069, 367 890, 441 20	6, 873, 103 4, 546, 875 4, 354, 519 3, 342, 198 3, 337, 345 3, 086, 532 2, 669, 838 3, 191, 943 1, 382, 079 17. 7		

Of great interest are the thorough statistics published by Prof. Albert Bernhard Faust in his book, The German Element in the U.S.A., regarding the number of those of German blood residing in the United States of America around 1900.

Professor Faust in his statistics comprised the years from 1790 to 1900, making three subdivisions, namely:

First. The number (for 1900) of those residing in the United States of America born in Germany or United States of America of German parentage.

Second. The number (for 1900) of descendants of the 600,000 Germans, residing in the United States of America in 1700

Third. The number (for 1900) of the descendants of the Germans immigrated between 1790 and 1900, as far as they do not fall under the above headings.

Professor Faust thus arrives at the following figures:

[Figures are given in thousands]

Subdivisions	1	2	3	Total, 1900	Total, 1910
German element English element Irish-Scotch element	8, 700	6, 330	3, 370	18, 400	21, 600
	3, 250	15, 850	1, 300	20, 400	24, 750
	5, 500	6, 300	2, 100	13, 900	15, 250

## FREDERICK THE GREAT AND AMERICA

On April 7, 1777, Frederick writes:

\* \* \* If it (the English Crown) would give me all the millions possible, I would not furnish it two small files of my troops to serve against the Colonies.

Frederick did not permit the soldiers, sold by the Dukes of Anspach and Hessen to England, to march through his territory. Answering a suggestion to assist England, Frederick writes as follows:

Never! Unlike other German rulers, I cannot be bought.

He wrote regarding the Duke of Hessen:

Do not attribute his education to me. Were he a graduate of my school he would never have sold his subjects to the English as they drive cattle to the shambles.

In January 1778 Frederick informed one of the American agents through his ambassador in Paris as follows:

The King desires that your generous efforts may be crowned with complete success. He will not hesitate to recognize your independence when France, which is more directly interested in the event of the contest shall have given the example.

THE GERMANS IN THE REVOLUTION, 1776-83

Peter Muehlenberg, pastor of the Lutheran Church in Woodstock, Va., delivered in January 1776 his famous sermon:

There was a time for preaching and praying, but also a time for battle and such time has now arrived.

He immediately organized a regiment of 400 volunteers. February 21, 1777, Congress raised him to the rank of brigadier general. Battles of Brandywine, Germantown, Yorktown, Pa. Friend of Patrick Henry and George Washington. Representing the State of Pennsylvania, his marble statue adorns the Hall of Fame in the Capitol at Washington, D.C.

Brothers: Frederick August Muehlenberg, first Speaker of the House of Representatives. Four times elected to Congress; also Henry Ernest Muehlenberg.

Nicholas Herckheimer, brigadier general, with his military aides: Hanjost Herckheimer, Jacob Klock, Frederick Fisher, and 800 German volunteers fought the battle of Oriskany. Nicholas was fatally wounded during the battle and died soon thereafter. General Washington, hearing of his departure, said:

It was Herckheimer who first reversed the gloomy scene of the northern campaign.

John Kalb (Baron von Kalb) served 3 years as major general under Washington. He died from wounds which he suffered in the battle of Camden. His statue is in front of the Naval Academy at Annapolis.

Christopher Ludwig, May 1777, appointed by Congress superintendent of bakers and director of baking for the entire Army (at a salary of \$75 a month). George Washington always referred to Ludwig as his "honest friend."

Friedrich Heinrich, Baron von Weissenfels, officer in the British Army at the beginning of the Revolution; served under Washington.

David Aiegler, Johann Paul Schott, H. E. Lutterloh, Molly Pitcher, Sebastian Baumann, and hundreds of others.

Washington's personal bodyguard was largely made up of Germans under the command of Maj. Barth. von Heer. Twelve men of this troop had the honor of escorting General Washington to his home at Mount Vernon at the close of the Revolution.

Steuben, America's Scharnhorst. It would exceed the limits of this pamphlet—if it were not superfluous—here to register the deeds and accomplishments of the drillmaster of the American Army. Suffice it to emphasize the following facts:

December 1, 1777, arrival at Portsmouth, N.H. Letter to Congress in which we find the following words:

I came here from the remotest end of Germany at my own expense and have given up honorable and lucrative rank. I have made no condition with your deputies in France, nor shall I make any with you. My own ambition is to serve you as a volunteer, to deserve the confidence of your general in chief and to follow him in his operations, as I have done during the seven campaigns with the King of Prussia. \* \* I should willingly purchase at the expense of my blood the honor of having my name enrolled among those of the defenders of your liberty.

February 26, 1778, arrival at Valley Forge. May 5 he was appointed by Congress to the rank of inspector general.

He published for the American Army a manual known as "Steuben's Regulations" or "the Blue Book." Commanding officer of the American troops at the surrender of Yorktown, October 17, 1781. In 1782, the officers of the American Army at Verplanck's Point adopted a resolution, which read:

We believe that Baron Steuben has made us soldiers and that he is capable of forming the whole world into a solid column and displaying it from the center. We believe in his blue book.

Steuben was one of the original members of the Society of the Cincinnati, consisting of officers of the American Army. In 1790 Congress voted him a yearly pension of \$2,500, and the Legislature of New York made him a gift of 16,000 acres of land in the neighborhood of Utica.

## THE GERMANS IN THE CIVIL WAR

Ranking officers in the Union Army: Franz Siegel, Adolf von Steinwehr, Julius Stahel, Peter Osterhaus, Gottfried Weitzel, August Kautz, Henrich Bohlen, Leopold von Gilsa, Carl Schurz, and others.

Of 500 Germans, who were raised to the rank of a major, 96 lost their lives; 216,000 Germans volunteered in the Union Army; 300,000 more were of German descent (Wilhelm Kaufman: The Germans in the Civil War.)

General Lee, the commanding officer of the Confederate

Give me Prussian discipline and Prussian formation for my troops and you would see quite different results.

While England and France placed an embargo on the sale of Union bonds, while England assisted the South

materially, Germany purchased between five hundred and tions of the German nation to refute the arguments of the six hundred million dollars of Union bonds.

During a debate in the United States Senate in 1870 regarding the motion to supply France with arms against Germany, Senator Pomeroy, of Kansas, said as follows (Congressional Record, 41st Cong., 3d sess., pt. II, p. 954):

They (the Germans) sent us men; they recruited our armies with men; they helped to save the life of this Nation. Though the French were our ancient allies, the Germans have been our modern allies.

Senator Charles Sumner (p. 956):

We owe infinitely to Germany.

#### CARL SCHURZ

Came to the United States in 1853. In 1857 already candidate for the office of Vice Governor in Wisconsin. Eighteen hundred and fifty-eight one of the most ardent stump speakers for Lincoln against Douglas. In 1860 at the Republican Convention in Chicago he helped Lincoln to obtain the nomination. His eloquence and his aggressiveness played no little part in Lincoln's final victory in the ensuing campaign. American Ambassador to Madrid. Major general in the Union Army. United States Senator from Missouri (1869). Secretary of the Interior under President Hayes (1877). Civil-service reform. Editor New York Evening Post, Harper's Weekly. His biography of Henry Clay. Died in New York on May 14, 1906. At a memorial service on November 26, 1906, at Carnegie Hall in New York, ex-President Cleveland delivered the principal address.

#### GERMANS IN AMERICA

Agriculture: The Census of 1900 shows that 522,252 farmers of German parentage owned farm homes against 183,157 British, 176,968 Irish, and 174,694 Scandinavian.

Technical: John A. Roebling (Niagara Bridge, East River Bridge, connecting New York and Brooklyn).

Gustav Lidenthal (Hell Gate Bridge across the East River, N.Y.).

Albert Fink (Ohio River Bridge).

Charles Steinmetz (Edison's right hand).

Politics: April 18, 1788, German Quakers in Germantown voiced the first protest against human slavery.

Fr. A. Muehlenberg, first speaker of the House of Representatives, 1789-91, 1793-95.

Gustav Kierner, Lieutenant-Governor of Illinois, 1852-56; pall bearer at Lincoln's funeral.

Franz Lieber, professor of history and political economy at South Carolina College, later at Columbia University.

Music: First orchestra in the United States under Gottlieb Graupner at Boston. Father of the American Orchestra. One of the founders of the New York Philharmonic Society; Henry C. Timm, noted conductors of the orchestra: Leopold and Walter Damrosch, Anton Seidl, Theodore Thomas, Adolp Neuendorff, and others.

Painting: Emanuel Leutze—Washington Crossing the Delaware—in the New York Metropolitan Museum of Art. Westward—in the Capitol at Washington.

Albert Bierstadt—Storm in the Rockies; The Yosemite Valley.

Thomas Nast: One of the greatest political cartoonists. Of him no one less than Lincoln said, "He has been our best recruiting sergeant." With his cartoons he gave the tiger to Tammany and the elephant to the Republican Party.

Journalism: Christoph Sauer—the father of German-American journalism. The first to print the Bible in a foreign tongue on American soil.

Peter Zenger: Founded the first independent political newspapers in New York; paved the way for liberty of the press in the United States.

May I say in closing that I have not set forth this glorification of the German people to place them above the people of other nations as citizens of this Nation. It is my belief that all components of the "melting pot" are equally important and desirable. The Jewish race has made equally as valuable contributions to science, art, music as well as daily living, and are as equally valuable as citizens of this country. I have merely outlined in this address the attributes of our German-American citizens and the contribu-

tions of the German nation to refute the arguments of the instigators of this investigation to the effect that we are dealing with a government and a group of people who are inhumanly cruel, who are seeking to undermine our form of government, and who take delight in persecuting an innocent people for some nefarious purpose.

It is my firm belief and contention that the investigation will accomplish nothing but the stirring up of old fires which should be allowed to smoulder and die and turn to ashes. It is making political propaganda of an issue which does not concern us, but which will only serve as a wedge in this country to drive the components of our citizenry further apart. Unfortunate incidents have occurred abroad; but this is the Congress of the United States of America, and we should be concerned with the problems at home, of which there are an abundance. Our money should be spent toward a solution of our difficulties and toward helping our citizens—Germans, Irishmen, Englishmen, whether Jewish or gentile.

I believe that the results of this investigation will bear out my statements in the future.

## "WHITHER BOUND"

Mr. DITTER. Mr. Speaker, on the 26th of January 1830, Daniel Webster delivered in the United States Senate his memorable speech in reply to Mr. Hayne of South Carolina. In commencing his oration he made use of an allusion to a mariner tossed on a turbulent sea and desiring to be assured of his position—

When the mariner has been tossed for many days in thick weather and on an unknown sea he naturally avails himself of the first pause in the storm, the earliest glance of the sun, to take his latitude and ascertain how far the elements have driven him from his true course.

I am persuaded, Mr. Speaker, that in the closing days of this Seventy-third Congress we might with profit follow the suggestion of the distinguished Senator from Massachusetts to ascertain our position and determine to what extent we have been driven, not by the elements but by the excuse of emergency, from the truly American course of democracy. It must, of course, be admitted that we have weathered a severe storm, and with equal candor it should be conceded that there is promise of fairer weather.

The ravages of the storm can be seen about us on all sides. Like all catastrophies, misfortune and distress have followed in the wake of the most violent financial and political disturbance which the world has ever witnessed. Few, if any, homes in America have escaped the intensity of the disaster. All of us recognize the imperative demand that proper precautions be introduced to minimize the danger of a recurrence. Many of us are equally concerned, however, lest the effort to avoid a similar future disaster will entail a more hazardous course than the storm from which we would endeavor to escape. Our despair over our difficulties should not resolve itself into a spirit of destruction.

Conditions such as those from which America today is emerging were world-wide. Volumes have been written on the cause and cure of the depression. We need not be detained today to inquire into the soundness or unsoundness of the philosophies of either the diagnostician or those who appear with their cure-all remedies. It is sufficient to note that there can be no foundation for the charge that American democracy alone was at fault in this world-wide cataclysm. Indeed it should be brought to our attention that had it not been for the traditional American spirit of stability and the solidarity of the foundation laid by the Fathers we would not have been any more successful in withstanding the shock than those European nations which have witnessed complete political and financial collapse.

Our national achievements during the first 150 years of our history commanded the respect and admiration of the world. In all fields of human endeavor the vision, the energy, and the resourcefulness of America had attained world-wide recognition. With less than 10 percent of the population of the world, our people had more purchasing power than all the nations of Europe and had acquired more than half the world's wealth.

The mines of America gave to the world 60 percent of its minerals and from our fields more than half of the world's foodstuffs were harvested. Our country was knit together by a splendid system of efficient railroads and into each town and hamlet communication facilities of the highest type had been introduced so that America could claim nearly half of these advantages as her own. Extensive and improved highways formed the concourse for more than 90 percent of the world's automobiles. Are we required as the result of the experiences of the past few years to discard as useless these achievements?

It is unfortunate, Mr. Speaker, that the zealousness of those who are attempting a correction of abuses has prompted an attitude of despair and a loss of faith in many of our American institutions. There are those who continually urge that we must abandon our old order and accept a complete change in policy if we are to survive. There are those who insist that our achievements must be styled as the ruins of the past, and urge that only the adoption of radical measures will provide for our salvation. All classes and kinds of individual endeavor have been stigmatized as unworthy. Each field of individual endeavor has had placed upon it the odium of self-interest and to each field of activity in which individual effort has entered there has come the charge of personal aggrandizement.

A normally temperate American judgment has seemed to give way to abusive excesses of vindictiveness. In many instances rational evaluations of past accomplishment have been swept aside and an appraisal of worthlessness has been attached to the individual's achievements. Frequently this spirit has found expression in the House. Punitive purposes rather than constructive thought has been in evidence. It is with regret that I fear that much of the legislation has minimized entirely the endeavor of the individual and his right to protection. He has been herded into a company. The storm has driven us to a considerable extent from our truce course—the course of American democracy. Individualism has, to a large extent, given way to regimentation. Personal initiative appears no longer to have the right to expect a reward for its daring. Industrial enterprise has been bound by shackles of regulation. In spite of the Jeffersonian doctrine that the best government is that which governs least, we have created an ever-increasing array of alphabetized control agencies circumscribing the action of the individual and dictating his most intimate relationship. Successive experiments have been introduced in the extension of Government authority.

Dictatorial powers over industry have been inaugurated and the submission of business to arbitrary rules and orders has been insisted upon as a necessary procedure. It is with alarm that we must confess that the guarantee of the freedom of the press was only secured by the publishers of the country after persistent and continued endeavor. May I point out, Mr. Speaker, that no Government in the past has ever entered upon a policy of controlling business without imposing restrictions on the utterances of its people and the expressions of its publications? Many of us feel a lack of security in constitutional safeguards with respect to the freedom of speech, since the character of resiliency has been ascribed to that foundation stone of our liberties. A resilient constitution may or may not assume its original form once its elasticity has been unduly stretched. The question naturally presents itself whether the resiliency is sufficient to enable a return to a normal form after being extraordinarily extended by emergency pretenses.

I contend, Mr. Speaker, that the American people have the right to know the true purposes of the present administration. The course which is being pursued should be brought to the attention of the people so that they may be aware of the inevitable result of the present program. This Congress has created the machinery for the operation of business enterprises by Federal agencies. It has approved a monetary policy which has driven private funds into Federal securities as the only safe investment. Timidity, hesitancy, uncertainty are evident among those who could provide the means for the recovery of private industries. The railroads of the country have been taken away from private manage-

ment and public ownership is in prospect. The banking institutions today are dependent upon Federal financial aid for capital and their policies will be dictated by political agencies. Either directly or indirectly, this Congress has delegated to executive bureaus and departments the right to decide upon prices, production, and profits. All questions relating to labor, wages, and hours of employment come under Government control. Certainly this bears every evidence of a course leading either to socialism or to state capitalism. Our people should be advised of the destination toward which we are heading.

There has been a subtlety about much of the development of the program which leaves our people misinformed of the ultimate results of these measures. The American business man, the American workman, the American farmer, and the American investor have been led blindly into this course without realizing the inevitable consequences of the policies. I charge the present administration with the duty of informing the people, if such is its purpose, that the rights of private property and of personal liberty are to be surrendered by them in exchange for a socialistic order. I protest against this continued veiling of purposes. If these policies have any merit they should be able to bear the scrutiny, the deliberate judgment, the careful appraisal of our people before we have gone too far to reestablish the inherent and time-honored rights of the individual.

I do not contend for an individualism which results in abuses and corruption. These are not the necessary fruits of the recognition of the right of the individual. The welfare of society can be protected without the imposition of the serfdom of bureaucracy. Against this serfdom of bureaucratic control which has been so characteristic of much of the legislation of this Congress, I enter the protest of the people of my district.

Returning to the allusion of Mr. Webster, Mr. Speaker, I hope the next Congress will set itself to the task of charting a course for the future, a course which will assure us of a constancy of truly American principles—a course which will be in line with truly American marks of longitude and latitude, and a course which will vouchsafe to our children a truly American voyage of peace, contentment, and happiness.

## AIR-MAIL CONTRACTS

Mr. SABATH. Mr. Speaker, for weeks the Republican House clique has made itself ridiculous attacking the Democratic Party on the Constitution and, still more so when they used Dr. Wirt, after which flasco they jumped upon the Postmaster General for the alleged illegal cancelation of airmail contracts. This indefensible policy was pursued, notwithstanding that the administration had been assured by the Army Air Corps that if conditions demanded the Army could easily handle the air mail. When the Army did take over carriage of the air mail, with few resultant fatalities, immediately the Republican leaders and the subsidized Republican press continued for weeks to attack the administration because several of the flyers lost their lives due to the very worst possible weather conditions.

Having started the investigation of the collusion between the former Republican Postmaster General and these airmail companies in the awarding of the fraudulent air-mail contracts, wherein the Government was defrauded of millions and millions of dollars, I am indeed gratified today that I am in possession of positive information that, due to the cancelation of the fraudulent contracts, the Government has been able to obtain new air-mail contracts that will save more than 50 percent in carrying the air mail, which means a savings of over \$10,000,000 annually. Inasmuch as some of the Republican speeches that were made on the floor for the purpose of prejudicing the minds of the people misled many honest men, and to keep the record historically accurate, I am inserting information and statistics showing the prices that were formerly paid under the crooked contracts and the prices that the Democratic administration is paying now under the new contracts, which were so viciously and unwarrantably attacked by the Republicans. This positively demonstrates that Republican leaders, the subsidized Republican press and the Republican

professionals have not the real interest of the country at heart, but are Republicans first, last, and all the time, ever anxious to create a false political issue, and approve crooked dealings by which the public has been mulcted of millions and millions annually, because the same sort of fraudulent transactions that were rampant in the Republican Post Office Department exist in the Navy and the War Departments. Yes; we are going to spend a few thousand dollars to investigate these crooked transactions, it matters not how the Republicans dislike it. We are going to protect the Government and the taxpayers of this Nation and eliminate fraud and collusion whenever and wherever it may exist.

I am indeed gratified, not only in this instance, at the savings of millions to the Government but also to recall that the investigation which I started against the stock exchange, and which, happily for legitimate business, resulted in the passage of the regulatory stock-exchange act, will prevent the vicious and corrupt practices by which the people and the Government have been mulcted of untold millions annually. And I am just as gratified with the investigation which I caused to be made by the Judiciary Committee of the nefarious bankruptcy and receivership rackets. Naturally, I regret that some judges in my State and other States have been subjected to severe criticism and, in all likelihood, are to be impeached and probably removed, but, notwithstanding that unpleasantness, I do not regret having turned the searchlight of honest investigation upon these contemptible practices. Indeed, I feel that I have conscientiously performed a duty to the best of my humble ability and that I have done an enduring service in remedying evils so long sanctioned and condoned. I am confident by this investigation that the abuses will be eliminated and that our judiciary will attain the confidence and respect which it formerly enjoyed. Therefore, I look forward with anticipatory animation to the new task I have just undertaken, namely, to investigate the many abuses that have crept into the protective bondholders' and reorganization real-estate committees, and the investigation of alleged collusion on the part of receivers of both national and State banks.

I fully appreciate that once more I will be assailed by many undesirable citizens and have my motives questioned, but by this time I feel that I have satisfied the most doubting Thomas that I am simply trying to perform a plain duty fearlessly in an effort to protect the Government as well as the people.

At this point I insert the statistics which show comparatively the air-mail cost under the fraudulent contracts and the contracts granted by Postmaster General Farley. Let Mr. Fish, Mr. Britten, or any other Republican, and the Republican press, dispute or attack these figures, if they can.

Contracts awarded to date

Route no.	Termini	Contractor	Rate per mile	Former rate for similar service	Date service began or is to begin	
1	Newark to Oak-	United Air Lines,	\$0.38	\$0, 4265	May 8, 1934	
2	Newark to Los Angeles.	TWA, Inc	. 24	. 44	May 13, 1934	
3	Fargo to Seattle	Northwest Airlines, Inc.	. 3334	. 45	May 26, 1934	
4	Fort Worth to Los	American Airlines,	. 395	.45	May 13, 1934	
5	Newark to New Orleans.	Eastern Air Lines, Inc.	. 19	. 4433	May 16, 1934	
6	Newark to Miami_	do	. 29	.44	Do.	
7	Newark to Chicago.	American Airlines, Inc.	. 395	.44	May 13, 1934	
8	Chicago to New	Pacific Seaboard Airlines, Inc.	. 175	.45	June 3, 1934	
9	Chicago to Dallas	Braniff Airways,	. 225	. 45	May 17, 1934	
10	Chicago-Jackson-	Eastern Air Lines,	. 19	. 45	June 1, 1934	
11	Seattle-San Diego	United Air Lines,	. 395	.44	May 8, 1934	
12	Salt Lake City-Se- attle.	do	. 395	. 4433	Do.	
13	Salt Lake City-San Diego.	General Air Lines,	. 24	.45	Do.	
14	Washington-De- troit.	Central Airlines, Inc.	. 238	.44	May 17, 1934	
15	Amarillo-Browns-	Long & Herman, Inc.	. 19%	.45	June 1, 1934	

Contracts awarded to date-Continued

Route no.	Termini	Contractor	Rate per mile	Former rate for similar service	Date service began or is to begin
16	Chicago-Pembina	Hanfords Tri State Airlines, Inc.	<b>\$</b> 0. 196	\$0. 4433	June 1,1934
17	Cheyenne-Pueblo	Wyoming Air Serv- ice, Inc.	. 35	. 4433	May 15, 1934
18	Boston-Newark	American Airlines,	. 331/3	.44	May 13, 1934
19	Salt Lake City- Great Falls.	Alfred Frank	. 39	. 45	May 15, 1934
21	Boston to Cleve-	American Airlines, Inc.	. 245	. 45	June 10, 1934
22	Cleveland to Nash- ville.	do	. 143/8	. 45	Do.
23	Newark to Fort	do	. 13	.44	Do.
24	Charleston to Fort	Delta Air Corpora-	. 248	None	(1)
25	Washington to Chi-	American Airlines, Inc.	. 29	None	June 10, 1934
27	Boston to Bangor and Burlington.	National Airways,	. 295	None	June 23, 1934
28	Billings to Chey-	Wyoming Air Serv- ice, Inc.	. 285	None	June 20, 1934
29	Pueblo to El Paso	Varney Speed Lines, Inc.	. 24	. 43	(1)
30	Chicago to Fort	American Airlines,	.08	.43	June 15, 1934
32	Detroit to Milwau- kee.	Pennsylvania Air- lines & Transport Co.	. 389	. 45	(4)

1 Not determined.

Routes advertised but no award made to date pending final reports from the Department of Commerce

Route num- ber	Termini	Low bidder	Rate per mile	Former rate for similar service
20	New Orleans-Houston.	Robertson Airplane Service	\$0. 167	\$0.45
26	St. Paul-Kansas City		. 189	None
31	Daytona Beach-St. Petersburg.	D. K. Franklin and G. T. Baker.	. 17	. 45

In this connection I also insert excerpts from a statement of the Honorable Harlee Branch, Second Assistant Postmaster General, which, I hope, will prove convincingly to some persons who have so unjustifiably attacked the administration on this question that they have permitted themselves to be used by and are the victims of the conniving air-mail contractors. Speaking at Danville, Va., on May 30, 1934, Mr. Branch said, in part:

## AIR MAIL

Mr. Farley has been made the object of much unjust and, in some instances, vicious criticism because of his annulment of the old air-mail contracts. The simple truth about this matter is that he discovered that the former administration of the Post Office Department had, through collusion with the old air-mail contractors, entered into fraudulent contracts, which were let without real competitive bidding, as required by law, and which were costing the taxpayers of the country many millions of dollars not in any way justified by the service rendered.

The air-mail business under the old regime was characterized

The air-mail business under the old regime was characterized by serious evils and abuses. Certain favored individuals or interests were handed contracts at exorbitant rates of pay thoroughly out of line with the service rendered, and some of those interested in the contracting companies built up, through stock manipulation, enormous fortunes from very small investments. Three large air-mail holding companies controlled approximately 92 percent of the entire air-mail business.

The profits on stock promotions in certain instances are astounding. William E. Boeing has testified before the Senate investigating committee that the Boeing Air Transport Co. was organized with a capital stock of \$750, and that its net income for the year 1930 was approximately \$1,500,000, made exclusively from an airmail contract with the Post Office Department. This company paid dividends of five and one-half million dollars on this capital of \$750 from 1928 to 1932, inclusive, all from air-mail contracts.

paid dividends of five and one-half million dollars on this capital of \$750 from 1928 to 1932, inclusive, all from air-mail contracts.

Mr. Boeing further claims to have invested \$359.14 in the Boeing Air Transport Co. and said that he had about \$400,000 in stock invested in different aviation companies which went into the United Aircraft & Transport Co. The original company was merged with United, and Mr. Boeing testified that in May 1929, stock which he had thus acquired had a value of approximately \$51,500,000 on the market.

The Pratt-Whitney Aircraft Co. was organized with a capital stock of \$1,000 for the purpose of manufacturing aircraft, and went into the United Aircraft & Transport system. It made a profit of 81.07 percent on all engines sold to the Government in

1930, and during the past 5 years this concern paid dividends of more than \$12,000,000 on the original capital of \$1,000.

Some of the promoters of these aviation companies organized pools for selling their stock to the public and paid themselves enormous salaries and stock dividends when they had little or no capital invested and knew nothing whatsoever about aviation.

For instance, Fred B. Rentscheler testified that he invested \$253 and that his stock of the United Aircraft & Transport Co. was worth \$35,575,843 in 1929. He actually received in cash more than \$9,500,000 and still has 60,000 shares of stock.

These millions were all being made from the enormous investment of \$253. From 1927 to 1933 Mr. Rentschler was paid more

These millions were all being made from the enormous investment of \$253. From 1927 to 1933 Mr. Rentschler was paid more than \$1,500,000 additional as salary and bonus. His associates all fared as well. George W. Mead invested \$207, securing stock of the value of \$29,000,000 in 1929 and actually cashed out at approximately \$7,500,000. He had left 35,000 shares of stock besides his enormous salary and dividends. An investment of \$40 netted George W. Deeds stock valued at \$5,624,640, and he has actually received more than \$1,000,000 in cash besides his enormous salary and dividends.

and dividends.

While representatives of the old air-mail companies were holding their famous "spoils" conference in 1930 one after another of those present expressed themselves as being willing to do almost anything to avoid competitive bidding. They were in the conferences to divide the air-mail map of the country. The official minutes of these conferences, now in the possession of the Post Office Department, quote one after another of the conferees as saying that he would rather do almost anything than to enter into competitive bidding.

into competitive bidding.

At this point I wish to remind you that the law clearly provided that these contracts must be let by competitive bidding. This was not done, although many subterfuges were resorted to to avoid the competitive bidding requirements. When he learned the true status of the old air-mail contracts the Postmaster General, with the advice of the Solicitor of the Post Office Department and the Attorney General of the United States, canceled the contracts on

ne grounds that they were collusive and fraudulent.

After the contracts were canceled the old contractors and those who espoused their cause, among whom were many searching for some point upon which to attack the administration, loudly pro-claimed that the contracts were canceled without a hearing and the contractors were convicted and sentenced without the right of

As a mater of fact the evidence of fraud and collusion was As a mater of fact the evidence of fraud and collusion was conclusive and the contractors whose contracts were canceled had the right, and still have the right, to seek redress in the United States Court of Claims. Not a single one of them has brought any action in this court and I doubt seriously whether anyone of them ever will. I predict here and now that if anyone of them ever appeals to the Court of Claims that court will rule against them, for there are volumes of evidence in the possession of the Government which proves that the contracts were fraudulently obtained and this evidence, gathered from many sources, is available, notwithstanding it has been proven that the files of former Postmaster General Walter F. Brown and former Second Assistant Postmaster General Warren I. Glover. former Second Assistant Postmaster General Warren I, Glover, containing many of the important records of the air-mail transactions, were burned just before they went out of office. Despite the burning of these very important records, postal inspectors and investigators for the Senate investigating committee have

and investigators for the Senate investigating committee have gathered a great mass of evidence.

I do not ask you to take my word for the charge that the old contracts were illegal, for evidence has been produced before the Senate investigating committee, and is now in the records of that committee, which shows that some of the participants in the "spoils" conferences themselves considered the proceedings illegal. Out of their own mouths they are convicted.

An attorney for one of the aviation companies who is reported by the minutes of the "spoils" conferences to have been in attendance thereon, wrote a letter about the proceedings of the conferences to a banker who was interested in one of the companies, in which he said: panies, in which he said:

"The whole plan of having the business divide up the Government's money without competitive bidding will surely fail unless not only the flying service but perhaps other operators are taken

into consideration.

"The P.M.G. (referring to Postmaster General Brown) stated plainly that he would not welcome bidding by one company for lines in another one's territory, but stated that he would have to have such a competition unless an equitable arrangement could be made all around.

"Col. Paul Henderson, who was also at the "spoils" conferences as the representative of the United Aircraft, testified before the Senate investigating committee as follows:

"I find practically every one of them (referring to those present) made the statement that they would prefer the plan suggested rather than competitive bidding."

Col. Henderson also testified that he warned Mr. W. P. Mac-

rather than competitive bidding."

Col. Henderson also testified that he warned Mr. W. P. Mac-Cracken, the chairman of the "spoils" conferences, that he thought it was a great mistake to go on with the conferences until those present had some more definite information about the legality of the plans that were proposed.

The question of the legality of one of the old contracts came to the attention of Mr. John Lord O'Brian, assistant to the Attorney General in the former administration, and Mr. O'Brian wrote a letter on the subject to Mr. Arch Coleman, then First Assistant Postmaster General, in which he disapproved the letting of the contract in question, as follows:

"I have carefully considered the question whether the Postmaster General should award a contract for carrying air mail from New York, N.Y., to Los Angeles, Calif., and return, on the basis of bids received in response to the Postmaster General's advertisement of August 2, 1930. In my opinion, section 4 of the Air Mail Act of February 2, 1925, as amended by the act of April 29, 1930 (U.S.C., title 39, sec. 464), does not authorize the Postmaster General to limit bids to those who have had 'at least 6 months' actual experience in operating aircraft on regular night schedules over a route 250 miles or more in length.' Since the requirement of the advertisement of August 2, 1930, may have prevented the submission of bids by otherwise qualified bidders and may to that extent have defeated open competition in bidding. I think the Postmaster General should reject all the bids received I think the Postmaster General should reject all the bids received and readvertise for bids for this route."

Assistant Attorney General O'Brian's advice was disregarded and the contract was allowed to stand.

As a result of the annulment of the old contracts and the letting

As a result of the annulment of the old contracts and the letting of new contracts by real competitive bidding, the per annum cost of the Air Mail Service over a system embracing 28,548 miles—3.300 miles more than were embraced in the old system—will be \$7,700,238.80 as compared with \$19,400,264.81 in the fiscal year 1933. The appropriation for the fiscal year 1935 is \$12,000,000. Even with such a reduced appropriation the Post Office Department will be enabled to establish the new and greatly expanded service and at the same time have available \$4,299,761.20 for increased frequencies of schedules where needed and for additional routes. The average rate of air-mail pay per airplane mile will, under the bids of the new air-mail system, be 27.9 cents, as compared with approximately 42 cents per airplane mile before the old contracts approximately 42 cents per airplane mile before the old contracts were annulled.

have sought to give you an accurate account of what the administration and the Post Office Department are doing. I think I can with propriety say that the record of the Post Office Department and the administration as a whole is one of which not Democrats but all the people of the country may well be proud.

With the leadership which President Roosevelt has given and is

giving and with the cooperation which he is receiving from the Congress and the people, the country has been brought well along the road to recovery, and it behooves everyone who desires continued progress along that road to loyally support the administration.

If the would-be wreckers of what has been done are encouraged and the administration is handicapped by a lack of support on the part of the people, the goal to which we all are working will not only not be reached but much that has been accomplished will be lost. Let us keep our eyes toward the sun and let us not be deceived or misled.

## LOSS OF LIBERTY UNDER THE NEW DEAL

Mr. FORD. Mr. Speaker, there has been much said about the loss of liberty under the new deal. The loss of liberty, indeed! What liberty?

That of the despoiler, of the exploiter, of the profiteer. That is the liberty we are curtailing. Let me be specific. Let me list some of the liberties we are attacking.

First. We are determined to destroy the liberty Mr. Insull and his ilk enjoyed, to pyramid practically worthless securities and to sell them to innocent investors at a profit of millions and even billions of dollars. The Mellon administration construed such liberties as Insull took as entirely proper and entirely constitutional.

Second. We have destroyed the liberty, also constitutional, of the international bankers at New York to sell worthless foreign bonds to their depositors, as they did to the tune of billions. And now they are aghast at the administration's

action to put a stop to such banditry.

Third. We are putting an end to the liberty, entirely constitutional because not forbidden there, of the public-utility corporations throughout the Nation to sell water, gas, and electricity at outrageous rates and when estopped by State commissions to bring about interminable delays by technical appeals in the Federal courts.

Fourth. We are taking from the steel corporations their special privilege, doubtless quite constitutional, to sell steel to the Government at a price that provided enormous bonuses to their high executives, and to hold up the railroads for steel for their rails and rolling stock at the expense of the railroads' stockholders and the railroad workers.

Fifth. We are opposed to the liberty, hitherto enjoyed by the coal companies, to profiteer on coal, while their enslaved employees delve in the dank, dark bowels of the earth for a pittance.

These, my friends, are the liberties we are attacking.

We are opposed to continuing the conditions by which the American people were given the liberty to starve in a land of plenty. When we found in March 1933 millions of our people ruined and destitute, hopeless and neglected, | with nothing being done to save them, we took the liberty of acting in their behalf.

We adopted a program to rehabilitate the farmers, to save the home owners, to restore business and employment, to stop cutthroat competition, to outlaw the sweatshop, and to take the children out of the factories and put the unemployed adults to work. We said that in free America no one is to starve. Those that charge that such a program is an infringement upon our constitutional liberties are slandering alike our Constitution and our common sense.

It is the piratical liberty to destroy this democracy that our opponents are trying to save. To the charge that we are guilty of attempting, and of succeeding fairly well, in curbing that kind of liberty, we plead guilty. We are infringing on the liberty of a few greedy, ruthless pirates to amass great fortunes for themselves at the expense of the many.

We are curbing the liberty to plunder the farmer, rob the consumer, and destroy the workingman.

We are determined to destroy all such vicious liberties. As we believe in curbing the ungodly liberty of the exploiters, we are restoring the liberty of the common man and woman and are daily coming closer to that goal which our great President so aptly calls "a more abundant life."

THE ISSUE OF THE 1934 ELECTION—SHALL WE CONTINUE THE NEW DEAL OR SHALL WE GO BACK TO THE OLD DEAL?—AN OUTLINE OF THE ACHIEVEMENTS OF THE ROOSEVELT ADMIN-

Mr. SMITH of Washington. Mr. Speaker, on the opening day of this session President Roosevelt delivered in person his message to Congress which thrilled and deeply stirred those of us who were privileged to hear it, as well as the entire Nation. In his address, President Roosevelt stated what I consider to be the paramount issue facing the American people at this time and which will be the issue in the elections this year. President Roosevelt said:

I come before you at the opening of the regular session of the Seventy-third Congress, not to make requests for special or detailed items of legislation; I come, rather, to counsel with you, who, like myself have been selected to carry out a mandate of the whole people, in order that without partisanship you and I may cooperate to continue the restoration of our national well-being and, equally important, to build on the ruins of the past a new structure designed better to meet the problems of

past a new structure designed better to meet the problems of modern civilization.

Such a structure includes not only the relations of industry and agriculture and finance, to each other, but also the effect which all of these three have on our individual citizens and on the whole people as a nation.

Now that we are definitely in the process of recovery, lines have been rightly drawn between those to whom this recovery means a return to the old methods—and the number of these people is small—and those for whom recovery means a reform of many old methods, a permanent readjustment of many of our ways of thinking and therefore of many of our social and economic arrangements. and economic arrangements.

and economic arrangements.

Civilization cannot go back; civilization must not stand still. We have undertaken new methods. It is our task to perfect, to improve, to alter when necessary, but in all cases to go forward. To consolidate what we are doing, to make our economic and social structural capable of dealing with modern life, is the joint task of the legislative, the judicial, and the executive branches of the National Government.

Without regard to party, the overwhelming majority of our people seek a greater opportunity for humanity to prosper and find happiness. They recognize that human welfare has not increased and does not increase through mere materialism and luxury, but that it does progress through integrity, unselfishness, responsibility, and justice.

In the past few months, as a result of our action, we have demanded of many citizens that they surrender certain licenses to do as they pleased in their business relationships, but we have asked this in exchange for the protection which the State can give against exploitation by their fellow men or by combinations of their fellow men.

I congratulate this Congress upon the courage, the earnestness, and the efficiency with which you met the crisis at the special session. It was your fine understanding of the national problem that furnished the example which the country has so splendidly followed. I venture to say that the task confronting the First Congress of 1789 was no greater than your own.

Mr. Speaker and ladies and gentlemen of the House, the prompt action of President Roosevelt in declaring the

bank holiday prevented further bank failures and utter collapse of our banking system at a time when the banks were closing at the rate of 300 per day, wiping out the savings and deposits of millions of citizens and stockholders. The enactment by Congress of the Emergency Bank Relief Act on the opening day of the special session enabled all solvent banks to reopen until now, a year later, as contrasted with the 7,050 bank failures during the Hoover administration, there have been fewer bank failures so far this year than in any year for the past 13 years.

## GUARANTY OF BANK DEPOSITS

On January 1 of this year the new law guaranteeing bank deposits up to \$2,500 went into effect, and which we have just increased to \$5,000, which protects the savings of the people and the accounts of small depositors. This great banking reform was advocated by Woodrow Wilson when the Federal Reserve Act was enacted but was opposed by Wall Street and defeated by a Republican Senate and again defeated by the Republican majority in the same body in 1932. but passed by a Democratic House and Democratic Senate during the special session and signed by President Roosevelt, and amended this session to also provide relief for depositors in closed banks.

#### PUBLIC WORKS PROGRAM

This administration has appropriated \$3,300,000,000 during the special session and the further sum of \$500,000,000 during this session, or a total of \$3,800,000,000 for public works to give employment to the jobless, and Secretary Harold L. Ickes has just estimated that as a result of the expenditures to be made during the balance of this year of 1934 at least 3,000,000 citizens will be employed.

Hoover bitterly opposed public works, vetoed the Garner public works bill in 1932 because it would "unbalance the Budget" and because he did not consider it the duty of the Federal Government to concern itself with the problem of unemployment. In his message to Congress December 3, 1931, he said:

Business depressions have been recurrent in the life of our country and are but transitory. The Nation has emerged from each of them with increased strength and virility, because of the enlightenment they have brought, the readjustments and the larger understanding of the realities and obligations of life and work which come from them.

This is the same idea recently expressed by James P. Warburg, Wall Street banker, who objects to the efforts of the Roosevelt administration to speed up employment and says the American people should be ready "to face whatever suffering there may be in a slow, orderly process of recovery." In other words that we should wait for the financial and industrial leaders to bring us out of the abyss into which they thrust the country.

## FEDERAL EMERGENCY RELIEF ADMINISTRATION

In addition to the Public Works program, President Roosevelt and Congress provided \$500,000,000 for grants to the States to relieve the hardship and suffering caused by unemployment, which furnishes a striking contrast to the action of President Hoover's pocket veto killing the Wagner bill in the Seventy-first Congress, which would have allocated a like amount for the same purposes, in keeping with his expressed determination:

I am opposed to any direct or indirect Government dole.

\* \* Our people are providing against distress from unemployment in true American fashion by magnificent response to public appeal and by action of the local governments.

## CIVILIAN CONSERVATION CORPS

The Roosevelt administration took immediate steps to provide wholesome and useful employment for the many thousands of idle young men who were roaming around the country, and under the reforestation bill approximately 500,-000 young men have been given employment in the Civilian Conservation Corps camps throughout the Nation, and paid \$30 per month, with food, clothing, and shelter, and medical service, and extra pay to those capable of doing special work. The sum of \$250,000,000 has been expended to date. The authorized strength today is 303,525 persons, composed of 250,000 youths, 28,125 war veterans, and 25,400 experienced woodsmen, in 1,468 camps in all sections of the United States.

## CIVIL WORKS ADMINISTRATION

Civil Works Administration's first pay roll was on November 23, 1933, and approximately \$1,000,000,000 has been expended, \$750,000,000 for wages and \$250,000,000 for material. C.W.A. at its peak gave jobs to more than 4,000,000. The average from December 1, 1933, to April 1, 1934, was 3,000,000 persons. About four-fifths of current C.W.A. projects will be continued under the new Federal Emergency Relief program.

There is not another chapter in the history of the world which depicts such two widely different pictures as those presented by the refusal of Herbert Hoover in the winter of 1932 to aid the unemployed and his rejection of the plea of the hunger marchers who asked for \$50 for each unemployed family and the noble action of Franklin D. Roosevelt in the winter of 1933-34 in granting \$400,000,000 through the Civil Works Administration to the unemployed, which was the finest Christmas gift ever presented by any government to its unfortunate citizens.

I have quoted the philosophy of the old deal, as expressed by President Hoover, in opposition to the Federal Government extending aid to its unemployed citizens, and at this point will quote the philospohy of the new deal, bearing on this vital subject as expressed by President Roosevelt in his address to Congress:

I shall continue to regard it as my duty to use whatever means may be necessary to supplement State, local, and private agencies for the relief of suffering caused by unemployment.

#### FEDERAL PAY AID TO TEACHERS AND SCHOOLS

We also set aside a Federal fund of \$50,000,000 to keep schools open that otherwise would have been forced to close and to relieve school districts whose outstanding warrants exceeded the year's income and whose warrants were therefore uncashable. To school districts in southwest Washington, various sums were granted to pay teachers' salaries for the remainder of the year, and further aid for the same laudable purposes will be provided out of the additional \$75,000,000 we have authorized for loans.

# INDUSTRIAL RECOVERY ACT

The objects of this act as stated by President Roosevelt are:

- To shorten the working week.
   To pay higher wages for the shorter week.
   To thereby cause the employment of a greater number of
  - 4. To prevent unfair competition.5. To prevent overproduction.

Recovery Administrator Hugh S. Johnson estimates that N.R.A. has brought about the reemployment of 3,000,000 citizens and increased industrial pay rolls at least \$3,000,-000,000 per annum. Codes of fair competition have been adopted by 373 industries to eliminate child labor, sweatshops and vicious price-slashing, and cut-throat competition; and to insure guaranteed maximum hours, minimum wages, and unrestricted collective bargaining to workers. Ninety percent of the 22,000,000 workers in industries subject to codes are now covered by codes. The important steel and automobile industries and lesser units have adopted the 10 percent wage increase program urged by President Roosevelt.

## DIRECT LOANS TO INDUSTRY

This Congress has also passed legislation to provide funds to be loaned direct to private industries for pay rolls and working capital, so that the small industrial plants and factories can operate and give employment. The Garner public works bill, to which we have already alluded, contained a similar proviso, but, as we have noted, it was vetoed by President Hoover, and this aid was thereby denied to the industries of the country.

## REEMPLOYMENT

The American Federation of Labor credits the new deal with having accomplished the reemployment of 5,831,000 persons since March 4, 1933.

#### HOME OWNERS' MORTGAGE LOANS

President Roosevelt and Congress established the Home Owners' Loan Corporation which has refinanced the mortgages for distressed home owners, having made 138,175 loans to date, aggregating \$392,296,723, and it is expected that from now on the work of the Corporation will be expedited so that loan applications will be acted upon more promptly. This is also relief which the Hoover administration failed and refused to provide.

## FARM CREDIT ADMINISTRATION

The farmers have borrowed over \$823,000,000 from this organization created by the Roosevelt administration, there having been loaned to farmers in each of 3,072 counties of the United States the average total of \$140,000 per county.

AGRICULTURAL ADJUSTMENT ADMINISTRATION

Agricultural crop and mortgage loans and A.A.A. benefits to date exceed \$1,172,000,000.

## FEDERAL SURPLUS RELIEF ADMINISTRATION

This Administration has expended over \$100,000,000 since November 1, 1933, to provide food, fuel, and other necessaries to the needy and absorbed surplus products of the farmers, including beef, butter, and cheese.

## FEDERAL SUBSISTENCE HOMESTEADS CORPORATION

The sum of \$25,000,000 was diverted to this unit from the Public Works Administration for subsistence homestead projects for experimental purposes, the program to be enlarged if the experiment proves successful. The initial appropriation is expected to aid 12,000 families, approximately 60,000 persons, to become self-supporting. The first project west of the Mississippi River will be located in my district at Longview, Wash.

#### MONEY AND CURRENCY REFORM

When President Roosevelt took the United States off the gold standard, we no longer were compelled to suffer from the unfair competition of depreciated foreign currencies, which for over 2 years were inimical to labor and industry in the United States and in regard to which the Hoover administration took no action.

The repeal of the gold-payable clause in an existing Federal statute, the inflational amendment to the agricultural bill, the inclusion of silver in our monetary system, the gold devaluation bill reducing the gold content of the dollar to 60 percent, the establishment of a currency-stabilization fund of \$2,000,000,000 for protection against foreign depreciated currencies in the future are legislative enactments which will liberate the American people from the tyranny and thralldom of the money kings of Wall Street.

## THE WAGNER UNEMPLOYMENT AGENCY BILL

Congress also passed and President Roosevelt signed the Wagner Reemployment Agency Act to establish Federal employment agencies in industrial communities in cooperation with the State governments and authorizing funds therefor until 1938. This progressive measure was enacted during the last administration, but was also vetoed by President

# THE SECURITIES AND STOCK EXCHANGE ACTS

This legislation was recommended by President Roosevelt and passed by Congress to prevent in the future the colossal frauds which were perpetrated during the Hoover administration and cost the American investing public billions of dollars by stock-market manipulations, which have recently been exposed and brought to light at the hearings before the Senate Banking Committee which were ordered held by President Roosevelt. It will no longer be possible for firms like Dillon, Read & Co., to cite just one of the numerous cases, to buy investment trust stocks for 20 cents a share and later unload them on the public for \$55 to \$60 per share, as they did in 1929. This company obtained for \$100,000 in 1924 stock which they later "ran up" on the stock exchange to \$36,000,000. By an investment of \$5,100,000, the firm was able to control two trusts with a total capitalization of \$90,000,000. In answer to one question by Ferdinand Pecora, the committee counsel, Dillon admitted that his company collected in one transaction a \$2,000,000 commission for selling \$50,000 worth of stocks.

respects in his recent message to Congress:

I am speaking of those individuals who have evaded the spirit and purpose of our tax laws, of those high officials of banks and corporations who have grown rich at the expense of their stockholders or the public, of those reckless speculators with their own or other people's money whose operations have injured the values of the farmers' crops and the savings of the poor.

Nor will it be possible hereafter to dump worthless foreign bonds upon the small banks and their customers in every community in the United States, which wrecked most of these institutions and ruined their depositors because of the false and mistaken idea expressed by President Hoover "that we should interest ourselves in the development of backward or crippled countries by means of loans." To further protect our own people we have provided by law that all foreign bond issues must hereafter be subjected to the approval of the State Department. We have also enacted the Johnson-McReynolds bill, which prohibits the sale of the bonds and securities of any foreign nation which is in default in its debts to the United States.

#### INCOME-TAX FRAUDS

President Roosevelt and this Congress have also plugged up the loopholes and jokers in the internal-revenue laws of the previous administration, which made it possible for the multimillionaires of the country to escape payment of their income taxes and make no contribution whatsoever to maintain and support their Government during the darkest hours of its history, at a time when thousands of laboring men and farmers throughout the land were having their homes sold for nonpayment of taxes. J. P. Morgan paid no income tax in 1930, 1931, and 1932, nor did Otto H. Kahn. Arthur W. Cutten made more than \$1,000,000 in 1929 and 1930 on oil deals but escaped income tax, shifting this profit to his Canadian company. Albert H. Wiggin avoided taxes on \$4,000,000 short-sales profits, poor fellow, and when he resigned the presidency of the Chase National Bank, he had his directors vote him a modest pension of \$100,000 per year for the balance of his natural life. However, his pension was revoked when the sordid tale was revealed before the Senate Banking Committee, together with his operations in speculating in the bank's stock against the interest of the bank's stockholders. Thomas S. Lamont, Morgan partner, sold stock to his wife, loaned her money to purchase it, later rebought it by tearing up his wife's note. These and similar practices have been outlawed by act of this Congress.

## RECIPROCAL TARIFF TRADE AGREEMENTS

This Congress has also clothed President Roosevelt with the same authority possessed by the executive branches of all the leading nations of the world to negotiate reciprocal tariff trade agreements, in order to better protect the interests of American industry, American labor, and American agriculture, and render it possible for us to obtain our fair share of the world's trade and commerce and increase our export business with foreign nations upon a reciprocal basis.

# WHAT PRICE RECOVERY?

It is claimed that Wall Street "views with alarm" the net cost of the new deal, which President Roosevelt has estimated at \$7,000,000,000, to carry out during the next 15 months the program of emergency loans, gifts, and benefits from coast to coast to revive industry, labor, and agriculture, which is to cease on June 30, 1935, when the country is expected to have recovered sufficiently to live within its income. It is even rumored that these expenditures are to be the big issue of the 1934 campaign for the control of

President Roosevelt and the Democratic Members of Congress will welcome that issue and gladly meet their foes on that issue.

It the gross cost of the new deal is to be \$10,000,000,000. less revenue of \$3,000,000,000, or \$7,000,000,000 net, it seems small compared with the \$42,000,000,000 the World War cost us, for which we are still paying and will be paying for decades. What did our people get out of it? Nothing, and worse than nothing, for we lost the friendship of Europe,

It was to this gentry that President Roosevelt paid his | 120,000 of our bravest and finest young men. It has been asserted that for every 3 lives lost, we gained 1 new millionaire, that 40,000 new millionaires came out of the war. Undoubtedly, they are the very people who now claim that the cost of financing our present war against the depression is excessive.

> According to an article by Edward A. Filene, wealthy merchant of Boston, recently published in the Forum Magazine, it costs America, in nonproduction, to keep 15,000,000 men unemployed for 21/2 months, the sum of \$10,000,000,000.

> Andrew W. Mellon, as Secretary of the Treasury, during the administrations of Hoover, Coolidge, and Harding refunded to the big corporations and banks of the country alleged overpayments of income taxes of \$4,000,000,000. Mellon was also responsible for reducing the income taxes and surtaxes in the higher brackets below what they were during the Woodrow Wilson administration, to such a degree that if they had remained unchanged, our entire national debt could have been paid off prior to 1929, or twice the sum of \$10,000,000,000. The multimillionaires, big New York corporations, and banks were saved that amount through the generous but mistaken and unsound Mellon administrations, which was a contributing cause to bringing about the debacle and crash of 1929.

> It was the beneficiaries of this policy, following the trip which President Hoover made to South America in company with Andrew Mellon before his inauguration and before Mellon later speeded to Europe, who launched in the United States the greatest selling campaign of foreign bonds and securities the world has ever witnessed, and disposed of probably \$25,000,000,000 worth to the investors and small banks in every nook and corner of the United States. These bonds were mostly for public works in the countries of South America, central Europe, Asia, and every country on the map, and thereby these billions of dollars were siphoned and drained out of thousands of American communities, which themselves needed but could not afford to buy public works, but to their loss and sorrow were led into paying for public works everywhere else on the globe by the big-hearted patriotic bond, banking, and investment houses of Wall Street who now "view with alarm" the expenditure of \$10,000,-000,000 for needed public works and other national recovery projects in order to create necessary employment and to rehabilitate industry and agriculture in the United States.

> This very same group of financial racketeers, including some of the leading industrialists, who howled the loudest for aid from the Federal Government in March 1933, when they thought they heard the crack of doom and feared the day of judgment had come upon them and their works, have now become rugged individualists again and only ask to be left alone, and implore the Government not to spend any money for fear it may cause an increase in their income taxes—the contemptible, miserable traitors to their country. their God, and God's children.

> We repeat, if that is to be the issue, we will meet it squarely, and have not a particle of doubt that the American people will meet it and answer it in no uncertain terms.

## THE VETERANS

The pensions, benefits, and compensation to the veterans of our wars have been substantially restored, approximately 75 percent, and I predict that in the near future they will be wholly restored, as soon as the condition of the National Treasury will permit. This administration will restore entirely the reduction which was precipitated by the crisis into which our beloved country was plunged by the most ruthless exploitation and saturnalia of pillage, plunder, and legalized robbery to which any people have ever been subjected, prior to March 4, 1933, and which God grant may never again return to curse and blight our fair land and threaten its very existence.

## PLANS FOR THE FUTURE

Our tasks have just begun and much more remains to be done. There can be no turning backward now. We must and, what was worth infinitely more, the precious lives of continue to press forward toward our goal, which is to make America free and a better, happier place for all our people | to live and rear their children, and to enjoy a more abundant, sweeter life.

## THE FEDERAL HOUSING PROGRAM

A survey just completed by the new Federal Housing Corporation discloses the startling fact that 9,000,000 families, nearly one-third of the entire number in the United States, are living in houses unfit for human habitation in nearly every town and city in the Nation. This is in addition to the need for slum clearance, which exists in the largest cities. Dr. Edith Elmer Wood has estimated that \$15,000,000,000 a year is the annual cost of this bad housing in sickness, premature death, and crime. She advocates a Federal expenditure of \$2,000,000,000 for decent low-cost homes to provide an adequate water supply, sanitation, sewerage, drainage, plumbing, and other protective measures against disease and the elements. Money spent on a huge building and construction program will benefit and stimulate almost every industry and line of business and give employment to a greater number and variety of workers, skilled and unskilled, than any other enterprise.

The need for such a housing program for clean, decent, sanitary homes for the breadwinners of America is a challenge to the new deal which will be met. We would not back away from it if we could, we could not do so if we would, and we have therefore enacted the Federal housing bill.

American dollars, borrowed by European countries after the war, have provided workers of those countries with comfortable, sanitary, and attractive homes. It is time American dollars were put to work doing the same thing for our own people. In Germany alone, it is alleged that 300,000 new homes have been constructed and financed from funds borrowed in the United States.

In a majority of these houses which need to be rebuilt and replaced with homes more befitting the worth and dignity of the American laborer and farmer of today, there is also a real need for many of the comforts of modern life. These homes need to be equipped with sewing machines, washing machines, gas ranges, vacuum cleaners, mechanical refrigerators, and electric ranges.

Of 6,000,000 farm houses, less than 1,000,000 have running water, only 840,000 have electricity, and but 530,000 have bathrooms.

Out of 30,000,000 families in the United States, only 25 percent have pianos, only 40 percent have radios, only 60 percent have private automobiles. According to a recent Government survey, we need 4,000 new rural schools, new libraries, art galleries, parks, playgrounds, public baths, the adult-education facilities. There are inventions yet to be utilized, such as air-conditioning of homes and cities.

Our railroads and their equipment are obsolete and out of date, and should be remechanized and modernized, which would bring that aid to heavy industries that expansion of the automobile industry brought about in 1920.

# NEW NATIONAL PLANNING PROGRAM

President Roosevelt has delegated to four members of his Cabinet, Secretaries Ickes, Wallace, Dern, and Roper, of the Interior, Agriculture, War, and Commerce Departments, respectively, the task of studying and working out a broad program of national planning and economic development, in regard to which he has recently sent messages to

The contemplated program would embrace transcontinental high-speed highways, conversion of waste lands into national forests, the conservation of natural resources, the decentralization of industry, the transfer of millions of inhabitants from cities where they cannot prosper to numerous self-sustaining rural homes, immense expansion of public electric and water power development, and mammoth coordinated flood-control and waterways projects, the latter of particular interest to the Pacific Northwest.

It is intended to place this program under the jurisdiction of five agencies similar to the Tennessee Valley Authority-one each for the Atlantic, Pacific, and Gulf waterways,

one for the eastern and one for the western tributaries of the Mississippi River.

In speaking of this plan when it was first announced by President Roosevelt, the following statement was made by Secretary Harold L. Ickes:

Until comparatively recent times the average American scoffed at any suggestion of a necessity for orderly planning for city, State, or Nation. We are undertaking to eradicate our slums. We now are taking a further step forward in the matter of planning. If city planning has been worth while, why not go in for national planning? And that is precisely what we are doing in the progressive, forward-looking administration of President Roosevelt.

There has been word uncompared to the average American scoffed at any suggestion.

There has been urged upon us for serious consideration from many quarters the building of at least one superhighway all the way across the country from which branch roads at appropriate points could diverge. That at least such a transcontinental artepoints could diverge. That at least such a transcontinental arrial highway will be built in the future there can be no doubt.

Intelligent and comprehensive planning on a national scale fits into the social vision of the future. If, as I believe, we are now definitely committed to the testing of new social values; if we have turned our backs for all time on the dreadful implications in the expression "rugged individualism"; if we have firmly set our feet to tread a new and more desirable social path; if we have given over the feeding, not only ourselves, but our women and our children, to the gluttony of ruthless industrialism; if it is our purpose to make industrialism serve humanity, then national planning will become a major governmental activity.

But a new day is coming, a day of greater leisure for the average man and of more intelligent use of that leisure. The tremendous, recreational, scenic, and aesthetic resources that we have must be put to their full use.

First of all, we must preserve them for future generations. We have already made a notable beginning along this line. Our vast system of national parks and monuments and forests already assure for all time to future generations the preservation of the natural beauties and wonders and historic values that are contained in those agrees.

natural beauties and wonders and historic values that are contained in those areas.

Submarginal lands on which people in vain have been trying to eke out a bare existence can be made to serve a social and an economic purpose, while the farmers struggling to raise a reluctant crop from sterile soil can be moved to other lands of greater productivity.

Mr. Speaker and Members of the House, there are other projects which Congress has under consideration, such as the making of small long-term personal loans at a low interest rate to laborers and farmers who are involved in debt; unemployment insurance; health and accident insurance; adequate Federal old-age pensions, urged by President Roosevelt in his message on social legislation; and necessary and essential changes in our money and monetary policy to prevent the exaction of usury and high interest rates from our citizens and the Government itself, abolishing the printing of tax-exempt interest-bearing bonds, restoring to Congress "the right to coin money and regulate the value thereof": and other progressive social legislation, which the length of this address, already extended beyond the limits I had intended, will not allow me to discuss at this time.

Mr. Speaker, in conclusion I submit this record of the accomplishments of President Roosevelt and the Seventythird Congress, which I have too briefly outlined, to the sober and earnest consideration of the American people, who are the final arbiters and court of last resort to pass judgment upon our deeds. We do not claim that the record is perfect and that no mistakes have been made, that we are infallible-far from it.

However, we do claim that every energetic, honest, patriotic effort has been made during the past year to correct some of the errors of the past, to remedy some of the harm that has been inflicted upon our people, to correct some of the abuses in government, and to mete out a larger measure of justice and right to the average American citizen, and bring to him and his family and children the blessings of good government, and thus make this country a better, happier place for all of us to live in. We have made only a beginning, a small beginning, in our efforts to put the new deal into effect, and ask and feel confident that President Roosevelt and Congress will continue to have the loyal, unswerving support and aid of all American citizens, regardless of political party, who do not desire to go back to the old deal, but are determined to go forward to better days and, in the words of President Roosevelt, again quoting from his message to Congress, "to continue the restoration of our

national well-being and equally important to build on the ruins of the past a new structure designed better to meet the problems of modern civilization."

No retreat, America.

#### THE NEW DEAL

Mr. MILLIGAN. Mr. Speaker, a little over 15 months ago the Democratic Party took control of the administration of our national affairs. At that time gloom hovered around the fireside of every American family. Fear and despair dwelt in the hearts of every American citizen. An army of 14,000,000 of unemployed walked the streets looking for employment; this army gained thousands of new recruits every day. Farm commodities by comparison were the lowest in the history of our Nation. Agriculture was prostrate. Business and industry were at the lowest ebb. Commerce and trade were stagnant. Through the closing of banks our monetary and financial system was paralyzed. The dawn of each new day brought a shudder of despair. Our people had lost confidence in the Government to bring about a recovery. They knew the old order would not bring relief. They felt its policy of drifting and hesitating was responsible for our economic collapse.

A new deal was necessary. A leadership of courage and decision was needed to put into effect a program of relief and to inspire confidence in our people which was person of Franklin D. Roosevelt. His short, frank, and necessary for recovery. We found such a leader in the courageous inaugural address was an inspiration and served as a rallying call to our people to unite and strike down the depression that held our country in its grip. The American people responded. Hope and courage drove despair and fear from the hearts of our people. Confidence was reborn. The Nation turned, uplifted and inspired, with faith to its new leader, a man of action, and whose heart beat in sympathy with the interest of all the people.

Some have criticized this Congress for delegating broad and unusual powers to the Executive. In normal times such criticism would be justified, but these are not normal times. In my opinion, this is the greatest crisis that has ever confronted our Nation. The emergency called for unusual and rapid action. I supported every measure recommended by the President to Congress. I make no apologies for my action. I have confidence that the President will not abuse this authority. I know he will use these broad powers justly and wisely to better the condition of all our people.

Let us review briefly some of the achievements of this administration. The Farm Relief Act has placed agriculture on a sounder basis, increased prices for farm products, stabilized farm production. Thirty million of our people directly dependent upon the farms of America are on the way up the hill to recovery. Farms about to be sold under mortgage foreclosures are being refinanced at low rates of interest over a period of years. Homes of the American family, the foundation of our Nation, are being saved through the Home Owners' Loan Corporation. Millions of our unemployed now have employment. Closed shops and factories have been opened. Closed banks have been reopened, frozen assets are being liquidated, confidence has been restored in our banking system by revamping the banking laws and insuring bank deposits. The purchasing power of the American dollar has been stabilized. A more equitable distribution of the products of capital and labor has been brought about. Sweatshops and child labor have been abolished. A better wage and safer working conditions have been provided for labor. Highly organized criminal gangs are being brought to a speedy justice. Fraud and corruption are being driven from the high places in public life. By legislation already enacted and legislation now being considered the investing public will be protected from the exploitation by the unscrupulous.

Under a short-sighted policy of protective tariff of the former administration, prohibitive tariff rates were enacted that destroyed our foreign markets wherein we sold our sur-

plus farm commodities and manufactured articles. Under this system by comparing the year of 1929 with the year of 1933 our foreign trade declined 70 percent. Seven millions of our citizens were employed in carrying on this commerce. Such a situation can mean only unemployment, decline in farm prices, and the closing of factories of the country. The Congress has enacted a bill that we believe will regain for us our foreign markets wherein we sold our surpluses.

With such a gigantic program that has been put into effect in these last 13 months to bring relief to every class of our citizens we do not claim that all is perfect. Of course, there have been mistakes made. The administration will correct these mistakes wherever they appear. Many of these measures are temporary. They were only designed to meet a grave emergency. Others were designed and enacted to establish a permanent policy. No one contends that every serious problem that confronted us has been satisfactorily solved. The objective of this program has been to bring relief to the larger number of our people, to revive industry, agriculture, and commerce; to restore confidence and bring about a complete economic recovery. This great program of relief is and has been succeeding. It will continue to succeed if we have the united support of the American people.

#### GEN. THOMAS SUMTER

Mr. FULMER. Mr. Speaker, on August 14, 1934, the city of Sumter and the State of South Carolina will celebrate the two hundredth anniversary of the birth of Gen. Thomas Sumter, famous hero of the Revolutionary War, a distinguished citizen of South Carolina, and one of the founders of Sumter County, for which the city of Sumter is the seat.

Sumter is known as the "Gamecock City" of South Carolina, this appellation being taken from the nom-de-guerre bestowed upon General Sumter by his fellow patriots, and it was on account of his indomitable spirit and perseverance that he held the hearts of the early settlers and was able to keep alive the spark of patriotism in them in the face of difficulties and discouragements.

With a force outnumbered, ill equipped, and at times halfstarved, he gave battle again and again to the well-treated British dragoons.

By continually cutting off the source of the supplies of the British, intercepting their lines of communication, and scattering his own few men over wider areas, causing the enemy to believe that he had a much larger army, he was thus able to route them out at times with a handful of troops.

British forces under Tarleton burned General Sumter's home, and he became so enraged that he never rested until the enemy was practically driven out of the country.

It is recognized by many students of history that General Sumter's successful battles and peculiar methods of warfare turned the tide that finally resulted in the surrender of Cornwallis at Yorktown. General Cornwallis' estimate of Sumter is shown in his remark, when it was erroneously reported to him that Sumter had been killed in battle. He declared that he rejoiced to be rid of the "greatest plague in the country."

Even after the British had invaded the entire State and the American cause was at low ebb, General Sumter was not to be discouraged, and time after time recruited forces among the backwoodsmen and gave battle to the invader in his own peculiar way, methods not understood by the British, and often took them by complete surprise.

He was born in Virginia on August 14, 1734. His education was largely in the Army and on the field of battle.

He probably served with Gen. George Washington in the Virginia Provincial troops, and was with him when he saved the British troops from annihiliation at the defeat of Braddock.

He came south with the Virginia troops sent to aid in the war of 1761. So well did he serve that at the close of the war he was sent with Lieutenant Timberlake to accompany Otacite and two other Cherokee chiefs in their visit

to England. Although the Cherokees requested this trip, | they were probably sent to impress them with the helplessness of ever fighting against the British.

After this memorable trip Sumter returned with these Indians to Charleston in 1763, and from there back to the towns of the Cherokees. While there he seized, almost single-handed, the notable French emissary and spy, Baron de Johns, who was fomenting trouble among the Indians, and carried him a prisoner to Charleston.

He then settled in South Carolina on the Santee River, and when the Revolution started he was living there as a planter and trader.

He served as adjutant general in the Snow campaign against the Tories in November 1775.

In February 1776, with the rank of lieutenant colonel, he was put in command of one of the two rifle regiments raised

He served with credit in defense of Fort Sullivan against the British attack in June 1776, protecting the fort from the land attack made by the enemy.

As colonel of the Sixth South Carolina Regiment he served with the Continental troops until 1778.

Then, because of illness in his family, he resigned and returned to his home at Stateburg. (Stateburg is on rural route no. 3, eminating from Sumter, S.C.)

When Charleston fell in the spring 1780 and all the Continental troops in South Carolina were captured, he was at home.

Bloody Tarleton, pursuing Bredford, went out of his way to burn Sumter's home at Stateburg before he overtook and butchered Buford's men. Sumter, concealed in the neighboring forest, saw his home destroyed, and raging like a lion went into North Carolina and offered his sword to Governor Rutledge, who had taken refuge there. His offer was accepted, and he raised his standard on Clews Creek in the Waxhaws and there called for volunteers.

The Scotch-Irish of that section, maddened by Tarleton's cruelty, flocked to Sumter's standard. These men were neither regular nor militia. They were mounted volunteers fighting for liberty and to avenge wrongs. Of them Sumter later wrote:

These men, mounted and equipped as light dragoons, are as serviceable as the best upon the Continent. The men I think preferable to any I ever saw.

With these men he introduced a new method of fighting. He first practiced these raids in the rear of an enemy, destroying his supplies and severing his lines of communication. This method was in the Civil War carried out with brilliant success by Forrest and other notable partisan

Sumter made five of these raids or campaigns within a period of 15 months.

The first was a brilliant effort to aid Gates, then marching south from North Carolina, and to harass Cornwallis. He defeated Huck at Williams Plantation; assailed Rocky Mount, but was beaten off for lack of artillery; and then captured the larger part of the post at Hanging Rock with a large quantity of supplies. Moving west and south beyond the Wateree River, he captured Carys Fort, south of Camden, and there seized a large convoy of troops with a large supply of food and munitions.

Having then cut Cornwallis' line of supply, he moved off leisurely, encumbered with his captured stores and prisoners. He invaded Turnbull and Ferguson, pursuing him after Gates' defeat, but was overtaken by Tarleton and defeated at Fishing Creek. After this disaster he rapidly gathered together his scattered troops at the old camps on Clews Creek. From here he sent them to take part in the brilliant victory of King's Mountain, though he himself did not take part in the battle. At that time he was made a brigadier general, and until the close of the war was the ranking South Carolina officer, and all other South Carolina officers and men were under him.

His second raid was in November 1780. Cornwallis was

the north. He defeated Wemyss, whom Cornwallis had sent against him, at Fishdam Ford, capturing the leader and cutting to pieces his entire force. Cornwallis then sent the brilliant but bloody Tarleton to cut Sumter off, but at Blackstock the British were defeated with the loss of twothirds of their troops, while the American loss was trivial. Sumter, however, was here severely wounded.

Sumter's third raid was in aid of General Green, who was moving toward Camden.

Sumter moved west and south between Rawdon, the British commander, and possible reinforcements from Ninety-six. He crossed in rapid succession the Catawha the Broad and the Saluda Rivers, and attacked Fort Graby, opposite the present site of Columbia. Rawdon moved to the aid of the fort and sought to cut off Sumter's retreat. The latter, however, instead of retreating as expected, returned the way he came, turned boldly south and toward the coast. He besieged Fort Motte, and near there captured a large train of supplies and its convoy. Again driven off by the approach of Rawdon, he moved down the Santee River and swam that river in flood with his entire force. On the north side of the river he attacked Fort Watson, but finding that post strongly reinforced he gave up the attack.

Moving north, Fraser sought to intercept him at Lynch's Creek, above the present site of Bishopville, but was defeated, and Sumter returned to his old camp. This was the most brilliant of all his campaigns.

His fourth raid was largely over the same ground. Moving around the British, he attacked and besieged Fort Granby. Leaving that surrounded and ready to surrender, he struck Fort Motte. From there he moved to Orangeburg, which he captured with a strong garrison and valuable supplies. His troops in this raid went south as far as Dorchester, at the very gates of Charleston, and alarmed the garrison of that city.

In July 1781 he made his fifth and last raid. He sent Light Horse Harry Lee, who had joined him, on Charleston by the Orangeburg-Dorchester Road. Wade Hampton moved down the Nelson's Ferry Road. Marion was to strike the British flank and rear by Quinby's Bridge, cutting off and capturing the British that had moved out from Charleston. Both Lee and Hampton carried out brilliantly their part of the attack, but for reasons that cannot here be discussed for lack of space, Marion failed, and the British escaped into

Sumter resigned from the Army in December 1781 and began his illustrious career as a legislator.

He served ably in the Legislature of South Carolina for several years.

He served with distinction several terms in the Continental Congress.

He was a member of the Constitutional Convention of

He was United States Senator from South Carolina from 1801 to 1810, and of him there, John Randolph, of Roanoke, Va., said that if he came in suddenly while a vote was being taken, and saw how Sumter voted, he could follow him and be sure that he made no mistake.

A brilliant soldier, who, more than any other, was instrumental in throwing off the yoke of Britain, a safe statesman and a popular hero, he should not be forgotten by his State and Nation.

The tomb of General Sumter is located in this county at his old home on rural route no. 3, emanating from this post office, and several miles west of the city.

The late President Theodore Roosevelt sent a detachment of United States troops and a military band here at the unveiling of a monument erected by the General Assembly of South Carolina in honor of General Sumter in 1907.

Inscriptions on his monument are:

"He came to South Carolina about 1760 and was in the Indian service on the frontier for several years before settling as a planter in this vicinity. Commandant Sixth Regiment South Carolina Line, Continental Establishment, at Winnsboro, and Sumter began to move around him from 1776-80. Brigadier General South Carolina Militia, 1780-82.

United States Congress, 1789-93, 1797-1801. United States Senator, 1801-10.

"Erected by the General Assembly of South Carolina, 1907.

"This stone marks the grave of one of South Carolina's most distinguished citizens, Gen. Thomas Sumter, one of the founders of the Republic; born in Virginia on August 14, 1734; died June 1, 1832."

On a bronze plate attached to monument:

"To Gen. Thomas Sumter, who fought so gloriously for the liberty of the United States. In remembrance of his two grandsons, Charles and Etienne de Fontenay, who fought so heroically and died so nobly for the liberty of France in 1916.

"Hommage du Viconte de Fontenay, Ambassador to France.

"Tanto Nomini Nullum Par Elocium."

# VETERANS' NATIONAL CONFERENCE

Mr. FOULKES. Mr. Speaker, as a consistent supporter of legislation for the benefit of the veterans. I wish to call attention to the national conference of representatives of all veterans' organizations and their units to be held in Washington during the month of October.

Such a convention, in my judgment, is a very proper and appropriate step, since it affords an opportunity for the veterans to formulate a uniform policy on public matters. Like many other friends of the ex-service men, I have sometimes been puzzled what course to pursue, since one group was advocating one policy, another group advocating something else, and so on. Getting together and formulating a program which can be supported by all groups is a sensible and practical move.

The call for the convention, as issued by Doak E. Carter, chairman of the national veterans' conference committee of Victory Post, No. 4, the American Legion, Department of the District of Columbia, states that the gathering will be for the purpose of-

Indoctrinating all of the World War and Spanish-American War veterans, regardless of their veteran-organization affiliation, with cooperation and coordination of veterans' objectives, thereby affording membership of each organization the oppor-tunity to take such action within each particular organized group as will permit and lead to the promotion of a planned national policy to the end that veterans will not always be vulnerable in the face of attack and that the veterans may again be restored to that high level of patriotic idealism which was once theirs.

### PUBLIC LANDS IN CALIFORNIA SOLD UNDER FRAUDULENT, WORTH-LESS CLAIMS OF TITLE

Mr. McFADDEN. Mr. Speaker, thousands of innocent purchasers in California who are the helpless victims of the early Spanish and Mexican land grant swindlers are demanding protection from Congress in the form of an act authorizing the conveyance to them of the fee-simple title to the lands purchased in good faith under grant deeds-quitclaims-and so-called "title-insurance policies", which, in fact, do not insure against "action by the Government."

The banks of California are loaded with "frozen assets", a large majority of which are invalid and valueless because the collateral consists of mortgages, trust deeds, bonds, contracts of purchase, and so forth, on these lands which are, in fact, still a part of that great trusteeship, the public domain. Proof of this is to be found in the records of the United States courts, the United States Land Office, and other Government archives. These are facts one must face. To deny and try to ignore them indicates either insincerity or ignorance. (See reports of the Commissioner General of the General Land Office for the years 1885-87.)

# A CONCRETE CASE

"Duly asserted", though totally invalid, claims of titles to California mission lands, such as "Rancho ex-mission de San Fernando" and "Rancho ex-mission Soledad", have no existence in fact and were, and are, prohibited by law. The official records which are now available prove this beyond a question of doubt. (Certified transcripts or abstracts of the proceedings in re these cases are now in possession of the California homesteaders.) See the decision of the United

Member of the Continental Congress, 1783-84. Member of | States Supreme Court (1 Wall. 754 and 765) and many other cases cited herein which prove this.

# PUBLIC LANDS CONTROLLED BY CONGRESS

Congress retained control of the California mission lands, through section 16 of the act of March 3, 1851, thus preventing and prohibiting any such thing as confirmation of titles or conveyance of titles to such lands except as a part of that great trusteeship, the public domain, title to which could and can only be acquired under the land laws of the United States which "were extended over it by Congress for disposition and sale, excepting certain grants made therein by Spanish and Mexican authorities" (p. 134, The Public Domain, 1880). Since the official records show no valid conveyance of title to any individual for such lands and since the Government of Mexico certifies that no record of any such grants exists in the archives of Mexico, and since the Supreme Court of the United States has many times ruled that without such record the claim of ownership cannot be sustained, then it is evident that the present possessors of such lands must appeal to Congress for such equitable relief as will meet its approval.

# SQUATTERS' CLAIM OR COLOR OF TITLE

Those in possession of such lands today have no legal title, and illegal possession of land will not defeat the right of another to enter the same under the Homestead Law Decisions (Dept. Int., vol. 1 to 40, pt. 1, p. 206, par. 103); and even when the application is rejected by the Land Office the applicant (homesteader) for land covered by a so-called "grant patent" has recourse to the courts to vacate the void judgment or patent and to quit title in the said applicant (p. 407, ibid.), as has been done and is being done by the California homesteaders. Where such patent has issued contrary to law or without jurisdiction, it is void, a nullity, and no protection to a purchaser under it; and according to the decisions of the Interior Department (pp. 402-490), the lands for which the California homesteaders have filed application should not even require an order of court to set aside said patent in order to appropriate the land under the homestead law. We here pause to ask, Why should Mr. Wheeler and his California homesteaders be charged with fraud for trying to protect their interests in connection with the contest to win for themselves a tract of valuable land on which to make their home and from which they have reason to believe they can derive a decent living?

# SPECIAL ACT PASSED TO PROTECT RECORD OWNERS

Under the special act of Congress, December 22, 1928 (45 Stat. 1069) the record owner of 160 acres or less may receive a patent (fee title) to lands held by him under claim or color of title, providing there is no conflicting, adverse claim (such as homestead claims), but this does not seem to protect the large landholder. A rejection of an application for homestead by the United States Land Office does not prove a valid title in the present possessor, nor does it indicate that the homestead applicant will not receive a patent for the land through an order of court, providing the said applicant does not neglect to protect his interests through civil suits as authorized by law. Does Congress dare sit idle and refuse relief to millions of such citizens because a few land speculators in California seek to hide their guilt behind false charges of fraud against a homesteader? Such charges are merely a red herring across their own corrupt trail and it is high time such corruptions and scandals were ended.

# STATUTE OF LIMITATIONS

The statute of limitations, March 3, 1891, is a special act of Congress, applicable only to patents of conveyance issued under the public land laws and has no bearing on "patents of convenience" issued under the special act of March 3, 1851, dealing exclusively with Spanish or Mexican grants (see cases cited), and in any event the statute of limitations does not run against the sovereign, and as against it titles to land cannot be acquired by adverse possession regardless of length of such possession (6 Pet. 66; 13 Wall. 92). Therefore, it is evident that time alone has not cured the situa-

## " PATENTS OF CONVENIENCE"

A patent of conveyance, according to the court in McCarty v. Helbing (144 Pac. 499), conveys to the patentee "the legal fee-simple title to public lands." This sort of patent could not be granted on lands the title to which had been conveyed by a prior sovereign, as in the case of a valid title from either Spain or Mexico, whereas a "patent of convenience", such as one finds of record in connection with many of the "duly asserted" Spanish or Mexican grants throughout the State of California, is "void as evidence of title" (Tapia v. Williams, 172 Ala. and 54 So. 612). And in this connection it is well to remember that "nothing passes title to public lands but a patent" (of conveyance). (See United States v. Fitzgerald, 15 Pet. 407.) Therefore, as stated by the court in Texas against White, "the land pretended to be conveyed by it (a 'patent of convenience') was still subject to location" (meaning homestead location), and the court further held in Wilson v. Mason (1 Cr. Pg. 45) that "Wilson (the homesteader) or any other person (meaning any other applicant for homestead) might lawfully appropriate the land \* \* \*." This is what has been done on several valuable tracts of land in California by the California homesteaders, and this is why the racketeers have heaped slander and vicious persecutions on Mr. Wheeler and his California homesteaders.

#### RACKETEERS

The gentleman from California [Mr. Evans] referred to the conflict in California, which has been raging for many years over California land titles and fraudulent Mexican land grants. The gentleman referred to the confirmation of these claims by the Land Commission of 1851, and stated that such confirmations have become res judicata, but the fact of the matter is that by the act of Congress of August 31, 1852, the Land Commission was deprived of its status of a judicial body and became a mere fact-finding body whose duties were no longer judicial, and whose decisions were not final, and by section 16 of the act of Congress. March 3, 1851, the missions of California were set aside to be dealt with by Congress and not by the Commission. This matter has never as yet been thoroughly gone into by Congress, and the official records show that there has never been any actual conveyance of the fee title to any individual covering the lands within many of these so-called "land grants." Proof of this fact is available to the Land Committee at this time, in the form of certified United States court records, and since the gentleman from California has brought the matter up on the floor of this House it seems in order to point out several discrepancies in the gentleman's statement, which would seem to indicate that the gentleman has been misinformed as to the facts. The following will serve to direct the attention of this House to the real facts of the case.

Referring to the Los Angeles Times article, on which the gentleman rested his case: "The Edmonds bill would not end the racket, but would continue it." The truth of the matter is, the bill provides for the closing to entry of all these involved lands and it further provides that all claims of homesteaders shall be cleared up within a period of 1 year, or at the end of that time they are wiped out. H.R. 8496 provides for the issuing of a valid patent by the United States to present landholders, which patent would convey the Government's title to the individual. This would seem to be a most legitimate, definite, and final termination of this whole vexatious problem which has upset land values and interfered with the orderly procedure of real estate and financial transactions for the last 50 or 60 years because of the lack of title. The truth is the racketeers of California are opposed to these bills becoming law because they would put an end to the grant racket in California and expose those who are guilty of maintaining it, and a hearing will show who is guilty of fraud and misrepresenta-

# THE UNITED STATES ATTORNEY

The news article submitted by the gentleman from California quotes the United States attorney as saying that "the title originating in the Spanish-Mexican land grants has

been many times affirmed by the courts as a good and valid title." But the United States attorney failed to tell all the truth; and when one realizes that "a little knowledge is a dangerous thing", and that a half truth is subversive of the whole truth, it is time to ascertain the whole truth, which is that the United States Supreme Court has ruled on a great many of these California grant titles to the effect that they were totally invalid, such as the valuable mission tract just east of the city of Los Angeles; the case of United States v. Workman (17 L.ed. 754) in which the Court said "the Governor did not have the power to make the grant", and ordered the land back to the Government. This land was homesteaded similar to the present homestead claims on the lands formerly claimed by the mission of San Fernando, which case has never as yet been before the United States Supreme Court as to the validity of the homesteader's claims nor as to the question of whether or not there has ever been a valid fee-simple title conveyed by either the United States or any previous sovereign. H.R. 8496 would obviate the necessity for eviction from such lands of the present claimants if and when the case would go before the Supreme Court of the United States on the same set of facts and laws as the various other similar cases have and be decided in favor of the Government or homesteaders as in the previous cases. An allegation that the courts have settled it opens the door for a proper hearing on the matter to give the United States attorney an opportunity to submit proof of his statements. Mr. Wheeler has submitted proof and citations and is ready to prove in a hearing that these allegations are futile and that, in fact, these lands still belong to the Government as trustee and are subject to homestead. A hearing is now necessary to prevent this House from being charged with bad faith.

The mere fact that the applications for homesteads were rejected by the United States Land Office, and finally by the Secretary of the Interior, does not prove that the present claimants in possession of these lands have valid titles, nor does it prove that eventually the California homesteaders would not win an order for delivery of the lands to them from the Supreme Court of the United States, as happened in the Workman case. I am informed they have filed, and are preparing to file, several civil suits to bring this about. One such case, now in the United States Circuit Court of Appeals for the ninth circuit, case no. 7272, is a very good example. A brief on this case, handed me by Mr. Wheeler, gives a very clear, concise picture of the situation, and I feel sure that when the Public Lands Committee of this House proceeds with a proper and thorough hearing on the matter they will discover that not only is H.R. 8496 a necessary piece of legislation, but that it is fair and equitable, and protects the interests of the Government as well as all of the parties concerned.

# INDICTMENTS

It is true that Mr. Wheeler was indicted four times with a total of, I believe, 176 counts of fraud and was acquitted of all but count 18 of one indictment. Count 18 was the mailing of this booklet entitled, "The Betrayers of the United States", a copy of which Mr. Wheeler sent to Franklin D. Roosevelt, receiving reply dated May 28, 1932, which I quote later on. Evidently Mr. Wheeler's exposé of conditions regarding California land titles struck a responsive chord in the mind of Franklin D. Roosevelt at that time.

It is true that W. S. Summers, one of Mr. Wheeler's lawyers in California, was convicted of evading the income tax to an amount of some \$200, I believe, and upon being sentenced was admonished by the court not to have anything further to do with the protection of his client's interests in connection with the homesteading of these lands in California. Is it customary for the court to forbid an attorney to protect his client's interests? And what has this to do with Mr. Wheeler or the question involved in H.R. 8496? This is a far cry from the evasions of income tax by the big racketeers who are opposed to the homestead movement in California.

It is true that Mr. Wheeler and a group of responsible, influential business men of California in 1931 organized the

homesteaders into mutual protection associations to carry on the contest to acquire their homesteads, partly as a result of letters they received at that time from Senators NyE and GEORGE, and others. The letter from Senator GEORGE perhaps indicated to the minds of Mr. Wheeler and his associates that a compromise settlement might be worked out to benefit the homesteaders. Thereupon Mr. Wheeler and several other homesteaders proceeded with their organizations and retained the services of several new lawyers in addition to their previous counsel (Mr. Summers) and have acted upon the advice of these lawyers. They filed certain civil actions in the Federal courts of California to protect their rights. Is this indication of fraud? Mr. Wheeler acted in the capacity of secretary or business manager without any salary or commission, using only such funds as were necessary for his personal and traveling expenses, and so forth. Does this indicate fraud? The question arises, Mr. Speaker, wherein was there any fraud, scheme to defraud, or possible intent to defraud, in acting under legal advice to protect their interests? In this connection we ask. Who are the racketeers in California, anyway?

Mr. Wheeler has assured the gentleman from Pennsylvania [Mr. EDMONDS] that he was anxious to submit to the Public Lands Committee of this House certified Federal court records, and other similar evidence, to prove the necessity for and the advantages of H.R. 8495 and H.R. 8496, from which the Government, the present landholders, the title abstract companies, and the California homesteaders, would all derive a fair and equitable benefit. Perhaps a hearing will show who are the real racketeers in California, and expose their conspiracy against the California homesteaders and the Government, in which our courts, as well as the Interior and Justice Departments have been wrongfully used to persecute innocent citizens who had the courage to demand their rights under the law of the land to homestead 160 acres of unappropriated public land.

This brings up the question as to just what is "unappropriated public land." We quote from the Digest of Decisions of the Interior Department, 1913, page 505:

Par. 122. Circulars of April 5 and July 19, 1883.-1-683, 684; 2-640.

Par. 123. Circular of January 18, 1907, under act of February 25, 1885, relating to unlawful occupancy.—36-142.

Par. 124. It is illegal to fence a large tract of public land and to

attempt to exclude settlers from it.—2-178; 4-392.

Par. 125. Persons desiring to become bona fide settlers may tear down the fences illegally surrounding such tracts.—2-638.

Par. 126. Injunctions will lie in the courts for unlawfully fencing

the public lands.—2-798.

Par. 127. The enclosure of any portion of, is illegal unless made with a bona fide intent to claim the same under the public-land laws .- 13-702.

Par. 128. An illegal enclosure is no bar to the acquisition of a settlement right.—13-702.

Par. 129. Unauthorized enclosure is not an appropriation under which any right can be secured .- 29-363.

These cases in California come within the meaning of the above decisions. It is certain that no Government and no political party can long survive that does not clean up this outrageous situation in California, especially when the public becomes aroused to the facts, as is the case now.

SOURCE OF TITLE

The speech of the gentleman from California [Mr. Evans] on the floor of the House April 26, 1934, tended to convey the impression that the United States Supreme Court had upheld all California land titles. However, the court stated that, if the parties claiming such lands had any title at all its source was either Spain or Mexico, and not the United States. (See United States v. Moreno.) The court also decreed that unless an alleged or "duly asserted" grant was properly recorded in the archives of Mexico it would not be valid nor would a claim of title be valid based only on a "duly asserted" but unrecorded Mexican grant. Nor could such claim of title prevent a homestead entry in any such grant. Then it is evident that H.R. 8496 is vital to the best interests of the majority of the citizens of California, as well as investors who reside in Pennsylvania or any other place. The following article is from the same newspaper from which the gentleman from California recently quoted

the vicious charges against Mr. Wheeler and his associates, who today are persecuted for believing and printing the same things the Times printed in 1895:

[From the Los Angeles Times, Feb. 22, 1895]

CALIFORNIA LAND SURVEYS-ARGUMENT FOR THE TORRENS SYSTEM

In the several articles that have been published upon the Torrens land-transfer system, and its application to California lands, the following points have been developed:

First. Frauds were committed by the United States officials in patenting lands for which there was no basis of title from the Mexican Government.

Second. The interests of heirs and other third parties which were expressly excepted from the operation of the patents have for the most part not been adjudicated.

Third. Surveys were extended to include lands that were outside of those confirmed by the commission and the courts. The aggregate of these improperly included lands in Southern California is estimated to be not less than 850,000 acres.

the claimants themselves never asked for. Their wrongful inclusion in the survey was the act of the surveyor.

Fourth. The decrees of the commission and the courts vested whatever title the United States had in and to certain specified tracts of land, defined by certain boundaries, but in making the survey for the patent other and different lands were frequently

Fifth. Different sets of monuments have been placed upon the ground purporting to mark the same station or corner.

Conveyances have been and are continually being made in which lands are described by monuments and stations of Government surveys, some of which have never been in existence, and ernment surveys, some of which have never been in existence, and some of which have been moved by private parties from their original positions to different and distant places. One of the effects of this shifting of monuments was to cause error in the work of surveyors in subdividing Government lands adjoining rancho lines. The surveyor making the subdivision surveys found the monuments in different positions from those reported in the survey of the rancho lines but did not ston to except here there. survey of the rancho lines, but did not stop to ascertain how they came to be so. He reported them as he found them, and his report was approved. By this means new lines, as they now appear upon the township plats, were established, and these new lines ecome the official boundaries of the ranchos and take the place of those defined in the patent. As the subdivision surveyor was not permitted to go outside of the township he was instructed to not permitted to go outside of the township he was instructed to survey, the effect of his work was to inject one or more new lines into the patent description of the ranchos, and thus to create errors in them which are greater than those that in the laws and instructions governing patent surveys are termed "permissible errors of misclosure", and errors greater than these would invalidate the patent survey. As the subdivisions adjoining the ranchos as defined by these new lines have been patented, it follows that there are conflicts between these and the rancho patents. To searchers of titles thereabouts, these conflicts seem never to have been known known.

Seventh. Under the statutes it requires 5 years' consecutive payment of taxes to give title by possession. But in many cases taxes are being paid in whole or in part, on lands other than those in possession, thus defeating the acquisition of title by possession. possession.

Mr. Speaker, does this sound like the subject was res judicata in 1895? Certainly not, and it is not res judicata now and never will be until it is settled right by an act of Congress. Public policy demands it. This question of public policy is a pertinent one at this time, and is one of the reasons why the California homesteaders decided to sponsor legislation to settle this land-title question in California, after consulting with several reliable lawyers on the subject in order to be sure of their rights and how to protect them.

Mr. Wheeler was indicted, convicted, and sentenced to 5 years in prison for the crime of depending on such legalopinions and proceeding in accord therewith. Is this justice? I think not. In fact, it will only add fuel to the fires of public distrust of our Federal Government unless it is promptly corrected. I understand Mr. Wheeler is very confident the higher courts will reverse his conviction and also that the civil cases instituted by his lawyers will eventually be decided in line with the many precedents as shown in this list of cases which I wish to insert in the RECORD at this time. This will give the California homesteaders the land itself unless Congress acts to protect the present "record owners" through H.R. 8496 or some similar relief.

For the information of those gentlemen of the House who really desire to know whether or not the courts have considered the subject matter of these bills a racket, or res judicata, and so that the Members may have before them the dictum of the courts on this question, I wish to insert in the RECORD the following list of court decisions dealing with this question both pro and con.

In some of the following cases Mexican titles were held to | be valid on the evidence presented; some were held to be invalid:

United States v. Sutter, 21 H. 170; Gonzales v. United States, 22 H. 161; U.S. v. Pacheco, ibid. 225; U.S. v. DeHaro, ibid. 293; U.S. v. Alviso, 23 H. 318; U.S. v. Castellero, ibid. 464; U.S. v. Berreyess, ibid. 499; U.S. v. Vallejo, 1 Bl. 283; U.S. v. Moreno, 1 Wall. 400; U.S. v. Yorba, ibid. 412; Rodreguez v. United States, ibid. 582; U.S. v. Yount, Hoff L.Cas. 49; U.S. v. Bernal, ibid. 50; Mesa v. U.S., ibid. 66; Feliz v. U.S., ibid. 69; U.S. v. Greer, ibid. 72; Castro v. U.S., ibid. 72; U.S. v. Sunal, ibid. 74; U.S. v. Reid, ibid. 72; Castro v. U.S., ibid. 75; U.S. v. Amador, ibid. 76; U.S. v. Murphy, ibid. 77; U.S. v. Horrell, ibid. 78; U.S. v. Pacheco, ibid. 79; U.S. v. Thompson, ibid. 79; U.S. v. Page, ibid. 80; U.S. v. Murphy, ibid. 81; U.S. v. Thomes, ibid. 82; U.S. v. Rodriguez, ibid. 82; U.S. v. Thomes, ibid. 83; U.S. v. Wilson, ibid. 84; Brackett v. U.S., ibid. 84; Cambuston, ibid. 86; U.S. v. Dana, ibid. 87; Dana v. U.S., ibid. 87; U.S. v. Thomes, 1bid. 82; U.S. v. Rodriguez, 1bid. 82; U.S. v. Thomes, 1bid. 83; U.S. v. Wilson, 1bid. 84; Brackett v. U.S., 1bid. 84; U.S. v. Cambuston, 1bid. 86; U.S. v. Dana, 1bid. 87; Dana v. U.S., 1bid. 87; U.S. v. Peralta, 1bid. 89; U.S. v. Cazares, 1bid. 90; U.S. v. Bale, 1bid. 92; U.S. v. Guerrero, 1bid. 94; U.S. v. Carrillo, 1bid. 96; U.S. v. Palomares, 1bid. 97; DeZaldo v. U.S., 1bid. 98; U.S. v. Berneysa, 1bid. 99; U.S. v. Bernal, 1bid. 99; U.S. v. Cooper, 1bid. 101; U.S. v. Moraga, 1bid. 103; United States v. Castro, 1bid. 105; Grimes v. U.S., 1bid. 107; U.S. v. Boggs, 1bid. 109; U.S. v. Sunol, 1bid. 110; U.S. v. Briones, 1bid. 111; U.S. v. Leese, 1bid. 124; U.S. v. Castro, 1bid. 125; U.S. v. Throckmorton, 98 U.S. 61; U.S. v. Arredondo, 6 Pet. 709, 8 L.Ed. 574; U.S. v. Reid, 1bid. 129; U.S. v. Ortega, 1bid. 135; U.S. v. Grimes, 1bid. 137; U.S. v. Payson, 1bid. 138; U.S. v. Bernal, 1bid. 139; U.S. v. Pope, 1bid. 141; Martin v. U.S., 1bid. 146; U.S. v. Stevenson, 1bid. 156; U.S. v. Rico, 1bid. 161; U.S. v. Rodriguez, 1bid. 170; U.S. v. Sheldon, 1bid. 171; U.S. v. Pico, 1bid. 172; McKee v. U.S., 1bid. 173; Vallejo v. U.S., 1bid. 174; Rodriguez v. U.S., 1bid. 175; U.S. v. Alvisa, 1bid. 176; U.S. v. Soto, 1bid. 177; U.S. v. Sota, 1bid. 182.

The following cases were held to be invalid claims to Mexican land grants, and the lands in some cases were homesteaded as is being done now:

homesteaded as is being done now:

United States v. Sutter, 21 H. 171; U.S. v. Nye, ibid. 408; U.S. v. Bassett, ibid. 412, Hoff.L.Cas. 112; U.S. v. Calbraith, 22 Hoff. 89; U.S. v. Teschmaker, ibid. 392; U.S. v. Pico, 22 H. 406; U.S. v. Vallejo, 22 H. 416, Hoff.L.Cas. 188; Fuentes v. U.S., 22 H. 423; U.S. v. Bennitz, 23 H. 255, Hoff.L.Cas. 104; U.S. v. Rose, 23 H. 262, Hoff.L.Cas. 197; U.S. v. Osio, 23 H. 273, Hoff.L.Cas. 100; U.S. v. Pico, 23 H. 321, Hoff.L.Cas. 279; U.S. v. Bolton, 23 H. 341; U.S. v. Murphy, ibid, 476, Hoff.L.Cas. 154; Luco v U.S., 23 H. 515, Hoff.L.Cas. 345; Palmer v. U.S., 24 H. 125; U.S. v. Chana, 24 H. 131; U.S. v. Castro, 24 H. 346; U.S. v. Hensley, I Bl. 35; U.S. v. McKnight, ibid. 227; U.S. v. Neleigh, ibid. 298; U.S. v. Vallejo, ibid. 541; U.S. v. Castillero, 2 Bl. 17; U.S. v. Galbraith, ibid. 394; U.S. v. Chaboya, ibid. 593; White v. U.S., 1 Wall. 600; U.S. v. Workman, ibid. 754; U.S. v. Jones, ibid. 766; Swat v. U.S., Hoff.L.Cas. 231; Palmer v. U.S., ibid. 249; Redman v. U.S., ibid. 305; Larkin v. U.S., ibid. 313; Little v. U.S., ibid. 325; U.S. v. Limantour, ibid. 389; Fuentes v. U.S., 22 Led. 443.

See also Lindsay v. Miller, 6 Pet. 66; Gibson v Chautteau, 13 Wall 92, 199, Pac. 688, 209 Pac. 900; U.S. v. Throckmorton, 98 U.S. 61; U.S. v. Arredondo, 6 Pet. 709, 8. Led. 574.

61; U.S. v. Arredondo, 6 Pet. 709, 8. L.ed. 574

The above decisions substantiate the contentions of the California homesteaders, and a mere attitude of contempt for the law and these decisions will benefit no one, for the truth will out, and the California homesteaders will increase their efforts until justice is accorded them.

Mr. Speaker, in connection with this matter, I quote two letters addressed to Mr. H. N. Wheeler, Los Angeles, Calif., dated March 3, and May 28, 1932, by Hon. Franklin D. Roosevelt, then Governor of the State of New York, as follows:

> STATE OF NEW YORK, EXECUTIVE CHAMBER, Albany, March 3, 1932.

Mr. H. N. WHEELER

H. N. Wheeler, Esq., Citizens Land Association, 1209 Broadway,

Arcade Building, Los Angeles, Calif. My Dear Mr. Wheeler: I have your letter of February 23 and I suppose the easiest thing to do is to be perfectly frank with you and tell you that I know practically nothing about pending questions affecting the rights of citizens who have filed homesteads on tions affecting the rights of citizens who have filed homesteads on the public domain. I have had nothing to do with the question of the public domain since I was in the Navy Department many years ago. I do not know what the present situation is. All I can tell you is this: That if the United States Government encouraged citizens to file by holding out that they would secure good title, I should say there is a moral obligation in the Government to get them a good title.

Very sincerely yours,

FRANKLIN D. POSSERIE.

FRANKLIN D. ROOSEVELT.

STATE OF NEW YORK, EXECUTIVE CHAMBER, Albany, May 28, 1932.

e from a casual glance that this contains much interesting material and I am planning to study it more thoroughly as soon as I catch up with the mass of detail which I find awaiting me on my return to Albany. Let me also assure you that I appreciate your friendly comments on my last letter and your good wishes for the future.

Yours very sincerely.

FRANKLIN D. ROOSEVELT.

#### A WAY OUT FOR THE FARMER

Mr. MARTIN of Colorado. Mr. Speaker, in the campaign of 2 years ago I issued a campaign pamphlet bearing the following statement:

This country is mortgaged for more than it would bring under the hammer. We slave merely to pay the interest. Can the prin-cipal ever be paid? It is becoming recognized that Europe can never pay. Look closer home.

As originally written, the above question was an affirmation, the bald statement that "the principal can never be paid." The advice of a judicious friend was responsible for the change.

The question has been answered. The answer has been written into the legislation of the Seventy-third Congress. The answer is a legislative recognition of the fact that these debts can never be paid.

The legislation provides a way out, embodied in a number of acts of the Seventy-third Congress. These acts all have the same grim caption: "An act to amend an act entitled 'An act to establish a uniform system of bankruptcy throughout the United States."

The Seventy-third Congress has passed acts to enable all the corporations in the United States, all the railroads in the United States, and all the municipalities in the United States to go through bankruptcy, to scale down their debts to a figure which may possibly be paid.

The Congress at the special session also passed an act to enable farmers to avail themselves of the bankruptcy laws. It was recognized that agriculture, having become impoverished through low prices in the so-called "prosperous era" prior to the panic of 1929, could not possibly be expected to pull out under the era of no prices which has prevailed since 1929, a process which has doubled or trebled what the farmer owes when measured by the price he gets for what he sells. But the act of 1933 required groups of farmers to join in bankruptcy petitions, and was found to be too cumbersome and has afforded no relief.

The bill before the House known as the "Frazier-Lemke bill" boils it down to the individual farmer. He can go through on his own. If he cannot go through because of refusal of creditors to accept the appraisals on his property and the corresponding scale down of his debts, he can get a 5-year moratorium on his debts and remain on the land for 5 years under a payment of reasonable rental, sharing meanwhile the common hope that by the end of 5 years we will be over the hill.

As one of the 145 Members of the House who signed the discharge petition on the Frazier-Lemke bill to refinance the farm-mortgage indebtedness of the country under the amortization plan at 3-percent payment of principal and interest per annum, I am glad to support and vote for this bill. It is by far the most beneficial farm-relief legislation to be passed by the Seventy-third Congress. It is essential if we are to prevent hundreds of thousands of farmers from being dispossessed of their homes or remaining on them by sufferance as tenants of the mortgagees. God save America from a farm tenantry. This would be the outstanding tragedy of American history. The tenant system is an ancient, inherited curse in any country. In this country it would mark our decline to the low standard of the Old World; it would be America on the down grade.

The Chairman of the Committee on Agriculture, the very able and clear-headed chairman of the committee, a man whose mind and heart are both right, Mr. Marvin Jones, of Texas, has made a statement concerning this bill which deserves to be brought to the attention of every farmer in the United States. Mr. Jones said:

It is a well-thought-out bill \* \* Someone who knows his business drafted the bill.

Citizens Land Association, 1209 Broadway,
Arcade Building, Los Angeles, Calif.

Dear Mr. Wheeler: Just a line to thank you for sending me your booklet entitled "The Betrayers of the United States." I can tative Lemke, of North Dakota, have been the outstanding

leaders on farm legislation in the Seventy-third Congress. The bill has the endorsement of the Farmers' Union and other farm organizations. Unquestionably its provisions will be availed of, especially in the hard-pressed agricultural States of the West. It will stay the hand of the executioner. It will give the farmer a chance to catch up. I have voted in this Congress for every bill designed to aid agriculture, and I am glad in the closing hours of the Congress to have the opportunity to vote for this bill.

### LEGISLATION OF THE SEVENTY-THIRD CONGRESS

Mr. CROWE. Mr. Speaker, the Seventy-third Congress, including the special and the regular sessions, is one of the most important in the Nation's history. A tremendous amount of legislation changing much of the outgrown old order was necessary. We have changed from the oxcart and other modes of travel, which had been used for 2,000 years or more, to the automobile and airplane, but the same routine prevailed in government in many instances as had obtained for many years past.

The greatest signs of the break-down occurred in October 1929. The spiral continued downward until on March 4, 1933, when darkest gloom hung like a pall over the entire Nation. At this time a new leader appeared on the scene. It was the bright hope of the Nation and the world. Chaos abounded everywhere. Fourteen million unemployed. Thirty million farmers almost without exception in sorest straits. Practically all banks closed, and if the old order had continued longer, no one knows what might have happened in the Nation. A new deal was ushered in. Some carping critics, complaining, say that rugged individualism is being destroyed. My answer is, rugged individualism was practically destroyed, but under the new deal it is being again brought to play; and it is hoped, and the intention is, that young America can again bring into play its rugged individualism and receive the fruits of its labor.

The Seventy-third Congress will go down in history as the most active in American history. It has voted tremendous powers to the President. It has approved legislation so sweeping as to make a new course for the country. The House, while following the leadership of the President, nevertheless, on occasion, asserted its own rights; but for the most part, and very largely is it true, the wishes of the Chief Executive were granted. These wishes were, for the most part, desired by the American people.

The program of the White House was not alone adhered to by the Democratic Members of the Congress. Many Republican Members, putting country above party and above self, loyally supported many of the new-deal policies. Many of them, when returned to Congress this fall, as those Members in many cases will be, will no doubt continue to follow the leadership of the White House.

So much legislation in the interest of the public good, in the interest of business, in the interest of labor, in the interest of the farmer, the home owner, and in fact in the interest of the masses has been enacted that I will not attempt to go into detail on any of it, but in passing touch only a part of it.

Since unemployment was such a menace, elimination of sweatshops and child labor under the N.R.A. is one measure that comes in for a lot of credit. We cannot expect to have prosperity in this Nation with sweatshop labor paying only a minimum of what is necessary to sustain life and afford at least some few comforts of life. We cannot expect prosperity with small children working in factories, doing the work of a grown person of mature years, and yet receiving only a small pittance and in many cases only a few cents a day, the child taking the place of an adult, displacing labor and destroying the life and crushing the heart and soul of the child. This administration is worth its existence for that one act alone.

# BANK INSURANCE

Banking laws have been greatly amended and approved. One of the most helpful things, particularly to the common, plain people, is the Federal Deposit Insurance Corporation, which has just been extended for an additional year, providing for insurance of \$5,000 of bank deposits.

#### C.W.A.-P.W.A.

This administration struck out and charted a new course by its relief—its Civil Works and Public Works. Millions that were and had been in a starving condition for months and even years were given something to do and remunerated for same, thereby taking them off the direct dole. This also put money in circulation with which to help start the wheels of industry.

#### REGULATION OF SECURITIES

The National Securities Act and the stock-exchange laws are of much more value to the American people than many think. When you consider that billions of dollars have been extracted from the American investor, you realize the need of drastic yet fair and equitable laws along this line. When you consider that thousands, even millions, of widows and orphans, old men and women, helpless people, have been robbed of their life savings with worthless securities distributed through international bankers and bank exchanges onto a gullible public, it is time that such activities be curbed with and by drastic legislation. According to the Department of Commerce, between the years 1922 and 1932, \$25,000,000,000 worth of securities were sold to the American investor which were worthless at the time they were sold. Understand, this amount did not prove to be worthless later on, but were worthless when sold-this according to the Department of Commerce, Washington,

#### FARM RELIEF

More farm-relief agencies have been created and real relief to farmers and legislation in their interest have been enacted in this Congress than in all preceding Congresses. It takes some time for this relief to take effect to its fullest extent, but it is getting well started, and as the months go by conditions among the farmers will continue to improve.

# RAILROAD LABOR ACT

The Railroad Labor Act and other legislation of interest to railroad workmen are great accomplishments of this session of Congress. A pension to railroaders is one of the most needful things in this country, for after a railroad employee has worked at that line of work for 30 or more years he is entirely unfitted for any other line of work.

# HOME LOAN CORPORATION

The Home Owners' Loan Corporation is doing a job and saving millions of homes. The reduction of interest was imperative. Lower rates of interest, I believe, will be had in future Congresses. The interest rates for both home owners and farmers have reached the breaking point, and in reality are nothing more than usurious. Accordingly, future reductions in the interest rates must be had if we are to secure and maintain a prosperous Nation.

# LOANS TO INDUSTRIES

Another of the most important things of this session of Congress was the bill affording loans direct to industry. Under the R.F.C., large institutions, such as life-insurance companies, railroad companies, and banks, could secure financial assistance, which has proved a great boon to the Nation. This did not reach the small manufacturer and the small industrialist, who prior to the break-down were able to go to the local bank to borrow. Since the stringency in the money market there has been no place for this class of industry to go. This class, it may be pointed out, is the small factory in your town, the woodworking plant, the brickyard, the tile factory, and what not of the dozens of different kinds of small factories in yours and other townsfactories which employ from a few men up to a few hundred men, or maybe a few thousand men. Local banks have been compelled to call on these institutions to liquidate their loans. They took from them their working capital, and there was no place for them to go to secure assistance. Under the bill authorizing loans to industry, these small industrialists, thousands of them who have good, ample security and who have valuable assets, will be able to borrow money for working capital with which to operate their plants. This money, at least 80 percent of it, will go into pay rolls for labor and will be one of the greatest boosts to the return of prosperity to the country of any one of the | do their duty as they saw it, and joined to help bring a relief measures.

#### NATIONAL DEFENSE

The national defense of the country was not overlooked. Our Navy will be built to treaty limits and other lines of defense will be strengthened. It is stated by some of our best historians that the additional expense of \$500,000,000 a year for 10 years preceding the World War, making a total of \$5,000,000,000, would have put this Government in such strong position that our merchantmen and our ships of all kinds and nature would have commanded respect on the high seas, and we would not have been dragged into the World War. Our being dragged into the World War has cost and will have cost us before the last of the indebtedness has been paid, it is estimated, between fifty and a hundred billion dollars. That is to say, the cost-past, present, and future-of the World War will run some 10 to 20 times what it would have cost us to have had ample preparation. I say to the pacifist that none of us want war-far from it-but as long as you have dangerous characters living on your street and in your neighborhood it is far better and safer to have some means of protection in your home in case of attack and to let the bad actor in your neighborhood know, if necessary, that you will protect your home and fireside, rather than advise him that you would not attempt to protect your household. Adequate preparedness will help this peace-loving Nation to stay out of war.

#### CRIME PREVENTION

Crime-prevention laws looking to the wiping out of the great menace of kidnaping and bank banditry are a great step in the right direction. Another step which should be taken and will be taken is more drastic and stringent laws against alien law violators. The alien, the man who comes to this country and does not become an American citizen and who is a known gunman, racketeer, and bandit should be, as soon as caught, either placed behind bars for life or, if his crime is such as to warrant it, be given the death penalty. If it is not possible to do either of the above, then he should be forthwith deported. Laws along that line need to be stringent to rid ourselves of the undesirable aliens.

Only Finland of the foreign nations which owe us seemed to have integrity, honor, and honesty. Fourteen other nations defaulted with impunity. The Johnson Act is an act worth more than passing notice. That act bars any person in this country from lending any money to those countries under heavy penalties. Furthermore, Congress does not intend that any one of the defaulting countries use a promise to pay as bait in negotiations under the new tariff-bargaining law. One section reads: "Nothing in this act shall be construed to give any authority to compel or reduce in any manner any of the indebtedness of any foreign country to the United States." Furthermore, the President has been given authority under the tariff law to negotiate trade agreements with foreign countries for a period of 3 years. Europe has always gotten the best of the deal when any activities or programs were being worked out between Europe and the United States.

It is pointed out that our trade with Europe during the past 35 years has netted us some \$22,000,000,000 of I O U's from Europe. In other words, it seems that Europe will buy our surplus, if we will furnish them the money to pay for it. The United States should clamp down further on Europe than they already have and should make it an outand-out clean-cut business proposition, just like a merchant or banker would do. Put business into it. If no pay, no merchandise. If they will not pay their debts, refuse them credit. Make it a real business proposition.

As President Roosevelt says, "We are on our way", and much progress in recovery is already to be seen, and it is expected it will grow as the weeks and months go by. President Roosevelt is a great leader. The Seventy-third Congress was a great Congress. It was a Congress of people who worked, who figuratively put their shoulders to the wheel to help push the ship of state, and almost without exception the Members of both branches of Congress were anxious to return of prosperity and to promote the welfare of the

# RECOVERY WITH ROOSEVELT

Mr. ROGERS of Oklahoma. Mr. Speaker, under leave to extend my remarks I include a radio address to be delivered by me, on invitation of the National Broadcasting Co., over a Nation-wide hook-up Thursday evening, June 21, 1934. In presenting me to the radio audience the N.B.C. announcer shall explain that I am serving my first term in Congress; that I am Congressman at large, representing the great State of Oklahoma, and that my home address is Oklahoma City; that I am a school teacher by profession and that in addition to making frequent lectures and radio addresses I write a column for 200 daily and weekly Oklahoma newspapers.

The radio address follows:

Good evening, my fellow Americans. We have completed the work of the Seventy-third Congress, in many respects the most important in the history of American Government. Much constructive legislation was enacted in the special session held during the early months of 1933, and a great deal more was added in the session that has now drawn to a close. Material aid has been extended for the relief of millions of our fellow citizens. We extended for the relief of millions of our fellow citizens. We have lifted industry and agriculture from a condition of utter prostration. We have started on the road to recovery. The special session, lasting just 100 days, saw the beginning of the reconstruction, that must come if we are to avoid the destructive influences of the past. The work of the Seventy-third Congress was possible because of the close cooperation between the administration and the majority party of Congress, for all during both sessions "they stood every man in his place round about the camp and the enemy ran and cried and fled." You recall the basis for this Scripture just quoted. The children of Israel became so sinful that Jehovah allowed the Midianites, the Amalekites, and the people of the East to invade, conquer, and oppress His chosen people. For 7 years the Israelites were reduced to the greatest straits. They left their homes and fled for refuge to dens or holes which they cut out of the mountains, or to the limestone holes which they cut out of the mountains, or to the limestone caves found all over Palestine. Serious havoc was wrought by the invading Midianites. The children of Israel were in dire caves found all over Palestine. Serious havoc was wrought by the invading Midianites. The children of Israel were in dire plight. They were under bondage of a relentless enemy because of their own sins, disobedience, and idolatry. And then God called Gideon to deliver his people. An army was gathered together and sifted. Three hundred chosen men faced 135,000 soldiers, and with faith and confidence they routed the multitude and freed their sounds of the hated snews because the 300 stood "every because th their country of the hated enemy because the 300 stood "every man in his place round about the camp and the enemy ran and cried and fied." When that 100 days' session of the Seventy-third Congress convened we were under bondage. We were in the hands of an enemy as relentless, as void of mercy, and as destructive as the enemy that harassed the children of Israel.

We were in the midst of the most terrible depression the American people had ever known.

Our domestic trade was stagnant, our foreign commerce paralyzed, our factories were closed, our mines were shut down, and 10,000,000 idle men and women, who were willing, able, and anxious to work, were out of employment.

This condition existed with our land teeming with abundance, with more corn, more wheat, more cotton, more manufactured articles—more of almost everything necessary to sustain human life and contribute to human comforts than was ever known before in all the history of mankind, yet bread lines were stretching down the streets of our cities; men, women, and children from the best families of our country were forced to eat the bread of charity or beg from door to door—people who will not get the chill of humiliation out of their blood for two or three generations.

Our farmers, forted to sell their crops below the cost of produc-

Our farmers, forted to sell their crops below the cost of production, corn for less than one-fourth its normal value, cotton for less than one-third, and wheat for the lowest figure in 500 years, saw their lands and stocks swept away for debts and their homes sold for taxes—debts that were contracted and taxes that were levied when their crops were bringing normal value, and which they had a moral right to pay with the same price dollars used at the time these obligations were incurred.

The depression was brought about and was being prolonged by a contraction of the currency, resulting in a violent contraction of credits which slowed almost to a standstill the circulation of the currency, instilled fear into our people, encouraged hoarding of money, and drove commodity prices to ruinous low levels.

A reasonable, limited, controlled expansion of the currency was necessary to break the panic or relieve the depression, raise commodity prices, restore the purchasing power of our farmers, start our factories, melt our bread lines, relieve unemployment, stimulate transportation, discourage hoarding, reexpand credits, restore price levels, and bring prosperity to the American people.

A great national emergency existed requiring immediate action

and the restoration of national prices and productive income, restoration of the purchasing power of our people, both agricultural and industrial, and the return to normal of the revenues of the United States Government as the true and best path to a balanced Budget.

This, ladies and gentlemen, was the condition that confronted the American people on the 4th of March 1933 when the administration of our Government passed from the hands of one of our great political parties into the hands of the other. Even before the inauguration, before the passing of one President and the birth of another, thousands of our banks, representing every section of our country, were forced to close their doors, and while the new President was taking the oath of office rumblings of a call for a special session of Congress could be heard. It was freely predicted that we would convene within the week. The situation at the Nation's Capital was tense, the conditions at home were tragic.

I stood in Statuary Hall as the President-elect marched from the Senate Chamber to the platform prepared for the inauguration ceremonies that were to take place at the east entrance of the ceremonies that were to take place at the east entrance of the Capitol, and as he passed, sober, resolute, determined, yet with a kindly smile of sympathy and understanding on his face, a woman near me breathed aloud this prayer, "Oh, God, you have sent us a Gideon to deliver us; don't let anything happen to him." And I remembered the maniac that had snuffed out the life of Mayor Cermak, of Chicago, in an effort to slay the President-elect, and then I remembered that three of our Presidents had been slain by assassins' bullets; then I saw again the faces of the two men who sat in the front of the Senate Chamber while the new Vice President was taking the oath of office, and I observed the hollow eyes, the sallow complexion, the sunken cheeks, the expression of disappointment, discouragement, and defeat of the retiring sion of disappointment, discouragement, and defeat of the retiring President, and I was struck with the total despondency and inability he exhibited in the face of the greatest crisis our country had ever known. And then I had studied the face of the new leader, and I was impressed with the firm, determined, resolute expression—a face, a figure, an air of radiance, reliance, sympathy, understanding, and ability—and I was ready to say "Amen" to the woman's prayer that no harm come to this man who was

soon to become President of the greatest nation on earth.

The inaugural address—short, concise, impressive—raised the confidence of the people in themselves, their country, and their

All banks were speedily ordered closed, the Congress was called into special session on March 9, 1933. Both Houses were immediately organized, and a bill to relieve the financial crisis by prodiately organized, and a bill to relieve the inflancial crisis by providing for the safe opening of banks was passed by the Congress and signed by the President at 8:30 p.m. the first day of the session. Within a few days a majority of the banks were open and business was resumed. From that time conditions have gradually improved. The administration has set a record for speed, both in the calling of that 100 days' session and in time consumed in passing important legislation that produced good

The pace set was never slackened, for within that 100 days a total of 82 bills and 11 joint resolutions passed both Houses of Congress and received the signature of the President. This is a

for an average of almost one every day.

Of the bills passed during the special session few are not classed as major propositions. These include: The banking bill, previously mentioned; the Reforestation Act, providing for the relief of un-employment through the performance of useful public works; the Farm Relief Act, embracing control of production of farm products, reduction and refinancing of farm mortgages, and the infla-tion amendment. Then came the Home Owners' Loan Act, pro-viding for refinancing of homes; the Federal Emergency Relief the securithe Muscle Shoals bill; the bank-guarantee law; ties bill; and last but not least the National Industrial Recovery Act. Time will not permit me to discuss these propositions here. You are more or less familiar with this legislation and with the results that have accrued because of its passage. The special session closed after 100 days of strenuous labor. The administration then brought into play the combined forces of the Govern-ment to make effective the legislation that had been enacted. The people gave wonderful cooperation. Everyone was interested. All were affected. The wisdom of the legislation that had been passed was tested in full. The administration had an enormous task to perform. The way the task was performed is a splendid justification for the confidence and responsibility reposed in the administration by the Congress

To some extent the fears of those who had objected to Congres To some extent the lears of those who had objected to Congress delegating enormous powers to the administration were allayed during the months following the closing of the special session, but some doubting Thomases and others who were unsympathetic with the new deal predicted that the close cooperation exhibited during the special session between the President and the majority party of the Congress would not be in evidence in the regular term. They forecast a stormy session, with much independence and stubbornness exhibited on the part of certain members and the loss of leadership by the President. Some even hinted of a coalition between blocs of Members of the two major All these fears proved groundless and their dire predic-

tions have come to naught.

During the regular session of the Seventy-third Congress, in addition to the appropriation bills, which are usually merely routine legislation, the following important measures were enacted:

An act providing for the establishment of a corporation for refinancing farm debts; a bill authorizing the continuation of the Reconstruction Finance Corporation; the currency measure devaluating the content of the gold dollar; the authorization for the construction of naval vessels to treaty limits; the Civil Works measure providing for relief of unemployment; a new revenue act;

the Bankhead cotton-control bill; the National Securities Exchange Act; an important amendment to the Tariff Act of 1930; and the national housing bill. These measures, added to those passed during the special session, form the basis upon which the new deal is founded.

Admittedly, many of the benefits of the legislation enacted during the Seventy-third Congress depended and still depend upon the administration of the various measures. In a program so enormous as was inaugurated early in March 1933 and continued to this good hour it is inevitable that some mistakes should be made in the administration of same. But we have every reason to believe that the careful attention to detail and the willingness to believe that the careful attention to detail and the whiningless to correct mistakes when they appear that have been in evidence since the inception of this administration will continue to be followed in carrying out the policies of the new deal, and it is exceedingly necessary that our people continue to give that wholehearted cooperation that has marked the inception of the program thus far. In no other way can our leaders continue to succeed in our fight against that relentless foe—"old man depression."

As privates in the Army do not and cannot envision the strategy of the commander in chief, and as a consequence should not criticize, from this same standpoint the American citizens should coordinate their activities and spontaneously support the President, with the urgent hope and prayer that in the interest of a better America he will break the shackles of the banking ring which has engulfed us and which increasingly envelops us, paying as we do at least one-fourth or more of our national income as interest tribute to the plutocrats of America.

With this thought in mind, and realizing that it is easier to criticize than to create, I cannot refrain from saying that in my humble opinion there still remained much remedial legislation that should have been enacted before the close of the recent session of Congress. Let me emphasize that the Seventy-third Congress should not have adjourned before its work was completed in its entirety. Many pending measures, sound in conception, did not receive proper consideration. Lack of time may ception, did not receive proper consideration. Lack of time may have prevented some important legislation from being enacted. Lack of adequate information may have caused some proposals to be deferred to a later date. Lack of support from the administration, in the Congress, or from the people may have hindered certain propositions that you or I may think should have been completed before the adjournment of the Seventy-third Congress. At the risk of being misunderstood, I cannot refrain from saying at this time that, as far as I am individually concerned, I think the Seventy-third Congress should have, before adjournment, enacted an old-age-pension law, passed the Frazier-Lemke farm bill and a measure providing cost of production for farm products, provided permanent Federal funds for education, remonetized silver, and recaptured the power to issue money and regulate the value thereof. regulate the value thereof.
Old-age pensions on a Nation-wide basis, with the Federal Gov-

Old-age pensions on a Nation-wide basis, with the Federal Government as the great provider, are becoming a topic of universal discussion and are meeting with national favor. The first lady, Mrs. Roosevelt, has long advocated security for the aged as a means of solving myriad social and economic problems, and the President has expressed his attitude in terms of approbation. We cannot long fail to realize that it is not only a privilege but a solving duty to be our brother's keeper.

solemn duty to be our brother's keeper.

The Frazier-Lemke bill, or some similar measure providing for low refinancing of farm mortgages, must sooner or later become law if the farmers of America are to continue to operate. It is inexcusable that our Government refuse loans to those engaged in tilling the soil on the same basis as those made to other groups of our citizens. Our farmers should also be guaranteed cost of production for all their products that are consumed in this country. Until agriculture has the same assurance that is given other industries our farmers will continue to operate at

a loss.

One of the most discreditable aspects of the depression from which the Nation is now emerging is the plight to which public education has been reduced. This is not the first depression from which the American people have suffered, but it is the first which has placed the whole public-school system of the country in jeopardy. In other dark times in our country's history "the people planned for enlarged, rather than restricted, public education", according to Dr. Edgar W. Knight. The recent national survey of school finance shows that one-third of the school children of this country are receiving inadequate instruction, that the depression school inflance shows that one-third of the school children of this country are receiving inadequate instruction, that the depression has endangered the standards for millions of others, and that expenditures for highways, waterways, and other governmental services have been far out of proportion to those for public schools. Closing of schools during the past year has deprived 100,000 children of educational opportunities. One-fourth of the cities have shortened their school terms, several hundred thousand certified public-school teachers are out of employment, and salaries are public-school teachers are out of employment, and salaries are going lower and lower. Having spent 15 years teaching school in my home State of Oklahoma, I have been vitally interested in everything affecting education. I am proud that I have had a part in securing almost one and one-half million dollars in Federal funds for aid of education in my State during the past school term. This emergency aid has been of inestimable value to the schools of the Nation, but it is imperative that the Federal Government provide permanent funds to aid in the education of the youth of this land if we are to continue to justify our democratic form of government. Public sentiment should demand that the Congress provide an annual appropriation of at least \$100,000,000 for aid of public schools. What this Nation needs is fewer politicians and more and better schools. Friends, the most important and fundamental question ever to face an American Congress was before us all through the recent session. It was, "Will silver be remonetized?" Gold monometallism has caused the greatest economic tragedy in world history. Its ghastly effects are even now before our very eyes. The result of the dislocation between money and commodities has brought about the paradox of want in the midst of plenty, privation and suffering, discouragements, unemployment, doubts and moral depression, all of which justify vigorous and immediate action, and render delay inexcusable once the corrective is found. The solution is the remonetization of silver. The most important question facing the American people today is, "Will silver be remonetized?" monetized?

The Constitution of the United States provides that Congress shall have the power to coin money and regulate the value thereof. We should recapture that power that has been delegated to the banks and we should stop issuing interest-bearing, tax-exempt securities to finance the various Federal projects. We should quit

trying to raise ourselves by our boot straps.

For these measures we must look to the future in the hope that whatever remained to be done when the Seventy-third Congress adjourned will be pushed forward to completion in the next session. Some mistakes have undoubtedly been made, some cor-rections will have to be made in the future, there will need to be some additions and some deductions, but in the main the new deal has brought order out of chaos and the American people face the future with faith and confidence, and if we will stand all in our places, round about the camp, the enemy will run and cry and fee.

Let us march forward and onward supporting the new deal with President Roosevelt, in the interest of all the peoples, and not a favored hereditary few. If we do this, the specter of unemployment, poverty, and greed will be supplanted by the Golden Rule rather than the rule of gold, which has so dismally en-

"And God said, Let there be light: and there was light."
Give the American people light, and they will find the way.

#### VETERANS' BENEFITS

Mr. PATMAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement, which was prepared for me, in regard to veterans' benefits:

The Independent Offices Appropriation Act for the fiscal year ending June 30, 1934 (H.R. 14458), was vetoed by President Hoover at the expiration of his term of office, March 3, 1933. Hoover at the expiration of his term of office, March 3, 1933. The veto of this measure paved the way for economy legislation pertaining to veterans' benefits. It was recognized that there were many persons on the compensation and pension rolls whose right to such benefits could not be justified. Although there may be sound arguments to the contrary, it is commonly agreed that the course pursued by the President in the introduction of the Economy Act, which was approved March 30, 1933, was a safe and sound method of laying the ground work for establishing a fair and equitable basis upon which to eliminate unjust groups and classes. President Rooseveit has assured the country that the action taken in connection with the Economy Act was based upon actual necessity, and that through the veterans' regulations and such legislation as would be found necessary, a more permanent and uniform policy with reference to veterans' relief could be established. The Government would then be furnishing relief to the proper groups and classes, depending upon their comparative entitlement, at rates established so that the highest possible tive entitlement, at rates established so that the highest possible amounts would be payable to war-time service-connected cases second to peace-time service-connected cases, and third to nonamounts would be payable to war-time service-connected cases, second to peace-time service-connected cases, and third to non-service-connected cases of war veterans and their dependents wherein the need for such relief is established. It was never the intention of President Roosevelt to give the service-connected cases other than the most fair and equitable treatment and it will be found that as to many groups he approved increases in the rates in effect prior to the Economy Act. Furthermore, as rapidly as it was determined that certain service-connected cases were affected by regulations, the necessary changes were made to grant the most liberal rates possible.

Based upon the laws pertaining to veterans in effect before the Economy Act, March 20, 1933, it was estimated that for the fiscal year ending June 30, 1934, \$945,988,000 would be needed. This cost included only expenditures for veterans' relief. Under the Economy Act is was estimated that \$485,988,000 would be required, representing a reduction in the appropriation of \$460,000,000, including \$50,000,000 for adjusted service certificate fund.

Immediately upon the promulgation of the first regulations the President requested immediate study of such regulations and their effects for the purpose of making liberalizations which could equitably be supported. In accordance with this policy he approved liberalizations in regulations of June 6, 1933, with an additional estimated annual cost of \$50,000,000. Again, on July 28, 1933, he placed into effect liberalizations, including some authorized by Congress June 16, 1933, which resulted in additional estimated annual cost of \$46,000,000. By regulation of January 2.

thorized by Congress June 16, 1933, which resulted in additional thorized by Congress othe 10, 1935, which resulted in additional estimated annual cost of \$46,000,000. By regulation of January 2, 1934, he perfected the appellate procedure without material change in the appropriation. January 19, 1934, he approved liberalizations, adding an estimated annual cost of \$21,000,000. His regulations of March 27, 1934, were in effect but 1 day, due to the enactment of the Independent Offices Appropriation Act, March 28, 1934. Under these regulations the estimated cost for the first year would have been approximately \$22,000,000. The additional cost for the short period—1 day—they were in effect was estimated

as \$123,100. It will, therefore, be seen that the President, subsequent to the Economy Act, put into effect liberalizations based upon careful studies amounting to \$117,000,000, not including the estimate of \$22,000,000. The Independent Offices Appropriation Act of March 28, 1934, provided for permanent liberalizations in connection with veterans' relief, at an estimated additional annual cost of \$83,000,000.

Although in principle the President has not favored the general extension of benefits to non-service-connected groups, he nevertheless considered the equity of certain cases and in his own regulations provided for pension for total disability not connected with service in needy cases of World War veterans. In addition pensions to Spanish-American War veterans and widows and children for non-service-connected conditions were authorized. This pension was granted because of the long period of time over which their rights were enjoyed under prior laws, but the rates were reduced to a level below service-connected rates. Further, he has given his approval to an act providing for benefits to widows and orphans of World War veterans who die or have died from causes orphans of World war veterans who die or have died from causes not connected with service, but where at the time of their death they were in receipt of or entitled to pension, compensation, or retirement pay for service-connected disabilities of 30 percent degree or more. This action was based upon the equity and justice of considering the plight of needy widows and children of World War veterans who, during the veteran's lifetime, had adjusted themselves to his service-connected monetary benefits from the Vederal Commenced and the veteran and the veteran connected monetary benefits from the Federal Government, and who, upon the death of the veteran from cause other than the service-connected disability, found no relief available from the Federal Government. This benefit is

limited to those who can meet income limitations.

Let us consider the matter of the enactment of veterans islation over the President's veto, March 28, 1934. It is well to remember that many of the principal acts over past years grant-ing veterans' benefits have violated what were then considered to sound fundamental objections in the mind of the President, and the Congress has in turn enacted the measure over the veto of the President. There is no unique situation in the history of the recent law of March 28, 1934, enacted over the President's veto, because, after all, the question was the extent to which the Government should go in expenditure of funds for veterans' relief, taking into consideration recognized standards of entitlement. It should be remembered that the President and administration leaders in the Congress offered liberalizations for considtration leaders in the Congress offered liberalizations for consideration, and the only reason for the action of the Congress was that they insisted upon permanent restoration of prior benefits with certain limitations, whereas the President frankly believed, particularly as to World War presumptive cases, that the restoration should be on a temporary basis until the basic entitlement could be determined. There was no profound difference in immediate cost between the most liberal proposals of the President and the administration leaders, and the law as finally enacted, as will be shown. will be shown.

It was the President's desire to liberalize with reference to both the World War and Spanish-American War veterans by reviewing presumptive World War cases and applying presumption of service connecton to Spanish-American War cases, providing for assistance by the Veterans' Administration in case of development, His regulations of March 27, 1934, would have continued the rates in effect on March 19, 1933, subject to 25-percent reduction, pending such review. Those cases which would be granted service connection under this review would have received the liberal wartime rates. The action of Congress, with certain limitations, retime rates. The action of Congress, with certain limitations, restored these cases to their prior entitlements on a permanent basis, except that the presumptive World War cases are restored at a 25-percent reduction. The Spanish-American War veterans restored by Congress may receive the benefits under prior laws, subject to 25-percent reduction. It will, therefore, be seen that the President's principle was a fundamental one, that is, not to throw aside the work done by special boards of review authorized by Congress in June 1933, but to give the veteran the benefit of a very careful review of his case by the Board of Veterans' Appeals and to determine service connection in as many cases as possible where such determination could be supported by the liberal prowhere such determination could be supported by the liberal provisions governing the review.

visions governing the review.

Further, before the veterans' regulations of March 27, 1934, there was proposed in the Senate a permanent restoration of pension to Spanish-American War veterans with 90 days' service, and their dependents, under the prior laws with a 25-percent reduction, which, with the review of World War cases, was estimated to create an additional annual cost of \$63,749,000. This proposal was introduced by Senator Byrnes, of South Carolina, and although not in strict accord with the President's program probably would have been approved by him. Approximately \$10,900,000 of this amount would have been temporary, pending final decision in World War cases, and would have been modified depending on warservice connections granted. There would have been no future claims adjudicated based upon World War statutory presumptions. The action of Congress, March 28, 1934, resulted in estimated additional cost of \$33,000,000, which was approximately \$20,000,000 in excess of Senator Byrness' proposal.

in excess of Senator Byrnes' proposal.

Many of the principles established by the Economy Act and the President have been confirmed by Congress in subsequent legislation. Some of these are: (1) The elevation of the rates for war-time, service-connected disability for Spanish-American War war-time, service-connected disability for opanish-Markettan war veterans to a level similar to that provided for World War veterans prior to the Economy Act. Under the prior laws the Spanish-American War veteran with service-connected, war-time disability could not receive in excess of \$125 per month. Under

the President's regulations he may receive as high as \$250 per (2) He provided a presumption of service connection by regulation of Spanish-American War veterans, which had never theretofore been granted. (3) Considering the plight of widows and children of Spanish-American War veterans whose death was in no way caused by military service, he provided a pension for them. (4) He has gone further than that—in June of this year by approving a pension for widows and children of deceased World War veterans who die or have died from non-service-connected conditions who at the time of their death were receiving or entitled to receive service-connected monetary benefits for a degree of disability of 30 percent or more. (5) He provided for reduction in monetary benefits of hospitalized veterans without dependents, with a provision for the payment of the difference between the reduced amount and the amount to which they were otherwise entitled to the wife, children, or dependent parents of such veterans, and Congress has uniformly confirmed this policy.

(6) He eliminated the World War disability allowance cases on the rolls for partial disability, but authorized the payment of pension in the amount of \$30 per month to World War veterans permanently and totally disabled and in need, and Congress has not altered this provision. (7) In order to limit the far-reaching veterans' hospital construction program with which the country was faced at the time President Roosevelt entered office, due to the liberal provisions for hospitalization of non-service-connected conditions, he restricted such entitlement within what were considered by him to be reasonable limits. The Congress has subsesidered by him to be reasonable limits. The Congress has subsequently liberalized the eligibility on two occasions, but the hospitalization is restricted to the limits of existing Veterans' Administration facilities. (8) The restriction of emergency officers' retirement pay to those with service connection based upon a causative factor arising out of line of duty has not been changed by the Congress. (9) Under the economy act and veterans' regulations willful-misconduct cases were denied benefits, and Congress confirmed this principle with the sole exception of the World War service-connected blind veterans. (10) The requirement of entry into or employment in the military or naval service prior to November 12, 1918, in order to be entitled to World War benefits as established under the economy act and the Presidenbenefits as established under the economy act and the Presidential regulations has been confirmed by the Congress. There are many other important provisions in the veterans' regulations not altered by congressional action.

The efforts of the President have been directed toward elimina-

tion of certain injustices and inequalities existing under prior laws, and in so doing his aim has been to develop sound funda-mental principles governing veterans' relief which may be used as the basis for permanent legislation in the future.

Under this policy a receptive attitude has been taken and the merits of proposals regarding groups or classes are thoroughly studied, and the action taken is based upon the most careful consideration of both sides of the question, and the changes thus far made clearly establish the profound sympathy of the President with the plight of needy veterans and their dependents and the desire to see that the highest possible rates are paid to the veterans and dependents of deceased veterans with service-connected conditions

and dependents of deceased veterans with service-connected conditions.

Viewing the present status of Spanish-American War veterans and their dependents and World War veterans and their dependents, including all benefits granted by the President and the Congress, we find many persons receiving the same benefits as they were receiving before the Economy Act, and in many instances receiving more than they were entitled under the laws in effect before the Economy Act. In fact, the Budget message of President Hoover, December 5, 1932, if carried out with reference to veterans, would have failed to grant what some veterans and their dependents are now receiving. By elevating the Spanish-American War rates to the World War level in service-connected cases, by granting needy World War widows pension under certain conditions, as heretofore stated, by extending other World War privileges and heretofore stated, by extending other World War privileges and rights to those who served prior to the World War, and by liberalizing as to the World War veterans, it can, indeed, be said that the war-disabled veterans and their dependents have benefited by the legislation and Presidential regulations approved since the advent of this present administration.

Mr. PEAVEY. Mr. Speaker, it is too early to estimate the good that will follow from the new deal or to appraise what evils, if any, may result from the legislation in the President's program.

I have supported that part of the new-deal program which appeared to be in the interests of the people of my district. I have opposed every proposal which I believed would injure them. I am willing to give President Roosevelt every chance and opportunity to rehabilitate the farmers, to restore business, and give jobs to the unemployed. I am not willing as a Progressive Republican to accept his leadership until he has demonstrated that his agricultural program is sound and that he really intends to secure for labor the freedom to organize and the right to bargain collectively. Practically all of the new-deal program to date is temporary. It was drawn and is being administered as relief to meet the emergency caused by the depression. It is a pro-

gram of emergency and as such can be terminated by the President overnight without the sanction or even the passage of an act of Congress.

Up to this moment the President has led his party on a dual course. Through the expenditure of stupendous sums he has through Administrator Hopkins in direct and other forms of Federal relief endeared himself to millions of our citizens. For this he has been termed a "liberal." During this same time he has ruthlessly cut the soldiers, his influence has defeated the soldiers' bonus, the Frazier bill, the McLeod bank pay off bill, and the whole labor program, while Mr. Farley has built up a Democratic machine as reactionary in character and kind as has ever been seen.

#### THE THIRD PARTY

The third-party movement in Wisconsin which has sprung up in the past 4 or 5 months has created much discussion. I have given it the best thought I can. I have discussed it with hundreds of liberals in Wisconsin, and I am convinced that to divide the liberal vote by such a movement will endanger further progress in passing liberal laws.

It is my sincere conviction that the greatest progress toward passing liberal laws can be made through electing progressives in both of the old parties. It is my belief that by purging the old parties of their reactionary leadership, by building up the progressive elements in both parties, thus forcing them to accept a liberal program, more good can be gained for the common people than by launching an untried third-party movement. In this opinion I believe I am on sound ground. The greatest progressive in generations, the late Senator La Follette, from whose philosophy I have gained my political convictions, wrote about third-party movements in the closing years of his life as follows:

It was clear to me that the highest obligation of real progressive Republicans in every State was to maintain their organization and continue to fight within the lines of the Republican Party and continue to fight within the lines of the Republican Party for progressive principles, policies, and candidates. I felt that no aid or encouragement should be given to a third-party plan to divide the progressive vote and destroy the progressive Republican movement; that no break should be permitted in the progressive ranks which would endanger the election of any true progressive Republican anywhere; that every effort should be put forth to increase the number of thorough-going progressive Republicans. to increase the number of thorough-going progressive Republicans in the United States Senate and the House of Representatives; that the election of a strong body of progressive Republicans in both branches of Congress might enable them to hold the balance of power in legislation; that that balance would serve as a check upon any President, if reactionary, and if progressive, would aid him to wring from reactionary opposition in both Houses legislation to protect public interest.

There was every reason for conserving the progressive Republican organization.

lican organization.

Years before in Wisconsin we had precisely the same condition,

Years before in Wisconsin we had precisely the same condition, the Republican Party, with the mass of its membership ready for progressive legislation, and a leadership bound to the service of special interests. We forced the retirement of the reactionary leaders and made the Republican Party the best possible instrument for achieving representative government.

I believed we could do nationally with the Republican Party what we did with it in Wisconsin. I still believe so. Within a few years such progress has been made in this direction as to justify that belief. It is my conviction that this will sooner bring government back to the people than will be done through the medium of a new and untried party organization. This was most emphatically true when that new party had for its leader the man under whose administrations the Republican Party made much or the record for which it is most severely condemned.

the record for which it is most severely condemned.

For these reasons I shall remain in the Republican Party at this time. I shall continue to denounce its representatives when they betray public interest. I shall refuse to be bound by its action whenever it fails in its duty to the country, and I shall do all in my power to restore it to the high place in the service and confidence and affection of the American people, which it held when it was the party of Abraham Lincoln.

Senator Norris, of Nebraska, another great liberal, is a progressive Republican, elected as such, and a fighter for liberal government in the Republican Party, sustains old Bob La Follette's judgment. Senators Frazier and Nye, of North Dakota; Senator Johnson, of California; Senator CUTTING, of New Mexico, all are progressive Republicans; all seek reelection as progressive Republicans on the Republican ticket. They believe in the judgment of old Bob. With them I agree.

Now, it appears that because I have not changed my convictions and because I do not feel justified in putting on an untried third-party coat, but expect to run for reelection as I always have run, as a progressive Republican, I am to have | in addition to the bitter opposition of stalwart Republicans and reactionary Democrats, the opposition of some thirdparty liberals. It seems that I must label myself third party or the progressive vote in this district is to be split. This is the first time I have ever heard it claimed that party labels meant more than principles and voting records. It is admitted by Mr. Gehrmann, who wants to run for Congress on the third-party ticket, that his candidacy is likely to result in the election of a reactionary. He says in a recent letter to me that many people have asked him to run.

I quote him exactly:

They had no particular fault to find with you excepting that they wanted at least one actual farmer in Congress from Wisconsin. Of course, I refused, because I knew that both of us would be defeated, and I have always been 100 percent for you, but since the creation of the new party, which I believe will be a reality in a few days, things have changed.

If he believes what he says, he is deliberately entering the race, knowing beforehand that to do so will defeat a progressive and elect a reactionary. Can any man claim to be an honest progressive and do that? That is the old reactionary game; to divide the liberals, defeat them, and elect the reactionary candidate by a minority vote.

I insert here my reply to Mr. Gehrmann's announcement for Congress:

Your letter telling me that you will run for Congress unless I run on the third party ticket is received.

Last March you wrote John Gamper, of Medford, who published your letter in the Taylor County Star News, as follows:

MELLEN, February 28, 1934.

DEAR FRIEND JOHN: Your letter reached my home a few days ago, but since the Marshfield convention I have been on the go all the time, and am leaving for Madison again tonight to attend a legislative committee meeting, and will stay for Saturday's progressive conference.

progressive conference.

As to my candidacy against Peavey, that is all bunk. I'll never be the cause of a split in the progressive ranks, be that for Congress or State office. The progressive principle shall always come first, and my political ambitions, if I have any, only second. I have had hundreds of letters, urging me to run, from farmers all over the district, and had delegations from Superior call on me during the special session, but nothing doing as long as Peavey is there and votes as he has in the past. So you can tell Conrad that he needn't lose any sleep about me running against Peavey. With kindest regards, I remain as ever,

Your friend.

Your friend,

B. J. GEHRMANN.

B. J. Gehrmann.

I have not changed. You admit that you can find no fault with me or with my voting record. Yet you say now that you will run against me unless I join your third party.

On Saturday, June 9, the day before the third party conference at Spooner, you told one of my good friends that you would run provided "they put up the money."

You must know that there are several reactionary Republican candidates ready to run just as soon as your announcement is published. The Democrats already have a reactionary in the field.

Every campaign stoce I

Every campaign since I was elected to Congress my stalwart opposition has sought to defeat me by getting a pseudo-progressive State senator to run, in the hope of electing their reactionary candidate. State Senator Johnson, of Superior, played this role for two campaigns, then Senator J. H. Carrol, and later Senator Nelson. If you are determined to play the part of dividing the progressive voters this year for the benefit of the reactionaries, it is useless for me to try to deter you. This is still a free country; you have the legal right to run; but after accepting my help and aid when you needed it in the last campaign against Carrol, as you did and in view of your letter to Gampaign referred to reach as you did, and in view of your letter to Gamper referred to, you can hardly expect that you will be able to convince me or any other progressive or fair-minded citizen of this district that you are actuated by principle in doing so.

The Republican Party was born a party for freedom. Purge it of reactionary, privilege-serving leadership and it will serve the common people and the common good. Republican candidates for President must exhibit to the people of the Nation, qualifications beyond the ability to say nothing, do nothing, and advocate nothing, if they expect to get public support in the congressional elections of 1934. State Republicans must have a program; a liberal one. It must contain remedies for the existing economic, financial, and industrial evils. It must breathe the spirit of hope and must encourage righteous ideals of honesty in government. We must initiate a program which will furnish a job to every man who is willing to work. We must initiate a program which will restore economic justice to the farmer and

insure the return of property values and security to the business man and home owner. Property taxes must be reduced and income taxes raised and collected, based on ability to pay. Representative government must be restored to the people in reality. The public conscience must be aroused and party platforms must again become solemn covenants between the people and their representatives. The people of Wisconsin have through the ballots the power to elect liberal Republicans to office who will carry out these

## MINNESOTA FIRE SUFFERERS BILL

Mr. HOIDALE. Mr. Speaker, I want to call the attention of the House briefly to the almost impossible difficulties that a private bill involving as much money as the Minnesota fire sufferers bill meets with in the House under the present rules. I mention this because I want to say that these rules must be changed in the interest of justice as soon as the next session opens.

Under the rules, as we now have them, every private billthat is to say, a bill for the benefit or relief of individuals or corporations—is, after getting the approval of the Claims Committee, placed upon the Private Calendar. This calendar is taken up for consideration whenever convenient. Ordinarily once a week or once in 2 weeks for a few hours. The bills on the calendar are then called and if one Member objects that ends consideration on that particular call and chances are small that the bill will be reached for a second call during the session.

If a bill has been objected to on the first call of the calendar-the calendar is seldom called more than once-and is called the second time, three objectors can block consideration and that ends the bill for the session so far as the Private Calendar is concerned.

The Minnesota fire sufferers bill has been up in several sessions of Congress and has always met with objections.

There are two other possible ways in which a private bill may be brought up for consideration; with the consent of the Speaker it may be brought up for consideration under suspension of the rules. Twenty minutes is then allowed each side for debate. Two-thirds vote is required under suspension. We succeeded in getting our bill up under suspension, but could not get sufficient votes to put it over.

The third method is to obtain from the Rules Committee a special rule permitting a private bill to come up for consideration in the same way as a public bill. After much hard work we succeeded in getting the Rules Committee to grant a rule authorizing the Chairman of the Claims Committee, with the consent of the Chairman of the Rules Committee, to call up the claims that he considered most urgent. This kind of a rule for a private bill has never before been granted and there was much objection to such a rule being granted, because it was claimed that one private bill should not be preferred over another private bill. When we bear in mind that there are thousands of bills of this kind the difficulties can readily be grasped.

The Chairman of the Rules Committee did not call up the rule mentioned, but instead took the floor in the House during the closing hours of the session and made this statement of the parliamentary situation:

Mr. Bankhead. Mr. Speaker, it is not my purpose in asking this Mr. Bankhead. Mr. Speaker, it is not my purpose in asking this indulgence to take the time on one of our usual valedictory addresses which will soon be approaching, but there is a matter that I feel all Members of the House are very deeply interested in that I should call to your attention in these brief remarks. I know the disappointment and confusion and, I might almost say, heartache that has come to many Members of this House in the closing days of the session because of the impossibility of their securing an opportunity for the consideration of bills on the Private Calendar in this House. For a number of years I have realized that under the present rules of the House, where claims have been fully and carefully considered by the Committee on Claims and other comcarefully considered by the Committee on Claims and other committees of the House, and where there can be no fair and reasonable doubt whatever as to the justness of those claims, a great many American citizens, because of the parliamentary situation which we have had for a number of years, are denied the abstract, just right of having those bills considered upon their merits by the Congress of the United States. [Applicated]

the Congress of the United States. [Applause.]

The present rule, of course, is the result of experiments over a long period of years. The present difficulty has addressed itself to former Congresses, and some of the ablest parliamentarians of

this House have undertaken from time to time to cope with and !

remedy this most unfortunate and distressing situation.

The Committee on Rules has had its mind, and I may say its heart, deeply impressed in the closing hours of the session of Congress with this unfair situation, to such an extent that some days ago the Committee on Rules voted out a resolution which if heart, deeply impressed in the closing hours of the session of days ago the Committee on Rules voted out a resolution which if it had been called up and passed would have given the Chairman of the Committee on Claims the right to be recognized by the Speaker of the House to call up such claims as in his opinion were of paramount importance. But, after consultation with the majority leader and the Speaker of the House in these last hours of the session it was thought improvident and perhaps unwise to attempt to call up that measure. It would place a very deep responsibility upon the Speaker with all of the other great duties he has in these closing hours, because it would have required him possibly to have looked into the merits of these bills that the Chairman of the Claims Committee wanted to call up. In addition to that it would probably have subjected the Claims Committee and its chairman to the charge that it was playing favorites, that he was just calling up bills that he wanted to pass. So, for these and other reasons it has been decided not to call up that rule at this time. A great many Members from the Northwest and particularly from Minnesota were interested in that because it was possibly contemplated that the Minnesota fire claims bill was one that would have been called up if this rule had been passed, together with others that have been very strongly pressed upon our consideration.

The thing I rose to say is this: On realizing that we must pass some remedial and, indeed, possibly some revolutionary method devised for the consideration, the fair consideration of bills of this sort, I, as Chairman of the Committee on Rules, am going to request the gentleman from New York, the ranking Democrat upon that committee [Mr. O'CONNOR], the gentleman from Indiana [Mr. Greenwoor], who has given this matter great consideration; the gentleman from Michigan [Mr. Smith], who is deeply interested, and two very able parliamentarians upon the minority side, the gentleman from Michigan [Mr. Smith], who is deeply int

Ment is involved, shall have a tail and decent opportunity during a session of Congress to be considered upon its merits.

Mr. GLOVER. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. I yield. Mr. Speaker, if I am trespassing unduly beyond the time allotted to me, I ask unanimous consent that it be extended.

The SPEAKER. Without objection, it is so ordered.

The SPEARER. Without objection, it is so ordered.

There was no objection.

Mr. GLOVER. I heartly agree with what the gentleman from Alabama has said. Could not the situation be remedied by having the Committee on Claims examine each claim, and those claims which in its opinion should be passed then be brought to the House in an omnibus bill under such conditions, then amendments could be offered to individual claims?

Mr. Bankhead. Mr. Speaker, I may state to the gentleman from Arkansas that that is one of the suggestions that has been proposed; and I am sure that when this subcommittee undertakes to give careful study to this whole project the gentleman's suggestion will be given very serious consideration.

Another proposal that was suggested is the setting up of some training indicated or otherwise with limited jurisdiction.

type of tribunal, judicial or otherwise, with limited jurisdiction as to amounts, which would have authority to consider these claims as the Court of Claims now considers claims against the Government up to \$5,000, and to have final jurisdiction to dispose

of them.

There are bills on the Private Calendar where the amount involved is \$15, \$20, \$50, or \$75—very negligible amounts, yet they take a great deal of the time of the Members and of the House.

Mr. Blanchard. Mr. Speaker, will the gentleman yield?

Mr. Blanchard. I yield.

Mr. Blanchard. Is it not the gentleman's opinion that should a separate tribunal for the consideration of these claims be set up it would save a considerable sum of money due to the present expensive way of handling bills on the Private Calendar?

Mr. Bankhead. I have no doubt there is great merit in what the gentleman suggests.

the gentleman suggests.

Now, these two inquiries that have just been submitted indicate the possibilities of a careful and prudent investigation of

some new method.

Mr. Speaker, I have no interest in the Private Calendar. I have but one little claim on the Private Calendar, the first I have had in probably 15 years, and it involves a very small amount, I think about \$150; but my attention has been called to claims against the Government of the United States involving large sums of money, of the real justice of which and of the merits of which the Government of the United States involving large sums of money, of the real justice of which, and of the merits of which there is no question on the face of the earth. These bills have been put on the Private Calendar, and these claimants have been here year after year knocking at the doors of Congress, of the House of Representatives, asking that their claims be adjudicated upon their merits. I think it is outrageous to have a system under which upon the possibly capricious objection of one Member or of three Members such claimants are denied for the session of Congress the privilege of having their claims considered.

It is encouraging to see Congressman Bankhead take this stand. What he now suggests should have been done years ago. Perhaps no one in particular is to blame for this situa-

tion, because there has never, so far as anybody knows, been a bill before Congress involving the large amount of money that is here involved.

Of course, in the Senate there is a different situation. The membership of that body is only one-fifth of that in the House, and they are not hamstrung there by such rules as we have here in the House. There is, therefore, no comparison between the difficulties that a bill like this meets with in the two bodies.

We all realize that under the circumstances stated by Mr. BANKHEAD it has become impossible to get the bill through at this session. But we are determined that we will work for a change in the rules so that a just and honest bill shall not be blocked in the future. I call upon all Members of Congress to study and investigate the merits of the fire sufferers bill during the recess as it will be brought up for a vote early in the next session. Justice has been denied to these people too long. The claims should be settled without further delay. These people have suffered long enough.

## FINANCING FARMERS

Mr. GILCHRIST. Mr. Speaker, agriculture is basic, and it is certain that our people can never recover their economic stability and return to prosperity so long as agriculture is submerged under conditions that can only throw it into bankruptcy. It is the foundation on which rests industry and finance and trade. Without its success banks and business, commerce and carriers, trade and traffic must all fail. Agriculture cannot continue to pay present interest rates upon its mortgages. It cannot continue to pay the present taxes and imposts that are exacted from it. And it cannot continue to accept the present prices it gets for its products. A realization of the truth of every one of these three propositions is fundamental.

Interest rates upon farm debts are out of proportion to those paid by other industries and in other lines of endeavor. When the special session last year had before it the bill to amend the Federal Farm Loan Act many of us predicted that the relief then proposed would be inadequate. We then wanted to refinance agriculture as liberally as we had refinanced banking and trade and industry by giving the farmer cheap rates over long periods of time. Our farmmortgage laws remain wholly inadequate. Under the present Federal land-bank system the farmer pays as high as 5 or 6 percent on the theory that he gets \$1 to every dollar's worth of loan. This is not so, because he gets only 95 cents of that dollar while interest is charged upon the whole 100 cents. He is compelled to invest the balance in a company known as a "loan association", and he pays additional fees and commissions so that the interest is entirely too high. The management of these local loan associations are not to blame. They do good work for us and are entitled to their compensation. In any event their activities must necessarily be continued. But when a man is in dire need of a loan, when he must borrow money to save his home, it is ridiculous to force him to loan money to others. If he needs to borrow money, he should not be compelled to loan it. Nevertheless this is the exact situation now prevailing in the Federal land-bank system.

In the last session of Congress and during the present one we have called attention to these same things and have joined in trying to substitute for the present law what is known as the "Frazier bill", providing for the refinancing of farm mortgages at 11/2-percent interest, with additional amortization payments. In the previous session this attempt went out under parliamentary point of order. As a last resort I then moved a substitute which would have made the interest at 31/2 percent per annum, but even this substitute was lost. The debate showed that many people were very jealous in allowing farmers to get loans, although these same people wanted themselves to be furnished with Government money-in some instances even without the payment of any interest at all. The fact is that the Government issues currency to certain big bankers without charge, except one averaging 29 cents or 30 cents per thousand dollars for printing the bills. A farmer pays 41/2 percent or 5 percent or 6 percent on a loan wherein he realizes but 95 cents on the dollar, while the Federal Reserve bank pays only onethirtieth of 1 percent for printing the currency that is given to it by Uncle Sam. Money is sound, according to the usurer, only if it draws interest. These Federal Reserve banks credit Uncle Sam upon their books and he then issues them back his promissory note in the form of an interestbearing bond. They then hypothecate this same bond back to Uncle Sam and get currency for it. They pay no interest at all, nor do they pay any taxes on the bond whatsoever. Not a penny of the stock of the Federal Reserve banks is owned by the Government or the people. It is all exclusively owned by the private bankers. They do not pay a penny for the use of this Government money, but exact interest on the Government bonds. A bank gets \$1,000 from the Government and pays 29 cents for printing. Then it loans this \$1,000 back to the Government and gets \$42.50 per year for it. Is this sound finance? Is it wise, or is it ridiculous?

The result of all of this is that bankers prefer to loan their money to the Government rather than to make loans to trade and commerce and manufacturing and industry. Nobody can tax the bonds which the bankers get for this money. The bankers go ahead and purchase more taxexempt bonds and get back more currency with which they purchase still more tax-exempt bonds which they again hypothecate for still more currency, and so on with little limit. The Government pays them interest upon the bonds and also allows them the free use of the currency. If we did away with the system of tax-free securities, there would be more money ready to invest in trade and industry; and prosperity would return sooner because the banker would then loan his money to business men, the butcher, and the baker, and the candlestick maker, and industry would revive and labor be reemployed.

Roughly speaking, 0.1 of the medium of exchange which used to be employed in business in this country was currency and the other 0.9 was bank credit. That bank credit circulated in the shape of checks and drafts and bills of exchange. It transacted our business. We cannot have prosperity until we have bank credit again and until we commence again to circulate checks and drafts and bills of exchange. But the 0.1 will not stay in circulation so long as those who control the machinery which issues the 0.9 can take it up and swap it to the Government for tax-free bonds. As long as the Government issues more bonds than there is currency outstanding, the bonds tend to absorb the currency, absorb the bank-check money, absorb the bank deposits, so that the sale of tax-free bonds does not inflate the money situation but tends toward deflation.

The big bankers will not loan money to industry if they get a better deal by loaning it to Uncle Sam. We should devise some way by which the bankers will be put back into their proper field of operations. They invest in bonds instead of business, and these bonds must be paid by the taxpayer sometime and somehow. Do you think our children ought to pay them? Do you think our grandchildren ought to pay them? Do you think future generations should pay them? Great statesmanship indeed! Brave men we are to throw the burden upon posterity!

Bear in mind that this currency is based on nothing whatsoever except the promise of the Government to pay. It is fiat money. Not a dollar of paper money now outstanding is redeemable in gold or in silver or in anything else. But nobody is frightened about this phase of it. The Government guarantees the payment of this currency that it gives the Federal Reserve banks. Is it right for Uncle Sam to pay interest on his own credit? Thomas Edison said that if the Government can issue a tax-free interest-bearing \$100 bond that is sound and safe, it seemed to him that the same Government might issue a dollar bill that bears no interest which would also be sound and safe.

I want sound money for the bankers, but I also want it for the farmer. I want it for all. We do not ask for favors but we do demand that the farmer be given facilities to borrow money which are at least comparable to those that others are given. The dollar is now entirely too high priced.

It takes too much of the farmer's produce and of his labor in order to get one. He should be allowed to pay his debts with the same kind of a dollar that the creditor loaned him. When the farmers get currency they will spend it. They will put it to productive uses. They will use it to build up business and trade in the community in which they With it they will increase bank credit and business activity. They will draw checks upon it. They will pay debts with it. They will revive business life with it. They will pay off their mortgages with it. And we must rescue the farmer from his present distress. Thousands of them are being thrown out of homes every month. Many thousands of them are despoiled every year. And without them the country cannot endure. Moratoriums simply postpone the evil day. If the farmer had the same opportunities to get credit that other men have, if he were not compelled to pay interest rates beyond those charged to international bankers, then there might be hope for him. It is high time that we should respect the mandate of the Constitution which commands Congress to coin money and fix the value thereof. The Frazier-Lemke bill will create as sound a currency as any we now have and it will aid in restoring prosperity to the whole country.

The main reason for the financial distress of our agrarian population is that they are not fairly paid for the services they render to society. They produce at a loss. I submit that society ought to pay the cost of producing the food that it eats. On May 15 this year, the farmer was receiving 74 percent of pre-war prices for his commodities. But on the other hand he was paying 121 percent of pre-war prices for the things that he bought. The N.R.A. has raised commodity prices generally but the farmer still finds himself out of parity with other industries. The farm wife goes to the country store and sells her eggs at ruinous prices little above those which prevailed in the darkest days of the depression, and then walks over to another counter and pays almost twice what she formerly did for things that she wants, such as percales or fabrics or other manufactured goods. The very earnest attempt now being made to raise farm-commodity prices to a parity has not succeeded and the farmer is still the victim of adverse influences which he cannot control. He cannot go on unless his income is raised. He must have not alone the price of production but also a profit to compensate him for his investment, his labor, and his intelligent management. I do not care what name is attached to a bill or to a plan which will return adequate prices to him. We should support any plan which is a sound one. The fact remains that society will pay in the end anyway unless farm conditions are improved so that homes may be saved, children may be educated, and wholesome lives be lived in our farm communities.

The A.A.A. has been in operation for more than a year. The figures released by the Department of Agriculture show that the progress which has been made toward the restoration of parity prices for the farmer is small. Specific prices for farm products may be higher than they were last year, but no great advance is shown in any comparative statement for exchange purposes. There has been a modest betterment in some values, but these are in the main offset by the rise in prices of the things the farmer must buy. During corn planting this year a friend of mine had to buy a repair for his planter much in the nature of a clevis. It weighed about 6 pounds. He was compelled to pay \$2.83 for it in order to permit his farm operations to proceed. This article did not cost the manufacturer more than 6 cents or 7 cents per pound. It will take 6 or 7 bushels of corn for my friend to pay for his little piece of iron. The purchasing power of a hog is now probably as low as it has ever been. The farmer will, however, get some emoluments later on if he has joined in the corn-hog program. The Swank bill or its equivalent is needed to protect agriculture and give the farmer an adequate return for his labor and investment. Mr. George E. Roberts recently stated that the results of the A.A.A. have been disproportionate to its tremendous efforts; that its difficulties were not wholly of its own making but resulted from influences outside of agriculture; that rising costs have been at the expense of the farmer; and that, therefore, the A.A.A. has been placed in the position of aiming at goals which are constantly moving higher.

Thus the disparity is kept alive. This is the obvious contradiction of the recovery program. It gives to the effort to reestablish the balance between agriculture and industry the character of a movement around a circle, each pursuing the other but failing to meet.

In 1923 I helped to write and introduced in the Iowa Senate an act providing for sealing and warehousing of grain upon the farms by the farmers in their own cribs and granaries, thus saving excessive warehousing fees and costs. This act has since become a model and has been copied in many States. It was the first act of its kind ever enacted. The benefits which have flowed from this little piece of legislation have proved its value. The Government used this act in its program for farm recovery. Under it \$140,000,000 worth of corn has been warehoused within the past year in the United States, and \$61,000,000 of this has been in Iowa, representing 130,000,000 bushels of corn for that State alone. A Federal act should be passed which will correspond to it. In this year of dust storms and drought, of grasshoppers and chinch bugs, of starving cattle and despairing hearts, the Corn Belt and the corn crop are the hope of the livestock raisers of the Northwest. With the yield of wheat, oats, barley, and hay crops about the lowest in history, the feed supply must come and will come from that small section, of which Iowa is the center, because of this warehousing of corn and because of the promise of a somewhat normal corn yield. Acreage for corn has been reduced, but there were 270,000,000 bushels of corn sealed in farmers' cribs under the Government loan program within the Corn Belt States. The corn is on the farm, where it belongs, instead of in the hands of speculators. This has proved to be a godsend to the farmers this year.

The need now is to profit by whatever mistakes we have committed in the past. The need is to see to it that agriculture is paid an honest income and a fair profit. Let us go forward in the hope that society is bound to pay and will pay an honest price for the food which it eats and no longer cheat those who till the soil but give them a living price for their productions with sufficient profit so that they can enter the markets and restore all business activity.

# OLD-AGE PENSIONS

Mr. WOLVERTON. Mr. Speaker, it is gratifying to note that there is an ever-increasing desire to make social justice an actuality instead of a dream. With each succeeding year there is a tendency to widen the scope of governmental responsibility for the welfare of our people.

In the past the effort to enact such legislation as work-men's compensation, minimum wage for women in industry, prohibition of child labor, widow's pensions, and so forth, was met with an opposition based upon the theory that all such legislation, seeking to improve working and living conditions of our people, was too socialistic in character and therefore unwise. Today, however, no such thought exists with respect to such legislation. It is now recognized as a proper and established function of Government and acknowledged as a perfectly proper expression of governmental responsibility.

The progress already made by the enactment of a variety of types of welfare legislation gives encouragement to the thought that other and equally meritorious welfare measures, now pressing for recognition, will at no distant day likewise receive favorable consideration and become a part of the established policy of Government.

In recent years industrial and economic conditions have brought forth problems vital to the welfare of our people that challenge our careful and sympathetic consideration.

One of these problems is old-age dependency creating a need for a national old-age-pension system. It has a direct relationship to our industrial system. A careful study of the facts causing the condition, and creating the need, as revealed by the report of the New York Commission on Old Age Security, will show that in most cases the principal contributing cause is low wages, illness, unemployment, and the wearing out of workers in modern industry.

The statement is frequently made that dependency in old age is the fault of the individual. That if they had been thrifty, ambitious, and industrious, they would have accumulated savings which would support them in their old age. This question was carefully investigated by the Pennsylvania Commission. Inquiries were sent to the former employers of all who had applied for relief under the 1923 act of that State. Only a small percentage of the replies indicated that the applicants had been irresponsible or intemperate. In an overwhelming proportion of the cases, the replies were unqualified endorsements of the applicants.

The true causes of old-age dependency lie far deeper than personal negligence or improvidence. The real cause is almost, if not entirely, the result of an industrial system which does not provide steady employment, nor wages sufficient to permit substantial savings. Little is left of accumulations after they have withstood losses due to sickness, accident, unemployment, and other conditions.

Furthermore, specialization of work, necessity for speed in machine operation, and adaptability to changing conditions make it increasingly hard for older men to measure up to the requirements laid down. This, together with the increased cost of workmen's compensation, group insurance and other provisions based upon age of the employed make it highly desirable for the employer to engage the services of young men rather than old. As a consequence, a workman over 45 who becomes unemployed has great difficulty in finding new employment.

The United States census reports also reveal that by means of improved methods of sanitation and medical science the span of life has been appreciably lengthened, thereby resulting in an increasing number of aged persons.

Another important factor, shown by the census reports to have a direct bearing upon the ever-increasing number of unemployed among the aged, is the drift from agricultural pursuits to industrial occupations. In the last 50 years there has been a decrease of approximately 50 percent in the proportionate part of our population engaged in agriculture and a corresponding increase of those engaged in industrial activities. The striking significance of this fact is emphasized when it is realized that dependency among those previously identified with industrial activities is far in excess of that among those who followed agriculture.

However, without regard to previous vocation, whether agriculture or industry, the New York commission found that in 1929, of all residents of New York State 70 years of age and over, only 17 percent (exclusive of housewives) were self-supporting on earnings and only 5 percent were self-supporting on income.

There is nothing that creates a greater sense of fear and distress of mind than to look into the future with uncertainty and a possibility of dependency in old age. Recognizing that this condition of dependency in most cases is beyond the control of the individual, and the result of industrial conditions, there arises a sense of obligation to provide adequate means for the care of such.

The duty to support the aged who are unable to support themselves is no new problem, nor is the recognition and acceptance of such responsibility in any sense new. Long ago, as early as the reign of Queen Elizabeth, poor laws were enacted similar to those now in force in most States. The question that now arises is whether these ancient laws shall be widened in scope and application to meet present-day social conditions. Nearly every civilized country has some form of old-age-pension system. In Germany such a system has been in force since 1889.

We must as a nation awaken to our responsibility in this matter and no longer depend upon the varying and divergent policies of individual States. We must accept it as a national problem requiring Federal solution for the common good of all our people.

# LABOR AND THE SEVENTY-THIRD CONGRESS

Mr. RAMSPECK. Mr. Speaker, when the Seventy-third Congress convened in March 1933 labor was at its lowest ebb in the history of America.

With an estimated 15,000,000 of unemployed, our workers were being driven from the American standard of living organized groups found it practically impossible to maintain wage standards or reasonable hours because of the pressure of economic factors.

Contrast that picture with conditions as they exist today. Millions have been reemployed. The starving have been relieved from the Federal Treasury. Wages have been increased and hours have been shortened. Child labor has been abolished. The right of organization and collective bargaining has been written into the law.

These changes did not just happen. They were brought about by a sympathetic Democratic Congress under the leadership of a great Democratic President.

First the banks were made safe and then the credit of the Government was put in order, thus laying the foundation for the forward-looking program of the new deal.

Beer was legalized and the eighteenth amendment repealed, thus establishing new activities in which thousands have found employment.

A helping hand was extended to our farmers by which they were enabled to buy again from the industries of the cities.

Three hundred thousand young men were taken from the bread lines and the soup kitchens of the Republican regime and placed at work in God's beautiful forests.

The Home Owners Loan Corporation was formed to save homes and to lend millions for repairs. Many workers engaged in the building trades have been kept busy through this agency.

A bill was enacted for the appointment of a railroad coordinator and employment upon the railroads was frozen, thus preventing the loss of many jobs by railroad workers.

A great public works program was authorized. This is furnishing employment in every section of the country; and in the session just closed another program has been set up to continue employment through the construction of public buildings, roads, and many other projects.

The Tennessee Valley Authority is bringing employment to thousands and a new civilization to the people of the Tennessee Valley.

For the purpose of helping the unemployed workers, a system of Federal employment offices was established in every section of our country. These offices were used to enroll those employed on Civil Works projects in which 4,000,000 men and women were given positions during the winter just passed.

The N.R.A. has placed most of the business and industry of America under codes of fair competition insuring minimum wages, shorter hours, and the right of organization. This procedure has created jobs for labor in every section of cur country, has given them shorter hours and better working conditions.

The Railway Labor Act has been amended so as to make easier the settlement of disputes between the railroads and their employees. This also establishes the right of the railroad worker to choose how he shall organize without any interference or coercion.

A great housing program has been provided for and when it gets under way it will furnish millions of jobs for those in the building trades and allied lines.

Credit facilities have been established for all lines of industry so that those wishing to go forward with employment

The Seventy-third Congress studied the question of oldage security and of unemployment insurance. These matters will come up again when the Seventy-fourth Congress convenes next January. At that time the President will have a definite program to announce along these lines, as indicated in his recent message to the Congress.

The most important factor to labor, however, in the new administration-in the Democratic administration-is the changed attitude toward the worker.

For the first time in many years the Government is being operated upon the theory that a fair division of the income of the Nation must be given to its workers. The President has emphasized this fact. His administration has been

by starvation or starvation wages. Even those belonging to | definitely placed in opposition to child labor, to sweatshop conditions, and in favor of shorter hours. Labor organization officials have been called to high places in the administration. They have been consulted and they have exerted a real influence.

> While some industrialists oppose this policy, it is worthy of note that many of the leaders of commerce and industry realize that without mass purchasing power we cannot have mass production. High wages and bountiful employment spell prosperity, and that is what this Congress and this Democratic administration have been working for. Surely the workers of America have at last found a friendly party and a friendly administration.

> The House Committee on Labor has been most active during the Seventy-third Congress. Under the virile leadership of its able chairman, the Honorable WILLIAM P. CONNERY. it has held hearings on old-age security, the 30-hour week, unemployment insurance, and other subjects.

> Many persons believe that the hearings held by this committee on the Black 30-hour bill created the sentiment for better working conditions and brought forcibly to the front the cutthroat competitive conditions existing in May 1933 out of which came the demand for the enactment of the National Industrial Recovery Act.

> With a huge public-works program now under way, with codes insuring higher wages and shorter hours, with a large housing program to stimulate building and repairs, with credit facilities for all legitimate purposes, the Seventy-third Congress has laid the foundation for employment and for a return to normal conditions in our Nation.

> Labor is not alone interested in its own peculiar problems. Its organization leaders realize that if the workers are to be employed, if their standard of living is to be maintained and improved, general conditions must be good, the farmers must prosper, and business must have the opportunity of operating upon a profitable basis.

> For these reasons labor is interested in the general welfare, and labor will benefit from the policies of the administration now in power. These policies have as their main purpose the raising of the level of the whole people, the creating of a better civilization.

> Having rendered faithful service the Democratic Members of the Seventy-third Congress have reasonable assurance that the voters in their respective districts will return them in the November elections.

Our millions of workers in America can well afford to look to the future with hope because under the leadership of a great humanitarian who sits in the White House, the Democratic Party will take up its duties again in the next Congress with a view to further improving the conditions of those who toil.

This Democratic administration, as has no other administration for many years, understands and has sympathy with the problems facing the rank and file of the Nation. With an endorsement of the people in November, the Democratic Members of Congress will take up their duties next year determined to bring to the workers of America and thus to the people generally a finer and better civilization, a fairer opportunity, and a happier existence.

It has been my pleasure to serve on the House Labor Committee for approximately 5 years. This service has brought to me a better understanding of the problems of labor, a broader view of the problems of the employers. From this enlarged point of view, I have reached the conclusion that the best interests of labor lie with the Democratic Party. It is also my opinion that the real welfare of the majority of the employers will be best served by our party.

I make this statement because I believe that the Republican Party has been controlled in the past by the small minority in this country who compose the selfish interests, those who believe that the way to prosperity is from the top down, those who care nothing for the workers and the farmers. There is no evidence of a change of heart by those who control the Republican machine. It is still controlled by the forces who brought disaster to us in 1929.

While there are many fine individuals among the Republicans in Congress, they have been unable to make their party progressive or liberal. They ought to become Democrats.

Labor has nothing to expect from a party dominated by selfish interests. Their hope lies with the Democratic Party, the real liberal party. That fact has been proven in the Seventy-third Congress.

The Democrats have a real liberal leader, a man whose heart has been tried in the fires of personal suffering, a man of great understanding. Under his splendid leadership, the Seventy-third Congress has made a record which shows real understanding and sincere sympathy with the aspirations for which labor is striving.

From such a Congress, acting under such leadership, business and industry has nothing to fear and labor has much to expect.

#### THE ACCOMPLISHMENTS OF PRESIDENT ROOSEVELT AND THE SEVENTY-THIRD CONGRESS

Mr. COLMER. Mr. Speaker, there is indelibly printed upon my mind a picture of a scene that I witnessed on the 4th day of March 1933. That scene was enacted on an improvised platform erected over the east steps of the National Capitol here in Washington. Standing on the improvised rostrun were the outgoing President, Herbert Hoover; the Chief Justice of the United States Supreme Court, Charles Evans Hughes; and the new President, Franklin Delano Roosevelt. There were also other dignitaries, but these three were the principal figures.

Gathered about on the plaza between the Capitol and the Congressional Library were some 75,000 or 100,000 American citizens, with their eager faces turned toward the small platform. There were 120,000,000 American citizens at home and abroad, awaiting for the new leader of the people to deliver his inaugural message. Expectancy, fear, doubt, and hope were the conflicting emotions in the minds of these 75,000 here and the 120,000,000 elsewhere. There well might have been misgiving on the part of some, for at that moment business was at a standstill. Industry was not performing. Banks were crashing with the rapidity of machine-gun fire. Farm products had no market. And in excess of 120,000,000 American souls were despondent. The most far-reaching and stupendous business depression that the country had ever witnessed was upon us. Unemployment was the rule and hunger was prevalent in the land.

Mr. Hoover, the retiring President, exhibited a tired picture of despair. The countenance of Mr. Roosevelt beamed with the exuberance of a youth. Having laid his hand on the Holy Bible and sworn to uphold the Constitution of the United States of America, Mr. Roosevelt proceeded in a clear, concise, and simple manner to unfold his plan of the new deal. That message represented years of thought. "Action", said he, "we must have, and action now." And action the American people got.

# CONVENES CONGRESS

One of the first official acts taken by the new President was to call the Seventy-third Congress into extraordinary session. The record made by that Congress is now a matter of eternal history. With characteristic vigor and action he submitted his program to the extraordinary session. Most of the measures advocated by the President, and all of which were enacted by a sympathetic Congress, were emergency measures. The Congress, having relieved the situation temporarily at least, upon the advice of the Chief Executive adjourned its extraordinary session only to return in the regular session on January 3 of this year. Again the President submitted a continuation of his program of the new deal to the Congress, and again, with one exception, the Congress enacted the President's program into law.

Mr. Speaker, this Congress is about to adjourn, and I think it fitting and appropriate that in the limited time available some of the high lights of the legislation proposed by our great leader, the President, and enacted by a Congress which has shown throughout a wholesome desire to cooperate with the President be pointed out. There is no question but that the Seventy-third Congress has enacted President and the Congress realized that unless the indus-more beneficial legislation for the welfare of the masses of trial worker and those who labor were employed profitably

the American people than any previous Congress. And, too, they enacted it with as little bickering and controversy as any Congress which has sat in this historic building.

#### BANKING LEGISLATION

The first official act of the President after taking the oath of office was to issue a proclamation closing every bank in the country. This was a courageous act on the part of a courageous man. But time has demonstrated that it was not only courageous but wise. For it is quite evident that under the economic stress confidence had been lost in the banking institutions of the country. This action on the part of the President saved untold millions to the depositors. The President then asked the Congress for certain banking legislation which would restore the confidence of the people in their banking institutions. Out of this grew the National Guaranty Bank Deposit Act. Under the provisions of this particular law the deposits of our people to the extent of \$5,000 in our national banks, or any other banks which have elected to come under its provisions, were guaranteed. Tonight a depositor can close his eyes in peaceful sleep without fear that his small life's savings will be wiped out by a bank failure. In my opinion this is one of the most substantial achievements of the Congress. Prior to the enactment of this legislation banks had been failing at a rate in excess of 100 a month for the 6 months preceding the Roosevelt administration. Under the Republican administration in the 4 years preceding Mr. Roosevelt's advent to the Presidency. there were approximately 7,500 bank failures, involving nearly \$6,000,000,000 in deposits. In the past 5 months. after the reorganization of the banking legislation by the Congress, there have been no bank failures.

#### AGRICULTURAL RELIEF

Much legislation has been enacted by the Seventy-third Congress in the interest of the farmers of America, who are and always have been recognized as the backbone of the Nation. No good purpose can be served by describing in detail this legislation, which is familiar to all. Suffice it to say that the American farmer has now not only a market for his agricultural products but receives a fair price therefor. At the time the Seventy-third Congress convened the American farmer was not receiving enough for his cotton. corn, tobacco, wheat, and cattle to justify his producing it. Today he is in position to make a fair return on his labor and investment as a result of this beneficial legislation. Cotton, the commodity that we in the South are principally interested in, for instance, was selling for around 5 cents per pound. Today cotton is bringing around 13 cents, with the prospects of a much hoped for increase. In 1933 the farmers of the State of Mississippi received approximately \$10,000,000 in the nature of a bounty as a result of the plow-up campaign which was initiated by this administration. Of this sum my own congressional district received approximately \$668,382.35. This year the farmers of my native State are expected to receive approximately \$13 .-500,000 for their acreage reduction, which is in addition, of course, to what they will receive for the cotton marketed. This amount paid over to the cotton farmers of Mississippi represents the difference between comfortable living and want. In this connection it may be interesting to know the amount of money which the Department of Agriculture has paid in connection with the 1934 cotton-adjustment program to the cotton farmers of the several cotton-growing counties of my own district up to this date. They were as follows:

	Covington County	\$39, 472, 38
	George County	7, 055, 38
1	Jones County	41, 169, 35
	Lawrence County	28, 769, 17
ı	Pearl River County	1,641.39
	Stone County	739.94
	Forrest County	6, 258. 36
ı	Jefferson Davis County	40, 908. 67
	Lamar County	10, 973. 29
	Marion County	34,049.68
	Perry County	5, 567. 64

After the enactment of the agricultural legislation the President and the Congress realized that unless the industhe farmer would have no market for his products. In furtherance of this thought the Congress, at the suggestion of the President, enacted what is known as the N.I.R.A. or National Industrial Recovery Act. This law carried with it an appropriation of some \$3,300,000,000 which were to be expended in the interest of increasing employment and the construction of Federal projects. As a result many millions of men and women who were formerly walking the streets of our great urban centers and the dusty highways of our rural sections seeking employment have been employed. And many more will be employed as a result of this legislation in the next few months. But the National Industrial Recovery Act went further. It prescribed a living wage for those who were employed and to be employed. Prior to the enactment of this law many men who earned their living by the sweat of their brows were working for a mere pittance. After its enactment they were paid a living wage. No longer can the industrial capitalists grind the helpless laborer under the steel heel of industry.

#### LABOR BENEFITED

In fact there has never been a Congress which has enacted into law 0.1 as much legislation that is beneficial to the laboring man as this Congress. Many special acts beneficial to labor have been enacted by the Congress with the consent and approval of the President. If all previous laws beneficial to labor were wiped off of the statute books and only those passed by the Seventy-third Congress were to remain, labor would still be in the most exalted position that it has ever occupied under the American flag.

#### VETERANS' LEGISLATION

The first major piece of legislation requested by the President of the Congress was the so-called "Economy Act." This, as I recall, was on the third day of the extraordinary session. This legislation primarily affected the Federal employee and the American veteran. It carried with it a reduction of 15 percent of all Federal salaries, including the salaries of Members of Congress. Moreover, it provided for certain fundamental and in some instances even drastic cuts in the compensation and allowances to the veterans of the Spanish-American and World Wars. Frankly, many of us had come to Congress with a patriotic appreciation and love for the veterans of these wars, and we viewed this legislation with deep concern and misgivings. But there was a psychological condition prevalent that warranted its enactment. Every bank in the country was closed on that day; confidence in the Government, in the governing officials, and in conditions generally was sadly shaken. It was quite evident that the people of the country were looking to President Roosevelt to lead the way out, and they were looking to the Congress to cooperate with him. The Congress enacted this legislation in spite of its misgivings by an overwhelming majority. The Congress had the assurances of the President that, while the rolls needed to be purged of many veterans who were drawing disability allowance and compensation where it was not justified, the deserving veteran would be cared for.

Subsequently, in the regular Congress and after it was apparent that many deserving veterans had been stricken from the rolls, the Congress of its own volition and over the protest of the President restored in part the compensation to all veterans who had a disability growing out of the service to his country or whose disability was presumed to be service connected. Likewise, provision was made for the veteran who is totally disabled and for hospitalization of all veterans regardless of the disability being traceable to the service. Mr. Speaker, this was the one vote where I departed from the leadership of our great President.

I am happy in the thought that the widows and orphans bill, sponsored by my two Mississippi colleagues, Messrs. Rankin and Harrison, has been enacted into law. This, in brief, provides for a pension to the widow and orphans of a veteran who had a service-connected disability but who died from some other cause. I believe that a grateful American people desired that this legislation be enacted.

#### HOMES SAVED FROM THE MORTGAGE HOLDER

Moreover, when the Seventy-third Congress convened, homes were being foreclosed under the mortgage hammer at an alarming rate and all out of proportion to anything the country had theretofore witnessed. The President asked the Congress for legislation to save the home to the home owner. He realized that a contented people must own their homes in order to remain contented and substantial. The Congress promptly enacted what is known as the "Home Owners' Loan Corporation Act", and today this Corporation of the Government is functioning in every nook and corner of the land. As a result, countless thousands of homes are today still occupied by their owners, who found themselves in financial straits, rather than by the mortgage holder.

#### FARMS SAVED TO THEIR OWNERS

Again President Roosevelt, realizing that the farmers of the land were unable to carry on under the exorbitant rate of interest that they were paying on their farm mortgages, asked the Congress for legislation to prevent the foreclosure of the farmer's farm. The Congress responded promptly and the farmer was given a new lease on his land. Moreover, provision was made by a liberalization of credits and appraisals so that the overburdened farmer might borrow additional amounts on his farm in order to tide him over the economic stress. There is every indication that before this Congress closes further reductions will be made in the rate of interest chargeable to the farmer on his mortgage, and thereby millions of dollars will be saved to tillers of the soil.

#### RECIPROCAL TARIFFS

Another monumental piece of legislation enacted by this Congress at the request of the President is the new tariff bill. Under the Republican administration tariff walls had been built so high that they had become veritable Chinese walls about our country. The other nations of the world upon whom we depended for our foreign trade and as a market for our surplus had in retaliation erected similar tariff walls about their countries. The result was stagnation so far as foreign trade was concerned. Under this great piece of legislation the President of the United States is given power to enter into reciprocal tariff agreements. The President can lower or raise the tariff as the circumstances demand within certain limitations. I predict that this is going to redound to the everlasting benefit of the American people and to the perpetual honor of the Seventy-third Congress.

# OTHER BENEFICIAL LEGISLATION

This Congress has passed much other beneficial legislation; in fact, too much to dwell at length upon. Among the other legislation might be mentioned:

First. A law for the regulation of securities exchanges. This act, which was bitterly opposed by the Wall Street interests, will prevent a recurrence of speculation, ending in a financial debacle like that of 1929.

Second. A declaration of war by the Federal Government on gangsters. Several companion pieces of legislation were enacted, giving the Attorney General of the United States authority to assist the authorities of the several States in their war against kidnapers, robbers, and murderers. The Congress has served notice on organized gangsters that from henceforth they will have the Federal Government with all of its resources to contend with.

Third. Notice has been served upon the foreign nations who owe the United States Government money that they cannot longer float their loans here until they pay into the Treasury of the United States what they owe. And the President has again reiterated, in unmistakable language in a message to the Congress, that these war debts must be paid.

Fourth. The Congress has enacted new bankruptcy laws whereby the individual, the corporation, and the municipalities may be saved from the harsh terms of their creditors.

Fifth. Provision is made for loans to industry where they furnish assurances of employment to the labor of the country.

#### CONCLUSION

There are those who are out of step with the program of the President and the Congress. President Roosevelt has dubbed them "Tories." The President has said very frankly that he expected to make mistakes, and no doubt he will continue to make mistakes, but there is no question in the minds of the vast majority of the American people that so far, with the loyal assistance of a sympathetic Congress, he has made a good job. These accomplishments have been manifold. They have prevented a national catastrophe, because a thoughtful citizen must realize that when Mr. Roosevelt took over the reins of the Government and called this Congress into extraordinary session we were bordering on the precipice of a serious revolution. To say the least, that has been averted. The President and the Congress have been enabled to accomplish all of this only through the loyal support and cooperation of the final arbiters of the destiny of the Nation, the patriotic American people.

The Tories, who embrace the selfish, the self-seeking politicians, and those who would enrich themselves at the expense of the masses, may complain and criticize. But as for me, I am happy to have had a small part as a new Member of Congress in this colossal and constructive program. If it be the will of my constituents, I crave the opportunity to cooperate in the program which this great leader of the American people, President Roosevelt, has laid out for the Seventy-fourth Congress.

WORK OF THE POST OFFICE COMMITTEE IN THE SEVENTY-THIRD CONGRESS

Mr. MEAD. Mr. Speaker, a number of bills pertaining to the Postal Service have been considered by the Committee on the Post Office and Post Roads during the Seventy-third Congress, and for the information of the Members and others who are interested in our work I am inserting a brief summary of the measures reported favorably by the committee, and the subsequent action taken upon them by the House and Senate.

In the first group are the bills which have passed both Houses of Congress and have either been acted upon by the President or are at the White House under consideration; then follow the bills which were approved by the committee, but remained on the calendars of the House or Senate at the time of adjournment.

COMMITTEE BILLS PASSED BY THE HOUSE AND SENATE—SEVENTY-THIRD CONGRESS

The following bills have been submitted to the President. Those acted upon by him are so noted; the others are awaiting his consideration:

H.R. 3214. To compensate the Post Office Department for the extra work caused by the payment of money orders at offices other than those on which the orders are drawn. (Signed by the President June 16, 1934.)

(Authorizes the Postmaster General to charge a fee for the extra work involved in cashing money orders at offices other than those on which drawn.)

H.R. 3845. To amend section 198 of the act entitled "An act to codify, revise, and amend the penal laws of the United States", approved March 4, 1909, as amended by the acts of May 18, 1916, and July 28, 1916. (Signed by the President May 7, 1934.)

(To curb the practice of depositing statements of account, circulars, sale bills, etc., in letter boxes established and approved by the Postmaster General for the receipt or delivery of mail matter, without payment of postage thereon, by making this a criminal offense.)

H.R. 4224. To authorize the Postmaster General to hire vehicles from postal employees.

(Permits postmasters to hire vehicles from postal employees, except those filling supervisory positions, for use in the city delivery and collection service and in the village delivery and collection service. Extends the law which permits the hiring of such vehicles only from letter carriers.)

H.R. 5334. To amend the third clause of section 14 of the act of March 3, 1879 (20 Stat. 359; U.S.C., title 39, sec. 226). (Signed by the President June 11, 1934.)

(Publications produced by the stencil, mimeograph, or hectograph process not to be regarded as printed within the meaning of the act prescribing the conditions for entry of publications as second-class matter. For more than 30 years the Postal Laws and Regulations have contained a provision to this effect, and in order to eliminate contention it is being incorporated in the law.)

H.R. 5344. Granting a franking privilege to Grace G. Coolidge. (Signed by the President June 16, 1934.)

(Provides that all mail matter sent by post by Grace G. Coolidge, widow of the late Calvin Coolidge, under her written autograph signature, be conveyed free of postage during her natural life. This is a continuation of the practice in the past to grant the franking privilege to widows of Presidents of the United States.)

H.R. 5477. To fix the rates of postage on certain periodicals exceeding 8 cunces in weight. (Signed by the President June 5, 1934.)

(Extends to periodical publications weighing more than 3 ounces, 25 percent or more of whose pages are devoted to text or reading matter and not more than 75 percent to advertising matter, which are circulated free or mainly free, a flat rate of postage of 1 cent for each 2 ounces or fraction thereof.)

H.R. 6675. To authorize the acknowledgment of oaths by post-office inspectors and by chief clerks of the Railway Mail Service. (Signed by the President June 15, 1934.)

(Empowers and authorizes post-office inspectors and chief clerks and assistant chief clerks in the Railway Mail Service to administer oaths in respect to official matters, including oaths to accounts for travel expenses.)

H.R. 6676. To require postmasters to account for money collected on parcels delivered at their respective offices. (Signed by the President May 4, 1934.)

(Brings funds collected on c.o.d. mail at post offices within the category of public funds, and places upon postmasters responsibility for the safe-keeping of c.o.d. funds in the manner and to the same degree as for the safe-keeping of public funds.)

H.R. 7212. To remove the limitation upon the extension of star routes.

(Permits the Postmaster General to extend service on star routes, not to exceed 50 miles and at not exceeding pro rata additional pay.)

H.R. 7213. To provide hourly rates of pay for substitute laborers in the Railway Mail Service and time credits when appointed as regular laborer. (Signed by the President June 14, 1934.)

(Authorizes appointment of substitute laborers at the same rate of pay as laborers in post offices. Substitute laborers in the Railway Mail Service shall be paid for services actually performed at the rate of 55 cents per hour, and when appointed to the position of regular laborer the substitute service performed shall be included in eligibility for promotion to grade 2 on the basis of 306 days of 8 hours constituting a year's service.)

H.R. 7299. To authorize the Post Office Department to hold contractors responsible in damages for the loss, rifling, damage, wrong delivery, depredation upon, or other mistreatment of mail matter due to fault or negligence of the contractor or an agent or employee thereof. (Signed by the President June 13, 1934.)

(This act provides that contractors shall also be answerable in damages to the United States for the proper care and transportation of the mails, and be accountable to the United States for any loss or damage resulting to any of such mail or any part of it by reason of the failure to exercise due care on the part of any of the contractor's officers, agents, or employees in the custody, handling, or transportation thereof.)

H.R. 7301. To authorize the Postmaster General to charge an additional fee for effecting delivery of domestic registered, insured, or collect-on-delivery mail, the delivery of which is restricted to the addressee only, or to the addressee or order. (Authorizes the Postmaster General to provide for the collection of an additional fee of 10 cents for effecting the delivery by carrier or otherwise of domestic registered, insured, or collect-on-delivery mail, the delivery of which is restricted to the addressee only, or to the addressee or order. It further provides for the refund of such fee, upon request, in the event of erroneous delivery or nondelivery due to some fault of the Postal Service.)

S. 3446 (H.R. 7302). To authorize the Postmaster General to receive, operate, and to maintain for official purposes motor vehicles seized for violations of the customs laws.

(Permits the use of seized vehicles by the Post Office Department in the enforcement of the postal laws and regulations.)

S. 3765 (H.R. 7310). To enable the Postmaster General to withhold commissions on false returns made by postmasters.

(In any case where the Postmaster General shall be satisfied that a postmaster has made a false return of business, or that a postmaster has mailed or caused to be mailed matter in order to obtain commissions on cancelations of stamps, it shall be within the discretion of the Postmaster General to withhold commissions on such returns and to allow any compensation that under the circumstances he may deem reasonable or proper. The form of affidavit to be made by postmasters upon their returns shall be such as may be prescribed by the Postmaster General.)

H.R. 7317. To provide for the final construction, on behalf of the United States, of postal treaties or conventions to which the United States is a party. (Signed by the President June 12, 1934.)

(This act provides that the decisions of the Postmaster General construing or interpreting the provisions of any treaty or convention which has been or may be negotiated and concluded shall, if approved by the President, be final and conclusive upon all officers of the United States.)

H.R. 7340.1 To authorize the Post Office Department to hold contractors or carriers transporting the mails by air or water on routes extending beyond the borders of the United States responsible in damages for the loss, rifling, damage, wrong delivery, depredations upon, or other mistreatment of mail matter due to fault or negligence of the contractor or carrier, or an agent or employee thereof. (This bill was recalled by the Senate after passage.)

(The law permits the Postmaster General to impose or remit fines on contractors or carriers transporting the mails by air or water on routes extending beyond the borders of the United States for any unreasonable or unnecessary delay to such mails and for other delinquencies in the transportation of the mails. This act proposes that such contractors or carriers shall also be answerable in damages to the United States for the proper care and transportation of the mails, and be accountable for any loss or damage resulting to any of such mail or any part of it by reason of the failure to exercise due care on the part of any of the contractor or carrier's officers, agents, or employees in the custody, handling, or transportation thereof.)

H.R. 7343. To remove inequities in the law governing eligibility for promotion to the position of chief clerk in the Railway Mail Service. (Signed by the President June 5, 1934.)

(Clerks in the highest grade in their respective lines or other assignments shall be eligible for promotion to positions of clerks in charge in said lines or corresponding positions in other assignments, and clerks assigned as assistant chief clerks and clerks in grade 6, or higher rank, in their respective divisions, shall, after 1 year of continuous service in such capacity, be eligible for promotion to positions of chief clerks in said division for satisfactory, efficient, and faithful service, under such regulations as the Postmaster General shall prescribe.)

H.R. 7348. To amend section 3937 of the Revised Statutes. (Authorizes the handling of mail matter, which is deposited in post offices without the postage being wholly paid, as dead letters, and permits the handling of such matter

in adjoining cities or centers of population instead of sending them to Washington, as is now the practice.)

H.R. 7483. To provide minimum pay for postal substitutes. (Vetoed by the President Apr. 30, 1934.)

(Guarantees postal substitutes a minimum of 100 hours of service in each calendar month at the rates fixed by law and establishes the ratio of substitutes to regular employees to be established in the future.)

H.R. 7670. Relating to conveyance of letters by private hands without compensation or by special messenger employed for the particular occasion only.

(Makes it unlawful to transmit more than 25 letters or packets outside of the mails by special messenger without prepayment of postage.)

H.R. 7711. To permit postmasters to act as disbursing officers for the payment of traveling expenses of officers and employees of the Postal Service.

(Increases the duties of the postmasters so that they may pay the traveling expenses of officers and employees of the Postal Service in order to permit prompt reimbursement.)

H.R. 7966. To authorize the Postmaster General to make temporary contracts for carrying the mails by air, and for other purposes. (Signed by the President Mar. 27, 1934.)

(Confers full authority upon the Postmaster General to conduct the Air Mail Service directly by giving him authority to receive from the War Department the necessary airplanes and equipment and air fields for a period of 1 year after the date of passage of this act.)

S. 3764 (H.R. 8245). To reduce the fee to accompany applications for entry as second-class matter of publications of limited circulation.

(Reduces the fees to accompany applications for entry as second-class matter of publications having a circulation of not more than 2,000 copies to \$25, and of publications having a circulation of not more than 5,000 copies to \$50, and provides for the refunding of one-half the fees when the application is not approved.)

H.R. 8460. To amend section 392 of title 5 of the United States Code.

(Extends the powers of the Postmaster General by permitting him to adjust and settle claims for damages caused by the negligence of any officer or employee of the Post Office Department or Postal Service acting within the scope of his employment when such claims do not exceed \$500.)

S. 2922 (H.R. 8701). To fix the rates of postage on reading matter for the blind. (Signed by the President May 9, 1934.)

(Extends the provisions of existing law governing the acceptance of certain matter for the blind for mailing free of postage or at reduced rates so as to include sound-reproduction records.)

H.R. 8919. To adjust the salaries of rural letter carriers, and for other purposes.

(Reclassifies the salaries of rural letter carriers and increases their equipment allowance.)

H.R. 9046. To discontinue administrative furloughs in the Postal Service.

(The provisions of section 9 (a) of the Independent Offices Appropriation Act, 1934, relating to rotative furloughs, and such provisions as continued and amended for the fiscal year 1935, shall not apply to the Postal Service. The number of employees in any branch of the Postal Service shall not be reduced beyond 5 percent in any one year, by reason of the discontinuance of any authority for granting furloughs, below the number as shown on the pay rolls of employees in service during the month of January 1934 after deducting the number who have been removed from the pay rolls after the effective date of this act by reason of death, normal retirements, or resignation.)

S. 3766 (H.R. 9120). To amend the act entitled "An act authorizing the Postmaster General to adjust certain claims of postmasters for loss by burglary, fire, or other unavoidable casualty", approved March 17, 1882, as amended.

(To relieve postmasters of responsibility for losses of internal-revenue stamps and Federal migratory-bird hunting stamps, resulting from burglary, fire, or other unavoidable

<sup>&</sup>lt;sup>1</sup>H.R. 7340 has not been submitted to the President in view of the Senate's request for the return of the bill.

casualty, and for the loss by bank failure of postal funds deposited in National or State banks.)

H.R. 9392. To reclassify terminal railway post offices. (Signed by the President, June 14, 1934.)

(Establishes the terminal railway post-office system and defines its functions; provides for successive promotions of the railway postal clerks in these terminals to grade 4. Clerks in charge of terminals, tours, or crews consisting of less than 20 employees shall be of grade 5. Clerks in charge of terminals, tours, or crews consisting of 20 or more employees shall be of grade 6. When a terminal railway post office is operated in three tours there shall be a relief clerk in charge. The clerk in charge of terminals having 75 or more employees shall be of grade 7. No employee in the Postal Service shall be reduced in rank or salary as a result of the provisions of this act.)

H.R. 9867. Amending the Independent Offices Appropriation Act of 1935.

(In the administration of the provision of subparagraph (1) of section 24 of the Independent Offices Appropriation Act, 1935, amending section 201 of part II of the Legislative Appropriation Act for the fiscal year 1933, all service rendered by postal and other officers and employees prior to July 1, 1932, and subsequent to June 30, 1932, shall be credited to the officers or employees and such officers and employees promoted to the grade to which they would have progressed had section 201 (suspending automatic increases in compensation) of part II of the Legislative Appropriation Act, fiscal year 1933, not been enacted.)

(Substitute clerks in first- and second-class post offices and substitute letter carriers in the City Delivery Service when appointed regular clerks or carriers shall have credit for any fractional part of a year's substitute service in determining eligibility for promotion to the next higher grade following appointment to a regular position.)

S. 822. An act to amend the act entitled "An act to amend section 217, as amended, of the act entitled 'An act to codify, revise, and amend the penal laws of the United States', approved March 4, 1909", approved January 11, 1929, with respect to the use of the mails for the shipment of certain drugs and medicines to cosmetologists and barbers.

(The transmission in the mails of poisonous drugs and medicines may be limited by the Postmaster General to shipments of such articles from the manufacture thereof or dealer therein to licensed physicians, surgeons, dentists, pharmacists, druggists, cosmetologists, barbers, and veterinarians, under such rules and regulations as he shall prescribe.)

S. 3170. To revise air-mail laws, and to establish a commission to make a report to the Congress recommending an aviation policy. (Signed by the President June 12, 1934.)

(Reduces the rate of postage on air mail to 6 cents for each ounce or fraction thereof, effective July 1, 1934; provides for the awarding of air-mail contracts and the fixing of rates of compensation; and creates an Aviation Policy Commission for the purpose of making an immediate study and survey, and to report to Congress not later than February 1, 1935, its recommendations of a broad policy covering all phases of aviation and the relation of the United States thereto.)

H.J.Res. 366. To simplify the administration of air-mail routes and contracts.

(Amends the act of June 12, 1934 (S. 3170, Public Law No. 308), by directing the Aviation Policy Commission to review the designations of air-mail routes made by the Postmaster General, and defining the number of contracts which may be held by any one person; after March 1, 1935, no person holding a contract or contracts for carrying air mail on a primary route shall be awarded or hold any contract for carrying air mail on any other primary route, nor on more than two additional routes other than primary routes.)

COMMITTEE BILLS REMAINING ON THE CALENDARS OF THE HOUSE AND SENATE AT THE TIME OF ADJOURNMENT

Passed by the House and reported in the Senate:

H.R. 9595. To increase the compensation of letter carriers in the village delivery service.

(Readjusts the salaries of carriers and substitutes in the village delivery service.)

Passed by the House and referred to the Senate Post Office Committee, but not reported in the Senate:

H.R. 1626. Granting equipment allowance to third-class postmasters.

(On and after July 1, 1934, postmasters at third-class offices in which post-office fixtures and equipment are not provided by the Post Office Department shall be paid, as allowances for personally owned or rented post-office fixtures and equipment, an amount equal to 50 percent of the box rents collected at such offices, the allowances to be paid quarterly, under such rules and regulations as the Postmaster General may prescribe: *Provided*, That when post-office fixtures and equipment are furnished by the Post Office Department at post offices of the third class the provisions of this act shall become inoperative.)

H.R. 7023. To amend section 213, United States Penal Code, as amended.

(The prohibitions contained in section 213 of the United States Penal Code, as amended, shall not apply to a newspaper which does no more than announce the names of the winners, or the list of prizes, in a lottery or drawing conducted by a local church, civic, charitable, or fraternal organization, or by the local chapter, lodge, or other like unit of any such organization which is not itself local in character.)

Reported by the committee but not passed by the House: H.R. 3384. For the relief of Ralph C. Irwin.

(The appointment of Ralph C. Irwin as regular village letter carrier at Brea, Calif., on the 16th day of March 1929 shall hereafter be held to have been regularly and duly made as of that date, and he shall be entitled to compensation from that date in accordance with the laws and postal regulations governing appointments and promotions for length of service.)

H.R. 7088. To amend the provisions of laws relating to appointment of postmasters.

(Permits the Postmaster General to designate an acting postmaster upon the expiration of the term of the incumbent and pending the appointment of a regular postmaster.)

H.R. 7392. To authorize the Post Office Department to hold railroad companies responsible in damages for the loss, rifling, damage, wrong delivery, depredation upon, or other mistreatment of mail matter due to fault or negligence of the railroad company or an agent or employee thereof.

(Railroad companies shall be answerable in damages to the United States for the proper care and transportation of the mails, and be accountable to the United States for any loss or damage resulting to any of such mail or any part of it by reason of the failure to exercise due care on the part of any of the company's officers, agents, or employees in the custody, handling, or transportation thereof.)

H.R. 8999. To amend the postal laws relating to the appointment of acting postmasters.

(Any person designated as acting postmaster shall receive compensation retroactively from the time he began to perform the duties of postmaster in the office for which he is so designated. If in any case it should become necessary for some person having proper access to the office to assume the duties thereof pending the designation by the Postmaster General of some person to act as postmaster, the person so assuming and duly performing such duties shall receive the compensation payable in the case of a regular postmaster in such office during the period of such assumption of duties: Provided, That any civil-service employee so designated shall retain any rights accruing from his civil-service status.)

H.R. 9241. To authorize the Postmaster General to award 1-year contracts for carrying air mail, to establish a commission to report a national aviation policy, and for other purposes.

(Note.-This bill is covered by S. 3170.)

H.R. 9355. To increase the postage charge for the return of dead letters and to provide for the collection of a registry fee upon such letters when containing money.

(When letters are returned from the Dead Letter Office to the writers, a fee of 5 cents shall be collected at the time of delivery, and in addition a charge shall be made of the regular registry fee for the return of all ordinary dead letters containing \$1 or more in cash, under such rules and regulations as the Postmaster General may prescribe.)

H.R. 9756. To authorize the establishment and maintenance of an industrial plant at Reedsville, W.Va.

(The Postmaster General is authorized to utilize such funds, not exceeding \$650,000, as may have been allocated by the Public Works Administration, or may hereafter be so allocated, for the erection and operation, including the engineering and other technical services, of an industrial plant at or near Reedsville, W.Va., to manufacture and supply necessary post-office screen lines and appurtenances thereto. The bill does not include the manufacture of furniture.)

H.R. 9566. Amending the act of May 23, 1930, authorizing the Postmaster General to impose demurrage charges on undelivered collect-on-delivery parcels.

(Extends the free-retention period to 20 days on domestic C.O.D. parcels.)

"BUILDERS OF GOOD CITIZENSHIP" IN A WORLD SEETHING WITH NATIONALISM

Mr. RAINEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by myself at the banquet of the Civitan International, Toronto, Canada, June 26, 1934:

Gentlemen of the Civitan International, this organization is now international in its scope and influence and it is particularly appropriate that this convention of the Civitan International should be held in the Dominion of Canada, with whom we have been on friendly terms, and until recently, in close trade relations, for a period of over 100 years. For 100 years the peace of the two great English-speaking nations of the Western World which we have sworn in solemn convention forever to maintain has been unbroken. While other nations in other parts of the world are feverishly fortifying their boundaries the longest international boundary line in the world—between these two great nations—remains unfortified, furnishing an object lesson of peace and good will, friendship and confidence, which can be found in no other remains unfortified, furnishing an object lesson of peace and good will, friendship and confidence, which can be found in no other section of the world. The four awful Horses of the Apocalypse seem to be riding, always riding—over the war-torn nations of the Balkans—over the boundaries in Asia, between Russia and Japan—over the boundaries of Europe, between Manchuria and China—over the boundaries of Europe, between France and Germany—over the swamps in the great No Man's Land which divide Bolivia and Paraguay. Peace reigns here along this, the longest international boundary in all the world. boundary in all the world.

# THE ORIGIN OF THE CIVITAN INTERNATIONAL

This organization had its origin in a southern city when the magnolias were blooming and when the nations of the world were magnolias were blooming and when the nations of the world were engaged in the greatest conflict in history, and just after the United States of America had been irresistibly drawn into the awful vortex of the World War. It was easy then to be patrictle and to make sacrifices. Bands were playing, flags were flying, khaki-clad soldiers were marching and news of victories for our Allies was coming always from the battlefields of France.

We are engaged now in another war, more important, more serious, than the World War—a war in which we are compelled to face the dull realities of life. There are not flags flying, no soldiers marching, no bands playing. But in both these great countries where this organization flourishes men are courageously facing the economic problems which confront us and are trying, and successfully trying, to work out a solution.

and successfully trying, to work out a solution.

# THE BUNKER HILL DAY CELEBRATION IN 1917

I think the most important patriotic celebration in New England was the Bunker Hill Day celebration of 1917, just after the United States had entered the war. I had the honor of being the speaker at this Bunker Hill Day celebration. I recall a stirring episode connected with the Bunker Hill Day celebration of 1917. The speakers' stand was located at the bottom of the hill. Thouands of people were assembled in the square which surrounds the monument which surmounts the hill. The Canadian Zouaves were there with their brilliant uniforms; made up entirely of wounded and disabled soldiers. They had come over to the United States for the purpose of helping us in our work of recruiting our armies. A flight of steps from either side of the hill leads to the monument at the summit. Some ships of the American Pottle. armies. A flight of steps from either side of the hill leads to the monument at the summit. Some ships of the American Battle Fleet were in the harbor. The Canadian Zouaves, carrying the British flag, and led by the ranking officer of the organization, marched up the steps on one side of the hill, while the American Marines, led by the ranking American admiral, marched up the steps on the other side of the hill carrying the American flag. The bands played alternately the American national anthem and God Save the King. The march was so timed that the two columns met at the summit of the hill—British flag and American

flag meeting on Bunker Hill for the first time since the Battle of Bunker Hill.

Today around this banquet board are assembled the members of the Civitan International, and again representatives of both great nations meet. There is no clash of arms now, but the battle against the depression is on and victory may not be far away.

For a decade this organization has been international. The rep-

resentatives of its organization here in Canada and the representatives of its organization in the United States are here tosentatives of its organization in the United States are here to-night—builders of good citizenship all. In the old city of Geneva, in Switzerland, devoted always to world peace, a club of this organization flourishes. On the walls at the gate of an ancient city in Europe not far from the headquarters of the Geneva branch of this organization—where the waves of civilization for centuries have ebbed and flowed—is a simple bronze tablet upon which is inscribed, "To the memory of Woodrow Wilson, President of the United States, founder of the League of Nations." You here in Canada are connected with this great organization. In the or the United States, founder of the League of Nations." You here in Canada are connected with this great organization. In the United States in a hundred ways we have recognized it and are cooperating with it and are appropriating money to aid in its activities. Its services are always available to nations which desire to promote and to preserve peace, always available to nations which desire to establish and to maintain more friendly relations.

At the present time the world is cathless with latence in time.

At the present time the world is seething with intense national-ism. Every nation has erected great tariff barriers against every other nation. Every nation in this world is apparently trying for economic self-sufficiency. Every nation is engaged in a trade struggle for itself and a struggle against all other nations. Trade peace between the nations seems far away. No nation in this world can really prosper unless every other nation prospers. The nations must trade with each other. No nation can be self-sufficient. Tariff barriers grow higher and higher. The strain on the patience of the citizens of every nation grows more and more intense. The struggle for economic sufficiency, it seems, apparently will not end even in the distant future.

#### NAPOLEON AND RUSSIA

One hundred and twenty-two years ago the great Napoleon was advancing upon the Russian capital at the head of an army of half a million men, riding in person at the head of crushing squadrons of cavalry with nodding plumes; in all the history of the world no such magnificent aggregation of armed men had been assembled as this. Cities had thrown open their gates; kingdoms had capitulated. He was apparently soon to become the master of the known world. His power was apparently never greater; he was apparently never more secure; but at that very moment his crushing defeat and banishment to an obscure island in the Mediterranean was less than 4 years away. So—the end of the great world depression; the tearing down of tariff walls; the end of economic nationalism and the restoration of world prosperity may be much less than 4 years away.

# WHO IS THE CULPRIT IN THE MATTER?

It is not difficult to answer this question. Immediately after the expiration of the Wilson administration we in the United States inaugurated our policy of economic nationalism. We had suddenly become a creditor nation and we commenced to loan large amounts of money abroad; we commenced to build up our tariff walls. The policy we attempted to put in effect was a policy which, it was contended, would enable us to sell our goods to every nation in the world, and we expected confidently never to be compelled to accept pay in goods and services, but always in gold. Our international trade commenced to dwindle. One thousand five hundred American economists warned against adoption of our nationalistic policies. The nations of the world protested. Germany insisted that she could pay her obligations only in goods. She called attention to the fact that notwithstanding our unparalleled economic development we were entering upon a policy which would keep her from paying us what she owed us, and if

which would keep her from paying us what she owed us, and if that policy were adopted by the rest of the world, she could not pay other nations what she was owing them. With supreme

indifference we violated economic laws.

Seven or eight years ago our balance of trade, then much larger than it is now, did not amount to as much as the interest payments other nations were making to us. In other words, we were getting more for the money we had sold abroad than for the goods we sold abroad, but they were paying us with money they borrowed from us.

The inevitable result followed. Other nations were compelled to adopt our policy of nationalism, and they have made a success of it. They have built up their tariff walls until they are higher than ours, and today in 1,800 branch plants back of their tariff walls in other nations American companies, with American capital, wais in other hations American companies, with American capital, are manufacturing the goods we a few years ago manufactured, using our own labor and our own raw materials. American companies are manufacturing now, utilizing the labor and raw materials of the countries where they operate their branch plants, and the flight of American capital still continues. They are becoming mechanized at our expense, and they seem to like it.

Our Reciprocal Tariff Act has now been enacted into law. It has for its object the restoration of international trade by estabhas for its object the restoration of international trade by establishing reciprocal relationships between our country and other nations. Tariff walls must be lowered. It is claimed that today it costs \$2,500 to buy in Italy an automobile which sells in the United States for less than \$600. We are mechanized as no nation in the world has ever been mechanized before. Even our farms are becoming mechanized and require less labor.

Food, clothing, and shelter are the necessities of life. For this Food, clothing, and shelter are the necessities of life. For this purpose alone Germany and France can utilize 50 percent of their labor. Italy, which is mechanized to a still less degree than France and Germany, can utilize 65 percent of its labor in supplying its nationals with the necessities of life. In the United States it is claimed that 23 percent of our labor is supplying our nationals with the necessities of life. Under ordinary world conditions, this would be a condition upon which we could congratulate ourselves; but world conditions are not ordinary, and the question which presents itself to us at the present time with tremendous force is, What is to become in the near future of the other 77 percent of our labor? If we are going to completely relieve unemployment, what labor produces above what we consume in the United States must go abroad or men must continue idle.

our resources are so great that until now the conditions I am attempting to outline have never been particularly dangerous. They are dangerous now. We have been able to return millions of men to work. On the 4th day of March of last year probably 14,000,000 men were out of work. Seven or eight million of these unemployed are still out of work, and while we have succeeded in putting millions to work, our relief rolls have not substantially decreased in number, if they have decreased at all. The reason for this extraordinary situation can be found in the fact that the men we have been able to put back to work are the men who are skilled in the trades or who can operate machines while millions of ordinary laborers, anxious to work, are still on the relief rolls. We are embarking now, in order to relieve this class of unem-

of ordinary laborers, anxious to work, are still on the relief rolls.

We are embarking now, in order to relieve this class of unemployment upon the most extensive program of public works ever undertaken by any nation in the history of the world, and the appropriations have been made—appropriations for roads, for rivers and harbors, for shipbuilding, for public buildings—appropriations which contemplate not only the employment of more and more skilled laborers but the employment of unskilled labor, back in the quarries, back in the places where material is furnished.

The strain upon the nationals of other nations which are struggling to be economically independent is tremendous. They are feeling it more than we are. They need the things which we can produce cheaper than they can. In Switzerland at the present time the price of wheat is being maintained by tariffs and by a quota system at \$1.50 per bushel, and the people of Switzerland are commencing to complain. American automobiles are the best and the cheapest. The nationals of other nations are now complaining of conditions which make it necessary for them to pay three or four times as much for an American automobile as we pay in the United States. in the United States.

### SILVER

In Washington we are approaching the period when we will substantially broaden our metallic base by including silver, and the time is rapidly approaching when this will be done. Word comes to us that the financiers of England are viewing this condi-

comes to us that the financiers of England are viewing this condition with intense alarm.

It is proposed, first, to attempt to remonetize silver by international agreements and international cooperation, but if this fails we are going to do it ourselves. Half the world is demanding silver as its monetary metal, and this is the half of the world with which both Canada and the United States can trade.

We have so far been able to prevent inflation. The disasters happening to Germany and France are too recent to be ignored, but an increased use of silver is not inflation. An issue of notes based on silver will have that velocity back of it which will keep it in circulation here and all over the world.

What we are trying to do in the United States is to restore buy-

it in circulation here and all over the world.

What we are trying to do in the United States is to restore buying power, and the way to do it is to commence negotiations with other nations for a lowering of tariff walls by reciprocal arrangements, and to commence a broadening of our metallic base by use of silver. Silver circulation and tariff reductions will go along hand in hand. We cannot solve the problems which confront us by destroying our recovery program, and those who in the United States advocate a return to the conditions which prevailed prior to the 4th day of March of last year are not rendering the patriotic service they ought to render in the present grave emergencies which confront us. Fortunately the Literary Digest poll and the elections which are being held everywhere indicate that the great masses of the people in the United States are back of the President of the United States and are back of the administration program, supporting it patriotically.

We have had enough of the old days of laissez faire, rugged individualism, and control by big business. Commercial organiza-

dividualism, and control by big business. Commercial organiza-tions which advocate a return to the old methods which have brought disaster to us and to the whole world are not rendering the patriotic service they ought to render at the present time. In the United States we are legislating now for the debtor classes and we propose to continue that character of legislation. The leader-ship of big bankers and captains of industry is no longer possible. We are proceeding without this kind of leadership and leaders of this character are not being consulted.

# THE "BRAIN TRUST"

One way of attacking our recovery program is to challenge and ridicule the so-called "brain trust." There is nothing of the kind in Washington. Big business has employed always economists and specialists, and we are bringing to Washington this character of men. We are proceeding in our recovery efforts with the assistance of trained economists, and all this stuff about a little red house in Georgetown and about a control by college professors is sheer and absolute nonsense. We are going to continue in our

recovery program to adopt the methods heretofore adopted by big business and to employ trained economists, and we are doing it. These men are working long hours in Washington—12 or 14 hours a day—giving to the Government the best service they have been trained to render, and we are not going to give up this kind of assistance.

Another method of challenging the recovery program in the United States is to insist that the leadership of the House and the President are not in accord. Statements of this kind are absolutely false and malicious. The leadership of the House, and the House itself, is cooperating enthusiastically and in every possible way with the President of the United States and will continue to cooperate.

#### WAR AGAINST DEPRESSION

This is a war against depression in which we are now engaged. It is more difficult now to inspire patriotic cooperation than it was during the period of the World War. Bands are not playing, flags are not flying, khaki-clad soldiers are not marching through our streets. It cost the United States \$41,000,000,000 to assist in winning the World War. It will cost us less than \$15,000,000,000 to win this war against depression, and we are not going to hesitate to expend it.

to expend it.

Already we have averted the economic collapse toward which we were rapidly proceeding on the 4th day of March of last year. Our plunge toward economic chaos has been halted and we are proceeding now in the other direction.

We have insured the deposits in practically every bank in the United States and no insured bank has failed; 54,000,000 depositors enjoy now complete protection. It is not possible to find a single phase of our recovery program which has not been launched, directly or indirectly, for the purpose of helping every class and every group in the United States. Our Federal credit has been completely reestablished. We are financing home mortgages and farm mortgages. The present administration in the United States, under a great leader, has been doing in a new way the new things which are necessary in order to start the country on the road back to better times. to better times.

It has been charged that during the period of the Roosevelt administration there has been an enormous increase in our national debt. On February 28, 1933, we had in cash in our Treasury only \$221,000,000; on the 31st day of March of this year we had in cash in our National Treasury over \$2,000,000,000.

### GOVERNMENT UNDERWRITING

What we have really been doing is to underwrite investments, taking from industries their securities. We have made loans to banks, to insurance companies, loans to farmers, to municipalities, taking back from them on account of this character of loans their securities. We have loaned a large amount of money, and all of it, when the new deal has succeeded, will come back again.

#### A NEW METHOD OF APPROACHING THE NATIONAL DEBT IN THE UNITED STATES

On the 28th day of February 1933 our public debt, less cash and securities, which the Federal Government controlled, amounted to only \$6,225,000,000. On March 31 of 1934 our public debt, less cash and securities, amounted to only \$8,264,000,000. It had increased a little over \$2,000,000,000, a negligible amount.

In giving these figures I have not estimated the increment on gold which we have obtained by revaluing the gold dollar. Inasmuch as this revaluation of the gold dollar will continue through the years, this is a perfectly legitimate item to include in this

the years, this is a perfectly legitimate item to include in this estimate, and this increment amounts to \$2,810,000,000, and if this is to be considered, on the 31st day of March of this year our public debt, less cash and securities, was \$771,000,000 less than it was at the end of the Hoover administration.

was at the end of the Hoover administration.

But from now on we propose to expend a large amount of money without taking back securities. From now on and during the next 12 months of time we expect to expend on public works more money than has ever been expended by any nation in a like period of time in the history of the world, and we are going to do it fearlessly. This expenditure, while not evidenced by securities, adds to our national wealth, and it gives to men now out of employment, employment. It will restore the buying power of millions of citizens.

of millions of citizens.

As compared to the dismal conditions of gloom and depression As compared to the dismal conditions of gloom and depression which prevailed in every section of our country in March of last year, the accomplishments of our recovery program have been marvelous and without a parallel in the history of the world. We have been pulling down the mountain tops of the very rich; we have been raising the levels of the valleys in our new methods of taxation, and this work still continues and will continue. The people of this Nation are not heeding the unsound warnings of organizations which represent high business

people of this Nation are not heeding the unsound warnings of organizations which represent big business.

For a little while we may be compelled to be a smaller America. For a little while we may be compelled to permit fertile lands to lie out of cultivation. For a time the output of our factories may be curtailed, but we are approaching, in the United States, rapidly another era of big business, big business in which the ordinary man will participate; the kind of business which will not concentrate the wealth of the country in the hands of a few. We are going to preserve our capitalistic system; there is no room for communism in our Republic; we are going to preserve it in such à way that the masses of the country will participate in its benefits. We cannot accomplish a recovery overnight; it will take time. There may be casualties; there will be, but we hope to make them as few as possible. We are rapidly proceeding now toward the new day which is already dawning.

### FUNCTIONS OF THE CIVITAN INTERNATIONAL

This great organization, functioning now within the boundaries of three nations, all of them devoted to ideals of peace and good citizenship, has its work to do. Its motto, "Builders of good citizenship", applies now with a greater force than ever before in the history of the world. Good citizenship means, first of all, unselfish devotion to the highest ideals; good citizenship means strenuous efforts within the nations where this organization flourishes to bring about better relations between the nations of the world. We cannot hate a people we know, and this organization, embracing now the two great peace-loving nations of the western world, and little Switzerland in the heart of Europe, has opportunities presented to it for bringing about better and closer relations between the nations, and better and closer relations must mean, first of all, an interchange of goods. Each nation must manufacture the goods it can manufacture best and trade them for the goods of other nations which other nations are best fitted to manufacture. In this way the building up of better and closer relationships between the nations can be best promoted. In this way, along this line, builders of good citizenship have today their greatest opportunity.

# THE RAILROAD EMPLOYEES' RETIREMENT ACT

Mr. LEA of California. Mr. Speaker, in the closing days of the session Congress passed an act providing for the retirement of the employees of railroad companies.

This is the first contributory retirement insurance system for an industry established by law in this country. Both from a historical and an economic standpoint it is a matter of unusual interest.

The main features of this act are simple. The President is authorized to appoint a railroad retirement board of three members to administer the act.

Provision is made for a railroad retirement fund to be deposited as a special fund in the United States Treasury. It is to be made up solely by contributions from the carriers and their employees. The Secretary of the Treasury is authorized to invest the surplus funds in obligations of the United States. The proceeds are to accrue to the benefit of such fund.

The board is authorized to take the necessary action to compel contributions to the fund and to authorize payments therefrom.

All expenses of administration of the act and for the payment of annuities and death benefits are to be paid out of this fund.

The act includes express companies, sleeping-car companies, carriers by railroad, subject to the Interstate Commerce Act, and certain other subsidiary or affiliated companies. Street and suburban electric companies, unless operated as a part of a general steam railroad system, are not within the act.

An employee is anyone in the service of such a company, and who has been in such service within 1 year before the enactment of this measure, or shall hereafter be in such service.

# ALL RAILROADS TREATED AS ONE

For the purpose of fixing benefits under the act the railroads of the country are treated as one. Each employee is entitled to accumulate his employment for all companies and for all time in establishing the length of his service.

Contributions are paid into the one fund by all carriers and benefits are paid therefrom, regardless of the length of service of the employee for any particular carrier.

Former employees receiving benefits under the private retirement system of carriers may, under rules and regulations established by the board, be brought within the provisions of this act as a substitute for the existing systems of retirement established by carriers.

It will be observed that employees so brought into this system from a private system of retirement would receive their benefits out of the common fund instead of from the funds of the particular railroad from which they have heretofore received their benefits.

A carrier who is now paying an employee a larger pension than that provided by this act would, in case of the transfer of the employee into this system, be required to pay such additional amount.

In case the board is unable to make satisfactory arrangements for the transfer of the existing private pension sys-

tem into that provided by this act, the beneficiaries of the private system may be taken in under the provisions of this act.

#### CONTRIBUTIONS

The retirement fund is to be created from the contributions of the carriers and their employees and income from the investment of the surplus fund thereof by the Secretary of the Treasury.

Each employee is required to contribute a percentage of his compensation. Each carrier is required to contribute twice the amount of the contributions of its employees.

Until the board shall determine otherwise, the employee shall contribute 2 percent. When found necessary or desirable the board may, from time to time, change the amount of contributions required, but is not authorized to change the proportionate amount of the contribution as between the employees and the carriers.

The contribution of the employee is deducted by the carrier from his compensation and is to be paid by the carrier directly into the Treasury quarterly, or as ordered by the board. The carrier also makes its own contribution directly to the Treasury.

#### CHARGES AGAINST THE FUND

The retirement fund is the sole source for the payment of the costs of administration, of annuities, and the death benefits.

The cost of administering the act will probably be about \$5,000,000 per year.

It will be necessary to keep an account of the employment and compensation of every railroad employee. There are now 1,215,000 employees subject to the provisions of this act and manifestly it is not a small job to secure the information and carry the accounts of this number of employees.

The board will have the power to require all carriers and employees to furnish information and records necessary for the administration of the act. Where the records of a railroad company are insufficient to establish the period of service of the employee the burden will be upon him to furnish such proof as the board may, by rules and regulations, require as necessary for that purpose.

# ANNUITIES

An employee at the age of 65 years, or who has completed 30 years' service is entitled to an annuity on retirement.

The amount of such annuity will be based upon the length of his service, and the sum of the amounts determined by multiplying the number of years of service, not exceeding 30, by the following percentage of his monthly compensation: 2 percent of the first \$50, 1½ percent of the next \$100, and 1 percent of his compensation in excess of \$150. No compensation in excess of \$300 per month shall be computed for this purpose.

The annuity of an employee who has served 30 years and claims payment before he is 65 years of age will be reduced one-fifteenth thereof for each year less than 65 years of age at the time of the first annuity payment. The effect of this provision will be to prevent the payment of any annuity prior to 50 years of age, although the employee may have served 30 years. After that time the annuity can be collected only by such a sacrifice of amount that it will strongly tend to prevent applications for annuities until the employee approaches or has attained the age of 65 years.

Retirement at 65 years of age is compulsory except that the carrier and the employee may by agreement in writing extend the time of such retirement for 1 year successively, but not beyond the age of 70 years. This provision does not apply to an employee who occupies an official position in the service of the carrier.

Any employee who hereafter acquires the right to an annuity will be entitled to the same when he reaches 65 years of age, regardless of whether or not he may remain in the service of the carrier up to that age.

Any employee who after 30 years of service is retired on account of physical or mental inability to continue in active service, will be entitled to the full amount of the annuity, regardless of the fact that he may be under 65 years of age.

monthly basis that will be paid under this act.

Average monthly compensation	20 years of service, age 65 and over		30 years of service or more		
			Age 60 1	Age 621	Age 65 and over
\$80	\$29.00	\$36. 25	\$29.00	\$34.80	\$43, 50
\$100	35.00	43. 75	35.00	42.00	52, 50
\$125	42.50	55, 13	42.50	51.00	63, 75
\$150	50. 00	62, 50	50, 00	60, 00	75. 00
\$175	55. 00	68, 75	55, 00	66, 00	82, 50
\$200	60. 00	75, 00	60, 00	72, 00	90, 00
\$225	65, 00	81. 25	65. 00	78. 00	97, 50
\$250	70, 00	87. 50	70. 00	84. 00	105, 00
\$275	75, 00	93. 75	75. 00	90. 00	112, 50
\$300 and over	80.00	100.00	80.00	96.00	120.00

<sup>1</sup> Assuming employee was not retired by the carriers on account of disability; if so retired the annuity would be the same as for an employee, age 65.

In determining the monthly compensation paid the employee one or the other of two standards are used, depending upon whether or not the computable service was rendered before or after the effective date of this act.

In computing the compensation for prior service the monthly compensation shall be the average paid to the employee for all pay-roll periods for which he received compensation out of the eight consecutive calendar years ending December 31, 1931. This period was accepted as a fair basis for determining the best average compensation, and obviates the necessity of establishing the records as to the compensation paid in all former employments prior to January 1, 1924.

The standard time for fixing the amount of annuities after the effective date of this act will be based upon the actual time of employment and compensation actually paid.

The average of expectancy at 65 years is 123/4 years. By multiplying the monthly annuity specified in the above table by 1234 years, it will be seen that even the small annuities based on 30 years' service will bring a very substantial sum to such beneficiaries who retire at 65 years of age.

The average aggregate annuity for 30 years' service at \$80 monthly compensation would be over \$6,000, and for a \$300 compensation over \$17,000. Based on a \$150 compensation for 30 years of service the average aggregate retirement benefit received over the 1234-year period would be over \$11,000.

# DEATH BENEFITS

Upon the death of an employee, before or after retirement, an amount equal to his contributions to the fund, with interest at 3 percent, compounded annually from the time of his payment, less any annuity payments received by him, shall be paid, as he may have designated, or to his legal representatives.

It will be observed that the effect of this provision is to require annuities to be paid, first out of the contributions of the employee, plus the interest accumulations thereon. In case the annuities have not consumed such an amount at the death of the employee, the balance of such employee's contribution, with its accumulations, shall be paid to his

Another effect of this provision is to require the expenses of administration to come solely out of the contributions of the carriers or the accumulations of their contributions. On the other hand, the carriers are relieved from the payment of annuities to the extent that the contributions of the employees are sufficient for that purpose.

# COMPULSORY CONTRIBUTIONS

This is a contributory plan. It will be observed, however, that all sums contributed by the employee are returned to him, or to his beneficiaries at his death, unless the earnings from his contributions should exceed the 3-percent compound interest accumulations on his payments.

The enforced contribution from the employee is, in effect, a compulsory establishment of a savings account for his benefit, to which the employee is required to contribute 2 percent of his salary, or such other sum as the board may determine from time to time as necessary, not exceeding

I submit an illustrated table showing the annuities on a | one-third of the total contributions required, to meet the liabilities created by this act. Having determined that a compulsory system for protecting employees against poverty and insecurity in old age is desirable, it is also determined that the employee himself should be required to definitely contribute to that end out of the compensation he receives preparatory to the time when old age will be upon him and the retirement period arrives.

#### COST OF THE PLAN

The final test of a retirement system is the practicability of carrying the burden of its cost.

It is roughly estimated that the annual contributions acquired by this act will amount to about \$90,000,000 per year for the next 4 years-\$60,000,000 from the carriers and \$30,000,000 from the employees.

It is also estimated that the expense of carrying retirements for the first 4 years will not exceed the following amounts: \$60,400,000, \$68,400,000, \$76,800,000, \$90,300,000.

Based on these figures and deducting estimated costs of administration, the first 3 years should produce a surplus of over \$80,000,000 and the fourth year would create no deficit. Prior to that time the permanent plan should be in operation.

# INITIAL PROBLEMS OF A RETIREMENT SYSTEM

There seems to be no method of providing for an old-age industrial pension system except by introducing it piecemeal. This necessarily establishes an inequality in treatment of employees as between those who do and those who do not receive retirement benefits.

Under the piecemeal plan of introducing a retirement system the burden of carrying a system is placed upon a specific industry. Very many employments are such that it is impossible to attach the burden of retirement as a part of the labor cost. The employment may be too temporary or the responsibility of the employer too unfixed or too irresponsible to make the system feasible through industrial contributions.

So any universal scheme of financial protection against old age must ultimately look for a broader burden-bearing basis than industrial employers alone. This does not mean that we must or should defer all industrial retirement systems until an ideal plan is worked out. A more practical hope must be that through the experience with these industrial plans, with the hope of more perfect operation, we may develop an experience that will guide us to a more practical and adequate system. The particular difficulty is in seeking an equitable distribution of the burden of the plan.

The necessary theory of a private retirement industrial system is that the pension is a labor cost, the burden of providing it is a charge against industry. The annuity received is a part of the compensation for the service rendered.

The burden of pension retirement must, in part at least, ultimately fall upon labor. The annuities paid subsequent to the retirement of the employee must be charged against operating costs by the employer and, in part at least, be passed on to the consumer. The employee must regard his annuity payment as a part of his compensation, a part of his compensation designedly deferred for the purpose of protecting him against the financial insecurity of old age.

One difficulty in establishing an industrial pension system is the proportionately large number of aged employees who have or will contribute little or nothing toward meeting the burden of the system.

The seniority rule prevails in railroad employments with the result that in times of large unemployment the younger men are discharged and a proportionately larger number of the older employees remain in the service. At the present time the average age of a railroad employee in the United States is 52 years. This means that the average employee is within 13 years of the retirement age. He will contribute for 13 years only, although the benefits he will ultimately receive may be based upon 30 years of service.

This situation means that the cost of meeting the obligations under the retirement system will increase successively for 25 or more years to come. The peak load carrying the system will not be reached before 25 years.

Any farsighted plan of employee retirement must anticipate the reduced expenditures required to meet the current obligations in the early years of the plan and the constantly increasing amounts required to carry the burden in future years. A system that requires contributions only sufficient to meet current liabilities would be wholly inadequate.

Under the system adopted in this bill the benefit payments will substantially rise during each of the first 4 years, but the contributions required will leave a substantial surplus out of the receipts for those years. It is improbable, however, that the percentage of contributions required under this act will be sufficient to maintain the system on a solvent basis permanently. It will be necessary eventually to provide higher contributions from the employees or the carriers, or both, or reduce annuities.

It is in part a recognition of the necessity of working out a permanent, enduring, and solvent plan that this act provides that within 4 years the board shall make a special report to the President and Congress with recommendations for such changes in this retirement system as may be necessary to assure its adequacy and permanency. The experience gained under the administration of this act, pending such a report, will be an invaluable preparation for the more permanent system that this act contemplates.

It is to be hoped that the board will proceed to make such report as diligently as preparation and prudence will permit.

ACCOMPLISHMENTS OF PRESIDENT ROOSEVELT AND THE SEVENTY-THIRD CONGRESS

Mr. SABATH. Mr. Speaker, if the Republican financial and industrial leaders had the interest of the country, or even their own best interests, at heart they would long ago have ceased their vicious and unworthy attacks upon President Roosevelt, his administration, and this Congress.

The Republican leaders endeavor in every way to becloud and minimize the achievements of this great administration, evidently hoping that the people will forget the destruction and havoc that the Republican Party, controlled, as always, by the country's largest financiers and "big business" in general, brought upon the Nation during the Hoover administration. To me the effrontery and audacity of this coterie of money changers is nothing short of amazing.

If President Hoover and his administration, with the aid of the financiers and the "big business boys", had possessed one-tenth the amount of horse sense that has been displayed by President Roosevelt, the crash that they brought upon us through their avariciousness and disregard for fair business practices and ethics, if not prevented, could at least have been greatly minimized.

The strategists of the Republican Party for the last 3 months have been utilizing and feeding "issues" to the gentleman from New York, Mr. Fish; to Mr. Britten; and, of late, to the gentleman from Kansas, Mr. McGugin, believing them beneficial campaign material; and, unfortunately or premeditatively, they appear to be sustained or espoused by a misguided or controlled Republican press which itself has been benefited or saved from bankruptcy by this very administration.

It may possibly be that in some instances the press unwittingly has permitted itself to be used to give favored and wide publicity to these adroit attacks on the President and the Congress, but in many cases the newspaper publishers who have so greatly benefited by President Roosevelt's great recovery program have willfully gone out of their way to assail the administration. For instance, Mr. Frank Knox, publisher of the Chicago Daily News, returning from a trip to Europe, sends forth an intended mighty blast against the new deal. The facts are that the criminal inflation policy of the Republicans not only destroyed prosperity in America but laid low the European nations as well. He knows. or should know, that only the election of Franklin D. Roosevelt saved the United States from the terrors and withering devastation of a revolution in 1932. Instead of criticizing this administration Mr. Knox should publicly be thanking it for having saved for posterity the form of government that was handed down to us by Washington, Jefferson, and Lincoln.

MEN OF EXCELLENT REPUTE SHAMEFULLY USED AS DECOYS

The special interests during the Republican administration did not hesitate to inveigle into their operations some of our most popular and prominent citizens, men of such good repute as Colonel Lindbergh, Captain Rickenbacker, and even the sons of a President and a Vice President of the United States, and the sons of United States Senators. The manner in which they made use of these well-known names to further questionable and nefarious schemes is not only greatly to be regretted but is to be unequivocally condemned by all.

These same avaricious interests debauched not only the Post Office and Treasury Departments, some of these very men having been used to obtain millions in income-tax refunds and illegal air-mail contracts, but debauched our Army and Navy also, as is being disclosed by new evidence that almost daily is coming to light.

What particularly irks me is that the very men who destroyed private industry and debauched our governmental institutions are not only unmanly in denying the great progress and accomplishments of President Roosevelt and his administration but they add insult to injury by grossly and unwarrantably misrepresenting and shamefully disparaging his policies and purposes.

Also, I observe that our unworthy critics are charging that we have appropriated about \$23,000,000,000 in the last two sessions of Congress. Wholly indifferent to truth, the Republican bosses try to prejudice the people by saying such large sums have been "appropriated"; but note carefully the fact that they do not say "expended." There is a vast difference between the two words "appropriated" and "expended." We have appropriated large sums, not to spend but to loan to banks, railroads, insurance companies, building and loan associations, farmers, home owners, to businesses, and have made available \$5,000,000,000 for additional loans to industries, and to States, municipalities, and to schools; and all of the money loaned under this Democratic administration will be repaid. Never doubt that. And this will be in direct contrast to the loans made by the Republicans to such institutions, for instance, as the Dawes bank and to certain favored railroads.

The Republicans also neglect to point out that nearly \$2,000,000,000 of the appropriations of this Congress were made to feed the hungry and starving, and to provide employment for 600,000 men, many of whom have served their country on fields of battle.

The real and honest truth is that this has been the most economical administration in many years, the actual cost of government having been reduced by more than 25 percent as compared with the Hoover administration. Surely, more men have been employed, but that was necessary for the purpose of putting into execution the many new governmental activities, such as the building of new public works like the Tennessee Valley enterprise and other projects designed in the interest of providing work for the 9,000,000 men still out of employment.

EVEN MANY BUSINESS MEN DECEIVED BY UNSCRUPULOUS PROPAGANDA AGAINST ADMINISTRATION

Not only has a large part of the public press been deceived by the continual barrage of misrepresentations plotted and guided by the President's detractors but what is to be regretted even more is the fact that many manufacturers and business men of the Nation are still permitting themselves to be hoodwinked by this insidious antiadministration propaganda. Purely political—Harding, Coolidge, and Hoover— 12 years of misrule-inflation of values-the fictitious and criminal enhancement of stock and bond issues-financial riot-that "prosperity 'Hoovering' around the corner"that subversion and rape of State banks—that castigation of the stability of national banks—untold failures of both—loss of homes and savings-decrees of courts even in the rural districts ignored or physically resisted—thousands of ruined business men driven to suicide-16,000,000 men out of employment! And now, after all this, we behold the spectacle of the very forces responsible for this havoc and destruction still fostering this deplorable and un-American propaganda against the man who saved the Nation.

to call attention to real facts, believing that everyone not blinded by prejudice will concede that never before in our history has an administration accomplished as much for the country in such a short space of time as has the administration of President Franklin D. Roosevelt.

No nation was ever so prosperous as was the United States during the years of the Wilson administration.

More people were employed at higher wages and higher salaries than in any period since the beginning of the world. Wealth had been accumulated to such an extent that by

the year 1920 this country had 33,000 millionaires.

The value of property and farm lands increased tremendously.

The total wealth of our Nation reached the enormous sum of \$460,000,000,000.

From 1914 to 1929 our fields yielded tremendous crops, we increased oil and mineral productions, and our bank deposits reached nearly \$50,000,000,000.

#### HOOVER HAD COUNTRY ON VERGE OF REVOLUTION

President Coolidge, President Hoover, as well as the great financier, Mellon, all maintained in 1927 and 1928 that we were on the verge of still greater prosperity. But, lo and behold, in 1929 there occurred the greatest panic in the history of the world, a panic that paralyzed 98 percent of the Nation's property values, so that on March 4, 1933, when President Roosevelt was inaugurated, every bank in the United States had to be closed, 80 percent of the plants, shops, and factories were closed, 16,000,000 persons were out of employment, millions of American citizens were pauperized, the life's savings of millions were wiped out, and hundreds of thousands of farms and homes were taken away from the owners, hundreds of thousands of persons were in the bread lines, municipalities, counties, and States were unable to feed the millions of unemployed, destitute, and hungry people, and menacing rumblings were heard all over the land. Those were the conditions-and who is here to deny it?-that existed on March 4, 1933. All this tragic misery and suffering was brought about through no act of Providence, but through the vicious, avaricious lust and greed of big financiers and business "leaders" of this Nation.

Notwithstanding such conditions, President Hoover and his administration, supported by the very congressional leaders who now noisily are assailing President Roosevelt, did not make a single effort to relieve the intolerable conditions of 1930, 1931, and 1932. President Hoover, Mr. Mellon, and other Republican leaders, refused to listen to the appeals of the masses, of municipalities, counties, and States, saying that the matter of relief was not the function of the Federal Government-that that was the sole duty of States and municipalities—this notwithstanding most municipalities and States already had shown themselves unable to cope with the situation or to provide sustenance for the destitute and hungry.

# PRESIDENT ROOSEVELT WORKED FAST TO SAVE THE NATION

On March 4, 1933, President Roosevelt took control of the ship of state and within a week he called a special session of Congress. After a few days, with unheard-of speed, the Democratic Congress started to pass legislation making possible the reopening of many banks and the gradual reopening of factories. The President devised means whereby the railroads and insurance companies were saved from bankruptcy, and immediately started to advance funds to municipalities and States with which to feed their destitute and hungry. Within 15 months over 6,000,000 wage earners have been put back to work. Of the 95 percent of plants and factories that showed tremendous losses in 1931, 1932, and 1933, more than 50 percent today are showing profits. Men who had been forced to work for as low as \$6 per week and women at \$3 a week are now earning a living wage. Newspapers have increased their circulation by hundreds of thousands and their advertising by 500 percent. Something is being done for people in every walk of life.

Legislation has been enacted whereby we are saving homes of farmers and of city dwellers. Greedy financiers and bankers are being evicted from management of financial in-

Mr. Speaker, it is for this reason that I feel honor-bound | stitutions and dishonest officials are being replaced by honest men. The credit of the Nation has been reestablished. Interest on our indebtedness has been reduced by nearly one-half. Gold heretofore owned and controlled by the few has been taken over by the Government for the benefit of the Nation, enabling the United States to increase its production and to export its surpluses. Legislation has been passed to regulate gambling stock exchanges. If Republican leaders, greedy bankers, and financial manipulators had any decency or farsightedness, and had the interest and the welfare of the Nation at heart, they would join hands with us and attain credit for cooperating in accomplishing relief of our suffering peoples. But again, foolishly, yes, ignorantly, they continue to minimize and hamper in every conceivable way, and oppose and retard our earnest efforts, finding fault with our every act, unfairly and dishonestly criticizing our achievements in the most ridiculous and unwarranted manner. All this in the hope they will be able to mislead and prejudice the people against one of the most courageous, able, and humane Presidents this Nation ever had. Regardless of your attacks and misinformation with which you are trying to feed the country, my Republican colleagues, you will not succeed in your dishonorable trickery. You may rave about the "brain trust", about legalized murder, and bring forward hundreds of Wirts and red houses in Georgetown, deride the progressive and conscientious young men in our administration whom you slur as "wonder boys" and "punks"; you may ridicule our policy as being against the Constitution, and twittle about our gold and currency plans; yet the people will continue to trust the President and the Democratic Congress.

> Therefore I advise you to desist in your filibuster and, instead, help us bring about the passage of laws the President has recommended, and let us adjourn as speedily as possible and go home to our districts; and instead of inflaming the unfortunate masses with your untruthful, insincere, rash, and ridiculous statements, tell them the truth-that every effort is being made by this administration to bring about reemployment, relief and better conditions for all. Desist from your destructive activities; repent and you may be forgiven.

# ENTIRE NATION IS WITH THE PRESIDENT

I repeat that the plot to ruin the Roosevelt administration through misrepresentation in the Nation's newspapers has failed utterly. Unprincipled publicity racketeers have not been able to rob our great President of that enduring confidence and esteem which he has justly earned and so well deserves.

This is proven by the results of a Nation-wide poll on the popularity of the Roosevelt policies that has been going on for several weeks under the direction of the Literary Digest. This periodical always has been strongly Republican, but its various polls generally have been conducted fairly and with amazing accuracy. The Digest, for instance, predicted, weeks in advance of the election, the outcome of the last two Presidential elections, and the revolt of the people against

With reference to the poll now being taken, of all the 48 States of the Union, Vermont, the rock-ribbed Republican State, is the only one that has not given our present President a substantial majority. This shows that his efforts and the present administration have complete and merited confidence of the people of this great Nation.

Mr. Speaker, I have, as you know, been a Member of this body for very nearly 28 years, all beautiful and inspiring years. I hope I may be pardoned for stating a fact of which I feel I am entitled justly to be proud. My record for continuous membership in this body is longer than that of any other of the 435 present Members of the House of Representatives. In a few words, I have been here a long. long time.

No Congress in which I have served, during this more than quarter of a century, has been more diligent, more conscientious, more able, more worthy, more aware of its responsibility than this Seventy-third Congress now about to close. Its record for meritorious legislation will be diffi-

ROOSEVELT WON THE CONFIDENCE OF THE NATION BY HIS COURAGE TO ACT

It will be recalled by the entire American people that the Hoover administration went out of power proclaiming that prosperity was "just around the corner", when it was known to all men that in truth it was revolution that was just around the corner.

Mr. Roosevelt in his campaign speeches promised that, if elected, obnoxious prohibition laws responsible for the invisible and criminal "government by bootleggers" immediately would be repealed. This promise was carried out to the letter, as the entire country knows.

He promised, also, that no man would be permitted to go hungry or freeze during his administration. And, also, he kept that promise to the very letter. First and last, Franklin D. Roosevelt's innermost thoughts as President of the United States have been with the poor-the forgotten

President Roosevelt already has declared, in a message to Congress which amounted practically to a challenge to the money changers of Wall Street, that in the next Congress he would submit an additional program based on these three basic fundamentals:

First. Security of the home.

Second. Security of the worker in his job and assurance of his livelihood.

Third. Security of social insurance.

MAJOR ACCOMPLISHMENTS OF THE SEVENTY-THIRD CONGRESS

Among the principal accomplishments of President Roosevelt and the Seventy-third Congress, briefly stated, were:

Repeal of prohibition, which has resulted in millions in taxes going into the Treasury instead of to the bootleggers

Tottering banks have been placed on firm foundations.

Thousands of young men, unable to obtain employment, have found health and usefulness in Civilian Conservation camps.

Child labor practically has been abolished.

Among other major accomplishments of the Seventy-third Congress are:

First. Made record appropriations of \$5,200,000,000, more than half of which was set aside for aid to the destitute.

Second. Passed the stock-market-control bill, bringing the Nation's securities exchanges under Federal regulation, which will prohibit, in the future, the robbing of investors. as occurred during the Hoover administration, resulting in

Third. Passed reciprocal tariff bill, authorizing the President to reduce or increase tariffs up to 50 percent and to make advantageous "Yankee" trade agreements with other nations.

Fourth. Passed Gold Reserve Act.

Fifth. Passed silver purchase bill authorizing nationalization of silver and establishing a bimetallic reserve composed of 25 percent silver and 75 percent gold.

Sixth. Passed general revenue bill providing for added income of \$417,000,000 by increase of income taxes on the rich, who undeniably are best able to pay, but by decreasing them in the lower brackets.

Seventh. Passed communications control, placing the Nation's radio, telephone, and telegraph systems under Federal regulation.

Eighth. Passed administration air mail bill, establishing a new policy of air-mail contract awards, removing huge frauds against the Government by air-mail contractors from the Hoover administration.

Ninth. Housing Act, which will greatly benefit the smallhome owner, provides for a billion-dollar home repair, modernization, and building drive intended to rehabilitate construction industry. A \$200,000,000 fund is provided for home modernization loans. National mortgage associations are authorized. Home Owners' Loan Corporation capital is increased to \$3,000,000,000. A mutual mortgage insurance sys-

cult for any future Congress to equal and impossible to | tem is authorized as well as a guaranty of building and loan association deposits.

> Tenth. Railway labor bill, creating National Railroad Adjustment Board representing labor and industry.

> Eleventh. Frazier-Lemke mortgage relief bill, providing for a virtual 6-year breathing spell to farmers unable to obtain readjustment of debts.

> Twelfth. Crime bills giving Federal Government power to punish organized crime through interstate commerce, mail, and national banking laws.

Thirteenth. Bill giving Filipinos independence.

Fourteenth. Bankruptcy acts revised, providing for adjustment of municipal and corporation debts.

Fifteenth. Bill extending by 1 year temporary bank deposits insurance, and increasing the guaranty from \$2,500 to

Sixteenth. Passed labor resolution aimed at halting the threatened steel strike and averting other industrial con-

Seventeenth. Bill to compensate widows and children of war veterans who served before November 12, 1918.

Eighteenth. Bill making available \$580,000,000 for direct loans to industry, giving chance to many small but honest business men to get back on their feet.

# IMPORTANT INVESTIGATIONS AUTHORIZED

The good work of the Seventy-third Congress will continue even after adjournment. Thirteen different investigating committees will be at work throughout the Nation delving into various forms of graft and conditions inimical to the welfare of the American people.

I have the honor to head one of these committees to investigate the working methods and operations of so-called "bondholders' protective committees" of real estate reorganizations, of bankruptcies, or of receiverships. No less than a million people in this country were complaining of the treatment they got in the reorganization of many realestate failures. We will hold hearings in Chicago and elsewhere, and I promise that, as chairman of this select committee, I will go to the very bottom of this subject and will bring out all information leading toward saving every dollar possible for unfortunate bondholders.

# I AM PROUD OF MY COOPERATION WITH THE PRESIDENT

Mr. Speaker, I am indeed proud to have been in a position to give my full aid and cooperation to the President in bringing about enactment of the excellent legislation recommended by him. I am gratified to have had opportunity and privilege of aiding the people in their hour of distress. legislation placed on the statute books by the Seventy-third Congress shortly will bring relief to the needy and destitute of the entire Nation, whom it is intended to benefit.

I wish to be pardoned if, in closing, I call attention also to a few of the benefits that my own State, city, and district will derive from legislation enacted due to my own advocacy thereof. I refer to such accomplishments as the obtaining of the \$40,000,000 loan and grant for the sanitary board; of the loan for the construction of the Cook County nurses' home; of the loan for the extension of Chicago's waterworks, and for the bridge over the Chicago River to connect Lincoln Park with the South Parks Boulevard system; of the appropriation of \$175,000 for A Century of Progress; of legislation making possible pay of back salaries to Chicago school teachers and those of other cities.

Also, I sponsored a resolution to have the Government reimburse Chicago for approximately \$100,000,000 expended on the great canal now owned by the Sanitary District of Chicago. I am also hopeful, and have assurance, that before the next Congress convenes, the proposed immense slum housing project in my district will have been started, and that the proposed airport on the site between Ashland Avenue, Throop Street, Twenty-second Street, and the Chicago River will be under way; that a new post office will be in course of erection in my district; and I am delighted at the prospect that a new, modern structure is to replace the present dilapidated, old, main city post office in Chicago now. used by various governmental bureaus and offices.

I voted for, and helped to secure, passage in the House of the so-called "soldiers' bonus bill." Unfortunately it did not pass the Senate, but we did succeed in obtaining passage of an act aiding the veterans. I will do everything possible to obtain additional favorable action for the veterans in the next Congress.

I am pleased and gratified that I voted for and aided the passage of the Steagall bill, which not only will aid depositors in closed banks that were members of the Federal Reserve, but depositors both in State as well as National banks.

OLD-AGE PENSIONS AND UNEMPLOYMENT INSURANCE MY NEXT GOAL

In addition to the foregoing, I supported and aided much general legislation, such as that for stock- and grain-exchange control; the huge Public Works program; legislation for the repeal of the Prohibition Act; loans to States and municipalities to feed the unemployed; beneficial legislation on the silver question; investigation of post-office frauds, which will save the Government millions annually; bank-ruptcy and receivership investigations; and now, last but not least, the investigation of bondholders' protective committees.

I am happy to have been instrumental in bringing about these accomplishments, and I promise to continue my efforts on at least two other measures of progressive legislation upon which I have had my heart set for many years, namely, old-age pensions and unemployment insurance. To both I pledge my complete and active support.

#### THE PRAZIER-LEMKE BILL

Mr. AYERS of Montana. Mr. Speaker, under our specialized system of industry where every person is dependent upon some other for some service to be performed, let us realize and understand that everything is built upon farming and agriculture. Our specialized system of industry would soon fall if agriculture were not maintained, for it is the parent of all our industrial system. No other industry, trade, business, or calling could survive or exist without it; from it the Nation is fed and clothed, and upon it all most depend.

Our specialized system of industry may be likened unto and compared with a plant or a tree. The roots, body, and trunk of a tree correspond to farming and agriculture, and the limbs, branches, twigs, and leaves of the tree represent the other industries, trades, and callings. All the different parts of the tree are dependent, first, upon the roots, then upon the body and trunk. The different industries, trades, and callings cannot survive without farming and agriculture any more than the limbs, branches, twigs, and leaves of a tree can grow and survive without the roots, body, and trunk of the tree.

When the limbs, branches, twigs, and leaves of a tree are withered and dying from drought, we do not sprinkle the affected part but we promptly direct water to the roots of the tree, and this will be carried upward by the vital life currents to the affected parts. It is as equally folly, in trying to restore permanent prosperity to industry, trade, and callings, to start with them as it would be to try to bring back the growth of the tree by sprinkling the leaves. To restore permanent prosperity to industry, trades, and callings which have grown up around farming and agriculture, we must first restore farming and agriculture. That is what we call, out west, just ordinary "horse sense."

There is a difference in controlling and maintaining prices of industrial and manufactured commodities on one hand and the price and value of farm and agricultural products on the other. Prices and values of manufactured products are fixed, adjusted, and maintained arbitrarily by the determination of producers or by agreements among manufacturers, and are thereby controlled and maintained at will. Such action is impossible for farm and agricultural prod-

pendent farmers and because of the elements and conditions under which they operate.

The prices and values of farm products and commodities are fixed and determined by the volume and supply of money in circulation controlling the general commodities price level. Under this, farm prices rise and fall as money in circulation

ucts and commodities because of the vast number of inde-

is increased and decreased. History reveals to us and experiences within our own memory tell us that if the volume and supply of money is increased, farm prices rise in accordance with the increased volume of money. If the volume and supply of money is decreased, farm products fall with the decreased supply of money. If the volume of money is reduced by one-half, prices of farm products will fall one-half. If the volume and supply of money is doubled, farm prices will be doubled; in other words, farm and agricultural products are at all times subject to control by the volume and supply of money.

When this crisis, which we choose to minimize by calling it a depression, fell upon us, a greater volume of money was in circulation and higher normal values and price levels prevailed. The farmer was selling about one-fourth of his products to meet his taxes and interest; this left him the other three-fourths with which to buy, take, use, and consume the products of the mill, factory, manufacturer, and the workshop. But when the money was so speedily contracted, taken out of circulation, and collected into the hands of the few and reduced in volume and supply, it just as speedily forced down price levels and the farmer was soon compelled to sell all of his products, the entire four-fourths, to pay his taxes and interest, leaving him nothing with which to buy, use, and consume the products of the factory, mill, manufacturer, and the workshop. This destroyed the buying and consuming power of the 40,000,000 farm population and its dependents; that left both the employers and the employees of industry unable to consume their own output and production. This soon closed the factories, mills, and workshops and the employees of these places were then unable to purchase the agricultural products at any price.

From this we see that the failure and destruction of the farmer's purchasing and consuming power reached back through all the different industries, trades, and callings. It left the little merchant without his local trade, the wholesale house without sale, the factory, mill, and workshop without orders, all industry slowed down, and brought unemployment to labor, which in itself destroyed the buying and consuming power of another 30,000,000 people and their dependents. The whole industrial system resting upon farming and agriculture was left paralyzed, as was also farming and agriculture, and the people, except the favored few who had collected in the money, were left in want, suffering, and distress in the midst of plenty and abundance.

To build up a permanent restoration of prosperity, it must first be restored where it was first destroyed; therefore, we must start with farming and agriculture. To do this we must use the same power and means which were used to destroy it. The power of money was used to destroy prosperity, and the power of money must be used to restore it. The steps which were taken to destroy must be retraced in reverse order to bring back and restore prosperity. The volume and supply of money which was contracted and withdrawn from circulation must be restored back to circulation. If the withdrawal forced down values and the farm price levels, so the restoration of money back to circulation will raise values and farm price levels.

The Constitution vested in Congress the power to coin and issue money and regulate its value, but the Congress has long since surrendered and relinquished this sacred power to the Federal Reserve System and its banks, all of which is nothing but a private banking institution without obligation to the people or responsibility for public welfare. The power over money is in this monstrous concern which is issuing, regulating, and controlling the value of money in absolute disregard of the will of the people. These private bankers who were in control of our money system when this crisis fell upon us are today in control of our money supply and they are dictating the volume and value of it and are directing the credit and extension of it at will.

The President and this Congress have made many efforts to correct this situation in an orderly manner, but the fine hand of the Federal Reserve System and of the private international bankers are found reaching in on all sides.

Now, Mr. Speaker, this Congress should not adjourn until the power to issue money and regulate its value is taken from the Federal Reserve and restored back to the Congress where | condition I am sure is no different, have been reduced to a the Constitution placed it. I have signed a petition to vote against adjournment until such legislation is enacted, and I hope that a majority of the Members may do likewise. If a majority will stand pat, we can get results.

Mr. Speaker, I started out to discuss only the Frazier-Lemke bill to refinance farm mortgages, but before I had well started on my preliminary remarks my friend, sitting beside me here, the gentleman from South Dakota [Mr. HILDEBRANDT], whispered to me, "Judge, tell them that the Federal Reserve and the international bankers contracted the currency and brought down farm prices", hence my diversion to let my friend and neighbor from South Dakota know that I knew what he was talking about, and to let him know that I knew he was right.

Mr. Speaker, I do hope that this Congress will not adjourn until we have been given an opportunity to vote for the Frazier-Lemke bill. This proposed legislation is not new. Senator Frazier has had it before the Senate for several years. It has had extensive hearings. It is understood by farmers all over the country. A great many State legislatures, from agricultural States, have sent in memorials asking for its passage. The petitions of farmers praying Congress for favorable action on this bill fill a dozen file cases. The farmers of the country know the difference between it and the present farm mortgage set-up. They know that under the present system a great part of the interest paid by them goes to private banking organizations, which are in fact loaning Government money. They know that under the Frazier plan their interest money would be paid into the Government Treasury, and they know that their rates would be reduced by more than two-thirds. They are opposed to that excessive middleman charge for the handling of Government money. They are right, and they are entitled to this legislation—the country is entitled to it. It helps everyone, except the money changers.

The Democratic platform of 1932 declared for better financing of farm mortgages at lower rates of interest, and it is up to us-the majority party of this Congress-to live up to that pledge by passing the Frazier-Lemke bill. It is the most necessary piece of legislation now before Congress. First, because it provides an honorable method for the farmer to save his home and farm, his means of livelihood, and permits him to continue as an independent homeowning farmer. Without independent home-owning farmers, the backbone of this Nation and the very backbone of civilization will be broken; and, second, this legislation is necessary because it provides for a reasonable, substantial, and necessary expansion of the currency, based upon a sounder foundation than gold-the producing and earning soil of the Nation.

Since this Congress convened in March 1933 Treasury reports disclose that we have had a decrease of the total money in circulation by about \$960,000,000, equaling \$8 per capita for every man, woman, and child in the country. It is therefore absolutely necessary, to my way of thinking, that this Congress take definite steps to increase the total money in circulation in order to raise the price level of farm commodities above the cost level of production and fixed charges such as taxes and interest.

It is true this Congress has reduced the interest rate to farmers borrowing from the Federal land bank. That is good, as far as it goes, but Congress should be willing to go far enough at least to give the farmer an equal break with the railroads, insurance companies, and bankers, all of which are really dependent upon him.

The railroads alone in the past 2 years have received Government loans, refunds, and adjustments amounting to more than \$1,250,000,000, and their loans bear an interest rate of only a small fraction of that which is required of the farmer. This money being loaned to the railroads, in the most part, has its ultimate goal in the vaults of the banks, which only helps to further contract the currency.

The farmers of this Nation in general, and the farmers and ranchers and livestock men of my State, whose condition I know better than those of other places, but whose

state of practical serfdom through the operation of the money changers who contracted the currency and through the burden of unbearable interest rates. It is time that we begin to realize that if anyone else is to retrench then the collectors of interest must retrench. If the farmer is to take his loss, and the toiler is to take his loss, and the little business man is to take his loss, then the Shylocks who live by the toil of others must also bear their share of the

The Frazier-Lemke bill involves the principles which will do justice to the men and women of America who are endeavoring to hold on to the property which they have acquired and which consists of producing lands, and which is not merely money property. The plan of this bill is profitable to the Government and profitable to the farmer, and when profitable to the farmer it is profitable to everyone in this country.

This bill allows the Government to control the issuance of money instead of delegating that power to the money lender. This bill will help to give producing property its just dues. In fact, it deals exclusively with producing property and has nothing to do with money property, hence the Federal Reserve and the international bankers are against it.

Mr. Speaker, during the special session, and soon after this bill was introduced in the House I signed a petition to bring it to a vote of the House. That petition was not a partisan political move and the signatures upon it disclosed that it is not of a political nature. The roll of the 145 signers on that petition shows almost an equal number of Democrats and Republicans, and it shows the signatures of all of the five Farmer-Labor Members. Among the signatures are the names of Members of prominence on both sides of the aisle. Until the closing day of this session it was impossible to get the required number of signers on that petition. The strongest lobby of the entire session was waged against that petition and the earmarks of the Federal Reserve and the international bankers were plainly seen in that lobby.

We who are supporting this bill are now arguing only that it be brought to the floor for consideration. We are simply asking for our day in court. We are only asking for the right to be heard. That right should not be denied us, and its denial is at the peril of the destruction of free repre-

To my Republican colleagues who say that this legislation is being held up by the Democrats, I answer: This bill was held up by both the Coolidge and Hoover administrations. The Republicans had power then to correct this evil, and they did not do it. During all that time they worshiped at the shrine of high interest rates and the property rights of money. The responsibility for the situation of today is on your heads, my Republican friends on that side of the

Now, to my Democratic colleagues who opposed this legislation, I say this: You are not keeping faith with the platform upon which you were elected in 1932, because that platform declared for the better financing of farm mortgages at lower rates of interest. The responsibility for curing the evil which has been carried on to this administration is on your heads—our heads on this side of the aisleand I, for one, am willing to share any part of that responsibility and help bring this bill to the floor and to pass it.

The passage of this bill, together with the passage of an honest-to-God silver bill and not a makeshift silver bill like we have passed, and the enactment of the bill authorizing the payment of adjusted-service certificates will all work together to a sufficient and substantial expansion of the currency to the end that we will be brought back to prosperity with the same speed that it was taken from us. Let us do these things before we adjourn. Let us discharge our responsibility as men. That is what we were sent here for. Now, let us keep the faith.

THE CENTRAL VALLEY PROJECT OF THE STATE OF CALIFORNIA

Mr. ENGLEBRIGHT. Mr. Speaker, during this session of Congress I introduced in the House H.R. 9838, a bill authorizing the Secretary of the Interior to issue patent to the

Water Project Authority of the State of California for all | are under irrigation, representing two-thirds of the total public lands of the United States situated within the project boundaries of the Kennett Dam and Reservoir of the Central Valley project of the State of California. By the provisions of the bill the granting of these public lands will in no way adversely affect the rights of any settler or claimant under the mineral or public-land laws to complete a claim to any portion of the said lands which has been lawfully initiated. and the title of the Water Project Authority of the State of California is made subject to any such valid claim.

Among other things, it also provides that the title to the lands that are to be granted shall revert to the United States if abandoned or transferred to any person or entity other than to the State of California.

The purpose of the bill is to aid in the construction of the Kennett Dam and Reservoir of the Central Valley project of California, a great, necessary, and meritorious public water and power project of national importance, interest, and concern. The Kennett Dam, 420 feet in height and storing 3,000,000 acre-feet of water, is the vital and key unit of the entire project.

PURPOSE OF THE CENTRAL VALLEY PROJECT OF CALIFORNIA

The Central Valley project will store, control, and distribute the waters of the two great rivers of California, the Sacramento and San Joaquin, and is designed to meet fully and adequately the present and immediate future water problems of the Sacramento and San Joaquin Valleys, and of the upper San Francisco Bay region. It will also provide a large amount of hydroelectric power at low cost. The major objectives of the project are: To supply water for the irrigation of semiarid lands now under cultivation but not having an adequate supply of water; to develop hydroelectric power; to control the floods of the Sacramento and San Joaquin Rivers; to make the Sacramento River navigable from its mouth 250 miles to Red Bluff, and the San Joaquin River navigable 86 miles above Stockton; to control the salinity of the waters of the Sacramento-San Joaquin delta area; and to provide fresh water for industrial use in the upper San Francisco Bay region.

# THE GREAT CENTRAL VALLEY OF CALIFORNIA

The Central Valley of California, composed of the Sacramento and San Joaquin Valleys, lies between the Sierra Nevada Mountains on the east and the Coast Range on the west and extends from Shasta County in northern California to Kern County in south-central California. The northern portion of the valley, known as the Sacramento Valley, is drained by the Sacramento River, which rises in the Sierra Nevada Mountains, near the northern boundary of the State, and flows 400 miles in a southerly direction to its mouth at Collinsville, at the eastern end of Suisun Bay, an arm of San Francisco Bay. The southern portion of the Central Valley, known as the San Joaquin Valley, is drained by the San Joaquin River, which rises in the Sierra Nevada Mountains in the central portion of California and flows southwesterly and northwesterly to Suisun Bay, where it enters just south of the mouth of the Sacramento River. Its total length is about 350 miles. At the mouths of the Sacramento and San Joaquin Rivers there is an extensive delta region reclaimed from the original marshes or from lands below sea level.

The summers of the region are long and hot, with practically no rain, while the winters are short and mild, with frequent rains and practically no snow, except in the surrounding mountains. The average annual precipitation, including the mountain areas, is about 42 inches in the northern portion of the basin and 23 inches in the southern. On the valley floor the precipitation varies from 4 to 25 inches. Most of the run-off occurs from December to March. Seasonal variations are large, with dry years usually occurring in cycles.

The Central Valley contains about half of the agricultural land and two-thirds of the irrigated land of the State. The floor of the valley is a flat alluvial plain 500 miles long and 30 to 60 miles wide, between the foothill ranges. contains 9,000,000 acres of agricultural land of good quality irrigated land of the State, and more than is under irrigation in all of the United States Reclamation and Indian Service projects of the whole United States. The lands of the Central Valley, in general, are very fertile, but rainfall during the growing season does not provide sufficient moisture for crops, and therefore irrigation is necessary for profitable farming.

The population within the confines of the Central Valley is nearly 1,000,000. Its normal annual value of farm products is about \$310,000,000; manufactured products, \$265,-000,000; and mineral production, including oil and gas, \$73,000,000. The valley is a commercial back country to the metropolitan areas of San Francisco and Los Angeles, with their 3,500,000 people, and these areas enjoy a large wholesale manufacturing and retail business with the valley. Three-fourths of the people of the State of California are dependent in some measure on the Central Valley and are affected by its prosperity or decadence.

# INADEQUATE WATER SUPPLY

The importance of irrigation to California and to the Sacramento and San Joaquin Valleys is well demonstrated by the fact that in the past 50 years almost the entire increase in agricultural development and production has been through the means of irrigation. Practically all of the water for irrigation development has been made available through private initiative and effort. A critical and serious water shortage has developed during the past 15 years in large areas of the Central Valley supporting a high type of agriculture development and civilization.

The easily developed irrigation waters are now practically all in use, and large areas in the southern part of the valley, deriving their supply from underground sources, are facing a water famine through overdraft. Summer stream flow has become inadequate while large unregulated winter flows are wasted. With reference to the inadequate water supply of the lands now under cultivation, the United States Bureau of Reclamation in 1933 in reporting on the Central Valley project, stated as follows:

The rapid expansion of irrigation in the Great Central Valley has resulted in a use and demand for irrigation supplies in excess has resulted in a use and demand for irrigation supplies in excess of the water supplies available in several portions of the valley. This is particularly true in the upper San Joaquin Valley where the unregulated flow of the streams has been fully utilized and the available underground supply has been drawn upon in excess of its annual replenishment. Such complete utilization of the supply is effected in this area that very little of the run-off escapes in normal years. It also applies to the Sacramento-San Joaquin Delta, and to some extent to the Sacramento Valley. The large upstream diversions on both the Sacramento and San Joaquin Rivers have diminished the flow into the Sacramento. uin Rivers have diminished the flow into the Sacramento-Joaquin Delta to such an extent, particularly in dry years, the salt water from the ocean through tidal action has ad-Joaquin vanced into the channels, rendering the water unfit for irrigation and endangering agriculture in the delta region and the industries and municipalities in the adjacent upper San Francisco Bay area. In the Sacramento Valley proper the unregulated supplies in dry years are not sufficient to meet the present demand, and irrigation has been curtailed thereby.

These water shortages have attained a critical stage. Lands, homes, and towns have been and are now being abandoned because of lack of water. More than 1,000,000 acres are affected, and unless remedial action is soon taken, wholesale abandonment will follow with a property value loss of perhaps \$100,000,000, and 50,000 people be forced to leave their farms and homes. These areas are highly developed, having highways, railroads, schools, churches, power, telephone, gas, and other utilities. Reversion to desert conditions will take place unless water is supplied.

In the southern portion of the San Joaquin Valley 400,000 acres of highly developed irrigated lands, supporting a large rural and urban population, are intensely suffering from water shortage. At least half of this fertile acreage, representing a capital value of \$50,000,000, in land values alone, will shortly be depopulated unless water is made available. Irrigation in this section is largely with water pumped from wells. The level of this underground water has been lowered to such an extent that pumping costs have become prohibitive. The pumping drafts have been in excess of the and suitable for irrigation. Three million acres of this land | replenishments, and there is but little opportunity for increasing the supply by more intense conservation and use of the water from local streams, since such waters are now almost completely utilized.

In the delta of the Sacramento and San Joaquin Rivers, located at the head of San Francisco Bay, another water emergency exists. Here there are nearly one-half million acres of some of the richest agricultural lands in the State threatened with agricultural extinction by the recurring invasions of salt water from the Pacific Ocean through San Francisco Bay. These lands of peat and sedimentary formations, and to a large extent below sea level, have been reclaimed by the construction of levees at a cost of \$27,000,000. These reclaimed delta islands have been irrigated with water taken from the 500 miles of fresh-water channels surrounding them. The combined effects of irrigation and storage diversions on the Sacramento and San Joaquin Rivers have resulted in serious invasions of salt water into the delta channels, thus rendering the water unsuitable for irrigation of the adjacent lands. In the very dry year of 1931, the advantages of irrigation were lost to more than 70 percent of the delta area because of salt-water conditions. Annual recurrences of intrusion of salt water renders the lands sterile. These delta lands represent a capital investment of \$50,000,000 and produce annually specialty crops with a market value of \$30,000,000. Wholesale abandonment of extensive areas must result if the invasion of salt water is

On the shores of upper San Francisco Bay, immediately below the delta of the Sacramento and San Joaquin Rivers. there is a region which embraces one of the most important industrial districts of the State, and now occupied by more than 100 industrial plants. These plants produce annually manufactured products valued at over \$112,000,000. The rate of growth of this remarkable industrial section, in value of products, number of employees, and size of pay roll for some time, was greater than for the State as a whole. Of late years the area and the industrial plants have been greatly handicapped by lack of a dependable supply of fresh water. The industries of the region are largely dependent for their fresh-water supply on the delta region. Like the delta lands, the existence of these industries is menaced by the invasion of salt water and serious damage has already resulted. Their future growth and prosperity are dependent on providing an adequate available supply of fresh water.

Due to stream depletion by irrigation diversions, navigation on the Sacramento and San Joaquin Rivers has been seriously impaired, and on the upper reaches of these streams it has been abandoned.

The Central Valley has also other serious water problems which involve flood control, domestic use, and hydroelectric power.

In order to provide plans to solve the water problems and requirements of the Central Valley, in 1921 studies, known as "the California water resource investigations", were initiated under authority of the California Legislature and carried out under the direction of the State engineer. During the period 1921 to 1929 extensive and complete investigations were made, and these studies supplemented by reports of Federal agencies, particularly the Bureau of Reclamation and Corps of Engineers, culminated in the plans as now embodied in the Central Valley project.

# THE CENTRAL VALLEY PROJECT

The construction calls for a great dam, 420 feet high, at Kennett, near Redding; a conduit from the delta region to Martinez to furnish water to industries; a huge dam at Friant, near Fresno, with canals leading north to Chowchilla River and south to Bakersfield; and a 200-mile transmission line from Kennett to Antioch. The Kennett Dam will hold back the peak flood flows which now rush down the Sacramento River Canyon, endangering life and property, and waste into the ocean unused. Thereby a flood peak from the main river will be eliminated and a major step in the final conquest of the flood menace in the Sacramento Valley will have been accomplished. The potential annual flood damage will be reduced \$200,000. These flood waters

withheld behind the Kennett Dam will create a great lake covering 23,000 acres and storing approximately 3,000,000 acre-feet of water, which will be gradually released into the river so as to maintain its flow at not less than 5,000 second-feet throughout the year. Five thousand second-feet minimum stream flow will make the Sacramento River navigable from its mouth 250 miles to Red Bluff. Thus, as a great artery of commerce the Sacramento River will supply water transportation—the cheapest form of transportation—for commodities moving in and out of the Sacramento Valley, with an annual saving of \$300,000 to the farmers, stockmen, municipalities, and other interests and industries of the locality.

The maintenance of the Sacramento River at 5,000 second-feet minimum flow will assure a dependable water supply at all seasons of the year to agricultural lands and municipalities in the Sacramento Valley, and will remove all threat and danger of the curtailment of irrigation in the Sacramento Valley by the United States War Department. Under the Constitution the United States has paramount authority to act in aid of navigation. Many times threats of Federal interference with up-river diversions, during pariods of low flow and at the greatest irrigation need, have caused water users to restrict voluntarily their use of water, damaging themselves thereby, in order to avert Federal interference. Maintenance of the Sacramento River at this flow will lessen pumping lifts and save many thousands of dollars in annual power bills to Sacramento Valley water diverters.

The constant release of flood water stored at Kennett Dam will protect from ruination by salt water 400,000 acres of Sacramento-San Joaquin River delta lands. Relieved from salt-water menace, the delta landowners will withdraw their present action by law to stop up-river water diverters in the Sacramento and San Joaquin Valleys from using certain amounts of water. The outcome of the pending litigation, involving hundreds of landowners, is uncertain and would be a calamity to either or both sides of the controversy. With the delta region freed from the salt-water menace, a fresh-water supply adequate in quantity and reasonable in cost will be made available to the upper San Francisco Bay area. The conduit from the delta to Martinez will preserve the future prosperity of the locality and make possible its further growth and expansion.

The construction of the Friant Dam and developments on and from the San Joaquin River will make the San Joaquin River navigable 86 miles above Stockton. It will assure an adequate and dependable water supply to agricultural lands and municipalities in the San Joaquin Valley and rescue from return to desert over 200,000 acres of highly developed lands producing crops, mostly noncompetitive, in the south San Joaquin Valley with a valuation of \$50,000,000 and an annual crop value of \$20,000,000. Within 3 years there is grave danger of 50,000 people being forced to abandon their farms and homes if this section is not supplied with water.

To the Los Angeles metropolitan area the maintenance of its trade and commerce with the south San Joaquin Valley is of vital importance. Southern California water projects afford no relief to the south San Joaquin Valley. The Central Valley water project will maintain the prosperity of the south San Joaquin Valley and thereby directly be of great benefit to the business interests of southern California and its trade and commerce. To the San Francisco metropolitan area the maintenance of its trade and commerce, with its vast Central Valley hinterland, is an abvious necessity, not to mention the direct importance to it of the maintenance and continued growth of the upper San Francisco Bay industrial area. All of the cities, towns, and villages of the Central Valley depend largely upon agriculture for their very existence, and if vast areas continue to suffer ruin by depleted and inadequate water supplies, the business men and urban inhabitants of the valley face a failing source of support, which will bring nothing less than despair in its wake. To all of the State of California the threatened destruction of so great a portion of its assessed valuation and

the suffering of so large a number of its population are matters of great concern, and the condition must be remedied if California is to continue to be a happy and prosperous Commonwealth.

Mr. Speaker, the Central Valley project is designed to confer benefits the extent and value of which it is impossible to evaluate in terms of money. The alleviation of human misery and distress cannot be measured in dollars and cents.

The project does not provide for the bringing of new land under irrigation or into production. Its objective is for the maintenance of present lands now or recently irrigated. It is a relief measure and strictly in accord with the policies enunciated by the United States in regard to existing farm problems.

Hydroelectric power will be developed at the Kennett Dam and transmitted to a central substation at the upper end of San Francisco Bay for distribution into the northern California power market. Substantial revenues will be obtained from this power resource.

The plans for the project have been thoroughly and carefully worked out by the State of California, under the direction of State Engineer Edward Hyatt, and participated in and checked by the Corps of Engineers of the United States War Department and the United States Bureau of Reclamation. Twelve years and \$2,000,000 have been spent in the preparation of the plans for the project. Committees of Congress have also personally inspected the project area and the developments therein.

For the purpose of definitely showing the views of the Federal agencies which have studied and reported on the project, permit me to quote from several of the reports.

In pursuance of Senate Resolution No. 177, Seventy-second Congress, first session, the Committee on Irrigation and Reclamation, United States Senate, investigated the project in 1932 and rendered a report in March 1933 (S.Rept. No. 1325, 72d Cong., 2d sess.). The following statements are taken from the committee's report:

From the standpoint of irrigation the committee feels that the great Central Valley project of California is a particularly meritorious one, since it is primarily directed to the preservation of already developed and producing lands. The productive resources of these lands are not prospective as in the case of projects for developing new lands, but are already an asset to the Nation.

It is the conclusion of the committee that Congress is warranted in giving very careful consideration to participation in and assistance in the financing of this great Central Valley project of California. Direct contributions are warranted in the interest of improvement of navigation and flood control, the amount of which must be determined by careful investigation of the constituted agencies of the Federal Government and careful consideration by the appropriate committees of both Houses. It is further believed that the project is a particularly meritorious one for consideration by Congress of furnishing interest-free funds in the interest of irrigation, and, incidentally, funds at a low interest rate for the power features. Funds directly contributed to the project in behalf of navigation and flood control should be properly safeguarded by suitable guaranties from the State as to construction and operation. Funds loaned for the project should be loaned to the State, and repayment guaranteed by the State. In conformity with this conclusion, the committee believes that it would be appropriate that legislation be introduced which would bring the matter before Congress. would bring the matter before Congress.

A report on the Sacramento, San Joaquin, and Kern Rivers, Calif., was prepared by the Corps of Engineers, United States War Department, in pursuance of the Rivers and Harbors Act, approved January 21, 1927, and in accordance with the provisions of House Document No. 308, Sixtyninth Congress, first session. The report was printed as House Document No. 191, Seventy-third Congress, second session. In transmitting the report to the Secretary of War, Maj. Gen. Lytle Brown, then Chief of Engineers of the United States Army, stated:

After due consideration of these reports I concur in the views and recommendations of the Board. The comprehensive State plan for the conservation of water resources in the Central Valley affords, in my opinion, the best general plan for the improvement of the Sacramento and San Joaquin Rivers for navigation and for the prosecution of this work in combination with the development of water power, the control of floods, and the needs of irrigation. The Federal interest in water conservation on the Sacramento River for the benefit of navigation warrants, in my opinion, the

Federal contribution toward the work recommended by the Board. Plans for the development of the San Joaquin River for navigation in combination with irrigation do not appear to be sufficiently advanced to warrant a definite recommendation at this time. Plans for the Kennett and Keswick Dams, the Friant Reserand irrigation canals in connection with the latter, are well developed from an engineering standpoint and may be promptly undertaken when funds for the purpose are made available. Should they be incorporated in the Public Works program provided in the National Industrial Recovery Act, the Federal contribution of 30 percent of the cost of labor and material employed on the project as provided for in that act would, from the figures presented by the division engineer, place these projects on a self-supporting basis. Subject to these remarks I concur in the conclusions and recommendations of the Board.

A recent report on the project was rendered by the War Department and printed as House of Representatives Committee on Rivers and Harbors Document No. 35 (73d Cong., 2d sess.). In the letter of transmittal to Hon. J. J. Mans-FIELD, Chairman of the Committee on Rivers and Harbors. House of Representatives, dated April 6, 1934, Maj. Gen. E. M. Markham, Chief of Engineers, stated as follows:

The Federal interest in the conservation of water by the construction of the Kennett Dam largely exceeds, in my opinion, that evaluated by the division engineer and the Board, since by remedying the intrusion of salt water into the delta of the Sacramento and San Joaquin Rivers, it eliminates from consideration Federal participation in the construction and operation at great cost of participation in the construction and operation at great cost of locks and structures to prevent such intrusion, and assures a free and open passage for the highly important navigation through the channels of the delta. Based on this aspect of the case, as well as the direct benefits to navigation and flood control on the Sacramento River, I find that the general and Federal benefits from the construction of the Kennett Dam on the plans now proposed by the State warrant a special direct participation of the Federal Government of \$12,000,000 in the cost of this structure.

On April 13, 1934, the Committee on Rivers and Harbors of the House of Representatives adopted the recommendation of the Chief of Engineers and authorized the appropriation of \$12,000,000.

The United States Bureau of Reclamation investigated and reported on the project in 1933. The Bureau found that the project works proposed were feasible of construction and operation; that the project was worthy of financial assistance from the Federal Government; and it was economically and financially feasible with justified Federal financial assistance.

A subcommittee of the House Committee on Appropriations made a field inspection trip over the project in 1931. Although it did not render a report on its findings, the members of the committee were deeply impressed with the tragedy of the situation and expressed themselves individually that the Federal Government should take part financially in relieving the farmers from their desperate plight.

Mr. Speaker, I desire also to call your attention to the Report of the President's Committee on Water Flow, transmitted by the President to the Congress on June 4, 1934, and being printed as House of Representatives Document No. 395 (73d Cong., 2d sess.). This report was submitted pursuant to the Norris-Wilson resolution of February 2, 1934, which requested the President to prepare-

A comprehensive plan for the improvement and development of the rivers of the United States, with a view to giving the Congress information for the guidance of legislation which will provide for the maximum amount of flood control, navigation, irrigation, and development of electric power.

The committee, composed of the Secretaries of the Departments of Interior, War, Agriculture, and Labor, in its report selected 10 projects or drainage basins in order of priority for further development when comprehensive plans have been prepared. The Sacramento-San Joaquin (Central Valley) project is listed as no. 5 for development. It is stated in the report:

The comprehensive plan previously developed by the California State plan for water conservation and Federal agencies has already been adopted by the State of California. "It is the most carefully considered and complete plan of its kind ever drawn up", according to the technical subcommittee on the Pacific region.

From the foregoing quotations it is apparent that the Central Valley project is one of great merit and justifies Federal financing to bring about its realization.

The State of California has taken definite steps toward the consummation of this great public project. The State legislature of 1933 passed the Central Valley project act creating the Water Project Authority of the State of California, composed of five State officials, to construct and operate the project and to issue and sell revenue bonds to defray the cost. The bonds would be secured by revenues from the sale of water and power. The act was submitted to a referendum vote of the people at a general State election and was ratified by a substantial majority vote.

An application has been filed by the Water Project Authority of the State of California with the Federal Emergency Administration of Public Works for the financing of the Central Valley project under the provisions of the National Industrial Recovery Act of 1933. The application is now under examination by the Public Works Administration.

The construction of the project will directly and indirectly employ 25,000 men for the next 3 years and put into circulation millions of dollars, thereby restoring purchasing power to thousands now dependent upon charity.

In terms of labor and material to build the project, it will require 186,224,000 man-hours of labor, 6,528,000 cubic yards of concrete, 20,809,000 pounds of reinforcing steel, 114,543,000 pounds of structural steel, 6,496,000 barrels of cement, 5,836,000 cubic yards of rock, 3,302,000 cubic yards of sand and 38,311,000 cubic yards of excavation.

I am convinced that this project is as carefully planned, as broadly conceived, and as worthy of Federal finance as any project of its kind in the entire United States. Its consummation will prevent wholesale abandonment of hundreds of thousands of acres of fertile irrigated lands in the expansive Central Valley of California, which will jeopardize property values of \$100,000,000 and directly affect the livelihood of 50,000 American citizens. The tragedy which would follow forced abandonment of these lands—and abandonment will inevitably follow if an adequate water supply is not secured—would be as great as the tragedy which comes in the wake of flood or fire. Thousands of self-supporting citizens will be thrown into the ranks of the unemployed. Hundreds of millions of dollars will be lost to the tax rolls, increasing the tax burden to be carried by others.

Mr. Speaker, I am steadfastly and vigorously using every effort to make possible the financing of the Central Valley project through Federal funds. It is of national interest and concern, and the Federal Government should earnestly consider it with the view to authorizing an appropriation adequate to assure its early construction.

The described lands in H.R. 9838 and requested to be patented to the Water Project Authority of the State of California are located within the project boundaries of the Kennett Dam and Reservoir, the key unit of the Central Valley project, and the title to the same is necessary in the consummation of this great public project.

# VETERANS' LEGISLATION

Mr. FULLER. Mr. Speaker, it is high time this Government was providing compensation for deserving widows and dependent minor children of World War veterans in cases where the veteran, before his death, was drawing compensation of at least 30 percent and died from a cause other than that for which he was drawing compensation. This measure, H.R. 9936, provides that in such cases the widow shall draw \$22 per month, \$30 where there is 1 minor child, and \$4 for each additional child; where there is no widow but a surviving minor child, \$15 per month.

About 3 years ago, while I was a member of the World War Veterans' Committee, we succeeded in passing a widows' bill through the House which was much more liberal than this measure. In my opinion no one is opposed to paying pension or compensation to widows, minor children, and veterans in all meritorious cases, especially where disabilities are due to war service.

Since I have been a Member of the House I have advocated and supported every reasonable legislative measure in behalf of the American war veterans. I voted for a measure to increase the Civil War veterans' pension to its present rating.

I supported the measure increasing the pensions of Spanish-American War veterans. For 5 years I was a Member of the World War Veterans' Committee of the House. I supported the measure extending the period of presumption to January 1, 1930, for World War veterans. I voted to increase their compensation and to remove restrictions for service connection. One-third of my time, as a Member of Congress, has been taken up in the interest of American war veterans, including the trial of hundreds of cases on appeal. I was criticized in a former campaign for having obtained so many pensions by special bills.

I supported the legislation which gave to the non-service-connected veterans the monthly pensions of \$12, \$18, \$24, and \$40. I supported the laws which allow \$100 for funeral expenses, a flag for the draping of the coffin, for the liberalization of hospitalization, and for giving the veterans preference in the civil service and other positions over persons who are not veterans.

I have always been a strong advocate, and on every occasion have voted for the full cash payment of the adjusted compensation, commonly referred to as the "bonus." I voted to pass that bill over President Hoover's veto. I again supported this measure when it passed the House this session. I was a strong supporter of the legislation which permitted the veterans to borrow 50 percent of their bonus, and accepted that measure only as a compromise when nothing else could be obtained during the administration of President Hoover.

During the first 2 years I was a member of Congress, at a time when the Republicans were in control of every branch of the Government, I was at least instrumental in procuring for my district a veterans' hospital, which is now located at Fayetteville.

The worst criticism that I have received of my record has been for my liberality in supporting veteran legislation. When the Economy Act was presented during the Seventythird Congress, as the Democratic membership will recall, I made a speech insisting that it should be amended insofar as its provisions affecting veterans were concerned, contending it would practically wipe out the presumptive cases, the non-service-connected cases, the Spanish-American War veterans, and reduce, to an unreasonable extent, the service-connected cases and hospital benefits.

When the rule was presented and we had to vote for or against economy in government, I voted for the Economy Act, which placed me in a position to be later instrumental in obtaining much benefit for the veterans. It was the influence of these friends who voted for the Economy Act that brought about an increase of \$107,000,000 for the veterans during that session. The Economy Act not only dealt too severely with the veterans, but it also justly eliminated a lot of gold bricks and very undeserving cases from the pension rolls, and at the same time it caused a saving otherwise of approximately \$500,000,000 annually in salaries and governmental expenses.

I was one of those who, this session, worked and voted for the compromise on veterans' legislation contained in the independent offices bill. My record met the acid test when I voted to pass the independent offices bill over President Roosevelt's veto, thereby making it a law and thus restoring 29,000 deserving presumptive cases of World War veterans and 150,000 Spanish-American War veterans on a basis of 75 percent of their former pensions.

By such action I aided in carrying out three of the fourpoint program of the American Legion. I stand on the honor roll and have received, unsolicited, letters of commendation and thanks from the legislative and executive heads of all the veterans' organizations of the United States.

# OUR OPPOSITION

Many of us who have demonstrated beyond question our loyalty now have opponents who were single, physically qualified, and should have volunteered, but who did everything within their power to avoid service in time of war. Now, in time of peace, they are anxious to serve the veterans in Congress. Their candidacy is often lip service against actual deeds.

The Adjutant General's Office records reflect that my opponent, who was about 30 years of age during the war, always single, and by profession a lawyer, failed and neglected to volunteer; was later drafted and claimed exemption on the ground that he had aged and infirm parents depending upon him for support. The examining board disallowed his claim, classified him in class 1-A, and upon examination he was found physically qualified for general military service, but before he could be placed in the service the war was over. As to whether or not he went home and played sick, or used dilatory tactics which his profession may have taught him, I am not officially informed and do not care, but I am sure real war veterans will not approve of such a candidacy as against their true friend. They made the sacrifice, left good positions and homes to do military service for their country, and many of them are not receiving pensions for injuries and diseases attributable to war service.

Personally, I am not worried that the veterans of my district will be guilty of ingratitude. I know that practically all the veteran leaders and those familiar with veteran legislation approve of my congressional record. I would be much surprised to learn that 5 percent of the veterans of my district disapproved of my work in their behalf.

I have supported the entire program of President Roosevelt except on veteran legislation.

#### THE NEW ECONOMIC DEAL

Mr. RICHARDSON. Mr. Speaker, the Seventy-third Congress, during its life, which is now rapidly drawing to a close, has dealt almost exclusively with economic problems. At the President's request it has with startling rapidity turned out a series of legislative enactments which have vitally affected the citizenry of our country and radically changed the national economic landscape. This novel collection of legislation has been described by our President as the "new deal."

A great majority of our people are convinced that a new economic deal is very much needed in this country. The necessity for a new deal, Mr. Speaker, arises out of the fact that America has learned to produce more than its people need but has not learned to distribute so that all of its citizens may be sure of at least the necessities of life. In building our marvelous economic structure we have forgotten the necessity of economic security for every one of our citizens. When many millions of our people suddenly find themselves without employment, without a place in our economic structure, and without the means of subsistence in a country suffering from surplus production, the necessity for a new economic deal becomes very evident. And so it has come into being.

The principle on which the new deal is founded may be found in the simple statement that our national economy must support all of our people. The purpose of every honest economic system is, of course, to support all the people who are dependent upon it. There is no excuse for the existence of industry, agriculture, and economic organization unless they do support all of the people. The economic system, and not the Government, must bear the burden of support.

The purpose of the new deal is not difficult to comprehend. It seeks to reconstruct and strengthen our national economy so that all of our citizens may be supported and receive a fair share of production. It undertakes to build an economic structure which will support a better economic life. Its very minimum requirement is economic security for every American citizen.

Mr. Speaker, few will deny the necessity and few will disparage the purpose of the new economic deal. There is, however, much difference of opinion as to the method of accomplishing that purpose.

The method adopted by this administration has been that of trial and error. Procedure has been experimental. A sort of economic laboratory has come into being. This method has been warmly criticized. Certainly it is not the best method, but it may have been the only available method. The crisis last year was acute. A threatened break-down and a dangerous undercurrent made quick action

imperative. A lack of knowledge, due to inexperience in dealing with economic problems on a national scale, prevented a definite and precise choice of method. The American people have had little mental training in the solving of broad economic problems. It is only very recently that we have begun to think of our economic activity as national in scope. The term "national economy" is very new in our vocabulary. These terms that now roll glibly from our tongues, such as heavy industry, light industry, durable goods, consumption goods, and planned economy, were used only by a few specialists several years ago. With a new field before it and a dangerous crisis pending, the method used by this administration seemed the only one available.

As a result of this series of experiments and stopgap emergency measures, we have a mass of legislation which does not, in all respects, make sense. Taken altogether, these measures do not constitute a correlated plan. But now that the picture is more or less complete some of the characteristics of the new economic deal can be visualized with a fair degree of certainty.

Generally speaking, Mr. Speaker, there exist today three different kinds of economic systems—the Socialist, Fascist, and capitalist. The term "capitalist" is popular but inaccurate. Capital is used in all three systems. Perhaps "competitive-profit system" would be a better word description.

The Socialist system is based on public ownership of the means of production. Where it has been tried, public ownership has become state ownership. The system involves actual participation by the government in economic processes.

The Fascist system retains individual ownership, but under it the government creates the forms within which economic activity may function. The government organizes and controls the economic system.

The competitive-profit system is purely individualistic. It involves private property, free markets, and competition.

Under socialism, therefore, the state owns, operates, controls, and plans. Under fascism, the state neither owns nor operates, but it does control and plan. Under the competitive-profit system—which so far has been the American system—the individual owns, operates, controls, and plans. Such regulatory legislation as has heretofore been enacted in this country has had for its main purpose the preservation of free markets and competition, so that the individual could function economically without interference.

The legislation constituting the new deal smacks of all three systems. An examination will reveal some socialism. Public ownership (government ownership), through public corporations, has come into being. The codes of the N.R.A. and the various agricultural-control regulations are flavored slightly with fascism. Most of the new legislation, however, is based on the retention of the competitive-profit system. Departures from that traditional American system are to be found almost exclusively in the emergency measures, and do not indicate that the administration intends to abandon that system. Small doses of socialism and fascism have been tried as stimulants. They are temporary expedients calculated to keep out the "big bad wolf." They do not indicate the nature of the permanent foundations upon which will rest our future national economy.

The President, in his recent message to the Congress, includes profits and competition in his economic scheme for the future. Mr. Richberg and his N.R.A. associates state that they wish to retain competition. Even Professor Tugwell does not seem to be averse to profits. In fact, the general purpose seems to be not to destroy our competitive individualistic system but to purify it.

There is not much doubt, Mr. Speaker, that industry, agriculture, finance, and labor have not played fair with the competitive individualistic economic system. They have been accepting its benefits without assuming its responsibilities. Social values have been largely lost sight of in a ruthless drive for profits. There has been plunder but not economic competition.

method. The crisis last year was acute. A threatened break-down and a dangerous undercurrent made quick action petition. N.R.A. by establishing minimum wages and uni-

form hours of labor does not declare war upon competition. It simply states that competition through the lowering of wages and the lengthening of working hours may no longer be permitted to exist in enlightened America. It asserts that exploitation of labor is no essential or necessary part of economic competition. It seeks to civilize competition by limiting it to competition in quality, style, and, above all, service. It substitutes economic competition for savage, cutthroat competition—the narrow and erroneous Darrow concept. It outlaws the latter type of competition as unsocial, and, therefore, undesirable in a democratic nation. It does assert that in the future competition, under the law, must stand the social test.

American economic history testifies as to the value of the competitive free-market system. There seems to be nothing in our present economic difficulties which would indicate the necessity of adopting socialism or fascism for their solution. Nevertheless, many American people and some of their Representatives in Congress clamor for fundamental changes in our economic system. Surely, Mr. Speaker, this is a time for sober talk, and, above all, straight thinking.

A little straight thinking should bring us to the conclusion that before changing to a new economic system we should be certain that the old system has failed and also that the new system offers us a better social and economic life. We must be sure America is wrong before going Russian or Fascist. Perhaps it is not altogether the system which has failed. For years we have hardly given it a fair trial. After all, no economic system can function satisfactorily if it is motivated by greed, dishonesty, and a low standard of ethics and morality in high places.

Of one thing I am sure: We shall not win by making things, cogs in the wheel, out of our people. There is a fundamental difference between human beings and things, and the same laws do not apply to both. In America, thank God, we still recognize that difference. Not through destroying but by preserving that difference lies America's way out.

## RECOVERY LEGISLATION

Mr. WOLVERTON. Mr. Speaker, the last 4 years, during which the country has experienced the most distressing conditions ever suffered by this Nation in a time of depression, have presented problems not only of a financial and economic character but likewise of a social character affecting the life and happiness of our people.

The solution of these problems has been no easy task. The difficulty has not arisen entirely because of the number and variety of the problems, nor the intricate questions involved in a proper solution, but because of the fact that many such problems, to be properly solved, required an apparent reversal of long-established policy and theory of government.

Never in all my legislative service have I experienced such wide-spread and intense propaganda carried on by interested parties. All too frequently the viewpoint was of selfish interest rather than of what might prove the greatest good to the greatest number. In addition to this were appeals based upon party regularity, by reason of which Members of Congress were expected to vote blindly for or against legislative measures upon a basis of partisanship without any other consideration.

My attitude toward the problems of the day, and the legislation proposed as a remedy, has been at all times based upon the fundamental thought that the times are too serious, suffering too general, and the need of help too great to permit anything other than the good of the country and its people to be the actuating motive in the votes I cast. Nor have I been deterred from this course through fear that to depart from what has been to what should be is in any way detrimental to our well-being as a nation. New conditions require new remedies. Constitutional objections, made by some, to increased activities by the Federal Government in promoting the welfare of our people, overlook the fact that the Constitution is a living, not dead, instrument of government. It has survived because the interpretation of its powers and restrictions has been wisely considered in the light of changing conditions.

The intent and purpose of the framers of the Constitution to confer wide power in the effort to form a more perfect Union is made clear and emphatic by the broad and strong language used in the preamble to the Constitution, to wit:

We, the people of the United States, in order to form a more perfect Union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to curselves and our posterity, do ordain and establish this Constitution for the United States of America.

These words are fraught with meaning. They constitute the master phrase of the Constitution. They represent the ideals and the dominating thought of the framers of the Constitution as to the fundamental purposes of government. All that follows in the several provisions of the Constitution as adopted gathers importance as means to accomplish the aims and purposes set forth in the words of the preamble. Thus it seems natural that in construing the extent of the power granted or the propriety of the methods adopted by Congress to make them effectual, consideration should be given to whether the objects sought to be attained are consistent with the declared purposes of our Government as contained in the constitutional preamble.

As an answer to the constitutional criticism that has been directed against legislation adopted, in this time of emergency, by Congress in its effort to establish justice and promote the general welfare it is helpful to consider carefully the opinion laid down by the great Chief Justice Marshall, more than 100 years ago in the Supreme Court of the United States, in the case of McCulloch against Maryland, wherein he said:

But we think the sound construction of the Constitution must allow to the National Legislature that discretion, with respect to the means by which the powers it confers are to be carried into execution, which will enable that body to perform the high duties assigned to it in the manner most beneficial to the people. Let the end be legitimate, let it be within the scope of the Constitution, and all means which are appropriate, which are plainly adapted to that end, which are not prohibited but consistent with the spirit and letter of the Constitution, are constitutional.

In times such as these when the prevailing economic conditions, if not remedied, would tend to undermine and destroy the business life of the country, and threaten our national welfare as well, there comes a very distinct and definite responsibility and duty upon those in Congress, and the other branches of our Government, to meet the situation by providing adequate remedies within the spirit and purpose of our Government. The broad and fundamental basis of justification as set forth by Chief Justice Marshall not only gives encouragement to those who strive to insure justice and promote the general welfare, even though by means heretofore untried, but also leaves no sufficient excuse to those who through fear or otherwise refuse to participate in the endeavor to provide for the common good.

It would prove both interesting and helpful if opportunity were afforded to speak in detail of all the varied legislation that has been adopted by Congress to promote recovery and reconstruction. Some has been temporary in character, designed merely for the time of the emergency, and other has been legislation of a permanent nature seeking to correct existing weaknesses that have been shown to exist and to establish in their place and stead principles more stable and likely to insure us as a people against a recurrence of the conditions which have brought on our present state of distress. Suffice it to say that there has been no period in the history of our Nation since the Civil War when so many questions vitally affecting human welfare have been decided. While in some instances, such as stabilizing the bank situation, the legislation has shown a beneficial effect and in some other instances given promise of possible success, yet, in large part, sufficient time has not elapsed to enable any definite conclusions to be reached as to the degree of ultimate success to be had. But whatever may be the final result, recognizing the good intent that has prompted the effort, it should be the hope of every sincere American who places the welfare of his country above all else that it will succeed. And if it does, the sun of prosperity will shine on Republicans as well as Democrats. We must one and all, regardless of our

political affiliations, look into the future with optimism and | it has a citizenship interested in fisheries that it will add courage and with an unfaltering desire and determination that America shall triumph. This, in the future as in the past, will be my constant endeavor.

#### PULASKI MEMORIAL DAY

Mr. KELLY of Illinois. Mr. Speaker, under leave to extend my remarks, I wish to express the appreciation of the Polish Americans, not only of my congressional district but throughout the Nation, for the time allotted to me to say a few words relative to the joint resolution, now under consideration, which would authorize and direct the President of the United States to proclaim October 11 of each year, as a day of celebration and remembrance of the life and services of Brig. Gen. Casimir Pulaski.

The 11th day of October 1779 is the date in American history of the heroic death of Brig. Gen. Casimir Pulaski, who died from wounds received on October 9, 1779, in the siege of Savannah, Ga., during the Revolutionary War. Pulaski was only 31 years of age when he fell at the head of his troops, and the millions of his countrymen who have come to our land to perpetuate the principles and ideals he died for, are not unmindful of this national tribute in the passage of this Pulaski Memorial Day Resolution. In Illinois, my own State, our people meet annually to bear him tribute; in many other States throughout this great Nation celebrations of similar nature are held; therefore, it is most fitting that we should commemorate in a national way the heroic, adventurous, and patriotic spirit of Casimir Pulaski by the approval of this resolution.

This great Polish hero, glowing with enthusiasm for liberty, came from his own distressed land to fight upon our shores for those ideals of freedom that, for the time being, were crushed in his beloved Poland. He was a dashing, romantic soldier, who had already achieved a reputation for patriotism, heroism, and strategy that made him an outstanding figure in Europe. Being forced to flee his own country, he came to our land and saw in the struggle for American independence, an opportunity to pursue that bright vision, which had so animated him in his career as a Polish patriot, and he transferred to George Washington's service those remarkable qualities of military genius, which everywhere aroused admiration and confidence. Trusted and admired by George Washington, and inspiring a devotion that only the comradeship of war can bring about, Pulaski went to his death dauntless and unafraid. He died on October 11, 1779, after more than 2 years of service under

While by passing this resolution we acknowledge the service this gallant young officer gave to our cause in the Revolution, we will at the same time compliment the Polish people who have contributed so much toward the advancement of our country.

The spirit of General Pulaski has undoubtedly remained as a sacred treasure in many minds and it ought to multiply itself in those to whom it is made known so that future generations may be reminded of the debt which they owe to those that came before them.

FISH, FISH HATCHERIES, AND THE WORK OF THE FEDERAL BUREAU

Mr. SNYDER. Mr. Speaker, it was most pleasing for me to learn from the Bureau of Fisheries that Pennsylvania ranked away up among the very top group of States in raising and caring for fish. It is also gratifying to know that the sportsmen's associations of the State of Pennsylvania are among the most ethical in the United States.

I personally know the streams of Pennsylvania and the personnel of the sportsmen's organizations in my district, and I believe that with the encouragement they are now receiving from the Bureau of Fisheries that not only my district but the entire State and Nation will grow into the attitude of mind and action to develop this great sport and

The personnel of the Bureau of Fisheries is very fine, and the spirit of cooperation is all that can be asked. Little by little the Nation is becoming conscious of the fact that if

much to the care of streams and watersheds in the Nation.

It is now thoroughly realized that most of the natural resources of the country must be conserved by careful planning and definite action on the part of the Federal Government. There is, however, a wide-spread belief that fish will take care of themselves. This attitude is entirely erroneous and might be fraught with great danger to the future of our food and game fishes if it were not for the fact that the Federal Government, through the Bureau of Fisheries, is working in many directions to assure perpetuation of this resource. The nature of the work of this Federal agency does not attract wide attention, and its activities and accomplishments are therefore little known, even though they indirectly affect a large percentage of the population.

The primary function of the Bureau of Fisheries is to furnish information upon all forms of aquatic life and to supply fish for replenishment and replacement of the stock used by man. The scientific investigations which have been conducted during the past year have elicited facts which have great bearing upon the measures which the State or the Federal Government must take to conserve fish life. An example of this is the discovery that the life span of the commercial shrimp of the Gulf of Mexico and the South Atlantic is but 1 year. It is essential to have facts like this in order to determine the best policies for prosecuting the fishery, as it can be seen that the shrimp fishery, unless wisely regulated, can be totally destroyed in one season.

Congress, realizing the importance of a knowledge of deep-sea fishes, has authorized a \$500,000 research vessel for the Bureau of Fisheries as a means of prosecuting these studies; and the Public Works Administration has granted the funds necessary to conduct a survey of waters in the national parks and national forests. At sea, in addition to the shrimp investigation just mentioned, the Bureau has been able to predict with reasonable accuracy the catch of certain fisheries, thus enabling the commercial fisherman to plan intelligently for the season. This new vessel will allow the Bureau to obtain necessary biological data on many more fisheries, thus furnishing the necessary background for continuing the fisheries on a sound basis. In the interior waters, the knowledge obtained from surveys determines the kind and amount of fish to be planted that the streams and lakes may return a bountiful harvest. In our coastal waters, efforts are being made to extend the area in which the culture of oysters by farming methods can be practiced. In our rivers, where dams are being constructed for hydroelectric power development, important fishes may be destroyed if they cannot reach the spawning grounds. Hence the Bureau of Fisheries is giving careful study to the working out of plans for ladders or other devices which will make it possible for these fish to surmount the dams and breed. Investigations, both at sea and on our Great Lakes, on different types of nets, to determine which will be most effective in permitting the escape of immature fish, are also a useful means of preventing the tremendous wastage arising from the capture of fish below market size.

While the information obtained by the scientific staff is useful both to the Bureau and the States, it is necessary to go beyond the mere collection of statistical data and biological information and actually stock the streams, lakes, and coastal waters with hatchery-produced fish. With this object, the Bureau of Fisheries maintains some 80 fish-cultural establishments throughout the country, and until its activities were somewhat curbed by the demands for economy it annually distributed over 7,000,000,00 young fish and eggs. During the present year its hatchery output will be approximately two-thirds of this figure. These fish comprise commercial varieties like the shad, salmon, whitefish, and so forth, which serve as a basis of commercial fisheries, and they also include numerous varieties of game fish distributed to public waters throughout the country and to the national forests and national parks. Some 10,000,000 anglers are interested in seeing that their favorite fishing holes are well stocked. Each citizen is entitled to his share of these fish produced at Bureau of Fisheries hatcheries as far as they will go in the face of greatly increasing demands.

In order to coordinate these activities which tie in with the work of the State fish and game departments, the Commissioner of Fisheries has been the leader in establishing a National Planning Council, which includes representatives of the Federal Government interested in this field and the State fisheries authorities. One meeting has already been held and the groundwork laid for a cooperative attack upon the many problems in this field. The purpose of this is to insure economy by avoiding duplication of effort and overlapping of functions and at the same time to make sure that no problem will be overlooked.

After depending upon its scientific research and its hatchery activities to provide an adequate stock of fish, the Bureau of Fisheries goes further and helps in their wise and economic utilization by technical research and the collection of detailed statistics on the status of each fishery throughout the country. As an example of this work I would mention the development of uses of byproducts of the fisheries. There is a great demand for cod-liver oil, both for human consumption and for the feeding of stock and poultry. The bulk of this cod-liver oil has been imported; but studies of the Bureau of Fisheries indicate that the oils obtained from domestic fish are even more valuable and can be produced in sufficient quantities to make this country virtually independent of foreign producers. Every use which can be discovered for fish oils, fishmeals, or any other byproduct is a contribution to the welfare of the suffering fishing industry and to the country as a whole. In addition the Bureau also seeks to aid the fisherman by its studies on the preservation of nets and fishing gear. These studies offer great promise that the life of this expensive equipment may be greatly extended with a saving in operating costs of the fisherman and consequently a reduction in the cost of

The Bureau of Fisheries realizes that a multitude of sportsmen's organizations throughout the country have at heart a continuation of good angling for everyone. These sportsmen are willing to expend their own time, effort, and funds to this end; and, besides cooperating with the States, the Commissioner of Fisheries is cooperating vigorously with these semiprivate organizations. One means of cooperation is the establishment of cooperative nurseries, whereby the very young fish from the Federal hatcheries are taken by the sportsmen and fed and reared until they attain the larger size necessary for their survival in the streams. In other words, while the Federal fish hatcheries are turning out a raw material the sportsmen are assuming the obligation of providing a finished product. In my district one club has spent upward of \$15,000 in providing a hatchery, rearing pools, food, and attention to rear the young trout which the Federal hatcheries distributed at an early age due to lack of space and funds to hold them longer.

The Bureau of Fisheries, aside from furnishing the actual fish, has furnished the technical advice and information and other assistance necessary to make this somewhat specialized work a success. It is particularly gratifying to see this work going on and to know that the fish produced by this means will all be placed in public waters where they are potential trophies for all classes of anglers from the boy with the bent pin to the most highly scientific fisherman.

In order to take care of communities in Pennsylvania where it was not possible to establish these nurseries, there have been hundreds of thousands of young trout furnished directly to the sportsmen themselves who assume the obligations of planting them in the streams. Since up to this year there has been no Federal hatchery in the State of Pennsylvania it has been necessary to transport these trout from hatcheries in other States. Specially designed and constructed railroad cars are used for this purpose and by July 1, 12 carloads of these fish will have gone into the State to satisfy the demands of fish-hungry Pennsylvanians.

Congress has realized the desirability of producing the fish in the area where they are to be planted and caught, and consequently authorized a large Federal hatchery in Pennsylvania. This has been under construction in the central

part of the State; and, when it is finally completed, it will constitute a source of supply of better and larger fish.

It goes without saying that no fisherman is ever satisfied and for this reason there will never be a complete conviction that the Federal Government is doing all that it can and should to maintain abundant fishing. However, it probably can be said with equal truth that were it not for the activities of the Federal Bureau of Fisheries in Pennsylvania and throughout the country, there would be many more dissatisfied anglers than there are at present and the catches of the commercial fishermen would be well below the present levels. It is confidently hoped that efficiency in operation, the employment of greater cooperation, both with the States and with the sportsmen themselves, will enable the Bureau of Fisheries to discharge its obligation of maintaining and conserving the aquatic resources of the Nation more fully.

#### WILD LIFE IN THE UNITED STATES

Mr. SNYDER. Mr. Speaker, these industrial days, when men are prone to cut down our timber and not replace it, and pollute our streams, it is well to take stock of our wild life in the United States.

When the white man came to America he found wild life so abundant that he exhausted his vocabulary in trying to tell the story to his friends in Europe. Like Adam in the Garden of Eden, he took dominion over the beast of the field and the fowl of the air. In this dominion there was at that time no thought of conservation, for the supply of wild life was apparently inexhaustible, like the trees of the forest that stretched from the Atlantic so far westward that none knew its limits. The great resources of big-game animals, fur bearers, and wild fowl to the early American were immense stores from which he could take all that he wanted without thought of replenishment. Of his own livestock he harvested only the increase, but nature's supply of wild animals was to him a mine of such bounty as to appear to be beyond the realm of the natural laws that govern animal husbandry.

Mr. Speaker, not until the middle of the nineteenth century did man become aware of the inevitable results of such heedless exploitation. Warnings began to be sounded, one of the earliest by an English sportsman, Herbert, better known by his pen name Frank Forester, who visited America. With the quicker critical eye of the stranger, he saw the folly of the American wasting his substance. He predicted then the extermination of the heath hen, and the prodigal American permitted his prediction to come true. The story of the last heath hen has furnished copy for the newspapers within the past year.

Even with such warnings as those given by this Englishman, we Americans in the last century failed to call a halt. In fact, two of the most astounding outrages against Nature were perpetrated in the decades that followed the Civil War. I refer to the extermination of the passenger pigeon and the slaughter of our great herds of buffalo. Today we have only museum specimens and the printed records of the sorry tale of the passenger pigeon. The story of the buffalo is another tale of slaughter, and only the establishment of preserves by the United States Government has saved this interesting animal for the United States.

This in broad terms is the history of the American attitude toward wild life during the first four centuries of the white man on this continent.

The whole story of the American and his treatment of wild life can not end, however, with an account of how he has dealt directly with the birds and the animals. The indirect results of his civilization have added immensely to the havoc. Taking waterfowl as a specific case, consider the effects of drainage of the breeding and wintering grounds.

As a nation we have been dealing with our marshland much as we have with a great many other natural resources—acting first and considering the consequences later. The result is millions of acres of drained marshes and lakes, representing in many cases a direct economic loss to the Nation. The preliminary report of census figures for the year 1930 indicates that the drainage ditch has taken away

from our waterfowl, in whole or in part, approximately 77,000,000 acres in the continental United States. There is no question but that some of this attrition of water areas has resulted in the addition of valuable farm lands, but in some regions much of it has been shown up as a rank failure. On literally tens of thousands of acres no success in farming has been achieved and many drainage districts are heavily in debt or are defunct.

Three-fourths of all the land in drainage enterprises in the United States is situated in those States north of the Ohio and Missouri Rivers and east of the Rocky Mountains, including Missouri and Kansas. Roughly speaking, this vast area includes practically all of the waterfowl-breeding ranges found in the United States. Included in this region are areas that at one time were justly famed waterfowl resorts, among which may be mentioned the Kankakee marshes of Indiana, Thief and Mud Lakes in Minnesota, the Montezuma Marsh in New York, Mattamuskeet Lake in North Carolina, and Horicon, Buena Vista, and Trempealeau Marshes in Wisconsin.

Consider also the effect on wild life of man's pollution of our water resources.

We have been heedlessly polluting our streams and even defiling the seven seas with the off-scourings of our civilization, and while the pollution of streams and other water areas may result from many causes such as civic and industrial waste, pollution by oil so far overshadows all other types as to relegate them to places of minor importance. If the era in which we live has been called the "Age of Steel" it might with equal significance and propriety be termed the "Age of Oil", for oil in a thousand ways has come to be the driving force behind our contemporary civilization. It is a singular irony of fate, however, that this same oil, a residual deposit from the ancient, vanished life of the earth, should be destined to cause such widespread suffering and destruction to various forms of present-day aquatic and avian life. Driving the wheels of industry, making possible the development of an age of transportation by land, sea, and air, and contributing in many ways to the comforts and refinements of our lives, this same "black gold" when improperly handled or permitted to escape beyond the bounds of our control, is to be reckoned as one of the major destructive agencies to birds, fishes, and other forms of aquatic

Mechanical ingenuity also has placed improved tools in the hands of man and these have resulted in increased kills. Improved weapons are obviously a case in point, but likewise improved transportation facilities have added to the annual toll of wild life that man has taken. In war time the most effective device of any combatant nation is its transportation system. The terrifically powerful weapon of modern American transportation has been turned against the American game species with results that no intelligent observer can possibly ignore.

In recent years all these disastrous forces operating against the wild animals have been seriously augmented by an ever-increasing number of hunters. Seven millions of licensed gunners go afield annually and it is estimated that an additional 3,000,000 more also shoot who, for one reason or another, do not take out licenses.

Mr. Speaker, as a result of all these inimical agencies and activities the game species of the United States have dwindled to a point where open shooting seasons of only a few weeks are now permitted. We are actually importing more pelts of fur-bearing animals than we export, and this in a country that was once perhaps the greatest producer of peltry in the world. This situation has resulted in part from lack of basic biological knowledge, but more from our failure to appreciate our fur resources. The total annual catch of fur animals in the United States used to be conservatively valued at \$65,000,000. Financial conditions and continued decrease in the natural supply have reduced the value of the annual catch to \$20,000,000. Fifteen years ago more minks were trapped annually in Maine than are now taken in the entire United States.

Our State and Federal legislatures have been slow in taking effective recognition of the problem of wild life con-

servation. As early as 1776 the Keystone State, which I have the honor to represent in this Congress, adopted a constitution that included provision for hunters. This explicitly granted to the Pennsylvanians the "liberty to fowl and hunt in seasonable times on lands they hold, and all other lands therein not enclosed." Hunting was thus a constitutional privilege, and not until many years later did Pennsylvania place restrictions on this privilege. This is the record of my own State. Other States differed, but the greatest variation was in adopting restrictions rather than in adequately restricting.

The reluctance of legislators of a past day to enact restrictions that have been deemed unnecessary or futile is well reflected in the declaration of a senate committee of Ohio in a report on a game bill in 1857 that "the passenger pigeon needs no protection—the snipe too, like the pigeon, will take care of itself, and its yearly numbers cannot be materially lessened by the gun." Consider this in the light of the story I have just told of the extermination of the wild pigeon.

Not until the beginning of the twentieth century did the Federal Government make legislation on wild life by passing the Lacey Act, which dealt chiefly with interstate traffic in species illegally killed under State laws. Only 21 years have elapsed since the passage of the first Federal migratory bird law, only 16 since the enactment of the migratory bird treaty act, and only 5 since the passage of the migratory bird conservation act of 1929.

Mr. Speaker, legislation has thus come late in the history of wild life and man in America. Nevertheless, for many species I trust it has not come too late, and the new attitude is a great encouragement to the many conservationists and nature lovers who had grown heartsick with a long-deferred hope. The present Congress has kept alive and has quickened the newly awakened spirit of wild-life conservation in high places. Three important pieces of legislation on wild life have been written on the Federal statute books this year—the Waterfowl Hunting Stamp Act, an act providing for coordination of Federal functions in conservation, and an act authorizing the establishment of fish and game sanctuaries on national forests.

Wild life is a national resource and a priceless possession of the whole public. It is astonishing with this in mind to realize that the funds needed in conserving this resource have for the most part been furnished by one class of the public—the licensed sportsman. It is, accordingly, one of the arousing enthusiasms of the present-day conservationist to feel a spreading sentiment among the whole people.

This sentiment, furthermore, is directly reflected in the attitude of this administration. The new deal has been extended to wild life, and adequate conservation has been recognized as an important service to citizens of all classes.

The administration, in its great interest in wild life, has found that conservation can be an integral part of the Nation's recovery program, and to this end has allotted three and one-half million dollars for the rehabilitation of both wild life and human resources.

Under the leadership of Jay N. Darling, the Bureau of Biological Survey is now putting into action a threefold program designed to aid all forms of wild life—migratory waterfowl; upland game; song, insectivorous, and ornamental birds; and also big-game animals and fur bearers. In the first place, work has begun on a more intensive law-enforcement campaign. Secondly, the Bureau is improving greatly the refuges now under its administration. And the third objective in this new-deal program is the prompt but careful and systematic acquisition of more refuge areas.

Experience in wild-life administration has definitely established that all species—migratory and upland game, big game, fur bearers, and fishes—can be successfully increased by the establishment of adequate refuges which will restore and maintain suitable environmental conditions.

By the insistence with which Congress has repeatedly returned to this subject over a long term of years, it is obvious that this body relies upon and desires to provide a sanctuary system for all classes of game and for all valuable forms of wild life that will be national in purpose and comprehensive of future needs.

Mr. Speaker, the Biological Survey is now actively engaged with plans for the establishment of an adequate system of sanctuaries along the important flight lanes of the migratory wildfowl, using the funds provided by the administration together with the revenues from the Hunting Stamp Act. Overshooting and the disastrous effects of the continued drought on the great nesting grounds have reduced all species of ducks-some to a point where there is real danger of extinction unless the refuge program is developed promptly. It is hoped that eventually between \$6,500,000 and \$10,000,000 will be available for the acquisition of such areas, for diking and ditching operations to raise water levels and to restore water on projects that have been unwisely drained, for increasing the production of natural food, and for the control of losses occasioned by disease and natural enemies. On all refuges there are active projects under way to improve and increase the usefulness of wildlife sanctuaries.

These activities, while primarily in the interest of waterfowl, will be of tremendous value in the preservation of upland nonmigratory game and other valuable forms of wild life. The program is based on a closer coordination of all Federal activities in connection with the restoration of wild life, and also upon a closer coordination between Federal agencies and State conservation departments.

We Americans now have in sight a happier ending than only a few years ago could have been seen for the story of wild life and man in America.

We have come at last to realize that we are dealing with a living thing that will replenish itself if only we will properly administer it.

And in conclusion, Mr. Speaker, I make an appeal to every American-not only the sportsman who can see his thrilling sport continue but also the thousands of others who find interest and inspiration in the creatures of the wild.

## OUR NATIONAL POWER PROGRAM

Mr. RANKIN. Mr. Speaker, one would think from reading the propaganda now being spread by the power interests, that the Roosevelt administration was unjustly attempting to destroy the property of legitimate public utilities, and that it was confining its development operations exclusively to the Tennessee Valley, and making its power program sectional instead of national.

Under the heading "Government's Crime Against Utilities", an article published in Forbes Magazine of June 15,

How long will the millions of frugal individuals and families who have invested their savings in public utilities remain silently submissive to the crimes the Government is committing against their properties?

That one question sums up the case of the power interests against the Roosevelt program. The weakness of that question is that it leaves out the word "legitimate" before public utilities. The contention of the power interests is that all investors in all public-utility stocks are entitled to a return on their investments at the expense of the ultimate consumer, while the policy of the Roosevelt administration is to base the rates the ultimate consumer shall pay on the actual cost of production and distribution.

Power companies have been known to buy a power plant for a few thousand dollars and then write it up to a million dollars or more, and then base their rates on the value of all that watered stock and demand that the ultimate consumer pay a rate sufficiently high to guarantee dividends. If the private power companies will squeeze all the water out of their stocks, stop paying outrageously high salaries to their executives, quit spending enormous amounts of money to hire lawyers and other individuals to exert political influence on public officials, stop spending so much money on newspaper and magazine propaganda-if they will eliminate those unnecessary elements of "investment" and base their rates strictly on the cost of production and distribution, they can furnish lights and power anywhere in

the United States at the rates laid down by the T.V.A. yardstick in the Tupelo contract, which is as follows:

> CITY OF TUPELO, Tupelo, Miss.

STANDARD RESIDENTIAL RATE FOR SERVICE EFFECTIVE FEBRUARY 7, 1934 Available to all residential customers at local distribution secondary voltage, either 2-wire or 8-wire service, as municipality may require:

First 50 kilowatt-hours, per month, at 3 cents per kilowatthour.

Next 150 kilowatt-hours, per month, at 2 cents per kilowatt-hour. Next 200 kilowatt-hours, per month, at 1 cent per kilowatt-hour. Excess: Over 400 kilowatt-hours, per month, at 0.4 cent per kilo-

Minimum monthly bill: 5-ampere meter, 25 kilowatt-hours, 75 cents. 15-ampere meter, 33½ kilowatt-hours, \$1. 50-ampere meter, 50 kilowatt-hours, \$1.50.

BASIC COMMERCIAL RATE FOR SERVICE EFFECTIVE FEBRUARY 7, 1934 Available to commercial customers taking service from the municipality's secondary system:

First 250 kilowatt-hours, per month, at 3 cents per kilowatt-hour. Next 750 kilowatt-hours, per month, at 2 cents per kilowatt-hour. Next 1,000 kilowatt-hours, per month, at 1 cent per kilowatt-hour. Excess: Over 2,000 kilowatt-hours, per month, at 0.8 cent per

Minimum monthly bill:
5-ampere meter, 50 kilowatt-hours, \$1.50.
15-ampere meter, 66% kilowatt-hours, \$2.
50-ampere meter, 100 kilowatt-hours, \$3.
Surcharge: Basic rate subject to a surcharge initially established by municipality and modified from time to time as not revenues improve of 10 percent. Surcharge to take the form of straight percentage added to customers' bills.

BASIC INDUSTRIAL RATE FOR SERVICE, EFFECTIVE FEBRUARY 7, 1934

Available to industrial power users having demands in excess of 10 kilowatts. Service at primary-distribution voltage or second-ary-distribution voltage at discretion of municipality. Demand charge: \$1 per kilowatt per month. Demand: Maximum integrated 30-minute period.

Energy charge:

First 10,000 kilowatt-hours per month at 10 mills per kilowatthour.

Next 25,000 kilowatt-hours per month at 6 mills per kilowatthour.

Next 65,000 kilowatt-hours per month at 4 mills per kilowatthour.

Next 400,000 kilowatt-hours per month at 3 mills per kilowatthour.

Excess over 500,000 kilowatt-hours per month at 2.5 mills per kilowatt-hour

The average domestic consumption per capita in Canada, where they have public ownership of power utilities, and have had for many years, is more than seven times as much as it is in the United States. The average per capita consumption in Canada is more than 350 kilowatt-hours per month, while in the United States the average is 50 kilowatt-hours per month. Yet that 50 kilowatt-hours costs a resident of the United States as much as the 350 kilowatthours costs a resident of Canada.

In Winnipeg, Canada, 350 kilowatt-hours per month would cost \$3.08.

In London, Ontario, Canada, they get their power from Niagara Falls, 125 miles away, and for 350 kilowatt-hours per month they pay \$3.99.

In Windsor, Canada, where they get their power from Niagara Falls, 250 miles away, 350 kilowatt-hours per month cost exactly \$4.26.

Windsor is right across the river from Detroit, Mich. In Detroit, 350 kilowatt-hours per month cost \$11.80.

The figures from Winnipeg, London, and Windsor, Canada, are up to date and show what light and power cost in those places at this time.

In Tacoma, Wash., where they have an exclusive municipal monopoly, these 350 kilowatt-hours per month cost \$4.55.

In Seattle, Wash., where they have a munipical plant with private competition to divide the load, these 350 kilowatthours per month cost \$6.30.

In Tupelo, Miss., and in all the other territory served by the T.V.A., where the yardstick rates are applied, the 350 kilowatt-hours per month will cost exactly \$6.

Now let us see what they cost elsewhere. According to N.E.L.A., a rate book issued by the National Electric Light Association in 1931, 350 kilowatt-hours per month for residential lighting in Bisbee, Ariz., would cost \$18.40; in Fort Smith, Ark., \$24.40; Andalusia, Ala., \$27.10; Birmingham, Ala., \$24.75; Denver, Colo., \$18.10; Danbury, Conn., \$16.28; Wilmington, Del., \$16.50; Miami, Fla., \$29.90; Valdosta, Ga., \$12.66; Boise, Idaho, \$15.90; Quincy, Ill., \$21.75; Indianapolis, Ind., \$17.25; Des Moines, Iowa, \$12.65; Salina, Kans., \$13; Ashland, Ky., \$21; Baton Rouge, La., \$33; Bangor, Maine, \$31.50; Hagerstown, Md., \$13.20; Boston, Mass., \$26.25; Winona, Minn., \$14.70; Bay City, Mich., \$13.50; Meridian, Miss., \$27.10; Jefferson City, Mo., \$10.15; Reno, Nev., \$21.50; Scottsbluff, Nebr., \$25.38; Butte, Mont., \$9; Berlin, N.H., \$25.20; Asbury Park, N.J., \$19.75; Ithaca, N.Y., \$32.30; Raleigh, N.C., \$20.75; Columbus, Ohio, \$14.50; Tulsa, Okla., \$26; Portland, Oreg., \$7.89; Pittsburgh, Pa., \$12.10; Columbia, S.C., \$24; Chattanooga, Tenn., \$16.60; San Antonio, Tex., \$25.50; Richmond, Va., \$22.

The difference is that in the Canadian provinces above referred to, in Tacoma, and Seattle, Wash., and in Tupelo, Miss., and all the other territory served by the T.V.A., the rates are based purely on the cost of production and distribution; whereas, in the other places referred to, invariably, the consumer is compelled to pay rates based, not on the actual cost of production but on watered stocks and other extravagant expenditures to which I have just referred.

What the administration is trying to do is to bring these light and power rates down all over the country, so that all the American people may enjoy the fullest possible use of electricity at the very minimum of cost. It is a nation-wide policy and its application is not confined to the Tennessee Valley area. More than \$80,000,000 of Public Works funds are going into the construction of four great projects in the West and Northwest. Two of them are on the Columbia River in Oregon and Washington where the Grand Coulee and Bonneville projects have been described as the "Muscle Shoals of the Northwest." They are to provide a yardstick for the measurement of electric energy rates in that great northwestern country, just as the T.V.A. has done in the southern and border States.

For continuing construction of Boulder Dam, begun in 1931, P.W.A. allotted \$38,000,000. Boulder Dam is one of the engineering marvels of the world. It will convert the gorge of the Colorado River into a lake 700 feet deep at the dam and 115 miles long. Water stored by the dam in flood seasons will be released in dry seasons to control the flow of the river and to generate power.

Much of the power generated at Boulder Dam will be used to pump water through the aqueduct being built across the Rocky Mountains from the Colorado River to Los Angeles. The aqueduct is being constructed by the Metropolitan Water District of Southern California. Los Angeles also is building a transmission line to carry electricity for domestic and power use in the city and surrounding territory.

Thus a yardstick will be provided for the consumers of electricity not only in the State of California but in all the adjoining States.

The Seminoe Dam and power plant on the North Platte River, near Rawlins, Wyo., are being built as part of what is known as the "Casper-Alcova project", an irrigation and power development for which the Government has allotted \$12,000,000 to start work. The annual output of electricity will be about 150,000,000 kilowatt-hours, which can be produced at a cost of 2.4 mills per kilowatt-hour.

What a yardstick that will make for the consumers of electricity in that great Northwestern country where they are now paying among the highest rates of any section of the country and where the liberal use of electricity will be so essentially necessary in the years to come.

Among the non-Federal power projects being built with loans and grants from the Public Works Administration are two in Nebraska on the Loup and Platte Rivers. A loan and grant of \$7,300,000 was allotted for the Loup River project, and \$7,500,000 for the Platte River project.

The administration is endeavoring to aid the consumers of electric lights and power in every section of these United

energy, and we expect to carry on the battle until these cheap rates, such as are provided in the T.V.A. yardstick, are placed within the reach of every individual under the American flag.

We are just in the beginning of this new power development. It is my hope to see every available and necessary project, from the Quoddy project in Maine to the Santee-Cooper in South Carolina, from the Savannah River in Georgia, the Tombigbee in Mississippi and Alabama, to the Red River in Texas and the Missouri River in the Northwest-and all of the other power facilities in our navigable streams developed into one grand national program that will furnish cheap electric lights and power for every home in America and supply it to every industrial and commercial enterprise.

PART OF THE RECORD OF THE SEVENTY-THIRD CONGRESS

Mr. VINSON of Kentucky. Mr. Speaker, the Seventythird Congress was the busiest Congress in the history of the Nation. It began in extraordinary session which convened on March 9, 1933, and extended until the early hours of June 16, 1933.

The second session convened January 3, 1934. The gavel fell in final adjournment on June 18, 1934. The distinguished Speaker of the House of Representatives, in the closing moments of our last session, said that there had been more work done with less talk in the doing of it than in any previous Congress in our history.

#### ACTION NOW

The President of the United States in his inaugural address made specific reference to the standstill policy of the Hoover administration. He stated that the people of this country, by their vote in 1932, had signified their desire for action and that he intended to give them action and action now. No person who is acquainted with the governmental functioning whether it be legislative or executive, can cast doubt upon the performance of this inaugural promise to the people.

It has been my pleasure and privilege in service upon the Ways and Means Committee of the House to assist President Roosevelt in carrying out some of the major portions of this great program. There were 197 roll calls in the two sessions of the Seventy-third Congress, and with the exception of my position on veterans' legislation, I have been shoulder to shoulder, eye to eye with the President of the United States. I did not vote for the so-called "economy bill", which was prepared by certain gentlemen who desired pension reform legislation. I had made many promises upon the subject to my constituents in the District, and likewise, to the whole people of Kentucky in the State-atlarge race in 1932. In casting the vote I did, I was keeping my word to them. It was easily apparent that such vote could be misconstrued. Others may have broken their pledges for reasons sufficient unto themselves, but were I to have gone the easier road, I would have lost respect for myself.

It is needless for me to suggest that my position has been vindicated by subsequent events. This vote was cast in March 1933. In Executive orders, and by legislative amendments of June 16, 1933, signed by the President, more than \$100,000,000 was restored in veterans' benefits. There have been many additional millions restored since that time. And, in the closing days of the Congress, a pension bill for dependents was passed that went further than any legislation that was on the books at the time of the passage of the objectionable legislation. More than 60 percent of the benefits have been restored.

No one in the country claimed that they did not want service-connected cases fully compensated. Yet the so-called "Economy Act" took thousands of service-connected cases off the roll. Many of them have been restored under the new law. There were certain objectionable features in connection with war-risk insurance that was in that bill. I took the position then that it was unconstitutional, and within the past month the Supreme Court of the United States. This is the new deal for the users of electric States held that it was unconstitutional and void.

I yield to no man in my loyalty to Franklin D. Roosevelt, President of the United States from the time he became the nominee of our party until now. Franklin D. Roosevelt is a man who believes in keeping sacred his promise. No President of the United States has ever demonstrated more fidelity to purpose of this character than has he. I have that same regard for my pledges and commitments.

I do not feel that it is necessary to deal longer upon this subject. But I would be glad to call attention to the colloquy on the floor between my colleague, John Young Brown of Kentucky, our most bitter assailant at the time, and myself, just a few days before Congress adjourned, to wit, June 14, 1934, which is as follows:

Mr. Vinson of Kentucky. Does not the gentleman think he ought to be fair enough today, when he says he is not disloyal to the President today, to state that a man who follows the dictates of his conscience, his judgment, and his pledges to a constituency—and I am referring to myself—was not disloyal upon a previous occasion?

Mr. Brown of Kentucky. I am willing to admit that.

As I have indicated, some of the most important portions of the Presidential program have come from our committee. I have given him the most loyal cooperation in all such matters. I have been honored with many conferences with President Roosevelt upon legislative problems. I am the happy possessor of a pen with which he signed the revenue bill of 1934

# TOBACCO BENEFITS UNDER A.A.A. FARM RELIEF ACT

As the Agricultural Adjustment Act was reported to the House, it was not only inoperative as to burley tobacco but in my opinion it would have been quite harmful to it. This condition was due to the fact that the parity period was fixed originally between 1909-14. This was the 5 years of the cheapest prices for burley in the past quarter of a century. As a matter of fact, the parity price in this period was 10 cents per pound, which would not have permitted of any benefit payments whatsoever for the 1933 crop, as the burley average for 1932 was 12.6 cents per pound. In order to show the condition that obtained, and particularly my efforts to remedy such harmful provision, I would refer to my speech in the Congressional Record for March 22, 1933, pages 708 to 709, wherein I submitted a letter addressed to me from Mordecai Ezekiel, economic adviser, office of the Secretary, together with certain amendments suggested that would permit a distinctive parity period for burley tobacco based upon the post-war price between 1919-28. As enacted, it was actually between 1919-29.

Under these amendments burley tobacco came under the Agricultural Adjustment Act. Without it there would have been no marketing agreements and no benefit payments, because the 1932 average was greater than the parity price originally called for in the bill. We realize that even with these amendments and these advantages the burley tobacco farmer did not receive for this 1933 crop the price actually justified. But when we recognize that this crop was the second largest crop in the burley history, and that the Government statisticians told us that upon the basis of history the crop would probably average between 8 and 81/2 cents without the benefits of A.A.A., we feel that we have served a good purpose in ascertaining the conditions that obtained and being able to secure the amendment from the Agricultural Department that brought many millions of dollars to burley growers.

Frank C. Taylor, of Lexington, secretary-treasurer Burley Tobacco Growers Association, was present when this job was done.

The floor price for the 1933 burley crop was 10.6 cents per pound. There were 382,000,000 pounds sold. The difference of  $2\frac{1}{2}$  cents per pound between actual floor price and the estimated price of United States statisticians means eight to ten million dollars added money to burley growers. The rental payments already received total \$4,000,000 to burley tobacco growers. All payments have not been made yet. Checks totaling almost half a million dollars have already been received in the counties of my congressional district.

The total amount of rental payment for Kentucky is two and one-half millions of dollars to be received on June The Department of Agriculture advises me that it is reasonable to expect \$9,000,000 to be paid the burley growers of Kentucky as further benefit payments for the reduction agreements. Conservatively speaking, the Department of Agriculture, through Dr. J. B. Hutson, Tobacco Administrator, advises me that they can figure at least two and one-half times the amount of the rental payments that will be paid out by the Government as added benefit payments. In accordance therewith there will be paid into the pockets of burley tobacco growers in my district more than \$1,500,000 directly resulting from the amendment changing the parity period as above set forth. The point I would make is that there would have been no burley program whatsoever except for the change in the parity period. Tobacco is the only product that did not have a pre-war period for parity price. I am happy in having been of some service in this connection.

THE USUAL VACATION PERIOD OF 1933

There was very little vacation for me in 1933, which was due to two acts of my own choosing.

First. The sponsoring of a resolution which authorized the Ways and Means Committee or any subcommittee thereof to work in vacation, looking toward the plugging of loopholes in the revenue acts.

Second. The burley conferences in Washington.

I will discuss the latter first.

#### THE BURLEY MARKETING AGREEMENTS

I am pleased to record that I was present in every public meeting that took place in Washington in the summer and fall of 1933, dealing with the marketing agreements for the 1933 burley crop. It is not my purpose to go into detail as to the work that I did in respect of this matter. I would prefer any of the tobacco growers from the Kentucky counties, who were present, to testify relative to my worth in this connection.

Speaking first of the grower's contract. No one present but will vouch for my statement that I was fighting for the largest cash price that could be obtained for the tobacco growers. At one time it was suggested that the marketing agreement should call for an average of 10 cents per pound. I feel certain that every person present will vouch for my persistence in the higher price. Twelve cents was finally agreed upon between the Government and the buyer. If this marketing agreement had called for a 10-cent price, the floor average for burley would have been much lower than it was, with the result in losses of several million dollars to our tobacco farmers. One high spot in these conferences is an all-night automobile ride to reach here for the first scheduled conference between the Government representatives and the tobacco manufacturers. Dr. M. B. Adams, Mr. Gus Brooks, Dr. Comer, and Mr. Marshal, all of Maysville, Ky., can bear witness for me in this respect, as they were in the same automobile.

Tobacco is the money crop of my district and State. Any benefit that can come to the tobacco grower in increased prices, means better living and an added opportunity for his family. It is not necessary for me to make a promise of efforts in behalf of the tobacco growers of my district and State. I gladly do it, but prefer to point to my efforts and achievements in my congressional career.

At the conferences where the marketing agreement hearings were held I caused an amendment to be included in the contract to require the tobacco manufacturers to make public the amount of tobacco purchased together with prices paid therefor. This would give open publicity to this transaction.

## KERR BILL

This was the tobacco-control measure that those who signed the reduction program were much interested in. More than 90 percent of the burley growers of my district and State executed the reduction contracts. The control features of the Kerr bill extended over a period of 2 years—the life of the reduction contract. Six percent of

the production of any county may be allotted to such per-, sons who for good reason cannot have fair allotment-twothirds of whom will be those who produce less than 1,500 pounds of tobacco.

The purpose of this bill is to prevent the spread of acreage into territories which heretofore have never produced tobacco. It gives an advantage to those who have signed up the reduction contracts. Those who did not sign up the contract, and are not included within the 6-percent allotment, will receive about the same price for the tobacco that they would have received had no reduction program been undertaken. But it does not permit such outsider, who did not sign the contract or who is not included within the special provision of the bill, to receive the benefits resulting from the tobacco program. I spoke in favor of the bill.

# TOBACCO GRADING BILL

This bill was reported out of committee in the closing days of Congress. It is the first time, so far as I know, that such a measure ever received favorable consideration from the House committee. That it would have been enacted into legislation admits of no doubt, except for the fact that tobacco growers in certain sections split over the legislation until the last hours of Congress. Any time that there is division in the ranks of farmers or laborers, right then you may know that delay in passage of legislation will result. So far as I know, tobacco growers of Kentucky were unanimous in their support of the Byrns Federal grading bill. I was very active in its behalf, and will be very happy to continue my efforts in behalf of this or similar legislation.

#### THE PLUGGING OF THE LOOPHOLES IN THE REVENUE BILL

I can confidently say that I first made the suggestion for the appointment of a subcommittee to endeavor to stop or plug the soles in our tax structure whereby the income-tax payer, particularly favored interests, avoided and escaped payment of taxes that Congress intended should be paid. As a matter of fact, the first work done along that line was in the 1932 revenue bill, at which time I offered an amendment, which was adopted by the committee and the House. eliminating the carrying over of losses beyond the year in which the loss was sustained. The Senate struck it out. This was months before the exposés made by the Senate investigating committee. It was under this section that Morgan & Co., Kuhn, Loeb & Co., and others had avoided payment of any substantial sums in taxes for 1930 and 1931, because of losses that had been sustained in 1932.

Following the disclosures, again on the N.I.R.A. bill I offered this amendment, and it was adopted in the committee without a dissenting vote, and passed the House and Senate and is now the law.

A resolution was introduced, authorizing the committee or any subcommittee thereof to work during vacation toward this end. I had charge of its passage on the floor. Chairman Doughton honored me with an assignment to this committee. With weeks of study and effort, we submitted our report to the full committee the first part of December. Our report was substantially adopted by the full committee. The revenues picked up in these meritorious changes totaled more than \$250,000,000 for the full fiscal year.

We have a similar committee appointed to continue this work and to particularly view the regulations of the Bureau of Internal Revenue. I am honored by my chairman with appointment to this committee.

The record will show that I initiated the movement to have a proper adjustment of the depreciated allowances in the income-tax reports. Strange as it may seem, in many instances more than 100 percent was being taken for depreciation. At first the Treasury did not take to my notion that many millions of dollars could be picked up by operating in this direction. To make a long story short, they finally agreed to change their regulations and will recover into the Treasury \$85,000,000 per year because of this tightening up on this item.

# OLD-AGE INSURANCE AND UNEMPLOYMENT INSURANCE

These are social problems that were given considerable consideration in this Congress. However, this is the first tion for the first time written into law for the laboring

Congress that has undertaken legislation of this character. Hearings were held before a subcommittee of the Ways and Means Committee on a bill introduced by Hon. DAVID J. LEWIS, of Maryland, looking toward the creation of a fund for the benefit payments to unemployed during the period of the depression. It is a very comprehensive question as to the mechanics of it. The question of who should do it-the Federal Government, State government, or both-how the funds should be raised—by levying a tax upon the employer and the employee, or both, and the rate thereof-and just what amount should be paid, over what period of time, and under what condition. Voluminous hearings were held but it was finally thought best that this matter go over until the next session of Congress. The President of the United States is very much interested in endeavoring to solve this problem.

Very closely akin to the unemployment insurance is the old-age pension legislation that was pressed for action in this Congress. There were many problems in respect of it that were kindred with the unemployment insurance. Much thought and consideration was given to this character of legislation. A special resolution was passed looking toward a thorough investigation of the various methods proposed and plans suggested with instructions for the committee to

report back to the Congress.

Legislation of this character, which deals with the support and maintenance of the aged and infirm, touches me very much. I have shown genuine interest in these problems and will be happy to continue such efforts. Ofttimes I am inclined to think that the material things are generally given first consideration. I think the first obligation we have toward our Government is the preservation of that splendid type of citizenship that has grown up in this country. The aged must have our very best thought and effort.

#### LABOR

In the closing hours of the Congress, there was enacted into law the Railway Employees Retirement Act, which is a forward step in giving consideration to the railroad men of America. I hardly think that it goes as far as it should go. It was compromise legislation. Railway men had divided into two groups supporting different bills looking toward this end. And, as stated in respect to the farmer, so it is with the workingman. They must be united on legislation to effectively put it across.

It is the thought in this modern day that consideration should be given to those who had grown old in the service of industry. That is the thought behind this bill, and it is a forward step. It serves two purposes. It cares for the aged, and in permitting of retirement and maintenance of the old employee it opens up an opportunity for another workingman to make a living for himself and family.

In the Railway Labor Act passed in the Sixty-ninth Congress, provisions were made for adjustment boards to settle minor grievances between the railroads and their employees. The language was permissive, but there was no thought in the minds of any Member of Congress that such minor grievances would not be determined in the manner therein set forth. Many railroads failed and refused to set up the adjustment boards. Thereby many just complaints of employees had no way of settlement, with constant irritation and loss of rights to which they were justly entitled. This last Congress saw the passage of a bill amending the Railway Labor Act in this and other particulars.

## NATIONAL INDUSTRIAL RECOVERY ACT

The National Industrial Recovery Act, passed in the first session, can well be divided into several parts:

First. Direct relief, which carried \$500,000,000 for relief to the needy.

Second. Public-works title, which authorized and directed the expenditure of \$3,300,000,000 in public works; \$400,000,-000 of this was specifically earmarked and allocated for the construction of primary and secondary roads. The law endeavored to localize benefits to labor and furnished the material. The purpose was to spread, as evenly as legislation could do, benefits accruing from such construction.

Third. N.R.A. title: This portion of the bill saw recogni-

man, which called for the setting up of minimum wages and maximum hours of labor, with provision for better working conditions. It wrote into the law the 30-hour week as it applied to Government projects. It authorized collective bargaining on the part of labor and the right to join a union of their own choice. Regardless of the application, the language is plain and not subject to misinterpretation.

Fourth. There were other sections of the bill dealing with emergency matters, particularly those referring to the revenue.

### HOME FINANCING

Home Owners' Refinancing Act was approved June 13, 1933. Under it we have seen more than 300,000 small-home owners saved from foreclosure. This is of maximum benefit to the owner of the property, saving the roof over their head and that of their family, and likewise it is of benefit to the credit condition of the country generally.

The past session has seen legislation that enlarges the scope of the splendid parcel of recovery legislation.

BANKING LEGISLATION-THE EMERGENCY BANKING RELIEF ACT

This legislation was approved March 9. It was under this

legislation that the closed banks were opened.

The Banking Act of 1933: This act was approved June 16, and created the Federal Deposit Insurance Corporation, which insured bank deposits. I feel that I should state in this connection that I had supported the guaranty bank deposit bill in the Seventy-second Congress, at which time it was severely criticized. However, I am happy to see the insurance of bank deposits playing such splendid part in the recovery program.

The original act insured deposits up to \$2,500, but in the second session this amount was raised to \$5,000.

#### TARIFF BILL

Many think that this is the most important piece of legislation that the Seventy-third Congress has enacted into law. It came from the Ways and Means Committee, and Chairman Doughton, in control at that time, gave me distinct honor in permitting me to close the general debate, with almost an hour's time. This bill gives broad authority to the President of the United States to make trade agreements with foreign countries, looking toward the benefit of American agriculture and industry. It permits him, in effecting such agreements to raise or lower tariffs within 50 percent of their present rates. Those unfriendly to the legislation painted pictures of terrible possibilities. Their verbal barrage was in reality a lurid picture of fear. The President three times in his message stated that he would be cautious in the handling of this stupendous power, and that the purpose to which it would be put was to help American agriculture and industry, and not to harm it. Much can be expected from this legislation. However, proceeding cautiously and with care, it will not be an overnight affair. It looks toward lowering harmful tariff barriers in return for reciprocal or like consideration.

There was some discussion that war debts and their reduction or cancelation would be involved. A big hullabaloo was being raised by our Republican friends in this regard. Their fears were stilled upon the adoption of an amendment which I offered, signifying that no authority over war debts was included in the powers granted.

# THE GOLD REPEAL-JOINT RESOLUTION

For once and for all time the gold-standard myth has been exploded. Even though prior to the passage of this resolution more than one-third of the currency of this country had no backing in gold reserve, the reactionaries and particularly the international bankers had built up in this country the notion that going off the gold standard would be calamitous in the extreme. Well, on June 5, 1933, we went off the gold standard and nothing but benefit has come from it.

Mr. Ferrell, former president of the United States Steel Corporation, in testimony before our committee, says that the only trouble in going off the gold standard was that we had not done it 18 months sooner.

#### GOLD-DEVALUATION ACT

This was approved January 30, 1934, which authorized the President to revalue the dollar at 50 to 60 percent of its existing statutory gold equivalent. The President fixed the value of the dollar at 59 cents. This was the finale, for the present, of coins of gold. The material is to be held in the Treasury in bullion form as reserve for paper currency. Some \$3,000,000,000 was added to the gold values held by the Treasury.

This had quite a beneficial effect in our foreign trade, which has perked up considerably and is playing an important role in the recovery program. It permits foreign countries who had previously devalued their medium of exchange to buy American-made products. In Japan, for instance, where it formerly took 5 yen to buy one dollar's worth of American goods, since the devaluation of our dollar, it only takes 2 yen. It permits us to compete in world trade with nations who have heretofore devaluated their medium of exchange. France, several years ago, devalued its franc 80 percent. England cut her pound about 30 percent. Practically every nation in the world had devalued their currency, except Uncle Sam, and we were thereby seriously handicapped in the sale of American-made products in the world market.

#### THE BONUS BILL

Still discussing the money issues, as I have stated many times on the floor and in Kentucky, I believe that the expansion of our currency will do much toward the restoration of our prosperity. My thought in this connection is that there must be an increase of commodity values to the level of those days in which the bulk of our internal debt was created. In other words, a man should have a dollar today akin to the debt dollar he owes.

The devaluation of the gold dollar was controlled inflation as applied to our external or world trade. Internally it had no marked inflationary effect. Feeling as I do, I have supported all monetary legislation that has been presented with this end in mind. Most of it, however, has been permissive. That this power will be eventually used, I verily believe.

However, we had before us again the payment of the adjusted-service certificates in currency. I was honored with the privilege of closing the debate on this important legislation. Naturally, enactment of this law would be of benefit to the soldiers of the World War, but, in my opinion, its benefits would go far beyond that group. I believe that this added currency with certain definite control features would bring about the increased commodity prices for which all are aimed. So I supported the legislation which passed the House overwhelmingly, but which was defeated in the Senate.

## SILVER PURCHASE ACT

While we are on the money question it might be well to refer to the silver legislation which was reported by our committee and enacted into law in the second session. It directs that the monetary stocks of the United States shall contain one-fourth silver. This will require the purchase of about 1,300,000,000 ounces of silver. It will give a broader metallic base. The money will be just as sound. The Secretary of the Treasury shall issue silver certificates to the amount paid for the silver bullion which is used as a reserve. The Secretary of the Treasury may issue silver certificates in addition to the actual cost of the silver and up to the monetary value thereof, which is \$1.29 an ounce. This is an expansion of currency—if certificates are issued as against the monetary value, it will be a more extended expansion of currency. This latter power is merely permissive.

This bill came from our committee, and I assisted on the floor in its passage.

## OTHER LEGISLATION ENACTED

It is impossible for me to discuss in detail all the legislation of the Seventy-third Congress, but I will call attention to the following acts which are of much significance in the recovery program:

The Securities Exchange Act, which is a regulatory measure of all stock and bond exchanges.

The Loans to Industries Act, under which the Federal Government may relieve small industries who are unable to finance themselves through regular banking channels.

The Farm Credit Act of 1933 granting loans for the production and marketing of agricultural products.

The Farm Mortgage Refinancing Act authorizing the issuance of \$2,000,000,000 in bonds guaranteed by the United States for the purpose of refinancing farm debts.

The Civil Works Emergency Relief Act.

There are dozens of other important pieces of legislation, which the President sought and the Congress enacted, with a definite view of aiding national recovery.

#### CONCLUSION

I realize that this is a rather ragged résumé of the record of the Seventy-third Congress. I feel that the constituents of Representatives should know the magnitude of the efforts of the Congress. It is proper for them to know the part their Representative played in this history-making Congress.

Mistakes have been made, but the comparison of conditions today and 15 months ago, when the new deal began, is significant. There are charges of extravagant spending and forlorn lamentations in respect to the future. Those opposing the administration paint terrible pictures that only fear could inspire, but the question that any individual can answer for himself with reference to the success of this administration is, "Would you go back to the stagnation of a Hoover administration that feared to do?" The answer reverberating from Lakes to Gulf, from coast to coast, is a fearless "no."

# GOVERNMENT COMPETITION WITH PRIVATE ENTERPRISE

Mr. SHANNON. Mr. Speaker, I have read the extension of remarks of Congressman ROBERT F. RICH, of Pennsylvania, entitled "Government Competition with Private Industry: The Condition and the Remedy." It is a correct statement of the case.

It is not an easy task to dislodge bureaus from business activities rightfully belonging to private enterprise. The Chairman of the House Committee on Expenditures in the Executive Departments stated that the only way to get the Government out of business is for the Congress to discontinue making money available to Government departments to manufacture needed supplies.

The speciousness of this argument is demonstrated by calling attention to the fact that millions of dollars have already been appropriated to set up business activities in the departments, and many of those activities can continue to function without the appropriation of an additional dollar. Just to mention a few cases in point:

Representatives of the Associated General Contractors testified before our special committee that there are 82 bureaus and offices of the Government with authority to carry on construction work or to design for construction; and that one governmental agency alone owns over \$50,000,000 worth of plant and equipment used in construction and maintenance work.

Another illustration is the Government clothing factory at Philadelphia, equipped to manufacture 86 different arti-

The restaurant equipment in the post office at Chicago is said to have cost the Government \$125,000.

The restaurant equipment in the Commerce Building at Washington is said to have cost over \$100,000.

In the course of the hearings on the War Department appropriation bill for 1934, when testimony was being given concerning the manufacture of underwear at the Philadelphia depot, Mr. Collins, chairman of the subcommittee of the House Committee on Appropriations, commented:

Yes; there is an added thrill when a man wears a pair of drawers manufactured under the supervision of some Army officer.

Brig. Gen. Henry C. Whitehead, Quartermaster Corps, United States Army, when testifying before our special committee concerning the manufacturing activities at the Philadelphia depot, said:

We have heretofore manufactured handkerchiefs, sheets, and

We have heretofore manufactured handkerchiefs, sheets, and pillowcases. That, however, we are no longer doing.

Mr. Cox. When did you suspend those activities?
General WHITEHEAD. I think about 6 months ago.

Mr. Cox. Why did you suspend those activities?
General WHITEHEAD. We manufactured those with certain materials we had on hand, and it was the desire, on the part of the depot, to keep the organization employed when there was a slack in other things. in other things.

Again, Col. E. B. Gregory, of the Quartermaster Corps, United States Army, testified before our special committee concerning the business activities of the Jeffersonville, Ind.,

Mr. Cox. Just what improvement do you look for in manufacturing pans and pots and tables and these ornamental metallic articles you put out? There is no improvement that you look for

in the making of pans, is there?

Colonel Gregory. No. As far as that is concerned, about the tables, the justification was to provide continuous employment for these men.

Hence we find the bureau heads defending their business activities on the ground that they want to perpetuate themselves and their personnel. Under similar circumstances private enterprise would curtail its activities; but the tendency of Government bureaus is to expand, even to the extent of taking on useless functions.

I find that the dislodgment of the bureaus from the field of business in competition with private industry is made more difficult, in many instances, due to the interrelationship that exists between the chairmen of congressional committees and the bureaus. The bureaus are thoroughly intrenched, and the bureau heads never fail to convince gullible committee chairmen that the Government cannot function without them. All congressional committee chairmen are not under the spell of bureau officials, but many

A Congressman recently recited the case of a bureau created at the close of the Civil War, known as the "Returns Office of the Department of the Interior", whose function was to keep a record of all contracts growing out of that war and to make the records available for public inspection. This bureau functioned up to 1928, 63 years after the close of the War between the States. There was hardly a soldier of the contest left, and the number of visitors to the bureau was reckoned at 5 or 19 per year, but still the bureau functioned. Well can it be said, "once a bureau, always a bureau." None ever die voluntarily and very few legislatively. The birth rate is vastly in excess of the death rate.

Perfection in bureaucracy is reached-

First, when a dignified salary is paid the bureau head;

Second, when special fiscal prerogatives in the purchase of living supplies are accorded the bureau in the way of discounts, and so forth; and

Third, by a revival of the assumption of the ancient doctrine of the presumption of correct motive of the bureau head, and this not to be questioned or doubted by an unenlightened public.

Almost every department head is averse to the establishment of an accurate method of cost accounting in the executive departments of the United States, and so went on record. One of the department secretaries said he wanted an appropriation to be used as a yardstick, to determine costs; still he wrote to the Chairman of the Committee on Expenditures in the Executive Departments that he was opposed to being required to give an accounting of costs. The yardstick that should be used in all Government matters is a comprehensive method of cost keeping.

I confidently believe that if an accurate method of cost accounting were established in every department of government-municipal, county, State, and National-untold millions would be thereby saved to the public. We have the spectacle in Washington of almost every bureau head protesting against a proposed law requiring them to tell what it costs to carry on their activities.

We have the Chairman of the Committee on Expenditures in the Executive Departments asking the department heads,

letter he wrote them:

HOUSE OF REPRESENTATIVES, COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS, Washington, D.C., January 23, 1934.

DIRECTOR OF THE BUDGET, SECRETARY OF WAR, SECRETARY OF THE NAVY, SECRETARY OF THE TREASURY, SECRETARY OF COMMERCE, SECRETARY OF LABOR, COMPTROLLER GENERAL,

Administrator of Veterans' Affairs:

The committee has been asked to hold a hearing on the attached bill, H.R. 6038. Before doing so I would like an expression from your department on the measure. It seems to me this would prove very costly to the Government. If that he so, can you estimate what it would cost your department to comply with such a law?

Sincerely yours,

JOHN J. COCHRAN. Chairman.

And every department head, save one, followed the suggestion of the chairman and expressed their disapproval of the measure. Comptroller General J. R. McCarl was the exception. He said this:

An existing condition which is subject to abuse and may be corrected by the enactment of legislation along the lines proposed by the bill is the present possibility of expending public funds for a given purpose in excess of express appropriation limitations for such purpose. The present system of accounting does not disclose the contributions obtained from other sources to supplement limitations expressly fixed by the Congress, as for example the diversion of inventories and services paid for from other appropriations: hence the will of the Congress may in a given case be priations; hence the will of the Congress may in a given case be largely defeated, not always in a deliberate attempt to that end but because the means for doing so are readily available.

The expense incident to maintaining a complete cost-accounting system for the Government should not materially increase the expenditures now made for fiscal accounting as it seems entirely feasible to operate a cost system in conjunction therewith and the present facilities and personnel should to a great extent and the present facilities and personnel should to a great extent and under proper administration absorb the additional work involved. I hesitate to venture an estimate of the cost of administering the law, because of insufficient data available upon which to predicate such an estimate, but I confidently believe that through the operation of a proper cost-accounting system there will result economies and advantages that will many times outweigh the cost thereof cost thereof.

Who knows better than the Comptroller General of the United States, with 12 years of continuing experience behind him, the overwhelming need for the reform our cost-accounting bill proposed? It is aimed at the very thing the Comptroller General emphasizes as necessary if the will of Congress as the guardian of the public purse is to be executed. Yet the Chairman of the Committee on Expenditures in the Executive Departments declared, in the extension of his remarks in the Congressional Record of June 16, page 12261:

During this Congress a great deal of time has been given to the question of government in business. The committee of which I am chairman has considered this matter for months. No Member of Congress in recent years has done more than I have to remove the Government from competition with private industry.

What an opportunity was neglected by the gentleman from Missouri. Our bill met the very conditions with which Congress is confronted, for all the future controls that might be put upon appropriations cannot cure the conditions which have already been created through which dozens of bureaus and agencies have been established, each eager to spawn a new activity and to repossess a vested interest in the maintenance and enlargement of Government competition with the citizen. No Member of Congress, no official of the Government, no accounting office can today tell the public the actual costs of Government operations. No department, executive establishment, or Government agency, under existing methods of accounting, could, if it were willing to do so, report with accuracy the costs of its own operations, for many of its charges are paid out of appropriations of other interrelated Government agencies, and no complete picture would be possible until Government agencies are required to keep accounts under a system that would reveal their costs exactly as they do

in effect, to object to the cost accounting bill. This is the | those of private business organizations. That the people are entitled to know. That the people do not know; nor does Congress know. Those who block the attempt to secure that information are keeping the secrets of public extravagance from popular and congressional knowledge. It is unfortunately too true that the Committee on Expenditures in the Executive Departments "considered this matter for months", to use the words of the chairman of that committee. It did not act. There was much evidence that a majority of the members of the committee were willing to do so, but unfortunately the committee was not given a chance to meet and express its opinion on the bill which had been so long the subject of deliberation.

What the country needed, what Congress desired, was not deliberation; it wanted action, and it deserved to get it.

Of course if Congress and the people knew how much it cost to carry on these business activities of the Government which are destructive of private enterprise, it would be but a short time until they would be dispensed with.

This fight is not an easy one to win. It will take time to do so. A rebuff now and again should not deter those who are making the fight. To quote from Thomas Jefferson:

It is an encouraging observation that no good measure was ever proposed which if duly pursued failed to prevail in the end. \* \* \* And you will be supported by the religious precept, "Be not weary in well-doing."

This fight is all-important. The abuse sought to be corrected by it strikes at the very foundation of this Government, for the Republic cannot survive unless the evils growing out of bureaucracy are eliminated.

The evils of government in business are recognized by the present Pope, who stated in an encylical recently issued:

It is wrong to withdraw from the individual and commit to the community at large what private enterprise and industry can accomplish.

The deduction to be made from this statement is that when the citizen is deprived of an opportunity to earn a living, not only is he injured but in the end the very government itself is destroyed.

Hence, this is not merely a fight to restore opportunity to the citizens of this country, but it is a fight for the preservation of the Republic. Bureaus should limit their functions to governmental matters, and should keep out of business activities belonging to private citizens.

Those of us who advocate the divorcement of Government and business are right. In addition, we are on sound Democratic ground. The latest utterance of the Democratic Party on the subject was in the platform adopted by the Democratic National Convention in 1932, which advocated-

The removal of government from all fields of private enterprise except where necessary to develop public works and natural resources in the common interest.

And our President wrote:

I am for this platform 100 percent.—Franklin D. Roosevelt.

That plank of our platform, and its endorsement by the President, is the recognition of a fundamental philosophy which lies at the bottom of our Government, for the function of our Government is political and not economic. It was established to perpetuate and protect the rights of the citizens. To that end the 10 amendments were written, without which the Constitution could not have been adopted. Those amendments were precautions taken by a people familiar with seven centuries of English-speaking experience. They knew from the history of the English race the many ways through which kings or parliaments or powerful minorities could overwhelm helpless individuals or dominated majorities. They knew the individual was the dynamo of progress; that through him and his activities and his desire to improve his own condition and that of his family, new standards of living were built through all the ways in which individuals in concurrence with their talents improve the society of which they are a part. The last thing our people had in mind was the thought that their Government would become a great and often unfair competitor with the citizen whose activity it was the business of Government to protect and promote. It is this destructive influence of Government as a maker of things and a performer of services that threatens recovery today. It means vast unknown, uncontrolled, and extravagant expenditures in every form of business activity. The evidence of this is spread over the face of the record. It is to check this, and to make Government activities, where properly engaged in, fair in their competition with the citizen, to limit them to their appropriate fields, and, above all, to establish the means by which accurate comparisons can be made between Government and private operations, that our cost-accounting bill is aimed. It is therefore of the first importance to every citizen.

The man who opposes that effort consciously or unconsciously is making it steadily more difficult for the citizen to earn a living. It is piling upon the citizen's back an enlarging bureaucracy that in our Federal, State, and local governments is now employing 1 person in 12 among our population; with the natural result that this public army is seeking new activities and steadily enlarging the over-

whelming burden of taxation.

The cost-accounting bill, recommended by our special committee, had the endorsement of practically every business group in the United States, including the National Association of Manufacturers and the United States Chamber of Commerce. Typical of these endorsements was Legislative Bulletin No. 90 of the Industrial Recovery Service Bureau, sponsored by the Industrial Club of St. Louis in conjunction with the St. Louis Chamber of Commerce. This bulletin was signed by Mr. M. M. Drake, director of the Industrial Recovery Service Bureau, and stated, among other things:

\* There certainly can be no objection to the Government setting up its costs on the same basis as private enterprises.

without such records no one can determine whether it is wise for our Government to engage in these activities.

This bill (H.R. 6038) has been referred to the Committee on Expenditures of the Executive Departments, and is slumbering, and will continue to slumber unless pressure is exerted to have hearings held on it. The chairman of this committee is Congressment John J. Congress, from St. Louis man John J. Cochran, from St. Louis.

Yes; as the gentleman from St. Louis said, the bill was slumbering on January 25, 1934; and verily it is now in a

state of deep sleep.

This bill was introduced on June 10, 1933, in the closing days of the special session of this Congress; hence, it was in the hands of Chairman Cochran every day of the regular session which convened on January 3, 1934. The first hearing on the measure, forced by commercial interests of this country, was on February 21, 1934.

The intrenched bureaus realize the importance of putting legislation objectionable to them to sleep. It is said that when Jupiter formed the design of creating Sleep he mingled the juices wherewith sleep should soothe the hearts of mortals—herb of enjoyment and herb of safety.

Bureaucracy is skilled in the art of putting measures to sleep in committees. The herb of enjoyment and the herb of saefty were mingled, and the cost accounting bill was put to sleep and laid away in the portmanteau of Chairman Cochran. Bureaucracy is breathing easier.

But again returning to Jupiter: "With this juice," he said, "pour slumber upon the eyelids of mortals. So soon as it hath touched them they will lay themselves down motionless, under thy power. But be not afraid; they shall revive, and in a while stand up again upon their feet."

And so it will be with the cost accounting bill; it shall be revived, and all that will be necessary to bring it into successful operation as a law will be the perseverance of those who favor it.

## KEEP THE HOME FIRES BURNING

Mr. SNYDER. Mr. Speaker, the people in my district are and will be forever grateful to the Seventy-third Congress of the United States for the courteous and generous treatment received at the hands of this Congress.

The people in my district rallied to the Roosevelt program in a big way, and I dare say that this very hour the laymen, made up of the miners and the farmers and the little busi-

ness men, as well as most of the big business men and business institutions in my district, are more enthusiastic about the program today than they were a year ago.

Mr. Speaker, I hear you ask me why are they more enthusiastic about the program today than they were a year ago. If you could have gone with me to the streets of my leading towns on a Saturday evening a year ago, and then go with me to these same streets in the same towns next Saturday evening, I would not have to use any words to tell you why. You would see with your own eyes the contrast. A year ago—few people on the streets and the stores practically empty; today—the streets crowded and the stores filled and the clerks busy.

Please do not misunderstand me. I do not mean to say that everybody is now employed who would like to work, but I do wish to make clear to you that the several businesses of my district have picked up an average of more than 50 percent, and that, comparatively speaking, our people are socially and financially 50 percent better off than

they were a year ago.

Mr. Speaker, it was an inspiration to hear our most worthy majority leader, Mr. Byrns, say that it made him happy to participate in the activities of the Seventy-third Congress because of the constructive policy which it pursued. I am glad that I had the privilege of sitting at the feet of such a majority leader during this session. I am also happy that I was privileged to occupy a seat in the Congress of the United States when we have as our Speaker the gentleman, scholar, and statesman, Hon. HENRY T. RAINEY. I am glad I had the opportunity to play a small part in setting up the administration's program. I am glad I had an opportunity to confer with that great humanitarian and statesman, Franklin D. Roosevelt; and I am also happy to have had the privilege of rubbing shoulders with the Members of the Seventy-third Congress.

Mr. Speaker, as we check up the activities of this Congress, it seems to me that the whole purpose was to make our several communities and the Nation a better place in which to live to organize our social and economic fabric so that we might hand to our children a more stable Government: to perfect and harmonize the workings of our business institutions and social institutions so that we might hand to our

posterity a heritage that will be worth while.

According to the figures handed me by the relief agencies in my congressional district March 1, 1933, more than 50 percent of the men, women, and children in the district were on relief. Just a small percent of the taxes could be collected because men had no work. Mortgages were being taken out on homes and farms. Scores of business houses and stores had failed and were failing. The county treasury was empty. The State set-up for relief was practically exhausted. The masses looked toward Washington for relief. And Washington, or the Federal Government, responded.

I am glad that I sat in the Congress that gave to the needy of the Nation. Since March 1933 the Federal Government has given to my congressional district most liberally. I do not have all of the figures, but in part they are as follows:

For Federal road work, Fayette County, in 1933\_\_\_\_\_ For direct relief, Fayette County\_\_\_\_ for C.W.A. program, Fayette County, November 1933\_\_\_\_\_ March 1934\_\_\_\_\_ \$339, 218.00 1, 322, 762. 24

843, 105. 70 For Federal road work, Somerset County, 1933\_\_ 319,000.00 For direct relief, Somerset County approximately 40 percent of

allotment for Fayette County.

For C.W.A. program, Somerset County, approximately same as allotment for Fayette County.

Added to this we now learn from Relief Administrator Harry L. Hopkins and the agencies attached thereto that sufficient money will be set aside for Pennsylvania to look after the unemployed for the next year in even a better set-up than we have enjoyed.

Not all figures are available of allotments for Pennsylvania, but the Bureau of Public Roads gave me the following figures this morning:

Attorners to Pennsylvania for public road	63
1934	\$9,590,000 5,900,000 5,900,000

during the next 3 years about the same allotment from the Federal Government for highway construction as it received last year, when the State received \$19,000,000 plus. Somerset County will receive proportionately the same allotment.

The Federal Government also sent its special representative to my county, Fayette, and after checking up on the some 1,100 families left in care of the poor directors of the county they generously provided for some 650 of these families with Federal funds.

Mr. Speaker, the Federal Government has been a real Santa Claus to my people in my district in many cases, as the above figures and contributions show. I am glad that I can point to these facts when my constituents ask me what the administration has done directly for them. However, I am looking forward to the not far-distant time when the administrative program that the Seventy-third Congress passed will function in such a way that all these people in my district and in every congressional district in the United States will have work at a living wage and we will no longer have need of Federal funds for direct relief or reemployment.

I for one do not look with favor upon the Government's going into business to any degree where it will interfere with private business, and that is not the purpose of the program of the Seventy-third Congress. The purpose is to stimulate business, so that private business may be able to adjust itself and absorb all unemployment. Of course, this will take time.

I am looking forward to the time, and it will not be many years, when we will be enjoying prosperity such as the Nation has never enjoyed. I for one believe that we must have set-ups in our business institutions so that they can operate and enjoy a reasonable living profit and at the same time pay a living wage to those employed to run the respective businesses.

It is the intent and the purpose of the N.R.A., with its several codes for the several businesses of the Nation, to have a set-up and working procedure in every business so that the operator may have a living wage as well as the individuals that the operator employs. It will take several years to adjust these codes and business practices so as to bring about these happy conditions.

Mr. Speaker, as we go along we must not forget the Nation's most outstanding institutions. We must not forget those citizenship-building institutions that contribute most to the happiness and prosperity of the next generationthe schools of our Nation. The schools of any community, any county, any State are closer and nearer and dearer to both students and parents when they are financed by the respective communities in which they are located, or the respective States or counties, as the case may be. However, in a panic or crisis like this, when the taxpayers in the communities and counties are burdened beyond what is right, it is only fitting that the Federal Government should step in and give aid. Therefore I trust that the allotment this session of Congress set aside for public institutions, public works, and rehabilitation, and other purposes, will be sufficient to reach out and help the schools of the Nation wherever absolute help is needed. In my own district and in my own State we have school districts that are financially bankrupt. In such cases we should encourage the fathers and mothers who live there and have lived there to keep their homes intact by taking care of school expense until such time as these homes are no longer endangered by overtaxation.

## RECESS

Mr. BYRNS. Mr. Speaker, I move that the House stand in recess until 12 o'clock noon on Monday.

The motion was agreed to; accordingly (at 11 o'clock and 32 minutes p.m.) the House stood in recess until Monday, June 18, 1934, at 12 o'clock noon.

# EXECUTIVE COMMUNICATIONS, ETC.

504. Under clause 2 of rule XXIV, a letter from the Acting Secretary of War, transmitting a copy of Resolution No. 44

This means that Fayette County in proportion will receive | of the Municipal Council of Piddig, Province Ilocos Norte, P.I., relative to Public, No. 127, Seventy-third Congress, the New Philippine Independence Act (H.Doc. No. 504), was taken from the Speaker's table, referred to the Committee on Insular Affairs, and ordered to be printed.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. MEAD: Committee on the Post Office and Post Roads. House Report No. 2058. A report on the Seatrain contract. Referred to the House Calendar.

Mr. MEAD: Committee on the Post Office and Post Roads. House Report No. 2059. A report pursuant to House Resolution No. 226 (72d Cong.) and House Resolution No. 59 (73d Cong.). Referred to the House Calendar.

Mr. ROGERS of New Hampshire: Committee on Military Affairs, Subcommittee No. 3. House Report No. 2060. A report on the investigation under House Resolution No. 275. Referred to the House Calendar.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII.

Mr. JOHNSON of Oklahoma: Committee on Military Affairs. Senate Joint Resolution 108. A joint resolution authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point, Eloy Alfaro and Jaime Eduardo Alfaro, citizens of Ecuador; without amendment (Rept. No. 2044). Referred to the Committee of the Whole House.

Mr. RAMSPECK: Committee on Claims. S. 3248. An act for the relief of J. B. Walker; with amendment (Rept. No. 2053). Referred to the Committee of the Whole House.

Mr. RAMSPECK: Committee on Claims. H.R. 9384. A bill for the relief of Luther M. Turpin and Amanda Turpin; without amendment (Rept. No. 2054). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4258. A bill for the relief of Flora Yost (Klinawski); with amendment (Rept. No. 2055). Referred to the Committee of the Whole

# PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BRUNNER (by request): A bill (H.R. 9949) for the relief of Walter Motor Truck Co., Inc.; to the Committee on Claims.

By Mr. McSWAIN: A bill (H.R. 9950) to provide for the erection of a tablet to the memory of Ann Pamela Cunningham; to the Committee on Military Affairs.

By Mr. SNYDER: A bill (H.R. 9951) granting a pension to George C. Shuckhart; to the Committee on Pensions.

Also, a bill (H.R. 9952) granting a pension to Arlington Shaffer; to the Committee on Pensions.

Also, a bill (H.R. 9953) granting a pension to David B. Lawson; to the Committee on Pensions.

By Mr. UNDERWOOD: A bill (H.R. 9954) to adjust and equalize benefits for veterans and widows and dependents of veterans, and for other purposes; to the Committee on World War Veterans' Legislation.

Also, a bill (H.R. 9955), to establish the Bureau of Veterans' Affairs in the Department of the Treasury with the Commissioner of Veterans' Affairs at the head thereof, to abolish the Veterans' Administration and transfer its functions pertaining to veterans' affairs to such bureau, to adjust and equalize pensions of veterans and widows and dependents of veterans, and for other purposes to the Committee on Expenditures in the Executive Departments.

By Mr. LLOYD: A bill (H.R. 9956) incorporating the American White Cross Association on Drug Addiction; to the Committee on the Judiciary.

By Mr. RANDOLPH: A bill (H.R. 9957) to authorize appropriations for the relief of unemployment through the performance of useful public work on land under the control of the Forest Service, and for other purposes; to the Committee on Agriculture.

By Mr. DOCKWEILER: A bill (H.R. 9958) to adjust the salaries of rural letter carriers, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. McFADDEN: A resolution (H.Res. 451) to investigate financing of the two major party national conventions, and for other purposes; to the Committee on Rules.

## MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Commonwealth of Massachusetts, memorializing Congress in favor of legislation providing for a retirement system for railroad employees; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of New Jersey, memorializing Congress to enact an antilynching law; to the Committee on the Judiciary.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII.

Mr. CUMMINGS introduced a bill (H.R. 9959) granting a pension to Ethel R. Blake, which was referred to the Committee on Invalid Pensions.

## PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5176. By Mr. JAMES: Resolution from Joseph L. Stanchina, president, and Joseph A. Canale, clerk, of the village of Caspian, Mich., favoring the passage of H.R. 7593; to the Committee on Labor.

5177. By Mr. LINDSAY: Petition of the Central Union Label Council, Brooklyn, N.Y., urging favorable action on the Connery 30-hour week bill; to the Committee on Labor.

5178. Also, telegram from Edward F. Caldwell & Co., Inc., V. F. Von Loosberg, president, New York City, urging vote against substitute for Wagner labor bill; to the Committee on Labor

5179. Also, petition of F. Weidner Printing & Publishing Co., Brooklyn, N.Y., opposing the new Wagner labor disputes bill; to the Committee on Labor.

5180. Also, telegram from David Dubinsky, president International Ladies Garment Workers Union, New York City, favoring Connery 30-hour week bill; to the Committee on Labor

5181. Also, petition of the Montefiore Hospital Alumni Association, New York City, favoring H.R. 7598, the unemployment and social insurance bill; to the Committee on Labor.

5182. By Mr. O'MALLEY: Petition signed by 5,000 residents of the Fifth Wisconsin District, protesting against the exclusion of Judge Rutherford's programs from radio; to the Committee on Merchant Marine, Radio, and Fisheries.

5183. By Mr. RUDD: Petition of the F. Weidner Printing & Publishing Co., Brooklyn, N.Y., opposing the passage of the Wagner disputes bill; to the Committee on Labor.

5184. Also, petition of Michaels Bros., Brooklyn, N.Y., opposing the Wagner disputes bill; to the Committee on Labor

5185. Also, petition of the International Ladies' Garment Workers Union, New York City, favoring the passage of the Connery 30-hour week bill; to the Committee on Labor.

5186. Also, petition of Edward F. Caldwell & Co., Inc., V. F. Von Lossberg, president, New York City, opposing the substitute for the Wagner labor bill; to the Committee on Labor.

5187. Also, petition of the Central Union Label Council, Charles E. Sinnegen, secretary, Brooklyn, N.Y., urging enact-

By Mr. RANDOLPH: A bill (H.R. 9957) to authorize appearance on Labor. ment of the Connery 30-hour week bill; to the Committee contractions for the relief of unemployment through the on Labor.

5188. By the SPEAKER: Petition of the Daytona Chamber of Commerce, Daytona Beach, Fla.; to the Committee on Ways and Means.

5189. Also, petition of the Unemployed Citizens' League of Bethlehem, Pa.; to the Committee on Ways and Means.

5190. Also, petition of M. L. Wilson and others, supporting Senate bill 3231 and House bill 9596; to the Committee on Interstate and Foreign Commerce.

5191. Also, petition of Cragin State Bank Depositors Justice Committee; to the Committee on Banking and Currency.

5192. Also, petition of the Cragin State Bank Depositors' Justice Committee; to the Committee on Banking and Currency.

5193. Also, petition of S. C. Hoppes, and others, supporting Senate bill 3231 and House bill 9596; to the Committee on Interstate and Foreign Commerce.

5194. Also, petition of numerous employees of the Minneapolis & St. Louis Railroad Co., supporting Senate bill 3231 and House bill 9596; to the Committee on Interstate and Foreign Commerce.

5195. Also, petition of S. S. Sweet, and others, supporting Senate bill 3231 and House bill 9596; to the Committee on Interstate and Foreign Commerce.

5196. Also, petition of the New York County Republican Committee, urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

5197. Also, petition of the Seaton Farmers Grain Co., Seaton, Ill.; to the Committee on Interstate and Foreign Commerce.

5198. By Mr. BOYLAN: Letter from the Central Union Label Council of Greater New York, representing 250,000 organized workers in that vicinity, favoring the passage of the Connery 30-hour week bill; to the Committee on Labor.

5199. By Mr. WHITE: Petition of the granges of the State of Idaho opposing the repeal of the long-and-short-haul clause of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

# SENATE

## MONDAY, JUNE 18, 1934

(Legislative day of Wednesday, June 6, 1934)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

# MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed without amendment the bill (S. 3646) to amend section 938 of the Revised Statutes to vest the courts with discretion to refuse to order the return of vessels seized for violation of any law of the United States; and to amend subsection (b) of section 7 of the Air Commerce Act of 1926, as amended, to provide for the forfeiture of aircraft used in violation of the customs laws.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9830) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes.

## ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

S. 1639. An act to establish a Federal Credit Union System, to establish a further market for securities of the

United States, and to make more available to people of small means credit for provident purposes through a national system of cooperative credit, thereby helping to stabilize the credit structure of the United States;

S. 2702. An act to amend the Civil Service Retirement Act

of May 29, 1930, and for other purposes;

S. 3419. An act to exempt articles of machinery belting from the tax on floor stocks imposed by the Agricultural Adjustment Act:

S. 3487. An act relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes;

S. 3526. An act to amend the Air Commerce Act of 1926 and to increase the efficiency of the Aeronautics Branch of the Department of Commerce with respect to the development and regulation of civil aeronautics;

S. 3528. An act to grant permission to the Willard Family Association to erect a tablet at Fort Devens, Mass.;

S. 3604. An act to revive and reenact the act entitled "An act to authorize the Bainbridge Island Chamber of Commerce, a corporation, its successors and assigns, to construct, maintain, and operate a bridge across Agate Pass connecting Bainbridge Island with the mainland in Kitsap County, State of Washington", approved March 2, 1929;

S. 3626. An act referring the claims of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota to the Court of Claims for adjudication and settlement;

S. 3741. An act to convey certain lands to the State of South Dakota for public-park purposes, and for other pur-

S. 3788. An act to extend the times for commencing and completing the construction of a bridge across the Rio Grande at Boca Chica, Tex.;

H.R. 2419. An act for the relief of W. B. Ford;

H.R. 3636. An act for the relief of Thelma Lucy Rounds; H.R. 9936. An act to compensate widows and children of persons who died while receiving monetary benefits for disabilities directly incurred in or aggravated by active military or naval service in the World War;

H.J.Res. 330. Joint resolution authorizing certain retired officers or employees of the United States to accept such decorations, orders, medals, or presents as have been ten-

dered them by foreign governments:

H.J.Res. 371. Joint resolution authorizing the creation of a Federal Memorial Commission to consider and formulate plans for the construction, on the apex block, Constitution and Pennsylvania Avenues, in the city of Washington, D.C., of a permanent memorial to the memory of Thomas Jefferson, third President of the United States and author of the Declaration of Independence; and

S.J.Res. 131. Joint resolution providing for membership of the United States in the International Labor Organization. AMENDMENT TO THE BANKING ACT OF 1933 AND THE FEDERAL RESERVE ACT

Mr. ROBINSON of Arkansas obtained the floor.

Mr. BULKLEY. Mr. President-

Mr. ROBINSON of Arkansas. I yield to the Senator from

Mr. BULKLEY. Mr. President, in order to speed the prospect of early adjournment, I desire to withdraw the pending motion to proceed to the consideration of the bill (S. 3748) to amend certain sections of the Banking Act of 1933 and the Federal Reserve Act, and for other purposes. The VICE PRESIDENT. The motion is withdrawn.

## PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint resolution of the Legislature of the State of New Jersey, which was ordered to lie on the table:

# Joint Resolution 6

Joint resolution memorializing the Congress for the acquisition by the Federal Government of the Delaware and Raritan Canal

Whereas the State of New Jersey has recently acquired the Delaware and Raritan Canal from the United New Jersey Railway & Canal Co. after abandonment by the lessor, the Pennsylvania Railroad, in accordance with the charter of the United New Jersey Railway & Canal Co.; and

Whereas the Federal Government now owns and operates the greater portion of the inland waterways from Maine to Florida:

Therefore be it

Resolved by the Senate and General Assembly of the State of

1. That the Governor and Legislature of the State of New Jersey do memorialize the Federal Congress to enact legislation providing that the Federal Government shall acquire from the providing that the Federal Government shall acquire from the State of New Jersey at a cost of \$1 the property of the Delaware and Raritan Canal, together with such land, buildings, and equipment as are turned over by the United New Jersey Railway & Canal Co. under the provisions of chapter 139 of the Laws of 1934.

2. That the Federal Congress provide for the operation of the

canal for navigable purposes.

Be it further resolved, That this joint resolution, signed by the Governor and under the great seal of the State, be transmitted to the Vice President of the United States and the Speaker of the House of Representatives, as the presiding officers of their respective branches of the Federal Congress.

3. This joint resolution shall take effect immediately.

Approved June 11, 1934.

STATE OF NEW JERSEY

STATE OF NEW JERSEY,
DEPARTMENT OF STATE.

I, Thomas A. Mathis, secretary of state of the State of New
Jersey, do hereby certify that the foregoing is a true copy of a
joint resolution passed by the legislature of this State and approved by the Governor the 11th day of June, A.D. 1934, as taken
from and compared with the original now on file in my office.

In testimony whereof, I have hereunto set my hand and affixed
my official seal at Trenton this 16th day of June 1934.

[SEAL]

THOMAS A. MATHIS,
Secretary of State.

Secretary of State.

STATE OF NEW JERSEY.

STATE OF NEW JERSEY.

I, the Governor of the State of New Jersey, do hereby certify that Thomas A. Mathis, Esq., who hath signed the annexed certificate, and whose official seal is thereto annexed, was, at the doing thereof, and now is, secretary of state of the State of New Jersey, duly appointed, commissioned, and sworn, and that full faith and credit are to be given to his official attestations, that the said signature is in the proper handwriting of the said Thomas A. Mathis, and the seal his seal of office, and that the said certificate is in the form of law and by the proper officer. is in due form of law and by the proper officer.

In testimony whereof, I have hereunto set my hand and caused the great seal of the State of New Jersey to be hereunto affixed, at the city of Trenton, in said State, this 16th day of June, in the

year of our Lord 1934.

A. HARRY MOORE, Governor.

By the Governor: [SEAL]

THOMAS A. MATHIS, Secretary of State

Mr. FLETCHER presented a petition signed by sundry citizens, being elective officers of the Three-Score-and-Ten Club, of Miami, Fla., and representing the endorsement of that club, praying for the introduction in Congress of the following legislation: First, a bill obligating the Government of the United States to pay to every citizen of said Government whose record is free from criminality and who has attained the age of 60 years a monthly pension of \$200 until the end of his life upon the sole condition that he or she agrees under oath to spend the entire amount of the pension within the confines of the United States during the current month in which it is received; and, second, a bill creating a Nation-wide Federal retail sales tax, or any other method calculated to produce the revenue necessary to meet the requirement of House bill No. 1, which, with the accompanying letter, was ordered to lie on the table.

-EXPRESSION OF FAITH IN RESOLUTION OF NATIONAL ALLEGIANCE-THE PRESIDENT AND HIS ADMINISTRATION

Mr. FLETCHER presented a resolution adopted by the Daytona Beach (Fla.) Chamber of Commerce, which was ordered to lie on the table and to be printed in the RECORD, as follows:

A RESOLUTION OF NATIONAL ALLEGIANCE ADOPTED BY THE DAYTONA BEACH CHAMBER OF COMMERCE

JUNE 11, 1934.

With a full realization of the many problems now confronting the administration of our National Government, and in appreciation of the tremendous accomplishment of the administration during its present term of office to bring back to our country a state of peace and prosperity, and in grateful appreciation of the improved business and financial condition of our own community, due largely to the efforts of our President, Franklin D. Roosevelt the Congress of the United States, and the administration: Be it hereby

Resolved by the board of governors of the Daytona Beach Chamber of Commerce, in regular session, That we, as citizens of the city of Daytona Beach, Fla., express our faith in the President and the administration, and that from this day we will go forward with renewed effort to do our part in the great work of rehabilitation that is being accomplished throughout the Nation, and that we, as Americans, henceforth place the welfare of our country above all material interests of groups or individuals. We sincerely recommend to all of those in authority, be it National, State, county, or municipal, and likewise to the cham-bers of commerce, civic clubs, and all organizations of every com-munity, that on or before July 4, 1934, they send an expression of faith, tolerance, and determination to the President in Wash-

ington.

We further recommend to every citizen of these United States a united citizenry, whole-heartedly believing in the fundamental principles of our Government, and with a full realization of our duty as loyal Americans to our beloved country, our Government, and toward one enother.

and toward one another.

Daytona Beach Chamber of Commerce, Graham P. Weisiger, tona Beach Chamber of Commerce, Graham P. Weisiger, president; Russell S. Dymond, secretary; Thomas J. Roebuck, J. Blair Dunn, Jerome A. Burgman, Basil F. Brass, James L. Cartwright, Ucal W. Cunningham, B. R. Fuller, Jr., J. Peter Glenn, William Goldenberg, Ralph C. Henson, Edison F. Huff, James B. Keith, Ernest L. Padgett, Tench H. Phillips, Jack L. Robinson, Ackland E. Stilling, J. Ralston Wells, Ralph W. Richards, Jeter D. McMillan, Board of Governors.

#### REPORTS OF COMMITTEES

Mr. SHEPPARD, from the Committee on Commerce, to which was referred the bill (S. 3733) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Rulo, Nebr., reported it without amendment and submitted a report (No. 1457)

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, to which was referred the bill (S. 3133) amending the postal laws to include as second-class matter religious periodicals publishing parish information, reported it with amendments and submitted a report (No. 1458) thereon.

### ENROLLED BILLS AND JOINT RESOLUTIONS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on the 16th instant that committee presented to the President of the United States the following enrolled bills and joint resolutions:

S. 1103. An act to authorize the Secretary of the Navy to proceed with certain public works at the Naval Air Station,

Pensacola, Fla.;

S. 1510. An act to amend the act entitled "An act to adjust water-right charges, to grant other relief on the Federal irrigation projects, and for other purposes", approved May 25, 1926, with respect to certain lands in the Langell Valley irrigation district;

S. 3178. An act authorizing the George Washington Bicentennial Commission to print and distribute additional

sets of the writings of George Washington;

S. 3231. An act to provide a retirement system for railroad employees, to provide unemployment relief, and for other purposes:

S. 3541. An act to authorize production credit associations

to make loans to oyster planters;

S. 3545. An act to extend the times for commencing and completing the construction of a bridge across the St. Clair River at or near Port Huron, Mich.;

S. 3645. An act to conserve and develop Indian lands and resources; to establish a credit system for Indians; to provide for higher education for Indians; to extend toward Indians the right to form business and other organizations; and for other purposes;

S. 3742. An act granting the consent of Congress to the State Board of Public Works of the State of Vermont to construct, maintain, and operate a toll bridge across Lake

Champlain at or near West Swanton, Vt.;

S.J.Res. 59. Joint resolution to provide for the expenses of delegates to the Ninth Pan American Sanitary Conference;

S.J.Res. 108. Joint resolution authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point, Eloy Alfaro and Jaime Eduardo Alfaro, citizens of Ecuador; and

S.J.Res. 117. Joint resolution authorizing the President of the United States to present the Distinguished Flying

Cross to Emory B. Bronte.

## RILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows: By Mr. NYE:

A bill (S. 3805) to provide for inspecting, classifying, and cataloguing motion pictures, both silent and talking, before and advocated their development and use.

President Franklin D. Roosevelt, speaking at St. Paul, Minn., in 1932, said, "Inland waterways are needed badly, and we should

they enter interstate or foreign commerce, to create a Federal Motion Picture Commission, to define its powers, and for other purposes; and

A bill (S. 3806) to prevent the obstruction of and burdens upon interstate trade and commerce in copyrighted motionpicture films and to prevent restraint upon free competition in the production, distribution, and exhibition of copyrighted motion-picture films (a) by prohibiting the compulsory block booking of copyrighted motion-picture films; (b) to compel the furnishing of accurate synopses of all pictures offered to theater operators before the same have been released and reviewed; and (c) to amend section 2 of the Clayton Act to make it apply to license agreements and leases as well as sales in interstate commerce; to the Committee on Interstate Commerce.

## INVESTIGATION RELATIVE TO CENSORSHIP OF RADIO BROADCASTS

Mr. SCHALL submitted the following resolution (S.Res. 275), which was referred to the Committee on Interstate Commerce:

Whereas it is generally conceded that all radio broadcasting is censored by the Federal Radio Commission of the Roosevelt administration before it can be put on the air; and Whereas the New York Herald Tribune, through its publisher Mr. Ogden Reid, has made this fact public; and Whereas the Federal Radio Commission, which body is in charge of the censorship of free speech under this administration, is demanding from the New York Herald Tribune the evidence so that it can try and acquit itself. Therefore he it

manding from the New York Herald Tribune the evidence so that it can try and acquit itself: Therefore be it \*Resolved\*, That the Senate appoint a committee of at least four members, evenly divided as to political faith, so that a free and impartial hearing may be had; and for the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is ordered to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-third Congress, and subsequent Congresses, until a final report shall be made, to employ such legal and clerical and other report shall be made, to employ such legal and clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses, and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$20,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

# REGULATION OF TRAFFIC IN FOOD AND DRUGS-

Mr. COSTIGAN submitted amendments intended to be proposed by him to the bill (S. 2800) to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drink, drugs, and cosmetics, and to regulate traffic therein; to prevent the false advertisement of food, drink, drugs, and cosmetics; and for other purposes, which were ordered to lie on the table and to be printed.

## FORT PECK DAM, MONTANA

Mr. WHEELER. Mr. President, I ask unanimous consent to insert in the RECORD a statement by ex-Governor Weaver with reference to the Fort Peck Dam project in my State. It is just a formal statement with reference to the Fort Peck Dam and what it will do.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF FORMER GOV. ARTHUR J. WEAVER, OF NEBRASKA, AS TO THE FORT PECK RESERVOIR AND ITS RELATION TO THE MANY PUBLIC BENEFITS WHICH WILL ACCRUE TO THE PEOPLE OF THE MISSOURI VALLEY STATES AND THE NATION

In 1908 Theodore Roosevelt, in a message to Congress, said: Our river systems are better adapted to the needs of the people than those of any other country. In extegability, and ease of use they stand first. In extent, distribution, navi-nd first. Yet the rivers of no other civilized country are so poorly developed, so little used, or play so small a part in the industrial life of the Nation as those of the United States. In view of the use made of rivers elsewhere, the failure to use our own is astonishing, and no thoughtful man can believe that it will last.

ful man can believe that it will last.

"The improvement of our inland waterways can and should be made to pay for itself so far as practicable from the incidental proceeds from water power and other uses. Navigation should, of course, be free. But the greatest return will come from the increased commerce, growth, and prosperity of our people. For this we have already wated too long. Adequate funds should be provided, by bond issue, if necessary, and the work should be delayed to longer."

The successors of Theodore Roosevelt have each recognized the value of the natural waterways and water resources of our country

plan their development without delay." Since his inauguration as President he has consistently advocated and is developing the sound national policy of water conservation for the purposes of flood control, navigation, reforestation, soil-erosion prevention, restoration of ground-water levels, water-power development, domestic water supply, and many other beneficial uses.

The Fort Peck navigation reservoir, now in process of construction, located 11 miles above the mouth of the Milk River, on the main stem of the Missouri, in eastern Montana, is one of the major projects in this regional and national plan of development. As Muscle Shoals is the keystone in the plan of the development of the Tennessee Valley, Fort Peck will be the keystone in the development of the rich land and water resources of the Missouri Valley.

Senator George W. Norris, with a wonderful vision as to the dire need of the conservation and utilization of such resources in every watershed of America, in 1933 said, when discussing his proposed bill for the development of the Missouri Valley, "that Fort Peck and similar projects fit in the proposed plan and that I would be pleased to see Fort Peck authorized immediately." Therefore, under the leadership of the very able Senator from Montana, Bueton K. Wheeler, he joined the other Senators of the Missouri Valley States in asking the President to authorize Fort Peck and to complete the Missouri River navigation project to Sloux City, Iowa.

The movement for the authorization of the Fort Peck Dam and to Sioux City, Iowa.

The movement for the authorization of the Fort Peck Dam and Reservoir was initiated by the Missouri River Navigation Association on data secured by the United States Army Engineers in their studies of 7 years under the provisions of House Document 308. This project was submitted to the President in June 1933 by Soc. This project was submitted to the Fresident in Stine 1933 by a delegation of United States Senators from the Missouri Valley States headed by Senator WHEELER. In October 1933, after the final detailed survey had been finished, foundations fully proved, and upon the recommendation of Gen. Lytle Brown, Chief of United States Army Engineers, it was authorized by the President and the Public Works Administration,

#### THE FACTS ABOUT THE FORT PECK RESERVOIR

- 1. Cost, \$70,000,000.

- 1. Cost, \$70,000,000.

  2. Type: Earth fill with channel spillway.

  3. Maximum height, 231 feet above stream bed.

  4. Drainage area above dam site, 57,725 square miles.

  5. Surface area at normal pool level, 225,000 acres.

5. Surface area at normal pool level, 225,000 acres,
6. Storage capacity at normal pool level, 20,000,000 acre-feet.
7. Approximate length of pool measured along thread of stream,
174.8 miles, and pool shore line measures 2,500 miles.
The Fort Peck Reservoir is the lowest-cost storage reservoir ever found in the United States, the total cost being about \$3.50 per acre-foot, whereas most proposals of this kind run \$8, \$10, \$15, and as high as \$24 per acre-foot. This low cost is due mainly to the fact that there is not a city, highway, or railroad in the pool area, and that practically all the land taken is owned by the Government. Furthermore, the type of dam is one of low construction cost.

The proposed Fort Peck Reservoir will accomplish the following results:

- 1. Give the necessary flow to provide a 9-foot navigation channel in the Missouri River. Government engineers have calculated that the additional savings in transportation charges due to greater economy in operation on a 9-foot channel would justify an expenditure of \$40,000,000 over and above the cost of the 6-foot channel on the lower river alone (St. Louis to Kansas City).

  2. Will have a flood-control value of millions of dollars.
- 3. Will have a nood-control value of \$35,000,000.

  4. Will make possible the ultimate irrigation of 180,000 acres of fertile land by furnishing cheap power for pumping water. This amount of land will furnish homes of 80 acres each for 2,250
- families.

  5. Will mean the stabilization of the Missouri River, which will prevent the annual loss by erosion of 38,000 acres between St. Louis and Sioux City. This will mean an annual saving to the farmers of the Missouri Valley of \$3,800,000.

  6. Will, through stabilization of the Missouri River, reclaim 216,000 acres of land. This land reclaimed will be reasonably worth \$10,000,000. In addition the permanent increase in value of the 2,000,000 acres of bottom land in the Missouri River Valley, even at \$10 per acre, will amount to \$20,000,000.
- even at \$10 per acre, will amount to \$20,000,000.

  7. Will insure, without excessive chemical treatment, an abundant water supply for domestic use to 2,000,000 people in 20 grow-
- and the Mississippi River during the low-water periods.

  9. Will reduce the maintenance charge on the Missouri River and on the Mississippi River in the section from St. Louis to Cairo.
- and on the Mississippi River in the section from St. Louis to Cairo. The saving estimated at \$500,000 per annum.

  10. The Chief of the United States Army Engineers in his report of these projects of the Missouri Valley watershed under House Document 308 emphasizes the importance of vigorously pressing to completion the navigation projects from the mouth of the Missouri River to Sioux City, Iowa, and in addition the building of the reservoir at the site of Fort Peck, with the maximum practical capacity, stating that "this is calculated to promote the prosperity of the Mississippi Valley as well as that of the country at large." of the Mississippi Valley as well as that of the country at large."

#### THE RELATION OF THE FORT PECK PROJECT TO MISSOURI RIVER NAVIGATION

There are two approved projects on the Missouri River; the first, from Kansas City to the mouth, adopted by act of Congress, July 25, 1912, and the second from Kansas City to Sioux City, adopted

by act of Congress, January 21, 1927. These projects call for a channel depth of 6 feet with a navigable width of 200 feet.

The regulation work on the lower river (Kansas City to the mouth) is now practically complete, and barge operations will begin about July 1, there having been spent on this project for new work approximately \$55,000,000. On the middle river (Kansas City to Sioux City) the channel work will be completed to St. Joseph in 1935. The section from St. Joseph to Sioux City is being rapidly constructed. There has been spent or contracted on the stretch of the river between Kansas City and Sloux City about \$27,000,000.

When the first project was adopted in 1912, the plan of results

When the first project was adopted in 1912, the plan of regulation for obtaining a 6-foot channel depth was based upon the gaging and discharge records of the Government agencies dating

gaging and discharge records of the Government agencies dating back to 1870. The work was planned upon the basis of a minimum discharge at Kansas City of 20,000 second-feet, which was the lowest record up to 1929. The engineers are still agreed that with a minimum discharge of 20,000 second-feet at Kansas City the work installed will produce a 6-foot channel depth.

Beginning with 1929 and continuing to this time, a severe drought period has extended over the upper Missouri River watershed. During these years of drought the discharge in the river has frequently dropped below the necessary 20,000 second-feet, and at times as low as 11,000 second-feet at Kansas City. The engineers agree that a 6-foot channel depth cannot be maintained when the river falls below the necessary 20,000 second-feet.

engineers agree that a 6-foot channel depth cannot be maintained when the river falls below the necessary 20,000 second-feet.

The engineers account for a loss of 12,000 second-feet in the flow of the Missouri River attributable to irrigation. At the time the first project was adopted there was a small amount of irrigation development in the Missouri River Basin, but at this time 6,055,147 acres of land are under irrigation in the upper Missouri River watershed. In addition to this acreage, new projects have been considered totaling 2,346,948 acres, and the engineers estimate that it would be possible to put an additional 5,000,000 acres of land under irrigation. of land under irrigation.

The Federal Government has spent \$62,988,335 on irrigation projects in the upper Missouri Basin, and 60 percent of the water diverted for irrigation is used on Federal projects.

It is apparent that during dry years we cannot, without reservoir storage, obtain a dependable 6-foot channel in the Missouri River and that if the expenditures of the Government on the Missouri River are made profitable and the river benefit shall accrue to the public it will be necessary to replace the loss of flow in the Missouri River souri River.

The United States engineers proposed a plan which will not only make up the deficiencies in flow required for a 6-foot channel but will provide a flow sufficient for a dependable 8- to 9-foot channel. The plan proposed was to build a large impounding reservoir known as the "Fort Peck Reservoir" in Montana, which will store the flood waters from the mountain area to be discharged during the low-water periods. A very thorough study of the effective operation of this reservoir has been made by the engineers based upon gage readings of the Government and extending back over a period of 12 years, which has convinced them of the entire practicability and effectiveness of this reservoir in producing the results claimed. With this reservoir a dependable 8- to 9-foot channel can be maintained at low water from Sloux City, Iowa, to the mouth of the river, giving 30,000 second-feet discharge at Yankton, S.Dak., 35,000 second-feet at Kansas City, and 40,000 second-feet at Hermann, Mo. No more work in the stabilization and regulation of the river will be required with this reservoir than would have been required under the adopted 6-foot project.

under the adopted 6-foot project.

# EVALUATION OF FORT PECK RESERVOIR

The Fort Peck Reservoir, authorized by the Public Works Administration primarily as a navigation reservoir, has great value for such public beneficial purposes as flood control, power, irrigation, soil-erosion prevention, land reclamation, and domestic water supply; and in this order I shall present briefly these public benefits:

## Navigation

Benefits to agriculture: The Missouri Valley territory has the longest freight haul in the marketing of its product and the highest transportation cost of any great agricultural section in the world.

The farmers of Kansas, Nebraska, and the Dakotas pay more to ship their grain to European markets than the competitive countries of Canada, Argentina, or Australia by reason of the long rail haul to seaboard. Wheat can be shipped to Liverpool from the interior grain-producing area of Canada for 10 to 12 cents a bushel less than it can be shipped from Kansas or Nebraska to

Liverpool.

In the winter of 1932–33 I checked the railroad rates from Omaha and interior Nebraska on corn to Pacific coast points. It cost 0.34 cent a bushel on Nebraska corn to Los Angeles and San Francisco and 0.33 cent to Portland and Seattle. From Burlington, Iowa (upper Mississippi) and from Peoria and Havana, on the Illinois River, it cost only 0.16½ cent to 0.18¾ cent a bushel. These rates and many like them are eloquent in behalf of our fight for justice. A sound national policy requires equal opportunity for each great regional area.

The Missouri Valley States must no longer be condemned to the fate of paying freight both ways, and especially when through the utilization of a great natural resource we can place industry in the midst of our splendid agriculture.

It is worthy of notation that the five States of Missouri, Kansas, Iowa, Nebraska, and South Dakota, based on a 5-year average, produce 1,800,000,000 bushels of grain annually. The history

of centers of population proves that population and pay rolls follow industry made possible by the cheap assembly of raw materials and fuel.

The Missouri Valley States produce a great surplus of agricultural products and in the main supply the deficiencies in the Eastern and Southeastern States.

For the crop year 1924-25 the figures were:

(Authority: U.S. Department of Agriculture Statistical Bulletin

Eighty-five percent of its surplus grain and grain products is marketed in the territory north of the Ohio and Potomac Rivers and east of the Illinois-Indiana line. It is apparent from this that transportation is a most serious problem to the producers in marketing their grain.

in marketing their grain.

Low-cost navigation on the Missouri River will substantially reduce the cost of marketing agricultural products produced in the Missouri Valley States, and this saving will accrue to the producer. Rate maps and a tabulated estimate on savings on grain by the water shipment show that there will be a saving to the producer by the water movement ranging from 3 to 14 cents a bushel. Such a saving frequently represents the difference between a profit and a loss to the producer. The benefit in savings on the water movement will extend over a wide area. Improvement of the Missouri River for navigation furnishes a substantial and permanent element of farm relief in a reduction

improvement of the Missouri River for navigation furnishes a substantial and permanent element of farm relief in a reduction of the cost of transportation in the marketing of agricultural products from the Missouri Valley.

Navigation will furnish a cheap mode of transportation that will move agricultural products in larger volume and will cause some commodities to be shipped that do not now move on account of the high fraight rate.

some commodities to be shipped that do not now move on account of the high freight rate.

Industrial development: The Missouri River territory has been declining in industrial development for several years due to the existing rate structures and the influence of the Panama Canal. Trade territory on the western coast, formerly held by Missouri River industrial and commercial interests, has been almost entirely lost to the Atlantic coast interests, as commodities can be shipped from the Atlantic seaboard through the Panama Canal to the west coast in many instances at one-half of the freight rate from the Missouri River to the west coast.

The Missouri Valley needs industrial development to furnish

to the west coast in many instances at one-half of the freight rate from the Missouri River to the west coast.

The Missouri Valley needs industrial development to furnish a nearby consuming market for its agricultural products. We believe that if raw materials for manufacture can be shipped into the Missouri Valley by the water route at a substantial saving in transportation cost, that it will be a potent factor in bringing about industrial development. The cheap assembly of raw materials and fuel is the basis of permanent industry in every great industrial section of America and of the world. The opening of the Monongahela River and the Ohio, so that cheap coal could get into Pittsburgh, and the building of the Soo locks in the St. Marys River, connecting Lake Superior and Lake Huron, and improvement of the Great Lake channels, so that cheap iron ore could meet the cheap coal, are the factors which have made Pittsburgh a great steel center and the United States the master of the steel industry.

It is noteworthy, however, that from 1900 to 1925 the waterway traffic in the Pittsburgh district increased 32,000,000 tons and the railroad traffic in that district increased 116,000,000 tons. The Interstate Commerce Commission reports show that waterways have been natural adjuncts to railroads, and that both are indispensable in the development of permanent and successful industry.

Effect upon railroads: Without doubt navigation of the Missouri River will take some tonnage from the railroads but it is our

Effect upon railroads: Without doubt navigation of the Missouri River will take some tonnage from the railroads, but it is our belief that the railroads are as vitally interested in the development of the Missouri Valley as any other group, and that anything that will help to make agriculture more profitable and develop industry in the valley will more than compensate the railroads for any loss in tonnage they will sustain. A railroad cannot prosper more than the section it serves.

Statistics show that the railroads haul on an average of approximately 3,500 ton-miles of freight per inhabitant per annum.

approximately 3,500 ton-miles of freight per linabitant per annum. It therefore follows it would not require a very great growth of population in the Missouri Valley to more than make up for all the tonnage the water lines may take from the railroads.

Of the total tonnage handled by the barge lines, 85 percent is also handled for part of the haul by the rail lines. In other words, it is a joint movement between the rail and water lines; and an analysis of the presumed movement shows that in most cases the railroads will receive more money out of the joint movement than railroads will receive more money out of the joint movement than the barge line. In an assumed rail-and-barge movement of corn from Lincoln, Nebr., through Kansas City to Atlanta, Ga., the rail lines would receive 45 cents out of a through-rail rate of 65 cents per hundred for a haul of 738 miles, and the barge line would receive 8 cents for a haul of 800 miles, and there would be a net saving, after deducting transfer charges of 8.8 cents per hundred, or 4.9 cents per bushel.

The railroads will also be large beneficiaries from improvement of the Missouri River in the decrease of flood damage to their lines and property in the Missouri River Valley. Statistics show that the railroads have suffered large losses from floods in the past years, and also sustained large expense in protecting railroad property from encroachment of the river.

What the Missouri Valley asks is not an advantage but an even break in the competitive domestic and foreign markets, and navigation on the Missouri River is indispensable in overcoming the existing trade handicap.

#### Flood control

The engineers have given this reservoir a value of \$5,000,000 for

The engineers have given this reservoir a value of \$5,000,000 for flood control.

In this estimate of the engineers no consideration was given to flood-control values above St. Joseph, Mo., but unquestionably there would be a large amount of additional value accruing on the upper Missouri River, as proven by the records of the floods of 1881, 1903, and 1909. Flood-control value cannot be overlooked in a valley which from 1903 to 1929 sustained flood damage to its agricultural land, highways, and railroads alone of \$46,000,000.

### Power

The engineers have given an initial power value to this dam of \$5,381,000, based on the initial installation of 50,000 kilowatts. A development, however, in combination with other interests would warrant an installation of 400,000 kilowatts, and upon this basis Fort Peck has an ultimate power value of \$35,000,000. A large amount of secondary power can be produced from this plant and could probably find a market, although it has not been taken into consideration in the primary value of the power rights. At the time other hydroelectric plants are short of water during the summer season this reservoir would be discharging water to make up the deficiency in flow in the Missouri River, and the water so discharged could easily be used for producing secondary power and make up the deficiencies in the other hydroelectric-power plants.

#### Irrigation

On the main stem of the Missouri River 14 irrigation projects have been investigated and on the Yellowstone there are 12 irrigation projects upon which favorable reports have been made. The total acreage in the 26 projects is 242,488. Some of these projects are planned for gravity flow and involving long take-out canals, and some of them are pumping projects. However, they could all be made pumping projects, and from the reports of the Reclamation Department it appears that pumping projects, where the power cost is low and the lift within economic bounds, have proven more successful than the gravity flow. Eliminating all land in the 26 projects, having a lift above an economical limit, leaves about 180,000 acres considered feasible for pumping irrigation.

Several of these projects have been partially developed but have Several of these projects have been partially developed but have not been successful, mainly, as we understand, on account of the high cost of power. Fifty thousand acres of the 180,000 are in the Fort Peck Indian Reservation. Six thousand acres are in the Galpin bottoms projects immediately below the dam. Twenty-two thousand acres are in the Buford-Trenton and the Williston projects, on which a large amount of work has been done, and were planned as pumping projects. We understand that the land involved in this 180,000 acres is good productive soil and suitable for irrigation.

involved in this 180,000 acres is good productive soil and suitable for irrigation.

It may be said that we do not need additional land put into production at this time, although the people of this drought-stricken district, which has suffered five consecutive crop failures, would take serious issue with this statement. It will be argued that we should not put additional lands under cultivation when an effort is being made to curtail production. Investigation will disclose that very little grain is raised on irrigated land in that section, but that the principal crops are sugar beets, alfalfa hay and roughage for stock, and vegetables for local needs. The drought this year has left much of the country in the vicinity of the proposed Fort Peck Reservoir without feed to carry the stock through the winter. If the lands referred to had been under irrigation this year and for the past 4 years, the situation would have been greatly relieved.

We may not need additional land put into cultivation at this time, but it should be borne in mind that this dam is built for all time to come and unquestionably it will be found desirable to develop the above-mentioned lands for irrigation a few years hence. The power required for these pumping projects will bring a large return to the Government from this reservoir development. It is generally conceded that the development of cheap power will bring growth and prosperity to any community where it is available. The following is quoted from the annual report of Commissioner of Reclamation, 1932:

"After the completion of construction there was naturally a trend toward a power consciousness on the part of the new settlers who found power lines stretching along canal banks, inviting use

trend toward a power consciousness on the part of the new settlers who found power lines stretching along canal banks, inviting use as the main lines of power-distribution system reached individual farms. Most water users were eager to avail themselves of the added comfort and convenience afforded by a hydroelectric development already started at their very doors. Growing industries in the project towns and beyond the project boundaries added their pleas for the purchase of power for private and municipal

Doubtless a direct construction charge could not be levied against the lands involved in these irrigation projects, but the returns to the Government from the sale of power would be the equivalent and in the end would probably bring a larger return on the project. It would also lessen the load on the land, as it would not put an excessive construction charge on the land to be paid over a period of a year. Under such a plan, the Government's only investment will be in the dam, and it would not be contemplated that the burden of any land development would be

placed upon the Government, the Government furnishing the power at low cost and nothing more.

power at low cost and nothing more.

Furthermore, it is fitting to observe the possibility of the use of power from the Fort Peck Dam for pumping surplus for domestic and agricultural use in periods of extreme drought for important farm areas in North Dakota, where there has been an unprecedented shrinkage of ground-water levels in recent years. I regard the Devils Lake project, so intelligently and courageously sponsored by Scnators Nyz and Frazzer, as of unusual merit and necessary for the preservation and welfare of a civilization established many years ago. Surely, whether through power developed from Fort Peck or locally in the distressed region, proper conservation of the immense water supply of the Missouri River Basin will give the relief so sorely needed. That relief throughout the Missouri River area can be afforded by furnishing supplemental water is based on the soundness of the proposal made by mental water is based on the soundness of the proposal made by Senator Norris, viz, "that a reservoir should be built wherever there is a natural dam site."

#### Soil erosion

A study of 200 unimproved river-miles made by the district engineer at Kansas City shows an annual loss of 48 acres of tillable land per mile. On the river mileage from Kansas City to Sioux City this means an annual loss of 20,000 acres of rich land. At \$100 per acre, its reasonable value, this is an annual loss of \$2,000,000 from bank erosion on this one section of the river. If we consider the whole of the Missouri River, from Sioux City to the mouth, as an unimproved river, the annual loss from erosion amounts to 38,784 acres, valued at \$3,878,400.

For soil-erosion prevention alone there will be justification for an investment by the Government of \$100,000,000 at 3.8 percent interest.

interest

The Fort Peck Reservoir, in the opinion of the engineers, is essential to the further improvement of the river. Inasmuch also as stabilization of the river and its complete bank protection stop erosion, the saving through bank-erosion prevention should be credited to the cost of the reservoir.

#### Land reclamation

Through the stabilization work of the Missouri River channel and control of the flow through the Fort Peck Reservoir there will be reclaimed 216,000 acres of sour and waste land, which will be reasonably worth \$12,000,000.

#### Domestic water supply

Twenty cities, towns, and villages with a population of 2,000,000 Twenty cities, towns, and villages with a population of 2,000,000 people now get their domestic water supply from the Missouri River. The constant depletion of the stream flow through irrigation presents a serious problem to these cities. It is apparent that the pollution in the river is approximately the same whether the stream flow is 5,000 second-feet or 200,000 second-feet. However, in the same ratio that the percentage of pollution in the water increases, the percentage of chemical treatment likewise increases, and a point is reached where the chemical treatment becomes so severe that the water would be unfit for human consumption. This really presents a serious problem which will be entirely eliminated by the building of the Fort Peck Reservoir.

# MISSISSIPPI RIVER BENEFITS

MISSISSIPPI RIVER BENEFITS

The building of the Fort Peck Reservoir will not only maintain the necessary discharge in the Missouri River to give an 8- to 9-foot channel on that river but it makes up the known deficiencies in the Mississippi River between the mouth of the Missouri River and the Ohio River. The engineers estimate that it requires 77,000 second-feet flow in this section of the Mississippi River to maintain a 9-foot channel, and the discharge from the Fort Peck Reservoir will be sufficient to maintain this needed flow in the Mississippi 98 percent of the time, which will greatly increase the dependability of the barge service on the Mississippi River. River.

We are informed that it has been impossible to maintain We are informed that it has been impossible to maintain a 9-foot channel on this section of the Mississippi River during the dry period of the last 3 years. If the decree of the Lake diversion case becomes effective, it is doubtful whether even a 6-foot channel could be maintained on this section of the Mississippi River during such low-water periods as the past 3 years.

The Fort Peck Reservoir will replace the deficiencies arising either from low-water flow due to dry-weather periods or from cutting down the Lake Michigan diversion and give a dependable 9-foot channel in that section of the Mississippi River.

## Savings in operation and maintenance

Savings in operation and maintenance

Maintaining the necessary minimum flow in the Missouri River and the section of the Mississippi River above mentioned will tremendously reduce the cost of dredging on both rivers.

The records of the engineer's office show that in the 10-year period ending with the fiscal year 1931, there was spent for dredging operations on the Mississippi between the mouth of the Missouri River and the mouth of the Ohio River \$3.970.590. Dredging operations are mainly needed during the period of low-water flow when the discharge drops below the 77,000 second-feet. It, therefore, follows that maintaining the necessary discharge through the operation of the Fort Peck Reservoir would greatly reduce the cost of dredging in this section of the Mississippi River.

It is impossible to make any estimate of the saving in dredging costs that would be effected in the Mississippi and Missouri Rivers by the use of the Fort Peck Reservoir, but we believe that this saving may eventually reach the sum of \$500,000 per annum, which capitalized at 5 percent would justify an expenditure of \$10,000,000, which should be credited on the cost of the Fort Peck Reservoir.

It is also believed that the regulated stream flow on the Missouri River produced by the Fort Peck Reservoir will reduce to a considerable extent the cost of maintaining the regulation works, but it is impossible to make any estimate of this saving.

## A 9-FOOT CHANNEL PROJECT

Fort Peck guarantees a 9-foot channel project, extending from

Fort Peck guarantees a 9-foot channel project, extending from Sioux City to the mouth, 800 miles. The only additional expense in obtaining the 9-foot channel above that of the present authorized 6-foot channel is the cost of the proposed reservoir.

If any reasonable valuation is given to uses other than navigation, the results will show a lower cost for a 9-foot channel on the Missouri River than the Ohio River or the proposed 9-foot channel on the upper Mississippi, as in both of these cases the whole cost must be charged to navigation.

In the preliminary report of Major Young on 9-foot channel examination on the lower Missouri River, made November 1929, he finds there would be an increase of 3,300,000 tons, or 2,534,000,000 ton-miles per annum, on a 9-foot channel over that using a 6-foot channel, with an additional saving to shippers of \$4,900,000 per annum over and above that saved on the 6-foot channel operation. operation.

operation.

Major Young arrives at this additional saving by using the differential reported by the United States Towboat Board of 0.992 mile per ton-mile less in operating cost on a 9-foot channel than on a 6-foot channel. This Board reported labor cost 60 percent less and investment cost 41 percent less on the deeper channel.

On the basis of an additional saving of \$4,900,000 Major Young finds that this saving would justify an expenditure of \$40,000,000 for a 9-foot channel on the lower Missouri River. This investment figure is deduced by setting up a carrying charge of 4 percent; amortization, 2 percent; annual maintenance, 6 percent.

This would seem to amply justify the expenditure for the reservoir when it is considered that it will produce a 9-foot channel from Sloux City to the mouth. With a regulated flow it will be one of the best channels in the United States, with a very low operating and maintenance cost. operating and maintenance cost.

#### NATIONAL ASPECT

The building of the Fort Peck Reservoir and the completion of the Missouri River Channel have a national aspect, which includes: (a) A reduction in the cost of transporting foods to the East-

States and for export.

(a) A reduction in the cost of transporting steel, coal, lumber, farm machinery, and other manufactured products into the area of the Missouri Valley, which produces 46 percent of the food and feed grains of the United States.

(c) A national gain which would come through bringing prosperity to the Nation's greatest agricultural section.

(d) A sound policy in the decentralization of industry.

(e) The equality of opportunity in trade relations with other sections of the country.

(f) Through an outlet to the sea, the use for the West of the inland waterways, harbors, and the Panama Canal, for which the West has helped to pay.

Canada had the same problem of a great inland agricultural area far removed from the seaboard. Canada has spent hundreds of millions of dollars in building waterways and a government-owned railroad into her inland agricultural area in order to furof millions of collars in building waterways and a government-owned railroad into her inland agricultural area in order to fur-nish cheap transportation to that land-locked area, knowing that this rich, fertile section could not prosper and grow under high transportation cost. And as a result of what our neighbor gov-ernment has done, wheat can be shipped from this agricultural section of Canada to the foreign markets for 10 to 12 cents a

bushel less than from Kansas and Nebraska.

Secretary of War Dern, in his address at the dedicatory exercises to the Lakes-to-the-Gulf waterways, June 22, 1933, made reference to the remarkable increase in Mississippi Valley river

commerce, as follows:

reference to the remarkable increase in Mississippi Valley river commerce, as follows:

"In contemplating the national investment, the tonnage increase on the Mississippi Valley rivers in recent years is especially reassuring. Although the Ohio River improvement was completed only 3 years ago, its tonnage has increased from 6,000,000 tons in 1922 to 22,000,000 tons in 1930. The Monongahela River, scarcely more than 100 miles in length, carries annually almost as much as the Panama Canal. The entire Mississippi system in 1889 (the peak year of the packet-boat service) carried 28,000,000 tons. In 1929, with hardly two-thirds of the system complete, and with the vital water routes to Chicago, to Kansas City, Omaha and Sioux City, and to Minneapolis and St. Paul not yet connected with adequate or standardized channels, the Mississippi system carried more than 61,000,000 tons. Of this amount, only 1,398,826 tons was transported by the Federal Barge Line, a temporary experimental agency destined to retire from the field of operation at the will of Congress. The Lakes-to-the-Gulf waterway will now enlarge and enhance the service on these important rivers. The Lakes-to-the-Gulf waterway ystem. It is not only an outlet to the sea for Chicago and Illinois but it is the connecting link between the Mississippi system and the Great Lakes—the world's two for Chicago and Illinois but it is the connecting link between the Mississippi system and the Great Lakes—the world's two greatest inland waterways. Furthermore, when it can serve the grain farmers of the upper Mississippi and the upper Missouri Valleys as a part of a continuous water route from those distant valleys to world markets, its value will have been enhanced many fold. This, I hope, can be realized expeditiously as one of the primary factors necessary in the restoration of our greatest busi-ness, American agriculture. With the restoration of agriculture, prosperity will again come to America."

#### Science and statesmanship

Our two greatest resources are our land and water. After a century of exploitation and neglect of the Nation's resources we are blazing a new path for their protection, development, and use. No more important task rests with the Government. The Presi-No more important task rests with the Government. The President with rare vision, courage, and constructive statesmanship has outlined a sound national policy. That we are on our way is evidenced by the report of the Cabinet committee, headed by Hon. Harold L. Ickes, Secretary of the Interior, recently submitted by the President to Congress. It will be comforting to the 12,000,000 of people who live in the Missouri Valley area to know that timely development of that important region is approved in the following language of the Cabinet committee:

"Dependable commercial navigation upon the main river be-

"Dependable commercial navigation upon the main river be-tween Sioux City and the mouth would reduce transportation costs tween Sioux City and the mouth would reduce transportation costs in the movement of a large bulk of trade. The essential part of this project consists of the following items:

"A. Construction of flood-control works for the protection of cities and towns in the valley.

"B. Completion of the existing navigation project.

"C. Completion of studies of proposed irrigation projects, so that work may be started when conditions warrant.

"D. The continued study of stream flow and ground water conditions.

"D. The continued study of stream flow and ground water conditions.

"E. The provision of technical assistance and leadership in the solution of local problems of erosion and land use. The Public Works Administration has allotted funds to irrigation and power projects in the Platte River Basin which suggest the merit of a comprehensive development of this combination of power and irrigation resources on the Platte River.

"In the middle region it was considered that the Federal program for the Mississippi and Missouri Rivers should be continued and extended. The improvement of navigation, the protection of ground-water supplies, and their relation to surface run-off:

of ground-water supplies, and their relation to surface run-off; flood control and the prevention of soil erosion; the retirement of submarginal lands from agriculture; and the consequent transfer of population to more productive areas are some of the potentialities of this region. Farther west the conservation of water tialities of this region. Farther west the conservation of water becomes the paramount question, if large and inherently prosperous sections are not to be depopulated, through water shortage, in many instances where man has already built his civilization on a water supply which is subject to significant limits in the best season and to very critical shrinkage in more or less prolonged periods of drought. Here the mere sufficiency of the supply for domestic and agricultural use transcends all other development, because it is the basis on which civilization has been built in regions where water is not naturally abundant. If the great western area, dependent upon science for its existence, is to be wisely utilized and conserved, and is not to be abandoned to the desert, then an extensive development program is to be adopted."

The construction of public works in the Missouri Valley of the character referred to in this statement and those in prospect mark the beginning of a new era in the economic life of the region which produces a large part of the Nation's food. What has been done and what is contemplated in this regional program would not have been possible without recognition by the President of our isolation and the need for the development of our potential wealth

It could not have been possible without the whole-hearted support of the 16 United States Senators from the 8 Missouri Valley States and the many Members of the House of Representatives who also sponsored this cause. Their public service in this regard

who also sponsored this cause. Their public service in this regard has been outstanding.

Because the Fort Peck Reservoir, the key in the arch in this development, is located in Montana, it has been fortunate for her, for the whole valley, and the Nation that she had two such Senators as the veteran leader for Fort Peck, Burton K. Wheeler, and John E. Erickson, a former Governor, fully versed as to western conditions and needs.

In the preparation of this statement I acknowledge the assistance, particularly as to statistical data, of my very able associate, the secretary of the Missouri River Navigation Association, George J. Miller, of Kansas City, Mo.

WORK UNDER P.W.A. PROGRAM-ARTICLE BY SECRETARY ICKES

Mr. DIETERICH. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Hon. Harold L. Ickes, Secretary of the Interior and Federal Public Works Administrator, relative to the hours of work provided by the P.W.A. program.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times of Sunday, June 17, 1934]

WO THOUSAND EIGHT HUNDRED AND EIGHTY-SIX MILLION HOURS' WORK PROVIDED BY P.W.A. PROGRAM—SECRETARY ICKES, AS ADMINISTRATOR, SUMS UP THE FIRST YEAR'S ACCOMPLISHMENTS UNDER THE \$3,300,000,000 PLANS

By Harold L. Ickes, Federal Public Works Administrator

One year ago today legislation was enacted under which the United States set out to translate a theory—that of public works as a means to stimulate employment—into actual practice. Today we may properly take stock of our Public Works Administration program—no longer a theory but an accomplished fact.

Were it possible to condense the first year's achievements into a single phrase relating to employment, it would be that the P.W.A. program to date has provided, roughly, 1,418,000,000 hours of honest work at honest wages on direct construction site employment only to men who otherwise would have passed those hours in the ranks of the idle.

Approximately as many more—1,468,000,000—hours of direct employment in coming months are assured under P.W.A. allotments,

plans, specifications, and contracts already made.

And for each hour of direct employment on a P.W.A. construction job itself some 2 hours of behind-the-lines work is made possible on materials production and handling in forests and factories, shops and railroads, mines and mills. There is to be considered also the general regenerative effect of vast pay rolls, which means purchasing power for recovery all along the line.

#### ENTIRE COUNTRY COVERED

No simple citing of eloquent figures begins to tell the story of the first year of P.W.A. It is an agency that fights the battle for recovery on many fronts. It has won in many sectors and lost in others. It has made errors, corrected its mistakes, and doubtless will make more errors to be corrected in their turn. But it is proving effective in bringing some fundamental changes in our economic condition which will be slower to be recognized than the more obvious physical public-works improvements.

All the way across the map of the country the Public Works program is at work, with dirt flying from Alaska to the Panama Canal, from the Virgin Islands to Hawaii, as well as in every State and almost every county of the United States. The power of P.W.A., long since loosed at the top, is showing its effects at the bottom in the form of employment on financially, economically, and socially justified construction projects.

Daily the partially informed and the misinformed are passing judgment on the P.W.A. program. Its friends overpraise it and its critics overcondemn it. The record speaks for itself. It shows P.W.A. as a wheel horse in the recovery team President Roosevelt has hitched together. It is pulling its weight.

I am satisfied that the money the Nation has given for this phase of the recovery program is being used to bring the greatest possible return.

Those of the Public Works Administration qualified by an inti-No simple citing of eloquent figures begins to tell the story of the first year of P.W.A. It is an agency that fights the battle for

possible return.

Those of the Public Works Administration qualified by an inti-mate knowledge of the vast program to know whereof they might speak have refrained and will refrain from making forecasts that may prove erroneous. We are pioneering a new frontier for which precedents are lacking.

## PROGRAM NOT A CURE-ALL

Sincere but injudiciously lyric, believers in the public works as a recovery measure, regarding this program as a cure-all for most of the evils that beset the country, have prophesied that it would end unemployment. It alone could not do this. No such program, although financed by the impressive sum of \$3,300,-000,000, could wipe out unemployment even in the construction industry in which only a few years are \$11,000,000,000, was spent industry, in which only a few years ago \$11,000,000,000 was spent in 1 year in this Nation.

Equally off balance are pronouncements that no wide-spread re-

Equally off balance are pronouncements that no wide-spread recovery can thus be accomplished. In this category belongs the statement of former President Hoover, who on May 22, 1932, wrote "\* \* it will be found that less than \$100,000,000 (and this is doubtful) could be expended during the next fiscal year beyond the program of the Budget. This means the employment of, say, less than 400,000 men. \* \* \* " During the first year P.W.A. has far outrun this forecast. Many times such a result has actually been accomplished to date on a broader, safer public-works program than had been conceived prior to President Roosevelt's inauguration.

The past offers only one opportunity by which to judge the

The past offers only one opportunity by which to judge the energy and effectiveness which P.W.A. put into its gigantic task. In a year's time the Reconstruction Finance Corporation authorized loans of \$220,000,000 on 177 self-liquidating public-works projects, while P.W.A. in less than a year allotted its entire \$3,300,000,000 fund to 13,266 Federal projects and 2,407 non-Federal projects. It is only fair to say, however, that the two agencies have operated under different legislation and regulations, with P.W.A. being

ated under different legislation and regulations, with P.W.A. being allowed greater liberty of action.

We have learned from bitter experience that this country had planned little of its public works in advance. It was on the high road to being a jerry-built nation, which, like Topsy, had "just growed." We have learned that we must plan our public works in advance if we would achieve a sensible economy and that local planning must go hand in hand with State planning and a carefully considered long-range national plan. P.W.A. is only scratching the surface.

We have learned also that the road to salvation for the taxpayers is to take public works out of the political pork barrel and estab-

we have learned also that the road to salvation for the taxpayers is to take public works out of the political pork barrel and establish it on a proper basis so that every project into which money and credit are poured will stand on its own merits without the benefit of logrolling.

## LITTLE ADVANCE PLANNING

We have learned that a great public-works program to be kept free of waste and graft must be based upon careful supervision with a full exercise of all safeguards. Without exercising precaution and moving deliberately, more damage than benefit may result. We have learned that timing is one of the most important factors involved in a public-works program. Public works should be spaced under a carefully considered program that can be developed according to the real need of the hour. Instead of carrying out a scientifically determined program, P.W.A. was created overnight several years after the urgent need for such an

agency was manifest. It began to function in response to such an insistent demand that it was really required to start off at top speed. It did start at top speed, and by the sheer courage and endurance of a loyal staff, which worked day and night, through the summer and winter, it succeeded in overcoming much of the handicap under which it began to work.

#### UNPOPULAR POLICIES

In the fury of the past 12 months P.W.A. has adopted and clung to certain policies that can never be popular and which do not represent the easiest way around political difficulties. But we believe these policies to be sound and they have and will be persevered in. These policies reveal P.W.A. as a recovery agency, not a relief agency. Among them are the following:

1. Even our emergency does not justify uneconomic or wasteful public-works construction. Every P.W.A. project adopted must be socially desirable and qualified on the basis of a careful economic, engineering, financial, and legal examination.

2. Where P.W.A. makes loans, repayment is expected and reasonable security is required to make effective such repayment.

able security is required to make effective such repayment.

3. P.W.A. will not connive at violations of legal restrictions on local bodies assuming debts, and where such restrictions exist they

must be removed by legal means if that locality wishes to share more fully in the P.W.A. program.

4. P.W.A. will not encourage localities to become hopelessly bankrupt, no matter what may be the attitude of officials of those localities.

5. All projects adopted must be for the welfare of the most

people affected and not for private profit.

6. Public money is guarded by P.W.A. as a public trust fund and any misuse of it will be dealt with as betrayal of a public

trust

Enforcement of these policies has resulted in the rejection of numerous projects brought forward by sincere advocates. An almost universal plea in behalf of all projects is that they will furnish wide employment. This quality is essential, but not conclusive. Other criteria must be met. Any construction, from perpetual-motion machines to skyrockets to the moon, would give employment—not necessarily economically useful.

It is also easy for applicants to claim that so many people will be given jobs on a particular project. P.W.A. has learned by experience that such statements are usually overstatements or understatements and therefore meaningless. When a man says a certain construction project will give 200 men jobs, he is in effect saying nothing. It might give 200 men work on the job site for a week or one man a job for 200 weeks, depending on the manner of building. That is why we must figure in units of man-days or man-weeks of work.

## HOW FUND WAS ALLOTTED

Quoting statistics is frequently a dull and always a dangerous business. So is serving as Public Works Administrator a dangerous business. Since statistics and public works are bound up together on this first anniversary of P.W.A., the following, despite the danger of citing figures, is offered for whatever interest it may have:

have:
The entire \$3,300,000,000 fund was alotted to considered and approved projects by January 1, 1934. Of this sum, approximately one-third was allotted by congressional enactment or Executive order. Of the remaining two-thirds, approximately \$1,400,000,000 went to Federal construction projects throughout the country under the supervision of some 60 Federal agencies, while the remainder, a little under \$1,000,000,000, went for loans, loans plus grants, or grants only, to various local governments, or for construction in the public's interest.

Some 16,000 Public Works construction projects have been provided for, and the majority are now under construction. Many have been completed.

Contracts have been awarded or work started without contracts

Contracts have been awarded or work started without contracts on three-fourths of the \$2,000,000,000 allotted to the Federal and non-Federal projects. The majority of the work will be com-

Well over \$1,000,000,000 of the fund has been actually paid out to date, carrying with it all the regenerative purchasing power of such a sum.

eral construction, through direct use of Government money for Government purposes, includes a vast variety of work, such as flood control and river and harbor improvements; erection of many types of public buildings, such as park structures, customhouses and immigration stations, post offices, and courthouses; new naval vessels; improvements of Navy shore stations; housing and other Army post construction; great dams and power plants on rivers, including the Missouri, Columbia, Colorado, and Tennessee; irrigation, reclamation, conservation work, and the like. P.W.A. is pouring over \$1,000,000,000 into such construction, much of which is not generally recognized as Public Works activities.

It is the other panel of the picture that comes closer home to the average citizen. This shows what building is being done as a result of the P.W.A. program in the way of roads, schools, libraries, hospitals, power plants, waterworks, sewer systems, and other similar fundamentally sound types of public improvements for the community use of the average citizen. Allotments for this character of work total more than \$1,317,000,000.

Had it not been for the public-works program it is safe to say

character of work total more than \$1,317,000,000.

Had it not been for the public-works program it is safe to say that construction of these badly needed public improvements would have been delayed indefinitely, for States, municipalities, and other types of political subdivisions were unable to borrow money in the private investment market for building purposes. No matter how badly the improvements might be needed, the money could not be obtained. The normal sources of credit had

money could not be obtained. The lead of filed up.

How P.W.A. stepped into this breach and filled this need is illustrated by two allotments to New York City. The city had built 13 grade and 4 high-school buildings which could not be used because it could not get the money to buy necessary furniture and shop equipment. It also had spent \$140,000,000 on a section of its municipally owned and operated subway system, much of which could not be utilized because funds for equipment and trains were lacking until P.W.A. allotments replenished the money stream and revitalized the work.

#### NONFEDERAL PROJECTS

The \$1,317,000,000 for non-Federal purposes has been allotted

The \$1,317,000,000 for non-Federal purposes has been allotted under the following general headings:

Highways: Approximately half a billion dollars of P.W.A. funds have been going into highway, road, and trail improvements agreed upon at the outset as a ready means of recovery employment of unchallengeable utility. Over 8,500 road-building or road-improvement projects were included, totaling 30,000 miles—more than enough to girdle the globe. Well over a thousand of these jobs already are complete with traffic rolling over them.

Public bodies' allotments: States, municipalities, and other public bodies will use \$537,892,000 allotted to them in loans and grants to build practically every economically and socially desirable type of facility to raise the standard of living, promote public health and safety, and serve public convenience and necessity. Approximately \$74,000,000 of these allotments were made for school and college buildings of all descriptions; \$71,000,000 for waterworks; \$133,000,000 for sewers and sewage-disposal plants; \$39,000,000 for streets; \$20,000,000 for hospitals; \$154,000,000 for bridges and similar structures; \$25,000,000 for light and power plants; and \$2,500,000 for recreation facilities. In many instances P.W.A. only made grants of 30 percent of the cost of labor and materials, while the balance of the needed funds was obtained from other sources. In such instances P.W.A. was able to cause a dollar's worth of work-creating construction for each 30 cents of Federal funds expended.

Railroad loans: P.W.A. has allotted \$200,000,000 in round figures

funds expended.
Railroad loans: P.W.A. has allotted \$200,000,000 in round figures to railroads for work-creating jobs. This money is being used to put long-idle shop and track forces back to work, to purchase put long-inle snop and track forces back to work, to purchase new rails, cars, and engines and to complete electrification of the Pennsylvania Railroad's lines between Washington and Philadel-phia. More new cars and engines will be built this year as a result of these loans than all the railroads in the United States have purchased in the last 3 years. Railroad allotments are swift in causing employment and effective in aiding the heavy capital goods industries goods industries.

## DEVELOPMENT MUST BE SLOW

Well over \$1,000,000,000 of the fund has been actually paid out to date, carrying with it all the regenerative purchasing power of such a sum.

Approximately \$500,000,000 will be paid out during the year 1935, going for such long-term construction projects as the Midtown Hudson Tunnel, the Chicago Sanitary District, the Columbia River dans, the Mississippl River work, naval building, and other years to complete.

Although employment and worth-while achievements result from our program, enduring utilitarian monuments to the recovery drive constitute the chief achievement of P.W.A. The success of the program rests, in large measure, on the quality of the many thousands of Federal and non-Federal building jobs which dot the map as P.W.A. funds flow into construction work in every State and ever section of the country. These will be briefly reviewed.

PEDERAL PROJECTS

Practically all new construction work now being done by the Federal Government is under allotment to its various agencies from the Public Works Administration. Fitted into the comprehensive Public Works program are many jobs planned earlier and some that had been started after previous Federal examination but which could not be carried on because of lack of funds. Fed-

"UNDERMINING FOUNDATIONS"-ADDRESS BY DR. NICHOLAS MITERAY RUTLER

Mr. President, I ask unanimous consent to have printed in the RECORD a very brilliant address by the President of Columbia University, delivered at the commencement exercises of the university on June 5, 1934, discussing the present trends of the times in reference to the new things that we are introducing. I think everyone will like to read it.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

#### UNDERMINING FOUNDATIONS

# By Nicholas Murray Butler

The American people have frequently made it unmistakably The American people have frequently made it unmistakably plain that they are either averse to thinking or that they are unable to think. Taken as a whole, they prefer the emotional to the intellectual life. They would choose to follow Rousseau rather than Voltaire. In addition, the educational theories and methods which have so largely prevailed in the schools for wellnigh a generation past have distinctly tended to make thinking unfamiliar, distasteful, and repugnant. One result is that an idea which attracts the German, which delights the Frenchman or the Italian and which perpleyes the Englishman is ant first to irritate attracts the German, which delights the Frenchman or the Italian, and which perplexes the Englishman, is apt first to irritate and then to anger the American. He insists upon preferring what he calls facts to ideas, quite unmindful that a fact is only the mark which an idea makes on the shifting sands of human experience. As a Nation we pay a heavy penalty for this trait of ours, and just now we appear to be preparing an especially heavy payment, of the existence and character of which we seem to be write obligious. quite oblivious.

quite oblivious.

When the builders of the American Nation devised and formulated their plan of a social and political system, they set up a carefully described government and gave it clearly defined and strictly limited powers. By the terms of the ninth and tenth amendments, which are in reality a part of the original Constitution of the United States, the people emphasized in strongest possible language the fact that all powers not definitely and specifically delegated to government were retained by themselves. There was thus set up a carefully restricted field of government on the one hand, while there remained a far wider and quite indefinite field of liberty on the other. From time to time, as might naturally be expected, the line of distinction between the field of government and the field of liberty was moved about or made more elastic than it had at first seemed to be. The line itself, however, remained and still remains. Indeed, its maintenance is essential to the preservation of the American form of nance is essential to the preservation of the American form of government, as well as to the happiness and prosperity of our people and to the achievement of their ideals.

It quickly became characteristic of the American people that a large portion of their public service, perhaps even a major portion, was rendered by them voluntarily in the field of liberty. tion, was rendered by them voluntarily in the field of liberty. Non-profit-making institutions of every sort and kind were brought into existence in the field of liberty to render public service. Quite apart from the churches, which were to be wholly separate from government, these were institutions of intellectual, social, and philanthropic public service of the very highest importance. While, from one point of view, these were the outgrowth of a spirit of charity and philanthropy, from another but far truer point of view they were the outgrowth of the spirit of public service. They included hospitals and homes for the aged, the infirm, and the dependent. They included libraries and museums, some of which have now gained world-wide reputation and influence. They included a host of schools and colleges, and in these later years at least a dozen or more universities, all of which have united to give to the American people a high and distinguished have united to give to the American people a high and distinguished place in the intellectual life of the modern world. These institutions are in no sense governmental, but they are in every sense public. To confuse and confound the distinction between govern-mental and nongovernmental with that between public and private is to turn one's back upon the most fundamental principle of our characteristically American civilization. In just recogni-tion of the public service by institutions of this kind in the field of liberty, property actually used by them has long, and quite generally, been exempt from taxation for the support of govern-

generally, been exempt from taxation for the support of government. There is now probably more service and more important service in our American life which is public but not governmental than that which is both public and governmental. No nation on the Continent of Europe can make anything approaching the demonstration that the American people can make of willingness and power to offer public service in the field of liberty. In England the same distinction exists between the sphere of liberty and the amount of public service rendered to the English people, and in many ways it is less striking and less important than that which has come to pass in this country.

A strongly marked present tendency is the strangely un-American, even anti-American, one of turning to government, particularly the Federal Government, for help or for dole whenever any form of public service, built up in the field of liberty, is in doubt or in need. Surely it must be clear that to follow this course is to enter on the path of destruction. It has been carefully estimated that before the present depression the stupendous sum of nearly two and one-quarter billion dollars, an amount equal to mearly two and one-quarter billion dollars, an amount equal to much more than one-half of the gross income of the Government of the United States, or nearly two-thirds of the then annual income of the British Government, and a sum almost equal to three-

quarters of the total amount of the then annual incomes of the French and German Governments combined, was annually given by the American people for the maintenance of institutions of public service in the field of liberty. Not only has the effect of these great benefactions upon the millions of givers themselves been magnificent in the strengthening of character and of moral purpose but by the administration of these vast sums with wisdom, with foresight, and with genuine public spirit our people have been led to fine ideals and standards of public health and care, of education, of the fine arts, and of social and economic service of every sort and kind.

If this vast scheme of public service in the field of liberty is

If this vast scheme of public service in the field of liberty is not to be destroyed, then a scheme of taxation for the support of government and its activities must be devised which will not undermine the foundations upon which it rests and has rested so long. To wreck or even to cripple these tens of thousands of so long. To wreck or even to cripple these tens of thousands of public-service undertakings would be to strike a blow at the American people from which they might never recover. If the sources of supply from big-hearted and large-minded men and women were to be dried up, then this army of public-service institutions must look forward either to an early, if lingering, death, or to being taken over by government as a direct and huge new charge upon the taxpayer, which would doubtless be even worse than death. The notion that social theories can be pleasantly and fiaively toyed with without changing the course of civilization is quite baseless. If men in official place can be induced to think, they will see where any policy must lead which renders barren the field of liberty as the home of outstanding and literally colossal public service. colossal public service.

There can be no valid objection to those policies on the part of government which do as much as government can do to prevent one citizen from unfairly and unjustly exploiting his fellows; but care must be taken that the cure be not worse than the disease. This means that those conditions which make it the disease. This means that those conditions which make it possible for the honest man or woman to give generous support to public service in the field of liberty must not be destroyed because dishonest men have been discovered. What government does is almost certain to be done less well than what liberty does, and the reason is quite simple. In the field of liberty the choice of the doer is by a process of natural selection based on fitness. In the field of government the choice of the doer is too often based on importunity tempered by political availability. Surely even a reasonable measure of reflection will make it clear to every one that if the power and opportunity to render magnificent and many-sided public service in the field of liberty is to be destroyed by taxation, and if thereby activities of Government are to be multiplied and their advantages vigorously competed for by organized and self-seeking minorities, our whole American scheme of life and thought and Government as the

competed for by organized and self-seeking minorities, our whole American scheme of life and thought and Government as the fathers conceived it, and as it has gone so splendidly forward generation after generation, will have come to an end. It is not necessary to destroy a great human achievement by open and plainly visible attack. This end can be even better and more quickly reached by undermining, perhaps quite unconsciously, the foundations on which it rests.

# MODERN TRENDS-ADDRESS BY DR. ALBERT SHAW

Mr. FESS. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Dr. Albert Shaw at the commencement exercises of Grinnell College, in which he discusses modern trends. I think everyone would like to read this address.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

# [From the Grinnell (Iowa) Register]

DR. ALBERT SHAW MAKES STIRRING ADDRESS TO GRINNELL COLLEGE GRADUATES TODAY—APPEALS TO YOUNG MEN AND WOMEN TO STAY AT HOME AND WORK OUT SALVATION OF THEMSELVES AND THEIR COMMUNITIES

Dr. Albert Shaw, editor of the Review of Reviews and a graduate of Grinnell College of the class of seventy-nine, told this year's graduates at the commencement exercises this morning that they "must not be misled by the glittering phrases" of the "many voices raised against the nationalistic policies that are now asserting themselves throughout the world, erecting barriers against the sween of international commerce and finance."

are now asserting themselves throughout the world, erecting barriers against the sweep of international commerce and finance."

Throughout his address, which he characterized as an informal, reminiscent talk by an Iowan to Iowans, ran a theme which was counter to the history of the development of the western Farm Belt. He argued for local industries and home markets as against foreign trade and commerce. He opposed short-sighted economic and social policies that in Iowa and other States have "by sheer lack of fundamental understanding driven many of her best families to northwest Canada, to the southwest deserts, to the thin lands of the Gulf States, or to the industrial treadmills and market pits of Chicago."

thin lands of the Gulf States, or to the industrial treadmills and market pits of Chicago."

More than once during his address Dr. Shaw told the graduates that present social and economic conditions have brought an end to the conditions that have throughout America's growth caused young men and women to leave home in search of success and fortune. Today, he said, the greatest opportunity for success less at home, and he urged the students to return to their homes and put their efforts into upbuilding their local community and State. State

Then, turning to present affairs with reference to the Federal Government and the new deal, he denied any permanent good

in the methods being used to end unemployment, urged his hearers to equip themselves to solve their own problems, and said:

"The gentlemen at Washington, including the admired Cabinet member from this State, will not be able to readjust the affairs of Iowa by virtue of what they can do, as they administer offices in the District of Columbia. At fearful cost they may serve you with palliatives—comfort you with pomegranates, as in the beguling Songs of Solomon. Some of us are in debt, but many of you are not. Washington must not be allowed to destroy you thrifty and solvent folks for the supposed, though dubious, benefit of us harrassed borrowers and speculators."

of us harrassed borrowers and speculators."

In opening his address, Mr. Shaw stated his respect for the opinions and activities of youth. He urged the students to think, to speak their opinions fearlessly, and to take an aggressive part in the affairs of the day.

to speak their opinions leariessly, and to take an aggressive part in the affairs of the day.

Calling for testimony upon his own experience and his observation of his acquaintances throughout life, he said, "I had strong convictions when I was a student, and I expressed them boldly. My way of thinking has not changed very much. The views that you now hold may be modified, but are not likely to suffer violent overturn. Your Congressmen and your State lawmakers may be better informed in some technical matters, but do not stand in awe of them. Cross-examine them."

In support of his statements that young people should and can take an important place in public affairs, Mr. Shaw cited the fact that "Dolliver was stumping Iowa at 21. The brilliant Fred Lohmann was not much older. Haines spoke with the voice of authority while yet a stripling." He declared his belief in sturdy self-reliance, urged his hearers to develop personal resourcefulness, and then stated that democracy is the form of government which this Nation needs, and that the schools and colleges still furnish the means to develop a sane, social, democracy despite the criticisms to the contrary. "Opponents of the Jefferson ideal of the democratic state", he said, "labor under a misapprehension of its doctrines."

Today's disturbed economic conditions are very similar, he said,

Today's disturbed economic conditions are very similar, he said, to former periods of depression, especially with reference to underlying causes. He explained this by citing the development of Iowa

lying causes. He explained this by citing the development of Iowa and other Midwestern States—rapid development falsely stimulated by speculation that was fostered by "hundreds of thousands of local money lenders, many of whom we inaccurately called bankers." Mortgages were piled on farms, and immense production was encouraged to secure a volume of crops sufficient at low prices to meet the fixed charges of interest and taxes.

Under these painful circumstances the western farmer's indignation against the outside world arose until the clamor resounded throughout the country. He asked for printing-press money with which to pay off his mortgages. He demanded a monopoly of eastern markets. He demanded that the railroads carry bulk freight over long distances at rates which would not pay the cost of operation. The lure of distant markets was ruining the western farmer and the railroads alike. Very high rates, in contrast, would have built up the West on foundations of normal equilibrium. They would have forced the West to import industries and consume its own farm supplies.

Distant markets are always precarious. There is no pot of gold

Industries and consume its own farm supplies.

Distant markets are always precarious. There is no pot of gold at the end of the rainbow, and yet, it seems, there are people in Iowa who continue to believe that somewhere in Europe, Asia, or Africa there exists foreign markets that want to buy articles of food produced in stupendous quantities, for export, on the rich lands furnished freely to settlers west of the Mississippi three generations ago. But no such exhaustless markets exist except briefly when these countries, far away, happen through war or famine to have lost the normal balance of their own self-sufficing activities. But for our tariffs, Argentina could undersell Iowa as far west as Chicago or Davenport. Canada, Australia, and New Zealand could beat you here at home. Certainly we cannot compete with them in Europe.

"Perhaps Admiral Byrd may help Mr. Brookhart to find mar-

pete with them in Europe.

"Perhaps Admiral Byrd may help Mr. Brookhart to find markets for the surplus corn-fed products of Iowa in little America at the South Pole. Certainly, Mr. Brookhart does not understand conditions in France, Germany, Italy, Poland, Czechoslovakia, and Hungary if he supposes that we are to find very considerable markets anywhere from the English Channel to the Bosphorus for the food products of the United States.

"Iowa should import industries and develop home markets. In due time it should refuse to export butter fat, or to impair the permanent wealth that inheres in its unequaled expanse of rich soil."

It was in his remarks concerning the new deal that Mr. Shaw made his greatest appeal to the young men and women to stay at home and work out the salvation of themselves and their communities.

munities.

"Your chief job", he said, "is to mind your own business, presumably here in Iowa, for I assume most of you are from Iowa. The new deal is almost overwhelming us with its strenuous efforts to cure our misfortunes by the application of Federal remedies. Some of them are as benevolent as the ministrations of a grandmother to a sickly child. Others are so drastic and so harsh as to be terrifying in their attempt to do us good in spite of ourselves. I believe that the benevolence has been needlessly anxious and intrusive; and I believe that the assertion of grim authority has been far too meddlesome, in a super-Prussian style (with bulls in china shops, or too much Johnson in beauty shops). It will all be modified; so let us be good-tempered, facing facts but avoiding sarcasm or invective.

"I have said I would give due care to the helpless. But I would not rob the thrifty for the benefit of the incompetent and the thriftless. I would not get too far away from the earlier principle

that most people can help themselves if they must. I do not for a moment believe that the shortening of hours and the increase of wages should precede resumption of business activity.

"The question today is, What are you, the 1934 graduates of Grinnell College, proposing to do about all of this? First, other things being equal and in the lack of distinct call, I should say you are needed in the State of Iowa more than anywhere else. You can find your way in your own neighborhoods. I believe that most of the unemployed could make a living without Government aid if they learned to use their eyes and their hands and their brains as well, and had not supposed that they could always rely on somebody else to employ them at good wages.

"The rushing population trends that once seemed to take young America far afield are no longer existent. For most people the argument is all in favor of staying where they belong, mastering the problems of their own community. Most of you, unless divine call takes you elsewhere, may find it best, at least for some years, to live and labor in this State, for somebody is to carry on the private enterprises and public affairs of your splendid Commonwealth."

#### THE NEW DEAL-EDITORIAL FROM WHEELER INTELLIGENCER

Mr. BARBOUR. Mr. President, I ask unanimous consent to have printed in the Congressional Record the editorial which I send to the desk, published in the Wheeling (W.Va.) Intelligencer under date of June 16, 1934.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Wheeling (W.Va.) Intelligencer, Saturday, June 16, 1934]

### UP TO THE PRESIDENT

printed in the Record, as follows:

[From the Wheeling (W.Va.) Intelligencer, Saturday, June 16, 1934]

UP TO THE PRESIDENT

As the weakness and dangers of the new deal come rapidly to light, many of the President's supporters are hard put to it to justify his position before the people of the United States. They are not all possessed of the political courage of a Carter Glass, a JOHN W. Davis, or a Harry Flood Byrd. But they know that the so-called "recovery program" is wrong, that it is leading to the destruction of constitutional government, and will bring ruin as its final fruit unless checked in time. So we find certain of these apologists attempting to differentiate between President Roosevelt and the Roosevelt program as it has unfolded before the American people during the past 15 months.

Addressing members of the West Virginia Bankers' Association the other day, for instance, former Gov. John J. Cornwell in effect told his hearers that Mr. Roosevelt's heart is in the right place, but that the working out of his program is in dangerous hands. He warned against demagogues and communism, bluntly asserted that "men who do not understand American liberty are in powerful places in politics and education", and condemned those "who do not have the courage to support the President of the United States and prevent him and his Cabinet from being crowded and pushed away from the American Constitution", and ceserving of the Constitution's protection.

This newspaper agrees that the condition described by Governor Cornwell is an alarming one. It cannot agree with the suggestion, however, that Mr. Roosevelt is being made the innocent victim of designing manipulators. It cannot disassociate the Roosevelt program, the new deal, the present trend of affairs in government, from the President himself. If Mr. Roosevelt is surrounded by dangerous advisers, they are advisers of his own choosing. If the sphilation of his policles is in improper hands, those hands received Presidential sanction before assuming their tasks. If

necessary corrective steps.

## INVESTIGATION OF WAR MUNITIONS INDUSTRY

Mr. VANDENBERG. Mr. President, in surveying the work of this Congress, I am persuaded that nothing in the long run will prove of more lasting advantage to human society than the adoption of the so-called "Nye-Vandenberg resolution", which has inaugurated the official American

movement to take the profit out of war. Our special committee has organized and is at work. We shall proceed with thoroughness in our groundwork before we move into the open with public hearings. But I think I divulge no secrets when I say that we already have found many a hot trail. I think I may also say to the country that it can depend upon our committee's dedication to follow the trails to the bitter end, no matter who may be hurt. Better to hurt a few "dividends from death", as the munitions business has been eloquently described, than needlessly to hurt mortally the thousands of young men who will be sacrificed to the new war.

This is not a movement in blind pacifism. I am not a pacifist in the professional sense of that word. I believe in the defense of national honor and the maintenance of the integrity of national independence. We cannot disarm alone in an armed world. We cannot leave ourselves at the mercy of mad dogs in the international kennel. But certainly, unless we are tragically blind and sordid and cowardly, we can discourage and minimize the probabilities of needless war. That, in my judgment, is precisely what

we do when we rob it of its profits.

Our objective, under the Senate resolution which I had the honor to sponsor, is an attack upon the commercial motive in war and preparedness. I consider this commercial motive to be public enemy no. 1. This insidious and sinster influence of this commercial motive has been well identified in Europe. It encourages war. It sells slaughter. It disrupts peace conferences. It defeats international disarmament by mutual agreement. Unquestionably there is less of this sort of thing in the United States. Indeed, I withhold any indictment until an indictment can be sustained by proofs. But to whatever degree it exists, it is our dedication and commitment to root it out. I dare to assert that we shall succeed. I dare also to assert that this is the most practical pacifism yet pursued.

This may or may not be my final day in the Senate of the United States. If I do not return to the Senate next year, I beg of my colleagues to carry on with this investigation to the end that war and war preparedness shall be demonetized. The men of America who best know war-namely, the honored veterans of previous conflicts—are behind this project to the maximum. The women of America—the gold-star mothers of yesterday and tomorrow—are behind it. Public opinion sanctions it aggressively. Yet we cannot blink at the fact that movements of this nature somehow seem to be lured into pigeonholes and chloroformed.

To the honor of this session let it be noted in this connection that we have at last ratified the Geneva Convention of 1925 which puts the international arms traffic under license, regulation, and publicity. It took 9 years. But it is done. I hope this is a sign of the times. The Senate's investigation is the next great step. We cannot take jurisdiction of the subject beyond our own borders, except as our own munitions may prove to have stimulated external strife. But I dare to hope that if we do a thorough job, we can shock the conscience of the world into a new and supplemental international agreement which will put war profits in chains all round the globe.

As a final stimulus to this work which we have undertaken under the sweeping terms of the Nye-Vandenberg resolution, and as a final challenge to our own public opinion, I ask unanimous consent to print in the RECORD an amazing article in Harper's Magazine for May by John Gunther entitled "Slaughter for Sale", and also an article, more directly discussing our Senate investigation, which I recently contributed to the Boston Monitor.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From Harper's Magazine for May 1934]

SLAUGHTER FOR SALE By John Gunther

If I am killed in the next war I hope they will put on my white cross a notation that the bullet which killed me cost a fraction of a cent to make and sold for 3 cents or more. Someone, I should like it known, made a nice profit on my extinction.

Bullets do not cost much. But if you shoot 1,000,000 rounds an hour at \$30 per thousand, the figures mount up. A rifle does

not cost much—perhaps \$25. But equip an army of 1,000,000 men, and you have spent \$25,000,000. A machine gun costs about \$640. The French have about 40,000 of them. A 37-mm field gun—what the British call a 1-pounder—costs about \$1,000, and each shell about \$15. The famous French 75's come to about \$8,000 each. They are expensive and intricate, with fuzes built with the costly precision of watches. Their shells cost \$24.95 each, and in a single bombardment over 4,000,000 may be fired. The new Christy tanks in America cost \$26,000 each, exclusive of motor and armament. A big tank, complete, costs about \$80,000. A bombing plane may nick your budget \$100,000. A modern cruiser costs \$11,000,000, an aircraft carrier \$19,000,000, and a big battleship almost \$30,000,000.

battleship almost \$30,000,000.

Thus war, as we have good reason to know, is expensive. It costs us money. We pay taxes. But war also makes money—for some—a lot of money. Thus the munitions business, one of the strangest in the world.

We know who fought the Battle of Shanghai in February 1932. We remember names like Chapei and we recall the heroism of the Chinese Nineteenth Route Army. The Japanese victory is clear in our minds. We know everything about the Battle of Shanghai, in fact, except the most interesting thing—who made the most money on it

in fact, except the most interesting thing—who made the most money on it.

The world, according to the League of Nations, spent \$4.276,-800,000 on armament last year. In 1 year, mind you. This sum is too astronomical for ready comprehension. Suppose I had that much money and spent it at the rate of \$10 per day. I should still have some left after more than a million years. Suppose it should be transformed into a piece of tape, mile for dollar; it would go around the world 172,169 times.

This four-billion-odd dollars is a global sum, representing the grand aggregate of all "defense" expenditure. It includes the cost of maintaining as well as equipping armies. It is the grand total of the military budgets of all countries. In the main it is intranational expenditure. The amount spent among nations in purchase of munitions by one country from another—the arms traffic proper—is insignificant by comparison. But according to normal standards it is quite a tidy sum—perhaps \$300,000,000 per year.

Getting concrete figures on the munitions business is about as easy as breaking out of a Federal jail. The best source is the Statistical Yearbook of the Trade in Arms and Ammunition, published annually by the League of Nations. It is woefully inadequate. It gives only the figures that the various governments wish to be published; it is always out of date; it does not include wish to be published, it is always out of date, it does not include really expensive items like battleships and airplanes; and it takes no account of smuggling, of the crates of guns on Hamburg wharf marked "pianos" or "hardware." However, it is the best thing we have and, despite its deficiencies, it contains some pearls of information.

The total value of acknowledged exports of arms and ammunition has been about \$50,000,000 per year since 1920, according to the League's figures. In 1980 it was \$68,831,700; in 1931 \$44,-333,800. There are always discrepancies in the amount of total exports as against total imports. Some countries cheat in giving their figures. Total world imports in 1930, for instance, were given as \$64,903,700; in 1931 as \$40,060,400. So both these years about \$4,000,000 worth of arms have been exported somewhere but imported nowhere—"lost."

One can even name the countries cheating. I read in a New York Times dispatch recently that France, in 1929, reported exports of 100.9 tons of cannon to Denmark, 559.9 to Greece, 143.9 to Poland, 151.5 to Japan, 132.5 to Paraguay. But not one of these countries acknowledged having received any of this material. Great Britain admits to having sold Spain \$905,000 worth of guns in 1929; but Spain in 1929 records the total value of her munitions imports at only \$6.200.

tions imports at only \$6,200.

The root of the munitions problem is the fact that only highly industrialized countries can profitably manufacture appreciable quantities of arms. These countries sell to those less industrialized. Over 90 percent of the total arms exports of the world comes from 10 countries; about 65 percent comes from Great Britain, the United States, France, and Czechoslovakia, the 4 greatest exporting countries. Great Britain alone accounted for 33.6 percent of the total world arms traffic in 1929, 30.5 percent in 1930, and 38.2 percent in 1931, despite the fact that it is the only country licensing arms exports. Following Great Britain in 1931, were the United States and Czechoslovakia, each with 11.2 percent of world exports, Switzerland with 10.6 percent, France with 7.8 percent, Italy with 6.4 percent, and Belgium with 4.3 percent. The great importing nations are China, India, the British colonies, and the South American Republics. China alone bought 11.1 percent of the world's exports of arms in 1931.

Perhaps the most interesting single disclosure of the handbook The root of the munitions problem is the fact that only highly

Perhaps the most interesting single disclosure of the handbook relates to Germany. Germany is forbidden, as we all know, to export or import munitions of war. Yet in cold type the Germans themselves officially admit to exports of \$1,624,250 in rifles in 1931, \$1,042,250 in cartridges, and \$1,576,750 in explosives. "Sporting weapons" perhaps?

"Sporting weapons" pernaps?

Yet, in 1929, 13 countries, including China, Japan, France (!), Spain, and Belgium reported Germany as their chief arms exporter. "In 1930"—I quote from a report of the Foreign Policy Association analyzing the League's figures—"22 countries gave Germany as the first or second largest source of supply." The total imports from Germany were given, incidentally, as \$7.541,544, a sum about double that which Germany admits to having exported. It should be noted in qualification of these remarkable figures that exports from Germany may include shipments from

the free port of Hamburg of non-German (presumably Czech)

The great arms firms of the world are Vickers-Armstrong in England, Schneider-Creusot in France, Mitsui in Japan, Bethlehem Steel in the United States, and Skoda in Czechoslovakia. They and their subsidiaries probably account for 75 percent of the world's arms production. Explosives and ammunition are provided by a different group of firms closely allied to the arms firms, like the du Pont concern in America, and Imperial Chemical

firms, like the du Pont concern in America, and Imperial Chemical Industries, Ltd., in Great Britain.

Each arms firm closely resembles the others. Each is a huge industrial combine, uniting blast furnaces, steel mills, coal fields, research laboratories, machine shops, fleets of ships, coveys of banks, hundreds of stockholders, thousands of workmen in an agglutinated and complicated structure. Each is subtly and formidably connected with the government to which it pays taxes and in return supplies the means of national aggression or defense. Competition with State arsenals, which also produce arms, is not acute. All the private firms do an international business; but fundamentally they are pillars of their own States; they are as important in national strategy as the general staff. Patriotism does not mean much to an arms merchant. But the

they are as important in national strategy as the general staff. Patriotism does not mean much to an arms merchant. But the best business is the business done at home.

Skoda in Czechoslovakia, I wrote after visiting the main plant in Filsen, is several things—an arms firm, a myth, a steel works, a microcosm of the munitions industry, a national institution, a nightmare to pacifists, an idol of patriots, a military necessity to at least three countries, and a whale of a good business. I have met several of the directors of Skoda. They are quite mildmannered gentlemen. They do not seem ferocious; but their business is the invention and manufacture of implements of death. In the arms business the iron-and-steel industry reaches its

business is the invention and manufacture of implements of death.

In the arms business the iron-and-steel industry reaches its most monstrous and cunning perfections. You see the great lathes turning up shavings of steel as easily as I skin a peach; the giant presses opening their jaws to bite 50-ton ingots as I shap a match; ponderous drills hollowing out solid cylinders of steel for gun barrels; thousands of miles of silky copper wire winding round and round the shapely tubes; the stamping machines quietly singing as they punch out keys, flanges, brackets, chain links, and brass, bronze, and aluminum parts; the laboratories where cross-sections of steel shine under the optician's microscope in 40 colors; and the furnaces, which sometimes cook a man. It is quite thrilling and impressive. And it ends in lacerated flesh, suffocated lungs, squashed legs, mangled bodies.

Vickers is the big boy of industrial Great Britain. It is capitalized at about \$80,000,000 and has some 80,000 stockholders. "It depends very largely on armament orders for its existence," its chairman has pleasantly said. Its profits were over £900,000 yearly from 1927 to 1929, inclusive. Even in 1930, with profits down to £775,926, it continued an 8-percent dividend.

Schneider-Creusot, the great French firm, was founded, it is

Schneider-Creusot, the great French firm, was founded, it is interesting to note, by a young German, Eugen Schneider, who came from the Saar in 1836. The Schneider concern is a key company in the French Steel Makers' Association, the celebrated Comité des Forges, which supplies it with its steel. Like all arms firms, it does a general steel business, selling anything from bridges to monkey wrenches; but its fame comes from arms. Schneider, like Vickers, sells all over the world. Its profits in 1930 were 26,000,000 francs.

Skoda is, or was, a subsidiary of Schneider, but such financial matters are a great secret in the arms trade and no one knows exactly how many Skoda shares Schneider holds. Skoda is the chief arms purveyor to the Balkans. It has also done plenty of business with Japan and China. In 1929 and 1930 Skoda declared dividends of 28½ percent. The most important political party in Czechoslovakia is believed to control a majority of domestic Skoda

The chief Italian arms firms are Breda in Milan and Ansaldo

The chief Italian arms firms are Breda in Milan and Ansaldo in Turin. Their markets are chiefly Spain and Greece.

The U.S.S.R. exports no arms, but in 1930 the Bolsheviks, fearing war in the Far East, spent 568,000,000 rubles importing munitions, and in 1931, 251,000,000, a serious drain on the Five Year Plan. Russia is building a munitions industry in the Urals. Chemicals are produced at Berezniki, tanks at Cheliabinsk, and guns at the new machine shops in Sverdlovsk, modeled on the Krupp works at Essen.

The arms companies are as incestuous as white mice. They play together and breed. This is because they are in a signal

The arms companies are as incestious as white mice. They play together and breed. This is because they are, in a signal sense, noncompetitive; good business for one means good business for the others; obviously if Schneider, say, gets a big order from country X, other companies will have better chance of business from country Y, which is X's unfriendly neighbor. As soon as one country buys a new military invention, other countries must buy it also. Arms firms may underbid one another for a contract in a cluble Stote, but internetionally they all stand to gain.

one country buys a new military invention, other countries must buy it also. Arms firms may underbid one another for a contract in a single State; but internationally they all stand to gain.

You may learn the details in two remarkable pamphlets, which everyone interested in disarmament should read, the Secret International and Patriotism, Ltd., both published by the Union of Democratic Control, London. The Secret International in particular did pioneer research work in the field. Every subsequent writer on the arms traffic owes a substantial debt to it.

The arms firms, extraordinarily interrelated and intertwined, lace the whole world in their net. Schneider and Vickers were connected through Sir Basil Zaharoff, munitions salesman extraordinary. Schneider controls Skoda through a French holding company, the Union Européenne. An allied bank finances a big Hungarian bank, which provides loans for Schneider sales. The Schneider interests are believed to control an Austrian bank also, which is interested in the chief Austrian steel company, the Alpine

Montangesellschaft. But the Alpine concern is "owned" by the German Steel Trust

Skoda, itself a French subsidiary, has a subsidiary in Poland. Both Schneider and Vickers have interests in Rumania. Vickers has, or had, control of the Vickers-Terni works in Italy and owns several enterprises in Spain; it is supposed to be connected with various Dutch munitions houses, and in Japan it controls the

Nippon Steel Works, which is part of the great Mitsui combine.

Krupp, once the great German arms firm—it employed 70,000
men in its big day—is supposed to control the Bofors Ordnance
Co. in Sweden, which is affiliated with the Nobel interests. Krupp
has also connections in Holland and Switzerland. In Munich is
the Bayerische Motorenwerke, A.G. Its stock has risen enormously
since it was reported to have realized a subsidire of 40 000 000 market. the Bayerische Motorenwerke, A.G. Its stock has risen enormously since it was reported to have received a subsidy of 40,000,000 marks from General Goering's Air Ministry to stimulate production of airplane motors. But the Bayerische concern is partly owned by the Fiat Co. of Italy. Rheinmetall of Dusseldorff, one of the biggest industrial plants in Germany, owned partly by Krupp and partly by the German Nation, is closely connected with arms firms in Switzerland and Austria. So international ramifications go.

It has long been known that French and German steel producers had an unwritten understanding during the war not to homb each

It has long been known that French and German steel producers had an unwritten understanding during the war not to bomb each other's plants. Lorraine was the quietest sector in France for the whole period of the war. French airmen were forbidden to bomb the holdings of François de Wendel, president then as now of the Comité des Forges, in the Briey Valley, although their destruction would have saved many French lives by depriving the Germans of use of their mineral deposits. But De Wendel—bright fellow—wanted his property unharmed when the war should be over. De Wendel's brother, incidentally was a naturalized German. In Wendel's brother, incidentally, was a naturalized German. In return the Germans did not destroy certain French mines—in which German industrialists themselves had an interest. This story was first told by Clarence K. Streit, now Geneva correspondent of the New York Times.

The same thing is happening again. A new steel company, Lorsar, has just been formed, of half German, half French capital, with monopoly rights for the sale of some Lorraine steel. It was announced that a company associated with Lorsar was awarded an order for 2,500 tons of bar steel for use in the new French fortifications on the western front. In the deal were both M. Dreux, the vice president of the Comité des Forges, and the German industrialist Dr. Roechling. So German interests make money on French national defense. Cannon is expensive; cannon fodder chean

This brings up another point, the extreme and appalling political impartiality and detachment of the arms companies. They sell to each side in any war. They sell to friend and foe alike. I might add to my modest request if I am killed in the next war, I hope I shall not be shot by bullets made in my own country.

Look at the British record. Following are total arms sales by Great Britain to both sides in three recent wars:

To Topon (1099) . 1

10 Japan (1952):	
Rounds small arms ammunition	
Automatic machine guns	
Cartridge cases	. 19,000
Pounds high explosive	549, 808
To China (1932):1	0.0 0 000
Rounds small arms ammunition	7, 735, 000
Rounds shot and shell	2,000
Automatic machine guns	
Pounds high explosive	
Revolvers	
Rifles	202
To Bolivia (January 1932-June 1933): 2	
Rounds ammunition	2, 130, 550
Machine guns	. 99
Tanks	0 - 002
To Paraguay (January 1932-June 1933):2	
Cartridges	16 570 000
Ammunition helts	50
Ammunition belts To Peru (January 1933-June 1933): 2	00
Contriders	100 000
Cartridges	139,000
Fuzes	
Rounds ammunition	
Aircraft machine guns	12
To Colombia (January 1933-June 1933): 2	
Cartridges	582,000
Kilograms high explosive	
Fuze lighters	

Skoda and Schneider, and also various German firms, have like-

Skoda and Schneider, and also various German firms, have likewise sold with Olympian neutrality to both sides in these wars. This is, of course, an old story. Pluck a bullet out of the heart of a British boy shot on the northwest frontier, and like as not you will find it of British make. Paul Faure, deputy in the French Chamber, is in possession of photographs showing representatives of Turkey and Bulgaria buying arms at Creusot before the war which during the war were used against French troops; he has also a precious picture of Eugen Schneider, the present head of the firm, on a yachting party with the ex-Kaiser Wilhelm. French munition traffickers helped arm Abdel-Krim in his Morocco campaign against the French. The Turks used British cannon to beat the British at the Dardanelles; British battleships were sunk by British mines. I was shocked and pleased, researching through

<sup>&</sup>lt;sup>1</sup> Men Conquer Guns, an interesting pamphlet published by the Federal Council of the Churches of Christ in America, p. 58.

<sup>2</sup> Patriotism, Ltd., p. 52.

Skoda files, to find that Skoda had built the flagships of both the Russian and Japanese fleets in the Russo-Japanese War. The Skoda files, to find that Skoda had built the flagships of both the Russian and Japanese fleets in the Russo-Japanese War. The Greco-Turkish War in 1922 was a jamboree for munitions makers. Again, traffic in arms between belligerents may even proceed during war time, as it did, through "neutral" imports from Switzerland, between France and Germany in the Great War. Most refreshing of all, if you are sensitive about these things, is a lawsuit brought by Krupp against Vickers in 1920. Vickers had used a patented Krupp fuze on its shells, and Krupp claimed overdue royalty on 123,000,000 fuzes. For every shell used to kill a German during the war, Krupp, a German firm, wanted its recompense, in hard pounds sterling.

I have asked who made money out of the Battle of Shanghai. Let us look at Japanese imports of arms in 1930 and 1931. Fifty-one percent of Japanese imported munitions came from Germany one percent of Japanese imported munitions came from Germany (Czechoslovakia) in 1930, 30.5 percent from Great Britain, 12 percent from Belgium, and 1 percent each from France and Spain. In 1931 Great Britain supplied 67.1 percent of Japanese imported arms, Germany 19.4 percent, Belgium 4 percent, France 3 percent. China in 1930 bought arms from Germany (25.7 percent), from Belgium (14 percent), from Great Britain (3.7 percent), from the United States (7.1 percent)—and from Japan no less than 37 percent! In 1930, 89.2 percent of all Japanese arms exports went to China; in 1931, 32.4 percent. China bought more than one-third of its munitions from the country she was fighting, and Japanese troops at Shanghai took a 1-in-3 chance that if they were killed or wounded bullets made for profit by their own countrymen would do the job. trymen would do the job.

Day by day I see revealing little items in the newspapers. Export of white rats and mice from Great Britain to France has port of white rats and mice from Great Britain to France has increased 700 percent in the past 6 months. These are the animals most used in poison-gas experiments. The Brno Small Arms Mfg. Co., a subsidiary of Skoda, has just taken on 1,500 new hands. Japan recently purchased 600,000 tons of old shipping in England to be broken up for scrap. In 1932 Japan bought from the United States 28 percent more raw cotton than in 1931, 200 percent more between oil 33 percent more crude petroleum 16 percent more kerosene oil, 33 percent more crude petroleum, 16 percent more lead. Portugal is buying torpedo destroyers, Turkey flying boats, and Colombia river cruisers. Nickel is of great importance in arms manufacture. Canadian exports of fine nickel portance in arms manufacture. Canadian exports of line hicker increased from 58,000 hundredweight to 246,000 hundredweight in the 6 months ending September 1933, as against the same period last year; exports of nickel ore increased from 60,000 hundredweight to 220,000 hundredweight.

hundredweight to 220,000 hundredweight.

Germany is roaring like a furnace with munitions activity. In the British House of Commons in July 1933 it was announced that German imports of scrap and old iron in the first 4 months of 1933 amounted to 176,732 tons, compared with 16,216 tons in the corresponding period of 1932. The Germans are theoretically "disarmed", but any munitions expert will name at least 40 German firms that are manufacturing arms today or are ready to do so at a moment's notice. The Berlin-Karlsruhe Industriewerke A.G. has just added to the firm the name Deutsche Munitions und Waffenwerke (German Arms and Munitions Works) and an-nounced that thanks to the initiative of the Hitler government

hounced that thanks to the initiative of the littler government business has increased 300 percent in the past 4 months. Krupp took on 6,000 new workers in 1932.

According to Le Temps of November 16, 1933, presumably quoting the secret French dossier on German rearmament, the whole industrial fabric of Germany is being militarized. Factories potentially able to create arms are being supervised or whole industrial fabric of Germany is being militarized. Factories potentially able to create arms are being supervised or remodeled by military commissions, and work has begun manufacturing samples and prototypes. It is well known that the time-lag in war industry is uncomfortably important, as Major Lefebure has pointed out in his valuable Scientific Disarmament. Despite our immense efforts during the war, hardly any American-made munitions reached France before the armistice. It is always the first tank, the first new machine gun, the first new poison gas that takes months or years of research to invent, perfect, and manufacture. The Germans want to finish this spadework now; thus their cry for "sample" weapons.

There is money in war. There is money in fear of war. The charts in Patriotism, Ltd., show the effect of international events on munition shares. Schneider-Creusot, Hotchkiss (a French machine-gun company partly British-owned), and Skoda stocks skyrocketed on the Paris bourse from the time Hitler came to power in Germany. Previously, on publication of the MacDonald disarmament scheme, they had fallen sharply. Later they wavered when the world economic conference convened; they soared again when it adjourned in failure. Thereafter the climbing line goes almost perpendicularly upward. Schneider shares rose almost 20 percent in 3 days following frontier disturbances in the Saar last April.

War scares are good; real wars would be better. The profits of arms companies now are considerable. I have mentioned the high dividends paid by Schneider Skoda Vickers. The Sellier-

War scares are good; real wars would be better. The profits of arms companies now are considerable. I have mentioned the high dividends paid by Schneider, Skoda, Vickers. The Sellier-Bellot Co. in Czechoslovakia, an ammunition works, has just declared a 20 percent dividend—in this year of disastrous economic crisis! British aviation companies report their best profits since the war. But this is a pittance compared to what real war would bring. It is estimated that munition makers in wartime count on between 200 and 300 percent profit. Hiram Maxim tells how he set about inventing the machine gun which has cost millions of human lives when a friend in Vienna told him, "Hang your chemistry and electricity! If you wish to make a pile of money, invent something which will enable these Europeans to cut each other's threats with greater facility."

Reckless and inordinate profiteering is inevitable in the arms traffic. A German military commission found that private manufacturers charged \$1,000 for machine guns that could be produced for \$250. Mr. Lloyd George has revealed that shells for 18-pounders cost 22s. 6d. when his Ministry of Munitions was set up; the price was promptly reduced to 12s. 0d., almost 100 percent. "When you have \$5,000,000 shells, that saves £35,000,000", Mr. Lloyd George said. He added that he reduced the price of Lewis guns from £165 to £35 each, and presumably the makers still profited.

profited.

In the 3 years prior to the World War, we read in Men Conquer Guns, the United States Steel Corporation earned \$180,000,000; in the 3 war years 1916-18 it earned \$621,000,000. In 1914 the du Pont Co. produced 2,265,000 pounds of powder; in 1915, 105,000,000; in 1916, 287,000,000; in 1917, 387,000,000; in 1918, 399,000,000. When Congress investigated these sales it learned that the cost of production was approximately 36 cents per pound, the cost to the Government 49 cents.

Let there he no mistake about it. Arms dealers want was

that the cost of production was approximately 36 cents per pound, the cost to the Government 49 cents.

Let there be no mistake about it. Arms dealers want war. They are hypocrites if they deny this. War is to them what milk is to a baby. They fatten on it.

Inevitably the arms traffickers have sought to influence secretly public opinion and political behavior. I do not mean that they hire personal publicity agents. Quite the contrary. Arms manufacturers are very secretive. They feel a sense of shame at the business they are in. They do not boast about their trade at dinner parties. In fact, they are in something of the position of the celebrated merchant in Norman Douglass' South Wind who manufactured an object not quite politely mentionable; the less said and known about the exact nature of their business the better. If cornered, they say that if they do not sell arms someone else will. Or that they are in the legitimate and patrictic business of providing for the national defense of their countries. Or, more commonly, that they sell arms only as an item in a general iron-and-steel business. And indeed Vickers makes sewing machines as well as cannon; Skoda produces screw drivers, Occasionally in the Balkans I have met arms salesmen. Nice young men these, with liberal expense accounts and a habit of knowing ordnance officers in the war ministry by their first names. It may be said with absolute confidence that no big arms contract, has ever been given in eastern Europe, without come contract, has ever been given in eastern Europe, without come con-

It may be said with absolute confidence that no big arms contract has ever been given in eastern Europe without some sort of graft attached. The young salesmen are not as a rule as squeamish as their bosses at home. They talk quite freely—about the methods of their competitors. They are excellent sources of news. The best way to learn Schneider secrets is to talk to someone from Krupp.

Arms traffichers seek to hum or control newspapers. This is

Arms traffickers seek to buy or control newspapers. This is an easy and efficacious way to influence public opinion. A newspaper with a strong nationalist policy may urge preparedness, foment war scares, and appeal for more and better national defense, i.e., cannon orders. It has not been easy for several great French newspapers to resist the steel spoon of the Comité des

Arms traffickers delight in having prominent politicians as stockholders. Sir John Simon, British Foreign Secretary, who makes speeches at Geneva, was a stockholder in Imperial Chemical Industries until recently. Among stockholders in Vickers, as of April 1932, were Lord Hallsham, British Secretary of State for

April 1932, were Lord Hallsham, British Secretary of State for War, and Sir John Gilmour, Minister of Agriculture.

There is no doubt that Thyssen and other great German industrialists and cannon-makers helped to finance Hitler. This was smart business, because obviously Hitler in power means gun orders. It has even been said—but never proved—that French and Czechoslovaklan munitions makers secretly added to the funds of the Nazi party. The theory was that the Nazis would bring open German rearmament which would force France and Czechoslovakla to increase their armaments and thus buy more guns.

Czechoslovakia to increase their armaments and thus buy more guns.

The arms traffickers have great indirect influence on politics in Central Europe. The steel of the gun merchants is the ribbling of many a treaty. Rumania and Yugoslavia have very little heavy industry; thus their partial dependence on France (Schneider) and Czechoslovakia (Skoda). The French allies are faithful allies not merely because they love the logic and lucidity of the Qual d'Orsay but because they are crucially dependent for their own national defense on the iron fields of Lorraine. Belgium purchased 80 percent of its arms from France in 1923, 35 percent in 1929, 28 percent in 1931. Poland got 58 percent of its munitions imports from France in 1927, and 46 percent from Belgium in 1931. In 1929, 94 percent of Rumania's military purchases were from France. The French provided 85.8 percent of Turkey's imports in 1931. But one should not forget the obverse of the picture. In 1931 Yugoslavia purchased 20.6 percent of its total arms imports from Germany and 34.5 percent from Austria (both states forbidden by the treaties to export arms!) and 27.7 percent from Italy, its chief political enemy. One can understand from these figures why Yugoslavia is coming to be considered the French ally least dependable in case of war.

Arms companies are a factor in much of the present political enemy.

Arms companies are a factor in much of the present political unrest in Austria and Hungary. Czech firms export arms to Yugoslavia, and the shipments pass through Austria, some carloads being occasionally "lost" in transit. And consider the Hirtenberg case. On January 9, 1933, newspaper headlines blazed with news of a cache of 50,000 rifies in the Austrian town of Hirtenberg, where they were being "repaired" while en route from Italy to Hungary. Theoretically, Hungary is a disarmed state; and the powers roared, just as they had roared 5 years before when a

secret shipment of Italian machine guns bound for Hungary was intercepted at the town of St. Gotthard on the Austrian frontier. International protests forced the Austrian Government to promise to return the Hirtenberg guns to Italy. On February 24 it became known that the general director of the Austrian State Railways, Dr. Seefehlner, one of the most respected and important officials in the country, had been discharged because he had offered socialist railway workers a "present" of 150,000 schillings (\$21,000 at par) to route the guns to Hungary after all, despite his government's promise to return them. His plan was to send sealed cars, empty, to the Italian frontier, while the actual guns should proceed in dead secrecy to Budapest. The socialist workers, decent and loyal, and also fearful that some guns would be "lost" and would remain in Austria to arm their enemies the Heinwehr, revealed the plot and protested to Chancellor Dollfuss, who squelched the scheme and summarily fired Seefehlner.

Difficulties in the way of international supervision or control of the arms traffic are almost insuperable. The nonindustrial states must buy arms somewhere. State arsenals even in the industrial states are not sufficient to care for all the needs of the state in case of war. The considerable world trade in sporting guns and ammunition, as well as arms for police purposes, is legitimate enough. Many products useful in the arms trade are useful otherwise. Ammonium nitrate is an explosive; but it is also a good fertilizer. Is cotton an instrument of war because it may become nitrocellulose? Silk, I learn from Lefebure, may be used

a good fertilizer. Is cotton an instrument of war because it may become nitrocellulose? Silk, I learn from Lefebure, may be used as armor. The United States Government has listed 3,876 peace-

as armor. The United States Government has listed 3,876 peacetime products mobilizable as munitions in time of war.

There is, moreover, relentless opposition to the control of the arms traffic by governments from the point of view of national defense. The League of Nations has explored the ground toward control by a questionnaire to all nations asking particulars of their state and private munitions works. The answer of the British Government is an evasive and hypocritical masterpiece. "No useful purpose," says the reply, "will be served by attempting to give a list of private undertakings such as is apparently required to answer this question. \* \* \* His Majesty's Government \* \* \* regret their inability to give a detailed answer." France and the United States, in contrast, gave very full and frank answers. Some countries, for instance Czechoslovakia, have made no answer to date at all. no answer to date at all.

no answer to date at all.

Above all is the fact that the arms trade is indissolubly commingled with the general iron and steel industry, and the electrical and chemical industries as well. "There is only one way to disarm a great industrial state, and that is to destroy all its industries," Gen. J. H. Morgan, of the Inter-Allied Military Commission that sought to disarm Germany, has said. Another writer on arms, Francis Delaisi, points out that "no state is rich enough to immobilize the capital necessary for the needs of its defense." Certainly until private profits in the steel and chemical businesses are eliminated no really effective arms control is possible. It should be clear that the problem of disarmament is basically industrial. War will exist as long as private profits—maybe longer.

basically industrial. War will exist as long as private profits—maybe longer.

Efforts, however vain, to control the arms traffic date back to 1890, when the Brussels Act was signed by 17 states forbidding arms sales to parts of Africa. Of course, the main object of this embargo was to prevent sales of weapons to natives who might make trouble for the agents of white imperialism. In 1919 a similar embargo for China was signed by 11 countries, but it was never seriously effective.

The League of Nations began bravely enough in 1919 with article 23 of the Covenant, entrusting "the League with general supervision of the trade in arms and ammunition with the countries in which control of this traffic is necessary to the common interest." Bad joke this seems now. Also in 1919 the Convention of St. Germain was signed by 23 countries, limiting arms exports to recognized governments of other states. Idealism ran high—in 1919. But the convention was never ratified by the big producers and never went into effect.

Soon the League established a temporary mixed commission to try its luck, and in 1925 a full-dress arms traffic conference met at Geneva. It was attended by 44 nations, and it produced a draft convention which, like the St. Germain Convention, prohibited arms sales except by government license to other governments. But the 1925 convention is a dead letter, because it required ratification by 14 states. By 1932, 13 states had ratified, and the United States would make the fourteenth. But both Great Britain and France ratified only on condition that all other producing states would likewise ratify, which has not been done.

The League started over again. A special commission was apdone

The League started over again. A special commission was appointed in 1926. It produced nothing but pious resolutions. But it was supposed to "handle" the arms traffic, and thus the traffic was excluded from consideration by the preparatory commission for the Disarmament Conference which sat from 1926 to 1931. As a consequence there was no mention whatever of the arms traffic on the agenda of the World Disarmament Conference when it conversed in Fabruary 1932—shocking demonstration of when it convened in February 1932—shocking demonstration of the abject refusal of governments to intrude on the province of munitions making. Not till the summer of 1932 did the conference, pestered into action by Mr. Madariaga, of Spain, set up an arms traffic committee. It is still working. On what it is difficult to say, the disarmament conference as a whole being dead beyond recall.

To the Madariaga committee, however, came one ray of hope.

America had refused to ratify even the St. Germain Convention

and had resolutely favored noninterference with arms makers. But in November 1932 Hugh Wilson, American Minister at Berne, announced a sudden reversal of the traditional American attitude. "The United States was prepared to accept supervision of private manufacture, provided that state manufacture was also supervised", Mr. Wilson said. Then in 1933 President Hoover asked Congress to ratify the 1925 convention and urged Presidential powers to enforce an arms embargo. The arms lobby fought savagely to defeat the measure; it succeeded. But President Roosevelt, within 10 days of taking office, let it be known that he would ask for the same authority. To date final action has not been taken.

has not been taken.

In February 1933 the French, Spanish, Polish, and Danish Governments combined to produce a new resolution which, granting the millennium, might have interesting results. It suggests concentration of all arms manufacture in the hands of the state, centration of all arms manufacture in the hands of the state, but with the profits of individual manufacturers safeguarded in that the state would take over their production only at the point "where the product undergoes the first transformation which renders it unfit for pacific purposes and destines it exclusively for military use." It will be noted that all measures planned by the League merely suggest (a) government control of production, (b) restriction of sales from governments to governments. Each state is entitled to pile up within its own borders whatever mountains of munitions for the slaughter of fellow men it thinks it needs.

Every writer on the arms traffic I have encountered has enumerated the charges outlined by the League's temporary mixed commission in 1921. The report says that armament firms have:

1. Been active in fomenting war scares and in persuading their own countries to adopt warlike policies and to increase their armaments;

armaments:

2. Attempted to bribe government officials both at home and abroad;

Disseminated false reports concerning the military and naval expenditures of various countries in order to stimulate armament

expenditures;

4. Sought to influence public opinion through the control of newspapers in their own and foreign countries;

5. Organized international armament rings through which the armaments race has been accentuated by playing off one country against the other;

against the other;
6. Organized international armament trusts which have increased the price of armaments to governments.

These charges were made almost 15 years ago; with increased force they hold good today. I do not think that arms traffickers alone can make a war; they simply supply the fuel for politicians, militarists, "patriots." But armament has, one might say, a certain relation to disarmament. And it is plain that no disarmament can be effective in the world if private arms makers are free to ply their trade at will. are free to ply their trade at will.

Gen. Sir Herbert Lawrence, chairman of Vickers, said on April 4, 1932, "Reductions in armaments, under the influence of public opinion both in this and other countries, have affected adversely your company's trading balance." This strikingly demonstrates the healthy fear of armament makers for disarmament schemes, the healthy lear of armament makers for disarmament schemes, and the fact that practical disarmament is the one thing which can break the traffic. Yet the traffic itself makes disarmament impossible—a tragic paradox. Two-hundred-odd firms in the world earning cold cash profits on smashed brains or smothered lungs make it clear that disarmament, fundamentally an industrial problem, is impossible to achieve under the present economic system.

[From the Christian Science Monitor, Boston, May 16, 1934] DEMONETIZING WAR

(By Senator ARTHUR H. VANDENBERG, member of the Senate Committee to Investigate the Munitions Industry)

The Senate of the United States intends, if possible, to demonetize war. Through the instrumentality of a select committee specifically ordered to this life-saving task, the Senate proposes to identify whatever malignant influences conspire, in the name of monetary profits, to promote the frictions which destroy peace; and to isolate the influences which, through cupidity, paralyze our resistance to avoidable and needless combat. If and when the identification succeeds, necessary and adequate remedies will be

dentification succeeds, necessary and adequate remeats and sapplied.

The commercial motive is public enemy no. 1, confronted by a war-tired but ever war-threatened world. Against this enemy the first formal and official assault is now organizing in America. It seeks to drive the money-changer from the temples of peace. It aims to strike the dollar sign from the battle flags of the Republic. So far as America can set the fashion it hopes to strip war of its yawning cash registers and to give neighbor-liness a change. ss a chance.

This, in my view, is practical patriotism. More, it is practical pacifism at work upon a rational, resultful formula.

I refer to the select committee's labors, now organizing in Washington, in response to Senate Resolution No. 206, which was introduced and sponsored by Senator Gerald Nye, of North Dakota, and myself. The personnel of the committee is as follows: Senators Nye; Pope, of Idaho; Bone, of Washington; Clark, of Missouri; George, of Georgia; Barbour, of New Jersey; Vandenberg, of Michigan. After several uncertain weeks, the Senate ordained the committee without dissent. The appointments were made by Vice President Garner. Thus we take the trail. The

country may be entirely certain that the quest will persist to the bitter end, come what may. This is the new Armageddon.

Paraphrasing Senate Resolution No. 206, these are some of the questions to be answered:

What is the nature and extent of the war-munitions business in

the United States?

What is its traffic with other nations where, wittingly or otherwise, we may encourage the brutal ends and aims of war?

Is existing legislation adequate to the domestic control of this enginery of organized death?

Do existing treaties suffice to curb unwelcome export of Ameri-

can munitions into other lands where they—and the high-power salesmanship behind them—may become impulse and stimulation to bad blood?

Should such instrumentalities, with their utterly far-reaching implications, be put under closest Federal license and control?

Is it perhaps even advisable to constitute a Government monopoly in respect to the manufacture of armaments and munitions?

How, in the unhappy and unthinkable event of another war involving our own people, can we equalize its burdens, democratize its common responsibilities, and assure its immunity to the scandalous curves of profiteers? dalous curse of profiteers?

How may we best promote peace in respect to all of these suggested factors?

Could any questionnaire come closer to the heart of humanity's welfare? It is my view that an adequate and sustained answer to such questions as these can become the greatest peace charter the greatest new emancipation—ever written in America. It could terminate the deadliest brigandage which stalks the highways of

There is nothing new in this psychology which condemns and outlaws the commercial motive in the eternal struggle between peace and war. The Nation's veterans themselves—those who know best the battle's cost—have tenaciously pursued this theme from the first hour when the American Legion was organized in the aftermath of the great world cataclysm. They have been demanding invocation of the principle of universal service so demanding invocation of the principle of universal service so that the citizen at home hereafter shall make common contribution to the common cause along with the citizen in uniform who treads the valley of the shadow. They have been correctly told that it cost about \$25,000 per casualty to kill men in the World War—horrible contemplation!—and they demand that coupon clippers shall enjoy no such comfortable revenue in the untoward event of renewed slaughter. They know about the excess profits which flowed into hospitable home coffers while less fortunate retricts were threading alien trenches at grips with grief and patriots were threading alien trenches, at grips with grief and under perpetual sentence of potential death, for a dollar a day and less. They think that American "equality" should be more

and less. They think that American "equality" should be more literal—and so do I.

This phase of the problem was canvassed in 1930-31 by an earlier congressional group—the so-called "War Policies Commission"—upon which I also had the honor and the privilege of serving. We recommended that, in the event of another war, 95 percent of all individual and corporate income in excess of the preceding 3-year average should be taxed into the reservoirs of our common defense, thus creating a true fraternity of resources under the flag. But Congress never saw fit to validate this neat prospective curb upon war profits; and the then Secretary of the Treasury discouragingly advised us that it was impractical to write a war-tax formula until we are actually in the war and are oriented to the contemporary problem.

a war-tax formula until we are actually in the war and are oriented to the contemporary problem.

That will not do. It robs the proposition of its preventive influence. An ounce of prevention is still worth more than a pound of cure. We want the country to know in advance that the next war will be no picnic for anybody; that none need contemplate or encourage it with any hungry appetite for anticipated profit or preferment; that there will be no favorites in counting rooms or shipyards or other soft havens of safety and advantage; and that it will be hell for everybody if it is hell for anybody, borrowing Sherman's frank and truthful idiom.

This would produce the evolution of an invincible national de-

ing Sherman's frank and truthful idiom.

This would produce the evolution of an invincible national defense of the national destiny, it might be said in passing. But it also and particularly means that war decisions hereafter will be made in the full, advance knowledge of its common cost; and to whatever extent a bloody business boom—God save the mark!—might otherwise dull the sensibilities of some citizens, this sordid encouragement to war will be withdrawn.

This new select committee will review the work of the War Policies Commission, bring it down to date, and—I dare to hope and believe—give its objectives and its recommendations new life and effective molars.

and effective molars.

But this touches only the rim of the problem. A recent magazine article, ably discussed on the floor of the Senate by the brilliant and courageous Senator Borah, of Idaho, disclosed the ramifications of the European munitions lobby, its vicious interramifications of the European munitions lobby, its vicious interlocking influences at work behind the continental diplomatic scenes, its amazing intrigues against peace, and its murderous racket in selling arms to both belligerents, whom, at the same time, it may have adroitly inspired in a given situation to leap at each others' throats. The black extent to which the commercial motive may thus crush out every humane consideration and every Christian or patriotic creed is indicated in the suggestion that these continental munitions makers have often sold guns to the potential enemies of their own government and country—guns subsequently turned back upon their own brethren, who became cannon fodder in the most gruesome of all fratricides. Civiliza-

tion cannot indefinitely survive such blight. The insane impartiality with which munitions are sold in the world's market place is a constant invitation to this fratricide, because, no matter how unmeditated may be the ultimate tragedy at the moment of instant sale, who can be sure that today's friend may not be

It is often stated—and sometimes dangerously near proved—that every peace conference is infested with facile agents of these merchants of murder, covertly at work to spread the poisons of suspicion and doubt and hostility, setting nation against nation, encouraging hates and fears, lest there be too much concord for

encouraging hates and fears, lest there be too much concord for the good of the munitions' treasuries. We cannot roam the world in scrutiny of these suspicions; but we can assess the realities insofar as they may be found to come home to the United States. I expressly state that I do not impugn the motives of any particular American business or any particular American captain of industry. There is ample and proved patriotism in these ranks. Never can you safely or justly indict a class. But I say that we all, including business and industry itself, deserve the truth. The truth, nothing else or less, is the objective of this new clinic. Sketching suggestively, there is the interesting question—frequently raised but never answered—as to the degree to which American munitions makers may have figured in the frequent revolutions which have plagued Central and South America. There is the equally interesting question whether there is any con-

revolutions which have plagued Central and South America. There is the equally interesting question whether there is any consanguinity between American bank loans in these areas and subsequent orders for American war materials in the same areas. There is much justified curiosity as to the extent to which military factions in China—not to mention the militarists of Japan—have been served from the United States. There is still poignant memory of a \$25,000 American lobbyist who was sent to Geneva by three of our largest warship builders to bestir opposition to any further limitations upon pavies during a recent conference dedifurther limitations upon navies during a recent conference dedi-cated to this laudable and highly necessary objective. Indeed, there are innumerable conundrums to be solved ere our own house

is set in order.

I am not a believer in the regimentation of American private business. But my conscience cannot escape the inquiry whether the business of the national defense, the business of war and the business of the national defense, the business of war and peace, the business of manufacturing the instrumentalities of mass destruction has any right to a private character at all. It goes to the roots of human society, its safety, its tranquillity, its perpetuation, its dearest aspirations. It involves the lives and destinies of every man, woman, and child—born or yet to be born. It touches every home and hearthstone. It shadows every mother's heart. It is the law to some of our expected critical leaves. Can

It touches every home and hearthstone. It shadows every mother's heart. It is the key to some of our sweetest spiritual hopes. Can such a thing be "private" in any logical or appropriate aspect? An ambitious American producer has perfected a shell. According to his own advertisement respecting this new shell, "its fragments become coated in acid. Wounds caused by these fragments mean death in terrible agony within 4 hours. From what we are able to learn of conditions in the trenches, it is not possible to get medical assistance to anyone in time to prevent fatal results." What a triumph! "Terrible agony!" Death guaranteed! "Taps" over there! More dividends over here! Business as usual!

Over there: More dividends over here: Business as usual?

I repeat: Can such a thing be a "private" matter in any logical or appropriate aspect? And how much sterner is the challenge if the inevitable commercial motive—playing upon one of our universal human impulses—shall be found to influence decisions

universal human impulses—shall be found to influence decisions which determine peace or war.

I am neither pacificist nor militarist as those terms usually apply. I am not a noncontender. I do not carry chips upon my shoulders; but neither do I carry my arms in a sling. I believe in an adequate national defense because I believe that unshared idealism is a menace and that an impotent Uncle Sam would lose all persuasive authority in his critical contacts with other great world powers. We dare not disarm in an armed world. I believe in unavoidable preparedness against mad dogs in the international kennel. But I believe in peace—and in the futility of this unnatural, illogical thing called war—with all the passion of my soul. Sometimes my friends are impatient with me, and even question my fidelity to this ideal, because I do not always leap to the embrace of every patent formula which pretends to promise peace. But I do not want any shadow-boxing formula which may keep the word of promise to the ear and break it to the hope. I am a realist. I want practical pacifism, consistent with national honor and national safety, which strikes at the realities and serves

I am a realist. I want practical pacinsm, consistent with national honor and national safety, which strikes at the realities and serves them effectually and with some degree of finality.

This means, in its largest sense, maximum world disarmament by mutual international agreement. Our own lonesome disarmament might set a thrilling example, but it would first isolate and then sterilize our ideals in respect to world results. I believe we are ready to go as far in mutual arms limitations as any power on control our leadership, in this behelf must be unflagging. More are ready to go as far in mutual arms limitations as any power on earth. Our leadership in this behalf must be unflagging. More power to all such efforts, particularly at the moment when peace gasps for breath on many a distraught and uneasy boundary line. If there is a commercial motive in any degree retarding these achievements, it is guilty of unutterable treason. To exterminate any such influences is to make patriotism real and to make religion practical.

practical.

So we summon this public enemy no. 1 to the bar of public opinion in the United States. We put the culprit on trial. We charge him with his responsibilities. We intend, if it can be done, to drive him to the gallows of the American conscience.

If the world would follow suit—forget conquest and outlaw

-war might one day be entombed in its own sepulcher.

DEFICIENCY APPROPRIATIONS—CONFERENCE REPORT Mr. ADAMS submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9830) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 37, 41, 42, 44, 62, 84, 96, 97, 101, 105, 106, 281, and 284.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 6, 7, 8, 10, 11, 12, 13, 14, 15, 16, 17, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 30, 32, 33, 36, 38, 43, 45, 46, 47, 48, 49, 51, 52, 53, 54, 55, 56, 57, 58, 61, 63, 64, 65, 66, 69, 70, 71, 73, 75, 76, 79, 80, 81, 82, 83, 86, 87, 88, 89, 90, 91, 92, 93, 98, 102, 103, 107 to 265, both inclusive, 266, 267, 268, 269, 271, 272, 273, 274, 277, 278, 279, 283, 285, 287, 283, 289, 290, and 291, and agree to the same. Amendment numbered 5: That the House recede from its

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In line 1 of the matter inserted by said amendment strike out the word "unexpended" and insert in lieu thereof the word "unobligated"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In line 1 of the matter inserted by said amendment strike out the word "unexpended" and insert in lieu thereof the word "unobligated"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "\$8,-500"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$175,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "\$300,000"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment amended to read as follows: ": Provided, That persons employed hereunder may be appointed for temporary service for a period not in excess of 6 months, without regard to civil service rules and regulations"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "\$50,000"; and the Senate agree to the same with an amendment insert "\$50,000";

and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment as follows: In line 1 of the matter inserted by said amendment strike out the word "unexpended" and insert in lieu thereof the word "unobligated"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: In line 1 of the matter inserted by said amendment strike out the word "unexpended" and insert in lieu thereof the word "unobligated"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment as follows: Before line 1 of the matter inserted by said amendment insert as center head "Bureau of Agricultural Economics"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "\$5,000"; and the Senate agree to same.

Amendment numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment as follows: In line 5 of the matter inserted by said amendment insert in the first blank "14" and in the second blank "352"; and the Senate agree to the same.

Amendment numbered 67: That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment as follows: In lieu of the sum "\$335,860", where named in said amendment, insert the sum "\$250,000", and in lieu of the sum "\$245,460", where named in said amendment, insert the sum "\$160,000"; and the Senate agree to the same.

Amendment numbered 68: That the House recede from its disagreement to the amendment of the Senate numbered 68, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "\$25,000"; and the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment as follows: In line 9 of the matter inserted by said amendment strike out "\$91,190" and insert in lieu thereof "\$80,000" and in line 11 of the matter inserted by said amendment strike out "\$1,896,990" and insert in lieu thereof "\$1,500,000"; and the Senate agree to the same.

Amendment numbered 74: That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "\$125,000"; and the Senate agree to the same.

Amendment numbered 77: That the House recede from its disagreement to the amendment of the Senate numbered 77, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "\$100,000"; and the Senate agree to same.

Amendment numbered 78: That the House recede from its disagreement to the amendment of the Senate numbered 78, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "\$75,000" and the Senate agree to the same.

Amendment numbered 85: That the House recede from its disagreement to the amendment of the Senate numbered 85, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "\$75,000"; and the Senate agree to the same.

Amendment numbered 94: That the House recede from its disagreement to the amendment of the Senate numbered 94, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"Waterways Treaty, United States and Great Britain; International Joint Commission, United States and Great Britain: For completing necessary special or technical investigations in connection with matters which fall within the scope of the jurisdiction of the International Joint Commission, including the same objects specified under this head in the Department of State Appropriation Act, 1933, \$17,555."

And the Senate agree to the same.

Amendment numbered 95: That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "\$75,000"; and the Senate agree to the same.

Amendment numbered 99: That the House recede from its disagreement to the amendment of the Senate numbered 99, and agree to the same with an amendment as follows: In line 2 of the matter inserted by said amendment strike out the word "the" where it occurs the second time and insert in lieu thereof the following: "final and complete"; and the Senate agree to the same.

Amendment numbered 100: That the House recede from its disagreement to the amendment of the Senate numbered 100, and agree to the same with an amendment as follows: At the end of the matter inserted by said amendment insert the following: "The expenditure of such sum shall be subject to the receipt of assurances satisfactory to the President from such governments of their cooperation in such survey and construction"; and the Senate agree to the same.

Amendment numbered 104: That the House recede from its disagreement to the amendment of the Senate numbered 104, and agree to the same with an amendment as follows: In line 9 of the matter inserted by said amendment insert in the blank "14"; and the Senate agree to the same.

Amendment numbered 270: That the House recede from its disagreement to the amendment of the Senate numbered 270, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "To meet the emergency and necessity for relief in stricken agricultural areas, to remain available until June 30, 1935, \$525,000,000, to be allocated by the President to supplement the appropriations heretofore made for emergency purposes and in addition thereto for (1) making loans to farmers for, and/or (2) the purchase, sale, gift, or other disposition of, seed, feed, freight, summer fallowing and similar purposes; expenditures hereunder and the manner in which they shall be incurred, allowed, and paid, shall be determined by the President, and may include expenditures for personal services and rent in the District of Columbia and elsewhere and for printing and binding and may be made without regard to the provisions of section 3709 of the Revised Statutes"; and the Senate agree to the same.

Amendment numbered 275: That the House recede from its disagreement to the amendment of the Senate numbered 275, and agree to the same with an amendment as follows: In lines 15, 16, and 17 of the matter inserted by said amendment strike out the following: "and not to exceed \$60,000 for a survey of the effect of the code on labor conditions in the petroleum industry, fiscal year 1935, \$2,096,000" and insert in lieu thereof "fiscal year 1935, \$1,500,000"; and the Senate agree to the same.

Amendment numbered 276: That the House recede from its disagreement to the amendment of the Senate numbered 276, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: ", and which sum is a part of the \$200,000,000 authorized to be appropriated by section 1 of the act entitled 'An act to increase employment by authorizing an appropriation to provide for emergency construction of public highways and related projects, and to amend the Federal Aid Road Act, approved July 11, 1916, as amended and supplemented, and for other purposes', approved June —, 1934"; and the Senate agree to the same.

Amendment numbered 280: That the House recede from its disagreement to the amendment of the Senate numbered 280, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$5,000,000"; and the Senate agree to the same.

Amendment numbered 282: That the House recede from its disagreement to the amendment of the Senate numbered 282, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$2,000,000"; and the Senate agree to the same.

Amendment numbered 286: That the House recede from its disagreement to the amendment of the Senate numbered 286, and agree to the same with an amendment as follows: Strike out lines 68, 69, 70, and 71 of the matter inserted by said amendment and insert in lieu thereof the following: "be covered into the Treasury as miscellaneous receipts"; and the Senate agree to the same.

Amendment numbered 292: That the House recede from its disagreement to the amendment of the Senate numbered 292, and agree to the same with an amendment as follows: In line 2 of the matter inserted by said amendment strike out "October" and insert "December"; and the Senate agree to the same.

Amendment numbered 293: That the House recede from its disagreement to the amendment of the Senate numbered 293, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: ": Provided further, That not exceeding \$30,000 of the sum herein appropriated shall be expended for construction of a retaining wall and/or improvement of grounds of Federal building at Reno, Nev."; and the Senate agree to the same

ALVA B. ADAMS,
KENNETH MCKELLAR,
JAMES F. BYRNES,
FREDERICK HALE,
L. J. DICKINSON,
Managers on the part of the Senate.
J. P. BUCHANAN,
EDWARD T. TAYLOR,
W. A. AYRES,
WILLIAM W. ARNOLD,
WILLIAM B. OLIVER,
Managers on the part of the House.

Mr. ROBINSON of Arkansas. I move that the Senate proceed to the consideration of the conference report on House bill 9830, being the deficiency appropriation bill.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

Mr. LA FOLLETTE. Let us have a quorum before that motion is put.

Mr. ROBINSON of Arkansas. Very well.

Mr. LA FOLLETTE. I suggest the absence of a quorum. The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Hebert	Reynolds
Ashurst	Couzens	Johnson	Robinson, Ark.
Austin	Davis	Kean	Robinson, Ind.
Bachman	Dickinson	King	Russell
Bailey	Dieterich	La Follette	Schall
Barbour	Dill	Logan	Sheppard
Barkley	Duffy	Lonergan	Shipstead
Black	Erickson	Long	Smith
Bone	Fess	McCarran	Steiwer
Borah	Fletcher	McGill	Stephens
Brown	Frazier	McKellar	Thomas, Okla.
Bulkley	George	McNary	Thomas, Utah
Bulow	Gibson	Murphy	Thompson
Byrd	Glass	Norbeck	Townsend
Byrnes	Goldsborough	Norris	Tydings
Capper	Gore	Nye ·	Vandenberg
Caraway	Harrison	Overton	Wagner
Carey	Hastings	Patterson	Walsh
Clark	Hatch	Pittman	Wheeler
Coolidge	Hatfield	Pope	White

Mr. ROBINSON of Arkansas. I announce the absence of the Senator from California [Mr. McAdoo], occasioned by continued illness, and the absence of the Senator from Florida [Mr. Trammell], the Senator from Indiana [Mr. Van Nuys], the Senator from New York [Mr. Copeland], and the Senator from West Virginia [Mr. Neely], who are necessarily detained.

Mr. HEBERT. I announce that the Senator from Pennsylvania [Mr. Reed] is absent because of illness, and that the Senator from Maine [Mr. Hale], the Senator from New Hampshire [Mr. Keyes], and the Senator from Rhode Island [Mr. Metcalf] are necessarily detained from the Senate.

The VICE PRESIDENT. Eighty Senators have answered to their names. A quorum is present. The question is on the motion of the Senator from Arkansas to proceed to the consideration of the conference report on the deficiency appropriation bill.

Mr. LA FOLLETTE. Mr. President—
The VICE PRESIDENT. The Senator from Wisconsin.

able?

before the motion shall be voted upon.

The VICE PRESIDENT. Is there objection to the Senator from Wisconsin making a statement?

Mr. DILL. The Senator does not have to have unanimous consent for that purpose.

The VICE PRESIDENT. The motion is not debatable. Mr. LONG. What? The conference report is not debat-

The VICE PRESIDENT. The motion to consider the conference report is not debatable. The conference report itself is debatable, but the motion to consider the conference report is privileged, and the rule expressly provides that it is not debatable. The Chair was trying to ascertain whether there was objection to the Senator from Wisconsin proceeding.

Mr. LA FOLLETTE. I ask unanimous consent that I may be permitted to make a brief statement.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from Wisconsin will proceed.

Mr. LA FOLLETTE. Mr. President, nearly every Senator in the Chamber is familiar with the situation which confronts the Senate so far as the consideration of legislation is concerned. The conference report on the deficiency appropriation bill is absolutely the last essential measure which must be acted upon before the adjournment of the Congress. Pending on the calendar is Order of Business No. 1127, being the bill (S. 3266) to amend the Railway Labor Act approved May 20, 1926, and to provide for the prompt disposition of disputes between carriers and their employees.

This measure has been carefully considered by the Senate Committee on Interstate Commerce. A measure dealing with a similar phase of the Railway Labor Act, although not identical with the Senate bill, passed the House several days ago, and, as I understand, is still on the desk of the Vice President.

This measure has the unanimous and ardent support of every one of the standard railway labor organizations.

Mr. LONG. Mr. President-

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Louisiana?

Mr. LA FOLLETTE. Mr. President, I think, in all good faith, I should yield only for a question.

Mr. LONG. That is all I was going to ask. I understand that this bill has the endorsement also of the administra-

Mr. LA FOLLETTE. Mr. President, I am not authorized to speak for the administration.

Mr. DILL. Well, it has.

Mr. LA FOLLETTE. But, as I started to say just a moment ago, this measure has the ardent and unanimous support of all the standard railway labor organizations of the country, according to my information. It is a vitally important piece of legislation to them, and they have been concentrating their efforts to secure its consideration before the Congress shall adjourn

It is my understanding that the measure also has the endorsement of the spokesman for the administration upon railway labor legislation, namely, the Honorable Joseph B. Eastman, Coordinator of the Railroads.

Mr. DILL. Mr. President-

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Washington?

Mr. LA FOLLETTE. I yield.

Mr. DILL. I may say to the Senator that Mr. Eastman prepared the bill. He approves the amendments the Senate committee has adopted and appearing in the bill as reported to the Senate. He represents the administration in that respect

Mr. LA FOLLETTE. The amendments which the bill proposes to the Railroad Labor Act are essential to the continued peaceful relations between the railroad employees and the carriers. The opposition to this bill, in my judgment, represents a small minority in the Senate.

I rose, however, to state, Mr. President, that, in my opinion, if the conference on the deficiency bill shall be disposed of prior to the consideration by the Senate of the bill pro-

Mr. LA FOLLETTE. I wish to make a brief statement | posing amendments to the Railway Labor Act, it is clear that the bill proposing such amendments will not be acted upon at this session of Congress; and before the vote should be taken on the motion of the Senator from Arkansas, I wanted to express upon the floor of the Senate my firm conviction that the Senate should first proceed to consider Senate bill 3266, proposing to amend the Railway Labor Act, and then, after that shall have disposed of, proceed to the consideration of the conference report on the deficiency

> Mr. WAGNER. Mr. President, will the Senator yield? The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from New York?

Mr. LA FOLLETTE. I yield.

Mr. WAGNER. I desire to ask the Senator a question. Assuming that a majority of the Senators favor the railway labor bill, would it be possible to adjourn the Senate so long as that majority should stand firm in its determination that the railway labor bill shall be considered?

Mr. LA FOLLETTE. With a qualification of the Senator's statement, of course, it is not possible to adjourn the Congress without a majority of the Senate consenting. But I have been present too often in the closing hours of the sessions not to know if the conference report on the deficiency bill, which is the last measure vitally essential prior to final adjournment, shall be disposed of, and in view of the fact that a resolution to adjourn is not debatable. that when sufficient time shall have elapsed Senators will be so anxious to adopt the resolution for final adjournment that it will not be possible to defeat it.

Mr. CLARK. Mr. President, will the Senator yield? The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Missouri?

Mr. LA FOLLETTE. I yield.

Mr. CLARK. Has the Senator from Wisconsin in his experience ever seen a situation where it was possible to muster anything like the necessary number of votes against a final adjournment resolution, presented by the leadership of the body, that could be mustered against the consideration of any particular bill?

Mr. LA FOLLETTE. No. I may say to the Senator from Missouri that I have had a tragic experience upon this very question time after time, particularly when legislation of great importance was pending. I have heard the same suggestion as that of the Senator from New York IMr. WAGNER] made in the closing days of other sessions of the Congress, that if a majority of the Senate were favorable to a certain bill, of course, the Senate would not adjourn until that bill should be disposed of.

But here is the situation with which we are going to be confronted, and we might as well speak frankly about it: If the conference report on the deficiency bill is adopted—as I have stated several times, it is the last absolutely essential measure that must be disposed of before final adjournmentassume that we have an opportunity after the conference report has been disposed of, to move to the consideration of the railway labor bill. We have the statement made by the senior Senator from Delaware [Mr. Hastings] that he is prepared to speak at any length necessary to defeat the bill. We will grind along through the afternoon and come into the late hours of the night. Senators will be tired. Many of them will have made reservations for night trains leaving Washington. The resolution for final adjournment will be laid down, it will not be debatable, and it will be agreed to. Therefore, I say that every Senator who wants to have action upon the railway labor bill, or upon any other bill that is now still waiting for action, should vote against the motion to proceed to the consideration of the conference report.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Arkansas [Mr. Robinson] to proceed to the consideration of the conference report.

Mr. LA FOLLETTE. On that question I ask for the yeas and nays.

Mr. WHEELER. Mr. President-

The VICE PRESIDENT. Is the demand seconded?

The yeas and nays were ordered. Mr. WHEELER. Mr. President-

The VICE PRESIDENT. For what purpose does the Senator rise?

Mr. WHEELER. I was endeavoring to secure recognition. The VICE PRESIDENT. The motion before the Senate is not debatable. A motion to proceed to the consideration of a conference report, being a privileged motion, is not debatable. If the conference report shall be taken up it will be debatable. The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBINSON of Arkansas (when his name was called). I have a general pair with the Senator from Pennsylvania [Mr. REED], which I transfer to the senior Senator from New York [Mr. COPELAND], and vote "yea."

The roll call was concluded.

Mr. LA FOLLETTE. I desire to announce the unavoidable absence of the senior Senator from New Mexico [Mr. CUTTING]. If present, he would vote "nay."

Mr. WHITE. I desire to announce the necessary absence of my colleague [Mr. HALE]. If he were present, he would vote "yea."

Mr. HEBERT (after having voted in the affirmative). have a general pair with the Senator from Illinois [Mr. LEWIS]. I understand if present he would vote as I have voted on this question. Therefore I allow my vote to stand.

Mr. COSTIGAN. The Senator from West Virginia [Mr. NEELYl is unavoidably absent. If present, he would vote

'nav'

Mr. TYDINGS. I have a general pair with the Senator from Rhode Island [Mr. METCALF], which I transfer to the junior Senator from Florida [Mr. TRAMMELL], and vote yea."

Mr. ROBINSON of Arkansas. I desire to announce that the Senator from California [Mr. McAdoo] is detained from

the Senate by illness.

I also wish further to announce that the Senator from Indiana [Mr. Van Nuys], the Senator from Texas [Mr. CONNALLY], the Senator from Florida [Mr. TRAMMELL], the Senator from New York [Mr. COPELAND], the Senator from Illinois [Mr. Lewis], and the Senator from West Virginia [Mr. NEELY] are necessarily detained.

Mr. HEBERT. I wish to announce that the Senator from Connecticut [Mr. Walcott] is necessarily absent. If pres-

ent, he would vote "yea."

I also desire to announce the following general pairs:

The Senator from New Hampshire [Mr. Keyes] with the Senator from Indiana [Mr. Van Nuys];

The Senator from Maine [Mr. HALE] with the Senator from West Virginia [Mr. NEELY]; and

The Senator from Connecticut [Mr. WALCOTT] with the Senator from California [Mr. McADOO].

The Senator from Pennsylvania [Mr. REED] is absent on account of illness.

Mr. WALSH. Mr. President, I desire to announce that the Senator from Wyoming [Mr. O'MAHONEY] is detained at the Department of Agriculture. He is expected here momentarily, and I am authorized to announce that if he were present he would vote "nay."

Mr. ROBINSON of Arkansas. The Senator from Arizona [Mr. HAYDEN] and the Senator from Alabama [Mr. BANK-HEAD] are detained in a conference at the White House.

The result was announced—yeas 41, nays 39, as follows:

VEAS 41

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Adams Austin Bachman Bachman Balley Barbour Barkley Bulkley Bullow Byrd Byrnes Coolidge	Dickinson Dieterich Duffy Fess Fletcher George Gibson Glass Goldsborough Gore Harrison	Hastings Hebert Kean King Lonergan McKellar McNary Murphy Patterson Robinson, Ark. Sheppard YS—39	Smith Steiwer Stephens Thomas, Utal Townsend Tydings Walsh White
Ashurst Black Bone	Borah Brown Capper	Caraway Carey Clark	Costigan Couzens Davis

Dill	Logan	Overton	Shipstead
Erickson	Long	Pittman	Thomas, Okla.
Frazier	McCarran	Pope	Thompson
Hatch	McGill	Reynolds	Vandenberg
Hatfield	Norbeck	Robinson, Ind.	Wagner
Johnson	Norris	Russell	Wheeler
La Follette	Nye	Schall	- Carrier and a large
	NOT	VOTING-16	
Bankhead	Hale	McAdoo	Reed
Connally	Hayden	Metcalf	Trammell
Copeland	Keyes	Neely	Van Nuys
Cutting	Lewis	O'Mahoney	Walcott
Charles of the Control of the Contro		THE RESERVE OF THE PARTY OF THE	

So the motion was agreed to, and the Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9830) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplementary general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to

the report.

FARMERS' RELIEF

Mr. LONG. Mr. President, I wish to call the attention of the Senate to the fact that I am again having trouble over in the House with Senate bill 3580.

On Saturday night a conference was agreed to at a very late hour, at an hour when we were supposed to be adjourning. The conferees came over here from the House, and we agreed to a report; and the conferees of the Senate and of the House, of whom I was one, signed a report.

Over in the House they say they have misplaced the papers. They say that they are over here, while over here we say that they are over there. Personally, I think they are over there. It took them 7 hours to find them Saturday afternoon; and now they are all ready to go ahead with a conference report, and they say it is not there.

Mr. President, while I am speaking about this unusual, dislocated report, I am going to ask that my friend who has come from the other House consult at the desk here and see whether or not the original papers are here, and, if not, that he return while we keep up the quest. While this foraging proceeds, I want the Representative to go back and continue the search.

I am informed by the Parliamentarian here that when this conference report was agreed upon last Saturday night, sometime after 11 o'clock, the original papers should have been sent back with the announcement that they had agreed. I understand that that announcement may be in the Clerk's hands now. They are digging up the notification that we can have a conference which we have already had; and I understand that probably it is in the hands of the Clerk and that they are getting up the necessary papers so that they can send them over here.

I want to help the House. By the way, Mr. President, an erroneous ruling was made here the other night. The Chair ruled that no Senator could make any remarks reflecting on the other House. I looked up to see if there was any rule like that in the book, and there is no such rule. On the contrary, when the Senator from Nebraska [Mr. Norris] was referring to Speaker Longworth during the last administration, Vice President Curtis specifically ruled that there was no such rule and allowed the Senator from Nebraskawho is not bad at that kind of practice, anyway-to proceed with his remarks ad libitum.

Now, Mr. President, the House has lost the papers again. There is something miraculous about this. There is a malignant influence pursuing the House every time it deals with the farm bankruptcy bill. They are all set, ready to go, and, lo and behold, they have lost the papers again. [Laughter.] Everything is in a mysterious confusion. The papers are gone. The papers cannot be found. The conference report is all agreed on; it is all signed, sealed, and delivered in both Houses; and, lo and behold, the papers turn up missing

This is one of the most peculiar things I ever heard of. Trying to find Dillinger is one problem, and trying to find this House document is another problem. [Laughter.]

Why, there is more mystery about this report than anyone would have supposed possible. If I were Dillinger's lawyer today, and were trying to put Dillinger where he never could be found, I would put him somewhere in the Capitol right beside the report on the farm bankruptcy bill. [Laughter in the galleries.]

The VICE PRESIDENT. Let there be order in the galleries. The Chair requests the occupants of the galleries not to express themselves audibly one way or the other. They are guests of the Senate, and the Senate rules require the occupants of the galleries not to express themselves approvingly or disapprovingly of anything that is said or done in the Senate.

Mr. LONG. Mr. President, I received word around 12:30 last Saturday afternoon that the House had passed the farm bankruptcy bill; so I very quickly said, "Send over there and get them to send the bill over here, and let us agree to the amendment. We will not make any argument about it. The creditors have got a great deal more out of the House bill than they got out of the Senate bill, but we will not make any argument about it. This is one time something is being done for the farmer, and we will not argue for the whole loaf. We will take half a loaf. We will take a quarter of a loaf. Anything that they get through, that they will let the farmer have, we will not argue about a bit." So they said, "All right; the bill will be here in about 15 minutes." That was around 12:30 or 1 o'clock. I waited 15 minutes, and I did not hear anything of the bill. I waited another 15 minutes, and I did not hear anything of it.

Then I waited another half hour, until about 2 o'clock, and I got hold of several Representatives and two or three Senators, who told me to stay here, and they would go over to the House and institute a search for the bill. So they went over there about 2 o'clock, and they telephoned back over here-they never got back themselves; every time we would send somebody over there to find this bill he would get lost, too [laughter]—finally they telephoned back over here about 2:15 that the bill would be here in about 10 minutes.

Then I waited for a while, and 3 o'clock came, and there was no bill here, and I sent some more people over there. They went over and telephoned back that the bill would be here in about 15 minutes.

I waited along until 4 o'clock, and still there was not any bill. Finally we sent out another searching party to locate the two parties that had previously been sent over, and the bill itself. They went over there and milled around the House. Nobody knew where the bill was. It had been passed by both Houses of Congress. It was a case of mysterious disappearance. Some said it was in the Printing Office. Some said it was in the enrolling room. Some said it was at the desk. Farmers out all over the country were wondering when the bill was going to be passed. They had been promised some relief. Lo and behold, at about 5 o'clock a message came in here that the bill would be here in 30

So we waited again. The 30 minutes ran out, and we waited around and waited around. Six o'clock came, and still no bill. We kept on waiting around, and about 6:30 or 7 o'clock, lo and behold, the heavens opened up, and in came the bill. After 6 hours' time they finally succeeded in bringing the bill over here.

Then we undertook to have the House amendment agreed to by the Senate. Some Senator rose up and said that the amendment was entirely too liberal to the farmer-the amendment which gave the creditors more than they had gotten out of the Senate bill. They opposed the amendment. trying to kill the bill. Then we undertook to debate it. Finally some Senator suggested, or several Senators suggested, that if the bill were made to apply only to indebtedness previously created, there would be no objection to it. So the Senate went on record in favor of sending the bill back to conference with instructions that it should be made to apply only to previously incurred indebtedness and mortgages, and it went to conference in that way.

The papers were supposed to come over here, but they never got over here, so the parliamentarian tells me, and

ference means nothing. We can not have the conference report considered over there. They have lost the papers, and how long they are going to stay lost I do not know.

This situation reminds me very much of a friend I have down in St. Mary Parish, La., who told me how he got up from his bed in the morning. He said to me:

"I wake up in the morning, and I call my man, and he comes and brings me a little demi-tasse. I drink the coffee, and I fall back to sleep for about 15 or 20 minutes.

Then I wake up again, and I call my man, and he fixes me a common, tepid bath, and I go in and I take that bath, and then I take a shower. Then I go back to bed, and I sleep about 30 minutes more.

"Then I wake up and I call my man, and he fixes me a very cold bath. He puts a 50-pound hunk of ice in it, and I wrestle with that until I am thoroughly chilled. Then I call my man, and I go back to bed, and I sleep about 30 minutes more.

Then I get up, and I take a real hot bath, just as hot as I can stand the water. Then, after I have taken that bath, I go back, and I nod for 15 or 20 minutes.

Then my man calls me, and he brings me a second cup of coffee, and I drink that cup of coffee. Then I go back to bed, and I sleep 15 minutes more.

"Then I get up and take a shower bath, and I go back to bed and sleep about 30 minutes more.

Then I get up and eat breakfast, and I am fit for the balance of the day." [Laughter.]

Mr. LOGAN. Mr. President, will the Senator yield? The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Kentucky?

Mr. LONG. Yes, sir; I yield.

Mr. LOGAN. I believe the Senator was reared in the country. Did he ever hear of snipe hunting? That is what the House seems to have been doing.

Mr. LONG. I am glad the Senator called my attention to that. That is just what they have done. I never thought about their playing that trick on me.

We used to do that.

Mr. President, just as the Senator from Kentucky says. We used to get some fellow from the city who had come out into the country, and we would leave him with a sack, and he was supposed to stand there and hold the sack during the night, out somewhere near the brush heaps and the thickets, until we could drive the snipe into the sack. If he did not have any better sense, he would stand there all night long, and if he did not-if he went out trying to find the snipe-he would get lost out in the thicket.

Mr. President, the city boys are playing this thing with us. They have us holding the sack, waiting for them to find that bill, waiting for them to find out what has happened to the bill again. All is in confusion, everything is lost, and we cannot get the bill.

My friends on this side of the Chamber assure me of their willingness to place this matter before the Senate when we can get the conference report out of the House. That is not my trouble. The trouble is that we cannot get the House to act—that is, we cannot get the bill, we cannot find the bill, it cannot be located.

Mr. President, I wonder whether I could get unanimous consent to have the Chair appoint a committee of 3 Democrats and 2 Republicans to visit the House of Representatives and try to find the bill.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield to me?

Mr. LONG. I yield.

Mr. ROBINSON of Arkansas. I have just been informed that the papers to which the Senator refers are on their way to the Senate now.

Mr. LONG. Glory be! [Laughter.]

Mr. ROBINSON of Arkansas. I wish to add that there is no disposition on this side of the Chamber to prevent a vote on the conference report.

Mr. LONG. I understand that.

Mr. ROBINSON of Arkansas. On the contrary, it is the intention to take a vote on the conference report; and I so the clerk tells me. Now they are lost again. The con- hope the Senator will give us the opportunity to proceed

with the conference report now under consideration, since | it. Somehow or other we cannot get anything done for the it is impossible to dispose of other matters unless that may

Mr. LONG. Mr. President, that is good news. I am indeed glad. It seems as if the only way we can get anything started here is for me to make a speech. I did not know there was as much lodestone in my remarks, but every time I get up I am of material assistance. I do not want to delay anything. May I ask the Senator from Arkansas whether the matter has been voted on in the House?

Mr. ROBINSON of Arkansas. I do not know. I assume, from the Senator's statement, that the conference report should be here first.

Mr. LONG. No. We asked for the conference. Under the rules of the Senate and the House, the House consenting to the conference has to vote its approval of the legislation first, and in this instance we asked for the conference, and they consented, so they would have to vote first.

Mr. BARKLEY. If that is true, the papers would not be on their way here, unless it had been adopted in the House. Mr. LONG. Let us wait a while and see. I want to finish

Mr. ROBINSON of Arkansas. Let us go on with the pending conference report. The Senator can take the floor again if he feels it is necessary to do so in order to secure action on the report in which he is interested. I hope the Senator will not insist upon delaying the pending conference report.

Mr. LONG. I know that the Senator is aware of the fact that I am trying to do but one thing. I am trying to get justice for the farmers of this country. I am trying to do that mighty hard, and I have had a difficult time. I am only a lieutenant in this matter. I am following the lead of more worthy leaders, and I have been sounding against almost deafened conditions trying to get this bill finally completed, a bill which would give relief to the farmers.

Never have I seen such mystery about anything in my life as about this bill, which has already passed both Houses of Congress. It has been delayed, it has been flimflammed, it has been lost, it has been found, it has been resurrected, and then it dies again. There never was anything as hard as getting this bill, which has been passed by both Houses of Congress, enacted into law. I have never seen as many things done in my lifetime to keep the farmer from having what the lawmakers have said he is entitled to, as have been done with this measure. It is enough to make a man cry on the floor of the Senate when he sees what has happened, that after action at 12 o'clock on Saturday we are still here trying to get something done to put through a bill which has been passed by both Houses of Congress. I have never seen such a thing happen in my life in any legislative body, in any Congress, in any other body.

If it was anybody except the poor, down-and-out, disorganized destitute farmer, he would not stand for this thing a minute. It could not be done to anybody except the farmer. The farmers have nobody to represent them; they have no lobbyists standing outside this door; they have no telegraphic service shooting wires to all the Members of Congress telling them that this is a great destruction that is about to be visited upon them; but somehow or other we cannot get this bill finally enacted into law. We cannot get that done.

I have waited. I want to take the ordinary course, but I have already been subjected to too many funny things. I want the bill to come in here. I want to see what the House has done. If they come in here with those papersand it appears they have not acted on them in the other House-it will be evident that it is an absolutely clear case of hocus-pocus-that the bill is not to be finally enacted.

I do not believe it is coming now. I believe the Senator from Arkansas is willing to do what is right about the matter. He assures me that when the report gets here he will see that we get a vote on it. But there is something dead up the creek. We cannot get the bill here. I do not believe it is coming now. It may be. I do not believe any approval of the conference report is coming in. They are not going to let the farmer have it. He is not going to get

farmer.

After we have passed a bill in the United States Senate for the farmers, and after it has been passed in the House of Representatives, with every man over there voting for it except 16, still we cannot get anything done here that will assist the farmers of this country. That is the condition we are up against. We cannot get it done. There is something in the way, something wrong all the time, which makes it impossible for us to get anything done for the

It is possible to get through a bill providing the benefits of bankruptcy for the railroads; and the clerk would come to the door and say, "Mr. President, I beg to inform you that the House has consented", but we cannot get this thing through.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. ROBINSON of Arkansas. I think the Senator is laboring under a misapprehension as to the parliamentary status of this matter, as I tried to tell him just before the Senate convened.

It will be recalled that the Senate passed the bill to which the Senator from Louisiana refers, it went to the House, the House adopted a certain amendment, and sent the bill back, whereupon the Senator from North Dakota made a motion to concur in the House amendment to the Senate bill. That provoked a debate, and during the course of the debate the Senator from Louisiana moved that the bill be sent to conference. That order was entered very late Saturday night.

I am told that in the confusion which arose incident to the pressure in both Houses, particularly in the House of Representatives, the conference was not formally agreed to by the House, and therefore there has been no formal conference authorized.

I called the majority leader of the House of Representatives this morning and asked him the status of the matter, and he said it was his purpose to ask, upon the convening of the House, that the request for a conference be agreed to, and that the conferees be appointed by the Chair. That is probably the cause of the delay which has occurred in the matter since this body asked for a conference.

I am sure that if the Senator will possess himself with a little more patience the matter will be worked out of conference and be brought back to the Senate in due course for its consideration. As I have already stated, it is my expectation that a vote will be taken on the conference report.

In times like these, when literally hundreds of bills and resolutions are being brought forward, and many are being disposed of, inevitably it sometimes occurs that papers are temporarily misplaced. I do not think the Senator ought to infer, from the fact that the papers have not been here exactly when he expected them, that there has been someone deliberately trying to misplace them or to prevent

I have given the Senator my assurance, and so far as I have control of the matter it will be proceeded with in due

It is the rule, I think, that the papers are with the body which asks the conference, and the papers will be with the Senate for action first, in all probability, unless something with which I am not familiar has occurred to change the operation of the rule. As soon as the pending conference report shall be disposed of, we will take up the conference report in which the Senator is interested, if it shall reach the Senate in time.

Mr. LONG. Mr. President, somebody must be wrong. I have in my hand the conference report. The conferees were appointed on last Saturday night; they came over to the Senate, and I have in their handwriting the signed conference report.

Mr. ROBINSON of Arkansas. Mr. President, if the Senator will permit me to interrupt him again, what probably happened was what I have known to happen, during 30 years' experience in the Congress, a great many times when

the end of the session is approaching. It is known who will be the conferees under the rules of both bodies, and frequently, in anticipation of their appointment, the conferees meet and work out tentative agreements. Of course, they cannot be acted upon until the conferees are duly appointed.

As I said to the Senator from Louisiana, if that has not been done I shall be disappointed, since the majority leader of the House of Representatives assured me that it would be done when the House met this morning.

Mr. LONG. Mr. President, I myself went over to the House to see that the conferees were appointed, and they were having considerable difficulty getting appointed. They had all kinds of trouble. Finally they came over here and said they were appointed.

Whether that is true or not, it would do no harm for Congress to continue in session for a while, anyway. This Congress ought to listen to me for a while before it goes home. I have something to say to Congress and I think it would do Congress no harm to listen to me. If Senators do not care to listen to me they do not have to stay in the Chamber. When the conference report finally does come to the Senate I will know what to do, but I will not know what to do until it finally comes over.

The farmers of Louisiana have sat up for me many nights, and they are willing to do it again. I cannot tell about the city politicians, but I do know what the farmers have done and what they are willing to do for me. When it has been necessary, they have sent in their votes for me about 90 to 1. That has been done by them sometimes when they have needed me to represent them; and, Mr. President, I am going to see that the farmers get the same kind of action at my hands that I have had at their hands.

Mr. President, I have never had so many funny things happen to me at any one time in all my life. I went over to the House to be sure about it. I said to the Members over there, "Be sure not to take anything for granted. Get appointed now, and get it in a brown bag so there will not be any question about it, and then come over to the Senate and we will soon have this conference report on the way."

Later on, while I was speaking on the floor of the Senate, I saw some gentlemen come in the door and I thought they had come over with the conference report. Then someone came over and whispered in my ear that the House had appointed conferees, and I went into the cloakroom and met these gentlemen and they assured me that they had been appointed. Thereupon, while the Senate was still in session, and just before the time it recessed, I went in and took it up with them, and we wrote out the conference report.

Mr. President, the first excuse which came in was that conferees had not been appointed. I should say rather the first excuse was that they could not find the papers. That is the first thing they came in with as an excuse, that they could not find the papers. One-half hour ago my friend from Arkansas [Mr. Robinson] said that they were on their way over here, and I call the attention of the Senate to the fact that they were 30 minutes coming here with them, and the chances are they will be 30 minutes more in getting here with them.

Again I will say that it will not hurt Congress to wait a while and listen to me. Do not be in a hurry. Many people have gotten into their buggies and have driven 40 miles to hear me, back home. If Senators do not desire to hear me, they can retire to the cloakroom. I am not going to talk so as to disturb anyone out there. [Laughter in the galleries.]

The VICE PRESIDENT. Will the Senator suspend for a moment? The Chair again desires to admonish those in the galleries that if they continue to disturb the Senate by laughter, or otherwise, the Chair will have to ask the Sergeant at Arms to clear the galleries. If the audience wishes to hear the Senator, kindly keep quiet, and it will have the opportunity.

Mr. LONG. Mr. President, now I am informed again that the papers have not been found. The Senator from Arkansas [Mr. Robinson] rose 30 minutes ago and said that they had found the papers and that they were on their

way over here. Now the message is that they have not found the papers. "Here you are and here you ain't." That is the proposition we are up against. They are not going to find these papers. I tell the Senate that something is going to happen some way or other, so the farmer will not get the benefit of the passage of this bill.

The railroad bankruptcy bill—that is now a law. That went through. There was no excitement over that bill. The railroads had \$22,000,000,000 worth of debts. There was no excitement over \$22,000,000,000 worth of railroad debts, and therefore the bill permitting their going into bankruptcy was passed.

The corporations—no one knows how great their debts are. Municipal corporations have probably \$20,000,000,000 worth of debts. The farmers have \$11,000,000,000 worth of mortgages, and probably \$5,000,000,000 worth of chattel mortgages which are not classed with the other mortgages. I should say that not over \$11,000,000,000 of farm mortgages are represented in this legislation.

I desire to read an article to the Senate to show what kind of an effort is behind keeping this farm bill from passing. This is the only bill I have seen come up which will be of gain to the farmers of this country. I know about the legislation that was enacted here last year, which provided that if the farmer would put up \$10 with his application those who administered the law would consider giving him something. Does the Senate know that the farmers have up more \$10's than they have received in loans in my country? They have actually contributed \$10 fees with their applications amounting to more money than they have gotten in loans in my part of the country.

Now I understand they have raised that fee to \$25. I do not know whether that is true or not. I shall be very glad to hear that it is not. Some one, however, told me last night that he understood that fee was going up. But they had some kind of a hocus-pocus outfit—and I say that in order to compliment it-they had some kind of an outfit with which they made as though they were going to do something for the farmers. But how much have they done? Three thousand farmers have been dispossessed of their homes every day this Congress has been in session. Three thousand of them! Talk about doing something for the farmers! And here—here the papers are lost. The papers cannot be found. The conference report is coming over. No, there is no conference report. Nothing is seen of it. And, Mr. President, nothing is certain so far as it concerns relief for the farmers.

Mr. CLARK. Mr. President, will the Senator yield? Mr. LONG. I yield for a question.

Mr. CLARK. In addition to what the Senator said about the fees, his statement being also true as applied to my-State and many other States in which Senators have described conditions to me, that more money has actually been taken out of the county in the form of fees for applications than has been turned back in the shape of loans; is the Senator also aware of the fact that in many of these land banks not as much as 20 percent of the applications for loans on farms have ever been acted upon in any way, shape, or form?

Mr. LONG. That is my understanding, Mr. President. I think 20 percent is a rather high figure. And just as the Senator from Missouri has said, there has been more taken out of the farmers in the way of fees than there has been returned to the farmers in the way of loans. I understand that when one of these loans is made, before the farmer gets through paying for the title and the abstract, and for some keen-eyed lawyer who has been put on the pay roll, that the farmer does not know whether he has received anything back or not. That is what I have been told.

Here is a splendid article published in the Washington Post, Politics and People, by Elliott Thurston. I do not know Mr. Thurston. I have nothing against Mr. Thurston. He is making a living, like everyone else is trying to make a living, and he is writing the kind of thing, no doubt, which pleases the people who view the matter as he sees it. He says this—well, I will not read the part which he said

about me, because it is not intended to pay me any compliment, and I only read things which are complimentary of myself when I am not compelled to do otherwise:

By rallying Senate farm-bloc forces to fight for the bill permitting farmers to plead bankruptcy and so retain possession of their farms for at least 6 years, he produced the legislative jam which unloosed senatorial tempers and convinced the leaders that more time was needed to cool off and to effect compromise.

Now I skip and read just a little:

Nevertheless, being fearful that the President's popularity will not last, that his policies will collapse, that a fickle public will turn, a majority of Members of Congress are bent on going the limit to solidify themselves with their own constituencies, so long as it can be done without incurring the displeasure of the White House. Thus the House, all of whose Members are up for election this fall, rushed through the farmer bankruptcy bill at the eleventh hour.

Mr. President, why did they not accuse these timid Congressmen, these cowardly representatives of the people, of being timid when they passed the railroad bankruptcy bill? They did not accuse them of any demagoguery when they voted the railroad bankruptcy bill. Oh, no, Mr. President; that was an act of high patriotism.

Why did they not accuse them of something tending toward demagoguery when they passed the corporation bankruptcy bill? Oh, no; nothing like that could be heard at that time.

Why did they not accuse them of something akin to demagoguery and trying to get votes when they passed the municipal bankruptcy bill? Oh, no; they would not do anything like that. But, Mr. President, when it comes to doing something for the farmers, that is a different matter. No; do not dare to do anything for the farmer. Give it to the railroads, give it to the corporations, give it to anyone else, but do not dare to do anything for the farmer. You are a demagogue if you do that. Give the permission for bankruptcy to the railroads, vote for bankruptcy for the municipalities, vote for bankruptcy for the corporations, but do not dare do anything for the farmers. There are too many of them. They have no place in the Government except to vote for the preacher and receive sacrament. That is the end of their rights in this country.

Let me continue to read:

And the farm bloc in the Senate shoved it into the hopper with a resultant jamming of the well-greased machinery.

Where is this poor farm bloc?

The supporters of the bill think it a vote catcher.

A vote catcher! Why was not the railroad bill a vote catcher? I call the attention of the Senate to the fact that this bill has not gotten over to the Senate yet—and my friend from Arkansas said it was on its way. It has not yet arrived. Mr. President, it is not coming. No, sir; it is not coming. It is not here yet. I continue quoting:

They are not seriously interested in whether it is bad economics, or whether it is unconstitutional.

Unconstitutional! Why, it was passed upon by the Judiciary Committee of both Houses of Congress. It was passed upon by the best lawyers in the United States. It was passed upon by as good lawyers and as good legislators as ever sat in Congress or ever sat on a court bench.

The Senator from Arizona [Mr. Ashurst], Chairman of the Judiciary Committee of the Senate, than whom there is no more able constitutional lawyer in America, was able to see the Constitution when the farmer was concerned just the same as he was able to see the Constitution when the railroads were concerned, and the Senator from Arizona, the valued chairman of the committee, not only took his own study but called in lawyers from other spheres to bring before the committee a report. A further independent study was made, and it was determined that, under no circumstances, could this bill be held to be unconstitutional. I do not need to give the reasons and the decision; I have already put them in the Record. The report is also there.

Yet they will undertake to keep this bill from passing on the ground of unconstitutionality. Did the Senator from Rhode Island [Mr. Hebert] make any argument that the bill was unconstitutional here the other night? Did the Sen-

ator from Delaware [Mr. Hastings] make any argument that the bill was unconstitutional the other night? There was not a word along that line. I think there is not now a Senator on the floor who disputes that the bill is constitutional. Nobody is attacking it now on that ground, so far as I have heard lately.

I read further:

Their idea is that it will put them in right with the rural communities.

I want to say to the Senate that they cannot afford not to put themselves in right with the rural communities, not so much for the sake of votes, but they cannot afford to let the rural communities decay any further. If we want this country to be held up we have got to do something for the farming communities. If we expect this country to keep going on, we have got to do something for them whether we get any votes out of them or not. The farmers cannot stand what is going on. They have not been given a bit of relief since this session of Congress has been sitting or during the last session of Congress, so far as I can see.

It may be claimed that some good was done to them by the processing tax. A friend of mine sold a hog last week, I think it was, for \$13.50 and got about \$3.75 out of the hog, the balance going into the tax. Senators think that is doing something for the farmers, I guess; perhaps it is. A friend of mine the other day gave me figures from the New Orleans State showing that out of a bale of cotton he could not buy back nearly as much as he could buy previously. I am not saying the Senate did not try to do something for the farmers; I am not saying the Senate did not want to do something for them, because I know the Senate. and the Senate does want to do something for them, and the Members of the House also want to do something for the farmer, but we are up against a fictitious situation here. the like of which I have never seen, which I cannot fathom and cannot understand. I would rather never see Congress adjourn if it had to sit here until Gabriel blows his horn than to see us go back to the farmers without giving them relief at this session of Congress. I would rather see Congress sit here until January; I would rather walk out of here and lose my seat and never be allowed to come back again than to see this Congress adjourn under the kind of a situation that where it is said the papers are lost and the farmers cannot be given any relief. The papers are not lost. They will be here and then they will be lost again. No, sir; we are not in any fix to go home. We want these papers; we want this conference report; we want something done with this bill, which passed both Houses of Congress and which we cannot get through here at all.

What are the conditions among the farmers? What is this bill about which so few seem to know. This bill has not got a thing under the sun in it except a right of a bankrupt farmer to go into court, with the consent of a certain number of creditors, and to have his property valued at what it can bring today or better than that. Then, after that, if the creditors are willing, on an appraisal that is fixed by the court, the farmer would have 5½ years to pay his indebtedness to the man who holds the lien on his place. That is all. The creditor does not have to take that. If the creditor is not willing to take it, then the only thing the court can do is to give the man a moratorium for a period not to exceed 6 years.

Mr. ROBINSON of Arkansas. Will the Senator yield?
The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Arkansas?

Mr. LONG. I yield.

The VICE PRESIDENT. The Chair requests the Senate to be in order. This is a question that the Senate ought to consider.

Mr. ROBINSON of Arkansas. Mr. President, it appears from some investigations I have made that the House had not consented to the conference asked by the Senate, as I stated a few moments ago, but that Senators and others asked that a conference report be prepared, and it was done. The original papers having been lost, or said to be mislaid, and a controversy having arisen as to where they were lost

or by whom they were lost, now it appears to me that the proper procedure is to do what seems to be the sensible thing, and I ask unanimous consent that a copy be substituted for the original papers of the conference report, and that the Senator from Louisiana be permitted to present the report. I know that this is an unusual proceeding, but I think it is a proper request.

The VICE PRESIDENT. The Senator from Arkansas asks unanimous consent, in view of the original papers having been lost, that a copy be accepted, and that the Senator from Louisiana be permitted to submit the conference report, with a view to action on it at the present time. Is there objection?

Mr. ROBINSON of Arkansas. Mr. President, there is a conference report already pending, but I shall make a request for consideration when the conference report now before the Senate shall have been disposed of.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arkansas?

Mr. THOMAS of Oklahoma. Mr. President, in order that this matter may be handled according to the rules of the respective bodies, I make the suggestion, with the permission of the Senator from Louisiana, if we should adopt this report here that that would not insure action in the House; and I submit a counter unanimous-consent proposal, if I may, that it be not in order to adjourn until the Senate has had a chance to vote on the conference report under the rules of the Senate.

Mr. McNARY. Mr. President, that is a very, very unusual

Mr. ROBINSON of Arkansas. I shall not consent to that. Mr. THOMAS of Oklahoma. I object, then, to the first

Mr. ROBINSON of Arkansas. Very well. The VICE PRESIDENT. Objection is heard.

Mr. LONG. Mr. President, I think perhaps I can get this situation in hand if I am informed a little further, and I will proceed for a while. It is very apparent that we are all in some confusion, for which, apparently, none of us are responsible. I appreciate the liberality my friend from Arkansas demonstrates by his proposal, and I do not think the trouble is between the Senator from Arkansas and myself at all. I refuse to have it appear in that way. It is over yonder. Somewhere, somehow, something is going on that nobody understands here. It started last Saturday. I was afraid of it then. We tried to get a rule over there permitting the House to take up the bill which had unanimously passed the Senate, a similar bill, I think, having unanimously been reported by the House committee. I am informed now that someone over in the House is fixing to make a motion to adjourn, whether we do or not; that, at any rate, they are considering that kind of procedure over there. We sent this farm relief bill over there and tried to get a rule. They were reporting rules out just as fast as they wanted them. So we wanted one for this farm bankruptcy bill, which is designed to give the farmer a chance to live. That is all, merely a chance for his children to have something to eat. We tried to get a rule over there, but their ears were just as deaf to that plea for a rule to take up the farm bankruptcy bill as though they had been born without ears. Then we worried around until last Saturday, when, lo and behold, for some unusual reason, they managed to let a vote be taken on it in the House, and every vote in the House except 16, I think, was cast in favor of the bill. The sentiment of the House at that time was practically unanimous.

Mr. DUFFY. Mr. President, will the Senator yield? The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Wisconsin?

Mr. LONG. I yield.

Mr. DUFFY. The Senator has expressed himself as being very much concerned with the problems of the farmers. In the conference report on the deficiency bill, which is before the Senate, the conferees have reported in favor of an appropriation of \$525,000,000 for the drought-stricken farmers of Wisconsin and other States in that general section of | signed up.

the country. That is the most important thing at this time for the farmers in that region. I am wondering if the Senator does not believe that we should act upon that conference report, which is now the order of business before the

After that shall have been done, the Senator can resume the floor, if necessary, and proceed with the matter he is now discussing. In other words, I also am concerned with the problems of the farmer, and certainly the most pressing need from his standpoint at this moment is to obtain the funds provided in the deficiency bill just as soon as possible.

That appropriation is a very important element, as I understand, of the conference report on the deficiency bill now pending, an appropriation of \$525,000,000 having been agreed to by the conferees instead of \$450,000,000, as provided in the bill as it came from the House.

Mr. LONG. We have that all fixed where it has to go through. The Senator need not worry about that; we have taken care of that; the item is part of the deficiency bill, and we have got to pass that. So my friend need not worry; that bill will be a law by tomorrow morning or the day after that, at any rate. They have an adjournment resolution before the House, I understand. When I begin to smoke them out as to the bill which I am discussing they want to adopt an adjournment resolution. They have adopted an adjournment resolution over there and are waiting on us to adopt it. That is what they have done from what I hear.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 3660. An act to grant to the city of Monterey, Calif., an easement for street purposes over certain portions of the military reservation at Monterey, Calif.; and

S. 3780. An act for the relief of persons engaged in the fishing industry.

The message also announced that the House had agreed to the amendment of the Senate to the joint resolution (H.J.Res. 375) to effectuate further the policy of the National Industrial Recovery Act.

The message further announced that the House insisted upon its amendment to the bill (S. 3580) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. GREGORY, Mr. RUFFIN, and Mr. KURTZ were appointed managers on the part of the House at the con-

## DEFICIENCY APPROPRIATIONS-CONFERENCE REPORT

Mr. ROBINSON of Arkansas. The message just delivered shows that the House has agreed to the conference the Senate asked on Saturday night. This is the formal action about which I spoke a few moments ago.

Mr. LONG. I inquire if the papers have come over?

The VICE PRESIDENT. They have.

Mr. LONG. Have they come back?

The VICE PRSIDENT. Let the Chair make a statement, in order to make clear the situation. There has not been any conference as yet. The Senator from Louisiana asked for a conference on this bill last Saturday night. The papers were not sent over to the House. As the Chair understands, they got lost in some way between here and the House and the House had not acted. The House has now acted on the request, and agreed to the conference, and as soon as the conference report shall be agreed to and signed and submitted to the Senate, it may be acted on in the ordinary manner.

Mr. LONG. Mr. President, may I ask the Chair if the message from the House shows who were appointed as conferees on the part of the House? If it does, and they are who I think they are, we have the conference report already

The VICE PRESIDENT. The clerk will read the names of the conferees appointed on the part of the House.

The LEGISLATIVE CLERK. Messrs. GREGORY, RUFFIN, and KITRTZ

Mr. LONG. Now I want to ask my friend from Nevada-

Mr. ROBINSON of Arkansas. Mr. President, I wish to help the Senator from Louisiana. I think he realizes that. The conferees could not legally agree upon a report before they were appointed. The sensible thing to do, as I am sure the Senator from Louisiana will recognize, is to have an immediate meeting of the conferees. They can, of course, accept the report which has been prepared in anticipation of the appointment of the conferees.

Mr. LONG. I thank the Senator for his suggestion. I am going to ask my friend from Nevada [Mr. McCarran] to take the papers for such use as he sees fit to make of them, call the conferees together, and I can sign my name to the report when it comes back. In the meantime I am going to talk until it is brought back. [Laughter in the galleries.]

The VICE PRESIDENT. The Chair will direct the Sergeant at Arms to clear the galleries unless order is maintained. There must be no further demonstrations. We are not going to have a show in the Senate today, and the Chair is going to insist upon order being preserved.

Mr. ROBINSON of Arkansas. Mr. President, I am going to suggest to the Senator from Louisiana, in view of all that has transpired, that he ought to attend the conference. He ought not to insist on occupying the floor on the theory that the conference report is not coming back. Of course, we cannot here control the action of the conferees on the part of the House, but it is assumed, as they are the same who have acted in anticipation of their appointment, that the report will be forthcoming very shortly. I believe the Senator will prejudice his case by further pursuing the course which he is now pursuing.

Mr. LONG. As I understand, my friend from Arkansas will not permit any resolution of final adjournment-

Mr. ROBINSON of Arkansas. Mr. President, I have stated to the Senator from Louisiana that I shall ask and insist upon a vote upon the conference report. That is all I have a right to do.

Mr. LONG. Very well. I yield the floor.

The VICE PRESIDENT. The question is on agreeing to the conference report on the deficiency bill.

Mr. DICKINSON. Mr. President, I shall not delay the Senate for any undue length of time. In the conference report with reference to the personnel to be employed in the General Accounting Office to make audits of the various new bureaus in the Government-

Mr. BORAH. Mr. President-

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Idaho?

Mr. DICKINSON. I yield.

Mr. BORAH. I desire to ask the Senator from Arkansas [Mr. Robinson] a question. I should like to ask him or someone in charge of the conference report what became of the item with reference to \$5,000,000 for building a road in Central America.

Mr. ADAMS. Mr. President, if the Senator from Arkansas will permit me. I shall be glad to answer the question.

Mr. ROBINSON of Arkansas. Very well.

Mr. ADAMS. The item was reduced to \$1,000,000 upon motion of the Senator from Idaho himself, as I remember, and is now in the bill subject to a qualification submitted by House Members that the money should be available when the Central American countries have given assurance of their disposition to cooperate in the survey and construc-

Mr. BORAH. The item still remains at \$1,000,000?

Mr. ADAMS. Yes. Mr. BORAH. I thank the Senator from Colorado.

Mr. DICKINSON. Mr. President, will the Senator from Colorado give me the number of the amendment which has to do with the exemption of employees in the General Accounting Office from civil-service requirements?

Mr. ADAMS. It is amendment numbered 34, found on page 2 of the conference report as printed in pamphlet

Mr. DICKINSON. I thank the Senator. The conference report in that respect reads as follows:

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment amended to read as follows: "Provided, That persons employed hereunder may be appointed for temporary service for a period not in excess of 6 months, without regard to civil-service rules and regulations"; and the Senate agree to the sense. and the Senate agree to the same.

I want to confess that I approve of that amendment and I am not in opposition to it. I simply want to make a statement with reference to it before it is adopted by the Senate.

It is my judgment that we ought to get back under the rules and regulations of the classified civil service just as quickly as possible in the matter of the selection of the personnel in our various governmental agencies. In the past year it has been the order of the day to exempt all new employees from civil-service requirements. I find in the report of April 1934 that there were added and are now employed in the various bureaus of the Government in the District of Columbia 8,338 temporary employees, while in the field there are 71,896 such employees; that there were added to the various bureaus of the Government during the month of April 20,529 new employees.

The point I am presenting to the Senate is that if we continue to exempt from the classified rules and regulations all the personnel which comes into the Government service, in a little while we might as well repeal the classified civil service law.

In support of my statement, I ask that there may be printed in the Record as a part of my remarks an editorial appearing in the Federal Employee for June 1934 entitled "Civil Service of Federal Government Faces a 'Continuing Crisis'", written by Luther C. Steward, president of the National Federation of Federal Employees.

The VICE PRESIDENT. Without objection, it is so or-

The article is as follows:

CIVIL SERVICE OF FEDERAL GOVERNMENT FACES A "CONTINUING CRISIS" (By Luther C. Steward, president National Federation of Federal Employees)

The crisis confronting the Federal civil-service system is a continuing one.

continuing one.

There has been no diminution in the volume of political pressure exercised to procure jobs for "deserving" individuals whose qualifications usually bear no relationship to the position sought. In many instances administrators, fully aware of the manifold dangers of such thoroughly irresponsible personnel practice, are fighting the good fight in behalf of the merit system. Whether they win the individual battles frequently is dependent upon the amount of pressure against which they have to contend.

Not quite as spectacular as some months ago, it nevertheless is

Not quite as spectacular as some months ago, it nevertheless is an incontrovertible fact that job seeking and wire pulling in behalf of job seekers—without reference to the merit system—remains the most fundamentally important problem in Washington today

It is fallacious to assume that the merit principle is impregnably secure. In the final analysis its security is dependent upon the acceptance by all administrators and a majority of legislators of the merit system as the only sound method of filling posts of public responsibility.

Neither all administrators in Washington, and elsewhere throughout the Nation, nor scores of legislators have given any evidence of their acceptance of the merit system as opposed to

the spoils system.

In entirely too many instances the merit system has received lip service and little else.

The need for legislative action which will remove virtually all

Federal positions from the grasp of the spoilsmen and place them under the civil service never has been plainer than it is today.

The ideal of a Federal public service which will be of maximum service to the taxpayers of the Nation, at a minimum of expense, never will be realized until steps are taken to make impossible the recurrence of present conditions.

None will gainsay the truth of the statement that "public office is a public trust."

But it must be recognized that every public office is a public trust. Regardless of the relative importance of the position, its incumbent is as much an officer of the Government as is the President of the United States. The service stands or falls upon the sum of all its units; not simply its strongest ones.

If the Federal service is to be half merit and half spoils it cannot hope to attain the goal of achievement it rightly seeks.

The National Federation of Federal Employees again calls attention to these facts.

From its inception, the National Federation of Federal Employees has worked unceasingly to broaden and strengthen the civil-service system, recognizing that the merit system must be

civil-service system, recognizing that the merit system must be the basis of sound personnel administration.

Today the National Federation can see with especial clarity the wisdom of the course it has followed, and finds in the events of recent months the most powerful incentive in its history to push onward to attain the goal of a Federal service which, in every branch and every agency, in the field and in Washington, is accorded the advantages of the merit system.

In this campaign the National Federation of Federal Employees should have the support and cooperation not only of all Government workers but of every citizen concerned with good government.

For the merit system is the public's surest protection against the costly, wasteful, inefficient, and often corrupt practices which follow in the train of the spoilsmen.

No greater and more far-reaching problem than this now con-

fronts the American people.

Will the spoilsmen be allowed to continue to bore from within, or will public opinion force the preservation and further bulwarking of the civil service?

A vigorous reply should not be delayed.

Mr. DICKINSON. The April report to which I have referred further shows that there were 2,493 so-called "temporary" employees placed on the Federal pay roll in the District of Columbia alone. This does not include the 265,-999 so-called "emergency" personnel in the Emergency Conservation Corps work and the 4,783 military supervisory officials who are carrying on various activities.

I want further to suggest that the exemption for 6 months from civil-service requirements is not a remedy for the situation. In other words, we might as well have surrendered the entire amendment as to have adopted that limitation. The 6 months' limitation lets such personnel go into the public service and remain 6 months. Then, if they want to do so, they may qualify under the civil-service requirement. There is nothing in the amendment, so far as I know, that will prevent them from getting another 6 months' temporary appointment.

The point to which I am inviting attention is that these appointments may be made without approval of the Civil Service Commission or under the civil-service rules and regulations. It simply opens up the matter as one of Federal patronage. I do not want this to be taken as a political speech for the reason that when we come to civil-service appointments either party that has anyone on the qualified list has a chance to get the appointment. Under the exemption which is provided, there will be no possibility of anyone securing an appointment without proper political recommendation.

I have read the testimony before the House and Senate committees. In order that the matter may be properly brought before the Senate I desire to ask that an article by George D. Riley, published in the Washington Herald of recent date, entitled "A Dangerous Compromise", may be printed in the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### [From the Washington Herald] A DANGEROUS COMPROMISE

The so-called "compromise" on H.R. 9830 relative to employment of persons to handle General Accounting Office is unsatisfactory from the standpoint of taxpayers and the good of the service for a number of reasons.

The compromise allowing employees to be appointed for "not in excess of 6 months without regard to civil service" is as danger-

ous as the precedent to be established under the original clause. Sponsors of the compromise measure still are allowing unqualified persons to serve in the capacity of overseers of public funds—to occupy places of public trust without being obligated to fulfill conditions laid down for others of the Nation's trusted personnel. Both the original clause and the compromise are conceived in the private of proble distribution.

in the spirit of spoils distribution. We assuredly can avoid scandals which invariably attend patronage jobs where public funds are involved by insisting that the Civil Service Commission continue to select competent workers. We have had enough scandals where public moneys are involved.

The executive officer of General Accounting Office, according to transcript from the independent offices appropriation bill hearing for 1935 assured Chairman Woodrum, that he intended to use competent personnel from civil-service rolls for P.W.A. work. Here is the testimony:

"Mr. Woodrum. How will they be selected?

"Mr. Barry. Under civil service, those having civil-service status.

"Mr. Woodrum. Will they be confined entirely to civil-service employees, or will there have to be a special examination for these people?

"Mr. Barry. No; we take people they have on the register or those who have a civil-service status and are without employment, or those who might want to transfer from other departments to

the General Accounting Office.

"Mr. WOODRUM. You say you take the ones who are on the gister. You will take accountants from their accounting regregister.

ister, those who are eligible for appointments?
"Mr. Baity. Yes,
"Mr. Woodrum. Will there be enough on the civil-service list

"Mr. Woodrum. Will there be enough on the civil-service list without another examination being held?

"Mr. Bafty. The Commission says so."

How well has General Accounting Office lived up to such promise? How many employees from near-by States have been put on without such protective status? How many from Virginia? How many from Roanoke and other cities who do not have such status and will help spend P.W.A. funds?

This latest H.R. 9830 provision to sidestep protective civil service is one of the most unwholesome and most unnecessary attempts to scuttle the classified service yet to come under our purview.

The Senate committee struck out the final clause in the provision. The Senate must save the gains civil service has made. We hope that Senator Dickinson and other civil-service friends will see the immediate danger in the situation. The service can be undermined as well in 6 months as in 2 years through employment of unqualified help. The Nation's Treasury and the handling of expenditures is no place for spoilsmen.

Mr. DICKINSON. I also ask that an article entitled "What's Ahead for the G.A.O.?", by George D. Riley, appearing in the Washington Herald of June 4, 1934, be printed in the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

> [From the Washington Herald, June 4, 1934] WHAT'S AHEAD FOR G.A.O.?

Saturday the deficiency appropriation bill, fiscal year 1934, was committed to the whole House by Chairman Buchanan.

Under heading of "General Accounting Office" this wording

Under heading of "General Accounting Office" this wording is used:

"To enable the General Accounting Office to employ personnel to examine and settle and to audit and settle the accounts of receipts and expenditures of governmental agencies, including governmental corporations created after March 3, 1933, and to make current the audit of postal money order and Postal Savings accounts, including rent in the District of Columbia, printing and binding, office equipment and supplies, traveling expenses, and other necessary contingent and miscellaneous expenses, fiscal years 1934 and 1935, \$1,000,000: Provided, That persons employed hereunder may be appointed for temporary service without regard to civil-service rules and regulations."

In view of the many names added at G.A.O. and promotions from two particular States in recent months, this provision dis-

In view of the many names added at G.A.O. and promotions from two particular States in recent months, this provision disregarding civil service assumes interesting proportions. This column has watched events at G.A.O., preferring to wait before commenting. The time has come to speak once more of conditions separate and apart from the illegal separation of the 52. The colloquy, in part, between James L. Baity, Assistant Comptroller General and executive officer G.A.O., and Representative WOODRUM, Virginia Congressman-at-large, during discussion of the independent offices appropriation bill for 1934 follows:

"Mr. WOODRUM. Will you have to dismiss some personnel in view of the reduction in your appropriation?

view of the reduction in your appropriation?

"Mr. Barry. We will have to dismiss, based upon \$1,800, 185 people and, based upon \$2,000, we will have to dismiss between

people and, based upon various, in the second of the 150 to 175 people.

"Approximately 110 have been separated at G.A.O., 57 illegally."

Again Mr. Woodrum, addressing Mr. Baity during discussion of the 1935 independent offices appropriation bill, asked:

"Have you gotten any allotments from any of the emergency funds of the Government?"

"Mr. Bayer Ves sir: from the appropriation to carry out the

"Mr. Bairy. Yes, sir; from the appropriation to carry out the National Industrial Recovery Act.

"Mr. Woodrum. How much? "Mr. Bairy. \$460,000.

"Mr. BAITY. \$460,000.

"Mr. Woodrum. In reference to the extra amount you got from the N.R.A., how was that used and what character of additional employees did you put on?

"Mr. BAITY. It has not been used yet. We are just starting now to select the people to do that work.

"Mr. Woodrum. How will they be selected?

"Mr. BAITY. Under civil service; those having civil-service status.

"Mr. Woodrum. Will they be confined entirely to civil-service employees, or will there have to be a special examination for those people?

"Mr. Barry. No; we take people they have on the register, or those who have a civil-service status and are without employment, or those who might want to transfer from other departments to

"Mr. Woodsum. You say you take the ones who are on the register. You will take accountants from their accounting register, those who are eligible for appointments?

"Mr Barry. Yes.
"Mr. Woodrum. What is the second class?

"Mr. Barry. Those with civil-service status who are without employment.

"Mr. Woodrum. How many additional employees do you figure you will have to take on?

Mr. BAITY. About 150.

"Mr. Woodrum. Will there be enough on the civil-service lists without another examination being held?

'Mr. BAITY. The Commission says so.

"Mr. Batty. The Commission says so.

"Mr. Woodrum, What will be the character of service you will require of these employees—accounting, clerical, stenographic?

"Mr. Batty. They run from check sorters, checkers, that is, those who check the vouchers against the abstract, comptometer operators, who verify the figures of the accounts, stenographers, typists, auditors, and so forth. Our set-up also provides for the temporary employment of a few attorneys and a few investigators.

"Mr. Woodrum. Will they all come from the civil-service lists,

too?

"Mr. Barty. Yes; they will all come from civil-service lists.

"Mr. Wigglesworth. You say that the total amount you have received from N.R.A. is \$506,000?

"Mr. Barty. Yes, sir. It runs for 2 fiscal years. The rest of this fiscal year and the next fiscal year."

Your correspondent has searched high and low for clues to show some reason for selecting employees under the deficiency appropriation bill providing \$1,000,000 without regard to "civil-service rules and regulations."

Who is responsible for putting over this change in attitude toward selection of employees? In hearings before the subcommittee on appropriations, Mr. Buchanan, chairman, there is no record of a deficiency appropriation in the amount of \$1,000,000

record of a deficiency appropriation in the amount of \$1,000,000 requested by G.A.O. But, however—

When the Committee on Appropriations reported the committee print to the whole House June 2 based on these hearings there appears the \$1,000,000 item, plus the provision against civil-service

The last two important jobs at G.A.O. were filled from Virginia. Since G.A.O. has separated around 110, and according to Mr. Baity 185 should have been dismissed, we raise the question:

How much of the million, therefore, will be used to staye off the apparent deficit?

This latest fund allotted in addition to the several hundred thousand from N.R.A., is "mixed", that is, any part can be paid to

permanent and any part to temporary workers.

Section 4, civil-service rules: Assignment of excepted employees. A person appointed without competitive examination under section 3 of this rule, or by authority of an act of Congress, shall not be assigned to the work of a competitive classified position, without approval of the Commission or specific provision of

The million is not separated. It provides both for classified

The million is not separated. It provides both for classified and nonclassified employees' pay. Possible under the bill—\$999,-990 to political employees and \$10 to classified employees. There is danger in G.A.O. that every employees' job in time can be wrecked under the latest fund provision. The term of J. R. McCarl as Comptroller General will end before many months. Who plans to take over his office? Will G.A.O. become just another gravy sloppool for patronage?

I do not believe Mr. McCarl would allow the treatment permanent employees will receive at G.A.O. if he had full knowledge of what is happening and what is contained in this latest bill.

Jobs of 2,000 G.A.O. employees are at stake! The bill cannot be passed before next week-end. There still is time!

passed before next week-end. There still is time!

Mr. DICKINSON. I also ask to incorporate as a part of my remarks a statement by E. Claude Babcock, President of the American Federation of Government Employees, with reference to the same matter.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

DABCOCK FLAYS ATTACK ON CIVIL SERVICE LAW-SAYS SPOILS SYSTEM RETUENS IN PLAN FOR 500 POLITICAL JOBS IN GENERAL ACCOUNTING OFFICE

-Vigorous objection to the appointment of 400 to Washington.—Vigorous objection to the appointment of 400 to 500 additional employees of the General Accounting Office "without regard to civil-service laws" was registered by E. Claude Babcock, president of the American Federation of Government Employees, affiliated with the American Federation of Labor, at the meeting of the Senate Appropriations Committee, which was considering the deficiency bill, already approved by the House of Representatives. He asked the committee to eliminate from the bill the provision which would pave the way for filling the places with political appointees regardless of their qualifications.

Mr. Babcock pointed out that the General Accounting Office

Mr. Babcock pointed out that the General Accounting Office must give final approval to the expenditure of many billions of dollars. He said it is important that the best qualified persons, who, he believes, can be selected from the civil-service eligible

list, should be appointed.

In stressing the magnitude of the work he told the committee that Comptroller General McCarl expects to handle more than 12,000,000 vouchers and 71,000,000 checks from the various Gov-

that political appointments, "without regard to the civil-service laws", would constitute a serious encroachment on the merit system and "invite irregularities." In stating his objections he expressed belief that the proposed political set-up might lead to "rascality and thievery."

Mr. DICKINSON. Mr. President, I am simply calling this to the attention of the Senate in the hope that when we add new personnel in any bureau, whether it is a new bureau or an old organization, we shall cease to adopt provisions that the civil-service requirements shall be suspended and that appointments may be made without regard to the classified service rules and regulations.

One further statement, and I shall conclude.

The theory that better and more competent employees can be secured for the service by having them appointed without reference to the civil-service requirements certainly cannot be sustained; otherwise, we should not have the civil service law. The theory that these are temporary employees I do not believe to be tenable, for the reason that if we are to continue the emergency bureaus their disbursements should be audited. If they are to be audited, certainly the duty of making the audit will be imposed upon the General Accounting Office not only for 6 months but for several years—probably 3 or 4 years. Therefore, the personnel gradually allocated to this service will sooner or later become more or less permanent employees of the Government.

Therefore, I think it was a mistake to permit this provision to go into the bill. Had I known that Congress was to continue in session until this week, I probably should have held out longer; but I did not want to see the adjournment of Congress delayed, and at that time I had no advice that it would be delayed over Saturday night. It has been delayed; but I wanted these remarks to go into the RECORD with reference to the conference report before it is adopted.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

### REGULATION OF TOBACCO-GROWING INDUSTRY

Mr. SMITH. Mr. President, I move that the Senate proceed to the consideration of House bill 9690, to place the tobacco-growing industry on a sound financial and economic basis, to prevent unfair competition and practices in the production and marketing of tobacco entering into the channels of interstate and foreign commerce, and for other purposes

The bill has been agreed to by all parties. It has passed the House, and has been unanimously reported by the Committee on Agriculture and Forestry.

The VICE PRESIDENT. The question is on the motion of the Senator from South Carolina.

The motion was agreed to, and the Senate proceeded to consider the bill.

Mr. SMITH. Mr. President, certain amendments have been agreed upon which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendments offered by the Senator from South Carolina will be stated.

The LEGISLATIVE CLERK. On page 4, line 9, it is proposed to insert a comma after the word "tobacco" where it appears the first time, so as to read:

(b) The tax provided for by subsection (a) of this section shall be applicable to all tobacco harvested in the crop year 1934-35, except Maryland tobacco, Virginia sun-cured tobacco, and cigar leaf tobacco.

The amendment was agreed to.

The LEGISLATIVE CLERK. On page 4, line 11, it is proposed to strike out "two-thirds" and insert "three-fourths", so as to read:

Thereafter whenever the Secretary of Agriculture determines that the persons who own, rent, share crop, or control three-fourths of the land customarily engaged in the production of any particular type of tobacco favor the levy of the tax thereon and that the imposition of the tax thereon is necessary for the orderly marketing of such tobacco in interstate and foreign commerce and thought political appointees should not audit the accounts and receive the \$1,000,000 appropriated for salaries. He contended

type harvested during the crop year next following the date of may be necessary for administrative expenses, refunds of taxes, such proclamation. such proclamation.

The amendment was agreed to.

Mr. FESS. Mr. President, I understand that this is the same measure that the Senator from South Carolina referred to the other day.

Mr. SMITH. It is. Mr. FESS. I made some objection then. Since that time I have made some investigation, and I have no objection to the bill.

The VICE PRESIDENT. The clerk will state the next amendment offered by the Senator from South Carolina.

The LEGISLATIVE CLERK. On page 5 it is proposed to strike out lines 6 to 8, both inclusive, in the following words:

(2) Upon tobacco grown by growers who produce less than 2,000 pounds of tobacco per crop year.

The amendment was agreed to.

The LEGISLATIVE CLERK. On page 9 it is proposed to strike out "(3)" and insert in lieu thereof "(2)", so as to read:

(2) Upon tobacco harvested prior to the crop year 1934-35,

The amendment was agreed to.

The LEGISLATIVE CLERK. On page 6, line 24, it is proposed to strike out "5" and insert in lieu thereof "6", so as to read:

(b) The Secretary of Agriculture may issue in any county, further warrants, covering an amount of tobacco of any type not in excess of 6 percent of the amount of tobacco of such type covered by the warrants issued to all contracting producers in such county, to persons engaged in the production of tobacco of such type in such county as to whom the Secretary determines that no equitable allotment of tobacco acreage or production is possible under tobacco-reduction contracts offered pursuant to the Agricultural Adjustment Act—

And so forth.

The amendment was agreed to.

The Legislative Clerk. On page 7 it is proposed to strike out, beginning in line 6, all after the word "That", down to the word "prescribe", in line 10, and to insert in lieu

warrants covering two-thirds of the amount of tobacco allotted under this subsection in any county shall be issued to growers whose allotments are 1,500 pounds or less.

The amendment was agreed to.

The LEGISLATIVE CLERK. On page 9, lines 24 and 25, it is proposed to strike out "or by imprisonment not exceeding one year, or both ", so as to read:

(b) Any person willfully failing or refusing to file such a return, or filing a willfully false return, shall be guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine of not more than \$1,000.

The amendment was agreed to.

The LEGISLATIVE CLERK. On page 10, line 7, it is proposed to strike out "tax payment", and insert in lieu thereof "tax-payment warrant", so as to read:

SEC. 9. (a) No tax-payment warrant issued in accordance with this act may be transferred or assigned either in whole or in part, the executor or other legal representative of a decei except by the executor or other legal representative of a deceased producer to whom a tax-payment warrant has been issued under this act. Any person who acquires a tax-payment warrant from another person or who transfers a tax-payment warrant to another person in violation of the provisions of this act, or who violates any provision of this act, shall be guilty of a misdemeanor and shall, upon conviction thereof, be fined not more than \$1,000 or sentenced to not more than 6 months' imprisonment, or both.

The amendment was agreed to.

The Legislative Clerk. On page 11, line 6, it is proposed to strike out "authorized to be", so as to read:

SEC. 10. (a) The proceeds derived from the tax are hereby appropriated to be available to the Secretary of Agriculture for administrative expenses and refunds of taxes and other payments

The amendment was agreed to.

The Legislative Clerk. On page 11, line 22, it is proposed to strike out "authorized to be" and to insert in lieu thereof "hereby", so as to read:

(b) Out of the sums available to the Secretary of Agriculture under the Agricultural Adjustment Act, as amended, such sums as

The amendment was agreed to.

Mr. FLETCHER. Mr. President, I understand that this bill is intended to benefit the growers, and I am in cordial sympathy with it. There are some manufacturers using Habana tobacco whose interests I think might be served; and I offer the amendment which I send to the desk.

Mr. WALSH. I ask to have the amendment stated.

The VICE PRESIDENT. The amendment will be stated. The CHIEF CLERK. On page 15, line 8, after the figures "1934", immediately before the period, it is proposed to insert a semicolon and the following:

Except that in the case of tobacco imported from the Republic of Cuba, such quotas shall be based on average quantities of tobacco so imported during the crop years 1926-33.

Mr. WALSH. Mr. President, may I inquire of the Senator whether this amendment has the approval of all parties?

Mr. FLETCHER. It has the approval of all the friends of the measure.

Mr. WALSH. The committee is in favor of it?

Mr. FLETCHER. Yes, sir.

Mr. BARKLEY. Mr. President, what effect will it have upon the domestic tobacco crop?

Mr. FLETCHER. It simply has to do with apportioning the importations.

Mr. BARKLEY. It will have no effect upon the domestic product?

Mr. FLETCHER. Not at all. The amendment is agreeable to all friends of the measure.

Mr. FESS. Mr. President, I should like to make some inquiry as to just what the amendment does.

Mr. FLETCHER. It places the tobacco coming in from Cuba on the basis of the importations of 1926 to 1933. It includes all the years, I think, that the other provision does.

Mr. WALSH. It puts a quota on the importations of tobacco from Cuba into this country, just as a quota was placed upon sugar.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Florida.

The amendment was agreed to.

Mr. SMITH. Mr. President, there is a further amendment, to which I think all parties will agree, that was handed to me this morning by the Department. It is to amend the bill by adding to it the following:

That the first sentence of subsection 3 of section 8 of the Agricultural Adjustment Act, as amended, is further amended to read as follows:
"After due notice and opportunity for hearing, to issue licenses."

Under the act as it now stands, no provision is made for notice and hearing in the issuance of these licenses; and as similar language occurs in other paragraphs, I think this amendment ought to be made.

Mr. ROBINSON of Arkansas. Mr. President, I concur in the statement just made by the Senator from South Caro-

Mr. BYRD. Mr. President, I object to the amendment. It is entirely foreign to this measure. It relates to a controversial matter.

Mr. SMITH. As I have explained, Mr. President—

Mr. BYRD. I have already gone over the amendment carefully, and I am unalterably opposed to it.

Mr. ROBINSON of Arkansas. Mr. President, I was in-

formed that the amendment would not be objectionable.

Mr. BYRD. It is objectionable. Mr. SMITH. Very well; I withdraw the amendment.

The VICE PRESIDENT. The amendment is withdrawn. Mr. GEORGE. Mr. President, I desire to ask the Senator from South Carolina whether the growers of tobacco in all the tobacco-growing States have been consulted about this measure?

Mr. SMITH. All of them.

Mr. GEORGE. They are all familiar with it?

Mr. SMITH. They are; and the bill is the result of conferences with all of them.

Mr. WALSH. Including the New England growers.

The VICE PRESIDENT. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

#### ORDER OF BUSINESS

Mr. ROBINSON of Arkansas obtained the floor.

Mr. DILL. Mr. President, will the Senator yield to me for a moment?

Mr. ROBINSON of Arkansas. Yes.

Mr. DILL. I am very anxious to have an opportunity for the consideration of the railroad labor bill. I do not want to be unreasonable, but I should like to have an opportunity to move to take it up, to see whether or not the Senate desires to consider it. What is the Senator's purpose in that regard?

Mr. ROBINSON of Arkansas. Mr. President, I think I should make a frank statement to the Senate on this subject.

I favor the passage of the railway labor bill. I have been informed that it will meet with very persistent opposition, and that it will require an indefinite length of time to dispose of the measure. I have consulted with the President about it, and with a large number of Senators. It is felt by those with whom I have consulted that if the measure could have been brought forward a little earlier in the session, it might have been disposed of without undue delay; but the President thinks, and I concur in that statement, that if the measure is to be taken up and indefinitely discussed, it had better go over until the next session. It is not of an emergency nature.

While I realize that there are many influences that would like to see the matter disposed of now, it seems to me almost

impracticable and almost impossible to do so.

It is my purpose to move an executive session, and then, if the Senator from Washington wishes, in view of the statement I have made, to make his motion, I shall not object to his doing so.

Mr. HEBERT. Mr. President, will the Senator yield to me for one moment?

Mr. ROBINSON of Arkansas. I yield to the Senator from Rhode Island. He has explained to me that he wishes to ask the Senate to take up a bill which I believe to be of some importance in the administration of the criminal law. If it shall appear that it will require any considerable discussion, I shall ask that the Senate proceed to the consideration of executive business.

Mr. HEBERT. I refer to Order of Business 1528, House bill 9547, to amend section 766 of the Revised Statutes as amended

The VICE PRESIDENT. The Senator from Rhode Island asks unanimous consent for the present consideration of a bill.

Mr. WHEELER. Mr. President-

Mr. ROBINSON of Arkansas. As I understand it, this bill is intended to facilitate the administration of justice.

Mr. WALSH. Mr. President, this bill seeks to amend section 766 of the Revised Statutes. That section relates to habeas corpus proceedings instituted by defendants in criminal cases which are pending in the State courts.

The present law provides, in effect, that, if a defendant in a criminal case pending in the State court applies for a writ of habeas corpus to a Federal court, all proceedings in the State court pending the final adjudication of said writ of habeas corpus or any appeal taken from a decision thereon are null and void.

Thus defendants in criminal cases in the State courts are given a powerful weapon to delay proceedings in the State courts and possibly in the end to defeat the ends of justice.

A striking example of this situation occurred recently in an important murder trial just concluded in Massachusetts, after 8 weeks of trial—the Faber-Millens case. Three men, the Millens brothers and Irving Faber were tried and convicted of first-degree murder of two policemen. These officers were murdered by these men, when they tried to apprehend them while engaged in the robbery of a bank.

The trial has been one of the longest, if not the longest, ever held in our criminal courts and has involved tremendous expense to the county of Norfolk, Mass.

Early in the trial counsel for the Millens brothers applied for writs of habeas corpus in the Federal District Court of Boston, alleging that his clients were denied due process of law, because the Massachusetts statute in capital cases provides that the accused shall be tried by a jury, and that consequently they were denied a trial without a jury.

The Federal district court dismissed both petitions, and the defendants have perfected appeals to the circuit court of appeals. It is doubtful if these appeals can be disposed of before fall. In the meantime the county has proceeded with the trial to its conclusion, and if this statute is contrued closely all proceedings in the State court from the time of the filing of the petitions for habeas corpus will be declared null and void.

This bill merely amends the law so as to make a stay of proceedings in a State court discretionary with the Federal judge before whom petition for habeas corpus, originally or on appeal, is pending. The defendants' rights are fully protected in that any question of constitutionality may be reviewed in the normal manner of appeal through the State courts and finally by the Supreme Court of the United States.

Mr. ROBINSON of Arkansas. A stay of execution has been issued under a habeas corpus proceeding, which makes it impossible to reach a conclusion in the case within a reasonable time. It is the existence of just that sort of condition that has discredited the administration of justice in many criminal cases in the United States.

Mr. WALSH. I hope the Senator from Montana will let

this bill go through.

Mr. WHEELER. Mr. President, I wish to find out definitely whether I correctly understand the situation with reference to Senate bill 3266 and House bill 9861.

An overwhelming majority of the Members of this body want to get the railway-labor legislation up for discussion and for passage. I venture the assertion that there will not be 10 votes against the bill, if we can get a final vote on it. It has passed the House of Representatives, it has been approved by the Committee on Interstate Commerce, and there is but a little handful of men on the floor of the Senate who are objecting to it. The administration has stated that they favor it, and practically all parties have so announced.

While making my fight to get the railroad labor bill passed by the Senate. I am made aware of the deep concern felt over this matter by many House Members who worked so hard for its passage. Some of them are on the floor at this moment. I have here a message from one of labor's best friends, Ross Collins of Mississippi. He says, "Will the railroad labor bill pass the Senate as it passed the House? If it is to go back to the House, please wire me immediately and I will fly back and continue to work for it. It is unthinkable that Congress could adjourn without passing this highly meritorious piece of legislation. We got it through the House under Bob Crosser's leadership, and I look to the friends of labor to put it through the Senate. Hope the Pennsylvania Railroad won't be able to defeat it. Who is going to answer the statement purporting to be J. Eastman's position? Eastman merely said that no immediate emergency exists, but that the measure certainly should be passed. Let me know immediately if there is anything further House Members can do on this. It's a fight the people must win."

The question is whether or not we will allow the Pennsylvania Railroad—and I shall be able to prove definitely that it is the Pennsylvania Railroad that is opposed to the passage of the bill—in the closing hours of this session to block legislation which is so badly needed.

I want to say that I have not any objection to the Senate's going into executive session, but I do feel that a majority of the Members of the Senate are entitled to know whether or not we are to have an opportunity to move to take up the railway labor bill.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WHEELER. Just let me say further that I, for one, shall oppose any adjournment of the Congress until we get such an opportunity. I am speaking not only for myself but also for a large number of other Senators. We will oppose an adjournment of the Congress until such time as we get an opportunity to vote on taking up this bill.

Mr. BARKLEY. Mr. President, will the Senator yield to me now?

Mr. WHEELER. I yield.

Mr. BARKLEY. I am utterly unable to understand why there is any serious opposition to this proposed legislation. The bill was worked out in collaboration between the railway-labor organizations, the Coordinator of Railroads, Commissioner Eastman, and the railway executives. It was unanimously agreed to by the Committee on Interstate Commerce of the House and by the Senate committee without objection. There is no minority report. I had thought that no objection had been raised to the bill, but the Senator from Washington [Mr. Dill] advises me that there is some objection. I cannot understand why there should be any serious objection to the enactment of the bill.

Mr. WHEELER. The only objection to the legislation is on the part of the Pennsylvania Railroad. That is the fact about the matter. They are the only ones seriously opposing the legislation, and they are opposing it because of the fact that they want to contribute to the representatives of the company unions, and thereby control those representatives in the settlement of their disputes.

This legislation is absolutely necessary. It is absolutely necessary that it should be passed in order to settle labor disputes which are pending, and which will, in my judgment, take place this summer, and cause serious trouble.

I give notice now that I and a number of other Senators will do our best to keep the Congress from adjourning until such time as we get an opportunity to vote on the bill.

Mr. BARKLEY. Mr. President, if I may interrupt the Senator for a moment, this bill is an amendment to the Railway Labor Act, of which I happened to be one of the authors in the other body of the Congress. By experience it has been found that this amendatory legislation is not only desirable but is necessary, in order that there may be real arbitration and settlement of any possible railway disputes within the next few months. I do not think there are any in anticipation, but it certainly is desirable that this legislation should be enacted without delay, and I hope we may be able to consider the bill and pass it.

Mr. ROBINSON of Arkansas. Mr. President, I hope the bill referred to by the Senator from Rhode Island may be disposed of, and then I shall ask for an executive session. Then the Senator from Washington may make his motion.

Mr. WALSH. Mr. President, may we not have a vote on this matter?

### AMENDMENT OF CRIMINAL LAWS

The VICE PRESIDENT. Is there objection to the request of the Senator from Rhode Island that the Senate proceed to the consideration of the bill (H.R. 9547) to amend section 766 of the Revised Statutes as amended?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

## NAVY AND MARINE MEMORIAL

Mr. BARKLEY. Mr. President, from the Committee on the Library I report back favorably without amendment the joint resolution (H.J.Res. 342) authorizing an appropriation to defray the expense of erecting the completed Navy and Marine Memorial Monument, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection?

Mr. LA FOLLETTE. Mr. President, it is not my purpose to object to the request of the Senator from Kentucky, but, so far as I am concerned, until we get the railway labor bill before the Senate and secure some action on it, I shall object to the Senate's transacting any more business by unanimous consent.

Mr. ROBINSON of Arkansas. Very well, Mr. President.

Mr. LA FOLLETTE. I am going to stick to this announcement.

Mr. BARKLEY. Mr. President, the joint resolution to which I have referred will not provoke any opposition.

Mr. LA FOLLETTE. I have stated that I would not object to action on the joint resolution, because I had not served the notice, but I am now serving notice. The Senate may go ahead with this joint resolution, but after that shall have been disposed of, so far as I am concerned, until we have a chance to secure some action on the railway labor bill, I shall object to any more business being transacted in the Senate by unanimous consent.

The VICE PRESIDENT. Is there objection to proceeding to the consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to a third reading, read the third time, and passed.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 2043. An act to amend the act of May 22, 1928, entitled "An act to authorize the collection, in monthly installments, of indebtedness due the United States from enlisted men, and for other purposes":

S. 2987. An act to restore homestead rights in certain

S. 3185. An act to amend the Agricultural Adjustment Act, as amended, with respect to farm prices;

S. 3374. An act to extend the times for commencing and completing the construction of a bridge across Lake Champlain from East Alburg, Vt., to West Swanton, Vt.; and

S. 3408. An act to provide for a preliminary examination of Cromline Creek in the State of New York, with a view to the control of its floods.

The message also announced that the House had passed the bill (S. 1825) authorizing the Secretary of the Interior to issue patents to the numbered school sections in place, granted to the States by the act approved February 22, 1889, by the act approved January 25, 1927 (44 Stat. 1026), and by any other act of Congress, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the following concurrent resolutions, in which it requested the concurrence of the Senate:

### House Concurrent Resolution 47

Resolved by the House of Representatives (the Senate concurring), That when the Senate shall adjourn as of the legislative day of June 6, 1934, and the House of Representatives shall adjourn as of the legislative day of June 15, 1934, they shall stand adjourned sine die.

## And-

## House Concurrent Resolution 48

Resolved by the House of Representatives (the Senate concurring), That notwithstanding the adjournment of the second session of the Seventy-third Congress, the President of the Senate and the Speaker of the House of Representatives be, and they are hereby, authorized to sign any enrolled bill or joint resolution duly passed by the two Houses, and which have been examined by the Committee on Enrolled Bills of each House and found truly enrolled.

## ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

S. 3660. An act to grant to the city of Monterey, Calif., an easement for street purposes over certain portions of the military reservation at Monterey, Calif.;

S. 3780. An act for the relief of persons engaged in the fishing industry;

H.R. 3726. An act to grant a patent to Albert M. Johnson and Walter Scott;

H.R. 6462. An act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes;

H.R. 7922. An act authorizing the Secretary of Commerce to dispose of a portion of the Yaquina Bay Lighthouse Reservation, Oreg.:

H.R. 8910. An act to establish a National Archives of the United States Government, and for other purposes;

H.R. 8954. An act to amend an act approved June 14, 1932 (47 Stat. 306), entitled "An act granting the consent of Congress to the States of Montana and Wyoming to negotiate and enter into a compact or agreement for division of the waters of the Yellowstone River";

H.R. 9046. An act to discontinue administrative furloughs in the Postal Service;

H.R. 9275. An act to provide for the protection and preservation of domestic sources of tin;

H.R. 9769. An act to amend the act of June 19, 1930 (46 Stat. 788), entitled "An act providing for the sale of the remainder of the coal and asphalt deposits in the segregated mineral land in the Choctaw and Chickasaw Nations, Okla., and for other purposes":

H.R. 9826. An act granting the consent of Congress to the State highway commission to construct, maintain, and operate a free highway bridge across Eleven Points River in the northwest half of section 31, township 25 north, range 3 west, 8 miles northeast of Alton, on route B in Oregon County, Mo.;

H.R. 9829. An act to amend the Agricultural Adjustment Act with respect to the processing tax on hogs;

H.J.Res. 365. Joint resolution to amend the Settlement of War Claims Act of 1928, as amended;

H.J.Res. 366. Joint resolution to simplify the administration of air-mail routes and contracts;

H.J.Res. 375. Joint resolution to effectuate further the policy of the National Industrial Recovery Act; and

H.J.Res. 452. Joint resolution to provide an additional appropriation for expenses of special and select committees of the House of Representatives for the fiscal year 1935.

#### EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

The VICE PRESIDENT. Reports of committees are in order. If there be no reports of committees, the calendar is in order.

### THE CALENDAR—UNITED STATES TARIFF COMMISSION

The Chief Clerk read the nomination of Oscar B. Ryder, of Virginia, to be a member of the United States Tariff Commission.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

### CUSTOMS SERVICE

The Chief Clerk read the nomination of Fannie Dixon Welch to be collector of customs, district no. 6, Bridgeport,

The VICE PRESIDENT. Without objection, the nomination is confirmed.

## THE JUDICIARY

The Chief Clerk read the nomination of William C. Lewis to be United States attorney for the western district of Oklahoma

The VICE PRESIDENT. Without objection, the nomination is confirmed.

## UNITED STATES MARSHALS

The Chief Clerk read the nomination of William H. Mc-Donnell to be United States marshal for the northern district of Illinois.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Sid A. Willis to be United States marshal for the district of Montana.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Samuel E. Swinney to be United States marshal for the eastern district of Oklahoma.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

#### DEPARTMENT OF COMMERCE

The Chief Clerk read the nomination of Jesse E. Murry, of Washington, to be supervising inspector, navigation and steamboat inspection.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

#### POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. Mr. President, I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

Mr. DAVIS. Mr. President, for and on behalf of my colleague, I ask that the nomination of James J. Law, to be postmaster at Wilkes-Barre, be passed over.

Mr. FRAZIER. Mr. President, I ask that the nominations of Mildred B. Johnson to be postmaster at Ashley, N.Dak., of Herman A. Borcherding, to be postmaster at New England, N.Dak., and of Ray S. Long, to be postmaster at Upham, N.Dak., be passed over.

Mr. McKELLAR. Mr. President, I ask that, with the exception of the nominations referred to by the Senator from Pennsylvania and the Senator from North Dakota, the other nominations be confirmed en bloc.

The VICE PRESIDENT. Is there objection? The Chair hears none and the nominations are confirmed en bloc.

Mr. McKellar. Mr. President, may I ask the Senator from Pennsylvania whether his colleague [Mr. Reed], personally objects to the confirmation of the postmaster at Wilkes-Barre?

Mr. DAVIS. My colleague would not interpose his personal objection to the confirmation of the nominee for postmaster at Wilkes-Barre.

Mr. McKELLAR. Then I move that the nomination be confirmed.

The VICE PRESIDENT. The question is on the motion of the Senator from Tennessee.

The motion was agreed to.

The VICE PRESIDENT. The nomination is confirmed.

Mr. FESS. Mr. President, I desire to ask the Senator from Tennessee and my colleague about the nomination for the post office at New London, Ohio.

Mr. BULKLEY. I had supposed that the nomination would be on the list, but I do not see it.

Mr. FESS. I asked that it be withheld for some time, but yesterday I gave the committee my consent to putting it on the list.

Mr. McKELLAR. On page 13 will be found the nomination of John L. O'Hara to be postmaster at New London.

Mr. FESS. That is the one to which I refer. I have withdrawn my objection.

Mr. McKELLAR. It has already been confirmed.

### IN THE ARMY

The Chief Clerk read sundry nominations for promotions in the Army.

Mr. SHEPPARD. I ask unanimous consent that the nominations be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc.

# IN THE NAVY

The Chief Clerk read sundry nominations for appointments in the Navy.

Mr. WALSH. I ask that the nominations in the Navy be

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc.

### BOARD OF TAX APPEALS

Mr. HARRISON. Mr. President, I report favorably from the Committee on Finance the nomination of John M. Sternhagen, of Illinois, to be a member of the Board of Tax Appeals.

Mr. LEWIS. Mr. President, I beseech the Senate to indulge me for a moment. This appointment on the Board is

that of a gentleman who has been a member of the Board | of Tax Appeals, I understand, for two consecutive terms, having been named by Republican administrations. I presented a candidate for this place, and have had conferences touching his qualifications and the political and personal propriety of his designation. A form of confusion suddenly arose, and to the Secretary of the Treasury and to the President followed considerable and sudden perplexity. The Secretary of the Treasury has acted under a very honest impression, and it is claimed by those who advocated the candidate I presented that there has been an injustice done him. The whole dilemma broke upon all at 8 o'clock on the Saturday night just as the President was called from the city. The Secretary of the Treasury has done the compliment to the candidate I had presented by giving the claims and merits his personal attention. The President of the United States has likewise done the subject the compliment of giving it consideration and assurance of correction of regrettable injustice. The able Chairman of the Finance Committee, Mr. HARRISON, corroborated this record.

The error as I see it has been caused by no intentional, deliberate wrong to anyone, particularly my candidate, Hon. William L. Sullivan. I am requested by the candidate himself and those representing him to cooperate with the Secretary of the Treasury in trying to get the appointment to this Board confirmed so that the Board may return to its general business, to put forth the opinions now not finished. In view, sir, of this attitude of kindliness and complimentary-I might say-disposition on the part of both the Secretary of the Treasury and the President to the candidate I presented, and in view of the desires expressed by the candidate, Mr. Sullivan, to aid the Government in the process of its work-while I do not present the nominee, the Republican, nor approve him as an appointee, I but obey my instruction from my candidate and withdraw opposition to the confirmation of the candidate named by the Secretary of the Treasury. I return to the chairman of the committee the nomination for the Board of Tax Appeals, and I ask that the President and the Secretary of the Treasury be informed of the action and of the reasons as given by me to the chairman of the committee.

Mr. HARRISON. I ask unanimous consent that the nomination be confirmed.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. HARRISON. I ask unanimous consent that the President immediately be notified of the confirmation of this nomination.

The VICE PRESIDENT. Without objection, it is so ordered.

SETTLEMENT OF DISPUTES BETWEEN CARRIERS AND EMPLOYEES

Mr. ROBINSON of Arkansas. Mr. President, I move that the Senate now return to consideration of legislative business.

The motion was agreed to, and the Senate resumed legislative session.

Mr. DILL. Mr. President, I move that the Senate proceed to the consideration of the bill (S. 3266) to amend the Railway Labor Act, approved May 20, 1926, and to provide for the prompt disposition of disputes between carriers and their employees.

Mr. FESS. A number of the Members of the Senate who ought to be present are absent. I suggest the absence of a quorum and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Brown	Costigan	Frazier
Ashurst	Bulkley	Couzens	George
Austin	Bulow	Cutting	Gibson
Bachman	Byrd	Davis	Glass
Bailey	Byrnes	Dickinson	Goldsborough
Bankhead	Capper	Dieterich	Gore
Barbour	Caraway	Dill	Harrison
Barkley	Carey	Duffy	Hastings
Black	Clark	Erickson	Hatch
Bone	Connally	Fess.	Hatfield
Borah	Coolidge	Fletcher	Hayden

Hebert Johnson McNary Metcalf Kean Murphy Neely Norbeck La Follette Nye O'Mahoney Logan Lonergan ong Overton McCarran Patterson McGill Pittman McKellar Pope

Reynolds
Robinson, Ark.
Robinson, Ind.
Russell
Schall
Scheppard
Shipstead
Smith
Steiwer
Stephens
Thomas, Okla.
Thomas, Utah

Thompson Townsend Tydings Vandenberg Wagner Walcott Walsh Wheeler White

Mr. LEWIS. Mr. President, I announce the absence of the junior Senator from California [Mr. McAdoo], occasioned by illness; also the absence of the Senator from Indiana [Mr. Van Nuys], the Senator from Florida [Mr. Trammell], and the Senator from New York [Mr. Cope-Land], occasioned by official business.

The VICE PRESIDENT. Eighty-nine Senators having answered to their names, a quorum is present.

The question is on the motion of the Senator from Washington [Mr. Dill] that the Senate proceed to the consideration of Senate bill 3266.

Mr. HASTINGS obtained the floor.

Mr. LONG. Mr. President, would the Chair request the Senator to suspend in order that the Senate might receive a message from the House of Representatives?

The VICE PRESIDENT. The Senator from Delaware will suspend in order that the Senate may receive a message from the House of Representatives.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9046) to discontinue administrative furloughs in the Postal Service.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3580) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

The message further announced that the House had passed without amendment the joint resolution (S.J.Res. 115) to provide for the continuation of the investigation authorized by Senate Resolution No. 83, Seventieth Congress, first session.

SETTLEMENT OF DISPUTES BETWEEN CARRIERS AND EMPLOYEES Mr. LONG. Mr. President, I move that the Senate take

up the conference report on Senate bill 3580.

The VICE PRESIDENT. The Senator who has the report will first have to submit it to the Senate.

Mr. LONG. It is submitted to the Senate.

The VICE PRESIDENT. No; the message from the House informs the Senate of the action of that body.

Mr. HASTINGS. I call for the regular order.

The VICE PRESIDENT. The regular order is the motion of the Senator from Washington [Mr. Dill] to proceed to the consideration of Senate bill 3266.

Mr. DILL. I call attention to the fact that my motion is pending.

Mr. HASTINGS. Mr. President-

The VICE PRESIDENT. The motion of the Senator from Washington [Mr. Dill] is pending. The Senator from Delaware [Mr. Hastings] is recognized.

Mr. LONG. I send to the desk a conference report and ask that it be approved.

The VICE PRESIDENT. Does the Senator from Delaware yield for that purpose?

Mr. HASTINGS. No; I do not yield for the moment.

Mr. LA FOLLETTE. Mr. President-

The VICE PRESIDENT. Does the Senator from Delaware yield to the Senator from Wisconsin?

Mr. HASTINGS. I yield.

Mr. LA FOLLETTE. I desire to serve notice in all fairness on the Senator from Delaware that I expect to insist on a strict enforcement of the rule that he cannot yield for anything except a question; that if he yields for the transaction of any business it will have to be considered as terminating one of the speeches which he has the right to make during this day on this bill.

Mr. JOHNSON. Mr. President, a parliamentary inquiry. Is the motion of the Senator from Washington debatable?

The VICE PRESIDENT. It is. Anything except a motion to proceed to consider a conference report is debatable. A motion to take up the conference report is not debatable, but a conference report itself is debatable.

Mr. HASTINGS. Mr. President, I desire to say to the Senator from Wisconsin that for the moment I propose only to show to the Senate the difficulties which are involved in the passage of this bill at this session of Congress. T shall not take a long time in doing it. But I do want the Senate to get a true picture of this situation. For that purpose I desire to call attention to the fact that there is no emergency involved at all in this legislation.

I desire to quote from Mr. Eastman's testimony, to be found on page 13 of the hearing, as follows:

The fact is that I have spent considerable time with the railroad executives on this matter, and their attitude has, on the whole, been very commendable.

Mr. DILL. Mr. President, a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. DILL. I hope better order will be maintained in the Senate. I am anxious to hear what the Senator is saying, but I cannot do so on account of the disorder.

The VICE PRESIDENT. The Chair will state that it is very difficult to get Senators to refrain from conferences on the floor, but the Chair will ask Senators kindly to refrain from talking.

Mr. HASTINGS. The Coordinator states:

The conditions have been improved very materially. The improvement has not been complete, but excellent progress has been and is being made. I do not now suggest legislation because of immediate need, but in order that the legislative situation may be clarified and stabilized, and proper provision made for the

Again I desire to call attention to this language on

The National Adjustment Board is to handle only the minor cases growing out of grievances, or out of the interpretation or application of agreements. Provision is also made so that deadlocks will be impossible.

Again on page 18 Mr. Eastman states:

I know that the railroads will present, before these hearings through, very emphatic objections to the creation of this National Adjustment Board.

I may say that I conferred with the representatives of the railroads before making the report on this bill.

They will probably tell you that it is something like shooting They will probably tell you that it is something like shooting sparrows with a 16-inch gun; that those minor disputes ought to be considered locally and not by a national board far removed from the seat of conflict; that this is especially true of discipline cases; that the very existence of a national board will prevent the local settlement of these cases as they ought to be settled; that the tendency for the parties will be to disagree and to "pass the buck" to the national board; and that the national board will bog down with a multitude of docketed but undecided cases, to the dissatisfaction and great expense of all concerned.

Now I do not wish to dismiss these objections as of no moment. On the contrary I think they have substance and that you ought to give them very careful consideration. Nevertheless, I believe that this experiment of a national adjustment board should be tried. In the first place, as I have already indicated, I regard the appointment of a neutral member to prevent deadlocks as a provision having the very greatest of importance.

I desire to call attention to these three points. In the first place the Coordinator, who knows about these matters, says:

I do not now suggest legislation because of immediate need.

Mr. DILL. Mr. President-

The PRESIDING OFFICER (Mr. McGill in the chair). Does the Senator from Delaware yield to the Senator from Washington?

Mr. HASTINGS. I yield.

Mr. DILL. Is the Senator familiar with the letter which the Coordinator on the 14th of June wrote to the President about this proposed legislation?

Mr. HASTINGS. I am not certain that I am. Was the letter dated June 14?

Mr. DILL. Yes; of this year.

Mr. HASTINGS. I am quite certain that I have not seen that letter.

Mr. DILL. In my own time I want to read that letter, in which the Coordinator, I think, has changed his views considerably.

Mr. HASTINGS. I have before me the hearings, and I was depending upon the hearings in order to ascertain the Coordinator's views

May I call attention that, in the first place, he says there is no immediate need; in the second place, he says that the national adjustment board proposed to be created by this bill " is to handle only minor cases growing out of grievances or out of the interpretation or application of agreements"; and, in the third place, he calls attention to the fact that this is merely an experiment.

So we have from the Coordinator three statements which, to my mind, are very important. First, he says there is no immediate necessity for such legislation; secondly, that it is intended to apply only in minor cases; and third, after all, it is wholly an experiment. And the points to which I have called attention are important only for the purpose of determining whether this kind of legislation ought to be taken up this late in the session. I mean by "this late in the session", assuming that the Congress itself believes and the country as a whole believes that the Congress has been in session as long as it reasonably ought to be and it is desirable for the country that it shortly adjourn.

I agree that there are provisions in the pending railroad bill that are worthy of discussion. The railroad managements are not objecting to the whole of this bill; they would be delighted, as I understand, to have some provision whereby when they reach an agreement with their men its execution could be made compulsory; but, Mr. President, I desire to call especially the attention of the distinguished chairman of the committee to one other very great difficulty that is involved in the passage of this proposed legislation at this time. I call his attention to the fact that as the House passed this bill it has in it under paragraphs 4 and 5 of section 2 provisions which the Coordinator bitterly opposes, and, if I understand his letter, he believes that it would be better to pass no bill than it would be to pass the kind of bill which the House of Representatives has passed. If the Senator from Washington has not examined the House provisions, I call his attention to the very great difference between the provisions of the bill as passed by the House and the bill which has been recommended by the Interstate Commerce Committee of the Senate; and I suggest that in connection with those differences it might take literally days, with everyone working as hard as he could, to reach an agreement, before an agreement could be reached.

In that connection I desire to read a letter in order that the Senate may know the differences. I desire to read a letter of date June to the Chairman of the Committee on Interstate and Foreign Commerce of the House of Representatives by Mr. Eastman, in which he points out the danger of so amending the bill which he had prepared. I want to call the Senate's attention to the fact that the House ignored his recommendation, and in the bill are the very provisions to which the Coordinator objects.

This letter, which is directed to Representative RAYBURN calls attention to the fact that-

Mr. J. A. Farquharson, vice president and legislative representative of the Brotherhood of Railroad Trainmen, has left with me a copy of his brief filed with your committee in support of amendcopy of his brief filed with your committee in support of amendments of bill H.R. 9689 proposed by the Association of Railway Labor Executives in lieu of paragraphs 4 and 5 of section 2 of the bill. There has also been presented to your committee an argument by Mr. R. K. Corkhill in support of certain other amendments proposed by so-called "independent" organizations. It may clarify the stuation if I reply to these communications.

Paragraphs 4 and 5 of section 2 of H.R. 9689 merely write into the paragraphs 4 and clarify provisions of the Bankruptey Act

the permanent law and clarify provisions of the Bankruptcy Act and Emergency Railroad Transportation Act, 1933.

Mr. President, may I call attention to the fact with respect | to the bill which was presented to the Senate by the Coordinator and which is now before the Senate, that he bases his recommendations largely upon the fact that this provision was in the Emergency Railroad Transportation Act, but, in reply to that, it ought to be remembered that that act was to run for only a short time and was not intended to be permanent, while this proposed legislation is intended to be permanent.

But the Coordinator points out-

The proposed amendments which Mr. Farquharson undertakes defend are designed to protect certain so-called "percentage to defend are designed to protect certain so-called "percentage contracts" which his brotherhood has with some of the railroads. These contracts are so out of harmony with the spirit of railroad labor relations as contemplated by the Railway Labor Act, the Bankruptcy Act, and the Emergency Railroad Transportation Act, that I am frankly astonished by the persistency with which these amendments are urged. In my testimony before your committee I pointed out that they are designed to permit the so-called "standard organizations" to enter into contracts or agreements with the carriers which are prohibited in the case of company unions, such contracts or agreements being of the closed-shop or "yellow dog" variety.

In other words, Mr. Eastman takes the position that there should be no "yellow dog" contracts of any kind, either on behalf of the railroads or on behalf of the unions. As I understand, 21 unions operating in connection with 21 class I railroads of this country have contracts with the corporations whereby no person shall be employed unless he agrees beforehand to become a part of that union and to be bound by the rules and regulations of that union. In other words, that is the "yellow dog" contract which has been condemned by every Senator on the floor of the Senate, so far as I know, who has had anything to say about it. That statement refers to contracts by which industries employ a person and make him agree before his employment that he will not join certain unions. That, as I recollect, is called the "yellow dog contract."

In these 21 instances

Mr. DIETERICH. Mr. President-

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Illinois?

Mr. HASTINGS. I yield.

Mr. DIETERICH. At this point I ask unanimous con-

Mr. LA FOLLETTE. Mr. President, I warn the Senator from Delaware that if he yields he may lose the floor.

Mr. HASTINGS. Mr. President, I should like to comply with the request of the Senator from Illinois, but the Senator from Wisconsin, who knows the rules very much better than I do, has warned me that if I yield for the purpose desired by the Senator from Illinois I may lose the floor and not be permitted to finish my speech. I shall, under those circumstances, have to decline to yield.

The PRESIDING OFFICER. The Senator from Delaware declines to yield.

Mr. HASTINGS. Mr. President, I have pointed out what the "yellow dog" contract means to most of us, and as I have said, Senators on this floor have condemned it and have been willing to do anything they could to outlaw the "yellow dog" contract.

But the 21 railroad organizations have made a contract already with the railroads which prohibits the railroads from employing persons, any kind of persons, until those persons agree to abide by the rules and regulations of the railroad organizations. It was that kind of a contract which Mr. Eastman condemned, but it is that kind of contract which the House has written into paragraphs 4 and 5 of section 2.

If there be a difference of opinion between the House and Mr. Eastman and if the Senate agrees with the recommendations of Mr. Eastman as the committee did, then we have a serious conflict between the Senate and the House which may not be ended, as I pointed out a moment ago, without debate involving a very great length of time.

Mr. Eastman continued:

No such distinction is made in the present labor provisions of the Emergency Act, which the standard organizations themselves wrote, and I am at a loss to know how it can be de-

fended. It is not necessary to repeat here all that I said in my statement to the committee. However, the trainmen have cleared up with my organization a few points as to which I was not fully informed at the time of my statement.

(1) None of the percentage contracts applies to the road-train service. Conductors demoted to trainmen's work on account of decrease in business displace trainmen, and trainmen are promoted to conductors' jobs without any friction between the organizations and without any percentage contracts. Under these

ganizations and without any percentage contracts. Under these circumstances a percentage contract for the trainmen in road service would be impossible.

(2) The percentage contracts apply only to yard service; i.e., yard conductors, yard brakemen, and switchmen. The contracts provide that at least 75, 85, or 100 percent, as the case may be of these classes of employees working in a yard must belong to the Brotherhood of Railroad Trainmen and that, in one instance the Brotherhood of Railroad Trainmen and that, in one instance at least, the carrier must, in the contract of employment, provide that the new employee shall join the trainmen's organization within a limited number of days from his employment. Thus the contract provides for a closed shop, in whole or in part, and has also all the essential features of the "yellow dog" contract, denying freedom of choice to the employees.

(3) The Brotherhood of Railroad Trainmen have the contract for the yard-service employees on between 140 and 150 class I railroads, but on only 23 roads of this total has the brotherhood been able to negotiate a percentage contract. On the remaining

railroads, but on only 23 roads of this total has the brotherhood been able to negotiate a percentage contract. On the remaining one hundred and twenty-odd roads where the trainmen have the yard contract, they are in position to make the yard-service jobs interchangeable with the road-train service, protect their contracts, prevent illegal strikes, insure division seniority for yard-service employees, and generally make the organization much more flexible in the protection of their members and the railroad than under a percentage contract. percentage contract. This is so because the percentage is figured for each yard separately, and hence the men have no seniority rights elsewhere in case the operation of a yard is abandoned through consolidation, lengthening of divisions, or other operating

The Brotherhood of Railroad Trainmen could, without dif-

(4) The Brotherhood of Railroad Trainmen could, without difficulty, rewrite the percentage contracts to conform with the yard contracts that they hold on the great majority of the roads.

(5) The percentage contracts of the Brotherhood of Railroad Trainmen cover not more than 10,000 employees. This is approximately 1 percent of the total of railroad employees. The provisions of paragraphs 4 and 5 of section 2 of the bill will affect the opportunity of freedom of choice in the selection of representatives by perhaps 400,000 employees heretofore included in company-union groups. Is it any wonder that the railroads foster the contentions made by the trainmen in the hope of preventing the passage of the bill or imperiling its constitutionality? The committee members will appreciate the legal arguments that will be raised in behalf of the company unions if Congress should prohibit certain practices with respect to them, but permit the same practices with respect to other labor organizations.

(6) In Mr. Farquharson's brief, attention is called to certain contracts of the Brotherhood of Locomotive Firemen and Enginemen in the South, whereby a certain percentage of men employed

men in the South, whereby a certain percentage of men employed as firemen are promotable men. Apparently Mr. Farquharson would have it appear that these contracts of the firemen are similar to the percentage contracts of the trainmen. This, however, is not the case. All that the firemen's contracts provide is that a certain ratio between white and colored firemen shall be maintained for reasons having absolutely no relation to membership or nonmembership in labor organizations. The percentage contracts of the trainmen for yard service are the only closed-shop contracts known to the railroad industry.

(7) Long experience has shown that whenever management is put into position to assist in the control of membership in a labor organization, it will find ways to control the policy and practices of that organization.

(8) The importation of labor practices in other industry as a guide to Congress in framing railroad labor legislation presents an anomaly. Heretofore, the railroad labor leadership has set the model to which labor interests in other industries have sought to attain. Senator Wagner has joined with the Committee on Inter-state Commerce in the Senate in recommending this legislation as it appears in H.R. 9689. Mr. Farquharson's brief is in error in asserting that the United Mine Workers write only closed-shop contracts. The fact is that while the check-off may be written into the miners' contracts, it applies only to the members of the union.

I am confident that the only real support for the proposed amendments is from a single organization. None of the other standard organizations has anything to gain from such changes in the bill. I sincerely hope that your committee will not imperil the legislation by adopting these amendments. They can cause only trouble and are incapable of any sound defense.

With respect to the statement filed with your committee by Mr. R. K. Corkhill, I have not been favored with a draft of the amendments proposed by Mr. Todd which Mr. Corkhill supports. The bill as proposed gives every latitude to independent unions, organized in accordance with the bill, to ally themselves in national organizations and participate in the selection of the labor representatives on the National Adjustment Board. They are also given every conceptualty to agree with measurements. given every opportunity to agree with managements upon any other system of adjustment. To open up additional avenues for the further review of minor grievances than those provided in the bill as now drawn, would be defeating the very purposes for which it is proposed to amend the Railway Labor Act.

Mr. President, it has been said on the floor by two or three Members of the Senate that there is no opposition to this bill, one Senator saying that the opposition comes from only one railroad.

I desire to read from the minority report a letter that was written by A. F. Whitney, president of the Grand Lodge of the Brotherhood of Railroad Trainmen, dated Cleveland, Ohio, May 21, 1934, and directed to secretaries of all lodges, chairman and secretaries, general grievance committees, and legislative boards in the United States.

I call attention to the fact that this letter was written before the House had acted upon this bill. It was written before the House committee made its report; but I am for the moment talking about the Senate bill, and that which was recommended by the Senate committee. Here is what the president of this brotherhood said with respect to it; and I particularly invite the attention of the Senator from Wisconsin [Mr. La Follette] to the language:

GRAND LODGE BROTHERHOOD OF RAILROAD TRAINMEN Cleveland, Ohio, May 21, 1934.

Secretaries, all lodges; chairmen and secretaries, general grievance committees, and legislative boards in the United States.

DEAR SIRS AND BROTHERS: We are informed that in the consid-

DEAR SIRS AND BROTHERS: We are informed that in the consideration of proposed amendments to the Railway Labor Act, the Senate Committee on Interstate Commerce has recommended certain changes proposed by the Federal Coordinator of Transportation which, if adopted, will seriously interfere with, if not destroy, fundamental rights labor has heretofore enjoyed.

In section 2, under the caption "General purposes", the Federal Coordinator has recommended an amendment which, if enacted, will probably prohibit strikes and deprive railway workers of what little democracy and freedom of action they now enjoy, and in lieu of suggestions made by the standard railway labor organizations the Senate committee has recommended amendments proposed by the Coordinator, known as paragraphs "fourth" and "fifth" of section 2 which would destroy existing percentage or closed-shop agreements and prohibit such agreepercentage or closed-shop agreements and prohibit such agreements in future, and in paragraph "ninth" of the same section 2 the Coordinator has proposed an amendment which would have the effect of placing jurisdictional questions in the hands of the Federal Government for determination which the organizations heretofore have been free to adjust among themselves without interference by the Government.

There can be no question but that the Railway Labor Act is in need of amendment to correct its admitted weaknesses, but the railway employees of the United States would be far better off to have the law continue as it is than to be shackled by amend-

to have the law continue as it is than to be shackled by amendments such as above mentioned.

It is important that we make every possible effort to protest against reactionary changes in the law such as above referred to, and all concerned are urgently requested to write or wire their Senators and Congressmen vigorously protesting against the adoption of amendments to the Railway Labor Act recommended by the Senate Committee on Interstate Commerce and known as paragraphs "fourth", "fifth", and "ninth" of section 2, and paragraph captioned "General purposes" in section 2, of Senate bill S 3266. bill S. 3266.

United States Senators and Congressmen, respectively, should be addressed in care of the Senate Office Building and the House Office Building, Washington, D.C.

Fraternally yours,

A. F. WHITNEY. President.

Mr. President, that letter evidently had some effect, because the House committee and the House itself have made such changes in the House bill as comply with the criticisms contained in this letter of Mr. Whitney under date of May 21, 1934; but the Coordinator, the person on whom the committee of the Senate relied almost entirely with respect to this bill, and who drew the bill, is bitterly opposed to the bill as now passed by the House. I submit that that shows conclusively that this is a matter of such controversy that it ought not to be rushed through the Senate in the last days of the session.

Mr. President, we were told on Saturday night by the distinguished Senator from Michigan [Mr. Couzens] that so far as he knew this bill was being opposed by one great railroad only, and that one great railroad was responsible for holding up its consideration in the Senate. He also said something about the railroads having prepared the minority report. I have no hesitancy in saying that I selected a few sentences from objections that had been filed before the committee by railroad representatives; but I do not see any particular objection to that if they stated the matter in language that I regarded as suitable to me, and to which I was willing to place my name.

I desire to say, however, in response to the Senator's suggestion that only one railroad is opposed to this bill, that I propose now to read to the Senate some of the telegrams I have received this morning, not all of which are from railroads, but some are from railroad organizations. In addition to that, I shall later call attention to the record showing that many labor organizations are opposed to the bill as written by the Senate committee.

I have a telegram from Boston, signed by H. M. Comerford, secretary of the Independent Brotherhood of Steam and Electric Engineers, saying:

Our organization opposed to bill 3266, as it will be harmful to our organization.

Mr. President, I appreciate that someone may say that that is a company union, and that that organization is sending the telegram at the suggestion of the railroad by which its members are employed. I do not know whether that is true or whether it is not true. I am reading the telegrams as received by me.

Another telegram from Malden, Mass., signed by L. F. Gibbons, president of the Independent Allied Railroad Shop Crafts, states:

I wish to advise you that the passage of Senate bill No. 3266 threatens the destruction of the organization of which I am president, and urgently request you to oppose this bill. This also applies to approximately 100,000 men in other parts of the United

From Chicago I have a telegram from H. G. Taylor, commissioner of western railroads, saying:

Western railway executives in session today have been advised that it was stated on the floor of the Senate that the only railroad opposing present labor bill was Pennsylvania Railroad. We think the author of this statement has been misinformed. It is think the author of this statement has been misinformed. It is our opinion that all railroads are opposed to the passage of this measure and that some of the brotherhoods themselves are likewise opposed. We believe the measure ill-advised and will tend to disrupt pleasant relations now existing between management and men, and it will be a step backward instead of forward to make any change in present Railway Labor Act.

Another one from Louisville, Ky., from W. R. Cole, president of the Louisville & Nashville Railroad:

I understand statement has been made that only one railroad is opposing bill to amend Railway Labor Act and set up national boards of adjustment. This is not true, since the Association of Boards of adjustment. This is not true, since the Association of Railway Executives, comprising substantially all class I railroads in the United States, unanimously opposes the passage of this legislation. I respectfully urge that the Senate decline to enact this legislation which will tend to disrupt existing harmonious and pleasant relations with employees without any corresponding benefit to them.

Another from Chicago, signed by H. A. Scandrett:

As president of Chicago, Milwaukee, St. Paul & Pacific Railroad Co. I am strongly opposed to pending bill to amend the Railway Labor Act, which has worked successfully since its enactment and under which disputes on our road have been adjusted. Men on our railroad belong to the so-called "standard organizations." To unsettle present conditions by a new law and substitute new conditions that are apparently unnecessary and will not be as well understood as those of the present law would constitute a menace to the satisfactory relations that have long existed between the management and the employees on this railroad. I trust you may consistently oppose it and earnestly hope the bill will be defeated.

Another from J. J. Pelley, president of the New York, New Haven & Hartford Railroad, New Haven, Conn., saying:

This company very much opposed to passage of bill to amend Railway Labor Act and set up national boards of adjustment and I hope every possible effort will be directed toward its defeat.

Another from E. E. Loomis, president of the Lehigh Valley Railroad, New York City:

Most essential that everything possible should be done to prevent passage of proposed railway labor bill; it is obvious scheme on part of heads of railway labor organizations to increase their power and prestige and is not sought by rank and file of railway employees; it seriously threatens efficient and successful operation of railwayers. of railroads.

Another from J. L. Lancaster, president of the Texas & Pacific Railway Co., from Dallas, Tex.:

In common with every other railroad executive of my acquaintance, I strongly oppose pending bill to amend Railway Labor Act and set up national boards of adjustment. This measure unmistakably discriminates against certain groups of employees and makes distinctions between employees not made in present labor provisions of Emergency Rallroad Transportation Act, 1933. Its passage undoubtedly will disrupt existing pleasant relations with employees, and I most emphatically am opposed to any legislation of this character.

Another from A. C. Needles, president of the Norfolk & Western Railway Co., from Norfolk, Va.:

The Norfolk & Western Railway has participated in opposition to the present bill designed to amend the Railway Labor Act and set up national boards of adjustment. I therefore want to exset up national boards of adjustment. I therefore want to express my emphatic opposition to the passage of this bill. There is absolute harmony between the Norfolk & Western Railway management and its employees, and I believe this situation prevails generally throughout the country. We believe that the bill under consideration would discriminate against the majority of our employees and is neither in their interest nor that of the carriers. If this bill is not passed, I am firmly of the opinion that between now and the next session of Congress representatives of employees and representatives of the carriers will be able to reach an agreement upon amendments to the Railway Labor Act which will not disrupt satisfactory relations and which will be greatly to the interest of a large majority of the railroad employees as well as the public and the carriers; I earnestly urge your support in preventing passage of this bill at this time

I have here a telegram from Mr. J. J. Bernet, president of the Chesapeake & Ohio, Nickel Plate, and Pere Marquette Railways, as follows:

Statement that the Pennsylvania Railroad is the only one opposed to bill to amend Railway Labor Act is not true. This act, if it becomes a law, will do much to disturb the present satisfactory relationship existing between railroads and their employees. We are opposed and hope it may not be passed.

The following telegram has been received from Mr. L. A. Downs, president of the Illinois Central Railroad System:

It is my earnest conviction that existing present relations between railroads and their employees would be very seriously disturbed by enactment of bill to amend Railway Labor Act and set up national boards of adjustment. I am opposed to this measure and urge that it not be passed.

Mr. George B. Elliott wires as follows:

I have noted statement made on the floor of the Senate to the effect that the principal railroads of the country are not opposed to the pending bill amending the Railway Labor Act. Atlantic Coast Line Railroad Co., which I represent, has enjoyed harmonious and satisfactory relations with its employees since the passage of the Railway Labor Act in 1926. Our affairs have been regulated in accordance with the terms of that act and we have had no difficulty in adjusting such grievances as have arisen. Atlantic Coast Line Railroad Co. would greatly deplore the passage of the pending bill because in its opinion it would disrupt the situation which has enabled it and its employees to live together upon satisfactory terms of common purpose. I sincerely hope that the bill will not become law.

The following wire was received from S. T. Bledsoe, president of the Atchison, Topeka & Santa Fe Railway Co.:

I am strongly opposed to bill now under consideration Senate proposing amendment Rallway Labor Act and establishing national board of adjustment for railroads and their employees. Relationships between this company and all its employees are pleasant. This bill is matter of serious concern to us, since I believe its tendency will be to interfere with this condition.

Mr. Charles H. Ewing wired as follows:

Reading Co. and the Central Railroad Co. of New Jersey strenuously oppose Senate bill 3266.

The following is from J. M. Kurn, president of the Santa Fe Railway Co .:

St. Louis-San Francisco Railway Co. very much opposed to amending Railway Labor Act and setting up of national board of adjustment, as, in our opinion, will have a tendency to disturb existing pleasant relations with employees. Appreciate very much any help you can give us.

The following telegram comes from Mr. E. S. French:

Boston, Mass., June 18, 1934.

Hon. D. O. HASTINGS

United States Senate: Boston & Maine and Maine Central Railroads are opposed to enactment of Senate bill 3266 which amends Railway Labor Act of enactment of Senate bill 3266 which amends Rallway Labor Act of 1926. We recommend but two amendments to Railway Labor Act: one, providing for regional and system boards, and two, settlement of deadlock cases, both to be compulsory. If bill 3266 in present form is passed it will disturb present arrangements, will increase costs to all concerned, will threaten existence of some of our labor organizations, and we believe will accomplish no good purpose. We hope bill in present form will not pass.

E. S. French, President. I have received the following from Mr. J. M. Davis:

NEW YORK, N.Y., June 18, 1934.

Hon. DANIEL O. HASTINGS,

United States Senate:

The Delaware, Lackawanna & Western Railroad Co. is strongly opposed to passage of bill amending Railway Labor Act and setting up national boards of adjustment. We have had no grievances or disputes which we could not adjust to satisfaction of all concerned. The proposed legislation if enacted, we fear, would disturb this pleasant relationship with employees particularly. We believe establishment of national boards of adjustment would create a new and untried agency for settling disputes that could not be made to function successfully and would prove unsatisfactory to both management and employees.

J. M. DAVIS. President.

Mr. M. S. Sloan sends the following:

New York, N.Y., June 18, 1934.

Senator Daniel O. Hastings:

The Missouri, Kansas & Texas Railroad is opposed to amendment of the railroad labor act and setting up national boards of adjustment. I feel that any amendment to the present Railroad Labor Act will disturb our existing pleasant relations with our employees.

M. S. SLOAN, Chairman of the Board, Missouri, Kansas & Texas Railroad Co.

I have also received the following telegrams:

CLEVELAND, OHIO, June 18, 1934.

Senator Daniel O. Hastings,

Senate Office Building:

Understand that a misinformed Senator advised the Senate Saturday evening that the Pennsylvania Railroad was the only one opposing bill to amend the Railway Labor Act. The Association of Railway Executives unanimously opposed the bill; we are very definitely opposed to it. The Railway Labor Act of 1926 was intended primarily to prevent interruption of transportation service and has done this effectively. The proposed amendments of sections of that act are not justified and will disturb rather than improve existing relationships between management and men. I appreciate your attitude and hope that the bill will not be passed.

C. E. DENNEY, President Erie Railroad Co.

New York, N.Y., June 18, 1934.

Hon. DANIEL O. HASTINGS:

Newspapers carry statement that Pennsylvania is only line opposing bill to amend Railroad Labor Act, under discussion in Senate today. This statement is absolutely contrary to facts. Vice president of New York Central expressed strong opposition to bill before House Committee on Interstate and Foreign Commerce, not only on behalf of New York Central system but for all other class 1 railroads, on ground the bill as proposed is, in judgment of those who have for many years handled labor matters, unwise, and in many respects unworkable. We consider national boards of adjustment would interfere with present mutually satisfactory arrangements which have been in effect since 1926, and adversely affect amicable relations which have been built up between managements and so-called "standard labor organizations" with whom we have agreements. We strongly urge that no action be taken at this session, giving railroads and labor organizations opportunity to undertake to work out mutually satisfactory plan before next session of Congress which will overcome objections which have arisen to the present Railroad Labor Act. We firmly believe such voluntary arrangements are more effective for producing desirable relations with employees than compulsory action such as is here proposed. Newspapers carry statement that Pennsylvania is only line opsuch as is here proposed.

F. E. WILLIAMSON.

St. Louis, Mo., June 18, 1934.

Hon. Daniel O. Hastings, United States Senator from Delaware,

Senate Office Building:

Understand Railway Labor Act up for consideration today. Railroads have serious objections to this bill. Federal coordinator, Mr. Eastman, opposed bill in recent letter Mr. Rayburn. Provisions of bill carefully considered by representatives all carriers, who unanimously consider bill detrimental to amicable settlement labor problems. Speaking for Missouri Pacific Railroad, International Great Northern, Gulf Coast Lines and subsidiaries, urge you can be subsidiaried. oppose this bill as adding no improvement to act of 1926. Similar message sent to Senator Dill.

L. W. BALDWIN.

CHICAGO, ILL., June 18, 1934.

Senator Daniel O. Hastings:

Just learned that Senator Couzens had stated the Pennsylvania Railroad was the only one opposing bill to amend Railway Labor Act and set up national boards of adjustment. I want to voice my very emphatic opposition to this bill as it would tend to disturb the existing very pleasant relations between this company and its employees, and I hope it will not be passed.

J. E. GORMAN, Trustee Rock Island Lines.

AUGUSTA, GA., June 18, 1934.

Senator HASTINGS, of Delaware:

Reference bill now before Senate to revise Railway Labor Act, 1926. It would be very unfortunate to impose conditions of this bill in its present form on short and weak lines, and we hope you may use your influence toward having bill carried over until next session of Congress so that in the meantime consideration may be given to its effect on short and weak lines.

H. W. PURVIS, Chairman Southern Short Line Railroad Conference.

ST PAUL, MINN., June 18, 1934.

Senator Daniel O. Hastings:

Understand statement made in Senate Saturday that Pennsyl-Understand statement made in Senate Saturday that Pennsylvania Railroad is the only railroad opposing bill to amend Railway Labor Act and set up national boards of adjustment. Great Northern Railway firmly opposed to this bill and believe railroads generally in this region take same position. Hope this bill will not pass as believe it would disturb existing harmonious relations with many groups of our employees.

W. P. KENNEY.

NORFOLK, VA., June 18, 1934.

Senator Daniel O. Hastings,

Senate Office Building, Washington, D.C.:

The Virginia Railway is opposed to the present bill designed to amend the Railway Labor Act and set up national boards of adjustment. I, therefore, want to express my emphatic opposition to the passage of this bill. There is absolute harmony between the Virginia Pallway management and its ambalance and believed. the Virginia Railway management and its employees and I believe this situation prevails generally throughout the country. We believe that the bill under consideration would discriminate believe that the bill under consideration would discriminate against the majority of our employees and is neither in their interest nor that of the carriers. If this bill is not passed I am firmly of the opinion that between now and the next session of Congress representatives of employees and representatives of carriers will be able to reach an agreement upon amendments to the Railway Labor Act which will not disrupt satisfactory relations, and which will be greatly to the interest of a large majority of the railroad employees as well as the public and the carriers. I earnestly urge your support in preventing the passage of this bill at this time. at this time.

President Virginian Railway.

NORFOLK. VA., June 18, 1934.

HON. DANIEL O. HASTINGS,

United States Senate:
We feel that the bill to amend Railway Labor Act and set up national board of adjustment would be seriously opposed to the proper interests of southern railroads and would disturb rather than foster amicable labor relations. Seaboard Air Line Railway has never had company unions and deals exclusively with standard railway labor organizations. Our relations with our labor are cordial and satisfactory and we are definitely opposed to the creation of a national board of adjustment which will substitute remote control for the adjustment of occasional labor differences remote control for the adjustment of occasional labor differences which occur on the Seaboard in place of the machinery now in use which provides methods of adjustment through persons thoroughly familiar with local conditions and with the problems of our own railroad in which both labor and management have a common interest. There are conditions on the railroads in the South which are necessarily peculiar to this section. In our view it will be impossible for a national board to deal as satisfactorily and with the necessary intelligent appreciation of conditions local to southern railroads. We therefore strongly favor regional boards with a referee or other appellate officer capable of resolving any deadlock or differences that might occur in a regional board. I. R. Powell, Jr.

L. R. POWELL, Jr., HENRY W. ANDERSON, Receivers of Seaboard Air Line Railway.

NEW YORK, N.Y., June 18, 1934.

Senator DANIEL O. HASTINGS,

United States Senate:
The Southern Pacific Co. and its wholly owned subsidiaries, The Southern Pacific Co. and its wholly owned subsidiaries, operating 14,705 miles of track in eight Western and Southwestern States, and water lines between Gulf ports and North Atlantic ports, earnestly urges that the bill to set up national boards of adjustment and amend the Rallway Labor Act be not passed. The ultimate effect of its various provisions has not been given sufficient consideration and the bill will be productive of technical disputes and other sources of irritation. The difficulties and nical disputes and other sources of irritation. The difficulties and delays in disposing of problems of agreements as to facts or interpretations of contracts are apt to be accentuated by appeal to national boards necessarily far removed from the scene of the dispute. While reservations in the bill apparently provide for local determination where the railroads and their employees so prefer, nevertheless the spirit of the measure is otherwise. Justification for deferring action is found on the broad ground alone that after the exhaustive care taken in preparation of Railway Labor Act by joint action of representatives of management and employees in 1926, and in which I participated, sufficient consideration has not been given to the wisdom or necessity of the far-reaching changes now proposed. far-reaching changes now proposed.

HALE HOLDEN.

Mr. President, I also received from Mr. Fletcher, representing the railway executives, a copy of a letter written to Senator Couzens, dated June 18, in which he says:

WASHINGTON, D.C., June 18, 1934.

Hon. JAMES COUZENS.

United States Senate, Washington, D.C.

DEAR SIR: I find that on page 12266 of the Congressional Record of Saturday, June 16, you are reported as having said, in discussing the bill to amend the Railway Labor Act:

"I know of no particular objection, except from the Pennsylvania Railroad, which has its representatives here and writes the report. It has objection to the railroad labor bill."

I am merely writing to say that you are misinformed as to the lack of objection on the part of the railroads of the country the lack of objection on the part of the railroads of the country, to this bill. As counsel for the Association of Railway Executives, I am in a position to say definitely that the railroads of the country represented by this association and by the Short Line Railroad Association are unanimous in their opposition to this bill.

Perhaps the notion that the Pennsylvania alone is opposing it grows out of the fact that a vice president of the Pennsylvania was chairman of a committee appointed by the association to present its views to the committees of Congress. As chairman, this vice president of the Pennsylvania made the principal statement in opposition to the bill, but statements in opposition were also made by a vice president of the New York Central and by others.

Very truly yours,

R. V. FLETCHER.

Mr. HASTINGS. Mr. President, I do not desire to detain the Senate in determining the question now before it, which is whether or not this bill shall be considered.

I have before me the Senate hearings. I have places marked which I propose at some time to read to the Senate, showing that there are a great many organizations which are very much opposed to this bill. There is one witness alone who represented 70,000 employees who are opposed to it. There are independent organizations that are opposed to it. So that the idea which has gotten abroad that there is no opposition to this bill, except from a very few, is entirely erroneous.

But, Mr. President, I call the attention of the distinguished chairman of the committee to the fact that, as I previously pointed out, the Coordinator said that there is no immediate need for this bill in the first place. He has called attention to the fact that it only relieves the railroads and employees of minor differences, and thirdly, he has called attention to the fact that it is merely an experiment. Now, I say to the distinguished chairman of the committee and to the Senate that if there were a great necessity for labor legislation affecting the railroads and the railroad workers themselves, whether they be in the organization or not, if it were true that there is a great demand for it, and if there were great danger involved in case we should not hurriedly pass this bill, there could not be found that many representatives of the railroad interests in this country coming here and unanimously protesting that we do not take it up at this time.

When the Congress is called upon to take some action affecting the railroads and the railroad employees, such as the passage of this measure, if action be imperative, the Senate will find the call coming from the railroad executives as quickly as it comes from anyone else, because they desire to avoid strikes just as well as other people want to avoid them. So I say there is no imminent danger, there is no great necessity for hurrying through this bill. I say that we are in a great dispute with the House, and unless we were to stay here for many days it would be useless to take this bill up and take the time of the Senate in discussing it.

Mr. DILL. Mr. President, I desire to answer one statement of the Senator from Delaware. I am not criticizing him for the statement he makes, because he bases it on the testimony of the Coordinator. I have before me a copy of a letter of the Coordinator, signed by the Coordinator and the Secretary of Labor, Miss Perkins, to the President, under date of June 14, 1934, regarding the importance of passing this proposed legislation before Congress shall adjourn. I will not read all of it. The first part of it discusses the steps which have been taken.

Mr. HASTINGS. Mr. President, may I inquire to whom it is addressed?

Mr. DILL. To the President of the United States, Franklin D. Roosevelt. I might as well read the whole letter, because that will clarify it.

Hon. Franklin D. Roosevelt,

The White House, Washington, D.C.

DEAR Mr. PRESIDENT: Senator DILL advises that the amendments Dear Mr. President: Senator Dill. advises that the amendments to the Railway Labor Act as reported out by the Senate Committee on Interstate Commerce in S. 3266 apparently are not slated for passage by the Senate, especially if Congress should adjourn by the end of this week. The situation in the House is somewhat better, owing to the fact that a rule was granted by the House Rules Committee to facilitate passage of the House bill H.R. 9689. Its passage by the House, however, is not certain. Furthermore, the House bill differs in some details from the Senate bill so that in the event both Houses should pass their bills, they would probably have to go to conference to be harmonized.

I may say to the Senator that I think that statement is not necessarily true. I think that the amendments which will be adopted in the Senate will make it unnecessary to go

The Coordinator has drafted amendments to the Railway Labor Act designed to clear up ambiguities therein, provide definite means of representation of employees with penalties to insure management from interference in the election of representatives, and provide for compulsory adjustment of individual grievances. These amendments are set out in principle in the Senate bill S. 3266. The House bill H.R. 9689 has some changes. The differences are not too great for a prospect of harmonizing them in

This is the part I wish to call to the attention of the Senator:

If the proposed amendments are not enacted so as to provide an orderly system of elections under the auspices of the United States Board of Mediation to decide the issue of representation, a host of strike threats and other labor difficulties will arise this summer, demanding Presidential intervention. Similar difficulties are also likely to result because of the unavailability of adequate grievance-adjustment machinery as proposed by the amendments

we should point out that the amendments, especially as contained in the Senate bill, are the result of long and careful study by the Federal Coordinator and his staff. The railroad labor organizations are in support of them with some minor changes. The railroads, however, while agreeing that the Railway Labor Act is defective and should be amended, consider that this should not be done until they and the railroad labor organizations are in complete agreement. In our opinion such complete agreement will never be forthcoming and the enactment of the proposed amendments should not be delayed awaiting such agreement. The thorough study of the situation as made by the Coordinator should be sufficient basis for action by Congress at this time.

It is, therefore, respectfully urged that the leaders in both the Senate and the House be requested to take the necessary action to make sure that these two particular bills, S. 3266 and H.R. 9869, be not permitted to go by default and that all possible be done to bring about their enactment. If this is done it will not only forestall almost certain railroad labor difficulties in the near future but will progressively improve railroad labor relations, thus furnishing a worthy object lesson to other industry.

The Ference of them with surposessively improve railroad labor relations, thus furnishing a worthy object lesson to other industry.

Respectfully yours,
THE FEDERAL COORDINATOR OF TRANSPORTATION.

Mr. HASTINGS. Mr. President, may I inquire whether the Senator knows anything as to any evidence to support the suggestion of strikes and labor disputes?

Mr. DILL. The only evidence I have is in conversation with representatives of the labor organizations during the past few days. They have told me there are so many disputes pressing which there is an inability to settle that, if some such legislation as this shall not be passed, they will feel it to be necessary to take a strike vote in their organizations.

Mr. HASTINGS. I desire to call attention to the fact that it was only on April 10 when the Coordinator made his statement to this effect:

I do not now suggest legislation because of immediate need but in order that the legislative situation may be clarified and stabilized, and proper provisions made.

Mr. COSTIGAN. Mr. President, will the Senator yield? Mr. DILL. I yield.

Mr. COSTIGAN. It may, of course, be assumed by Members of the Senate who, like myself, favor this measure, that the letter which the Senator from Washington [Mr. DILL] has just read is the latest word from Coordinator Eastman, and that nothing superseding it has since come from the same source.

Mr. DILL. Undoubtedly. I shall not discuss at this time the other phases of the bill which the Senator from Delaware [Mr. HASTINGS] has presented.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. DILL. I yield.

Mr. BLACK. As I understand, we are about to vote on whether we are to take up this bill, which I heartily favor: but I also heartily favor, if we take up the bill, meeting early enough and sitting late enough so that we may pass it without delay. I have heard various intimations that there would be an effort to delay the vote. May I ask if it is the intention of the Senator in charge of the bill to stay here tonight on this measure, if the Senate shall vote to take it up, and to insist that the Senate shall remain in session so we may push it forward to a rapid completion?

Mr. DILL. I will say to the Senator from Alabama that it is my intention to press this bill to a final vote. I do not desire to make any predictions or statements now as to how late I shall ask the Senate to remain in session until we debate it a while and see what the points of difference are and see how the Senate feels about the bill. I will say further to the Senator that it is my purpose, if I can have a majority of the Senate support me, to keep the Senate from adjourning sine die until this proposed legislation shall have been passed, or at least voted upon by the Senate.

Mr. BLACK. I want to say to the Senator that I agree fully with him, and I believe that the temper of the Senate is such, or, at least, a majority of the Senate, that we are willing to stay here tonight and tomorrow night, if necessary, in order to pass this bill without delay.

Mr. O'MAHONEY. Mr. President-

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Wyoming?

Mr. DILL. I yield.

Mr. O'MAHONEY. I should like to say, if the Senator will permit me, that the sentiment just expressed by the Senator from Alabama [Mr. Black] is shared by a great many Members of this body-I think a majority-and I, for one, hope that the Senator will continue to press for a vote upon this bill.

Mr. DILL. I thank the Senator. I should like to have a vote on the motion.

Mr. AUSTIN and Mr. LONG addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Washington yield?

Mr. LONG. I do not wish the Senator to yield. I want the floor in my own right.

Mr. AUSTIN. Mr. President, before the Senator from Washington yields the floor I should like to ask him a question.

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Vermont?

Mr. DILL. I yield.

Mr. AUSTIN. I should like to inquire whether the committee considered amendments desired by the Brotherhood of Railroad Trainmen?

Mr. DILL. Yes; there is an amendment which the Brotherhood of Railroad Trainmen desires to have offered to this bill, and I understand the Senator from Montana [Mr. Wheeler] will offer such an amendment.

Mr. AUSTIN. There are several pages, I think two pages and part of another page, comprising amendments which they desire. Does the Senator expect those amendments to be accepted by the committee?

Mr. DILL. No; I do not accept the amendments; but naturally I shall ask to have them voted on, after explaining why the Senate committee did not put them in a bill instead of the provisions which are in the bill.

Mr. AUSTIN. Mr. President, I ask unanimous consent to have printed in the RECORD the suggested amendments about which I have made the inquiry, and also to have printed a letter from Mr. S. Aldis Miller, general chairman of the Brotherhood of Railroad Trainmen, of Vermont. This letter was sent to the junior Senator from Vermont [Mr. Gibson] and myself jointly from that brotherhood, and it asserts that the passage of this bill in its present form would do gross injustice to the Brotherhood of Railroad Trainmen. Therefore I ask unanimous consent to have it printed in the RECORD with the suggested amendments.

The PRESIDING OFFICER. Without objection, the matter will be printed in the RECORD.

The letter and proposed amendments are as follows:

BROTHERHOOD OF RAILROAD TRAINMEN, St. Albans, Vt., May 25, 1934.

Hon. WARREN R. AUSTIN. Hon. ERNEST W. GIBSON.

GENTLEMEN: When I was in Washington I called and advised you that we were opposed to the bill S. 3266 (the Railway Labor Act). I also advised you that if certain amendments were agreed

Act). I also advised you that if certain amendments were agreed to that it might change our attitude.

If you will kindly confer with our national legislative representative, Mr. J. A. Farquharson, 10 B Street SW., before you take any action on this bill, it would be considered a great favor.

In its present form it would do us a gross injustice, and we hope you will oppose this bill.

We are also very much interested in S. 2519 and H.R. 7430, to establish a 6-hour day for railroad industry, and we understand this is coming up in the House for a vote Monday, May 28.

Another bill in which we are interested is the committee's substitute bill, S. 3231 and H.R. 9596, to provide a retirement system for railroad employees, and any support that you may give this would be greatly appreciated.

Any consideration that you give Mr. Farquharson will be considered a personal favor to the railroad workers in Vermont.

Fraternally yours,

S. Aldis Miller,

S. ALDIS MILLER. General Chairman, Brotherhood of Railroad Trainmen. SECTION 1-DEFINITIONS-FIRST

Page 2, line 4, insert, after the word "transportation", "of passengers and the transportation."

passengers and the transportation."

This amendment is intended to make it clear that the act shall apply to carriers by railroad engaged in the transportation of passengers as well as property. It was undoubtedly left out through oversight, because it was the intention of the Federal Coordinator of Transportation as well as the railway labor organizations to make that point clear.

Insert a new paragraph on page 4, to be known as "Paragraph Sixth", reading:

Sixth.", reading:

"Sixth. The term 'company union' means any group or association of employees formed for the purpose of collective bargaining, whether or not same shall be formally organized, which was so formed at the suggestion, with the aid, or under the influence of any carrier or carriers, or its or their officers or agents, and/or whose constitution, bylaws, or actions are under any control or influence of any carrier or carriers, or its or their officers or agents." agents.'

This definition is necessary because company unions are re-ferred to in section 2, paragraphs fourth and fifth, appearing on

pages 6 and 7.

pages 6 and 7.

Amend section 2, paragraph fourth, page 6, by striking out, on lines 9 and 10, the words "of this act" and inserting in lieu thereof the words "of making or revising agreements concerning rates of pay, rules, and working conditions", and by eliminating the remainder of the paragraph, commencing on line 10, and inserting in lieu thereof the following:

"No carrier, its officers, or agents shall deny or in any way question the right of its employees to join the labor organization of their choice; and it shall be unlawful for any carrier to interfere in any way with the organization of employees, or to use the funds of the carrier in maintaining company unions, or to influence or coerce employees in an effort to induce them to join or remain members of such company unions, or to deduct from the wages of employees any dues, fees, assessments, or other contributions payable to company unions, or to collect or to assist in the collection of any such dues, fees, assessments, or other contributions: Provided, That nothing in this act shall be construed to prohibit a carrier from furnishing free transportation to its employees while engaged in the business of a labor organization."

This amendment is designed to get at the real difficulties sur-

This amendment is designed to get at the real difficulties surrounding the representation and the right of the employees to organize. The carriers in a large number of instances compel their employees to take membership in the company unions, and where the company unions are not entirely financed by the carriers they have in effect a check-off system. The employees are coerced into accepting the check-off method of paying dues, and they hesitate to formally notify the officers of the carrier to discontinue the deduction of company-union dues, because when and if they should take that action it is a notice to the officers of the carrier that the employees are no longer supporting the company union. This produces a condition whereby the employees are quite frequently subjected to discrimination and discipline in order to impress upon them the necessity of continuing the company union.

Amend section 2, paragraph 5, by striking out on line 8 the words "labor organization" and inserting in lieu thereof the words "company union."

This change is designed to make this paragraph consistent with

paragraph 4.

Section 2, paragraph 6, be amended by inserting on line 5, after the word "to", the words "date for", so that it will read "as to date for conferences."

This is designed to make it clear that the reference to the provisions in the agreements is to fix dates for conferences. The carriers have endeavored to improperly construe this language so as to include all provisions of agreements if such agreements make reference to conferences.

Section 2, paragraph 9, page 9, be amended by inserting on line 22, after the word "who", the words "after hearing."

This is necessary in order to aid the three neutrals in determining who may participate in the election. The neutrals should have all available information, and therefore it gives the parties in interest an opportunity to be heard before there is any decision

made on that question.

Section 3, paragraph 2, page 22: Insert on line 8, after the word "section", the following:

"If such voluntary method of adjustment is established, it shall preclude the parties thereto from presenting disputes, either original or an appeal, to any board of adjustment provided for in this section." section.'

This amendment is designed to make it clear that if the parties establish voluntary machinery, then such arrangement should handle all of this class of disputes that the parties desire to refer for consideration, and there should be no appeal to either of the boards established by this act. If this is not made clear, then decisions of such voluntarily established tribunals might be appealed by either party that may be dissatisfied and may result in nothing but endless confusion and would aggravate rather than contribute to efforts to obtain settlement of such controversies. contribute to efforts to obtain settlement of such controversies.

Mr. DILL. Mr. President, I will say to the Senator that I will not attempt to discuss those amendments until they come up in the regular manner.

AMENDMENT OF THE BANKRUPTCY LAW-CONFERENCE REPORT Mr. LONG submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3580) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with amendments as follows:

On page 6, second line from the bottom, after the word court" where it occurs the first time, insert the following: "otherwise the original appraisal price shall be paid into court.

On page 7, line 2, after "act", insert "Provided, however, That the provisions of this act shall apply only to debts existing at the time this act becomes effective."

And the House agree to the same.

HUEY P. LONG, PAT McCARRAN, ARTHUR R. ROBINSON, Managers on the part of the Senate.

W. V. GREGORY, JAMES E. RUFFIN, J. BANKS KURTZ, Managers on the part of the House.

The PRESIDING OFFICER. The question is on agreeing to the report

Mr. LONERGAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll. The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Caraway	George	Lonergan
Ashurst	Carey	Gibson	Long
Austin	Clark	Glass	McCarran
Bachman	Connally	Goldsborough	McGill
Balley	Coolidge	Gore	McKellar
Bankhead	Costigan	Harrison	McNary
Barbour	Couzens	Hastings	Metcalf
Barkley	Cutting	Hatch	Murphy
Black	Davis	Hatfield	Neely
Bone	Dickinson	Hayden	Norbeck
Borah	Dieterich	Hebert	Norris
Brown	Dill	Johnson	Nye
Bulkley	Duffy	Kean	O'Mahoney
Bulow	Erickson	King	Overton
Byrd	Fess	La Follette	Patterson
Byrnes	Fletcher	Lewis	Pittman
Capper	Frazier	Logan	Pope

Reynolds Robinson, Ark. Robinson, Ind. Russell Schall

Sheppard

Shipstead Smith Steiwer Stephens Thomas, Okla. Thomas, Utah Thompson Townsend Tydings Vandenberg Walcott

Walsh Wheeler White

The PRESIDING OFFICER. Eighty-nine Senators have answered to their names. A quorum is present.

Mr. LONERGAN. Mr. President, I ask that the conference report may be read.

The PRESIDING OFFICER. The clerk will again read the conference report.

The report was again read.

Mr. LONERGAN. Mr. President, a parliamentary inquiry. The PRESIDING OFFICER. The Senator will state his parliamentary inquiry.

Mr. LONERGAN. If the Senate shall vote not to agree to the conference report will the next motion be to recommit the report to the conferees for further action?

The PRESIDING OFFICER. If the Senate should vote down the report a motion to recommit it to the committee of conference would be in order.

Mr. CLARK. Mr. President, a parliamentary inquiry. The PRESIDING OFFICER. The Senator will state it. Mr. CLARK. It would be necessary to ask for a new conference, would it not, if the conference report were rejected?

The PRESIDING OFFICER. The Senator from Missouri is correct.

SEVERAL SENATORS. Vote!

The PRESIDING OFFICER. The question is on agreeing

to the conference report.

Mr. LONERGAN. Mr. President, I think we ought to understand the question on which we are about to vote. This is the most striking case of class legislation that has been presented in Congress during my period of service. It also proposes to take property without due process of law. Farmers, like other citizens, may resort to the bankruptcy law. Like other citizens, they may make an arrangement with their creditors. The bill gives the sole right to the farmer, in case of failure to agree with his creditors, to apply to the court for the appointment of appraisers, and the value of the property placed by the appraisers shall be considered as its value without any voice on the part of the

We should realize before we cast our votes that millions of dollars of mortgages in the country are held by Governmental agencies; that we have guaranteed the bonds, principal and interest, of some of those agencies; that we are about to decide, if we vote favorably, to impair the security behind those bonds; that we are about to decide, if we vote favorably, to impair the securities which are held by the insurance companies of the country protecting the lives of 68,000,000 of our citizens. Then, too, we must consider savings banks.

Mr. WALSH. Mr. President-

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Massachusetts?

Mr. LONERGAN. I yield.

Mr. WALSH. I have heard it said that the insurance companies of the country hold mortgages on farm properties, which would be affected by the legislation, to the amount of several hundred million dollars, and that there are 10,000,000 insurance policyholders who would be thereby affected by the legislation. Am I correct?

Mr. LONERGAN. I would say the amount is far in excess of that stated by the Senator from Massachusetts. The mortgages on the farms in the United States would probably amount to more than a billion dollars, most of which mortgages are held by Governmental agencies, by insurance companies, by trustees, administrators, and executors, representing widows, orphans, dependents, and incompetents, and savings banks. And we are asked to take a step which will make possible the impairment of the value of those securities.

Mr. President, the bill has not been considered by the

Mr. WALSH. Mr. President, will the Senator yield further?

Mr. LONERGAN. Certainly.

Mr. WALSH. When I asked the question a moment ago I was quoting from memory from a telegram from one of the insurance companies, namely, the John Hancock Mutual Life Insurance Co. I now have the telegram before me and find that that company alone holds \$100,000,000 worth of the mortgages on farm property which would be affected by the bill. I am informed that the total amount of farm mortgages held by all insurance companies is approximately \$1,000,000,000. The telegram I received is as follows:

BOSTON, MASS., June 14, 1934.

Hon. David I. Walsh,
United States Senate:

As trustees for 6,000,000 life-insurance policyholders who own more than \$100,000,000 invested in farm mortgages, we respectfully present to you the necessity of motion for reconsideration of Senate bill 3580, by Senator Frazier, of North Dakota, amending bankruptcy act to permit scaling down of farm mortgages, which, we are informed, was passed yesterday under unanimous consent without record vote or debate.

JOHN HANCOCK MUTUAL LIFE INSURANCE Co., WALTON L. CROCKER, President.

Mr. LONERGAN. I thank the Senator.

Mr. President, what does this bill provide? It provides that appraisers may be appointed by the courts, that they may fix the value and that that value shall be accepted by everyone concerned.

Mr. LONG. Mr. President, will the Senator yield?

Mr. LONERGAN. I yield.

Mr. LONG. The Senator is in error.

Mr. LONERGAN. No; I am not.

Mr. LONG. The bill provides that if the creditors do not agree about it, then the court shall have the right to grant a moratorium to the debtor during such emergency upon a rental to be fixed by the court. The Senator is in error. The bill has been amended. There is not a dime an insurance company can lose. They get every dime the property can bring, they get every dime they could get otherwise to save their lives. The Senator should read the bill. House has amended it.

Mr. LONERGAN. Mr. President. I have just listened carefully to the reading of the amendments as contained in the conference report.

I am satisfied there is not a court in the land which would uphold the bill if it should be enacted into law, because it involves the taking of property without due process of law. If it should pass, the President of the United States ought to veto it. I hope the Senate will reject the conference

The bankruptcy law should be uniform. I believe in a moratorium and a low interest rate. The farmer should be on the same footing as other debtors. I am opposed to class legislation. I want it understood I am friendly to the farmer.

Mr. WALSH. Mr. President, the impending vote will give Senators an opportunity to vote for the first time on the merits of the bill. To be sure, the vote will be an indirect vote, but it will at least give us an opportunity to register our protest against the bill.

I want very briefly to state that I consider the proposed legislation very dangerous and unsound. It is most regrettable that a committee of this body should have allowed such a bill to pass through the Senate in the manner in which this one has been passed. The calendar was called, and an objection was made. After the call of the calendar had been completed and Senators had left the Chamber a request or a motion was made to recur to the bill and take it up for consideration, objection having previously been made to the consideration of the bill. It was taken up and passed without debate and without a roll call. I do not mean to censure anybody or criticize anybody, but I do think the members of the Committee on the Judiciary who were opposed to the bill ought to have impressed upon their fellow Senators the importance of at least having a discussion

of the merits of the bill and insist upon an opportunity to have a vote upon the bill.

I welcome the opportunity which is now presented to have a vote, and I shall request that there be a record vote, so that we may find out what is the sentiment of the Senate. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. FESS. Mr. President, when the bill now under consideration was called on the calendar I objected to allowing it to be passed without any consideration at all. At the time I objected to it I had not carefully examined it. Since that time I have given it more careful examination, and I must confess that—while my interest in the farmer is acute, because I have a very large agricultural constituency—I am concerned about the results of this character of legislation.

Mr. President, while the debtor is an individual, nevertheless, when considered collectively, the debtors in the United States become a very large group. We ought to realize that there is no debtor when there is no creditor; that every debtor presupposes a creditor. There is no lending unless there is borrowing. For every farmer who borrows money, there is somebody to lend it to him.

While my sympathy of course is with the person who is burdened and upon whom the obligation rests, yet there ought to be some consideration for the other party to the contract. I think it unfortunate, since so many borrowers become the debtors of one person or one company, that we should lose sight of the one person or one company merely because of our interest in the money borrowers.

There is justice involved in this matter. When a man borrows money he ought to realize that the day will come when he will be called upon to pay it. He ought not to expect the Government to do more than furnish the opportunity to make the payment easier, but not to go to the extent of completely disregarding the rights of the other party involved in the transaction. The creditor ought to be considered as well as the debtor; and we make a mistake when we think there is nobody to be considered or nobody in the country except the debtors. That group is large, it is true; but there are other groups which may be larger which must be considered.

When we come to a point such as we are now coming to and say that for some reason—as to which an explanation will be desired on our part—we are going totally to disregard the equities in the case and allow our sympathies to run riot with us and violate a contract because of our sympathies, we ought to know what effect that will have on the general public.

What effect will the enactment of this measure have on the farmer himself? If he appeals to Congress now to relieve him from his obligations, where will his credit be in the next 4 years? It will be like that of the foreign countries that have repudiated their obligations to us. If there is never to be any further relationship with us on their part, it may be all right; but they expect to live in relationship with us in the future. What will be their credit when they come to borrow again?

I think we must consider the farmer's condition with that in view. What will be his situation as a borrower? It goes without saying that when we take this step it will not be the end. Not only that, but, referring to the suggestion made by the two Senators who have just spoken-the Senator from Connecticut [Mr. Lonergan] and the Senator from Massachusetts [Mr. Walsh]-what will be the effect, not only on the borrower but upon the creditor, if we undermine the creditor's ability to collect the obligations due? What will be the ultimate effect upon the great credit forces of the country in their integrity and their ability to comply with their obligations that are the major obligations, while these are merely the ancillary obligations?

I do not want to do anything that will undermine the insurance companies which represent obligations to 68,000,-000 of our people.

Mr. LONG. Mr. President-

Mr. FESS. I yield to the Senator from Louisiana.

Mr. LONG. I wonder why that argument did not appeal to the Senator when we were voting bankruptcy for the railroads.

Mr. FESS. It did, Mr. President; and it was also in my mind when we voted the bankruptcy law for the farmer. The Senator has forgotten that. The question came up here of legislation to relieve the farmer, and to relieve him on three bases. The first was to extend the time of maturity of the obligation. I was in favor of that. The next was to lower the rate of interest. I was in favor of that. The third was to scale down the principal to the degree that the parties could agree upon, and I was in favor of that. The bill provided for setting up machinery to adjust the unfortunate situation of the farmer. I was in favor of that, and we enacted the bill, but we enacted no such proposal as this.

If we were to legislate only from the standpoint of our sympathies, we could afford to do this; but if we are to legislate from the standpoint of the creditor's rights, as well as those of the debtor, we ought to go slowly about this.

Mr. LONERGAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Connecticut?

Mr. FESS. I yield.

Mr. LONERGAN. Does not this bill provide that in case the offer of the debtor is refused the debtor may go into court and have appraisers appointed, and in that case the creditor will have no voice in fixing the value? That is the proposition here, is it not?

Mr. FESS. That is my interpretation of it.

Mr. LONERGAN. And that was not contemplated in the bills which have passed here, to which the Senator from Louisiana has referred.

Mr. FESS. The Senator is correct on that point.

Whether or not this bill will ever pass the test of the courts is a question to be determined in the future; but what I am thinking about is that we have come to a point in this body where, because of certain conditions in the past, it is said that we are justified in canceling obligations. We do unheard-of things here. We ought to realize that we are dealing with the structure of credit and that we may be breaking down the very thing upon which the people in whom we are interested may have to depend. I think we ought to go rather slowly on legislation like this.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. FESS. I yield.

Mr. FRAZIER. I desire to call the Senator's attention to the fact that the farmers who will take advantage of this measure have no credit left and, therefore, cannot very well be affected in the manner the Senator suggests.

Mr. FESS. Mr. President, that is an unfortunate and sad story. It is very sad.

Mr. FRAZIER. It certainly is.

Mr. FESS. If any citizen has no credit left, anything we may do here will be of very little consequence to him. It never pays, however, to do an injustice and commit an offense in the violation of sacred and contractual relations merely because one of the contractors is unable to fulfill his contract. When we are thinking of one of them, we ought to think of the other one. If there can be a cancelation or reduction by agreement, by setting up some sort of machinery whereby both can be benefited, as bankruptcy legislation is intended to do, I should not object to it.

I am speaking from the standpoint of a very large aggregation of agriculture. My State is agricultural as well as industrial; I am not without sympathy for the situation in which agriculture finds itself-not at all. While I am not out of sympathy with it, I know that my people want the other party to the contract considered as well. I know that my people want to take into consideration the public weal and the public interest when they are asking for legislation.

I do not believe that in the ultimate analysis this sort of thing is good for the farmer, and I know that it cannot be good for the public if it breaks down the credit institutions

of the country. For that reason I regret that the proposal | has come before the Senate in the way that it has, without any chance for deliberate consideration, and I shall vote against it.

Mr. SHIPSTEAD. Mr. President, it seems to me those who argue against this bill argue from a premise that I find it hard to believe can be true. They argue from the point of view that the mortgages now in existence can be paid, and that the debts can be paid. I do not believe they can be paid. If they could be paid, this measure would not

Mr. WALSH. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. I yield to the Senator from Massachusetts.

Mr. WALSH. Is not that true as to many home owners who are not farmers?

Mr. SHIPSTEAD. Oh, yes.

Mr. WALSH. And is it not true as to many operatives in mills who have been for weeks and months and years out of employment?

Mr. SHIPSTEAD. We have passed a corporation bank-ruptcy law applying to mills and other corporations.

Mr. WALSH. Why not make it a general law?

Mr. SHIPSTEAD. I think that might be a good thing. I think it will be general whether we like this measure or not. We shall have either partial cancelation or wholesale repudiation; and if we admit that, I think we must admit that this bill does bear in mind the creditor, because it will get him something and make it possible for the debtor to pay a debt that he now cannot pay. With this legislation providing for partial cancelation we make it possible for the debtor to pay whatever can be paid.

The people who think these mortgages can be paid are just as badly mistaken, in my opinion, as were the people who wrote the Treaty of Versailles and provided for the payment of reparations to France. They thought they could be paid. Of course they could not be paid, and they were canceled at the meeting at Lausanne. Those who made vast loans to Europe, to European governments, and to European corporations evidently believed they could be paid. Now we know that they are not going to be paid; and what good does it now do to think of the creditor?

The private debts owed by Germany in Europe have now been given a moratorium, which is said to be for 6 months. Senators will remember that the Hoover moratorium was to have been for a year, but now it is permanent. I believe that these moratoriums or repudiations, whatever they may be called, which are said to be for 2 or 3 months, are only the first step to wholesale repudiation of debts that cannot be paid; and that means wholesale bankruptcy.

England is today confiscating the funds of Germany in her trade balances to pay her nationals what is coming to them on German bonds. Think of it! That is done in time of peace. Likewise, all during the spring, a little here and a little there, we have had steps leading to wholesale repudiation. In my opinion, unless something is done partially to cancel these debts, the movement is going to spread like a prairie fire all over the world until private debts in every country are repudiated. When nations begin to repudiate and when nations in time of peace begin to confiscate trade balances or property of nationals of foreign countries for the benefit of their own nationals, a condition is starting in the world which, unless something is done to lower the debt burden, can have only one ultimate conclusion, and that is that all values will be wiped out and we shall have wholesale repudiation.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. I yield.

Mr. THOMAS of Oklahoma. Is it not a fact, in the opinion of the Senator, that this bill, if passed, will only give to the farmers relief comparable to the relief heretofore given the railroads, the corporations, and the municipalities?

Mr. SHIPSTEAD. That is my understanding.

Mr. THOMAS of Oklahoma. I should like to ask another question. If this bill passes, and the buying power of

the dollar is not reduced-it being at this time \$1.35 per dollar, which means that every person must give up, in services or wealth or commodities, \$1.35 to get a dollar-in the opinion of the Senator is it possible for either the banks, the railroads, the corporations, the cities, or the farmers to meet their maturing obligations and pay their existing debts? Is it possible for any of these classes to pay their debts with the present high-priced dollar?

Mr. SHIPSTEAD. No; there is no manner in sight under

which these debts can be paid.

Mr. HASTINGS. Mr. President, will the Senator yield? Mr. SHIPSTEAD. I yield.

Mr. HASTINGS. Will the Senator explain whether there is any good reason for not including in this bill the mechanic who has a mortgage on the home in which he lives or the small grocer who finds himself in great difficulty and unable to take advantage of the bankruptcy law now in existence? Is there any reason, I ask the Senator, why this should be confined to the farmer? Why should it not be applied to every individual who is in such a position?

Mr. LONG. Mr. President, will the Senator permit me to answer?

Mr. HASTINGS. Will not the Senator please permit the Senator from Minnesota to reply?

Mr. SHIPSTEAD. I should be glad to vote for a bill along that line, if the Senator would introduce such a bill, because I think it is coming anyway; and the sooner it comes the better, if we are to avoid wholesale bankruptcy and chaos, because if we do not do something, we will drift into a situation where we will have uncontrolled inflation, and the debts will be wiped out in that way.

Mr. HASTINGS. The Senator is of the impression, as I understand him, that that is coming anyway, and that we might just as well start with the farmer. Is that correct?

Mr. SHIPSTEAD. I did not state that. Mr. HASTINGS. I understood the Senator to say that he believed general repudiation of debts was about to be

Mr. SHIPSTEAD. Yes.

Mr. HASTINGS. And not only that that was true with respect to the farmer, but that it applied to debts of all

Mr. SHIPSTEAD. Yes.

Mr. HASTINGS. Does the Senator think that would apply to the Government debts also?

Mr. SHIPSTEAD. We have already started on municipal debts and those of Government subdivisions.

Mr. HASTINGS. That is correct. I agree with the Senator; and, if we pass the pending bill, we will be just that much further along.

Mr. SHIPSTEAD. I do not call this a wholesale repudiation bill; I call this a cancelation bill-a bill for the partial cancelation of debts. We have one of two ways to go, either by wholesale bankruptcy or by inflation; or we can take the middle ground, if we have time to accomplish it, by having a partial cancelation of debts and a lowering of interest rates; either partial cancelation of principal or reduction of interest rates, reducing the fixed charges on the burden of debt which is now hanging like a corpse upon the whole economic structure in this country.

I do not want to delay a vote on this bill.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. I yield.

Mr. FRAZIER. I wish to call the attention of the Senator from Delaware to the fact that this is an amendment to the present Agricultural Bankruptcy Act.

Mr. WALSH. Mr. President, as I understand the position of the Senator—and I have understood his position to have been for some time as he has stated it-it is that sooner or later we will have to have a partial horizontal reduction in all debts in the United States.

Mr. SHIPSTEAD. Yes.

Mr. WALSH. And that this is a movement in that direction, commencing with the farmer.

Mr. SHIPSTEAD. No; not commencing with the farmer.

Mr. WALSH. The Senator would apply it in a broader !

Mr. SHIPSTEAD. Not commencing with the farmer. We started first with municipalities, I think.

Mr. LONG. With railroads.

Mr. SHIPSTEAD. With the railroads first?

Mr. LONG. Yes.

Mr. SHIPSTEAD. Then corporations, and then munici-

Mr. LONG. Then Germany.

Mr. SHIPSTEAD. This is part of a series of bills, which no doubt will be continued, in my opinion, if we go on traveling the way we are now traveling.

My reason for believing that these mortgages cannot be paid is that last year—the Department of Agriculture tells us-the farmers of the United States had an income of \$6,000,000,000. The Secretary of Agriculture says that this year we will give them a billion dollars in benefit payments of various kinds. That will make \$7,000,000,000. That is \$6,000,000,000 less than they received in 1926, with their fixed charges of interest and taxes higher now than they were in 1926. How are they to settle their indebtedness and carry a burden that was hard enough to carry in 1926, with an income \$6,000,000,000 less than it was in 1926?

It is said that prices of farm products have gone up somewhat. They did go up to some extent on wheat last year because there was the greatest failure in the wheat crop we have had in 50 years, and this year there will be another failure. What good does it do the farmer in the drought area who produces no wheat? He must buy his supplies at a higher price under the N.R.A. He pays \$1.50 for overalls for which he used to pay 75 cents. If the prices of his farm products should be 30 or 40 percent higher, the increase would be more than taken away from him by the higher prices he would have to pay for what he buys. So there is no permanent relief to the farmer as a result, so far as balancing his ledger is concerned. The farmer will have less with which to pay his fixed charges this year than he had last year.

Facing the facts of the picture before us, as we should have done, with the Young-plan bonds, and the Dawes-plan bonds, and the war debts, and the exportations of capital loans abroad to the amount of over \$20,000,000,000, which will never be collected, we could not see far enough into the future to foretell the default, so we pay the price now.

Mr. HASTINGS. Mr. President-

The PRESIDING OFFICER (Mr. Russell in the chair). The question is on agreeing to the conference report.

Mr. LONERGAN. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it. Mr. LONERGAN. May I ask the Chair on just what question we are about to vote?

The PRESIDING OFFICER. The question is on agreeing to the conference report on the bill (S. 3580) to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", more commonly known as the "Farmer Bankruptcy Act."

Mr. LONERGAN. What I wish to learn is this: Does the vote come first on concurring in the House amendments, and then will there be another vote on the acceptance or rejection of the conference report; or are they coupled?

The PRESIDING OFFICER. The only question at issue is whether or not the Senate will agree to the report of the committee of conference on the bill.

Mr. LONERGAN. Those opposed will vote "nay"?

The PRESIDING OFFICER. That is correct. On the question of agreeing to the conference report the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll, and Mr. Adams answered "yea" when his name was called.

Mr. HASTINGS. Mr. President, I desire-

The PRESIDING OFFICER. The Chair will state that no debate is in order. The clerk had called the first name on the roll, and the Senator from Colorado had responded.

Mr. HASTINGS. Mr. President, all the while I was endeavoring to get the attention of the Chair, but there was so much noise that the Chair could not hear me.

Mr. LONG. A point of order. I insist that there be no

The PRESIDING OFFICER. Was the Senator from Delaware seeking recognition before the clerk began the calling of the roll?

Mr. HASTINGS. I was seeking recognition as soon as the Senator from Minnesota took his seat. I was on my feet calling for recognition by the Chair.

The PRESIDING OFFICER. The Chair did not hear the Senator from Delaware, though the Chair delayed for some moments in putting the question. However, in view of the statement of the Senator from Delaware, the Senator is recognized.

Mr. HASTINGS. Mr. President, I do not desire to take any time in connection with this matter, and what I say may be a repetition of what I said before, but I do want this to be clearly understood in the RECORD, that there has been no bankruptcy legislation which is in any sense comparable to that before us.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield. Mr. WALSH. I wish the Senator would develop that point. It has been asserted again and again on the floor that other bills of a similar character, favorable to railroads and corporations, have been enacted. What is there in the pending bill which makes it so vicious compared with other bankruptcy measures?

Mr. HASTINGS. I will say this to the Senator, that beginning a year or two ago there was somewhat of a departure from the old bankruptcy law and the old bankruptcy practice, in that we sought to prevent persons, railroads, and corporations from being declared bankrupt by calling them 'debtors", and we developed to some extent that old provision of the bankruptcy law which enables a bankrupt under certain conditions to make a composition with his creditors.

Mr. WALSH. That beneficial law applied to farmers, as well as to everybody else?

Mr. HASTINGS. That was one law which applied to everybody. In this new act, when we undertook to separate them, we had different sections for the different classes. There was first developed a debtor class, composed of individuals. That was the first one that was adopted. Then there was that one which pertained to railroads.

Mr. President, in that connection and during that discussion an effort was made to aid the farmers by making it possible for them to avoid expenses which would be applicable to everybody else, by providing for the appointment of commissioners in the various counties who would know more about them and who would be in a better position to enable the farmers to reach an agreement with their creditors. The details of that I cannot give. I had nothing to do with preparing that section, but it was adopted by the Senate.

In all those cases, applying to each of those individual classes, nothing could be done under the law unless the debtor could get 75 percent of the creditors, in some instances, in the corporation section 66% percent, to agree that the best interests of the particular class of creditors made it necessary for them to reach some compromise with the debtor. It might be anything. It might be the payment of 10 cents on the dollar, 50 cents, 75 cents, or it might be an extension for a year or 2 years or 3 years, and on whatever condition that great majority of the creditors might decide, the point being that the only effort made in any way to affect any creditor was to induce him to agree to what 75 percent of the creditors considered to be to their interest. No one ever suggested that debtor could compel all of them to agree.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. WALSH. The Senator has made that very clear. That is the existing law.

Mr. HASTINGS. That is the existing law.

previous legislation.

Mr. HASTINGS. That is true.

Mr. WALSH. What is there in this bill which departs

from that principle?

Mr. HASTINGS. In this particular bill the farmer is preferred merely because he is a farmer, although, so far as I know, he has no greater right in this country than the poor grocery man on the corner next door to me, or the poor mechanic who has bought a larger home and placed a larger mortgage on it than he can take care of, particularly after he has lost his job. I do not know any particular reason why the farmer should be preferred to him.

Mr. WALSH. Or the white-collar man who has been out of employment for years and has a family to rear and

educate.

Mr. HASTINGS. Of course that is true. What this particular bill undertakes to do is this: It permits the debtor merely because he is a farmer to go into court and file his petition and make application to the court to have appraisers appointed, and if he has a \$5,000 mortgage and owes the bank a thousand dollars, and owes his uncle \$2,500, and owes his son-in-law \$300, and owes the grocer \$200, and owes someone else some other amount, the proposed legislation would enable him to go into court, and the court would be permitted to appoint appraisers and the appraisers would look at his property, investigate it, ascertain what he has, and assess the value of his possessions. But it is not proposed to do what we have been accustomed to doing in this land ever since any of us knew anything about it. The creditors are not permitted, if they desire to do so, to take his property from him and to sell it. We do not permit and insist upon 75 percent of the creditors saying, "This is to our interest"; and therefore to the 25 percent, "you must deal through us." We do not do that at all. Congress itself fixes the terms, under which, subject to the appraisal, an appraisal in these times when the courts as well as all the farmer's neighbors are influenced by his distressed condition-and the appraisers fixing the value may be his neighbors on either side of him, and they may fix it over the protest of his creditors everywhere—the farmer is told, "Now, then, you are perfectly safe in the place where you live. You may stay there for a period of 6 years, so long as you are able to pay 1 percent on the value fixed, although it be only 20 percent of the debt you owe. All you have got to do for 6 years is to pay 1-percent interest on that amount. subject to this requirement, that every 6 months you pay 21/2 percent on account of the principal", and by the time those 6 years are up then he proceeds to pay the regular interest on the principal.

Now, in all fairness, in these days of excitement, in these days when we are trying to help the distressed everywhere, I ask what is the position of the poor widow who has a mortgage on that man's farm? I ask what is the position of the savings fund in which I have my money deposited, the custodians of which are depending upon the real value of that land for their particular mortgage, depending on the 5 or 6 percent interest which the mortgagor agreed to pay? If the amount of their mortgage has not been destroyed, they find the interest being cut from 5 or 6 percent provided in the mortgage, to 1 percent. And that goes on for a period of 6 years.

Mr. President, I ask in all fairness, let us stop for a moment and think just where we are going. Are we going to admit, as the Senator from Minnesota has indicated, that we are about to repudiate at least a part of our debts? That we are about to cut down our debts and going to do it in this indirect fashion? If we are going to undertake to do that and if it be said that it be constitutional, why not face the situation frankly and openly and declare a moratorium on all debts everywhere in this country until we can get out of the depression? Is anyone in favor of that? Indeed, if we could do it under the Constitution it might not be a bad thing. But certainly we ought not to pick out one particular class of debtors in this Nation, regardless of our interest in them, regardless of our sympathy for them,

Mr. WALSH. And that is as far as we have gone in our | and regardless of their distressed condition. We ought to apply it to all.

> Within a week we have appropriated out of the public treasury \$525,000,000 for the farmer. For God's sake, is there to be no end to it at some time? Does there not come a time when we must realize that sometime these debts must be paid, unless it be true that we are ready now to admit that this Government never really expects to pay its debts-and I am very much afraid that is just where we are

> The PRESIDING OFFICER. The question is on the adoption of the conference report on Senate bill 3580.

> The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GORE (when his name was called). "Present."

Mr. McNARY (when Mr. Johnson's name was called). The senior Senator from California [Mr. Johnson] is necessarily absent. I am advised that if he were present he would vote "yea."

Mr. ROBINSON of Arkansas (when his name was called). Announcing my pair with the senior Senator from Pennsylvania [Mr. Reed], I transfer that pair to the Senator from New York [Mr. COPELAND] and will vote. I vote "yea."

The roll call was concluded.

Mr. LEWIS. I wish to announce that the Senator from Florida [Mr. TRAMMELL], the Senator from Maryland [Mr. TYDINGS], the Senator from Indiana [Mr. Van Nuys], the Senator from Virginia [Mr. Byrn], and the Senator from New York [Mr. Copeland] are necessarily detained from the

I wish further to announce that the Senator from Mississippi [Mr. Stephens], the Senator from Ohio [Mr. Bulk-LEY], and the Senator from Virginia [Mr. GLASS] are detained by an important committee meeting.

Also that the Senator from Utah [Mr. King] is detained at the White House.

I regret to announce that the Senator from California [Mr. McApool is absent due to continued illness.

Mr. COSTIGAN. The Senator from West Virginia [Mr. NEELY] is necessarily absent. If present he would vote vea."

Mr. WHITE. I desire to announce the necessary absence of my colleague [Mr. Hale]. If present, he would vote

Mr. FESS (after having voted in the negative). I inquire if the senior Senator from Virginia [Mr. Glass] has voted? The PRESIDING OFFICER. The senior Senator from Virginia has not voted.

Mr. FESS. I am informed that I may transfer my pair to the senior Senator from Maine [Mr. Hale]. I do so, and allow my vote to stand.

Mr. HEBERT. I wish to announce the following general pairs: The Senator from New Hampshire [Mr. KEYES] with the Senator from Indiana [Mr. Van Nuys], the Senator from Rhode Island [Mr. METCALF] with the Senator from Maryland [Mr. Typings], the Senator from Connecticut [Mr. Walcott] with the Senator from California [Mr. Mc-ADOO], and the Senator from Wyoming [Mr. Carey] with the Senator from Ohio [Mr. BULKLEY].

I am advised that the Senator from New Hampshire [Mr. KEYES] and the Senator from Rhode Island [Mr. METCALF] if present would vote "nay."

I also wish to announce that the senior Senator from Pennsylvania [Mr. Reed] is absent on account of illness.

Mr. ROBINSON of Indiana (after having voted in the affirmative). I note the absence of my general pair the Senator from Mississippi [Mr. Stephens], but I am informed he would vote as I have voted, and, therefore, I will let my vote stand.

The result was announced—yeas 60, nays, 16, as follows:

	1 EAS-00		
Adams	Barkley	Capper	Couzens
Ashurst	Black	Caraway	Cutting
Bachman	Bone	Clark	Davis
Bailey	Bulow	Connally	Dickinson
Bankhead	Byrnes	Costigan	Dieterich

Dill	La Follette	Norris	Schall
Duffy	Lewis	Nye	Sheppard
Erickson	Logan	O'Mahoney	Shipstead
Fletcher	Long	Overton	Smith
Frazier	McCarran	Pittman	Steiwer
George	MeGill	Pope	Thomas, Okla
Harrison	McKellar	Revnolds	Thomas, Utal
Hatch	McNary	Robinson, Ark.	Thompson
Hatfield	Murphy	Robinson, Ind.	Vandenberg
Havden	Norbeck	Russell	Wheeler
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Austin	Fess	Hebert	Townsend
Barbour	Gibson .	Kean	Wagner
Brown .	Goldsborough	Lonergan	Walsh
Coolidge	Hastings	Patterson	White
	NOT V	OTING-20	
Borah	Glass	King	Stephens
Bulkley	Gore	McAdoo	Trammell
Byrd	Hale	Metcalf	Tydings
Carey	Johnson	Necly	Van Nuys
Copeland	Keyes	Reed	Walcott
Оорсина			

So the report was agreed to.

SETTLEMENT OF DISPUTES BETWEEN CARRIERS AND EMPLOYEES

Mr. DILL. I renew my motion that the Senate proceed to the consideration of Senate bill 3266, to amend the Railway Labor Act, and so forth.

The PRESIDING OFFICER. The question is on the motion of the Senator from Washington.

Mr. COUZENS obtained the floor.

Mr. ERICKSON. Mr. President-

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Montana?

Mr. COUZENS. I yield.

Mr. ERICKSON. Mr. President, I wish to move that the House amendment to Senate bill 1825 be concurred in.

Mr. LA FOLLETTE. Mr. President, what is the question before the Senate and who has the floor?

The PRESIDING OFFICER. The Senator from Michigan has the floor and yielded to the Senator from Montana to make a request for unanimous consent.

Mr. LA FOLLETTE. I object.

The PRESIDING OFFICER. Objection is made. The Senator from Michigan will proceed.

Mr. COUZENS. Mr. President, the Senator from Delaware [Mr. Hastings] read a number of telegrams this afternoon with respect to the statement which I made on the floor Saturday evening. The statement seems to have been overexaggerated by the railroads and perhaps by the press, because, referring to the RECORD, what I really said was:

I know of no particular objection except from the Pennsylvania Railroad, which has its representatives here, and writes the report. It has objection to the railroad labor bill.

When I made that statement it was substantially accurate because I said, "I know of no particular objection."

This morning I received a letter from the Association of Railway Executives.

Mr. ROBINSON of Arkansas. I ask again for order, Mr. President.

The PRESIDING OFFICER. The point of order is well taken.

Mr. ROBINSON of Arkansas. I suggest that the Sergeant at Arms be instructed to request Senators who are carrying on conversations to retire from the Chamber and remain out until they get through with their conversation.

The PRESIDING OFFICER. The Sergeant at Arms will request the guests of the Senate to refrain from conversation and Senators desiring to converse to retire to the cloakrooms. The Senate will be in order, and the galleries will refrain from conversation.

Mr. COUZENS. This letter is dated June 18 and comes from the Association of Railway Executives and reads as follows:

I find that on page 12087 of the Congressional Record, Saturday, June 16, you are reported as having said, discussing the bill to amend the Railway Labor Act:

"I know of no particular objection, except from the Pennsylvania Railroad, which has its representatives here and writes to report it has objection to the railroad labor bill."

I am merely writing to say that you are misinformed as to the lack of objection on the part of the railroads of the country to this bill. As counsel for the Association of Railway Executives,

I am in a position to say definitely that the railroads of the country represented by this association and by the Short Line

country represented by this association and by the Short Line Railroad Association are unanimously in opposition to this bill.

Perhaps the notion that the Pennsylvania alone is opposing it grows out of the fact that a vice president of the Pennsylvania was chairman of a committee appointed by the association to present its views to the committees of Congress. As chairman, this vice president of the Pennsylvania made the principal statement in opposition to the bill, but statements in opposition were also made by the vice president of the New York Central and by others.

R. V. Fletcher.

He is, as I understand, general counsel for the Association of Railway Executives.

Mr. President, what prompted me particularly to make that statement was that at that time I knew of no objection from any railroad except as was stated primarily in the minority report submitted by members of the Committee on Interstate Commerce. The minority report submitted by the members of the Interstate Commerce Committee is dated May 28. Prior to reading extracts from the report, I want to read from a letter which was sent out by G. Le-Boutiller, chairman, operating committee, New York State. This gentleman is a representative of the Long Island Railroad, which is a subsidiary of the Pennsylvania Railroad, and this letter is addressed to members of the operating committee, whatever that may be. The letter from Mr. LeBoutiller reads, in part, as follows:

We have been requested to have five prominent people in each county in the States of New York and New Jersey write letters to Senators Wagner and Copeland of New York, and Senators Keam and Barbour of New Jersey, requesting them to oppose Senate bill 3266, "A bill to amend the Railway Labor Act by creating national boards of adjustment." The bill is objectionable be-

1. It is not desired by a large group of railway employees, probably 65 percent

The first objection stated in the minority report is as follows:

It is not desired by a very large group of railroad employees.

The second objection stated in the propaganda letter is:

2. Railroad management is unanimous in its opinion that it will not work.

The second statement in the minority report is:

Railroad management is unanimous in its opinion that it will

The third objection in the propaganda letter is:

3. Even its sponsor, the Federal Coordinator of Transportation, admits it is only an experiment.

Objection no. 3 in the minority report is:

Even its sponsor, the Federal Coordinator of Transportation, admits it is only an experiment.

The fourth objection in the propaganda letter is:

It deprives railroad employees of their civil liberty in compelling them to join certain national unions not of their choosing, against their religious-

And I wish to interpolate here the statement that I do not understand how religion has anything to do with this measure proposing to amend the Railroad Labor Act. However that is mentioned in the letter-

Against their religious or other convictions, if they desire a voice the selection of the members of this tribunal set up by this bill to adjust their controversies.

That is no. 4 in the propaganda letter. Here is no. 4 in the minority report:

4. If railroad employees desire a voice in the selection of the members of the tribunal set up by this bill to adjust their controversies, they will be compelled to join organizations not of their choosing, against their religious or other convictions, and, in this sense, would be deprived of their civil liberty.

It is a strange coincidence that objection no. 4 of the minority report and objection no. 4 in the propaganda letter are practically word for word alike, and both inject the religious issue, for which I am unable to comprehend the reasons.

Objection no. 5 in the propaganda letter reads:

It will abrogate contractual relations between men and management which have satisfactorily existed for many years.

Objection no. 5 of the minority report reads:

It will abrogate contractual relations between employees and carriers which have satisfactorily existed for many years.

Objection no. 6 of the propaganda letter reads:

It will foment strife in the railroad world where peace has reigned for 8 years, because a minority (35 percent) will be given the right to rule the entire 100 percent.

Objection no. 6 in the minority report is:

It will foment strife in the railroad world where peace has reigned for 8 years.

Objection no. 7 in the propaganda letter reads:

Its effect on railroad service will be adverse to the users thereof because of the strikes and labor troubles which will arise.

Objection no. 7 of the minority report is:

Its effect on railroad service will be adverse to the users thereof.

Objection no. 8 of the propaganda letter reads:

It is not in the public interest because it will disrupt transportation and result in large costs to the users thereof.

Objection no. 8 of the minority reads:

It is not in the public interest.

So the writer of the report has at least abbreviated to the extent of a few words the seventh and eighth objections registered by the chairman of the operating committee to the Railway Labor Act.

Mr. HASTINGS. Mr. President-

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Delaware?

Mr. COUZENS. I yield.

Mr. HASTINGS. Will the Senator inform me as to the date of what he calls the "propaganda letter"?

Mr. COUZENS. It is dated May 21, and the Senator's minority report is dated May 28, so the Senator had a week to digest the propaganda letter before he submitted the minority report.

Mr. BYRNES. Mr. President-

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from South Carolina?

Mr. COUZENS. I yield.

Mr. BYRNES. May I suggest to the Senator from Michigan that he should, perhaps, be charitable enough to believe that in the preparation of the minority report the stenographer may have made a mistake and gotten hold of the propaganda letter?

Mr. COUZENS. It was evidently copied verbatim from the propaganda letter sent out by the Pennsylvania Railroad, which was the justification for my statement on the floor of the Senate Saturday night that the main objection to the bill came from the Pennsylvania Railroad, and that statement is verified by the propaganda letter which appears in the minority report.

Mr. COSTIGAN. Mr. President-

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Colorado?

Mr. COUZENS. I yield. Mr. COSTIGAN. There appears to be a variation in the numbers. How does the Senator from Michigan explain this difference in mathematics?

Mr. COUZENS. I do not understand that there is any difference in numbers. They are all alike, so far as I can see.

Mr. COSTIGAN. My understanding was that the Senator from Michigan read no. 8 in one case as being the same as no. 7 in the other case.

Mr. COUZENS. No; I said no. 8 had been abbreviated and some of the words contained in the propaganda letter had been left out of the minority report filed by the Senator from Delaware.

I do not want to delay the Senate, but I wanted to explain why all these letters came today from railroad officials on the rather insignificant statement I made on the floor of the Senate Saturday night that "I know of no particular objection." I did not say there was no other objection, but that there was no particular objection, be-

cause the minority report filed by the minority of the Committee on Interstate Commerce was in almost identical language with the propaganda letter which was sent out by the Pennsylvania Railroad.

Mr. HASTINGS. Mr. President, the Senator from Michigan [Mr. Couzens] has, with some care, undertaken to show that the minority report was prepared by the Pennsylvania Railroad. I stated this morning, with respect to the charge which he made Saturday night, that I had requested the minority report to be prepared for me by a man who I believed knew my objections to the bill. Of course, the Senator from Michigan is always hopeful, when Senators do not agree with him, to embarrass them if he can.

I do not care anything about what he said with reference to the minority report and about its agreeing with the propaganda letter which was sent out. I should think he himself would be somewhat embarrassed to have said on the floor of the Senate that he knew of no particular objection to the bill except by the Pennsylvania Railroad, when he is the ranking member of the Interstate Commerce Committee, and then to have me read into the RECORD this morning not only what counsel for the railway executives said about it, and to call attention to what they said in their report about it, but also to submit telegrams from nearly every railroad in the country unanimously objecting to it.

The Senator from Michigan said that is not inconsistent with what he said because he merely stated he knew of no particular objection to it except from the Pennsylvania Railroad. I think if he will read in the RECORD tomorrow what I have said with respect to the telegrams he will find there is some real reason for the objection.

The PRESIDING OFFICER. The question is on the motion of the Senator from Washington that the Senate proceed to the consideration of the Senate bill 3266.

Mr. HASTINGS. Let us have the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BLACK (when Mr. BANKHEAD's name was called). The junior Senator from Alabama [Mr. Bankhead] is necessarily absent from the Senate. If present, he would vote " yea."

Mr. FESS (when his name was called). Repeating my previous announcement with reference to my pair, I withhold my vote.

Mr. McNARY (when Mr. Johnson's name was called). Making the same announcement as heretofore with reference to the absence of the senior Senator from California [Mr. Johnson], I wish the Record to show that if he were present he would vote "yea."

Mr. COSTIGAN (when Mr. NEELy's name was called). The Senator from West Virginia [Mr. NEELY] is necessarily absent. If present, he would vote "yea."

Mr. ROBINSON of Arkansas (when his name was called). Announcing my pair with the senator from Pennsylvania [Mr. Reed], I transfer that pair to the senior Senator from New York [Mr. COPELAND], and vote "yea."

Mr. ROBINSON of Indiana (when his name was called). I have a general pair with the junior Senator from Mississippi [Mr. Stephens], who is necessarily absent. I am informed if he were present he would vote as I propose to vote and therefore I feel at liberty to vote. I vote "yea."

Mr. WALCOTT (when his name was called). I have a pair with the Senator from California [Mr. McApoo]. I am informed that if present he would vote "yea" on this matter and therefore I am at liberty to vote. I vote "yea."

The roll call was concluded.

Mr. LA FOLLETTE. I was requested to announce the unavoidable absence of the senior Senator from Idaho [Mr. Borahl. If present, he would vote "yea."

Mr. WHITE. I announce the necessary absence of my

colleague [Mr. Hale]. If present, he would vote "yea."
Mr. ROBINSON of Arkansas. I desire to announce that the Senator from New York [Mr. COPELAND], the Senator from Indiana [Mr. Van Nuys], the Senator from Maryland [Mr. Typings], and the Senator from Florida [Mr. TRAM-MELL] are necessarily detained from the Senate.

The junior Senator from California [Mr. McAdoo] is detained from the Senate by illness.

The Senator from Virginia [Mr. GLASS], and the Senator from Mississippi [Mr. Stephens] are detained in an important committee meeting.

I am authorized to state that all these Senators, if pres-

ent, would vote "yea."
Mr. HEBERT. I desire to announce that the Senator from Pennsylvania [Mr. REED] is absent on account of illness

I announce the following general pairs:

The Senator from New Hampshire [Mr. Keyes] with the Senator from Indiana [Mr. Van Nuys]; and

The Senator from Rhode Island [Mr. METCALF] with the Senator from Maryland [Mr. Typings].

The result was announced—yeas 78, nays 2, as follows:

	YE	AS-78	
Adams Ashurst Austin Bachman Bailey Barbour Barkley Black Bone Brown Bulkley Bulow Byrd Byrnes Capper Caraway Carey Clark Connally	Costigan Couzens Cutting Davis Dickinson Dieterich Dill Duffy Erickson Fletcher Frazier George Gibson Goldsborough Gore Harrison Hatch Hatfield Hayden	Kean King La Follette Lewis Logan Lonergan Long McCarran McGill McKellar McNary Murphy Norris Nye O'Mahoney Overton Patterson Pittman Pope	Robinson, Ark Robinson, Ind Russell Schall Schappard Shipstead Smith Steiwer Thomas, Okla, Thomas, Utah Thompson Townsend Vandenberg Wagner Walcott Walsh Wheeler White
Coolidge	Hebert	Reynolds	
	Hastings	Norbeck OTING—16	
Bankhead Borah Copeland Fess	Glass Hale Johnson Keyes	McAdoo Metcalf Neely Reed	Stephens Trammell Tydings Van Nuys

So the motion was agreed to, and the Senate proceeded to consider the bill (S. 3266) to amend the Railway Labor Act approved May 20, 1926, and to provide for the prompt disposition of disputes between carriers and their employees, which had been reported from the Committee on Interstate Commerce with amendments.

Mr. DILL. Mr. President, I ask that the bill be read for amendment, the committee amendments to be first

The PRESIDING OFFICER. Without objection, the request of the Senator from Washington is agreed to. The clerk will read the bill.

The Chief Clerk proceeded to read the bill.

The first amendment of the Committee on Interstate Commerce was, on page 1, line 8, after "First." to strike out "The term 'carrier' includes any express company, sleepingcar company, carrier by railroad, subject to the Interstate Commerce Act, any company operating any equipment or facilities or furnishing any service included within the definition of the terms 'railroad' and 'transportation' as defined in the Interstate Commerce Act", and to insert the following: "The term 'carrier' includes any express company, sleeping-car company, carrier by railroad, subject to the Interstate Commerce Act, and any company which is directly or indirectly owned or controlled by or under common control with any carrier by railroad and which operates any equipment or facilities or performs any service in connection with the transportation, receipt, delivery, elevation, transfer in transit, refrigeration or icing, storage, and handling of property transported by railroad", so as to read:

That section 1 of the Railway Labor Act is amended to read as follows:

" DEFINITIONS

by railroad and which operates any equipment or facilities or performs any service in connection with the transportation, receipt, delivery, elevation, transfer in transit, refrigeration or icing, storage, and handling of property transported by railroad, and any receiver, trustee, or other individual or body, judicial or otherwise, when in the possession of the business of any such 'carrier'."

Mr. DILL. Mr. President, I desire to offer an amendment to the committee amendment. In line 9, page 2, after the word "service", I move to insert the words "other than trucking service." This is an amendment which was put in by the House which I think is an improvement on the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Washington to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The reading of the bill was resumed.

The next amendment was, on page 2, line 17, after the words "part of", to strike out "the" and insert "a", so as to read:

Provided, however, That the term "carrier" shall not include any street, interurban, or suburban electric railway, unless such railway is operating as a part of a general steam-railroad system of transportation, but shall not exclude any part of the general steam-railroad system of transportation now or hereafter operated by any other motive power. by any other motive power.

The amendment was agreed to.

The next amendment was, on page 2, line 20, after the word "power", to insert:

, The Interstate Commerce Commission is hereby authorized and directed, upon request of the Mediation Board or upon complaint of any party interested, to determine after hearing whether any line operated by electric power falls within the terms of this

So as to make the proviso read:

Provided, however, That the term "carrier" shall not include any street, interurban, or suburban electric railway, unless such railway is operating as a part of a general steam-railroad system of transportation, but shall not exclude any part of the general steam-railroad system of transportation now or hereafter operated by any other motive power. The Interstate Commerce Commission is hereby authorized and directed, upon request of the Mediation Board or upon complaint of any party interested, to determine after hearing whether any line operated by electric power falls within the terms of this proviso. within the terms of this proviso.

The amendment was agreed to.

The next amendment was, on page 4, line 4, before the word "powers", to strike out "of" and insert "or", so as

Fifth. The term "employee" as used herein includes every person in the service of a carrier (subject to its continuing authority to supervise and direct the manner of rendition of his service) ity to supervise and direct the manner of rendition of his service) who performs any work defined as that of an employee or subordinate official in the orders of the Interstate Commerce Commission now in effect, and as the same may be amended or interpreted by orders hereafter entered by the Commission pursuant to the authority which is hereby conferred upon it to enter orders amending or interpreting such existing orders: Provided, however, That no occupational classification made by order of the Interstate Commerce Commission shall be construed to define the crafts according to which railway employees may be organized by their voluntary action, nor shall the jurisdiction or powers of such employee organizations be regarded as in any way limited or defined by the provisions of this act or by the orders of the Commission.

The amendment was agreed to.

The next amendment was, on page 5, line 23, after the word "the", to strike out "purpose" and insert "purposes", and on page 6, line 1, after the word "other" and the semi-colon, to strike out "and no carrier, its officers or agents, shall, by interference, influence, or coercion, either directly or indirectly, in any manner prevent or seek to prevent its employees from designating labor organizations or persons who are not employees of the carrier as their representatives" and insert "and neither party shall in any way interfere with, influence, or coerce the other in its choice of representatives. Representatives of employees for the purposes of this act need not be persons in the employ of the carrier, and no carrier shall, by interference, influence, or coercion seek in any manner to prevent the designation by its employees as their representatives of those who or which are not employees of the carrier", so as to read:

<sup>&</sup>quot;SECTION 1. When used in this act and for the purposes of this

act"First. The term 'carrier' includes any expres sleeping-car company, carrier by railroad, subject to the Interstate Commerce Act, and any company which is directly or indirectly owned or controlled by or under common control with any carrier

Third. Representatives, for the purposes of this act, shall be designated by the respective parties without interference, influence, or coercion by either party over the designation of representatives by the other; and neither party shall in any way interfere with, influence, or coerce the other in its choice of representatives. Representatives of employees for the purposes of this act need not be persons in the employ of the carrier, and no carrier shall, by interference, influence, or coercion, seek in any manner to prevent the designation by its employees as their representatives of those who or which are not employees of the carrier.

The amendment was agreed to.

The next amendment was, on page 6, line 25, after the word "organization", to insert "labor representatives, or other agency of collective bargaining"; and on page 7, line 6, before the word "labor", to strike out "members of", so

Fourth. Employees shall have the right to organize and bargain collectively through representatives of their own choosing. The majority of any craft or class of employees shall have the right to determine who shall be the representative of the craft or class for the purposes of this act. No carrier, its officers or agents, for the purposes of this act. No carrier, its officers or agents, shall deny or in any way question the right of its employees to join, organize, or assist in organizing the labor organization of their choice, and it shall be unlawful for any carrier to interfere in any way with the organization of its employees, or to use the funds of the carrier in maintaining or assisting or contributing to any labor organization, labor representative, or other agency of collective bargaining, or in performing any work therefor, or to influence or coerce employees in an effort to induce them to join or remain or not to join or remain members of any labor organization, or to deduct from the wages of employees any dues, fees, assessments, or other contributions payable to labor organizations, or to collect or to assist in the collection of any such dues, fees, assessments, or other contributions.

The amendment was agreed to.

The next amendment was, on page 7, line 8, after the word "contributions", to insert a colon and the following

Provided, That nothing in this act shall be construed to prohibit a carrier from permitting an employee, individually, or local representatives of employees from conferring with management during working hours without loss of time, or to prohibit a carrier from furnishing free transportation to its employees while engaged in the business of a labor organization.

The amendment was agreed to.

The next amendment was, on page 8, line 12, after the word "notice", to insert a colon and the following proviso:

And provided further, That nothing in this act shall be construed to supersede the provisions of any agreement (as to conferences) then in effect between the parties.

The amendment was agreed to.

The next amendment was, on page 8, line 18, after the word "employees" and the comma, to insert "as a class as embodied in agreements"; in line 19, after the word "in", to insert "such agreements or in"; in the same line, after the figure "6", to strike out "and in other provisions"; and in line 20, after the word "act", to strike out "relating thereto", so as to read:

Seventh. No carrier, its officers or agents, shall change the rates of pay, rules, or working conditions of its employees, as a class as embodied in agreements except in the manner prescribed in such agreements or in section 6 of this act.

The amendment was agreed to.

The next amendment was, on page 9, line 8, after the word "arise", to strike out "between" and insert "among"; in line 14, after the word "the", to insert "receipt of the '; and on page 10, line 5, after the word "election" and the comma, to strike out "and it shall" and insert "or may appoint a committee of three neutral persons who shall within 10 days designate the employees who may participate in the election. The board shall "; so as to read:

Ninth. If any dispute shall arise among a carrier's employees as to who are the representatives of such employees designated and authorized in accordance with the requirements of this act, it shall be the duty of the Mediation Board, upon request of either party to the dispute, to investigate such dispute and to certify to both parties, in writing, within 30 days after the receipt of the invocation of its services, the name or names of the individuals or organizations that have been designated and authorized to represent the employees involved in the dispute, and certify the same to the carrier. Upon receipt of such certification the carrier shall treat with the representative so certified as the representative of the craft or class for the purposes of this act. In

such an investigation, the Mediation Board shall be authorized to take a secret ballot of the employees involved, or to utilize any other appropriate method of ascertaining the names of their duly designated and authorized representatives in such manner as shall designated and authorized representatives in such manner as shall insure the choice of representatives by the employees without interference, influence, or coercion exercised by the carrier. In the conduct of any election for the purposes herein indicated the board shall designate who may participate in the election and establish the rules to govern the election, or may appoint a committee of three neutral persons who shall within 10 days designate the employees who may participate in the election. The board shall have access to and have power to make copies of the books and records of the carriers to obtain and utilize such information. and records of the carriers to obtain and utilize such information as may be deemed necessary by it to carry out the purposes and provisions of this paragraph.

Mr. DILL. Mr. President, I wish to perfect that amendment to agree with the language of the House bill. In line 6, page 10, after the word "who", I move to insert the words after hearing."

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 10, line 6, in the committee amendment, after the word "who", it is proposed to insert "after hearing", so that, if amended, it will read:

or may appoint a committee of three neutral persons who, after hearing, shall within 10 days-

And so forth.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The reading of the bill was resumed.

The next amendment was, on page 11, line 8, after the word "require" to strike out: "any employee or any officer of any carrier to render labor or service without his consent or to authorize the issuance of any orders requiring such service or to make illegal the failure or refusal of any employee individually or any number of employees collectively to render labor or service" and insert: "an individual employee to render labor or service without his consent, nor shall anything in this act be construed to make the quitting of his labor by an individual employee an illegal act; nor shall any court issue any process to compel the performance by an individual employee of such labor or service, without his consent", so as to make the proviso read:

Provided, That nothing in this act shall be construed to require an individual employee to render labor or service without his consent, nor shall anything in this act be construed to make the quitting of his labor by an individual employee an illegal act; nor shall any court issue any process to compel the performance by an individual employee of such labor or service, without his

The amendment was agreed to.

The next amendment was, on page 13, line 13, after the word "the" to strike out "Secretary of Labor" and insert Mediation Board", so as to read:

(e) If either the carriers or the labor organizations of the employees fail to select and designate representatives to the Adjustment Board, as provided in paragraphs (b) and (c) of this section, respectively, within 60 days after the passage of this act, in case of any original appointment to office of a member of the Adjustment Board, or in case of a vacancy in any such office within 30 days after such vacancy occurs, the Mediation Board shall thereupon directly make the appointment and shall select an individual associated in interest with the carriers or the group of labor organizations of employees, whichever he is to represent. to represent

The amendment was agreed to.

The next amendment was, on page 13, line 24, before the word "the", to insert "the Secretary shall notify"; in line 25, after the name "Mediation Board", to strike out "shall be so advised" and insert "accordingly"; on page 14, line 1, after the word "advice", to insert "the Mediation Board"; and in line 5, before the word "to", to strike out "Board," and insert "Board", so as to read:

(f) In the event a dispute arises as to the right of any national (1) In the event a dispute arises as to the right of any national labor organization to participate as per paragraph (c) of this section in the selection and designation of the labor members of the Adjustment Board, the Secretary of Labor shall investigate the claim of such labor organization to participate, and if such claim in the judgment of the Secretary of Labor has merit, the Secretary shall notify the Mediation Board, accordingly, and within 10 days after receipt of such advice the Mediation Board shall request those national labor organizations duly qualified as per paragraph (c) of this section to participate in the selection and designation of the labor members of the Adjustment Board to select a representative. Such representative, together with a representative likewise designated by the claimant, and a third or neutral party designated by the Mediation Board, constituting a board of three, shall within 30 days after the appointment of the neutral member, investigate the claims of the labor organization desiring participation and decide whether or not it was organized in accordance with section 2 hereof and is otherwise properly qualified to participate in the selection of the labor members of the Adjustment Board, and the findings of such boards of three shall be final and binding. boards of three shall be final and binding.

The amendment was agreed to.

The next amendment was, on page 14, line 17, after the word "parties", to strike out "selecting him, it being intended hereby that the members selected by carriers shall be compensated by the carriers and that the members selected by the national labor organizations of the employees shall be compensated by the organizations. Each arbitrator" and insert "he is to represent. Each third or neutral party", and on page 15, line 2, after the word "subsistence", to strike out "while serving as an arbitrator" and insert "or per diem allowance in lieu thereof, subject to the provisions of law applicable thereto, while serving as such third or neutral party", so as to read:

(g) Each member of the Adjustment Board shall be compensated by the party or parties he is to represent. Each third or neutral party selected under the provisions of (f) of this section shall receive from the Mediation Board such compensation as the Mediation Board may fix, together with his necessary traveling expenses and expenses actually incurred for subsistence, or per diem allowance in lieu thereof, subject to the provisions of law applicable thereto, while serving as such third or neutral party.

The amendment was agreed to.

The next amendment was, on page 16, line 5, after the word "conductors", to insert "sleeping-car porters, and maids and dining-car employees", so as to read:

Third division: To have jurisdiction over disputes involving station, tower, and telegraph employees, train dispatchers, mainte-nance-of-way men, clerical employees, freight handlers, express, station, and store employees, signalmen, sleeping-car conductors, sleeping-car porters, and maids and dining-car employees. This division shall consist of 10 members, 5 of whom shall be selected by the carriers and 5 by the national labor organizations of

The amendment was agreed to.

The next amendment was, on page 17, line 18, after the word "paragraph", to strike out "(i)" and insert "(n)", and on page 18, line 7, after the word "arbitrators", to insert "and shall fix and pay the compensation of such referees", so as to read:

(k) Any division of the Adjustment Board shall have authority to empower two or more of its members to conduct hearings and make findings upon disputes, when properly submitted, at any place designated by the division: *Provided, however*, That final awards as to any such dispute must be made by the entire divi-

awards as to any such dispute must be made by the entire division as hereinafter provided.

(1) Upon failure of any division to agree upon an award because of a deadlock or inability to secure a majority vote of the division members, as provided in paragraph (n) of this section, then such division shall forthwith agree upon and select a neutral person, to be known as "referee", to sit with the division as a member thereof and make an award. Should the division fail to agree upon and select a referee within 10 days of the date of the deadlock or inability to secure a majority vote, then the division, or any member thereof, or the parties or either party to the dispute may certify that fact to the Mediation Board, which Board shall, within 10 days from the date of receiving such certificate, select and name the referee to sit with the division as a member thereof and make an award. The Mediation Board shall be bound by the same provisions in the appointment of these neutral referees as are provided elsewhere in this act for the appointment of arbitrators and shall fix and pay the compensation of such referees. referees.

The amendment was agreed to.

The next amendment was, on page 19, line 9, after the word "which", to strike out "the road of", and in the same line, after the word "carrier", to strike out "runs" and insert "operates", so as to read:

(p) If a carrier does not comply with an order of a division of the Adjustment Board within the time limit in such order, the petitioner, or any person for whose deficit such order was made, may file in the district court of the United States for the district in which he resides or in which is located the principal operating office of the carrier, or through which the carrier operates, a petition setting forth briefly the causes for which he claims relief,

and the order of the division of the Adjustment Board in the and the order of the division of the Adjustment Board in the premises. Such suit in the district court of the United States shall proceed in all respects as other civil suits, except that on the trial of such suit the findings and order of the division of the Adjustment Board shall be prima facie evidence of the facts therein stated, and except that the petitioner shall not be liable for costs in the district court nor for costs at any subsequent stage of the proceedings, unless they accrue upon his appeal, and such costs shall be paid out of the expression for the expression. stage of the proceedings, unless they accrue upon his appeal, and such costs shall be paid out of the appropriation for the expenses of the courts of the United States. If the petitioner shall finally prevail, he shall be allowed a reasonable attorney's fee, to be taxed and collected as a part of the costs of the suit. The district courts are empowered, under the rules of the court governing actions at law, to make such order and enter such judgment, by writ of mandamy or otherwise as year, he appropriate to enforce writ of mandamus or otherwise, as may be appropriate to enforce or set aside the order of the division of the Adjustment Board.

The amendment was agreed to.

The next amendment was, on page 21, after line 18, to

(w) Any division of the Adustment Board shall have authority, in its discretion, to establish regional adjustment boards to act in its place and stead for such limited period as such division may determine to be necessary. Carrier members of such regional boards shall be designated in keeping with rules devised for this purpose by the carrier members of the Adjustment Board and the labor members shall be designated in keeping with rules devised for this purpose by the labor members of the Adjustment Board. Any such regional board shall, during the time for which it is appointed, have the same authority to conduct hearings, make findings upon disputes and adopt the same procedure as the division of the Adjustment Board appointing it, and its decisions shall be enforceable to the same extent and under the same processes. A neutral person, as referee, shall be appointed for service in connection with any such regional adjustment board in the same circumstances and manner as provided in paragraph (1) hereof, with respect to a division of the Adjustment Board. (w) Any division of the Adustment Board shall have authority

Mr. WHITE. Mr. President, I desire to offer an amendment to the committee amendment.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 21 it is proposed to strike out all of line 19 and all of 20 to and including the word "to" therein, and in lieu thereof to insert:

Upon application of any carrier, or of the representative of labor involved in any dispuse within the meaning of this act, the appropriate division of the Adjustment Board shall.

Mr. DILL. Mr. President, what is the purpose of that amendment? I do not have it in printed form.

Mr. WHITE. Mr. President, the committee amendment as it is drafted makes optional in the divisions of the adjustment board the appointment of regional boards to hear the disputes. The amendment I have suggested makes mandatory, upon the application of any party to a controversy, the appointment of a regional board to hear the controversies.

Under the bill, four divisions are set up under the Adjustment Board. The jurisdiction of the divisions depends upon the subject matter of the controversy, but the bill provides that these divisions shall have their headquarters in Chicago.

I think that means, as a practical matter, that if a dispute should arise in the State of Maine, or in the State of Washington, or in the State of Texas, or where not throughout the United States, the controversy would be moved for hearing to Chicago. The people of my section of the country believe in the principle of local government; and there is no more fit opportunity for the application of that principle, so it seems to me, than in hearing and settling these disputes. I feel very strongly that when a controversy arises in any section of the country, the first effort to adjust that controversy should be made by those who live in the neighborhood of the controversy, and should be made by the parties directly involved in it. The provision should be mandatory for local hearing, and that is all that is sought by the amendment.

Mr. DILL. Mr. President, the effect of the amendment to the amendment would be to make the national board practically useless and worthless if either party to a dispute desired a regional board, because, as I understand the Senator's amendment, if either party made application for the creation of a regional board it would become mandatory to appoint a regional board.

In the hearings on the bill we had this peculiar situation. The representatives of the railroads and the representatives regional boards made mandatory and to have no national boards at all. The employees' representatives insisted that we should have national adjustment boards but with no mandatory regional boards.

The subcommittee, in framing the bill, worked out this amendment, which provides that any division of the national board, if it shall decide it is desirable, may set up a regional board. There may be conditions under which it is desirable to have regional boards. There may be an unusually large number of disputes in some section of the country. There may be disputes of a certain character which make it desirable to have regional boards in order to get through with the work or to have men especially fitted to handle the cases. So the committee believed that it was desirable to give each of these divisions of the board of adjustment the power to set up these regional boards when. in their judgment, it was desirable. So, under the committee amendment, there would be the optional right, but the proposed amendment of the Senator from Maine would make it compulsory to set up regional boards. Since the railroads do not want national boards at all, the result would be that there would be a regional board in practically every dispute that was raised. I hope the Senator's amendment will not be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was rejected.

The amendment was agreed to.

The next amendment was, on page 22, line 13, after the word "Second" and the period, to strike out "Nothing in this act shall be construed to prohibit any carrier or any group of carriers and its or their employees or any class thereof from agreeing upon the settlement of disputes through such machinery of contract and adjustment as they may mutually establish" and to insert "Nothing in this section shall be construed to prevent any individual carrier, system, or group of carriers and any class or classes of its or their employees, all acting through their representatives, selected in accordance with the provisions of this act, from mutually agreeing to the establishment of system. group, or regional boards of adjustment for the purpose of adjusting and deciding disputes of the character specified in this section. In the event that either party to such a system, group, or regional board of adjustment is dissatisfied with such arrangement, it may upon 90 days' notice to the other party elect to come under the jurisdiction of the Adjustment Board", so as to read:

"Second. Nothing in this section shall be construed to prevent any individual carrier, system, or group of carriers and any class or classes of its or their employees, all acting through their representatives, selected in accordance with the provisions of this act, from mutually agreeing to the establishment of system, group, or regional boards of adjustment for the purpose of adjusting and deciding disputes of the character specified in this section. In the event that either party to such a system, group, or regional board of adjustment is dissatisfied with such arrangement, it may upon 90 days' notice to the other party elect to come under the jurisdiction of the Adjustment Board." "Second. Nothing in this section shall be construed to prevent

The amendment was agreed to.

The next amendment was, on page 23, line 8, after the word "abolished", to strike out "except that" and insert "effective 30 days from the approval of this act and"; in line 11, after the word "the", to strike out "passage" and insert "approval"; in the same line, after the word "shall" to insert "continue to function and"; in line 19, after the word "shall", to insert "begin as soon as the members shall qualify, but not before 30 days after the approval of this act, and"; and, on page 24, line 12, after the word " of ", to strike out the word " the ", so as to read:

Section 4 of the Railway Labor Act is amended to read as

"NATIONAL MEDIATION BOARD

"SEC. 4. First, The Board of Mediation is hereby abolished, effective 30 days from the approval of this act, and the members, secretary, officers, assistants, employees, and agents thereof, in office upon the date of the approval of this act, shall continue to func-

of the employees both insisted that the present law had failed. They said that we must have some board with power to settle these disputes. The railroads wanted all of the executive branch of the Government, a board to be known as the tweether than the same manner as though this act had not been passed. There is hereby established, as an independent agency in the executive branch of the Government, a board to be known as the tweether than the same manner as though this act had not been passed. 'National Mediation Board', to be composed of three members appointed by the President, by and with the advice and consent of the Senate. The terms of office of the members first appointed shall begin as soon as the members shall qualify, but not before 30 days after the approval of this act, and expire, as designated 30 days after the approval of this act, and expire, as designated by the President at the time of nomination, one on February 1, 1935, one on February 1, 1936, and one on February 1, 1937. The terms of office of all successors shall expire 3 years after the expiration of the terms for which their predecessors were appointed; but any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the unexpired term of his predecessor. Vacancies in the Board shall not impair the powers nor affect the duties of the Board nor of the remaining members of the Board. Two of the members in office shall constitute a quorum for the transaction of the business of the Board. Each member of the Board shall receive a salary at the rate of Each member of the Board shall receive a salary at the rate of \$10,000 per annum, together with necessary traveling and subsistence expenses, or per diem allowance in lieu thereof, subject to the provisions of law applicable thereto, while away from the principal office of the Board on business required by this act. No person in the employment of or who is pecuniarily or otherwise interested in any organization of employees or any carrier shall enter upon the duties of or continue to be a member of the Board."

The amendment was agreed to.

The next amendment was, on page 24, line 19, before the word "of", to strike out "passage" and insert "approval", so as to read:

All cases referred to the Board of Mediation and unsettled on the date of the approval of this act shall be handled to conclusion. by the Mediation Board.

The amendment was agreed to.

The next amendment was, on page 25, line 22, after the name "Adjustment Board", to insert "regional adjustment boards established under paragraph (w) of section 3", so as

Third. The Mediation Board may (1) appoint such experts and assistants to act in a confidential capacity and, subject to the provisions of the civil-service, laws, such other officers and employees as are essential to the effective transaction of the work of the Board; (2) in accordance with the Classification Act of 1923, fix the salaries of such experts, assistants, officers, and employees; and (3) make such expenditures (including expenditures for rent and personal services at the seat of government and elsewhere, for law books, periodicals, and books of reference, and for printing and binding, and including expenditures for salaries and compensation, necessary traveling expenses and expenses actually incurred for subsistence, and other necessary expenses of the Mediation Board, Adjustment Board, regional adjustment boards established under paragraph (w) of section 3, and boards of arbitration, in accordance with the provisions of this section and sections 3 and 7, respectively), as may be necessary for the execution of the functions vested in the Board, in the Adjustment Board and in the boards of arbitration, and as may be provided for by the Congress from time to time. All expenditures of the Board shall be allowed and paid on the presentation of itemized vouchers therefor approved by the chairman.

The next amendment was, on page 27, line 4, after the name "Mediation Board", to strike out "or the Mediation Board may proffer its services", so as to read:

### FUNCTIONS OF MEDIATION BOARD

Sec. 5. First. The parties, or either party, to a dispute between an employee or group of employees and a carrier may invoke the services of the Mediation Board in any of the following cases.

The amendment was agreed to.

The next amendment was, on page 27, line 10, after the word "dispute", to insert "not referable to the National Board of Adjustment and", and in line 11, after the word not", to strike out "settled or", so as to read:

(b) Any other dispute not referable to the National Board of Adjustment and not adjusted in conference between the parties or where conferences are refused.

The amendment was agreed to.

The next amendment was, on page 27, after line 12, to

The Mediation Board may proffer its services in case any labor emergency is found by it to exist at any time.

The amendment was agreed to.

The next amendment was, on page 28, line 14, before the word "the", to strike out "as to" and insert "of", so as to read:

Second. In any case in which a controversy arises over the meaning or the application of any agreement reached through mediation under the provisions of this act, either party to the said agreement, or both, may apply to the Mediation Board for an interpretation of the meaning or application of such agreement. The said Board shall upon receipt of such request notify the parties to the controversy, and after a hearing of both sides the parties to the controversy, and as give its interpretation within 30 days.

The amendment was agreed to.

The next amendment was, on page 30, line 1, after the word "Board", to strike out "or a member thereof", so as

(c) When an agreement to arbitrate has been filed with the Mediation Board, or with one of its members, as provided by this section, and when the said Board has been furnished the names section, and when the said Board has been furnished the names of the arbitrators chosen by the parties to the controversy it shall be the duty of the Board to cause a notice in writing to be served upon said arbitrators, notifying them of their appointment, requesting them to meet promptly to name the remaining arbitrator or arbitrators necessary to complete the Board of Arbitration, and advising them of the period within which, as provided by the agreement to arbitrate, they are empowered to name such arbitrator or arbitrators. such arbitrator or arbitrators.

The amendment was agreed to.

The next amendment was, on page 32, line 18, after the word "change", to strike out "effecting" and insert "in agreements affecting", and in line 19, after the word "for", to insert "the beginning of", so as to read:

SEC. 6. Section 6 of the Railway Labor Act is amended to read

as follows:
"SEC. 6. Carriers and representatives of the employees shall "SEC. 6. Carriers and representatives of the employees shall give at least 30 days' written notice of an intended change in agreements affecting rates of pay, rules, or working conditions, and the time and place for the beginning of conference between the representatives of the parties interested in such intended changes shall be agreed upon within 10 days after the receipt of said notice, and said time shall be within the 30 days provided in the notice. In every case where such notice of intended change has been given, or conferences are being held with reference thereto, or the services of the Mediation Board have been requested by either party, or said Board has proffered its services, rates of pay, rules, or working conditions shall not be altered by rates of pay, rules, or working conditions shall not be altered by the carrier until the controversy has been finally acted upon as required by section 5 of this act, by the Mediation Board, unless a period of 10 days has elapsed after termination of conferences without request for or proffer of the services of the Mediation

The amendment was agreed to.

The next amendment was, on page 33, line 11, after the figure "8", to strike out "and 10" and insert "10, and 12", so as to read:

SEC. 7. The Railway Labor Act is amended by striking out the words "Board of Mediation" wherever they appear in sections 7, 8, 10, and 12 of such act, and inserting in lieu thereof the words "Mediation Board."

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

Mr. DILL. Mr. President, I have one or two amendments which I should like to offer. The first is on page 23.

Mr. HASTINGS. Have the amendments been printed?

Mr. DILL. No; they have not.

The PRESIDING OFFICER. The Senator from Washington offers an amendment, which the clerk will state.

The CHIEF CLERK. On page 23, line 18, it is proposed to strike out the period and to insert a comma and the words "not more than two of whom shall be of the same political party", so as to read:

### NATIONAL MEDIATION BOARD

Sec. 4. First. The Board of Mediation is hereby abolished effec-SEC. 4. First. The Board of Mediation is hereby abolished effective 30 days from the approval of this act and the members, secretary, officers, assistants, employees, and agents thereof in office upon the date of the approval of this act shall continue to function and receive their salaries for a period of 30 days from such date in the same manner as though this act had not been passed. There is hereby established, as an independent agency in the executive branch of the Government, a board to be known as the "National Mediation Board", to be composed of three members appointed by the President, by and with the advice and consent of the Senate, not more than two of whom shall be of the same political party. political party.

Mr. DILL. Mr. President, the amendment would simply make the board a bipartisan board. I think it was overlooked by the committee.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. DILL. I have another amendment I should like to offer to facilitate the transfer of employees and appropriations not provided for in the bill.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 26, line 22, it is proposed to strike out the quotation marks, and after line 22, to insert the following:

Fifth. All officers and employees of the Board of Mediation (except the members thereof whose offices are hereby abolished), whose services, in the judgment of the Mediation Board, are necessary to the efficient operation of the Board, are hereby transferred to the Board, without change in classification or compensarefred to the Board, without change in classification or compensation; except that the Board may provide for the adjustment of such classification or compensation to conform to the duties to which such officers and employees may be assigned. All unexpended appropriations for the operation for the Board of Mediation that are available at the time of the abolition of the Board of Mediation shall be transferred to the Mediation Board, and shall be available for its use for salaries and other authorized expenditures.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. WALSH. Mr. President, I have some brief amendments, in the nature of perfecting amendments, which I should like to offer.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed, on page 3, line 2, to strike out the words "National Board of Adjustment" and to insert in lieu thereof "National Railroad Adjustment Board."

Mr. WALSH. Mr. President, I will explain the reason for the amendment. A bill somewhat similar to the one now pending, dealing with the relationships between employers and employees in industry, has been pending before the Committee on Education and Labor and is now on the calendar. In one sense the board proposed to be created by the pending bill is not a national adjustment board, because it does not deal with the relationships between all employers and employees. It only deals with the relationships between railroads and their employees. Therefore it is proposed to call this board the "National Railroad Adjustment Board." The other board will be called the "National Industrial Adjustment Board." The Senator from Washington [Mr. DILL] is in accord with my views about it. I think it will prevent a great deal of confusion if we call this the "National Railroad Adjustment Board", in view of the fact that it deals only with reference to the problems in connection with the railroads.

Mr. DILL. I agree with the Senator from Massachusetts. The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts [Mr. WALSH].

The amendment was agreed to.

Mr. DILL. Mr. President, I ask unanimous consent to amend the name in other places where it may appear in the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT-APPROVAL OF A BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who announced that on June 16, 1934. the President had approved and signed the following act:

S. 3723. An act to amend the Mineral Lands Leasing Act of 1920 with reference to oil- or gas-prospecting permits and leases.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 101. An act for the relief of Robert Gray Fry, deceased; S. 336. An act for the relief of the Edward F. Gruver Co.; S. 521. An act for the relief of Henry Poole;

S. 887. An act for the relief of Lucy B. Hertz and J. W. Hertz:

S. 1072. An act for the relief of Rufus J. Davis;

S. 1118. An act for the relief of George J. Bloxham;

S. 1119. An act for the relief of Fred A. Robinson;

S. 1200. An act for the relief of Elizabeth Millicent Tram-

S. 1287. An act for the relief of Leonard Theodore Boice;

S. 1288. An act for the relief of Otto Christian;

S. 1600. An act for the relief of S. G. Mortimer;

S. 1654. An act for the relief of George Yusko;

S. 1758. An act for the relief of B. E. Dyson, former United States marshal, southern district of Florida;

S. 1804. An act to authorize the transfer of certain real estate by the Secretary of the Treasury to C. F. Colvin in settlement of the Northfield (Minn.) post-office site litigation, and for other purposes;

S. 1993. An act for the relief of the Lower Salem Com-

mercial Bank, Lower Salem, Ohio;

S. 2367. An act for the relief of Emilie C. Davis;

S. 2398. An act for the relief of Nancy Abbey Williams;

S. 2627. An act for the relief of Arvin C. Sands;

S. 2744. An act for the relief of Anna Carroll Taussig;

S. 2752. An act for the relief of the legal beneficiaries and heirs of Mrs. C. A. Toline:

S. 2875. An act for the relief of Margoth Olsen von Struve;

S. 2919. An act for the relief of Cornelia Claiborne;

S. 2957. An act for the relief of the rightful heirs of Wakicunzewin, an Indian;

S. 3016. An act for the relief of the Dongji Investment Co., Ltd.;

S. 3161. An act for the relief of Mary Seeley Watson; and S. 3335. An act for the relief of Joanna A. Sheehan.

The message also announced that the House had passed the following bills of the Senate, severally with an amendment, in which it requested the concurrence of the Senate:

S. 60. An act for the relief of Richard J. Rooney;

S. 86. An act for the relief of A. L. Ostrander;

S. 255. An act for the relief of John Hampshire;

S. 488. An act for the relief of Norman Beier;

S. 740. An act for the relief of William G. Fulton;

S. 847. An act for the relief of Nez Perce Tribe of Indians;

S. 1526. An act for the relief of Ann Engle;

S. 1803. An act for the relief of certain riparian owners for losses sustained by them on the drained Mud Lake Bottom in Marshall County in the State of Minnesota;

S. 1901. An act for the relief of William A. Delaney;

S. 1998. An act for the relief of the estate of Martin Flynn;

S. 2141. An act for the relief of Roy Lee Groseclose; S. 2233. An act for the relief of Mildred F. Stamm;

S. 2561. An act for the relief of Robert R. Prann;

S. 2672. An act for the relief of Mabel S. Parker;

S. 2809. An act conferring jurisdiction upon the Court of Claims to hear and determine the claims of the International Arms and Fuze Co., Inc.; and

S. 2972. An act for the relief of John N. Knauff Co., Inc.

The message further announced that the House had passed the following bills of the Senate, severally with amendments, in which it requested the concurrence of the Senate;

S. 365. An act for the relief of Archibald MacDonald; S. 1258. An act for the relief of Charles F. Littlepage:

S. 1498. An act authorizing the Secretary of the Interior to pay E. C. Sampson, of Billings, Mont., for services rendered the Crow Tribe of Indians:

S. 1531. An act for the relief of Elizabeth Buxton Hospital;

S. 1585. An act for the relief of the Black Hardware Co.;

S. 1753. An act for the relief of Marcella Leahy McNerney;

S. 2112. An act for the relief of W. H. Key and the estate of James E. Wilson;

S. 2338. An act for the relief of Robert V. Rensch:

S. 2467. An act for the relief of Ammon McClellan;

S. 2549. An act for the relief of Albert W. Harvey;

S. 2553. An act for the relief of the Brewer Paint and Wall Paper Co., Inc.; and

S. 2620. An act for the relief of N. W. Carrington and J. E. Mitchell.

The message requested the Senate to return to the House the bill (S. 1948) entitled "An act amending the act entitled 'An act authorizing the Court of Claims to hear, determine, and render judgment in the civilization-fund claim of the Osage Nation of Indians against the United States', approved February 6, 1921 (41 Stat. 1097)."

#### ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled joint resolution (H.J.Res. 342) authorizing an appropriation to defray the expense of erecting the completed Navy and Marine Memorial Monument, and it was signed by the President pro tempore.

ISSUANCE OF PATENTS TO CERTAIN NUMBERED SCHOOL SECTIONS

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1825) authorizing the Secretary of the Interior to issue patents to the numbered school sections in place, granted to the States by the act approved February 22, 1889, by the act approved January 25, 1927 (44 Stat. 1026), and by any other act of Congress, which was, on page 2, line 9, to strike out "attaches" and insert "attached".

Mr. ERICKSON. I move that the Senate agree to the amendment of the House.

The motion was agreed to.

SETTLEMENT OF DISPUTES BETWEEN CARRIERS AND EMPLOYEES

The Senate resumed the consideration of the bill (S. 3266) to amend the Railway Labor Act approved May 20, 1926, and to provide for the prompt disposition of disputes between carriers and their employees.

Mr. WALSH. Mr. President, I offer a further amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed, on page 21, line 18, at the end of section 3 (v), to add a new section to read as follows:

The reports of each division of the Adjustment Board and the annual report of the Mediation Board shall state in detail all cases heard, all actions taken, the names, salaries, and duties of all agencies, employees, and officers receiving compensation from the United States under the authority of this act, and an account of all moneys appropriated by Congress pursuant to the authority conferred by this act and disbursed by such agencies, employees, and officers.

Mr. WALSH. Mr. President, the Senator from Washington is in accord with my views, and favors the adoption of that amendment. I desire to say in explanation that the language is copied from the bill to which I referred, which is pending on the calendar, and which will, undoubtedly, be taken up for discussion and decision at the next session of Congress.

Mr. President, we have been altogether too careless about getting reports from governmental boards, and this amendment has been drawn very carefully with the purpose and idea in view of having boards provided for report to Congress in detail what they are doing, the decisions they are making, how much money they are spending, what their employees are, and their salaries. I think it will be a great help to the Appropriations Committee in the future when such boards come and ask for employees, to find out the nature and character of their work. I am glad the Senator from Washington approves the amendment.

Mr. DILL. I see no objection to an amendment to provide for reports which might be helpful.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts [Mr. WALSH].

The amendment was agreed to.

Mr. WHEELER. Mr. President, I send to the desk an amendment which I offer and ask to have read.

The PRESIDING OFFICER. The amendment will be

The Legislative Clerk. It is proposed at the end of the lateral railroad paying the salaries of representatives of the organization. Mr. Davis. That is right.

Senator Hatch. And that is where it would destroy the combill to insert the following:

If any section, subsection, sentence, clause, or phrase of this act is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this act. All acts or parts of acts inconsistent with the provisions of this act are hereby repealed.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Montana.

The amendment was agreed to.

Mr. WHEELER. I offer another amendment.

The PRESIDING OFFICER. The clerk will read the amendment.

The LEGISLATIVE CLERK. It is proposed, on page 6, in line 20, to strike out the language beginning with the word "no", and ending with the word "contributions" in line 6, on page 7, and to insert in lieu thereof the following:

No carrier, its officers, or agents shall deny or in any way question the right of its employees to join the labor organization of their choice, and it shall be unlawful for any carrier to interfere in any way with the organization of employees, or to use the funds of the carrier in maintaining company unions, or to influence or coerce employees in an effort to induce them to join or remain members of such company unions, or to deduct from the wages of employees any dues, fees, assessments, or other contributions payable to company unions, or to collect or to assist in the collection of any such dues, fees, assessments, or other contributions:

Mr. WHEELER. Mr. President, let me say with reference to this amendment that this is the identical language which was adopted in the House bill which was reported favorably by the Interstate Commerce Committee of the House and passed the House by an overwhelming vote. Practically the only change in this section is that it substitutes the words "company unions" for the words "any labor organization" throughout that section.

Mr. WALSH. Will the Senator yield for a question?

Mr. WHEELER. I yield.

Mr. WALSH. Do the words "company union" appear in any other part of the bill?

Mr. WHEELER. I was going to offer the amendment with reference to section 5 as well.

Mr. WALSH. I suggest that the Senator make the language general—any labor organization.

Mr. WHEELER. Mr. President, let me say to the Senator from Massachusetts that all the railroad brotherhoods have agreed that this was the language they wanted in the bill, and I can see no reason in the world why we should permit them to contribute to company unions.

Mr. WALSH. I am not in sympathy with company unions, but I have felt that we ought not to draft legislation which appears to distinguish between labor organizations. We ought not to use language which denounces a trade union, or criticizes a trade union, or restricts a trade union. This principle should apply to company unions, if these company unions are free and independent

of their employers.

Mr. WHEELER. Mr. President, Mr. Davis, testifying before the Interstate Commerce Committee, objected to this paragraph. He was protesting on behalf of the company union of the Pennsylvania Railroad, and the reason he was protesting was, of course, because of the fact, as he said, that it would affect that particular organization. As was pointed out by the distinguished Senator from New York [Mr. Wagner] on Saturday, a company union has its constitution written for it and it is on the pay roll of the company; and the testimony shows that the wages of the man who testified before the Interstate Commerce Committee, Mr. Davis, were being paid by the Pennsylvania Railroad Co. itself. He was questioned upon that very subject, and the testimony he gave is to this effect-

Mr. HASTINGS. Mr. President, on what page is that, may I inquire?

Mr WHEELER. I am reading now from page 45:

The CHAIRMAN. Of course, that is the part of the bill that strikes you most. You could still have your system boards and have your company organization. You could do that, but the part of the bill that strikes directly is that part that forbids the

pany union?

Mr. Davis. Yes; but in considering the bill remember we don't want to lose sight of the fact that it is premeditated on the part of some organization that is demanding a national organization.

The CHAIRMAN. The part that hits you hardest, or really destroys you, is forbidding the railroads paying the cost or the expenses of the company-union representative.

Mr. Davis. That is the part of the bill; yes. But in many instances the whole bill is predicated on the basis of the elimination of so-called "company unions."

Mr. WALSH. Mr. President, do I understand the Senator's amendment prevents the existence of a company union? Does it merely prevent a company union's existing through contributions made by the employers?

Mr. WHEELER. Exactly. It does not put company unions out of business, but it does absolutely prevent the

companies from contributing to company unions.

Mr. WALSH. As I understand the measure, there is a later provision in the bill which permits the employer to pay representatives of the employees when they are actually engaged in collective bargaining during working

Mr. WHEELER. Yes.

Mr. WALSH. And the Senator's amendment does not interfere with that?

Mr. WHEELER. No.

Mr. WALSH. The Senator's amendment is merely for the purpose of forbidding any other kind of a contribution by an employer to assist in maintaining a company union.

Mr. WHEELER. That is it, exactly.

Mr. WALSH. That does not mean that an employer cannot give money for an athletic field or for a hospital or for other purposes, but he must do it through some other group or organization other than a labor union.

Mr. WHEELER. That is correct.

Mr. WALSH. In other words, he must keep his hands off the labor organization and not interfere with the matter of collective bargaining.

Mr. BARKLEY. Mr. President-

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Kentucky?

Mr. WHEELER. I yield.

Mr. BARKLEY. While under the terms of the bill as it has been reported it was intended to make the language broad enough to prevent contributions to any sort of labor organization, including a company union, it is a fact that the company union, especially the railroad company union, has been a serious problem with respect to the question of collective bargaining between the railroads and their employees. The Senator's amendment emphasizes the objection to making contributions especially to company unions. While the language reported by the committee is broad enough to prevent it, it is felt by some that this particular evil should be mentioned by name and emphasized in the bill

Mr. WHEELER. That is correct.
Mr. BARKLEY. The bill provides that if there is a committee or arbitration board set up representing both sides, and the committee on the part of employees is made up of men who are employed, there shall be nothing to prevent the railroad from paying them their ordinary compensation while they are serving the company union in settling the question which is involved.

Mr. WHEELER. Mr. President, let me say further that in reading the testimony I find this question and answer:

The CHAIRMAN. I want to get this clearly—get this clearly in mind. It is the theory of yourself and others that you can represent men in a dispute and be paid—represent them fairly and fully and be paid by the person against whom the grievance is taken?

Mr. Davis. That is right.

On the floor of the Senate the other day it was stated by the distinguished Senator from Delaware [Mr. HASTINGS] that on the Pennsylvania Railroad the men and the company had gotten along for a long period of time. I think that is true, but is true because of the fact that the Pennsylvania Railroad pays the men who really represent the employees. In other words, the man who is representing the employees is also upon the pay roll of the Pennsylvania Railroad Co. and he is being paid extra money for the services which he is rendering. No lawyer would think of permitting a person on the other side of the lawsuit to pay him any compensation nor would he take any favors from him in any way, shape, or form. The organized-labor men of the country want to observe exactly the same kind of ethics with reference to employees' labor organizations that a lawyer would observe in his profession.

I can see no reason why the language should not be used and I am sure that if it is used, as it was contained in the bill as it passed the House, it will facilitate the passage of

the bill through Congress.

We all appreciate that we are coming to the end of the session and everybody is anxious that the bill should pass. If the House provisions should be adopted it would undoubtedly mean that the bill would not be tied up in conference. The bill would be much more quickly reported out of conference if it should be necessary that it go to con-

Mr. DILL. Mr. President, I desire for a moment to explain to the Senate just what the amendment of the Senator from Montana involves. It involves more than merely a proposal to outlaw the company union. The language as written by the Senate committee is the language which was recommended by Mr. Eastman, the Coordinator of Railroads. It is the language which was agreed upon by the subcommittee which studied the bill, and by the full committee which discussed it.

I invite attention to the difference between the language of the Senate bill and of the amendment offered by the Senator from Montana which is the language of the House bill. Both provisions are alike except that the language of the Senator's amendment limits the interference of the railroads or the contributions of the railroads to company unions. The Senate committee took the position and Mr. Eastman took the position that it should be broader than that. I have a long letter from Mr. Eastman to the effect that if we are by law to prohibit the railroads from requiring employees to join a company union, if we are by law to prohibit the railroads from making any contribution to any kind of a company union, we should not permit the employees to compel the railroads to make men join a certain union which the men might in that way be able to force them to join.

Mr. WHEELER. There is nothing in the bill to compel that

Mr. DILL. Oh yes, there is. I know the bill. When we simply forbid their interfering with the joining of company unions and stop at that, it is left within the power of the standard unions to compel the railroad companies to demand that their employees shall belong to the standard unions. The reason for the amendment is a demand on the part of the trainmen, the yardmen, the yard conductors, the employees in connection with yard engines, the organization headed by Mr. Whitney, of Cleveland.

I have had much correspondence with him about it and have discussed with his representatives the entire matter. I have great sympathy with his position, but cannot agree to what he desires. They have been able to use the strength of their union to establish what are known as percentage contracts with certain railroads. Under those contracts they have in effect a closed shop as to yard trainmen who are employed by the railroads. On some railroads it is 75 percent, on some 85 percent, on some 90 percent, and I think 100 percent in some cases. That means that before a man may be employed to work for the railroad he must join the railroad trainmen's organization. They are strong enough to compel that. I am not complaining of that.

What the committee objected to, and the position I have taken representing the committee, is that if we are, by law, to say that the railroads shall not be permitted to require

employees to join a company union the railroads should not, by law, be permitted to compel or require a man to join some other union that the union officials may want him to join. In other words, that is the wording of the text in the House bill. The House language and the amendment of the Senator from Montana both use the words 'company union."

There is nothing in the language of the amendment of the Senator from Montana to prevent the railroads from saying to a man who comes to work for them, "You shall not join any union as long as you work for this road", or, if the union is strong enough to compel the railroad to say to the man, "You must join that union before you can be employed."

This provision may easily become a sort of model piece of legislation on this subject. If, by law, we are going to set up a prohibition against the carrier's requiring its employees to join a company union, we ought not to leave the law in such form that the companies could be required to compel a man to join a general employees' union.

Mr. WALSH. Mr. President, let me make an inquiry of the Senator. Sometimes agreements are made between employees and employers for the purpose of having the employer deduct from the wages of the employee the dues which are paid to labor organizations. If the amendment proposed by the Senator from Montana should be adopted, a railroad carrier or employer would be forbidden to deduct money for dues in a company union.

Mr. DILL. Yes.

Mr. WALSH. But he would be permitted to deduct money for dues in any other kind of union.

Mr. DILL. If the union were strong enough to compel such an agreement. The committee took the position that if the Congress, by its sovereign power, were to lay down a provision of law and say to a carrier, "You shall not be permitted to require that your employees join a company union", we should go further and say, "You shall not be permitted to require that they join any particular union. You shall not interfere with them in joining a union."

I am not particular as to what the Senate does in this situation; but I do want the Senate to understand the difference between the provision of the bill as reported by the committee and the amendment proposed by the Senator from Montana. The one prohibits a railroad from requiring its employees to join a company union and stops there. The other says that a railroad shall not require its men to join any union; it shall not interfere with their joining any union or not joining a union.

That is the difference between the two proposals.

Mr. President, I have here a letter, which I shall not take time to read, from Mr. Eastman to Representative RAYBURN. chairman of the House committee, explaining in detail the reasons why he is opposed to the language in the House bill. I ask to have it printed in the RECORD at this point as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so

The letter is as follows:

FEDERAL COORDINATOR OF TRANSPORTATION, Washington, June 7, 1934.

Hon. SAM RAYBURN,

Chairman Committee on

Interstate and Foreign Commerce

House of Representatives, Washington, D.C.

My Dear Congressman: Mr. J. A. Farquharson, vice president and legislative representative of the Brotherhood of Railroad Trainmen, has left with me a copy of his brief filed with your committee in support of amendments of bill (H.R. 9689) proposed mittee in support of amendments of bill (H.R. 9689) proposed by the Association of Railway Labor Executives in lieu of paragraphs 4 and 5 of section 2 of the bill. There has also been presented to your committee an argument by Mr. R. K. Corkhill in support of certain other amendments proposed by so-called "independent" organizations. It may clarify the situation if I reply to these communications.

Paragraphs 4 and 5 of section 2 of H.R. 1989

reply to these communications.

Paragraphs 4 and 5 of section 2 of H.R. 9689 merely write into the permanent law and clarify provisions of the Bankruptcy Act and Emergency Railroad Transportation Act, 1933. The proposed amendments which Mr. Farquharson undertakes to defend are designed to protect certain so-called "percentage contracts" which his brotherhood has with some of the railroads. These contracts are so out of harmony with the whole spirit of railroad labor rela-

tions as contemplated by the Railway Labor Act, the Bankruptcy Act, and the Emergency Railroad Transportation Act, that I am frankly astonished by the persistency with which these amendments are urged. In my testimony before your committee I pointed out that they are designed to permit the so-called "standard organizations" to enter into contracts or agreements with the carriers which are prohibited in the case of company unions, such contracts or agreements being of the "closed shop" or "yellow dog" variety. No such distinction is made in the present labor provisions of the emergency act, which the standard organi-zations themselves wrote, and I am at a loss to know how it can

zations themselves wrote, and I am at a loss to know how it can be defended. It is not necessary to repeat here all that I said in my statement to the committee. However, the trainmen have cleared up with my organization a few points as to which I was not fully informed at the time of my statement.

(1) None of the percentage contracts applies to the road train service. Conductors demoted to trainmen's work on account of decrease in business displace trainmen, and trainmen are promoted to conductors' jobs without any friction between the organizations and without any percentage contracts. Under these circumstances a percentage contract for the trainmen in road service would be impossible.

would be impossible.

(2) The percentage contracts apply only to yard service; i.e., yard conductors, yard brakemen, and switchmen. The contracts provide that at least 75, 85, or 100 percent, as the case may be, of these classes of employees working in a yard must belong to the Brotherhood of Railroad Trainmen and that, in one instance at Brotherhood of Railroad Trainmen and that, in one instance at least, the carrier must, in the contract of employment, provide that the new employee shall join the trainmen's organization within a limited number of days from his employment. Thus the contract provides for a closed shop, in whole or in part, and has also all the essential features of the "yellow dog" contract, denying freedom of choice to the employees.

(3) The Brotherhood of Railroad Trainmen has the contract for the yard service employees on between 140 and 150 class I railroads, but on only 23 roads of this total has the brotherhood railroads, but on only 23 roads of this total has the protherhood been able to negotiate a percentage contract. On the remaining one-hundred-and-twenty-odd roads where the trainmen have the yard contract, they are in position to make the yard service jobs interchangeable with the road train service, protect their contracts, prevent illegal strikes, insure division seniority for yard service employees, and generally make the organization much more flexible in the protection of their members and the railroad than

under a percentage contract.

This is so because the percentage is figured for each yard sepa-This is so because the percentage is figured for each yard separately, and hence the men have no seniority rights elsewhere in case the operation of a yard is abandoned through consolidation, lengthening of divisions, or other operating change.

(4) The Brotherhood of Railroad Trainmen could, without difficulty, rewrite the percentage contracts to conform with the yard contracts that they hold on the great majority of the roads.

(5) The percentage contracts of the Brotherhood of Railroad Trainmen cover not more than 10,000 employees. This is approximately a percent of the total of railroad employees. The provi-

- mately 1 percent of the total of railroad employees. The provisions of paragraphs 4 and 5 of section 2 of the bill will affect the opportunity of freedom of choice in the selection of representthe opportunity of freedom of choice in the selection of represent-atives by perhaps 400,000 employees heretofore included in "com-pany union" groups. Is it any wonder that the rallroads foster the contentions made by the trainmen in the hope of preventing the passage of the bill or imperiling its constitutionality? The committee members will appreciate the legal arguments that will be raised in behalf of the "company unions" if Congress should prohibit certain practices with respect to them but permit the same practices with respect to other labor organizations.
- (6) In Mr. Farquharson's brief, attention is called to certain contracts of the Brotherhood of Locomotive Firemen and Enginemen in the South, whereby a certain percentage of men employed as firemen are promotable men. Apparently Mr. Farquharson would have it appear that these contracts of the firemen are would have it appear that these contracts of the firemen are similar to the percentage contracts of the trainmen. This, however, is not the case. All that the firemen's contracts provide is that a certain ratio between white and colored firemen shall be maintained for reasons having absolutely no relation to membership or nonmembership in labor organizations. The percentage contracts of the trainmen for yard service are the only "closed-shop" contracts known to the railroad industry.

(7) Long experience has shown that whenever management is put into position to assist in the control of membership in a labor organization, it will find ways to control the policy and practices of that organization.

- (8) The importation of labor practices in other industry as a guide to Congress in framing railroad-labor legislation presents an anomaly. Heretofore, the railroad labor leadership has set the model to which labor interests in other industry have sought to Senator Wagner has joined with the Committee on Interstate Commerce in the Senate in recommending this legislation as it appears in H.R. 9689. Mr. Farquharson's brief is in error in asserting that the United Mine Workers write only closed-shop contracts. The fact is that while the check-off may be written into the miners' contracts, it applies only to the members of the
- I am confident that the only real support for the proposed amendments is from a single organization. None of the other standard organizations has anything to gain from such changes in the bill. I sincerely hope that your committee will not imperil the legislation by adopting these amendments. They can cause only trouble and are incapable of any sound defense.

With respect to the statement filed with your committee by Mr. R. K. Corkhill, I have not been favored with a draft of the amendments proposed by Mr. Todd which Mr. Corkhill supports. The bill as proposed gives every latitude to independent unions, organized in accordance with the bill, to ally themselves in national organizations and participate in the selection of the labor representatives on the National Adjustment Board. They are also given every opportunity to agree with managements upon any other system of adjustment. To open up additional avenues for the further review of minor grievances than those provided in the bill as now drawn would be defeating the very purposes for which it is proposed to amend the Railway Labor Act. Respectfully yours,

JOSEPH B. EASTMAN.

Mr. WALSH. Mr. President, I understood the Senator from Montana to claim that his amendment only emphasized the forbidding of paying money by employers to a company union. I understand the Senator from Washington dissents, and says the amendment goes beyond that and prevents a company union existing.

Mr. DILL. The amendment, by stopping with the words "company union", permits the employees, if they are strong enough with the union, to require the railroad to say to a man who wants work, "You must join that union before you can work for this railroad." The bill provides that the railroad shall not interfere with the man's joining or not joining any union whatsoever.

Mr. WALSH. Does the Senator's bill forbid employers to

contribute any money at all to company unions?

Mr. DILL. Or any other labor organization. Mr. WALSH. There is no question about that?

Mr. DILL. There is no question about that.

Mr. WALSH. I desire to ask the Senator from Montana why we should go beyond that.

Mr. WHEELER. Mr. President, I can best explain that

matter to the Senator in this way:

Quite candidly, I think the Senator from Washington is not correct in the interpretation he puts upon the language. I appreciate, however, that the interpretation which he places upon it has been placed upon it by some of the labor representatives; but let me read the language of the bill itself as it is written. It is on page 6 of the Senate bill, line 19:

No carrier, its officers or agents, shall deny or in any way question the right of its employees to join, organize, or assist in organizing the labor organization of their choice, and it shall be unlawful for any carrier to interfere in any way with the organization of its employees, or to use the funds of the carrier in maintaining or assisting or contributing to any labor organization, labor representative, or other agency of collective bargaining, or in performing any work therefor.

I propose to strike out, in effect, the portion beginning on line 24, "or assisting or contributing to any labor organization, labor representative, or other agency of collective bargaining, or in performing any work therefor", and insert in lieu thereof "company union." That is the only difference in the provisions.

Mr. HASTINGS. Mr. President, will the Senator yield? Mr. WHEELER. I yield. Mr. HASTINGS. I wish to inquire whether or not the

amendment strikes out the last word in line 20 and the first four lines in line 21, "organize, or assist in organizing." I think that language is stricken out in the House bill.

Mr. WHEELER. Yes; that is correct.

Mr. HASTINGS. Is that language stricken out in the amendment of the Senator from Montana?

Mr. WHEELER. That is stricken out in my amendment. In other words, let me say to the Senator from Delaware that the language used in my amendment is taken bodily from the House amendment. That is exactly what it is.

For the benefit of the Senate, let me say frankly that I am about to read from a brief submitted to me by the labor representatives themselves. I call attention to the fact that Mr. Eastman's letter was written before the Interstate Commerce Committee of the House acted on the bill. They heard Mr. Eastman, the representatives of the railroads, and likewise the labor representatives. After hearing the representatives of the labor organizations and the others and reading Mr. Eastman's letter, they adopted the language the labor organizations wanted.

I submit to the Senate that the members of the Interstate Commerce Committee of the House are anything but radicals; but let me call attention to this brief.

Organized labor throughout the United States has almost since its inception been privileged and has been writing percentage or closed-shop agreements with their employers. There are many such agreements in effect on the railroads of the United States today. The Brotherhood of Locomotive Firemen and Enginemen hold such contracts with many railroads in the South whereby fixed percentages of men employed as firemen are promotable men. The Brotherhood of Railway Trainmen holds many percentage agreements governing yard conductors, yard brakemen, switch tenders, car retarder operators in yard service. The amendment of the bill permits—

As I have suggested-

Of the freedom of organization of employees in organizations established without employer influence-

There cannot be any question at all about that. If they are established without employer influence, they can belong to any labor organization they choose-

and is necessary to protect the collective-bargaining strength of the contracting labor organization, and sustains directly the pur-pose of this bill, which is to give to employees the right to organize without employer influence.

This is something that the Senate should bear in mind. This is the important phase of the matter:

When a labor organization contracts with an employer it assumes an obligation, and as long as that obligation exists the employer and the labor organization should be free to write such contracts as both believe to be necessary to permit of each fulfilling their respective contractual obligation; and if a percentage or closed-shop agreement is in effect, then the employer, in order to fulfill his part of the contractual obligation to the contracting organization, should be privileged to exercise sufficient influence over his employees to maintain the obligation he may have assumed; that the full percentage of the employees working shall be members in good standing of the organization with which he holds the contract.

They go on to say:

These amendments have nothing to do with any man joining the organization of his choice, but they are necessary to protect the agreements the men have entered into with their employer after they have been organized in keeping with the spirit of the

In other words, some of the railroad organizations are afraid that unless this provision is put in the bill, they having had contracts with the railroads, it may be possible for the railroads, through some manipulation, to get around the contracts in some way.

Mr. DILL. Mr. President-

Mr. WHEELER. I yield to the Senator from Washington. Mr. DILL. The argument which I think appeals to all of us is that the railroad trainmen's organizations have been able to build up their organizations to a point where they are strong enough to require, in many railroads, that before men can work in that particular branch of the service, at least 75 or 85 or 90 percent of them must belong to the trainmen's organizations. They took the position that having won that much from the railroads, they ought not to be handicapped by this legislation. I may say that that appeals to me, but I felt that the justice of the matter required that we take the other position.

Mr. WHEELER. Mr. President, when the employees of a railroad enter into a contract with the railroad, if only 25 percent of the men belong to the organization, how is it possible for the railroad employees to comply with their contract? The other employees could totally disregard the contract, and there might be a strike upon the railroad which would not be controlled by the railroad men themselves; but if the railroad employees' organization has 75 percent of the men members of their organization, then they are in a position to be held legally responsible for their conduct, and, in addition to that, they are much more able to force the men to comply with the terms of any agreement they may enter into with the railroad.

It seems to me that, as a matter of fact, a railroad itself, if it were a forward-looking railroad, would much prefer to have that kind of a contract entered into with its employees than to have a contract where only 25 percent of the employees belonged to the organization.

Mr. HASTINGS. Mr. President, will the Senator yield to me?

Mr. WHEELER. I yield. Mr. HASTINGS. I wanted to inquire whether the Senator knew whether Mr. Whitney, representing the Grand Lodge of the Brotherhood of Railroad Trainmen, had changed his opinion since his letter of May 20, in which he

The railway employees of the United States would be far better off to have the law continue as it is than to be shackled by amendments such as above mentioned.

That is, an amendment such as is now in the Senate committee bill, and which is not like the House provision.

Mr. WHEELER. Mr. President, I would say to the Senator from Delaware that Mr. Whitney is absolutely in favor of the particular amendment which I have offered.

Mr. HASTINGS. Is he opposed to the bill if the Senator's amendment is not agreed to?

Mr. WHEELER. I am unable to say. I stated a moment ago that the employer itself would want these amendments. The representative of the railroad also stated this:

Furthermore, it guarantees to the employer this protection that no individual can start a friction without concurrence of the contracting organization because the contracting organization makes the decision as to whether or not the complaint is real or fancied. Further, no less a personage than United States Senator Wagner, of New York, chairman of the Labor Board, and one who has done more probably than anyone else in an effort to bring about a restoration of as nearly normal conditions as can be hoped for, and who, as chairman of the Labor Board, has done be hoped for, and who, as charman of the Labor Board, has done more than anyone else in an effort to establish industrial peace has said in his labor disputes bill (S. 2926), which he introduced: "Nothing in this act shall preclude an employer and a labor organization from agreeing that a person seeking employment shall be required as a condition of employment to join such labor organization."

I submit the amendment.

Mr. HASTINGS obtained the floor.

Mr. WALSH. Mr. President, will the Senator yield to me for a moment?

Mr. HASTINGS. I yield.

Mr. WALSH. I think it would be very helpful if we had the views of the Senator from New York [Mr. WAGNER] in regard to this amendment.

Mr. WHEELER. Mr. President, will the Senator from Delaware yield to me a moment?

Mr. HASTINGS. I yield. Mr. WHEELER. There is another amendment which should go with the pending amendment, if this should be adopted, that is, on page 7, line 17, to strike out the words labor organization", and to insert in lieu thereof the words "company union." I ask unanimous consent that the two amendments be voted on together.

The PRESIDING OFFICER. The Senator from Montana asks unanimous consent that he be permitted to offer and to have as pending a further amendment, and that when the amendment first offered is voted upon the two amendments be voted on together. Is there objection? The Chair hears none, and it is so ordered.

Mr. HASTINGS. Mr. President, earlier in the day I addressed myself to this subject, with the idea of impressing upon the Senate that there was no great need for this legislation at this session, and that the Coordinator had said as much. He called attention to the fact that it dealt with only minor difficulties, and he also said that it was an

In addition to that I called attention to the very great difference between the House measure and that which had been reported by the Senate committee. The Senator from Montana has offered an amendment to the Senate committee bill, and if it were adopted there would be very little difficulty in agreeing with the House.

There is this other difference, however, between the two bills. The House bill leaves the present Mediation Board in existence, while the Senate committee bill abolishes that Board and creates an entirely new board. I do not know how very important that is, and I do not know that it makes very great difference, unless it be to take care of the members of the present Board.

Mr. President, the amendment just offered by the Senator from Montana is very important. It is important from the standpoint of unions dealing with 21 railroads. It is so important to them that the president of their organization savs:

The railway employees of the United States would be far better the law continue as it is than to be shackled by amendments such as above mentioned.

So that from Mr. Whitney's point of view it is better to have no legislation affecting the present Railway Labor Act than to have it as written by the Senate committee.

Mr. President, that demonstrates another thing. It demonstrates what I have undertaken on two or three occasions to point out to the Senate, that there is no such need of this legislation as to require great haste on the part of Congress and on the part of the Senate at this late hour.

But, Mr. President, before I begin to discuss this matter in detail I should like to make an observation which I believe is sound. I think that the Congress of the United States ought not to lay its heavy hand upon the rights of the people of this country to deal with each other in the way they think best unless it becomes important and essential and in the public interest to do so.

As I undertook to point out earlier in the day, it certainly cannot be said that there is any great demand upon the part of the public for this legislation, because the executives of the railroads would be the first to see that some relief must be given in order to enable them to meet a serious situation upon their own railroads.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. WHEELER. Apparently the Senate does not agree with the Senator from Delaware, because when the vote was taken as to whether we should take up this measure there were only 2 votes against doing so.

Mr. HASTINGS. Mr. President, I must say in that connection with that I would have been agreeable to take up this measure, as I have been all this session and sessions in the past, upon the mere suggestion of the leader, whether it be on the Republican side or whether it be on the Democratic side of the Chamber. I hesitate to repeat what I have said before, but it might be worth while because it largely explains my particular attitude with respect to this

proposed legislation at this time.

Of course, this measure is sufficiently important to be made a special order of business of the Senate. If it had been suggested by the leader on the other side of the Chamber, the next day after it had been put upon the calendar, that it be made the unfinished business of the Senate, it never would have occurred to me to have objected to it. But, I have, as many Senators have, given serious and careful consideration to the great mass of legislation which was being laid before the Congress of the United States. We have watched with keen interest what was being passed by the House, many times without any reasonable consideration at all, many times without anyone having an opportunity to raise his voice in protest against the legislation. We are all concerned in adjourning this session of Congress as soon as may be, having in mind the public interest, after we have taken care of such essential bills as the administration insisted upon the Congress passing.

I am not one of those who hold that the President of the United States has not and ought not to have much to say with respect to what legislation shall be taken up first in the Congress of the United States. It is not an absolute right of his-which he, of course, knows and realizes-but he is the President of the United States; it is his duty to advise the Congress about the state of the Union, and he may do that in such a way as to impress upon the Congress that legislation which is of the greatest importance, and when he does that it is but reasonable that reasonable men in the Congress should be willing to consider first the particular

legislation desired.

So, I repeat, if this measure had been upon the President's program, if it had been laid up before us as one of the bills that was to be taken up at this session, I would not have

been found even with one other Member opposing it. But I thought this Congress, if it were possible to do so, was to end on Saturday night last. I repeat what I said on Saturday with respect to it. We on this side cooperated as nearly as we could. I am not complaining of anyone. I am assuming that whoever made these agreements did what they reasonably could to carry them out. So I am not complaining about that. But I do insist that, having a program, and having given us to understand there was a limitation on that program, those of us on this side of the Chamber have the right to insist upon that program being carried out, and that the action here be limited to that program as nearly as we may be able to do it, unless something has transpired since the making of the agreement itself.

Mr. ROBINSON of Arkansas. Mr. President, there is an intimation in the Senator's statement that I cannot permit to pass unnoticed. In no conversation that I ever had with anyone was there ever an expression or an implied understanding that the railway labor bill would not be taken up. I did make the statement that I had talked with the President and that the labor joint resolution or some other subsitute for the Wagner bill, if the Wagner bill could not be considered, and the housing bill were of primary importance. I do not wish to be put in the attitude, by implication on the part of the Senator from Delaware, of failing to carry out my agreement and understanding. I never yet in all my life have knowingly failed to do that.

The simple fact is that the Senator from Delaware was interposing an objection here to the consideration of the railway labor bill, and I said this morning that if he were to conduct an unlimited and indefinite filibuster, supported by a number upon the other side or upon this side of the Chamber, that it was the feeling of the President and of myself that this bill might go over until the next session. But I do not wish to be put in the attitude of having made an agreement not to take it up, when it was never mentioned in any conversation I ever had with anyone.

As I stated this morning, I am for this bill. No one ever proposed to me that it should not be taken up. But I did feel that if it were to result in a prolonged filibuster it would be very well to let the bill go over.

The bill was taken up by a vote of 78 to 2, as I remember, and I feel that the Senate could and should take a vote on it.

Mr. HASTINGS. Mr. President, I thank the Senator for his explanation. But may I inquire whether it was not expected by the Senator from Arkansas that it would be impossible to adjourn this Congress by Saturday night last and include in the program anything more than the three bills which were discussed?

Mr. ROBINSON of Arkansas. Mr. President, I cannot answer that question either in the affirmative or the negative. We have passed during the last few days perhaps 100 bills and concurrent and other resolutions. There was no discussion of any bills except the ones to which I have referred.

Mr. HASTINGS. Mr. President, I do not care to go into any details with respect to that. I thought, and I know other Senators on this side of the Chamber thought, that there was a program, and that what we would do the balance of this session would be limited to that program if there were serious objections made to extending it. However that may be, whether there was an understanding or agreement-and I specifically said that I was not blaming anyone for not being able to carry out any agreementwhether there was or whether there was not-

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield to me for a further statement?

Mr. HASTINGS. I yield.

Mr. ROBINSON of Arkansas. I feel that it is a mistake to inject at this juncture a controversy such as is involved in the so-called "Wheeler amendment." In view of the fact that the bill was just about to pass at the time the amendment was offered, and in view of the further fact that the Senator in charge of the bill, and many friends of the bill, feel that the amendment should not be urged, I think perhaps the Senator from Montana, as a friend and supporter of this legislation, might very well see his way clear to permit us to proceed with the bill.

Mr. HASTINGS. I invite the attention of the Senator to the fact that what the Senator from Montana has incorporated in his amendment agrees with the House text.

Mr. ROBINSON of Arkansas. The provision would be in conference anyway; but, of course, if it is incorporated in the way suggested it would not be in conference.

Mr. McNARY. Mr. President, inasmuch as a controversy has arisen, I think I should say something as one who participated in the conference with the Senator from Arkansas [Mr. Robinson].

I think a week ago today the Senator from Arkansas brought to me what might be called a legislative program. I submitted it to the Republican caucus as it was submitted to me. It did not include the railway labor bill. It was thought the bill would not be brought up.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. McNARY. Certainly.

Mr. ROBINSON of Arkansas. The question was asked me what measures I felt were imperative to be disposed of before adjournment could be had, and the measures which were mentioned were in response to that inquiry.

Mr. McNARY. Very well. I think, then, I shall go further than that.

The Senator from Arkansas, in his own handwriting, brought me a memorandum of the program, consisting of the permanent appropriation repeal bill, the conservation of Indian resources bill of the Senator from Montana [Mr. Wheeler], the grazing bill, the retirement of railway employees bill, the calendar, the Tugwell nomination, the housing bill, the relief bill, the deficiency bill, and the Wagner bill.

At that time I expressed the hope that the program might permit us to adjourn last Saturday. There was no reference made to any other bill. I took the program before the Republican caucus and they agreed to cooperate to that end. I may have misunderstood the Senator from Arkansas, but I felt certain from our conversation and previous conversations that it was understood we would carry out the proposed legislative program and adjourn at the end of that program.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield further?

Mr. McNARY. Certainly.

Mr. ROBINSON of Arkansas. If the program to which the Senator refers had been completed, I should not have insisted upon taking up the bill now before the Senate. I did not ask to take it up. The Senate manifested its desire to take it up. We had nothing else before the Senate.

Mr. McNARY. I was not opposed to the bill, as I was not opposed to many bills on the calendar, but we were working with the distinct understanding of what our legislative program would be.

It was not until Saturday that I heard from the Senator from Arkansas that there were some Members who desired to proceed to the consideration of what is now the unfinished business. I think the Senator joined with me when I expressed the hope that the bill would not be brought up. I think the Senator conferred with the Senator from Washington [Mr. Dill] about the matter. They both talked to me about it. Thereafter the Senator from Ohio [Mr. Bulkley] attempted to bring up his bill to amend the Banking Act. Thereafter the Senator from Washington [Mr. Dill] stated to me:

Inasmuch as the program which I was willing to help carry out has been modified, if not destroyed, I am going to move to bring up the railway labor bill.

The Senator from Delaware [Mr. Hastings] is exactly right in relying upon what I said to the Republican caucus. The Republicans responded to my wishes in the matter. I relied wholly upon the understanding that this bill would not be called up.

I am not complaining about what happened subsequently, but there was the understanding, and the Senator from Delaware is precisely correct in stating the belief that he was somewhat misled in the matter. I think there was an enlargement of the program much against the general understanding.

But there is this factor which might be considered, that Saturday night, when the Senator from Washington [Mr. Dill] threatened to take up the railway labor bill, there was a little hostility on the floor of the Senate and we decided to recess. Consequently this morning he had a perfect right to make it the unfinished business if he had the votes to do so.

I say this in the interest of what I believe to be the exact understanding and exact facts, and to support the contention of the Senator from Delaware [Mr. Hastings] that he believed the program was confined to the items which I have stated and did not include the bill which is now the unfinished business.

Mr. HASTINGS. I thank the Senator from Oregon.

Mr. WHEELER. Mr. President, am I to understand that the Senator from Delaware is bitterly opposed to the particular amendment which I have offered?

Mr. HASTINGS. Mr. President I am perfectly frank to say that I think the amendment which the Senator has offered is very much more objectionable than the language which appears in the bill as reported by the Senate Committee on Interstate Commerce.

Mr. WHEELER. Let me say that of course while I do not agree with the Senator as a matter of fact I feel that the companies themselves would be in a much better position to deal with the unions with my amendment in the bill than with it out. I did not understand the Senator to state whether he was particularly opposed to the particular amendment.

Mr. HASTINGS. Mr. President during the last several days like other Senators I have been very busily engaged in following what was going on in the Senate through long and tedious hours. I made particular complaint about having taken up the railway labor bill in violation of what I believed to be the understanding because I had told the persons who approached me with respect to it that it was not on the program and that I would not therefore take the necessary time carefully to consider and prepare the various amendments which I would have offered to the bill had it come up in the normal and regular course of events.

The bill is not a measure that ought to be passed upon hurriedly. It is not a bill which persons can easily understand. Much study and a careful consideration of the hearings ought to be had in connection with the particular measure now before us. I repeat, it ought not to be disposed of quickly. There is no necessity for it being done quickly.

No great harm would come to anyone if the measure should go over until the next session. But if it be practically the unanimous opinion of the Senate that the bill be taken up and discussed and considered, I shall do the best I can to discuss it as intelligently as I can so that when we get through with it the Senate will at least have an opportunity to read the Record rather than to depend upon the hearings and other papers in connection with the bill.

I think the most intelligent statement that was made about the purpose of the bill can be found in the testimony of Mr. Eastman, the coordinator, which begins on page 9 of the hearings. I propose later to call attention particularly to the witnesses who are opposed to the bill. I shall show that out of 724,043 persons there are 47.3 percent who are represented by national organizations; and those who are familiar with the bill will realize that nothing but national organizations can be of any assistance to the worker. Unless a man belongs to a national organization, he has no representation at all in this tremendous national board, with all the power that has been given to it.

Mr. HARRISON. Mr. President-

The PRESIDENT pro tempore. Does the Senator from Delaware yield to the Senator from Mississippi?

Mr. HASTINGS. I yield.

Mr. HARRISON. The Senator is always so affable and accommodating that I know he, like the rest of us, wants to see this session of Congress adjourn with everyone in a fine frame of mind. I know his objections to the amendment offered by the Senator from Montana. I hope that is one of the main causes of his intense opposition to this legislation. If the Senator from Montana would agree to withdraw that amendment, I am curious to know whether the Senator from Delaware would be a little bit more temperate in his long discussion of the bill, so that we could get to a vote on it. If so, we will make an awful onslaught on our friend from Montana, in the hope that he may withdraw the amendment.

Mr. HASTINGS. Mr. President, the Senator from Mississippi is always so genial and sweet that I am a little afraid to say "yes" to him at any time.

Mr. HARRISON. It would make me very happy if the Senator would say "yes."

Mr. HASTINGS. I am sorry, but that is not my principal objection to the bill, and the withdrawal of the amendment would not change my position.

Mr. WHEELER. That is exactly what I thought-that it would not change the Senator's speech, or the length of his speech, in the slightest degree. Consequently, I think we shall have to suffer and listen to his speech, and that we would have had to do so whether I had offered the amendment or not. I will say, however, that I should not be in position to withdraw the amendment, because of the fact that I gave my word that I would offer it.

Mr. HASTINGS. The Senator from Montana does not have to listen to the speech.

Mr. President, I desire to read the statement made by Mr. Eastman, because it is the best way to present some idea as to what this legislation is about, and how important it is to have it passed now. As I read it I should like Senators to observe that, as Mr. Eastman says, there is no immediate necessity for its enactment.

In the first place, Mr. Eastman gives his name—something that is well known now to most people, particularly in the railroad world, but I suppose that is a habit that he has in these hearings. He says:

My name is Joseph B. Eastman.

Then he describes who he is. He says:

I am Federal Coordinator of Transportation.

My recollection is that in order to take this position he was temporarily relieved as a member of the Interstate Commerce Commission.

I appear in support of this bill, S. 3266.

No one is surprised at that, because it will be recalled that the Senator from Washington [Mr. Dill] says Mr. Eastman wrote the bill; and I know very well that he appeared in support of it. I know very well, also, that, try as hard as I might, I could not get a single thing changed in the committee unless inquiry was made of Mr. Eastman as to what he thought of it, and his nod of head, or shaking of the head, decided the question.

He says:

Mr. Chairman, I have prepared a rather brief, compact statement, intended to give a birdseye view of the bill, and with your permission I will go ahead with that.
The CHAIRMAN. Go ahead.

Mr. EASTMAN. When the Transportation Act, 1920, was enacted, following the return of the rallroads to their private owners after the period of Federal control, an effort was made to provide for the orderly adjustment of labor controversies with the aid of a the orderly adjustment of labor controversies with the aid of a governmental agency. The Railroad Labor Board was created for that purpose, and the intent was that it should occupy much the same field in the settlement of disputes between the railroads and their employees as the Interstate Commerce Commission occupied in the settlement of disputes between the railroads and their patrons. The Labor Board functioned for a period of about 6 years, but the results were satisfactory neither to the railroads nor to the employees. The trouble was that while it followed the general pattern of the Interstate Commerce Commission, and was designed to be an impartial Government tribunal for the settledesigned to be an impartial Government tribunal for the settlement of disputes, this Labor Board was given no authority to enforce its decisions, and in that respect differed radically from the Interstate Commerce Commission.

It seemed apparent that one of two things should be done either the Labor Board should be given real authority, or it should be disbanded and the settlement of disputes left to a procedure of conference and negotiation between the railroads and ther employees with the aid of a governmental agency designed solely for mediation purposes. The latter course was followed and resulted in the present Pallway Labor Act. That are was worked out in mediation purposes. The latter course was followed and resulted in the present Railway Labor Act. That act was worked out in conference between representatives of the railroads and representatives of the employees and was favored by both sides. It was frankly an experiment, dependent largely upon the good faith and good will of the parties, the skill of the Government mediators, and, in the last analysis, the power of public opinion informed in emergencies by a Presidential fact-finding board. The act prescribed a definite procedure for collective bargaining by independent parties freed from interference, influence, or coercion, and set up machinery for mediation, arbitration, and fact finding; but it provided no penalties or other specific means of cion, and set up machinery for mediation, arbitration, and fact finding; but it provided no penalties or other specific means of enforcing the duties which were imposed. The two parties wished to see the experiment tried; they were very hopeful of good results; but neither was sure of the outcome.

This Railway Labor Act has now been tried for a period of nearly 8 years. It has served a very useful purpose and has brought about many good results, but experience has soon that it is in need of improvement. The bull before two \$2.000 these triangles are the second and the second second

brought about many good results, but experience has shown that it is in need of improvement. The bill before you, S. 3266, proposes such improvements. It does not depart from the general principles of the present Railway Labor Act, but, instead, is designed to reinforce those principles and provide for their more effective application. It seeks not to overturn but to perfect what has been done.

what has been done.

I am ready to answer any questions as to the details of the bill to the best of my ability, and before I conclude shall present certain amendments which I believe should be made. Doubtless other improvements in language will be found desirable. Before I get to details, however, I wish to indicate to you what are the salient features of the bill.

In the paragraph of section 1 marked "First", there is a change in the present definition of the term "carrier." This change is intended to bring within the scope of the act operations which form an integral part of railroad transportation, but which are performed by companies which are not now subject to the Railway Labor Act. The most important illustration is found in the refrigerator-car companies, which own refrigerator cars operated by the railroads and perform certain functions connected with by the railroads and perform certain functions connected with refrigeration service. Another illustration is found in the com-panies to which railroads have on occasion contracted out their maintenance work on equipment and even on way and structures. The thought is that concerns which function in this way as an integral part of the railroad transportation system should be subject to the same duties and obligations with respect to labor controversies as the railroads themselves and as the express and sleeping-car companies.

Mr. BYRD. Mr. President-

The PRESIDENT pro tempore. Does the Senator from Delaware yield to the Senator from Virginia?

Mr. HASTINGS. For what purpose?

Mr. BYRD. There are two House bills on the table, in the amendments to which I wish to get the concurrence of

Mr. HASTINGS. I think I shall not yield for that purpose. Unless the Senator wishes to ask me some question about the address I am making, I decline to yield.

The PRESIDENT pro tempore. The Senator declines to vield.

Mr. HASTINGS. I read further from Mr. Eastman's statement:

This object is attained by including in the definition of "carrier" any company "operating any equipment or facilities or furnishing any service included within the definition of the terms 'railroad' and 'transportation' as defined in the Interstate Commerce Act." Perhaps a better way can be found of accomplishing the desired result, but it was thought that this language would

serve the purpose.

I may say that in reading that over last night I am not sure the language does cover all companies to which railroads on occasion have contracted out their maintenance work, and it perhaps

should be examined rather carefully from that point of view.

The Chairman, I am impressed with the fact that instead of defining the terms in this bill you have defined them as defined in some other bill.

Mr. EASTMAN. Yes

The CHAIRMAN. That is rather poor legislation, isn't it, gener-

Mr. EASTMAN. Well, the definitions in the Interstate Commerce

Mr. Eastman, Well, the definitions in the Interstate Commerce Act are, of course, definitions of long standing.

The Charman. I am not objecting to it; I am wondering if they should not be written into this bill.

Mr. Eastman. That might, perhaps, be better. Some paraphrasing would have to be done if that were done in that way.

The Charman. The very fact it would have to be done is a reason that it should be done. If you define the terms of one act by another act, everybody has to dig it up.

Mr. Eastman. I am not sure the language as it stands does cover all that it is intended to cover. I shall be glad to give it further consideration, and to indicate later any changes which

further consideration, and to indicate later any changes which I think ought to be made.

As I have already indicated, it is an essential feature of the present Railway Labor Act that the two parties which engage in collective bargaining shall be truly representative of the interests which they purport to represent and wholly independent of each other. This purpose is reflected in the paragraph of section 2 marked "Third", which reads as follows—
Senator Wagner. You do not agree that this is realistic bargaining where one side controls both sides of the table.

Mr. EASTMAN. No, indeed.
Senator Wagner. I brought for myself a shower of protests because I made that assertion once.

Mr. EASTMAN (reading):

EASTMAN (reading):

Mr. Eastman (reading):

"Third. Representatives, for the purposes of this act, shall be designated by the respective parties in such manner as may be provided in their corporate organization or unincorporated association, or by other means of collective action, without interference, influence, or coercion exercised by either party over the self-organization or designation of representatives by the other."

While this provision stated a noble purpose, it has not proved to be self-enforcing, and the act provided no other means of enforcement. Consequently the purposes were not accomplished.

to be self-enforcing, and the act provided no other means of enforcement. Consequently the purposes were not accomplished. Perhaps I should say it was not entirely accomplished. It has been accomplished in part. This failure has already been twice recognized by Congress in other and more explicit provisions which it has inserted in other statutes. The first recognition was in the amendment to the Bankruptcy Act, which became law on March 3, 1933. I quote paragraphs (p) and (q) of section 77 of that amended act, which read as follows:

"(p) No judge or trustee acting under this act shall deny or in any way question the right of employees on the property under

"(p) No judge or trustee acting under this act shall deny or in any way question the right of employees on the property under his jurisdiction to join the labor organization of their choice, and it shall be unlawful for any judge, trustee, or receiver to interfere in any way with the organizations of employees, or to use the funds of the railroad under his jurisdiction in maintaining so-called 'company unions', or to influence or coerce employees in an effort to induce them to join or remain members of such company unions

pany unions.

pany unions.

"(q) No judge, trustee, or receiver acting under this act shall require any person seeking employment on the property under his jurisdiction to sign any contract or agreement promising to join or to refuse to join a labor organization; and if such contract has been enforced on the property prior to the property coming under the jurisdiction of said judge, trustee, or receiver, then the said judge, trustee, or receiver, as soon as the matter is called to his attention, shall notify the employees by an appropriate order that said contract has been discarded and is no longer binding on them in any way."

Mr. President, I remember very distinctly when that amendment was made to the Bankruptcy Act. Of course, the principal subject before the Congress at that time was the Bankruptcy Act and the terms of it, but those interested in seeing that the members of these company unions were not imposed upon insisted upon making that a part of the bankruptcy law. It applied only, of course, to that particular condition when a railroad was in the hands of a receiver or in the hands of a trustee, and it was not of very great importance in establishing the principle which Congress might expect to follow in the future.

Mr. Eastman continued:

The second recognition was in the Emergency Railroad Transportation Act, 1933, which became law on June 16, 1933. Paragraph (e) of section 7 of part I of that act reads as follows:

"(e) Carriers, whether under control of a judge, trustee, receiver, or private management, shall be required to comply with the provisions of the Railway Labor Act and with the provisions of section 77, paragraphs (o), (p), and (q), of the act approved March 3, 1933, entitled 'An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, an act amendatory thereof and supplementary thereto."

The Coordinator called attention to the fact that this having been put into the Emergency Railroad Transportation Act of 1933, although that was a temporary act, and was, as I recollect it, to last for only 3 years, that is sufficient reason for writing these things into a permanent law, because Mr. Eastman said:

Thus Congress recognized that the specific provisions against interference with freedom of choice in the selection of labor representatives should be applied to all railroads, as well as to those which happened to be under the control of judges, receivers, or trustees

The enforcement of that provision of the Emergency Act has devolved in the first instance upon me, and I have done my best to induce compliance. The duty so to do has been a pleasure, because I have no question whatever as to the soundness of the principle involved, and I do not see how it can well be questioned

by anyone. Let me make clear what that principle is: It neither undertakes to outlaw so-called "company unions" or to promote the cause of the American Federation of Labor. The principle is simply that the employees shall be free to join and be represented by any labor organization that they wish to join and to have as their representative, and that the railroads shall in no way inter-fere with their freedom of choice, directly or indirectly. If a company union is what the employees really want, they are free to have it, and the same applies to the American Federation of Labor.

I may say I use the expressions "company union" and "American Federation of Labor", because those are the expressions used commonly in the discussion of this subject. As a matter of fact, in the case of railroads, six of the national organizations are not affiliated with the American Federation of Labor.

affiliated with the American Federation of Labor.

Senator Wagner. I am very glad you are bringing out these points so very clearly. In legislation that I have proposed outside of the railway situation, I have attempted the only thing—and I think that is the purpose of the act—I think it is so expressed in language, to give the worker a free choice to join any union he wants, company union or no union, and yet they have insisted by giving him free choice that it creates a large national union. I do not know how that conclusion is reached but it has been breed.

not know how that conclusion is reached, but it has been broadcast, so I am very glad you are clearing that point.

Mr. EASTMAN. So far as the railroads are concerned, the principle was recognized in the Railway Labor Act of 1926, and as I have said, it has been more explicitly recognized in the Bankruptcy Act, and finally in the Emergency Railroad Transportation Act. So far as this principle is concerned there is nothing new whatever

in S. 3266.

To understand this company-union question you must realize To understand this company-union question you must realize the influence which a company is able to exert over its employees, if it cares to use it, particularly in a time when jobs are not to be had for the asking. It is like the power of life and death, for it means the power to deprive a man of the very means of subsistence. The influence may be exerted at the time when a man wants a job, by making him agree to limit his freedom of choice in the matter of labor organizations, or it may be exerted after he becomes an employee, by instilling in him the fear that if he does not do as the company wishes he may lose his job. Bear in mind that there are any number of plausible reasons which may be conjured up for demotion or dismissal, and that the real reason need not be brought out into the open.

mind that there are any number of plausible reasons which may be conjured up for demotion or dismissal, and that the real reason need not be brought out into the open.

In addition to this use of fear, which is a most potent instrument of influence and easy to employ, there is the hope of gain. This is utilized by paying the salaries of officers or in other ways meeting or helping to meet the expenses of favored organizations and extending concessions of this sort to them which would not be extended to organizations which are not favored.

In the investigations which my staff has made, I have gone rather exhaustively into this matter, and I entertain no doubt whatsoever that the chief reason why railroad managements prefer so-called "company unions" is because they can more readily influence their policies and management than would be the case with national organizations.

At that point I should say I do not necessarily mean, referring to influence, any sinister influence. I think many of the railroad managements are desirous of doing what they regard as best for their employees, and one of the reasons why they do not like to see them in the national organization is because they wish to preserve them from what they regard as the sinister influence of agitators on the outside. So that when I refer to "influence", I do not necessarily mean anything which the employers regard as do not necessarily mean anything which the employers regard as in any way sinister.

Mr. President, I desire that the Senate observe what Mr. Eastman says with respect to company unions. He first calls attention to the fact that they are under the influence of the railroad executives, and then he points out:

I do not necessarily mean \* \* \* sinister influence.

He says:

I think many of the railroad managements are desirous of doing what they regard as best for their employees, and one of the reasons why they do not like to see them in the national organization is because they wish to preserve them from what they regard as the sinister influence of agitators on the outside.

Mr. President, I ask, why is it necessary for the Congress to take action which will destroy that relationship between that railroad and its employees, when it is admitted by the one man who knows about it that the railroad managements are desirous of doing what they regard as best for their employees, and the only reason they have objected to national organization is because of the sinister influence of agitators on the outside. That of itself is sufficient reason why we should not at this moment tear down what has been built up-this good feeling between the railroads and their employees all over this country. Perhaps it is not true with regard to all the railroads, but it is true with respect to most of them. I say that if the Congress cannot in the last hours of its session find some better job to do than that, it ought to have adjourned weeks ago.

But let us see now how important this legislation is from Mr. Eastman's point of view:

Nor do I have any doubt as to the fact that they have in the past played—I refer to railroad managements—a large part in both the initial organization and the subsequent operations of these company unions. Proof of this fact can be supplied, if necessary, but for present purposes I do not believe it to be necessary.

Mr. President, it is true that when the railroads were turned back by the Government to the owners it was, in many instances, important for the railroads to get the men to organize so that it was possible to deal with them and make some kind of contracts with them, but there was no particular harm in that. There is nothing I can see in that of which anyone may complain.

The fact is that I have spent considerable time with the railroad executives on this matter, and their attitude has been on the whole very commendable-

Now, Mr. President, this is the Coordinator speaking on April 10 of this year:

The conditions have been improved very materially. The improvement has not been complete, but excellent progress has been and is being made. I do not now suggest legislation because of ediate need, but in order that the legislative situation may clarified and stabilized and proper provision made for the future.

#### N. W. CARRINGTON AND J. E. MITCHELL

Mr. BYRD. Mr. President, will the Senator yield?

Mr. HASTINGS. Mr. President, I am perfectly content to yield, with the distinct understanding that I do not by that yield the floor.

Mr. BYRD. I should like to ask unanimous consent for immediate consideration of the House amendments to two Senate bills. First, I ask the Chair to lay before the Senate the amendments of the House to Senate bill 2620.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 2620) for the relief of N. W. Carrington and J. E. Mitchell, which were, on page 1, line 8, after the word "of", where it appears the first time, to insert "all claims against the Government of the United States, as,", and in line 10, after the word "tuberculosis", to insert a colon and the following

Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of trary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

Mr. BYRD. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

#### ELIZABETH BUXTON HOSPITAL

Mr. BYRD. I now ask the Chair to lay before the Senate the amendments of the House to Senate bill 1531.

The PRESIDING OFFICER (Mr. Pope in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 1531) for the relief of Elizabeth Buxton Hospital, which were, on page 1, line 6, after the figures "\$224.80", to insert "in full settlement of all claims against the Government of the United States", and on the same page, line 9, after the word "furlough", to insert a colon and the following proviso:

Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the content of the conten trary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

Mr. BYRD. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

#### RICHARD J. ROONEY

Mr. HEBERT. Mr. President, will the Senator from Delaware yield to me for the purpose of asking unanimous consent for the immediate consideration of a House amendment to Senate bill 60?

Mr. HASTINGS. I yield.
The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 60) for the relief of Richard J. Rooney, which was, on page 1, line 9, after the word "Office", to insert a colon and the following proviso:

Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

Mr. HEBERT. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

TAXATION OF MANUFACTURERS OF FIREARMS AND MACHINE GUNS Mr. HARRISON. Mr. President, will the Senator from Delaware yield?

Mr. HASTINGS. I yield.

Mr. BLACK. Mr. President, I rise to a point of order. I desire to ask if the Senator from Delaware still has the

The PRESIDING OFFICER. The Senator from Delaware has the floor.

Mr. BLACK. May I ask if the rules do not provide to the contrary?

The PRESIDING OFFICER. The Senator from Virginia [Mr. Byrd] and the Senator from Rhode Island [Mr. Hebert] asked for unanimous consent for immediate consideration of House amendments to certain Senate bills.

The PRESIDENT pro tempore. The point of order is overruled.

Mr. HASTINGS. Mr. President, if I am going to be annoyed by Senators making points of order, I shall have to decline to yield. I am perfectly satisfied to accommodate Senators, but I do not desire to be embarrassed by serious interruptions of my speech.

The PRESIDENT pro tempore. The Chair may state to the Senator from Delaware that when unanimous consent is asked, or when the Chair asks the Senator to suspend his remarks for the purpose of laying before the Senate a message from the House of Representatives, all rules are set aside by virtue of such unanimous consent and the Senator does not lose the floor.

Mr. HASTINGS. Then I yield to the Senator from Mississippi.

Mr. HARRISON. Mr. President, I desire to ask unanimous consent for the immediate consideration of a House bill. It relates to the taxation of certain firearms and machine guns. Will the Senator yield for that purpose?

Mr. HASTINGS. I yield, provided I do not lose the floor. Mr. HARRISON. I ask unanimous consent for the immediate consideration of the bill (H.R. 9741) to provide for the taxation of manufacturers, importers, and dealers in certain firearms and machine guns, and so forth.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H.R. 9741) to provide for the taxation of manufacturers, importers, and dealers in certain firearms and machine guns; to tax the sale or other disposal of such weapons; and to restrict importation and regulate interstate transportation thereof, which had been reported from the Committee on Finance with an amendment, in section 2, paragraph (2), page 3, line 16, to strike out "\$1,000" and insert "\$500", so as to make the bill read:

Be it enacted, etc., That for the purposes of this act—
(a) The term "firearm" means a shotgun or rifle having a barrel of less than 18 inches in length, or any other weapon, except

a pistol or revolver, from which a shot is discharged by an explosive if such weapon is capable of being concealed on the person, or a machine gun, and includes a muffler or silencer for any firearm, whether or not such firearm is included within the fore-

going definition.

(b) The term "machine gun" means any weapon which shoots, or is designed to shoot, automatically or semiautomatically, more than one shot, without manual reloading, by a single function of

than one shot, without manual reloading, by a single function of the trigger.

(c) The term "person" includes a partnership, company, association, or corporation, as well as a natural person.

(d) The term "continental United States" means the States of the United States and the District of Columbia.

(e) The term "importer" means any person who imports or brings firearms into the continental United States for sale.

(f) The term "manufacturer" means any person who is engaged within the continental United States in the manufacture of firearms, or who otherwise produces therein any firearm for sale or disposition.

of firearms, or who otherwise produces therein any firearm for sale or disposition.

(g) The term "dealer" means any person not a manufacturer or importer engaged within the continental United States in the business of selling firearms. The term "dealer" shall include wholesalers, pawnbrokers, and dealers in used firearms.

(h) The term "interstate commerce" means transportation from any State or Territory or District, or any insular possession of the United States (including the Philippine Islands), to any other State or to the District of Columbia.

(i) The term "Commissioner" means the Commissioner of Internal Revenue

ternal Revenue.

(i) The term "Secretary" means the Secretary of the Treasury.
(k) The term "to transfer" or "transferred" shall include to

(k) The term "to transfer" or "transferred" shall include to sell, assign, pledge, lease, loan, give away, or otherwise dispose of.

Sec. 2. (a) Within 15 days after the effective date of this act, or upon first engaging in business, and thereafter on or before the 1st day of July of each year, every importer, manufacturer, and dealer in firearms shall register with the collector of internal revenue for each district in which such business is to be carried revenue for each district in which such business is to be carried on his name or style, principal place of business, and places of business in such district, and pay a special tax at the following rates: Importers or manufacturers, \$500 a year; dealers, other than pawnbrokers, \$200 a year; pawnbrokers, \$300 a year. Where the tax is payable on the 1st day of July in any year it shall be computed for 1 year; where the tax is payable on any other day it shall be computed proportionately from the 1st day of the month in which the liability to the tax accrued to the 1st day of July following. July following

(b) It shall be unlawful for any person required to register under the provisions of this section to import, manufacture, or

(b) It shall be unlawful for any person required to register under the provisions of this section to import, manufacture, or deal in firearms without having registered and paid the tax imposed by this section.

Sec. 3. (a) There shall be levied, collected, and paid upon firearms transferred in the continental United States a tax at the rate of \$200 for each firearm, such tax to be paid by the transferor, and to be represented by appropriate stamps to be provided by the Commissioner, with the approval of the Secretary; and the stamps herein provided shall be affixed to the order for such firearm, hereinafter provided for. The tax imposed by this section shall be in addition to any import duty imposed on such firearm.

(b) All provisions of law (including those relating to special taxes, to the assessment, collection, remission, and refund of internal-revenue taxes, to the engraving, issuance, sale, accountability, cancelation, and distribution of tax-paid stamps provided for in the internal-revenue laws, and to penalties) applicable with respect to the taxes imposed by section 1 of the act of December 17, 1914, as amended (U.S.C., supp. VII, title 26, secs. 1040 and 1383), and all other provisions of the internal-revenue laws shall, insofar as not inconsistent with the provisions of this act, be applicable with respect to the taxes imposed by this act.

Sec. 4. (a) It shall be unlawful for any person to transfer a firearm except in pursuance of a written order from the person seeking to obtain such article, on an application form issued in blank in duplicate for that purpose by the Commissioner. Such order shall identify the applicant by such means of identification as may be prescribed by regulations under this act: Provided, That, if the applicant is an individual, such identification shall include fingerprints and a photograph thereof.

(b) The Commissioner, with the approval of the Secretary, shall cause suitable forms to be prepared for the purposes above men-

(b) The Commissioner, with the approval of the Secretary, shall cause suitable forms to be prepared for the purposes above mentioned, and shall cause the same to be distributed to collectors of

internal revenue.

(c) Every person so transferring a firearm shall set forth in each copy of such order the manufacturer's number or other mark identifying such firearm, and shall forward a copy of such order to the Commissioner. The original thereof, with stamps affixed, shall be returned to the applicant.

(d) No person shall transfer a firearm which has previously been transferred on or after the effective date of this act, unless such person, in addition to complying with subsection (c), transfers therewith the stamp-affixed order provided for in this section for each such prior transfer, in compliance with such regulations as may be prescribed under this act for proof of payment of all taxes on such firearms.

(e) If the transfer of a firearm is exempted from the provisions of this act as provided in section 13 hereof, the person transfer-ring such firearm shall notify the Commissioner of the name and address of the applicant, the number or other mark identifying such firearm, and the date of its transfer, and shall file with the Commissioner such documents in proof thereof as the Commis-

sioner may by regulations prescribe.

(f) Importers, manufacturers, and dealers who have registered and paid the tax as provided for in section 2(a) of this act shall not be required to conform to the provisions of this section with respect to transactions in firearms with dealers or manufacturers if such dealers or manufacturers have registered and have paid such tax, but shall keep such records and make such reports regarding such transactions as may be prescribed by regulations under this act.

SEC. 5. (a) Within 60 days after the effective date of this act every person possessing a firearm shall register, with the collector of the district in which he resides, the number or other mark identifying such firearm, together with his name, address, place where such firearm is usually kept, and place of business or employment, and, if such person is other than a natural person, the name and home address of an executive officer thereof: Provided, That no person shall be required to register under this section with respect to any firearm acquired after the effective date of, and in conformity with the provisions of this act.

(b) Whenever on trial for a violation of section 6 hereof the defendant is shown to have or to have had possession of such firearm at any time after such period of 60 days without having registered as required by this section, such possession shall create a presumption that such firearm came into the possession of the defendant subsequent to the effective date of this act, but this presumption shall not be conclusive. Within 60 days after the effective date of this act

presumption shall not be conclusive.

SEC. 6. It shall be unlawful for any person to receive or possess any firearm which has at any time been transferred in violation

any firearm which has at any time been transferred in violation of section 3 or 4 of this act.

Sec. 7. (a) Any firearm which has at any time been transferred in violation of the provisions of this act shall be subject to seizure and forfeiture, and (except as provided in subsection (b)) all the provisions of internal-revenue laws relating to searches, seizures, and forfeiture of unstamped articles are extended to and made to apply to the articles taxed under this act, and the persons to whom this act applies.

(b) In the case of the forfeiture of any firearm by reason of a violation of this act: No notice of public sale shall be required; no such firearm shall be sold at public sale; if such firearm is in the possession of any officer of the United States except the Secretary, such officer shall deliver the firearm to the Secretary; and the Secretary may order such firearm destroyed or may sell

Secretary, such officer shall deliver the firearm to the Secretary; and the Secretary may order such firearm destroyed or may sell such firearm to any State, Territory, or possession (including the Philippine Islands), or political subdivision thereof, or the District of Columbia, or retain it for the use of the Treasury Department or transfer it without charge to any Executive department or independent establishment of the Government for use by it.

SEC. 8. (a) Each manufacturer and importer of a firearm shall identify it with a number or other identification mark approved by the Commissioner, such number or mark to be stamped or otherwise placed thereon in a manner approved by the Commissioner.

otherwise placed thereon in a manner approved by the Commis-

(b) It shall be unlawful for anyone to obliterate, remove, change, or alter such number or other identification mark. Whenever on trial for a violation of this subsection the defendant is shown to have or to have had possession of any firearm upon which such number or mark shall have been obliterated, removed,

shown to have or to have had possession of any firearm upon which such number or mark shall have been obliterated, removed, changed, or altered, such possession shall be deemed sufficient evidence to authorize conviction, unless the defendant explains such possession to the satisfaction of the jury.

SEC. 9. Importers, manufacturers, and dealers shall keep such books and records and render such returns in relation to the transactions in firearms specified in this act as the Commissioner, with the approval of the Secretary, may by regulations require.

SEC. 10. (a) No firearm shall be imported or brought into the United States or any Territory under its control or jurisdiction (including the Philippine Islands), except that, under regulations prescribed by the Secretary, any firearm may be so imported or brought in when (1) the purpose thereof is shown to be lawful and (2) such firearm is unique or of a type which cannot be obtained within the United States or such Territory.

(b) It shall be unlawful (1) fraudulently or knowingly to import or bring any firearm into the United States or any Territory under its control or jurisdiction (including the Philippine Islands), in violation of the provisions of this act; or (2) knowingly to assist in so doing; or (3) to receive, conceal, buy, sell, or in any manner facilitate the transportation, concealment, or sale of any such firearm after being imported or brought in, knowing the same to have been imported or brought in contrary to law. Whenever on trial for a violation of this section the defendant is shown to have or to have had possession of such firearm, such possession shall be deemed sufficient evidence to authorize conviction unless the defendant explains such possession to the satisfaction of the jury.

SEC. 11. It shall be unlawful for any person who is required to register as provided in section 5 hereof and who shall not have so registered, or any other person who has not in his possession a stamp-affixed order as provided in section 4 hereof, to ship, carr

a stamp-amixed order as provided in section 4 hereof, to ship, carry, or deliver any firearm in interstate commerce.

Sec. 12. The Commissioner, with the approval of the Secretary, shall prescribe such rules and regulations as may be necessary for carrying the provisions of this act into effect.

Sec. 13. This act shall not apply to the transfer of firearms (1) to the United States Government, any State, Territory, or possession of the United States, or to any political subdivision thereof, or to the District of Columbia; (2) to any peace officer or any Federal officer designated by regulation of the Commissioner; (3)

to the transfer of any firearm which is unserviceable and which |

is transferred as a curiosity or ornament.

Sec. 14. Any person who violates or fails to comply with any of the requirements of this act shall, upon conviction, be fined not more than \$2,000 or be imprisoned for not more than 5 years, or both, in the discretion of the court.

or both, in the discretion of the court.

SEC. 15. The taxes imposed by paragraph (a) of section 600 of the Revenue Act of 1926 (U.S.C., supp. VII, title 26, sec. 1120) and by section 610 of the Revenue Act of 1932 (47 Stat. 169, 264), shall not apply to any firearm on which the tax provided by section 3 of this act has been paid.

SEC. 16. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

SEC. 17. This act shall take effect on the thirtieth day after the date of its enactment.

date of its enactment.

SEC. 18. This act may be cited as the "National Firearms Act."

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. GORE. Mr. President, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be

The CHIEF CLERK. It is proposed at the end of the bill to insert a new section as follows:

SEC. 19. (a) Paragraph (2) of subsection (a) of section 350 of the Tariff Act of 1930, as amended, is amended by inserting after the words "any existing rate of duty" the following: "(except in the case of fermented liquors, spirits, and wines, not more than 75 percent.)" (b) Paragraph (b) of such section is amended by striking out the period after the words "now payable thereon", and inserting in lieu thereof the following: "(except fermented liquors, spirits, and wines, not more than 75 percent.)"

Mr. HARRISON. I have no objection to the amendment. The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

The amendments were ordered to be engrossed, and the

bill to be read a third time.

The bill was read the third time, and passed.

#### T. BROOKS ALFORD

Mr. BYRNES. Mr. President, will the Senator from Delaware yield to me?

The PRESIDENT pro tempore. Does the Senator from Delaware yield to the Senator from South Carolina?

Mr. HASTINGS. I yield.

Mr. BYRNES. I ask unanimous consent for the immediate consideration of the bill (H.R. 5543) for the relief of T. Brooks Alford.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H.R. 5543) for the relief of T. Brooks Alford, which was ordered to a third reading, read the third time, and passed.

#### INVESTIGATION OF FEDERAL FARM BOARD

Mr. CAPPER. Mr. President, will the Senator from Delaware yield to me?

The PRESIDENT pro tempore. Does the Senator from Delaware yield to the Senator from Kansas?

Mr. HASTINGS. I yield.

Mr. CAPPER. I ask unanimous consent for the immediate consideration of the resolution which I send to the desk.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the resolution (S.Res. 276) was read, considered, and agreed to, as follows:

Resolved, That Resolution 42, agreed to April 11, 1932, authorizing and directing the Committee on Agriculture and Forestry to make an investigation of the activities and operations of the Federal Farm Board created by the Agricultural Marketing Act approved June 15, 1929, hereby is continued in full force and effect until the end of the first session of the Seventy-fourth Congress

SETTLEMENT OF DISPUTES BETWEEN CARRIERS AND EMPLOYEES

The Senate resumed the consideration of the bill (S. 3266) to amend the Railway Labor Act approved May 20, 1926, and to provide for the prompt disposition of disputes between carriers and their employees.

Mr. WHEELER. Mr. President, I am going to object to any further unanimous-consent requests and to the Senator | me to ask unanimous consent to have a bill passed by the

from Delaware [Mr. Hastings] yielding except for a question. I am going to insist that the rule be enforced.

Mr. HASTINGS. Mr. President, I continue reading from the hearings.

Statutory provisions guaranteeing independence-

Mr. BLACK. Mr. President, will the Senator yield for a question?

Mr. HASTINGS. I yield for a question only.

Mr. BLACK. I desire to know from what page the Senator is reading.

Mr. HASTINGS. Page 13, at the very bottom of the page. I am sure the Senator has never read it, and that is the reason why I am reading it to him.

Mr. BLACK. May I ask the Senator how many pages there are?

Mr. HASTINGS. In this particular volume there are 168 pages, but there are several volumes, so if Senators desire to go to dinner, they may go now.

I continue reading:

Statutory provisions guaranteeing independence of railroad labor organizations and freedom of choice to employees in selecting their labor representatives plainly belong in the Railway Labor Act, rather than in the Emergency Railroad Transportation Act, 1933. The latter is a temporary measure.

Mr. President, I have already called attention to the fact that apparently the Coordinator has ceased his desire to have this legislation, because some such provision was put in the Emergency Railroad Transportation Act, but now he says there must be an amendment to the Railway Labor Act, because the Transportation Act was temporary only.

I continue reading:

3. The penalty provisions of section 12 of the emergency act were drafted before the introduction of section 7, containing the labor-protection provisions, and were never redrafted to cover the latter provisions adequately. Consequently it is at least doubtful whether the Coordinator has at his command adequate means for the enforcement of the prohibitions of section 7 (e). Fortunately, good progress has been made in securing compliance with those prohibitions without resort to legal processes. The legal point involved, however, is one which might cause trouble.

In redrafting the provisions for incorporation in the Railway Labor Act, all of these points have been kept in mind, and it has also been the endeavor to cover specifically the various means whereby railroad managements have exerted or sought to exert undue influence upon the choice or conduct of labor organizations.

Enforcement involves nothing but the determination of the

Enforcement involves nothing but the determination of the facts, and for this reason it has in S. 3266 been definitely placed, where it belongs, in the hands of the Department of Justice. The penalties provided are aimed not only at the carriers but also at their officers and agents, for experience has shown that a very large part of the undue influence is exerted by lesser officials who are often allowed to pursue policies which the formal announcements of the managements disapprove.

A very important feature is definite provision for secret elec-

A very important feature is definite provision for secret elections conducted under the auspices of the National Mediation Board, at which, when doubt exists, the employees may record their actual preference. Recently various elections of this kind have been conducted in an orderly way under the auspices of the present Board of Mediation and with excellent results, but it is desirable that the law should provide explicitly for such elections.

In other words, the Coordinator is not willing to let well enough alone, but he desires, at a time when there is no particular necessity for it, to write into the law a specific provision which he may be able to enforce at some time in the future.

They furnish the best possible means of determining what the

They furnish the best possible means of determining what the employees really want.

I come now to the provision for a national adjustment board. I think the term in the statute is "national board of adjustment." The Railway Labor Act now provides that boards of adjustment "shall be created by agreement between any carrier or groups of carriers, or the carriers as a whole, and its or their employees."

You will note that the duty thus imposed is definite and positive. The law also prescribes the procedure under which such adjustment boards shall act and makes their decisions "final and binding on both parties to the dispute."

These provisions were regarded when they were enacted as a vital and essential part of the act. Three national boards of adjustment had operated during the period of Federal control, and, on the whole, very successfully.

Mr. LEWIS. Mr. President, would the Senator from Delaware be greatly inconvenienced by yielding to me to enable here, repaying money that has been taken from a taxpayer in the city of Chicago, and to present the matter within one moment? It does not call for a speech.

If the Senator would allow me to interrupt him long enough to ask for the consideration of that bill-

Mr. HASTINGS. Mr. President, I was wondering whether it would be as convenient to the Senator to bring up the bill around 9 o'clock as it is now.

Mr. LEWIS. May I ask the Senator, in turn, whether he will indicate about what time he will go to supper tonight?

Mr. HASTINGS. The Senator from Illinois will have time to go and return before I conclude.

Mr. LEWIS. Then I take it the Senator means I must postpone my request.

Mr. HASTINGS. Under the circumstances, in view of some objections that have been made, I think I ought not to vield.

Mr. LEWIS. I will not press the Senator further.

Mr. HEBERT. Mr. President, if the Senator will yield to me, I desire to suggest the absence of a quorum.

The PRESIDENT pro tempore. Does the Senator from Delaware yield for the suggestion of the absence of a quorum?

Mr. HASTINGS. I yield.

The PRESIDENT pro tempore. The clerk will call the

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Hebert	Pope
Ashurst	Couzens	Johnson	Reynolds
Austin	Cutting	Kean	Robinson, Ark.
Bachman	Davis	King	Robinson, Ind.
Bailey	Dickinson	La Follette	Russell
Bankhead	Dieterich	Lewis	Schall
Barbour	Dill	Logan	Sheppard
Barkley	Duffy	Lonergan	Shipstead
Black	Erickson	Long	Smith
Bone	Fess	McCarran	Steiwer
Borah	Fletcher	McGill	Stephens
Brown	Frazier	McKellar	Thomas, Okla.
Bulkley	George	McNary	Thomas, Utah
Bulow	Gibson	Metcalf	Thompson
Byrd	Glass	Murphy	Townsend
Byrnes	Goldsborough	Norbeck	Tydings
Capper	Gore	Norris	Vandenberg
Caraway	Harrison	Nye	Wagner
Carey	Hastings	O'Mahoney	Walcott
Clark	Hatch	Overton	Walsh
Connally	Hatfield	Patterson	Wheeler
Coolidge	Hayden	Dittman	White

The PRESIDENT pro tempore. Eighty-eight Senators having answered to their names, a quorum is present.

Mr. McKELLAR. Mr. President, will the Senator from Delaware yield to me for a moment to prefer a unanimousconsent request?

Mr. HASTINGS. I prefer not to yield at this time, Mr. President.

Mr. Eastman says:

The employees wanted similar boards established when the railroads were returned to private control, but the carriers were unwilling to agree to national boards. They did, however, agree to the general principle involved, and when the Railway Labor Act was formulated in 1926, it embodied this principle in the provisions which I have just quoted.

The fact is, however, that this obligation which the law imposed has largely been disregarded. No national boards of adjustment have been created, and there are only four regional boards, and all but one of these were in existence prior to the Railway Labor Act. They are confined to the train service, and by no means all of the carriers participate in them.

Mr. LA FOLLETTE. Mr. President-

The PRESIDENT pro tempore. Does the Senator from Delaware yield to the Senator from Wisconsin?

Mr. HASTINGS. I yield.

Mr. LA FOLLETTE. I have been very much interested in the remarks of the Senator from Delaware, but I am hopeful that something may be done to permit action upon the pending amendment, and it seems to me that if the Senator from Delaware were willing to let us vote upon the amendment offered by the Senator from Montana, perhaps his primary objection to the bill could be removed.

Senate which has three times passed the House, and passed | That would not deter him from proceeding, in case the action on the amendment of the Senator from Montana were not to his liking. Therefore, I am very hopeful that the Senator from Delaware will permit us to take action upon the amendment offered by the Senator from Montana, without prejudicing his right to the floor, or any of his parliamentary rights.

> Mr. BYRNES. Mr. President, I desire to suggest the absence of a quorum, if the Senator will yield for that purpose.

Mr. HASTINGS. I yield.

The PRESIDENT pro tempore. The suggestion of the absence of a quorum is not in order. A quorum has just been called.

Mr. ROBINSON of Arkansas, Mr. President, will the Senator from Delaware yield to me?

Mr. HASTINGS. I yield.

Mr. BYRNES. Mr. President, it has been some time since a quorum was declared to be present.

Mr. LA FOLLETTE. The Senator from Arkansas desires recognition. Will the Senator from Delaware yield to him? Mr. HASTINGS. I yield.

Mr. ROBINSON of Arkansas. Mr. President, with the consent of the Senator having the floor, I should like to ask that the Senate take up for consideration bills which Senators may present for consideration to which there is no objection.

Mr. HASTINGS. If the Senator will include in that unanimous-consent request a provision that I shall not lose the floor when I shall desire again to address the Senate on this subject, I shall have no objection.

Mr. ROBINSON of Arkansas. The Senator can, of course, resume the floor if he wishes to, and I include that in the request.

The PRESIDENT pro tempore. The Senator from Arkansas asks unanimous consent that the Senator from Delaware shall suspend in order that the Senate may proceed to the consideration of unobjected bills on the calendar, and then that the Senator from Delaware shall be recognized and have the floor to continue his speech. Is there objection?

Mr. COUZENS. I object.

The PRESIDENT pro tempore. Objection is heard. The Senator from Delaware has the floor.

Mr. HASTINGS. Mr. President, I desire to read fur-

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield to me to make a brief statement?

Mr. HASTINGS. I yield.

Mr. ROBINSON of Arkansas. My attention has been called to the fact that there are on the desk several Senate bills with relatively unimportant House amendments, which many Senators are anxious to have disposed of. I should like, if it is possible to do so, to have opportunity afforded for dealing with those measures. I realize, of course, that any Senator may object, or persist in his objection.

Mr. COUZENS. Mr. President, if the Senator from Delaware is to occupy the floor indefinitely to discuss what is already a matter of record, I do not know why we should not stay here until he shall have finished his speech.

Mr. LA FOLLETTE. Mr. President, will not the Senator from Delaware yield for the purpose of allowing me to suggest the absence of a quorum?

Mr. McNARY. Just a moment.

Mr. COUZENS. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it. Mr. COUZENS. Has any business been transacted since the last quorum was called?

The PRESIDENT pro tempore. No business has been

Mr. COUZENS. Then I make the point of order that, no business having been transacted, a quorum cannot be called at this time.

The PRESIDENT pro tempore. The point of order is well taken.

Mr. McNARY. Mr. President-

Delaware yield to the Senator from Oregon?

Mr. HASTINGS. I yield.

Mr. McNARY. I think the Senator from Delaware is somewhat misunderstood. I think he is willing to have a vote taken on the Wheeler amendment, and later a vote on the bill, provided consent is given that no other bills may be taken up except by unanimous consent.

Mr. ROBINSON of Arkansas. Mr. President, I think that is a reasonable requirement, and I modify my request to that effect, that only unobjected bills be considered.

Mr. COUZENS. Is it the understanding that the Senator from Delaware now is willing to have a vote taken on the Wheeler amendment? Is that the understanding of the Senator from Delaware?

Mr. HASTINGS. Yes; I am willing to have a vote on the Wheeler amendment. The Senator from Oregon has stated

my position.

Mr. LA FOLLETTE. Mr. President, I hope that may be agreed to. That is a very reasonable request on the part of the Senator from Delaware.

Mr. ROBINSON of Arkansas. Of course, Mr. President, I shall move for consideration of the conference report on the housing bill whenever the opportunity shall arise, or the occasion may afford.

Mr. HASTINGS. The suggestion of the Senator from Oregon does not apply to conference reports. It applies to new matter only.

Mr. ROBINSON of Arkansas. Certainly, and my request

does not apply to conference reports.

The VICE PRESIDENT. As the Chair understands, the position of the Senator from Delaware is that bills shall only be taken up by unanimous consent, but that does not apply to conference reports.

Mr. HASTINGS. And that we shall take a vote upon the

Wheeler amendment and then upon the bill.

Mr. ROBINSON of Arkansas. Of course, no conference report is to be precluded from consideration.

Mr. HASTINGS. I have no objection to that.

Mr. ROBINSON of Arkansas. And unobjected bills only are to be considered.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Montana [Mr. WHEELER].

The amendment was rejected.

The VICE PRESIDENT. The question is on the engrossment and third reading of the bill.

Mr. HASTINGS. Mr. President, was the unanimous-con-

sent agreement entered into?

The VICE PRESIDENT. The Senator from Arkansas has assured the Senator from Oregon and the Senator from Delaware that there will be no bills passed by the Senate except by unanimous consent, and that only conference reports will be considered. Is that statement correct?

Mr. ROBINSON of Arkansas. That is correct.

Mr. McNARY. In conformity with the usual procedure, I agree that we should enter into the unanimous-consent

Mr. ROBINSON of Arkansas. I make the request for unanimous consent.

The VICE PRESIDENT. Is there objection to the unanimous-consent request of the Senator from Arkansas? The Chair hears none, and it is so ordered.

The question now is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and read the third time.

The VICE PRESIDENT. The question is, Shall the bill

The bill was passed.

Mr. ROBINSON of Arkansas. Mr. President, in our haste we have overlooked a parliamentary situation to which it is necessary to give attention. It is the intention of the Senator from Washington [Mr. DILL] to substitute the text of the Senate bill, as amended, for the House bill by striking out all after the enacting clause, and for that purpose

The PRESIDENT pro tempore. Does the Senator from | I shall move a reconsideration of the vote by which the bill was passed, in order that the Senator from Washington may make that motion.

Mr. McNARY. What is the object?

Mr. ROBINSON of Arkansas. The object is to substitute the Senate bill for the House bill; that is to say, strike out all after the enacting clause in the House bill.

Mr. DILL. I desire to have House bill 9861 substituted for the Senate bill, and then to move to strike out all after the enacting clause of the House bill and to insert the language of Senate bill 3266, as amended and just passed by the Senate. I ask first that the vote by which Senate bill 3266, as amended, was passed be reconsidered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the vote is reconsidered.

Mr. DILL. I now move that the Senate proceed to the consideration of House bill 9861.

The motion was agreed to; and the Senate proceeded to consider the bill (H.R. 9861) to amend the Railway Labor Act, approved May 20, 1926, and to provide for the prompt disposition of disputes between carriers and their employees.

Mr. DILL. Now I move to strike out all after the enacting clause of House bill 9861 and to insert in lieu thereof the language of Senate bill 3266, as amended and just passed.

The motion was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. DILL. I move that Senate bill 3266 be indefinitely postponed.

The motion was agreed to.

LAWS AND RESOLUTIONS OF THE NINTH PHILIPPINE LEGISLATURE

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying documents, ordered to lie on the table:

To the Congress of the United States:

As required by section 19 of the act of Congress approved August 29, 1916, entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands", I transmit herewith a set of the laws and resolutions passed by the Ninth Philippine Legislature during its third regular session, from July 17 to November 9, 1933, with the exception of Act No. 4104, which will be transmitted to you hereafter when copies have been received from the Philippine Islands.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, June 18, 1934.

THE RECORD OF THE SEVENTY-THIRD CONGRESS

Mr. ROBINSON of Arkansas. Mr. President, I ask leave to have printed in the RECORD a portion of a statement published in the New York Times on June 17 with relation to the record of the Seventy-third Congress.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RECORD OF THE SEVENTY-THIRD CONGRESS—PEACE-TIME MARK IS SET—POLICIES FOR NEW DEAL SHAPED—POWER TO CARRY THEM OUT GRANTED—EMERGENCY AT THE OUTSET—BANKING, ECONOMY, AND RELIEF TACKLED IN FIRST SESSION, EXPLORING THE WAY—THEN SWEEPING REFORMS—CURRENCY, CREDIT, INVESTING, TARIFF, AND COMMUNICATIONS COVERED IN LEGISLATION

Washington, June.—The Seventy-third Congress met in spe washington, June.—The Seventy-third Congress het in special session at the call of President Roosevelt at noon of March 9, 1933, and remained at its tasks until the early morning of June 16 of the same year. Under the terms of the Norris "lame duck" amendment it met again in regular session at high noon of January 3, 1934, and ended its labors leaving behind a record of activity hardly approached by any peace-time Congress in this generation.

The first and second sessions of the Seventy-third Congress

The first and second sessions of the Seventy-third Congress were necessary and indispensable halves of the whole. The first was somewhat exploratory; it dealt more with an emergency. The second was more solidly progressive; it dealt with more longrange reforms.

Following its quick action on the emergency banking bill on March 9, 1933—the bill was proposed, passed, and signed in 7 hours—Congress turned to emergency economies in the Govern-

By March 20 it had enacted a law designed to save nearly

ment. By March 20 it had enacted a law designed to save nearly \$1,000,000,000 in ordinary expenses of the Government.

This was followed 2 days later by a bill that re-legalized beer, a measure which not only added to the rapidly depleting revenues but which, for psychological effect, was also considered one of the first strokes of political genius of the new administration.

The Agricultural Adjustment Act, offering both relief and re-habilitation to agriculture; an act establishing forestry camps for wayfaring young men, direct unemployment relief, farm and home mortgage relief; an act allowing an orderly reorganization of the finances of railroads, and an emergency measure to conserve the Nation's monetary gold reserves followed in quick succession as Congress moved to improve the economic conditions of the country.

Congress moved to improve the economic conditions of the country.

But there were some long-range measures even in that first session. Out of it came the National Industrial Recovery Act, the keystone of the administration's entire economic program. Also the first venture of the Government into the use and conservation of natural resources, the Tennessee Valley Authority, which, according to Mr. Roosevelt, is but a forerunner of what is

#### RECORD OF SECOND SESSION

RECORD OF SECOND SESSION

Meeting here in January for the second session, the Seventythird Congress put through the following measures:

The Gold Reserve Act, through which the monetary gold in
the Government's vaults was practically doubled in value.

The Silver Purchase Act, which gave the white metal more of
a place in the monetary system.

The Revenue Act of 1934, whereby it was sought to plug up
the many loopholes through which the beneficiaries of large
incomes had avoided taxation.

The Securities Exchange Act, imposing a system of Federal
regulation on all stock and bond exchanges.

The Corporate and Municipal Bankruptcy Acts, under which
corporations and municipalities may readjust their finances.

The Loans to Industries Act, under which the Federal Government may go to the assistance of solvent industries unable to
finance themselves through regular banking channels.

The naval construction act, authorizing a Navy up to the full
limit of the London Treaty.

The Communications Act, setting up a special commission for
Federal regulation of the telephone, telegraph, and radio.

The anticrime acts, implementing the Federal Government for a

The anticrime acts, implementing the Federal Government for a more vigorous drive on gangdom.

The Sugar and Cotton Control Acts, supplementing and strengthening the Agricultural Adjustment Administration in enforcing production control.

production control.

The tariff act, authorizing the President to negotiate reciprocal treaties to stimulate trade with other nations.

The National Housing Act, seeking to pry loose private capital for much-needed housing improvements in the country.

The Labor Adjustment Act and the new relief and public works appropriations acts, which passed in the closing hours.

Even before the old Congress completed its labors, Mr. Roosevelt had outlined an ambitious program for its successor. In a special message he announced to this Congress that he would propose to the next an ambitious social program through which he expected to insure to all Americans a greater security in their jobs and in their homes. their homes.

#### Agriculture

# THE A.A.A. FARM RELIEF AND INFLATION ACT (Approved May 12, 1933. Public Law No. 10)

Provided for direct agricultural relief by authorizing the Secretary of Agriculture to force increased farm prices either through allocating production or through leasing of land for the purpose of withdrawing it from production and to license and tax processors of agricultural products to pay the cost of this program.

Arranged for farm-mortgage relief by granting authorization for the refinancing of farm mortgages at 4½-percent interest through the issuance of not more than \$2,000,000,000 in Government bonds, the interest of which—but not the principal—would be guaranteed by the Government

by the Government.

by the Government.

Authorized a broad inflation program involving the expansion of Federal Reserve credits by as much as \$3,000,000,000 in Treasury notes secured not by gold but solely by the credit of the United States Government; also authorized the President (in the so-called "Thomas amendment") to devalue the gold content of the dollar as much as 50 percent and, for 6 months from the passage of the act, to accept up to \$200,000,000 of silver at a price not exceeding 50 cents an ounce in payment for war debts due from any foreign government to the United States.

Empowered the Reconstruction Finance Corporation to make loans in an aggregate not exceeding \$50,000,000 to drainage, levee, irrigation, and similar districts.

#### THE FARM CREDIT ACT OF 1933

## (Approved June 16, 1933. Public Law No. 75)

Provided for organizations within the Farm Credit Administra-

Provided for organizations within the Farm Credit Administra-tion to make loans for the production and marketing of agricul-tural products and to extend agricultural finance facilities through regional and local agencies.

Created a production credit corporation and bank for cooper-atives in each of the 12 Federal land bank cities, the initial capital of each production credit corporation being \$7,500,000, to be sub-scribed from a \$120,000,000 revolving fund established by the

Reconstruction Finance Corporation from balances available to the Secretary of Agriculture under previous enactments. Appropriated a \$40,000,000 Treasury fund and also \$2,000,000 for

administrative expense

administrative expenses.

Authorized the establishment in the District of Columbia of a central bank for cooperatives, with 12 branch banks in Federal land bank cities, the capital stock to be subscribed by the Governor of the Farm Credit Administration out of the Agricultural Marketing Act revolving fund in accordance with current needs.

Provided that intermediate credit banks might make agricultural or livestock note purchases from any National or State bank, agricultural credit or livestock corporation, cooperative savings institutions or agricultural associations; and that loans might be made on shipping documents or warehouse receipts or mortgages covering agricultural products or livestock to 75 percent of market value. value.

# THE FARM MORTGAGE REFINANCING ACT

# (Approved Jan. 31, 1934. Public Law No. 88)

(Approved Jan. 31, 1934. Public Law No. 88)

Created the Federal Farm Mortgage Corporation, with a capital of \$200,000,000, to aid in the refinancing of farm debts.

Authorized the corporation, with the approval of the Secretary of the Treasury, to issue and have outstanding at any one time bonds in an aggregate not exceeding \$2,000,000,000, guaranteed both as to interest and principal by the United States.

Granted the Corporation permission to exchange such bonds, upon application of any Federal land bank, for consolidated farmloan bonds of equal face value issued under the amended Federal Farm Loan Act and to exchange such consolidated farm-loan bonds held by it for bonds of the Corporation of equal face value.

Provided that the Corporation might purchase, for cash, such consolidated farm-loan bonds, make loans to Federal land banks on the security of such consolidated bonds and invest its funds in mortgage loans under section 32 of the Emergency Farm Mortgage Act of 1933.

gage Act of 1933.

Granted authority to the Land Bank Commissioner, until February 1, 1936, to make loans up to \$600,000,000 on behalf of the Federal Farm Mortgage Corporation, either in cash or in bonds of

the Corporation.

Made available a revolving fund of \$40,000,000 to the Governor of the Farm Credit Administration.

## THE CROP LOAN ACT

## (Approved Feb. 23, 1934. Public Law No. 97)

Authorized the Governor of the Farm Credit Administration to make loans to farmers during 1934 for crop production and harvesting, and, to an extent not exceeding \$1,000,000, to make loans for feed and livestock in drought and storm-stricken areas.

Required as security for such loans a first lien on all crops growing, to be grown or harvested in 1934, or on livestock loans to bear interest at a rate not exceeding 5½ percent.

Appropriated \$40,000,000 to carry out the act.

## THE CROP LOAN RESOLUTION

(Approved Mar. 10, 1934. Public Resolution No. 16)

Appropriated \$40,000,000 to carry into effect the Crop Loan Act of February 23, 1934, providing for loans to farmers for crop production and harvesting during 1934.

## THE JONES-CONNALLY FARM RELIEF ACT (Approved Apr. 7, 1934. Public Law No. 142)

Amended the Agricultural Adjustment Act so as to include six additional basic commodities—beef and dairy cattle, peanuts, rye, barley, flax, and grain sorghums—within its benefits and appropriated \$200,000,000 out of the Treasury to enable the Secretary of Agriculture to finance surplus reduction and production adjustments with respect to these commodities, about three-fourths of

Appropriated \$50,000,000 to reimburse farmers for cattle slain in the eradication of tuberculosis and enable the Secretary of Agriculture to make advances to the Federal Surplus Relief Corporation for the purchase of dairy and beef products for distribution for spling surplus Relief Corporation for the purchase of dairy and beef products for distribution

#### THE BANKHEAD COTTON CONTROL ACT (Approved Apr. 21, 1934. Public Law No. 169)

Declared it the policy of Congress to promote the orderly marketing of cotton in interstate and foreign commerce, to enable cotton producers to stabilize their markets against undue and excessive fluctuations and to balance production and consumption

excessive fluctuations and to balance production and consumption more effectively.

Levied a tax of 50 percent of the average central market price per pound of lint cotton upon cotton in excess of 10,000,000 bales which might be ginned for the crop year 1934-35. The minimum tax levied is 5 cents a pound.

Fixed 10,000,000 bales as the maximum amount of cotton of the cotton harvested in the crop year 1934-35 that might be marketed exempt from payment of the ginning tax.

Provided that he State should receive an allotment of less than

Provided that no State should receive an allotment of less than 200,000 bales of cotton if in any 1 of 5 years preceding the enactment of the act the production of such State equaled 250,000

Limited the operation of the act to the crop year 1934-35, with the privilege of extending it an additional year upon proclamation by the President, provided two-thirds of those interested in the land, renters, share croppers, or otherwise, were favorable to such

#### THE JONES-COSTIGAN SUGAR ACT

(Approved May 9, 1934. Public Law No. 213)

Included sugar beets and sugarcane as basic agricultural commodities under the agricultural act; fixed the domestic production at 1,500,000 tons for beet sugar and 260,000 tons for cane

tion at 1,500,000 tons for beet sugar and 200,000 sugar.

Authorized the Secretary of Agriculture to make allotments for importations of sugar from outside the continental United States and provided for processing taxes.

Allowed the Secretary of Agriculture to purchase not in excess of 300,000 tons from the surplus stocks of direct-consumption sugar produced in the United States beet-sugar area at a price not in excess of the market price for direct-consumption sugar on the date of purchase and at an estimated cost of \$25,000,000, and to dispose of this sugar by sale or otherwise, including distribution to any organization for the relief of the unemployed.

# THE COTTON-CATTLE-DAIRY RELIEF RESOLUTION

(Approved May 25, 1934. Public Resolution No. 27)

(Approved May 25, 1934. Public Resolution No. 27)

Provided funds to enable the Secretary of Agriculture to carry out the purposes of the Jones-Connally Farm Relief Act of April 7, 1934, and also the Bankhead Cotton Control Act of April 21, 1934. Made available to the Secretary of Agriculture the funds necessary to effect the purposes of the Bankhead Act, including the proceeds of the proposed cotton taxes.

Appropriated \$150,000,000 to carry out the Jones-Connally Act, of which \$24,000,000 would be used for disease control, \$25,000,000 for purchasing of dairy products to be distributed for relief, \$50,000,000 for purchasing of 2,000,000 head of cows to be distributed for relief, \$44,000,000 for benefit payments to producers cooperating in the program to control production, and \$6,000,000 for purchase and distribution of cattle from drought-stricken areas.

#### THE FARM MORTGAGE FORECLOSURE ACT (Approved June 11, 1934. Public Law No. 305)

(Approved June 11, 1934. Public Law No. 305)

Amended section 32 of the Emergency Farm Mortgage Act of 1933 by striking out the words "which has been foreclosed at any time between July 1, 1931, and the date of the enactment of this act, or which is foreclosed after the enactment of this act." This amendment enlarged the lending authority of the Land Bank Commissioner under the act of 1933 to permit him to make loans to farmers for the purpose, among others, of enabling them to redeem and repurchase farm property owned by them prior to foreclosure, irrespective of the time when such foreclosure took place. place.

## HOMESTEADERS' RELIEF ACT

(Approved May 21, 1934. Public Law No. 241)

Provided that any settler of homestead lands who, during the calendar years 1932, 1933, or 1934, found it necessary to leave his homestead to seek employment in order to obtain the necessities of life for himself or family or to provide for the education of his children, might be excused from compliance with the requirements of the homestead laws as to residence, cultivation, improvements, expenditures, or payment of purchase money.

#### Air mail

#### THE EMERGENCY AIR MAIL ACT

Conferred on the Postmaster General full authority to conduct the Air Mail Service directly by giving him authority to receive from the War Department the necessary planes, equipment, and air field, and enabling the War Department to spend postal airmail funds while the Army Air Corps operated the routes.

Enabled the Army to pay subsistence and other allotments to pilots and mechanics on air-mail duty.

# THE AIR MAIL ACT OF 1934

(Approved June 12, 1934. Public Law No. 308)

Authorized the Postmaster General to award new 1-year contracts for transportation of air mail for initial periods not exceeding 1 year to the lowest responsible bidders tendering sufficient

guaranty for faithful performance.

Reduced air-mail postage rates from 8 cents to 6 cents an ounce.

Authorized the President to appoint a commission of five to make an immediate survey and report to Congress not later than February 1, 1835, recommendations of a broad policy covering all phases of aviation.

of aviation.

Provided that where the Postmaster General held a low bidder was not responsible or qualified, the latter should have a right of appeal to the Comptroller General, whose decision would be final.

Stipulated that the base rate of pay which might be bid and accepted in awarding such contracts should in no case exceed 33½ cents an airplane-mile for transporting a mail load not exceeding 300 pounds, the rate to be increased to a maximum load of 40 cents an airplane-mile for heavier loads.

Prohibited the sale, assignment, or transfer of contracts without approval of the Postmaster General, who may grant extension of routes for a distance not exceeding 100 miles.

Barred the Postmaster General from awarding contracts for airmail routes or extending such routes in excess of an aggregate of 29,000 miles or from arranging schedules on these lines which would necessitate flying more than 40,000,000 airplane-miles annually.

annually.

Empowered and directed the Interstate Commerce Commission, after notice and hearing, to fix and determine by order fair and reasonable rates for carrying the air mail, but not in excess of

the rates provided for in the act, and at least once a year to review the rates in order to be assured that no unreasonable profit is resulting.

Authorized the Postmaster General to designate certain air-mail routes as primary and secondary and directed him to include at least four transcontinental routes and the eastern and western coastal routes among the primary routes.

Allowed low bidders 30 days in which to qualify for service under

Allowed low bidders 30 days in which to qualify for service under their contracts.

Outlawed holding companies, making it unlawful after December 31, 1934, for any person holding an air-mail contract to buy, hold, own, or control, directly or indirectly, an interest in any other aviation properties except landing fields, hangars, and ground facilities necessarily incidental for the performance of the air-mail contract. air-mail contract.

Prohibited interlocking directorates and limited to \$17,500 annually the salaries of officers, directors, or regular employees of

air-mail contractors.

Directed the Secretary of Commerce to prescribe maximum and minimum flying hours for air-mail pilots and to determine the speed, load capacity, and safety features of mail planes.

Prohibited any contractor from holding more than three air-mail contracts after October 1, 1934.

## Appropriation reform

#### THE PERMANENT APPROPRIATIONS ACT (Before the President for signature)

Provided that a larger number of specified permanent annual appropriations shall be subject to annual consideration and appropriation by Congress.

Effective July 1, 1935, abolished the Army recreation fund and covered its balance into the Treasury.

Required that unclaimed moneys in trust funds be deposited into and disbursed from a special trust-fund account authorized to be established by the act, but certain trust-fund accounts, including retirement and insurance funds are exempted from the operations of this provision.

operations of this provision.

Prescribed bookkeeping methods to be employed in handling outstanding checks of the Federal Government.

Required the Comptroller General of the United States to make a survey of certain appropriations and funds in the custody of Government officers, in which the Government is financially concerned, and to report to Congress annually his recommendations for changes in existing law.

#### Banking

#### THE EMERGENCY BANKING RELIEF ACT

(Approved Mar. 9, 1933. Public Law No. 1)

Confirmed all previous proclamations of President Roosevelt and the late Secretary Woodin issued during the bank crisis that con-

the late Secretary Woodin issued during the bank crisis that confronted the inauguration of the new Democratic administration.

Vested in the President and made applicable to peace-time emergencies the tremendous World War powers of regulation over transactions in credit, currency, gold and silver, including foreign exchange, fixing maximum penalties of \$10,000 fine and 10 years' imprisonment for violators.

Empowered the Secretary of the Treasury to require delivery at the Treasury of all gold and gold certificates held by anybody in

Authorized the President, without invoking the war powers, to fix restrictions on the banking business of Federal Reserve

Allowed the Comptroller of the Currency to appoint conserva-tors for any national bank when considered necessary to conserve its assets; enabled a conservator to set aside for withdrawal by depositors on a ratable basis such amount as the Comptroller dedepositors on a ratable basis such amount as the Comptroller decided might be safely used; permitted the Comptroller to allow banks under conservators to receive new deposits, which would be segregated and subject to withdrawal without restriction; and permitted the reorganization of national banks upon the approval of the Comptroller, and, as the case might be, either of depositors of 75 percent of total deposits or holders of two-thirds of the outstanding stock, or both.

of the outstanding stock, or both.

Provided for the issuance of preferred stock by national banks and for the purchase of preferred stock of national and State banks and for loans upon the security of such stock by the Reconstruction Finance Corporation when necessary to supply funds for organization or reorganization of such banks.

Authorized issuance of Federal Reserve bank notes redeemable in lawful money of the United States, these notes to be issued to the value of 100 percent Government obligations deposited as security and to the value of 90 percent of the notes, drafts, bills of exchange, and bankers' acceptances deposited as security.

Permitted Federal Reserve banks to make bank-note advances

Permitted Federal Reserve banks to make bank-note advances to member banks on time or demand notes secured to the satisfac-tion of the Reserve bank, but not ordinarily eligible, this section having a maximum time limit of March 3, 1935.

Authorized Federal Reserve banks to make 90-day bank-note advances to any individual, partnership, or corporation on promissory notes secured by Federal obligations.

### THE BANKING ACT OF 1933

(Approved June 16, 1933. Public Law No. 66)

Provided for the coordination of Federal Reserve open-market activities, for the prevention of speculative uses of credit, for regulation of interbank control, for the insurance of deposits in

member banks, for regulation of their operations, for separation of security affiliates, and permitted branch banking.

Embraced in its scope national banks, Federal Reserve and mem-

ber banks, including State, Morris plan, mutual banks, and Postal

Created a Federal Open Market Committee, one member selected by each Reserve bank directorate, to regulate open-market activities, and provided that undue use of bank credit may subject a member bank to suspension.

Created the Federal Bank Deposit Insurance Corporation, and provided for a deposits insurance fund made up of \$150,000,000 appropriated by the Federal Government plus stock subscriptions.

appropriated by the Federal Government plus stock subscriptions. Provided for a temporary deposit insurance fund from January 1, 1934, to June 30, 1934, insuring individual deposits to \$2,500. Provided that after July 1, 1934, the Corporation should insure the deposits of all member banks, deposits under \$10,000 being fully covered; the next \$40,000, 75 percent; over \$50,000, 50 percent. Deposits in nonmember State banks holding class A stock are insured until July 1, 1936. Membership in the Insurance Corporation after July 1, 1936, is limited to national banks and memporation after July 1, 1936, is limited to national banks and members of the Federal Reserve System.

Forbade member banks to act as agent in security loans to

brokers or dealers, to extend credit to purchase securities under repurchase agreement from any affiliate, to invest in affiliate obli-gations, or to accept obligations of affiliates as collateral on loans

exceeding 10 percent of capital or surplus.

Provided that no executive officer should borrow from his member bank and that he must report to his board of directors con-

cerning loans from another member bank.

Permitted investment transactions without recourse for custom-

Permitted investment transactions without recourse for customer's account; permitted purchases on own account under controller regulations, and provided that the securities of a single obligor should not exceed 10 percent of outstanding issues.

Security affiliates not permitted after 1 year; security corporations prohibited from engaging in banking business.

Branch banking within a city permitted with the approval of the controller wherever State banks are expressly so authorized; branch banking within a State permitted wherever statutes specifically permit, but no branches permitted beyond the city unless unimpaired capital is at least \$500,000, or minimum of \$250,000 in States with population under 1,000,000 and which have cities therein of more than 100,000 population, or a minimum of \$100,000 in States under 500,000 population which have no cities exceeding 50,000 population. 50,000 population.

#### THE STATE BANK AID ACT

(Approved Mar. 24, 1933. Public Law No. 4)

Provided that during the then-existing emergency in banking any State bank or trust company not a member of the Federal Reserve System for 1 year might borrow directly from Federal Reserve banks by depositing satisfactory collateral, the same as member banks, under the Emergency Banking Act.

Permitted the Reconstruction Finance Corporation to lend to State banks or trust companies on their capital notes or debentures instead of on preferred stock in those States where double liability is imposed on the preferred stock; also gave the Reconstruction Finance Corporation the right to sell the securities in the open

## THE COLLATERAL SECURITY ACT

(Approved Mar. 9, 1934. Public Law No. 115)

Extended for 1 year, or until March 3, 1935, the time in which Federal Reserve banks may be permitted to use United States bonds as security for the issuance of their notes and credits.

Granted permission to the President to extend it 2 years further.

## THE BANK DEPOSIT INSURANCE ACT

(Approved June 16, 1934. Public Law No. 362)

Amended section 12B of the Federal Reserve Act so as to extend Amended section 12B of the rederal reserve Act so as to extend for 1 year the temporary plan for deposit insurance, or until July 1, 1935.

Provided that beginning July 1, 1934, the amount eligible for insurance should be \$5,000 of the deposits of each depositor instead of the present \$2,500.

Authorized and empowered but did not direct the Reconstruc-

Authorized and empowered, but did not direct, the Reconstruct Authorized and empowered, but did not direct, the Reconstruction Finance Corporation to make loans upon or purchase the assets of any bank, savings bank, or trust company closed between December 31, 1929, and January 1, 1934, and the affairs of which have not been fully liquidated or wound up, upon such terms and conditions as the Corporation may prescribe.

In making such purchase of, or loans on, the assets of any closed bank, the Reconstruction Finance Corporation shall appraise the assets in anticipation of an orderly liquidation over a period of years rather than on the basis of forced selling values in a period of business depression.

Directed the Reconstruction Finance Corporation to purchase

Directed the Reconstruction Finance Corporation to purchase the obligations of the Federal Deposit Insurance Corporation, on request of the latter, to the extent of \$250,000,000.

Postponed the termination of insurance of nonmember banks until July 1, 1937, and permitted nonmember banks to obtain the benefits of the permanent insurance after the fund is terminated (on July 1, 1935) until July 1, 1937.

## Bankruptcy

# THE MUNICIPAL BANKRUPTCY ACT

(Approved May 24, 1934. Public Law No. 251)

plans for readjustment of their debts if endorsed by holders of

Stipulated that the plan of readjustment should not be confirmed by the judge until it had been approved by creditors holding two-thirds in amount of each class of claims affected by the plan, and also of those holding three-fourths in amount of all securities.

#### THE CORPORATE BANKRUPTCY ACT

(Approved June 7, 1934. Public Law No. 296)

Permitted corporations to reorganize with the consent of the majority of their creditors, under the guidance of the courts, and allowed financial compromises in many instances where a majority of the creditors had agreed but were balked by minorities.

Provided that a petition for reorganization of a corporation might be filed by any creditor or stockholder if approved by holders of 25 percent in amount of any class of creditors, and not less than 10 percent in amount of all claims against the debtor; also that when corporations were not really insolvent but were unable to meet maturing obligations, agreement to the petition must come from stockholders representing 10 percent of any class of stock and 5 percent of the total. stock and 5 percent of the total.

Stipulated that district courts or any of their judges should apportion appointments as receiver equitably among all eligible

persons, firms, or corporations within the district.

Prohibited the appointment as receiver of any person related to any judge of a United States court; also prohibited the appointment as attorney for a receiver any person who was such a rela-tive or a member of a law firm of which any member was a relative of such judge.

#### Communications

THE COMMUNICATIONS ACT OF 1934 (Before the President for signature)

Created a Federal Communications Commission of seven mem-

Created a Federal Communications Commission of seven members to regulate the Nation's interstate and foreign communications' services by telegraph, telephone, cable, and radio.

Abolished the Federal Radio Commission and transferred its functions, as well as regulatory authority over telephone and telegraph now vested in the Interstate Commerce Commission, to the new Communications Commission.

to the new Communications Commission.

Repealed the Radio Act of 1927, modified the method of allocating broadcasting frequencies along with other changes regarding radio; amplified the radio act by providing for the modification of station licenses and construction permits where the Commission considers such action in the public interest; and directed the Commission to study the proposal that Congress, by statute, allocate fixed percentages of broadcasting facilities to particular types of nonprofit programs.

Granted the Commission wide authority, effective July 1, to regulate interstate communications' systems in cooperation with State utility commissions regulating radio, wireless, telephone, telegraph, cables, and television.

Empowered the President in time of war to take over radio

Empowered the President in time of war to take over radio and wire offices in the interest of national defense.

Prohibited radio broadcasting of any information concerning any lottery, gift enterprise, or similar scheme offering prizes dependent upon lot or chance.

#### Crime

# THE SIX FEDERAL CRIME CONTROL ACTS

(Approved May 18, 1934)

Provided punishment for killing, assaulting, resisting, opposing, impeding, or interfering with Federal officers while performing their official duties running down crime. (Public Law No. 230.) Applied the powers of the Federal Government, under the commerce clause of the Constitution, to extortion by means of telephone, telegraph, radio, oral message, or otherwise. (Public Law No. 231.)

Law No. 231.)

Amended the act forbidding the transportation of kidnaped persons in interstate commerce to provide punishment by death if the verdict of the jury so recommends, or by imprisonment for such term as the court shall determine. (Public Law No. 232.)

Made it unlawful for any person to fiee from one State to another for the purpose of avoiding prosecution or giving testimony in cases involving murder, kidnaping, burglary, robbery, mayhem, or extortion accompanied by threats of violence. (Public Law No. 233.)

Provided punishment of 10 years' imprisonment for causing or assisting in prison mutiny, riot, or escape. (Public Law No. 234.)

Provided punishment for certain offenses committed against banks organized or operating under laws of the United States or any member of the Federal Reserve System. (Public Law No. 235.)

# THE CRIME PREVENTION COMPACT ACT

(Approved June 6, 1934. Public Law No. 293)

Granted the consent of Congress to any two or more States to enter into agreements or compacts for cooperative effort and mutual assistance in the prevention of crime and in the enforcement of their respective criminal laws and policies, and to establish such agency, joint or otherwise, as they may deem desirable for making effective such agreements or compacts.

## THE ARREST FACILITATION ACT

(Approved June 6, 1934. Public Law No. 295)

Provided that during an emergency period of 2 years cities and local taxing units might petition Federal courts for approval of or any State or of the District of Columbia the sum of \$25,000,

to be spent in the discretion of the Attorney General of the United States.

Inited States.

Appropriated an additional \$25,000 as a reward or rewards for information leading to the arrest of any such person.

Provided that if any such persons shall be killed in resisting lawful arrest the Attorney General may pay any part of the reward to the persons he shall adjudge entitled to receive them, but no part of the appropriation shall be paid to any employee of the Department of Justice.

#### THE NATIONAL STOLEN PROPERTY ACT

(Approved May 22, 1934. Public Law No. 246)

Extended the provisions of the National Motor Vehicle Theft Act of 1919 to other stolen property.

Provided for \$10,000 fine or 10 years' imprisonment, or both, for those who transport or cause to be transported any stolen goods, wares or merchandise, securities, or money valued at \$5,000 or over; also the same punishment for receiving, concealing, storing, bartering, selling, or disposing of such goods.

#### Congress terms

THE TWENTIETH AMENDMENT ADJUSTMENT ACT

(Approved June 5, 1934. Public Law No. 286)

Provided for changing the time of the meeting of Congress, the beginning of the terms of Members of Congress, and the time when the electoral votes shall be counted, and for other changes necessitated by the adoption of the twentieth or "lame duck" amendment to the Constitution.

#### Veterans

#### THE ECONOMY ACT OF 1933

(Approved Mar. 20, 1933. Public Law No. 2)

Repealed existing laws relating to benefits for World War and

Repealed existing laws relating to benefits for World War and Spanish War veterans and authorized the President to establish a new pension system within broad limits.

Designated four groups as entitled to pensions: (a) Veterans with service-connected disabilities; (b) nonservice connected of veterans of all wars since the Civil War where such disabilities were permanent; (c) widows and children of those who served in any war since the Civil War, except the World War; (d) widows and children of men who died as a result of service-connected intuities.

Retained on the pension rolls, under mandatory provisions, all veterans actually disabled in the World War, and Spanish War veterans to whom pensions had been granted because of age.

Reenacted the existing maximum and minimum rates for disabilities and deaths; \$6 to \$275 a month in the case of disability and \$12 to \$75 in the case of death.

Authorized the President to make regulations granting pensions, fixing degree of disability and prescribing service connection, and reduced Civil War pensions by 10 percent.

Reduced salaries of Senators and Representatives from \$10,000 to \$8,500 a year and authorized the President to reduce all other Federal salaries as much as 15 percent on the basis of reduction in the cost of living since 1928, these salary cuts being limited to be effective until June 30, 1934.

Directed the President to impound and return to the Treasury

Directed the President to impound and return to the Treasury all moneys saved under this act.

# THE INDEPENDENT OFFICES APPROPRIATION ACT

(Passed over Presidential veto Mar. 28, 1934. Public Law No. 141)

Provided for the restoration of the 15 percent pay cut of Federal employees on the basis of 5 percent as of February 1, 1934; 5 percent on July 1, 1934, and the remaining 5 percent at the discretion of the President upon the basis of cost-of-living studies.

Increased the compensation of employees of the Federal Government \$125,000,000 over President Roosevelt's Budget estimates for the transcrete.

that purpose.

Provided more liberal benefits for veterans for the remainder of the fiscal year 1934 and the entire fiscal year of 1935, the increased benefits so awarded being estimated by the Budget Bureau as totaling \$103,000,000 and embracing increased payments to World War veterans admittedly disabled in service, increased payments to 29,000 presumptives, pending disposal of their cases on appeal, increased payments to Spanish-American War veterans, and miscellaneous items for pensions prior to the War of 1898.

## Employment

#### THE WAGNER NATIONAL EMPLOYMENT SYSTEM ACT (Approved June 6, 1933. Public Law No. 30)

Provided for the establishment of a national employment system and for cooperation with the States in the promotion of such a system by creating in the Department of Labor a bureau known as the "United States Employment Service" under a director appointed by the President with Senate consent.

Empowered the Federal Government to coordinate the activities of State employment services and, where States do not establish a system of their own, to take the first steps in that direction.

Authorized an appropriation of \$1,500,000 for the first year and \$4,000,000 annually thereafter, three-fourths of this money to be distributed to the States to assist in maintaining the employment services, on condition that the States appropriate an equal amount, the rest to go for administrative numbers. the rest to go for administrative purpos

### THE ROADS EMPLOYMENT ACT

(Before the President for signature)

Provided for the increase of employment by authorizing appro priations for emergency construction of public highways and related projects.

Authorized appropriations of \$300,000,000 for road work in the fiscal year 1935, and \$100,000,000 in the fiscal year 1936, and provided that neither of these grants would have to be matched by the States. In addition there has been provided Federal aid of \$125,000,000 for road work in each of the fiscal years 1936 and 1937, which must be matched by the States.

Appropriated \$24,000,000 to be spent during each of the next 3 fiscal years on forest highways, main roads through public lands, roads and trails in national parks, and Indian reservation roads

#### Home financing

THE HOME OWNERS' REFINANCING ACT (Approved June 13, 1933. Public Law No. 43)

Provided for the creation of the Home Owners' Loan Corporation, with \$200,000,000 of capital to be provided by the R.F.C. and authorization to issue \$2,000,000,000 in bonds to exchange

Stipulated that the maximum aid to be given to a home owner by the corporation, through exchange of bonds for mortgages, would be the equivalent of 80 percent of the value of the mortgaged property, not exceeding \$14,000; the corporation, in this refinancing, to exchange its bonds up to the permitted maximum for mortgages; the bonds to bear Government-guaranteed interest of 4 percent

of 4 percent.

Authorized the corporation, after making such an arrangement, to collect from the home owners interest at 5 percent on the refinanced mortgages, the home owners to amortize these loans

financed mortgages, the home owners to amortize these loans within 15 years.

Provided that home owners unable to benefit by this procedure, through the reluctance of mortgage holders, might borrow up to 40 percent of the value of their properties for the purpose of reducing to that extent their indebtedness, these loans in no event to exceed 6 percent annually.

Authorized cash loans up to 50 percent of the value of homes where comparatively small debts were held against such properties.

Provided for limited loans to recover homes for original owners

Provided for limited loans to recover homes for original owners who might have lost them by foreclosure or forced sale in 2 years preceding the act.

## THE HOME OWNERS' LOAN ACT OF 1934

(Approved Apr. 27, 1934. Public Law No. 178)

Authorized the issuance of \$2,000,000,000 of bonds by the Home Owners' Loan Corporation which might be sold or exchanged for mortgages.

Provided that bonds be guaranteed as to principal as well as interest by the United States.

Provided that the Secretary of the Treasury might buy and sell these bears are the controlled to th

Provided that the Secretary of the Treasury Hight buy and sent these bonds substantially as other Government bonds.

Stipulated that the Corporation should only have power to refund home mortgages in cases where the home owner was involuntarily in default at the time the Home Owners' Loan Act of 1933 took effect and was now unable to refinance his home mortgage indebtedne

Permitted the Corporation to advance cash in an aggregate not exceeding \$200,000,000, not only to make necessary repairs, but also for rehabilitation, modernization, rebuilding, and enlargement of

Authorized the Corporation to grant an extension of principal or

interest to a home owner where justified, but eliminated the 3-year compulsory moratorium in the act of 1933.

Provided for the redemption of homes lost by the owner subsequent to January 1, 1930, instead of limiting such redemption cases to homes lost within 2 years prior to the refunding by the Corporation.

Authorized the Home Owners' Loan Corporation to buy bonds and debentures of Federal home-loan banks and to make advances to such banks, but provided that not exceeding \$50,000,000

be invested or advanced in this manner.

Amended the Federal Farm Mortgage Corporation Act of 1934 to provide that the bonds of such corporation should not be issued

in excess of its assets.

#### THE NATIONAL HOUSING ACT (Before the President for signature)

Provided a comprehensive program of home financing and mortgage insurance and that financial institutions which make loans for the purpose of financing alterations, repairs, and improvements upon real property are to be insured up to 20 percent of the total of such loans.

Established a program of mutual mortgage insurance under which first mortgages on residential property which are amortized may be insured up to \$16,000 in any case and up to 80 percent of appraised value of the property.

Authorized the establishment of national mortgage associations, each with a capital of not less than \$5,000,000, with authority to purchase and sell first mortgages and borrow money through the

issue of securities.

Created a corporation under the supervision of the Federal Home Loan Bank Board to insure accounts of members of the Federal loan-bank system, except mutual savings banks, and which is required to insure accounts of Federal savings-and-loan associations established under authority of the Home Owners' Loan Act of 1933.

Loan Act of 1933.

Provided for the appointment of a national housing administrator and to handle the housing renovation and modernization, the mutual-mortgage insurance, and also the national-mortgage association features of the act.

Limited to an aggregate of \$200,000,000 the total liability to be incurred by the administrator for the insurance of financial institutions.

Created a Savings & Loan Insurance Corporation with a capital of \$100,000,000 (M) to insure the accounts of Federal savings-andloan associations.

#### THE INSURANCE COMPANY LOAN ACT

(Approved June 10, 1933. Public Law No. 35)

(Approved June 10, 1933. Public Law No. 35)

Authorized the Reconstruction Finance Corporation to subscribe to insurance company preferred stock of any class, exempt from assessment or additional liability, and providing a revolving fund of \$50,000,000 for that purpose, the object being to relieve the financial strain on insurance companies due in part to the banking situation; also permitted the Reconstruction Finance Corporation to make loans upon such stock.

Stipulated the condition, with respect to such loan or stock purchases, that the insurance company should have unimpaired capital stock or should furnish new capital equal in amount and subordinate to that bought by the Reconstruction Finance Corporation; that no officer or employee of the insurance company should receive aggregate compensation in excess of \$17,500 annually or in excess of what appeared reasonable to the Reconstruction Finance Corporation; and that the insurance company must not increase salaries nor retire stock or other obligations while its obligation to the Reconstruction Finance Corporation continued.

Empowered the Reconstruction Finance Corporation to make loans to State workmen's compensation funds or State funds for insurance of deposits of State or political subdivisions until January 23, 1934, provided dividends or other payments from depository should be assigned to the Reconstruction Finance Corporation. Amended the Emergency Relief and Construction Act of 1932 so as to authorize loans for repair or reconstruction of private property; also similar loans to municipalities or public agencies authorized, regardless of constitutional or other legal inhibitions affecting the collateral.

the collateral.

Defined self-liquidating construction as any such project the cost of which should be returned through taxation or other means

within 20 years.

Amended the Emergency Financing Act of January 22, 1932, so as to permit the Reconstruction Finance Corporation to make loans to trustees of railroads reorganized under section 77 of the Bankruptcy Act of March 3, 1933.

#### Labor

## THE KICK-BACK RACKET ACT

(Approved June 13, 1934. Public Law No. 324)

Made it unlawful to prevent anyone from receiving the compenmade it unlawful to prevent anyone from receiving the compensation contracted for in connection with the construction of public works financed by loans or grants from the United States Government. The act was aimed at the so-called "kick-back racket", by which a contractor pays wages at the rate required by the Government but forces employees to give back part of the wages. Prescribed a maximum penalty of \$5,000 fine or imprisonment for 5 years, or both.

#### THE LABOR DISPUTES JOINT RESOLUTION

(Before the President for signature)

Authorized the President to establish a board or boards to investigate issues, facts, practices, and activities of employers or employees in controversies arising under section 7a of the National Industrial Recovery Act or which are burdening or obstructing, or threatening to burden or obstruct, the free flow of interstate

Empowered any board so established to conduct an election by secret ballot of any of the employees of any employer to determine by what person, persons, or organization they desire to be represented in order to insure the right of employees to organize and to select their representatives for the purposes of collective bargaining as defined in section 7a.

Provided that any such board, with Presidential approval, may prescribe such rules and regulations as it deems necessary to assure freedom from coercion in respect to all elections.

Limited the life of the Board or Boards established under the resolution to 1 year from June 16, 1934, unless the President by proclamation or Congress by joint resolution should before June 15, 1935, declare that the emergency recognized by section 1 of the National Industrial Recovery Act has ended.

Liquor

## Liquor

### THE BEER-WINE REVENUE ACT

(Approved Mar. 22, 1933. Public Law No. 3)

Granted permission to brewers and wine makers to take out immediate manufacturing permits and levied a tax of \$5 on every barrel containing not more than 31 gallons.

Reenacted portions of the Webb-Kenyon Act as a protection to Reenacted portions of the Webb-Kenyon Act as a protection to States whose laws prohibited liquors of more alcoholic content than 3.2 percent by weight, modified all sections of the Volstead and other acts relating to liquor, and left to States all regulatory and control measures, including method of distribution.

Imposed no restrictions other than protection to dry States on beer and wine of 3.2 percent of alcohol by weight or 4 percent by volume.

Required wholesalers to take out annual permits at \$50 each and retailers at \$20 each. Allowed advertising of fermented liquors by newspapers, magazines, radio, and other methods.

Made the Hawley-Smoot Act's import duties applicable to im-

portations.

#### THE LIQUOR TAXING ACT OF 1934

(Approved Jan. 11, 1934. Public Law No. 83)

Designed to yield \$500,000,000 annually in revenue.

Designed to yield \$500,000,000 annually in revenue.

Imposed taxes as follows: Distilled spirits, \$2 per gallon; beer, \$5 a barrel; wine up to 14 percent alcoholic content, 10 cents a gallon; up to 21 percent, 20 cents; 24 percent, 40 cents; and over 24 percent, the same as spirits, \$2; champagne, 5 cents half pint; artificial carbonated wine and liqueurs, cordials, and sweet wine fortified with brandy, 2½ cents half pint; grape brandy and wine spirits used in fortifying wines, 20 cents gallon.

Amended the Reed Law of 1917 to permit publications carrying liquor advertising to circulate in dry States.

DISTRICT OF COLUMBIA ALCOHOLIC BEVERAGE CONTROL ACT (Approved Jan. 24, 1934. Public Law No. 85)

Permitted sale of alcoholic beverages in District of Columbia under a licensing system.

Prohibited delivery outside the District of Columbia in violation

of the law of the place of delivery.

Provided for an Alcoholic Beverage Control Board with full power to issue, transfer, and revoke licenses.

#### Prohibited drinking in public places.

#### Money

#### THE GOLD REPEAL JOINT RESOLUTION

(Approved June 5, 1933. Public Resolution No. 10)

Canceled the gold clause in all Federal and private obligations and made them payable in legal tender.

Repealed the final sentence of paragraph 1 of subsection b of the Agricultural Adjustment Act, Farm Relief, and Inflation Act of May 12, 1933, to provide that all coins and currencies of the United States, including Federal Reserve notes of the Federal Reserve banks and national banking associations, should be legal tender for all debts, public and private, public charges, taxes, and duties, except that gold coins, when below the standard weight and limit of tolerance provided by law for the single piece, should be legal tender only at valuation in proportion to their actual weight.

#### THE GOLD RESERVE ACT OF 1934

(Approved Jan. 30, 1934. Public Law No. 87)

Authorized the President to revalue the dollar at 50 to 60 percent of its existing statutory gold equivalent.

Created a \$2,000,000,000 stabilization fund out of the increased value of the gold accruing as a result of devaluation of the dollar, placing it in the sole charge of the Secretary of the Treasury and vesting him with authority to expend it in virtually any transactions he might deem necessary for stabilizing the dollar abroad. Declared the coinage of gold at an end, the metal to be held in bullion form in the Treasury as backing for paper currency. Vested in the Treasury of the United States the title to all the Nation's monetary gold stocks, including \$3,500,000,000 held by the Federal Reserve banks.

Federal Reserve banks.

Removed several then existing restrictions upon the issuance of Government securities, provided that any type of Government obligation might be purchased with any other type, and that securities might be sold privately, and authorized the issuance of \$2,500,000,000 additional Treasury notes.

Authorized the President (in the Pittman silver amendment), first, to pay for newly mined silver in certificates instead of in silver dollars; second, to issue certificates against the silver bullion which the Treasury would be thus amassing; third, to issue certifi-cates against all free silver held in the vaults of the Treasury; fourth, to reduce the weight of the silver dollar in such amounts as might be necessary to maintain a parity with the gold dollar under the new revaluation policy; and, fifth, to increase the seigniorage, or mint fee, for coinage of foreign silver or silver not produced in the United States or its dependencies.

## THE SILVER PURCHASE ACT

## (Before the President for signature)

Declared it to be the policy of the United States that the proportion of silver to gold in the monetary stocks of the United States should be increased, with the ultimate objective of having and maintaining one-fourth of the monetary value of such stocks in silver.

Authorized and directed the Secretary of the Treasury, whenever the proportion of silver in the stocks of gold and silver of the United States is less than one-fourth of the monetary value of such stocks, to purchase silver, at home or abroad, for present or future delivery, at such rates and times and upon such terms as he may deem reasonable and most advantageous to the United States; but provided that no purchase of silver should be made as he may deem reasonable and most advantageous to the United States; but provided that no purchase of silver should be made at a price in excess of its monetary value, and that no purchase of silver situated in the United States on May 1, 1934, should be made at a price in excess of 50 cents a fine ounce.

Authorized the Secretary of the Treasury, with approval of the President, to sell any silver acquired under the terms of the act, at such rates and times and upon such conditions as he deemed reasonable and advantageous, whenever the market price of silver

exceeded its monetary value or the monetary value of the stocks of silver is greater than 25 percent of the monetary value of the stocks of gold and silver.

Authorized and directed the Secretary of the Treasury to issue and place "in actual circulation" silver certificates in such denominations as he might prescribe.

denominations as he might prescribe.

Provided that the Treasury should maintain as security for all silver certificates heretofore and hereafter issued, and at the time outstanding, an amount of silver bullion and standard silver dollars equal to the face value of the silver certificates.

Stipulated that all silver certificates should be legal tender for all debts, public and private, public charges, taxes, duties, and dues, and should be redeemable on demand at the Treasury in standard silver dollars.

Vested in the Secretary of the Treasury, with approval of the President, the power to investigate, regulate, and prohibit, by license or otherwise, the acquisition, importation, exportation, or transportation of silver, "and of contracts and other arrangements made with respect thereto", and to require reports as to the facts involved, whenever necessary to effectuate the policy of the law; violations to be punishable by maximum fine of \$10,000 or not over 10 years' imprisonment, or both.

Authorized the President, by Executive order to require the

Authorized the President, by Executive order, to require the delivery to the mints of "any or all" silver by whomever owned or possessed, this silver to be coined into silver dollars or otheror possessed, this silver to be coined into silver dollars or otherwise added to the monetary stocks as the President may determine; and, provided that there should be returned therefor in standard silver dollars, or any other coin or currency of the United States, the monetary value of the silver so delivered less deductions for seigniorage, brassage, coinage, or other mint

charges.

Provided that silver withheld in violation of this provision be forfeited to the Government and, in addition, persons failing to comply with the provision be subject to a penalty equal to twice the monetary value of the silver withheld.

Amended the stamp-tax provisions of existing law to provide a transfer tax on silver bullion equal to 50 percent of the difference between the price for which any interest in silver is to be transferred and the cost of the bullion, plus allowed expenses. Authorized the Commissioner of Internal Revenue to rebate the tax on certain transactions in silver which are not of a speculative character.

tive character.

#### Munitions

## THE ARMS SALE RESOLUTION

(Approved May 23, 1934. Public Resolution No. 28)

Provided that if the President issued a proclamation to the effect that the prohibition of the sale of arms and munitions of war in the United States to countries engaged in armed conflict in the Chaco might contribute to the reestablishment of peace between the belligerents, it should be unlawful, except under such exceptions as the President might prescribe, to sell any arms or munitions of war in any place in the United States to the coun-tries engaged in the Chaco conflict or to anyone acting in the interest of either of these countries.

Fixed a maximum penalty of \$10,000 fine or 2 years' imprison-

ment, or both.

## National defense

# THE NATIONAL GUARD ACT OF 1933

(Approved June 15, 1933. Public Law No. 64)

Amended the National Defense Act of June 3, 1916, so as to make the National Guard a part of the Army of the United States subject to order to active duty by the President in time of war or when Congress declares a national emergency to exist.

#### THE VINSON NAVAL PARITY BILL

(Approved Mar. 27, 1934. Public Law No. 135)

Approved bullding the Navy up to and not beyond the limits in various types of ships authorized, first, by the Washington Naval Limitation Treaty of February 6, 1922, and, secondly, by the London Naval Limitation Treaty of April 22, 1930.

Appropriated no money for such construction.

Authorized the President, subject to the provisions of the London and Washington treaties, to undertake prior to December 31, 1936, the construction of a 15,000-ton plane carrier, 99,200 tons of destroyers, and 35,530 tons of submarines to replace over-

Authorized the President to replace vessels in the Navy in the categories limited by the Washington and London treaties when their replacement is permitted by these treaties and to procure the

necessary aircraft for vessels and other purposes in numbers commensurate with a treaty navy.

Prohibited contracts unless contractors would agree to a 10-percent net-profit limit on vessels and aircraft, their books and records to be constantly open to Federal inspection.

## THE MARINE CORPS PERSONNEL ACT

# (Approved May 29, 1934. Public Law No. 263)

Provided for the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps.

Applied the Navy system to the Marine Corps by placing the latter's commissioned personnel under the laws governing the line commissioned personnel of the Navy, stipulating that of the authorized number of officers above the grade of colonel, one shall be the major general commandant, two-thirds shall be brigadier generals and the remainder shall be major generals.

Provided that the heads of staff departments should be brigadier generals while so serving, that promotion to major general of the line shall be by the President from brigadier generals, that no marine officer shall be recommended for advancement unless receiving the recommendation of two-thirds of the members of the selection board and that selection of an officer for promotion shall not be incorrelated by duty in a staff department. not be jeopardized by duty in a staff department, aviation or other technical specialty.

#### THE NAVY PROMOTION ACT

(Approved May 29, 1934. Public Law No. 264)

Extended to the grades of lieutenant commander and lieutenant the provisions of existing law with reference to promotion by selection in the line of the Navy and the retirement of officers not on

tion in the line of the Navy and the retirement of officers not on the promotion list or found professionally not qualified.

Authorized the President to appoint as ensigns in the line of the Navy all midshipmen thereafter graduating from the Naval Academy, also the appointment as ensigns of midshipmen who were graduated in the class of 1933 and who received a certificate of graduation and an honorable discharge.

Repealed the clauses in the act of May 6, 1932, which provided for the commissioning of not more than 50 percent of each class graduating from the Naval Academy beginning with the class of 1933.

## THE FOREIGN STATIONS ACT

(Approved May 29, 1934. Public Law No. 266)

(Approved May 29, 1934. Public Law No. 266)
Repealed the provision in the act of March 3, 1933, which required assignment of officers of the Army, Navy, and Marine Corps to permanent duty in the Tropics and at certain foreign stations to be for not less than 3 years.

Amended existing law to provide that no officer or enlisted man of the Army should, except upon his own request, be required to serve in a single tour of duty for more than 2 years in the Philippine Islands, on the Asiatic station, or in China, Hawaii, Puerto Rico, or the Panama Canal Zone, except in case of insurrection of actual or threatened hostilities, and except in the discretion of the Secretary of War for temporary emergencies.

#### Nationality

#### THE EQUAL NATIONALITY ACT

(Approved May 24, 1934. Public Law No. 250)

Amended the Cable Immigration Act of 1922 relative to citizeneship and naturalization so as to remove all discrimination against women in the nationality laws.

Granted to mothers the power to transmit American citizenship

to children born abroad.

Equalized the law for men and women in the matter of renouncing citizenship upon marrying an alien; transmission of citizenship by naturalized citizens, and the time required for an alien marrying an American citizen to acquire citizenship.

#### Philippines

## THE TYDINGS-M'DUFFIE PHILIPPINE INDEPENDENCE ACT (Approved Mar. 24, 1934. Public Law No. 127)

(Approved Mar. 24, 1934. Public Law No. 127)

Provided for recognition of complete Philippine independence and withdrawal of American sovereignty on the 4th of July immediately following the expiration of 10 years from the inauguration of the new Philippine government provided for in the act.

Requested the President to negotiate with foreign powers for the perpetual neutralization of the Philippines if and when independence shall have been achieved.

Authorized a constitutional convention to meet not later than October 1, 1934, to frame a constitution for the islands, republican in form, and containing a bill of rights.

Stipulated that prior to withdrawal of American sovereignty and setting up complete independence there must be adopted a constitution of the government of the Commonwealth of the Philippines, this temporary government to be autonomous and subject to reservations designed to safeguard the sovereignty and responsibilities of the United States.

Contemplated the abandonment of United States military reservations when complete independence is recognized and for negotiations concerning our naval bases and fueling stations in the

tiations concerning our naval bases and fueling stations in the

Permitted some Philippine products to be sent into the United States duty free in limited quantities until American sovereignty is withdrawn.

Limited to a maximum annual quota of 50 immigrants from the Philippines to the United States pending complete inde-

#### THE PHILIPPINE CURRENCY RESERVE ACT (Before the President for signature)

Authorized and directed the Secretary of the Treasury to estab-Authorized and directed the Secretary of the Treasury to establish on the books of the Treasury a credit in favor of the treasurer of the Philippine Islands for \$23,862,750.78, being an amount equal to the increase in value (resulting from the reduction of the weight of the gold dollar) of the gold equivalent, at the opening of business on January 31, 1934, of the balances maintained at that time in banks in the continental United States by the government of the Philippine Islands for its gold standard fund and its treasury certificate fund.

Appropriated out of the receipts covered into the Treasury

Appropriated out of the receipts covered into the Treasury under section 7 of the Gold Reserve Act of 1934, by virtue of the reduction of the weight of the gold dollar by proclamation of the President on January 31, 1934, the amount necessary to establish the credit of \$23,862,750.78.

## Power development

THE TENNESSEE VALLEY AUTHORITY ACT (Approved May 18, 1933. Public Law No. 17)

Created the Tennessee Valley Authority to maintain and operate properties owned by the United States near Muscle Shoals, Ala., in the interest of national defense and for the agricultural and industrial development of the Tennessee Valley and to improve navigation in the Tennessee River and control the flood waters of the Mississippi and Tennessee Rivers. Authorized the Tennessee Valley Authority to acquire real estate

Authorized the Tennessee Valley Authority to acquire real estate and build dams, power houses, reservoirs, transmission lines, and power projects; unite power installations into one or more transmission line systems, contract with commercial producers for fertilizers, manufacture experimental fertilizers, make and sell explosives to the Government at cost, produce, sell, and distribute power; lease nitrate plant no. 2 for private manufacture of fertilizer; sell \$50,000,000 of 3½-percent 50-year bonds to finance improvements and, with Presidential approval, to complete Dam No. 2 and the steam plant at the no. 2 nitrate plant at Muscle Shoals. Ordered the construction of the Cove Creek Dam across the Clinch River in Tennessee, with a power transmission line from Muscle Shoals.

Muscle Shoals.

## THE ELECTRIC RATE INVESTIGATION RESOLUTION

(Approved Apr. 14, 1934. Public Resolution No. 18)

Directed the Federal Power Commission to investigate and compile the rate charged for electric energy and its service to residential, rural, commercial, and industrial consumers throughout the United States by private and municipal corporations and to report to Congress.

#### Public utilities

#### THE PUBLIC UTILITIES REVIEW ACT

(Approved May 14, 1934. Public Law No. 222)

Amended section 24 of the Judicial Code with respect to the jurisdiction of district courts of the United States over suits relating to orders of State administrative boards.

Provided that no district court should have jurisdiction of any

suit to enjoin, suspend, or restrain the enforcement, operation, or execution of any order of an administrative board or commission of a State or any rate-making body of any State political subdivision, or to enjoin, suspend, or restrain any action in compliance with any such order, where jurisdiction is based solely upon the ground of diversity of citizenship, or the repugnance of such order to the Constitution of the United States, where such order (1) affects rates chargeable by a public utility, (2) does not interfere with interstate commerce, and (3) has been made after reasonable notice and hearing, and where a plain, speedy, and efficient remedy may be had at law or in equity in the courts of the State.

#### Railroads

## THE EMERGENCY RAILROAD TRANSPORTATION ACT OF 1933 (Approved June 16, 1933. Public Law No. 68)

Established a system of railroad control, headed by a Federal Coordinator of Transportation to work in cooperation with the roads and with labor to effect economies, but not at the expense of

wage earners.

Provided that appeals from the decisions of this Coordinator, appointed by the President with Senate consent, might be taken to the Interstate Commerce Commission, his orders, unless revoked by the Commission, to have the force and effect of orders of the

Authorized the creation of 3 coordinating committees to operate Authorized the creation of 3 coordinating committees to operate with the coordinator, 1 each for the eastern, southern, and western groups of roads, each committee containing 7 members, 5 representing the major roads, 1 representing steam roads with operating revenues under \$1,000,000 in 1932 and another representing electrical systems not connected with steam railways. The act provided that the railroads were to be assessed \$1.50 a mile to

Required the coordinator and the committees to encourage, promote, and require action by the carriers to avoid waste and preventable expense; to promote financial reorganization of the carriers, with due regard to legal rights, to reduce fixed charges to the extent required by public interest and improve carrier credit, and also to provide for the immediate study of other means of improving conditions surrounding transportation in all its forms. Set aside the antitrust laws whenever necessary to carry out the

coordinator's orders.

#### THE RAILROAD ASSESSMENT ACT

## (Approved June 13, 1934. Public Law No. 340)

Amended the Emergency Transportation Act of 1933 to increase from \$1.50 to \$2 a mile, for the year beginning June 16, 1934, the assessment on the railroad companies to meet the expenses of the Federal Coordinator of Transportation.

#### RAILROAD RETIREMENT ACT

## (Before the President for signature)

Provides a retirement system for railroad employees for the purpose of caring adequately for aged workers, promoting efficiency and safety in interstate transportation, and making possible more rapid advancement of employees.

Makes the duty of all carriers and employees subject to the act to perform and fulfill the obligations it imposed.

Stipulates that each employee attaining the age of 65, or completing 30 years' service, shall receive an annuity, to begin not more than 60 days after application. The annuity would be based

on the service period of the employee and is to be the sum of the amounts determined by multiplying the number of years of service, not exceeding 30 years, by the following percentages of the monthly compensation: 2 percent of the first \$50, 1½ percent of the next \$100, and 1 percent of the compensation in excess of \$150. The "monthly compensation" is to be the average of the

monthly pay of the employee, but no part of any monthly pay in excess of \$300 is to be recognized in determining an annuity.

Provides for compulsory retirement at the age of 65, but a carrier and employee by written agreement may extend the time for retirement for successive 1-year periods, but not beyond the age

Provides that employees and carriers contribute toward the 'railroad retirement fund", to be kept in the United States Treasury,
Creates a Railroad Retirement Board to administer the act.

## Recovery

## (Approved June 16, 1933. Public Law No. 67)

Declared it to be the policy of Congress, in the then existing national emergency of wide-spread unemployment and disorganization of industry, to encourage national industrial recovery, to foster fair competition, and provide for the construction of useful public

Covered all industries engaged in or affecting interstate or foreign commerce and provided for a comprehensive program of public works.

Created the National Recovery Administration, the Industrial Recovery Board, the Federal Emergency Administration of Public Works and Board.

Relieved industries or integral units, during the emergency, from antitrust restrictions provided that they were to function under codes of fair competition, voluntary or imposed, agreements, or licenses.

Provided for the adoption of voluntary codes, subject to the President's approval, if the adopting body was of open, representative membership, if the code did not promote discriminations or monopolistic practices and provided labor was protected by rights to collective bargaining, prohibition of "yellow dog" contracts, and establishment of maximum hours, minimum rates

of pay, and proper working conditions.

Provided that codes might be imposed by the President, upon his own initiative or complaint, after public hearing, to eliminate

abuses inimical to the public.

Authorized employer-employee agreements on maximum hours, minimum rates of pay and working conditions, standards so established to have the same effect as codes of fair competition. To avoid administrative conflict with the Agricultural Adjustment Act, authorized the President to delegate to the Secretary of Agriculture any of his powers and functions with respect to trades, industries, or subdivisions engaged in handling agricultural commodities.

Empowered the Federal Trade Commission, on the President's request, to conduct any necessary investigations.

Provided that violations of codes, agreements, or licenses should be deemed unfair competition, to be restrained by United States district courts upon application of the Attorney General or dis-

rict attorneys.

Provided for petroleum control, empowering the Interstate Commerce Commission, upon the President's order, to institute proceedings to control pipe lines and fix rates, and that interstate transportation of petroleum drawn from storage in excess of amount permitted by State law or regulations might be prohibited.

Stipulated that the Federal Emergency Administration for Public Works might function for 2 years, and authorized its Administrator to prepare a program covering highways, water systems, conservation and development of natural resources, prevention of soil erosion, water-power and electric-transmission development, river and harbor improvements, flood control, low-cost velopment, river and harbor improvements, flood control, low-cost housing and slum clearance, and, subject to suspension under treaty, naval and aircraft construction, Army housing, motorization, and mechanization.

Terminated loans under the Emergency Act of 1932 and decreased the Reconstruction Finance Corporation's outstanding obligations \$400,000,000.

ligations \$400,000,000.

Appropriated \$3,000,000,000; established a 2½-percent sinking fund; allotted \$400,000,000 for State highways and \$50,000,000 for national-forest, Indian-reservation, and public-land roads; provided a \$25,000,000 revolving fund for subsistence homestead loans to facilitate population redistribution.

Provided for revenue from these sources: Gasoline tax increased from 1 to 1½ cents; 5-percent excise tax on dividends paid to anyone other than domestic corporation; \$1 per \$1,000 excise tax on corporation capital, domestic or foreign, employed in United States; 5-percent excess-profits tax; all to terminate on President's proclamation at close of first fiscal year that Budget is balanced or upon repeal of the eighteenth amendment, whichever should come earlier.

Effective January 1, 1933, amended the Revenue Act of 1932 to eliminate net-loss deductions for the previous year and increased the consolidated corporation returns added tax from three-fourths to 1 percent for 1934 and 1935.

## THE CIVIL WORKS EMERGENCY RELIEF ACT

## (Approved Feb. 15, 1934. Public Law No. 93)

Appropriated an additional \$950,000,000, available until June 30, 1935, for continuation of the Civil Works program and for direct relief purposes under authority of the Federal Emergency Relief Act of 1933.

Authorized the Federal Emergency Relief Administrator to make grants for relief within any State directly to such public agency as he might designate.

THE RECONSTRUCTION FINANCE CORPORATION EXTENSION ACT (Approved Jan. 20, 1934. Public Law No. 84)

Continued the functions of the Reconstruction Finance Corporation as a lending body for 1 year, or until February 1, 1935, after which it would become only a liquidating corporation.

Increased the borrowing power of the Reconstruction Finance Corporation by \$850,000,000.

#### THE R.F.C. EXPORTS RESOLUTION

(Approved Mar. 26, 1934. Public Resolution No. 17)

Declared it to be the sense of Congress that in any loans made by the Reconstruction Finance Corporation or other Federal instrumentality to foster exports of agricultural or other products provision should be made that such products should be carried exclusively in vessels of the United States, unless the Shipping Board Bureau, after investigation, certified to the Reconstruction Finance Corporation that such vessels were not available in sufficient numbers, or on necessary sailing schedule, or at reasonable rates.

#### Relief

THE WAGNER-LEWIS \$500,000,000 EMERGENCY RELIEF ACT (Approved May 12, 1933. Public Law No. 15)

Authorized the Reconstruction Finance Corporation to make \$500,000,000 available out of its funds for emergency relief purposes to be spent by the Federal Emergency Relief Administration created by the act.

Increased by \$500,000,000 the amount of notes, debentures, bonds, or other obligations which the Reconstruction Finance Corporation was authorized by section 9 of the Reconstruction Finance Corporation Act to have outstanding at any one time.

Provided that 10 days after the Federal Emergency Relief Administrator had taken office all unobligated balance of the funds authorized under title I of the Emergency Relief and Construction Act of 1932 should be available for the purposes of the Wagner-Lewis Act and that after that date no application for funds under that title should be approved by the Reconstruction Finance Corporation, but that the Federal Emergency Relief Administrator should consider and certify to the Reconstruction Finance Corporation the payments to be made to States for relief work.

#### THE CIVILIAN CONSERVATION CORPS REFORESTATION RELIEF ACT (Approved Mar. 31, 1933. Public Law No. 5)

Authorized the President to provide work for unemployed American citizens in the construction of works of a public nature in connection with the reforestation of lands belonging to the United States or to the States, the prevention of forest fires, soil erosion, plant pest and disease control, and the construction and repair of trails and fire lanes in the national and State forests, turnishing these citizens with subsistence coloring regions. furnishing these citizens with subsistence, clothing, medical attention, hospitalization, and cash allowances.

Carried no direct appropriation, but authorized the President to use unobligated moneys previously appropriated for public works estimated at \$148,956,000.

Waived the limit of relief loans by the Reconstruction Finance Corporation to the States, the limit having been set originally at 15 percent of the \$300,000,000 fund established by the Unemployment Relief Act of 1932.

Provided that the President's authority under the Civilian Conservation Corps Act should continue until March 31, 1935.

# THE EMERGENCY DEFICIENCY ACT

## (Before the President for signature)

Appropriated a total of about \$1,750,000,000 (b) to provide general, supplemental general, and emergency appropriations, of which \$899,000,000 (m) is for the emergency relief and public works, \$525,000,000 (m) for drought relief, and \$65,000,000 (m) for roads. In addition, authority is granted to the Emergency Relief and Public Works Administrations to draw on the Reconstruction Finance Corporation for another \$500,000,000 (m).

### Securities

#### THE SECURITIES ACT OF 1933

#### (Approved May 27, 1933. Public Law No. 22)

Required filing with the Federal Trade Commission and for transmission to prospective investors the fullest possible informa-tion concerning new security issues sold in interstate commerce

or through the mails.

Provided for the filing with the Commission of sworn stateents, including, among other things, all commissions or discounts paid or to be paid, directly or indirectly, by the issuer to the underwriter, a full description of all factors surrounding the physical issuance of the securities, names of directors and officers of the issuing company, names of holders of 10 percent or more of prior securities issued by the company, a detailed description of the business and financial condition of the company, and the salaries

Provided for the lapse of 20 days after the filing of the sworn statement before the projected security could be sold or even promoted.

Carried penalties for violation of the act.

# THE SECURITIES EXCHANGE ACT OF 1934

(Approved June 6, 1934. Public Law No. 291)

Provided for the regulation of securities exchanges and over-the-counter markets operating in interstate and foreign commerce and through the mails and the prevention of inequitable and unfair practices on such exchanges and markets.

Granted far-reaching control over the exchanges to the Federal Government and undertook to curb excessive speculation and unethical practices and protect investors.

unethical practices and protect investors.

Established a bipartisan Securities and Exchange Commission of five members, appointed by the President with Senate consent, to administer the act and also to take over from the Federal Trade Commission the administration of the Securities Act of 1933.

Required the licensing of all stock exchanges and the registration of all listed securities with the new Commission, the registration statement to contain 10 categories of facts, set out in the act, and any further financial statements which the Commission might deem necessary. Corporations with registered securities to be required in addition to file periodical reports certified by independent public accountants. ent public accountants.

ent public accountants.

Defined the functions of dealers, brokers, and specialists, banned manipulative practices to establish artificial prices for securities, and provided penalties of \$10,000 or 2 years' imprisonment, or both, for those willfully and knowingly violating its provisions or any rule or regulation made under the act.

The maximum penalty where an exchange is the violator is

\$500,000.

Provided for the regulation of margins and brokers' credit by the Commission and the Federal Reserve Board, and that the Federal Reserve Board should prescribe rules and regulations with respect to the amount of credit that may be initially extended and subsequently maintained on any security (other than an exempted security) registered on a national securities exchange.

Stipulated that for the initial extension of credit such rules and regulations should be based upon the following standard: An amount not greater than whichever is the higher of (1) 55 percent of the current market price of the security, or (2) 100 percent of the lowest market price of the security during the preceding 36 calendar months, but not more than 75 percent of the current market price.

ceding 36 calendar months, but not more than 75 percent of the current market price.

Empowered the Federal Reserve Board to raise or lower the margin requirements for the initial extension or maintenance of credit when it deemed such action necessary.

Granted to any person aggrieved by an order of the new commission the right of court review in the Circuit Court of Appeals of the United States.

of the United States.

Carried several modifying amendments to the Securities Act of 1933 to meet criticisms of business and industry.

# Tariff

#### RECIPROCAL TARIFF AGREEMENTS

(Approved June 12, 1934. Public Law No. 316)

Authorized the President, for a period of 3 years, to negotiate trade agreements with foreign governments without the traditional advice and consent of the Senate.

Empowered the President, by proclamation, to raise or lower tariff rates by not more than 50 percent.

Provided that the President, before entering into reciprocal tariff-trade agreements, must not only determine that trade expansion would be encouraged but that foreign duties or other important restrictions were unduly burdening and restricting American foreign trade. American foreign trade.

American foreign trade.

Stipulated that every foreign-trade agreement concluded under the new act should be subject to termination on notice to the foreign government concerned, at the end of not more than 3 years from the date on which the agreement comes into force, and thereafter upon not more than 6 months' notice.

Any interested person likely to be affected by any proposed foreign-trade agreement must be given an opportunity to be heard before the trade agreement is concluded.

#### THE GASOLINE TAX AND POSTAGE RATE ACT

(Approved June 16, 1933. Public Law No. 73)

Continued the Federal 1-cent-a-gallon gasoline tax another year beyond July 1, 1933.

Authorized the President until June 30, 1934, to proclaim such

modifications of postage rates on mail matter (except that in the case of first-class matter the rate should not be reduced to less case of first-class matter the rate should not be reduced to less than 2 cents an ounce or fraction) as after a survey he might deem advisable by reason of increase in business, the interests of the public or the needs of the Postal Service.

Imposed upon electrical energy, sold for domestic or commercial consumption and not for resale, a tax equal to 3 percent of the price for which so sold, to be paid by the vendor.

#### THE REVENUE ACT OF 1934

# (Approved May 10, 1934. Public Law No. 216)

(Approved May 10, 1934. Public Law No. 216)
Estimated to yield \$167,000,000 additional revenue during the fiscal year 1935 and \$417,000,000 during a full year's operation from increased taxes on capital—stock, estates, gifts, income, capital gains and losses, personal holding companies, reorganizations, consolidated returns, partnerships, and miscellaneous.

Removed some of the burden on small-income taxpayers in the "earned income" class and shifted it more to those whose incomes come from "unearned" sources, particularly (vidends and taxexempt securities.

exempt securities.

Substituted a flat normal rate of 4 percent on all net income on Substituted a flat normal rate of 4 percent on all net income on the first \$4,000 of net income and 8 percent on the remainder, and started the surtax at 4 percent on net income above \$4,000 instead of 1 percent on incomes in excess of \$6,000.

Levied a maximum surtax of 59 percent on income in excess of \$1,000,000, as in existing law, but rearranged the brackets so as to give a slight decrease to the average taxpayer whose income is less than \$30,000 annually.

Supplanted the existing estate-tax rates, running from 1 to 45 percent, with a new schedule ranging from 1 to 60 percent.

Provided a different treatment of capital gains and losses, so as to yield \$30,000,000 additional in a full year; a special tax of 30

to yield \$30,000,000 additional in a full year; a special tax of 30 and 40 percent on the adjusted net income of personal holding companies; eliminated consolidated returns for all corporations

except railroads; tightened up provisions relating to reorganization of corporations and limited partnership losses.

Repealed the bank-check tax as of January 1, 1935; eliminated entirely the tax on soft drinks, candy, and clocks; and exempted from the fur tax all fur articles sold by the manufacturer for less than \$75 and from the jewelry excise all articles sold for less than

Provided for publicity on certain facts relating to each income return, including the amount of gross income and credits against net income and the total tax paid.

Plugged up various loopholes in substantive law through which

Imposed a processing tax of 3 cents a pound on a list of vegetable and fish oils and fats, and an impost of 5 cents a pound on coconut oil and copra, except on imports from the Philippines, which products would bear the 3-cent tax.

Treaties ratified RIO GRANDE TREATY (Ratified Apr. 25, 1933)

Signed by plenipotentiaries of the United States and Mexico on February 1, 1933, the convention provides for the rectification of the Rio Grande in the El Paso-Juarez Valley by undertaking works to relieve the towns and agricultural lands of the valley from flood dangers and to secure at the same time the stabilization of the international boundary line.

> EQUAL RIGHTS NATIONALITY TREATY (Ratified May 24, 1934)

Adopted at the Pan American Conference at Montevideo on December 26, 1933, and signed by plenipotentiaries of the United States and 19 other countries of the Western Hemisphere, it agreed that there shall be no distinction based on sex as regards nationality in their legislation or in their practice.

CUBAN TREATY

(Ratified May 31, 1934)

Abrogated the Treaty of Relations of May 22, 1903, between the United States and Cuba, which embodied the Platt amend-ment, which had for years reserved to the United States the right to intervene for the protection of Cuba's independence and financial integrity.

Continued in effect the agreements of 1903 with respect to coaling stations and the Guantanamo naval base, pending further

Ratified and held as valid all acts effected in Cuba by the United States during its military occupation of the island up to May 20, 1902, the date on which the Republic of Cuba was established.

TRADE IN ARMS TREATY (Ratified June 15, 1934)

Signed at Geneva on June 17, 1925, by the United States and other powers and provided for the supervision of the international trade in arms and ammunition with a view to keeping such trade within proper channels, this control to be exercised by each sovereign State within its own territory according to its own laws enacted or to be enacted to make the convention effective. Ratified by the Senate subject to the reservation that the convention shall not come into force so far as the United States is concerned until it shall have come into force in respect to Belgium, the British Empire, Czechoslovakia, France, Germany, Italy, Japan, Sweden, and the Union of Soviet Republics.

## ANTIWAR TREATY OF NONAGGRESSION (Ratified June 15, 1934)

(Ratified June 15, 1934)

Signed at Rio de Janeiro, October 10, 1934, by Argentina, Brazil, Chile, Mexico, Paraguay, and Uruguay.

Condemned war and advocated the settlement of disputes and controversies through the pacific means established by international law; declared that territorial questions must not be settled by resort to violence and that parties to the treaty would recognize no territorial arrangement not obtained through pacific means: Provided, That if any party to a dispute should fail to comply with these obligations the contracting States would make every effort for the maintenance of peace and to that end, as neutrals, should adopt a common and solitary attitude. In adhering to this treaty the Senate declared that the United States did not thereby waive any rights it has under other treaties or international law.

## CONVENTION ON RIGHTS AND DUTIES OF STATES

(Ratified June 15, 1934)

Signed at Montevideo on December 26, 1933, by plenipotentiaries of the United States and other countries represented at the Seventh Pan-American Conference and defined the rights and duties

of States, providing, among other things, that no State has the right to intervene in the internal or external affairs of another; that the primary interest of States is the preservation of peace and their differences should be settled by recognized pacific methods; that the territory of a State is inviolable and may not be the object of military occupation nor of other measures of force imposed by any State directly or indirectly or for any motive whatever, even temporarily; that the fundamental rights of States are not susceptible of being affected in any manner whatsoever and that the political existence of a State is independent of recognition by the other States. Ratified by the Senate with the express reservation presented to the plenary session of the conference at Montevideo to the effect that the United States Government on all of its international associations, relationships, and conduct will follow scrupulously the doctrines and policies which it has pursued since March 4 which are embodied in the different addresses of President Roosevelt since that time, and in Secretary Hull's peace address of December 15, 1933, before the Seventh Pan American Conference, and in the law of nations as generally recognized and accepted.

Vocational aid of States, providing, among other things, that no State has the

Vocational aid

THE VOCATIONAL EDUCATION ACT OF 1934 (Approved May 21, 1934. Public Law No. 245)

Provided for the further development of vocational education as an emergency measure during the depression by appropriating \$3,000,000 annually for 3 years, commencing July 1, 1934, one-third to be allotted to agricultural education, one-third to home economics, and the remainder to trade and industrial education.

War debts

THE JOHNSON DEBT DEFAULT ACT (Approved Apr. 13, 1934. Public Law No. 151)

Prohibited financial transactions with any foreign government in default in the payment of its obligations, or any part thereof, to the Government of the United States.

Imposed a fine of not more than \$10,000 or imprisonment for not more than 5 years, or both, for violation of this act.

Wild life

THE WILD LIFE CONSERVATION ACT

(Approved Mar. 10, 1934. Public Law No. 121)

Provided for the coordination of Federal effort to preserve and

Provided for the coordination of Federal effort to preserve and increase our natural wild-life resources.

Authorized the Secretaries of Agriculture and Commerce to provide expert assistance to, and to cooperate with, Federal, State, and other agencies in the rearing, stocking, and increasing of game and fur-bearing animals and fish; in combating diseases and in developing a Nation-wide program of wild-life conservation and rehabilitation. rehabilitation.

Provided for such investigations as deemed necessary to determine the effects of domestic sewage, trade wastes, and other polluting substances on wild life, with special reference to birds, animals, fish, and shellfish, and recommended remedial measures to Congress.

THE FISH AND GAME SANCTUARY ACT

(Approved Mar. 10, 1934. Public Law No. 120)

Authorized the President, upon recommendation of the Secretaries of Commerce and Agriculture and with the approval of State legislatures in which national forests are situated, to establish by proclamation within such forests limited areas as sanctuaries to be devoted to the increase of game birds, game animals, and fish

Prohibited hunting and killing of any wild animals or fish in such sanctuaries.

Home financing

THE NATIONAL HOUSING ACT

(Before the President for signature)

Provided a comprehensive program of home financing and mortgage insurance and that financial institutions which make loans for financing alterations, repairs, and improvements upon real property are to be insured up to 20 percent of the total value of such loans and also that loans may be made upon the security of obligations thus insured.

of obligations thus insured.
Established a program of mutual mortgage insurance under which first mortgages on residential property which are amortized may be insured up to \$16,000 in any case, and up to 80 percent of the appraised value of the property.

Authorized the establishment of national mortgage associations each with a capital of not less than \$5,000,000, with authority to purchase and sell first mortgages and borrow money through the issue of securities up to 10 times their outstanding capital or the current face value of the mortgages which they hold and which are insured under the provisions of the act.

Created a Corporation under the supervision of the Federal Home

Created a Corporation under the supervision of the Federal Home Loan Bank Board which is authorized to insure accounts of building-and-loan associations and similar institutions, and which is required to insure accounts of Federal savings-and-loan associarequired to insure accounts of Federal savings-and-loan associations established under authority of the Home Owners' Loan Act of 1933, such insurance to be for the full withdrawable or repurchasable value of the accounts of the members of such institutions with a \$5,000 limitation upon insurance of any such member. Provided for the appointment by the President, with Senate consent, of a national housing administrator, to serve for 4 years, who would administer the housing renovation and modernization, the mutual mortgage insurance, and the national mortgage association features of the act.

Provided that the aggregate liability of the Federal Government by reason of home-renovation loans should not exceed \$200,000,000.

The funds for both the housing-renovation program and the program of mutual mortgage insurance are to be made available to the Administrator by the R.F.C. or from any funds made available to the President for emergency purposes.

Created a Savings and Loan Insurance Corporation, with a capital of \$100,000,000, to insure the accounts of Federal savings-and-loan associations.

loan associations.

loan associations.

Permitted national banks to hold Government-insured mortgages covered by the Housing Act, even though the mortgages
do not comply with the present statutory limitation of 5-year
maturity and 50 percent of the appraised value.

Increased the Home Owners' Loan Corporation's power to issue
bonds to the extent of an additional \$1,000,000,000, thereby raising

this power to a total of \$3,000,000,000.

#### THE FRAZIER-LEMKE FARM MORTGAGE ACT (Before the President for signature)

Gefore the President for signature)
Granted under the bankruptcy power of Congress extensions of time to distressed farmers for payment of their debts and mortgages and permitted them to remain in possession of their property during the period of such extensions while payments are being made under the terms and conditions of the act.

Provided that a farmer, whose efforts under the present agricultural composition section of the Bankruptcy Act to secure an adjustment of his indebtedness have been unsuccessful, might amend his petition asking that he be adjudged a bankrupt and petition for an appraisal of his property. The court would then appoint appraisers, who would appraise the property "at its then fair and reasonable value", not necessarily the market value at the time of such appraisal. the time of such appraisal.

Directed the trustee in bankruptcy, if the debtor requests and the lien holder consents, to agree to sell to the debtor a part or all of the bankrupt estate at the appraised price upon specified terms.

#### THE KERR TOBACCO CONTROL ACT

#### (Before the President for signature)

Generally similar to the Bankhead Cotton Control Act, it imposed a tax of not less than 25 nor more than 331/3 percent upon the

price sale of all leaf tobacco.

Provided that tax-exemption warrants should be issued to growers signing crop-reduction agreements to the amount of the quotas

ers signing crop-reduction agreements to the amount of the quotas specified in those agreements.

Stipulated that the quota for each county may be increased by not more than 6 percent of its quota so as to provide for meritorious cases not entitled to quotas, or for those whose quotas would be less than 1,500 pounds.

Provided that every tobacco grower who signs a reduction agreement within 30 days after the passage of the act should receive all of the benefits received by growers who sign at the time of the reduction campaign.

reduction campaign.

## THE FREE TRADE ZONE ACT

## (Before the President for signature)

Provided for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States and undertook to expedite and encourage foreign commerce.

Vested the administration of the act in a board consisting of the Secretaries of Commerce, Treasury, and War. Authorized this board to grant to corporations the privilege of establishing, operating, and maintaining foreign-trade zones in or adjacent to ports of entry, each port of entry to be entitled to at least one zone.

Provided that, in the case of any State in which harbor facilities of any port of entry are owned and controlled by the State and in which State harbor facilities of any other port of entry are owned and controlled by a municipality, the board should not grant an application by any public corporation for the establishment of any zone in such State unless such application has been authorized by an act of the legislature of the State.

Defined the term "public corporation" to mean a State, political subdivision thereof, a municipality, a public agency of a State, political subdivision thereof, or municipality, or "a corporate municipal instrumentality of one or more States."

#### THE DILL-CROSSER RAILWAY LABOR ACT (Before the President for signature)

Amended the Railway Labor Act of May 20, 1926, by rewriting it and making several far-reaching and important changes in the Mediation Board and in the operation of the adjustment boards to settle grievances

Created a National Railway Adjustment Board, which will have four divisions, the members to be selected by the rail carriers and labor organizations.

Provided for the establishment of regional or system boards of

Provided for the establishment of regional or system boards of adjustment, if the railroads and the employees desire to set up such boards voluntarily.

Abolished the present Board of Mediation, consisting of five members, and established a new and smaller board called the "National Mediation Board", with power to select and appoint employees to act as mediators under the instruction of the Board, with the same freedom to delegate its work as the Interstate

Commerce Commission now possesses.

Prohibited any carrier from providing financial assistance to any union of employees from funds of the carrier; prohibited the railroads from interfering in any manner whatsoever with employees joining or refusing to join any organization or union, and

specifically provided that the choice of representatives of any craft shall be determined by a majority of the employees voting on the question.

#### EXPERIMENTAL JURISPRUDENCE AND THE NEW DEAL-ADDRESS BY JEROME N. FRANK

Mr. BONE. Mr. President, I ask unanimous consent to have printed in the RECORD an address by Jerome N. Frank, general counsel of the Agricultural Adjustment Administration, before the Association of American Law Schools, thirtyfirst annual meeting at Chicago, December 30, 1933.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

#### EXPERIMENTAL JURISPRUDENCE AND THE NEW DEAL

(By Jerome N. Frank, general counsel, Agricultural Adjustment Administration, Washington, D.C., before the Association of American Law Schools thirty-first annual meeting, in Chicago. Ill., Dec. 30, 1933)

One of the most interesting facts some of us lawyers encoun-One of the most interesting facts some of us lawyers encountered in the early days of the whirl of the new deal in Washington was this: There were two kinds of lawyers working on the new deal. The first were admirably adapted to aid in setting up new governmental experiments. They did so without strain. Unfatigued, they could work 16 hours a day every day in the week. The other group of lawyers worked against the grain; recurrently they stripped their gears; they were confused and soon become wears. and soon became weary.

grain; recurrently they stripped their gears; they were confused and soon became weary.

Now, the surprising fact was that the first group, on the whole, were those who, consciously or unconsciously, share that point of view toward legal techniques which have come to be known as "realistic jurisprudence."

Equally interesting was the fact that these same lawyers usually found as their most congenial clients and coworkers a group of economists who, consciously or unconsciously, share the point of view toward economic techniques which have come to be known as "experimental economics."

Parenthetically, let me say that realistic jurisprudence was an unfortunate label, since the word "realism" has too many conflicting meanings. In the light of its congeniality with experimental economics, I suggest that realistic jurisprudence be renamed "experimental jurisprudence" and that those who lean in that direction be called "experimentalists."

The attitude of the experimentalists among the lawyers and economists cannot be adequately compressed into a few words. But briefly it can be described thus: These men are critical students of institutions who are committed not to mere detached study but are devoted to action on the basis of their tentative judgments. They are constantly skeptical of their own formulations, but not to the point of paralyzed inaction. Especially do they repudiate fixed beliefs as to the eternal validity of any particular means for the accomplishment of desired ends. They are ready at all times to acknowledge their own mistakes. They admit that all their tentative proposals are and in the nature of things tions, but not to the point of paralyzed inaction. Especially do they repudiate fixed beliefs as to the eternal validity of any particular means for the accomplishment of desired ends. They are ready at all times to acknowledge their own mistakes. They admit that all their tentative proposals are, and in the nature of things must be, based upon partial and unavoidable ignorance, for they are keenly alive to the shifting nature of many of the so-called "facts" upon which all human action is based. They are not—as some of their detractors would have it—delighted with human fallibility, but accept that fallibility as one of the important factors which must be faced honestly and courageously. They are devoted to increasing the use of reason, but unafraid to confess how small a part reason has heretofore played in human affairs; they hope, indeed, that by recognition of the immense stretches of unreason, its proportions can be reduced. Their skepticism as to the best means of accomplishing desired ends is not a dilettante iconoclasm; it is more hardy and athletic. To them, skepticism is indeed a means, not an end in itself; its terminus, they think, is not the mere pleasure of doubting but the consequences achievable only through effective and constructive doubting.

The experimentalists, be they economists or lawyers, share also these attitudes: They tend to look upon human activities with the eyes of anthropologists. Economics is often thought of as the relation of men to things. The experimentalists see it rather as, in large part, the relations of men to one another with respect to things. Economics, thus considered, must concern itself principally with human customs, habits, and beliefs. It has to do with the effects of the interactions of those customs, habits, and beliefs.

pally with human customs, habits, and beliefs. It has to do with the effects of the interactions of those customs, habits, and beliefs. To the extent that the folkways are unalterable, economics deals with unalterables; but to the extent that the folkways are flexible and variable, economics is flexible and variable.

Most of these experimentalists, too, are characterized in these troubled days, by their primary regard for the immediate. They begin with the present, make that their constant point of referbegin with the present, make that their constant point of reference, work backward from and forward to it. I do not mean for a moment that they neglect the past; among them are profound and earnest students of history. The point is that what they seek is a better future. But they believe that, insofar as intelligence can play a part in shaping the future, it must deal informedly with present possibilities. They regard the future not as unlimited in its possibilities but as conditioned by that residue of the past we call the "present." Yet they do not consider that conditioning as an unalterable determination of what is to come. That is to say, they are not rigid determinists, but possibilists. A considerable, yet limited, variety of future events are made possible by past and present events; within the limits of those possibilities, both chance and intelligence will play their parts. Within those limits, the experimentalists seek to increase the role !

of intelligence

All this is loosely vague. Partly the vagueness is inescapable. Largely it is due to my own ineptitude of expression. To some extent it is the result of haste, for I must confess that the pressure of work has forced me to write this paper, without opportunity for reflection or careful revision, just in time to present it to this meeting.

But vague though it is, perhaps this brief outline will serve, for present purposes, to describe the point of view of some of the men who are, at the moment, acting as humble servants of

that master experimentalist, President Roosevelt.

For the new deal, as I see it, means that we have taken to the For the new deal, as I see it, means that we have taken to the open road. We are moving in a new direction. We are to be primarily interested in seeking the welfare of the great majority of our people and not in merely preserving, unmodified, certain traditions and folkways, regardless of their effect on human beings. That important shift in emphasis is the vital difference between the new-deal and the old-deal philosophy.

It is the leaders of this new movement whom the experimentalist lawyers in Government find it delightful to serve. For those

alist lawyers in Government find it delightful to serve. For those leaders repudiate sabbatarianism. They reject the notion that governmental devices must, at all costs to human happiness, jibe with inherited principles of what can or cannot be done by Government for human well-being. When they see that those inherited principles have led to misery, to insecurity, to bread lines and broken lives, they refuse to accept those principles as Molochs to which human beings must be offered as a sacrifice. Principles are what principles do. And if the old principles, which the high priests of the old deal worshiped, dictated the unhappiness that we call a "depression", then, say those men, those principals are not divine but satanic, barbarous, and cruel. We must find new principles, new guides for action, which will tend to produce happiness and security in the place of anguish and confusion.

These leaders start with those aims and ends and work back-

These leaders start with those aims and ends and work backriese leaders start with those aims and ends and work backward in their search for adequate generalizations, that is for tentative principles of action. Their principles are the result of creative thinking in the interest of what is best for millions of men, women, and children. Government they want thoroughly to humanize. Governmental devices, they believe, should be revised or invented with human welfare as their constant measure

vised or invented with human welfare as their constant measure of success.

Now you can see why the experimental-minded Government lawyers work with pleasure for such clients. For experimental jurisprudence (heretofore dubbed realistic jurisprudence) is of like mind with respect to legal techniques. It has frequently expressed its doubt as to the efficacy of legal thinking which purports to begin with so-called "legal principles."

It inclines to the belief—and here, for lack of time I am taking sketchily—that many judges, confronted with a difficult factual situation, consciously or unconsciously, tend to commence their thinking with what they consider a desirable decision and then work backward to appropriate premises, devising syllogisms to justify that decision. They see that many judges phrase the two vague variables—the so-called "facts" of the case and the so-called "rules of law"—so as to produce opinions aesthetically and logically satisfactory in support of judgments and decrees in accord with what they think just and right. It seems to those experimentalists that those judges who do their work with the most dispatch and effectiveness are precisely those who tend consciously thus to begin with their conclusions and work backward to the available premises. These experimentalists believe that, to the extent that he actually as a result of strictly logical reasoning which grants at the set of the second particular passing which are resonant which we want to the available premises are result of strictly logical reasoning which that he denies or fails to realize his own human fallibility, to the extent that he actually pictures himself to himself as always arriving at all his decisions as a result of strictly logical reasoning which begins, without any possibility of choice, with the only available applicable rules of law, to that extent he builds up friction and squanders his time in lost motion. Marshall, Story, and Holmes, for instance, were effective judges because they were more aware than many of their colleagues of their own thinking processes, because, where possible, they more or less deliberately selected or created those premises which justified results they considered desirable. desirable.

This is an abbreviated statement which, because of its brevity, may seem exaggerated. I ask leave to incorporate by reference other writings of myself and others, such as Arnold and Llewellyn, in which this point of view is more elaborately and cautiously set

What is true of the judge is no less true of the lawyer. If he is aware of his technique, if he sees clearly that his role is to justify, if possible, what his client desires, he can work with comparative ease and precision. But if he must attitudinize to himself, if he must pretend to himself that he always begins with undeviating fixed legal principles and, by sheer good luck, happens to arrive at a logical deduction from those principles which merely happen to accord with his client's wishes, then he wastes time, proceeds unnecessarily by indirection, and burns up his energies needlessly

needlessly.

The experimentalist has learned from experience that usually of course, not always, but in most cases, if he starts with his conclusion, he can find satisfactory premises. There are, so to speak, plenty of vacant premises, or at any rate, premises which can be sufficiently repaired or remodeled.

Notably is this true in the field of what is known as "constitutional law." Often, too, the experimentalist government lawyer

tional law." Often, too, the experimentalist government lawyer finds that the same is true in the interpretation of highly ambigu-

ous or highly generalized statutes. Let me illustrate the difference between the experimentalist's and the Jovian lawyer's confronting an act of Congress. I have in mind an interview—which, for obvious reasons, I am changing as to details—between two brilliant young government lawyers, Mr. Try-it and Mr. Absolute. brilliant young government lawyers, Mr. Try-it and Mr. Absolute. They had been asked whether, under a certain statute, a proposed program for the relief of the destitute would be lawful. Mr. Try-it started with his objective. "This," he said, "is a desirable result. It is all but essential in the existing crisis. It means raising the standard of living to thousands. The administration is for it, and justifiably so. It is obviously in line with the general intention of Congress as shown by legislative history. The statute is ambiguous. Let us work out an argument, if possible, so to construe the statute as to validate this important program.

possible, so to construe the statute as to validate this important program.

But Mr. Absolute attacked the problem differently. "He must refuse", he said, to consider the desirability or urgency of the proposed project. These were irrelevant aspects of the problem which, if he were a judge, he would be compelled to ignore. He was the legal adviser of Government and must be what he termed 'calmly judicial', aloof" and indifferent to the ill effects of an adverse conclusion." That the project would be useless if not promptly initiated and that Congress would not convene for many months were factors he had no right to take into account. Nor was it important that delay might have wide political consequences which might even lead to disruption of Government in wide areas of the country. Such political possibilities or probabilities were not for the judge or Government lawyer. They were reserved for the legislature. If he were a judge, he would decide that the true pertinent legal principles must prevail absolutely, whatever happened, even if the very governmental structures of which his court was a part was wrecked by a social upheaval resulting from his decision. In that frame of mind, and no other, he would approach this statute. So he begain by reading and rereading its ambiguous words, in the light of principles of statutory interpretations as laid down in reported judicial opinions.

It is interesting to note that, after many hours of labor, Mr. Absolute agreed with Mr. Try-it. Their written opinions were interchangeable. But Mr. Try-it wrote his opinion in about one-fifth the time and with 0.1 the energy used by Mr. Absolute. Both opinions preserve the Jovian fiction. Neither opinion reveals on its face any concern with the usefulness or social value of the proposal which was found to be legally valid. But I suspect that Mr. Absolute was as much influenced as Mr. Try-it by those factors. The difference consists in the direct and indirect

pect that Mr. Absolute was as much influenced as Mr. Try-it by those factors. The difference consists in the direct and indirect influence of those factors in the thought processes of those two

It must be added that there are, of course, instances where a desired objective is impossible, where, for instance, a statute plainly and unmistakably or by clear implication forbids action, however desirable, where the action is outside the legislative intent. But the experimentalist lawyer is quicker to find avenues

intent. But the experimentalist lawyer is quicker to find avenues of escape from such impasses when such escapes exist. It should be said, too, that while for any lawyer, the wishes of his client ought to be paramount where achievable, yet if those wishes are repugnant to him, he can always withdraw. This is peculiarly true of the Government lawyer; if the executive asks him how he can lawfully do something which is revolting to the lawyer, the latter can always resign.

In many ways those who sympathize (whether or not avowedly) with experimental jurisprudence have found it easy to work for the new deal. It is not only because they are less procrustean and more flexible in their techniques. It is because legal institutions and devices are constantly viewed by them as human contrivances to be judged by their everyday human consequences. They are, as I have suggested elsewhere, followers of Holmes as the founder of non-Euclidean legal thinking—a kind of thinking which makes it easy to test legal postulates by their results in human lives. Accordingly, the experimentalists are stimulated by the opportunity to help contrive new governmental agencies to be used experimentally as means for achieving better results in agriculture, industry, labor conditions, taxation, corporate reorganization, municipal finance, unemployment relief, and a multitude of other subjects.

organization, municipal mance, unemployment relief, and a multitude of other subjects.

It may be worth while to note that the experimentalist lawyers are not the products of any one law school. They come from Columbia, Harvard, and the law schools of the Middle and Far West. The experimentalist attitude may have been fostered, in its inception, at Columbia and Yale, but today it is an attitude which has spread everywhere. It is part of the spirit of the times.

In have said that these experimentalist lawyers worked admirably with the experimentalist economists. I might have said that they and those economists often play interchangeable roles, the lawyers thinking in terms of experimental economics, the economists thinking in terms of experimental jurisprudence. It is perhaps because their thinking contains this experimental economic element that these lawyers are denounced as radicals. Of course the term "radical" is merely a verbal brick. In place of giving reasons for disagreeing with an idea, it is the habit of some people to for disagreeing with an idea, it is the habit of some people to refuse to make their objection explicit, but instead to try to demolish the proponent of the idea with an emotion-stirring epithet.

The fact is, that if the word "radical" means a ruthless, thoughtless destroyer of cherished institutions, those who pose as the enemies of the so-called "radicals" are themselves the most dangerous of radicals. They are recklessly ignoring the gravest kind of evils, which, rather than the correctives being applied to those evils, are the real dangers to the social order. For if

force ever undermines the present American system, it will be because of the stubborn and blind refusal of a few powerful beneficiaries of the old order to accept improvements, and of

beneficiaries of the old order to accept improvements, and of their attacks on and obstruction to needed revisions, of traditional business practices. Let me briefly indicate what I mean.

The majority of the American people are still devoted to the profit system. They still believe that there is substantial worth in using the desire for individual profit as one of the important incentives in getting done the necessary work of the world. Although the profit system, as it has worked recently, seems to have worked poorly, most Americans believe that properly controlled. though the profit system, as it has worked recently, seems to have worked poorly, most Americans believe that, properly controlled, it can work well. As long as the majority of the American people continue to cherish that system, it would be impossible, even if anyone considered it desirable, to abandon it in favor of another system. To do so would be to fly in the face of our current folkways. The course of the wise statesman today is clear, if he wishes to avert complete break-down. He will seek, so far as possible, to eliminate the evil aspects of the profit system. He will give that system a few tries of the profit system.

possible, to eliminate the evil aspects of the profit system. He will give that system a fair trial.

For the truth is that the profit system has not heretofore been given a fair trial. As I see the new deal, it is to be an elaborate series of experiments which will seek to show that a social economy can be made to work for human welfare by readjustments which leave the desire for private financial gain still operative to a considerable extent. It will permit the profit system to be tried, for the first time, as a consciously directed means of promoting the general good.

general good. We are to use the method of trial and error to demonstrate to what extent, when modified so as to make it work at its best, the profit motive can adequately promote social well-being. It is no longer to go on uncurbed, anarchistically, and unguided. We are to have the opportunity to see how an intelligently controlled profit economics, supplemented by important nonprofit devices such as Public Works, the Federal Surplus Relief Corporation and others, can bring an abundant and secure life to the majority of our citizens. We have witnessed in the past few years how profit economics, if not intelligibly directed, can lead to a smash-up. Our people have lost faith in the hit-or-miss way of running our industries and our agriculture. But the "old dealers", in or out of politics, refuse to recognize the dangerous antagonism of the bulk of our people to the old ways in their undirected form. The "old dealers" wan to restore both the evil and the good of the 1925-29 days. If they were successful, they would in short order We are to use the method of trial and error to demonstrate to 1925-29 days. If they were successful, they would in short order destroy completely what can be preserved of those old ways. In their indiscriminate reverence for the past, they are inviting

chaos and perhaps violent destruction.

And yet they hurl the word "radical" at those who are trying to show that, stripped of its worst features and intelligently revised, the traditional economics of America can, in considerable part, be conserved. They denounce those, engaged in that experiment, who would eliminate any small feature of the preexisting anaralysis. chistic method of conducting industry or banking. They are playing the role of the Bourbons, they are fostering violent change, in their resistance to unavoidable modifications of institutions whose uncontrolled workings have produced untold miseries and consequent discontent.

I cite the following as an illustration of the extreme and absurd I cite the following as an illustration of the extreme and absurd character of their opposition to changes in what they consider the sacredness of the old order: There is an industry the components of which have frequently been in the courts with respect to their alleged violations of the antitrust laws. They have asked the Secretary of Agriculture to enter into an agreement with them which would grant them substantial exemptions from the rigors of the Sherman Act. It has been suggested that if those exemptions are granted to that industry, thus reversing a 40-year-old governmental antitrust policy, the Secretary should reserve the right to examine their books—of course, keeping confidential the information he thus obtains—since in no other way than through such access to the books can he accurately accertain whether and Information he thus obtains—since in no other way than through such access to the books can he accurately ascertain whether and to what extent the industry exercises these exemption privileges in the interest of or adversely to the farmers and consumers. This right to examine books has been generally asked by the Agricultural Adjustment Administration of industries seeking such exemptions, and this right has been generally granted. Yet this particular industry has repudiated the suggestion that it be treated in like manner, intimating that those who advocate such book examination are dangerous revolutionaries who are seeking to subvert the fundamental principles on which American business has been conducted and threatening to overturn the profit

¹A garbled excerpt from this paper has received some circulation and has provoked comment which indicates a misunderstanding of the meaning of the word "folkways." That word was invented years ago when a great, conservative professor of political economy, William Graham Sumner, published his book in 1906 called "Folkways." He there stated that he had formed that word on the analogy of words already in use. "I mean by it," he said, "the popular usages and traditions, when they include a judgment that they are conductve to societal welfare, and when they exert a coercion on the individual to conform to them, although they are not coordinated by any authority." In other words, "folkways" means the well-established customs of the country. It is interesting to note that on the same day when this paper was delivered, and before the same association, Judge Joseph C. Hutcheson, of the U.S. Circuit Court of Appeals for the Fifth Circuit, spoke of how his thought had been enriched by Sumner's book on folkways.

system in toto. Their attitude is almost humorous when it is remembered that the Bureau of Internal Revenue already has complete access to their books. This kind of resistance to such moderate measures is indicative of the die-hard Bourbonism which condemns any change as dangerously destructive. For it indicates that there are still some rock-ribbed standpatters in this country who have forgotten all too soon the disastrous adventures of Insull and Krueger, the closing of the banks, the shutting down of schools, the horrors of unemployment, the outrageous ting down of schools, the horrors of unemployment, the outrageous consequences of an unplanned economy to millions of farmers and their families. In their stupid forgetfulness they urge us to go back as soon as possible to an era of drunken prosperity, which led inevitably to this prolonged and horrible morning-after. But the bulk of our people are not thus forgetful. They want peaceful, tranquil, well-ordered lives. The "old dealers", I repeat, in their blind opposition to the great experiment, are indeed the extreme radicals. For the Bourbons are always the fomenters of violent, and destructive revolution.

extreme radicals. For the Bourbons are always the fomenters of violent and destructive revolution.

As a result of an economic catastrophe, we are in the midst, then, of a period when experimentation is an imperative necessity, the old folkways brought us to the verge of break-down. Those folkways need to be revised. And a great leader is hard at work on that job. He is trying to give the forgotten man a decent life, free of gnawing insecurity and with adequate leisure—aims made possible of achievement by the remarkable accomplishments of applied science in modern times. Perhaps within the near future these aims can be worked out. If and when they have, then perhaps experimentation can be diminished, although I happen to believe that it has a permanent value. But in the present crisis it is indispensable. In that crisis, experimental jurisprudence can and should perform an important and useful function, And, I submit, a jurisprudence which does not today, in some measure, fulfill that function is of little value.

I said previously that, at present, most of the experimentalists,

I said previously that, at present, most of the experimentalists, because of their interest in a better future, have a primary regard for the immediate. I do not mean by that to indicate that they are not interested, and intensely, in speculative and historical studies. To illustrate from first-hand information, if I may: studies. To illustrate from first-hand information, if I may: I consider myself a humble experimentalist and I can report that about a year ago I spent many a night hour, after the day's routine tasks were over, striving to work out, from available material relating to so-called "primitive" communities, the social functions of courts and lawyers. Nor would it be proper to portray experimentalism as prosily utilitarian. Jurisprudence, experimental or otherwise, can be an amusing game, and intellectual games should not be disparaged even by the practical minded. The history of mathematics, for instance, shows that what begins as an intellectual game may turn out, centuries or decades later, to be amazingly practical. But at this juncture of the world's affairs, a jurisprudence which is primarily an amusing game seems trifling. And it is the ability of experimental jurisprudence easily to lend itself to present practical undertakings to which at the moment I direct your attention.

#### NATIONAL RECOVERY ADMINISTRATION

Mr. McKELLAR. Mr. President, I ask unanimous consent to have printed in the RECORD an article on the National Administration, appearing in the Cleveland Press of June

There being no objection, the article was ordered to be printed in the RECORD, as follows:

114,000 More Jobs Here Since Birth of Blue Eagle By Ira Welborn

This month marks the first anniversary of the Blue Eagle, trademark of the Roosevelt administration, and the occasion finds Cleveland a happier place in which to live by the following factors, among others:

The president's blanket agreement for a 40-hour week and a minimum wage of \$15 for every employee has been signed by 95 percent of Cleveland's 30,000 businesses.

Wages of industrial workers have been lifted from 50 cents per hour to an average of 60 cents.

Unemployed have been reduced from 198,000 as of March 1933 to 84,000 now—new jobs for 114,000 workers.

Labor complaints affecting about 20,000 Cleveland workers have been adjusted, with restitution of \$20,146.14 to the workers.

In 1,822 cases, employers and workers have sat across the table

and ironed out complaints by the workers.

Of the wage earners who were working 6 days a week a year ago, 92 percent now are enjoying two holidays a week.

Sweatshops in Cleveland, in the year have been practically

eliminated.

In 14 cases the Blue Eagle has been taken from Cleveland firms. Some were returned, some firms now face prosecution under Federal and State regulations.

Cleveland workers are protected by the Ohio recovery act, pro-viding penalties for violation of industrial codes.

Concurrently with its birthday period, the N.R.A. is now issuing its code emblems, a new type of Blue Eagle which denotes compliance with a particular industrial code, whereas the original eagle signified acceptance of the President's recovery act of a year ago.

This emblem, surmounted by the familiar Blue Eagle with its talons full of cogwheels and lightning bolts, carries the large word in red, "Code" and the appellation "Restaurant (or other) indus-

There is a permit number and the year 1934. It will replace | the older Blue Eagle.

#### STARTED YEAR AGO

Local application of the N.R.A. began last year after signature on June 16 of the President's Recovery Act. This bound the signers to adopt a 40-hour maximum week and a \$15 minimum wage. The Blue Eagle emblem was to be displayed as a token this agreement had been adopted.

Demand of the people put that over. Merchants dropping into a theater invariably saw the Blue Eagle emblazoned on the screen and could not help being impressed by the cheers that arose from the audience. They saw the plea for patronage only for firms that displayed the Blue Eagle; they hurried to sign up.

Offices were opened in the Terminal Tower, later to be transferred to the Bulkley Bullding on Euclid Avenue. Acceptances

#### WORKERS BENEFIT FIRST

Clearly the workers got the benefit at the outset; the employers were forced to "catch up the slack." The employers could not raise prices at once nor immediately increase the volume of their

business, yet their labor costs had been increased.

Business had felt the first exercise of a new principle in governmental regulation of industry; it was being deprived of the privilege of jockeying labor costs without limit to meet the other exigencies of commerce.

Then came the formation of codes for various industries. Workers were given the right to organize for collective bargaining without any peril to themselves. Scores of new labor-union units sprang up in Cleveland, with resultant bargaining that has in many cases resulted in increased wages and shorter hours.

An example of the effect:

A. J. O'Hern, commissioner of the code authority for motorvehicle dealers, cites that there has not been a failure in that business since the N.R.A. stepped in, and that "we wouldn't go back to horse trading in the automobile business for anything. Everybody is making better profits."

#### SALES CLIMB 45 PERCENT

Some small businesses, with increased expenses and no corresponding increase in gross profits, were unable to weather the gap between static business and heavier overhead. Some were pinched. Commerce reports show that for the first quarter of this year retail sales in Cleveland were 45 percent higher than for the final

quarter of last year.

Recently a young lady dropped into Cleveland from New York.

She began a shopping tour that lasted a month, during which she "shopped" every major store in Cleveland.

She inspected 15,000 garments and found 90 percent of them bore the Blue Eagle of the manufacturer. The young lady was an inspect of the place of the manufacturer.

inspector for the cloak, coat, and suit industry.

## HON. DANIEL C. ROPER

Mr. McKELLAR. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial appearing in the Maury Democrat of June 14, 1934, concerning Secretary of Commerce Daniel C. Roper.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

## ROPER AND NEPOTISM

The Republican press and allied new deal critics, following their insatiable penchant for criticism and in desperation for legitimate justification, persist in running the gamut of diatribe. They have now fallen upon that ancient last resort and are vociferously lamenting and condemning nepotism. The favorite pastime is to magnify the mote in the Democratic eye, oblivious of the beam that chances to obscure their own vision.

of the beam that chances to obscure their own vision.

The latest defendant in the cause of virtuous Republicanism versus abominable nepotism is the Honorable Daniel C. Roper, Secretary of Commerce, whose record of public service is a tribute to the exemplary balance of qualities exemplified by this typical American patriot. Mr. Roper is publicized because of the fancied impropriety of members of his family holding Government positions. Even if there were not mitigating circumstances, it is extremely biased opinion that would indict this useful and distinguished public official on such a filmsy and unworthy allegatringuished public official on such a filmsy and unworthy allegation. An American citizen, interested in its history, traditions, and institutions, Mr. Roper has the right to rear a large family of children and they have the equal right to give expression to their respective talents in any field of service for which they were

Mr. Roper is a distinguished South Carolina lawyer, publicist, educator, churchman, whose high conception of public service and civic duty influenced a career of consistent, meritorious advancements, beginning with minor State legislative service and emerging through various official capacities to that of an important and

befitting Cabinet post under President Roosevelt. Distractions incident to political life have never diverted or lessened his interest in and devotion to home. The congental family circle bespeaks the noble quality of reverence for and exemplification of the best ideals. Likewise the home is the center of hospitality and from which radiate the graces appreciated by

people who cherish the best traditions of our national life.

Having grown up immediately following the Civil War, Mr.

Roper's conception of paternal responsibility was to give his family as broad an attitude toward their country as possible and

avoid sectional feeling among them. Accordingly, it was the parental decision that no two children would be educated at the same institution and not any two, if possible, in the same State.

Seven children, fortunate in the possession of natural endowments, enhanced by the additional advantage of educational opportunities, compose the Roper household. Should such a father, such a patriot, be ridiculed and satirized because some of his flock, of their own merit and initiative, craved careers for themselves in Government service? On the other hand, intelligent opinion will commend the ambitious spirit of the opulently reared children, who chose to establish their own individuality, independent of parental political influence, notwithstanding that a proud father would be justified in any legitimate means in launching his dependents upon professions suited to their wills and temperaments.

ments.

Two of the Roper sons wear the uniform of the country, one an Annapolis graduate, the other a West Pointer and instructor at the Academy. Assuredly it is well known that political counterfeits could not survive the testing crucible of these two notable institutions where Army and Navy officials are molded. Moreover, their achievements are worthy of parental pride and of emulation. A third son draws the munificent sum of \$200 per month for services with the prohibition unit and a fourth is inspector for the Reconstruction Finance Corporation. Both were employed because of their peculiar fitness for the work and because of non-political civil-service status. A talented daughter equipped herself for a technical career, rather than for luxurious indelence and for a technical career, rather than for luxurious indolence and social activities. She, too, is under civil service and is a valued expert economist with the Tariff Commission, whose relationship with a Cabinet member is of no concern or interest to her employers. A fifth son, by reason of his expert organization ability, is executive secretary of the Democratic National Committee. Another daughter is married. Incidentally, the wife of son John W. Roper is a former Maury County Tennessean, a daughter of the distinguished Colonel Nelson.

Is this interesting group of children to be penalized and have their talents and ambitions circumscribed because of the official their talents and ambitions circumscribed because of the official and political standing of their father? If the Government service is to be purged of such personnel, then we fear for the efficiency of such a reformed policy. There is so much to commend and emulate in the Roper record that insinuations of nepotism are revolting. They belie a feeling of rank and unworthy partisan prejudice on the part of those who would point the biased finger of accusation. If this be nepotism then nepotism is not derogatory to our best interests, and the custom is eminently worthy of perpetuation perpetuation.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 173. An act for the relief of William Martin and John E. Walsh, Jr.;

S. 1818. An act for the relief of W. P. Fuller & Co.;

S. 1822. An act for the relief of Harold Sorenson;

S. 1972. An act for the relief of James W. Walters;

S. 2156. An act for the relief of the American-La France & Foamite Corporation of New York;

S. 2322. An act for the relief of A. J. Hanlon;

S. 2584. An act for the relief of Elmer Kettering;

S. 3092. An act to confer jurisdiction upon the Court of Claims, to hear, determine, and render judgment upon the claim of the heirs of James Taylor, deceased Cherokee Indian, for the value of certain lands now held by the United States: and

S. 3533. An act to amend the act entitled "An act creating the Mount Rushmore National Memorial Commission and defining its powers and purposes", approved February 25, 1929, and for other purposes.

The message also announced that the House had passed a joint resolution (H.J.Res. 376) to provide an appropriation to enable the United States Army to send certain units to participate in the international celebration at Fort Niagara, N.Y., in which it requested the concurrence of the Senate.

The message further requested the Senate to return to the House of Representatives the engrossed bill (S. 3374) to extend the times for commencing and completing the construction of a bridge across Lake Champlain from East Albany, Vt., to West Swanton, Vt.

The message also announced that the House had agreed to Senate Concurrent Resolution No. 21, as follows:

Resolved by the Senate (the House of Representatives concurring), That there is hereby established a joint congressional committee to be composed of three Senators, to be appointed by the President of the Senate, and three Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives, to inquire into and report to Congress to what extent, if any, the Federal Government should participate in the

Centennial of the Independence of the Republic of Texas, to be held in the State of Texas in the year 1936.

The expenses of the committee, including necessary clerical assistance and traveling expenses, which shall not exceed \$5,000, shall be paid, one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers approved by the chairman. tatives, upon vouchers, approved by the chairman.

CENTENNIAL OF INDEPENDENCE OF THE REPUBLIC OF TEXAS-APPOINTMENT OF COMMITTEE

Under the terms of Senate Concurrent Resolution No. 21, establishing a joint committee to investigate the question of participation by the Government in the Centennial of the Independence of the Republic of Texas, the Vice President appointed Mr. Connally, Mr. McGill, and Mr. Austin as members of the committee on the part of the Senate.

CONCURRENCE OF THE SENATE IN HOUSE AMENDMENTS TO SENATE

Mr. ROBINSON of Arkansas. Mr. President, under the unanimous-consent agreement just entered it is now in order to take from the table Senate bills which have been passed by both Houses and to which there are House amendments.

The VICE PRESIDENT. As the Chair understands, nearly all the House amendments which are now to be laid down provide the 10-percent limitation on attorneys' fees.

The VICE PRESIDENT severally laid before the Senate the amendment or amendments of the House of Representatives to bills of the Senate, as follows:

The amendment of the House of Representatives to the bill (S. 255) for the relief of John Hampshire, which was on page 1, line 14, after the word "contract", to insert:

: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding

The amendment of the House of Representatives to the bill (S. 740) for the relief of William G. Fulton, which was on page 1, line 11, after the figures "1922" to insert:

: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment of the House of Representatives to the bill (S. 1901) for the relief of William A. Delaney, which was at the proper place in the bill to insert a colon and the following proviso:

Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment of the House of Representatives to the bill (S. 2141) for the relief of Roy Lee Groseclose, which was, on page 1, line 12, after the name "West Virginia", to insert:

: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the con-

trary nothwithstanding. Any person violating the provisions of this act shall be deemed gulity of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment of the House of Representatives to the bill (S. 86) for the relief of A. L. Ostrander, which was, on page 1, line 10, after the word "project", to insert:

: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment of the House of Representatives to the bill (S. 488) for the relief of Norman Beier, which was on page 1, line 7, to strike out "and satisfaction of " and insert "all claims against the Government of the United States for."

The amendments of the House of Representatives to the bill (S. 2561) for the relief of Robert R. Prann, which were on page 1, line 5, to strike out all after "\$3,375" down to and including the name "New York", where it appears the second time in line 1, page 2, and insert "which amount is hereby appropriated, out of any money in the Treasury not otherwise appropriated, in full payment of all claims against the United States for extra work performed under contract with the War Department, dated May 12, 1925, for the construction of a section of wall east of San Augustin Battery, San Juan, Puerto Rico."

The amendment of the House of Representatives to the bill (S. 2672) for the relief of Mabel S. Parker, which was, on page 1, line 12, after the word "General", to insert:

: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment of the House of Representatives to the bill (S. 2972) for the relief of John N. Knauff Co., Inc., which was on page 2, line 6, after the word "session", to insert:

: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person yieldsting the tract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment of the House of Representatives to the bill (S. 847) for the relief of the Nez Perce Tribe of Indians, which was, on page 1, lines 7 and 8, to strike out the word hereafter."

The amendment of the House of Representatives to the bill (S. 1526) for the relief of Ann Engle, which was, on page 1, line 6, to strike out "\$1,500" and insert "\$3.000."

The amendment of the House of Representatives to the bill (S. 1993) for the relief of the estate of Martin Flynn, which was, on page 1, line 12, after the word "lease", to

: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000, The amendment of the House of Representatives to the bill (S. 2233) for the relief of Mildred F. Stamm, which was, on page 1, line 7, to strike out the word "compensation", and insert "settlement of all claims against the Government of the United States."

The amendments of the House of Representatives to the bill (S. 365) for the relief of Archibald MacDonald, which were, on page 1, line 7, to strike out "to reimburse him" and insert "in full settlement of all claims against the Government of the United States", and on the same page, line 9, after the name "Putnam" to insert:

: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendments of the House of Representatives to the bill (S. 1258) for the relief of Charles F. Littlepage, which were, on page 1, line 8, strike out "\$3,000" and insert "\$2,000", and on page 2, line 4, after the name "Littlepage" to insert:

: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendments of the House of Representatives to the bill (S. 1498) authorizing the Secretary of the Interior to pay E. C. Sampson, of Billings, Mont., for services rendered the Crow Tribe of Indians, which were, on page 1, line 6, after the word "States", to insert "and in full settlement of all claims against the Government of the United States", and on page 2, line 5, after the word "tribe" to insert:

: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1.000.

The amendments of the House of Representatives to the bill (S. 1585) for the relief of the Black Hardware Co., which were on page 1, line 5, after the word "appropriated", to insert "and in full settlement of all claims against the Government of the United States"; on page 1, line 7, to strike out "\$12,288.11 to fully" and insert "\$7,998.04"; and on page 2, line 5, after the word "law", to insert:

: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendments of the House of Representatives to the bill (S. 1753) for the relief of Marcella Leahy McNerney, which were, on page 1, line 6, after the word "Department", to insert "in full settlement of all claims against the Government of the United States"; and on the same page, line 11, after the word "act", to insert ": Provided, That no part of the amount appropriated in this act in excess of 10

percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendments of the House of Representatives to the bill (S. 2112) for the relief of W. H. Key and the estate of James E. Wilson, which were, on page 1, line 7, to strike out "as compensation" and insert "in full settlement of all claims against the Government of the United States"; on the same page, line 7, after the word "quarter", to insert "of the"; and on page 2, line 5, after the word "land", to insert ": Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1.000."

The amendments of the House of Representatives to the bill (S. 2338) for the relief of Robert V. Rensch, which were, on page 1, line 7, to strike out "to reimburse him" and insert "in full settlement of all claims against the Government of the United States"; and on page 2, line 11, after the word "expense" to insert:

: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendments of the House of Representatives to the bill (S. 2467) for the relief of Ammon McClellan, which were, on page 1, line 6, to strike out "as compensation" and insert "in full settlement of all claims against the Government of the United States"; and on page 1, line 8, after "Agriculture", to insert:

: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, cellect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendments of the House of Representatives to the bill (S. 2549) for the relief of Albert W. Harvey, which were, on page 1, lines 6 and 7, to strike out "being the amount expended by" and to insert "in full settlement of all claims against the Government of", and on page 1, line 10, after "Government", to insert:

: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorneys or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating

the provsions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendments of the House of Representatives to the bill (S. 2553) for the relief of the Brewer Paint & Wall Paper Co., Inc., which were, on page 1, line 5, after the word "incorporated", to insert "out of any money in the Treasury not otherwise appropriated"; in the same line, to strike out "\$1,198.29" and to insert "\$845.80"; and on the same page, line 10, after the name "Virginia", to insert:

: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exception at 2000.

The amendment or amendments of the House to the foregoing bills of the Senate were severally agreed to.

CLAIMS OF INTERNATIONAL ARMS & FUZE CO., INC.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2809) conferring jurisdiction upon the Court of Claims to hear and determine the claims of the International Arms & Fuze Co., Inc., which was, to strike out all after the enacting clause and in lieu thereof to insert the following:

That jurisdiction is hereby conferred upon the Court of Claims, notwithstanding the lapse of time or any statute of limitations or any defense because of any awards previously made by the War Department or other authority of the United States or any alleged acceptances thereof by the International Arms & Fuze Co., Inc., to hear and determine, upon the basis of just compensation, Inc., to hear and determine, upon the basis of just compensation, the claims of the said International Arms & Fuze Co., Inc., growing out of contracts no. G-1048-559-A, dated January 1, 1918, and P-19219-4797-A, dated November 5, 1918, with the United States and the amendments and modifications thereof: Provided, however, That from any decision or judgment rendered in any suit presented under the authority of this act a writ of certiorari to the Supreme Court of the United States may be applied for by either party thereto, as is provided by law in other cases.

Mr. WHITE. Mr. President, on behalf of the Senator from New York [Mr. COPELAND], I move that the Senate concur in the amendment of the House.

The motion was agreed to.

M'NEILL-ALLMAN CONSTRUCTION CO., INC.

Mr. REYNOLDS. Mr. President, I ask unanimous consent for the immediate consideration of House bill 5668, authorizing the relief of the McNeill-Allman Construction Co., Inc., and so forth. It merely provides them the opportunity of filing their claims in the United States Court of Claims. This bill has passed the House, and it was reported favorably by the Committee on the Judiciary of the

The VICE PRESIDENT. Is there objection to the immediate consideration of the bill?

There being no objection, the bill (H.R. 5668) authorizing the relief of the McNeill-Allman Construction Co., Inc., and so forth, was considered, ordered to a third reading, read the third time, and passed.

LICENSING OF RACE TRACKS IN THE DISTRICT OF COLUMBIA

Mr. REYNOLDS. Mr. President, I ask unanimous consent for the immediate consideration of Order of Business 1525, being the bill (H.R. 7906), pertaining to licensing race tracks in the District of Columbia, and to provide for their regulation. The bill has been passed by the House and reported favorably by the District Committee.

The VICE PRESIDENT. Is there objection?

Mr. BACHMAN. I object.

Mr. CAPPER. I object.

The VICE PRESIDENT. Objection is heard, and the bill will be passed over.

AUTHORITY TO SIGN ENROLLED BILLS

Mr. ROBINSON of Arkansas. Mr. President, I ask the attention of the Senator from Oregon [Mr. McNary] and Mr. Donaugh and Congressman Pierce fail to consider the wishes

other Senators, while I ask unanimous consent for the immediate consideration of House Concurrent Resolution No. 48, which reads, as follows:

Resolved by the House of Representatives (the Senate con-curring), That notwithstanding the adjournment of the second session of the Seventy-third Congress, the President of the Senate and the Speaker of the House of Representatives be, and they are hereby, authorized to sign any enrolled bill or joint resolution duly passed by the two Houses, and which have been examined by the Committee on Enrolled Eills of each House and found truly enrolled.

Mr. McNARY. Mr. President, does that conform to the usual practice?

Mr. ROBINSON of Arkansas. I will state to the Senator from Oregon that it does conform to the usual practice. The VICE PRESIDENT. Without objection, the resolution

ADDITIONAL CONFIRMATIONS OF POST-OFFICE NOMINATIONS

As in executive session,

Mr. McKELLAR. Mr. President, this afternoon the President sent in a number of nominations of postmasters. They have been approved by the Senators from the three States in which the appointments are made, namely, Ohio, Virgina, and Wisconsin. I ask unanimous consent, as in executive session, that these nominations of postmasters may be confirmed.

The VICE PRESIDENT. Is there objection? Without objection, the nominations are confirmed.

The nominations of postmasters confirmed are as follows: Ohio: Berea, Felix J. Moley; Youngstown, John J. Farrell. Virginia: Suffolk, Samuel S. Stallings.

Wisconsin: Elmwood, John A. Ginsbach; Mason, Philip A. Kinney; Neshkoro, Bernard J. Rabbitt; Phillips, Joe Kolar; Prairie du Sac, Albert L. Ehret; Prairie Farm, Paul G. Pederson; Rib Lake, John J. Voemastek; Taylor, Charles M. Dunn.

#### NOMINATION OF MADGE H. FORTUNE

As in executive session.

Mr. McKELLAR. Mr. President, the nomination of Madge H. Fortune to be postmaster at Newport, Oreg., was confirmed by the Senate earlier in the day. I ask that two letters written to the Senator from Oregon [Mr. Sterwer] be placed in the RECORD at his request.

The VICE PRESIDENT. Without object, the letters will be printed in the RECORD as requested.

The letters referred to are as follows:

TREASURER'S OFFICE LINCOLN COUNTY, Toledo, Oreg., June 8, 1934.

Hon. Frederick Steiwer,

Senate Chamber, Washington, D.C.

Dear Senator: Your wire received and in reply will say that I have kept out of the fight for postmaster at Newport and other places in the county. I feel that this is a Democratic matter and the more they muddy the water the better. I have not attempted to learn the facts at Newport, but what little I do know is that the people there appear to be against Mrs. Fortune. They have been trying to get me to take part in the fight, but nothing doing. I believe that to the victor belongs the spolls and it is up to our good Democratic friends to select what they want.

The people of Lincoln County are appreciative of the good work

The people of Lincoln County are appreciative of the good work being done by you and McNary.

With very best wishes, I am,

Sincerely yours,

IRA WADE.

DEMOCRATIC STATE CENTRAL COMMITTEE, Toledo, Oreg., June 3, 1934.

Hon. Frederick Steiwer,

Senator from Oregon, Washington, D.C.

Dear Sir: May I recall myself to you in the beginning? I met you in Tillamook after your speech in the hotel in October 1932. I told you that I was supporting you for the Senate. I kept my word. Wherever I went I put in a word for you, knowing, as I did, that you would represent the best interests of Oregon.

I am now writing for the people of Newport in regard to the post office there. Ninety-five percent of the citizens have serious objections to the confirmation of Madge Fortune for the office, and I am asking you to do all you can to secure the amplitudent.

objections to the confirmation of Madge Fortune for the office, and I am asking you to do all you can to secure the appointment of one of the other applicants.

If I could see you, I could tell you the nature of these objections, which you must realize are serious, or I, who endorsed Mrs. Fortune when she first made her application, would not rescind the endorsement. It is utterly useless to appeal to Walter Pierce or Carl Donaugh, and General Martin is not in this district. Both

of the citizens and are not familiar with the situation, and Congressman Mott was supported by Mr. Fortune, so there is not

help for the citizens there.

If you would get into communication with Lee Williams, of Newport, or the American Legion, or with Ira Wade, in Toledo, I am sure they will furnish you with all the information you would require to assure you that we are working for the best interests of the community. The entire town of Newport is depending on you to assist them in this deplorable situation.

Sincerely,

ROSEMARY SCHENCK.

The American Legion are endorsing Mrs. Ruty Hayman for the office. Mrs. Hayman is also endorsed by Mark Weatherford, of Albany; Richard Deich, of Portland; and many other prominent citizens, besides 95 percent of the patrons of the Newport office. The appointment of either Mrs. Hayman or Walter K. Belt would, in my estimation, solve this difficult situation.

ROSEMARY SCHENCK.

#### DEPORTATION OF CERTAIN ALIEN SEAMEN

Mr. KING. Mr. President, I ask unanimous consent for the present consideration of the bill (S. 868) to provide for the deportation of certain alien seamen, and for other purposes.

The VICE PRESIDENT. Is there objection?

Mr. WHITE. I object.

The VICE PRESIDENT. Objection is heard.

## BOSTON STORE CO.

Mr. BAILEY. Mr. President, I ask unanimous consent for the immediate consideration of the bill (H.R. 7292) for the relief of the Boston Store Co., a corporation, Chicago, Ill., the bill having passed the House three times and having been reported favorably by the Senate Committee on Claims.

Mr. LEWIS. Mr. President, I join with the Senator from North Carolina in the request.

The VICE PRESIDENT. Is there objection?

Mr. McNARY. Mr. President, is this a House bill? Mr. BAILEY. It is. Mr. McNARY. What is the nature of the bill?

Mr. BAILEY. It is a bill for the relief of the Boston Store Co., of Chicago, which purchased some cots from the United States Government. The cots proved to be defective. The claim has been approved by the War Department. Mr. Hurley, when Secretary of War, recommended payment of the claim in the sum of \$6,296, the liquidated damages in the transaction.

Mr. McNARY. Was the bill referred to a Senate com-

Mr. BAILEY. It has been passed upon by the Senate Committee on Claims and is on the calendar, reported favorably.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill (H.R. 7292) for the relief of the Boston Store Co., a corporation, Chicago, Ill., was considered, ordered to a third reading, read the third time,

PRINTING OF MANUSCRIPT, EXPORT CREDIT INSURANCE IN EUROPE TODAY

Mr. LONERGAN submitted the following resolution (S.Res. 277), which was referred to the Committee on Printing:

Resolved, That the manuscript entitled "Export Credit Insurance in Europe Today", prepared by Stella K. Margold, be printed, with illustrations, as a document.

Mr. HAYDEN, from the Committee on Printing, to which the foregoing resolution was referred, reported it without amendment, and it was considered by unanimous consent and agreed to.

#### MODIFICATION OF INDIAN LIQUOR LAWS

Mr. WHEELER. Mr. President, I ask unanimous consent for the immediate consideration of the bill (H.R. 8662) to modify the operation of the Indian liquor laws on lands which were formerly Indian lands. The bill has passed the House of Representatives, has been recommended by the Interior Department, and has the approval of the Committee on Indian Affairs. It merely provides that hereafter the special Indian liquor laws shall not apply to former Indian lands now outside of any existing Indian reservation.

The VICE PRESIDENT. The Senator from Montana asks unanimous consent for the present consideration of a bill which the clerk will read by title.

Mr. WALSH. Mr. President, pending that, I should like to call attention to the fact that there are some 40 or 50 bills on the calendar which have been reported and placed there since the last call of the calendar. These measures have had no day in court. It would not take long to call the calendar from the point at which we last left off. I ask unanimous consent that the Senate begin the consideration of bills on the calendar at the last number called on the recent call of the calendar.

Mr. FESS. I object.

The VICE PRESIDENT. Let the Chair say to the Senator from Massachusetts that at the present time the Senator from Montana has a unanimous-consent request pending.

Mr. WALSH. Very well; I shall return to my request later. The VICE PRESIDENT. Is there objection to the request of the Senator from Montana to proceed to the consideration of a bill which the clerk will state by title?

The LEGISLATIVE CLERK. A bill (H.R. 8662) to modify the operation of the Indian liquor laws on lands which were formerly Indian lands.

The VICE PRESIDENT. Is there objection?

Mr. FESS. Mr. President, what does the proposal involve? Does it call for an expenditure?

Mr. WHEELER. It calls for no expenditure of any kind or character.

Mr. FESS. What does the bill propose to accomplish?

Mr. WHEELER. At the present time, under the laws of the United States, certain liquors cannot be sold upon Indian lands notwithstanding the fact that they are outside of reservations. The bill provides that such liquors may be sold provided the lands are outside of the reservation. The bill has passed the House, has the recommendation of the Department of the Interior, and the Committee on Indian Affairs has favorably reported it.

There is an old law on the statute books, enacted many years ago, providing that no liquor should be sold on Indian reservations or on any land owned by the Indians subject to the United States laws.

Mr. FESS. Was the bill unanimously reported?

Mr. WHEELER. Yes. It passed the House and was unanimously reported by the Committee on Indian Affairs.

The VICE PRESIDENT. Is there objection?

There being no objection, the bill (H.R. 8662) to modify the operation of the Indian liquor law on lands which were formerly Indian lands was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That hereafter the special Indian liquor laws shall not apply to former Indian lands now outside of any existing Indian reservation in any case where the land is no longer held by Indians under trust patents or under any other form of deed or patent which contains restrictions against alienation without the consent of some official of the United States Government: Provided, however, That nothing in this act shall be construed to discontinue or repeal the provisions of the Indian liquor laws which prohibit the sale, gift, barter, exchange, or other disposition of beer, wine, and other liquors to Indians of the classes set forth in the act of January 30, 1897 (29 Stat.L. 506), and section 241, title 25, of the United States Code.

### PROPOSED CALL OF CALENDAR

Mr. WALSH. Mr. President, I now renew my request for unanimous consent that the calendar be called for House bills only, beginning at the point where the last call of the calendar was suspended.

The VICE PRESIDENT. Is there objection? Mr. COSTIGAN. Mr. President, I object. The VICE PRESIDENT. Objection is heard.

AMENDMENT OF RECONSTRUCTION FINANCE CORPORATION ACT

Mr. FLETCHER. Mr. President, I ask unanimous consent to proceed to the consideration of the bill (S. 3785) to amend the Reconstruction Finance Corporation Act so as to extend the provisions thereof to private corporations to aid in constructing and maintaining facilities for the marketing, storing, warehousing, and/or processing of forest products. It is a very short bill, which was referred to the Committee on Banking and Currency and has been reported

favorably by that committee without amendment. I understand the House is favorable to it. I think it will take but a moment to dispose of it.

The VICE PRESIDENT. Is there objection?

Mr. KING. Mr. President, reserving the right to object, I ask for an explanation of the bill.

Mr. FLETCHER. It was reported by the Committee on Banking and Currency. It is a short bill and merely authorizes loans by the Reconstruction Finance Corporation.

The VICE PRESIDENT. Is it a Senate bill?

Mr. FLETCHER. It is.

Mr. COUZENS. Mr. President, may I ask the Senator from Florida if it is the reforestation bill?

Mr. FLETCHER. Yes; it is. Mr. COUZENS. I object.

The VICE PRESIDENT. Objection is heard.

#### WILLIAM S. STEWARD

Mr. SHEPPARD. Mr. President, I ask unanimous consent for the present consideration of House bill 5122, Order of Business 1442, for the relief of William S. Steward. merely extends the jurisdiction of the Employees' Compensation Commission to a man working for the Government.

The VICE PRESIDENT. The clerk will state the title of the bill.

The LEGISLATIVE CLERK. A bill (H.R. 5122) for the relief of William S. Steward.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

#### BILLS OF INTERPLEADER

Mr. HEBERT. Mr. President, I ask unanimous consent for the present consideration of Senate bill 1538, Order of Business 1517, to amend the interpleader statute. This bill merely extends the provisions of the interpleader statute, which now affects only certain classes of insurance companies, to any other individual or corporation.

Mr. COUZENS. Mr. President, is not this a Senate bill?

Mr. HEBERT. It is a Senate bill.

Mr. COUZENS. Can the Senator secure action on it by the House at this session?

Mr. HEBERT. My desire is to have the Senate express its approval of the bill, because it has had very great consideration. A committee of the American Bar Association has been working on it for several weeks; a careful report has been drafted, and I think the bill ought to be passed by the Senate.

The VICE PRESIDENT. The clerk will state the title of the bill.

The LEGISLATIVE CLERK. A bill (S. 1538) authorizing persons, firms, corporations, associations, or societies to file bills of interpleader or bills in the nature of interpleader.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and to insert:

That subsection 26 of section 24 of the Judicial Code, as amended (U.S.C., title 28, sec. 41 (26)), be, and the same is hereby, amended to read as follows:

amended to read as follows:

"(26) Original jurisdiction of bills of interpleader—twenty-sixth: (a) Of suits in equity begun by bills of interpleader or bills in the nature of bills of interpleader duly verified, filed by any person, firm, corporation, association, or society having in his or its custody or possession money or property of the value of \$500 or more, or having issued a note, bond, certificate, policy of insurance, or other instrument of the value or amount of \$500 or more, or providing for the delivery or payment or the loan of money or property of such amount or value, or being under any obligation written or unwritten to the amount of \$500 or more, if—

"(i) Two or more adverse claimants, citizens of different States, are claiming to be entitled to such money or property, or to any

are claiming to be entitled to such money or property, or to any one or more of the benefits arising by virtue of any note, bond, certificate, policy, or other instrument, or arising by virtue of any such obligation; and

"(ii) The complainant (a) has deposited such money or property or has paid the amount of or the loan or other value of such

instrument or the amount due under such obligation into the registry of the court, there to abide the judgment of the court; or (b) has given bond payable to the clerk of the court in such or (b) has given bond payable to the clerk of the court in such amount and with such surety as the court or judge may deem proper, conditioned upon the compliance by the complainant with the future order or decree of the court with respect to the subject matter of the controversy. Such a suit in equity may be enter-tained although the titles or claims of the conflicting claimants do not have a common origin, or are not identical, but are adverse to and independent of one another.

"(b) Such a suit may be brought in the district court of

the district in which one or more of such claimants resides or

reside.

reside.

"(c) Notwithstanding any provision of the Judicial Code to the contrary, said court shall have power to issue its process for all such claimants and to issue an order of injunction against each of them, enjoining them from instituting or prosecuting any suit or proceeding in any State court or in any United States court on account of such money or property or on such instrument or obligation until the further order of the court; which process and order of injunction shall be returnable at such time as the said court or a judge thereof shall determine and shall be

as the said court or a judge thereof shall be returnable at such time as the said court or a judge thereof shall determine and shall be addressed to and served by the United States marshals for the respective districts wherein said claimants reside or may be found.

"(d) Said court shall hear and determine the cause and shall discharge the complainant from further liability; and shall make the injunction permanent and enter all such other orders and decrees as may be precessary or convenient to carry out and enforce decrees as may be necessary or convenient to carry out and enforce

the same.

"(e) In any action at law in a United States district court "(e) In any action at law in a United States district court against any person, firm, corporation, association, or society, such defendant may set up by way of equitable defense, in accordance with section 274b of the Judicial Code (U.S.C., title 28, sec. 398), any matter which would entitle such person, firm, corporation, association, or society to file an original or ancillary bill of interpleader or bill in the nature of interpleader in the same court or in any other United States district court against the plaintiff in such action at law and one or more other adverse claimants, under the provisions of paragraph (a) of this subsection or any other provision of the Judicial Code and the rules of court made pursuant thereto. The defendant may join as of court made pursuant thereto. The defendant may join as parties to such equitable defense any claimant or claimants who are not already parties to such action at law. The district court in which such equitable defense is interposed shall thereby possess the powers conferred upon district courts by paragraphs (c) and (d) of this subsection and by section 274b of the Judicial Code. Code.

"Sec. 2. The act entitled 'An act authorizing casualty companies, surety companies, insurance companies or associations or fraternal or beneficial societies to file bills of interpleader', approved May 8, 1926 (U.S.C., supp. III, title 28, sec. 41 (26)), is hereby repealed. Said repeal shall not affect any act done or any right, accruing or accrued in any suit or proceeding had or commenced under said act hereby repealed, prior to the passage of this act, but all such acts or rights, suits or proceedings shall continue and be valid and may be prosecuted and enforced in the same manner as if said act had not been repealed hereby."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to amend section 24 of the Judicial Code by conferring on district courts additional jurisdiction of bills of interpleader.'

SEVERAL SENATORS addressed the Chair.

The VICE PRESIDENT. Let the Chair state to the Senate that it is very difficult to keep order; but, so far as the Chair can do so, he is going to protect Senators in their opportunity to object to these bills, because his individual experience is that at times like this bills are passed in both House and Senate which probably ought not to be passed. So Senators will have an opportunity to object.

#### JOHN M. GUAY

Mr. ASHURST. Mr. President, as in executive session, I ask unanimous consent for the consideration of the nomination of John M. Guay, nominated by the President to be United States marshal for the district of New Hampshire.

I have been unable to convene the Committee on the Judiciary, but I have secured the approval and O.K. of the two Senators from the State of New Hampshire, and, I think, 11 members of the Committee on the Judiciary. To be entirely accurate, I should state that the senior Senator from New Hampshire [Mr. Keyes] is not here, but I talked with his secretary, and his secretary advises me that I am authorized to say to the Senate that the senior Senator from New Hampshire approves the nomination; and my worthy friend the junior Senator from New Hampshire [Mr. Brown] approves it.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arizona? The Chair hears none. The clerk will read the nomination.

The legislative clerk read the nomination of John M. Guay, of New Hampshire, to be United States marshal for the district of New Hampshire.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

#### SUPPRESSION OF LYNCHING

Mr. COSTIGAN. Mr. President, I ask unanimous consent for the present consideration of Senate bill 1978, Order of Business 750, to assure to persons within the jurisdiction of every State the equal protection of laws, and to punish the crime of lynching.

Mr. SMITH (and other Senators). I object. The VICE PRESIDENT. Objection is made.

#### TRANSFER OF LANDS FOR PARK FACILITIES

Mr. WAGNER. Mr. President, I ask unanimous consent for the present consideration of Senate bill 3724, Order of Business 1507, a bill which I submitted to the majority and minority leaders. The passage of this bill is very much desired by the Secretary of the Interior. There is absolutely no objection to the bill so far as I know. It involves no appropriation.

The VICE PRESIDENT. The clerk will state the title of

the bill.

The Legislative Clerk. A bill (S. 3724) to aid in providing the people of the United States with adequate facilities for park, parkway, and recreational area purposes, and to provide for the transfer of certain lands chiefly valuable for such purposes to States and political subdivisions thereof.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. CAREY. Mr. President, I shall have to object to the consideration of that bill at this time. I desire to have an opportunity to see what it provides.

The VICE PRESIDENT. Does the Senator from Wyo-ming object?

Mr. CAREY. At this time I object. I wish to see what the bill contains.

The VICE PRESIDENT. Objection is heard.

#### AMERICAN CITIZENSHIP OF PUERTO RICANS

Mr. KING. I ask unanimous consent for the present consideration of House bill 5330, Order of Business 1426. The bill has passed the House, and has been unanimously reported by the Senator from Maryland [Mr. Tydings] from the Committee on Territories and Insular Affairs.

I will state, in brief, the purpose of the bill. I think it is an act of justice. There were a number of persons living in Puerto Rico when that island became a part of the possessions of the United States who happened to be out of the island at the time, so that they do not come in the category of citizens. They are now, therefore, people without a home. They cannot be citizens of Spain; they are not citizens of the United States; but they still have their property and their possessions in Puerto Rico. There are 250 of them. The bill was passed unanimously by the House.

Mr. BORAH. How does the bill correct that situation? Mr. KING. It gives them citizenship in Puerto Rico.

The VICE PRESIDENT. The clerk will state the title of the bill.

The LEGISLATIVE CLERK. A bill (H.R. 5330) to amend the act of March 2, 1917, entitled "An act to provide a civil government for Puerto Rico, and for other purposes."

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

#### VERTNER TATE

Mr. BAILEY. Mr. President, I ask unanimous consent for the present consideration of House bill 4447, Order of Business 1390, for the relief of Vertner Tate.

This is a bill which has passed the House and been approved by the committee of the Senate. It is favorably reported and is recommended by the Department of Justice.

Mr. HEBERT. May I ask the calendar number of the bill?

Mr. BAILEY. It is Order of Business 1390. It is a bill for the relief of Vertner Tate.

The VICE PRESIDENT. The clerk will state the title of the bill.

The LEGISLATIVE CLERK, A bill (H.R. 4447) for the relief of Vertner Tate.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

#### ASSOCIATIONS OF PRODUCERS OF AQUATIC PRODUCTS

Mr. WALCOTT. Mr. President, I ask unanimous consent for the present consideration of House bill 9233, Order of Business 1436. The bill passed the House without objection, and has a favorable report from the Department of Commerce.

The VICE PRESIDENT. The clerk will state the title of the bill.

, The Legislative Clerk. A bill (H.R. 9233) authorizing associations of producers of aquatic products.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

#### MEASUREMENT OF VESSELS USING PANAMA CANAL

Mr. GORE. Mr. President, I ask unanimous consent for the present consideration of House bill 7667, Order of Business 1350.

The VICE PRESIDENT. The clerk will state the title of the bill.

The Legislative Clerk. A bill (H.R. 7667) to provide for the measurement of vessels using the Panama Canal, and for other purposes.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. WAGNER. I object.

Mr. WHITE. I object.

The VICE PRESIDENT. Objection is heard.

## D. F. TYLER CORPORATION AND NORFOLK DREDGING CO.

Mr. BYRD. Mr. President, I ask unanimous consent for the present consideration of House bill 7163, Order of Business 1449, for the relief of the D. F. Tyler Corporation and the Norfolk Dredging Co.

This bill is for the purpose of paying judgments that have already been rendered against the United States Government to the extent of \$14,727.11. The bill has the approval of the Secretary of War. The judgments have already been rendered by the courts.

The VICE PRESIDENT. The clerk will state the title of the bill.

The LEGISLATIVE CLERK. A bill (H.R. 7163) for the relief of the D. F. Tyler Corporation and the Norfolk Dredging Co. The VICE PRESIDENT. Is there objection to the present

consideration of the bill?

Mr. McNARY. Mr. President, we are moving so rapidly

that it is difficult to know just what is being done.

The VICE PRESIDENT. The Chair is giving every Sen-

The VICE PRESIDENT. The Chair is giving every Senator an opportunity to object after the title of the bill is stated.

Mr. McNARY. The Vice President always does that.

The VICE PRESIDENT. The Chair thanks the Senator from Oregon.

Is there objection to the present consideration of the bill? There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

#### DISPOSAL OF SMUGGLED MERCHANDISE

Mr. WALSH. Mr. President, I ask unanimous consent for the immediate consideration of House Joint Resolution 322, Order of Business 1540.

The VICE PRESIDENT. The clerk will state the title of the joint resolution.

The LEGISLATIVE CLERK. Joint resolution (H.J.Res. 322) to provide for the disposal of smuggled merchandise, to authorize the Secretary of the Treasury to require imported articles to be marked in order that smuggled merchandise may be identified, and for other purposes.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution, which had been reported from the Committee on Finance with amendments, on page 2, line 3, after the word "thereof", to insert "abroad"; and in line 5, after the words "United States", to insert "in which case it may be sold abroad", so as to make the joint resolution read:

Resolved, etc., That where under existing law any forfeiture condemnation or abandonment of watches, watch movements, or condemnation or abandonment of watches, watch movements, or parts thereof under the customs laws is declared by the collector of customs, or any forfeiture is decreed by any court, the Secretary of the Treasury is hereby authorized to place the same with the departments or bureaus of the Federal Government for experimental, scientific, or educational purposes, but not for sale or personal use; and in the event of such merchandise not being required or desired by the Federal Government, it shall be destroyed, unless the Secretary of the Treasury shall find and determine that the sale thereof abroad would not bring the merchandise into competition with similar products manufactured in chandise into competition with similar products manufactured in the United States, in which case it may be sold abroad: Provided, That if such merchandise contains any recoverable precious metal or precious stones, such precious metal and/or precious stones shall be sold at public auction, or such metal or precious stones shall be sold at public auction, or such metal or precious stones shall be sold at public auction, of such metal or precious stones reclaimed to the profit of the United States only, in the discretion of the Secretary of the Treasury: And provided further, That the payment of compensation to informers as now provided by law shall, in the case of any such merchandise which is placed with the Federal Government or is destroyed, be paid in the same manner and under the same conditions as now provided by law, except that such compensation shall be calculated on the basis of 25 percent of the dutiable value of such or similar merchandise so found by the United States appraisar, but such compensation as found by the United States appraiser, but such compensation shall not exceed \$50,000 in any case.

The amendments were agreed to.

The amendments were ordered to be engrossed, and the joint resolution to be read a third time.

The joint resolution was read the third time, and passed. The title was amended so as to read: "Joint resolution to provide for the disposal of smuggled merchandise."

# FRANK R. GIARD-RECONSIDERATION AND RECOMMITTAL

Mr. McKELLAR. Mr. President, as in executive session, at the request of the Post Office Department, I ask unanimous consent that the confirmation of the nomination of Frank R. Giard to be postmaster at Pawtucket, R.I., be reconsidered and that the nomination be recommitted to the Committee on Post Offices and Post Roads.

The VICE PRESIDENT. Is there objection to the request of the Senator from Tennessee? The Chair hears none, and it is so ordered.

#### RECEIPTS FROM THE PROCESSING TAX

Mr. DICKINSON. Mr. President, sometime ago I made a statement with reference to the receipts under the processing tax provided in the Agricultural Adjustment Act. I call attention to a statement which was put into the RECORD under date of June 11, 1934, at page 11082, by Representative Taber, which gives some very interesting information with reference to the processing tax and the expenditures.

I also call attention to the fact that, according to the statement put into the RECORD by the Senator from Tennessee [Mr. McKellar] under date of April 20, 1934, the estimate of the collections under the processing tax up to July 1 was \$409,019,450. The estimate put in by me about the same time was that it would amount to \$348,091,274.79.

I call attention to the fact that under date of June 14, 1934, it is shown that the processing tax to date has amounted to \$349,740,556.28.

In connection with these figures, I ask permission to insert in the RECORD an editorial from the Kossuth County Advance entitled "No Progress Toward Parity in the Last Year."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### NO PROGRESS TOWARD PARITY IN THE LAST YEAR

As everyone recalls, there was a sensational rise in prices a year ago, in which agricultural products participated, corn on farms rising to 50 cents. Then there was a recession which caused so ago, in which agricultural products participated, corn on farms rising to 50 cents. Then there was a recession which caused so much grumbling among midwestern farmers that President Roosevelt addressed a radio speech to them in which he definitely promised restoration of parity between agricultural and other prices. "Do it we will", he said.

It was a year on May 15 since the agricultural-adjustment bill

was passed, and it is time now for a preliminary assessment of results. No long-time assessment is yet possible. The act in question defined its objective as the restoration of the 1909-14 exchange power of agricultural products for other products. Figures now released by the Agricultural Department itself show that this objective has not been achieved, and that in fact there has been on the whole no progress whatever toward restora-

there has been on the whole no progress whatever toward restora-tion of parity. The following table gives the comparative situa-tion as of May 15, 1933, and May 15, 1934:

The same of the sa	Percent	Parity
	1933	1934
Cotton, pound	- 65	73
Corn, bushel	59	63
Wheat, bushel	65	65
Potatoes, bushel		87
Hogs, hundredweight	53	36
Beef, hundredweight	- 74	66
Eggs, dozen	71	66
Wool, pound		110

This means that corn, for example, rated 59 percent of the This means that corn, for example, rated 59 percent of the 1909-14 average price on May 15, 1933, and in spite of all that has been done has in the last year advanced only 8 points, still lacking 37 points of parity, while hogs, beef, cattle, and eggs have dropped instead of advancing. The word "dropped" here does not necessarily mean a drop in price—which may in fact have advanced—but a drop in comparative standing for exchange

The only farm product in the table which has reached and exceeded parity is wool, but it had only a short distance to go to reach parity, and it was not included in the adjustment program. Besides it is of comparatively small interest in the Corn

The reason that farm-product prices have not made a better comparative showing is that the modest betterment which has occurred has been offset by rises in prices of products the farmer must buy. Thus while the average prices of farm products rose from an index number of 62 to the figure 74 in the year ending May 15, the prices paid by farmers for goods they buy advanced from an index number of 102 to the figure 121, and as a result the ratio of prices received by farmers to prices they pay remains at 61, or exactly what it was a year ago.

at 61, or exactly what it was a year ago.

The foregoing facts seem to justify the following comment by George E. Roberts in the June National City Bank (New York) economic letter:

"The A.A.A. has been in operation 1 year, and plainly it is in order to consider why its results have been so disproportionate to its tremendous efforts and enormous expenditures. It is certain that its difficulties have not been wholly of its own making, or

that its difficulties have not been wholly of its own making, or even entirely on the side of the farmer, but have come in important degree from outside of agriculture.

"Rising costs and prices in the industries under the N.R.A. program have been at the expense of the farmer, advancing the prices of everything he buys, and they have placed the A.A.A. in the position of aiming at goals which are constantly moving higher. Thus the disparity is kept alive. This is the obvious contradiction of the recovery program. It gives to the effort to reestablish the balance between agriculture and industry the character of a movement around a circle, each pursuing the other but falling to meet." failing to meet."

#### FINAL ADJOURNMENT

Mr. ROBINSON of Arkansas. Mr. President, I ask the Chair to lay before the Senate the House concurrent resolution, relating to final adjournment. I will state that the resolution provides that when each House shall have completed its labors on this legislative day it adjourn sine die.

The VICE PRESIDENT. The Chair lays before the Senate a concurrent resolution coming over from the House of Representatives, which will be read.

The Chief Clerk read the resolution (H.Con.Res. 47), as

Resolved by the House of Representatives (the Senate concurring), That when the Senate shall adjourn as of the legislative day of June 6, 1934, and the House of Representatives shall adjourn as of the legislative day of June 15, 1934, they shall stand adjourned sine die.

The VICE PRESIDENT. The Chair wishes to call the attention of the Senate to the following letter received from the President of the United States:

> WHITE HOUSE Washington, June 16, 1934.

Hon. JOHN N. GARNER

President of the Senate, Washington, D.C.

MY DEAR MR. PRESIDENT: Before the final adjournment of the Senate of the Seventy-third Congress, I want to send through you, to the Members thereof, my sincere compliments and good

This Congress will go down in history as one of large accomplishment for the national good. May I add to this my own feeling of deep satisfaction in the fine spirit of cooperation which has existed between the legislative and executive branches of the Government.

May you all have and enjoy a well-earned holiday.
Very sincerely yours,

FRANKLIN D. ROOSEVELT.

Mr. BORAH. Mr. President, the session just closing has been a most arduous one, more so, I believe, than any I have ever attended with the possible exception of those during the war period.

I think I speak the sentiments of all Members of this body when I say that-we profoundly appreciate the fairness, the impartiality, and the ability with which the Vice President has presided over the proceedings of the Senate at this session.

To the end that we may have this expression in permanent form, I ask for the reading of the resolution which is upon

The legislative clerk read the resolution (S.Res. 278) as

Resolved, That the Senate hereby expresses its profound appreciation of the vigilance, impartiality, and distinguished ability with which the Vice President, Hon. John N. Garner, has presided over the proceedings of this body during the eventful session now drawing to a close.

Mr. ROBINSON of Arkansas. Mr. President, it would undoubtedly be embarrassing to the Vice President, now in the chair, to put the question on the resolution just read. I ask that the Senate endorse the resolution by a rising vote.

The resolution was unanimously agreed to, Senators ris-

ing and applauding.

The VICE PRESIDENT. Senator Borah, Senator Robinson, Members of the Senate, I hope you will indulge me for just a moment to say that when I came from the House of Representatives to the Senate to preside over it I felt a very great weakness, as it were. I was apprehensive that I could not preside in the Senate as I had in the House of Representatives, and I am not so certain that I have been so successful here as I was in the House.

I do appreciate this expression of your confidence. I may have been a little hasty at times, but on every occasion, Senators, I have undertaken to protect the rights of each individual Senator. So long as I shall preside over the Senate I hope to be able to facilitate the business of the Senate, but, in doing so, I assure you that it will be my desire to protect the rights of every Senator; and that is one of the obligations of a presiding officer.

I am appreciative of this resolution, and I wish you all health and happiness until next January. [Applause.]

IMPROVEMENT IN HOUSING STANDARDS AND CONDITIONS

Mr. ROBINSON of Arkansas. Mr. President, there yet remains to be disposed of the conference report on the housing bill. The report has been agreed to, but has not yet been taken up in the House of Representatives.

ACCOMPLISHMENTS OF THE SEVENTY-THIRD CONGRESS-ADDRESS BY SENATOR ROBINSON OF ARKANSAS

Mr. ROBINSON of Arkansas. I ask permission to have printed in the RECORD a radio address to be delivered by myself on the evening of June 25, 1934.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The address is as follows:

It is of course impossible in this brief account of what your Government is doing to make a complete comparison of the platform pledges to which the national administration is committed, and the measures enacted in redemption of those pledges. However, an outline of the picture may be presented for you.

No better way of beginning suggests itself than by telling you that the achievements of the Congress represent the fulfillment of the Democratic platform endorsed by him 100 percent when Franklin D. Roosevelt accepted the nomination for the Presidency. It makes not difference what phase of the new deal you may have in mind, you will find the roots of the idea in the declaration of principles made by the Democrats in the Chicago convention. There is ample proof that the administration program for national recovery meets with the approval of a majority of the citizens, and that this approval in no sense rests on mere partisan considerations. considerations.

When the convention met there was a terrible run on some of the greatest of the Chicago banks that was an object lesson of the desperate character of the national situation. It threatened the ruin of some of the largest financial establishments in the United States, with the inevitable corollary of the ruin of thousands, if not millions, of depositors. With this object lesson before us, the Democratic platform proclaimed:

"We advocate quicker methods of realizing on assets for the relief of depositors of unprecided banks and a more rigid support.

"We advocate quicker methods of realizing on assets for the relief of depositors of suspended banks, and a more rigid supervision of national banks for the protection of depositors and the prevention of the use of their moneys in speculation to the detriment of local credits.

"The severance of affiliated security companies from, and the divorce of the investment banking business from, commercial banks, and further restriction of Federal Reserve banks in permitting the use of Federal Reserve facilities for speculative purposes."

That was the promise. The fulfillment began on the very day Franklin D. Roosevelt assumed the Presidency, for he declared a banking holiday in order that it might be ascertained what banks were solvent and what banks could be given crutches that would enable them to keep open with safety to their depositors. Congress backed this up, first, with an emergency measure and finally with permanent banking laws which provided safer use of the assets, required insurance of bank deposits in limited amount, and prevented the undue diversion of funds from commercial to speculative purposes. lative purpose

lative purposes.

And there has not been a single bank failure, or even a run on a bank, since this administration began, while banks were failing at the rate of hundreds a day before its advent.

The three great problems the administration had to meet were the problem of unemployment—there were 15,000,000 of our people out of work—the plight of the farmers, whose products were selling below what it cost to grow them, and who faced the loss of their homesteads through mortgage foreclosures; and, third, the rehabilitation of industry, so that the factories and mills might again become the indices of active business instead of silent monuments to disaster.

ments to disaster.

The pledges to meet all of these elements in our economic prostration will be found in the Democratic platform. Time of the platform of th prostration will be found in the Democratic platform. Time is not available on this occasion to recite that historic document, but I hope that my hearers will take the trouble to read it over now, so that they may realize how closely the promises of our convention have been carried out by the Congress.

now, so that they may realize how closely the promises of our convention have been carried out by the Congress.

A huge public-building program, including loans to the States for financing their own projects of road construction, parks, and other enterprises was enacted. And this expenditure of billions of dollars broke the unemployment impasse and enabled millions of people who otherwise would have become, or would have continued, objects of charity to maintain their self-respect and support their families. Half a million young men who had come to working age with no opportunity to find work were taken care of in the forests. The money spent on these citizen conservation camps was by no means wasted. I believe that in the protection of standing timber from being destroyed by fire, the creation of fire lanes, the destruction of underbrush, and other means of fire prevention, have saved the full cost of this emergency work. When you add to the saving what has been accomplished by the building of dams and other processes to check soil erosion it will be found that the Government made a sound investment in this regard. It may also be worth notice that one of every \$4 paid to them have been sent home by the men in the Conservation Corps to their families. As to the value of building up the character of these young men and saving them from the humiliation of becoming dependents at the very start of their adult life, no statistician can ever give an accurate estimate on how much this has meant to the country. meant to the country.

Now, as to the N.R.A., which is a favorite point of attack from some of the opponents of the President's program; recently I listened to a talk made by the head of one of the great department stores of the country—Mr. Edward A. Filene, of Boston. He asked his hearers—business men all of them—if any of them were willing to go back to the precode system of cutthroat competition. He also spoke of the complaints that some of them have made as to Government control of their business, referring to made as to Government control of their business, referring to the code provisions for minimum wages and for hours of labor, and asked them who controlled their business in the old period. He assumed that all of them would be glad to pay fair wages and to have reasonable hours of employment. They had not been able to do this because the sweatshop manufacturer and the child-labor exploiter was able by the competition of his lower costs to compel them likewise to underpay their people. And so, he pointed out that the man who controlled their businesses in the years previous to 1933 was the chiseler. the years previous to 1933 was the chiseler.

Recently I had occasion to gather a number of items from various newspapers relative to the effect of the new deal, Among them was a statement by Frederick H. Ecker, president of

the Metropolitan Life Insurance Co., who, after a tour of the country, recounted the conditions he had observed in the South, Middle West, and Northwest. He said the railroads are better, the real-estate situation is better, and the former evil state of industry has begun to respond to treatment.

From the New York Herald Tribune—from its news columns, not its editorial—I quote: "Westinghouse orders up 57 percent to \$20,237,588 in the first quarter; March bookings set mark for 2½ years."

Also note an Associated Press dispatch from Des Moines, Iowa, recording the retirement of script currency. And from the New York Times, reporting on the first quarter of this year: "Steel rate at 52 percent, the best since August." "Heavy bookings with higher price near make a good outlook", says Iron Age. And from Youngstown, Ohio, came a message under the headline, "Steel bookings rise; business of Youngstown area this month 22 percent ahead of 1933."

higher price near make a good outlook", says Iron Age. And from Youngstown, Ohlo, came a message under the headline, "Steel bookings rise; business of Youngstown area this month 22 percent ahead of 1933."

Again let me quote from the New York Herald Tribune. It refers to the earnings of the New York Central Railroad and says: "Jump in first quarter. Net operating income up to 88,211,195, against \$3,536,667, with rise in March even sharper. Gains of 14 roads abrupt last month. Earnings show advance of 204.4 percent over 1933; gross over 38 percent higher."

I note also in a report published last week that the Pennsylvania Railroad recalled 8,500 furloughed employees in mid June; that a tile-manufacturing company in New York, closed since 1932, had reopened, as have steel plants in Coatesville, Pa., and in half a dozen other places. The Reynolds Tobacco Co. had put on 725 new workers. I could go on with the list indefinitely, but I think enough instances have been cited to convince you that we are progressing pretty well despite what some of our political opponents have been saying. Let me read you now a brief extract from a statement of the Royal Bank of Canada, which is not concerned with politics in the United States and which, in fact, represents a financial clientele in competition with our own banking. This report says: "Despite the wave of pessimism which swept over New York in May and inundated the security market, the recovery in business and industry in the United States during the past year is an amazing spectacle to the outside world. With an increase of about 25 percent in commodity prices and 100 percent in security prices, the index of business activity in March 1934 was carried 44 percent above that of the previous March. Although these comparisons may seem to exaggerate the improvement, because they are contrasts between present conditions and those of March 1933, which was the absolute nadir of the depression, yet the figures for March 1933 were only a little below those of December 1932 or Janu

is the constitutional duty of Congress to act on such recommenda-tions. Every measure we enacted was debated at length. Many of the President's proposals were modified and amended. Sometimes

the President's proposals were modified and amended. Sometimes we found Members of our own side of the Senate in opposition to details of the President's presentations. Many times a large proportion of the Republicans in the Senate voted with us. In short, what was done by the Seventy-third Congress was the matured judgment of a majority of that body.

The forgotten man was remembered in our legislation, and we were careful in taking care of him that no undue restriction should be placed on business, even the businesses that exploited our people so gravely in past years. I think we did a good job, and if you ever look at the Literary Digest's poll and observe the votes of a vast cross section of our population you will see that in a proportion of 2 to 1 the people are in accord on this estimate of the President's policies as enacted into law. In fact, huge as was Franklin D. Roosevelt's majority in the election of 1932, the popular majority for the things he stands for is considerably greater. All of which means that the country, after more than a year's experience with him in the White House, has confidence in his judgment and is satisfied that he has made good on promises in the Democratic platform to which he subscribed on the day he was nominated for the Presidency.

## JOHN MARSHALL-ADDRESS BY POSTMASTER GENERAL FARLEY

Mr. ROBINSON of Arkansas. Mr. President, I ask leave to have printed in the RECORD an address, to be delivered June 20, 1934, by Postmaster General Farley, on John Marshall

Law, State Normal School, Jersey City, N.J., on John Marshall.

The address is as follows:

When I received a suggestion from your Governor, the Honorable A. Harry Moore, over a year ago to come here to deliver your commencement address I could hardly refuse. I entertain for him and his high-minded and virile public service an extremely high regard; I count him as a sincere and loyal friend; I knew that if he were the friend of your institution, your institution must have rendered a distinct service to deserve this friendship. I am happy to be with you. While economic conditions of my own youth denied me the privilege of a specialized education in an institution of this type, I feel that, nevertheless, we can find a common basis of understanding. Education, to perform its function properly, should broaden and amplify the vision, increase the human understanding, and give one the incentive of service to the many as well as to self. Life itself, fully lived, does this. If education misses this modest mark, it hits only the edge of the target and not the bullseye. The answer is that college itself does not make the man; it's what you do with what the college gives you that counts. The yardstick is not the time spent at the books; it's what service you render to the community afterward that really measures your stature. When I received a suggestion from your Governor, the Honorable

that counts. The yardstick is not the time spent at the books; it's what service you render to the community afterward that really measures your stature.

That's what I conceive to be the yardstick by which John Marshall, your patron, preferred to be measured.

One of Justice Marshall's biographers has said he would have been chief justice of any country in which he was born. That is perhaps unduly laudatory, but the facts of his rise from young manhood, his service in the fight for liberty in the Revolution, his winter at Valley Forge with Washington, his great capacity for work, his fine legal mind, all seem to lend weight to the estimate. The story of his achievement in the law is, in a measure, proof of what I have said. No long collegiate course, no superb advantages of training afforded to the young man of today, none of the conveniences of the present highly specialized system of courts were his. A course of lectures while he was still an officer in the Revolutionary Army was about the extent of his legal training. Possessing as he did a clear, incisive mind, the law to him became an orderly process of thinking, and his subsequent career as a jurist was to be dedicated to the service of his country. He rose in standing, his clients increased, his ability grew. Later, when he had become Chief Justice, with his fame well established, few could doubt the estimation in which he was held. All, however, did not agree with him, and the historian tells that John Randolph, questioning one of Marshall's opinions, said: "Wrong, all wrong—but no man in the United States can tell why or wherein he is wrong."

The constant conflict between the State rights advocates and the Marshall interpretations of the Constitution was a disturbing factor for many years. The evidence, to my mind, shows that if Marshall's legal and judicial philosophy of nationalism had not had the supporting iron arm of his enemy, Andrew Jackson, the story of our Union might have been different. In the crucial South Carolina secession crisis, prior

I, of course, did not come here to discourse upon the life or public service of an illustrious Chief Justice of the United States, the man whose name you have revered in the founding of this law school. That I can safely leave to the scholars of jurisprudence and to historians of the law.

But here in the United States in these days of strife and effort, when a new concept of service is being made effective in the Government, the cry has frequently gone up that many of the laws and measures planned to effect economic recovery for the country are unconstitutional. "Unconstitutional"—the learned men of

the law proclaim.

the law proclaim.

John Marshall, great interpreter of the Constitution, if he were alive today, I am sure would be on the side of the new deal. I do not mean politically, for as I read my history, he might not have been a liberal of the present. I mean, however, that if Justice Marshall were called upon to interpret the constitutionality of some of the measures of the new deal, he would decide in their favor. Why? you may ask. Because I believe Marshall, in his original interpretation of the relative powers of the Federal Government over those of the States, caught the spirit of the rights of the many as against the few. He believed that although the Federal powers were limited, they were supreme, and adequate to the great national purposes for which they were given. He further indicated that to be adequate, the power of adopting such means as were necessary to carry out the purposes was implied, if the means were not specifically prohibited by the Constitution.

In short, I believe the aims of the new deal are the rights of

In short, I believe the aims of the new deal are the rights of the many. To correct evils which have disturbed those rights, certain recovery measures are necessary. Under these conditions whatever is necessary to achieve the recovery of those rights to the people should, in spirit, fall under the protecting wing of the Constitution.

Marshall.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBINSON of Arkansas. Mr. President, I ask leave to have printed in the Record an address, to be delivered on June 20, 1934, by Postmaster General James A. Farley at the commencement exercises of the John Marshall College of

Just as Marshall's view of the rights of the States and their relation to the power and might of the Federal Union was in a sense the foundation stone for the growth of the solidarity of the United States as a Nation, just so does the same conception today in Roosevelt's new-deal program give it force. One took the basic law and made it a vehicle for a Nation's growth; the other imposes an economic doctrine of fairness and equality to the many over a ruthless system of exploitation that had run riot over a span of 12 years.

The crossroads at which we found ourselves as a Nation in early November of 1932 was just as vital as the crossroads at which the Nation stood in 1801, when Marshall became Chief Justice. And as Marshall met and solved his important problems in the light of service to a Nation yet to feel its power, in the same manner did Franklin D. Roosevelt attack the problems that faced him when he took over the direction of the Nation's affairs on March 4 a year ago.

faced him when he took over the direction of the Nation's affairs on March 4 a year ago.

I commend you to the law as a profession. I see in it an opportunity for service such as is afforded by few professions. Too often today the law is made the vehicle for private gain and private affluence. Sometimes, too, it is used to protect wrongdoing. I hope and trust that your conception of the duty you have as lawyers does not permit ever of an attitude of mind such that the prostitution of your talents to an illegal or unlawful end would be possible.

that the prostitution of your talents to an illegal or unlawful end would be possible.

In the county of New York State where I was born and raised I learned to look up to the lawyers. They were men above the average in mental stature; they were generally leaders of the community; they were men to whom people could go with their troubles confident that there would be a human and understanding soul to give advice. I imagine it was pretty much the same in other average communities of the country.

Lately, it is needless for me to point out, there has been a wave of criminality in this country. I charge a great deal of the disrespect of the law during recent years to the evils of the eightenth amendment to the Constitution, the unpopularity of which encouraged disrespect of all laws. Happily, this cause has been removed. As you go out from the halls of this school, there is a great opportunity for each of you to aid in restoring to the laws of the land the healthy respect and reverence to which they are entitled. entitled.

The Attorney General of the United States recently called at The Attorney General of the United States recently called attention to the threatened distressing break-down of the agencies of law and order. He charged that "certain members of the bar, skirting close to criminality", to use his own words, "permit the cloak of the legal profession to protect notorious enemies of society." In this I am forced to agree. We see too often an alliance between lawyers and the criminal classes, an alliance which adds to the already irksome delays of the law and permits the subversion of the aims of justice.

To the young man of today in the legal profession there is a

To the young man of today in the legal profession there is a vast field of promise ahead. No doubt exists in my mind as to the greater possibility for success now over that of a generation the greater possibility for success now over that of a generation ago. The long years of apprenticeship that previously existed have to a great extent been reduced. Attractive fields for specialization lie ahead. Young men today occupy high positions of trust in the legal world in both the Government and private practice. Don't get the idea that I mean the trail ahead is strewn with roses. As a layman looking at the law, I feel quite sure that it is no different, in the main, from other professions. There is no substitute for hard work. Industry has its own rewards.

One American writer has said that the way in which a university should function in the preparation for a career is to promote the imaginative consideration of the general principles underlying that career. This gives the student, he maintains, an opportunity to exercise imagination during the apprenticeship of whatever profession he chooses. There is a good deal of truth in this idea. Imagination is frequently the motive force behind your work;

to exercise imagination during the apprenticeship of whatever profession he chooses. There is a good deal of truth in this idea. Imagination is frequently the motive force behind your work; the zeal and spirit with which you approach your work derives from it. A modern colloquial way of describing it is that it makes it possible, whatever the profession, to "know what it is all about." I have seen it in the political world time and time again.

This brings me to a subject in which I am very much interested. I should like to suggest to you, trained in the fundamentals of the law, to turn your mind to the political interests of your community. Whatever city or community you live in, I am sure you will be amply repaid for taking an active interest in your government. The measure of your interest is likely to become the measure of the quality of your government.

I have seen often, in the operations of the Government in Washington, where the man with the legal mind often has a better sense of proportion than the man whose training does not include the law. This is noticeable to a degree in the law-making branch of the Government—the Congress of the United States.

In my own sphere of activities it has been my lot to be in almost daily contact with the President of the United States. There have been conferences frequently at which problems of a legal nature have come up for intensive discussion. I count President Franklin D. Roosevelt the possessor of one of the keenest legal minds in the entire Government. I have seen him in meetings with the most eminent lawyers of the Government departments and with outside lawyers of national renown.

In all, he has indicated a grasp of the law and legal problems that has frequently been bewildering to the members of the con-

In this manner, and for this reason, I believe that if John Marshall, the Justice, were alive today and sitting in his black robes in the Supreme Court of the United States, he would, if called upon, decide in favor of the new-deal legislation.

Just as Marshall's view of the rights of the States and their relation to the power and might of the Federal Union was in a sense the foundation stone for the growth of the solidarity of the United States as a Nation, just so does the same conception today in Roosevelt's new-deal program give it force. One took the basic law and made it a vehicle for a Nation's growth; the other imposes an economic doctrine of fairness and equality to

BUILDING CITIZENS-ADDRESS BY POSTMASTER GENERAL FARLEY

Mr. ROBINSON of Arkansas. Mr. President, I ask permission to have printed in the RECORD an address, to be delivered June 27, 1934, by Postmaster General Farley, on building citizens.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBINSON of Arkansas. Mr. President, I ask leave to have printed in the RECORD an address to be delivered June 27, 1934, by Postmaster General James A. Farley, at the Rotary International Convention in the Masonic Temple in Detroit, Mich., on building citizens.

The address is as follows:

am glad of the opportunity to address what I consider to be

the most representative business gathering that can assemble in the United States or, for that matter, in the world.

Your membership embraces not only those of industrial and commercial eminence but the men who have devoted themselves to the prosperity of their respective communities, thanks to the to the prosperity of their respective communities, thanks to the democratic principles of your organization, whose membership is concerned with small as well as large enterprises. Though its local units are devoted to advancing local welfare, we all know that prosperity is contagious, and that one city's progress is an incentive to every other city. The material effects of business slumps do not long outlive the passing of the period of depression. It is different with the psychological effects. Next year's profits may wipe out last year's losses, but the scars left by such stresses as the average individual has gone through during the past few years will be seen and felt over a vastly greater period. Consequently, in any solution of our national economic ills, more attention had to be given to rebuilding character, morale, and self-confidence than to rebuilding commerce, manufacture, and agriculture. An integral part of the recovery program of President Franklin D. Roosevelt is to retain and reinforce the self-reliance of our citizens. The President has felt that if any other way were possible of maintaining a distressed man or woman, that way were possible of maintaining a distressed man or woman, that man or woman should not be made the recipient of direct charity. Hence, instead of a dole, the administration has sought to provide a job.

It may be that in some cases the job was not important; that is,

It may be that in some cases the job was not important; that is, that it was not an absolutely necessary piece of work. It seems to me that objection on that score is mere carping. The work that has been done under the various emergency agencies has all tended to the improvement of the country.

I might specifically mention the Civilian Conservation camps, which keep approximately 300,000 young men at work cleaning up the forests, creating fire lanes, building dams against flood erosion, and, in short, doctoring our woods to the end that neither the destructive elements nor ravaging insects shall take their erosion, and, in short, doctoring our woods to the end that neither the destructive elements nor ravaging insects shall take their annual toll of millions of dollars' worth of timber.

That was an important piece of work, but more important was the effect upon twice the 300,000 young men themselves—the turnover practically doubles the number who have availed themselves of the opportunity afforded by the C.C.C.

Here these lads, coming fresh from school, found themselves in a world destitute of employment. There were no places for them

selves of the opportunity afforded by the C.C.C.

Here these lads, coming fresh from school, found themselves in a world destitute of employment. There were no places for them in industry, either for the technically educated or the others. The problem was to keep these new arrivals in the field of citizenship from swelling the ranks of the unemployed and starting in life as vagrants and drifters. So we sent them to the woods, paying them just enough so that they might contribute something to the support of their families. It would, perhaps, surprise you to know that out of the average of \$30 a month paid to the members of the forest battalions, \$60,000,000 was sent by them to their homes before the end of 1 year. Certainly, boys capable of that amount of home loyalty and self-denial were worth saving.

The subsistence tracts, the home and farm mortgage relief agencies, and all the kindred measures touch at some point the same desire to preserve our people's pride and make them feel that they are members of our great Commonwealth and not merely paupers dependent upon it for support.

It is easy enough to figure out in dollars and cents the gains in business, the higher prices of commodities, and the promising figures of employment, but there is no process by which we can indicate the greatest gain of all—the gain in public morale. To a group of business men such as yourselves it is obvious that you are entitled to a straight business talk. I do not pretend that you should not be concerned with your Government. We know by experience that government has at various times affected you for good and for ill. We must remember that the only legitimate aim of government must be the general welfare of the country.

for good and for ill. We must remember that the only legitimate aim of government must be the general welfare of the country. That general welfare cannot be served by special favors to particular groups or particular industries—by making it easy for a

few individuals or a few enterprises to pile up great fortunes, while the remainder of the country is left to get what sustenance it can from what drops from the rich man's table. We all know when the people at large are prosperous, when everybody who wants a job can be reasonably sure of a job, when wages are high enough so that the wage earner does not have to pinch every penny in order to keep alive, that business is good—all business is good. Under such circumstances the big prizes go to those whose efficiency and whose ingenuity is greater than that of their competitors.

All that business has a right to ask, and I think all that business generally does ask, is that the rules should be impartial, so that everybody will have a fair show to make the best of his advantages and opportunities. All my life I have been hearing the demand for a business administration. That is what those at present in control of our Government are trying to give you. I have only to suggest to you that you consult your own ledgers and note how much more black ink and how much less red ink

and note how much more black ink and how much less red ink appears on your accounts this year than last.

I dislike to recall unhappy days. But let me remind you that for a period of more than 3 years every business thermometer had shown a steady decline. You were forced to cut wages and salaries all along the line to make up in some degree for the paralysis of trade. You could not collect what was owing to you, and a great many of you were wondering if, in turn, you could take care of your own obligations. The appealing reports of bankruptcles, the colleging of banks the appearantly engless sequence of disasters. collapsing of banks, the apparently endless sequence of disasters had put the country into a desperate frame of mind, of which no man could prophesy the outcome. All you had to lean on then were hopes that some day the bottom would be reached and your anxiety was to hold on until the tides turned.

That was the condition when the Roosevelt administration came in. I doubt if any President ever confronted as serious a situation as did President Roosevelt when he came to the White House on

March 4, 1933.
Suppose the new administration had been willing to let things drift, to permit the liquidation processes to go on unchecked—I wonder then whether there would have been any Rotary Club Convention in Detroit.

am not telling you that business has reached a status satis-I am not telling you that business has reached a status satisfactory to any of us, but I am telling you—or rather, your own account books are telling you—that had you dreamed that within a year you would be doing as well as you are doing you would have thought it a vision of paradise.

I am, of course, aware that there has been some criticism of some details of the President's recovery program. For the most part, these have emanated from special sources with a particular integer, though I would not suggest anything like a reflection.

part, these have emanated from special sources with a particular interest, though I would not suggest anything like a reflection upon all of the administration critics. Undoubtedly there are many more or less disinterested people among them who believe sincerely that any departure from old customs and business habits must be wrong.

They are the same group that in the past have opposed every progressive step our Government has taken.

They are the psychological descendants or survivors of the people who fought so bitterly against the establishment of the Federal Reserve Bank System, which the whole world now halls as perhaps the greatest agency for the stabilization of fiscal affairs ever enacted.

ever enacted.

They are of the same school of thought that declared that the They are of the same school of thought that declared that the enactment of the antitrust laws meant the end of American commercial and financial enterprise. They, or their psychological ancestors, were the ones who so long delayed the adoption of the income tax. Add to these the politicians who think there may be some advantage in picturing our Government as bent on socialism or communism or some other ism, and you come pretty near having a complete list of the opponents of the new deal.

It would be no exaggeration, I'm sure, to say that these folks are not against the recovery policies for any better reason than that they represent the program of an administration which they do not like.

Except for those who are naturally critical of change or prog-

Except for those who are naturally critical of change or progress, they would be equally loud in their clamor if our President had taken the opposite course and done nothing to check the downward tendency of the 3 years from 1929 to 1933 and had offered the country nothing beyond smug assertions that periods of depression were manifestations of nature that must be borne patiently until some mysterious cycle brought us around to normality again.

mality again.

The administration has striven to keep partisan politics out of the effort to reestablish prosperity. Many of the people in key positions in the various agencies that are administering the new-deal processes are of opposite political faith to that of the administration. A multitude of men eminent in the commercial and financial world have been drafted for Government carries during the past year. They are of every political commercial during the past year. service during the past year. They are of every political complexion and of none, and frequently these men have brought with them their own subordinates, for they naturally wished to have with them in their governmental capacity the men and women whose efficiency had been demonstrated in their own business

Notwithstanding all this, various spokesmen of greater or less importance in the minority party have arraigned the administra-tion and sought to convey the impression that the President did not know what he was about; that he was being pulled and hauled in all directions by impractical theorists so taken with their own pet ideas that they gave no heed to the effect of these ideas on the Nation's welfare.

Now, let me tell you a few things about our President-and I

Now, let me tell you a few things about our President—and I speak as a business man and as one of long acquaintance with Franklin Delano Roosevelt, both in and out of office. I know of no man with a more definite mind than his. I know of no executive less likely to be swayed by impractical theories, regardless of their source, than the President.

It has always been his habit to consult authorities on every side of every important question and then to make up his mind. To listen to our critics, one would think that the various elements of the recovery program were haphazard adventures made on the spur of the moment because some professor whispered to him the professor's own favored views of political economy. Let me tell you that there is nothing sporadic about this program. It was worked out in Mr. Roosevelt's mind before he was even nominated for the Presidency. He knew exactly what he was going to be faced with when he came to the White House. He had studied every phase of the impending situation. From the histories and from living authorities he learned all that one man can learn of the crises that have beset nations, of the methods that have sucfrom living authorities he learned all that one man can learn of the crises that have beset nations, of the methods that have suc-ceeded, and of those that have falled. There is nothing impulsive about him, except the impulse to serve his country, and you may be sure that his head is cool and his feet are on the ground all

the time.

Just remember when you hear him charged with ignoring the Constitution and abandoning all the landmarks of sound economy that the man they are talking about served two terms as the Governor of the most populous State in the Union, and that he was one of the great Governors of that State. The people of that State recognized him as one of the wisest, most careful, and efficient executives that ever sat in the State house at Albany. The larger responsibilities of the Presidency have inspired him to greater effort and have speeded up his mind and will.

He knew just what he was driving at when he made his inaugural speech. His program was no secret to those about him, including the leaders of the Senate and House of Representatives. He asked for certain authorities, which Congress granted him, and he proceeded to carry out the work with an energy and

and he proceeded to carry out the work with an energy and industry that seems to most of us almost superhuman. There are no limits to his hours of labor.

He is at the business of government before he leaves his bed in the morning; he lunches at his desk in the Executive offices to save the time it would require to go to the White House and back. He is at his task at night long after most of us have gone to sleep. And the miracle of it is that he seems to thrive on it. Under a regime that would give most of us nervous prostration, I am glad to be able to report to you that his health is excellent, that his appetite never falls him, and that when he does go to

bed he sleeps like a child.

Now, let us see where his activities have brought us. I speak to you as a business man to business men. As Postmaster General I head perhaps the biggest business in the world—the Postal Service of the United States. In this service there are approximately 245,000 employees, both men and women. For the fiscal year 1933 the gross revenues of the Department were \$587,631,364.48, and for the same period the Department's expenditures were

\$699,887,186.36.

When this administration took over the Post Office Department it was deeply in the red, the net deficit during the preceding fiscal year having amounted to \$152,246,188.50. In the first year of the Roosevelt administration the postal deficit was reduced to \$50,683,605.46.

\$50,683,605.46.

I know the danger of prophecy; I know that in the Post Office business, as in every other business, unforeseen happenings may make hash of any budget; but my hope is—and that hope is justified by our pay rolls, our expense account, and our increasing income—that by the end of this fiscal year the Post Office Department's revenues and expenditures will be approximately balanced for the first time in many years. I do not make this statement in any spirit of boasting.

The Post Office business, like every other business, soars during periods of prosperity and declines when the tide of trade recedes. Perhaps the course of events in the Postal Service is as good an index as we can get of the trend of the times.

There are a thousand indications that the general current of

There are a thousand indications that the general current of There are a thousand indications that the general current of commerce is moving proportionately in the same direction. I was talking the other day with the advertising manager of one of the big radio broadcasting companies, who told me that that company had signed 80 percent of its advertising clients for time on the air this summer. This summer's business being, incidentally, the greatest in the history of the organization, they have actually had to turn away business because the available time on the air was so crowded. As you all know, advertising figures come pretty near telling the tale of commercial progress. If you want any more evidence of this branch of the subject, read your own newspapers and compare their advertising pages

If you want any more evidence of this branch of the subject, read your own newspapers and compare their advertising pages today with those of the first 3 months of last year.

I do not mean to tell you that we have been suddenly lifted from a pit to a mountain top. We have still a considerable way to go before we get back to the figures we like to see. But we are on our way. The statisticians tell me that the general business index shows an average rise of 26 percent over what it was during the first 3 months of 1933.

Of course, certain industries are way above this. For instance,

during the first 3 months of 1933.

Of course, certain industries are way above this. For instance, construction shows an increase of 136 percent over that period. A lot of this is undoubtedly due to the expenditure of Government funds for public works, and so forth. There are some incidental figures in this connection that ought to cheer you; for example, residential buildings are worth much more today than

early last year, and nonresidential buildings are also rated at an increased value.

early last year, and nonresidential buildings are also rated at an increased value.

Steel production is up 132 percent, due to some extent to public buildings, but more to the revival of the automobile industry and purchases by the railroads. Automobile production, incidentally, is up 100 percent, and the car loadings are up 21 percent. Department-store sales increased 27 percent, and the farm income 57 percent. All of which represents considerable progress for 1 year. Perhaps the most encouraging figures of all are that the cost of living has increased only 3 percent, while the pay rolls aggregate 56 percent more than they did in the spring of 1933.

Some people feel that the stock exchanges really tell the story. If we had nothing to go on but the wails of those who are opposing Government regulation of the securities market, we might think that Wall Street and La Salle Street were draped in crepe. But again the statisticians come to our rescue and tell us that stock prices, calculated on a basis of nearly 100 issues, are 67 percent over what they were in the first quarter of 1933, and that bond prices averaged about 71-percent increase.

Some of you, perhaps, may believe that the measure of recovery indicated might have come about anyhow, even without the intervention of the Government and the big relief measures. I don't know what there is on which to base such a surmise. With banks tumbling one after another, bankruptcies coming thick and fast, with 14 000 000 cm 15 000 000 people out of work all of us must

tumbling one after another, bankruptcies coming thick and fast, with 14,000,000 or 15,000,000 people out of work, all of us must shudder at the idea of what might have come to pass in this country had not a strong and active man stepped in and taken

country had not a strong and active man stepped in and taken charge.

Those who hold the theory of spontaneous recovery cite the circumstances of England's balanced budget to support their hypothesis. The books of the British treasury take no account of its debt to the United States. Do you think it would have helped our situation any to have repudiated that same debt, which we owe to our own people who bought the Liberty bonds in order that the money might be loaned to England in her extremity?

Even leaving that impossibility out of consideration, how many of you would have been willing or able to pay the British tax rates?

There was only one thing to be done, as I see it, and the President did that thing. It cost a lot of money—not so much as some of you may think. For hundreds of millions have been repaid to the Reconstruction Finance Corporation and, as we mount upward, you will find that the homes and farms saved from foreclosure by the intervention of the Government agencies will pay back a large proportion of the loan.

As to the reality of our progress toward complete recovery, let me cite the fact to you that since 1920 there has not been a period where commercial failures were as few as during the first 3 months of the present year, and the liabilities in those failures are smaller than they have been at any time in the last 20 years.

That, I think, gives you the picture of our present situation. I think it is colorful enough to satisfy anybody who does not expect to recover overnight all the ground that was lost during 4 disastrous years. Above all, it should reflect to no small degree the spirit of recovery that is in the air—recovery of business, recovery

spirit of recovery that is in the air—recovery of business, recovery of finance, recovery of agriculture—but, above all, the recovery in the morale and backbone of the American people.

## INTERNATIONAL CELEBRATION AT FORT NIAGARA, N.Y.

Mr. WAGNER. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the joint resolution (H.J.Res. 376) to provide an appropriation to enable the United States Army to send certain units to participate in the international celebration at Fort Niagara, N.Y.

The VICE PRESIDENT. Is there objection?

There being no objection, the joint resolution was considered, ordered to a third reading, read the third time, and passed.

## STATEMENT AS TO HOUSING BILL

Mr. BARKLEY. Mr. President, for the information of the Senator from Arkansas [Mr. Robinson] and also for the information of the Senate, it ought to be stated that the conference report on the housing bill has been signed, but the draftsmen will not be ready to report it until about 8 o'clock. It must be acted on first by the House. The conferees on the part of the House estimated that within 30 minutes after it is brought up in the House it will be passed. I think the Senator from Arkansas and the Senate ought to know that, so as to govern themselves as to the procedure between now and somewhere in the neighborhood of 8:30

### RETIRED PERSONNEL OF NAVY AND MARINE CORPS

Mr. THOMAS of Utah. Mr. President, I ask unanimous consent for the present consideration of Order of Business 1511, being House bill 4554, to amend section 4808 of the Revised Statutes (U.S.C., title 24, sec. 3) to prevent discriminatory reductions in pay of the retired personnel of the Navy and Marine Corps.

The VICE PRESIDENT. Is there objection?

Mr. McNARY. Mr. President, I could not understand the request, except as it referred to a bill on the calendar. What is the substance of it?

The VICE PRESIDENT. The clerk will read the bill.

Mr. WALSH. Mr. President, I hope the Senator will not object to the consideration of the bill.

The Chief Clerk read the bill (H.R. 4554) to amend section 4808 of the Revised Statutes (U.S.C., title 24, sec. 3) to prevent discriminatory reductions in pay of the retired personnel of the Navy and Marine Corps.

Mr. WALSH. Mr. President, both the Naval Committee of the House and the Naval Committee of the Senate have approved this measure. It is a very meritorious one. It prevents the deduction of 20 cents a day for hospitalization purposes from the pay of retired officers and retired privates in the Marine Corps and the Navy. That deduction is made under an old law which ought to be abolished.

The VICE PRESIDENT. Is there objection to the presentconsideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

#### RECESS

Mr. ROBINSON of Arkansas. Mr. President, when I was interrupted a few moments ago I was about to state that the conference report on the housing bill is not ready. The Senator from Kentucky [Mr. BARKLEY] has in the meantime made a statement explaining the situation. In order that Senators may have the opportunity of refreshing themselves by taking dinner. I move a recess until 8:30 o'clock this evening.

The motion was agreed to; and (at 7:35 o'clock) the Senate took a recess until 8:30 o'clock p.m.

On the expiration of the recess the Senate reassembled.

#### FINAL ADJOURNMENT

Mr. ROBINSON of Arkansas. I ask for the present consideration of the concurrent resolution relative to final adjournment.

The VICE PRESIDENT. The concurrent resolution will he read

The concurrent resolution (H.Con.Res. 47) was read, as

Resolved by the House of Representatives (the Senate con-curring), That when the Senate shall adjourn as of the legislative day of June 6, 1934, and the House of Representatives shall adjourn as of the legislative day of June 15, 1934, they shall stand adjourned sine die.

Mr. McNARY. Mr. President, do I understand from the Senator from Arkansas that after the passage of this concurrent resolution the session may be ended by motion?

Mr. ROBINSON of Arkansas. Yes; the effect of it is to permit each House to adjourn when it shall have concluded its labors on this legislative day. Of course, I shall not make a motion to adjourn until the housing conference report shall have been agreed to.

The VICE PRESIDENT. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to.

# MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:

- S. 294. An act for the relief of Stanton & Jones;
- S. 379. An act for the relief of Frederick G. Barker;
- S. 418. An act for the relief of William H. Connors, alias John H. Connors, alias Michael W. H. Connors;
  - S. 527. An act for the relief of Lillian Morden;
- S. 854. An act for the relief of the Ingram-Day Lumber Co.;
  - S. 879. An act for the relief of Howell K. Stephens;
  - S. 1161. An act for the relief of Alice E. Broas;
  - S. 1162. An act for the relief of Virginia Houghton;
  - S. 1163. An act for the relief of Mary V. Spear; S. 1382. An act for the relief of Uldrie Thompson, Jr.;

  - S. 1505. An act for the relief of Thomas E. Read;

S. 1557. An act for the relief of Harry Lee Shaw;

S. 1707. An act for the relief of Carlos C. Bedsole;

S. 1992. An act for the relief of Arthur R. Lewis;

S. 2227. An act for the relief of Harold S. Shepardson;

S. 2238. An act to provide for the payment of damages to certain residents of Alaska caused by reason of extending the boundaries of Mount McKinley National Park;

S. 2272. An act for the relief of Bert Moore;

S. 2343. An act for the relief of Herbert E. Matthews;

S. 2357. An act for the relief of Arthur Bussey;

S. 2470. An act for the relief of Erik Nylin;

S. 2613. An act for the relief of Jewell Maness;

S. 2617. An act for the relief of the estate of Jennie Walton;

S. 2619. An act for the relief of E. Clarence Ice;

S. 2806. An act to confer jurisdiction on the Court of Claims to hear and determine the claim of Carlo de Luca; S. 2810. An act for the relief of Alice F. Martin, widow,

and two minor children;

S. 2906. An act for the relief of Ransome Cooyate;

S. 3160. An act for the relief of Charles E. Secord;

S. 3192. An act for the relief of Arthur Hansel;

S. 3394. An act for the relief of the Grier-Lowrance Construction Co.;

S. 3499. An act for the relief of Michael Ilitz;

S. 3516. An act for the relief of the Morgan Decorating

S. 3517. An act authorizing the Court of Claims to hear, consider, adjudicate, and enter judgment upon the claims against the United States of J. A. Tippit, L. P. Hudson, Chester Howe, J. E. Arnold, Joseph W. Gillette, J. S. Bounds, W. N. Vernon, T. B. Sullivan, J. H. Neill, David C. McCallib, J. J. Beckham, and John Toles;

S. 3562. An act for the relief of Robert Rayl; and S. 3656. An act for the relief of Robert N. Stockton.

The message also announced that the House had passed the following bills of the Senate severally with an amendment, in which it requested the concurrence of the Senate:

S. 2074. An act for the relief of James R. Mansfield;

S. 3122. An act for the relief of H. N. Wilcox; and

S. 3486. An act for the relief of George L. Rulison.

The message further announced that the House had passed the following bills of the Senate, severally with amendments, in which it requested the concurrence of the Senate:

S. 2720. An act for the relief of George M. Wright;

S. 2872. An act for the relief of Marie Louise Belanger;

S. 2873. An act for the relief of Stella D. Wickersham;

S. 3156. An act for the relief of Mary Angela Moert; and

S. 3264. An act for the relief of Muriel Crichton.

## ORDER OF BUSINESS

Mr. ROBINSON of Arkansas. Mr. President, I understand that there are a few other bills that come within the unanimous-consent agreement. After they shall have been disposed of it is my purpose to move a further recess until the Senate shall be called to order by the Vice President.

#### GEORGE M. WRIGHT

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 2720) for the relief of George M. Wright, which were, on page 1, line 6, after the figures "\$545.03", to insert "in full settlement of all claims against the Government of the United States", and on the same page, line 8, after the figures "1924", to insert a colon and the following proviso:

Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The VICE PRESIDENT. Without objection, the amendments of the House will be concurred in.

#### H. N. WILCOX

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 3122) for the relief of H. N. Wilcox, which was, on page 1, line 15, after the word "Reed" to insert a colon and the following proviso:

Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The VICE PRESIDENT. Without objection, the amendment of the House will be concurred in.

#### GEORGE L. RULISON

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 3486) for the relief of George L. Rulison, which was, on page 1, line 12, after the name "Indiana" to insert a colon and the following proviso:

Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The VICE PRESIDENT. Without objection, the amendment of the House will be concurred in.

#### JAMES R. MANSFIELD

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2074) for the relief of James R. Mansfield, which was, on page 1, line 13, after the word "act", to insert a colon and the following proviso:

Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The VICE PRESIDENT. Without objection, the amendment of the House will be concurred in.

## MARY ANGELA MOERT

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 3156) for the relief of Mary Angela Moert, which were, on page 1, line 6, after "1930", to insert "in full settlement of all claims against the Government of the United States", and on page 1, line 10, after the name "Kentucky", to insert a colon and the following proviso:

Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The VICE PRESIDENT. Without objection, the amendments of the House will be concurred in.

#### STELLA D. WICKERSHAM

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 2873) for the relief of Stella D. Wickersham, which were, on page 1, line 6, to strike out "Stella D. Wickersham", and on the same page, line 7, to strike out "her husband."

The VICE PRESIDENT. Without objection, the amendments of the House will be concurred in.

#### MARIE LOUISE BELANGER

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 2872) for the relief of Marie Louise Belanger, which were, on page 1, line 6, to strike out "Marie Louise Belanger", and

on the same page, line 7, to strike out "her husband."
The VICE PRESIDENT. Without objection, the amendments of the House will be concurred in.

#### MURIEL CRICHTON

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 3264) for the relief of Muriel Crichton, which were, on page 1, line 6, to strike out "\$10,000" and insert "\$5,000", and on the same page, line 7, after the word "claims" to insert against the Government of the United States."

The VICE PRESIDENT. Without objection, the amendments of the House will be concurred in.

#### RIPARIAN OWNERS, MUD LAKE BOTTOM, MINN.

The VICE PRESIDENT laid before the Senate the amendment of the House to the bill (S. 1803) for the relief of certain riparian owners for losses sustained by them on the drained Mud Lake bottom in Marshall County, in the State of Minnesota, which was to strike out all after the enacting clause and in lieu thereof to insert the following:

clause and in lieu thereof to insert the following:

That the Secretary of the Treasury is authorized to pay, out of any money in the Treasury not otherwise appropriated and the appropriation of which is hereby authorized, not to exceed the following sums of money, if their claims are properly adjusted to the satisfaction of the Secretary of the Interior, to the following persons, or their heirs, assigns, or legal representatives:

A. N. Eckstrom, \$2,792.25; Margit Vaule, \$3,894.80; Bernard Larson, \$57.24; F. H. Wellcome Co., \$1,027.20; L. M. Larson, \$3,164; Mrs. Gusta Petterson, \$580.38; Ava Luella Dale, \$2,321.52; Elmer Odie, \$2,638.08; George E. Olson, \$2,325.35; J. M. Silberstein, \$1,860.28; R. Rierson, \$1,770.39; Ruth Lyons Rose, \$196.71; Clarence Larson, \$1,671.26; Mrs. O. B. Johnson, \$528.01; Christian Burckland, \$1,370.88; Karen Knutson, \$1,522.80; Nels A. Fosen, \$964.50; Christian Larson Ring, \$289.20; Elizabeth Risberg, \$3,128.58; Axel Nelson, \$3,620.30; G. F. Cashman, \$301.69; D. B. Bakke, \$3,482.70; and Frank W. Erickson, \$1,030.68. and Frank W. Erickson, \$1,030.68

Mr. SHIPSTEAD. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

#### LAKE CHAMPLAIN BRIDGE, EAST ALBURG, VT.

The VICE PRESIDENT laid before the Senate the action of the House of Representatives requesting the Senate to return to the House the engrossed bill of the Senate (S. 3374) to extend the times for commencing and completing the construction of a bridge across Lake Champlain from East Alburg, Vt., to West Swanton, Vt., and, without objection, the request of the House was complied with.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had agreed to the amendments of the Senate to the joint resolution (H.J.Res. 322) to provide for the disposal of smuggled merchandise, to authorize the Secretary of the Treasury to require imported articles to be marked in order that smuggled merchandise may be identified, and for other purposes.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H.R. 9861) to amend the Railway Labor Act approved May 20, 1926, and to provide for the prompt disposition of disputes between carriers and their employees.

## ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

- S. 101. An act for the relief of Robert Gray Fry, deceased; S. 336. An act for the relief of the Edward F. Gruver Co.;
- S. 1072. An act for the relief of Rufus J. Davis:
- S. 1118. An act for the relief of George J. Bloxham;
- S. 1119. An act for the relief of Fred A. Robinson;
- S. 1200. An act for the relief of Elizabeth Millicent Trammell:
- S. 1287. An act for the relief of Leonard Theodore Boice;
- S. 1288. An act for the relief of Otto Christian;
- S. 1600. An act for the relief of S. G. Mortimer;
- S. 1758. An act for the relief of B. E. Dyson, former United States marshal, southern district of Florida;
- S. 1825. An act authorizing the Secretary of the Interior to issue patents to the numbered school sections in place, granted to the States by the act approved February 22, 1889, by the act approved January 25, 1927 (44 Stat. 1026), and by any other act of Congress;
- S. 2043. An act to amend the Act of May 22, 1928, entitled "An act to authorize the collection, in monthly installments, of indebtedness due the United States from enlisted men, and for other purposes";
  - S. 2367. An act for the relief of Emilie C. Davis;
  - S. 2398. An act for the relief of Nancy Abbey Williams;
  - S. 2627. An act for the relief of Arvin C. Sands;
- S. 2809. An act for conferring jurisdiction upon the Court of Claims to hear and determine the claims of the International Arms and Fuze Co., Inc.;
  - S. 2875. An act for the relief of Margoth Olson von Struve:
- S. 2919. An act for the relief of Cornelia Claiborne;
- S. 2957. An act for the relief of the rightful heirs of Wakicunzewin, an Indian;
- S. 2987. An act to restore homestead rights in certain cases:
  - S. 3161. An act for the relief of Mary Seeley Watson;
- S. 3185. An act to amend the Agicultural Adjustment Act, as amended, with respect to farm prices;
- S. 3408. An act to provide for a preliminary examination of Cromline Creek in the State of New York, with a view to the control of its floods:
- S. 3580. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto;
- S. 3646. An act to amend section 938 of the Revised Statutes to vest the courts with discretion to refuse to order the return of vessels seized for violation of any law of the United States; and to amend subsection (b) of section 7 of the Air Commerce Act of 1926, as amended, to provide for the forfeiture of aircraft used in violation of the customs
  - H.R. 5543. An act for the relief of T. Brooks Alford;
- H.R. 9547. An act to amend section 766 of the Revised Statutes, as amended:

H.R. 9830. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes; and

S.J.Res-115. Joint resolution to provide for the continuation of the investigation authorized by S.Res. 83, Seventieth Congress, first session.

# LIST OF AIRPLANE ACCIDENTS SINCE JANUARY 1, 1934

Mr. McKELLAR. Mr. President, just a word before we close, about air mail. Our good friends on the other side of the aisle had a great deal to say about the unhappy and unfortunate loss of life to the Army pilots when the Army was carrying the mails. It was most regrettable that 11 Army fliers lost their lives during the 31/2 months when the Army was carrying the mails. Our friends on the other side attempted to make much out of this great loss of life, and, of course, it was most distressing; and I am not minimizing this loss of 11 lives.

On the other hand, as I attempted to point out at the time, there were losses quite as large, and indeed very wich larger, in the other fields of aviation. In fact, Mr. President, taking all the aviation in this country, we have lost more than 25 lives a month ever since last January. The total amounts to 151. It is a terrific total, but these figures show that all that was said to the Senate and all that was said in propaganda in the newspapers and otherwise was no doubt said for the purpose of influencing legislation.

The facts are that the Army did a splendid job in carrying the mails. Their losses were extremely small in comparison with other aviation losses, and I want here and now to say that, in my judgment, the Army did a splendid job under General Foulois.

It was unfortunate that these 11 lives were lost, but it was no more unfortunate than the other aircraft accidents in the Record, as follows:

which occurred all along and which have been occurring all along during the life of aviation.

The aviation bill, as passed by the Congress, is a wonderful step in a forward direction, not in obtaining the carriage of the air mail at far less cost but in giving far greater facilities and a far larger number of people enjoying these facilities, and, in my judgment, it has made aviation much safer in this country.

I ask unanimous consent to append to these remarks a list of the accidents that have occurred since January 1, 1934.

There being no objection, the list was ordered to be printed in the Record, as follows:

List of accidents in scheduled air transportation from Jan. 1, 1934, to June 14, 1934, as reported to the Aeronautics Branch, Department of Commerce, and arranged chronologically by States

Date and place	Airman	Extent of injury	Passengers	Extent of injury	Other personnel	Extent of injury	Kind of flying engaged in
ARKANSAS		Constitution S	A. G. Carter	-	PEASET ELEVEN		
Jan. 27, Malvern	Russell S. Riggs, pilot	None	Elizabeth Parker S. Stein	None	av sin di si		Mail, passenger, and
van. 21, martinezza	Mrs. Vera Christian, stewardess.		E. W. Hildebrand B. Bates.		Mer end		express.
CALIFORNIA	100 2 70 2 100 7 14 15 15	100	J. E. Mack	- Control	0200007500	A CUETT	Canada Ca
Feb. 3, Van Nuys	S. A. Morehouse, pilot	do			A PARTY OF	- Vernie	Mail and express.
reo. o, van ruys	S. A. Morenouse, phot-	Tuesparent	(D. F. Stafford	Minor		112033	Man and express.
			F. Berg				
June 3, Wilmington Harbor.	P. L. W. Scott, pilot E. Chettle, not given	-}do	Jean McGowan	None	}		Passenger.
	(E. Chettie, not given	7	J. P. Arnstog Rosa Pedrette	- 110000	STRIN SALUMAN		
			A. Baylor	1	anda a sult	201	
CONNECTICUT	Gest Desired Company			Summer	Langue Langue	(122.0)	
	J. Wolf, pilot	1			church de al	JEV_E	Mail, passenger, and
May 30, Bethel	L. Letson, copilotAgnes Pugh, stewardess	Minor	9, no names given	Minor			express.
FLORIDA	Little Cash Denin La S	Chi salik				24 145	
Jan. 18, Jacksonville	J. F. Buckman, pilot	None					Mail.
GEORGIA		Siegn ferlin	(Newcomer			akas 0.8	
		in single	Samples		is thurses the	men .	
Feb. 26, Savannah	R. K. Smith, pilot	do	Freedman Eambert	None			Passenger and express.
	to dital to motive pitch		ShapiroQuickPackman	and the second	dend when	10 TE 14	
			(Packman				
Feb. 28, Atlanta	T. J. Haire, pilot	do	Verne Edwards J. L. Morris Mr. Holland				Do.
ILLINOIS			(Mr. Honand				
		Mary Mary 1	(P. A. Frear		Collins and au	Was organ	
		figure and	P. M. Edmond	33			
	R. T. Johnson, pilot		D. Van Every C. M. Longram C. D. Rudolph				Mail, passenger, and
Jan. 26, Moline	H. Hurley, stewardess	}do	C. D. Rudolph A. Oliver				( express.
	Continue to the manufacture	The same	IIJ. C. Breen				
			T. Allen W. E. Darden				
Mar. 6, Petersburg	W. A. Halgren, pilot	Fatal	H. Sexton	Fatal			Passenger.
KENTUCKY			IG. M. Waetzen				
			W. Schneider	Severe	1		Mail, passenger, and express.
Feb. 12, Bryantville	J. J. Waldron, pilot	do	Miss Sue Delaney	Minor			( express.
MASSACHUSETTS			(T) Cibbana				
			T. Gibbons			4	
Mar. 6, Boston	A. H. Dewitt, pilot	None	Nina Montgomery	None			Passenger and express.
MISSOURI	The state of the s		IO. J. O'Connor				
	The state of the s		H. V. Cork	Minor			
Jan. 31, St. James	G. W. Brill, pilot	do	W. F. Hinderscheid E. P. Hara	None			Mail, passenger, and express.
		Sec Corrected	Mr. Garthwaite				
NEW JERSEY				1230	ERGINES EMPLY	7	
Jan. 8, Newark	S. J. Nelson, pilot	do					Mail and express.
NEW MEXICO				THE DIRECTOR	The Victor	With the	
Jan. 15, Albuquerque	H. H. Halloway, pilot	Minor					Do.
NEW YORK					(15) STSITE	1070	
an. 10, Syracuse	E. E. Dryer, pilot	None	G. E. Jones	None			Mail, passenger, and
	C. Holbrook, pilot.	]	(W. Baden	-)	Section of the		express.
June 9, Livingston Manor.	J. Barron, copilot	Fatal	H. C. Coppins W. A. Cass	Fatal			Mail and passenger.
		THE PERSON NAMED IN	H. Pinsley	-	TOTAL STATE OF	71 5 57	

List of accidents in scheduled air transportation from Jan. 1, 1934, to June 14, 1934, as reported to the Aeronautics Branch, Department of Commerce, and arranged chronologically by States—Continued

Date and place	Airman	Extent of injury	Passengers	Extent of injury	Other personnel	Extent of injury	Kind of flying engaged in
оню		No.		The second		ST 17 4 1	The state of the s
Feb. 10, Cleveland	T. R. Howe, pilot	None	(E. C. Potoros				Mail and express.
May 10, Cleveland	{W. P. McFail, pilot F. W. Raymond, copilot	}do	L. V. Dorr F. H. Ricker B. T. Morse T. DeAddsrio W. P. Suter H. Gretsky J. Weigert V. H. McVay Katz Melville Lavison Arter Matzen Johnson	None			Passenger and express
June 1, Pittsburgh	Trow Sebree, pilot	Minor	J. P. Morris J. H. Carmichael, Jr	}do			Do.
Jan. 5, Sioux Falls	R. M. Thornton, pilot	None					Mail and express.
TENNESSEE  Mar. 16, Old Hickory  UTAH	J. S. Pricer, pilot	do	H. W. Tofflemire L. W. Goodrich - Virginia Cable C. H. Dolson J. V. McClaflen				Passenger and express
Feb. 23, Salt Lake City	L. A. Anderson, pilot E. G. Danielson, copiliot Mary Carter, stewardess	Fatal	G. L. Walker J. J. Sterling M. Zinsmaster B. McLaughlin E. W. Bergland	Fatal			

List of accidents in private and miscellaneous commercial and civilian flying from Jan. 1, 1934, to June 14, 1934, as reported to the Aeronautics Branch, Department of Commerce and arranged chronologically by States

Date and place	Airman	Extent of injury	Passengers	Extent of injury	Other personnel	Extent of injury	Kind of flying engaged in
ALABAMA						1	016 652
Jan. 13, Montgomery	C. E. Womack, pilot	None				mak.	Pleasure.
an. 26, Montgomery	S. R. Armistead, pilot	Minor					Instructional.
Feb. 14, Mobile	A. Kohlberg, pilot	None	Mrs. A. Kohlberg				Pleasure.
Feb. 19, Dothan	I. Monroe, pilot	do	M. Weir, Jr	}_do			Cross-country.
Mar. 1, Fairhope	K. G. Cantine, pilot1		2, no names given				
Mar. 7, Faunsdale	I. K. McWilliams, pilot	None					Pleasure.
April 22, Sylacauga	J. T. Crofford, pilot	Minor	Reba Welsh	Severe			Sight-seeing.
May 4, Birmingham	J. O. Foster, pilot	Company of the same of the sam	Jessie Wyatt	Minor			Pleasure.
May 6, Florence	L. Benvenuti, pilot	do	H. Bassett				Ferrying.
May 25, Birmingham	H. E. Mussey, pilot	do	J. Lockhart				Pleasure.
une 2, Winfield	O. Garrison, pilot		B. Mobley		6+5	E I	Sight-seeing.
	o. Garrison, phoe		G. Mangold	Juo			organ-sceing.
fune 11, Oneonta 1						Te Ti	
Feb. 22, Phoenix	Clarence E. Harris, pilot 1 P. G. Odneal, pilot 1		(S. Smith	None			Pleasure.
Feb. 26, Tucson	J. M. Greer, pilot		L. Sands L. Brown W. D. Tremaine	}do			Do.
Mar. 3, Phoenix	C. C. Knier, pilot	do	P. Dysart	- do		The last	Instructional.
Mar. 3, Winslow	I. G. Beall, pilot	do					Do.
Mar. 30, Tucson	R. F. Chatfield-Taylor, pilot	do	C. W. Wallace	None			Do.
April 11. Mesa	H. D. Baker, pilot	do					Pleasure.
May 8, Tucson	R. F. Chatfield-Taylor, pilot	do					Instructional.
ARKANSAS		The Date of	A STATE OF THE REAL PROPERTY.	-	and the shoot		
Apr. 9, Little Rock	H. M. Hamilton, pilot	do	Louise Breeding	}None	in the last of the		Pleasure.
May 13, Heber Springs	P. V. Casey, pilot	Fatal	Mabel Breeding				Instructional.
CALIFORNIA	2, 7, 94031 2000						THE GOLD IN THE STATE OF THE ST
Jan. 5, Van Nuys	C. C. Bishop, pilot	None	R. Simpson	None		10000	Pleasure.
an. 8, Palm Springs	R. C. Riddell, pilot	do	at our poor	210110			Do.
an. 9, Oakland	W. M. Packer, pilot	do	Mrs. W. M. Packer	None			Do.
an. 14, Long Beach	O. S. Rose, pilot	- Fatal		to be a supply of the		2000	Instructional.
an. 16, Long Beach	L. O. Smith, student		1	CO STREET, SQUARE,			Pleasure.
an. 21, Ontario	G. W. Ingham, pilot	None	A. Miller	None			Do.
an. 23, Murrieta Hot Springs.	M. J. Nathan, pilot	do					Do.
an. 28, Oakland	fH. K. Kirchner, pilot	do		Water of the last		0.55	Testamettanet
The state of the s	(A. Foster, student						Instructional.
an. 28, Los Angeles	(C C Pobinson silet	5					
an. 28, San Joaquin	(C. C. Robinson, pilot	None					Do.
an. 29, Ventura	J. V. Allen, pilot	Fatal	R. Brooks			Harris and the	Pleasure.
Tab 1 Dalm Coringa	R. P. Riddell, pilot	None		and the state of t			Instructional.
ou. If a dim optings	K. Brott, student					known, no	Anstructional.

List of accidents in private and miscellaneous commercial and civilian flying from Jan. 1, 1934, to June 14, 1934, as reported to the Aeronautics Branch, Department of Commerce, and arranged chronologically by States—Continued

Date and place	Airman	Extent of injury	Passengers	Extent of injury	Other personnel	Extent of injury	Kind of flying engaged in
CALIFORNIA—continued							Section and the
eb. 3, Grangeville	A. M. Blakeley, pilot						Instructional.
eb. 4, Alamedaeb. 4, Los Angeles	R. W. Babcock, pilot	do	2, no names given	None			Sight-seeing. Instructional.
eb. 10, Del Mar	R F Corporter pilot	Fatal	R. Allison	Minor			Pleasure.
eb. 10, Compton	(E. Wille, pilot.  Evelyn Stanfield, student.  E. R. Simpson, pilot.  R. M. Weller, pilot.	None					Instructional.
eb. 11, Los Angeles eb. 11, Stonehurst	R. M. Weller, pilot	Severe	A. E. Simpson Evelyn Lawson	None			Pleasure. Do.
eb. 13, Del Rey	G. H. Strimple, pilot O. C. Freeman, copilot	}Fatal		NAME OF TAXABLE SANDON			Do.
eb. 15, Burbank	Marina Lowe pilot	None					Do.
eb. 16, Santa Monica eb. 16, Byron	H. Burroughs, pilot	Minor None					Instructional. Pleasure.
eb. 17, San Mateo	R. Martinez, pilot	STATE OF THE PERSON NAMED IN COLUMN	CP C Translet			transactions.	Instructional.
eb. 18, San Diego	R. E. Dunham, pilot		F. G. Hewitt F. Bockwinkle	None			Pleasure.
eb. 25, Palm City	J. D. Odom, pilot E. J. Mazza, pilot	Minor					Instructional. Pleasure.
far. 4, Friant	T T Manualials milet	None					Instructional.
far. 4, Bellflower	M. F. Barkow, pilot  Andrew P. Lunden, pilot  F. S. Hitchcock, pilot  J. S. Ricklefs, pilot	do	E. M. Barkow	THE RESIDENCE OF THE PARTY OF T			Pleasure.
far. 7, Oakland	J. S. Ricklefs, pilot	do					Instructional.
Iar. 7, Palo Alto Iar. 10, Los Angeles	F. Dolan, pilot						Do. Pleasure.
far. 13, Lebec	D Corrigan pilot	None					Do. Do.
lar. 14, Alameda							Instructional.
Iar. 14, Alameda	W. A. Brander, pilot	do	R. T. Dawson, Sr F. Bohnsack	Nonedo			Pleasure. Do.
far. 23, Oakland	R. T. Dawson, pilot. W. A. Brander, pilot. C. F. Robie, pilot. C. J. Dunbar, student.	do	-}	Committee of the Commit			Instructional.
pr. 1, Alhambra	I R. Petteniy, Dilot	- 00	E. Shuckert				Pleasure.
pr. 6. Sacramento	Kay Johnston, pilot	Minor					Instructional.
pr. 8, Los Angeles pr. 8, San Pedro	I R Dannis pilot	Severe	C. H. Garvin	Fatal			Do. Pleasure.
pr. 8, Fresno	R. F. Shirley, pilot	do Minor	}				Instructional.
pr. 9, Los Angeles	T. F. Merrill, pilot	None	24.25.				Pleasure.
pr. 14, Barstow	R. E. Devault, pilot	do	C. Blancher F. Herman	None			Do.
pr. 16, Inglewood	E. B. Schoedsack, pilot						Do.
pr. 20, Knights Landing pr. 21, Sutter Basin	C. A. Friberg, pilot	Minor					Cross-country. Business flying.
pr. 21, Sutter Basin	I. Fagersky, pilot K. Irwin, pilot P. E. Anderson, pilot M. G. Mason, pilot	None do					Pleasure. Do.
pr. 29, Long Beach	M. G. Mason, pilot	Minor	W. O. Buchanan	Minor			Experimental.
pr. 30, Los Angeles	J. R. Winters, pilot E. Nordhoff, student	severe	}				Instructional.
fay 4, Los Angeles	C. B. Reed, pilot	None					Business flying.
fay 6, Bakersfield	G. H. Chilson, pilot		Mrs. G. M. Johnson.	Fatal	***************************************		Pleasure.
Iay 6, Berkeley Iay 6, Halfmoon Bay			A. E. Johnson B. Pascoe	Minor	}		Do.
Iay 6, Visalia	R. J. Roper, pilot V. K. Chakerian, pilot	do					Instructional.
fay 6, Woodlandfay 8, Robbins	H. H. Weggers, pilot	do					Crop dusting.
fay 15, Burbank	F. B. Tomick, pilot	do					Motion picture.
Iay 15, StocktonIay 20, San Jose	E. R. Newel, pilot J. G. Harris, pilot	do					Pleasure. Do.
fay 21, Porterville	H. J. Buitt, pilot		R. Hulse	Fatal			Do.
Iay 21, Van Nuys	J. Haninchek, pilot	None					Instructional.
lay 22, Inglewood	K. P. Gardner, pilot	Fatal	R. C. Sitzman, Jr	Fatal			Pleasure.
ay 23, Burbank	L. S. Morris, pilot	Minor					Do.
Iay 24, Lancaster	R. H. Brandt, pilot		C. Worthington Olive McDevitt	None			Do. Sight-seeing.
Iay 27, Santa Maria Iay 28, Los Angeles Iay 28, Watsonville	M. B. Scholes, pilot	do					Pleasure. Do.
lay 28, Watsonville	R. H. Brandt, pilot M. B. Scholes, pilot P. W. Hurst, pilot J. W. Mann, pilot J. M. Kolisch, pilot Ching Tim Fook, pilot S. W. Rudolph, pilot A. M. Reckwith, pilot	do					Instructional.
lay 30, Burbank	Ching Tim Fook, pilot	Severe					Do. Do.
av 30, Santa Paula	S. W. Rudolph, pilot	do	M. King	Severe			Pleasure.
ine 3, Alameda	C. P. Keeney, pilot	do	M. Barkow	None			Do. Do.
ine 3, San Diego	T. J. Jenkins, pilot	Fatal	M, Schroeder	Fatal			Do.
COLORADO				A 10 10 10 10 10 10 10 10 10 10 10 10 10		Side in	
ar. 18, Denver	W. C. Reed, pilot	do	M. J. Day	do			Do.
pr. 18, Denver	C. L. Reavis, pilot	None	}				Instructional.
pr. 22, Pueblo	M. A. Marysall, student C. B. Simmons, pilot	Fatal Minor	Miss Flynn	Minor		1. 5	Sight-seeing.
CONNECTICUT	C. B. Silillious, pilot-1-1-1	i i i i i i i i i i i i i i i i i i i	R. Scott				Digital Sounds
eb. 15, Glastonburg	W Durer pilot	do			2 2		Instructional.
pr. 5, Hartford	W. Dwyer, pilot	None	1			1000	Experimental.
	H. MacDonald, air crew	COLOR PROPERTY OF THE PARTY OF	(H. Julian	- lv			
pr. 14, Bridgeport	R. Q. Williams, pilot	None	(4, no names given	None			Demonstration.
pr. 15, Lewisboropr. 28, Stratford	R. D. Jackson, pilot T. H. Roy, pilot	do	W. C. Taylor	do			Pleasure. Instructional.
pr. 15, Lewisboro pr. 28, Stratford ay 31, New Haven ne 2, Norwalk	T. H. Roy, pilot. F. W. Soule, pilot. H. B. Wetherell, pilot. G. C. McGinley, pilot.	do	1, no name given	None			Advertising. Business flying.
me 3, near Hartford	G. C. McGinley, pilot	Fatal	a, no name given				Department of Co
DISTRICT OF COLUMBIA					a reading Xaphi	COLE !	merce inspection.
The same of the sa	W S Elliett pilot	None				E124 30	Pleasure.
ay 30, Washington	W. S. Elliott, pilot	, 110116					

List of accidents in private and miscellaneous commercial and civilian flying from Jan. 1, 1934, to June 14, 1934, as reported to the Aeronautics Branch, Department of Commerce, and arranged chromologically by States—Continued

Date and place	Airman	Extent of injury	Passengers	Extent of injury	Other personnel	Extent of injury	Kind of flying engaged in
FLORIDA			Black Black				
n. 16, Daytona Beach	Barbara W. Southgate, pilot		Margaret Kimball	None			Pleasure,
n. 16, Miami n. 25, Tampa Bay	J. DuPuy, pilot Ora C. Liming, pilot	Minor None	J. C. Young	None			Do. Do.
n. 25, Tampa Bay n. 27, West Palm Beach	Pilot unknown	do	C. Mangan	None			Do. Demonstration.
b. 3, Miamibb. 20, Fort Myers	A. T. Mitten, pilot (C. H. Ruby, pilot (H. E. Merrill, Jr., copilot	l do	C. H. Nelson	}_do	Charles To		Cross-country.
	H. E. Merrill, Jr., copilot J. H. Dickens, pilot	sdo	Mrs. Miller	5			Pleasure.
b. 25, Lake Cityb. 26, Tampa	E. Fernandez, pilot E. B. Hont, pilot	Fatal	P. P. Hurst	- Fatal			Do.
ar. 3, Daytona Beach ar. 10, Panama City	E. B. Hont, pilot E. G. Cooper, pilot	Severe					Do. Do.
ar. 14, Miami	M. H. Pardo, pilot	do					Do.
ar. 25, St. Petersburg ar. 31, Boca Raton	M. R. Pelling, pilot M. H. Pardo, pilot	do	2, no names given				Sight-seeing. Pleasure.
r. 22, Fort Lauderdale	F. L. Gunter, pilot		D. D. Bennett	None		3.4	Demonstration.
ay 3, De Land	I. W Hoyt pilot	do	(J. D. Garana				Experimental.
ay 13, Orlando	F. E. Hoequist, pilot J. M. Stephenson, pilot D. H. Salkind, pilot	do	L. J. Raymond	Fatal			Instructional. Experimental.
ay 18, Tampaay 21, Fort Lauderdale	D. H. Salkind, pilot	Fatal	Mrs. W. I. Drew	cb			Pleasure.
ne 5, Live Oakay 19, Tampa	A. Brewer, pilot	None	R. W. Jones	do			Do.
	and they mondy proves						
GEORGIA		D. C.		Aller to			See the right of the
n. 21, Atlanta	R. F. Shaw, pilot	Nonedo	E. McEwens				Do. Do.
b. 24, Roystonar. 22, Union City	Annette Gipson, pilot	Minor					Do.
ar. 28, Dublin	(R. G. Clarke, pilot	None					Instructional.
		Company of the	the state of the s	1	[		
ar. 31, Dublin	And the second s	do	W. Hughes B. Gentry	/	B. Knight, spec- tator.	Fatal	Pleasure.
or. 27, Palmetto	H. Herndon, Jr., pilot		E. S. Sherman	do			Business flying.
pr. 27, Palmetto ay 7, Atlanta ay 24, Albany	B. Blevins, pilot	do	2, no names given	do			Sight-seeing. Instructional.
ay 28, Savannah	E. C. Sapp, pilot	do					Pleasure.
ne 1, Griffin	L. W. Thomas, pilot	Fatal	- 1, no name given	- Fatal	**************		Do.
IDAHO							
ar. 18, Coeur d'Alene	J. L. McDaniels, pilot	None	- Y W K				Experimental.
or. 25, Boiseay 6, Soda Springs	R. Crowder, pilot	do	J. H. Cooper	None			Pleasure. Do.
ILLINOIS			The second sections			TWO	
n. 3, Joliet	R. V. Cote, pilot	Severe					Department of C
n. 20, Taylor Springs	A. Harwood, pilot	Fatal	J. P. Mikeska	Fatal			Advertising.
ah 4. Northbrook	V. C. Taylor, pilot	None	G. Whitney				Pleasure. Instructional.
eb. 12, East St. Louis eb. 21, Glenview	E. A. Ranguette, pilot	do	G. Ranguette	Minor			Pleasure.
b. 22, Chicago	W. B. Lester, Jr., pilot L. W. Putney, air crew		-				Experimental.
b. 25, Chicago	D. Tilden, air crew	None					Experimental.
far. 4, Lawrenceville	C. H. Nickloy, pilot.	Fatal	C. Conover				Pleasure.
ar. 4, Chicago	C. W. Lehr, pilot.	Minor	-				Instructional.
ar. 11, Oaklawn	W. S. Brenza, student K. A. Hughes, pilot	None					Pleasure.
Do	D. I. Webb, pilot	do	2, no names given	None			Sight-seeing.
pr. 8, East St. Louis	H. E. Buckley, pilot	}do					Instructional.
ay 4, Sterling	E. P. Jacoby, pilot	do	- D Pol-				Pleasure.
ay 6, Abingdon ay 6, Elmhurst	S. M. Tolley, pilot E. A. Springer, pilot	do	R. Palmer	None			Do. Do.
ay 12, Elmhurst	G. E. Draznik, pilot	do	(H. Taylor	Canan			Instructional.
ay 20, Buda	K. G. Reid, pilot	THE RESERVE THE PROPERTY OF THE PARTY OF THE	D. Fifield	Severedo			Sight-seeing.
ne 9, Hodgkins	E. Wetherdon, pilot	Fatal					Instructional.
INDIANA		W College		THE STATE OF	THE STATE OF THE PARTY OF	100	and the state of t
	N. Jankovich, pilot.		The state of the s	Harris Control	10 10 22 12	6 6	
eb. 4, Gary	F. Z. Collings, student	None	-				Do.
ar. 8, Michigan City	R. L. Myrick, pilot	do	Mrs. R. L. Myrick L. Dickerson	None			Cross-country.
ar. 21, Evansville	C. R. Weber, pilot	}do	[K. Briumkesal			1234	Instructional.
pr. 12, North Liberty	A. L. McLoughlin, student	Minor					Do.
or. 26, Muncie ay 14, Muncie	C. M. Gross, pilot	None	-		1		Do.
ay 30, New Castle	E. G. Bridges, pilot Unknown	Fatal	. 1, no name given	Fatal		1000000	Do. Unknown.
ay 30, New Castle ne 10, Valparaiso	C. I. Bernard, pilot	None					Pleasure.
IOWA	RESELECTION OF THE	10 1 000	A COLUMN TO A COLUMN THE REAL PROPERTY AND A COLUMN THE REAL P	7. 1. 1.	23 110	THE PARTY OF	MEMORITAGE AND
	R F S Pools pilet	Minor		THE STATE OF			D.
or. 22, Mount Ayray 7, Grand Junction	J. O. Dutton, pilot.	Fatal	W. Rice	Fatal			Do. Do.
ay 30, Muscatinene 1, Osage	M. Lukavsky, pilot F. J. Wewerka, pilot	do	J. Henick	do		-2	Instructional.
	z. v. nowerka, phot	ATIMOF					Pleasure.
KANSAS	500 E TO 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	12 23 27 12 5		The state of the s	- See 1 1/16	19 19 19	
n. 24, Syracuse	L. Bullock, pilot	do	W. Bullock	Severe			Do.
b. 17, Goodlandar 14 Wichita	L. M. Atkinson, pilot	Fatal None					Do.
n. 24, Syracuse bb. 17, Goodland ar. 14, Wichita or. 20, Kansas City	L. Bullock, pilot L. M. Atkinson, pilot W. R. Hansen, pilot J. W. Atkins, pilot	do					Ferrying. Instructional.
pr. 23, Girard	R. C. Downing, pilot	do	12, no names given	None			Sight-seeing.
pr. 27, Junction City	F. Dillon, student	Fatal	-				Instructional.

No other details given.

LXXVIII—784

List of accidents in private and miscellaneous commercial and civilian flying from Jan. 1, 1934, to June 14, 1934, as reported to the Aeronautics Branch, Department of Commerce and arranged chronologically by States—Continued

Date and place	Airman	Extent of injury	Passengers	Extent of injury	Other personnel	Extent of injury	Kind of flyin engaged in
KANSAS—continued				PI BIB		THE STATE OF	-276
May 5, Wichita	D. P. Levy, pilot	None					Experimental.
May 8, Hosington	W. B. Jessup, pilot.	Fatal	Mrs. W. B. Jessup W. W. Haghton	Fatal			Pleasure.
une 4, Highland	E. S. Olson, pilot	do	Elsie Olson	do			Do.
KENTUCKY		14.18					
	P. C. Commis affect	None	Nr. 7	***********		70.50	A
Apr. 1, Louisville	R. C. George, pilot.	None	Mr. Leuenberger	None			Sight-seeing.
LOUISIANA							
fan. 28, Monroe	H. H. Fairchild, pilot	Minor					Instructional.
Feb. 2, Rosedale Feb. 8, Tangipaloa	H. C. Armstrong, Jr., pilot	Nonedo	_ L. F. Gros	None			Pleasure. Business flying.
Feb. 12, New Orleans Feb. 14, New Orleans	H. P. Henning, pilot E. S. Eckel, pilot W. M. Nelson, pilot	Severe					Exhibition.
Feb. 16, New Orleans	H. E. Neumann, pilot	Fatal Minor Minor					Do. Racing.
Feb. 17, New Orleans Mar. 15, Lafayette	C. M. Kenily, pilot	Fatal	B. Groulx	Fatal			Exhibition. Instructional.
Apr. 3, Jennings	H. C. Armstrong, Jr., pilot	do	C. C. Lang	None			Pleasure.
Apr. 4, Alexandria Apr. 15, Myra	J. H. Kelley, pilot	Severe Minor	O. Flowers	Severe Minor			Do. Do.
Apr. 29, Patterson	W. S. Young, pilot. H. P. Williams, pilot.  J. K. Lyle, pilot.	None					Do.
May 1, New Orleans	P. Barnes, student	}do					Instructional.
MAINE							The state of the s
Feb. 8, Bangor	A. H. Jones, pilot	do	L. Lizotte	None			Pleasure.
May 22, Millinocket	G. L. Dyer, pilot	do					Do.
May 23, Augusta	E. D. Preston, pilot	do					Do.
MARYLAND		A SECOND		3 6 3	5 69 4 44	BEHAR	\$1C
an. 1, Baltimore	C. D. Bethke, pilot	do	A. Gaas	None	THE RESIDENCE OF THE PARTY OF T	-	Do.
lan. 28, Mount Rainier	R. L. Bean, pilot	Minor None	E. O. Sikes	None			Instructional. Pleasure.
Feb. 2, Cambridge Feb. 22, Brunswick	W. T. Henley, pilot						Do.
Mar. 18, Chillum	J. R. Horn, pilot	None	Gladys Southard				Sight-seeing.
Mar. 18, Rockville Apr. 14, Baltimore	B. King, pilot H. W. Momberger, pilot	Minor None					Pleasure. Instructional.
Apr. 15, Baltimore	G. J. Dorn, pilot	do					Do.
Do May 1, Rockville	E. W. Dinga, pilot	do	-				Pleasura. Do.
May 16, Edgewood	G. T. Weymouth, pilot	- Minor	(W. C. Power)				Instructional.
May 19, Bay Ridge	R. H. Bangs, pilot	Fatal	M. B. Zahn	Fatal			Pleasure.
MASSACHUSETTS		430			The state of the s		
Jan. 31, East Boston	W. S. Chapin, pilot	None					Instructional.
Mar. 5, Boston Mar. 7, Stephentown	S. Zemurray, Jr., pilot	do	J. O'Connell				Do. Pleasure.
Mar. 7, Stephentown Mar. 14, Franklin Apr. 2, Sharon	J. K. Barber, pilot	do					Business flying.
Apr. 3. Northampton	C. B. Snider, Dilot	None					Ferrying. Pleasure.
Apr. 18, Seekonk May 6, Seekonk	E. M. Yochim, pilot			None			Instructional. Pleasure.
May 6, Hanover	W. J. Quirk, pilot	do					Instructional.
May 19, Dedham	M. Patterson, pilot	do					Pleasure.
an. 11, Marysville	G. Wood, pilot	do					Do.
Feb. 16, Muskegon Feb. 18, Detroit	H. R. Schneider, pilot L. L. Ross, pilot	do	Mrs. H. R. Schneider	None			Do. Instructional
eb. 23, Albion	O. Haskins	Minor					Ferrying.
Mar. 29, Adrian Apr. 8, Royal Oak	C. D. Barnhill, pilot	Nonedo	J. D. Ludwig	Nonedo			Pleasure. Sight-seeing.
	Margaret C. Spitz, pilot	Minor	Mrs. O. Jacoby	Minor			Do.
Apr. 22, Romulus		201	Mrs. M. White	100000000000000000000000000000000000000			2000
May 21, Flint	F. R. Sullivan, pilot	do	S. Norrington	Fatal			Pleasure.
May 27, Roscommon	A. Graham, pilot		B. H. Morrison	None			Do.
May 27, Tecumseh	A. D. Knapp, pilot	do	1, no name given	do			Instructional.
MINNESOTA	Natural State of the State of t	STATE OF	E STATE OF THE	12 10 8		1	
an. 15, Minneapolis	C. R. Luens, pilot	do	Mary G. Bryce	do			Pleasure.
Mar. 3. Minneapolis	E. H. Smith, pilot	Severe	W. H. Ainsworth				Instructional
Mar. 28, Minneapolis Apr. 7, Winona	Marcella Marcoullier, pilot	Nonedo					Do. Do.
Apr. 15, Minneapolis	E. H. Welch, pilot	}do					Do.
une 5, New Castle	F. A. Knauer, student	do					Pleasure.
MISSISSIPPI							
Jan. 6, Tunica	L. C. Shannon, pilot	do					Instructional
May 8, Meridian	E. P. Parke, pilot	do	E. Horley	None			Pleasure. Do.
May 12, Laurel	7. B. Daniels	do	I MILLION TO THE TANK		A CONTRACTOR		20.
	0.00	3.		A STATE OF	BEST SUBSTILLE	Carl Carl	De
Feb. 9, Kansas City Feb. 17, Joplin	G. R. Jones, pilot	do					Do. Demonstration.
	G. E. Seanig, pilot						The Control of
Feb. 17, Bagnell	F. E. Winans, student	do					Instructional.
Feb. 26, Claryville	J. C. Gillespie W. M. Smith, pilot	None					Pleasure. Instructional.

List of accidents in private and miscellaneous commercial and civilian flying from Jan. 1, 1984, to June 14, 1984, as reported to the Aeronautics Branch, Department of Commerce and arranged chronologically by States—Continued

Date and place	Airman	Extent of injury	Passengers	Extent of injury	Other personnel	Extent of injury	Kind of flying engaged in
MISSOURI—continued						Messe	4-1-
Apr. 19, St. Louis County	J. G. Haizlip, pilot	None	L. Ottsen	None			Business flying.
Apr. 27, Goose Island		100	J. Ehrhardt	,			Instructional.
May 8, Robertson May 21, Alma	Elsa F. Peabody, pilot H. Herndon, Jr., pilot F. W. Gladish, pilot	Nonedo	E. Sherman	None			Business flying. Instructional.
May 6, Marshall	R. E. Lightfoot, pilot 3	do					Pleasure.
May 27, Springfield	D. Officer, pilot 3. R. L. Proctor, pilot.	do	E. A. Maples	None			Instructional. Pleasure.
MONTANA							
Mar. 16, Wisdom May 7, Glendive	A. S. Mooney, Jr., pilot D. H. Goodwin, pilot	do	T. Schultz	Minor			Commercial, other. Pleasure.
NEBRASKA					to total pupiling and		
Jan. 26, Superior	G. Fields, pilot	Fatal	R. Bradrick	Fatal			Do.
Feb. 1, Aurora	G. Singer, pilot	The State of the S	(Helen Muller	}Fatal			Do.
Apr. 15, Fremont	J. H. McFadden, pilot		(I. Hurst	Fatal			Do.
May 20, Lincoln	J. V. Meade, student	Fatal					Instructional.
NEVADA					and the same of th	The last	
Mar. 23, Hawthorne May 4, Reno	T. R. Morrill, pilot F. P. Di Pietro, pilot	Nonedo	H. J. Frost	None			Business flying. Instructional.
NEW HAMPSHIRE	r. r. Di rietro, pilot						Instructional.
Jan. 12. Claremont	G. H. Reed, pilot	do	A STATE OF THE STA				Do.
Apr. 29, Dover	J. D'Arcy, pilot	do	1, no name given	None			Pleasure.
NEW JERSEY						ERE	
Jan. 6, Caldwell	S. K. Prince, pilot	Minor None	J. K. Strubing, Jr	None			Do. Do.
Mar. 1, Newark	R. I. Hazen, pilot						Do.
Mar. 6, Hasbrouck Heights.			Mrs. L. Werner	None			Do
Mar. 8, Trenton Mar. 17, Readington	J. E. Thropp, pilot	do	L. Dinnar	None			Commercial, other. Pleasure.
Mar. 19, Camden	F. M. Williams, pilot	do					Department of Com- merce test.
Mar. 25, Newark	R. B. Blackler, pilot	do	H. Gamage	}None			Pleasure.
Apr. 15, Butler	W. J. Barry, pilot		R. Blackler, Jr	/			Instructional.
Apr. 27, Moonachie	C. J. Wellstead, pilot	do	J. McKinney J. McHugh	Minor None			Sight-seeing.
May 6, New Market	L. J. Markwith, pilot	Fatal	G. J. Kuntz E. Bosham	Fatal None			Pleasure. Department of Com
May 15, Newark	R. I. Hazen, pilot	The second	E. Dosnam	None			merce test.
May 22, Hightstown June 5, Atlantic City	L. B. Dick, pilot	Nonedo	-				Instructional. Pleasure.
NEW MEXICO			16 1 20 1				
Apr. 18, Roswell	J. E. Grimmett, pilot	do	E. W. Owens	None			Business flying.
NEW YORK				THE PARTY OF THE P			
	(A. B. Barley - Hat				N VEINTENE		
Jan. 10, Flushing, Long Island.	A. Herbst, student	Severe					Instructional.
Jan. 20, Mineola, Long Island.	L. Lowry, pilot	None					Do.
Feb. 4, Mineola, Long Island.	R. T. Barbin, pilot	}do					Do.
Feb. 18, Rochester	G. R. Stratton, pilot		B. Reisinger	None	S. Bondi, spec- tator.	Fatal	Sightseeing.
Mar. 3, Roosevelt Field	M. Rappaport, pilot	}do					Instructional.
Mar. 10, New York City	H. B. Canning, pilot	Minor					Pleasure.
Mar. 18, Long Island	J. B. Rintoul, pilot R. W. Kaiser, student	None					Instructional.
Mar. 19, Armonk	A. B. Mattock, pilot F. E. Casey, pilot	Minor None	J. J. Polizzi	None			Experimental. Pleasure.
Apr. 2, Syracuse	M. E. Phoenix, Dilot	Severe	W. W. White	Fatal			Do.
Apr. 8, Rye	C. P. Howe, pilot J. L. Levy, pilot	None	J. H. Gailit	do	 		Do. Do.
Apr. 8, Rye	R. R. Rogers, pilot	do					Experimental.
Apr. 20, Cattaraugus	R. E. Horth, pilot	do				252020000	Instructional.
Apr. 25, Armonk May 2, Farmingdale	E. Thaw, pilot.	Severe					Pleasure. Do.
	Edith T. Huntington, copilot	Minor	.)				Instructional.
May 2, Armonk	Mrs. A. Harwood, student (E. F. Menlan, pilot	do	1				
May 3, Buffalo	C. H. Ryder, student		(Mrs. C. F. Dufort				Do.
May 4, Malone	C. E. Dufort, pilot	None	Mrs. C. E. Dufort Mrs. L. Noreross Mrs. W. Taylor	None			Cross-country.
Man C Pultan	T. W. Dan - n. t	D	[Infant	Peter	B 4 5 1 18	1	Clabs section
May 6, Fulton	L. W. Holly, pilot	1900	J. Parsons	Fatal			Sight-seeing.
May 6, Brooklyn May 7, Brooklyn May 7, Roosevelt Field	T. H. Williams, pilot A. C. Bussy, pilot H. R. Munch, pilot	None					Pleasure. Do.
May 7, Roosevelt Field May 10, Schenectady	H. R. Munch, pilot	do	J. Loughlin	None			Instructional. Do.
May 13, Fishkill	J. M. O'Leary, pilot Jacqueline Cochran, pilot	do	W. E. Mays, Jr.				Pleasure.
May 10, Schenectady May 13, Fishkill May 19, Poughkeepsie May 22, North Beach, Long	E. G. Whitson, pilot	do		140He			Do. Do.
Island.		The state of the s	Heles III and the last	Minor	HILL STATE OF THE	THE MANAGEMENT	

List of accidents in private and miscellaneous commercial and civilian flying from Jan. 1, 1934, to June 14, 1934, as reported to the Aeronautics Branch, Department of Commerce and arranged chronologically by States—Continued

Date and place	Airman	Extent of injury	Passengers	Extent of injury	Other personnel	Extent of injury	Kind of flyin engaged in
NEW YORK—continued							
May 27, Rochester	H. R. Brown, pilot	None	J. Fenley				Cross samulan
May 30, Fonda	A. C. Roethlisberger, pilot		L. Fenley	- 1			Cross-country. Instructional.
une 2, Flushing, Long Is-	H. Wolf, pilot	THE RESIDENCE OF STREET	F. La Caginaui M. K. Tanner	Severe	1		Pleasure.
land. fune 2, Roosevelt Field		Control of the Contro	M. K. Tanner	Minor			Instructional.
une 5, Roosevelt Field	A. Farnham, pilot	do	1, no name given	None			Pleasure.
NORTH CAROLINA		A A STATE		ALST THE ST			TOTAL STREET
ion & Millhrook	M. E. Reid, pilot	đo	J. G. Strawbridge	da.		E/55/4	D. Committee
an. 6, Millbrook	H. Cullen, pilot	do		do			Do. Do.
an. 15, Raleighan. 25, Kitty Hawk	J. J. Drescher, pilot	do	H. Graser L. Harris	None			Do. Do.
Feb. 6, Fayetteville	W. A. Bohannon, pilot	do	- D. AIGI110				Ferrying.
Feb. 18, Raleigh	B. D. Sheedy, pilot						Pleasure.
Mar. 2, Kinston	P. Spear, student	Charmor					Instructional
Mar. 7, La Grange	D. L. Lamm, pilot	Severe	Irene Bryan	Severe			Pleasure.
Mar. 9, Winston-Salem	L. S. McGinnis, pilot	None	-{R. F. Pease	None			Do.
Mar. 26, Raleigh	M. S. Kummerer, pilot	do	W. H. Hirst	- do		INTERNATION OF THE PARTY OF THE	Do.
pr. 2, Winston-Salem	C. G. Hill, Jr., pilot.	do	- 3, no names given	do			Do.
pr. 19, Gibsonville	D. F. McLean, pilot		- R. Shephard	Fatal			Do.
pr. 26, Rocky Mount	R. E. Lee, pilot	None	R. C. Gardner	None			Demonstration.
May 13, High Point	P. F. Davis, pilot	do	Mrs. G. Johnson	Minor		360	Sight soils s
ray 10, mgn rollit	Color and Color	March Transport Control	D. S. Lee	- Millor			Sight-seeing.
May 12, Ayden	J. L. Gore, pilot	do	- Land. D. S. 100	- J			Pleasure.
NORTH DAKOTA							
MOMIN DAROIA		TO PERSON	The state of the s	A STATE OF	STORY STREET	CIES IN	
Mar. 6, Valley City	(R. H. Bentsch, pilot R. R. Halstead, student	}do					Instructional.
pr. 2, Wilton	A. Lehman, pilot	Fatal					Pleasure.
оню					and manual life is	ta Val	
							10 14 15
an. 16, Findley	E. Avery, pilot H. Byrdsley, pilot F. W. Dunston, pilot	None Fatal	Stella Hatfield	Fatal			Instructional. Pleasure.
an. 21, Monro Feb. 3, Youngstown	F. W. Dunston, pilot	Minor					Do.
Feb. 10, South Euclid	K. R. Cole, pilot	None					Instructional.
Mar. 4, Dayton	S. Patterson, pilot	do					Do.
Mar. 6, Cumberland	E. W. Dickman, pilot	do	R. Selewinn	None			Business flying. Pleasure.
Apr. 1, Youngstown	A C Roat pilot	do		فتنازقا ال			Instructional.
Apr. 3, Youngstown	T. A. Jones, pilot F. J. Budd, pilot	None	P. Sirbu	Minor			Sight-seeing. Ferrying.
Apr. 8. Fairbeld Conney	H. S. Morrison, pilot.	do	F. M. Paul Mrs. L. E. Krug	None			Pleasure.
Apr. 13, Brunswick	L. E. Krug, pilot	Fatal None	MIS. L. E. Krug	Fatal			Do. Instructional.
May 5, Cleveland May 7, Blue Ash May 13, Roseville	C. B. Potter, pilot	do					Do. Pleasure.
May 13, Roseville	A. C. Lawrence, pilot	do	B. Sweazy	None			Do.
May 15, Lake Erie	M. Hersberger, pilot	do					Business flying. Instructional.
May 30, Mansfield 5	C. II. Calder, phot						Instructional.
May 30, Akron	Rubye Pearl Berau, pilot	None	Mrs. D. Swadener D. Swadener	None			Pleasure.
une 3, Yorksville	Smith, pilot	Minor	2, no names given	Minor			Sight-seeing.
OKLAHOMA							
THE PERSON NAMED IN				-		43.77	
Feb. 16, Roff	F. C. Collins, pilot	Fatal	D. Johnson L. Hudson	Fatal Severe	}		Instructional.
Mar. 4, Enid	E. P. Gardner, pilot	CONTRACTOR STREET	H. Hayes	None			Pleasure.
Apr. 10, Oklahoma City	S. L. Hurst, pilot		Bob Byrns   Clarence Haynes				Do.
May 29, McAlester	J. Rogers, pilot	do					Do.
une 11, Altus							R, SYL JAC
OREGON	EXPLEMENTAL TRANSPORT				THE REAL PROPERTY.	12337	
Apr. 21, Cornelius	E. J. Ball, pilot	do	J. McGlasson	None			Experimental.
Apr. 22, Tillomuck	D. E. Russell, pilot	Minor	W. Green	do			Pleasure.
May 27, Waldport	J. R. Bell, pilot	None	1, name not given				Photography.
PENNSYLVANIA		Carlotte Committee		The same		1 1 3 %	O S O INC.
	C B Varabba - Dat	Mi				1 1	Testmettens
an. 5, Pittsburghan. 12, Tamaqua	G. F. Yeschke, pilot G. T. Weymouth, pilot	Minor None					Instructional. Do.
an. 12, Tamaqua	C. B. Burmood, pilot H. C. Hastings, pilot	do Minor		-			Ferrying. Experimental.
Mar. 18, Malvern Mar. 25, Dravosburg	W. R. Kunkelman, pilot	Severe					Pleasure.
Mar. 29, Philadelphia	W. G. Nichols, pilot	None					Instructional.
or 8 Montoursville	H. L. Foss, pilot	do	G. Oberdorf	None			Pleasure.
Apr. 9, Emlenton	C. D. Dotterer, pilot	do					Instructional Pleasure.
Apr. 17, Pleasant Gap	Wayne Showers, pilot		G. Patterson.	Minor	1		The state of the s
Apr. 19, Carlisle	C. J. Strickland, pilot	None	H. J. White	do	}		Cross-country.
May 2, York	G. G. Naugle, pilot	do			[		Pleasure.
May 6, Chambersburg	L. M. Dunkle, pilot	do	A. Rubin	None			Do. Instructional.
May 6, Oliphant	P. Nagurney, pilot	Minor					Do.
May 12, Conway	(H. Neal, pilot. H. McKenney, crew	}None	-		***************************************	None	Experimental
May 13, Olyphant	J. L. Buist, pilot	Severe	S. Malenkewicz	Fatal		la constant	Pleasure.

List of accidents in private and miscellaneous commercial and civilian flying from Jan. 1. 1934, to June 14, 1934, as reported to the Aeronautics Branch, Department of Commerce, and arranged chronologically by States—Continued

Date and place	Airman	Extent of injury	Passengers	Extent of injury	Other personnel	Extent of injury	Kind of flyin engaged in
PENNSYLVANIA—continued							Intrame)
fay 16, Franklin	J. V Helle, pilot	None					Do.
lay 18, Indiana	E. S. Stickel, pilot	do	M. C. McKee	None			Do.
Tay 27, Blairsville	H. M. Harkeom, pilot R. A. Rainey, Jr., pilot		W. C. MCKee	Millor			Do. Do.
lay 27, Philadelphia	B. A. Susan, pilot	do					Instructional
RHODE ISLAND						O Ham	2231
an. 27, Hillsgrove lay 27, Smithfield	H. G. Dolbeck, pilot	do	E. J. Bullard	None Fatal			Pleasure. Do.
SOUTH CAROLINA							
eb. 12, Spartanburg	Z. D. Granville, pilot	do					Do.
SOUTH DAKOTA			Control of the State of the Sta		10-11		
ar. 11, Sioux Falls	W. Hinrichs, pilot						Instructional.
Iar. 21, Sioux Falls	F. W. Stewart, pilot H. J. Welde, student	Severe					Do.
pr. 15, Belle Fourche	R. E. Lyman, pilot	None					Do.
ay 4, Red Owl	J. J. Forbes, pilot	do					Do.
TENNESSEE			a - man an				
n. 16, Westmoreland eb. 17, Knoxville	H. I. Colbeck, pilot		O. Colbeck F. Thomas	None			Pleasure. Instructional.
ay 21, Hixson	G. L. Broyles, pilot	None					Do.
ay 27, Middleburg	A. J. Snyder, pilot	Fatal	2, names not given	Fatal			Do.
TEXAS			THE PARTY	A PARTY	18 38 38	1	
n. 9, Childress	P. R. Powell, pilot	do	A. B. Smith	}do			Pleasure.
n. 10, Dallas	W. A. Flowers, pilot	do	J. Benson				Do.
n. 24, Dallas	A. G. Russell, pilot	None	C. R. Gilliland				Business flying.
n. 27, Houston	D. P. Odom, pilot	do					Pleasure.
n. 27, San Antonio	J. M. Watson, Jr., pilot F. R. Haile, pilot	Savere					Instructional.
b. 2, Austin	C. A. Steffen, pilot	Fatal					Do.
eb. 4, Mundyeb. 12, Frankston	R. Z. Glass, phot	None					Pleasure. Business flying.
ar. 24, El Paso	E. D. Resler, pilot	do					Instructional. Pleasure.
pr. 1, Livingston	S. Donnell, pilot	do					Instructional.
pr. 3, San Antonio	J. E. Lytle, pilot	Fatal	J. L. Donald	Fatal			Sight-seeing.
pr. 7, Raymondville	F. H. Rodgers, pilot	None	C. Moren J. Butler S. Emerson	Minor			Cross-country.
pr. 13, Van	L. C. Bowie, pilot	do					Do.
pr. 15, Crosbyton	C. Ferguson, pilot	Minor	J. Morton	Fatal			Sight-seeing.
pr. 18, Grand Prairie	E. C. Keeney, pilot	None					Instructional.
pr. 18, Lewisville	H. W. Fowler, pilot	Fatal	J. PooleL. Rose	Fatal			Pleasure.
ay 1, Beaumont	F. S. Estill, pilot	None	J. Morgan O. K. Hargraves	None			Do.
ay 1, Mineola	J. B. Jarrett, pilot	do	R. H. Meyer	do			Do.
ay 5, Houston	R. T. Glyn, pilot	Fatal	F. Burnett R. Grady	Fatal			Do.
lay 20, Wink	H. B. Lynch, pilot	do	B. Anderson	}_do			Sight-seeing.
			W. Ravel				Digity sourieg.
ay 21, Sherman	M. Riley, pilot	}do					Instructional.
ay 28, Stamfordne 3, Malakoft	J. L. Montgomery, pilot M. T. Dodd, pilot		A. L. Clements	None			Do. Do.
ne 5, Satsuma	L. L. Hobbs, pilot	Severe					Do.
ne 6, Hico	E. R. Lynch, pilot	Fatal	L. M. Williamson	Fatal			Pleasure.
UTAH		our of least the	Elect of the said	the state of	Hall my stage	- SCALL	
ay 17, Price	J. R. Lund, pilot	None	J. Littlejohn	None			Sight-seeing.
ay 25, Salt Lake City	H. A. Fisher, pilot	do		/			Instructional
ay 28, Torrey	H. H. Sharman, pilot	do	4, no names given				Sight-seeing.
VERMONT			Lillian Gingras	)		200	
an t Dank at a	W W Win	-	H. Gingras W. N. Prior			talla.	N. Carlotte
ay 5, Burlington	W. H. Wincapaw, pilot	do	Mrs. W. N. Prior	None			Do.
Will have been a second		Z	T. R. Weld F. Bessonnette			18	
VIRGINIA			To the South			PER PAR	
n. 28, Alexandria	C C Connege pilet		R. F. Boyles	}_do	VII. Le bil so		Placeure
	F. M. Snyder, pilot	do	(V. Mayfield	}do		SHIP SE	Pleasure.
	F. D. Smith, student	Fatal				STATE OF STA	Instructional.
	D. L. Noyes, pilot	None					Business flying. Pleasure.
or. 6, Lynchburg	H. S. Cobb, pilot	do	J. Camm	None			Do.
or. 6, Lynenburg	R. D. Apperson, pilot	Minor	M. Mayo	JNOHe			Instructional.
or, 23, South Washington	A. Parker, pilot	None					Do.
or. 18, Walkeror. 22, Alexandria	O. Johnson, pilot Unknown, pilot	do	Mrs. J. R. Tucker	None			Cross-country. Instructional.
ay 1, Alexandria	J. S. Shima, pilot	do	- 2 2 :				Pleasure.
ay 6, Alexandria	H. J. Burrows, pilot	Minor None	C. Cole	None			Do. Do.
	G. V. Edwards, Dilot	INOUB	J. F. DIIgutman			********	10.

List of accidents in private and miscellaneous commercial and civilian flying from Jan. 1, 1934, to June 14, 1934, as reported to the Aeronautics Branch, Department of Commerce, and arranged chronologically by States—Continued

Date and place	Airman	Extent of injury	Passengers	Extent of injury	Other personnel	Extent of injury	Kind of flying engaged in
WASHINGTON		Hittan,					den in Witness
an. 5, Kirkland	L. J. Clark, Jr., pilot	None			and the second	and the same of	Pleasure
an. 7, Vancouver	L. J. Clark, Jr., pilot R. F. Young, pilot J. F. Gauterbine, student	Fatal	1				
		Minor	(A. Comphell				Instructional.
an. 7, Seattle	J. A. Wagner, pilot	None	W. Campbell J. A. Barrett	None			Pleasure.
an. 21, Brady	R. O. Brady, pilot	do	(Barrett) son	}do			Do.
Yeb. 10, Bryn Mawr	C. A. Bronson, pilot	do					Instructional.
far. 15. Vakima	C. D. McAllister, pilot	do					Do. Exhibition.
far. 20, Puyallup	A. E. Merrill, pilot	do	N. D. Showalter	None			Pleasure.
Iar. 21, Long Beach	G. Forsyth, pilot C. D. McAllister, pilot A. E. Merrill, pilot C. B. Stranhal, pilot C. C. Mead, pilot	Fatal	G. Schultz	Fatal			Do.
pr. 16, Pankwater	(G. V. Smith pilot	None Minor	5				Instructional.
pr. 20, Tacoma	G. V. Smith, pilot.	Severe	]}				Do.
lay 11, Seattle	J. Graybill, pilot	None	F. Beagles	None			Pleasure.
fay 12, Sequim	F. E. Parsley, pilot	do	V. Taylor	do			Do.
Iay 17, Port Angeles	E. C. Graham, pilot	Minor	R. Keinp	}do			Other, commercial
Iay 25, Bellingham	H. A. Hedrick, pilot	None		,			Instructional.
WEST VIRGINIA							
eb. 2, Richwood	G. H. Liebel, pilot	Fatal	E. P. Taylor	Fatal			Cross-country.
pr. 15, Princeton	C. F. Thompson, pilot	Severe					Instructional.
pr. 15, Morgantown	G. D. Stathers, pilot	None					Pleasure. Instructional
WISCONSIN							Anser Gorionar
far. 25. Milwaukee	F. J. Herauf, pilot	do					Pleasure.
pr. 15, Milwaukee	W. P. Ocvirk, pilot	Fatal	W. F. Seeman	Fatal			Do.
pr. 25, Milwaukee	C. B. Wilson, pilot.	Minor					Do.
ALASKA					Silve literal		
an. 4, Gains Creek	J. M. Dodson, pilot	None	D. Strandberg	None			Ferrying.
an. 6, Eagle	W. F. Jones, pilot	do	Dr. G. Burke	do			Cross-country.
THE STREET STREET, STREET			R. Lehm (patient)				
in. 13, Point Hope	B. Easley, pilot	do	P. Davidavice	do			Business flying. Experimental.
		do	(O. Anderson	None			
eb. 8, Bethel		do	C. Konig	1-1040		THE PROPERTY OF	Cross-country.
eb. 25, McCarthy	T. S. Seltenreich, pilot.	None	C. Bailey	Fatal	**************		Pleasure. Cross-country.
far. 15, Fairbankspr. 5, McGrath	E. D. Fageros, pilot	Fatal	M. Tekhoff	do			Do.
lay 8, Poorman	C. G. Brown, pilot	None					Do.
lay 23, Valdez	J. D. Finley, pilot E. E. Call, pilot	do	4, no names given	None			Instructional. Cross-country.
MEXICO	and the same and t						Cross-country.
nn. 9, Sabinal	Elizabeth Moody, pilot	do					Pleasure.
n. 22, Gulf Peninsula	G. R. Farnham, pilot		P. Wilson.	None			Cross-country.
	A. E. Stuart, pilot	DESTRUCTION OF THE PROPERTY OF	H. van Wageneno A. P. Burroughs	de			
in. 26, Tampico		STOREGIST STOREGIST	R. L. Pearson	}_do			Ferrying.
eb. 18, Randal	W. R. Walner, Jr., pilot		(B. Reed	}00			Pleasure.
pr. 8, Las Finagas	F. Glennan, pilot	Fatal					Do.
SOUTH AMERICA  Iar. 23. Paramaribo. Dutch	R, W. Thaw, pilot	None	Mrs. M. P. Guggenheim.	None	e delle mine	IDAM S.	Do.

DICKERING FOR FOREIGN TRADE-ARTICLE BY ALONZO E. TAYLOR

Mr. FESS. Mr. President, I ask unanimous consent to have printed in the Record an article appearing in the Saturday Evening Post of June 16, 1934, entitled "Dickering for Foreign Trade", by Alonzo E. Taylor. The article speaks of foreign trade as affected by the tariff legislation.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Saturday Evening Post of June 16, 1934]
DICKERING FOR FOREIGN TRADE

By Alonzo E. Taylor

The Secretary of State and the Secretary of Agriculture have formally set forth the policy of the administration in the promotion of foreign commerce. For Secretary Hull, the present situation constitutes an emergency, demanding procedures appropriate to an emergency. Ex-Secretary of State Stimson supports his successor. For Secretary Wallace, the task is the beginning of a long-term adjustment of agricultural production. If our exports of farm products remain at their present low level, the Secretary regards as inevitable the withdrawal from cultivation of more than 50,000,000 acres of farm land. It is the accepted view that export trade is not to be restored by a revival of foreign lending, nor by open subsidy, nor illicit dumping. It is accepted that a substantial increase of exports is to be secured only through an increase of imports, with, perhaps, the use of short-term revolving

credits. What is the profit and how much the price of such trade expansion?

trade expansion?

The extent of the decline in foreign commerce is bad enough, without being accurately measurable. All countries have marched in the down-trade procession. For the purpose of this statement, it may be accepted that the foreign commerce of the world has declined by nearly two-thirds, with more reduction in value than in volume; it is reported that the quantity index of our exports fell from 132 in 1929 to 69 in 1933, and the value index from 115 to 37. The injury in the loss of foreign trade depends largely on the extent of the decline of domestic trade. Before the depression, the export market provided an outlet for about 10 percent of movable goods produced in this country; this was reduced to 6 percent in 1933. It is the simultaneous loss at home and abroad which occasions the prostration of industry. If, in 1934, our total production on domestic account were that of 1928, we could tolerate with relatively little injury the low exports of 1933. And if we were to recover our 1928 export trade, that would do us little good if our domestic trade were to remain at the 1933 level. Nevertheless, recovery in export trade is important enough to deserve the attention of all classes; it is of direct importance to large export industries and of some indirect importance to industries not engaged in export.

# THREE EXPORT QUESTIONS

Whenever one speaks of expansion of foreign commerce, one refers to export of goods. No one worries about imports; the sole concern is to get them cheaper. It is this one-sided emphasis on export trade which dominates all discussion on the revival of for-

eign commerce. In every country, just as in our own, it is sought to expand export of goods as much as possible; and in return therefor, to import as little as possible. Capital and labor join in this. To a large extent, what is implied is the exchange of surpluses, actual or potential.

Three practical questions arise, more or less in every country, though with different emphasis, whenever a government starts.

Three practical questions arise, more or less in every country, though with different emphasis, whenever a government starts to promote foreign trade. The first is the question of methods—the tactics and strategy. The second is the choice of the imported goods to be accepted. The third is the influence of foreign debt. Each of these questions is one of practice, not of theory; they ultimately involve every employer and worker in export industries, and to some extent in domestic industries. industries.

1. Methods: A decade ago it was hoped that foreign-trade barriers might be demolished, or reduced, through collective barriers might be demolished, or reduced, through collective international action. An international economic conference in 1927 was attended by 55 countries; another one, in 1933, was attended by 66 countries. The more, the less merry. There have been numerous smaller conferences, such as the so-called "truce-to-tariffs conferences." It was sought in these conferences to raise exports and imports, check dumping and unfair competition. These conferences failed completely. The failures were not accidental but inherent; therefore, bilateral negotiations have since become the order of the day. This newer method has an obvious difficulty in a world where favored-nation treatment has been so widely accepted. Nevertheless, more than a hundred such reciprocity agreements between two countries have already been concluded. been concluded.

Lowering of import tariff duties on both sides does not accomplish much. This is due to the fact that recent trade barriers consist particularly of impediments outside of tariff duties. Special licenses are exacted; amounts and uses of imports are limited; burdensome conditions of admission are imposed; bills of exchange are withheld; even embargoes are imposed. For illustration, Germany, held; even embargoes are imposed. For illustration, Germany, France, and Italy permit only small importations of wheat, even if the high duties were paid. Without question, if the only tariff barriers had been import duties, foreign trade would not have fallen to its present low position. Therefore, the chief objective in negotiations between countries is to get rid of the special barriers; thereafter, a lowering of tariff duties may be sought, but is really a secondary objective.

is really a secondary objective.

It is this circumstance which makes it expedient to conduct such negotiations by executive action and not by legislation. In nearly all countries, the executives now have broad powers, wide limits within which to negotiate. If, step by step in each negotiation, congresses and parliaments have to be consulted, quick decision would be impossible. Only a small body or a central autorial thority can rapidly offer or accept permissive or mandatory quotas, or make barters, like the Farm Board swap of wheat for coffee. And quotas and barters loom large in the new system. For good or ill, for the time being the trend is away from the legislative body and toward the executive.

# THE FLAW IN EXECUTIVE ACTION

Negotiations by special commissions directly under executives have, however, one unfortunate feature—the interests involved do not receive the open hearings that would be accorded to them before tariff commissions and congressional committees. But in other countries it has been found that this difficulty may be circumvented by painstaking technical preparation of the case. Negotiations will be easy whenever we have a negative merchandise Negotiations will be easy whenever we have a negative merchandise balance of trade, but difficult when we have a positive balance. In 1932, 45 countries, mostly small, sold to us more than they purchased from us; 64 countries, including the four largest traders, bought from us more than they sold to us. Collectively considered, the difficult countries outnumber the easy countries. All countries, taken together, do not enjoy a balance of dollar exchange. Since we have no special barriers to trade off, we stand at a disadvantage. We may sell goods for overpriced silver, but that will not help much.

2. Which added imports of goods are to be accepted? In every

that will not help much.

2. Which added imports of goods are to be accepted? In every country, but especially in the creditor countries, arise the practical questions of naming the goods which are to be received in return for the acceptance by the other countries of the added named exports. Each country endeavors to accept the goods least disturbing to its internal economy. Goods may be divided into three overlapping groups—raw materials; semifinished, and finished goods of general use; and luxury goods. To a surprising extent, most countries try to hope that it may be possible to take the added imports in the form of raw material. Now, of course, this is illusory. In most countries, raw materials stand on the free list, with an occasional exception, like copper in the United States. Even a country encouraging artificial silk hestiates to put a duty on raw natural silk. It might, of course, be possible to contract for supplies in excess of current needs. But there is little purpose for the importing industries to do so, piling up stocks for purpose for the importing industries to do so, piling up stocks for future use; and little purpose for the exporting country, unless paid in advance. Since Brazil now burns the coffee she cannot sell, why should we build up stocks of coffee in this country? Raw materials occupy a large place in foreign trade, but it is hardly to be expected that the place can be enlarged in a trade agreement.

Luxury goods are a small part of foreign commerce. Most countries have a few peculiar products—objects of art, porcelains, glassware, handicraft textiles—which provoke little competition in other countries. Of course, it is sought to enlarge the transfer of

such luxury goods. But this is difficult to accomplish, especially in a depression. Something can be done in this direction, but not much. Staples, not luxuries, dominate commerce.

in a depression. Something can be done in this direction, but not much. Staples, not luxuries, dominate commerce.

For the most part, the negotiations must deal openly with competitive goods. Some debtor countries, like Germany, export largely the manufactures of imported raw materials; others, like Argentina, export out of strictly domestic resources. Whenever we negotiate with another country, in return for added exports to that country we must select certain goods on the list of the products of that country. These selected goods will compete directly, but perhaps only regionally, more or less severely, with domestic products. If, as, and when we negotiate with Japan and Czechoslovakia, Japan will press offerings of textiles and Czechoslovakia will press offerings of leatherware; such added imports of these will press offerings of leatherware; such added imports of these as we accept will displace domestic textiles and leatherware in the home market. It would be both foolish and dishonest to dodge this dilemma. But involved is not merely a reduction of domestic output through direct foreign competition; a choice between American industries is enforced.

#### A SCHEDULE OF DOMESTIC INDUSTRIES

A country will be able to offer us a number of articles which compete with different domestic products. When a selection between the offered foreign articles is made, it involves a decision between our domestic industries. The domestic industries are not all of equal rank and importance, and this is particularly true in respect of labor. In effect, it will be necessary to erect a schedule of domestic industries, some being termed more essential, more indigenous, vested with a larger public interest—in short, more important than others. Regional altercations are provoked. Urban industries are likely to be sacrificed for farm products. The particular industries ruled against in such a classification will, of course, object; and in every country, the negotiation of a bilateral trade agreement is attended with heart-burnings. A choice must also be made between foreign goods and between foreign countries—for example, are both Japanese and Russian matches essential? Once the articles are agreed on, are the prices to be free or fixed? Of the employment gained by export expansion, how much is lost in import expansion? All sides bristle with thorns of contention. The German case is exaggerated but typical.

3. Influence of foreign debt: Our trade problem would be simple if we were not a creditor country. There are six net creditor countries in the world—the United States, Great Britain, France, Switzerland, Belgium, and Holland. All the others are net not all of equal rank and importance, and this is particularly true

France, Switzerland, Belgium, and Holland. All the others are net debtor countries—more than 50 in number. The creditor countries have loaned to the debtor countries, or invested directly in various enterprises, the equivalent of more than \$40,000,000,000; the total may approach \$50,000,000,000. The sum annually due the creditor countries to cover service charges of debts, dividends on direct incountries to cover service charges of depts, dividends on direct investments, and banking and shipping charges is more than equivalent to \$3,000,000,000 and it may approach \$4,000,000,000. Close to a billion dollars from abroad is annually due American investors. When it is recalled that the total reported imports of the world in 1933 were not more than \$12,000,000,000, the weight of the sum due the six creditor countries becomes highly significant. The net effect of receipt of these service charges is to disturb the reciprocal transfer of receipt countries. net effect of receipt of these service charges is to disturb the reciprocal transfer of goods for goods. Whenever a creditor country accepts goods in payment of foreign debt, such imports bring about no corresponding exports. Obviously, if these debt-service charges did not exist, the six creditor countries would enjoy a larger trade in goods with the debtor countries. In each negotiation between a creditor and a debtor country, commercial interests are played off against financial interests. We can split the disturbing influence of foreign debt on reciprocal trade in goods into five separate interventions, and illustrate their somewhat nearly overlated relations.

paradoxical relations. paradoxical relations.

(a) The lenders in the creditor countries are not governments—we are considering here only commercial debts, not war debts or reparations—they are individuals and corporations who have invested their money abroad instead of at home. They expect regular returns from foreign investments, just as from domestic. They will use their influence to have it stipulated in trade agreements that certain amounts of foreign exchange in the debtor countries shall be placed at the disposal of the borrowers in those countries for payment of foreign debt. If the borrowers in the debtor countries default, either through lack of earning or through inability of transfer, the lenders in the creditor countries combine to take action; and before the lenders feel themselves driven to accept a moratorium, they will use every influence to prevent trade negotiations from assigning to them a subordinate position.

(b) The borrowers in the debtor countries may be governments—national, State, municipal—or private individuals and corporations. Over the field of foreign investment, perhaps half the foreign lendings have been to governments, or to nationals for which governments are responsible. The borrowers do not wish to default; in particular, the governments do not wish to default on their obligations to private lenders abroad. This rectitude is dictated partly by principle and partly by prudence, since they hope to borrow again in the future—an expectation that probably will be long deferred in realization. Debtors have often borrowed afresh in order to pay their interest; this is now out of the question. (a) The lenders in the creditor countries are not governments

question.

# THE DEBTOR-BORROWER STRUGGLE

Whenever a debtor country has the usual positive balance of merchandise trade, the borrowers seek to have the balance of foreign exchange turned over to them, in whole or in part, for

payment of debts abroad. In some instances the lenders in one country formulate a schedule with the borrowers in the other country, as has been done between the United States and Brazil. In every debtor country the borrowers will struggle with the negotiators, seeking to claim the use of a balance of foreign exchange if such is available, or even to create such a balance

exchange if such is available, or even to create such a balance through restraint of imports.

(c) In the creditor countries are domestic industries with which the export industries of debtor countries compete directly. These domestic industries in the creditor countries object to having the home market flooded with competing goods received from the debtor countries in payment of debt. If the United Kingdom were to receive from her debtors the larger part of their payments in the form of farm products, the produce markets would be swamped and agriculture prostrated. To avoid this, a system of quotas has been set up, limiting the amounts of the denominated farm products that will be accepted by the United Kingdom. We do not wish to have our exported raw cotton return to us in do not wish to have our exported raw cotton return to us in manufactured form. We are glad to have Brazil pay us with coffee, but we would not permit Brazil to pay us with chilled beef. Our negotiations with Argentina will strike a snag—the fact that their exports are so like ours. In each of the creditor countries are important domestic industries which defend their position, using the strongest efforts to prevent any agreement curtailing the home market.

(d) In each of the creditor countries are important export industries which are indirectly involved. When a large part of the import requirements of a creditor country is covered by deliveries of goods on payment of foreign debt, this deprives the export industries of trade which would have come to them reciprocal to the imports if debt payments did not exist. They get one-way trade instead of two-way trade. If one will take the export trade of the six creditor countries and picture the difference with three to four billion dollars of imports on a reciprocal basis and on a debt basis, respectively, one will realize how much better off the export industries would be—for the time being and at the present price levels—if those countries were not creditors and debt payments There is truth as well as cynicism in the suggesdid not exist. tion of the German official that our cotton exports may be more valuable to us than collection of German debt. The export

valuable to us than collection of German debt. The export industries oppose the efforts of the lenders—their fellow citizens—in the creditor countries; they urge, in the interest of employment for their workers, that imports of goods should be paid for with exports of goods today, and not be received in payment of exports of goods one or several decades ago.

(e) Finally, the consumers in the debtor countries arise in protest. If large exports from the debtor countries are made to the creditor countries in payment of debt, this means that exports from the creditor into the debtor countries are restrained. The debtor country has, naturally, a positive balance of merchandise trade—that is, a balance of foreign exchange accrues regularly to the debtor country. This balance of foreign exchange may be used either for debt payment or to pay for imports of goods. Consumers wish it used for imports of goods, in order to maintain their standards of living or to facilitate developments. The consumer class in Brazil wishes to use the balance of foreign exchange, secured through the export of coffee, for the purchase exchange, secured through the export of coffee, for the purchase of goods to be imported, not for the payment of debt. The consumer classes in the debtor countries use their influence with the negotiators to keep debt payments down to a low level in order that imports may be brought to a high level.

order that imports may be brought to a high level.

Broadly considered, we meet here a conflict between present trade and past trade. Foreign lending means export of goods to be paid for later with imported goods. When such debts are paid, this means the concluding act of an old bargain; in the end the creditor country receives much more goods than it sends out. Paying debts with goods resembles installment buying; reciprocal exchange is like a cash business. Paying debt is a deferred trade; reciprocal trade is an immediate trade—goods pass either simultaneously or within the same season. In a depression with wide-spread unemployment, reciprocal and immediate trade makes an appeal over past trade. The one engages production simulan appeal over past trade. The one engages production simultaneously on both sides; the other only on the one side. No one really wishes to default on debts, to undermine the sanctity of foreign contracts. But a two-way new trade is regarded as better than a one-way old trade, when the price level is low and the volume of commerce depressed. Incidentally remarked, the John-son Act may improve cash trade.

# INTERNATIONAL HORSE TRADING

As a concluding observation, it is to be remarked that bilateral trade negotiations—agreements between two countries which disregard other countries—include not merely goods and equities, they involve also skill in negotiation. If one will survey a series they involve also skill in negotiation. If one will survey a series of these agreements, it will become apparent that usually there are better horse traders on the one side than on the other. For example, to use a large illustration, it is complained in Great Britain that the Dominions outtraded the mother country in the adoption of imperial preference. The Anglo-Sexons will be matched against the Latins, the Caucasians against the Mongolians. In forthcoming negotiations, the United States will be trading with master bargainers. In a sense, the new policy, here and abroad, represents supersedence of economic method by political method. Negotiations are slow, but faster than results. Economists in general are "from Missouri" on the whole proposition, in all countries. It is always difficult to measure the help or harm of a trade policy; it will be doubly difficult this time.

So-called reciprocity is anathema to protectionist and free-trader alike; but doctrine has yielded to experiment. It remains to be seen whether, in the aggregate, the system of bilateral trade agreements will not make more enemies than friends.

#### ORIENTAL TRADE-LETTER IN NEW YORK TIMES

Mr. FESS. Mr. President, I ask unanimous consent to have printed in the Congressional Record a letter on oriental trade, as affected by the silver legislation, by Basil C. Walker, appearing in the New York Times of June 13, 1934.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 13, 1934]

ORIENTAL TRADE—AN ANALYSIS OF THE SILVER THEORY IN CONNECTION THEREWITH

To the Editor of The New York Times:

In yesterday's financial section of The Times I read with great interest Mr. Carmical's story on far eastern rivalry in world industry. My interest sprang from my own lifelong study of and activity in that field. He is quite right in drawing attention to the tremendous competitive poliwer created by combining cheap orientical metallic description. tremendous competitive poliwer created by combining cheap cheat-tal labor with modern occidental industrial methods and machin-ery. It is a menace which has long been apparent to those of us who have had occasion to keep in close touch with far eastern developments, although it seems to be attracting general notice only in connection with the great industrial depression through which the world is passing.

It is, however, unfortunate that Mr. Carmical seems to have been misled himself in confusing his basic thesis with matters which are strictly temporary and passing phenomena of the current depression. This is particularly to be regretted, since it results in turning this otherwise excellent article into more of the fallacious silver propaganda with which we have been deluged recently.

Mr. Carmical reminds me of my own early contacts with the China trade, in quoting the Lancashire cotton men in support of the connection between high prices for silver and booming Chinese trade. For many years I accepted this as gospel, until my own studies on other lines forced me to reexamine this old tradition more critically. I then found that the cotton merchants had conrelation over short periods of time, with the actual facts of basic trends. The latter quite definitely contradict this theory of silver's high purchasing power being the cornerstone of oriental trade activity. The error is merely another phase of that pernicious fallacy that a depreciated currency is a trade advantage.

Both, of course, assume that imports are paid for with money of the importing country rather than with merchandise exports and exported services or capital (which last is not a major factor in the exported services or capital (which last is not a major factor in the Chinese situation). In my own mind I have always questioned the claim of the silverites and dismissed it. Mr. Carmical's reassertion of this theory led me today to plot the average rate of the Shanghai tael and of the Hong Kong dollar for the 11-year period, 1920-30, and to plot for the same period the general imports into China and the exports of Chinese products, expressed both in haikwan taels and in United States gold dollars. I used a copy of the 1931 Commerce Yearbook, published by the United States Department of Commerce which happened to be United States Department of Commerce, which happened to be

United States Department of Commerce, which happened handy.

The results were what might have been expected, and were fully confirmatory of the well-established fact that imports depend on general trade activity and not on the fluctuations in the price of the monetary unit or medium. The curve of the two silver currencies dropped very sharply in 1920-21 (or rather the Shanghai tael did, as quotations for the Hong Kong dollar were not available for those 2 years). Thereafter until 1928 there followed a period of relative stability, and in that year a steady and fairly rapid downward trend set in which continued into 1932.

Throughout the 1920-31 period general imports expressed in

followed a period of relative stability, and in that year a steady and fairly rapid downward trend set in which continued into 1932. Throughout the 1920-31 period general imports expressed in halkwan taels showed a generally rising trend, increasing considerably more than 50 percent in a period of time during which the Shanghai tael declined from an average value of \$1.18 to an average value in 1930 of \$0.42. Silver down over 60 percent, imports up over 50 percent. The curve of exports of Chinese products (excluding reexports) also showed a rise of equal amount, approximately 500,000,000 taels until 1930, in which year they began to turn down in reflection of the depression.

The curves of the imports and exports, converted into United States gold dollars, also fail to show any consistent relation with the curves recording the fluctuations of the Shanghai and Hong Kong currencies. In the two great depression periods, characterized by falling prices all over the world, in 1920-21 and again in 1928-30, the import curve showed precipitate drops. It is on these two accidental movements, separated by nearly a decade from each other, that the silverites must hang their case.

On examining these we find that a great part of the drop is obviously a reflection of the mere mathematics of converting depreciated silver taels or dollars into theoretically stable gold dollars, and this factor has nothing to do with the volume of the imports. In fact, it would appear that, mathematically, the statistics in halkwan taels are more accurate indices of the trade movement, since silver and the general world commodity price level approximated each other's fluctuations; so that using hai-

kwan taels permits comparison of things, if not identical, at least mathematically similar or related.

The final disproof of the silverite theory is found in the remarkable parallelism of the curves of imports and exports expressed in gold dollars. Even when dollars are used to measure the movements, it seems that there is a close relationship between exports and imports and very little between either and the exchange level of silver currencies.

tween exports and imports and very little between the the exchange level of silver currencies.

Incidentally, Mr. Carmical repeatedly refers to "the four treaty ports." There are many times four treaty ports, and George E. Sokolsky, a noted authority on China and a distinguished contributor to the Times, mentions more than 80 treaty ports, marts, and customs stations in his book, the Tinder Box of Asia.

BASIL C. WALKER.

New York, June 11, 1934.

FREEDOM OF THE PRESS-EDITORIAL IN STATE, OF COLUMBIA, S.C.

Mr. BYRNES. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial appearing in State, of Columbia, S.C., entitled "Attempt of Desperate Partisans to Bamboozle the Press."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Columbia (S.C.) State, May 26, 1934]

ATTEMPT OF DESPERATE PARTISANS TO BAMBOOZLE THE PRESS

Suddenly and from unexpected quarters are arising champions

of the freedom of the press.

Gentlemen who have heretofore been mute on that subject are now clamorously demanding that the constitutional rights and alleged constitutional rights of newspapers to publish any and everything shall be protected.

Here is a letter from Senator Thomas D. Schall, of Minnesota, addressed to the editor of the State, and doubtless coincidently sent to every other editor of a daily newspaper in the country—at

the Government's expense:

the Government's expense:

"You have doubtless noticed my campaign against press censorship. To date almost every attempt in this direction has been defeated, but great danger lies ahead. Congress is being forced by the President to adjourn in order that the administration of our Government be left entirely in the hands of the bureaucrats with no voices privileged anywhere to speak that the people may know of what is moving behind the secretive scenes. We have already seen the Treasury install a press gag rule. Other departments have contemplated the same thing. When Congress leaves all public information may be throttled. I think the newspapers should join with me in an attempt to organize an insurance against such a condition until the next meeting of Congress. "For this reason I am introducing this resolution in the Senate to appoint a special committee to hold until the next session of Congress. Its function will be to inquire into and expose any and all attempts to keep the news of what is happening from the public. Such a committee will guarantee your newspaper against any encroachment on the freedom granted it under the Constitution.

"May I have the support of your newspaper in this campaign? If the forces are so strong that such a resolution cannot be passed I intend to keep in touch with every move directed toward censorship and in this case may I have the support of your correspondent or your news service and your news columns in printing the facts so that the public may know what is transpiring?"

spiring?

spiring?"

Mr. Schall is one of the most partisan Republicans in the country. He is the same gentleman who recently, on the floor of the Senate, charged that the wife of the President was using her position as such to sell to hotels and others the product of a furniture factory established by her and several other women, at huge profits. He is the same gentleman who did not respond to Mrs. Roosevelt's request that he come to the White House to receive her personal statement, and who, when Mrs. Roosevelt utterly exploded every allegation he had made, showing her factory was established to give employment to artisans—men working with their hands—and made no profit and sold to no hotels, had not the grace or sufficient love of the liberty of truth to had not the grace or sufficient love of the liberty of truth to make retraction.

make retraction.

Others may and probably will be caught with the sort of political chaff which Senator Schall is scattering for the consumption of newspaper birds. The State declines to be duped. From one source or another we are receiving every day this propaganda about the menace to the liberty of the press. We are unmoved by it because we are unafraid, and we are unafraid because we have faith in the honesty and wisdom of the President of the United States.

From the same partisan sources were recently launched reports.

dent of the United States.

From the same partisan sources were recently launched reports that the Literary Digest had been requested to suspend publication of the poll on its new deal balloting until after the congressional elections, and that Postmaster General Farley had ordered that copies of the magazine containing the poll be kept out of the mails. To both the editor of the Literary Digest issued categorical denials to squelch the persistent rumors. Those lies had two intents—one to infer the poll is going against the Praidont and the other to imply the administration is the President and the other to imply the administration is using dictatorial methods, and subordinating public agencies of the Government to political purposes.

The State does not hold, nor does any other publication giving an honest interpretation of the liberty or rights of the

press that newspapers have the right to publish the thoughts or

press that newspapers have the right to publish the thoughts or plans of officials or departments of Government when responsible officials regard such publication as premature and probably harmful. Hardly a week passes without that point coming up in business or political circles in South Carolina.

"When Congress leaves (adjourns) all public information may be throttled", declares Senator Schall. The public is not, and never will be dependent upon Congress for news. Newspaper men in Washington know more about what is going on than do all the Members of Congress. And they know how to get the news. Even should a Department of the Government attempt to apply a gag rule, and refuse the press legitimate information, what would be the result? Correspondents would immediately fall back upon rumors, and reports, which would be far more disturbing to the administration than the publication of any legitimate news. It was long ago discovered in Washington and elsewhere that frankness in dealing with the press is by far the best policy.

In a statement accompanying his letter Senator Schall says:

"The President has attempted to explain away the attempts of his subordinates to muzzle the press, but to me and to many others here his protests mean nothing. His appointees would not dare, nor his legislative leaders presume, to enact such measures unless they believed there was an acquiescence on his part."

We resent that insulting reference to the President. Senator Schall practically accuses him of double-dealing dishonesty.

It seems to us that a band of Republican politicians, having the backing of the most conspicuous partisans among Republican newspapers, are launching this propaganda in a desperate attempt to array sections of the Democratic press against the administration.

#### SENATOR KENNETH M'KELLAR

Mr. BACHMAN. Mr. President. I ask unanimous consent to have printed in the RECORD an editorial appearing in the Nashville Banner on June 5, 1934, relating to the renomination of my colleague [Mr. McKellar].

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### SENATOR M'KELLAR

A nomination for the fourth time to the United States Senate is a distinction assured to Mr. McKellar which only one other Tennessean shares. Isham G. Harris, "King Isham," as he was called in his later years, was elected by the legislatures of 1877, 1883, 1889, and 1895. Mr. Harris served from March 4, 1877, to his death in 1897.

1883, 1889, and 1895. Mr. Harris served from March 4, 1877, to his death in 1897.

Mr. McKellar was the first United States Senator from Tennessee to be chosen by a direct vote of the people. The amendment to the Constitution making that process mandatory was proposed to the legislatures of the several States by the Sixtysecond Congress, May 16, 1912, and was declared to have been ratified in a proclamation by the Secretary of State May 31, 1913.

The amendment was strongly favored in every part of the country except the South. Of the 12 States not recorded in its favor, 9 were in the South—Alabama, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, South Carolina, and Virginia. The other three States were Delaware, Rhode Island, and Utah.

Mr. McKellar, after three terms in the House, entered the Senate March 3, 1917. Without doubt his renomination means that he will be reelected in November by an overwhelming majority, and at the conclusion of his next term, in 1940, he will have been a Member of the Senate for 23 years, a period longer by 3 years than that of the record of Mr. Harris, which to the present time sets a record in the annals of the State.

The circumstance that Mr. McKellar receives the commission of his party, practically without opposition, to defend its principles and to serve the Commonwealth and Nation in its highest legislative body must be accepted as unerring proof of his strong hold upon its confidence, and excellence of his record, his great personal popularity, and recognition of his notable and proven equipment for service of the country at a crucial period in its history.

Many high and deserved tributes to Senator McKellar have appeared in the press of his State. The following from the Marshall Gazette, one of the foremost country newspapers of the State, published in an agricultural community, may be fairly accepted as reflecting the sentiments of the great body of citizens toward a man who has always closely identified himself with the lives and interests of the man on that newspaper:

that newspaper:

"Senator McKellar's record reflects distinct credit upon his loyal and grateful constituency and notwithstanding his seasoned service, beginning in the House several years ago and three terms in the Senate, he is emerging into his period of greatest usefulness, having acquaintance, prestige, and aggressive ability. Likewise, he is one of the most energetic men in the National Capital, being Chairman of the important Senate Committee on Post Offices and Post Roads; ranking member of the powerful Appropriations and Civil Service Committees; and member of the Library Committee, Rules Committee, Territories and Insular Affairs Committee. The Appropriations Committee has to do with every dollar spent by the Government in every governmental activity.

"The sums are, of course, varied, and there is no man in the Senate who has more expert knowledge of the disposition and use of these appropriations than has Senator McKellar. Naturally,

of these appropriations than has Senator McKellar. Naturally, the committee that fixes the expenses of the Government is one of the most important in the Senate, and much of the work has devolved on his shoulders during the present session. In addition,

he was burdened with the responsible task of investigating the air-mail contracts and formulating a new plan for flying the mails on a basis that divested the contracts of rank and expensive subsidies. The Senate approved the McKellar-Black bill regulating air mail.

"Tennessee's senior Senator has been an uncompromising foe of subsidies, graft, and privilege in all forms from the beginning of his legislative career. He has never been known to compromise with right or to violate his conscientious convictions for the sake of expediency. He has been the consistent friend of the farmer, the laborer, and the disabled war veteran, championing their causes, fighting for legislation in their interest, and achieving results in their favor.

"Senator McKellar was one of the pioneer champions of Muscle Shoals development, having visualized the possibilities of the great Tennessee Valley early in the Wilson administration, and few men in public life have done more for the consummation of the great development that is destined to mean so much toward the happiness and prosperity of the people of Tennessee and the South.

#### THE HAYDEN-CARTWRIGHT ROAD ACT

Mr. WHEELER. Mr. President, I ask unanimous consent to have printed in the RECORD the statement by the President of the United States upon signing the Hayden-Cartwright Road Act.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

JUNE 18, 1934.

STATEMENT MADE BY PRESIDENT ROOSEVELT UPON SIGNING THE HAYDEN-CARTWRIGHT ROAD ACT

As long as the roads of the Nation are used by more than 24,000,000 automobiles and trucks, construction and improvement

24,000,000 automobiles and trucks, construction and improvement of roads will be of major importance.

The Hayden-Cartwright Act seeks to stabilize highway building with Federal and State funds by insuring a work program for the next 3 years of far-reaching proportions and benefits.

Highway work under the National Recovery Act now is more than 90 percent under contract or advertised for contract, and the new program is necessary to sustain highway employment on an adequate and reasonable scale for the remaining period of

The act also provides for a gradual tapering off of emergency highway expenditures and lays the foundation for a return to

normal expenditures.

Of the \$522,000,000 authorized to be expended by the act, \$450,000,000 is allotted for Federal participation with the States in highway building, of which sum \$200,000,000 will be a Federal grant and the remaining \$250,000,000 the Federal portion of regular Federal aid for the fiscal years 1936 and 1937, to be matched by the States on a 50-50 basis. The balance, \$72,000,000, is to be applied at the rate of \$24,000,000 annually to highway activities in the national forests, national parks, Indian reservations, and the public lands. Including the contributions to be made by the States and the \$230,000,000 which will be carried over from the \$400,000,000 appropriated by Congress last year, the total sum to be paid out for highway construction during the 3-year period will be more than a billion dollars. normal expenditures

than a billion dollars. The act provides that States, to be eligible for full participation in Federal aid, must continue to use for roads at least whatever portion of their revenues from gasoline and other taxes on motor vehicles as is now authorized by law to be expended for highway purposes. Notice is also given to the 44 State legislatures which will convene early next year that unmatched emergency grants are to be abandoned and that there is to be a return to the established plan which requires that the States shall meet the Federal

Government half-way in paying the cost of new construction.

Other important provisions of the act provide safer traffic facilities and the elimination of hazards to pedestrians and vehicular traffic, preparation of advance surveys and plant for future highway construction, meeting emergency repairs on the Federal-aid highway system in the event of damage by floods or hurricanes, and continuing the cooperative surveys for the proposed inter-American highway.

inter-American highway.

It is important to note that the sums mentioned above represent only an authorization by the Congress and not an appropriation. Funds for work to be done the first year the act is in effect are contained in the deficiency appropriation bill.

# ACCOMPLISHMENTS OF THE NEW DEAL—ADDRESS BY REPRESENTATIVE JOHNSON OF OKLAHOMA

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address delivered by Hon. Jed Johnson, Representative from Oklahoma, on Saturday, June 16, 1934, on the subject of "Accomplishments of the New Deal."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

# ACCOMPLISHMENTS OF NEW DEAL

INTRODUCTION BY HON. JOE BYRNS, OF TENNESSEE, DEMOCRATIC FLOOR LEADER AND CHAIRMAN OF THE NATIONAL DEMOCRATIC CAMPAIGN

Mr. Byens. I esteem it a privilege and a genuine personal pleasure to present my friend and colleague, Hon. Jen Johnson, of

Oklahoma, to his radio audience and particularly to his constituents in the great State of Oklahoma.

Even during his comparatively short service Mr. Johnson has attained a position of leadership in the House as one of those who have been relied upon to assist in passing the legislation necessary to bring about the recovery program of the President. He is an able, tireless worker both on the floor and in his committee work and he has won the confidence and esteem of all of his colleagues by his conscientious discharge of the duties devolving upon him and his devotion to the interest of not only his conupon him and his devotion to the interest of not only his constituents but the people of the entire country. It has been Members like him to whom the President has looked and upon Members like him to whom the President has looked and upon whom he has relied in establishing the so-called new deal, which is intended to restore to the plain people of the country the control of their Government. His record in Congress is deserving of the high commendation of those whom he has so faithfully served.

Mr. Johnson. Friends and fellow Americans, my subject is the accomplishments of the new deal. It will, of course, be impossible to touch more than a few high spots in the few minutes

allotted me.

allotted me.

The second session of the Seventy-third Congress will soon be history. It is doubtful if one Member of either House could be found who is wholly satisfied with all legislation enacted. It has been the most strenuous session in the 8 years I have been in Congress, and, taken as a whole, the Seventy-third Congress has made a record of which the country can be justly proud.

Need I remind you of the terrible predicament in which our people found themselves when Franklin D. Roosevelt was inaugurated President? Practically every bank in America had closed. A bank holiday had been declared in a majority of the States. All business was at the lowest ebb in the history of the Republic. Our farmers were in the depths of despair. Millions had been driven from their homes through no fault of their own. Multiplied millions of men, women, and children walked the streets and plied millions of men, women, and children walked the streets and highways looking for jobs they could not find. Actual starvation stared many in the face. The old order had failed utterly. The old idea, to attempt to restore prosperity by pouring millions of dollars into failing banks, defunct corporations, and big business generally, had completely collapsed. The last 2 years of the Hoover administration undoubtedly will go down as the blackest page in American history.

page in American history.

The terrible situation demanded immediate and drastic action. Critics of the President and his program no doubt would like to forget that pitiful picture. A few overzealous Democrats are saying the depression is over and everyone is prospering. On the other hand, a few extremely partisan Republicans are declaring that conditions are worse than under the Hoover regime and that the country is going straight to the bowwows. Neither picture is in keeping with the facts. But, admitting there have been mistakes under the new deal, it must also be admitted there has been no lack of action on the part of the President. He has demonstrated that he is not afraid to tackle gigantic tasks nor venture down untrodden paths. Nor has Congress been afraid to venture down untrodden paths. Nor has Congress been afraid to follow such an indomitable and fearless leader.

The special session of Congress called by President Roosevelt quickly passed 12 major constructive administration measures to

start the new deal recovery program. Then came the second session of the Seventy-third Congress, which convened last Janu-ary, and which up to now has passed more than 25 major administration measures.

During the special session, following the inauguration, the distinguished Republican floor leader announced that the minority would go along with the President and assist rather than retard his recovery program. In fairness to the minority Members, the record shows that, generally speaking, our Republican friends did cooperate during the first session. But, during the second session the country again expected that opposition leaders would be patriots instead of partisans and cooperate to the fulless expected.

But, those of you who have listened over the radio for the past several weeks to the many tirades of abuse and criticism against the Roosevelt administration know what has happened. The Republican leadership of the House has employed every parliamentary maneuver known and some heretofore unknown in an effort to block, forestall, and cripple the President's recovery

program.

The House filibuster started when the Literary Digest poll showed that the President and his policies were gaining strength instead of losing ground in States where opposition of a formidable character might have been expected to develop. Results of primary elections in widely scattered States revealed Democratic

mary elections in widely scattered States revealed Democratic Members of the House who had loyally supported the new deal were being renominated by impressive majorities and were polling record votes in heretofore Republican strongholds. Progressive Republicans, disgusted with the leadership of Mellon, Mills, and Morgan, were deserting the Grand Old Party by the millions.

With the November elections in the offing, it was apparent that it was time for the opposition to do something at once or frankly admit their political bankruptcy. The opposition leaders are not political amateurs. They were at the helm here, directing the legislative destinies of the country when many of the Democratic Members who came into office nearly 2 years ago were "prophets in the political wilderness" crying out against the follies of an administration that was floundering around in a swamp of indecision in an effort to find a way out of the depression.

The practical effect of the filibuster should be apparent to the country. It was a deliberate effort to paralyze orderly procedure in the House and embarrass the administration.

But some of the would-be leaders on the minority side are now insisting they resorted to filibustering tactics in order to help the farmer. I think it is fair to ask what these same gentlemen did to help the farmer during all those years in which they controlled the Government. We recall that they passed the Farm Board bill, which cost the farmers hundreds of millions of dollars, and the only thing it accomplished was to provide soft jobs for the faithful and help relieve the farmers of their farms. How childishly forestful our Republican friends seem to be in

How childishly forgetful our Republican friends seem to be in complaining now of gag rules. Have they so soon forgotten the iron-clad and cold-blooded gag rules they employed when the Republican majority shoved the Hawley-Smoot tariff bill, the Hoover Farm Board bill, and other partisan legislation through

the Congress?

the Congress?

Time does not permit me to go into detail nor so much as mention all the steps taken by the President nor bills passed by Congress in an effort to relieve the depression this administration inherited from the old-guard leadership of a reactionary administration. But to my mind nothing is more striking in summing up the accomplishments of the new deal than the courageous action taken by the President in discarding the policy of the gold standard, which was fast closing our banks and paralyzing commerce. commerce

The action of the President in placing an embargo on gold and suspending gold payments was the first step in giving this Nation a sound and adequate currency. His action saved the banks of the country and permitted the resumption of commerce.

Then followed the Federal guarantee of bank deposits, a step that restored confidence. The mere consideration of such a step would have made prior reactionary administrations shudder with bally heren.

that restored confidence. The mere consideration of such a step would have made prior reactionary administrations shudder with holy horror.

Some of these same bitter partisans, and I am ashamed to say a few so-called "Democrats", were unreasonable in their criticism of the President and Congress when the Agricultural Adjustment Act was passed, declaring it to be unconstitutional and unAmerican. But it is significant that these self-admitted statesmen offered nothing in its place to bring parity prices and a hope of prosperity to the farmers. This act saved the farmers of the South and West from complete collapse and sent millions of much-needed cash into practically every State in the Union, which, of course, was reflected in better business in practically every town and hamlet in the country. It is unfortunate, however, that prices of most farm commodities have not risen in proportion to the necessities that the farmers have to buy. But we are no longer selling cotton at 4 to 6 cents a pound and wheat at 25 to 30 cents a bushel, the sorry spectacle we witnessed under Republican rule. Again critics of the new deal have pointed to the vast sums being spent for public works and emergency relief. Our people will have no sympathy for such attacks nor take the time to count the cost as long as little children continue to cry for food and as long as millions of men and women are out of work and begging for an opportunity to earn an honest livelihood.

as long as millions of men and women are out of work and begging for an opportunity to earn an honest livelihood.

Foes of the Roosevelt administration, in a desperate effort to discredit the new deal, have critized its foreign policy. One thing is certain, foreign governments know that President Roosevelt has a definite foreign policy. The new deal proposed to be fair to foreign governments, and Congress has followed the President's suggestion by enacting a fair and just reciprocal tariff act. This act will aid in obtaining foreign outlets for products of the American farmer instead of paralyzing the agricultural export market, as was the case in the passage of the Hawley-Smoot Tariff Act, the most un-American and indefensible tariff law ever enacted.

enacted.

Likewise, the President and the Congress have taken a definite and decided stand on the issue of war debts that foreign governments owe this country. It is not a weak, vacillating stand, but one of courage and fair play to the American taxpayer. Had former administrations shown the same degree of courage, the problems now confronting us might have been avoided. It is now generally conceded that the Hoover moratorium was one of the most ill-advised and serious blunders made by that administration in its conduct of foreign affairs. It was an overt gesture of cancelation without authority to accomplish its purpose. When the Hoover moratorium resolution was being steam-rollered through Congress by the same Republican leaders who now complain of Democratic gag rules, I took the floor and predicted that it would rise up to plague and embarrass the party that fostered it.

We pointed out then that this Government should not cancel

We pointed out then that this Government should not cancel nor scale down those war debts to unappreciative governments that are arming to the teeth for another war. They now threaten to repudiate their debts, but if they do they will be marked as bad international credit risks, and will be unable to borrow money to prosecute future wars. Therefore, our insistence on the payment of these debts is undoubtedly a great forward step in the

ment of these debts is undoubtedly a great forward step in the cause of world peace.

When Congress followed the President's suggestion to give him authority to forbid the shipment of munitions of war to belligerent nations it marked another milestone in the cause of peace. If we can take the profits out of war for the munition makers and then go a step further and eliminate the profits of war for the international bankers. This administration will further lessen the likelihood of future wars. What if such a policy shall dry up the springs of ill-gotten gains of American millionaire munition makers and international money lenders, it will turn the same streams of industry from death-dealing to life-giving channels.

For the past quarter of a century Congress has talked about regulating stock markets and eliminating gambling in products

of the farm. The Seventy-third Congress, in spite of the hundreds of lobbylsts that swarmed the National Capital, has actually enacted a law to regulate stock exchanges and protect the American investor. It didn't go as far as some of us have been advocating, but it is certainly a forward step in the right direction, and will eliminate wholesale gambling and manipulation on the part of white-collared parasites who have robbed the American people of billions of dollars and have wrought poverty, heartaches, and suicides by the wholesale.

Of course, some of us are disappointed because our pet meas-

Of course, some of us are disappointed because our pet measures have not been enacted into law, but when we recall that there are 435 Members of the House with many divergent views, I submit, ladies and gentlemen, that the Seventy-third Congress has done a reasonably good job. For this, much credit is due to the courage and wise leadership of our leaders in Congress. Especially should I mention that great progressive from the State of Illinois, the Honorable Henry T. RAINEY, Speaker of the House, and our beloved floor leader, Joe Byrns, both of whom have demonstrated that they possess every quality of courageous and intelligent leadership. telligent leadership.

telligent leadership.

Look at the picture of things today and remember conditions as they were 18 short months ago and I feel that you must agree that the people of America have a new hope and a new outlook on life. They know that a brighter day has dawned and that we are slowly but surely working our way out of difficulties which seemed impossible to overcome. And they also know that the credit for this new hope, this new day, and this new deal belongs to that big, warm-hearted, far-sighted, courageous American, the greatest President this country has had in the past century, our own beloved Franklin Delano Roosevelt.

#### CONDITIONS IN DROUGHT-STRICKEN AREAS

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent that a telegram which I received this morning from the dean of the Wisconsin College of Agriculture dealing with the drought situation may be printed in the RECORD.

There being no objection, the telegram was ordered to be

printed in the RECORD, as follows:

Madison, Wis., June 16, 1934.

Maddison, Wis., June 16, 1934.

Senator Robert M. La Follette, Jr.,

Senate Office Building, Washington, D.C.:

Drought conditions in the food-producing area of this country constitute a national calamity. Situation is a disaster that cannot be dealt with on a month-to-month basis, but steps must immediately be taken to make adequate provision for feed for livestock, food for human needs for the next 12 months and seeds for 1935 planting. Permanent pastures and hay fields, clover, alfalfa, bluegrass, and timothy are dried up in more than 70 percent of the agricultural producing counties of Wisconsin. The farmer's only chance for feed this year is from emergency crops which cannot be produced without heavy general rains within next few days. Chances for emergency crops, feeds are dwindling every day. This means that relief must be continued and expanded to enable drought-stricken farmers to have bases of operation and in turn human relief will have to be continued and expanded in those human relief will have to be continued and expanded in those rural communities. Federal Government must take steps now to provide adequate feed to insure retention and production of foundation herds in the drought-visited States or the Nation's food supply will be imperiled for years to come.

Chris L. Christensen,
Dean and Director Wisconsin College of Agriculture.

# THE ADMINISTRATION'S SUGAR BILL OF 1934

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD an article appearing in the Democratic Digest for June 1934, prepared by the Senator from Colorado [Mr. Costigan], entitled "The Administration's Sugar Bill of 1934."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Democratic Digest, June 1934] THE ADMINISTRATION'S SUGAR BILL OF 1934 By Senator Edward P. Costigan, of Colorado

The Sugar Act, which was signed by President Roosevelt on May 9, 1934, is a new and constructive treatment of a complicated, contentious, and far-flung farm problem. The law is expected to prove more generally acceptable to widely scattered sugar groups than any other legislative enactment by Congress possible at this time. Public opinion will doubtless wish to give the safeguards of the law a fair trial during the 3-year life of the experiment. The act, in part, substitutes a test of the combination of a more moderate tariff and, so far as needed to assure pre-war purchasing returns for farmers, direct bounties to farmers instead of indirect subsidies to sugar companies through higher and higher tariffs which, for years, have also stimulated island competition, and thereby have proven increasingly unsatisfactory to sugar producers, and especially to farmers, in this country.

The act adds sugar beets and sugar cane to other basic commodities in the Agricultural Adjustment Act. The processing taxes it authorizes will take effect on the same day on which lower tariff duties on Cuban sugar of one-half cent a pound are levied under our flexible tariff law. It will impose processing taxes The Sugar Act, which was signed by President Roosevelt on May

equivalent in amount to the proposed reduction in duties; quotas limiting imports of sugar, as well as domestic production, based, except for the continental United States, on some reasonable rule of average marketing or production during a substantial period. For the continental United States alone quotas are definitely in the law of 1,550,000 short tons of beet sugar and 260,000 tons of cane sugar out of a total estimated domestic consumption next year of 6,452,000 short tons, raw value, with an added allotment to continental United States production of at least 30 percent of any increased consumption of sugar above that estimated amount. any increased consumption of sugar above that estimated amount. The sugar law, in fact, combines the following merits: Stability of returns to farmers rather than free play to speculators; better prices per ton for beets and cane, without added sugar prices for consumers, and possible improved living conditions for field workers and their families, including safeguards against child labor.

President Roosevelt's total estimate of sugar consumption for the first year was left unchanged in the law, but Congress added 100,000 short tons to the President's "preliminary and temporary" figures for continental beet sugar. The President's suggested quotas in his sugar message to Congress of February 8, 1934, were as follows:

	Short tons
Continental beets	1, 450, 000
Louisiana and Florida	260,000
Hawaii	935,000
Puerto Rico	821,000
Philippine Islands	1,037,000
Cuba	
Virgin Islands	5,000
진 회구하다 그리고 원인적 경험은 회로를 잃었는데, 이 없는 그렇는 그 없는데 나갔다. 중심하다 것이	Marie Control

The increase in the quota for domestic beets necessitates an aggregate reduction in other quotas sufficient to balance that

aggregate reduction in other quotas sufficient to balance that increase.

For the domestic sugar industry, and especially domestic growers, the saving anchor of the plan is the proposed inclusion in the Agricultural Adjustment Act of sugar beets and sugar cane as basic agricultural commodities. This amendment to our fundamental agricultural law was first presented by me and approved by the Senate, but not the House, a year ago, and again offered by me at the opening of the present session of Congress. Fortunately, the amendment, now written into law, together with the collection of processing taxes, will make possible through benefit payments a program of moderate but better and more stable prices for sugar farmers, as before stated, without increased prices to American consumers—a decided novelty in the history of sugar tariffs and of agricultural relief.

Under the flexible tariff rule provided in the tariff law of 1930 a reduction of about half a cent per pound in our sugar-tariff duties was unanimously recommended this year by the Republican Tariff Commission. In accordance with that recommendation, President Roosevelt when signing the Sugar Act simultaneously reduced the tariff one-half cent a pound. The effect of that tariff reduction would ordinarily have been to lower sugar prices and further somewhat reduce the slender incomes of our sugar farmers. The new sugar law, however, has permitted President Roosevelt to offset that reduction by adding a processing tax on sugar exactly equal to the tariff reduction. This means that, finally, prices so far as affected by taxes, should remain where they were before the tariff reduction, and that a fund can be collected out of the processing tax sufficient to pay our sugar-growing farmers enough to assure them much needed pre-war parity prices for their beets and cane.

The necessity for and extent of quota restrictions on production

our sugar-growing farmers enough to assure them much needed pre-war parity prices for their beets and cane.

The necessity for and extent of quota restrictions on production here and abroad is a subject on which opinions have differed and will differ. Leaders of the sugar industry, however, in their discussions of their proposed quota or stabilization agreement last summer and fall accepted the principle and prepared the way for prompt action on the legislation just enacted.

It should also be borne in mind that there are further possibilities of profit for our domestic sugar producers in marketing codes which are yet to be written.

It is memorable that the Roosevelt administration has proven in this law its determination to give first place to the welfare of

It is memorable that the Roosevelt administration has proven in this law its determination to give first place to the welfare of farmers rather than the prices of stocks and bonds. Here is a program which makes some help available for farmers without increasing the load on consumers. It is a striking example of the possibilities of national planning. It provides, through quota restrictions and tariff reductions, our first check in many years on unregulated and destructive production and competition at home and abroad. It undertakes to limit Cuban sugar production for the continental American market to about half of Cuba's earlier sugar exports, yet gives that distracted island a chance to reestablish stable government and create larger markets in which we may sell American exports. Furthermore, it begins the process of preparing the Philippine Islands for the change which now appears assured to an independent status, which will almost cerappears assured to an independent status, which will almost certainly limit their tariff-free sales in this country. It also permits the President to use the processing taxes on sugar from such important sugar-producing areas as Puerto Rico, Hawaii, and the

important sugar-producing areas as Puerto Rico, Hawaii, and the Philippines, respectively, in segregated funds for the benefit of general agriculture in those areas.

A novel and original provision in the law grows out of the effort of the sugar industry in the summer and fall of 1933 unanimously to adopt what is known as the stabilization agreement. By common consent a contract was attempted to be entered into between all sugar producers interested in the sale of their products in the markets of the continental United States.

To further safeguard growers of beets and cane in this country a clause was inserted in the stabilization agreement providing that the Secretary of Agriculture might determine disputes between growers and processors of sugar and that the decision of the Secretary would be final. Following that precedent, subdivision 3 of section 4 of the new sugar law provides that all agreements authorized by the act relating to sugar beets, sugar cane or their products may contain provisions which will limit or regulate child labor and will fix minimum wages for workers or growers employed by producers or processors who are parties to such agreements; that the Secretary of Agriculture, on request, is authorized to adjudicate any dispute as to any of the terms to such agreements; that the Secretary of Agriculture, on request, is authorized to adjudicate any dispute as to any of the terms under which such commodities are to be grown or marketed; and that the decision of the Secretary shall be final. During the life of the new law, it appears certain that these provisions will attract attention. Complaints have been registered for years with Government agencies against inadequate returns received by workers in sugar-beet fields and against reported conditions of child labor. The specified provisions of the law are not only humanitarian, and therefore, in line with the entire course of President Roosevelt's new deal, but also have the original feature of a pioneer effort to eliminate an unusual type of commercialized child labor. As a result of long official experience with perplexing sugar problems as a member of the United States Tariff Commission, I am convinced that President Roosevelt and the Department of Agriculture have inaugurated a program which, with due allowances for different views, is so sensible and balanced that it gives promise of sounder economic conditions in the United States and

promise of sounder economic conditions in the United States and in our island Territories and possessions. This application of new-deal principle to the sugar industry is certain to rank among the most noteworthy of the legislative achievements of this remarkable administration.

# PUBLIC PAYING FOR PUBLICITY OF DEMOCRATS—ARTICLE FROM THE PHILADELPHIA INQUIRER

Mr. HASTINGS. Mr. President, I ask unanimous consent to have printed in the RECORD an article written by Paul J. McGahan, entitled "Public Paying for Publicity of Democrats", appearing in the Philadelphia Inquirer of May 13, 1934

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Inquirer, May 13, 1934]

PUBLIC PAYING FOR PUBLICITY OF DEMOCRATS—BIGGEST PROPAGANDA
SET-UP IN HISTORY OF EITHER PARTY IS SADDLED ON TAXPAYERS;
COSTS HUNDREDS OF THOUSANDS OF DOLLARS YEARLY—NEARLY 100
"BALLYHOO" EXPERTS ARE AT WORK IN CAPITAL LAUDING NEW
DEAL AGENCIES; MANY ROOSEVELT CAMPAIGN AIDES NOW ON
UNITED STATES PUBLICIST PAY ROLL

# By Paul J. McGahan

Washington, May 12.—The present Democratic administration has established the most elaborate publicity organization down through the Federal Government that has ever been set up by

through the Federal Government that has ever been set up by any political party.

Each of the regular departments of the Government has a publicity set-up, and the publicity staffs of the emergency organizations in several instances are of unusual size.

A survey by the Inquirer reveals that almost 100 publicity writers are scattered throughout the Government set-up in Washington, with similar agents in the field.

And here in Washington the mimeographed and printed output provides work for literally hundreds of subordinate employees.

An interesting fact in this connection is that not less than half

An interesting fact in this connection is that not less than half a dozen of the publicity agents connected with the Presidential campaign effort of Mr. Roosevelt, then employed by the Democratic National Committee, are now holding responsible publicity positions under the Federal Government.

Hundreds of thousands of dollars annually are estimated to be the cost of these promotional activities in behalf of the new deal. Not only is the taxpayer deluged with presentations of the ideas of the administration and recitations of its activities, but he is taxed to pay the expenses and also to pay the postage bill, which is enormous

There is no medium of publicity and propaganda which has been overlooked in the promotion of the "alphabet" agencies set up under Democratic aegis to assist in the return of national recovery.

The radio, the motion picture, the billboard, personal appearance, and newspaper and magazine publicity in every guise—from straight news, interview and statement to signed articles by members of the much-discussed "brain trust", Cabinet members, leading officials, and the President and Mrs. Roosevelt—have figured.

Nothing is taken for granted, nor is there anything haphazard about this publicity effort. It has grown steadily since Mr. Roosevelt came into office on March 4, 1933, and right now may be said to be functioning in a smooth-working and synchronized fashion.

So elaborate indeed is the set-up that there is even an intelligence section which makes a daily digest and analysis of the news and editorial reaction throughout the country of what the administration and the Government are doing.

There is nothing cheap about it.

Cost does not enter into the picture at any point.

Whatever it is necessary to spend is spent.

No drones, however, are retained in service very long. The publicity men must produce. Almost without exception the publicity personnel has been recruited from the ranks of thoroughly trained and experienced newspaper, advertising, and public interest promotion fields of endeavor.

#### ALL FRONT-PAGE MEN

Literally every high official of the administration acts with the front-page display regarding his activity as a goal almost as im-

front-page display regarding his activity as a goal almost as important as the project he is pushing.

In recent months in the Congress there has been a gathering of storm clouds over this publicity and promotional activity. Republicans have inveighed against it because of the partisan advantage at the expense of the Nation's taxpayers which it has given the Democratic administration. Democrats have protested phases of it because of their disagreement with the policies which have been projected and boosted. Congressmen and Senators of both parties have deplored that so much ballyhoo has actually befogged recovery issues.

It is even proposed in the House that there be an investigation

is even proposed in the House that there be an investigation

It is even proposed in the House that there be an investigation of the publicity expenditures.

This has support because the lawmakers believe that they are not getting the credit in the public mind for their part in formulating the legislation for the national recovery program; but that instead, and none too subtly, it is being claimed for the executive branches of the Government.

Congressman Hamilton Fish, Republican, of New York, has pending at the present time a bill on the subject.

It must be said in behalf of the administration that it is not making any particular efforts to hide its head under a bushel in this matter of publicity promotion.

This writer, as a Washington correspondent of the Inquirer, is on all the mailing lists and receives daily the diverse output.

on all the mailing lists and receives daily the diverse output. Much of it has no place in a metropolitan daily. Much of its of assistance in the preparation of articles. In the material that follows from this point the effort is made to present a first-hand picture of the situation as revealed by personal contact with each of the agencies in question.

# TYPICAL BALLYHOO STORY

TYPICAL BALLYHOO STORY

The story, it is believed, speaks for itself. Its highlights are:
The new deal maintains a day-by-day check on the results of its publicity and promotion activities as reflected in about 400 newspapers throughout the country. It does this through the medium of the Division of Press Intelligence for the United States Government, which is headed by a woman and is housed in the huge Department of Commerce Building.

The function of this organization, which includes a personnel of about 20 individuals, is carefully to scan the newspapers, carefully clip from them all items relating to governmental activities, index and file these, and then to prepare for daily issue a mimeograph pamphlet which under various departmental headings summarizes the items of news and editorial comment, gives the file number of the clipping, and the date of its appearance.

This daily publication has appeared so regularly that the issue of May 4 was no. 183. That issue was a mimeographed booklet printed on both sides of the sheets and aggregating 130 pages of single-spaced typewriting. How many clippings this meant had been filed away was not indicated, but it represented many hundreds.

# TENNESSEE VALLEY "VISION"

TENNESSEE VALLEY "VISION"

The Tennessee Valley Authority is one new-deal agency behind which there is lots of "vision." It was brought into being as a consequence of the dreams of Senator George W. Norris, Republican separatist, of Nebraska, who was a supporter of President Roosevelt against the Republican nominee, former President Hoover. It is being financed with an allotment of \$50,000,000 from P.W.A. funds made to it by the Board headed by Administrator Harold L. Ickes, erstwhile Progressive and present Democratic Cabinet member.

This organization has a publicity force of four persons, one of whom is stationed in Washington, another at Knoxville, which is the main office, one at Muscle Schoals, and the fourth at Chattanooga with the E.F.H.A. Assisting these producers of publicity is a small force of clerks and mimeographers and other necessary aides.

Its publicity output is not inconsiderable and has been on a

basis of two or three releases a week.

There is wide-spread use of mailing lists of franked mail. One of these lists embraces all of the publications in the Tennessee Valley. Another has Nation-wide range.

# T.V.A.'S NEW WRINKLE

Indeed, it was the T.V.A. which devised a new wrinkle in the promotion and propaganda field when it entered into a 4-month contract with a leading advertising agency of New York City, which was announced by Director E. Lilienthal on April 23.

This is the first time a department of the Federal Government has retained an advertising and merchandising agency for consulting services. The cost is \$10,000.

Under the regime of Postmaster General James Farley, the Post Office Department has reached new heights of political activity, and in publicizing the many Farley speeches and those of the four Assistant Postmaster Generals it has been the medium of disseminating countless reams of political propaganda.

The publicity department, termed a "bureau of information", consists of a modest set-up of two men, a secretary, and a messenger. But the mimeographing and mailing section is quite a

large one, since there are special mailing lists containing between 2,500 and 3,000 names and addresses, to which material is sent very frequently.

#### AIR-MAIL PROPAGANDA

During the recent air-mail embroglio, the publicity output reached a peak, and the Department's declarations and statements on the situation were given not only newspaper and magazine distribution, but also to the various air transport companies and

associations.

The Post Office Department does not enter up (in reporting the cost to the Government of the free mail privilege) any estimate of its own expenditures. Nor can it estimate with any degree of accuracy just what the free postage distribution of governmental agency publicity and propaganda costs annually.

The deluge of franked and penalty postage-free governmental mail in the current fiscal year will doubtless be revealed in a greatly increased loss of revenue to the Government.

How intimately the story of the emergency activities of the administration have been sent into the hands of the people of the country is partially revealed in the annual report submitted by the Public Printer who, in addition to the fiscal year of 1933, also submitted a survey of the activities of the Government Printing Office for the 5½-month period between last June and the middle of December. This was when things were hitting on all six.

In that time a total of 502,369,916 copies of various kinds of printing were ordered for the new emergency, including the National Recovery Administration, Agricultural Adjustment Administration, Public Works Administration, Emergency Conservation

Federal Emergency Relief Administration, Emergency Conservation

Work, and so on.

The so-called "regular establishments" of the Government have had publicity or information services for many years, and under the new deal these have been continued on an even keel and with relatively little change.

#### STILL MORE PUBLICITY

A very considerable volume of publicity issues from the various independent offices of the Government. The tariff Commission, the Federal Trade Commission, the Federal Power Commission, the Federal Radio Commission, the Civil Service Commission, the National Advisory Committee for Aeronautics, the Board of Tax Appeals, the Farm Credit Administration, the Smithsonian Institution, all issue publicity matter and maintain one or more persons definitely assigned to the task of its preparation and issuance. Their respective mailing lists are varied, but all are quite extensive. extensive.

of all the agencies of the new deal the National Recovery Administration has been the most publicized, even at times overshadowing President Roosevelt himself.

It has had, of course, Gen. Hugh S. Johnson, of "crack-down" and other fame, as its picturesque and colorful center.

And it has had the best organized and most efficient Public Relations Division.

And at one stage of the game, when the situation was hottest, it had the thoroughly competent services of Charles Michaelson, the long-time publicity man for the Democratic National Committee, who was loaned to take the overseer's job until matters straightened out.

Right now it has a Public Relations Division which aggregates

about 35 persons, and which is admitted to have been as high as 50 in personnel during the past year.

This Public Relations Division has had the task of preparing and issuing spot publicity, of providing speakers through its Speakers' Bureau, and of handling the radio programs.

# \$8,000,000 COST ALREADY

The National Recovery Administration is no cheap affair. It has had allotted to it thus far for operating expenses, according to the latest announcements from Public Works Administrator Ickes, more than \$8,000,000. The latest reports from the Civil Service Commission show that it has a small army of almost 2,900 employees. Salaries in the Public Relations Division run from \$1,080 to \$6,800 per year.

ployees. Salaries in the Public Relations Division run from \$1,080 to \$5,800 per year.

The publicity activities at the N.R.A. have been highly efficient. Trained men with wide newspaper, magazine, advertising, and publicity backgrounds have been retained. Long hours have been matter of fact and the inefficient have not survived. An unusual excellence and fairness of output has been the result.

The Public Relations Division has worked on the theory that the activities here in Washington were in the nature of a public hearing, where the plain facts of what transpired deserved a larger audience than merely those in attendance.

Just a few days ago it passed the 5,000 mark in its general news releases. With the detailed statements, which were given rather restricted circulation, its output has been somewhere between 12,000 and 15,000 releases.

12,000 and 15,000 releases.

# A.A.A. PUBLICISTS

It is freely admitted at A.A.A. headquarters that there are not less than 25 persons engaged in preparing publicity to be issued. Prompt and efficient delivery of the publicity material is made to the offices of the Washington correspondents, and in addition another huge mailing list of newspapers and publications throughout the country is maintained.

The output of the publicity service is huge and varied. It includes news announcements, the texts of speeches made by Wallace, Davis, Tugwell, Cristgau, and other officials of the A.A.A.

the details of marketing agreements and licenses, and a variety t of other detail.

of other detail.

One day's output consisted of six "handouts", one of which consisted of 90 mimeographed pages—this being a list of benefit and rental payments with details about each county in each State in the Union. The others builked 13 pages.

Another typical day's output consisted of 11 articles covering 33 pages. At frequent intervals the A.A.A. issues a News Digest, which averages four or five single-spaced mimeographed pages. The Public Works Administration was established under the provisions of the National Recovery Act, and after a false start or two Secretary of the Interior Harold L. Ickes was designated as Public Works Administrator. This was last July, and thereafter the wide-spread organization which now numbers in excess of 3,400 employees was set up.

the wide-spread organization which now numbers in excess of 3,400 employees was set up.

A necessary part of this set-up was the action on press relations, in which there are 4 men, 3 women secretaries and clerk, and 1 messenger. Each of the four publicity men is a newspaper writer and executive of established reputation and ability.

The press-relations section has, since it was set up less than a year ago, given wide-spread distribution to about 700 news releases,

which bulk well over 20,000 pages. They have averaged from a single paragraph on a single page to closely jammed 60- and 70-page volumes, giving details concerning at times as many as several hundred local projects to which Federal funds had been assigned.

#### PATERNALISM-STATEMENT OF SENATOR THOMAS P. GORE

Mr. BAILEY. Mr. President, I ask unanimous consent to have inserted in the RECORD a statement by Senator Gore appearing in the Washington Post of today.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington (D.C.) Post, June 18, 1934] GORE VISIONS NATION'S DECAY IN PATERNALISM—SAYS OLD GREEKS, ONCE FED BY GOVERNMENT, CRIED "MORE!"

THOMAS P. GORE, Democratic Senator from Oklahoma, was in a philosophical mood when a Post reporter chatted with him in

Thomas P. Gors, Democratic Senator from Okianoma, was in a philosophical mood when a Post reporter chatted with him in his office recently.

"In ancient Greece", he began, "Pericles inaugurated the feeding of the people out of the public treasury. A hundred years later Plato found that he had so completely debauched the Athenians that they were reduced to pauperism. Instead of working they hung around the market place gossiping and their characters were so weakened that the state was forced to hire barbarians to defend it from invasion, so said Plato.

"Several hundred years later in Rome, the Gracchi began to sell corn at less than the market price. The farmers were ruined, but the populace cried for more favors. As time went on, free wine and entertainment followed and the politicians soon began their bidding against each other for the favor of their constituents. As is bound to happen in a democracy under such conditions, what one administration gave at a reduced rate was promised free by the politicians who wished to supersede it.

"These historical examples are not without their significance for our country today. A paternalistic government is bound to destroy the self-reliance and self-respect of the people. When those attributes go, everything goes. Those are the virtues which have made our country great and those virtues alone will keep us great."

Senator Goes helieves his votes prove he has, throughout a long

Senator Gore believes his votes prove he has, throughout a long career in the Senate, acted strictly and courageously according to his fundamental theories of government. He has been a Memto his fundamental theories of government. He has been a Member of the Senate for 17 regular sessions and six extra sessions, and during that time he has never, to use his own words, "voted to take a dollar out of one man's pocket and put it as a gift into another's. I feel that a man who earns a dollar has a little better right to it than anybody else. He must give up a certain share of it in taxes to his Government in return for security, but he is entitled to dispose of the rest as he sees fit."

# CHEERS FOR FREEDOM

Senator Gore has always supported bills to compensate veterans disabled in service, but such bills, he maintains, are the payment of a Government debt and not a gift. He also made a touching concession to his principles, if such it can be called, when he voted a pension to the widow of the man who discovered the yellow fever mosquito during the Spanish War and died as a result of his scientific research.

The recent Tugwell hearing brought to light the sharp cleavage which exists in the Democratic ranks between such Senators as Gore, Balley, of North Carolina; Byrn, of Virginia; Smith, of South Carolina, and the more radical members of the same party, and these considered it a heartening experience when the huge audience that crowded the committee room time and time again broke into hearty and spontaneous applause whenever they defended their beliefs and their rights to free speech. On that occasion Senator Glass, of Virginia, was not present, but no mention can be made of this group without including the name of the man who first and last has upheld the traditions of a militant

# MOVEMENT OFTEN FAULTY

"As a matter of fact", continued Senator Gore, "my ideas, like my behavior, are the result of a definite code of convictions. I am an old-fashioned Jeffersonian Democrat, of whom there are very few left nowadays, and, like Jefferson, I am convinced that those people who are the least governed are the best governed. This

does not mean that the degree of government may not change temporarily to suit conditions, but such changes do not affect the

temporarily to suit conditions, but such changes to not anect the fundamental theory.

"Every individual in our democracy has certain inalienable rights. Even the ragged street urchin has rights which the Army and the Navy put together may not take away from him. If that is not so, then our whole democratic conception has no meaning.

is not so, then our whole democratic conception has no meaning. "We have attempted in this country to reconcile power and liberty. The majority must have the power, but they may not infringe upon the liberties of the minority.

"Another truth which our contemporaries must rediscover is that all movement is not improvement. Some things cannot be changed. The rotation of the seasons and the course of the planets are fairly fixed. Almost equally unchangeable are fundamental instincts, impulses, passions, and laws of human nature. Before we begin to experiment, we should first ask ourselves honestly, 'Can these things be done and should they be done?' There is not much use, for example, in attacking the multiplication table and much use, for example, in attacking the multiplication table and the law of gravity (that goes for those monetary experts who would attempt to make something out of nothing), nor can we reduce the mountains by raising the sea level—you can apply that as you please.

#### SECONDARY REACTIONS TRIUMPH

"We should not forget that to all public legislation there are "We should not forget that to all public legislation there are always primary and secondary reactions and often the secondary or final reactions are the ones that count. The eighteenth amendment is the best illustration of this. Another good illustration was the legislation concerning gold in 1864. Gambling in gold was so rampant at the time that the Congress passed regulations to stop it, with the result that the premium on gold was immediately doubled, and this legislation, as in the case of the eighteenth amendment, had to be rescinded. I am afraid some of our experimenters today do not sufficiently consider the dangers of these secondary reactions.

"Let me illustrate my point again. An engineer weighs carefully

"Let me illustrate my point again. An engineer weighs carefully before he builds a bridge just how much stress and strain his steel must bear. Likewise human nature can endure only so much stress and strain. Much of our multiplicity of recent legislation stress and strain. Much of our multiplicity of recent legislation is causing too much strain upon our people. The upshot of it all will be that this strain will in turn react upon Congress and the

results may be very dangerous.

#### OUR PAST IGNORED

"But it seems to be the fashion today to ignore completely the lessons of experience and history. Every generation goes through this to some extent, but ours is an extreme example of indiffer-

this to some extent, but ours is an extreme example of indifference to the teachings of the past.

"I was amused this week when we passed the silver bill to hear one Senator say that he was not so much concerned about what the Government could do for silver as he was about what silver could do for the people. In 1890, under the Sherman Purchasing Act, 4,500,000 ounces of silver were purchased monthly, or about \$154,000,000 worth in 3 years, and yet silver went down. It was one of the causes that precipitated the financial collapse of 1893. According to the last bill, we can buy \$2,000,000,000 worth of silver. If the price does not go up, we could purchase one-third of the world's supply. If \$160,000,000 for silver created a panic in the nineties, I dare not contemplate what would happen if this new bill is carried into effect. pen if this new bill is carried into effect.

# OVERHEAD BEYOND REASON

"Experiment has its uses, but it ought to supplement and not

"Experiment has its uses, but it ought to supplement and not supersede experience. We got out of past depressions through hard work and low prices. Today the vast amount of private debts makes us unwilling to take this course. So the Government is taking over most of these debts. How the people are ever going to pay the taxes and earn a living is more than I can see.

"There was a Chinese scholar named Wang-An-Shih who tried every single thing that we are doing away back in the eleventh century. He gave subsidies to the farmers and inflated money. He fixed prices, bought up all the surplus grain, and generally controlled the agriculture and business of the country, until the country groaned under the national debt and the army of bureaucrats that had to be supported. Finally the people could stand it no longer and banished him, but the country had been so weakened morally and financially that the Tartar hordes found no resistance when they swept down from the north. This is a bit of history that we might all ponder to our advantage, and it should warn us not to follow in this ancient prime minister's footsteps. footsteps.

"Perhaps the most practical way of summing up my simple creed," concluded Senator Gore, "is to tell you the 6-word platform on which I ran and was reelected in 1930. It was this: 'Less taxes, more trade, no trusts.'"

# DISCIPLE OF REALITY

Senator Gore recalled that he frequently had said he could compress his economic philosophy into a single sentence: "I do not believe in fairies."

"I am often told," he continued, "that I am less progressive or radical than when I first came to the Senate. It reminds me of a cannon ball fired at night. If a flash of lightning should come while the ball is in the air it looks like it is standing

"I am still going as fast as a cannon ball but I am not going

as fast as lightning.

Referring to this campaign promise, Senator Gore said in his latest speech on the tariff:

"Six words and three promises! I have tried to keep those promises in good faith. I still think they point the way out. Less taxes would lighten our burdens. More trade would increase our strength, the equivalent of reducing our burden. Let me say in passing that we are often reminded of the forgotten man. If I were called upon to identify the forgotten man, I should point out the taxpayer. I sometimes feel, I sometimes fear, that he is the forsaken man, bleeding at every pore."

#### RECESS

Mr. ROBINSON of Arkansas. I move that the Senate stand in recess until called to order by the President of the Senate.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

The motion was agreed to; and (at 8 o'clock and 33 minutes p.m.) the Senate took a recess subject to the call of the Vice President.

At 10 o'clock and 38 minutes p.m. the Senate reassembled upon being called to order by the Vice President.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9620) to improve housing conditions; to provide employment; to provide for the insurance of mortgages; to insure the savings in savings and loan associations and similar institutions; to amend the Federal Home Loan Bank Act, Home Owners' Loan Act of 1933, the Federal Reserve Act, and the Farm Credit Act of 1933, and for other purposes.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H.R. 9690) to place the tobacco-growing industry on a sound financial and economic basis, to prevent unfair competition and practices in the production and marketing of tobacco entering into the channels of interstate and foreign commerce, and for other purposes.

The message further announced that the House had agreed to the amendment of the Senate, numbered 1, to the bill (H.R. 9741) to provide for the taxation of manufacturers, importers, and dealers in certain firearms and machine guns, to tax the sale or other disposal of such weapons, and to restrict importation and regulate interstate transportation thereof, and that the House had disagreed to the amendment of the Senate, numbered 2, to the said bill, asked for a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Doughton. Mr. SAMUEL B. HILL, Mr. CULLEN, Mr. WOODRUFF, and Mr. COCHRAN of Pennsylvania were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the bill (S. 3248) for the relief of J. B. Walker, with an amendment, in which it requested the concurrence of the Senate.

# ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 60. An act for the relief of Richard J. Rooney;

S. 86. An act for the relief of A. L. Ostrander;

S. 173. An act for the relief of William Martin and John E. Walsh. Jr.:

S. 255. An act for the relief of John Hampshire;

S. 521. An act for the relief of Henry Poole;

S. 847. An act for the relief of the Nez Perce Tribe of Indians:

S. 887. An act for the relief of Lucy B. Hertz and J. W. Hertz;

S. 1258. An act for the relief of Charles F. Littlepage:

S. 1498. An act authorizing the Secretary of the Interior to pay E. C. Sampson, of Billings, Mont., for services rendered the Crow Tribe of Indians;

S. 1526. An act for the relief of Ann Engle;

S. 1531. An act for the relief of Elizabeth Buxton Hospital:

S. 1585. An act for the relief of the Black Hardware Co.; S. 1654. An act for the relief of George Yusko;

S. 1753. An act for the relief of Marcella Leahy McNerney:

S. 1804. An act to authorize the transfer of certain real estate by the Secretary of the Treasury to C. F. Colvin in settlement of the Northfield (Minn.) post-office-site litigation, and for other purposes;

S. 1822. An act for the relief of Harold Sorenson:

S. 1901. An act for the relief of William A. Delaney;

S. 1993. An act for the relief of the Lower Salem Commercial Bank, Lower Salem, Ohio;

S. 1998. An act for the relief of the estate of Martin

S. 2112. An act for the relief of W. H. Key and the estate of James E. Wilson;

S. 2141. An act for the relief of Roy Lee Groseclose;

S. 2156. An act for the relief of the American-La France & Foamite Corporation of New York;

S. 2233. An act for the relief of Mildred F. Stamm:

S. 2322. An act for the relief of A. J. Hanlon;

S. 2338. An act for the relief of Robert V. Rensch;

S. 2467. An act for the relief of Ammon McClellan;

S. 2549. An act for the relief of Albert W. Harvey;

S. 2553. An act for the relief of the Brewer Paint & Wall Paper Co., Inc.;

S. 2620. An act for the relief of N. W. Carrington and J. E. Mitchell:

S. 2672. An act for the relief of Mabel S. Parker;

S. 2744. An act for the relief of Anna Carroll Taussig;

S. 2972. An act for the relief of John N. Knauff Co., Inc.;

S. 3016. An act for the relief of the Dongji Investment Co.,

S. 3335. An act for the relief of Joanna A. Sheehan.

IMPROVEMENT IN HOUSING STANDARDS AND CONDITIONS-CONFER-ENCE REPORT

Mr. BULKLEY submitted the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9620) to improve housing conditions; to provide employment; to provide for the insurance of mortgages; to insure the savings in savings-and-loan associations and similar institutions; to amend the Federal Home Loan Bank Act, Home Owners' Loan Act of 1933, the Federal Reserve Act, and the Farm Credit Act of 1933; and for other purposes.

(For conference report see House proceedings of today.) Mr. ROBINSON of Arkansas. I move that the Senate proceed to the consideration of the conference report.

The motion was agreed to; and the Senate proceeded to consider the report.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

# RECORD MADE BY SEVENTY-THIRD CONGRESS

Mr. THOMAS of Oklahoma. Mr. President, the public press is carrying an interesting story headed "Unusual Legislative Record Made by Seventy-third Congress." This story has been prepared by the International News Service. It gives a list of the bills passed during this Congress, including, of course, the different sessions.

I ask unanimous consent that the story giving the list of the legislation passed during the Seventy-third Congress under the headline to which I have referred be printed in the RECORD at this point in the proceedings.

The VICE PRESIDENT. Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNUSUAL LEGISLATIVE RECORD MADE BY SEVENTY-THIRD CONGRESS By International News Service

The Seventy-third Congress may go to its death today after amassing the greatest legislative record ever credited to an American Congress

The record included these measures:

FIRST SESSION, MARCH 9 TO JUNE 15, 1933

Emergency Banking Act, authorizing a bank holiday, National Economy Act, slashing Government pay and veterans' benefits.

Bill modifying Volstead Act to legalize 3.2 beer.

Bill authorizing Federal Reserve loans to State banks. Truth in Securities Act, protecting investors. Unemployment relief bills, creating Federal relief agencies.

Agricultural relief bill, creating the A.A.A. Five hundred million dollar appropriation for unemployment relief

Norris Muscle Shoals bill, providing for Government operation

of project.
Glass Banking Act, with its guaranty of deposits.

Dill railroad relief bill.

Amendment of National Economy Act, lightening economy on veterans' benefits.

Act taking United States off the gold standard. Huge public-works expenditures. Huge civil-works program. National Industrial Recovery Act, establishing the N.R.A.

SECOND SESSION, JANUARY 3 TO JUNE 18, 1934

Fletcher-Rayburn bill, creating Federal Commission to regulate security markets.

Bills for direct loans to farmers and for refinancing of farm mortgages.

Act terminating prohibition by placing new taxes on alcoholic liquors

Bill authorizing new naval-construction program to establish

5-5-3 ratio.

Bill providing for independence of Philippine Islands.

Bill continuing the Reconstruction Finance Corporation.

A new revenue act, increasing Federal taxes, including income

Connally bill, including cattle under A.A.A.

Bankhead bill providing for Federal supervision of cotton

Black bill revising Federal air-mail contracts.

New Corporate Bankruptcy Act.

Bill permitting municipalities to go through a form of bank-

ruptcy.

Continuation of civil-works program.

A billion-dollar appropriation for public-works activities.

Dill Act, creating Federal commission to regulate all forms of communication.

Continuation of apprincipation bills, giving Government greater power to

Series of anticrime bills, giving Government greater power to stamp out various criminal activities, including kidnaping. Wheeler bill, liberalizing Federal supervision of Indian tribes. Bill authorizing direct Federal loans to industry. Bill directing new retirement pay for railroad employees. New silver act providing for 25 percent silver in Nation's money

Liberalization of Economy Act toward Government workers and

war veterans.

Deposits guarantee bill with Steagall amendment providing relief for bank depositors.

And probably:
Bill creating Federal conciliation boards to avert strikes. President Roosevelt's new housing act.

# POSTMASTER AT PRYOR, OKLA.

Mr. McKELLAR. Mr. President, as in executive session, at the request of the two Senators from Oklahoma, I report favorably from the Committee on Post Offices and Post Roads the nomination of Theodore C. Bowling to be postmaster at Pryor, Okla., and I ask unanimous consent that the nomination be confirmed at this time.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the nomination is confirmed. Without objection, the President will be notified.

# NOTIFICATION TO THE PRESIDENT

Mr. ROBINSON of Arkansas. I present a resolution and ask for its immediate consideration.

The VICE PRESIDENT. The clerk will read the resolution.

The resolution (S.Res. 279) was read and agreed to, as follows:

Resolved, That a committee of two Senators be appointed by Resolved, That a committee of two senators be appointed by the President of the Senate to join a similar committee appointed by the House of Representatives to wait upon the President of the United States and inform him that the two Houses, having completed the business of the present session, are ready to adjourn unless the President has some other communication to make

The VICE PRESIDENT appointed Mr. ROBINSON of Arkansas and Mr. McNary as the committee under the resolution.

Mr. ROBINSON of Arkansas. Mr. President, I now move that the Senate stand in recess until the committee shall be ready to report.

The motion was agreed to; and at 10 o'clock and 43 minutes p.m. the Senate took a recess.

On the expiration of the recess at 11 o'clock p.m. the Senate reassembled.

# JEFFERSON FEDERAL MEMORIAL COMMISSION

Under the terms of the joint resolution (S.J.Res. 93) authorizing the creation of a Federal memorial commission to consider and formulate plans for the construction, on the western bank of the Mississippi River, at or near the site of old St. Louis, Mo., of a permanent memorial to the men who made possible the territorial expansion of the United States, particularly President Thomas Jeffersqn and his aides, Livingston and Monroe, who negotiated the Louisiana Purchase, and to the great explorers, Lewis and Clark, and the hardy hunters, trappers, frontiersmen, and pioneers and others who contributed to the territorial expansion and development of the United States of America, the Vice President appointed as members of the commission on the part of the Senate Mr. Barkley, Mr. Van Nuys, and Mr. Davis.

# J. B. WALKER

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 3248) for the relief of J. B. Walker, which was, on page 1, to strike out lines 3 and 4, and down to and including "\$346.64" in line 5, and insert "That the Secretary of the Treasury be, and he is hereby, authorized and directed to accept the sum of \$346.64 in full settlement of."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

TAXATION OF MANUFACTURERS OF FIREARMS AND MACHINE GUNS

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate numbered 2 to the bill (H.R. 9741) to provide for the taxation of manufacturers, importers, and dealers in certain firearms and machine guns, to tax the sale or other disposal of such weapons, and to restrict importation and regulate interstate transportation thereof, and asking for a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. HARRISON. Mr. President, I move that the Senate recede from Senate amendment numbered 2.

The motion was agreed to.

Mr. LONERGAN. Mr. President, I ask unanimous consent for the immediate consideration of the concurrent resolution, which I send to the desk.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the concurrent resolution (S.Con. Res. 24), which was read as follows:

# Senate Concurrent Resolution 24

Resolved by the Senate (the House of Representatives con-curring), That the Clerk of the House is authorized and directed, in the enrollment of the bill (H.R. 9741) to provide for the taxation of manufacturers, importers, and dealers in certain firearms and machine guns, to tax the sale or other disposal of such weapons, and to restrict importation and regulate interstate transportation thereof, to insert after line 22, on page 4 of the House bill, the following:

(c) Under such rules and regulations as the Commissioner, with the approval of the Secretary, may prescribe, and upon proof of the exportation of any firearm to any foreign country (whether exported as part of another article or not) with respect to which the transfer tax under this section has been paid by the manufacturer, the Commissioner shall refund to the manufacturer the amount of the tax so paid, or, if the manufacturer waives all claim for the amount to be refunded, the refund shall be made to the exporter. be made to the exporter.

Mr. HARRISON. Mr. President, this concurrent resolution is offered as a follow-up to House bill 9741, which was passed earlier in the evening. The Treasury Department has no objection to it.

The VICE PRESIDENT. Without objection, the concurrent resolution is agreed to.

# MESSAGE FROM THE HOUSE

Subsequently, a message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had concurred in the foregoing Senate Concurrent Resolution 24.

# NOTIFICATION TO THE PRESIDENT

Mr. ROBINSON of Arkansas and Mr. McNARY appeared. and

Mr. ROBINSON of Arkansas said: Mr. President, your committee appointed to notify the President that the Senate has completed its labors and is ready to adjourn and to inquire of the President whether he had any further communication to make, have performed that duty and beg leave to report that the President states he has no further communication to make.

#### ADJOURNMENT SINE DIE

Mr. ROBINSON of Arkansas. Mr. President, pursuant to the concurrent resolution heretofore adopted, I move that the Senate do now adjourn.

The motion was agreed to; and (at 11 o'clock and 5 minutes p.m.) the Senate adjourned sine die.

#### ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED SUBSEQUENT TO FINAL ADJOURNMENT

The Speaker of the House of Representatives and the President pro tempore of the Senate, under authority of House Concurrent Resolution No. 48, signed, after final adjournment, the following enrolled bills and joint resolutions, which had been examined by the Committee on Enrolled Bills and found truly enrolled, and they were delivered to the committee to be presented to the President of the United States:

On June 19, 1934:

S. 365. An act for the relief of Archibald MacDonald;

S. 418. An act for the relief of William H. Connors, alias John H. Connors, alias Michael W. H. Connors;

S. 488. An act for the relief of Norman Beier;

S. 527. An act for the relief of Lillian Morden;

S. 740. An act for the relief of William G. Fulton;

S. 1505. An act for the relief of Thomas E. Read;

S. 1557. An act for the relief of Harry Lee Shaw;

S. 1707. An act for the relief of Carlos C. Bedsole;

S. 1803. An act for the relief of certain riparian owners for losses sustained by them on the drained Mud Lake bottom in Marshall County in the State of Minnesota;

S. 1818. An act for the relief of W. P. Fuller & Co.;

S. 1992. An act for the relief of Arthur R. Lewis;

S. 2074. An act for the relief of James R. Mansfield;

S. 2227. An act for the relief of Harold S. Shepardson;

S. 2272. An act for the relief of Bert Moore;

S. 2343. An act for the relief of Herbert E. Matthews;

S. 2357. An act for the relief of Arthur Bussey;

S. 2561. An act for the relief of Robert R. Prann;

S. 2613. An act for the relief of Jewell Maness:

S. 2617. An act for the relief of the estate of Jennie Walton:

S. 2619. An act for the relief of E. Clarence Ice;

S. 2720. An act for the relief of George M. Wright:

S. 2872. An act for the relief of Marie Louise Belanger;

S. 2873. An act for the relief of Stella D. Wickersham;

S. 2906. An act for the relief of Ransome Cooyate; S. 3122. An act for the relief of H. N. Wilcox;

S. 3156. An act for the relief of Mary Angela Moert;

S. 3160. An act for the relief of Charles E. Secord;

S. 3192. An act for the relief of Arthur Hansel;

S. 3248. An act for the relief of J. B. Walker;

S. 3264. An act for the relief of Muriel Crichton:

S. 3486. An act for the relief of George L. Rulison;

S. 3533. An act to amend the act entitled "An act creating the Mount Rushmore National Memorial Commission and defining its powers and purposes", approved February 25, 1929, and for other purposes;

S. 3656. An act for the relief of Robert N. Stockton;

H.R. 4444. An act for the relief of Lt. James Floyd Terrell. Medical Corps, United States Navy;

H.R. 4447. An act for the relief of Vertner Tate;

H.R. 4554. An act to amend section 4808 of the Revised Statutes (U.S.C., title 24, sec. 3) to prevent discriminatory reductions in pay of the retired personnel of the Navy and Marine Corps;

H.R. 5122. An act for the relief of William S. Steward:

H.R. 5330. An act to amend the act of March 2, 1917, entitled "An act to provide a civil government for Puerto Rico, and for other purposes";

H.R. 5668. An act authorizing the relief of the McNeill-Allman Construction Co., Inc., of W. E. McNeill, Lee Allman, and John Allman, stockholders of the McNeill-Allman Construction Co., Inc., and W. E. McNeill, dissolution agent of McNeill-Allman Construction Co., to sue in the United States Court of Claims;

H.R. 7163. An act for the relief of the D. F. Tyler Corporation and the Norfolk Dredging Co.;

H.R. 7292. An act for the relief of the Boston Store Co., a corporation, Chicago, Ill.;

H.R. 8662. An act to modify the operation of the Indian

liquor laws on lands which were formerly Indian lands; H.R. 9233. An act authorizing associations of producers of

aquatic products: H.R. 9620. An act to encourage improvement in housing standards and conditions, to provide a system of mutual

mortgage insurance, and for other purposes; H.R. 9690. An act to place the tobacco-growing industry on a sound financial and economic basis, to prevent unfair competition and practices in the production and marketing of tobacco entering into the channels of interstate and

foreign commerce, and for other purposes; H.R. 9741. An act to provide for the taxation of manufacturers, importers, and dealers in certain firearms and machine guns, to tax the sale or other disposal of such weapons, and to restrict importation and regulate interstate transportation thereof;

H.R. 9861. An act to amend the Railway Labor Act approved May 20, 1926, and to provide for the prompt disposition of disputes between carriers and their employees;

H.J.Res. 322. Joint resolution to provide for the disposal of smuggled merchandise, to authorize the Secretary of the Treasury to require imported articles to be marked in order that smuggled merchandise may be identified, and for other purposes: and

H.J.Res. 376. Joint resolution to provide an appropriation to enable the United States Army to send certain units to participate in the International Celebration at Fort Niagara, N.Y.

On June 22, 1934:

S. 1382. An act for the relief of Uldric Thompson, Jr. On June 23, 1934:

H.R. 9867. An act amending the Independent Offices Appropriation Act of 1935.

# ENROLLED BILLS AND JOINT RESOLUTIONS PRESENTED

The following enrolled bills and joint resolutions, heretofore duly signed by the Presiding Officers of the two Houses, were presented to the President of the United States by the Committee on Enrolled Bills:

On June 18, 1934:

S. 101. An act for the relief of Robert Gray Fry, deceased; S. 336. An act for the relief of the Edward F. Gruver Co.;

S. 1072. An act for the relief of Rufus J. Davis;

S. 1118. An act for the relief of George J. Bloxham;

S. 1119. An act for the relief of Fred A. Robinson;

S. 1200. An act for the relief of Elizabeth Millicent Tram-

S. 1287. An act for the relief of Leonard Theodore Boice:

S. 1288. An act for the relief of Otto Christian;

S. 1600. An act for the relief of S. G. Mortimer;

S. 1639. An act to establish a Federal Credit Union System. to establish a further market for securities of the United States, and to make more available to people of small means credit for provident purposes through a national system of cooperative credit, thereby helping to stabilize the credit structure of the United States;

S. 1758. An act for the relief of B. E. Dyson, former United States marshal, southern district of Florida;

S. 1825. An act authorizing the Secretary of the Interior to issue patents to the numbered school sections in place, granted to the States by the act approved February 22, 1889, by the act approved January 25, 1927 (44 Stat. 1026), and by any other act of Congress;

S. 2043. An act to amend the act of May 22, 1928, entitled "An act to authorize the collection, in monthly installments, of indebtedness due the United States from enlisted men, and for other purposes":

S. 2367. An act for the relief of Emilie C. Davis;

S. 2398. An act for the relief of Nancy Abbey Williams;

S. 2627. An act for the relief of Arvin C. Sands;

S. 2702. An act to amend the Civil Service Retirement Act of May 29, 1930, and for other purposes;

S. 2809. An act for conferring jurisdiction upon the Court of Claims to hear and determine the claims of the International Arms and Fuze Co., Inc.;

S. 2875. An act for the relief of Margoth Olson von Struve;

S. 2919. An act for the relief of Cornelia Clairborne;

S. 2957. An act for the relief of the rightful heirs of Wakicunzewin, an Indian;

S. 2987. An act to restore homestead rights in certain cases:

S. 3161. An act for the relief of Mary Seeley Watson;

S. 3185. An act to amend the Agricultural Adjustment Act, as amended, with respect to farm prices;

S. 3408. An act to provide for a preliminary examination of Cromline Creek, in the State of New York, with a view to the control of its floods;

S. 3419. An act to exempt articles of machinery belting from the tax on floor stocks imposed by the Agricultural Adjustment Act:

S. 3487. An act relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes;

S. 3526. An act to amend the Air Commerce Act of 1926 and to increase the efficiency of the Aeronautics Branch of the Department of Commerce with respect to the development and regulation of civil aeronautics;

S. 3528. An act to grant permission to the Willard Family Association to erect a tablet at Fort Devens, Mass.;

S. 3580. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

S. 3604. An act to revive and reenact the act entitled "An act to authorize the Bainbridge Island Chamber of Commerce, a corporation, its successors and assigns, to construct, maintain, and operate a bridge across Agate Pass connecting Bainbridge Island with the mainland in Kitsap County, State of Washington", approved March 2, 1929;

S. 3626. An act referring the claims of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota to the Court of Claims for adjudication and settlement;

S. 3646. An act to amend section 938 of the Revised Statutes to vest the courts with discretion to refuse to order the return of vessels seized for violation of any law of the United States; and to amend subsection (b) of section 7 of the Air Commerce Act of 1926, as amended, to provide for the forfeiture of aircraft used in violation of the customs laws;

S. 3660. An act to grant to the city of Monterey, Calif., an easement for street purposes over certain portions of the military reservation at Monterey, Calif.;

S. 3741. An act to convey certain lands to the State of South Dakota for public-park purposes, and for other purposes:

S. 3780. An act for the relief of persons engaged in the fishing industry:

S. 3788. An act to extend the times for commencing and completing the construction of a bridge across the Rio Grande at Boca Chica, Tex.;

S.J.Res. 115. Joint resolution to provide for the continuation of the investigation authorized by Senate Resolution 83, Seventieth Congress, first session; and

S.J.Res. 131. Joint resolution providing for membership of the United States in the International Labor Organization. On June 19, 1934:

S. 60. An act for the relief of Richard J. Rooney; S. 86. An act for the relief of A. L. Ostrander; S. 173. An act for the relief of William Martin and John E. Walsh. Jr.:

S. 255. An act for the relief of John Hampshire;

S. 294. An act for the relief of Stanton & Jones; S. 365. An act for the relief of Archibald MacDonald;

S. 379. An act for the relief of Frederick G. Barker;

S. 418. An act for the relief of William H. Connors, alias John H. Connors, alias Michael W. H. Connors;

S. 488. An act for the relief of Norman Beier:

S. 521. An act for the relief of Henry Poole;

S. 527. An act for the relief of Lillian Morden;

S. 740. An act for the relief of William G. Fulton;

S. 847. An act for the relief of the Nez Perce Tribe of Indians:

S. 854. An act for the relief of the Ingram-Day Lumber Co.:

S. 879. An act for the relief of Howell K. Stephens:

S. 887. An act for the relief of Lucy B. Hertz and J. W. Hertz;

S. 1161. An act for the relief of Alice E. Broas;

S. 1162. An act for the relief of Virginia Houghton;

S. 1163. An act for the relief of Mary V. Spear;

S. 1258. An act for the relief of Charles F. Littlepage;

S. 1498. An act authorizing the Secretary of the Interior to pay E. C. Sampson, of Billings, Mont., for services rendered the Crow Tribe of Indians;

S. 1505. An act for the relief of Thomas E. Read;

S. 1526. An act for the relief of Ann Engle;

S. 1531. An act for the relief of Elizabeth Buxton Hospital:

S. 1557. An act for the relief of Harry Lee Shaw:

S. 1585. An act for the relief of the Black Hardware Co.;

S. 1654. An act for the relief of George Yusko;

S. 1707. An act for the relief of Carlos C. Bedsole;

S. 1753. An act for the relief of Marcella Leahy McNerney;

S. 1803. An act for the relief of certain riparian owners for losses sustained by them on the drained Mud Lake bottom in Marshall County in the State of Minnesota;

S. 1804. An act to authorize the transfer of certain real estate by the Secretary of the Treasury to C. F. Colvin in settlement of the Northfield (Minn.) post-office site litigation, and for other purposes;

S. 1818. An act for the relief of W. P. Fuller & Co.;

S. 1822. An act for the relief of Harold Sorenson;

S. 1901. An act for the relief of William A. Delaney;

S. 1972. An act for the relief of James W. Walters;

S. 1992. An act for the relief of Arthur R. Lewis; S. 1993. An act for the relief of The Lower Salem Com-

mercial Bank, Lower Salem, Ohio; S. 1998. An act for the relief of the estate of Martin

S. 2074. An act for the relief of James R. Mansfield;

Flynn:

S. 2112. An act for the relief of W. H. Key and the estate, of James E. Wilson;

S. 2141. An act for the relief of Roy Lee Groseclose:

S. 2141. An act for the relief of the American-La France & Foamite Corporation of New York;

S. 2227. An act for the relief of Harold S. Shepardson;

S. 2233. An act for the relief of Mildred F. Stamm;

S. 2238. An act to provide for the payment of damages to certain residents of Alaska caused by reason of extending the boundaries of Mount McKinley National Park:

S. 2272. An act for the relief of Bert Moore;

S. 2322. An act for the relief of A. J. Hanlon;

S. 2338. An act for the relief of Robert V. Rensch;

S. 2343. An act for the relief of Herbert E. Matthews;

S. 2357. An act for the relief of Arthur Bussey;

S. 2467. An act for the relief of Ammon McClellan;

S. 2470. An act for the relief of Erik Nylin;

S. 2549. An act for the relief of Albert W. Harvey;

S. 2553. An act for the relief of the Brewer Paint and Wall Paper Co., Inc.;

S. 2561. An act for the relief of Robert R. Prann;

S. 2584. An act for the relief of Elmer Kettering;

S. 2613. An act for the relief of Jewell Maness;

S. 2617. An act for the relief of the estate of Jennie Walton;

S. 2619. An act for the relief of E. Clarence Ice;

S. 2620. An act for the relief of N. W. Carrington and J. E. Mitchell:

S. 2672. An act for the relief of Mabel S. Parker;

S. 2720. An act for the relief of George M. Wright;

S. 2744. An act for the relief of Anna Carroll Taussig;

S. 2752. An act for the relief of the legal beneficiaries and heirs of Mrs. C. A. Toline;

S. 2806. An act to confer jurisdiction on the Court of Claims to hear and determine the claim of Carlo de Luca;

S. 2810. An act for the relief of Alice F. Martin, widow, and two minor children:

S. 2872. An act for the relief of Marie Louise Belanger;

S. 2873. An act for the relief of Stella D. Wickersham;

S. 2906. An act for the relief of Ransome Cooyate;

S. 2972. An act for the relief of John N. Knauff Co., Inc.;

S. 3016. An act for the relief of the Dongji Investment Co., Ltd.:

S. 3092. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the heirs of James Taylor, deceased Cherokee Indian, for the value of certain lands now held by the United States;

S. 3122. An act for the relief of H. N. Wilcox;

S. 3156. An act for the relief of Mary Angela Moert;

S. 3160. An act for the relief of Charles E. Secord;

S. 3192. An act for the relief of Arthur Hansel;

S. 3248. An act for the relief of J. B. Walker;

S. 3264. An act for the relief of Muriel Chrichton;

S. 3335. An act for the relief of Joanna A. Sheehan; S. 3394. An act for the relief of the Grier-Lowrance Con-

struction Co.; S. 3486. An act for the relief of George L. Rulinson;

S. 3499. An act for the relief of Michael Ilitz;

S. 3516. An act for the relief of the Morgan Decorating

S. 3517. An act authorizing the Court of Claims to hear, consider, adjudicate, and enter judgment upon the claims against the United States of J. A. Tippit, L. P. Hudson, Chester Howe, J. E. Arnold, Joseph W. Gillette, J. S. Bounds, W. N. Vernon, T. B. Sullivan, J. H. Neill, David C. McCallib, J. J. Beckham, and John Toles;

S. 3533. An act to amend the act entitled "An act creating the Mount Rushmore National Memorial Commission and defining its powers and purposes", approved February 25, 1929, and for other purposes;

S. 3562. An act for the relief of Robert Rayl; and

S. 3656. An act for the relief of Robert N. Stockton.

On June 22, 1934:

S. 1382. An act for the relief of Uldric Thompson, Jr.

# APPROVALS OF BILLS AND JOINT RESOLUTIONS

The President of the United States, subsequent to the final adjournment of the second session of the Seventy-third Congress, informed the Secretary of the Senate that he had approved acts and joint resolutions, as follows:

On June 18, 1934:

S. 852. An act to amend section 24 of the Trading With the Enemy Act, as amended;

S. 1735. An act to amend an act approved May 14, 1926 (44 Stat. 555), entitled "An act authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims":

S. 2138. An act for the relief of Charles J. Webb Sons Co., Inc.;

S. 2248. An act to protect trade and commerce against interference by violence, threats, coercion, or intimidation;

S. 3147. An act to amend the act approved June 28, 1932 (47 Stat.L. 337);

S. 3151. An act to convey to the King Hill Irrigation District, State of Idaho, all the interest of the United States in the King Hill Federal reclamation project, and for other purposes;

S. 3230. An act creating the Florence Bridge Commission and authorizing said commission and its successors and assigns to construct, maintain, and operate a bridge across the Missouri River at or near Florence, Nebr.;

S. 3443. An act to provide for the creation of the Pioneer National Monument in the State of Kentucky, and for other purposes;

S. 3541. An act to authorize production credit associations to make loans to oyster planters;

S. 3545. An act to extend the times for commencing and completing the construction of a bridge across the St. Clair River at or near Port Huron, Mich.;

S. 3645. An act to conserve and develop Indian lands and resources; to establish a credit system for Indians; to provide for higher education for Indians; to extend toward Indians the right to form business and other organizations; and for other purposes;

S. 3742. An act granting the consent of Congress to the State Board of Public Works of the State of Vermont to construct, maintain, and operate a toll bridge across Lake Champlain at or near West Swanton, Vt.;

S. 3765. An act to enable the Postmaster General to withhold commissions on false returns made by postmasters;

S. 3766. An act to amend the act entitled "An act authorizing the Postmaster General to adjust certain claims of postmasters for loss by burglary, fire, or other unavoidable casualty", approved March 17, 1882, as amended;

S. 3779. An act to amend section 4 of "An act to amend an act entitled 'An act to establish a uniform system of bank-ruptcy throughout the United States', approved July 1, 1898, and acts amendatory thereof and supplementary thereto", approved June 7, 1934;

H.R. 206. An act for the relief of Pierre E. Teets;

H.R. 452. An act for the relief of Laura B. Crampton;

H.R. 471. An act for the relief of Physicians and Surgeons Hospital, Ltd.;

H.R. 529. An act for the relief of Morris Spirt;

H.R. 1306. An act for the relief of Clarence A. Wimley:

H.R. 1308. An act for the relief of John Parker Clark, Sr.;

H.R. 1345. An act for the relief of John Parker Clark, Jr.;

H.R. 1792. An act for the relief of Michael Petrucelli;

H.R. 2038. An act for the relief of Jeanie G. Lyles;

H.R. 2326. An act for the relief of Emma R. H. Taggart;

H.R. 2669. An act for the relief of Paul I. Morris;

H.R. 3176. An act for the relief of Ernest Elmore Hall; H.R. 3318. An act to reimburse Earl V. Larkin for injuries sustained by the accidental discharge of a pistol in the hands of a soldier in the United States Army;

H.R. 3606. An act for the relief of William Sheldon;

H.R. 3748. An act for the relief of Mary Orinski;

H.R. 3912. An act for the relief of Roland Zolesky;

H.R. 4082. An act for the relief of John J. Corcoran;

H.R. 4253. An act for the relief of Laura Goldwater;

H.R. 4387. An act for the relief of Mary A. Rockwell;

H.R. 4446. An act for the relief of E. E. Hall;

H.R. 4659. An act for the relief of Carleton-Mace Engineering Corporation;

H.R. 4670. An act for the relief of Lyman D. Drake, Jr.;

H.R. 5584. An act for the relief of William J. Kenely;

H.R. 5665. An act authorizing the control of floods in the Salmon River, Alaska;

H.R. 5809. An act to provide compensation for Robert Rayford Wilcoxson for injuries received in citizens' military training camp;

H.R. 6324. An act for the relief of Mabel Carver;

H.R. 6350. An act for the relief of Arthur Smith;

H.R. 6696. An act for the relief of William T. Roche;

H.R. 6898. An act authorizing the city of Atchison, Kans., and the county of Buchanan, Mo., or either of them, or the States of Kansas and Missouri, or either of them, or the highway departments of such States, acting jointly or severally, to construct, maintain, and operate a free highway bridge across the Missouri River at or near Atchison, Kans.;

H.R. 6998. An act for the relief of Capt. Frank J. Mc-Cormack;

H.R. 7067. An act for the relief of St. Anthony's Hospital at Michigan City, Ind.; Dr. Russell A. Gilmore; Emily Molzen, nurse; and the Hummer Mortuary;

H.R. 7121. An act authorizing the Secretary of the Treasury to pay Dr. A. W. Pearson, of Peever, S.Dak., and the

Peabody Hospital, at Webster, S.Dak., for medical services and supplies furnished to Indians;

H.R. 7212. An act to remove the limitation upon the extension of star routes;

H.R. 7230. An act for the relief of J. B. Hudson;

H.R. 7272. An act for the relief of John W. Adair;

H.R. 7301. An act to authorize the Postmaster General to charge an additional fee for effecting delivery of domestic registered, insured, or collect-on-delivery mail, the delivery of which is restricted to the addressee only, or to the addressee or order;

H.R. 8115. An act for the relief of May L. Marshall, administratrix of the estate of Jerry A. Litchfield;

H.R. 8544. An act making receivers appointed by any United States courts and authorized to conduct any business, or conducting any business, subject to taxes levied by the State the same as if such business were conducted by private individuals or corporations;

H.R. 8912. An act to amend section 35 of the Criminal Code of the United States:

H.R. 9007. An act to amend section 11 of the District of Columbia Alcoholic Beyerage Control Act;

H.R. 9234. An act to amend section 601 (c) (2) of the Revenue Act of 1932;

H.R. 9326. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near York Furnace, Pa.;

H.R. 9371. An act to authorize the incorporated town of Douglas City, Alaska, to undertake certain municipal public works, including construction, reconstruction, enlargement, extension, and improvements of its water-supply system; and construction, reconstruction, enlargement, extension, and improvements to sewers, and for such purposes to issue bonds in any sum not exceeding \$40,000;

H.R. 9401. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Middletown, Dauphin County, Pa.;

H.R. 9402. An act to authorize the incorporated town of Fairbanks, Alaska, to undertake certain municipal public works, including construction, reconstruction, and extension of sidewalks; construction, reconstruction, and extension of sewers; and construction of a combined city-hall and fire-department building, and for such purposes to issue bonds in any sum not exceeding \$50,000;

H. R. 9476. An act to empower certain members of the Division of Investigation of the Department of Justice to make arrests in certain cases, and for other purposes;

H.R. 9526. An act authorizing the city of Port Arthur, Tex., or the commission hereby created and its successors, to construct, maintain, and operate a bridge over Lake Sabine at or near Port Arthur, Tex.;

H.R. 9571. An act granting the consent of Congress to the county commissioners of Essex County, in the State of Massachusetts, to construct, maintain, and operate a free highway bridge across the Merrimack River in the city of Lawrence, Mass.;

H.R. 9617. An act to authorize the reduction of the required distance between liquor distilleries and rectifying plants and to authorize higher fences around distilleries;

H.R. 9618. An act authorizing the Sistersville Bridge Board of Trustees to construct, maintain, and operate a toll bridge across the Ohio River at Sistersville, Tyler County, W.Va.;

H.R. 9622. An act to amend subsection (a) of section 23 of the District Alcoholic Beverage Control Act;

H.R. 9645. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Washington, Mo.;

H.R. 9721. An act authorizing the Spencer County Bridge Commission, of Spencer County, Ind., to construct, maintain, and operate a toll bridge across the Ohio River between Rockport, Ind., and Owensporo, Ky.;

H.R. 9946. An act providing for the ratification of Joint Resolution No. 59 of the Legislature of Puerto Rico, approved

by the Governor May 5, 1930, imposing an import duty on coffee imported in Puerto Rico;

S.J.Res. 108. Joint resolution authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point Eloy Alfaro and Jaime Eduardo Alfaro, citizens of Ecuador:

S.J.Res. 117. Joint resolution authorizing the President of the United States to present the Distinguished Flying Cross to Emory B. Bronte;

S.J.Res. 130. Joint resolution to amend section 72 of the Printing Act, approved January 12, 1895, and acts amendatory thereof and supplementary thereto, relative to the allotment of public documents, and section 85 of the same act fixing the date of the expiration of the franking privilege to Members of Congress;

H.J.Res. 295. Joint resolution authorizing appropriation for expenses of representatives of United States to meet at Istanbul, Turkey, with representatives of Turkish Republic for purpose of examining claims of either Government against the other and for expense of proceedings before an umpire, if necessary;

H.J.Res. 325. Joint resolution extending for 2 years the time within which American claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the Mixed Claims Commission and the Tripartite Claims Commission, and extending until March 10, 1936, the time within which Hungarian claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the War Claims Arbiter;

H.J.Res. 341. Joint resolution authorizing an appropriation for the participation of the United States in the International Celebration at Fort Niagara, N.Y.; and

H.J.Res. 370. Joint resolution to protect the revenue by regulation of the traffic in containers of distilled spirits.

On June 19, 1934:

S. 504. An act to authorize the Secretary of the Navy to make a long-term contract for the supply of water to the United States naval station at Guantanamo Bay, Cuba;

S. 822. An act to amend the act entitled "An act to amend section 217, as amended, of the act entitled 'An act to codify, revise, and amend the penal laws of the United States', approved March 4, 1909", approved January 11, 1929, with respect to the use of the mails for the shipment of certain drugs and medicines to cosmetologists and barbers;

S. 3040. An act to give the Supreme Court of the United States authority to make and publish rules in actions at law;

S. 3096. An act for the relief of John T. Garity;

S. 3285. An act to provide for the regulation of interstate and foreign communication by wire or radio, and for other purposes;

S. 3487. An act relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes;

S. 3526. An act to amend the Air Commerce Act of 1926 and to increase the efficiency of the Aeronautics Branch of the Department of Commerce with respect to the development and regulation of civil aeronautics;

S. 3530. An act relating to Philippine currency reserves on deposit in the United States;

S. 3646. An act to amend section 938 of the Revised Statutes to vest the courts with discretion to refuse to order the return of vessels seized for violation of any law of the United States; and to amend subsection (b) of section 7 of the Air Commerce Act of 1926, as amended, to provide for the forfeiture of aircraft used in violation of the customs laws;

S. 3696. An act authorizing the President to make rules and regulations in respect to alcoholic beverages in the Canal Zone, and for other purposes;

S. 3739. An act to authorize the President to transfer to the Government of Haiti without charge to that Government certain property of the United States in Haiti;

S. 3788. An act to extend the times for commencing and completing the construction of a bridge across the Rio Grande at Boca Chica, Tex.;

H.R. 194. An act to refund to Caroline M. Eagan income tax erroneously and illegally collected;

H.R. 387. An act donating bronze trophy guns to the Cohoes Historical Society, Cohoes, N.Y.;

H.R. 1503. An act to amend the act entitled "An act to create the California Debris Commission and regulate hydraulic mining in the State of California", approved March 1, 1893, as amended;

H.R. 1567. An act amending section 1 of the act of March 3, 1893 (27 Stat.L. 751), providing for the method of selling real estate under an order or decree of any United States court:

H.R. 1731. An act to make provision for suitable quarters for certain Government services at El Paso, Tex., and for other purposes;

H.R. 2418. An act for the relief of certain claimants at Leavenworth, Kans., occasioned through damage to property inflicted by escaping prisoners;

H.R. 3243. An act for the relief of Harry E. Good, administrator de bonis non of the estate of Ephraim N. Good, deceased:

H.R. 3357. An act to amend section 99 of the Judicial Code (U.S.C., title 28, sec. 180), as amended;

H.R. 5736. An act for the relief of Shelby J. Beene, Mrs. Shelby J. Beene, Leroy T. Waller, and Mrs. Leroy T. Waller;

H.R. 5947. An act authorizing adjustment of the claim of the Western Union Telegraph Co.;

H.R. 6625. An act for the relief of Charles Farr;

H.R. 7348. An act to amend section 3937 of the Revised Statutes;

H.R. 7387. An act for the relief of Royce Wells;

H.R. 7816. An act for the relief of Oswald H. Halford, Hunter M. Henry, William C. Horne, Rupert R. Johnson, David L. Lacey, William Z. Lee, Fenton F. Rodgers, Henry Freeman Seale, Felix M. Smith, Edwin C. Smith, Robert S. Sutherland, and Charles G. Ventress;

H.R. 8514. An act authorizing the Secretary of the Treasury to convey a part of the post-office site in San Antonio, Tex., to the city of San Antonio, Tex., for street purposes, in exchange for land for the benefit of the Government property:

H.R. 8700. An act to establish a Code of Laws for the Canal Zone, and for other purposes;

H.R. 8910. An act to establish a National Archives of the United States Government, and for other purposes;

H.R. 8954. An act to amend an act approved June 14, 1932 (47 Stat. 306), entitled "An act granting the consent of Congress to the States of Montana and Wyoming to negotiate and enter into a compact or agreement for division of the waters of the Yellowstone River";

H.R. 9123. An act to authorize the Secretary of War to lend War Department equipment for use at the Sixteenth National Convention of the American Legion at Miami, Fla., during the month of October 1934;

H.R. 9143. An act providing educational opportunities for the children of soldiers, sailors, and marines who were killed in action or died during the World War;

H.R. 9178. An act to regulate the business of life insurance in the District of Columbia;

H.R. 9547. An act to amend section 766 of the Revised Statutes, as amended;

H.R. 9745. An act to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes: and

H.R. 9830. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes:

S.J.Res. 59. Joint resolution to provide for the expenses of delegates of the United States to the Ninth Pan American Sanitary Conference;

S.J.Res. 131. Joint resolution providing for membership of the United States in the International Labor Organization; and

H.J.Res. 375. Joint resolution to effectuate further the policy of the National Industrial Recovery Act.

On June 20, 1934:

S.J.Res. 138. Joint resolution to amend an act entitled "An act to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes" (Public, No. 169, 73d Cong.), approved April 21, 1934.

On June 21, 1934:

S. 555. An act to authorize the acquisition by the United States of the land upon which the Seneca Indian School, Wyandotte, Okla., is located;

S. 1118. An act for the relief of George J. Bloxham;

S. 1119. An act for the relief of Fred A. Robinson;

S. 1600. An act for the relief of S. G. Mortimer;

S. 1825. An act authorizing the Secretary of the Interior to issue patents to the numbered school sections in place, granted to the States by the act approved February 22, 1889, by the act approved January 25, 1927 (44 Stat. 1026), and by any other act of Congress;

S. 2627. An act for the relief of Arvin C. Sands;

S. 2987. An act to restore homestead rights in certain cases:

H.R. 541. An act for the relief of John P. Leonard;

H.R. 2414. An act for the relief of Frank Salisbury, executor of the estate of Emerson C. Salisbury, deceased;

H.R. 2439. An act for the relief of William G. Burress, deceased;

H.R. 3032. An act for the relief of Paul Jelna;

H.R. 3296. An act for the relief of Carl F. Castleberry;

H.R. 4579. An act for the relief of Dr. Charles T. Granger; H.R. 4838. An act for the relief of the Massachusetts Bonding & Insurance Co., a corporation organized and existing under the laws of the State of Massachusetts;

H.R. 7922. An act authorizing the Secretary of Commerce to dispose of a portion of the Yaquina Bay Lighthouse Reservation, Oreg.;

H.R. 7953. An act for the relief of the Dallas County Chapter of the American Red Cross;

H.R. 7982. An act to establish a national military park at the battlefield of Monocacy, Md.;

H.R. 8833. An act to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the founding of the Colony of Connecticut;

H.R. 8930. An act to provide for the construction and operation of a vessel for use in research work with respect to ocean fisheries:

H.R. 9861. An act to amend the Railway Labor Act approved May 20, 1926, and to provide for the prompt disposition of disputes between carriers and their employees; and H.R. 9904. An act to amend section 5 of Public Act No. 2

of the Seventy-second Congress, as amended.

On June 22, 1934:

S. 2702. An act to amend the Civil Service Retirement Act of May 29, 1930, and for other purposes;

S. 3528. An act to grant permission to the Willard Family Association to erect a tablet at Fort Devens, Mass.;

S. 3604. An act to revive and reenact the act entitled "An act to authorize the Bainbridge Island Chamber of Commerce, a corporation, its successors and assigns, to construct, maintain, and operate a bridge across Agate Pass connecting Bainbridge Island with the mainland in Kitsap County, State of Washington", approved March 2, 1929;

S. 3618. An act to grant a portion of the Fort Douglas Military Reservation to the University of Utah, Salt Lake City, Utah;

S. 3655. An act to amend the act entitled "An act for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes", approved June 30, 1906, as amended; and

S. 3660. An act to grant to the city of Monterey, Calif., an easement for street purposes over certain portions of the military reservation at Monterey, Calif.

H.R. 740. An act for the relief of Wade Dean;

H.R. 1354. An act for the relief of C. V. Mason;

H.R. 3705. An act for the relief of Julia E. Smith;

H.R. 3791. An act for the relief of Gustav Welhoelter;

H.R. 3793. An act for the relief of Anthony Hogue;

H.R. 4224. An act to authorize the Postmaster General to hire vehicles from postal employees;

H.R. 5031. An act for the relief of Edith L. Peeps;

H.R. 5606. An act for the relief of W. R. McLeod;

H.R. 6238. An act for the relief of M. R. Welty;

H.R. 6284. An act for the relief of John R. Novak;

H.R. 6366. An act making appropriation to restore water of high mineral content on land owned and controlled by the Federal Government;

H.R. 6497. An act for the relief of James Henry Green;

H.R. 7372. An act for the relief of Donald K. Warner;

H.R. 7428. An act providing for the transfer of certain lands from the United States to the city of Wilmington, Del., and from the city of Wilmington, Del., to the United States;

H.R. 7670. An act relating to conveyance of letters by private hands without compensation, or by special messenger employed for the particular occasion only;

H.R. 7893. An act for the relief of Ralph LaVern Walker; H.R. 8108. An act for the relief of Jeannette Weir;

H.R. 8460. An act to amend section 392 of title 5 of the

United States Code;

H.R. 8909. An act to authorize the Secretary of the Treasury to amend the contract for sale of post-office building and site at Findley, Ohio; and

H.R. 9826. An act granting the consent of Congress to the State highway commission to construct, maintain, and operate a free highway bridge across Eleven Points River in the NW half of sec. 31, T. 25 N., R. 3 W., 8 miles northeast of Alton, on route B in Oregon County, Mo.

On June 23, 1934:

S. 3178. An act authorizing the George Washington Bicentennial Commission to print and distribute additional sets of the writings of George Washington; and

H.R. 9404. An act to authorize the formation of a body corporate to insure the more effective diversification of prison industries, and for other purposes.

On June 24, 1934:

H.R. 7264. An act for the relief of M. N. Lipinski;

H.R. 7631. An act for the relief of Arthur A. Burn, Sr., and J. K. Ryland; and

H.R. 8328. An act for the relief of the heirs of C. K. Bowen, deceased.

On June 25, 1934:

S. 3562. An act for the relief of Robert Rayl;

S. 3404. An act authorizing loans from the Federal Emergency Administration of Public Works for the construction of certain municipal buildings in the District of Columbia, and for other purposes;

H.R. 2416. An act for the relief of Mrs. George Logan and her minor children, Lewis and Barbara Logan;

H.R. 3084. An act authorizing the sale of portions of the Pueblo lands of San Diego to the city of San Diego, Calif.; H.R. 3636. An act for the relief of Thelma Lucy Rounds;

H.R. 4952. An act for the relief of Theodore W. Beland;

H.R. 6622. An act authorizing the Secretary of Commerce to lease certain Government land at Woods Hole, Mass.:

H.R. 8919. An act to adjust the salaries of rural letter carriers, and for other purposes; and

H.R. 9233. An act authorizing associations of producers of aquatic products.

On June 26, 1934:

S. 101. An act for the relief of Robert Gray Fry, deceased; S. 173. An act for the relief of William Martin and John E. Walsh, Jr.;

S. 255. An act for the relief of John Hampshire;

S. 336. An act for the relief of the Edward F. Gruver Co.;

S. 379. An act for the relief of Frederick G. Barker;

S. 418. An act for the relief of William H. Connors, alias John H. Connors, alias Michael W. H. Connors;

S. 488. An act for the relief of Norman Beier;

S. 521. An act for the relief of Henry Poole;

S. 551. An act for the relief of A. W. Holland;

S. 740. An act for the relief of William G. Fulton;

S. 847. An act for the relief of the Nez Perce Tribe of Indians;

S. 879. An act for the relief of Howell K. Stephens;

S. 1072. An act for the relief of Rufus J. Davis;

S. 1161. An act for the relief of Alice E. Broas;

S. 1162. An act for the relief of Virginia Houghton;

S. 1163. An act for the relief of Mary V. Spear;

S. 1200. An act for the relief of Elizabeth Millicent Trammell;

S. 1258. An act for the relief of Charles F. Littlepage;

S. 1288. An act for the relief of Otto Christian;

S. 1498. An act authorizing the Secretary of the Interior to pay E. C. Sampson, of Billings, Mont., for services rendered the Crow Tribe of Indians;

S. 1526. An act for the relief of Ann Engle;

S. 1531. An act for the relief of Elizabeth Buxton Hospital;

S. 1557. An act for the relief of Harry Lee Shaw;

S. 1585. An act for the relief of the Black Hardware Co.;

S. 1639. An act to establish a Federal Credit Union System, to establish a further market for securities of the United States, and to make more available to people of small means credit for provident purposes through a national system of cooperative credit, thereby helping to stabilize the credit structure of the United States;

S. 1707. An act for the relief of Carlos C. Bedsole;

S. 1753. An act for the relief of Marcelia Leahy McNerney;

S. 1758. An act for the relief of B. E. Dyson, former United States marshal, southern district of Florida;

S. 1803. An act for the relief of certain riparian owners for losses sustained by them on the drained Mud Lake bottom in Marshall County, in the State of Minnesota;

S. 1804. An act to authorize the transfer of certain real estate by the Secretary of the Treasury to C. F. Colvin in settlement of the Northfield, Minn., post-office-site litigation, and for other purposes;

S. 1818. An act for the relief of W. P. Fuller & Co.;

S. 1822. An act for the relief of Harold Sorenson;

S. 1901. An act for the relief of William A. Delaney;

S. 1972. An act for the relief of James W. Walters;

S. 1993. An act for the relief of the Lower Salem Commercial Bank, Lower Salem, Ohio;

S. 1998. An act for the relief of the estate of Martin Flynn;

S. 2043. An act to amend the act of May 22, 1928, entitled "An act to authorize the collection, in monthly installments, of indebtedness due the United States from enlisted men, and for other purposes";

S. 2074. An act for the relief of James R. Mansfield;

S. 2112. An act for the relief of W. H. Key and the estate of James E. Wilson:

S. 2141. An act for the relief of Roy Lee Groseclose;

S. 2233. An act for the relief of Mildred F. Stamm;

S. 2322. An act for the relief of A. J. Hanlon;

S. 2338. An act for the relief of Robert V. Rensch; S. 2343. An act for the relief of Herbert E. Matthews;

S. 2357. An act for the relief of Arthur Bussey;

S. 2367. An act for the relief of Emilie C. Davis;

S. 2398. An act for the relief of Nancy Abbey Williams;

S. 2467. An act for the relief of Ammon McClellan;

S. 2470. An act for the relief of Erik Nylin;

S. 2549. An act for the relief of Albert W. Harvey;

S. 2553. An act for the relief of the Brewer Paint and Wall Paper Co., Inc.;

S. 2561. An act for the relief of Robert R. Prann;

S. 2584. An act for the relief of Elmer Kettering;

S. 2613. An act for the relief of Jewell Maness;

S. 2619. An act for the relief of E. Clarence Ice;

S. 2620. An act for the relief of N. W. Carrington and J. E. Mitchell:

S. 2720. An act for the relief of George M. Wright;

S. 2806. An act to confer jurisdiction on the Court of Claims to hear and determine the claim of Carlo de Luca;

S. 2809. An act conferring jurisdiction upon the Court of Claims to hear and determine the claims of the International Arms and Fuze Co., Inc.;

S. 2872. An act for the relief of Marie Louise Belanger;

S. 2873. An act for the relief of Stella D. Wickersham;

S. 2919. An act for the relief of Cornelia Claiborne;

S. 2957. An act for the relief of the rightful heirs of Wakicunzewin, an Indian;

S. 3016. An act for the relief of the Dongji Investment Co., Ltd.:

S. 3122. An act for the relief of H. N. Wilcox;

S. 3160. An act for the relief of Charles E. Secord;

S. 3161. An act for the relief of Mary Seeley Watson;

S. 3192. An act for the relief of Arthur Hansel;

S. 3248. An act for the relief of J. B. Walker;

S. 3264. An act for the relief of Muriel Crichton;

S. 3335. An act for the relief of Joanna A. Sheehan;

S. 3408. An act to provide for a preliminary examination of Cromline Creek, in the State of New York, with a view to the control of its floods;

S. 3419. An act to exempt articles of machinery belting from the tax on floor stocks imposed by the Agricultural Adjustment Act;

S. 3533. An act to amend the act entitled "An act creating the Mount Rushmore National Memorial Commission and defining its powers and purposes", approved February 25, 1929, and for other purposes;

S. 3656. An act for the relief of Robert N. Stockton;

S. 3764. An act to reduce the fee to accompany applications for entry as second-class matter of publications of limited circulation;

H.R. 1133. An act for the relief of Silas B. Lawrence;

H.R. 2419. An act for the relief of W. B. Ford;

H.R. 4666. An act for the relief of Jerry O'Shea;

H.R. 5122. An act for the relief of William S. Steward;

H.R. 7107. An act for the relief of Frank Baglione;

H.R. 7161. An act to provide for the refund or abatement of the customs duty on altar candlesticks and cross imported for the Church of the Good Shepherd, Memphis, Tenn.;

H.R. 7163. An act for the relief of the D. F. Tyler Corporation and the Norfolk Dredging Co.;

H.R. 7292. An act for the relief of the Boston Store Co., a corporation, Chicago, Ill.;

H.R. 8650. An act for the relief of B. J. Sample;

H.R. 8727. An act for the relief of the First State Bank & Trust Co., of Mission, Tex.;

H.R. 9410. An act providing that permanent appropriations be subject to annual consideration and appropriation by Congress, and for other purposes;

H.R. 9741. An act to provide for the taxation of manufacturers, importers, and dealers in certain firearms and machine guns, to tax the sale or other disposal of such weapons, and to restrict importation and regulate interstate transportation thereof:

H.R. 9769. An act to amend the act of June 19, 1930 (46 Stat. 788), entitled "An act providing for the sale of the remainder of the coal and asphalt deposits in the segregated mineral land in the Choctaw and Chickasaw Nations, Oklahoma, and for other purposes";

H.R. 9829. An act to amend the Agricultural Adjustment Act with respect to the processing tax on hogs;

S.J.Res. 115. An act to provide for the continuation of the investigation authorized by S.Res. 83, Seventieth Congress, first session.

H.J.Res. 342. Joint resolution authorizing an appropriation to defray the expense of erecting the completed Navy and Marine Memorial Monument;

H.J.Res. 366. Joint resolution to simplify the administration of air-mail routes and contracts:

H.J.Res. 371. Joint resolution authorizing the creation of a Federal memorial commission to consider and formulate plans for the construction, on the apex block, Constitution and Pennsylvania Avenues, in the city of Washington, D.C., of a permanent memorial to the memory of Thomas Jefferson, third President of the United States and author of the Declaration of Independence;

H.J.Res. 376. Joint resolution to provide an appropriation to enable the United States Army to send certain units to

participate in the International Celebration at Fort Niagara, N.Y.; and

H.J.Res. 452. Joint resolution to provide an additional appropriation for expenses of special and select committees of the House of Representatives for the fiscal year 1935.

On June 27, 1934:

S. 86. An act for the relief of A. L. Ostrander;

S. 365. An act for the relief of Archibald MacDonald;

S. 887. An act for the relief of Lucy B. Hertz and J. W. Hertz;

S. 1382. An act for the relief of Uldric Thompson, Jr.;

S. 1505. An act for the relief of Thomas E. Read;

S. 1510. An act to amend the act entitled "An act to adjust water-right charges, to grant other relief on the Federal irrigation projects, and for other purposes", approved May 25, 1926, with respect to certain lands in the Langell Valley Irrigation District;

S. 2272. An act for the relief of Bert Moore;

S. 2617. An act for the relief of the estate of Jennie Walton:

S. 2752. An act for the relief of the legal beneficiaries and heirs of Mrs. C. A. Toline;

S. 2875. An act for the relief of Margoth Olsen von Struve;

S. 2906. An act for the relief of Ransome Cooyate;

S. 2972. An act for the relief of John N. Knauff Co., Inc.; S. 3231. An act to provide a retirement system of railroad employees, to provide unemployment relief, and for other purposes:

H.R. 3295. An act for the relief of the estate of White B. Miller:

H.R. 5330. An act to amend the act of March 2, 1917, entitled "An act to provide a civil government for Puerto Rico, and for other purposes";

H.R. 5668. An act authorizing the relief of the McNeill-Allman Construction Co., Inc.; of W. E. McNeill, Lee Allman, and John Allman, stockholders of the McNeill-Allman Construction Co., Inc.; and W. E. McNeill, dissolution agent of McNeill-Allman Construction Co., to sue in the United States Court of Claims;

H.R. 8662. An act to modify the operation of the Indian liquor laws on lands which were formerly Indian lands;

H.R. 9620. An act to encourage improvement in housing standards and conditions, to provide a system of mutual mortgage insurance, and for other purposes;

H.R. 9867. An act amending the Independent Offices Appropriation Act of 1935;

H.J.Res. 330. Joint resolution authorizing certain retired officers or employees of the United States to accept such decorations, orders, medals, or presents as have been tendered them by foreign governments; and

H.J.Res. 365. Joint resolution to amend the Settlement of War Claims Act of 1928, as amended.

On June 28, 1934:

S. 3517. An act authorizing the Court of Claims to hear, consider, adjudicate, and enter judgment upon the claims against the United States of J. A. Tippit, L. P. Hudson, Chester Howe, J. E. Arnold, Joseph W. Gillette, J. S. Bounds, W. N. Vernon, T. B. Sullívan, J. H. Neill, David C. McCallib, J. J. Beckham, and John Toles;

S. 3580. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

H.R. 6462. An act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration; to provide for their orderly use, improvement, and development; to stabilize the livestock industry dependent upon the public range; and for other purposes;

H.R. 9690. An act to place the tobacco-growing industry on a sound financial and economic basis, to prevent unfair competition and practices in the production and marketing of tobacco entering into the channels of interstate and foreign commerce, and for other purposes; and

H.R. 9936. An act to compensate widows and children of persons who died while receiving monetary benefits for dis-

abilities directly incurred in or aggravated by active military or naval service in the World War.

DISAPPROVALS OF BILLS AND JOINT RESOLUTIONS

The President of the United States, on June 26, 1934, issued the following statement for the press, a copy of which he transmitted to the Secretary of the Senate:

The Constitution of the United States, with reference to bills presented to the President by the Congress, provides:

"If any bill shall not be returned by the President within 10 days (Sundays excepted) after it shall have been presented to him, the same shall be a law, in like manner as if he had signed it, unless the Congress by their adjournment prevent its return, in which case it shall not be a law."

In the past it has been customary in most cases involving vetoes for the President to withhold his signature, thereby, in effect, allowing the bill to die without becoming a law.

The President has desired, however, to take a more affirmative position than this, feeling that in the case of most legislation reasons for definite disapproval should be given. Therefore, he has written on the copy of each bill the words "Disapproved and signature withheld", and has appended in every case a brief statement giving the reason or reasons for disapproval.

The bills identified below have been vetoed by the President, and the reasons which lead to their disapproval are

contained in the following statements:

H.R. 7711. "I disapprove H.R. 7711, entitled 'An act to permit postmasters to act as disbursing officers for the payment of traveling expenses of officers and employees of the Postal Service.'

"Section 4 of Executive order of June 10, 1933, No. 6168, relating to the organization of executive agencies, provides

in part:

"'The function of disbursement of moneys of the United States exercised by any agency is transferred to the Treasury Department and, together with the office of disbursing clerk of that Department, is consolidated in a Division of Disbursement, at the head of which shall be a chief disbursing officer.'

"That consolidation of disbursing functions is now being perfected, subject to the provisions contained in Executive Orders Nos. 6727 and 6728, of May 29, 1934, and I am therefore not in favor of this bill, which would apparently invalidate, to the extent therein set forth, the consolidation of disbursing functions as provided in said Executive order of June 10, 1933."

S. 1358. "I disapprove Senate bill 1358 entitled 'An act to provide for the improvement of approaches to the National Cemetery and the Confederate Cemetery at Fayetteville,

Ark.

"This bill would require the Highway Department of the State of Arkansas to expend not to exceed \$12,800 out of Public Works allocations, in the construction of an 18-foot concrete pavement on approaches to the National Cemetery and to the Confederate Cemetery at Fayetteville, Ark.

"The Government-owned approach road to the National Cemetery was conveyed to the city of Fayetseville by the Secretary of War on July 7, 1926, pursuant to the act of March 3, 1925 (43 Stat. 1104), and the city assumed the

obligation to maintain that road.

"This bill would divert Public Works funds granted to the Highway Department of the State of Arkansas, which are required to be expended under the provisions of the Federal Highway Act, to the construction of streets in a city that are

not part of the Federal highway system.

"The improvement of any particular road and the type of improvements which shall be made are engineering matters to be determined in the light of traffic conditions and the availability and suitability of materials. The policy of determining these matters and what roads shall be so improved under our Federal aid highway system has been wisely vested in the Secretary of Agriculture, and I am not in favor of departing from that policy as proposed in this bill."

H.R. 8587. An act to extend the benefits of the Employees' Compensation Act of September 7, 1916, to William Thomas,

"This bill is defectively drawn; and in addition the War Department has no record of the injury alleged."

H.R. 4957. An act for the relief of F. M. Peters and J. T. Akers.

"I cannot agree that reasonable care was exercised by these postmasters, and must, therefore, approve the recommendation of the Post Office Department."

H.R. 8728. An act authorizing the Secretary of War to lease or sell certain lands or buildings known as "Camp Eagle Pass, Tex.", to the city of Eagle Pass, Tex.

"I cannot approve this bill in its present form. The object is worthy, but the Government's rights are not sufficiently protected."

H.R. 363. An act for the relief of James Moffitt.

"It does not seem reasonable to believe that malaria and large doses of quinine prevented this man from knowing he was deserting, in view of the fact that he thereafter stayed in Chicago for a year and then went home without apparently trying in any way to clear his record."

H.R. 3161. "I disapprove House bill no. 3161, entitled 'An

act for the relief of Henry Harrison Griffith.'

"The bill authorizes and directs the Employees' Compensation Commission to extend the benefits of the Employees' Compensation Act of September 7, 1916, to a former civil employee of the United States in the same manner and to the same extent as if application for such benefits had been made within the 1-year period required by sections 17 and 20 of the Compensation Act.

"The bill is objectionable because it does not limit the benefits to the date of the approval of the bill, and further, the bill as drawn does not authorize the Commission to

examine into the merits of the claim."

H.R. 2632. An act for the relief of Wilson G. Bingham.

"Because this officer voluntarily resigned 4 years after the close of the World War, he should not now be reinstated and retired as a captain.

"I would approve a bill to extend to him the benefits of

the Emergency Officers' Retirement Act."

H.R. 8517. An act to provide for needy blind persons of the District of Columbia.

"I am compelled to agree with the adverse reports on this bill made by the Commissioners of the District of Columbia and the Director of the Budget.

"I therefore reluctantly disapprove the bill."

S. 3446. An act to authorize the Postmaster General to receive, operate, and maintain for official purposes motor vehicles seized for violations of the customs laws.

"Disapproved because I do not wish to establish the habit of providing passenger automobiles for postal employees."

H.R. 3054. An act for the relief of Christopher Cott.

"Nothing in this record extenuates the circumstance of desertion except his service during the actual war period. The bill is therefore disapproved."

H.R. 5018. An act to correct the naval records of former employees of the crews of the revenue cutters *Algonquin* and *Onondaga*.

"This bill is disapproved because it stretches the imagination to declare men on a revenue cutter for 17 days on the Great Lakes in August 1898 to be entitled to all the privileges of Spanish War veterans."

H.R. 1766. An act to provide medical services after retirement on annuity to former employees of the United States disabled by injuries sustained in the performance of their duties.

"I am disapproving this bill because I fear that if this principle is established it will grow and grow like war pensions, and that would be a pity for our children and grand-children."

H.R. 5864. An act to authorize the payment of expenses of delegates of the Yakima Confederated Tribes of Indians while on a mission to represent such tribes before Congress and the executive departments at the seat of government, and for other purposes.

"I understand the established policy is to charge expenses of this character to tribal funds instead of to the

Treasury. The bill is therefore disapproved."

On June 27, 1934, the following bills and joint resolutions were likewise disapproved:

H.R. 3595. An act for the relief of St. Ludgers Catholic Church of Germantown, Henry County, Mo.

"Seventy years have elapsed since the end of the Civil War. During this period no Congress has ever seen fit either to grant an award of this claim or to refer it to the Court of Claims. To approve this bill would open up many claims for damages alleged to have been caused by Union forces in the Civil War."

H.R. 8513. An act to authorize the coinage of 50-cent pieces in commemoration of the boyhood home of Gen. Thomas J. (Stonewall) Jackson.

"Although I have approved several bills to authorize issuing 50-cent pieces to commemorate anniversaries of the founding of States, I have announced that hereafter such coinage should be greatly limited.

"While the boyhood home of General Jackson is of great interest to all Americans, I do not believe that a special coinage of 50-cent pieces is justified."

H.R. 8644. An act to provide warrant officers of the Coast Guard parity of promotion with warrant officers of the Navy.

"The Treasury Department is definitely opposed to the approval of this measure. The question rests primarily on the need of the Coast Guard for additional warrant officers. The Secretary of the Treasury states categorically, 'If the bill was enacted the number of chief warrant officers appointed would far exceed the number needed for the proper conduct of the Coast Guard.' In view of this there is no question that disapproval is called for."

S. 1103. An act to authorize the Secretary of the Navy to proceed with certain public works at the naval air station, Pensacola. Fla.

"This bill authorizing an expenditure of over \$5,000,000 for Navy aeronautical purposes is premature. Final decision as to priority of Navy flying developments has not yet been made. If it seems advisable to include Pensacola next winter, a request for an adequate appropriation and not merely an authorization will then be made."

S. 3626. An act referring the claims of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota to the Court of Claims for adjudication and settlement.

"While the purpose of this is good, it does not cure the objections raised by me in the veto of a similar bill, S. 326, on May 10, 1934."

S. 3780. An act for the relief of persons engaged in the fishing industry.

"This bill is unnecessary because the act authorizing loans to industries includes the fishing industry."

S. 3092. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the heirs of James Taylor, deceased Cherokee Indian, for the value of certain lands now held by the United States.

"Disapproved because this bill ties the hands of the Court of Claims and prevents an equitable determination."

S. 854. An act for the relief of the Ingram-Day Lumber Co. "Disapproved because no provision is made for the Government's counterclaim."

H.R. 5543. An act for the relief of T. Brooks Alford.

"A portion of this sum appears justifiable, but not the whole amount."

S. 1287. An act for the relief of Leonard Theodore Boice.

"The record is so clear in this case that it would not be just to attempt to change it by congressional action."

S. 3499. An act for the relief of Michael Ilitz.

"In spite of this man's excellent record as a soldier and civil employee, this bill would single him out for special reward. It must, therefore, be disapproved."

S. 1654. An act for the relief of George Yusko.

"I cannot feel that the circumstances disclosed are sufficiently extenuating to justify the approval of this bill."

S. 2810. An act for the relief of Alice F. Martin, widow, and two minor children.

"This bill is similar to H.R. 6246 and must be disapproved for the same reasons given in my veto message of June 16, 1934."

S. 1992. An act for the relief of Arthur R. Lewis.

"I cannot agree that the 'extenuating circumstances' mentioned in the committee report justify changing the record."

S. 3156. An act for the relief of Mary Angela Moert.

"This bill departs from a long-established, sound policy of the War Department."

S. 527. An act for the relief of Lillian Morden.

"There must have been thousands of similar cases of influenza during the World War. I cannot open up this broad field."

S. 2227. An act for the relief of Harold S. Shepardson.

"Disapproved because the statements do not seem to me to justify or condone the offense."

H.R. 3726. An act to grant a patent to Albert M. Johnson and Walter Scott.

"While I am in sympathy with the purpose of this bill, I must disapprove it because it does not properly safeguard the Government."

S. 3516. An act for the relief of the Morgan Decorating

"Disapproved because I do not believe that an obligation of the Federal Government has been sufficiently established."

S. 60. An act for the relief of Richard J. Rooney.

"From a careful perusal of Senate Report 473, I cannot bring myself to the conclusion that this claim for \$75 has

sufficient merit."
S. 2744. An act for the relief of Anna Carroll Taussig.

"This case has been before Congress in the form of a relief bill for approximately 15 years. It never received favorable consideration. Most of the postal records in the case were destroyed by the authority of Congress as useless papers. I presume that former Congresses were convinced that the claims had no merit."

S. 3486. An act for the relief of George L. Rulison.

"This bill violates the general rule that no officer or employee can create a valid claim by incurring obligations which he is not legally required or authorized to incur."

S.J.Res. 106. Joint resolution authorizing loans to fruit growers for rehabilitation of orchards during the year 1934.

"There is no necessity for this bill because its purpose can be accomplished with funds appropriated for the relief of stricken agricultural areas and made available by me in the Farm Credit Administration."

H.R. 4554. An act to amend section 4808 of the Revised Statutes (U.S.C., title 24, sec. 3) to prevent discriminatory reductions in pay of the retired personnel of the Navy and Marine Corps.

"There is no more reason to relieve officers and men on the retired list from the assessment of 20 cents per month for the Naval Hospital fund than there would be to relieve those on the active list."

H.R. 4447. An act for the relief of Vertner Tate.

"This proposed bill is not desirable for the reason that it would set an unwise precedent."

S. 2672. An act for the relief of Mabel S. Parker.

"This bill is disapproved because it would create the precedent of granting relief upon the ground of ignorance of the law."

H.R. 8688. An act for the relief of Stella E. Whitmore.

"This bill is disapproved because relief can be granted upon proper application to the Treasury Department and also because of technical defects."

S. 1508. An act providing for the final enrollment of the Indians of the Klamath Indian Reservation in the State of Oregon.

"This bill improperly excludes certain Indians from existing rights."

S. 3185. An act to amend the Agricultural Adjustment Act, as amended, with respect to farm prices.

"This bill is disapproved because of the difficulties which have been pointed out in memoranda from the Department of Justice, the Department of Agriculture, and the Agricultural Adjustment Administration."

H.R. 9145. An act to authorize the attendance of the Marine Band at the National Encampment of the Grand Army of the Republic to be held at Rochester, N.Y., August

14, 15, and 16, 1934, and at the National Convention of the Disabled American Veterans of the World War, to be held at Colorado Springs, Colo., during the first week in July and at the annual convention of the Thirtieth Division of the American Expeditionary Force, to be held at Asheville, N.C., on September 28, 29, and 30, 1934.

"If we start to send the Marine Band to various conventions in different parts of the country, we will go beyond the scope of the duties contemplated for such bands and interfere with the opportunity of private bands to secure employment. The bill is, therefore, disapproved."

H.R. 9046. An act to discontinue administrative furloughs in the Postal Service.

"There is no valid reason why the Postal Service should be especially exempted from the provisions of law that apply to all of the other Government departments. Furthermore, the Postmaster General reports that the limitations proposed in the bill will have no present effect on the administration of the postal personnel. Finally, it appears to be an unnecessary limitation on the administrative authority customarily vested in the Executive."

On June 28, 1934, the following bills and joint resolution were likewise disapproved:

H.R. 4444. An act for the relief of Lt. James Floyd Terrell, Medical Corps, United States Navy.

"Disapproved because no negligence on the part of a Government employee is shown and because officers and men on duty at naval shore stations should protect their own property by insurance."

H.J.Res. 322. Joint resolution to provide for the disposal of smuggled merchandise, to authorize the Secretary of the Treasury to require imported articles to be marked in order that smuggled merchandise may be identified, and for other purposes.

"This bill is disapproved at the urgent solicitation of the Treasury Department. The whole subject of the disposal of smuggled merchandise is being studied, and it is hoped that a better method than the one provided in this bill can be evolved."

S. 2238. An act to provide for the payment of damages to certain residents of Alaska caused by reason of extending the boundaries of Mount McKinley National Park.

"Disapproved for the reason set forth on the report of the Secretary of Interior to the Chairman of the Committee on Claims."

S. 294. An act for the relief of Stanton & Jones.

"This claim has been tried on its merits by the Court of Claims and petition dismissed. The procedure now proposed is decidedly unfair to the Government, and I must, therefore, disapprove the bill."

S. 2156. An act for the relief of the American-La France & Foamite Corporation of New York.

"Because I am inclined to agree with the opposition of the present and former Secretaries of the Treasury to this bill, I must disapprove it."

S. 3741. An act to convey certain lands to the State of South Dakota for public park purposes, and for other purposes.

"I am disapproving this bill at the earnest request of the Department of Agriculture. I appreciate the desire of the State of South Dakota to add to its existing State park this large area of national-forest land lying north and south of it. Nevertheless, I do not think the time is ripe for a final determination of the problem. So many changes are in process in the administration and development of Government-owned land, both State and National, that I think the final policy should become more clear and definite."

H.R. 9275. An act to provide for the protection and preservation of domestic sources of tin.

"The national policy concerning tin is now under examination by a committee especially empowered by the House of Representatives. It is undesirable at the present time to take partial action which may be inconsistent with the ultimate recommendations of this committee."

S. 3394. An act for the relief of the Grier-Lowrance Construction Co.

"It would be inconsistent with the whole record for me to approve this bill."

#### NOMINATIONS

Executive nominations received by the Senate June 18 (legislative day of June 6), 1934

#### UNITED STATES MARSHAL

John M. Guay, of New Hampshire, to be United States marshal, district of New Hampshire, to succeed Alfred J. Chretien, term expired.

#### POSTMASTERS

#### OHIO

Felix J. Moley to be postmaster at Berea, Ohio, in place of L. H. Maechtel, transferred.

John J. Farrell to be postmaster at Youngstown, Ohio, in place of B. E. Westwood. Incumbent's commission expired March 22, 1934.

#### VIRGINIA

Samuel S. Stallings to be postmaster at Suffolk, Va., in place of Hersey Woodward, Jr. Incumbent's commission expired January 16, 1934.

#### WISCONSIN

John A. Ginsbach to be postmaster at Elmwood, Wis., in place of O. W. Groot. Incumbent's commission expired April 22, 1934.

Philip A. Kinney to be postmaster at Mason, Wis., in place of C. I. Larson. Incumbent's commission expired December 18, 1933.

Bernard J. Rabbitt to be postmaster at Neshkoro, Wis., in place of C. C. Good. Incumbent's commission expired May 7, 1934.

Joe Kolar to be postmaster at Phillips, Wis., in place of C. D. Sullivan. Incumbent's commission expires June 20, 1934.

Albert L. Ehret to be postmaster at Prairie du Sac, Wis., in place of B. E. McCoy. Incumbent's commission expired June 10, 1934.

Paul G. Pederson to be postmaster at Prairie Farm, Wis., in place of Edith Best. Incumbent's commission expired May 7, 1934.

John J. Voemastek to be postmaster at Rib Lake, Wis., in place of Herman Jacob. Incumbent's commission expires June 20, 1934.

Charles M. Dunn to be postmaster at Taylor, Wis., in place of Harry Bradley, removed.

# CONFIRMATIONS

Executive nominations confirmed by the Senate June 18 (legislative day of June 6), 1934

# UNITED STATES ATTORNEY

William C. Lewis to be United States Attorney for the western district of Oklahoma.

# UNITED STATES MARSHALS

William H. McDonnell to be United States marshal for the northern district of Illinois.

Sid A. Willis to be United States marshal for the district of Montana.

John M. Guay to be United States marshal, district of New Hampshire.

Samuel E. Swinney to be United States marshal for the

eastern district of Oklahoma.
Supervising Inspector, Navigation and Steamboat Inspection

Jesse E. Murray to be supervising inspector, navigation and steamboat inspection.

MEMBER OF THE BOARD OF TAX APPEALS

John M. Sternhagen to be a member Board of Tax Appeals.

Member of the United States Tariff Commission
Oscar B. Ryder to be a member of the United States Tariff
Commission.

COLLECTOR OF CUSTOMS SERVICE

Fannie Dixon Welch to be collector of customs, district no. 6, Bridgeport, Conn.

PROMOTIONS IN THE REGULAR ARMY

To be colonels, Medical Corps

Mahlon Ashford Edward Godfrey Huber Arthur Newman Tasker Howard McCrum Snyder Garfield Lesley McKinney

To be captain, Dental Corps

William Thomas Williams

PROMOTIONS IN THE NAVY

To be lieutenants (junior grade)

Harmon V. Briner Thomas K. Wright Robert L. Taylor Bernard F. Roeder Joseph E. Flynn Edward M. Day Charles T. Booth, 2d Edward A. Wright Harold B. Russell Francis B. Merkle Henry E. Brossy Edwin B. Hooper William B. Braun Arthur N. Daniels Lee A. Ellis Damon M. Cummings Walter P. Schoeni Ronald K. Smith Willis M. Thomas Alfred E. Sharp, Jr. Elliott M. Brown Clifford T. Janz Henry Mullins, Jr. Peter G. Powell, Jr. John O. Miner Bafford E. Lewellen Joseph V. Kiehlbauch Richard R. Hay John B. Fellows, Jr. Frank C. McAllister, Jr. Thomas R. Kurtz, Jr. Theodore A. Torgerson Victor A. King Ward Bronson Charles F. Sell Charles C. Kirkpatrick Sinclair B. Wright Charles O. Cook, Jr. Millard J. Klein John D. Crowley

William H. Johnsen Richard N. Antrim Andrew L. Young, Jr. Thomas W. Hogan, Jr. Frederic S. Steinke Jack B. Williams Ernest B. Ellsworth, Jr. John R. Moore Nathaniel E. Warman Madison Hall, Jr. Daniel A. Stuart Robert E. C. Jones Marvin J. Jensen James C. Dempsey Walter J. Stewart Harrington M. Drake Francis W. Hoye Alvin F. Richardson Robert D. King Joseph B. Swain Richard S. Andrews Hylan B. Lyon Augustus H. Alston, Jr. Raymond H. Jacobs Ernest W. Longton John A. Myer John F. Just Norman E. Smith Francis D. Crinkley Thomas C. Phifer Ronald J. Woodaman Robert W. Cooper Raymond H. Bass Alvin A. Jones Andrew P. Stewart Ralph G. Gillette Donald S. Graham Justin L. Wickens Frederick J. Brush Lawrence B. Cook John D. Cashman DeAtley I. Davis Eb S. Cooke William K. Parsons

To be paymasters with rank of lieutenant commander Raphael Goring George E. Duffy

Raphael Goring George E. Duffy Fillmore S. C. Layman William E. McCain

To be chief pay clerk

William O. Steinke

Benjamin P. Field, Jr.

Elliott E. Marshall

Gerald L. Ketchum

Samuel E. Nelson

POSTMASTERS ALABAMA

William F. Croft, Crossville. Ruth Duffey, Dadeville. Bessie S. Combs, Fairfax. John B. Davidson, Fort Payne. Oscar W. Freeman, Gadsden. Leonidas M. Lane, Jr., Greenville. Alven H. Powell, Hackleburg. Lawrence F. Howell, Moulton. Howard M. Cummins, Reform. Samuel H. Tatum, Roanoke. Harry J. Wilters, Robertsdale. Leslie D. Strather, Shawmut. Morgan M. Pearson, Wadley.

ARIZONA

Andrew T. Kilcrease, Casa Grande. Joe H. Little, Glendale. Annie L. Kent, Parker.

ARKANSAS

Lee Roy Jordan, Batesville. Fred M. Johnson, Huttig. Edward H. Taber, Leachville. Ben W. Walker, Lewisville.

CALIFORNIA

William D. Mathews, Fort James. John Carlos Rose, Milpitas. George H. Treat, San Andreas. Orton P. Brady, Upland. Fannie R. Willey, Winton.

COLORADO

Frank J. Keicher, Akron.
William H. Harrison, Cortez.
Herman H. Brown, Eagle.
Harold W. Riffle, Eckley.
William H. Rhoades, Jr., Kit Carson.
Dorothy E. Mahoney, Minturn.
Charles F. Horn, Pueblo.
Byron M. Norris, Walden.
Roxie R. Broad, Wheat Ridge.

DELAWARE

William O. Martin, Lewes.
John E. Mayhew, Milford.
Henry B. Mitchell, Millsboro.
Cyrus E. Rittenhouse, Newark.
Charles J. Dougherty, New Castle.
Joseph H. Cox, Seaford.
William H. Draper, Wyoming.

FLORIDA

Ira C. Williams, Dania.

LeRoy E. Diggans, Delray Beach.

Thomas G. Ozmer, Fernandina.

Jesse E. Franklin, Glen St. Mary.

William C. Johnson, Jensen.

Julia E. Seabloom, Ormond Beach.

Frederick A. Carnell, Ormond.

GEORGI

Joseph H. Gross, Alamo. Jere W. Chamlee, Canton. Francis B. Maddox, Lawrenceville. Lida Simpson, Norcross. Harry L. Wingate, Pelham.

HAWAII

Marie Blankership, Koloa.

IDAHO

Glenn H. Sanders, Moscow.

ILLINOIS

Harry C. Stephens, Ashley.
William G. Gerbing, Ashland.
William J. Fahey, Bloomington.
Hazel E. Wood, Bluford.
Bernard G. Finnegan, Bradford.
Alice Dillon, Braidwood.
John H. Knies, Breese.
Esther R. Webb, Buda.
John E. Ryan, Crete.
Jerry J. Zeman, Fox River Grove.
Amelia K. Fink, Frankfort.
Carl E. Saur, Malta.

Sophie Benhart, Medinah.

Margaret M. Maue, Mokena.

Joe W. Wilson, Morrison.

Blanche B. Hood, Mound City.

George R. Davis, Mount Sterling.

John F. McCann, Oglesby.

Clarence M. Stevens, Pecatonica.

John P. Lennon, Plainfield.

David W. Leigh, Ramsey.

Herman C. Thiemann, Roselle.

Alfred J. Geiseman, Shannon.

Edgar V. Galloway, Shawneetown.

Lillian R. M. Clasen, Union.

INDIANA

Ray H. Zeigler, Bristol.
Fletcher T. Strang, Culver.
Jacob M. Hight, Etna Green.
Orace O. Welden, Francesville.
Ralph W. Kimmerling, Frankton.
Pearl E. Barnes, Hamlet.
Blanche Anglin, Leesburg.
Biven Coburn, Medaryville.
Lloyd A. Rickel, Mentone.
Ora Stiver, New Paris.
Joseph C. Whitesell, Plymouth.
Alton L. Metzger, Rossville.
Earl C. McLain, Swayzee.
Orel R. Small, Walton.

IOWA

Willis C. Hussey, Albert City. Tilda O. Nye, Allerton. William S. Olexa, Batavia. Walter G. Lane, Baxter. M. Lenore Fatland, Cambridge. Joseph F. Rettenmaier, Carroll. George P. Killinger, Carson. Richard Tomke, Clarion. Nettie Blair Lewis, Columbus Junction. Vernon M. Hill, Davis City. Bernard B. Dolecheck, Diagonal. Anthony F. Schrup, Dubuque. Albert E. Newell, Eddyville. Myrtle E. Smith, Edgewood. Lawrence J. Roth, Fairfield. Gerry M. Hougham, Fort Des Moines. Lorenzo A. Mullican, Indianola. John Moeller, Ireton. Herman L. Walker, Kalona. John N. Day, Klemme. Frank F. Konrad, Lacona. James Lowell Carr, Lamont. Jessica E. Pryor, Leon. Harley C. West, Linden. Violet A. Shirk, Linn Grove. Frank G. Huebsch, McGregor. Anna L. Staudt, Marble Rock. Wayne Taylor, Mitchellville. Bert McKinley, Morning Sun. Lee R. Evans, Mystic. Opal H. Wallace, New Market. Alfred B. Callender, Ocheyedan. James G. Casey, Osage. James G. Floerschinger, Oxford. Raymond A. Gleason, Ruthven. Charles E. Miller, St. Ansgar. Orlow L. Goodrich, Scranton. Leroy S. Gambs, Smithland. Alice B. Smouse, Vinton. Walter Ward, Wall Lake. Teresa V. Moroney, Waukon. Henry A. Falb, West Bend. Ben R. Shine, Winthrop.

KANSAS

Lacel G. Moss, Atlanta. Carey Olson, Bazine. Ivan R. Cordill, Bern. Vaclav Sajner, Bison. Jane Waters, Bonner Springs. Samuel E. Notestine, Burdett. James D. Egbert, Cimarron. Asa I. Cox, Colony. Mildred F. Atkinson, De Soto. Carl A. Gibson, Dighton. Charles A. Hegarty, Effingham. Page Manley, Elk City. Vesta Velma McClung, Elkhart. Henry J. Kuckelman, Everest. Elbert Holcomb, Fredonia. Ivan J. DeVore, Frontenac. Homer I. Shaw, Galesburg. Fred V. Morgan, Greeley. John L. A. Wainscott, Hazelton. Dale Graves, Healy. Ivan R. Mort, Hill City. Thomas E. Murphy, Hoisington. William A. Hess, Humboldt. Elias J. Borders, Ingalls. Charles R. Hollenberg, Irving. Harry T. Fish, La Crosse. Michael A. Hilgers, Lansing. Lottie Victor, Larned. Joseph E. Gardiner, Leavenworth. Hazel Craft, Lewis. Charles H. Wilson, Moline. Otis S. Lambeth, Moran. Carl Eickholt, Offerle. Vernon F. Walker, Otis. Edmund C. Turner, Overland Park. Lawrence W. Leisure, Pleasanton. Clarence S. Brumbaugh, Sabetha. James J. Owen, St. John. Basil E. Palmer, Sedan. George J. Smith, Summerfield. Victor Gibson, Sylvia. Greever Allen, Tonganoxie. James A. Hanks, Wetmore. Milo R. Housh, Winchester.

KENTUCKY

Katy Mullins, Mount Vernon. Bess S. May, Prestonsburg. Carroll E. Withers, Providence. J. Rowland Garman, Smiths Grove.

LOUISIANA

Samuel Haas, Alexandria.
William P. Bridenthal, Bunkie.
Marvin A. Kent, De Quincy.
Victor E. Green, De Ridder.
Solomon C. Knight, Elizabeth.
Alceste J. Robichaux, Harvey.
Philip C. Girlinghouse, Jena.
Vivien Swords, Kinder.
James O. Brouillette, Marksville.
Leon S. Haas, Opelousas.
Eula M. Jones, Trout.
Arthur Deshotels, Washington.
John R. Romero, Welsh.
Irma L. Batey, Wisner.

MAINE

Thomas G. Burdin, Turner.

MARYLAND

Robert Conroy, Forest Glen. Malcolm F. Caplan, St. Michaels.

MASSACHUSETTS

John P. Brown, Bass River.
John R. McManus, Concord.
Raymond W. Comiskey, Dover.
John J. Quinn, East Douglas.
Charles A. Cronin, Lawrence.
Frank P. Todd, Rowley.
William J. Farley, South Hanson.
Alice C. Redlon, South Duxbury.

Dorothy L. Schuster, Wellfleet. Philip J. Gallagher, Woburn.

Harold L. Muchler, Bad Axe. Frank J. Nothelfer, Hemlock. Sidney Reynolds, Howard City.

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Gladys Shannon, Bonner. Ethel E. James, Broadus. Alvin O. Lien, Brockton. Lewis W. Fetterly, Eureka. Cleola Ralston, Glacier Park. Charles A. Berkner, Highwood. Henry C. Wilcox, Joliet. Clarence J. Morgan, Judith Gap. David L. Williams, Moore. Peter J. Herbst, Plevna. Sophia J. Guthrie, Reedpoint. John D. Johnston, Richey. John C. Abrahamson, Roberts. Rudolph P. Petersen, Rudyard. Albert J. Dorris, Thompson Falls. Charles A. Akofer, Valier. Lucy B. Cullen, Wibaux. Sarah C. Brady, Wilsall. Ella V. Millsap, Winnett. David R. Bowen, Worden. Margaret M. Colligan, Walkerville.

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#### NEW HAMPSHIRE

Joseph A. Desrosiers, Greenville. William F. Keating, Hill.

Warren Eckerson, Closter. Verona K. Christie, Fanwood. William H. Thompson, Farmingdale. Joseph Corse, Jamesburg. Benjamin J. Haulboskey, Leonardo. Herbert Schulhafer, Linden. Edward J. Gleason, New Brunswick. Mary B. Naughton, Port Monmouth. Thomas H. Hall, Vineland.

#### NEW MEXICO

Gertrude E. White, Melrose. Frank D. Crespin, Vaughn.

Kenneth W. Hagadorn, Almond. Mayme Meegan, Altmar. James D. Cheesman, Andover. Edgar L. Karns, Arkport. Gerald Aldrich, Bemus Point. Lyda H. Armstrong, Berlin. Mildred E. Brown, Bliss. William R. Krohn, Bolton Landing. Katherine H. Gallagher, Brentwood. Gerald K. Woods, Castorland. Vincent L. Keenan, Churchville. Michael G. Gaffney, Clinton. Jacob A. Fishbaugh, Cold Water. Corliss R. Pitkin, Corinth. Joseph C. Miller, Croton Falls, Francis D. Van Arman, Ellenburg Depot. Henry A. Dye, Forestville. Austin W. Stitt, Frewsburg. George D. Nolan, Glens Falls. Frank G. Farmer, Gloversville. Ethel M. Martin, Hamlin. Agnes H. Mead, Hannibal. Charles Hogan, Harrisville. Hugh C. O'Neill, Holcomb. Royal B. Ingersoll, Houghton. John T. O'Leary, Irvington. Elloy R. Ganey, Jamestown. James T. McConnell, Jamesville. Rae M. Schoonmaker, Kerhonkson. Thomas F. Tobin, Kings Park. Benjamin R. Gerow, Liberty. Charles R. S. Mastin, Lyons Falls. Andrew E. Ryan, Manchester. William F. Agnew, Mayfield. Mary J. Morgan, Medford Station. Richard P. Stanton, Millbrook. Clayton C. Young, Moira. Elizabeth M. Trainor, Monsey. Isidore Smith, Mountain Dale. Thomas A. Banta, Newfane. John Flinn, New Hyde Park. John H. Moore, North Cohocton. Charles P. Rundle, Odessa.

Robert C. McCarthy, Palmyra.
Lindsay J. Hollister, Jr., Port Henry.
Michael J. Coffey, Port Leyden.
James F. Moffett, Schenectady.
Morgan A. Lynk, Sharon Springs.
Harold E. Morrell, South New Berlin.
Frank Kilcoin, Swan Lake.
John H. Burke, Tarrytown.
John T. Clark, Tuxedo Park.
Raymond J. Buckley, Valley Stream.
Fenton J. Taylor, Warsaw.
Hugh F. Maher, Washingtonville.
Jeremiah F. Healy, Williamstown.
Frank M. Campbell, Wilson.
Charles E. Meyers, Wurtsboro.
Guy H. Wall, Youngstown.

NORTH CAROLINA

William M. Jefferson, Belmont. Samuel B. Hovis, Bessemer City. Ike R. Forbes, Cramerton. French W. Graham, Elkin. Clarence G. Pike, Fremont. Robert H. Edwards, Goldsboro. Stephen C. Clark, High Point. Shepperd Strudwick, Hillsboro. John L. Williams, Kenansville. Carl H. Hand, Lowell. John V. Highfill, Mayodan. William S. Harris, Mebane. Leon S. Venters, Richlands. William E. Brown, Rocky Point. Eugene J. Tucker, Roxboro. James M. Hall, Roseboro. Roy Prillaman, Stoneville.

NORTH DAKOTA

Andrew O. Williams, Bottineau. George W. McIntyre, Jr., Grafton. Norton T. Hendrickson, Hoople. Hans C. Nelson, Washburn.

OHIC

Felix J. Moley, Berea. Enoch W. Carman, Belmont. Ella M. Manson, Apple Creek. Charles J. Slezak, Brecksville. Charles M. Easley, Bloomdale. Hettie Woodward, Chesterhill. Jessie K. Dilworth, Cortland. Paul W. Burkhardt, Edon. Leo R. Jones, Forest. Rolland R. Pettay, Freeport. Albert K. Merriman, Gallipolis. Claude E. Archambeault, Holgate. Henry B. Grevey, Hamilton. William A. Ellsworth, Hudson. Pearl L. Seitz, Liberty Center. Lois Black, McDonald. Charles A. Hart, Minerva. Harold H. Wisman, Montpelier. John L. O'Hara, New London. Clark W. Mathias, Northfield. Neile Stinebaugh, Republic. Charles R. Gampher, Jr., Rossford. George M. Towle, Sardis. Edward H. Richner, Twinsburg. William T. Golling, Sycamore. John J. Farrell, Youngstown.

OKLAHOMA

Albert A. Johnson, Bartlesville. James Jones Quarles, Jr., Fairfax. Theodore C. Bowling, Pryor.

OREGON

Harry Burke, Astoria. Mae M. Humphrey, Boring. Hampton T. Pankey, Central Point. Albert H. Fasel, Estacada. Thomas R. Roe, Gaston.
Benjamin F. Turner, Maupin.
Madge H. Fortune, Newport.
Henry R. Crawford, Salem.
Ruby I. Loundree, Sandy.
Frank H. Fawk, Willamina.
Howard F. Butterfield, Woodburn.

PENNSYLVANIA

Charles W. Goerman, Ambridge. Daniel E. Hartman, Benton. Arthur Rabb, Bloomsburg. Rebecca A. Murphy, Cherry Tree. Leo Walker, Clairton. Ruth R. Dufford, Clintonville. Amy A. Short, Conway. John C. Ellenberger, Dayton. Miranda S. Bard, Denver. Earle H. Crummy, Dravosburg. Ethel G. Davis, Duncansville. George V. Beech, East Pittsburgh. Albert F. Buck, Emaus. Laura E. Rich, Enola. Charles H. Adams, Esterly. Charles H. Wilson, Fairchance. Glenn C. Myers, Gardners. Raymond R. Kinsinger, Halifax. Ramsey S. Black, Harrisburg. Charles A. Hanlon, Hazleton. Walter C. Blessing, Hellam. Thomas H. Black, Hershey. James B. Candy, Langhorne, Russell B. Pool, Lansdale. Helen P. Harter, Laurelton. Martha M. Ross, Library. Lehman I. Leister, McAlisterville. John J. Haughey, McKeesport. Leo A. Donahoe, McKees Rocks. Robert O. Lamborn, Madera. Emery C. Mahaffey, Mahaffey. Leon E. Shepherd, Malvern. Lucian Westbrook, Matamoras. Elijah H. Follmer, Milton. Joseph L. Meehan, Montrose. George W. Burgner, Morrisville. Mabelle C. Creen, Mountainhome. J. Earl Sheaffer, New Bloomfield. Richard A. Steen, New Castle. Ellis Walter, New Enterprise. Mayme A. Moore, Oakdale. William M. Turner, Pittsburgh. Harold L. Heimbach, Quakertown. Dora Cowen, Roscoe. Emma R. Dexter, Roulette. James W. Casey, Rouseville. Michael J. V. Kelly, Silver Creek. Allen J. Noble, South Mountain. John L. Kramer, Springboro. Robert J. Miller, State College. Ronald S. Kayzer, Tioga. Charles H. Gretzinger, Trumbauersville. Claude E. Minnich, Wiconisco. James J. Law, Wilkes-Barre. James R. Detwiler, Williamsburg. James Richard Hancock, Williamstown. Orlando J. Shank, Windber. Charles M. Boyer, York Springs.

PUERTO RICO

Cesar Rossy, Ciales.

RHODE ISLAND

Grace B. Almy, Little Compton.

SOUTH CAROLINA

Oscar Tuck, Westminster.

SOUTH DAKOTA

George E. Hagen, Armour. Marion C. Stewart, Cresbard. Clarence W. Richards, Kimball.
Josephine C. Eggerling, Orient.
Orville U. Melby, Summit.
Fae Thompson, St. Lawrence.
Kathryn M. McCoy, Tulare.
W. Clyde Bidleman, Wessington Springs.

TENNESSEE

Albert A. Trusler, Jonesboro. Harry M. Calloway, Lenoir City. Burleigh L. Day, Pressmen's Home. Hughes H. Hunt, Rives. William A. Rhea, Somerville.

TEXAS

Marguerite A. Mullen, Alice.
Winnette D. DeGrassi, Amarillo.
Hunter H. McWilliams, Atlanta.
Jesse Wier, Best.
Stephen S. Perry, Freeport.
Fred Boothe, Gonzales.
Allen A. Collet, Handley.
Charlotte M. Boyle, La Porte.
John E. McClain, Roscoe.
Kirby L. Scudder, Slaton.
Tom W. Hines, Venus.
Robert K. Phillips, Weatherford.
Lou A. Sloma, Yorktown.

VERMONT

Smith M. Matson, Dorset. Lawrence E. Mason, Newbury. Alson L. Esty, Richford. Henry C. Brislin, Rutland.

VIRGINIA

Irven M. Keller, Abingdon. Samuel S. Brooks, Appalachia. Sidney H. Barnett, Bluefield. Franklin O. Caffrey, Bumpass. Utah A. Amburgey, Castlewood. Lena S. Perkins, Cedar Bluff. Horton S. Carter, Clinchport. Charley D. Lay, Coeburn. Robert W. Ervin, Dante. J. Henry Miller, Elkton. Annie G. Davey, Evington. Claude B. Nolen, Ferrum. Johnnie Wilson, Fieldale. Gerdena S. Pettit, Fredericks Hall. Fred Adams, Galax. Beveridge B. Cox, Gate City. Clyde DeHaven, Hillsville. James G. Albert, Honaker. Wills W. Flannagan, Lebanon. Eloise C. Hay, Madison. Augustus W. Aston, Meadowview. John L. Sibold, Pembroke. John P. Kelly, Pennington Gap. Solon Baach, Pocahontas. Eugene P. Whitman, Pulaski. Alonzo C. Humphrey, Remington. Frank D. Coleman, Rose Hill. Joseph S. Rasnick, St. Paul. Vernon C. Griffith, Shenandoah. Vincent W. Joyner, Smithfield. William A. Coates, South Washington. Garvis E. Lemley, Stephens City. Janie J. Boyd, Stonega. Samuel S. Stallings, Suffolk. Lloyd Sullenberger, Monterey. Frank T. Witten, Tazewell. John S. Hinegardner, Weyers Cave. Margaret M. Fulton, Wise.

WASHINGTON

Joseph F. Lavigne, Cusick. Thomas E. Skaggs, Everett. David P. Cunningham, North Bend.
Walter Gihring, Rockford.
Walter W. Lindley, St. John.
Grace A. Johnston, Orting.
E. Morris Starrett, Port Townsend.
Leo B. Reed, Redmond.
Joseph A. Wolf, Roy.
George Rodman, Wapato.
Joseph H. Gill, Washtucna.
Fairleigh B. Wilkins, Yakima.

WEST VIRGINIA

Peter H. Lawless, Berwind. Jess Hill, Davy. Carl Hinton, Hinton. Byron L. Osburn, Kenova. Williard I. Gulley, McComas. Grover C. Walker, Omar. Ann H. Wetherby, Welch.

WISCONSIN

Vernon A. Martin, Amherst. Bernard G. Schramske, Boyceville. Leo A. Eiden, Deer Park. John A. Ginsbach, Elmwood. Claude E. Rochon, Florence. William S. Casey, Knapp. Hallie M. Norris, La Farge. James F. Trainer, Lyndon Station. Ruth S. Foley, Mainen Rock. Philip A. Kinney, Mason. George L. Barrett, Mazomanie. Anna C. Buhr, Marion. Bernard J. Rabbitt, Neshkoro. Gregory C. Flatley, Oconto Falls. Joe Kolar, Phillips. Albert L. Ehret, Prairie du Sac. Paul G. Pederson, Prairie Farm. William Murray, Prescott. John J. Voemastek, Rib Lake. Charles M. Dunn, Taylor. Clarence H. Bodden, Theresa. Arnold A. Conklin, Vesper. Donald M. Warner, Whitehall.

# HOUSE OF REPRESENTATIVES

MONDAY, JUNE 18, 1934

(Legislative day of Friday, June 15, 1934)

The recess having expired, the House was called to order by the Speaker at 12 o'clock noon.

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that it shall be in order today to call Senate bills on the Consent Calendar and the Private Calendar which are unobjected to, and also Senate bills which are on the Speaker's desk where similar bills have been reported by the House committees and are pending on either one of these calendars.

I submit this request, Mr. Speaker, for the reason that we have a number of these Senate bills. I do not know whether all of them will be passed, or that any number of them will be passed, but I do think they ought to be considered. Some are very important.

It is perfectly evident—and I have been so informed, I may say, privately—that the House bills which are sent over to the Senate at this late date will in all probability receive no consideration unless it is a matter of the most urgent importance that they be given consideration. It seems to me, therefore, that while we are waiting for the Senate to act upon certain matters pending in that body, inasmuch as the House has only the conference report on the housing bills to consider—and I do not think that is yet ready—that we might spend the time passing some legislation which will really be of moment and which will have an opportunity of becoming law. For this reason I submit this request, Mr. Speaker.

Mr. SNELL. Mr. Speaker, will the gentleman yield for a | question?

Mr. BYRNS. I yield.

Mr. SNELL. Mr. Speaker, I am willing to cooperate with the gentleman if we can have the understanding that there will be some order in the calling of these bills, that, for instance, those on the Private Calendar will be called first, followed by those on the Consent Calendar, or vice versa; and, also, that we may have a list of the Senate bills that are on the Speaker's table so that we can follow them as well as possible and know something about what is before the House at the time, and also that we have such order in the House that we will know what is going on. We will cooperate if order is kept and we are given a list of the bills it is proposed to take up.

Mr. HOEPPEL. Mr. Speaker, will the gentleman yield?

Mr. BYRNS. I yield.

Mr. HOEPPEL. Mr. Speaker, it is not my intention to object to the unanimous-consent request submitted by the majority leader; but we are going home; we are going to get a well-earned vacation to which we are so much entitled.

May I not remind the House that there are a large number of abandoned C.C.C. camps which could be turned over to the Boy Scouts of America, to organizations of Sons of Veterans, to young girls of the Y.W.C.A., and to other organizations of this type. A bill is pending in the House which, if enacted into law, will give hundreds of thousands of Americans, the poor boys and girls of America, a chance to build up their health and strength in the great out-ofdoors this summer through the use of these camps.

Mr. BLANTON. Mr. Speaker, if the gentleman from Tennessee will yield, I want to ask him whether he will not modify his request so that it will be understood that no bill will be called which has already been voted upon by the House adversely during this session?

Mr. SNELL. Mr. Speaker, I think that is fair.

Mr. BLANTON. May not that be understood?

Mr. BYRNS. Under the circumstances I take it there would be numerous objections to the consideration of such a bill.

Mr. BLANTON. So that all the Members interested will not have to stay here every minute the House is in session to watch the calendar, but may have time to attend conferences. May it not be understood that these bills which have been voted upon already and defeated will not be called up?

Mr. O'CONNOR. Mr. Speaker, does the gentleman mean where a roll call has been had on a bill?

Mr. BLANTON. No; where the bill has been called up, debated, and voted upon and defeated.

Mr. BYRNS. Mr. Speaker, let me say to the gentleman from Texas that I do not know to what bills the gentleman

Mr. BLANTON. There are some of them that we have during the session debated in the House and defeated by a vote of the House.

Mr. BYRNS. Inasmuch as it requires unanimous consent for the consideration of any one of these bills, it seems to me that the gentleman from Texas is not taking any chance.

Mr. BLANTON. But it would require us to stay here every minute, and there is much other important work to be done. There are some very important conference reports we are watching in the Senate.

Mr. TRUAX. Mr. Speaker, will the gentleman yield? Mr. BYRNS. I yield.

Mr. TRUAX. Will not the gentleman withhold the calling of the Senate bills on the Private Calendar for a few moments until we can get our bills over here?

Mr. BYRNS. The bills are all here ready to be handed to the gentleman from Ohio or anyone who wants them.

Mr. TRUAX. Another question, Mr. Speaker, if the gentleman will permit, When the conference report on the farm bankruptcy bill is brought in, will it be in order to call it up at any time?

Mr. BYRNS. This request will not interfere with any matter of privilege; this is simply permissive and makes in order the calling of Senate bills on these two calendars and the calling of Senate bills which may be on the Speaker's

table. Of course, it does not do away with any preferential matters or any matter that is privileged; and the question of the consideration of a conference report or the sending of a bill to conference, I assume, would be in order at any

Mr. TRUAX. Would the gentleman state that it can be called up?

Mr. BYRNS. Certainly.

Mr. HASTINGS. Will the gentleman yield to me for a moment?

Mr. BYRNS. May I say to the gentleman from Ohio that the gentleman from New Hampshire intends to ask unanimous consent to speak for 10 minutes to discuss a report which he filed on the Air Corps situation, and the gentlewoman from Kansas [Mrs. McCarthy] would like to have 10 minutes also. I think both of the requests should be granted. This will give ample time for the gentleman to get his bearings.

Mr. HASTINGS. Will the gentleman yield?

Mr. BYRNS. I yield to the gentleman from Oklahoma.

Mr. HASTINGS. I want to know whether the gentleman's request would cover the cases that have been knocked off the Consent Calendar by three objections? I ask in order to know if I will have to remain here to object to certain of those bills?

Mr. BYRNS. No. My request applies to those bills on the calendars which have not been reached and which have not been called.

Mr. HASTINGS. The gentleman's request went a little further. It said "Senate bills on the Speaker's desk." I have in mind, just to be frank, an alternate Budget bill which we have killed by hitting it on the head four or five times.

Mr. BLANTON. The gentleman's request does not embrace bills which have been killed.

Mr. HASTINGS. It is not a bill that has been killed. The bill was on the Consent Calendar and there have been three objections. It is not on the Consent Calendar now. I want to ask the gentleman from Tennessee whether I must sit here all day long and watch that particular sort of a bill. I am opposed to it, and if I am here I am going to

Mr. BYRNS. May I say to the gentleman from Oklahoma that I do not know of a more diligent and attentive Member of the House than is the gentleman from Oklahoma. I expect to sit here every minute of the day myself, and I imagine the gentleman will be here also.

Mr. HASTINGS. I know I am going to sit here unless I get assurance that a bill of that kind will not be called up.

Mr. BYRNS. The gentleman will understand that I cannot distinguish between these bills.

Mr. HASTINGS. This bill is not on the Consent Calendar now. It has been stricken.

Mr. BYRNS. If it is not on the Consent Calendar it will not be called.

Mr. HASTINGS. I thank the gentleman from Tennessee. That satisfies me.

Mr. BYRNS. If my request is granted we will begin at the place we left off.

Mr. TABER. Will the gentleman yield?
Mr. BYRNS. I yield to the gentleman from New York.

Mr. TABER. Do I understand the gentleman's request to be that we shall call bills on the Private Calendar that have passed the Senate first, under the proposal which he is submitting?

Mr. BYRNS. Yes.

Mr. TABER. That will give those who are following these bills an opportunity to know what is going on. Then, I would suggest, if it is not too much, that those bills on the Speaker's desk and which are not on the calendar be listed, so that one list may be furnished to each side; then that they be called in definite order, so that everybody may know what is coming up. It would seem as if that is not too much to ask.

Mr. BYRNS. I think the gentleman's request is entirely proper; and if it can be done, we will have it done. I assume that can be done.

Mr. TABER. We ought not to call those bills that are not listed on the calendar after each side has been furnished a list of them.

Mr. BYRNS. I will endeavor to get that list.

Mr. TABER. The practice will be to call the calendar in its regular order?

Mr. BYRNS. My idea in including the Consent Calendar bills is that this is Unanimous Consent Day. The Unanimous Consent Calendar has preference today, and I thought in view of that fact we would take up the Senate bills firstthere are about 13 or 14 of them on the Consent Calendar-I thought we would consider them first, then go to the Private Calendar, and then take up the bills on the Speaker's

Mr. JENKINS of Ohio. The bills on the Consent Calendar should be called first, because it is the shortest calendar.

Mr. BYRNS. Yes.

Mr. TABER. And only call up for consideration Senate bills. This does not apply to House bills?

Mr. BYRNS. Yes. Mr. Speaker, in order that there may be no misunderstanding, may I resubmit my request.

Mr. Speaker, I ask unanimous consent that it may be in order today to call up Senate bills on the unanimous Consent Calendar and on the Private Calendar, and also Senate bills on the Speaker's desk which do not appear upon either one of those calendars, and where there has been a similar House bill reported by the committee and the House bill is on the calendar, to begin where the House left off on a previous occasion with reference to both requests.

Mr. BLANTON. The gentleman did not say "bills unobjected to."

Mr. BYRNS. May I supplement my request by stating only those bills which are unobjected to shall be considered.

Mr. BLANTON. And one objection will stop them. It is understood that only bills unobjected to will be considered, and one objection will stop any bill?

Mr. O'CONNOR. Not on the Consent Calendar. That is not the rule.

Mr. BYRNS. The Consent Calendar, I understand, be-

Mr. BLANTON. With respect to the Private Calendar, one objection will stop any bill; and the Consent Calendar is to be called under the regular Consent Calendar rule.

Mr. BYRNS. Certainly.

Mr. MAPES. Mr. Speaker, supplementing the question of the gentleman from Texas, is it understood that one objection will prevent the bringing up of any of the bills in the three classes to which the gentleman has referred?

Mr. BYRNS. Yes; that is what is in my mind. Mr. MAPES. With that understanding, I have no objec-

Mr. AYERS of Montana. Mr. Speaker, reserving the right to object, what are the three classes?

Mr. BRITTEN. The three classes have just been described by the majority leader.

The House, Mr. Speaker, would like to know the order in which the bills are to come up; and, as I understand, the suggestion has been made by the gentleman himself that the Senate bills which are on the Speaker's table, prior to their coming up, will be listed and the list presented to both sides of the House, so that the Members will know exactly what is to be taken up.

Mr. BYRNS. I shall endeavor to do that.

Mr. SHALLENBERGER. And the further understanding is that the bills on the Speaker's table must also have been favorably reported by a committee of the House.

Mr. BYRNS. Yes; and be on one or the other of these two calendars.

Mr. BRITTEN. And the House understands that the order in which these bills will come up will be the order in which the request was presented to the House just now.

Mr. BYRNS. They will be taken up in the order in which they appear upon the calendar.

Mr. BRITTEN. And the Senate bills on the Consent Calendar will be called first.

Mr. BYRNS. The Consent Calendar will be called first, in my judgment, if this request is granted, and then will come Senate bills on the Private Calendar.

Mr. BRITTEN. And subsequently we will take up the Senate bills on the Speaker's table.

Mr. BYRNS. That is my idea.

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, I should like to have it made clear how we are going to handle the Consent Calendar, as there is some confusion about it. The ordinary rule by which you handle the Consent Calendar is that the first time one objection is required and three objections are necessary where a bill has already had one objection. Are we proceeding under the rules requiring three objections where there has already been one objection?

Mr. BLANTON. Certainly, but if a bill has been objected to by three objectors it is off the calendar entirely.

Mr. BYRNS. My request does not involve any departure from the rule with respect to the Consent Calendar as to the requisite number of objections.

Mr. WHITE. Mr. Speaker, reserving the right to object, I want to ask our leader if it is intended that we shall apply the same rule to bills on the Speaker's table and that one objection will prevent their consideration?

Mr. BYRNS. Yes.

Mr. BLANTON. Certainly; otherwise it would not be unanimous consent.

Mr. GLOVER. Mr. Speaker, reserving the right to object, unless this is confined to bills that have passed the Senate and are here for consideration by the House, I shall object.

Mr. BYRNS. That is exactly my request. The request applies only to Senate bills.

Mr. GLOVER. Senate bills that have been messaged over here and have not been considered.

Mr. BYRNS. Yes; and the bill must be on one of the two calendars.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

# STATEMENT

Mr. AYERS of Montana. Mr. Speaker, on roll call 193 the names of Mr. KNUTE HILL, of Washington, Mr. Howard, and Mr. Ayers of Montana do not appear because they were then engaged in a conference, and I ask unanimous consent that they may be excused from answering that roll call.

The SPEAKER. Without objection, it is so ordered.

# MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment a bill and joint resolution of the House of the following titles:

H.R. 9547. An act to amend section 766 of the Revised Statutes, as amended; and

H.J.Res. 342. Joint resolution authorizing an appropriation to defray the expense of erecting the completed Navy and Marine Memorial Monument.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9830) entitled "An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes."

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 9690. An act to place the tobacco-growing industry on a sound financial and economic basis, to prevent unfair competition and practices in the production and marketing of tobacco entering into the channels of interstate and foreign commerce, and for other purposes.

#### THE PRISON INDUSTRIES BILL

Mr. TARVER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by publishing a letter from the Comptroller General construing the provisions of H.R. 9404, known as the "prison industries bill."

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. TARVER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter from the Comptroller General construing the provisions of H.R. 9404, known as the "prison industries bill":

COMPTROLLER GENERAL OF THE UNITED STATES, Washington, June 14, 1934.

The Honorable the ATTORNEY GENERAL

SIR: There was considered in a conference of today with the Director and Assistant Director Bureau of Prisons, Department of Justice, the effect of the amendment adopted June 13, 1934, by the Senate to H.R. 9404, entitled "A bill to authorize the formation of a body corporate to insure the more effective diversification of prison industries, and for other purposes", whereby there was struck out section 4 of the bill as passed by the House and inserted in lieu thereof a new section 4, as follows:

inserted in lieu thereof a new section 4, as follows:

"Szc. 4. The Secretary of the Treasury is hereby authorized and directed, upon the formation of the corporation, to transfer to a fund to be known as the 'prison industries fund' all balances then standing to the credit of the prison industries working-capital fund. All moneys under the control of the corporation shall be deposited or covered into the Treasury of the United States to the credit of said fund and withdrawn therefrom only pursuant to accountable warrants or certificates of settlement issued by the General Accounting Office. All valid claims and obligations payable out of said fund shall be assumed by the corporation. The corporation is hereby authorized to employ the aforesaid fund, and any earnings that may hereafter accrue to the obligations payable out of said fund shall be assumed by the corporation. The corporation is hereby authorized to employ the aforesaid fund, and any earnings that may hereafter accrue to the corporation as operating capital for the purposes enumerated in the said act of May 27, 1930, and in accordance with the laws generally applicable to the expenditures of the several departments and establishments of the Government, and also for the payment of compensation in such amounts as the Attorney General may authorize to immates of penal institutions or their dependents for injuries suffered in any industry: Provided, That in no event shall compensation be paid in a greater amount than that provided in the Federal Employees' Compensation Act of September 7, 1916, as amended. Accounts of all receipts and disbursements of the corporation shall be rendered to the General Accounting Office in such manner, to such extent, and at such times as the Comptroller General of the United States may direct for settlement and adjustment pursuant to title III of the act of June 10, 1921 (42 Stat. 23), and such accounting shall include all fiscal transactions of the corporation, whether involving appropriated moneys, capital, or receipts from other sources: Provided further, That the Comptroller General of the United States is hereby authorized in his discretion to sanction the use of moneys provided and authorized by law for the operation of such corporation and to allow credit for items not otherwise allowable in accordance with law if and when established to be reasonably necessary to a proper functioning of the legally authorized activities of the corporation."

It is the view of this office that this section as adopted by the ties of the corporation."

It is the view of this office that this section as adopted by the

It is the view of this office that this section as adopted by the Senate—

(1) Creates a fund, "Prison industries fund", consisting of the balances now standing to the credit of the prison industries' working-capital fund, the earnings, if any, of the corporation—which fund will continue available as a no-year fund for the legal uses of the corporation, and unless the law be subsequently changed, the section does not contemplate or require that such fund be reappropriated, annually, or otherwise, for the uses of the corporation. Future appropriations, if any, will be controlled, of course, by the appropriating language employed.

(2) Said fund, under the Senate amendment, will be subject to the same procedure as now generally obtains with respect to the uses of appropriations provided for the Government departments and establishments; that is, purchases must be made pursuant to section 3709, Revised Statutes, etc., and there will be applicable the limitations contained in the laws generally applicable to expenditures of the several departments and establishments of the Government. The yardstick stated in the Senate amendment is the act of May 27, 1930, and the laws generally applicable to the expenditures of the several departments and establishments of the Government.

(3) The second provise of the above sucted amendment beautiful amendment to the content of the second provise of the above sucted amendment is the second provise of the above sucted amendment is the second provise of the above sucted amendment is the second provise of the above sucted amendment is the second provise of the above sucted amendment is the second provise of the above sucted amendment is the second provise of the above sucted amendment is the second provise of the second provise of the second success the second second provise of the second second provise of the second second

of the Government.

of the Government.

(3) The second proviso of the above-quoted amendment has no bearing on legally authorized expenditures of the corporation and is not a restriction on the preceding part of the amendment, but it will permit the corporation—if and when shown by the facts to be reasonably necessary to a proper functioning of the legally authorized activities of the corporation—to use its funds when neither the act of May 27, 1930, nor the laws generally applicable to the expenditures of the several departments and establishments of the Government would clearly permit of such use, thus allowing a reasonable degree of latitude on the part of the corporation, but not the latitude that it would have had before the adoption of the Senate amendment and the vardstick the corporation, but not the latitude that it would have had before the adoption of the Senate amendment and the yardstick stated in the preceding paragraph hereof. That is to say, the final proviso in section 4 as amended is for the purpose only of per-

mitting the expenditure of duly appropriated moneys for purposes not otherwise allowable in accordance with law on the authorization of the Comptroller General. That the words "not otherwise allowable in accordance with law" apply to and modify the words, "authorized in his discretion to sanction the use of moneys provided and authorized by law", and that the meaning of this provise is not to extend the authority of the Comptroller General beyond that otherwise authorized by law over the expenditures or disbursements of the corporation herein created nor make him an administrative officer in the affairs of the corporation.

(4) The debiting of the prison-industries fund, with amounts from time to time for expenditure and the crediting accounts of disbursing officers on the books of the Treasury with such amounts subject to check, will be in accordance with the same procedure now obtaining in the debiting of appropriations and crediting accounts of other disbursing officers of the Government on the books of the Treasury.

of the Treasury.

(5) The said amendment requires that accounts of the disbursing officer or officers of the corporation be rendered of receipts and disbursements as other disbursing officers of the Government are required to render accounts, but the frequency, etc., of rendering the account is to be prescribed on the basis of conditions as they may arise from time to time in the operation of the corporation. of the corporation.

Respectfully,

J. R. MCCARL. Comptroller General of the United States.

COMPLETION OF THE FLOOD-CONTROL PROJECT ON THE MISSISSIPPI

Mr. WILSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a letter from the President of the United States on the flood control of the Mississippi River.

The SPEAKER. Without objection, it is so ordered.

Mr. WILSON. Mr. Speaker, the Committee on Flood Control has had under consideration and completed hearings on proposed amendments to the Flood Control Act of May 15. 1928.

Under the privilege given me to extend my remarks in the RECORD, I include a letter from the President of the United States and comments thereon from a number of my colleagues.

THE WHITE HOUSE.

Washington, June 16, 1934.

Dear Mr. Wilson: In relation to conference on the flood-control project in the alluvial valley of the Mississippi River and additional legislation required to insure its completion, also the condi-

tional legislation required to insure its completion, also the condition of property owners whose land areas are taken and used for the passage of flood waters, on the plan designed and essential for the execution of the project, I advise as follows:

The project for flood control of the Mississippi River and its tributaries in its alluvial valley from Cape Girardeau, Mo., to the Head of Passes was approved and adopted as a national undertaking by the act of May 15, 1928, to be prosecuted under the direction of the Secretary of War and supervision of the Chief of Engineers.

For this purpose the sum of \$325,000,000 was authorized to be

For this purpose the sum of \$325,000,000 was authorized to be appropriated. Of this sum there is remaining unappropriated about \$70,000,000.

The main features of the project are now more than 70 percent

Other features of the project concerning which there were at the time of its adoption differences of opinion both as to engineering features and financial requirements in its ultimate completion

features and financial requirements in its ultimate completion require further study.

Under the authority of a resolution adopted by the Committee on Flood Control of the House of Representatives, a review of the project is now being made by the Chief of Engineers of the United States Army to ascertain what changes or modifications should be made in relation thereto in its final execution in respect to engineering features and authorizations for expenditures required.

This important undertaking must be completed. When the report on the review is submitted, I shall further communicate to the Congress with recommendations for such additional authorizations and legislative changes as may be necessary and to provide

tions and legislative changes as may be necessary and to provide for a fair and equitable adjustment to the property owners and local interests affected by the execution of the project. Such recommendations as will follow would not prejudice the formulation of a comprehensive plan for the Mississippi drainage

Very sincerely yours.

FRANKLIN D. ROOSEVELT.

Hon. RILEY J. WILSON,

Chairman Committee on Flood Control,

House of Representatives, Washington, D.C.

STATEMENT OF HON. WILLIAM J. DRIVER, REPRESENTATIVE IN CONGRESS FROM THE STATE OF ARKANSAS, FORMER MEMBER OF THE COMMITTEE ON FLOOD CONTROL, AND PRESENT MEMBER OF THE COMMITTEE ON RULES

DEAR JUDGE WILSON: I have just read the letter from the President in relation to additional authorizations for the completion of the Mississippi flood-control project, and certain suggested modifications therein, including "to provide for a fair and equi-

table adjustment to the property owners and local interests affected by the execution of the project."

I sincerely congratulate you upon securing the commitment from the Executive; and as a colleague in a district which he has the honor to represent, many landowners along the projected levee lines are vitally affected, I take the opportunity of expressing my commendation for your long and determined battle for the establishment of such rights. You have met with many disappointments, including unyielding opposition from past administrative heads and their administrative leaders in the Halls of Congress, which sorely tried your patience: but standing in the attitude of

heads and their administrative leaders in the Halls of Congress, which sorely tried your patience; but standing in the attitude of a personal contact with you and an official interest in the cause, I have found you unwavering, persevering, and at all times unwilling to lessen your energetic action or to concede ultimate defeat. You have won a great victory for your people and for the Mississippi Valley, which justifies the confidence which you have received. While the benefits remain to be incorporated in the law, yet, with this unqualified endorsement by the Executive, it remains but a formal action by the committee over which you preside to draft the measure for the favorable consideration which it will receive in the next session of the Congress.

With assurances of continued high esteem,
Your friend,

Your friend.

W. J. DRIVER.

STATEMENT OF HON. FRANK R. REID, REPRESENTATIVE IN CONGRESS FROM ILLINOIS AND FORMER CHAIRMAN OF THE COMMITTEE ON FLOOD CONTROL

The letter from President Roosevelt to Representative Wilson, Chairman of the Committee on Flood Control, gives definite assurance for the completion of the project for flood control of the Mississippi River in its alluvial valley, as was intended by the Congress in the passage of the Flood Control Act of May 15, 1928. By this act the United States assumed the responsibility of controlling and carrying the flood waters of the Mississippi River and its tributaries in its alluvial valley under definite control from Cape Girardeau, Mo., safely to the Gulf of Mexico without local contribution, except as stated in the act.

The National Rivers and Harbors Congress, an organization Nation-wide in scope and character, of which I have the honor to be president, for the improvement and utilization of our waterways for all purposes, will give full support to the prompt and final completion of this great project as recommended by the President and also to the comprehensive plan.

The present Chairman of the Flood Control Committee, Hon. Riley J. Wilson, of Louisiana, formerly president of the National Rivers and Harbors Congress, has worked unceasingly for the People of the valley in endeavoring to secure amendments of the Flood Control Act, and he is entitled to the highest praise for his untiring activities.

STATEMENT OF HON. JERE COOPER, A REPRESENTATIVE IN CONGRESS FROM TENNESSEE AND FORMER MEMBER OF THE COMMITTEE ON FLOOD

It is with very great interest and appreciation that I have read the letter of June 16 from the President to the gentleman from Louisiana, Mr. Wilson, Chairman of the Flood Control Committee of the House, on the important subject of flood control. I desire to very highly commend and congratulate Mr. Wilson on his accomplishments on this matter. I know from repeated conferences with him on this subject that he has been untiring in his work and diligent in his efforts to secure relief and benefits in this matter. He has not only rendered a great service to the people of his district but to the people of the district of Tennessee which I have the honor to represent, as well as the whole territory affected, by the splendid work he has done.

It is, indeed, gratifying to have the statement of our great President that—

"This important undertaking must be completed. When the

"This important undertaking must be completed. When the report on the review is submitted, I shall further communicate to the Congress with recommendations for such additional authorizations and legislative changes as may be necessary and provide for a fair and equitable adjustment to the property owners and local interests affected by the execution of the project."

I am confident that our President and the Congress will continue the efforts being exerted in the interest of our people so vitally affected by this important problem.

STATEMENT OF HON. WILLIAM M. WHITTINGTON, REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSISSIPPI AND MEMBER OF THE COM-MITTEE ON FLOOD CONTROL

DEAR MR. WILSON: The letter of President Franklin D. Roosevelt to you dated June 16, 1934, emphasizing that the flood control of the lower Mississippi Valley, with due regard for the rights of all of the people of the lower Mississippi Valley, is most gratifying and reassuring.

The commendation of the President is a further recognition of your valuable services as Chairman of the Flood Control Committee your valuable services as Chairman of the Flood Control Committee of the House of Representatives and is a confirmation of the wise policy promoted by you in securing the adoption of a resolution by the Committee on Flood Control of the House of Representatives for a review of the adopted project, and at the same time is also a confirmation of your leadership in securing the adoption of a resolution authorizing and requesting the President to submit comprehensive plans for national flood control.

Your experience and familiarity with the flood-control problems of the lower Mississippi Valley will be greatly needed in the ex-

pansion of the adopted projects to provide flood control along the tributaries and to compensate property owners for all damages sustained in the execution of all plans for adequate protection in flood control

Very sincerely,

WM M. WHITTINGTON.

NECESSITY FOR LIGHTING AND EQUIPPING WITH RADIO RANGE BEACONS DIRECT AIR-MAIL ROUTE BETWEEN DENVER AND KAN-

Mr. LEWIS of Colorado. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a petition by the Governors of Kansas and Colorado. The SPEAKER. Without objection, it is so ordered.

Mr. LEWIS of Colorado. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following joint petition of the Governor of Kansas and the Governor of Colorado and application by them, on behalf of their respective States, addressed to the Federal Emergency Administration of Public Works, for allocation of funds to light and equip with radio range beacons the direct air route between Denver and Kansas City, so that the air mail may be flown by night between these two, the largest and most important cities between the Missouri River and the Pacific

Although this application was presented several months ago, it has not yet been acted upon. In this petition and application, Governor Landon and Governor Johnson demonstrate the vital importance to the people of Kansas and of Colorado of establishing night air-mail service over the direct route between Denver and Kansas City. In order to have the air mail flown by night over this direct route, it is necessary that the route be lighted and provided with radio range equipment. Since the discontinuance in February 1934 of service by day over this direct route across eastern Colorado and Kansas, the argument presented for installation of facilities for night flying is even more cogent.

On Tuesday, June 12, I inserted in the RECORD a letter addressed to Hon. James A. Farley, Postmaster General, in which is pointed out how inadequate is the present air-mail service between Denver and Kansas City and how necessary to the commercial intercommunication between these cities and the intervening territory is the establishment of night air-mail service by the direct route. This letter to the Postmaster General bears 28 signatures, including those of all the Senators and all the Representatives from Colorado. Kansas, and Missouri, except two Representatives who are in accord with the other members of their delegation but whose signatures could not be secured prior to the time the letter was delivered.

On Saturday, June 16, I inserted in the RECORD a resolution adopted by the General Assembly of the State of Colorado, urging the necessity for equipping for night flying the direct air-mail route between Denver and Kansas City, and the vital importance of establishing air-mail service by night between these two cities over the direct route across eastern Colorado and Kansas.

Chambers of commerce and other commercial organizations and numerous business men and other citizens, not only of Kansas City and of Denver but also of other towns and cities in Colorado and Kansas, have earnestly petitioned for the establishment of this direct air-mail route, to be flown by night between Denver and Kansas City.

I submit that there should be provided without further delay the necessary equipment for night flying over this direct route and that there should be established this airmail service to supply the needs of over three million people-equipment and service which is demanded by commercial organizations and business men, by governors, by State legislatures, and by the entire delegations in Congress from the States of Kansas, Missouri, and Colorado.

The petition of the Governors of Kansas and Colorado, omitting the accompanying maps and exhibits, is as follows:

APPLICATION OF THE STATE OF KANSAS AND THE STATE OF COLORADO FOR ALLOCATION OF FUNDS TO LIGHT AND EQUIP WITH RADIO RANGE BEACONS THE AIR-MAIL ROUTE FROM DENVER TO KANSAS CITY

To the Public Works Administration,

Washington, D.C.:

We, Alfred M. Landon, Governor of the State of Kansas, and Edwin C. Johnson, Governor of the State of Colorado, respectfully apply for a Federal appropriation for the purpose of lighting the

air-mail route between Denver, Colo., and Kansas City, Mo., and supplying the same with adequate radio range stations and beacons, and as bearing on the aforesaid request present the

following:

1. Cost: The total cost of the project will amount to approximately \$205,726, as is shown in detail on exhibit A, attached hereto. It will involve the construction of two regular radio range stations, one to be located at Salina, Kans., and the other at Denver, Colo., and the establishment of a marker radio range beacon to be located at Goodland, Kans. The lighting will involve the installation for the 560-mile route of approximately 25 beacon lights. Ten emergency landing fields will be required, of which 3 in Kansas and 3 in Colorado will have to be constructed. The fields now in use at Topeka, Fort Riley, Salina, and Goodland are suitable for lighting and can be obtained at no cost to the Government other than necessary improvements. In connection with the fields which will require construction, we beg to call attention to the fact that the land necessary for such fields can at the present time be acquired at a very nominal cost.

This route is one of the easiest and most feasible routes in the country to improve with lighting facilities by reason of the comparatively flat terrain and by reason of the availability of electric current from towns all along the route. The flat terrain enables the lights to be placed at great distances apart and the availability of the electric current prevents any great construction expense for carrying the necessary electricity to the points where

ability of the electric current prevents any great construction expense for carrying the necessary electricity to the points where the lights are used.

2. Public interest involved: The city of Denver is the metropolis of the Rocky Mountain region. It has a population of 325,000 and is ideally situated as the industrial and commercial center of a vast inland empire. It is almost exactly the center of the West—the center of the territory bounded by Canada on the north, Mexico on the south, the Mississippi River on the east, and the Pacific coast on the west. It is the largest manufacturing city between the Missouri River and the Pacific coast. It is the terminus of seven great railroad systems which with their connections reach out into every direction, making it the transportation center of the territory. It is likewise the center of communication for the region, being headquarters for the telephone system, telegraph system, and radio communication plants. Its market territory has an estimated population of 6,000,000 people. It is made up of Colorado and the five surrounding States of Nebraska, Kansas, New Mexico, Utah, and Wyoming. While some parts of these States lie outside Denver's most favorable radius, this is offset by the fact that parts of South Dakota, Montana, Idaho, Arizona, Oklahoma, and the Texas Panhandle are open to Denver business. In this wide area Denver occupies a unique position. There is no other city even approaching it in size and commercial importance within a radius of 500 miles in any direction. Omaha is 538 miles (railroad) from Denver. Salt Lake City is 625 miles distant. Kansas City, Mo., the nearest larger city, is 640 miles away.

Administrative headquarters are located in Denver for the beetsugar, mining, coal, sheep, and cattle industries, as well as for all lines of insurance.

Denver is the Federal administrative center for the entire West.

lines of insurance.

lines of insurance.

Denver is the Federal administrative center for the entire West. There are over 60 bureaus and commissions of the Federal Government in Denver, including one of the three United States mints and one of the customhouses. It has the greatest number of governmental bureaus and administrative offices of any city outside of Washington, D.C., and has three large Federal buildings for the purpose of housing the administrative offices. In addition to these bureaus, the largest Army hospital, Fitzsimons Hospital, and an Army post are located in Denver. A list of the bureaus and headquarters of the Federal Government established in Denver is attached as exhibit B.

The air-mail route passes through the center of Kansas. This

in Denver is attached as exhibit B.

The air-mail route passes through the center of Kansas. This includes some of the richest agricultural territory in the world. The enormous wheat, corn and cattle production of Kansas is rivaled by few other States in the Union. In 1929 the value of its crop and livestock amounted to \$538,000,000 and in 1930 to \$450,000,000. It is one of the four greatest cattle-producing States in the Union. Fifty percent of all the cattle received at the Kansas City stockyards come into Kansas, and Kansas City is the second largest livestock market in the world.

Kansas City is likewise the immediate eastern center to and

Kansas City is likewise the immediate eastern center to and through which the vast majority of the business of the Rocky Mountain region goes as well as nearly all the business of Kansas. The tenth Federal Reserve district has its central bank in Kansas City and its branch bank in Denver. The investigation which was made at the time the Federal Reserve districts were established showed conclusively that Denver is more closely linked to Kansas City in a business was then the state of the conclusively that the state of the conclusively that the concept of t City in a business way than to any other city in the country and

through Kansas City to all eastern points.

Denver has no direct air-mail or passenger communication, either east or west, with facilities for night operation. All air-mail service out of Denver is on stub lines north or south to connect with eastern and western planes, except for the single,

connect with eastern and western planes, except for the single, unlighted route from Denver to Kansas City.

[Nore.—This day service was discontinued in February 1934 so there is now no air-mail service whatsoever over the direct route between Denver and Kansas City.]

It is hardly necessary to point out the great value not only to the State of Kansas and to Denver, but to the State of Colorado and to the entire Rocky Mountain region of having the best possible air-transportation service between Denver and Kansas City. It has become axiomatic that no air route which is unlighted and

unequipped with radio-range beacons can render adequate air-mail or communication service, nor be entirely safe for passenger service. The States of Colorado and Kansas feel that they are entitled to a direct line, equipped with all available appliances usual in other parts of the country for the safe transportation of passengers and mail, and all of the advantages in saving of time and acceleration of business from its capital to the industrial centers with which it does business. This direct air-mail route from Denver to Kansas City would connect immediately with St. Louis and with the air lines running from St. Louis to Philadelphia and New York.

The public importance of lighting and radio equipment on air-

The public importance of lighting and radio equipment on airmail lines is so obvious that the Federal Government has equipped and maintained 24,000 miles of radio-equipped routes, 19,500 miles of which are also equipped with lights. As there is only a total of 26,000 miles of air-mail routes in the United States, it is at once apparent that the Government has considered this equipment once apparent that the Government has considered this equipment so essential that it has left only a very small percentage of its entire routes unlighted, the 560 miles between Denver and Kansas City being the outstanding route of any length which has not received this Government attention. For more than 4 years this air line has been in continuous operation and under the handicap of an unlighted system. For 2½ years of that period it has been operating under a Government mail contract. In other words, night mail has been eliminated from direct transportation between Denver central Kansse Kansas City and the Fast. This between Denver, central Kansas, Kansas City, and the East. This is the only route of any size in the United States which has been established for this length of time which has not been supplied

established for this length of time which has not been supplied by the Government with lighting and range facilities.

[Note.—This petition was prepared before February 1934, when the day service was discontinued over the direct route. There is now no direct air-mail service between Denver and Kansas City.]

3. Present night service out of Denver: At the present time, in order for air-mail delivery the following day in any eastern or western city, the letter must be mailed by 3:20 in the afternoon and taken on a stub line to Cheyenne, where it catches through planes east to Omaha and Chicago or west to Salt Lake City and San Francisco. Not only is this a serious handicap in the way of time to the people of Colorado and the Rocky Mountain region, but as soon as the pound-mile basis is adopted in contracting air mail an enormous saving to the Government will be possible through the use of the direct routes rather than through the indirect mile-consuming detours which are involved in the present night air-mail routing of Colorado and Denver mail. Over a period of time this saving to the Government would more than repay the cost of lighting the direct line from Denver to Kansas City and so enabling direct communication by air mail from Denver to the east.

If a night schedule were possible from Denver to Kansas City and so enabling direct communication by air mail from Denver to the sast.

the cost of lighting the direct line from Denver to Kansas City and so enabling direct communication by air mail from Denver to the east.

If a night schedule were possible from Denver to Kansas City, and it would be made possible by the lighting we are requesting, a letter could be mailed in Denver at 6 o'clock in the evening, arrive in Kansas City by 10 o'clock, and catch the eastern plane for Philadelphia and New York in time for delivery in the regular morning mail the following morning. This would give overnight service not only to Kansas City, St. Louis, and Chicago, but to the eastern points as well. At the present time, in order to get the advantage of such service, the mail must be completed early in the afternoon and thus very much business is delayed a full 24 hours in delivery to the eastern points.

The same advantage would accrue as to communication from the east to the west by lighting the route. Under the present indirect system, it is impossible to have delivery in Denver or central Kansas of a letter mailed late in the afternoon in New York, until the second morning. With this route lighted, it would be possible to mail a letter in New York late in the afternoon and have it delivered in Denver on the first mail the following morning. This would be ef inestimable value to the people of this region.

4. Benefit from a public-works standpoint: The use of this money by the Federal Government for the labor and equipment necessary for lighting this route will directly contribute to the revival of prosperity and is directly in line with the type of thing designed to be done under the Federal appropriation for public works. This has already been made evident by the appropriation from this fund of money to improve the alrways on the Omaha-Chicago route and on the New York-Boston route.

The type of equipment involved is a special type of radio transmitter which enables a plane flying blind to stay upon its course. It involves all of the usual labor and material involved in the construction of a radio-t

of air communication between such military points is self-evident. It is not adequate that the route be available in the daytime alone but is equally important that night communication be made possible. It has been generally conceded by all military authorities familiar with the Army air maneuvers held in 1931 that it would have been impossible for the Army to have functioned as it did were it not for the assistance rendered by commercial facilities such as airports, mantenance bases, and navigational aids.

6. The proposed route for lighting: The present air-mail route between Denver and Kansas City, which is the most direct and feasible route available, is well equipped with municipal airports.

Weather reports indicate that it has more available flying days

than either the route to the north or to the south. now operating this route in the daytime has shown an unusually high percentage of completed schedules, which proves the con-

tention that the route is feasible.

tention that the route is feasible.

The general route running from east to west is Kansas City to Topeka, Topeka to Fort Riley, Fort Riley to Salina, Salina to Russell, Russell to Wakeeney, Wakeeney to Cakley, Oakley to Goodland, Goodland to Stratton, Stratton to Arriba, Arriba to Deertrail, and Deertrail to Denver. All of those towns, except Russell, Wakeeney, and Oakley in Kansas, and Stratton, Arriba, and Deertrail in Colorado, have fairly good airports already available. Without very great additional expense the Department could establish emergency fields at the towns of Russell, Wakeeney, and Oakley in Kansas and Stratton, Arriba, and Deertrail in Colorado, thus completing the route between Denver and Kansas City, so far as the necessary airports are concerned.

[Note.—Since this petition was prepared emergency landing fields have been constructed at Lawrence, Wakeeney, and Oakley in Kansas and at Burlington, Limon, and Deertrall in Colorado.]

An air-mail map is attached, the portion in red showing the unlighted air-mail routes in the United States.

On behalf of the State of Kansas and the State of Colorado, we respectfully urge that this appropriation be made from the Federal fund as a Federal appropriation in the interest of the people in the States of Kansas and Colorado and the Rocky Mountain region.

In view of the fact that all improved airways have been Federally improved and supervised, it is requested that this project be turned over to the Aeronautics Branch of the Department of

Commerce for construction and supervision.

The following maps are attached hereto:

1. Map showing the air-mail routes of the United States and the equipment thereof; lighted, unlighted, radio equipped.

2. Detail map of air-mail route, Denver to Kansas City, showing

location of projected fields and radio stations.

[SEAL] [SEAL]

ALFRED M. LANDON. Governor of Kansas. ED C. JOHNSON, Governor of Colorado.

# TOBACCO TAX REDUCTION BILL

Mr. VINSON of Kentucky. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the bill introduced by me, H.R. 9441, and include therein excerpts from the report and excerpts from the hearings.

The SPEAKER. Without objection, it is so ordered.

Mr. VINSON of Kentucky. Mr. Speaker, it is my purpose to set forth herein the facts with reference to the tobacco tax reduction efforts in the Seventy-third Congress, as they revolve around H.R. 9441, introduced by me, for a 40-percent reduction of all tobacco taxes.

On the day before the hearings closed on the general revenue bill, gentlemen representing two of the 10-cent cigarette manufacturers, appeared before the Ways and Means Committee and suggested a 10-percent reduction for the 10-cent cigarettes. However, each of the witnesses went on record firmly for a more substantial reduction of tobacco taxes. Subsequently, Hon. Robert L. Doughton, Chairman of the Ways and Means Committee, named a subcommittee of five to make a study of the tobacco taxes. He honored me with the chairmanship. The other members on the committee were Messrs. John W. McCormack, of Massachusetts; Ashton C. Shallenberger, of Nebraska; ISAAC BACHARACH, of New Jersey; and Roy O. Woodruff, of Michigan. No member of the subcommittee represented tobacco-growing territory or tobacco-growing States except

Hearings were held for 6 days. And, as quickly as the testimony of these witnesses, which covered 440 pages, was printed, our subcommittee made its report of finding to the full committee. It was a unanimous report with one exception, the gentleman from Michigan [Mr. Woodruff], who asked for, and, was granted an extra day, following the meeting of the subcommittee, in which to make up his mind as to whether he would recommend the 40-percent horizontal cut to the full committee.

I call attention to the fact that the report of the subcommittee is printed in full in the Congressional Record, June 1, 1934, on pages 10232 to 10234, under extension of remarks of Hon. ROBERT L. DOUGHTON, Chairman of the Ways and Means Committee.

The report of the subcommittee was filed April 16, 1934. On April 19 Governors and representatives of Governors of eight tobacco-producing States met in Washington and adopted resolutions endorsing the 40-percent horizontal cut in tobacco taxes recommended by the Vinson subcommittee. Kentucky, North Carolina, Virginia, Tennessee, South Carolina, Georgia, West Virginia, and Maryland were represented in that meeting. The Governor of Kentucky sent as his representative Hon. Desha Breckinridge, of Lexington, Ky. At the invitation of these gentlemen I attended their conferences. Likewise I appeared with them at their conference in a body with Secretary Wallace and Hon. Chester Davis, Administrator of the Agricultural Adjustment Act, to whom the resolutions were tendered. On the following morning Mr. Doughton and I had a conference with Secretary Wallace on the subject, and following that conference we had conference with Dr. J. B. Hutson, the Tobacco Administrator.

It was the next Thursday, April 26, in a conference with President Roosevelt, Mr. Doughton, and myself that the President concluded that the problem was of such moment that he desired a Cabinet committee to make a study of tobacco-tax reduction. It was on that day that the Cabinet committee, composed of Mr. Morgenthau, Secretary of the Treasury; Mr. Wallace, Secretary of Agriculture; and Mr. Douglas, Director of the Budget, was designated by the President to make a study of this question. It was our understanding that this Cabinet committee would report in its own way to the President of the United States.

In the first paragraph of the subcommittee's report, under the heading "The Fiscal Situation", we said:

It was our original purpose to hear the representatives of agriculture and the Treasury before the subcommittee. Conditions over which we had no control prevent such hearing by the subcommittee, if our conclusions are to reach the full committee committee, if our conclusions are to reach the full committee before the tax bill is finally considered. Then, we recognize the fact that the question of revenues would in any event be finally determined by the full committee, so we present our views upon the evidence which has been presented. In the event that no action can be taken in the present revenue bill, we will await your determination as to the manner in which you wish to procure the further evidence desired.

If any further statements were necessary we can say that our purpose for closing the hearings at that time and submitting the matter to the full committee was the desire to secure the passage of the legislation. We had hoped to get it on the general revenue bill and even after it passed the Senate we hoped to be able to put it on in conference, due to certain language that the Senate had inserted, affecting the tax on the large cigarette manufacturers. Then, as stated in our report, we recognize that the Budget problem. or the matter of revenue, was a matter in which the full committee would be deeply concerned.

However, when the President of the United States took the forward step of appointing a Cabinet committee to advise him, we immediately put in our time with the members of that committee individually and in joint conferences, endeavoring to secure this much-needed relief to the tobacco growers. Certainly, after the President had appointed the Cabinet committee to make this study, the chairman of the full committee, Mr. Doughton, would not have been warranted in having further hearings until the Cabinet committee had reached its conclusions. It may be that the gentleman from Michigan [Mr. Woodruff] did not know of the appointment of this Cabinet committee and the various meetings and conferences held with it. As a matter of fact, Mr. Doughton and I, both jointly and severally, had numerous conferences with the gentlemen composing the Cabinet committee, and gentlemen who were making the studies in their respective jurisdiction. Certainly, these conferences were had for the purpose of developing the conclusions favorable to tobacco-tax reduction in this session. Upon one occasion there was a conference which extended over 3 hours with the Cabinet committee and other representatives of both the Treasury and Agriculture Departments, in the Ways and Means Committee room in the Capitol. We might say, that in all that time, no one, either in the Treasury or Agriculture made an attempt to defend the present tobacco taxes. We heard much about the status of the Budget, but it was our hope that with two full years to go the increased consumption of cigarettes, because of the reduced prices therefor, would make the deficit at the end of the fiscal year 1936 negligible, if any deficit at all.

So much was done in conferences with both the Treasury and Agriculture representatives subsequent to the filing of the report. Such was the condition which obtained when the matter was brought before the full Committee on Ways and Means on the 24th day of May 1934. At that time Mr. Woodruff gave expression to his views, both as to the proper course to pursue in the way of tax reduction, and likewise insisted that further hearings be held. After some 3 hours' discussion, in which many members of the committee took part, he moved that further hearings be held. That is one way of killing legislation—to run a bill off on a sidetrack. Realizing that the matter awaited the Cabinet committee's report before favorable action could be secured, but being desirous of promoting this meritorious legislation to a more favorable position toward passage—the knowledge that even a day in the closing session of Congress might spell the difference between success and failure-I moved as a substitute that the bill introduced by me, calling for a 40-percent horizontal cut, H.R. 9441, be favorably reported to the House. A roll-call vote was had on this substitute proposed Seventeen members of the committee voted to report the bill favorably to the House, 2 voted against it, and 2 voted present. The gentleman, other than Mr. WOODRUFF, who voted against it, did so because of his sincere feeling that the Treasury status would not permit of such reduction at this time.

Not only did the full committee have the benefit of the testimony of the three gentlemen advocating the so-called "graduated tax", who appeared before the committee in January, but in addition, as I stated, they had some 3 hours' discussion before the vote was taken. So, when my friend WOODRUFF denominates his views as a minority report, which he very properly does, I would specifically call attention to the fact that it is in truth a minority report. It is signed by Mr. Woodruff alone.

The report of the full committee was filed by Hon. ROBERT L. Doughton, Chairman of the Ways and Means Committee. on June 4, 1934. It is practically the report of the subcommittee. So there is no need to repeat the facts stated therein or the conclusions of the full committee, as they adopted the report of the subcommittee. Every effort was made to secure favorable consideration of this measure. Our hopes were aroused until Tuesday, June 12, when we learned that it was not thought best to bring this matter up for passage at this session. We realized when we started the fight that we had a hard row to hoe. The money that the tobacco brings into the Treasury is so large and certain, and then, so easy to collect, that it is a difficult matter to disturb that yield by the reduction in the tax rate.

All concerned admitted there would be a tremendous increase in cigarette consumption with the reduced price which would come from the passage of our bill. It is a difficult matter to ascertain the increase. In fact, the estimates were changed at different times. At one time it was estimated that in 1935 there would be an increase of 43,000,000,-000 cigarettes over actual consumption in 1933 if 71/2-cent and 10-cent prices prevailed.

It is a difficult matter for me to reconcile the statements made by Mr. Woodruff with the testimony offered by the concerns affected for whom he speaks. In the first paragraph he states that the 10-cent-cigarette manufacturers, because of the processing tax, added cost of tobacco under the marketing agreements, N.R.A. costs, and other recovery items, will put such 10-cent-cigarette manufacturers out of business unless by law they secure a 10-percent differential in tax. We would suggest that all of these added costs are present with us today. We have had the process tax on tobacco for many months. It goes back to the farmer in benefit payments. One of the 10-cent-cigarette manufacturers to whom he refers did not sign the marketing agreement, and the other was given by the Federal Government what was thought to be a more favorable position in the marketing agreement for burley. The N.R.A. costs have been with us for some time, yet we have the 10-cent cigarettes manufactured by six companies.

In reading this language in which my friend says he is solicitous about the tobacco grower, although he does not represent any, it occurs to me that what one manufacturer of 10-cent cigarettes actually fears is the increased price to the farmer for his tobacco, in the event there was increased consumption due to the reduced price of cigarettes. Any time that the interest of the farmer conflicts with any interest of tobacco manufacturers you will find me on the side of the tobacco growers. We would repeat that our bill, in event the popular prices are made, does not change the unit profit of cigarette manufacturers to any appreciable degree. We state that it does not increase their profit but actually lowers it one-tenth of 1 cent per pack. That reduction in profit goes as to all cigarette manufacturers. With the millions that all cigarette manufacturers are making, we think this is only fair.

The subcommittee and the full committee thought that cigarette manufacturers, even up to the end of 1933, had been the most prosperous group in the United States. That applies to all cigarette manufacturers. The majority, and so far as I know, all members of the committee, with the possible exception of Mr. Woodruff, would oppose the passage of any law that would give cigarette manufacturers more profit per unit. And, frankly, I do not believe it would be possible because of the enormous profits made by cigarette manufacturers-all of them-to pass any legislation that would permit added profits to them. In any event, I do not stand for such legislation; and H.R. 9441 did not permit any added profit per unit at the favored commercial prices of 10 cents for the standard brands and 2-for-15-cents for the so-called "present 10-cent cigarettes."

I feel, as did the Ways and Means Committee, that the reduction in taxes would bring these cheaper and more popular prices to the cigarette consumers at a saving of some \$150,000,000 per year. We reach that conclusion because of certain express statements in the hearings that such could be done. We quote from Mr. Junius Parker upon that point, who represented the standard-brand cigarette manufacturers, and likewise the testimony of Col. Wood F. Axton. who was speaking as president of the Axton-Fisher Co., manufacturers of splendid 10-cent cigarettes.

Mr. Parker (pp. 110-111 of the tobacco hearings) says:

Mr. Parker. If the tax is reduced as proposed to \$1.80, and the present existing price ex tax of \$2.38 is added to the proposed tax of \$1.80, you have \$4.18. Now, \$4.18 is approximately the price charged by the manufacturers of cheap clgarettes for their products; their actual price is \$4.19, or 1 cent higher than my computation, and you will remember that this is the product which is sold by them to retail at 10 cents. It provides a margin of 16 percent for distribution.

Mr. Vinson. Do I understand you to say that if there would be a reduction of 40 percent in the cigarette tax that the so-called "standard brands", which are sold to wholesalers or jobbers, the cost to them of such standard-brand cigarettes would be \$4.18 per thousand?

Mr. Parker. I say not more than that. Otherwise you would not get a 10-cent price.

Mr. VINSON. It would not be more than that? Mr. PARKER. It would not be more than that.

Mr VINSON. You say what you term the "cheaper brand" of cigarettes-

Mr. Parker. I am coming to that in a moment, Mr. Chairman. Mr. Vinson. That today it is selling for \$4.19 per thousand? Mr. Parker. Yes.

Mr. SHALLENEERGER. Do you mean to say that you would take the entire reduction of the tax off the cost of your cigarettes?

Mr. Parker. I do.
Mr. Shallenberger. You will take it all off?
Mr. Parker. We will take it all off.
Mr. Shallenberger. You will not keep any of it?
Mr. Parker. That is the point of my statement.
I mean to say that there is not a manufacturer of standard cigarettes, if this tax is put to \$1.80, that can keep a cent of the tax reduction.

Col. Wood F. Axton (p. 215 of the tobacco hearings) says: Mr. VINSON. \* \* Now, what will a 40-percent reduction in

Mr. Viscon.

tax mean for the companies that are now manufacturing and selling at retail a 10-cent package of cigarettes?

Mr. Axton. They could be sold at 7½ cents a package at retail.

We do not have to conclude that cigarette manufacturers would in the future be bound by such statements. Many, judging the future by the past, would say that such testimony should not be given much weight. But there is an economic side of it, which lends strength to the conclusion that the reduction in the retail price of cigarettes would be as agreed to by them in the hearings. Passing this tax on in its entirety enables them to reach the popular prices. It is a popular price and it breaks with small change in a very happy manner. Industry seeks such popular price. growth of 5- and 10-cent stores is proof conclusively of the benefit of these popular prices. It is recognized by the industry, the grower, and the Government that these popular prices mean greater volume. Greater volume means competition for the various grades of cigarette tobacco and consequently a much higher price. We had the Big Four with us in the period between 1919-29. At that time there was not a 10-cent cigarette on the market. The average price of burley in this 10-year period was 23 cents plus per pound. It was a period that saw increased consumption of cigarettes. The Government recognizes that there would be tremendous increase in cigarettes because of the reduced price, and it was upon that basis that we expected to make up the deficit in the Federal Treasury resulting from the reduced rate

But it is not necessary to depend upon either the agreements that the retail price would be reduced or the good business judgment in reducing the price. It would be a very simple matter to insure such reductions. In fact, I agreed with the Agriculture Department within a very few minutes after I heard their suggestion to an amendment that cer-

tainly would effectuate this purpose.

I had a conference in my office, which was held on the 12th day of May 1934, as I recall it. Dr. J. B. Hutson, Tobacco Administrator, suggested that language that would make certain retail prices at 10 cents for the standard brand. It was simply this: To make the reduced taxes effective only in the event the wholesale price was not in excess of \$4.10 per thousand. This was the price to which the standardbrand manufacturers agreed to go, and which is 8 cents a thousand less than the wholesale price for the present 10cent cigarettes. I agreed to the suggestion. Cigarettes retailing for more than 10 cents would have to pay the present tax. Immediately one might say that such a proposition would be a graduated tax, or a tax on ad valorem value. It certainly is. No one has ever heard me say that I disapproved a graduated tax on tobacco products. Not only have they not heard me say it, but I do not disapprove. However, it is a question of what sort of a graduated tax one would have presented. The suggestion agreed to has the graduated principle, and I favor it. But that is something that would be of benefit to the farmer. That is something that would insure almost 100 percent of the cigarettes to be sold at 10 cents or less per pack.

I have no quarrel with the gentleman from Michigan with reference to his attitude toward tobacco monopoly as is stated in the report dated September 25, 1911, or as it exists today. There is no doubt in my mind but that the Big Four fixes the prices the farmers receive for their tobacco. I have no doubt but that the demand for the manufactured product, coupled with the size of the tobacco crop, are natural factors in their conclusions in respect of the price which they will pay for the raw material. No one can deny that the price the farmer gets for his tobacco is much too low. Our bill would increase the demand for manufactured products and in that moment increase the demand for the raw material. This demand, coupled with the reduction program affecting tobacco, would have brought a real price to the tobacco farmer for his products. Truly I believe that it would have made tobacco-producing sections the brightest spot in the agricultural program. I believe that it would have brought to the tobacco grower a price in excess of his

cost of production. It would have brought him a living price for his efforts.

The theme song of my friend from Michigan seems to be that unless they get a 10-percent differential two cigarette manufacturers will go out of business. I have scrutinized the record closely, and I cannot see where his fears are justified. Certainly such statements do not appear in the hearings at which these gentlemen testified. Four of the six 10-cent cigarette manufacturers favored the 40-percent horizontal cut without any differential embodied therein. These four concerns are the Continental Tobacco Co., Larus & Bro. Co., Philip Morris & Co., Ltd., and the Penn Tobacco Co. The two 10-cent cigarette manufacturers who sought the 10-percent differential for their product are the Axton-Fisher Tobacco Co. and the Brown-Williamson Tobacco Co. But it should be made clear, once and for all, that these gentlemen do not oppose a horizontal tax reduction. If such conclusion can be drawn from the minority report, I hasten to correct it. These gentlemen, without hesitation, stated that there should be a substantial reduction in tobacco taxes. But they desired to include in the flat reduction also a differential treatment for their product. To make this clear beyond misunderstanding, I quote from page 162 of the record in the testimony of H. M. Robertson, representing Brown-Williamson Tobacco Co.:

Mr. ROBERTSON. The proposal which has been made this morning is not a proposal for a tax reduction. We are making a proposal for the classification of cigarettes on the basis of selling price and a graduated tax based on the respective classes.

. In answer to Mr. Vinson's question, this is not a proposal for a reduction of taxes.

I believe there should be a reduction in taxes. We think the present rates of taxes on cigarettes are unconscionable. This is simply a question as to the methods of taxing the various classes of cigarettes.

It is from the lips of Mr. Robertson that we procured the term "unconscionable" as applied to the tobacco-tax rate in the majority report. Mr. Robertson was seeking a 30-cent per thousand added profit for his 10-cent cigarettes in advocating the differential proposition. But no one could have been stronger in their statements that the tax rates were "unconscionably high" and that there would be a material increase in consumption if the retail price were

We turn to the testimony of Colonel Axton on this pointpages 214-215, tobacco hearing:

Mr. Vinson. Now, in regard to the horizontal cut, you favor a substantial reduction in the tobacco tax?

Mr. Axron. Yes, sir.
Mr. Vinson. How far would you go in that reduction, Colonel?
Mr. Axron. I hate to tell people where to go when they have got to get the money out of it.

Mr. Vinson. You need not be too modest about that. Just give

us your views.

Mr. Axton. In order to do any good, you would have to get the tax on cigarettes down so that cigarettes could be sold—the regular 15-cent cigarettes—could be sold for 10 cents. They are selling for 12½ cents now; and if you bring them down and sell them for 11 cents, you have not accomplished much. You have not done any-

cents, you have not accomplished much. You have not done anything, and you have just wasted your revenue. If you bring them down to sell them at 10 cents, I am of the opinion that you would sell more cigarettes. There is psychology in the 10-cent business, and that is the reason these folks are trying to get us out of it.

Mr. Vinson. You have given considerable thought to the subject, so let me ask you what reduction in tax should be imposed that would permit the sale of the standard brand of cigarette, the so-called "15-cent cigarette", or "12½-cent cigarette", and which would retail with the same profits that they make now, the same profits to the manufacturer and the same profits to the distributing end of the business? ing end of the business?

Mr. Axron. I think I had a copy of that.
Mr. Vinson. Here is the paper, Colonel [handing paper to wit-

Mr. Axron. I call these "13-cent cigarettes" here.

Mr. Vinson. You are refering to what someone else has referred to as the "standard brand"?

Mr. Axron. Yes, sir.
Mr. Vinson. Now, what reduction in tax would permit that package of cigarettes to sell for a dime, with the same profits to the manufacturer and to the distributors?

Mr. Axron. This would not give them quite as much profit, but they could get along with a little bit less, maybe. A 40-percent tax would cost the retailer 8.36 cents and would give him 1.64 cents.

Mr. VINSON. That would be 0.02 of 1 cent more than the re-

tailers get in selling your cigarette now?

Mr. Axron. Yes, sir. Really, that is not treating the retailer

Mr. Vinson. What I want to do, Colonel, is to try to paint this picture with the profits the same.

Mr. Axton. Yes, sir.

Mr. Vinson. Of course, you can make any comment you desire, after we do that, but I do not want that confused. Now, what will a 40-percent reduction in tax mean for the companies that are now manufacturing and selling at retail a 10-cent package of

are now manufacturing and selling at retail a 10-cent package of cigarettes?

Mr. Axton. They could be sold at 7½ cents a package at retail.

Mr. Vinson. That would permit the so-called "10-cent cigarettes" to sell for 7½ cents a pack?

Mr. Axton. With 1.52 cents profit to the retailer and jobber.

Mr. Vinson. That would bring them one-tenth of 1 cent per pack less profit than they are getting at the present time?

Mr. Axton. Yes, sir.

Mr. McCormack. If all of the reduction of the tax were taken.

Mr. McCormack. If all of the reduction of the tax were taken

off of the retail price, how is the producer going to benefit?

Mr. Axron. That is just what I am talking about there. It would leave us in a little bit worse fix than before, just on that basis.

I will tell you how the producer would benefit. The producer would benefit no doubt by increased supply of tobacco being sold. I agree with all these other gentlemen on that.

Mr. McCormack. Then you would have to raise your price to

the consumer?

Mr. Axron. What is that?

Mr. McCormack. As the price to the producer increases, by an equalization of the law of supply and demand, your production cost increases?

Mr. Axton. Yes, sir.

Mr. McCormack. And you have got to charge a higher price to the retailer, have you not?

Mr. Axron. Yes, sir.

Mr. McCormack. What if you got a 40-percent reduction? You could not cut your price to 7½ cents a package, could you?

Mr. Vinson. You could, and make the profit you are making

now?

Mr. Axton. Yes, sir.

Mr. Vinson. And by decreasing profit one-tenth of 1 cent for the distribution, but they would have an added amount of sales?
Mr. Axton. They take about one-half away from us now.
Mr. McCormack. The price to the producer would have to re-

main the same?

Mr. Axton. No.
Mr. Vinson. The increased demand for the tobacco would naturally bring about an increased price for it, would it not?

Mr. Axron. Yes, sir.

Mr. McCormack. And the increased price would have to be passed on to the consumer, would it not?

Mr. Axron. In some instances. Where the profit is down thin as ours is, we would have to pass it on. I think that these other fellows getting 40 cents a pound more for their tobacco than we are getting for ours, they might not have to pass it on. I do not think they would. They would get theirs out of increased business. business

I do not know anyone in Kentucky who knows as much about manufactured cigarettes as Col. Wood F. Axton, of Louisville. He controls the Axton-Fisher Tobacco Co., and has made a success of it. He is a most splendid gentleman. He stated that a 40-percent horizontal cut would permit the standard brand to sell for 10 cents, and the present 10-cent pack to sell two for 15 cents. There can be no question about that testimony. The fear of being put out of business with this 40-percent horizontal cut is not borne out by the evidence in the hearings or anything that has come to my attention since the hearings. I would not be misunderstood. Undoubtedly, the 10-cent manufacturer, at least two of them, Brown-Williamson and Axton-Fisher. want this added 30 cents per thousand profit, whether their price is 71/2 or 10 cents per pack. But I do not think that the Congress of the United States is going to pass a law that will bring about such added profit to cigarette manufacturers. There is no need to repeat all the statements of the subcommittee with reference to their conclusions as to this differential being disadvantageous to the farmer. We quote from the subcommittee report on this point:

There was almost complete unanimity of opinion among the growers testifying that there would be a material reduction in the average for the tobacco crop if such plan (10-percent differential) were adopted.

CONCLUSION

The most striking condition which we have found is the lack of knowledge upon this subject. The pre-war tax was \$1.25 per thousand cigarettes and 8 cents per pound on chewing and smoking tobacco. This tax was increased first

to \$1.65 per thousand cigarettes and 101/2 cents per pound on chewing and smoking tobacco. A short time thereafter, and yet in the war period, cigarette taxes were increased to \$2.05 per thousand cigarettes, and the tax on chewing and smoking to 13 cents per pound. This was the highest wartime rate. After the eighteenth amendment had been ratified to replace taxes on beer, wines, and liquors, the present rate of \$3 per 1,000 cigarettes and 18 cents per pound on chewing and smoking tobacco was made effective February 25, 1919. There was no particular method in effecting this increase. As a matter of fact, there was no graduated tax or differential theory applied. Tobacco taxes were simply increased practically 50 percent as the result of the prohibition amendment. I quote from the Honorable Frank Crowther, of New York, upon this subject (pp. 147-148 of tobacco hearings):

Mr. Crowther. Mr. Chairman, I just want to say this: I have been a member of this committee for a number of years during which these taxes have been discussed. I think it is perfectly fair

which these taxes have been discussed. I think it is perfectly fair to say that at no time was there ever any discussion of the relative percentage of tax to value of the commodity involved. We did not have anyone on the committee then as well versed and able to present the case of the tobacco people as the gentleman from Kentucky, Mr. Vinson, does now.

As I remember it, there was no argument about it. Mr. Doughton was interested, but I do not remember—and I think he will bear me out—that there was any discussion as to the heavy tax, heavy in comparison to the value of the commodity. It was just a question of the committee needing a source of revenue; this was an easy source and so they took it. They just picked the rate of \$3 out of the air and put on all that the traffic would bear. I do not think you will find in any of the hearings any discussion of the merits of the question of the percentage of the tax as compared with the value of the commodity itself.

Naturally, I was pleased to have him bear witness to my efforts in this respect, but I would point out that in reference to fixing the present tobacco-tax rates-an increase of 50 percent over those then existing-this member of the committee said:

It was just a question of the committee needing a source of revenue; this was an easy source, and so they took it. They just picked the rate of \$3 out of the air and put on all that the traffic would bear. I do not think you will find in any of the hearings any discussion of the merits of the question of the percentage of the tax as compared with the value of the commodity itself.

Naturally, the ratio of the value of the raw material to the tax is a question of supreme importance. This ratio in tobacco is unconscionable.

When there was no thought and no particular reason for using the present rate except to get more money, it is inconceivable to me why any person, even with superficial knowledge of the subject, would not desire the greatest possible reduction that could be obtained. How anyone can figure that a 10-percent reduction affecting less than 10 percent of the manufactured cigarettes is a reasonable tobacco-tax reduction is past my comprehension. Particularly is this true when the 10-cent-cigarette manufacturers themselves testify that there should be a greater reduction in the tobacco tax. Their idea would be that the 10-percent differential should be placed in the law upon the lower tax rate. I do not believe that there should be any taxes on tobacco products. I would appreciate hearing from anyone who thinks that there should be a tax upon the products manufactured from this agricultural product—all persons connected with the Treasury are excluded from participating in this poll. I grant you that in the old days this tax may have had a flavor of prohibition against the use of products that were thought to be harmful to health and by some thought to be immoral. Certainly the day is past when such arguments can be made effectively in favor of such tax.

Tobacco is the only agricultural product that is called upon to stand an excise tax burden by the Federal Government. It is the only agricultural product that has both an excise and a processing tax. Comparing the value of the raw material and the tax upon the manufactured product, tobacco has the heaviest tax burden in the United States, and yet it requires the hardest, most tiresome labor of all agriculture products to produce.

Anything that increases the price of a commodity that is sold to the public will certainly retard its movement and that. If not, the way to make all farmers prosperous and all industry prosperous, is to tax farm products and manufactured products at a very high rate. If there were no Federal taxes upon cigarettes, the present 10-cent cigarettes could be sold for 4 cents per pack with the same profit. The standard brand could be sold for 61/2 cents per pack with the same profit. It is hard for the 3,000,000 American citizens in this country, who are dependent in the main for the money they receive from tobacco grown by them, to understand why they should be borne down and burdened by this unconscionable Federal tax. In the measure under discussion, we did not seek to take it all off at one time. Practical conditions certainly barred the way. We were unable to take off 40 percent of this load at this time. But the fight, in our opinion, has not been in vain. We believe much valuable information has been gathered together through the hearings, and many folks in key positions have received helpful information relative to our cause. We know of no better way to close these remarks than the paragraph with which we closed the subcommittee report:

We feel that this proposed horizontal reduction of 40 percent of the taxes on tobacco products will protect best the interest of the farmer, will save untold millions of dollars annually to the wage earners and the tobacco consumers of this country, will provide a proper and just return of revenues to the Treasury, ultimately making up for temporary decrease, all without any added profit per unit to the manufacturers.

Mr. BROWN of Kentucky. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an article by Fred C. Kelly, in a magazine of April 21, on Robbing Kentucky.

The SPEAKER. Is there objection?

Mr. RICH. I object.

Mr. BYRNS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution I send to the Clerk's desk.

The Clerk read as follows:

House Concurrent Resolution 47

Resolved, by the House of Representatives (the Senate concurring), That when the Senate shall adjourn as of the legislative day of June 6, 1934, and the House of Representatives shall adjourn as of the legislative day of June 15, 1934, they shall stand adjourned sine die.

Mr. MONAGHAN of Montana. Does this set the day for adjournment?

Mr. BYRNS. Only the legislative day.

Mr. MONAGHAN of Montana. To vote for this would be a vote against the labor dispute, which was to be enacted during this session of Congress and has not been passed by the Senate.

Mr. SNELL. Mr. Speaker, I would like to ask the majority leader a question. Has the gentleman any information as to when the Senate will get through?

Mr. BYRNS. Not the slightest. I want to say to the gentleman from Montana that the House has passed the bill to which he refers, and my understanding is that the bill is to be taken up in the Senate today. Of course, this does not set any particular date. It is the purpose, I will say to the gentleman, that the House shall remain in session until the Senate has disposed of certain matters pending before it.

Mr. O'MALLEY. The Senate recessed from June 6 and the House recessed from June 15. By the passage of this resolution the House can adjourn at any time within the next 15 minutes, if it sees fit.

Mr. BYRNS. That is true, but I hope the House will not be as foolish as that.

Mr. O'MALLEY. Then what is the hurry about the resolution?

Mr. BYRNS. For the reason that I think it will hurry up some bills in the Senate.

Mr. O'MALLEY. Mr. Speaker, any labor man in this House who votes for the resolution votes to lose the labor bills in the Senate.

Mr. BYRNS. He does not by any means. This resolution is not proposed with that idea in mind at all. The

restrict its consumption. Nothing can be more certain than | House has passed these bills and it is up to the Senate to act upon them.

Mr. MONAGHAN of Montana. What possible good can this accomplish? If we are going to wait until the Senate acts upon these measures, we can then adopt the resolution for adjournment.

Mr. BYRNS. Of course, we could do that; but I have just said to the gentleman that in my opinion the passage of this resolution will help to hurry up the situation in the Senate, so that it will act on pending matters.

Mr. BLANTON. And is it not a fact that usually we pass an adjournment resolution a week before adjournment?

Mr. BYRNS. That is true in most instances.

Mr. O'MALLEY. Mr. Speaker, I ask unanimous consent that the resolution be read again. I could not get the date.

The SPEAKER. Without objection, the Clerk will again report the resolution.

There was no objection, and the Clerk again reported the resolution.

The SPEAKER. The question is on agreeing to the resolution

The question was taken, and the resolution was agreed to. On motion of Mr. Byrns, a motion to reconsider the vote by which the resolution was passed was laid on the table.

### AUTHORITY TO SIGN ENROLLED BILLS

Mr. BYRNS. Mr. Speaker, I offer the following concurrent resolution, which I send to the Clerk's desk and ask to have read.

The Clerk read as follows:

House Concurrent Resolution 48

Resolved, by the House of Representatives (the Senate concurring), That notwithstanding the adjournment of the second session of the Seventy-third Congress, the President of the Senate and the Speaker of the House of Representatives be, and they are hereby, authorized to sign any enrolled bills or joint resolutions duly passed by the two Houses and which have been examined by the Committee on Enrolled Bills of each House, and found duly enrolled. Resolved, found duly enrolled.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

On motion of Mr. Byrns, a motion to reconsider the vote by which the resolution was agreed to was laid on the table.

# EXTENSION OF REMARKS

Mr. SCHULTE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by placing therein a letter received the other day from the Inland Steel Co., in my district, in reply to a letter that I had placed in the RECORD from one of their employees relative to chiseling on the N.R.A.

The SPEAKER. Is there objection? Mr. RICH. I object.

# RESIGNATION OF A MEMBER

The SPEAKER laid before the House the following communication, which was read:

Hon. HENRY T. RAINEY

Speaker of the House of Representatives:
I have the honor to inform you that I sent my resignation as
Member of Congress to Governor Lehman to take effect immediately. Permit me to extend my heart-felt thanks to you and to my colleagues in Congress for their courtesies and friendship and to wish them and you long years of happiness.

FRANK OLIVER.

FEDERAL TRADE COMMISSION INVESTIGATION OF UTILITIES

Mr. RANKIN. Mr. Speaker, I move to suspend the rules and pass Senate Joint Resolution 115, to provide for the continuation of the investigation authorized by Senate Resolution 83, Seventieth Congress, first session, which I send to the desk and ask to have read.

The Clerk read as follows:

Resolved, etc., That the Federal Trade Commission be, and it is hereby, authorized and directed to proceed under the Senate resolution aforesaid until it has investigated such of said corporations as in its judgment should be investigated, but the investigation shall be completed and the Commission's final report, with recommendations, shall be submitted to the Congress not later than the first Monday in January 1936.

going to have suspensions before we take up the Private Calendar?

The SPEAKER. This is the only one.

Mr. SNELL. Who knows about this and what committee it came from?

Mr. RANKIN. Mr. Speaker, this resolution has already passed the Senate. A similar resolution was introduced by me in the House, House Joint Resolution 333, and has been reported by the Committee on Interstate and Foreign Commerce. It has the approval of the administration and of the Federal Trade Commission.

Mr. SNELL. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. BLANCHARD. Why the necessity for a second resolution? I was under the impression that this authority already existed.

Mr. RANKIN. Mr. Speaker, the Federal Trade Commission has been making these investigations. They are not through and they wanted this time extended. This extends the time to January 1936 within which to complete this investigation and make their report.

Mr. SNELL. This is an investigation made of the utilities?

Mr. RANKIN. Yes.

Mr. SNELL. Very well; let it go.

The SPEAKER. The question is on the motion to suspend the rules and pass the Senate joint resolution.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended, and the Senate joint resolution was passed.

A motion to reconsider the vote whereby the rules were suspended and the bill was passed was laid on the table.

## EXTENSION OF REMARKS

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by inserting a letter.

The SPEAKER. Is there objection? Mr. SCHULTE. Mr. Speaker, I object.

# ARMY AIR CORPS

Mr. ROGERS of New Hampshire. Mr. Speaker, I ask unanimous consent to proceed for 10 minutes to discuss the report filed by the Military Affairs Committee on Saturday on House Resolution 275.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. ROGERS of New Hampshire. Mr. Speaker, I am not at all surprised that the House is a bit restless. I am myself. I have stayed up nearly all night for the last week attempting to prepare for the information of the House and the citizens of this country a report which goes to the very heart of our Government, and which every patriotic American citizen ought to take the time to read and to digest. From it you will see that we must prepare, so far as military aviation in the War Department in this Nation goes, to have a house cleaning which will insure progress, honesty, decency, and patriotic development of the Air Corps, to which this country is entitled and which it was intended it should have by virtue of the Air Corps Act passed by this body on July 2, 1926. [Applause.]

Thirty years ago, when I was a child of 12, I became interested in gasoline-propelled vehicles. I had an old secondhand Indian motorcycle, 13/4 horsepower, single cylinder, that cost \$210 and weighed 110 pounds. I rode it day after day for 12 miles, back and forth to school, over the rockribbed roads of old New Hampshire, carrying my dinner box on the handlebars, and many times I fell off and lost

my dinner before I got to school.

Later on I had the opportunity to drive automobiles. During the World War I had a brother in the Air Corps, and he used to "kid" me about being afraid to go up in the air. I had an opportunity to take my first ride in an airplane, an old Avro English plane, with a French Le Rhone rotary motor in it, which was worn out when I went up. It

Mr. SNELL. Mr. Speaker, do I understand that we are | came down with a crash. The machine was smashed up, but for some reason or other I survived.

> During the Sixty-eighth Congress, when I first became a Member of this body, I was a member of the Committee on Foreign Affairs, but I was also given a place on the Lampert committee which investigated aviation at that time fully and carefully. Coming back here in the Seventy-second Congress, I had the honor of being made chairman of subcommittee no. 3, having charge of all questions relating to military aviation, on the Military Affairs Committee of this House. Since that time and through this Congress I have worked in complete cooperation with the other members on that committee, Mr. Hill of Alabama, Mr. Montet, Mr. HARTER, Mr. JAMES, Mr. PLUMLEY, Mr. Goss, and Mr. KVALE. We have for 4 months made a thorough investigation, a complete investigation-I will not say complete, because we are not through yet under House Resolution 275, but we have thoroughly investigated military aviation. On last Saturday we filed a report in this House which I hope you will all read.

> I will just take time to read the first paragraph, and I ask you to listen to this first paragraph because I think it illustrates perfectly the spirit which animates every member of that committee. This report is unanimous:

> The Committee on Military Affairs shortly after the convening of Congress in January began hearings looking to the enactment of legislation for the enlargement of the Army Air Corps and for the promotion of its efficiency and effectiveness. The committee contemplated action to give a more just recognition in the matter of promotion to the very fine personnel who make up the rank and file of the Air Corps. The committee wished to provide the necessary plane, equipment, and materiel to make the Air Corps at least the equal of any air force in the world comparable in size. The committee realizes the power and the tremendous potentialities of the Air Corps are reported and the tremendous potentialities of the Air Corps are reported. tentialities of the Air Corps, operating not only in conjunction with ground force, but more specially as an independent fighting force. The committee believes that inevitably the Air Corps is destined to become our first line of defense, and surely it affords the most economical means of frontier defense. Unfortunately, hearings disclosed conditions in the command and adminis tration of the Air Corps that moved the committee to ask the House of Representatives to set up a special investigating committee provided for in House Resolution 275.

Mr. McFARLANE. Will the gentleman yield? Mr. ROGERS of New Hampshire. I yield.

· Mr. McFARLANE. In order that the Membership of the House may have full opportunity to read and study that report, I would like to ask the gentleman if it has been placed in the Congressional Record?

Mr. ROGERS of New Hampshire. It has been published and is out today

Mr. McFARLANE. I wish the gentleman would put that in the RECORD, so that we can all study it.

Mr. ROGERS of New Hampshire. Without objection, I will be very glad to do it.

The report is as follows:

[H.Rept. No. 2060, 73d Cong., 2d sess.]

INVESTIGATION OF PROFITEERING IN MILITARY AIRCRAFT, UNDER HOUSE RESOLUTION 275

Mr. Rogers of New Hampshire, from the Committee on Military Affairs, submitted the following report pursuant to House Resolu tion 275:

The Committee on Military Affairs shortly after the convening of Congress in January began hearings looking to the enactment of legislation for the enlargement of the Army Air Corps and for the promotion of its efficiency and effectiveness. The committee contemplated action to give a more just recognition in the matter of promotion to the very fine personnel who make up the rank and file of the Air Corps. The committee wished to provide the necessary planes, equipment, and matériel to make the Air Corps at least the equal of any air force in the world comparable in size. The committee realizes the power and the tremendous potentialities of the Air Corps, operating not only in conjunction with ground forces but more especially as an independent fighting force. The committee believes that inevitably the Air Corps is destined to become our first line of defense and surely it affords the most economical means of frontier defense. Unfortunately the hearings disclosed conditions in the command and administration of the Air Corps that moved the committee to ask the House of Representatives to set up the special investigating committee provided for in House Resolution 275. It is the hope of the committee that the conditions set out herein below will be remedied before the convening of the next session of Congress and that at that time the committee may go forward with its plans for the Army Air Corps.

By virtue of House Resolution 275, authorizing and directing the Committee on Military Affairs to inquire into and investigate The Committee on Military Affairs shortly after the conven-

By virtue of House Resolution 275, authorizing and directing the Committee on Military Affairs to inquire into and investigate alleged profiteering in military aircraft, irregularities in the leas-

ing of public property by the War Department, profiteering in the purchase of property from public funds, and other matters in which the problem of national defense is involved, subcommittee no. 3 of the Committee on Military Affairs of the House of Representatives is conducting extended hearings and said subcommittee house representatives are to the House certain violations and evasions. mittee hereby reports to the House certain violations and evasions mittee hereby reports to the House certain violations and evasions of law and Army regulations by, also the gross misconduct and inefficiency of, Maj. Gen. Benjamin D. Foulois, Chief of the Air Corps, United States Army, and other executive officers under his command. By reference report no. 1506, House Calendar No. 263 filed on May 7, 1934, relative to the \$7,500,000 allocated to the War Department for the purchase of airplanes out of Public Works

Department for the purchase of airplanes out of Public Works Administration funds, is made a part hereof. We expect at a later date to report further as to the results of our investigation into other matters referred to us by virtue of said H.R. 275.

On July 2, 1926, Public Law No. 446, Sixty-ninth Congress, H.R. 10827 entitled "An act to provide more effectively for the national defense by increasing the efficiency of the Air Corps of the Army of the United States and for other purposes" was enacted into law. Under its provisions the purchase and procurement of aircraft by the Army are regulated. The provisions thereof pertinent to this report are as follows:

"Sec. 10 (k). The Secretary of War or the Secretary of the Navy

to this report are as follows:

"SEC. 10 (k). The Secretary of War or the Secretary of the Navy may at his discretion purchase abroad or in the United States with or without competition, by contract, or otherwise, such designs, aircraft, aircraft parts, or aeronautical accessories as may be necessary in his judgment for experimental purposes in the development of aircraft or aircraft parts or aeronautical accessories of the best kind for the Army or the Navy, as the case may be, and if as a result of such procurement, new and suitable designs considered to be the best kind for the Army or the Navy are developed, he may enter into contract, subject to the requirements of paragraph (i) of this section, for the procurement in quantity of paragraph (j) of this section, for the procurement in quantity of such aircraft, aircraft parts, or aeronautical accessories without regard to the provision of paragraphs (a) to (e) inclusive,

(q) In the procurement of aircraft constructed according to designs presented to any individual, firm, or corporation prior to the passage of this act, which designs have been reduced to practice and found to be suitable for the purpose intended or according to such designs with minor modifications thereof, the Secretary of War or the Secretary of the Navy, when in his opinion the interests of the United States will be best served thereby, may contract with said individual firm or corporation at reasonable

Secretary of war or the Secretary of the Navy, when it his opinion the interests of the United States will be best served thereby, may contract with said individual, firm, or corporation, at reasonable prices for such quantities of said aircraft, aircraft parts, or aeronautical accessories as he may deem necessary: Provided, That the action of the Secretary of War or the Secretary of the Navy, in each such case, shall be final and conclusive.

"(t) Hereafter whenever the Secretary of War, or the Secretary of the Navy shall enter into a contract for or on behalf of the United States, for aircraft, aircraft parts, or aeronautical accessories, said Secretary is hereby authorized to award such contract to the bidder that said Secretary shall find to be the lowest responsible bidder that can satisfactorily perform the work or the service required to the best advantage of the Government; and the decision of the Secretary of the Department concerned as to the award of such contract, the interpretation of the provisions of the contract, and the application and the administration of the contract shall not be reviewable, otherwise than as may be therein provided for, by any officer or tribunal of the United States except the President and the Federal courts."

The legal application and purposes of these provisions of law as

The legal application and purposes of these provisions of law as applicable to the Army were passed upon by the office of the Judge Advocate General of the United States Army by approved memoranda dated May 17, 1929, and August 3, 1929, addressed to the Assistant Secretary of War. The Judge Advocate General held that under section 10 (k) of the Air Corps Act of July 2, 1926 (supra), quantity procurement of aircraft and accessories must be made only after advertisement pursuant to section 3709, Revised Statutes.

Statutes.

Subdivision 10 (t) of the Air Corps Act (supra) clearly defines Subdivision 10 (t) of the Air Corps Act (supra) clearly defines the only method by which aircraft procurement in quantity can be obtained, that is, by competitive bidding, a policy definitely established by law not only in the Air Corps Act of 1926 but also by section 3709 of the Revised Statutes March 2, 1861, and the act of March 2, 1901.

In addition to illegal procurement of aircraft and accessories under the provisions of (k) and (q) of the Air Corps Act of 1926, procurement was illegally made by an alleged compliance with Army Regulations (par. 9, A.R. 5-160).

Further unlawful procurement was made allegedly in compliance with Army Regulations 5-240, 1-2, dated October 1, 1932, which reads in part as follows:

which reads in part as follows:

"Without competition, general authorization: Supplies may be procured without competition only when it is impracticable to secure competition or when purchase without competition is expressly authorized by statutes.

Despite the provisions of the Air Corps Act of 1926 and the interpretations thereof by the Judge Advocate General the evidence discloses deliberate, willful, and intentional violations of

law by the Chief of the Air Corps, aided and abetted by his assistants in charge of procurement.

As a result of continued violations of provisions of the Air Corps Act of 1926 and various subterfuges which were begun immediately following the passage of the act and continually used by the Procurement Division of the Air Corps to evade the clear intent and purpose of the act in regard to the procurement of aircraft in quantity, there has developed a pernicious, unlawful system detrimental to the progress of the Air Corps of the United States

and to the adequacy of our national air defense. This system has resulted in favoritism and discrimination, which section 3709 of the Revised Statutes and section 10 (t) of the Air Corps Act sought to eradicate by prescribing competitive bidding, in the Army Air

The method by which those in charge of the Air Corps were able to continue to violate the law and to impose upon the country their ideas of administering the Air Corps despite the explicit language of the statute was the simple means of flouting the law repeatedly with impunity. Under the terms of the Air Corps Act repeatedly with impunity. Under the terms of the Air Corps Act the Secretary of War has determinations of procurement and purchase, and that office has, as the records disclose, heretofore relied on the Assistant Secretary of War for Air, and/or the Chief of the

on the Assistant Secretary of War for Air, and/or the Chief of the Air Corps.

The details of national defense being confidential we deem it inadvisable to present a detailed discussion of the present inefficient status of the Air Corps as to equipment, management, and personnel. However, we feel that the situation is such as to merit the concern of those most vitally interested and charged with the prime duty of national defense.

In December 1927 Maj. Gen. Benjamin D. Foulois was appointed Assistant Chief of the Air Corps, and has served in an executive capacity continuously since that time. On June 1, 1929, he took charge of the Matériel Division at Wright Field, Dayton, Ohio, a branch office of the Chief of the Air Corps, and served there for 1 year. His duties under this assignment included all matters relative to bids, negotiations, and preparation of contracts. On July 1, 1930, he returned to Washington as Assistant Chief of the Air Corps and on December 22, 1931, he took office as Chief of the Air Corps. Air Corps.

It is apparent that from the period of 1927 to date Major General Foulois' assignments made a knowledge of the Air Corps Act of 1926 and the interpretations thereof by the Judge Advo-cate's Department of the Army, as approved by the Secretary or Assistant Secretary of War, prerequisite for the fulfillment of his duties. During his terms as Assistant Chief of the Air Corps, Chief of the Matériel Division (procurement), Assistant and Acting Chief of the Air Corps, and Chief of the Air Corps, the deliberate and intentional violations of law in connection with the procurement of aircraft and accessories have continued with his sanction and approval.

He even testified under oath that in the interest of government he had "overlooked the Army regulations and broken them hundreds of times—and I will break them again."

During the course of more than 4 months of extended hearings held by this subcommittee, Major General Foulois, his assistant chief, Brig. Gen. Oscar Westover, his executive assistant, Col. Jacob E. Fickel, and others attached to the office of the Chief of the Air Corps, appeared as witnesses. Their testimony accentuated the deliberateness with which the law has been violated and ignored. nored.

On February 1, 1934, Major General Foulois appeared before the House Military Affairs Committee to discuss the situation relative to the Air Corps. He was later given an opportunity to examine his remarks. In order to fully acquaint the House with the situation with which this subcommittee was confronted on his subsequent appearances, and to fully demonstrate the in-accuracy and unreliability of his testimony, certain portions of his original testimony of February 1, 1934, are here set forth together with the alterations thereof by Major General Foulois.

ORIGINAL TESTIMONY

"For 20 years, Mr. Chairman, at least 20 years, Mr. Charman, at least 20 years, I fought con-sistently against the Army Gen-eral Staff, trying to build up aviation within the Army.

"I announced to the Chief of "I announced to the Unier or Staff in his office, 4 days ago, in the presence of the Deputy Chief of Staff, that the steps that they were taking at that time—that was 4 days ago—toward the building up of Army aviation, were the first steps, to my knowledge, in the past 20 years that had been initiated by the General Staff itself. the General Staff itself.

"That has been my experience, as I say, for over 20 years, in trying to build up aviation. main obstacle—the main blocking element—in the War Department has been the War Department General Staff.

"In saying that, I am not impugning the integrity of any particular individual member of the General Staff nor criticizing any particular member of the General Staff. The General Staff is made up of intelligent men—made up of men who have been trained in other branches of the service. Ninety-nine percent of them have no ALTERED TESTIMONY

"For 20 years, Mr. Chairman, at least 20 years, I have struggled consistently against the War Department General Staff, in my efforts to build up aviation within the Army.

"I announced to the Chief of Staff, in his office, 4 days ago, in the presence of the Deputy Chief of Staff, that the steps that they were taking at that time, that is 4 days ago, toward the building up of Army avia-tion were the first real contion were the first real con-structive steps, to my knowl-edge, in the past 20 years, that had been initiated by the War Department General Staff itself. "This has been my experi-ence, as I say, for over 20 years, in trying to build up aviation.

The main obstacle, to the more rapid development of aviation in the War Department has in my belief been the War Depart-

ment General Staff.

"In saying this, I am criticizing the General Staff system as now existing in the War Department. I am not impugning the integrity of any particular in-dividual member of the War Department General Staff nor criticizing any particular member of the General Staff. The General Staff is made up of con-scientious and intelligent men,

ORIGINAL TESTIMONY—continued knowledge of aviation except what they read out of books.

"This is a practical problem that has got to be handled by practical men trained in avia tion and at the same time who have just as much knowledge, training, and experience on General Staff work and organiceneral Staff work and organization of the Army and the other branches of the service as any member of the General Staff.

"That is the basis on which I want to start in connection with building up an organization within the Army, under the War Department, that can go ahead, keep up to date, and not be hampered and hindered by the routine methods that ham-per and hinder the Army now.

"We cannot operate under those methods. We cannot op-erate at a speed of 4 miles an hour, the speed of Infantry. We are hitting it up around a speed of 200 miles an hour. Today Today of aviation requires that the organization must be speed-ed up, and the rest of the Army has got to pull up its speed if we are going to get anywhere.

"I will give you the very latest action of the General Staff. You have had it yourself in this

"The day before yesterday, in the evening, I presented to you a draft of a proposed piece of legislation which I delivered to you informally under the directions of the Chief of Staff. If you have read it, you will re-member that there was a pro-viso in that first draft that I submitted the day before yester-day that fixed a ratio between the Army and the Navy to what we felt was necessary to take care of the Army Air Corps in this general move to build up the air defenses of the United

"Within 24 hours they changed that. The paper that you have on your desk now I do not have a copy of. It was supposed to have been furnished to me, but I did not receive it. It was presented to you formally and offi-cially over the signature of the Secretary of War. That contains an ambiguous clause in it I went before the Deputy Chief of Staff and the Chief of Staff last night, and they asked me to read it. I read it, and the very point that I brought out was that that proviso sets a maxi-mum limitation on what we can do. Inside of 24 hours they had changed the policy. I asked the reason for it. It is just a little more leeway in order to enable them to handle what they want. but made up chiefly of men who have been trained in the ground branches of the service, cally no knowledge of aviation

cally no knowledge of aviation except what they have read out of books.

"Army aviation is a practical and highly technical problem that must be developed and controlled by the practical airmen trained in practical aviation, and who, through their own knowledge, training, and experience on staff work and general organization of the general organization of the Army, as well as the other branches of the service, are better fitted in my experience, to develop Army aviation than the nonflying members of the General Staff.

"The foregoing is the basis upon which to start in connec-tion with building up an effi-cient and economical air or-ganization within the Army, un-der the War Department; an organization that can go ahead, keep up to date, and not be hampered and hindered by the routine War Department General Staff systems and methods, which now guide and govern the development, organization, training, and operations of the Army

Air Corps.

"We cannot efficiently operate under the existing system and methods. We cannot operate at a speed of 4 miles an hour, the speed of the Infantry. We are now operating, in the air, at a speed of 200 miles an hour. Tospeed of 200 miles an hour. To-day, the psychology of the devel-opment of aviation requires that all other military organizations must increase their speed of operations, and the rest of the Army must be reorganized with this in view, if it ever expects to effectively use the modern military weapons of war.

"The day before yesterday, in the evening, I presented to you, Mr. Chairman, a draft of a proposed piece of legislation which I delivered to you informally I delivered to you informally under the direction of the Chief of Staff. You will remember that there was a proviso in that first draft that I submitted the day before yesterday, which fixed a ratio in aircraft between the Army and the Navy; a ratio which the Chief of Staff conwhich the Chief of Staff con-sidered necessary to properly take care of the Army Air Corps in this general move to build up the air defenses of the United

"Within 24 hours the first draft was changed. The new draft that you have on your desk now I do not have a copy of. It was supposed to have been furnished to me, but I did not receive it. It was presented to you formally and officially over the signature of the Secreover the signature of the Secretary of War. The new draft contains an ambiguous clause. I visited the Deputy Chief of Staff and the Chief of Staff last night and they asked me to read it. I read it, and the point that stood out was that the new forstood out was that the new for-mal draft fixed a maximum lim-itation of 2,000 airplanes. In other words, within 24 hours the War Department General Staff policy had changed. I asked the reason for it, and was ad-

ALTERED TESTIMONY—continued | ORIGINAL TESTIMONY—continued But I got no explanation. I did get an explanation from a Genget an explanation from a General Staff officer this morning to the effect that it was put in there deliberately for the purposes of ambiguity. Whom are they trying to fool? You? Me? Or someone else?

"I am suspicious. As I say, I fought them for 20 years, and I think they are trying to fool you and trying to fool me.

"Mr. James brought out the point that should be kept in mind in connection with this very thing. A lot of this is covered in a concrete case, but it represents the trouble that we have had in the past 20 years. It is the very ambiguity which, in the final analysis, gives the responsibility to the General Staff to do as they blame please. That is why that provision is in there, in my opinion.

"The very point that I am trying to develop is the necessity of having an independent organization that can function without a lot of obstruction."

ALTERED TESTIMONY-continued vised to the effect that the amendment provided for more leeway in securing the number of airplanes desired. I had a different explanation from a General Staff officer this morning to the effect that it was put in there deliberately for the

purposes of ambiguity.
"Mr. James brought out this "Mr. James brought out this very point, and it should be kept in mind in connection with these hearings. It is this very ambiguity which, in the final analysis, may give to the General Staff full authority, in the future, to fix any limitation on Army aircraft they may desire.

"Mr. James has also brought out the point that these points must definitely be fixed by law, if you want to have them the way they ought to be.

"The vital point that I am The vital point that I am trying to develop is the necessity of having an independent Army Air Corps organization that can function efficiently outside of the present cumbersome General Staff system."

Further in this testimony Major General Foulois, in discussing the procurement for the Air Corps under the Public Works Administration, stated that under the old routine, the Chief of the Air Corps would have been called upon by the Assistant Secretary of War for Air to prepare the program. He further stated:

"Now without an Assistant Secretary of War for Air that program is brought up by the General Staff without even consulting the Chief of the Air Corps."

In our previous report we pointed out the faisity of this state-

In our previous report we pointed out the falsity of this statement by setting forth an official communication dated November 29, 1933, addressed to the Chief of the Air Corps from the Budget Office of the War Department, advising him of the availability of funds for the procurement of aircraft and requesting advice thereon "indicating the monthly apportionment desired." Major General Foulois further testified:

"We have no control over our bombs, our machine-gun ammunition, our guns, our radio equipment, all of which go to make up a combatant fighting military airplane."

As to this statement, we call attention to the testimony of Maj. Gen. Hugh A. Drum, Deputy Chief of Staff, who, when his attention was called to Major General Foulois' testimony in regard to the metter testified under each in part as follows:

the matter, testified under oath, in part, as follows:

"If he has not represented the needs of the Air Corps in machine guns and bombs and radio equipment, and so forth, he has neglected his duty. No doubt there is a control, because all the money we want is never given us, naturally."

Major General Foulois also testified:

"I never have an opportunity to defend the request for the things that we need; pay of the Army Air Corps, the Reserve officers that we are supposed to have; the Reserve officers that are supposed to be on extended active duty—all of those elements, anything that has to do ments, anything that has to do with pay, with Reserve officers, with armament, machine guns, bombs, Signal Corps equipment (that is, radio), are all under other branches of the War Department, and I am expected to take the responsibility. It is the Chief of the Air Corps that has the responsibility for buildhas the responsibility for building up the Air Corps and he is not allowed to make the recom-mendations, or if he does make the recommendations, no attention is paid to him—he is never called in to defend his own recommendations, he is never called in to defend the requests for amounts of money, either before the Budget Director or before Congress. Yet, when the money is allotted, it is usually

"I never have an opportunity of the things that we need, such as pay of the Army Air Corps, the pay of Reserve officers that we are required to have; the we are required to have; the number of Reserve officers that are required to be on extended active duty, or anything else that has to do with pay, with armament, machine guns, bombs, Signal Corps radio equip-ment, all of which are under other branches of the War De-nartment. It is the Chief of the partment. It is the Chief of the Air Corps who is charged with the responsibility for building up the Air Corps; yet he is not called upon to make full recom-mendations, or if he does, on his own initiative, make such recom-mendations, War Department priorities usually render such recommendations of no value. He is seldom called in to defend his recommendations, in connection with funds appropriated to other branches for Air Corps purposes. He is never called in to defend, before the Director

allotted regardless of his own recommendations, and in the end he is harnessed with a responsibility to get the thing done.

of the Budget, or before Congress, funds estimated for by other branches for Air Corps purposes. Yet, with all these financial restrictions and handicaps, the Chief of the Air Corps is held responsible for the effi-cient and economical adminis-tration and operation of the Army Air Corps."

In order to emphasize the falsity of this testimony and as further evidence of his deliberate attempts to mislead, certain records of the War Department are set forth.

War Department,
The Adjutant General's Office,

November 8, 1926.

Subject: War Department appropriations. To: The Chief of Finance.

Hereafter, Chiefs of War Department branches and bureaus will be present during the entire time that hearings are being held for appropriations pertaining to their respective branches by the Director of the Bureau of the Budget and by committees of

By order of the Secretary of War:

R. S. KIMBALL, Adjutant General.

WAR DEPARTMENT, OFFICE OF THE BUDGET OFFICER, Washington, August 16, 1930.

Subject: Hearings on War Department estimates, fiscal year 1932, before the Bureau of the Budget.

1. The hearings on the War Department estimates for the fiscal year 1932 before the Director of the Bureau of the Budget are scheduled for 1:30 p.m., August 25, 26, 27, 29, and September 2, 3, 5, 8, 9. Each arm, service, or bureau will be informed as much in advance as possible of the date and hour its representatives will be required to appear.

2. The Chief of Staff will open the hearings at 1:30 p.m., August 25, and it is desired that each chief of arm, service, or bureau of the War Department be present at that time.

3. In general, the order of the hearings will be that in which the appropriations appear in the bill, beginning with departmental salaries followed by printing and binding, contingent and military items. The nonmilitary items will be taken up in the order in which they occur in the bill after completion of all

order in which they occur in the bill after completion of an military items.

4. In order that this office may have record of the names of witnesses to appear, and the portion of the estimates which each will explain, it is requested that this office be furnished, on or before August 23, with a list of the appropriation titles pertaining to your activity, including departmental salaries and printing and binding, with names of the witnesses who will appear to explain the same.

5. In connection with the hearings now scheduled and the hearings to be held by the committees of Congress, your attention is invited to letter of November 8, 1926, from The Adjutant Gen-

eral to the chiefs of branches, as follows:

"Hereafter chiefs of War Department branches and bureaus will be present during the entire time that hearings are being held for appropriations pertaining to their respective branches by the Director of the Bureau of the Budget and by committees of

By authority of the Secretary of War:

R. L. CARMICHAEL, Major General, Budget Officer for the War Department.

WAR DEPARTMENT Office of the Budget Officer,
Washington, September 22, 1933.
Subject: Hearings by Deputy Chief of Staff on military estimates,

fiscal year 1935.

To the chiefs of arms, services, and bureaus:

1. For the purpose of preparing a general plan for the justifica-tion of the military estimates of the War Department for the fiscal year 1935, and to conduct a rehearsal of the testimony to be preyear 1935, and to conduct a rehearsal of the testimony to be presented by each chief of arm, service, or bureau before the Bureau of the Budget, hearings will be conducted before the Deputy Chief of Staff in the general council room, State, War, and Navy Building, beginning Monday, October 2, 1933, and continuing from 9:30 a.m. to 12 m. and 1:30 p.m. to 4:30 p.m. each day until completed. Hearings will include approved changes in language.

2. The schedule of the hearings will follow in sequence the arrangement of appropriations as carried in the Appropriation Act, 1934, beginning with the Assistant Chief of Staff, G-2, estimate for "Contingencies, Military Intelligence Division", and concluding with the National Board for the Promotion of Rifle Practice.

3. Each chief of arm, service, or bureau, accompanied by such

3. Each chief of arm, service, or bureau, accompanied by such assistants as will be present at the Bureau of the Budget hearings, will attend. Notification of the date and hour of branch hearings will be furnished through the fiscal officers concerned.

By authority of the Secretary of War:

F. W. COLEMAN,

Major General,

Budget Officer of the War Department.

The attention of the Deputy Chief of Staff, Major General Drum, was called to the statement of Major General Foulois as quoted above, and at the request of the subcommittee he attended a hearing, was duly sworn as a witness, and testified that Major General Foulois had every opportunity to "appear before the Budget Advisory Committee and before the Budget Advisory Committee and before the Budget Republic Committee and Benefit Republic Committee Committee and Benefit Republic Republi

Budget Advisory Committee and before the Bureau of the Budget and before Congress." He also said that Major General Foulois "has every opportunity to present the views and recommendations before the program for the year has been made up before the Budget Advisory Committee or Bureau of the Budget and Congress on everything that pertains to the Air Corps, whether it is supplied by the Air Corps or some other branch."

After characterizing the above-quoted statement of Major General Foulois as a misstatement of fact, Major General Drum further emphasized that Major General Foulois has "an opportunity to make his statement on anything that pertains to his branch and question of money for reserve, the question of bombs, machine guns, radio equipment—and there is an opportunity afforded him in his appearance and statements to cover those subjects. There is no restriction on him. He is ordered to do it, and he is neglecting his duty if he does not present them."

In corroboration of his testimony, Major General Drum submitted a memorandum prepared by the Chief of the Budget and Legislative Planning Branch of the War Department showing that—

that—
"as the first step in the preparation of the tentative directives for the military estimates for the fiscal years 1932 to 1936, both inclusive, all chiefs of arms, branches, and bureaus were directed to communicate directly with each interested division of the General Staff, submitting thereto their recommendations, if any, are to new activities pertaining to their respective offices to be as to new activities pertaining to their respective offices to be provided for, or former activities to be abandoned or modified in the estimates for the fiscal year under consideration.

the estimates for the fiscal year under consideration.

"In conformity therewith, the Chief of Air Corps each year submitted the predicted requirements of the Air Corps in personnel, material, and training, and made such recommendations with reference to Ordnance Department, Signal Corps, and Organized Reserve requirements as were pertinent. General Foulois became Chief of the Air Corps on December 22, 1931. At that time the Appropriation Act for the fiscal year 1932 was financing current expenditures. The Military Subcommittee of the House Appropriations Committee was holding hearings on the fiscal year 1933 estimates, the Air Corps' portion of which was presented by General Foulois on January 5, 1932. The call for recommendations concerning the fiscal year 1934 directive was made on December 30, 1931, 8 days after General Foulois took office. On January 12, 1932, General Foulois signed a memorandum for the Assistant Chiefs of Staff, G-1, G-3, and G-4, setting forth the requirements of the Air Corps for the tentative directive, fiscal year 1934. This memorandum covered the field of Air Corps activities and stated the requirements in great detail. (Italics ours.)

"On March 31, 1932, General Foulois appeared in person before

"On March 31, 1932, General Foulois appeared in person before the Budget Advisory Committee and with the aid of five assistants presented the Air Corps' estimates for the fiscal year 1934. Before forwarding the report of the Budget Advisory Committee for approval by higher authority, the budget officer for the War Department on June 20, 1932, informed the Chief of Air Corps of its recommendations concerning Air Corps activities and instructed him to submit any statement concerning these recommendations he saw fit. In reply thereto, the then Acting Chief of Air Corps (General Westover) on June 22, 1932, submitted a reclama regarding the recommendations on the number of pilots and airplanes and the amount of equipment to be provided. This reclama was carefully considered by the successive reviewing authorities at the time the Budget Advisory Committee's report was examined, and any additional amount of equipment at 10 28, 214 over that allowed by time the Budget Advisory Committee's report was examined, and an additional amount aggregating \$1,088,014 over that allowed by the Budget Advisory Committee was allotted to the Air Corps. General Westover was present and presented the Air Corps' contentions at the meeting of the general council which recommended the increase. On October 20, 1932, General Foulois appeared before Mr. Roop, Director of the Budget, and personally presented the Air Corps' estimates. On December 14, 1932, he presented the Air Corps' estimates before the military subcommittee of the House Appropriations Committee." (Italics ours.)

"Before the War Department's expenditure program for the fiscal

"Before the War Department's expenditure program for the fiscal year 1934 could be promulgated, the incoming Director of the Bureau of the Budget imposed a limitation on the amounts that could be withdrawn from the Treasury during the fiscal year 1934. The Chief of the Air Corps did not participate in the negotiations and conferences which took place at that time between representatives of the Secretary of War and of the Director of the Bureau of the Budget, for the reason that the Director of the Bureau of the Budget prescribed that no one except the immediate advisers of the Secretary of War should be informed in the matter. However, the War Department's representatives did succeed in having the limitation of \$16,557,915, originally imposed on the Air Corps by the Director of the Bureau of the Budget, raised to \$20,612,400. As soon as the limiting Air Corps figure was finally prescribed by the Director of the Bureau of the Budget, the Chief of Air Corps was promptly informed of the amount that had been allotted to his establishment, and was requested to consider the effect on Air Corps activities and to submit recommendations concerning possible transfers to his appropriation from other appropriations, at the same time indicating the appropriation that propriations, at the same time indicating the appropriations that could be reduced and the reasons therefor. In reply the Chief of Air Corps recommended that \$150,000 should be transferred from

'Air Corps, Army', to 'Organized Reserves', and this recommenda-

tion was approved.
"On February 13, 1933, General Foulois signed a memorandum "On February 13, 1933, General Foulois signed a memoral for the Assistant Chiefs of Staff, G-1, G-3, and G-4, setting forth the requirements of the Air Corps for the tentative directive, fiscal year 1935. Among the recommendations covering the requirements of the Air Corps was included the following: 'It is recomthe requirements of the Air Corps for the tentative directive, fiscal year 1935. Among the recommendations covering the requirements of the Air Corps was included the following: 'It is recommended that there be no limiting figure which will prevent the submission of programs by the Ordnance Department and the Signal Corps for the procurement of material provided by these Departments for use by the Air Corps. This recommendation is submitted with particular reference toward securing estimates for the necessary bombs, machine guns, and radio sets.' On July 17, 1933, General Westover personally appeared before the Budget Advisory Committee and presented the Air Corps' requirements in the detail they desired. The Budget Advisory Committee carefully coordinated Air Corps' requirements estimated for by other bureaus and consulted with Air Corps' representatives to assure itself that the Air Corps was properly provided for in such estimates. Although afforded an opportunity by the Budget officer for the War Department to state any disagreement with the recommendations of the Budget Advisory Committee, the Chief of Air Corps did not avail himself of the opportunity. (Italic ours.)

"On October 18, 1933, General Foulois personally appeared before the representative of the Bureau of the Budget (Colonel Dasher) who was examining the War Department's estimates in the office of the budget officer for the War Department and presented the Air Corps' requirements. On November 13, 1933, General Foulois personally appeared before the Assistant Director of the Bureau of the Budget (Mr. Lowry) who was conducting hearings in the Bureau of the Budget (Mr. Lowry) who was conducting hearings in the Bureau of the Budget at length to questions propounded to him and discussed the activities of his establishment at length. On February 14, 1934, General Foulois appeared personally before the Military Subcommittee of the House Appropriations Committee and discussed Air Corps requirements in the greatest detail. (Italics ours.)

"On March 24

(Italics ours)

"On March 24, 1934, General Foulois signed a memorandum for the assistant chiefs of staff, G-1, G-3, and G-4, setting forth the requirements of the Air Corps for the tentative directive, fiscal year 1936. The budget advisory committee has not held hearings on the Air Corps' estimates but General Foulois will be given the opportunity of presenting the Air Corps' requirements at the proper time. The tentative directive provides for 'the completion of the 5-year Air Corps program.'

"With reference to the control of the Chief of Air Corps over homes other amounting mention guess and radio equipment.

"With reference to the control of the Chief of Air Corps over bombs, other ammunition, machine guns, and radio equipment, bureaus other than Air Corps are required by law to procure, store, and issue such items. In this respect, the Air Corps is in the same position as other issuing services, except that since the enactment of the Air Corps Act of July 2, 1926, the Air Corps has been accorded preferential treatment. With reference to bombs and other ammunition, the Chief of Air Corps is allotted annual allowances on a money-value basis, and credits are established in ordnance establishments which issue to the Air Corps the items requisitioned for up to the amount of money value available. The situation would not be changed if funds for these purposes were carried in the appropriation 'Air Corps, Army.' The decision as to the amount of funds to be carried in War Department estimates for these purposes would be made by the same authority which now prescribes the ammunition allowances."

In view of the records, testimony, and quotations above referred to we find as a fact that, notwithstanding his testimony to the contrary, Major General Foulois was given full opportunity to present and defend his proposed budgets for the Air Corps, and that he availed himself of such privilege.

# AIR MAIL

AR MAIL

A glaring example of mismanagement and inefficiency on the part of Major General Foulois is apparent from his actions or failures to act in connection with the plans and preparations prior to the transportation of the air mail. Major General Foulois testified, under oath, on March 1, 1934, that he was advised of the probability that the Army Air Corps might be called on to carry the mail on February 9, 1934, and that when asked "Whether or not the officers, men, and material were in such state and training and condition to do it" he told the Assistant Postmaster General that he was "quite certain" that the Air Corps could handle the job and that he thought he would be ready to move personnel and material in a week or 10 days. He further testified that he was then given 10 days to prepare for transportation of the air mail. The testimony also shows that Brig. Gen. Oscar Westover, Assistant Chief of the Air Corps, who was put in charge of the air-mail operations the day following the order given for transportation, was not consulted by Major the order given for transportation, was not consulted by Major General Foulois or any other officer with reference to the condition of the Air Corps for the proper handling of the air mail, notwithstanding the fact that Brigadier General Westover was available and that he testified that he would ordinarily be con-

available and that he destrict that he would ordinarily be consulted in such a move. Brigadier General Westover also testified as follows, in regard to this proposition:

"Mr. Rogers. Considering the other factors, danger, equipment, landing\_field accommodations—considering all those other factors in connection with it, do you feel that at that time you would have recommended in favor of carrying the mail by the Air

"General Westover. I doubt whether I would. I certainly would have consulted with the War Department officials with reference to their complications, the question of leasing and doing things of that kind. I mean there are so many angles to it that it would have taken some time to have reached a decision.

"Mr. Rogers. You would not have felt like doing it until you

had considerable time to look into the matter further?

"General Westover. Yes, sir.

"Mr. Rogers. You would not have been ready at that time?

"General Westover. I would not have been ready. I would not have made an immediate decision."

have made an immediate decision."

Apparently after a realization of the detrimental effect of his testimony Brigadier General Westover conveyed to the committee the impression that he may not have been in Washington when the decision for the transportation of the air mail was made, but later, undoubtedly realizing the serious nature of testimony under oath, wrote the committee on March 14, 1934, that he was "on duty and available in this city (Washington) from the 1st to the 9th of February.

\* \* \*."

oath, wrote the committee on March 14, 1934, that he was "on duty and available in this city (Washington) from the 1st to the 9th of February. \* \* \*."

Major General Foulois further testified in answer to the question "what experience had they (Army pilots) had in night flying before they took up the mail work" replied:

"I think nearly practically every one of the officers employed on this averaged, even before they graduated from the training center, 30 to 40 hours of night flying; and the men that are employed now on the lines, with possibly an isolated exception here and there averaged, I would say, 50 to 60 hours at the beginning on night flying. They had that experience before going on the lines."

From records submitted to the committee it appears that D. O. Lowry, second lieutenant, Air Corps, had only 17½ hours' night flying up to the time of his fatal injury while carrying the mail; another, W. M. Reid, second lieutenant, Air Corps Reserve, had only 3½ hours' night flying prior to his crashing while carrying the mail. Other officers involved in night crashes on regular mail runs had the following hours of night flying: H. L. Dietz, second lieutenant, Reserve, 24 hours 25 minutes; N. R. Burnett, second lieutenant, Air Corps, 13 hours; and C. P. Hollstein, second lieutenant, Reserve, 9 hours 50 minutes.

In connection with accidents incident to administration work connected with the air mail, the records show the following:

connected with the air mail, the records show the following:

## Night flying

[1]	HT.	Min.
G. F. McDermott, second lieutenant, Reserve	13	20
J. H. Rothrock, second lieutenant, Reserve	6	00
W. S. Pocock, second lieutenant, Reserve	12	10
N. H. Crumley, second lieutenant, Reserve	21	15

Further testimony before the committee showed the total lack of preparation made by the Chief and Assistant Chief of the Air Corps for the welfare of the personnel engaged in the carrying of the mail, the preparation in regard to their per diem allowances, working conditions, and the availability of hangars within which the planes were to be housed during the time for necessary repairs and inspection.

# PROCUREMENT

During the course of his testimony Major General Foulois was questioned under oath regarding the procurement of aircraft and accessories under the Air Corps Act of 1926. He testified in answer to a direct question that in the purchase of planes there was no real competitive bidding, that it was practically all negotiated business, and that the purchase of planes "has been chiefly under the negotiated system almost entirely for the past 3 or 4

This testimony was corroborated by the evidence of Brigadier

General Westover, who testified, in part, as follows:

"Mr. Rogess. Was it the intention of the Air Corps at that time to purchase by competitive bidding or negotiated contract?

"General Westover. It was the intention to purchase by negotiated contract and recommendations.

"Mr. Rogers. That being in accordance with the usual practice?
"General Westover. That being in accordance with the practice that had existed since about 1927 or 1928, when the Air Corps Act

of 1926 was actually put in practice.

"Mr. Rogers. That was in accordance with the understanding of the meaning of the Air Corps Act of 1926?

"General Westover. I have studied the Air Corps Act quite frequently, and I have never had any reservations about concluding that the negotiated contracts were entirely within the law and probably intended by that act.

"Mr. James. Have you ever read any decision of the Judge Advocate General?

"General Westover. I have.

"Mr. James. Do you see others that corroborate your view?
"General Westover. No, sir.
"Mr. James. Do you see others that were the exact opposite of

"Mr. James. Do you see others that were the exact opposite of what you state?

"General Westover. I have, sir.

"Mr. James. All you have seen have been the decisions of the Judge Advocate General stating that what you were doing was in violation of the law; isn't that true?

"General Westover. I believe that is right.

"Mr. James. As a sworn officer of the Government, you know that the Judge Advocate General has ruled that you can't purchase planes in quantity under (k), don't you?

"General Westover. I have understood that decision; yes, sir.

"Mr. James. You know that is so, don't you?

"General Westover. I don't get your point, Mr. James.

"Mr. James. You know that the Judge Advocate General has rendered a decision that you cannot purchase planes in quantity

rendered a decision that you cannot purchase planes in quantity under (k), don't you?

"General Westover. I know that; yes, sir."

On being further pressed as to whether or not he had approved contracts for purchases under section 10 (k), Brigadier General Westover stated that he had approved no contracts, that he had nothing to do with the approval of contracts, and that "when land if it becomes my duty to approve those, I will be fully informed. I am talking about my casual knowledge at the present "time."

Realizing on reflection that the testimony so given was contrary to the documentary evidence available to the committee, Brigadier General Westover, by letter dated April 9, 1934, wrote this subcommittee as follows:

"With reference to corrected testimony on page 451 to the effect with felerated to contracted testinony on page 41 to the elect that 'I have never approved any contracts for aircraft', it should be understood that at times, as Acting Chief of the Air Corps in the absence of General Foulois, it becomes my duty to recom-mend to the Assistant Secretary of War approval or disapproval of contracts in accordance with established procedure and the policy of the Chief of the Air Corps \* \* \* "

contracts in accordance with established procedure and the policy of the Chief of the Air Corps. \* \* \* " " " An inspection of the chart of purchases annexed to this report and marked "Exhibit A" will disclose the many instances in which Brigadier General Westover approved contracts for the procurement of aircraft and accessories and the value thereof.

It should be noted here that in the purchase of Army airplanes no performance guaranty whatsoever other than weight and balance is required from the successful vendor, a deplorable condition which would not be tolerated in private industry and which is not which would not be tolerated in private industry and which is not permitted in other branches of our National Government.

As another piece of testimony showing the unreliability and dishonesty of Major General Foulois, we call attention to the general's statement before the House Committee on Military Affairs on February 1, 1934, relative to the treatment received by him from the other members of the Drum Board. In commenting on the findings of the Drum Board he testified, in part, as follows:

There are a lot of things in there that I disagree with; there are a lot of things in there that I agreed with in the interest of harmony, and also to the fact that five members of that board—and I was often the minority member on lots of things that had to happen and that were discussed—there were a great many things that I was voted down on in handling the parliamentary procedure

in working up that report that you have here \* \* \*"

When this testimony was called to the attention of Maj. Gen.
Hugh A. Drum, the Deputy Chief of Staff, and Brig. Gens. George
S. Simonds and Charles E. Kilbourne, members of the Drum
board, they testified that Major General Foulois' statement as
quoted was incorrect and false.

The present insilicent approximations are supported in the statement and the statement are supported by the statement and the statement are supported by the statement and the statement are supported by the statement are support

The present inefficient, expensive, and unproductive system of procurement of airplanes, as carried on by and through the Chief

of the Air Corps, is indeed well illustrated in the present experience of the Air Corps with 136 Boeing P-26 planes, purchased in violation of law in January and February 1933 under Army regulations (A.R.-5-240) without proper tests, at a contract price of \$1.388 500.17

Approximately 93 planes have been delivered to date, and it is Approximately 93 planes have been delivered to date, and it is admitted that before the contract is completed the planes will be obsolete. The direct cause for this state of affairs is constant alterations in specifications after the award of a contract, resulting in unreasonable and unjustifiable delay. This situation develops at Wright Field, a branch office of the Chief of the Air Corps, and an essential factor in the system of unlawful procurement which must be abolished.

ment which must be abolished.

The desirability for a concise and summary report make it inadvisable to fully detail all of the evidence presented to us concerning the inefficiency of the Air Corps under Maj. Gen. Benjamin D. Foulois, but the record is replete with such facts.

We desire unanimously at this time to impress upon the Congress and the citizens of the United States of America that our investigations are constantly showing that thousands of patriotic young men throughout the Nation, enlisted in the Air Corps, have in the past and are now ferrently rendering unselfsh and have in the past and are now fervently rendering unselfish and patriotic service in an earnest endeavor to establish and maintain an Army Air Corps of which America may well be proud.

Our report would not be complete without calling attention Our report would not be complete without calling attention to the type of young men who make up the tactical units of the Air Corps. They come from West Point, from the universities, colleges, and technical schools of America, and finer personnel cannot be obtained. That these officers and men should be equipped with proper planes and aeronautical supplies goes without saying. Under the system of procurement in vogue these they have not been receiving. This inquiry discloses the necessity for open unrestricted competition in the purchase of planes and matériel, the crying need of frequent and aggressive design competition, and the expenditure of reasonable amounts for experimental nurposes.

In conclusion, however, we find it necessary to report that we are most firmly convinced from the evidence and records submitted that before any substantial progress in the upbuilding of the morale and the matériel of the Army Air Corps can be attained, Maj. Gen. Benjamin D. Foulois must be relieved from his position as Chief of the Air Corps. We unanimously recommend that the Secretary of War take such action without delay.

WM. N. Rogers, Chairman. WM. N. HOGERS, CRAIF LISTER HILL. NUMA F. MONTET. DOW W. HARTER. W. FRANK JAMES. EDWARD W. GOSS. CHARLES A. PLUMLEY, PAUL J. KVALE.

# EXHIBIT A

Contract No. Amount		The sufference			Any notation by any- one connected with	Recommendations for approval		
	Contractor	Approval	Item	the office of the Judge Advocate General	At Wright Field	In office of the Chief of the Air Corps		
W 535 ac-4305	\$25, 200. 00	Marvel Carbu- reter Co.	Approved June 23, 1931, by direction of the Secretary of War under the provi- sions of sec. 10 (k), act of July 2, 1926. F. Trubes Davison, Assistant Secre- tary of War.	Fuel chargers and accesso- ries.	June 23, 1931. George P. Hill, major, Judge Advocate General's Department.	Approval recommended June 20, 1931. Lt. Col. H. H. Arnold, Air Corps, Acting Chief of Division.	Approval recommended June 22, 1931; Maj. Gen. J. E. Fechet, Air Corps, Chief of the Air Corps.	
W 535 ac-4573	41, 963. 00	General Electric		9 special nozzle boxes, 3 spe- cial turbine wheels and tests thereof.	Sept. 17, 1931. Legally sufficient. Maj. George P. Hill, Judge Advocate General's Department.	Approval recommended Sept. 8, 1931. For the Chief of the Matériel Division; Lt. Col. H. H. Arnold, Air Corps, executive.	Approval recommended Sept. 11, 1931; Brig. Gen. B. D. Foulois, Air Corps, Acting Chief of the Air Corps.	
W 535 ac-4641	187, 650. 00	do		90 turbo su- perchargers.	Oct. 15, 1931. Legally sufficient. Maj. George P. Hill, Judge Advocate General's Depart- ment.	Approval recommended Oct. 9, 1931. For the Chief of the Matériel Division, Lt. Col. H. H. Arnold, Air Corps, ex- ecutive.	Approval recommended Oct. 12, 1931; Brig. Gen. B. D. Foulois, Air Corps, Acting Chief of the Air Corps.	
W 535 ac-4653	148, 772. 10	Wright Aero- nautical Cor- poration.	Approved Oct. 29, 1931, by direction of the Secretary of War under the pro- visions of sec. 10 (q), act of July 2, 1926. F. Trubee Davison, Assistant Secre- tary of War.	32 Wright R-975-E engines, spare parts, and data.	Oct. 28, 1931. Legally sufficient. Maj. George P. Hill, Judge Advocate General's Depart- ment.	Approval recommended Oct. 22, 1931. For the Chief of the Matériel Di- vision, Lt. Col. H. H. Arnold, Air Corps, ex- ecutive.	Approval recommended Oct. 26, 1931; Lt. Col. Ira Longanecker, Air Corps, Acting Chief of the Air Corps.	
W 535 ac-4699	26, 599. 91	Consolidated Ashcroft Han- cock Co., Inc.	Approved Nov. 6, 1931. F. Trubee Davison, Assistant Secretary of War.	1,360 engine gage units, type B-1.	Nov. 5, 1931. Legally sufficient. Maj. George P. Hill, Judge Advocate General's Depart- ment.	Approval recommended Oct. 31, 1931. For the Chief of the Matériel Di- vision, Capt. A. E. Jones, Air Corps, acting executive.	Approval recommended Nov. 3, 1931; Maj. Gen. J. E. Fechet, Air Corps, Chief of the Air Corps.	
W 535 ac-4798	71, 071. 00	Kollsman In- strument Co., Inc.	Approved Dec. 14, 1931. F. Trubee Davison, Assist- ant Secretary of War.	1,001 alti meters, type C-5, and data.	Dec. 9, 1931. Legally sufficient. Maj. George P. Hill, Judge Advocate General's Depart- ment.	Approval recommended Dec. 2, 1931. For the Chief of the Matériel Division, Lt. Col. A. W. Robins, Air Corps ex- ecutive.	Approval recommended Dec. 5, 1931; Brig. Gen. B. D. Foulois, Air Corps, Acting Chief of the Air Corps.	

Contract No.					Any notation by any- one connected with	Recommendations for approval		
Centract No.	Amount	Contractor	Approval	Item	the office of the Judge Advocate General	At Wright Field	In office of the Chief of the Air Corps	
W 535 ac-5247	\$59, 493. 12	Wright Aeronautical Corporation.	Approved June 28, 1932, by direction of the Secretary of War under the pro- visions of sec. 10 (dp. act of July 2, 1926. F. Trubee Davison, Assistant Secre- tary of War.	8 type YISR- 1820-F aero- nautical en- gines, spare parts, and data.	June 27, 1932. Legally sufficient. Maj. George P. Hill, Judge Advocate General's Depart- ment.	Approval recommended June 21, 1932. For the Chief of the Matériel Division, Lt. Col. A. W. Robins, Air Corps, ex- ecutive.	Approval recommended June 23, 1932; Brig. Gen. O. Westover, Air Corps, Acting Chief of the Air Corps.	
W 535 ac-5248	33, 821. 25	The Pratt & Whitney Aircraft Co.	Approved June 30, 1932, by direction of the Secretary of War under the pro- visions of sec. 10 (k), act of July 2, 1926. F. Trubee Davison, Assistant Secre-	3 type YGR- 1535 aero- nautical en- gines and data.	June 30, 1932. Legally sufficient. Maj. George P. Hill, Judge Advocate General's Depart- ment.	Approval recommended June 27, 1932. For the Chief of the Materiel Division, Lt. Col. A. W. Robins, Air Corps, ex- ecutive.	Approval recommended June 28, 1932; Brig. Gen. O. Westover, Air Corps, Acting Chief of the Air Corps.	
W 535 ac-5257	27, 000, 00	The Gaertner Scientific Cor- poration.	tary of War.  Approved June 29, 1932. F. Trubee Davison, Assistant Secretary of War.	200 type G-4 camera gun assemblies.	June 28, 1932. Legally sufficient. Maj. George P. Hill, Judge Advocate General's Depart- ment.	Approval recommended June 25, 1932. For the Chief of the Matériel Division, Lt. Col. A. W. Robins, Air Corps, ex-	Approval recommended June 27, 1932; Brig. Gen. O. Westover, Air Corps, Acting Chief of the Air Corps.	
W 535 ac-5258	226, 676. 05	Curtiss Aero- plane & Motor Co., Inc.	Approved June 30, 1932, by direction of the Secretary of War under the provi- sions of sec. 10 (k), act of July 2, 1928. F. Trubee Davison, Assistant Secre- tary of War.	1 type Y10-40B, 3 type Y10-40A air-planes, 1 skeleton air-plane, type Y10-40A, spare parts,	June 30, 1932. Legally sufficient. Maj. George P. Hill, Judge Advocate General's Depart- ment.	ecutive.  Approval recommended June 27, 1932. For the Chief of the Matériel Division, Lt. Col. A. W. Robins, Air Corps, executive.	Approval recommended June 23, 1932, Brig. Gen. O. Westover, Air Corps, Acting Chief of the Air Corps.	
W 535 ac-5281	111, 095. 73	The Pratt & Whitney Aircraft Co.	Approved June 30, 1932, by direction of the Secretary of War under the provi- sions of sec. 10 (q), act of July 2, 1928. F. Trubee Davison, Assistant Secre-	and data.  19 type YISR- 1340-G aero- nautical en- gines, spare parts, and data.	do	Approval recommended June 29, 1932. For the Chief of the Matériel Division, Lt. Col. A. W. Robins, Air Corps, executive.	Approval recommended June 30, 1932; Brig. Gen. O. Westover, Air Corps, Acting Chief of the Air Corps.	
W 535 ac-5316	77, 219. 60	Wright Aeronau- tical Corpora- tion.	tary of War.  Approved Aug. 29, 1932, under the provisions of par.  4g (4), Army Regulations 5-240. F. H. Payne, The Assistant Secretary of War.	Spare parts for types R-790, R-975, R- 1750 and R- 1820 aero- nautical en- gines.	Aug. 27, 1932. Legally sufficient. Maj. George P. Hill, Judge Advocate General's Depart- ment.	Approval recommended Aug. 22, 1932. Lt. Col. A. W. Robins, Air Corps, Acting Chief Materiel Division.	Approval recommended Aug. 25, 1932; Maj. Gen. B. D. Foulois, Alr Corps, Chief of the Air Corps.	
W 535 ac-5379	31, 800. 06	Eclipse Aviation Corporation.	Approved Sept. 19, 1932. F. H. Payne, The Assistant Secretary of War.	120 starter as- semblies.	Sept. 15, 1932. Legally sufficient. Maj. George P. Hill, Judge Advocate General's Depart- ment.	Approval recommended Sept. 9, 1932. For the Chief of the Matériel Di- vision, Lt. Col. A. W. Robins, Air Corps, exec- utive.	Approval Recommended Sept. 12, 1932; Brig. Gen. O. Westover, Air Corps, Acting Chief of the Air Corps.	
W 535 ac-5383	35, 343. 00	American Cable Co., Inc.	Approved Sept. 30, 1932. F. H. Payne, The Assistant Secretary of War.	918,000 feet flexible cable.	Sept. 28, 1932. Legally sufficient. Maj. George P. Hill, Judge Advocate General's Depart- ment.	Approval recommended Sept. 24, 1932. For the Chief of the Matériel Di- vision, Lt. Col. A. W. Robins, Air Corps, exec- utive.	Approval recommended Sept. 25, 1932; Brig. Gen. O. Westover, Air Corps, Acting Chief of the Air Corps.	
W 535 ac-5439	83, 195. 00	Wellington Sears Co.	Approved Oct. 28, 1932. F. H. Payne, The Assistant Secretary of War.	350,000 yards mercerized cotton air- plane fabric.	Oct. 26, 1932. Legally sufficient. Maj. George P. Hill, Judge Advocate General's Depart-	Approval recommended Oct. 22, 1932. For the Chief of the Matériel Di- vision, Lt. Col. A. W. Robins, Air Corps, exec- ntive	Approval recommended Oct. 24, 1932; Maj. Gen. B. D. Foulois, Air Corps. Chief of the Air Corps.	
W 535 ac-5446	174, 613. 40	Douglas Aircraft Co., Inc.	Approved Dec. 7, 1932, by direction of the Secretary of War under the provi- sions of sec. 10 (q) of the act of July 2, 1926, F. Trubee Davison, Assistant Secretary of War.	airplanes, spare parts,	Dec. 6, 1932. Legally sufficient. Msj. George P. Hill, Judge Advocate General's Depart- ment.	Approval recommended Nov. 25, 1932. For the Chief of the Matériel Division, Lt. Col. A. W. Robins, Air Corps, ex- ecutive.	Approval recommended Nov. 30, 1932; Maj. Gen. B. D. Foulois, Air Corps, Chief of the At. Corps.	
W 535 ac-5449	35, 932, 20	Wright Aeronautical Corporation.	Approved Nov. 3, 1932, under the provisions of par. 4g (4), Army Regula- tions 5-240. F. H. Payne, The Assistant Secretary of War.	Spare parts for types V-1150 and V-1570 aer on auti- cal engines.	Nov. 2, 1932. Legally sufficient. Maj. George P. Hill, Judge Advocate General's Depart- ment.	Approval recommended Oct. 27, 1932. For the Chief of the Matériel Division, Lt. Col. A. W. Robins, Air Corps, ex- ecutive.	Approval recommended Oct. 31, 1932. Maj Gen. B. D. Foulois, An Corps, Chief of the Air Corps.	
W 535 ac-5450	185, 000. 00	Douglas Aircraft Co., Inc.	Approved Dec. 7, 1932, by direction of the Secretary of War under the provi- sions of sec. 10 (k), act of July 2, 1928, F. Trubee Davison, Assistant Secre-	1 amphibian observation airplane, model YO- 44, and data.	Dec. 7, 1932. Legally sufficient. Maj. George P. Hill, Judge Advocate General's Depart- ment.	Approval recommended Nov. 26, 1932. For the Chief of the Matériel Division, Lt. Col. A. W. Robins, Air Corps, ex- ecutive.	Approval recommended Nov. 30, 1932; Maj. Gen. B. D. Foulois, Air Corps, Chief of the Air Corps.	
W 535 ac-5506	23, 056. 10	Boeing Airplane Co.	tary of War.  Approved Nov. 28, 1932, Brig. Gen. H. C. Pratt, Air Corps, Chief Matériel Division.	Spare parts for types P-12, P-12B, P- 12C, P-12D, P-12E, and P-12F Boe- ing air- planes.			Award approved Nov. 11 1932, by Brig. Gen. O Westover, Air Corps Acting Chief of the Air Corps.	
W 535 5ac-507	157, 729, 12	The Pratt & Whitney Aircraft Co.	Approved Dec. 5, 1932, by direction of the Secretary of War under the provi- sions of sec. 10 (q), act of July 2, 1926. F. H. Payne, The Assistant Secretary of	28 type Y1R- 1690-D aero- nautical en- gines, spare parts, and data.	Dec. 2, 1932. Legally sufficient. Maj. George P. Hill, Judge Advocate General's Depart- ment.	Approval recommended Nov. 23, 1932. For the Chief of the Matériel Division, Lt. Col. A. W. Robins, Air Corps, ex- ecutive.	Approval recommended Nov. 25, 1932; Brig, Gen O. Westover, Air Corps Acting Chief of the Air Corps.	
W 535 ac-5520	33, 642. 00	Irving Air Chute Co., Inc.	War.	756 parachutes, seat service type S-1.	Nov. 28, 1932. Legally sufficient. Maj. George P. Hill, Judge Advocate General's Depart-	Approval recommended Nov. 21, 1932. For the Chief of the Matériel Division, Lt. Col. A. W. Robins, Air Corps, ex-	Do.	

	file casta				Any notation by any- one connected with	Recommendations for approval		
Contract No.	Amount	Contractor	Approval	Item	the office of the Judge Advocate General	At Wright Field	In office of the Chief of the Air Corps	
W 535 ac-5527	\$25, 576. 06	Kollsman Instrument Co., Inc.	Approved Jan. 4, 1933, under the provisions of par. 4 (n), Army Regulations 5-240. F. H. Payne, The Assist- ant Secretary of War.	3,159 thermometers and data.	Jan. 4, 1933. Legally sufficient. Maj. George P. Hill, Judge Advocate General's Depart- ment.	Approval recommended Dec. 28, 1932. For the Chief of the Matériel Division, Lt. Col. A. W. Robins, Air Corps, ex- ecutive.	Approval recommended Dec. 30, 1932; Maj. Gen. B. D. Foulois, Air Corps, Chief of the Air Corps.	
W 535 ac-5537	74, 804. 50	Sperry Gyro- scope Co., Inc.	Approved Jan. 4, 1933, under the provisions of par. 4 g (1), Army regulations 5- 240. F. Trubee Davison, Assistant Secretary of	Indicator and tube assemblies.	do	Approval recommended Dec. 13, 1932. For the Chief of the Matériel Di- vision, Lt. Col. A. W. Robins, Air Corps, ex- ecutive.	Approval recommended Dec. 27, 1932, Maj. Gen. B. D. Foulois, Air Corps, Chief of the Air Corps.	
W 535 ac-5592	38, 237. 32	Allison Engineering Co.	War.  Approved Jan. 5, 1933, by direction of the Secretary of War under the provi- sions of sec. 10 (k), act of July 2, 1926. F. Trubee Davison, Assistant Secre- tary of War.	1 Allison V-1710-1 aer- onautical en- gine, spare parts, spe- cial tools, and data.	do	Approval recommended Dec. 28, 1932. For the Chief ef the Matériel Di- vision, Lt. Col. A. W. Robins, Air Corps, ex- ecutive.	Approval recommended Jan. 3, 1933. Brig. Gen O. Westover, Air Corps. Acting Chief of the Air Corps.	
W 535 ac-5609	275, 651. 00	Bellanea Air- craft Corpora- tion.	Approved Jan. 17, 1933, by direction of the Secretary of War under the provi- sions of sec. 10 (k), act of July 2, 1926. F. Trubee Davison, Assistant Secre- tary of War.	10 transport airplanes, type C-27A, spare parts, and data.	Jan. 16, 1933. Legally sufficient, Maj. George P. Hill, Judge Advocate General's Depart- ment.	Approval recommended Jan. 9, 1932. For the Chief of the Matériel Di- vision, Lt. Col. A. W. Robins, Air Corps, ex- ecutive.	Approval recommended Jan. 12, 1933. Brig. Gen. O. Westover, Air Corps. Acting Chief of the Air Corps.	
W 535 ac-5627	568, 320. 00	Wright Aeronautical Corporation.	Approved Mar. 1, 1933, by direction of the Secretary of War under the provi- sions of sec. 10 (q), act of July 2, 1926. F. Trubee Davison, Assistant Secre- tary of War.	64 Model V- 1570-57 aer- onautical en- gines, spare parts, and data.	Mar. 1, 1933. Legally sufficient. Maj. George P. Hill, Judge Advocate General's Depart- ment.	Approval recommended Feb. 24, 1933. For the Chief of the Matériel Division, Lt. Col. A. W. Robins, Air Corps, ex- ecutive.	Approval recommended Feb. 27, 1933; Maj. Gen B. D. Foulois, Air Corps, Chief of the Air Corps.	
WW 535 ac- 5632.	388, 852, 49	do	do	52 model YR- 1820-17 aero- nautical en- gines, spare parts, and data.	Mar. 1, 1933. Legally sufficient. Maj. George P. Hill, Judge Advocate General's Department. May 25, 1933. Legally sufficient. Maj. George P. Hill, Judge Advocate General's	Approval recommended Feb. 13, 1933. For the Chief of the Matériel Division, Lt. Col. A. W. Robins, Air Corps, ex- ecutive.	Approval recommended Feb. 20, 1933; Maj. Gen B. D. Foulois, Air Corps, Chief of the Air Corps.	
W 535 ac-5642	1, 201, 117. 50	Boeing Airplane Co.	Approved Jan. 24, 1933, under the provisions of paragraph g (1), Army Regulations 5-240. F. Trubee Davison, Assist- ant Secretary of War.	111 type P-26A airplanes, spare parts, and data.	sufficient. Maj. George P. Hill, Judge Advocate General's Depart- ment. Mar. 1, 1933. Legally sufficient, Maj. George P. Hill, Judge Advocate General's Depart-	Approval recommended Jan. 16, 1933. For the Chief of the Matériel Di- vision, Lt. Col. A. Robins, Air Corps, ex- ecutive.	Approval recommended Jan. 18, 1933; Brig. Gen. O. Westover, Alr Corps. Acting Chief of the Air Corps.	
535 ac-5652	63, 314. 10	The Pratt & Whitney Aircraft Co.	Approved Feb. 13, 1933, by direction of the Secretary of War under the provi- sions of sec. 10 (k), act of July 2, 1927. F. Trubee Davison, Assistant Secre-	3 type YR- 1830-1 sero- nautical en- gines, ex- haust stacks, and data.	ment. Feb. 11, 1933. Legally sufficient. Maj. George P. Hill, Judge Advocate General's Depart- ment.	Approval recommended Feb. 6, 1933. For the Chief of the Matériel Di- vision, Lt. Col. A. W. Robins, Air Corps, ex- ecutive.	Approval recommended Feb. 8, 1933; Maj. Geu B. D. Foulois, Air Corps, Chief of the Air Corps.	
W 535 ac-5665	2, 070, 800, 51	The Glenn L. Martin Co.	Approved Jan. 24, 1933, by direction of the Secretary of War under the provisions of sec. 10 (k), act of July 2, 1926. F. Trubee Davison, Assistant Secretary of War.	12 model YB- 13, 12 model YB-12, and 14 model YB-10 bom- bardment airplanes, spare parts, static test parts, and data.	Jan. 24, 1933. Legally sufficient. Maj. George P. Hill, Judge Advocate General's Department. Mar. 1, 1933. Legally sufficient, Maj. George P. Hill, Judge Advocate General's Department. May 25, 1933. Legally sufficient. Maj. George P. Hill, Judge Advocate General's Department. Nov. 21, 1933. Legally sufficient. Col. Jos. I. McMuillen, Judge Advocate General's Department. Nov. 21, 1933. Legally sufficient. Col. Jos. I. McMuillen, Judge Advocate General's Department. Poppartment. Popp	Approval recommended Jan. 18, 1933. For the Chief of the Matériel Division, Lt. Col. A. W. Robins, Air Corps, executive.	Approval recommended Jan. 19, 1933; Brig. Gen. O. Westover, Air Corps, Acting Chief of the Air Corps.	
W 535 ac-5690	38, 630. 00	strument Co., Inc.	Approved Feb. 21, 1933. F. Trubee Davison. Assistant Secretary of War.	500 altimeters, type C-5, handbook, and data.	ment. Feb. 17, 1933, Legally sufficient. George P. Hill, Judge Advocate General's Department.	Approval recommended Feb. 10, 1933. For the Chief of the Matériel Di- vision. Lt. Col. A. W. Robins, Air Corps, exec- utive.	Approval recommended Feb. 13, 1933; Maj. Gen. B. D. Foulois, Air Corps, Chief of the Air Corps.	
W 535 ac-5695	1, 011, 507. 31	The Pratt & Whitney Aircraft Co.	Approved Feb. 21, 1933, by direction of the Secretary of War under the provi- sions of sec. 10 (q), act of July 2, 1926. F. Trubee Davison, Assistant Secre- tary of War.	250 type R- 1340-27 aero- nautical en- gines, spare parts, and data.	Mar. 1, 1933. Legality sufficient. Maj. George P. Hill, Judge Advocate General's Department.	do	Do.	

LXXVIII—787

					Any notation by any- one connected with	Recommendation	ons for approval
Contract No.	Amount	Contractor	Approval	Item	the office of the Judge Advocate General	At Wright Field	In office of the Chief of the Air Corps
W 535 ac-5709	\$130, 488, 66	The Pratt & Whitney Aircraft Co.	Approved Mar. 2, 1933, by direction of the Secretary of War under the provi- sions of section 10 (q), act of July 2, 1926. F. Trubee Davison, Assistant Secre-	20type YR- 1860-19 nero- nautical en- gines, spare parts, and data.	Notation.—See central files for legal sufficiency by Judge Advocate General, Mar. 1, 1933.	Approval recommended Feb. 23, 1933. For the Chief of the Matériel Division, Lt. Col. A. W. Robins, Air Corps, ex- ecutive.	Approval recommended Feb. 27, 1933; Maj. Gen. B. D. Foulois, Air Corps, Chief of the Air Corps.
W 535 ac-5732	612, 500. 00	Consolidated Aircraft Cor- poration.	tary of War. 1, 1933, by direction of the Secretary of War under the provisions of sec. 10 (k), act of July 2, 1926. F. Trubee Davison, Assistant Secretary of War.	4 type P-30 airplanes, 4 type A-11 airplanes, 1 skeleton air- plane, type P-30,1skele- ton airplane, type A-11, photographs, and data.	Mar. 1, 1933. Legally sufficient. Maj. George P. Hill, Judge Advocate General's Department.	Approval recommended Feb. 27, 1933. For the Chief of the Matériel Division, Lt. Col. A. W. Robins, Air Corps, ex- ecutive.	Approval recommended Feb. 28, 1933; Maj. Gen. B. D. Foulois, Air Corps, Chief of the Air Corps.
W 535 ac-5733	937, 101. 26	Curtiss Aero- plane & Mo- tor Co., Inc.	Approved Mar. 1, 1933, by direction of the Secretary of War under the provi- sions of sec. 10 (k), act of July 2, 1926. F. Trubee Davison, Assistant Secre- tary of War.	and data.  46 type A-12 Curtiss attack airplanes, spare puts, and data.	do	do	Do.
W 535 ac-5738	580, 323. 58	Wright Aero- nautical Cor- poration.	Approved Mar. 2, 1933, by direction of the Secretary of War under the provi- sions of sec. 10 (q), act of July 2, 1926. F. Trubee Davison, Assistant Secre- tary of War.	92 model YR- 1820-21 nero- nautical en- gines, spare parts, and data.	do	Approval recommended Feb. 1933. For the Chief of the Matériel Di- vision. Lt. Col. A. W. Robins, Air Corps, ex- ecutive.	Approval recommended Mar. 1, 1933; Maj. Gen. B. D. F ulois, Air Corps, Chief of the Air Corps.
W 535 ac-5743	440, 304. 00	Douglas Aircraft Co., Inc.	tary of War. 2, 1933, by direction of the Secretary of War under the provi- sions of section 10 (k), act of July 2, 1926. F. Trubee Davison, Assistant Secre- tary of War.	24 type O-43A Douglas ob- servation air- planes, spare parts, and data.	do	Approval recommended Feb. 28, 1933. For the Chief of the Matériel Division. Lt. Col. A. W. Robins, Air Corps, executive.	Do.
W 535 ac-5744	109, 718. 00	The Pratt & Whitney Aircraft Co.	dary of war,	24 model YR- 985-9 aero- nautical en- gines, spare parts, and	do	do	Do.
W 535 ac-5745	222, 354. 00	Douglas Aircraft Co., Inc.	do	data. 6 model C-26B amphibian transport air- planes, spare parts, and	do	do	Do:
W 535 ac-5811	31, 582. 25	The Gaertner Scientific Cor- poration.	Approved May 2, 1933, under the provisions of par. 4 g (1), Army Regu- lations 5-240. Harry H. Woodring, Assistant Seo- retary of War.	data. Changing 280 type G-3gun cameras into type G-4and repairing and remodeling 75 type G-4	George P. Hill, Judge Advocate	Approval recommended Apr. 21, 1933. For the Chief of the Materiel Division. Lt. Col. A. W. Robins, Air Corps, executive.	Approval recommended Apr. 24, 1933; Maj. Gen. B. D. Foulois, Air Corps, Chief of the Air Corps.
W 535 ac-5841	229, 900. 00	The Pratt & Whitney Aircraft Co.		gun canteras. 44 type R-1690- 13 aeron auti- cal engines, spare parts, and data.	sufficient. Maj. George P. Hill, Judge Advocate General's Depart- ment. June 22, 1933. Legal- ly sufficient. Maj. George P. Hill, Judge Advocate General's Depart-	Approval recommended May 6, 1933. For the Chief of the Matériel Division. Lt. Col. A. W. Robins, Air Corps, executive.	Approval recommended May 10, 1933; Maj. Gen. B. D. Foulois, Air Corps, Chief of the Air Corps.
W 535 ac-5850	117, 801. 39	Wright Aero- nautical Cor- poration.	Approved May 11, 1933, under the provisions of par. 4 g (4), Army Regu- lations 5-240. Harry H. Woodring, Assistant Sec-	Spare parts for type R-1820- E aeronauti- cal engines.	sufficient. Maj. George P. Hill, Judge Advocate General's Depart-	Approval recommended May 5, 1933. For the Chief of the Matériel Division. Lt. Col. A. W. Robins, Air Corps,	Approval recommended May 8, 1933; Maj. Gen. B. D. Foulois, Air Corps, Chief of the Air Corps.
W 535 ac-586	7 186, 400. 00	Boeing Airplane Co.	Hattons 3-240. Harry H. Woodring, Assistant Secretary of War.  Approved May 22, 1933, under the provisions of par. 4 g (4), Army Regulations 5-240. Harry H. Woodring, Assistant Secretary of War.	100 upper wing assemblies for Boeing type P-12 airplanes.	sufficient. Maj. George P. Hill, Judge Advocate General's Depart-	executive.  Approval recommended May 17, 1933. For the Chief of the Matériel Division. Lt. Col. A. W. Robins, Air Corps, ex-	Approval recommended May 18, 1933; Maj. Gen. B.D. Foulois, Air Corps, Chief of the Air Corps.
W 535 ac-586	9 47, 972. 8	Wright Aero- nautical Co.	under the provisions of paragraph 4 g (4), Army Regulations 5-240 Harry	type V-1570 aeronartical	George P. Hill, Judge Advocate General's Departs	ecutive. Approval recommended (no date). For the Chief of the Matériel Division. Lt. Col. A. W. Robins, Air Corps, executive.	Approval recommended May 23, 1933; Maj. Gen. B. D. Foulois, Air Corps, Chief of the Air Corps.
W 535 ac-587	7 61, 943. 00	Fairchild Aerial Camera Cor- poration.	H. Woodring, Assistant Secretary of War. Approved May 12, 1933, un- der the provisions of par. 4 g (4), Army Regulations 5-240. Harry H. Wood- ring, The Assistant Secre- tary of War.	seventy-four	ment. May 11, 1933. Legally sufficient. Maj. George P. Hill, Judge Advocate General's Depart- ment.	Approval recommended May 8, 1933. For the Chief of the Matériel Division. Lt. Col. A. W. Robins, Air Corps, executive.	Approval recommended May 10, 1933; Maj. Gen. B. D. Foulois, Air Corps, Chief of the Air Corps.
W 535 ac-589	1 32, 987. 50	The Leece-Ne- ville Co.	Approved May 22, 1933, Harry H. Woodring, The Assistant Secretary of War.	and lenses. 455 generator assemblies, type G-1.		Approval recommended May 16, 1933. For the Chief of the Materiel Di- vision. Lt. Col. A. W. Robins, Air Corps, exec- utive.	Approval recommended May 17, 1933; Maj. Gen. B. D. Foulois, Air Corps, Chief of the Air Corps.

- 12 21	BOLLEY!				Any notation by any- one connected with	Recommendation	ons for approval
Contract No.	Amount	Contractor	Approval	Item	the office of the Judge Advocate General	At Wright Field	In office of the Chief of the Air Corps
W 535 ac-5895	\$570, 742. 50	Boeing Airplane Co.	Approved May 16, 1933, under the provisions of par. 4 g (4), Army Regulations 5-240. Harry H. Woodring, The Assistant Secretary of War.	Spare parts for P-12, P-12B, P-12C, P- 12D, P-12E, and P-12F Boeing air-	May 16, 1933. Legally sufficient. Maj. George P. Hill, Judge Advocate General's Depart- ment.	Approval recommended May 12, 1933. For the Chief of the Matériel Di- vision. Lt. Col. A. W. Robins, Air Corps, exec- utive.	Approval recommended May 15, 1933; Maj. Gen. B. D. Foulois, Air Corps, Chief of the Air Corps.
W 535 ac-5896	166, 765. 00	Eclipse Aviation Corporation.	Approved June 1, 1933. Harry H. Woodring, Assistant Secretary of War.	planes. 573 starter as- semblies.	June 1, 1933. Legally sufficient. Maj. George P. Hill, Judge Advocate General's Depart-	Approval recommended May 25, 1933. For the Chief of the Materiel Division. Lt. Col. A. W. Robins, Air Corps, exce-	Approval recommended May 26, 1933. Maj. Gen. B. D. Foulois, Air Corps, Chief of the Air Corps.
W 535 ac-5911	249, 822. 45	Douglass Aircraft Co.	Approved Aug. 16, 1933, under the provisions of section 10 (q), act of July 2, 1926. George H. Dern, Secretary of War.	22 type O-3SE observation airplanes, spare parts, and data.	ment. August 11, 1933. Legally sufficient. Maj. George P. Hill, Judge Advocate General's Depart-	Aug. 3, 1933. For the Chief of the Matériel Di- vision. Lt. Col. A. W. Robins, Air Corps, exec-	Approval recommended Aug. 7, 1933; Brig. Gen. O. Westover, Air Corps, Acting Chief of the Air Corps.
W 535 ac-5928	244, 985. 74	Sperry Gyro- scope Co., Inc.	Approved June 1,1933,under the provisions of par. 4 g (1), Army Regulations 5-240. Harry H. Wood- ring, Assistant Secretary of War.	Indicator, con- troller, shaft, and tube as- semblies.	ment. June 1, 1933. Legally sufficient. Maj. George P. Hill, Judge Advocate General's Department.	utive.  Approval recommended May 25, 1933. For the Chief of the Matériel Di- vision. Lt. Col. A. W. Robins, Air Corps, exec- utive.	Approval recommended May 26, 1933; Maj. Gen. B. D. Foulois, Air Corps, Chief of the Air Corps,
W 535 ac-5943	68, 200. 00	Kollsman Instrument Co., Inc.	Approved June 25, 1933, Harry H. Woodring, Assistant Secretary of War.	800 altimeters, type C-5, and data.	June 8, 1933. Legally sufficient. Maj. George P. Hill, Judge Advocate General's Depart- ment.	Approval recommended May 31, 1933. For the Chief of the Matériel Di- vision. Lt. Col. A. W. Robins, Air Corps, exec- utive.	Approval recommended June 2, 1933; Maj. Gen. B. D. Foulois, Air Corps, Chief of the Air Corps.
W 535 ac-5944	833, 548. 00	The Pratt & Whitney Aircraft Co.	Approved June 26, 1933, by direction of the Secretary of War under the provi- sions of section 10 (q), act of July 2, 1926; Harry H. Woodring, Assistant Sec-	132 type YR- 1690-11 aero- nsutical en- gines, spare parts, and data.	do	do	Do.
W 535 ac-6019	39, 480. 00	Eclipse Aviation Corporation.	Woodring, Assistant Secretary of War.  Approved June 28, 1933;  Harry H. Woodring,  Assistant Secretary of  War.	168 type A-2 energizers and data.	June 28, 1933. Legally sufficient. Maj. George P. Hill, Judge Advocate Gen- eral's Department.	Approval recommended June 19, 1933. For the Chief of the Matériel Di- vision. Lt. Col. A. W. Robins, Air Corps, ex-	Approval recommended June 21, 1933. Brig. Gen. O. Westover, Air Corps, Acting Chief of the Air Corps.
W 535 ac-6059	44, 352. 00	John A. Roeb- ling's Sons Co.	do	1,152,000 feet extra flex- ible cable.	June 24, 1933. Legally sufficient. Maj. George P. Hill, Judge Advocate General's Depart-	ecutive. Approval recommended June 22, 1933. For the Chief of the Matériel Di- vision. Lt. Col. A. W. Robins, Air Corps, ex-	Approval recommended June 23, 1983; Brig. Gen. O. Westover, Air Corps, Acting Chief of the Air Corps.
W 535 ac-6069	81, 400. 00	Marvel Car- bureter Co.	Approved June 28, 1933, by direction of the Secretary of War under the provi- sions of sec. 10 (k), act of July 2, 1920; Harry H. Woodring, Assistant Sec- retary of War.	37 Marvel Chandler type M-5 fuel charges and data.	ment. Pencil notation, "Notation in general files" June 24, 1933. Legally sufficient. Maj. George P. Hill, Judge Advocate General's Depart-	ecutive.  Approval recommended June 21, 1933. For the Chief of the Matériel Di- vision. Lt. Col. A. W. Robins, Air Corps, ex- ecutive.	Approval recommended June 22, 1983; Brig. Gen. O. Westover, Air Corps, Acting Chief of the Air Corps.
W 535 ac-6079	27, 824. 00	Continental Electric Co., Inc.	Approved June 28, 1933; Harry H. Woodring, Assistant Secretary of War.	148 portable electric powerplants, type C-1.	ment. June 24, 1933. Legally sufficient. Maj. George P. Hill, Judge Advocate General's Department.	Robins, Air Corps ex-	Approval recommended June 23, 1933; Brig. Gen. O. Westover, Air Corps, Acting Chief of the Air Corps.
W 535 ac-6081	54, 560. 00	Hurley-Town- send Corpora- tion.	do	44,000 spark plugs.	June 28, 1933. Legally sufficient. Col. Jos. I. McMullen, Judge Advocate General's	ecutive.	Do.
W 535 ac-6084	25, 500. 00	The Steel Prod- ucts Engineer-	do	200 type G-4 gun camera	Department.	do	Do.
W 535 ac-6106	39, 694. 00	ing Co.	do	assemblies. 28,000 spark plugs and 190 gap-set- ting tools.	do	Approval recommended June 23, 1933. For the Chief of the Matériel Division. Lt. Col. A. W. Robins, Air Corps,	Approval recommended June 24, 1933; Brig. Gen. O. Westover, Air Corps, Acting Chief of the Air Corps.
₩ 535ac-6199	31, 423. 00	Boeing Airplane Co.	Approved Sept. 19, 1933; under the provisions of paragraph 4g (4), Army Regulations 5-240; Harry H. Woodring, Acting Secretary of War.	Spare parts for P-12, P-12B, P-12C, P-12D, P-12D, P-12E, and P-12F, Boeing air-	Sept. 16, 1933. Legally sufficient. Col. Jos. I. McMullen, Judge Advocate General's Department.	executive.  Approval recommended Sept. 13, 1933. For the Chief of the Matériel Division. Lt. Col. Rob- ert Goolrick, Air Corps, acting executive.	Approval recommended Sept. 15, 1933; Brig. Gen. O. Westover, Air Corps, Acting Chief of the Air Corps.
₩ 535 ac-6268	36, 058. 32	Douglas Aircraft Co., Inc.	Approved Nov. 15, 1933, un- der the provisions of para- graph 4g (4), Army Regu- lations 5-240. Harry H. Woodring, Assistant Sec- retary of War.	planes. Spare parts for Douglas air- planes.	Nov. 13, 1933. Legally sufficient. Col. Jos. I. McMullen, Judge Advocate General's Department.	Approval recommended Nov. 3, 1933. For the Chief of the Matériel Di- vision. Lt. Col. Robert Goolrick, Air Corps, act- ing executive.	Approval recommended Nov. 9, 1933; Brig. Gen. O. Westover, Air Corps, Acting Chief of the Air Corps.
₩ 535 ac-6285	67, 150. 00	Wright Aero- nautical Cor- poration.	dodo.	5,000 valves, exhaust 30°, for Wright aeronautical engines.	Nov. 6, 1933. Legally sufficient. Col. Jos. I. McMullen, Judge Advocate General's Department.	Approval recommended Oct. 31, 1933. For the Chief of the Matériel Di- vision, Lt. Col. Robert Goolrick, Air Corps, acting executive.	Approval recommended Nov. 2, 1933; Maj. Gen. B. D. Foulois, Air Corps, Chief of the Air Corps.

EXHIBIT A-Continued

					Any notation by any- one connected with	Recommendation	ons for approval
Contract No.	Amount	Contractor	Approval	Item	the office of the Judge Advocate General	At Wright Field	In office of the Chief of the Air Corps
W 535 ac-6299	\$55, 260. 00	The Electric Storage Bat- tery Co.	Approved Nov. 16, 1933, Harry H. Woodring, The Assistant Secretary of War.	1,800 storage batteries.	Nov. 14, 1933. Legally sufficient. Col. Jos. I. McMullen, Judge Advocate General's Department.	Approval recommended Nov. 8, 1933. For the Chief of the Matériel Di- vision, Lt. Col. Robert Goolriek, Air Corps, acting executive.	Approval recommended Nov. 10, 1933. Maj. Gen. B. D. Foulois, Air Corps, Chief of the Air Corps.
W 535 ac-6322	40, 000. 00	Continental Aircraft Engine	Approved Feb. 13, 1934, by direction of the Secretary of War under the provisions of sec. 10 (k), act of July 2, 1926; Harry H. Woodring, The Assistant Secretary of War.	Van Dykes of type O-1430-1 aeronautical engine, crankcase, crankshaft assemblies and cylinder relating thereto and reports on cylinder.	Memorandum Feb. 9, 1934, for the Assistant Secretary of War, stating: "The contract is now in proper form and, upon approval by the Assistant Secretary of War, will be legally sufficient for the purpose contemplated." Col. Kyle Rucker, Judge Advocate General.	Approval recommended Jan. 2, 1934. For the Chief of the Matériel Division: Maj. E. L. Hoffman, Air Corps, acting executive.	Approval recommended Jan. 4, 1934; Maj. Gen. B. D. Foulois, Air Corps, Chief of the Air Corps.
W 535 ac-6361	27, 318.00	Boeing Airplane	Approved Feb. 2, 1934, under the provisions of paragraph 4 g (4), Army Regulations 5-240. Harry H. Woodring, The Assistant Secretary of War.	Tail wheel and parking parke instal- lation parts for types P- 12E and P- 12F air- planes.	Memorandum Feb. 1, 1934, for The Assistant Secretary of War, stating: "The contract is in proper form and, upon approval by The Assistant Secretary of War, will be legally sufficient for the purpose contemplated." For the Judge Advocate General: Maj. Myron C. Cramer, Judge Advocate General's Department, Chief of sec	Approval recommended Jan. 16, 1934. For the Chief of the Matériel Di- vision: Lt. Col. Robert Goolrick, Air Corps, act- ing executive.	Approval recommended Jan. 19, 1934; Maj. Gen. B. D. Foulois, Air Corps, Chief of the Air Corps.
W 535 ac-6389	44, 880. 00	Suncook Mills.	Approved Mar. 8, 1934. Harry H. Woodring, The Assistant Secretary of War.	150,000 yards mercerized cotton air- plane fabric.	tion.  Memorandum Feb. 13, 1934, for The Assistant Secretary of War, stating: "When certain alteration is made and contract approved by The Assistant Secretary of War it will be legally sufficient for the purpose contemplated." For the Judge Advocate General: Maj. My- ron C. Cramer, Judge Advocate General's Depart- ment, Chief of sec- tion. Third endorse- ment, Office Chief of the Air Corps, Feb. 28, 1934, to The Assistant Secretary of War, stating cor- rection has been accomplished.	vision, Lt. Col. Robert Goolrick, Air Corps, act- ing executive.	Approval recommended Feb. 2, 1934. Maj. Gen. B. D. Foulois, Air Corps, Chief of the Air Corps.

Mr. ROGERS of New Hampshire. Mr. Speaker, I ask unanimous consent that the report which was filed on last Saturday pursuant to House Resolution 275 be printed as a part of the Record. This request is made at the request of a great many Members of the House.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. ROGERS of New Hampshire. I will read the conclusion of that report before I proceed with my remarks.

In conclusion, however, we find it necessary to report that we are most firmly convinced from the evidence and records submitted that before any substantial progress in the upbuilding of the morale and the matériel of the Army Air Corps can be attained, Maj. Gen. Benjamin D. Foulois must be relieved from his position as Chief of the Air Corps.

Our report includes a report which was made on May 7, 1934, relative to the use of \$7,500,000 under the P.W.A., showing the illegalities connected with that attempted purchase. It also includes evidence of the illegal procurement under subdivisions (k) and (q) of the Air Corps Act of 1926, and in alleged compliance with Army regulations. In connection with Army regulations which have the force of law

and to which an officer in our Army is obligated to give compliance Major General Foulois testified before our committee under oath that he had "overlooked Army regulations hundreds of times"; and he said: "I will break them again."

In connection with the honor and integrity of the man at the head of our Air Corps, Mr. Speaker, I call attention to the fact that he, testifying before our committee on February 1 of this year, said—I will read you what he said originally and then show you how he changed it:

I will give you the latest action of the General Staff. Day before yesterday in the evening I presented you a draft of a proposed piece of legislation which I delivered to you informally under direction of the Chief of Staff. Within 24 hours they changed that. The paper you have on your desk now I did not have a copy of. It was supposed to have been furnished to me, but I did not receive it. It was presented to you formally and officially over the signature of the Secretary of War. That contains an ambiguous clause in it. I read it. I asked the reason for it, but I got no explanation.

He changed this testimony he had given before the Committee on Military Affairs. When he first testified on the subject he said under oath and in all seriousness;

I asked the reason for it, but I got no explanation.

He changed this to read:

I asked the reason for it, and was advised to the effect that the amendment provided for more leeway in securing the number of airplanes desired.

[Here the gavel fell.]

Mr. COCHRAN of Missouri. Mr. Speaker, I ask unanimous consent that the gentleman from New Hampshire be allowed to proceed for 10 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. ROGERS of New Hampshire. This same man testified before our committee that the complete program of procurement of the Army Air Corps is now drawn by the General Staff without even consulting the Army Air Corps. You will have in the report before you official records disproving and showing the falsity of that charge, wherein time after time he is shown to have been consulted, how he appeared before various committees and gave full recommendations as to what he desired for the Air Corps of the United States Army.

Let me say a word in connection with the conduct of the air mail by the Air Corps of the United States Army. Major General Foulois testified under oath while before our committee that he assured the Assistant Postmaster General that the Air Corps was ready to take over the air mail and to go ahead with it; that it was in proper condition to take over this service. But, Mr. Speaker, he gave that assurance without even calling in or consulting a single one of his assistants, including the Assistant Chief of the Air Corps, General Westover. General Westover appeared before our committee and told us that if he had been asked, he, the Assistant Chief of the Air Corps, would not under those circumstances have been ready to have recommended that the Army Air Corps was in condition, on such short notice, at that time to carry the mail.

Major General Foulois, testifying under oath before our committee, said that Army pilots then carrying the mail in night flights averaged 50 or 60 hours of night flying. This

testimony was given us under oath.

To the contrary, the records of the War Department show that Lieutenant Lowry, who was killed in night flying of the mails, had only 171/2 hours' night flying; Lieutenant Reed, who cracked up carrying the mail, had only 81/3 hours of night flying; Lieutenant Dietz had only 24 hours; Lieutenant Hollstein, 9; Burnett, 13; and other crashes incidental to carrying the mail involved lieutenants with only 13, 6, 12, and 21 hours.

General Foulois said they had from 30 to 60 hours of night-flying experience—a lie, a falsehood: that is all there is to it. This was told us by the Chief of the Air Corps under oath, as shown by the record.

Another instance, equally important, is the following: The Air Corps bought 136 P-26 Boeing pursuit planes illegally under Army Regulations without competition. As a result of that, the contract has been held unlawful. It will be recalled that there was a fatal crash which caused the grounding of those 136 planes.

Here is a most astounding situation with reference to the purchase of these 136 Boeing pursuit P-26-A planes, which were grounded following a fatal accident, as you will remember. The Army air pilots were permitted to operate those planes, although the official War Department Air Corps records show that a technical report had been made of an inspection on February 19, 1934, by two Army pilots, Lieutenant Hill and Captain Strahm-an inspection, if you please, which ended with these words. This is the official report in regard to these planes which they permitted to go on flying:

The landing characteristics are excellent, except that the headrest structure contains no bracing of any sort to take the shock of a nose-over, and in the event of a nose-over serious injury would be incurred by the pilot. This condition is considered extremely dangerous.

That is the finding of the pilot inspectors; and yet they permitted those ships to be used until a man was killed.

Mr. CARTER of California. What is the date of the report?

Mr. ROGERS of New Hampshire. The date of the report is February 19, 1934, before this man was killed and the ship grounded as a result of the accident.

In this morning's paper we find Major General Foulois' criticism of our report, based on what? He says, as quoted in today's Washington Post:

It is to be regretted that the above-mentioned investigating committee during the last 4 months has conducted its hearings in secret rather than in open sessions in order that all the testimony and all the facts could be made available to the public.

The answer to that is that we started in in the nature of a grand jury. We did not want to besmirch anyone. Major General Foulois had friends on the committee. We decided to get to the bottom of the proposition before we did anything, which was perfectly proper, but in addition to that, Mr. Speaker, Major General Foulois himself came before our committee and asked that they be kept secret and executive. Yet he complains because they were. He said:

It is regretted that the committee has simply quoted extracts from its hearings.

What would this House think if we put in every word of the testimony that has gone in before that committee for 4 months? It is in the record. It is available to him, it is available to anyone; and if our veracity is doubted, I am sure we shall be glad to open them up tothe world and let them see the nature of the testimony.

Mr. Speaker, may I say that this has been an unpleasant duty to the Members of this committee, but we must have the truth, and I want to leave with you what I believe to be the unanimous feeling of all the committee, that it is a duty and we must perform it, no matter where the sparks may fall or whom they may burn. In conclusion, may I leave with you the words of my most distinguished predecessor in this House of Representatives, Daniel Webster, a former Representative in this House from the district I now have the honor to represent. He said:

Your whole concern in this case is to do your duty and let con-Your whole concern in this case is to do your duty and let consequences take care of themselves. A sense of duty pursues us ever. It is omnipresent like the Deity. If we take to ourselves the wings of the morning and dwell in the uttermost parts of the earth, duty performed or duty violated is still with us for our happiness or our misery. If we say that the darkness shall cover us in the darkness as in the light, our obligations are yet with us. We cannot escape their power nor fiee from their presence. They are with us in this life; will be with us at its close, and in that vast scene of inconceivable solemnity which lies yet further onward we shall still find ourselves surrounded by the consciousness of duty, to pain us wherever it has been violated and to console us insofar as Almighty God may have given us grace to perform it. us grace to perform it.

[Here the gavel fell.]

# EXTENSION OF REMARKS

Mr. SCHULTE. Mr. Speaker, I ask unanimous consent to insert a letter in the RECORD at this point from the Inland Steel Co., dated June 6, 1934.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection. The letter is as follows:

> INLAND STEEL CO., Chicago, June 6, 1934.

The Honorable WILLIAM T. SCHULTE,

The House of Representatives, House Office Building Washington, D.C.

DEAR SIR: In the Congressional Record of May 21 you reported a letter which you received from an employee of the 76" strip mill of the Inland Steel Co.

mill of the Inland Steel Co.

This mill employs between 600 and 700 men, and during the period from January 1 to June 1, 1934, there were a total of 12 men who have been employed on emergency work that have exceeded the 48 hour or 6-day week provisions of the steel code. The total number of hours worked by these 12 men in excess of the provisions of the code was 66. During this period the total man-hours worked in this mill was in excess of 600,000. The work provided by these man was stickly of an excess of the provisions. work performed by these men was strictly of an emergency nature so that the mill could operate its regular turns and employ the 600 to 700 men, who otherwise would have been unable to work until the repairs were made.

The steel code provides that no one shall work in excess of 40 hours per week over a 6 months' period, or more than 48 hours

or 6 days in any 1 week, and that each violation shall be reported | or 6 days in any 1 week, and that each violation shall be reported to the American Iron and Steel Institute with an explanation of such violation. During the first 6 months' period of the operation of the steel code, the Inland Steel Co., employing between 8,000 and 9,000 people, did not have a single violation of the 40-hour provision, and such other violations which are covered by the emergency provisions of the steel code were negligible, this company having one of the best records in the industry.

We are giving you these facts, as we believe the impression conveyed by your statement as recorded in the Congressional Recognities erroneous and unfair and we trust you will give this communication.

is erroneous and unfair, and we trust you will give this communication equal publicity to that of the letter reported in the Con-GRESSIONAL RECORD.

Yours truly.

Assistant to President.

# REPORT OF BUREAU OF AGRICULTURAL ECONOMICS

Mr. LAMBETH. Mr. Speaker, by direction of the Committee on Printing, I send to the desk a privileged resolution (Rept. No. 2062) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

## House Resolution 450

Resolved, That the report of the Bureau of Agricultural Economics of the Department of Agriculture on the Farmers' Tax Problem, transmitted to the Chairman of the Committee on Agriculture of the House of Representatives June 16, 1934, be printed with illustrations as a House document.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### REPORT OF THE COMMITTEE ON IMMIGRATION

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to file and have printed in the RECORD a report from the Committee on Immigration.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The report is as follows:

JUNE 18, 1934

The following resolution was unanimously adopted by the Committee on Immigration and Naturalization in executive session on June 18, 1934, and the chairman of the committee was directed to insert same in the Congressional Record:

to insert same in the Congressional Record:

To the Secretary of Labor and to the Commissioner of Immigration and Naturalization:

Nothwithstanding the action of the House of Representatives upon the bill H.R. 9725, and in response to numerous requests from our colleagues in the House that some administrative action be taken during the recess of Congress with regard to non-criminal aliens whose deportation has been held in a suspended status, and whose deportation would operate to separate family circles and place members of their families left behind subject to private or public charity, it is the sense of the Committee on Immigration and Naturalization of the House, meeting in executive session of June 18, 1934, pursuant to a call issued by the tive session of June 18, 1934, pursuant to a call issued by the chairman of this committee—

chairman of this committee—
That in all cases which have heretofore been placed in suspended status by reason of the fact that investigation by the Immigration and Naturalization Service has revealed that the alien involved is clearly of the non-criminal class of aliens, and that the deportation of the alien would operate a distinct hardship by separation of a family circle, including citizens of the United States by birth or naturalization, and that the separation thus effected would have the effect of placing those members of the family circle left behind subjects for public or private charitable relief, should be given special consideration; and
That in such cases it is suggested that the proper officials of the Immigration and Naturalization Service, upon the approval of the Secretary of Labor, should further suspend deportation pro-

the Secretary of Labor, should further suspend deportation proceedings during the continuance of the recess of Congress and until after the next Congress has convened.

# ARMY AIR CORPS INVESTIGATION

Mr. HILL of Alabama. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes in reference to the report of the Military Affairs Committee.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HILL of Alabama. Mr. Speaker, as the chairman of the special investigating committee, the gentleman from New Hampshire [Mr. Rogers] has just told the House that committee has been working for 4 months on the investigation. The committee has worked almost daily, meeting mornings and afternoons, and often remaining in session far into the evening.

The committee has been actuated by one motive, and that

that which in the judgment of the committee was best for the Air Corps of the Army and best for the country. There has been no politics and there has been no partisanship. The report is unanimous and is signed by 4 Democrats, 3 Republicans, and 1 Farmer-Laborite. The minority members have worked without stint and have labored as arduously as those of the majority. I wish it were possible this morning to pay tribute to each member of the committee for his faithful and devoted work.

We all know that in the accomplishment of any great task there must be a guiding hand. There must be a directing head. The resolution, the courage, the ability, and the indefatigable efforts of the chairman of the committee, the gentleman from New Hampshire, has given to the committee the fine leadership which made it possible for the committee to make its comprehensive report. In paying my respect and my tribute to the untiring work and the able leadership of the gentleman from New Hampshire [Mr. Rogers] I know that I voice the sentiments of each and every member of the committee. [Applause.]

When the gentlemen of the House read this report, I want them to know that the basic Air Corps Act of 1926, which provided for the establishment and the development of the Army Air Corps, was the product of the Committee on Military Affairs.

[Here the gavel fell.]

Mr. HILL of Alabama. Mr. Speaker, I ask unanimous consent to proceed for 1 additional minute.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HILL of Alabama. Mr. Speaker, since the passage of the act this committee has day in and day out endeavored to do all it could for the development of the Army Air Corps. Time and again on this floor the committee has fought the battles of the Army Air Corps. It has indeed been the friend of the Air Corps. The sentiments of the committee on the Air Corps are to be found in the first paragraph of the report read a few minutes ago on this floor by the chairman, the gentleman from New Hampshire [Mr. Rogers].

I hope that the President of the United States, as the Commander in Chief of the Army, and the Secretary of War will take steps to remedy the conditions set out in the report. and that when Congress convenes next January the Committee on Military Affairs as the agent of this House may go forward with its plans and its program for the development and the enlargement of the Air Corps, its efficiency and its effectiveness. [Applause.]

[Here the gavel fell.]

# PERMISSION TO ADDRESS THE HOUSE

Mr. EAGLE. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes upon the general subject of the Private Calendar.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. EAGLE. Mr. Speaker, I have in recent times upon the floor objected, deliberately, knowingly, intentionally, in order to bring a given matter to the attention of the House, to the further consideration of anything upon the Private Calendar, but in the closing day and hours of this session I will not offend any gentleman or gentlewoman in this House by further objection to the Private Calendar. [Applause.]

I take this occasion to say that I make no request as a concession.

I will make no request to return to my bill that was cruelly and unjustly slaughtered under the unanimous-consent rule applicable to the Private Calendar by the arbitrary and unreasonable objection of one Member. [Applause.] I want to say, however, that any calendar of the House of Representatives at any time is a failure under which one Member may object to the consideration of a bill that a Senate committee has investigated and unanimously passed; that the Senate have considered and unaniwas to get the facts, to ascertain the truth, and then to do mously passed; that the House Committee have considered and unanimously passed; and that is now upon the Private | Calendar for passage. It is wrong for the rules to give the power to one person arbitrarily to object to the consideration of such a bill, thus ruining the work of many conscientious men for 2 years' time.

I think the rules of the House ought to be amended so as to require objection of at least six Members to prevent consideration of a bill upon the Private Calendar; and if I am returned for the Seventy-fourth Congress either the rule shall be so amended or there shall be not one single private bill passed in the Seventy-fourth Congress. [Applause.]

Mr. KNUTSON. Mr. Speaker, I now renew my unanimous-consent request to extend my remarks in the RECORD by including therein a letter referred to by me.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

## MINNESOTA FIRE SUFFERERS' CLAIMS

Mr. KNUTSON. Mr. Speaker, there has been so much misinformation disseminated about the Minnesota fire sufferers' claims that I desire to insert in the RECORD a plain statement of fact for the information of the House. Since making his remarks on the subject some days ago, Representative Cox has assured me that his statement had no reference whatever to the merits of the claims, but rather to the manner in which one or two of the claimants' representatives had attempted to steam-roller the relief measure through the House.

Mr. Speaker, I declare without fear of successful contradiction that the fire sufferers' claims are just claims. They have so been declared by President Roosevelt and Attorney General Cummings. They have been passed upon by our judiciary and after a full and complete investigation 7,000 out of the original 15.000 claims were disallowed as being outside the area where the railroads have been legally adjudged as being responsible for the terrible holocaust in 1918 that laid waste 1,500 square miles and destroyed a number of cities and hamlets, thousands of homes, millions of dollars worth of property, not to mention the loss of over 500 human lives.

Chief Justice J. P. Devaney, of Minnesota Supreme Court, has set the acts forth quite fully in a letter to our colleague [Mr. Hoidale] which I herewith insert as a part of my remarks. The letter follows:

REMARKS OF CHIEF JUSTICE DEVANEY, OF MINNESOTA SUPREME COURT-RE MINNESOTA FIRE LEGISLATION

MAY 11, 1934.

Hon. EINAR HOIDALE

Member of Congress, Washington, D.C.

My Dear Congressman: In response to your letter of the 10th instant in which you request me to make a brief statement of facts concerning the Minnesota forest fire cases of October 1918 a bill

for the relief of claimants is now pending before Congress, will say:

It gives me great pleasure to relate to you the facts within
my knowledge concerning this great catastrophe. Early in the
year 1919 I became associated with other attorneys in representing a large group of claimants in the Moose Lake Lawler Soo Line

we tried the Anderson case in this district in the fall of 1919 and secured a jury verdict in favor of the plaintiff. The case was taken to the Supreme Court and was there affirmed. The rule of law applicable to the fire cases there laid down was never disturbed.

In the spring of 1920 the so-called "Cloquet cas grouped under a stipulation for a trial before five district judges on the question of liability and at about the same time a group of between 800 and 1,000 cases in the Moose Lake area was agreed to be tried under a similar stipulation before the same district

The Cloquet cases were determined by the judges about the middle of September, and by that determination liability was fixed upon the Railroad Administration for the destruction of the city of Cloquet, and this case was later affirmed in the Supreme Court.

Following the Cloquet judge decision and on September 20, 1920, we began the trial of the Moose Lake cases. This trial continued with a few short intermissions until May 1927. tinued with a few short intermissions until May 1927. The evidence was then concluded, but because of the great number of witnesses the amount of territory covered and the enormous amount of detail work necessary to analyze the various cases, decision was not made by the judges.

I feel safe in saying that in the great majority of these cases there was little question but that the plaintiffs would recover the full amount of their loss.

In July 1921 the Cloquet case was decided in the Supreme Court, and considerable effort was made to secure an adjustment

not only of adjudicated cases but those not yet concluded where

not only of adjudicated cases but those not yet concluded where it was safe to say liability would be established.

One can hardly appreciate the condition of these claimants. Their homes and all their personal belongings, except what they had on their backs at the time of the fire, was destroyed. They had neither property, money, nor credit. Money had to be raised to meet the necessary expenses of the witnesses and plaintiffs while the cases were being tried. The courts of the district were literally glutted with actions. Many thousands were pending. It was humanly impossible to determine all of these cases separately within any reasonable time. After the determination in the Cloquet case the Railroad Administration announced that it would be their policy from then on to insist upon the trial of each case to a jury and to a final determination in the Supreme Court, and that no cases would be permitted to be grouped. This policy of the Administration, in view of the then conditions, amounted to a denial of justice, for they well knew that the amounted to a denial of justice, for they well knew that the claimants in their destitute condition were powerless to continue such an unequal fight against the United States Government.

Prior to the grouping of these cases, it was specifically an-nounced that the administration wanted some determinative adjudication—something that would be outstanding and for that reason the Cloquet cases were grouped because they afforded an excellent opportunity to determine a large amount of damages and broad scope of territory and also afforded as good a defense as the administration had hoped to present in any case. We were also advised that if the claimants succeeded in that case, they would be paid 100 cents on the dollar for their losses. But if they were defeated, the Government would pay nothing, and it

practically determine the controversy.

We found a reversal of announced policy and a change of at-titude on the part of the administration when they were defeated in the Cloquet cases. Their (the Railroad Administration) sub-sequent conduct indicated very clearly that they were intent upon making as small a settlement as possible with the claimants. They were in a position to force such settlement and proceeded to do so.

When judgments were entered in the various cases, demand was

When judgments were entered in the various cases, demand was made for payment and payment was refused. Under the Federal statutes the Director General was instructed to promptly pay final judgments. This he refused to do.

In the fall of 1921, after final determination in the Cloquet case, the Director General proposed a somewhat general settlement in which he insisted that all determined cases be included and offered 50 percent of the net loss, provided everyone accepted the settlement; otherwise, no one was to be paid. In this proposal he stipulated further that each claimant must prepare and file with him an itemized, verified statement setting forth in great detail each item of loss. great detail each item of loss.

As I have indicated, claimants were in great distress—many were living on charity. They knew that the Government could continue litigation indefinitely, and any settlement that would give them partial relief they were compelled to accept.

The fact that they were not permitted to levy an execution to enforce payment of their judgments was a determining factor in compelling this settlement. After their acceptance of the proposal, they filed verified statements of loss and the railroad claim agents and investigators carefully examined and scrutinized proposal, they filed verified statements of loss and the railroad claim agents and investigators carefully examined and scrutinized the claims and the administration itself, contrary to the desire and wishes of the claimant, fixed and determined the amount of the loss. Then they applied the 50 percent to such determined amount. The result was that in practically every instance claimant did not receive in excess of 25 percent of his actual loss.

What your bill proposes to do, as I understand it, is to provide for the payment to these claimants whose losses were absolutely adjudicated, the balance of the amount the Government determined they lost. It is not a case of the ordinary railroad sattle.

adjudicated, the balance of the amount the Government determined they lost. It is not a case of the ordinary railroad settlement where a claimant insists upon a large amount and a compromise amount is agreed upon and then paid in full.

These claimants were first compelled to itemize and verify their loss, then the railroad, after a complete investigation, arbitrarily determined the amount of the loss and then paid them only half

of that determined amount.

of that determined amount.

I know it is hard for anyone who did not actually go through this litigation, and know the terrible conditions that existed, to understand the nature of this transaction. I do not hesitate in saying that, in my judgment, this amounts to coercion and duress arising from necessity and poverty and the unequal position of the litigants. The Railroad Administration had a revolving fund of \$300,000,000 out of which these claims could be paid. They spent in the neighborhood of a million dollars defending the cases. The litigation continued over a period of about 7 years. The Administration absolutely refused to even make an offer of settlement in any district where adjudication was not had and liability fixed.

It is difficult to make a brief statement of the facts touching these cases. The fire extended over some 1,500 square miles of territory; more than 7,000 homes were destroyed; more than 500 people lost their lives; upward of 2,000 people were so badly injured they needed medical attention.

No one who knows the facts can fall to sympathize with these people and their cause.

people and their cause.

When they come before Congress asking for the balance of their loss as determined by the Railroad Administration officials they are only asking for justice. When this amount is paid in full the Government will have made a fair settlement of these losses.

The thing that appeals to me particularly in this situation is that in the first instance the Railroad Administration invited a determination by the district judges and the courts of Minnesota,

of the question of liability, and when that question was determined they absolutely ignored the findings of courts of our State.

I do hope this statement may be of service to you in bringing this just cause to the attention of Congress in the interest of the

people of Minnesota. Respectfully submitted.

JOHN P. DEVANEY Chief Justice Minnesota Supreme Court.

The settlement that we have heard so much about was no settlement at all, and those who drove the bargain for the Government have no reason to be proud of their action. They took an unfair and unsportsmanlike advantage of the claimants, who had lost everything in the world but the clothes on their backs, and settled with them for 30 and 40 cents on the dollar. In proof of that statement I herewith append a short statement:

#### REGARDING S. 770

Every claim affected by this bill has been: (1) determined as to liability by five district judges and (2) determined as to amount of damage either (a) by way of a judgment or (b) by way of admission by the Railway Administration after extensive investigation.

Each of the claims, where liability and extent of damage were so determined, were thereafter arbitrarily discounted by the Railway Administration.

1. The following cases are selected at random to show the extent of the discount where judgments had been secured:

Name of judgment creditor	Amount of judgment	Amount paid by Govern- ment	Amount arbitrarily discounted by Gov- ernment
A. R. Peterson. Phillip Hall. Charles Lans	\$30, 271. 91 8, 679. 14 5, 831. 58	\$11, 972. 67 3, 470. 00 2, 476. 75	\$18, 299. 24 5, 209. 14 3, 354. 83
Total	44, 782. 63	17, 919. 42	26, 863. 21

In every case involved in this bill where a judgment was secured similar discounts took place.

2. The following cases are selected at random to illustrate the extent of the discount where the liability was found by the Court and the amount of damage was fixed and determined by the Railway Administration, which amount was thereafter arbitrarily

Name of claimant	Amount of loss claimed by fire sufferers	Amount of loss deter- mined by Railroad Adminis- tration	Amount paid by Govern- ment	Amount arbitrarily discounted
Therese Kupsc (Cloquet) Otto Busch (farmer) James R. Grady (farmer) Anton Dombrosky (farmer) Erick Lundberg (farmer) George A. Parker (farmer) Edmund Archambault (farmer) Fred A. Balcom (farmer) Henry F. Colson (mechanic) Fred A. Peterson (farmer) Charles DeWitt (mechanic) John Iwasko (farmer)	13, 134. 50 23, 976. 75 20, 429. 00 10, 847. 60 12, 571. 50 11, 816. 35 9, 385. 65 8, 781. 50 6, 139. 59 9, 078. 50	\$2,800.00 7,900.00 12,000.00 10,000.00 6,000.00 9,500.00 7,000.00 4,000.00 4,000.00 6,750.00 13,000.00	\$1,400.00 3,160.00 4,800.00 4,000.00 2,400.00 3,800.00 2,000.00 1,600.00 1,600.00 2,600.00 3,375.00 6,500.00	\$2, 427. 62 9, 974. 50 19, 176. 75 16, 429. 00 8, 477. 50 9, 016. 35 7, 385. 65 7, 181. 50 4, 539. 59 6, 478. 50 5, 407. 58 13, 375. 40
Total	158, 646. 54	94, 450. 00	40, 035. 00	118, 611. 54

Every claim affected by this bill is based on similar judgment or determination by the Railway Administration itself.

FACTS

1. The foregoing is illustrative of the treatment accorded every claimant who will be affected by this bill.

2. Under this bill no claimant will recover anything except the difference between the amount of damage fixed and determined either (a) by judgment or (b) by the Railway Administration itself after full investigation, and the amount thereafter paid by

the Government after making its arbitrary discount.

3. The accuracy of the foregoing can be ascertained by referring to the records of the Railway Administration kept here in

Washington.

Mr. Speaker, is there anyone in this House who will contend that such settlements were not accepted under duress? Please bear in mind that these people were destitute, many being on the relief rolls. They were unable to prosecute their claims in the courts, as Justice Devaney has so well pointed out. Perhaps they made a mistake in not marching on to Washington and throwing themselves onto the Government. That seems to be one of the most efficacious methods for getting things done that I know of, but in all seriousness, my friends, I ask your earnest consideration of this legislation that when this is again brought up in the

Seventy-fourth Congress you will know the truth and once you are in possession of the facts this legislation will pass the House unanimously, as it already has passed the Senate. This is the third time a similar measure has been favorably reported out by the Claims Committee of the House, where it received most careful consideration.

I thank you.

Mr. CELLER. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes to read an editorial from the New York Times.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

## WHY GERMANY DEFAULTS

Mr. CELLER. Mr. Speaker, there is an editorial appearing in the New York Times which I would like to present to the House:

#### WHY GERMANY DEFAULTS

When Germany announced suspension of payments on long- and middle-term debts Dr. Schacht declared that the chief reason for the default was the lack of an excess of exports. The London Times retorted that this defense is reminiscent of the murderer

Times retorted that this defense is reminiscent of the murderer who having slain both his parents pleaded for mercy on the ground that he was a orphan.

There is obvious justification for this charge. By persecution not only of the Jews but of Socialists and Liberals, Germany antagonized world opinion to an extent probably unparalleled in peace times. The resulting boycott of German goods has been both wide-spread and spontaneous, and it can only be intensified by the stupid efforts of some of the German leaders to break it by further threats.

Another reason for Germany's present inability to make pay-

by further threats.

Another reason for Germany's present inability to make payments, insofar as that inability is real, is the policy she has pursued in the last 2 years of encouraging her exporters to use the proceeds of their sales in the United States, for example, to buy dollar bonds in this market. It is estimated that in this way some \$300,000,000 of German bonds have been repatriated. They have been brought at prices of from 25 to 50 cents on the dollar, so that the cost to the Germans has probably not been in excess of \$100,000,000 to \$150,000,000. The amount would have been sufficient to have paid the service on Germany's foreign obligations here several times over in the next 6 months.

Hitler and his gang, however, are stubborn. It will take much more punishment at the hands of an outraged world to bend them.

The boycott must be continued.

Hitler, pursuing a studied course of neglect of the good name of Germany, will shatter whatever remains of her credit. Dr. Schacht pleads for a spirit of good will. This is sheer arrogance. Germany can only get good will if it gives good will.

I suppose Dr. Ernst Hanfstaengel is presumably an emissary of good will. Let us examine his credentials in that regard. It is reported that this same Hanfstaengel stood by and laughed when Mrs. Pease, wife of Major Frank Pease, World War veteran and anti-Communist, suffered great indignities and underwent harrowing experiences. It is said that Mrs. Pease appeared at the Amerika Institute in Berlin in protest against having been brutally beaten, kicked, threatened, frightened nearly to death by Nazis, and at having been made black and blue from head to foot from beatings from Nazi hoodlums.

She has been dragged from her hotel in her nightgown, flung into a stone, ice-cold cell, her shoulder blade thrown out of joint, held in the cell for 28 hours incommunicado, "Bertilloned". held in the cell for 28 hours incommunicado, "Bertilloned". beaten, sneered at, threatened with sexual assault, witnessed the beating to death of some poor Jew before her cell door, lost her voice through fright, \* \* \* flung head first into a filthy bathtub in which the outlet was plugged up with \* \* \* broken teeth and the hair of previous victims, and on top of it all caught pleurisy, from which she nearly died in Brussels, and was flat on her back for 2 months, and is still badly injured from it all.

Hanfstaengel laughed at all that!

Incidentally, Mrs. Pease is a Radcliffe graduate of the class 1909, the same year in which Hanfstaengel received his degree from Harvard. Radcliffe is affiliated with Harvard University. Incidentally she is also first cousin of Harvard's former president, Dr. Abbott Lawrence Lowell, a Mayflower descendant, and a daughter of the American Revolution.

No, indeed, Hitler, Hanfstaengel, and their gang of marauders, hooligans, and torturers can expect no quarter. They give none,

## MINNESOTA FIRE CLAIMS

Mr. HOIDALE. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

Mr. TRUAX and Mr. O'CONNOR rose.

Mr. TRUAX. Mr. Speaker, reserving the right to object, and I would not like to object to the request of the gentleman from Minnesota, we are here for the purpose of considering Senate bills on the Consent Calendar and Senate bills on the Private Calendar. If we are to continue in this fashion for an hour more, we might just as well not take up these calendar bills.

Mr. HOIDALE. May I modify my request then and ask unanimous consent to address the House for 5 minutes after the conclusion of consideration of the calendar bills?

Mr. TRUAX. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. HOIDALE. Mr. Speaker, I have taken up so little of the time of this body on the floor that I am sure that I will be forgiven for asking the privilege of speaking to you for a few moments this morning.

I did not take the floor for that purpose, but while I am on my feet I want to take this occasion to say goodbye to the Members who sit before me. I have enjoyed this brief experience with you, and I want to say that I have learned to appreciate and respect the Members of this body with whom I have become acquainted. Should fortune favor me. I will be within hailing distance of this House after my term here expires, and, if so, I shall slip over here from time to time for an hour of delightful relaxation and inspiration.

A few days ago the gentleman from Georgia [Mr. Cox] arose in his seat and made the following statement:

Mr. Speaker, I want to give the Membership of this House a warning and put them upon their guard. I am satisfied there is operating here in the city of Washington at this time a crooked lobby in the interest of the adoption of Minnesota fire claims. It is the boldest attempt, Mr. Speaker, to overreach the membership of a great legislative body that I can conceive of being made, and if this bill is adopted it will develop into a political scandal.

I am sure that the gentleman did not mean to reflect upon any member of the Minnesota delegation by his very caustic language. It is true that men representing the 8,000 claimants, involved in the Minnesota fire claims, have been here to promote the interest of these fire sufferers, but they have been men of good reputation and high standing at home delegated to help in obtaining long delayed justice for these claimants, and I deny that there has been any corruption or any use of money in any way.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. HOIDALE. If the gentleman does not use up too much of my time.

Mr. COX. I have no desire to use the gentleman's time, but I would like to say that I had no intention whatever of reflecting upon any member of the Minnesota delegation, nor did I have any intention of attacking the merits of the claim. I trust the gentleman will not press me for a disclosure at this time. The gentleman is in large part responsible for my having voted to give a rule for the consideration of this bill. If the rule is called up I will vote for it, but do not commit myself on the bill for I do not now know how I will vote. The gentleman and his State colleagues have labored most earnesly in behalf of the bill, and my very high regard for them naturally makes me want to go along with them. My objection is to some of the methods used by others in advancing the bill and not to the bill itself.

Mr. HOIDALE. I am very glad to have the gentleman indicate that he does not reflect upon the Minnesota delegation or the merits of the claim.

Mr. COX. Not at all, sir.

Mr. HOIDALE. I do not live in the district which was laid waste in the smoldering ruins after this terrible fire. That district has now no Representative in Congress. I sponsored the bill because I became convinced, after full investigation, that 8,000 families had been grossly wronged and cheated in an unfair settlement which circumstances,

that called for our pity and sympathy, forced them to accept because they had no choice-no other way out. Every avenue of escape from a cruel situation was closed against them; 8,000 homes reduced to ashes, 500 human beings dead in the ruins, and 2,000 in the hospital as a result of burns resulting from attempts to save their own lives and the lives of their children.

I say I became convinced that this is a just claim entitled to consideration, but I am not alone in that conviction. Three governors of Minnesota have joined in the appeal; the legislature of my State has on two or three occasions appealed to Congress for this relief. The Committee on Claims, after extensive hearings covering over 300 printed pages, have at three different times reported the bill favor-

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield? Mr. HOIDALE. I yield to the distinguished and able member of the Rules Committee.

Mr. O'CONNOR. I want to say that as the matter of the Minnesota Fire Claims was presented to the Rules Committee, we were favorably impressed with the merits of these claims. We thought the bill ought to be given an opportunity in the House and we reported an omnibus rule which might have provided for such consideration. The distinguished gentleman from Minnesota [Mr. Homale], who is now addressing the House, has toiled arduously and faithfully for months in behalf of the people of Minnesota to work out these claims and to have them presented to the House under the general rules of the House, and, I may say further, it is only because of the parliamentary procedure at the close of this session that prevents the gentleman from accomplishing the result for which he has so strenuously struggled. Because of his most strenuous efforts to have this matter finally determined by the Congress in behalf of thousands of the people of his State, he deserves their continued approval. He has put up one of the best fights I have ever seen in this House. I am confident he will succeed in the next Congress.

Mr. HOIDALE. I thank the gentleman from New York for his frank statement and also for his friendly expression

of good will to my distressed people.

The chief justice of the Supreme Court of the State of Minnesota has given it his endorsement and has stated his reasons. The Attorney General has gone over the files and records and has approved the bill as meritorious; the President has joined in that conclusion. The Senate Claims Committee reported the bill unanimously and the Senate passed the bill a few weeks ago. And here we stand again today with our backs to the wall with every door closed against fair consideration.

And in the face of this situation, we are confronted with a reckless and unwarranted charge that the effort to get this bill passed is infested with fraud.

In the name of thousands who have suffered, and whose rights up to this hour have been denied; in the name of churches, societies, and civic organizations that have joined in a protest against this wrong, I deny, not only on my own behalf, but on behalf of the Minnesota delegation, any insinuation that this claim is unworthy of the support which we have given the bill.

In practically every matter that comes before this Congress, there are people here urging upon Members the merits of their cause. They have a perfect right to do so unless they resort to improper methods.

It is rather remarkable that in this session an unfair protest should have been made against a bill that seeks to reimburse people who are poor and helpless. We would do better to reserve our scorn and fire for those who corruptly attempt to influence Congress.

There is real merit in the Minnesota fire bill. These people are entitled to fair consideration, and we in Minnesota will keep up the fight until it is won.

If right and justice is entitled to triumph, this bill should pass here and now without any further delay, by unanimous consent.

[Here the gavel fell.]

Mr. KVALE. Mr. Speaker, I ask unanimous consent that the time of my colleague from Minnesota be extended 2 minutes in order that I may ask a question in his time.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KVALE. Mr. Speaker, I would like to inquire, with the permission of my colleague from Minnesota, of the gentleman from Georgia [Mr. Cox], whom we all love and admire, who has an enviable reputation for integrity and honor and high purpose, if he will not come clean with respect to the insinuations and the indefinite statements he has made against the sponsors of this bill.

I think we are entitled to this.

If there is a crooked lobby here, I want to know it and I want to know specifically who they are, because those of us who have fought for this bill for years do not know that.

Mr. COX. Mr. Speaker, if it will be any satisfaction to the gentleman, I would be pleased to say that I had no reference in my statement to any Member of this body. I do not understand that Congressmen are in the habit of conducting a lobby. There is no Member of this body who stands higher in my estimation than the gentleman himself, and I regret that my understanding of my duty was such as to have caused me to do something which the gentleman thinks resulted in injury to innocent parties.

Mr. KVALE. And yet, most unfortunately, Mr. Speaker, let me state definitely to my friend from Georgia that of course he is doing irreparable injury to this bill and the individuals who are directly concerned in its progress.

[Here the gavel fell.]

Mr. KVALE. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KVALE. These people are the victims of the gentleman's statement. I have no direct interest in the bill except from a sense of justice. Please, will not the gentleman state definitely to whom he refers?

Mr. BLACK. Mr. Speaker, will the gentleman yield?

Mr. KVALE. I yield. Mr. BLACK. I have had this bill in the Committee on Claims. Originally, it had back of it the support of Mr. Pettenger, a Congressman from Minnesota, and largely due to his efforts, and the efforts of the other gentlemen from Minnesota, the bill was reported at this session. It was due to their efforts and a letter from the President of the United States that the bill was reported again in this Congress. I have been in contact with this bill, necessarily, as Chairman of the Claims Committee, and I have seen no indications at all of any corrupt, vicious, or crooked lobby in connection with the bill.

Mr. KVALE. And as the gentleman has stated, the President of the United States has specifically asked for the passage of this bill, and the Attorney General has also ruled upon it and has said the bill has merit and should be enacted into law, and for the life of me I cannot understand why these statements have to be made against a measure of this kind or why these poor victims up there are thereby forced to continue in their distress.

Mr. BLACK. That letter is in the report of the committee on this bill.

Mr. KVALE. The gentleman is correct. Still we find ourselves defenseless against statements of this kind, except to deny them with all the force at our command. Once more, and finally, will not the gentleman from Georgia please tell us what this corrupt lobby it? We will be the first to denounce it and drive it out. The bill stands on its own merits.

Mr. COX. Let me say to the gentleman that I have said all I expected to say at this time, and, as for that matter, all that I want to say at any time.

Mr. KVALE. I am sorry the gentleman declined. Of course I cannot compel him to reply as I desire. But his action here is not in keeping with his unvarying candor and honor.

THE CONSENT CALENDAR

The SPEAKER. The Clerk will call the first Senate bill on the Consent Calendar.

The Clerk called the bill (S. 3374) to extend the times for commencing and completing the construction of a bridge across Lake Champlain from East Alburg, Vt., to West Swanton, Vt.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across Lake Champlain from East Alburg, Vt., to West Swanton, Vt., authorized to be built by Jed P. Ladd, his heirs, legal representatives, and assigns, by the act of Congress approved March 2, 1929, heretofore revived and reenacted by act of Congress approved June 15, 1933, are extended 1 and 3 years, respectively, from June 15, 1934.

Sec. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed.

TO AMEND THE AGRICULTURAL ADJUSTMENT ACT

The Clerk called the next Senate bill on the calendar, S. 3185, to amend the Agricultural Adjustment Act, as amended, with respect to farm prices.

The SPEAKER. Is there objection?

Mr. TRUAX. Reserving the right to object, I would like to hear from the sponsor of the bill. I ask that it be passed over without prejudice.

The SPEAKER. Is there objection? There was no objection.

LOSSES RESULTING FROM ERADICATION OF THE MEDITERRANEAN FRUIT FLY

The Clerk called the next Senate bill on the calendar, S. 1800, to provide for an investigation and report of losses resulting from the campaign for the eradication of the Mediterranean fruit fly by the Department of Agriculture.

The SPEAKER. Is there objection?

Mr. TRUAX. Reserving the right to object, this bill proposes to appropriate \$10,000 to investigate how much damage has been done citrus-fruit crops by the Mediterranean fruit fly.

Mr. SEARS. Mr. Speaker, in 1929 the Mediterranean fruit fly was discovered in Florida by the Agriculture Department of the United States. It was discovered on Government property by a Government agent. The hearings conducted by Congress will show, on page 4, that Dr. Newell was designated as a Federal officer.

Mr. SNELL. Will the gentleman yield?

Mr. SEARS. I yield. Mr. SNELL. Was he a paid officer or was he transferred as a medical officer to carry out the regulations of the State of Florida?

Mr. TABER. He was never on the Federal pay roll.

Mr. SEARS. That may be true. But, on page 36 of the hearings, let me call your attention to this statement. Mr. Wood, of Indiana, was chairman of the committee:

The CHAIRMAN. On whose advice did you destroy this property?

The CHAIRMAN. On whose advice did you destroy this property? Was that on your own initiative?

Dr. CAMPBELL. That was on the initiative of the Department of Agriculture, in the firm belief that those products were hosts to this pest, as had been reported from different sections of the world.

world.

The Chairman. How did you come to that opinion?

Dr. Campbell. As I stated, we have never had any experience with this fly in this country. The only information would be that reported in the literature as to what the fly would attack. If there had been reported from Bermuda the fact that the flies would attack beans, and we had put beans on the list as one of the products which could not be grown or shipped, and subsequently made actual tests with live flies by giving them nothing but that one article, and determined that they would not attack the beans, we promptly removed beans from the prohibited list. We made the release as soon as we could. Our purpose in prohibiting the shipment of the products reported as plant hosts was to prevent the spread of the pest.

Mr. CARPENTER of Kansas. Will the gentleman yield? Mr. SEARS. Yes.

Mr. CARPENTER of Kansas. The statement has been made that there was considerable Federal money appropriated and spent to eradicate the fruit fly, but that there never was a fruit fly captured, and that rewards were offered for the capture of one single fly.

Can the gentleman inform us how many Mediterranean fruit flies were captured or destroyed, or whether there was

any considerable number of them?

Mr. TRUAX. Mr. Speaker, I can answer the gentleman. That is like the corn-borer moth and the gypsy moth they are trying to capture now. This bill provides for the appointment of a commission, a board of five members, to be paid \$10 a day to go out and make investigation of something that is water over the wheel. They have nearly 4,000 new employees down in the A.A.A. Cannot the gentleman find somebody down there who could take care of the situa-

Mr. CARPENTER of Kansas. Mr. Speaker, I have asked the gentleman from Florida that question in good faith.

Mr. SEARS. Mr. Speaker, I say to my friend frankly that I am not an expert on the fruit fly, and I doubt if there ever was a fruit fly there; but the Government of the United States said that there was, and the Government proposed the quarantine, and under the rules of the Government our crops were destroyed. Tomatoes were destroyed, and then the Government said that they did not have to be.

Mr. TRUAX. That is typical of the bureaucracy down in the Department of Agriculture. They spent \$20,000,000

on the European corn borer.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, I object. Mr. SEARS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SEARS. Have there been three objections to this bill?

The SPEAKER. It is not necessary to have three.

## BANKRUPTCY ACT

Mr. GREGORY. Mr. Speaker, I present a conference report upon the bill (S. 3580) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, and ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. The gentleman from Kentucky presents a conference report and asks unanimous consent that the statement be read in lieu of the report. Is there objection?

There was no objection.

The Clerk read the statement.

The conference report (Rept. No. 2063) and statement are as follows:

# CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3580) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with amendments as follows: On page 6, second line from bottom, after the word "court" where it occurs the first time, insert the following: "otherwise the original appraisal price shall be paid into court." On page 7, line 2, after "act", insert "Provided, however, That the provisions of this act shall apply only to debts existing at the time this act becomes effective"; and the House agree to the same.

W. V. GREGORY, JAMES E. RUFFIN. J. BANKS KURTZ, Managers on the part of the House. HUEY P. LONG, PAT MCCARRAN. ARTHUR R. ROBINSON, Managers on the part of the Senate.

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3580) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report.

The Senate passed the so-called "Frazier-Lemke bill." The House struck out all after the enacting clause and inserted the so-called "McKeown bill." The conference agreement contains the provisions of the McKeown bill with two modifications: First, it is provided that if the reappraised price is not acceptable to the lien holder, the original appraisal price shall be paid into court, and, second, it is provided that the provisions of the act shall apply only to debts existing at the time the act becomes effective.

W. V. GREGORY, JAMES E. RUFFIN, J. BANKS KURTZ. Managers on the part of the House.

The SPEAKER. Without objection, the conference report will be agreed to.

Mr. PEYSER. Mr. Speaker, I object.

Mr. GREGORY. I move the adoption of the conference

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider the vote whereby the conference report was agreed to was laid on the table.

## LEAVE TO ADDRESS THE HOUSE

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that the gentlewoman from Kansas [Mrs. McCarthy] may have 10 minutes in which to address the House.

The SPEAKER. Is there objection?

Mr. MOTT. Mr. Speaker, reserving the right to object, I shall not object to this particular request, but I shall object to any other unanimous-consent requests to address the House until we get this Consent and Private Calendar out of the way. There are many very meritorious bills on these calendars, and I think they ought to be disposed of.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mrs. McCARTHY. Mr. Speaker, I hold in my hand an article from the Washington Post, which appeared in the issue of June 12 last week. This article was called to my attention by several of my colleagues, and they suggested that I owe it to myself to answer it here on the floor and correct the gross misrepresentations made in it. It seems that our Republican Governor of Kansas, in his efforts to elect his campaign manager to succeed me in office, is even carrying the fight to the press of the National Capital. These same articles have appeared in the papers throughout the State of Kansas. I can take care of myself there. I am not asking any odds of anybody. [Applause.] Those misrepresentations will be corrected there, when I get on the stump; but when he throws down the gauntlet on my own doorstep, I am going to fight back. Remember my initials are K. O .- and "KNOCK-OUT" McCARTHY is on the job. [Applause and laughter.]

I introduced two bills early this session for the protection of the Kansas farmers, to protect them against the city chiselers who were putting out wheat this year to take advantage of an increased price because of a reduced production. The representation is now made that I introduced those bills so every farmer would have to be licensed in order to put out an acre of wheat. A more gross misstatement could not be made. I call attention to the bills I introduced. They specifically state that they cover only expansion of acreage. Provision is made that any farmer can rotate his crops, he can plant the maximum number of bushels of wheat that he ever grew on his land, he can plant as much wheat as he grew this year or last year, but if he attempts to expand that acreage to such an extent as to imperil the wheat industry because of the already existing overproduction, then my bill gives an option to the Secretary of Agriculture to license that operation.

Another bill I introduced would put an equalization tax on the excessive wheat produced on those additional acres. I introduced these bills when it was called to my attention that two bankers in my district had this year put out 134 quarters-not acres-of wheat. Their operations could nullify the reduction of dozens of the farmers in the adjoining area. So my idea was to curtail the chiseler in agriculture much the same as the chiseler under the N.R.A. is curtailed under a code, and we cannot get results in our cooperative efforts unless everyone goes along. So far the efforts of the farmer for voluntary cooperation have been of little avail without protection of the Federal Government. Ninety-seven percent of the wheat farmers of my State are with me and signed the allotment contracts. What incentive is there to all of these farmers to say, "We are going to reduce our acreage 15 percent so we will get a price that will insure us at least the cost of production", when someone else says, "All right; we will jump in and take advantage of the increased price "?

Mr. JONES. Will the gentlewoman yield?

Mrs. McCARTHY. I yield.

Mr. JONES. I wanted to state that it was my privilege to handle the farm legislation. I want to state in that connection that the lady from Kansas was very helpful and cooperated all along the line in the handling of the legislation and procuring its adoption. Her advice and assistance were very valuable. I recall also on the other point which the lady mentioned, that she spoke to me about the measures to which she refers, and she emphasized the fact that she was only trying to prevent the chiselers from destroying the program, that some of the large producers who refused to go into the program were planning to expand their production and thus take advantage of those who were working together, and she wanted to prevent their doing so. In that she was eminently correct, because if the program were destroyed at all it could only be destroyed by those who stayed on the outside and were too selfish to cooperate in the farm program to reduce the huge surplus that had hung over the market for years and depressed the price to the ruinous level of less than 25 cents per bushel. Whoever wrote the article the lady mentions evidently did not know the facts. [Ap-

Mrs. McCARTHY. I wish to thank the very able Chairman of the Committee on Agriculture for his contribution. I am glad he made these remarks, because it recalls to me the fact that I took the floor in this House and defended the allotment plan when that bill was here for passage, and some of my Republican colleagues from the State of Kansas rose in opposition to that measure.

The bills which I introduced were only in furtherance of the success of the allotment plan. You will remember that when my bills were introduced I took the floor and called attention to the report of the Department of Agriculture that had just been released, stating that they were forced to admit that the reduction in wheat acreage was only 4 percent last year and that the reduction over the base period, 1929-31, was only 7.2 percent. It was because of these discouraging reports in our efforts to reduce production 15 percent and also because of the reports of chiseling in my own district and adjoining States that I sought to aid these farmers. I am one of them. I grew up on a farm in western Kansas. The older children of our family were girls, and I worked in the field. I fed the pigs and milked the cows, and I am proud of that fact. My relatives are farmers in my district. I would be the last one on earth to introduce any legislation in this House that would harm them in any way.

It is my personal opinion that we have not gone as far as we should or as far as we must in inflating the currency.

Argentina, Australia, and the Orient have a price of from \$41 to \$46 for their gold ounce, while we fix the price at \$35 an ounce. When we inflate still further, the price of wheat is going to go up, and there will be still more chiseling by those not dependent on the soil for their living but who will plant wheat as a speculative investment.

Now, this article insinuates that I am for permanent regimentation of agriculture. I call attention to section 7 of my bill, which reads as follows:

This act shall cease to be in effect whenever the President proclaims that the national economic emergency in relation to agriculture has been ended.

I do not know of anyone who is for regimentation or permanent regulation of agriculture. I have not heard a single Member of this House urge that we give the Federal Government permanent control of agriculture. No such measure has been introduced in this House.

Let me distinguish my bills from the cotton and tobacco bills. Those bills were brought in here at the request of a majority of the people in those industries. That was a control bill for the entire industry, whereas my bill only seeks to control the excess production and expansion.

Now, the article goes on further to say:

The Kansas farmer, who is an inherent mugwump, a capitalist, and normally a fairly prosperous and substantial citizen, who raises wheat easily and cheaply, doesn't like to be held back in his favorite crop to give a break to farmers in States less favored, and the A.A.A has thought it wise to handle him gingerly. Republicans are preparing to do some hard pounding against Mrs. Kathryn McCarthy, Democratic Representative, who recently introduced a compulsory wheat-restriction bill along the pattern of the Bankhead cotton bill—

And so on. I want to apologize to the Members of this House for having to take their time in the closing hours to mention a thing of this kind; but, as I said before, when a political fight is carried clear to the Nation's Capital, I feel that I owe it to myself and my constituents to reply.

I thank you. [Applause.]

# THE CONSENT CALENDAR

The SPEAKER. The Clerk will call the next bill on the Consent Calendar.

# FEDERAL PATRONAGE

The Clerk called the bill (S. 1884) to prevent the use of Federal official patronage in elections and to prohibit Federal officeholders from misuse of positions of public trust for private and partisan ends.

The SPEAKER. Is there objection? Mr. TRUAX. Mr. Speaker, I object.

PATENTS TO NUMBERED SCHOOL SECTIONS IN VARIOUS STATES

The Clerk called the next bill, S. 1825, authorizing the Secretary of the Interior to issue patents to the numbered school sections in place, granted to the States by the act approved February 22, 1889, by the act approved January 25, 1927 (44 Stat. 1026), and by any other act of Congress.

Mr. ELTSE of California. Reserving the right to object, I should like to ask the sponsor of the bill to explain its provisions.

Mr. AYERS of Montana. Mr. Speaker, under the present law in the Western States, where land grants go to the State, there is no provision for a patent. In order to perfect an abstract you have to take in the enabling act of the State and the law authorizing the grant to the State. This is only to authorize the Government to issue patents in pursuance of a law already made.

Mr. ELTSE of California. That is where land has already been transferred to the State?

Mr. AYERS of Montana. Yes.

Mr. ELTSE of California. This provides a means by which a State can carry out its title and transfer the land?

Mr. AYERS of Montana. Carry on a sale or deed or transfer to individuals or otherwise. It perfects the chain of title.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior shall upon the application by a State cause patents to be issued to the num-

bered school sections in place, granted for the support of common schools by the act approved February 22, 1889, by the act approved January 25, 1927 (44 Stat. 1026), and by any other act of Congress, that have been surveyed, or may hereafter be surveyed, and to which title has vested or may hereafter vest in the grantee States, and which have not been reconveyed to the United States or exchanged with the United States for other lands. Such patents shall show the date when title vested in the State and the extent to which the lands are subject to prior conditions, limitations, easements, or rights, if any. In all inquiries as to the character of the land for which patent is sought the fact shall be determined as of the date when the State's title attaches.

With the following committee amendment:

Page 2, line 10, strike out the word "attaches" and insert in lieu thereof the word "attached."

The amendment was agreed to.

The bill, as amended, was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. DISNEY. Mr. Speaker, day before yesterday the bill, S. 1948, an act amending the act entitled "An act authorizing the Court of Claims to hear, determine, and render judgment in the civilization fund claim of the Osage Nation of Indians against the United States", approved February 6, 1921, was passed by the House and sent back to the Senate with an amendment. The Senate committee refuses to agree to the bill as passed by the House. Mr. Speaker, I ask unanimous consent that the House recall the bill with the view of taking out the amendment and passing the bill as originally passed by the Senate.

Mr. ELTSE of California. Mr. Speaker, at this time I

#### DESCHUTES NATIONAL FOREST

The Clerk called the next bill, S. 2924, to include within the Deschutes National Forest, in the State of Oregon, certain public lands within the exchange boundaries thereof.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TRUAX. Mr. Speaker, I object.

Mr. BLANCHARD. Mr. Speaker, will not the gentleman reserve his objection?

Mr. TRUAX. Yes, Mr. Speaker; I withhold the objection to permit the gentleman to make an explanation.

Mr. BLANCHARD. Mr. Speaker, I ask unanimous consent that the bill be passed over for the time being.

Mr. TRUAX. I objected, Mr. Speaker, because the President has announced that he is undertaking a thorough and comprehensive survey of the National and State park systems of this country.

Mr. BLANCHARD. Is it the gentleman's intention to object to the bill in any event?

Mr. TRUAX. I shall object to the bill in any event.

Mr. BLANCHARD. Then, Mr. Speaker, I withdraw my request.

Mr. TRUAX. Mr. Speaker, I object.

Mr. WOLCOTT. Mr. Speaker, a parliamentary inquiry. The SPEAKER. The gentleman will state it. Mr. WOLCOTT. There seems to be some confusion as to

whether we are proceeding under the regular Consent Calendar rules. If we are, then two of the bills have been passed over on one objection when there should have been three, they having been objected to at the last call of the calendar.

The SPEAKER. We are proceeding under the special order adopted this morning pursuant to the unanimousconsent request of the gentleman from Tennessee.

Mr. WOLCOTT. But two of the bills which have been objected to, including this last one, needed three objections.

The SPEAKER. Not under the rule adopted by the House this morning; one objection is sufficient.

Mr. JENKINS of Ohio. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. JENKINS of Ohio. If the Speaker will permit, if we are proceeding under the regular rules for the consideration of bills on the Consent Calendar, it will take three objections to prevent consideration of the last bill.

The SPEAKER. One objection is sufficient; we are not | proceeding under the Consent Calendar rule but under the

unanimous-consent request that was submitted this morn-

Mr. JENKINS of Ohio. Mr. Speaker, a further parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. JENKINS of Ohio. Mr. Speaker, I do not want to disagree with the Chair, but I believe this very question was propounded by the gentleman from New York [Mr. O'Con-NORI to the majority floor leader and the understanding was that we were proceeding according to the regular rules for the calling of the Consent Calendar.

Mr. TRUAX. Mr. Speaker, I remember distinctly that the majority floor leader stated to the contrary.

Mr. JENKINS of Ohio. I am not personally interested in this, Mr. Speaker; my only purpose is to ascertain exactly what was agreed to.

Mr. TRUAX. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. TRUAX. The majority leader was asked that very question several times, and he stated-and the Speaker stated—that one objection would be sufficient to prevent the consideration of a bill.

The SPEAKER. That is the remembrance of the Chair. Mr. MAPES. Mr. Speaker, I asked the majority leader, the gentleman from Tennessee, that specific question; and his reply was that one objection would prevent the consideration of a bill.

AUTHORITY OF COMMITTEE ON ACCOUNTS TO CONDUCT THE HOUSE RESTAURANT

Mr. COX. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a report of the special committee to investigate the House restaurant.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. COX. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following report of the special committee to investigate the authority of the Committee on Accounts to control and manage the House restaurant:

[H.Rept. No. 1920, 73d Cong., 2d sess.]

AUTHORITY OF COMMITTEE ON ACCOUNTS, HOUSE OF REPRE-SENTATIVES

Mr. Miller, from the special committee appointed in pursuance of House Resolution 236, submitted the following report.

The committee to whom was referred the subject matter of House Resolution 236, having held hearings and completed the investigation as therein directed, report as follows:

The first inquiry directed to be made by the said resolution is, "By what authority the Committee on Accounts controls and manages the conduct of the House restaurant."

The authority was vested in the Committee on Accounts by a resolution unanimously adopted by the House of Representatives on June 2, 1921, reading as follows:

"Resolved That there should be paid out of the contingent fund

" Resolved, That there should be paid out of the contingent fund "Resolved, That there should be paid out of the contingent rund of the House such sums as may be necessary to make such alterations and improvements of the rooms occupied by the restaurant of the House of Representatives and to reequip the restaurant with sanitary fixtures and utensils as may in the judgment of the Committee on Accounts be deemed advisable and necessary, and until otherwise ordered by the House the management of the House restaurant and all other matters connected therewith shall be under the direction of the Committee on Accounts."

There have not been any additional orders or directions given by the House.

by the House. The second and only other inquiry made is, "By what authority said committee or any members thereof issued and enforced rules or instructions whereby any citizen of the United States is discriminated against on account of race, color, or creed in said House restaurant, grillroom, or other public appurtenances or facilities connected therewith under the supervision of the House of Representatives."

Since the Committee on Accounts has had control of the restaurant under and by virtue of the resolution hereinbefore set forth, at the first session of each Congress the following resolution has been unanimously passed by the said committee:

"That the chairman be authorized to report out all death

"That the chairman be authorized to report out all death resolutions without a meeting of the committee, and that the chairman be empowered to use his own discretion in dealing with Members in regard to telegraph, telephone, and all other matters of accounts, including the management of the House restaurant and all rules and regulations pertaining to same."

Under this resolution the Committee on Accounts has delegated to its chairman the duty of making and enforcing rules for the management of the restaurant. The restaurant was established

for the use and convenience of Members of the House of Representatives. It is not a public restaurant nor was it intended by the House that it should be operated as such. It is now operated, as it has been since it was first established, for the use and convenience of the Members of the House and there has been no discrimination in serving the Members of the House or their

Therefore, we recommend that the authority to operate and control the restaurant remain vested in the Committee on Accounts, and that the committee continue to operate the restaurant for the convenience and use of the Members of the House

and their guests.

#### MINORITY REPORT

The undersigned members of the select committee of the House

The undersigned members of the select committee of the House of Representatives, appointed by the Speaker pursuant to House Resolution No. 236, report—

(1) That the Accounts Committee, by House resolution adopted June 2, 1921, has full control and management of the restaurant of the House of Representatives.

(2) That in practice the chairman of said committee has been permitted to assume full personal control of the management of said restaurant.

(3) That as an important adjunct to said restaurant is that section set apart for the public and designated "Public."

(4) That in issuing an order, rule, or regulation denying service in said public restaurant to any person on account of race or color, said chairman exceeded his authority, in violation of the

fourteenth amendment to the Constitution.

(5) It is recommended that said discriminatory order, rule, or

regulation be forthwith rescinded.

P. H. MOYNIHAN. T. McFadden.

# THE CONSENT CALENDAR

### CROMLINE CREEK, STATE OF NEW YORK

The Clerk called the next bill, S. 3408, to provide for a preliminary examination of Cromline Creek in the State of New York, with a view to the control of its floods.

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, to ask a question, it is my impression that this bill was passed Saturday; that the gentleman from Louisiana [Mr. Wilson] called up a bill with reference to some creek, and the name sounded to me as though this might be the same bill.

The SPEAKER. It was objected to last Saturday.

Mr. JENKINS of Ohio. Mr. Speaker, I withdraw my objection: there is no objection on the minority side.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of Cromline Creek in the State of New York, with a view to control of its floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for the control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of givers and barriors. rivers and harbors.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

# BRIDGE ACROSS MISSISSIPPI RIVER, ST. LOUIS, MO.

The Clerk called the next bill, S. 3493, to revive and reenact the act entitled "An act authorizing H. C. Brenner Realty & Finance Corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near a point between Cherokee and Osage Streets, St. Louis, Mo.", approved February 13, 1931.

The SPEAKER. Is there objection to the present con-

sideration of the bill?

Mr. ZIONCHECK. Mr. Speaker, I object.

# ST. CROIX ISLAND NATIONAL MONUMENT

The Clerk called the next bill, S. 1947, to provide for the creation of the St. Croix Island National Monument located near the mouth of the St. Croix River in the State of Maine, and for other purposes.

Mr. TRUAX. Mr. Speaker, reserving the right to object, will this bill require an appropriation by the Federal Government?

Mr. DEROUEN. No. A number of similar bills have been passed at this session. It contains the reservation that the United States Government shall not contribute any introduced by the gentleman from Illinois [Mr. Schaefer],

money until all the lands have been given by the State and individuals by donation.

Mr. YOUNG. Mr. Speaker, will the gentleman yield?

Mr. TRUAX. I yield. Mr. YOUNG. The administration, the protection, and development of this monument must be undertaken by the Federal Government. Am I not correct in this?

Mr. DEROUEN. No; not until these provisions are com-

plied with.

Mr. YOUNG. Section 4 of the bill states:

The administration, protection, and development of the afore-said national monument shall be exercised under the direction of the Secretary of the Interior.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TRUAX. Mr. Speaker, I object.

# BRIDGE ACROSS MISSISSIPPI RIVER, BETTENDORF, IOWA

The Clerk called the next bill, S. 3269, relating to the construction, maintenance, and operation by the city of Davenport, Iowa, of a bridge across the Mississippi River at or near Tenth Street in Bettendorf. State of Iowa.

Mr. TRUAX. Mr. Speaker, reserving the right to object,

is this a toll bridge?

Mr. JENKINS of Ohio. It may be a toll bridge, but it is to be operated by a political subdivision, the city of Davenport. Heretofore the gentleman from Ohio has made no objection to municipally owned toll bridges.

Mr. TRUAX. Is it to be a bridge operated by private

capital?

Mr. JENKINS of Ohio. I do not know about that; but heretofore the gentleman has not objected to this type of bill where the bridge was to be operated by a municipality.

Mr. TRUAX. Is it recommended by the Department of

Agriculture, by Dr. Tugwell?

Mr. JENKINS of Ohio. I do not know. His recommendation does not go very far with me.

Mr. TRUAX. In the absence of the doctor's recommendation, I shall be compelled to object.

Mr. COCHRAN of Missouri. Will the gentleman withhold his objection?

Mr. TRUAX.

Mr. COCHRAN of Missouri. Mr. Speaker, I have just entered the Chamber, being absent a few minutes for lunch. I had no idea that the Consent Calendar was going to be called this morning. There was no indication that it would be called when I left 20 minutes ago. I was interested in a bill on the Consent Calendar and it was reached while I was absent. I want to thank the gentleman from Washington [Mr. Zioncheck], for objecting to the bill. I had spoken to my colleague in charge of bridge bills and was assured he would not ask that they be called up. He too was absent, and I am sure he would have protected me had he been here. The bill I refer to provided for a toll bridge in my own city to be built by a private individual.

I have stood on this floor for 8 years and objected to bills of that character, and I want the RECORD to show that I am absolutely opposed to that bridge. If I had been here I would have objected to the bill myself; and I will guarantee if there is any attempt to pass the bill on the floor of this House, we are going to have a few roll calls before it is done. There is no necessity for the construction of the bridge. It is within 2 miles of a free bridge on which the city of St. Louis has expended nearly \$10,000,000 in order to let you and everybody else go over free. Why such a bill should be reported to this House, I do not know. It is simply a policy and that policy should be discontinued.

Mr. ELTSE of California. Will the gentleman yield? Mr. COCHRAN of Missouri. I yield to the gentleman from California.

Mr. ELTSE of California. Did we not authorize a bridge at St. Louis, which was the gentleman's bill, a few days ago?

Mr. COCHRAN of Missouri. No. That was not my bill. I have never introduced a toll-bridge bill. That was a bill

in order to give the city of East St. Louis, III., the right to build a bridge

Mr. THOMPSON of Illinois. Mr. Speaker, I demand the regular order.

Mr. COCHRAN of Missouri. I have never objected to a city building a bridge. I object to private individuals building toll bridges and fleecing the public. I want the RECORD to show I am opposed to a toll bridge promoted by individuals in my own city the same as I would oppose a similar bill in your city or State.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. THOMPSON of Illinois. Mr. Speaker, reserving the right to object. This is a most unusual bill and is not the customary bridge bill. It is a bill that will give the Davenport Bridge Commission of Davenport, Iowa, additional authority to proceed with construction it has started under previous legislation. I dislike very much to object to a bill sponsored by the gentleman from Iowa [Mr. Jacobsen], but I shall be forced to object unless the words "State of Illinois" are stricken out of the bill.

This bill purports to give the city of Davenport and the State of Iowa the power of eminent domain to come into the State of Illinois and condemn property under regular condemnation proceedings, including property used for park purposes. If the author of the bill is willing to strike out the words "State of Illinois" I will offer no objection; otherwise I shall be obliged to object.

Mr. Speaker, inasmuch as I do not see the sponsor of the bill here. I ask unanimous consent that this bill may go over without prejudice.

Mr. TRUAX. Mr. Speaker, I object. We are in the closing days of the session.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TRUAX. I object.

### AMENDMENT TO AGRICULTURAL ADJUSTMENT ACT AS AMENDED

Mr. JONES. Mr. Speaker, I ask unanimous consent to return to No. 301 on the Consent Calendar and take up the bill (S. 3185) to amend the Agricultural Adjustment Act, as amended, with respect to farm prices. This bill was called up while I was out a few moments looking after the bankruptcy bill. I think this is a good measure and I do not believe anyone will object.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the first sentence of section 2 (1) of the Agricultural Adjustment Act, as amended, is amended to read as follows: "To establish and maintain such balance between the follows: "To establish and maintain such balance between the production and consumption of agricultural commodities, and such marketing conditions therefor, as will reestablish prices to farmers at a level that will (A) give agricultural commodities a purchasing power with respect to articles that farmers buy, equivalent to the purchasing power of agricultural commodities in the base period; and (B) reflect current farm labor costs, interest payments on farm indebtedness and taxes on farm property, as contrasted with such costs, interest, and taxes during the base period."

contrasted with such costs, interest, and taxes during the base period."

SEC. 2. Section 9 (c) of the Agricultural Adjustment Act, as amended, is amended to read as follows:

"(c) For the purposes of part 2 of this title, the fair exchange value of a commodity shall be the price therefor that will (A) give the commodity the same purchasing power, with respect to articles farmers buy, as such commodity had during the base period specified in section 2; and (B) reflect current farm labor costs, interest payments on farm indebtedness, and taxes on farm property as contrasted with such costs, interest, and taxes on farm property as contrasted with such costs, interest, and taxes during

the base period specified in section 2; and the current average farm price and the fair exchange value shall be ascertained by the Secretary of Agriculture from available statistics of the Depart-ment of Agriculture."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### INDEBTEDNESS OF ENLISTED MEN

The Clerk called the next bill, S. 2043, to amend the act of May 22, 1928, entitled "An act to authorize the collection, in monthly installments, of indebtedness due the United States from enlisted men, and for other purposes."

Mr. TRUAX. Mr. Speaker, reserving the right to object, I should just like to know what this bill proposes to do, whether it gives the Secretary of War more authority to collect claims from enlisted men or less authority?

Mr. THOMPSON of Illinois. Mr. Speaker, the bill under consideration, S. 2043, was reported by me on behalf of the Committee on Military Affairs. Through a mistake of the printer the name of my colleague, Mr. Thompson of Texas, was placed here.

May I say to the gentleman from Ohio that the bill S. 2043 proposes to amend the act of May 22, 1928, to give the Secretary of War authority to cancel indebtedness of enlisted men upon the expiration of their term of enlistment so that they may be honorably discharged. For instance, if you will permit me to cite an example, we will say that two enlisted men went out on a Government truck and damaged the truck. Assume that a board of officers was appointed to fix the damages of the truck. It may be that the enlistment of one of the men expired in 2 years and the other one in 30 days. It is unfair on the face of the situation, and this bill proposes to give the Secretary of War the right to cancel the charges against the enlisted men.

Mr. TRUAX. This bill does not take anything away from the soldier, but in certain cases it gives him something?

Mr. THOMPSON of Illinois. It favors him. He can go out of the Army with a clean bill of health.

Mr. TRUAX. It does not affect him like the Economy Act?

Mr. THMOPSON of Illinois. No.

Mr. TRUAX. Mr. Speaker, I withdraw my reservation of objection.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That the act of May 22, 1928 (45 Stat. 698), entitled "An act to authorize the collection, in monthly installments, of indebtedness due the United States from enlisted men, and for other purposes", is hereby amended by the elimination of the third proviso of that act reading as follows: "And provided further, That the Secretary of War, under such regulations as he shall prescribe, may cause to be remitted and canceled, upon honorable discharge of the enlisted man from the service, any such indebtedness incurred during the current enlistment and remains honorable discharge of the enlisted man from the service, any such indebtedness incurred during the current enlistment and remaining unpaid at the time of discharge"; and the substitution therefor of the following: "And provided further. That the Secretary of War may cause to be remitted and canceled any part of such indebtedness remaining unpaid either on honorable discharge of the enlisted man from the service or prior thereto when in his opinion the interests of the Government are best served by such

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

# THE DESCHUTES NATIONAL FOREST

Mr. MOTT. Mr. Speaker, I ask unanimous consent to return to calendar no. 387, the bill (S. 2924), to include within the Deschutes National Forest, in the State of Oregon. certain public lands within the exchange boundaries thereof.

Mr. TRUAX. Mr. Speaker, I object to returning to any bill at this time.

Mr. ELTSE of California. Will the gentleman reserve his objection a moment?

Mr. TRUAX. It would be of no use, because I am going to object to returning to any bill.

Mr. ELTSE of California. I simply wanted to inform the gentleman that we just permitted the gentleman from Texas [Mr. Jones] to return to a bill that we had passed over and the gentleman from Ohio did not object to that.

Mr. TRUAX. I will withdraw my objection to returning to the bill, but reserve the right to object to the bill.

The clerk read the title of the bill.

Mr. MOTT. Mr. Speaker, I think the gentleman from Ohio [Mr. Truax] is laboring under a misapprehension as to what this bill is, and if he will state his objection again I | shall see if I cannot remove that misapprehension.

Mr. TRUAX. Mr. Speaker, I stated a short while ago that the President of the United States in a recent message to this Congress stated most emphatically that he was undertaking a complete, thorough, and comprehensive survey of the park system and of all the national-park lands with reference to assembling data and information so that a Nation-wide plan may be undertaken. Now, what is the emergency that requires us to pass private bills for any State in the face of the President's self-expressed desires and wishes in the matter?

Mr. MOTT. If the gentleman will permit, of course, in the first place this is not a private bill, neither is it a bill which would interfere in any way with the President's program in regard to a survey of the national-park system.

Mr. TRUAX. I understand that, but it has been reported and is on the Private Calendar.

Mr. MOTT. No; it is not on the Private Calendar. It is on the Consent Calendar.

Let me say to the gentleman that in compliance with the President's message recommending a survey of the National Park System, the Committee on the Public Lands, of which I am a member, recently reported out a bill for that purpose, and it has since passed the House by unanimous consent. The survey suggested by the President will be undertaken. However, this has to do with national parks and has nothing whatever to do either with the public domain or with the national forests.

All this bill provides is this: The Deschutes National Forest is a national forest under the jurisdiction of the Department of Agriculture. Surrounding this national forest are other public lands, part of which are forest lands which properly should be within the forests. Both the Secretary of the Interior, who has charge of the public domain, and the Secretary of Agriculture, who has charge of the forests, have agreed that this bill should be passed in order that there may be included in the Deschutes National Forest other public lands within a radius of 5 miles which are forest in character. There can be no possible objection to

Mr. TRUAX. This tract of land includes many acres of grazing land.

Mr. MOTT. It includes small grazing areas mixed with forest lands. It is forest land in character and contains very little grazing land.

Mr. TRUAX. According to Mr. Ickes, it does. Mr. PIERCE. Mr. Speaker, will the gentleman yield?

Mr. TRUAX. I yield.

Mr. PIERCE. I am well acquainted with the facts in this matter. There is some grazing land, I may say to my colleague, on the high slopes.

Mr. MOTT. There may be a little grazing land-there is a little grazing land on all forest land.

Mr. PIERCE. However, there is no harm in the bill at all. It simply extends the boundaries of the Deschutes National Forest and includes land which ought to be included.

Mr. MOTT. And I may say it has nothing whatever to do with the President's program. We have already passed that measure.

Mr. TRUAX. I may say to the gentleman that in 1929 some 45,000 acres of public land of a forest character was withdrawn from a national forest. This withdrawal was recommended by the Department of Agriculture. I cannot see why, at this late moment, when we are trying to consider legislation that affects all of the people, such as the farm bankruptcy bill, as to which the House adopted a conference report without a single dissenting vote, and which we hope will be enacted into law within the next hour or so, and when we are all desirous of considering important bills and getting away from here, and especially in view of the fact that the President has specifically told the Congress that he wants to make his own survey of all this land, why it should be considered now. For this reason, I am forced to object to the bill.

Mr. MOTT. Will the gentleman withhold his objection a moment?

Mr. GLOVER. Regular order, Mr. Speaker.

The SPEAKER pro tempore (Mr. O'CONNOR). objection to the present consideration of the bill?

Mr. TRUAX. Mr. Speaker, I withhold my objection.

Mr. GLOVER. Regular order, Mr. Speaker.

The SPEAKER pro tempore. The gentleman cannot withhold his objection if the regular order is demanded, but a gentleman to demand the regular order must rise in his place. The regular order has not been demanded.

Mr. GLOVER. Mr. Speaker, I demand the regular order. The SPEAKER pro tempore. The regular order has been demanded. Is there objection to the present consideration of the bill?

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

# BRIDGE ACROSS THE STRAITS OF MACKINAC

The Clerk called the next bill on the calendar, H.R. 9653, granting the consent of Congress to the State of Michigan, by and through the Mackinac Straits Bridge Authority, its successors and assigns, to construct, maintain, and operate a toll bridge or series of bridges across the Straits of Mackinac at or near a point between St. Ignace, Mich., and the Lower Peninsula of Michigan.

The SPEAKER pro tempore. Is there objection?

Mr. DONDERO. I object.

Mr. MAPES. Mr. Speaker, I join in the objection.

#### NEZ PERCE TRIBE OF INDIANS

The Clerk called the next bill on the Consent Calendar. S. 847, for the relief of the Nez Perce Tribe of Indians.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That the act of Congress approved February 20, 1929 (45 Stat. 1249), entitled "An act for the relief of the Nez Perce Tribe of Indians", be amended by inserting the following provision at the end of section 4 thereof, namely: "Provided, That any necessary costs and expenses heretofore or hereafter incurred by the attorneys for the said Nez Perce Tribe of Indians in the prosecution of proceedings under this act, under the terms and provisions of the attorneys' contract approved by the Secretary of the Interior, shall be paid out of the funds of the said Indians in the Treasury of the United States upon proper vouchers, to be examined and approved by the Commissioner of Indian Affairs."

With the following committee amendment:

On page 1, line 8, strike out the words "or hereafter."

The committee amendment was agreed to.

The bill as amended was ordered to be read a third time. was read the third time, and passed, and a motion to reconsider was laid on the table.

TO RESTORE HOMESTEAD RIGHTS IN CERTAIN CASES

The Clerk called the next bill on the calendar, S. 2987, to restore homestead rights in certain cases.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That hereafter any person who has heretofore made entry under the homestead laws on any lands embraced
within any reservation ceded to the United States by the Indian
tribes, and has paid for his land the sum of at least \$1.25 per
acre, shall, upon proof of such facts, if otherwise qualified, be
entitled to the benefit of the homestead law as though such former
entry had not been made; but the provisions of this act shall
not apply to any person who has falled to pay the full price for
his former entry or whose former entry was canceled for fraud:
Provided, That, in making any new homestead entry as authorized by this act or the prior similar acts of February 20, 1917 (39) ized by this act or the prior similar acts of February 20, 1917 (39 Stat. 926), and February 25, 1925 (43 Stat. 981), such entry shall not include any land to which the Indian title shall not have been fully extinguished.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRELIMINARY EXAMINATION OF THE NISQUALLY RIVER, WASH., FOR FLOOD-CONTROL PURPOSES

The Clerk called the next Senate bill on the calendar, S. 1386, to provide for a preliminary examination of the Nisqually River and its tributaries in the State of Washington, with a view to the control of its floods.

The SPEAKER pro tempore. Is there objection?

Mr. TRUAX and Mr. MAPES reserved an objection.

Mr. TRUAX. Reserving the right to object, what examinations are to be made?

Mr. YOUNG. I object.

Mr. MOTT. Will the gentleman withhold his objection? Many similar bills have been passed at this session.

Mr. YOUNG. I will withhold the objection.

Mr. MOTT. This is the usual bill for preliminary examination on a river or a part of a river with a view to flood control. Before any money can be appropriated or used for flood control, the Army Engineers must make a survey, and the committee to which this was referred are of the opinion that a preliminary survey should be made. It takes very little money to make a survey. The machinery for doing the work is in existence in the War Department, and the expenditure is very slight. Most of it is paper work.

Mr. GOSS. I think the words "and directed" should be stricken out and make the bill a pure authorization.

Mr. MOTT. If the gentleman makes that as a precedent, I will not object.

Mr. GOSS. It is the policy we have adopted at this session.

Mr. TRUAX. What is the amendment?

Mr. GOSS. In line 4, strike out the words " and directed " so as to make the bill a pure authorization. When you say "authorized to appropriate" and then say "the cost shall be borne from appropriations heretofore made", it makes an appropriation.

Mr. TRUAX. Would the gentleman give us a definition of the words "authorized and directed"?

Mr. GOSS. Mr. Speaker, when we authorize something to be done it is a pure authorization, but where we say "authorized and directed" it requires an operation upon the authorization; and we have consistently objected to these directions in the bills at this session and insisted upon making it a pure authorization.

Mr. TRUAX. Is not that the same as authorizing an appropriation from the Committee on Appropriations?

Mr. GOSS. No; it is not. This would make the bill a pure authorization.

Mr. TRUAX. An authorization to the Committee on Appropriations is an appropriation from the Treasury, is it not?

Mr. GOSS. Not at all. When we authorize an appropriation to be made, the appropriation has to be recommended by the Budget and then come up to the Committee on Appropriations for action; but you say at the end of the bill that you are causing this survey to be made, you are directing it to be made, and paid for by moneys appropriated heretofore or hereafter. That would not make it necessary to go before the Committee on Appropriations.

Mr. TRUAX. I think that is entirely unnecessary, because the Secretary of War has expressed his approval of this examination, and if he is authorized he will make it.

Mr. GOSS. You are only authorizing him to make it. You are not giving him the money, but if you direct him to make it that is another matter.

Mr. TRUAX. Give him the authority, and he will get the money and do the work.

Mr. GOSS. It would be stronger if we offered the amendment on page 2, to be paid from appropriations hereafter to be made. Then it would make it a separate operation.

Mr. YOUNG. Mr. Speaker, I ask unanimous consent that this bill be permitted to go over without prejudice.

Mr. MOTT. Mr. Speaker, will the gentleman withdraw that for a moment? This is the last time that we will be able to consider a bill that comes up on this calendar.

Mr. YOUNG. And I say to the gentleman that we should not be considering it at all. We should have gone home. The country wants this Congress to adjourn. The country does not want it to sit here indulging in the expenditure of any more of the taxpayers' money. I insist upon my motion.

The SPEAKER pro tempore. The gentleman from Ohio asks unanimous consent that the bill be passed over without prejudice. Is there objection?

There was no objection.

# PRELIMINARY EXAMINATION, COLUMBIA RIVER

The Clerk called the bill (S. 3431) authorizing a preliminary examination of the lower Columbia River, with a view to the controlling of floods.

The SPEAKER pro tempore. Is there objection?

Mr. TRUAX. Mr. Speaker, I make a similar request, that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection?

Mr. PARKER. Mr. Speaker, I reserve the right to object. The last two bills called were reported by the Flood Control Committee. I do not see the gentleman from Louisiana [Mr. Wilson], the chairman of the committee, at the moment. As a member of the committee, I want to explain to the House that these bills do not authorize surveys, they merely authorize preliminary examinations and cost practically nothing. What little expense there is in making the preliminary examination comes out of an appropriation that has already been made. I think inasmuch as a great number of similar bills have passed this session, there is no reason why these last two should be held up. If I remember correctly, the gentleman from Washington [Mr. Smith] is interested in one bill and the gentleman from Oregon, General Martin, is sponsoring the other one. I was present at the committee meeting when they were voted out. I know it is not going to take any money out of the Treasury.

Mr. GOSS. Oh, yes; it does.

Mr. PARKER. It authorizes a preliminary examination. I wish it could be given the same consideration as the others.

Mr. WERNER. The Army engineers conduct the exami-

Mr. PARKER. Yes.
Mr. WERNER. And they would be working on something else if they did not do this?

Mr. PARKER. Yes. Mr. TRUAX. Is it not a fact that you can go to the Committee on Rivers and Harbors and get an authorization from them, that they can order the engineers to do this work without any special enactment?

Mr. PARKER. No.

Mr. MOTT. Oh, that is not the fact, because the Rivers and Harbors Committee have no jurisdiction whatever.

Mr. TRUAX. I am inquiring for information.

Mr. PARKER. It has been given to you.

Mr. YOUNG. Mr. Speaker, I insist on the regular order. The SPEAKER pro tempore. The regular order is demanded.

Mr. MOTT. Mr. Speaker, I reserve the right to object.

The SPEAKER pro tempore. The regular order is demanded. The question is, Shall the bill be passed over without prejudice? Is there objection?

Mr. WOLCOTT. I object.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. YOUNG. Mr. Speaker, I object.

# THE PRIVATE CALENDAR

The SPEAKER pro tempore. That completes the list of Senate bills on the Consent Calendar,

The Clerk will call the first Senate bill on the Private Calendar.

Mr. TRUAX. Mr. Speaker, I make the point of order that there is not a quorum present.

The SPEAKER pro tempore. The Chair will count. Mr. TRUAX. Mr. Speaker, I will withdraw that for the

Mr. WEIDEMAN. Mr. Speaker, I ask unanimous consent to refer to Calendar No. 577 for the reason that I was in New York as a member of an investigating committee when this bill was called, and I did not have an opportunity to present the matter to the House.

The SPEAKER pro tempore. To what calendar is the gentleman referring?

Mr. WEIDEMAN. To Calendar No. 577 on the Private Calendar.

The SPEAKER pro tempore. The gentleman is referring to a House bill, which cannot be considered.

Mr. WEIDEMAN. It has already passed the Senate, S. 3092.

The SPEAKER pro tempore. The Chair will state that his understanding of the agreement this morning was that those bills which are on the Speaker's table and are not on these calendars will be taken up after the call of the calendars.

Mr. WEIDEMAN. I shall withhold my request for the time being.

The SPEAKER pro tempore. The Clerk will call the first Senate bill on the Private Calendar.

#### RICHARD J. ROONEY

The Clerk called the first bill on the Private Calendar, S. 60, for the relief of Richard J. Rooney.

There being no objection the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Richard J. Rooney out of any money in the Treasury not otherwise appropriated, the sum of \$75, in full settlement of all claim against the Government for loss suffered by him by reason of a delay in delivery of registered letter numbered 44336 on the part of the United States post office. States post office.

With the following committee amendment:

Page 1, line 9, after the word "office", insert the following:

"Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The committee amendment was agreed to.

The Senate bill as amended was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

# ELMER E. MILLER

The Clerk called the next bill, S. 232, conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Elmer E. Miller.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. TRUAX. Mr. Speaker, I object. Mr. LAMBERTSON. Will the gentleman withhold that for a moment?

I will withhold it. Mr. TRUAX.

Mr. LAMBERTSON. This man Miller at one time lived in the city of Topeka. Senator Capper knows him very well. Senator Capper thinks this is a very just bill. It is simply to give him permission to go to the Court of Claims. That is all.

Mr. TRUAX. Does the gentleman think we ought to go back to 1922, 1923, and 1924, and pay this man the difference in his salary, between \$3,000 and \$4,000 a year?

Mr. LAMBERTSON. That is not the question. It is only a question of allowing him to go to the Court of Claims

Mr. TRUAX. I know that; but I have a letter from the Court of Claims recommending against the passage of

Mr. LAMBERTSON. Senator Capper knows this man personally. I do not know him at all. It is only a jurisdictional proposition.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

### EDWARD F. GRUVER CO.

The Clerk called the next bill, S. 336, for the relief of the Edward F. Gruver Co.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Comptroller General of the United States is authorized to adjust and settle the claim of the Edward F. Gruver Co., in an amount not to exceed \$200 for leather labels furnished the Federal Radio Commission, notwithstanding any provision of law requiring such supplies to be obtained from the Government Printing Office.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

#### ARCHIBALD MACDONALD

The Clerk called the next bill, S. 365, for the relief of Archibald MacDonald.

There being no objection the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Archibald MacDonald, postmaster at Putnam, Conn., the sum of \$143.86 to reimburse him for payment of loss of postal funds due to the failure of the First National Bank of Putnam.

With the following committee amendments:

Page 1, line 7, after the figures, strike out the words "to reimburse him" and insert in lieu thereof "in full settlement of all claims against the Government of the United States."

Page 1, line 10, after the word "Putnam", insert a colon and

the following:
"Provided, That no part of the amount appropriated in this
"Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim. claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guity of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

# ROBBING KENTUCKY

Mr. BROWN of Kentucky. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an article written by Mr. Fred C. Kelly in the April 21 edition of Professor Moley's magazine Today, on the subject Robbing Kentucky.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. BROWN of Kentucky. Mr. Speaker, I have asked the permission of the House to insert in the RECORD an article written by Fred C. Kelly, and published in the April 21, 1934, issue of Prof. Raymond Moley's magazine Today, under the title "Robbing Kentucky." I have asked for this privilege because many of the people who need to read this article will not have the dime necessary to buy it in Professor Moley's magazine.

This article comes at this time with peculiar and impressive force, at a time when the pooled interests of Kentucky are placing increased burdens upon the poor in that State and riding more ruthlessly over the people than ever before in the history of the State. They have just concluded a legislative session that has taken the tax off the lands of the rich, that has removed the tax from the public utilities in Kentucky, that has taken the real-estate tax off the railroads, off the coal and oil lands, off the lands of nonresident owners with their million-dollar play estates in Kentucky, and has placed a crushing tax of 3 percent on the meat and bread of the workmen, on the milk and school books of the children, and on the bare necessities of life. This was necessitated because of the greed of the pooled interests in control of Kentucky's government. In order that tall office buildings might go untaxed, in order that power

companies might be free from taxation, and in order that the other interests in Kentucky might reap a special advantage, the people of Kentucky must shoulder the entire burden of taxation, while all about them they see organized wealth go untouched.

Already in the State of Kentucky the power companies, through their influence with the tax commission, were paying much less on the actual value of their property than the average citizen. Let me illustrate.

The Kentucky utilities was paying taxes on \$28,000,000 approximately, but lists its assets in Poor's 1930 Public Utilities Book as \$55,986,771, or twice as much. The Louisville Gas & Electric pays taxes on a value of \$30,000,000, but lists its assets as \$76,769,062, and so on and on through the entire list of those who are on the inside and who take an advantage not accorded the average citizen of Kentucky. But henceforth they are required to pay no tax unless perchance the power companies and the railroads and other great corporations take up the habit of eating and wearing clothing. And all this has been done in the name of the farmers and small home owners of Kentucky, but the real benefit goes to the power companies, the railroads, and the entrenched interests of the State. Let the farmer know when he buys clothing and his hoes and his rakes and other farm equipment that he is paying this 3-percent tribute in order that the great interests of Kentucky might go untaxed.

Let the citizenship of Kentucky read the following story, written at the instance of this new magazine, which is an unofficial voice of the new deal in the Nation, and let the citizenship of Kentucky know that Kentucky is out of step with the new deal, that it is bearing a crushing burden of taxation, that its poor are hungry and its naked unclothed because Kentucky has refused to respond to the new-deal leadership of Franklin D. Roosevelt, but is strangled and destroyed by the same group of interests that has made a mockery of democratic government.

The story is as follows:

# ROBBING KENTUCKY Backroads, by Fred C. Kelly

Kentucky is a State of amazing contrasts, contradictions, paradoxes. It keeps the visitor in a state of bewildering surprise. One wonders: How can such things be?

One wonders: How can such things be?

It would be unwise to offer insult to a Kentuckian as an individual. From motives of self-preservation alone, I should hesitate to try to take a native Kentuckian's pocketbook from him. He will not tolerate being robbed in a small, retail manner. But when he is betrayed and preyed upon wholesale by highly organized selfish interests seeking special privileges at the expense of the people, he likes it. At any rate, he permits it. If he fights at all, it is to defend the very forces that rob him.

I heard more than one Kentuckian say: "We have the worst-governed State in the Union." They said it usually in a tone of helpless resignation, as if overwhelmed by its inevitability. A few regarded it as amusing; but the attitude of the majority with whom I talked was: "It has always been this way. What can one do?"

I saw shocking slums and hundreds of people who had not had

saw shocking slums and hundreds of people who had not had enough coal all last winter—and yet Kentucky has some of the richest coal fields in the United States.

Though Kentucky has vast natural resources, a homogeneous American population and no bonded debt, the legislature and Governor have announced their inability to contribute \$1 for each \$3 of relief funds provided by the Federal Government.

# DIRE POVERTY

Hundreds of families in Louisville and elsewhere cannot afford to buy gas for cooking what little food they have, while great utility companies pipe gas from Kentucky and sell it in Detroit and

I saw dire poverty within the shadow of the dome of the State capitol at Frankfort, yet the State legislature has spent money appropriated for relief measures for routine expenses, and the regular session of the legislature adjourned without determining means for raising revenues.

means for raising revenues.

Children suffer from malnutrition while farms that would support the greatest dairy herds on earth are devoted to race horses.

Magnificent farms of from 1,500 to 4,000 acres of the richest soil the sun shines on do not produce an ounce of food for human consumption; whole families try to exist off poor, washedout hillside patches that could hardly be expected to support a great

While worthy people die from lack of medical care, a

building on a model farm is elaborately equipped with costly devices for giving violet-ray treatments to horses.

No head of any city government and no State official in Kentucky is as highly paid as are men in charge of horse farms.

The most profitable enterprises in Kentucky are devoted not to necessities but to luxuries-tobacco and whisky

Kentucky people, especially in the larger cities, are probably the most charming to be found anywhere in the world, and yet I never met people more inclined to accept poverty right before their eyes as a natural condition for which they think there is no remedy

In certain Kentucky counties where the soil, as well as the timber, is rapidly being removed, and it is difficult to eke out the barest kind of living, the population instead of decreasing, as might be expected, has actually been increasing. Younger members of families here, who have left home, find that, bad as it is, life here is better than in the great industrial centers where they

were once employed.

In counties where the more "dangerous" Kentuckians live,

In counties where the more "dangerous" Kentuckians live, where men shoot one another for minor grievances, church membership is high. A carefully compiled study of families in one such county shows that four-fifths of the people go to church. One might go on indefinitely listing these strange contrasts. A few of these are highly amusing. For example, the outstanding resident, the most sought-after resident, of Lexington, is not a man or woman, but a horse. Half a million people have come and signed Man-o'-War's guest book. Who else in Kentucky can show evidence of so much admiration? As many highway signs point the direction where Man-o'-War may be seen as indicate the location of the birthplace of Lincoln.

Man-o'-War alone brought in \$245,000 in race winnings. Yet people are hungry.

people are hungry.

In 1931 one Kentucky stable had winnings of more than \$422,000. But thousands in Kentucky lack food.

#### FARMERS GROW POORER

As the farmers grow poorer, the towns look better and better. Indeed, all over Kentucky are charming little cities, with beautiful, well-kept homes, and an atmosphere of prosperity, though all over the countryside are farmers whose neglected buildings indicate a desperate lack of money. These farmers are, presumably, of the same strain as the city folk, and the sharp contrast in conditions must all point to one fact—that the farmers' money all goes to town goes to town.

all goes to town.

Though relatively few voters in Kentucky are fully aware of it, the State government is bipartisan. Regardless of whether Democrats or Republicans are in office, the power behind the government remains the same. This power is triangular—utility interests and racing interests in alliance with politicians in control of both parties. When Republicans are seemingly in power, Democrats get about 40 percent of the appointive offices. When the voters grow weary of Republican rule and elect Democrats, then Republicans get only 40 percent, instead of 60 percent, of the appointments, and Democrats give the same kind of rule their predecessors did. This has gone on for years.

There was a time when horse racing in Kentucky was purely a sport, controlled by men whose sole interest in it was their love of horses and the race itself. They had only about 20 days of racing each year and, while there was plenty of money wagered, gambling was not exactly the primary purpose of running the horses. Today the men who control horse racing in Kentucky are no longer picturesque sportsmen but profit-seeking business men out for the money.

These racing people desire favors from the Kentucky State

These racing people desire favors from the Kentucky State government. They want their gambling kept permanently legalized. Kentucky people love horses and racing and would not wish to stop it; but there is always a chance of agitatton against so much gambling, or at least to make the big profiteers of betting pay to the State a substantial share of the swag. This the racing people do not care to do, and hence their desire to control legislation.

pay to the State a substantial share of the swag. This the racing people do not care to do, and hence their desire to control legislation.

Utility people in the State also want special privileges, regarding taxes, franchises, and Government assistance in getting the highest possible rates. Thus the utilities interests and racing interests have a common bond—to help each other get favorable legislation. Distillers, coal-mine owners, and railroads also want special concessions from time to time. They may have them—if they work in hearty cooperation with utility and racing interests. Here we have the answer to Kentucky's inability to provide money for relief of suffering, for its failure to raise the \$1 to match every \$3 from the Federal Government. The State lacks revenue because the big taxpayers get tax concessions and do not contribute their full share. Most of the taxes must come from those who cannot pay all that is needed. As a result, Kentucky has been steadily running behind in its finances. The State constitution forbids issuing bonds for more than \$500,000 without a vote of the people, and the people have voted down bond issues. But the politicians have got around this by issuing interest-bearing warrants for overdue debts and these now amount to more than \$15,000,000.

Meanwhile Kentucky people who know what is going on in their government, and deplore it, feel helpless. They look back to the days, long ago, when a young man named Goebel fought control of the State by powerful railroad interests and was assassinated.

A previous legislature did appropriate \$150,000 for a State audit or investigation, with a view to governmental economies, but as this would lead to fewer jobs for politicians, nothing whatever has been done. The State has 120 counties, many of them purposely small, so the county seat might be easily accessible in days

of oxcarts. Students of Government say that today, with automobiles and paved roads, not more than 25 counties, and perhaps only 15, are necessary. This might save enough in needless hire of county officers to take excellent care of all undernourished people throughout the State. But no such move seems likely.

In certain Kentucky counties about the only cash income ever received by individuals is in the form of pension checks. It was in these counties that voluntary enlistment was so high during the World War as to attract national attention. Here, people thought, everybody must be a born hero. But, Kentuckians assure me, this was not exactly the reason for so many enlistments. To young men who had grown up in a county where the only

sure me, this was not exactly the reason for so many enlistments. To young men who had grown up in a county where the only people who ever had any cash were war veterans, a war looked like a good thing to attend. They were used to shooting, anyhow, and gave no thought to possible dangers in warfare. They went to war to gain economic security.

Schools in certain counties, when they exist at all, have been a means of revenue for unscrupulous township-school trustees who have appointed teachers not for their ability but for their willingness to pay a fee of from 10 to 25 percent of a year's salary.

Here, then, is the paradox of Kentucky. With its rich resources of land and minerals and a population of only two and one-half million people, it might have a prosperity, a complete absence of poverty, that could serve as a model for the whole country. Instead, the politicians have contrived to let the people be steadily robbed and have convinced the people there is nothing to be done about it. Kentucky is a sleeping beauty. One wonders if there exists within the State a young prince capable of waking her up. waking her up.

# THE PRIVATE CALENDAR

#### GEORGE VOELTZ

The Clerk called the next bill, S. 1232, for the relief of George Voeltz.

Mr. ZIONCHECK. Reserving the right to object, it seems there is no question about the liability in this case. The Post Office Department admits it is liable. There was negligence on the part of the truck driver.

Mr. BLANCHARD. I was concerned about the extent of the injury and the condition of the claimant.

Mr. ZIONCHECK. That is the question I had in mind. Five thousand dollars for a broken leg is much more than has usually been granted in these cases.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

# GERMANIA CATERING CO., INC.

The Clerk called the next bill, S. 2807, for the relief of the Germania Catering Co., Inc.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. TRUAX. Mr. Speaker, I object.
Mr. KVALE. Mr. Speaker, a parliamentary inquiry.
The SPEAKER pro tempore. The gentleman will state it.

Mr. KVALE. Does the understanding entered into pursuant to the unanimous-consent request of the majority leader include House bills where identical Senate bills are on the Speaker's table?

The SPEAKER pro tempore. Such bills are not to be called until after the Senate bills on the Consent Calendar and the Private Calendar are considered.

# OTTO CHRISTIAN

The Clerk called the next bill, S. 1288, for the relief of

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

The Clerk read the bill, as follows:

Be it enacted, etc., That the President of the United States be, and he is hereby, authorized to summon Otto Christian, late captain, Medical Corps of the Regular Army of the United States, before a retiring board for the purpose of a hearing of his case and to inquire into all facts touching upon the nature of his disabilities, to determine and report the disabilities which in its judgment have produced his incapacity and whether such disabilities were incurred during his active service in the Army and were in line of duty; that if the findings of such board are in the affirmative the President is further authorized, in his discretion, to nominate and appoint, by and with the advice and consent of the Senate, the said Otto Christian a captain in the Medical Corps and to place him immediately thereafter upon the retired list of the Army with the same privileges and retired pay as are now or may hereafter be provided by law or regulation for the officers of the Regular Army: Provided, That the said Otto Christian shall

not be entitled to any back pay or allowance by the passage of this act

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## LEONARD THEODORE BOICE

The Clerk called the next bill, S. 1287, for the relief of Leonard Theodore Boice.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill as follows:

The Cierk read the bill as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Leonard Theodore Boice, who was a second lieutenant of Infantry, National Army, and was formerly attached to Headquarters Company, Three Hundred and Sixth Ammunition Train, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a second lieutenant of Infantry on the 10th day of August 1918: Provided, That no back pay, compensation, benefit, or allowance, excepting active-duty pay, shall be held to have accrued prior to the passage of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### ROBERT J. FOSTER

The Clerk called the next bill, S. 166, for the relief of Robert J. Foster.

Mr. TRUAX. Mr. Speaker, reserving the right to object, this is another bill to restore an honorable discharge to a man who received a dishonorable discharge. Every one of these bills that have been passed by Congress have been vetoed by the President. I ask, therefore, that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

# DAN DAVIS

The Clerk called the next bill, S. 531, for the relief of Dan

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. HOPE. Mr. Speaker, reserving the right to object, I should like an explanation of the bill.

Mr. McFARLANE. Mr. Speaker, I demand the regular order.

Mr. HOPE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

# JAMES J. JORDAN

The Clerk called the next bill, S. 707, for the relief of James J. Jordan.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. HANCOCK of New York. Mr. Speaker, I object.

Mr. WHITE. Mr. Speaker, will not the gentleman withhold his objection to permit an explanation?

Mr. HANCOCK of New York. Mr. Speaker, I reserve my objection, but I would remind the gentleman that the President has vetoed all bills of a similar nature that have been passed this session.

Mr. WHITE. Mr. Speaker, this bill has been considered and it passed the Senate. There are very extenuating circumstances in this case. The claimant served throughout the Spanish-American War, served his entire enlistment, but because some officer reprimanded him in the Philippines he was discharged, and now in his old age he is to be deprived of all the benefits of his service to the Nation in three campaigns.

Mr. Speaker, I ask that this bill be passed. It is a meritorious bill. Give the President a chance to consider it.

Mr. HANCOCK of New York. The President has vetoed all bills of this character.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that the bill go over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

#### CLAYTON M. THOMAS

The Clerk called the next bill, S. 2661, for the relief of Clayton M. Thomas.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HOPE. Mr. Speaker, I object.

## CHARLES F. LITTLEPAGE

The Clerk called the next bill, S. 1258, for the relief of Charles F. Littlepage.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

The Clerk read the oill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Charles F. Littlepage, of Charleston, W.Va., the sum of \$50 per month from December 14, 1931, in an amount not to exceed \$3,000, in full satisfaction of his claim against the United States for injuries suffered when struck by a United States mail truck at Charleston, W.Va., on December 14, 1931: Provided, That before any payment is made to the claimant, Charles F. Littlepage, a trustee be appointed, and that reimbursement be made to the Mountain State Hospital, Inc., Charleston, W.Va., in full satisfaction of all hospital and Inc., Charleston, W.Va., in full satisfaction of all hospital and medical expenses incurred by Charles F. Littlepage.

With the following committee amendments:

Page 1, line 8, strike out "\$3,000" and insert in lieu thereof "\$2,000."

Page 2, line 5, after the word "Littlepage" insert the following

Page 2, line 5, after the word "Littlepage" insert the following proviso:

"Provided further, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be read a third time, was read the tihrd time and passed, and a motion to reconsider was laid on the table.

# ELIZABETH BUXTON HOSPITAL

The Clerk called the next bill, S. 1531, for the relief of Elizabeth Buxton Hospital.

Mr. McFARLANE. Mr. Speaker, reserving the right to

object, I should like to have this bill explained.

Mr. BLAND. This claim arises from hospital treatment of a marine who, while on shore leave, was taken with appendicitis and carried to this hospital. I personally investigated this case. The hospital authorities made every effort to reach the authorities at the Hampton Roads Naval Base to advise that the man was in the hospital, but they could not get in touch with the officials at the naval base.

Mr. McFARLANE. Did they authorize the operation?

Mr. BLAND. There was not time to do that. The man really died in the hospital as a result of this attack of appendicitis. They had to operate on him as soon as they got him. They could not get him over to the naval base.

Mr. McFARLANE. How much does the claim involve?

Mr. BLAND. Two hundred and twenty-four dollars. The Department has reported it favorably, but there was the technical objection of their not having reached the naval officials.

Mr. McFARLANE. What was the date?

Mr. BLAND. The bill was introduced very shortly after that, as soon as it was turned down by the Department on account of failure to reach the proper officials. The hospital authorities thought they had reached the naval officials, for they called the naval base and told them to notify the

officers they had to operate on him at once, for it was a case of life and death.

Mr. McFARLANE. How long afterward before he died? Mr. BLAND. He died 3 or 4 days afterward-almost immediately afterward. He was in a practically dying condition when they got him.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. WALTER. Is there not evidence to show that the charge for services was very reasonable?

Mr. McFARLANE. That is what I have been trying to

Mr. Speaker, I have no objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Elizabeth Buxton Hospital, of Newport News, Va., the sum of \$224.80 for services rendered to late Pvt. Frederick Loyal Kerl, United States Marine Corps, from February 9 to February 15, 1930, while on furlough.

With the following committee amendments:

Page 1, line 6, after "\$224.80", add: "In full settlement of all claims against the Government of the United States."

Page 1, line 10, after the word "furlough", add the following

"Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney, or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney, or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

# COMPAGNIE GENERALE TRANSATIANTIQUE

The Clerk called the next bill, S. 1692, for the relief of the Compagnie Generale Transatlantique.

Mr. ZIONCHECK, Mr. TRUAX, and Mr. BLANCHARD objected.

# INTERNATIONAL MERCANTILE MARINE CO.

The Clerk called the next bill, S. 1693, for the relief of the International Mercantile Marine Co.

Mr. ZIONCHECK and Mr. TRUAX objected.

# JOHN F. KORBEL

The Clerk called the next bill, S. 2664, for the relief of John F. Korbel.

Mr. TRUAX. Mr. Speaker, will the chairman of the committee explain this bill?

Mr. BLACK. I cannot add anything for the gentleman's information. He has the report the same as I.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

# SAMUEL L. WELLS

The Clerk called the next bill, S. 2677, for the relief of Samuel L. Wells.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that

this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

# TRIFUNE KORAC

The Clerk called the next bill, S. 2709, for the relief of Trifune Korac.

Mr. ZIONCHECK. Mr. Speaker, I object.

## INTERNATIONAL ARMS & FUZE CO., INC.

The Clerk called the next bill, S. 2809, conferring jurisdiction upon the Court of Claims to hear and determine the claims of the International Arms & Fuze Co., Inc.

Mr. HOPE. Mr. Speaker, I object.

Mr. BLOOM. Will the gentleman withhold his objection? Mr. HOPE. Yes.

Mr. BLOOM. Mr. Speaker, this bill has been gone over by the Senate and by the House committee. A member of the gentleman's own committee, the gentleman from Wisconsin [Mr. Blanchard] has gone over the bill. The bill merely gives jurisdiction to the Court of Claims to hear this matter.

Mr. HOPE. I may say to the gentleman that my objection to the bill is that while it is merely a jurisdictional bill and gives the claimant the right to sue in the Court of Claims, yet it provides that the suit shall be brought under such terms and conditions as to preclude any defense which the Government of the United States may have to the claim. I should have no objection to a bill which would permit them to go to the Court of Claims and also allow the Court of Claims to hear any defense which the Government of the United States might have. I do object to a bill of this kind, which provides that the Government's hands shall be tied so far as a defense is concerned.

Mr. BLOOM. Mr. Speaker, the Senate bill has been corrected and changed to meet just the condition which the gentleman speaks of.

Mr. HOPE. The House amendment is not so objectionable as the Senate bill, but it is still somewhat objectionable on that score.

Mr. BLOOM. This is agreed to by the Senate and the House committee after a thorough investigation by everyone who has gone into the matter. The gentleman from Texas [Mr. Blanton] and the gentleman from Wisconsin [Mr. Blanchard] have gone into this thing. We are only trying to get before the Court of Claims. I am sure the gentleman should not object.

We have given them all the amendments that they have asked for, and this is merely allowing this concern to go before the Court of Claims. We have given them everything they have asked for just to get into the Court of Claims. The gentleman from Wisconsin [Mr. Blanchard] will inform the gentleman that he has gone over it very carefully.

Mr. HOPE. Mr. Speaker, I withdraw my reservation of objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the Court of Claims, notwithstanding the lapse of time or any statute of limitations, or any award or awards previously made and accepted by the International Arms & Fuze Co., Inc., to hear and determine the claims of the said International Arms & Fuze Co., Inc., growing out of contracts nos. G-1048-559-A, dated January 1, 1918, and P-19219-4797-A, dated November 5, 1918, with the United States and the amendments and modifications thereof, in accordance with the terms of these contracts, as amended and modified, together with claims for storage, services, and work incident thereto and rendered in connection therewith, and in considering the aforesaid claims the court shall give the United States credit for any and all payments heretofore made by the United States on account of said contracts: Provided, however, That if the Court of Claims determines that the amount due the International Arms & Fuze Co., Inc., under the claims above set forth is less than the amounts previously paid the said International Arms & Fuze Co., Inc., by the United States in connection with the said contracts, the Court of Claims shall have jurisdiction to and render judgment against the International Arms & Fuze Co., Inc., for the difference between the amounts found to be due the International Arms & Fuze Co., Inc., and the amounts heretofore paid the International Arms & Fuze Co., Inc., and the amounts heretofore paid the International Arms & Fuze Co., Inc., That from any decision or Inc., and the amounts heretofore paid the International Arms & Fuze Co., Inc.; and the amounts heretofore paid the International Arms & Fuze Co., Inc.: And provided further, That from any decision or judgment rendered in any suit presented under the authority of this act a writ of certiorari to the Supreme Court of the United States may be applied for by either party thereto, as is provided by low in other cases. by law in other cases.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That jurisdiction is hereby conferred upon the Court of Claims, notwithstanding the lapse of time or any statute of limitations or any defense because of any awards previously made by the War

Department or other authority of the United States or any alleged acceptances thereof by the International Arms & Fuze Co., Inc., to hear and determine, upon the basis of just compensation, the claims of the said International Arms & Fuze Co., Inc., growing out of contracts nos. G-1048-559-A, dated January 1, 1918, and P-19219-4797-A, dated November 5, 1918, with the United States and the amendments and modifications thereof: Provided, however, That from any decision or judgment rendered in any suit presented under the authority of this act a writ of certiorari to the Supreme Court of the United States may be applied for by either party thereto, as is provided by law in other cases."

The committee amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## FRED G. CLARK CO.

The Clerk called the next bill, S. 377, for the relief of the Fred G. Clark Co.

Mr. ZIONCHECK and Mr. TRUAX objected.

STANLEY A. JERMAN, RECEIVER FOR A. J. PETERS CO., INC.

The Clerk called the next bill, S. 1132, for the relief of Stanley A. Jerman, receiver for A. J. Peters Co., Inc.

Mr. TRUAX and Mr. HANCOCK of New York objected. Mr. THOMASON. Will the gentlemen withhold their objection?

Mr. HANCOCK of New York. Yes. Mr. TRUAX. I withhold my objection.

Mr. THOMASON. This is simply a jurisdictional bill giving these people the right to sue in the Court of Claims. May I say briefly the situation is that during the war these people sold a lot of hay to the Government.

Mr. TRUAX. And they made a lot of money.

Mr. THOMASON. No. There is nothing in the record to show that. Later it was asserted that the hay was not up to standard. Still later fraud charges were brought against these people, the Government admitting the charges were not justified and withdrew them. Still later a civil suit was threatened, but the Government had no evidence upon which to base the suit. The charges were all withdrawn, and the only objection in the world the War Department has to the bill is that in some way or other the papers are now scattered and hard to obtain: therefore, they think these people should not have the right The Government threatened criminal and civil suits.

Mr. BLACK. Mr. Speaker, I demand the regular order. The SPEAKER. Is there objection to the present consideration of this bill?

Mr. TRUAX. Mr. Speaker, I object. This bill pays a lot of money to some war profiteers.

Mr. THOMASON. It does not pay one cent.

Mr. TRUAX. Mr. Speaker, I object.

# JOSEPH GORMAN

The Clerk called the next bill, S. 421, for the relief of Joseph Gorman.

Mr. BLANCHARD reserved the right to object.

Mr. TRUAX. Mr. Speaker, this is another one of the bills like the ones the President has vetoed.

Mr. BLACK. Mr. Speaker, the regular order. Mr. TRUAX. I object, Mr. Speaker.

# FRED M. MUNN

The Clerk called the next bill, S. 754, for the relief of Fred M. Munn.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

# CHARLES C. FLOYD

The Clerk called the next bill, S. 841, for the relief of Charles C. Floyd.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk called the next joint resolution, Senate Joint Resolution 94, to retire George W. Hess as director emeritus of the Botanic Garden.

Mr. HANCOCK of New York. Mr. Speaker, I object.

#### TAMPA MARINE CO.

The Clerk called the next bill, S. 826, for the relief of the Tampa Marine Co., a corporation, of Tampa, Fla.

Mr. TRUAX, Mr. Speaker, reserving the right to object, this bill is for the sum of \$38,337.50. It is an old claim, like many others that we have objected to here, and I therefore object to the consideration of this bill.

## GEORGE J. BLOXHAM

The Clerk called the next bill, S. 1118, for the relief of George J. Bloxham.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and is hereby, authorized and directed to credit the account of George J. Bloxham, postmaster at Sheldon, Iowa, in the sum of \$53.90 due the United States on account of the loss resulting from the closing of the First National Bank of Sheldon,

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## FRED A. ROBINSON

The Clerk called the next bill, S. 1119, for the relief of Fred A. Robinson.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That the Comptroller General of the United States be, and is hereby, authorized and directed to credit the account of Fred A. Robinson, postmaster at Estherville, Iowa, in the sum of \$65.05, due the United States on account of the loss resulting from the closing of the First National Bank of Esther-

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

# ANN ENGLE

The Clerk called the next bill, S. 1526, for the relief of Ann Engle.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Ann Engle, out of any money in the Treasury not otherwise appropriated, the sum of \$1,500 in full settlement of all claims against the Government for personal injuries caused as a result of an accident involving an for personal injuries caused as a result of an accident involving an Army vehicle near Garden City, Long Island, N.Y., on October 1, 1930: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 6, strike out "\$1,500" and insert in lieu thereof "\$3,000."

The committee amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The Clerk called the next Senate bill on the calendar, S. 1600, for the relief of S. G. Mortimer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General is authorized and directed to credit the accounts of S. G. Mortimer, postmaster at Belle Fourche, S.Dak., in the amount of \$178.92, such sum representing certain amounts charged against the said S. G.

Mortimer by reason of his deposit of funds of the United States in the First National Bank of Belle Fourche, S.Dak., and the subsequent closing of such bank.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### MARCELLA LEAHY M'NERNEY

The Clerk called the next bill on the private calendar, S. 1753, for the relief of Marcella Leahy McNerney.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Marcella Leahy McNerney, widow of Gerald Francis McNerney, late Foreign Service officer, State Department, the sum of \$2,500, being 1 year's salary of her deceased husband, who died while in the Foreign Service; and there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, a sufficient sum to carry out the purpose of this act.

# With the following committee amendment:

Page 1, line 6, after "Department" insert "in full settlement of

Page 1, line 6, after "Department" insert "in full settlement of all claims against the Government of the United States."

Page 2, line 1, after the word "act", insert "Provided, That no part of the amount appropriated in this act, in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary not-withstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## MILDRED F. STAMM

The Clerk called the next Senate bill on the private calendar, S. 2233, for the relief of Mildred F. Stamm.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mildred F. Stamm, of Washington, D.C., the sum of \$1,000 in full compensation for injuries, permanent and otherwise, resulting from a driver of a United States Naval Air Station truck negligently running into and upon Mildred F. Stamm while she was in an automobile at Sixteenth Street and Constitution Avenue NW., Washington, D.C., on the 12th day of February 1932, and said injuries resulting from no fault of the said Mildred F. Stamm: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connecshall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000. fined in any sum not exceeding \$1,000.

# With the following committee amendment:

Page 1, line 7, strike out "compensation" and insert "settlement of all claims against the Government of the United States."

The committee amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

# ROBERT R. PRANN

The Clerk called the next bill on the Private Calendar, S. 2561, for the relief of Robert R. Prann.

The SPEAKER pro tempore. Is there objection?

Mr. TRUAX. I object.

Mr. MALONEY of Connecticut. Will the gentleman withhold his objection?

Mr. TRUAX. I will.

Mr. MALONEY of Connecticut. This is for money that this man expended to do this work, and the only reason he has not been paid is that the money that was allotted to pay it has been dissipated. It is approved by the Comptroller General. He does not even ask for interest.

Mr. TRUAX. Does the gentleman mean to say that the funds to be used to pay this claim were deposited in an institution that collapsed?

Mr. MALONEY of Connecticut. No; it was a fund set apart to pay for these Puerto Rican matters, and it was expended.

Mr. BLACK. It was expended for other purposes.

Mr. MALONEY of Connecticut. Here is a letter from the Comptroller General approving of this bill.

Mr. BLACK. There was a question as to whether this should be paid by Puerto Rico or by the General Government. There is no question but that this man did the work, and no question about its value. The only question was this complicated situation between the Government of the United States and Puerto Rico.

Mr. TRUAX. I withdraw the objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to certify for payment to Robert R. Prann, of San Juan, Puerto Rico, the sum of \$3,375, of which amount \$1,824.98 shall be paid out of any money in the Treasury not otherwise appropriated and \$1,550.02 by the application for the purpose of the balance of moneys appropriated by Puerto Rico for use by the United States in the reconstruction and remodeling of the old San Juan walls, which balance is now held in a special deposit account (symbol no. 23813) in the office of the United States district engineer, second district, New York, N.Y.: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall count of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, strike out all after the figures "\$3,375", in line 5, down to and including the words "New York" on line 2, page 2, and insert the following: "which amount is hereby appropriated out of any money in the Treasury not otherwise appropriated, in full payment of all claims against the United States for extra work performed under contract with the War Department dated May 12, 1925, for the construction of a section of wall east of San Augustin Battery, San Juan, Puerto Rico."

The committee amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

# N. W. CARRINGTON AND J. E. MITCHELL

The Clerk called the bill, S. 2620, for the relief of N. W. Carrington and J. E. Mitchell.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to N. W. Carrington, Dumbarton, Va., and J. E. Mitchell, Richmond, Va., out of any money in the Treasury not otherwise appropriated, the sums of \$1,020 and \$1,260, respectively, in full settlement of Federal indemnity for the destruction of their cattle in 1925 and 1926 which were found to be affected with tuberculosis.

With the following committee amendments:

Page 1, line 8, after the word "of" insert "all claims against

the Government of the United States, as."

At the end of line 11, after the word "tuberculosis" strike out the period, insert a colon and the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to and the bill as amended was order to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

#### ARVIN C. SANDS

The Clerk called the bill (S. 2627) for the relief of Arvin C. Sands.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow and credit to the accounts of Arvin C. Sands, postmaster at Mallard, Iowa, the sum of \$78.21, being the amount due the United States on account of loss resulting from the closing in 1927 of the First National Bank of Mallard, Iowa.

The bill was ordered to be read a third time, was read a third time, and passed, and a motion to reconsider was laid on the table.

### MABEL S. PARKER

The Clerk called the bill (S. 2672) for the relief of Mabel S. Parker.

There being no objection, the Clerk read the bill as fol-

Be it enacted, etc., That the Secretary of the Treasury be, and he hereby is, authorized and directed to pay, out of any money, in the Treasury not otherwise appropriated, to Mabel S. Parker, of Pipestone, Minn., the sum of \$205.95, in full satisfaction of her claim against the United States for transportation charges incurred in shipping her automobile from White River, Ariz., to Pipestone, Minn., pursuant to an authorization by the Commissioner of Indian Affairs on October 20, 1932, such claim having been subsequently disallowed by the Comptroller General.

With the following committee amendment:

At the end of the bill, strike out the period, and insert a colon

and the following:

"Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of sorvices readered in connection with said claim. It shall be of services rendered in connection with said claim. of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding

The committee amendment was agreed to, and the bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

# ANSON H. PEASE

The Clerk called the bill (S. 838) for the relief of Anson H.

The SPEAKER pro tempore. Is there objection?

Mr. TRUAX. Mr. Speaker, the claimant in this bill says that he does not care whether the bill is enacted or not. Therefore, I object.

# MACK COPPER CO.

The Clerk called the bill (S. 3349) conferring jurisdiction upon the Court of Claims to hear and determine the claim of the Mack Copper Co.

The SPEAKER pro tempore. Is there objection? Mr. ZIONCHECK. Mr. Speaker, I object.

# JOHN HAMPSHIRE

The Clerk called the bill (S. 255) for the relief of John Hampshire.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John Hampshire, of Grants Pass, Oreg., the sum of \$32,715.81 in full satisfaction of his claim against the United States for damages resulting from the suspension of work under his contract with the United States no. I-1p-71, dated July 29, 1927, for road construction and improvement in Mount Rainier National Park in the State of Washington, such suspension having been made necessary by the failure to provide adequate appropriations to permit the continuance of the work in accordance with such contract:

With the following committee amendment:

At the end of the bill strike out the period, insert a colon, and

the following:
"Provided, That no part of the amount appropriated in this act
in excess of 10 percent thereof shall be paid or delivered to or

received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to; and the bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on

#### RUFUS J. DAVIS

The Clerk called the bill (S. 1072) for the relief of Rufus J. Davis.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Rufus J. Davis, Hope Mills, N.C., the sum of \$1,223.50, in full settlement of all claims against the Government of the United States arising out of personal injuries sustained by him as the result of an accident of personal injuries sustained by him as the result of an accident involving a United States Army truck on North Carolina State Highway No. 22, on March 13, 1928: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on

#### B. E. DYSON

The Clerk called the bill (S. 1758) for the relief of B. E. Dyson, former United States marshal, southern district of Florida.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the General Accounting Office is hereby authorized and directed to credit the accounts of B. E. Dyson, former United States marshal, southern district of Florida, in the amount of \$1,060 disallowed by certificate of settlement no. F-22358-J, dated December 18, 1931, representing payments made to Frank A. Kopp for services rendered as bailiff while also holding an appointment as deputy marshal at a compensation of \$175 per annum.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

## WILLIAM A. DELANEY

The Clerk called the bill (S. 1901) for the relief of William A. Delanev.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William A. Delaney, former captain, Medical Corps, United States Army, the sum of \$133.53, in full satisfaction of his claim against the United States arising out of a payment made by the Quartermaster Corps, United States Army, to Daniel E. Anthony, a soldier who fraudulently represented himself to be a second lieutenant entitled to such payment, and for which payment the said William A. Delaney was held accountable.

With the following committee amendment:

At the end of the bill strike out the period, insert a colon and the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agents or agents, attorney or attorneys, on account of services rendered in connection with said neys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to, and the bill, as amended, was ordered to be read a third time, was read the | quently held unconstitutional. Under that procedure I have

third time, and passed, and a motion to reconsider laid on the table.

#### ROY LEE GROSECLOSE

The Clerk called the bill (S. 2141) for the relief of Roy Lee Groseclose.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Roy Lee Groseclose, of Alderson, W.Va., the sum of \$37.50, in full satisfaction of his claim against the United States for damages to his automobile resulting from a collision on May 26, 1933, on State highway no. 3, 3½ miles west of Alderson, W.Va., when such automobile was struck by a cow owned by the Federal Industrial Institution for Women, Alderson, W.Va.

With the following committee amendment:

At the end of the bill strike out the period, insert a colon and

the following:
"Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to, and the bill, as amended, was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

#### ROBERT V RENSCH

The Clerk called the next bill, S. 2338, for the relief of Robert V. Rensch.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he hereby is, authorized and directed to pay, out of any money in the Treasury of the United States not otherwise appropriated, the sum of \$136.50 to Robert V. Rensch, of St. Paul, Minn., to reimburse him for expenses in said sum incurred and paid by him as assistant United States attorney for the district of Minnesota, on behalf of the United States of America, with the approval of the Attorney General of the United States of America, in the trial of the case of United States of America against Wilbur B. Foshay, and others, in the city of Minneapolis, in said district, between August 31, 1931, and September 30, 1931, which said sum was duly paid to said Robert V. Rensch by the United States marshal for said district, and subsequently and on the 20th day of October 1933 refunded by said Robert V. Rensch, under protest, to said United States marshal, by reason of the fact that on the 3d day of March 1933 the Comptroller General of the United States marshal for vouchers covering said sum for said expense.

With the following committee amendments: Be it enacted, etc., That the Secretary of the Treasury be, and

## With the following committee amendments:

Page 1, line 7, after the word "Minnesota", strike out the words to reimburse him" and insert in lieu thereof "in full settlement of all claims against the Government of the United States"; page of all claims against the Government of the Officed States, page 2, after line 14, insert a colon and the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwith-standing. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## ISIDOR GREENSPAN

The Clerk called the next bill, S. 2373, for the relief of Isidor Greenspan.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. TRUAX. Reserving the right to object, Mr. Speaker, this bill seeks to refund \$1,500 to the claimant, representing a fine paid by a violator of law, which was subsea statement from the Court of Claims that if the Congress pursues this policy the Treasury will be looted of about a billion dollars and the country will be further bankrupted.

Further reserving the right to object, I want to say that we members on this committee who have saved the taxpayers nearly \$20,000,000 are often subject to harsh criticism. For instance, a Member on this side just approached my desk, and for the reason that I was busy and could not listen to him, said, "I am coming into your State and campaign against you", and he is a Democrat. I said, Then you will make votes for me."

Now, these last dozen bills that have been passed without objection are meritorious bills. They are for comparatively small sums. This committee does not propose to be rushed off its feet at this moment. I make the point of no quorum.

The SPEAKER pro tempore. The Chair will count. Mr. TRUAX. If we have to be here all evening over a lot of bills that should have been objected to, and then we are going to have a night session tonight-

The regular order was demanded.

Mr. TRUAX. Well, then, I make the point of no quorum.

The SPEAKER pro tempore. The Chair will count. Mr. TRUAX. Mr. Speaker, there are two gentlemen in this House that I always defer to, and that is the Honorable HENRY T. RAINEY, the Speaker of the House, and our great floor leader, JOE BYRNS. I withdraw the point of no quorum.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. TRUAX. Mr. Speaker, I object.

#### NANCY ARREY WILLIAMS

The Clerk called the next bill, S. 2398, for the relief of Nancy Abbey Williams.

There being no objection, the Clerk read as follows:

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to redeem in favor of Nancy Abbey Williams 3½ percent United States Treasury note, series C-1930-32, no. 5182 B, in the denomination of \$100, issued January 16, 1928, called for redemption December 15, 1931, without interest and without presentation of said note, which is alleged to have been lost, stolen, or destroyed: Provided, That the said note shall not have been previously presented: And provided further, That the said Nancy Abbey Williams shall first file in the Treasury Department a bond in the penal sum of double the amount of the principal of said note in such form and with such corporate surety as may be acceptable to the Secretary of the Treasury to indemnify and save harmless the United States from any loss on account of the note hereinbefore described.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## AMMON M'CLELLAN

The Clerk called the next bill, S. 2467, for the relief of Ammon McClellan.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Ammon McClellan, out of any money in the Treasury not otherwise appropriated, the sum of \$376.27, as compensation for services rendered from July 18, 1933, to August 31, 1933, in the Department of Agriculture.

With the following committee amendments:

Page 1, line 6, after the figures, strike out the words "as compensation", and insert in lieu thereof "in full settlement of all claims against the Government of the United States."

Page 1, line 9, after the word "Agriculture", insert a colon and the following:

"Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill, as amended, was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FIDELITY TRUST CO., BALTIMORE, MD.

The Clerk called the next bill, S. 1461, for the payment of the claims of the Fidelty Trust Co. of Baltimore, Md., and others.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. TRUAX. Reserving the right to object, Mr. Speaker, here is a bill that appropriates \$100,000 for the relief of the Fidelity Trust Co. on a claim incurred back in 1914. It has run the statute of limitations.

Mr. PALMISANO. Will the gentleman yield?

Mr. TRUAX. I yield.

Mr. PALMISANO. This affects 20 different trust companies in 20 different States. It is a case that has gone to the Supreme Court of the United States, and it is through a decision of the Supreme Court that this bill comes here. I hope the gentleman will not object. It only permits them to file their claims.

Mr. TRUAX. Yes; but, Mr. Speaker, that is the very procedure that the Court of Claims objects to. They say it will open the way to looting the Treasury and bankrupting the country of millions of dollars.

Mr. McFARLANE. Mr. Speaker, regular order.

Mr. TRUAX. Mr. Speaker, I object.

#### HEIRS OF WAKICUNZEWIN

The Clerk called the next bill, S. 2957, for the relief of the rightful heirs of Wakicunzewin, an Indian.

There being no objection, the Clerk read as follows:

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the respective heirs of Wakicunzewin, deceased Sisseton-Wahpeton allottee, as determined by the Secretary of the Interior pursuant to existing law, the sum of \$2.888.90, as follows: Waste, \$481.43; Cankumazwin, \$481.48; Hotonnahowin, \$240.74; Ticahdeiyotanke, \$240.74; Mnimapson, or Charles Boesdi, \$240.74; Cetanhote, or Grayhawk, \$120.37; Hankadutana, or Charles Blackbird, \$60.20; George Young, \$60.19; Cankutopewin, \$481.48; and George Track, \$481.48; Provided, That, in the discretion of the Secretary of the Interior, the amount due any beneficiary may be deposited to the credit of the individual and handled in the same manner as other individual Indian moneys: Provided further, That, should any of the vidual Indian moneys: Provided further, That, should any of the persons named herein be not living upon the date of the passage of this act, his or her share shall be credited to and become a part of the estate of such beneficiary.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## ROBERT GRAY FRY. DECEASED

The Clerk called the next bill, S. 101, for the relief of Robert Gray Fry, deceased.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, benefits, and privileges upon honorably discharged soldiers Robert Gray Fry, deceased, shall be held and considered as having been honorably discharged from the military service of the United States on July 31, 1865, late of Company H, Twenty-eighth Regiment Iowa Volunteer Infantry: Provided, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## OFFICERS AND EMPLOYEES OF THE FOREIGN SERVICE

The Clerk called the next bill, S. 380, for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of catastrophes of nature.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. ZIONCHECK and Mr. BLANCHARD objected.

## ELIZABETH MILLICENT TRAMMELL

The Clerk called the next bill, S. 1200, for the relief of Elizabeth Millicent Trammell.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BLANCHARD. Mr. Speaker, I object.

Mr. McREYNOLDS. Mr. Speaker, will not the gentleman withhold his objection a moment?

Mr. BLANCHARD. Mr. Speaker, I withhold my objection to permit the gentleman to make an explanation.

Mr. McREYNOLDS. This is a bill to pay a year's salary to the widow of an officer who died while in the Foreign Service of the United States.

Mr. BLANCHARD. I understand it is. I have discussed the matter with Members who have acted as official objectors in the past. It is contrary to the policy that has been established to pass bills of this kind. Furthermore, the President has vetoed at least one similar bill.

Mr. McREYNOLDS. I think the gentleman is mistaken. If I remember correctly, in that case the man did not die while in the Service, but after he had been retired. There have been at least half a dozen bills of a similar nature paying a year's salary to widows of officers who died in the Foreign Service, and every one of them has been passed

Mr. BRITTEN. Mr. Speaker, if the gentleman will permit, it is customary, as I understand, to pay widows of officers who die in the Foreign Service 1 year's salary.

Mr. McREYNOLDS. Yes; where the husband dies in active service.

Mr. HANCOCK of New York. As a matter of fact, I hesitated to participate in this discussion because I am interested in this particular bill. I shall be pleased to see it pass, but I want to be sure it does not establish any new policy.

Mr. McREYNOLDS. No; this bill does not establish any new policy. A number of these bills have been passed this session.

Mr. HANCOCK of New York. I would be pleased to see this bill put through, but has there not been a suggestion that this matter be taken care of by general legislation?

Mr. McREYNOLDS. This has been the way it has been taken care of in the past.

Mr. BLANCHARD. Will the gentleman give me the assurance that this has been the practice in the past?

Mr. McREYNOLDS. This has been the practice during this session and last session.

Mr. BLANCHARD. Mr. Speaker, I withdraw my objection.

Mr. McREYNOLDS. There are five or six similar bills following this one.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection the Clerk read the Senate bill as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to Elizabeth Millicent Trammell, widow of H. Eric Trammell, the late third secretary of American Embassy at Rio de Janeiro, Brazil, the sum of \$3,000, equal to 1 year's salary of her deceased husband.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

## EMILIE C. DAVIS

The Clerk called the next bill, S. 2367, for the relief of Emilie C. Davis.

Mr. HOPE. Mr. Speaker, reserving the right to object, may I ask the Chairman of the Committee on Foreign Relations whether the next five or six bills are not of the same general character?

Mr. McREYNOLDS. They are.

Mr. HOPE. Granting a year's salary to widows of officers who died in the Foreign Service.

Mr. McREYNOLDS. Yes; they died while in the Service.

Mr. HOPE. And outside of the United States?

Mr. McREYNOLDS. Yes; I think so.

Mr. BLANCHARD. Mr. Speaker, if the gentleman will permit, referring to Calendar No. 826, a bill for the relief of Cornelia Claiborne, does the gentleman recall this bill? Mr. McREYNOLDS. Yes.

Mr. BLANCHARD. Is this bill likewise in the same category?

Mr. McREYNOLDS. Yes.

Mr. BRITTEN. Mr. Speaker, will the gentleman yield?

Mr. McREYNOLDS. I yield.

Mr. BRITTEN. Several of the succeeding bills are for the relief of parties bearing names of a very foreign character, I assume, of course, they are all American citizens and the husbands died while in the Service?

Mr. McREYNOLDS. Yes. I assume they are American citizens; I did not trace their genealogy.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That the Secretary of the Treasury be, and he hereby is, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Emilie C. Davis, widow of Raymond Davis, late Foreign Service officer of the United States, and formerly American consul at Aden, Arabia; Paris, France; Rosario, Argentina; and Prague, Czechoslovakia, the sum of \$4,500, being 1 year's salary of her deceased husband.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### MARGOTH OLSEN VON STRUVE .

The Clerk called the next bill, S. 2875, for the relief of Margoth Olsen von Struve.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Margoth Olsen von Struve, widow of Henry C. von Struve, late American consul at Tenerife, Canary Islands, the sum of \$5,000, equal to 1 year's salary of her deceased husband.

SEC. 2. That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, a sufficient sum to carry out the purpose of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## CORNELIA CLAIBORNE

The Clerk called the next bill, S. 2919, for the relief of Cornelia Claiborne.

Mr. TRUAX. Mr. Speaker, reserving the right to object, this bill pays a year's salary to the widow.

Mr. McREYNOLDS. Yes; in character it is just like the

Mr. TRUAX. When did the death of the officer occur?

Mr. McREYNOLDS. On the 8th day of June 1927.

Mr. TRUAX. And this is the established custom in such cases?

Mr. McREYNOLDS. Yes.

Mr. TRUAX. Mr. Speaker, I have no objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to Cornelia Claiborne, widow of Hamilton Cabell Claiborne, late American consul at Frankfort, Germany, the sum of \$7,000, being 1 year's salary of her deceased husband, who died while in the Foreign Service.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## MARY SEELEY WATSON

The Clerk called the next bill, S. 3161, for the relief of Mary Seeley Watson.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby authorized and directed to pay Mary Seeley Watson, widow of the late John J. Crittenden Watson, formerly Foreign Service officer, American consulate, Dundee, Scotland, the sum of

\$5,000, being 1 year's salary of her deceased husband, who died of illness incurred while in the Consular Service; and there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, a sufficient sum to carry out the purpose of this act

With the following committee amendments:

Page 1, line 5, strike out the words "the late."
Page 1, line 5, after the word "Watson" strike out the word
"formerly" and insert in lieu thereof the word "late."
Page 1, line 8, strike out the words "of illness incurred."

Mr. McREYNOLDS. Mr. Speaker, I ask that these amendments be not concurred in. They were merely descriptive to show that the party really was in the Service.

The committee amendments were rejected.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### FRED HERRICK

The Clerk called the next bill, S. 250, for the relief of Fred Herrick.

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, may we have an explanation of this bill?

Mr. McDUFFIE. Mr. Speaker, Mr. Herrick invested more than a million dollars under a contract to buy certain timberlands and certain timber. He constructed a sawmill and built a railroad.

Mr. ZIONCHECK. What year was that?

Mr. McDUFFIE. I do not recall the year-about 1928 or 1929. When the depression came and after he put up \$50,000 to bind him to the contract, he went broke and into the hands of a receiver. The Government or the receiver sold his holdings, including all he had invested, for \$52,000 more than the original price the Government agreed to sell the timber to this gentleman for. He is now getting along in years, being 75 or 80 years old. He has lost all of his world's goods, and this claim for \$50,000, I think, is a very meritorious claim. It is his. The Government has made more than this deposit over and above the price Mr. Herrick agreed to pay. The Government has this amount of Mr. Herrick's money and should return it. The Government has lost nothing, but Mr. Herrick has lost all. The Government has profited more than this amount. This bill should pass. Let us do this justice to a good citizen.

Mr. PIERCE. Will the gentleman yield?

Mr. McDUFFIE. I yield to the gentleman from Oregon.

Mr. PIERCE. There was a big tract of timber in central Oregon, and the ripe timber was attacked by beetles. The Forest Service put it up for sale. Herrick was the highest bidder. He bid \$2.80 per 1,000 feet. The Government required him to build a railroad and a big sawmill. Mr. Herrick spent \$1,800,000.

The Forest Service had demanded that he put up a bond and \$50,000 in Government bonds to make good his contract. He could not go on. They have had a big investigation in the Senate by a subcommittee appointed by the Senate and there is a large book covering the investigation in the Library. Finally they concluded that Herrick was not at fault, and that he should be allowed to go on and finish his contract. Mr. Greeley, at that time head of the Forest Service, demanded that Mr. Herrick put up \$50,000 in cash, which he did. He put up the \$50,000 in cash.

Mr. ZIONCHECK. In what year?

Mr. PIERCE. This was in 1928. Mr. Herrick went into the hands of a receiver. He has spent \$1,800,000 and his creditors were paid \$800,000 by the company that bought the

Mr. ZIONCHECK. Was the \$50,000 a bond?

Mr. PIERCE. No; it was money demanded by Greeley and paid in cash.

Mr. ZIONCHECK. Demanded for what purpose?

Mr. PIERCE. As liquidated damages because he had not done the work quickly enough. He did not cut a stick of timber and had not taken out a tree. He had built the railroad and had just about completed the mill. The new firm went in and spent \$3,000,000 more; \$5,000,000 has been spent on this enterprise and it has been a financial loss up to date.

Mr. McDUFFIE. And the Government is \$52,000 better off than it was under Herrick's contract.

Mr. PIERCE. Yes. When they resold the timber, they received \$2.86 a thousand; and Herrick's bid was \$2.80 a thousand. The Government received \$52,000 in addition to the \$50,000 that he put up in spot cash.

Mr. ZIONCHECK. How old did the gentleman say Mr.

Herrick is?

Mr. PIERCE. He is in his seventies. He was worth at one time \$7,000,000. He built railroads, sawmills, and everything else and was one of the best men to employ men that we had in the West. He turned over everything to his creditors.

Mr. MOTT. Mr. Greeley himself suggests that this money be turned back.

Mr. PIERCE. Yes.

Mr. MOTT. Mr. Greeley's report recommends that it be paid back to Fred Herrick.

Mr. TRUAX. The Department refused to make a recommendation, and they have refused to make a recommendation not only once but several times.

Mr. PIERCE. I do not know about that, but Greelev recommends that it be paid.

Mr. TRUAX. How much is it proposed to pay to this

Mr. PIERCE. It is proposed to pay him \$50,000. In other words, to give him his \$50,000 back.

Mr. TRUAX. Why?
Mr. PIERCE. Because the Treasury of the United States has no right to it.

Mr. TRUAX. Why?

Mr. MOTT. Because the Government sold the timber and received \$52,000 more than their liquidated damages.

The regular order was demanded.

The SPEAKER pro tempore. Is there objection?

Mr. TRUAX. Mr. Speaker, I object until they can get a recommendation from the Department of Agriculture that this claim be favorably acted upon.

## SAMUEL W. CARTER

The Clerk called the next bill, S. 358, to authorize the Court of Claims of the United States to hear and determine the claim of Samuel W. Carter.

Mr. WHITE. Mr. Speaker, I object. If there is justice to any bill before the House, it is the one which has just been objected to.

## HARRY P. HOLLIDGE '

The Clerk called the next bill, S. 1281, for the relief of Harry P. Hollidge.

Mr. HANCOCK of New York. Mr. Speaker, I object.

## FRED HERRICK

Mr. WHITE. Mr. Speaker, I ask unanimous consent to return to Private Calendar No. 849, and to the bill, S. 250, for the relief of Fred Herrick.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

Mr. ZIONCHECK. Mr. Speaker, I have no particular objection to the request, and the only reason I object to the unanimous-consent request is that I resent the attitude of anyone in objecting to every bill which may come up simply because his bill was objected to. I will have no objection to making the same request a little later.

Mr. TRUAX. Mr. Speaker, I object to the bringing in here of bills for \$50,000 and \$100,000 at the last moment and then gentlemen trying to force you to withdraw your objection. I shall not withdraw my objection.

## E. C. SAMPSON

The Clerk called the next bill, S. 1493, authorizing the Secretary of the Interior to pay E. C. Sampson, of Billings, Mont., for services rendered the Crow Tribe of Indians. There being no objection, the Clerk read the bill as

Be it enacted, etc., That the Secretary of the Interior be, and he hereby is, authorized and directed to pay, upon proper vouchers, out of the tribal funds belonging to the Crow Tribe of Indians of Montana in the Treasury of the United States,

a sum not exceeding \$600 to E. C. Sampson, irrigation engineer, of Billings, Mont., employed by the Crow Tribe to investigate, report, and testify in the manner of the claims pending in the Court of Claims entitled "The Crow Tribe of Indians against the United States", arising out of construction of irrigation project within the Crow Reservation with tribal funds: Provided, That the said E. C. Sampson shall submit with his vouchers satisfactory evidence of services rendered the said tribe.

With the following committee amendments:

Page 1, line 6, after the word "States" insert "and in full settlement of all claims against the Government of the United States"; on page 2, line 1, strike out the word "manner" and insert the word "matter"; and at the end of the bill insert: "And provided further, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed gullty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000." Page 1, line 6, after the word "States" insert "and in full

The committee amendments were agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### THE LOWER SALEM COMMERCIAL BANK

The Clerk called the next bill, S. 1993, for the relief of The Lower Salem Commercial Bank, Lower Salem, Ohio.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to redeem in favor of The Lower Salem Commercial Bank, Lower Salem, Ohio, 4¾-percent United States Treasury notes, series B-1927, nos. 99886, 99891, 99892, 99893, 99894, 99895 in the denomination of \$100 each, and 61646 in the denomination of \$500, dated May 15, 1923, matured March 15, 1927, without interest and without presentation of the said notes which are alleged to have been lost or destroyed: Provided, That the said notes shall not have been previously presented and paid: And provided further, That the said The Lower Salem Commercial Bank shall first file in the Treasury Department a bond in the penal sum of double the amount of the principal of the said notes in such form and with such corporate surety as may be acceptable to the Secretary of the Treasury to indemnify and save harmless the United States from any loss on account of the Treasury notes hereinbefore described. Treasury notes hereinbefore described.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## W. H. KEY AND THE ESTATE OF JAMES E. WILSON

The Clerk called the next bill, S. 2112, for the relief of W. H. Key and the estate of James E. Wilson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$160 to W. H. Key and the estate of James E. Wilson, their heirs or assigns, as compensation for the northeast quarter northeast quarter section 31, township 7 south, range 8 west, Huntsville meridian, Lawrence County, Ala., erroneously deeded to the United States of America by George E. Barnett, trustee of S. E. Gardner (bankrupt), by deed dated March 21, 1918, and recorded among the land records of Lawrence County in libre 2, folio 148, March 23, 1918: Provided, That the said W. H. Key and the estate of James E. Wilson, their and each of their heirs or assigns, shall quitclaim to the United States all of their rights, title, and interest in and to the said described land: to the said described land:

With the following committee amendments:

Page 1, line 7, after the word "assigns", strike out the words "as compensation" and insert in lieu thereof "in full settlement of all claims against the Government of the United States."

Page 1, line 9, after the word "quarter", insert the words "of

At the end of the bill insert: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connec-

tion with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### MRS. CHARLES L. REED

The Clerk called the next bill, S. 2142, for the relief of Mrs. Charles L. Reed.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice, with the right to call it up again today.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

#### ESTATE OF JOSEPH Y. UNDERWOOD

The Clerk called the next bill, S. 2431, for the relief of the estate of Joseph Y. Underwood.

Mr. TRUAX. Mr. Speaker, reserving the right to object, here is a bill that is a dandy. This seeks to go back to 1919 and 1920 and pay a brokerage fee of \$282,075. The contract was for \$11,250,000.

Mr. COCHRAN of Missouri and Mr. McDUFFIE rose.

Mr. COCHRAN of Missouri. In the first place, why do you not read the bill? Your statement shows you have not even read the bill.

Mr. TRUAX. I have read the report on the bill which is an analysis of the bill.

Mr. COCHRAN of Missouri. The bill provides for the payment of \$10,000, as a brokerage fee to a man who made the Government \$750,000. That seems fair.

Mr. TRUAX. Yes.

Mr. COCHRAN of Missouri. Here is a man who sold ships for the United States Government on the promise that he would get a commission. The Government agreed to sell for over \$11,000,000. He found a buyer when the Shipping Board could not find one.

Mr. McDUFFIE. And the Government did get threequarters of a million dollars on that sale.

Mr. TRUAX. When was that?

Mr. COCHRAN of Missouri. In 1920.

Mr. TRUAX. Where is this man now?

Mr. COCHRAN of Missouri. He is dead. This will go to his estate.

Mr. TRUAX. And you want to get some money for his estate?

Mr. COCHRAN of Missouri. The bill has passed the Senate, and I cannot conceive, if the gentleman has read the report carefully, how he can object.

Mr. TRUAX. The claim has run the statute of limitations.

Mr. McDUFFIE. Yes; like many claims against the Government.

Mr. COCHRAN of Missouri. There should be no pleading by the United States of the statute of limitations on a just claim. The statute of limitations does not apply to the Congress. They come here because they could not get a settlement with the Government department.

Mr. TRUAX. The gentleman is right when he says there is no statute of limitations so far as Congress is concerned with respect to the enactment of private bills, but there is such a statute.

Mr. McDUFFIE. May I say to the gentleman there should never be a limitation when equity and good conscience are

Mr. COCHRAN of Missouri. Absolutely; I agree with the gentleman from Alabama, and every Member of Congress should agree with him.

Mr. TRUAX. The gentleman from Alabama, whom I regard as one of the ablest men in this House, thinks we ought to abrogate the statute of limitations in certain cases.

Mr. McDUFFIE. I think this Congress can sit as a court of equity regardless of the statutes or any law barring claims.

I think this is an equitable claim and that is all I wish to ! say to the gentleman.

Mr. TRUAX. I do not doubt the gentleman's sincerity at all, but I ask the gentleman if he firmly believes this Congress, sitting as it is now and with bills fired through here with the rapidity of a machine gun, can act as a court of equity on any claim and consider it fairly and justly.

Mr. COCHRAN of Missouri. May I ask the gentleman one question, in all fairness? This sale was consummated through the efforts of this man, the purchaser defaulted and the Government received \$750,000 thereby. Does not the gentleman feel that \$10,000 should go to the one responsible for the transaction?

Mr. TRUAX. How much has already been paid?

Mr. COCHRAN of Missouri. Nothing. The original bill provided for a large amount; the Senate cut it to \$10,000 because the company defaulted in its agreement. The claimant had an agreement with the Government he would be paid, but he was never paid.

Now, when the Government gets \$750,000 for nothing, and this man was the one responsible for putting into the United States Treasury the \$750,000, why should you not be willing to give him \$10,000 for enriching the Treasury to the extent of \$750,000?

Mr. TRUAX. There are many men who have enriched the Treasury and enriched themselves at the same time 10 times over.

Mr. COCHRAN of Missouri. But this is not such a case. This man was a broker acting for the Government. This is a fair claim. I have no interest in it. My desire is to see the Government act fairly toward those with whom it makes contracts and agreements.

Mr. TRUAX. Let me say to the gentleman that we only appropriate \$5,000 for loss of life, and you are asking here for \$10,000. [Cries of "Regular order!"]

If the regular order is going to be called for, I object.

#### ALBERT W. HARVEY

The Clerk called the next Senate bill on the Private Calendar, S. 2549, for the relief of Albert W. Harvey.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he hereby is, authorized and directed to pay to Albert W. Harvey, Rutland, Vt., out of any money in the Treasury not otherwise appropriated, the sum of \$49.15, being the amount expended by said Harvey for damages incurred in an accident in which an automobile was seized by a Federal prohibition agent in the performance of his duties for the Government.

With the following committee amendments:

With the following committee amendments:

Page 1, line 6, after the figures "\$49.15", strike out the words "being the amount expended by" and insert "in full settlement of all claims against the Government of the United States of", and after the word "Government" in line 11, page 1, insert: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The committee amendments were agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BREWER PAINT & WALL PAPER CO., INC.

The Clerk called the next Senate bill, S. 2553, for the relief of the Brewer Paint & Wall Paper Co., Inc.

The SPEAKER pro tempore. Is there objection?

Mr. ZIONCHECK. Mr. Speaker, this claim amounts to \$1,981.29. The amount due is \$840.80; and with the right to amendment, I will not object.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to the Brewer Paint & Wall Paper Co., Inc., the sum of §1,981.29, in full settlement of

all claims against the Government on account of extra painting work performed under contract no. W6174-qm-33, dated April 25, 1931, in connection with the construction of three barracks buildings at Langley Field, Va.

With the following committee amendments:

Page 1, line 5, after the word "Incorporated", insert "out of

Page 1, line 5, after the word "Incorporated", insert "out of any money in the Treasury not otherwise appropriated."

Page 1, line 11, after the word "Virginia" insert: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services. in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

Mr. ZIONCHECK. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Page 1, line 6, strike out the figures "1,981.29" and insert "846.80."

The amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### MRS. C. A. TOLINE

The Clerk called the bill (S. 2752) for the relief of the legal beneficiaries and heirs of Mrs. C. A. Toline.

The SPEAKER pro tempore. Is there objection?

Mr. BLANCHARD. Mr. Speaker, I reserve the right to object. I wonder if I can get some information about this bill. The bill originally was for the relief of C. A. Toline. who survived his wife, she having been killed in an accident. Subsequently, as I was informed, Dr. Toline died, and I am inquiring now as to whether there are any legal heirs-I mean direct heirs, children.

Mr. WEAVER. I am sure that there are heirs.

Mr. BLANCHARD. There are heirs undoubtedly, but are there any close relatives?

Mr. WEAVER. I am sorry that I cannot inform the gentleman. Perhaps the gentleman from Illinois [Mr. Thompsonl can do that.

Mr. BLANCHARD. The gentleman from Illinois [Mr. THOMPSON] spoke to me about it the other day; but since I talked to him, I have received information that Dr. Toline has died.

Mr. THOMPSON of Illinois. I do not understand what the gentleman means about surviving Dr. Toline. I did not know that he was dead. He is now employed with the Veterans' Administration as a dental surgeon at some place in Mr. WEAVER'S district.

Mr. BLANCHARD. And there is no question about that? Mr. THOMPSON of Illinois. No; he is just as alive as any of the rest of us. The gentleman rather shocked me when he said that he was dead.

Mr. BLANCHARD. I did not say that he was dead. stated that information had come to me which indicated he had since died. If I am wrong, I withdraw whatever I did

Mr. THOMPSON of Illinois. The gentleman is wrong.

Mr. BLANCHARD. Then I have no objection to the bill. The SPEAKER pro tempore. Is there objection?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to the legal beneficiaries and heirs of Mrs. C. A. Toline, out of any money in the Treasury not otherwise appropriated, the sum of \$5,000 in full settlement of all claims against the Government on account of the death of Mrs. C. A. Toline, which occurred November 7, 1923, at the National Military Home for Disabled Volunteer Soldiers, Wisconsin: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount

appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

JOHN N. KNAUFF CO., INC.

The Clerk called the bill S. 2972, for the relief of John N. Knauff Co., Inc.

The SPEAKER pro tempore. Is there objection?

Mr. TRUAX. Mr. Speaker, I object to this bill.

Mr. BLACK. Mr. Speaker, will the gentleman withhold his objection?

Mr. TRUAX.

Mr. WHITLEY. Mr. Speaker, will the gentleman yield?

Mr. TRUAX. Yes.

Mr. WHITLEY. This bill has been approved by the Treasury Department. This is a corporation in New York with \$7,000 of capital. They had a job for \$7,000 to repair a Government hospital. Extra work on it amounted to \$19,000. The Court of Claims awarded this amount. There were claims of other amounts for damages for not being furnished with an elevator, but those things the Court of Claims did not allow. They allowed \$19,000.

Mr. TRUAX. What year was this claim incurred; what year were these services performed?

Mr. WHITLEY. I think the Court of Claims made the report on it last year.

Mr. TRUAX. In what year did the claim originate?

Mr. WHITLEY. I could not say that.

Mr. TRUAX. This claim was incurred some years ago. What year?

Mr. BLACK. Nineteen hundred and twenty-one.

Mr. TRUAX. Thirteen years ago.
Mr. BLACK. This is the net result of the whole thing. Both Houses authorized the Court of Claims to conduct the hearings to find the facts and determine liability. They have done that. Congress has acted on it, the Court of Claims has acted on it, the Treasury Department has acted on it, and for 14 years this man has been denied his money.

Mr. TRUAX. Why? Mr. BLACK. Because the Government has not paid it. If the gentleman objects now, he nullifies the work of a previous Congress, of the Court of Claims, and of the Treasury Department.

Mr. TRUAX. Has any provision been made to provide revenue with which to pay this?

Mr. BLACK. That is always taken care of through the Committee on Appropriations.

Mr. TRUAX. Yes; and it brings about a greater and greater deficit every year.

Mr. BLACK. On the other hand, why should this man who has been owed this money by the Government carry on the Government? According to a previous Congress and the Treasury Department, he has done his work and the Government has not paid. That is all there is to it. Why should he kick in \$20,000 for the Government when the gentleman and I are not called upon to do any such thing?

Mr. TRUAX. Would the gentleman agree to start printing presses going to issue some new money to pay this?

Mr. McFARLANE. Mr. Speaker, I demand the regular

Mr. BLACK. Oh, let us work this thing out. This does not need any new money. The man is entitled to his money.

The SPEAKER pro tempore. Is there objection? Mr. TRUAX. Mr. Speaker, I object.

JOANNA A. SHEEHAN

The Clerk called the next bill, S. 3335, for the relief of Joanna A. Sheehan.

Mr. WHITE. Mr. Speaker, we are not proceeding in an orderly manner. These bills are not receiving proper attention. I make the point of no quorum.

The SPEAKER pro tempore. The Chair will count. Mr. WHITE. Mr. Speaker, I withdraw the point of no quorum.

JOHN N. KNAUFF CO., INC.

Mr. BLACK. Mr. Speaker, I ask unanimous consent to return to Calendar No. 860 (S. 2972) for the relief of John N. Knauff Co., Inc. The gentleman from Ohio [Mr. Truax] has agreed to withdraw his objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York [Mr. BLACK]?

There was no objection.

The Clerk called the bill (S. 2972) for the relief of John N. Knauff Co., Inc.

There being no objection, the Clerk read as follows:

There being no objection, the Cierk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$19,032.78 to John N. Knauff Co., Inc., in full settlement of all claims against the Government for damage and loss incurred by said corporation in complying with the orders of the Surgeon General of the United States or his representatives on contract duly executed between the Government of the United States and the plaintiff corporation on January 28, 1920, providing for the making of certain repairs and alterations for the United States in the United States Public Health Service Hospital at Hudson, Jay, and Staple Streets, New York City, in 1920 and 1921, as found by the Court of Claims and reported in Senate Document No. 128, Seventy-third Congress, second session: second session:

With the following committee amendment:

With the following committee amendment:

Page 2, line 7, after the word "session", insert a colon and the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to.

The bill as amended was ordered to be read a third time. was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. HARLAN. Mr. Speaker, I ask unanimous consent to take up Calendar No. 448.

The SPEAKER pro tempore. The gentleman from Ohio [Mr. HARLAN] asks unanimous consent to return to Calendar no. 448. Is there objection?

Mr. ZIONCHECK. Reserving the right to object-

Mr. BLANCHARD. Is it a Senate bill?

Mr. HARLAN. It is a Senate bill. It passed the Senate.

Mr. BLANCHARD. Has it been objected to here?

Mr. HARLAN. It has not. When it came up in the House somebody asked that it go over until 10 o'clock that night, or 9:30, or whenever it was.

Mr. RANKIN. Suppose the gentleman waits until we finish the calendar, and then we can return. The gentleman has had one show at his bill and we have not.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio [Mr. HARLAN]?

Mr. ZIONCHECK. Mr. Speaker, I object.

## JOANNA A. SHEEHAN

The Clerk called the bill (S. 3335) for the relief of Joanna A. Sheehan.

There being no objection, the Clerk read as follows:

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to redeem, in favor of Joanna A. Sheehan, of Haverhill, Massachusetts, United States Liberty Loan permanent coupon bond numbered 321498, in the denomination of \$1,000, of the third 4½'s, issued May 9, 1918, matured September 15, 1928, without presentation of said bond, the said bond having been lost, stolen, or destroyed: Provided, That the said bond shall not have been previously presented and paid: And provided further, That the said Joanna A. Sheehan shall first file in the Treasury Department a bond in the penal sum of double the amount of the principal of the said Liberty Loan bond, in such form and with such surety or sureties as may be acceptable to the Secretary of the Treasury, with condition to indemnify and save harmless the United States from any loss on account of the Liberty Loan bond hereinbefore described: Pro-

vided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### ARTHUR BUSSEY

The Clerk called the next bill, S. 2357, for the relief of Arthur Bussey.

The SPEAKER pro tempore. Is there objection?

Mr. TRUAX. Reserving the right to object, this bill is for nearly \$30,000. It has run the statute of limitations. Therefore I object to it.

#### LUCY B. HERTZ AND J. W. HERTZ

The Clerk called the next bill, S. 887, for the relief of Lucy B. Hertz and J. W. Hertz.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to Lucy B. Hertz and J. W. Hertz, out of any money in the Treasury not otherwise appropriated, the sum of \$1,500, in full satisfaction of all claims against the United States of \$1,500, in full satisfaction of all claims against the United States on account of injuries sustained on February 18, 1931, when they were struck by a bus belonging to the United States Indian Service: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## ARTHUR BUSSEY

Mr. CASTELLOW. Mr. Speaker, during the confusion Calendar No. 863 was called and I did not hear what happened to it.

The SPEAKER pro tempore. That bill was objected to by the gentleman from Ohio [Mr. TRUAK].

Mr. COX. Mr. Speaker, I ask unanimous consent to return to Calendar No. 863, S. 2357, for the relief of Arthur Bussey. The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. TRUAX. Reserving the right to object, I shall be glad to have the gentleman from Georgia make a statement.

Mr. CASTELLOW. I shall be glad to make a statement. In 1918, during the progress of the war, the Government decided to build a cantonment in the Third District of Georgia, just south of Columbus, and for that purpose they filed condemnation proceedings against certain real estate. Mr. Arthur Bussey's real estate was included. They agreed upon terms. There was no trouble about the transaction, as far as the real estate was concerned; but before there was any agreement, before condemnation proceedings were instituted, the Government, through its agent, through one Maj. John Paul Jones, took charge of the property, and, Mr. Speaker, when the Government takes charge through John Paul Jones, that property is taken charge of. They would not permit the claimant to withdraw or remove his personal property. He has been trying to get a settlement for that personal property ever since that time. Finally he filed suit in the Court of Claims. The Court of Claims made a special finding of fact, but they have returned a judgment that the United States, through its agents and instrumentalities, have damaged Mr. Bussey in the sum of \$59,697.85.

The Senate just cut that in two. He is not asking for any interest, although he has been out of the use of his property for 15 years or more.

Mr. UMSTEAD. Will the gentleman yield?

Mr. CASTELLOW. I yield.

Mr. UMSTEAD. As a member of the War Claims Committee I examined the report of that claim very carefully, and I want to say to the gentleman from Ohio [Mr. TRUAX] that in my judgment fairness and justice demand that this bill be passed. Furthermore, I can see no good reason why the United States Committee on Claims cut this amount in half. If it was possible to get it all, without having to go back to the Senate, I think justice would demand that. I hope the gentleman will not object but will promptly permit this bill to pass.

Mr. TRUAX. I would say to the gentlemen interested in this bill-

Mr. UMSTEAD. I have no interest in the world in this

Mr. TRUAX. But to gentlemen who are interested in the bill, that every bill that comes here on the Private Calendar is just and fair, and no doubt that is a sincere statement made by every gentleman who speaks for the passage of such a bill, but again I must call attention to the fact that each and every one of these bills has run the statute of limitations; that you cannot get a recommendation from the Treasury; that you cannot get a recommendation from the department involved.

These bills provide no method for raising the revenue with which to pay the claims. The Ways and Means Committee and the President of the United States are faced with the stern problem of raising billions of dollars, not to pay claims going back 12, 14, and 16 years but to keep people from starving, to clothe people, to provide for 10,000,000 unemployed.

Mr. WOLFENDEN. Mr. Speaker, I demand the regular order.

Mr. TRUAX. Mr. Speaker, I object.

## BLACK HARDWARE CO.

The Clerk called the next bill, S. 1585, for the relief of the Black Hardware Co.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Black Hardware Co., a Texas corporation, with principal offices at Galveston, the sum of \$12,888.11 to fully refund to said company the difference between the rate of customs duties erroneously assessed and collected from it on corrugated iron bars at Galveston, Tex., between December 30, 1924, and September 27, 1926, under paragraph 304 of the act of 1922, and the rate of duty assessed and collected on the same class of merchandise in the same customs district, at Houston, Tex., during the same period, under paragistrict, at Houston, Tex., during the same period, under paradistrict, at Houston, Tex., during the same period, under paragraph 312 of said act, without the knowledge of said company, and which latter rate, subsequently, was decided to be according to law.

With the following committee amendments:

Page 1, line 5, after the word "appropriated", insert the fol-wing: "and in full settlement of all claims against the Government of the United States."

Page 1, line 8, strike out \$12,888.11 to fully", and insert in lieu thereof "\$7,998.04 to".

Page 2, line 6, after the word "law", insert the following proviso: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivthis act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### EMMA FEIN

The Clerk called the next bill, S. 1633, for the relief of

Mr. HANCOCK of New York. Mr. Speaker, I object.

Mr. TERRY of Arkansas. Mr. Speaker, will the gentleman withhold his objection?

Mr. HANCOCK of New York. Mr. Speaker, I withhold my objection to permit the gentleman to make an explanation.

Mr. TERRY of Arkansas. Mr. Speaker, this is a bill to provide for the relief of the widow of Mr. Fein, who was injured in 1913 on the Panama Canal by the negligence of an employee of the Government.

Mr. HANCOCK of New York. That is the difficulty with it. We have objected consistently to all bills going back prior to the passage of the act of 1916.

Mr. TERRY of Arkansas. Under the Compensation Act of 1908 as amended in 1911, Mr. Fein received a year's salary.

Mr. HANCOCK of North Carolina. All the law allowed.
Mr. TERRY of Arkansas. That was all he was entitled to
under the compensation act then in force. His foot had to
be amoutated.

For a year after that he got his salary, but he lingered on from 1913 to November 1919, when he died. The most he could get under the compensation act in force at that time

was 1 year's salary.

This bill is to provide for the relief of his widow and three children. The widow had to take care of Mr. Fein from

1914 to 1919, the year he died.

Major General Goethals, in charge of the Panama Canal, said that this was a meritorious claim. There is no dispute about the negligence of the employee of the Government

said that this was a meritorious claim. There is no dispute about the negligence of the employee of the Government which caused his foot to be amputated; and I ask the gentleman to withdraw his objection.

Mr. HANCOCK of New York. Mr. Speaker, I would like to make an exception for the gentleman, but I, myself, introduced a number of bills for casualties on the Panama Canal. They were objected to. I, personally, have objected to others during this session for injuries sustained prior to the Compensation Act of 1916. It would not be fair to the other Members to let this bill pass after having objected to other similar bills; and I feel I must object. I do not like to do it, of course.

Mr. TERRY of Arkansas. Under the Compensation Act of 1916, the man would have to die within 6 years. Mr. Fein did not die within 6 years after the injury.

Mr. WOLFENDEN. Mr. Speaker, I demand the regular order.

Mr. HANCOCK of New York. Mr. Speaker, I object.

## NORTHFIELD, MINN., POST-OFFICE SITE

The Clerk called the next bill, S. 1804, to authorize the transfer of certain real estate by the Secretary of the Treasury to C. F. Colvin in settlement of the Northfield, Minn., post-office site litigation, and for other purposes.

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, may I have an explanation of this bill?

Mr. HOIDALE. Mr. Speaker, this matter is in litigation. This is a bill to authorize the district attorney of Minnesota to compromise a claim involving title to real estate on which a post-office building is to be built, and which work can go ahead next week if this defect in the title can be settled.

Mr. ZIONCHECK. What does the Treasury Department have to say about the bill?

Mr. HOIDALE. They, apparently, do not understand the litigation.

Mr. ZIONCHECK. Has the gentleman tried to explain the situation to the Treasury Department?

Mr. HOIDALE. The gentleman from Washington [Mr. Smith], a member of the Claims Committee, went into it very carefully.

Mr. BLANCHARD. Mr. Speaker, will the gentleman tell me the name of the claimant?

Mr. HOIDALE. There is no particular claimant. This is an act authorizing the district attorney of Minnesota to compromise a lawsuit pertaining to the title of real estate

upon which a post office is to be built. This building work is held up because of a defect in the title.

Mr. ZIONCHECK. The Treasury Department says that the bond was required in order to save the Government harmless, and they oppose the bill.

Mr. HOIDALE. But they did not understand the matter. Mr. ZIONCHECK. I think it is the duty of the gentleman to go down and clarify the matter so far as the Treasury Department is concerned. They are responsible and they are the authority in these questions.

Mr. Speaker, I object.

Mr. ELTSE of California. Mr. Speaker, I demand the regular order.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. ZIONCHECK. Mr. Speaker, I withdraw my objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States district attorney representing the United States in the condemnation proceedings for the procurement of a site (including the Colvin tract of 22 feet by 66 feet) for the post office at Northfield, Minn., is authorized to enter into a written stipulation with C. F. Colvin and his wife and other persons, if any, having any interest whatever in such tract, providing for the acceptance by the said C. F. Colvin of \$1,540 in full payment for the north portion of the Colvin tract, such portion being the north 12 feet of the west 66 feet of lot 2, block 34, of the town, now city, of Northfield, Rice County, Minn., and in full satisfaction of all claims, and any judgment in favor of the said C. F. Colvin, his wife, and such other persons, or any of them, arising out of the condemnation of such tract, and providing for the transfer to the said C. F. Colvin by the United States of all right, title, and interest of the United States in the south portion of the Colvin tract, such portion being the south 10 feet of the west 66 feet of the north 22 feet of such lot 2. The Secretary of the Treasury is authorized and directed, upon the filing of such stipulation in the court in such proceedings, to transfer to the said C. F. Colvin all the right, title, and interest of the United States in the south portion of the Colvin tract described in this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## MARTIN FLYNN

The Clerk called the next bill, S. 1998, for the relief of the estate of Martin Flynn.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Martin Flynn, deceased, of Des Moines, Iowa, the sum of \$3,810, in full satisfaction of its claim against the United States for expenses incurred by the estate in restoring to their original condition the fifth and sixth floors of the Flynn Building, Des Moines, Iowa, which were vacated on September 30, 1929, by the United States Veterans' Bureau, at the expiration of its lease.

## With the following committee amendment:

Page 1, after line 11, insert a colon and the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The committee amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## ANNA CARROLL TAUSSIG

The Clerk called the next bill, S. 2744, for the relief of Anna Carroll Taussig.

Mr. TRUAX. Mr. Speaker, reserving the right to object, the distinguished Chairman of the Claims Committee knows that it is the policy to pay only \$2,500 for an accident instead of \$5,000?

Mr. BLACK. That is not so.

Mr. TRUAX. Why is it not so? That is what we have been doing here right along. We have been paying \$5,000 for a death claim.

Mr. BLACK. Yes.

Mr. TRUAX. Is this a death case?

Mr. BLACK. It is worse than death.
Mr. TRUAX. What is it?
Mr. BLACK. This woman has been physically impaired. She had to have an eye removed and the other eye is of very little service to her, and all on account of the negligence of a post-office truck driver.

Mr. TRUAX. They are always negligent. Mr. BLACK. The Department says so itself.

Mr. TRUAX. Mr. Speaker, I withdraw my reservation of objection.

There being no objection, the Clerk read the bill, as fol-

Be it enacted, etc., That the Secretary of the Treasury be, and he hereby is, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Anna Carroll Taussig the sum of \$5,000, in full settlement of all claims against Taussig the sum of \$5,000, in full settlement of all claims against the Government for permanent injuries sustained while riding in an automobile which was run into by a large post-office auto truck used in the mail service, owned by the United States, whereby Anna Carroll Taussig lost her right eye and was permanently scarred and disfigured: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### DONGJI INVESTMENT CO., LTD.

The Clerk called the next bill, S. 3016, for the relief of the Dongji Investment Co., Ltd.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Private Law No. 228, Seventy-second Congress, entitled "An act for the relief of the Dongji Investment Co., Ltd.", be, and it is hereby, amended by deleting from lines 5 and 6 the words "in excess of the amount of the performance bond given by such company."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## ZINSSER & CO.

The Clerk called the next bill, S. 1214, for the relief of Zinsser & Co.

Mr. ZIONCHECK and Mr. TRUAX objected.

## GEORGE YUSKO

The Clerk called the next bill, S. 1654, for the relief of George Yusko.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That in the administration of the pension Be it enacted, etc., That in the administration of the pension laws or any laws conferring rights, privileges, or benefits upon persons honorably discharged from the United States Army George Yusko shall be held and considered to have been honorably discharged as a private, Company D, One Hundred and Fifty-seventh Regiment United States Infantry, on April 20, 1919: Provided, That no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued by reason of this act prior to its passage.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## HENRY POOLE

The Clerk called the next bill, S. 521, for the relief of Henry Poole.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Henry Poole, who was a member of Company D, Seventeenth Regiment United States Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 8th day of April 1899: Provided, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### A. L. OSTRANDER

The Clerk called the next bill, S. 86, for the relief of A. L. Ostrander.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to A. L. Ostrander, of Yakima, Wash., the sum of \$270 in full satisfaction of his claim against the United States for compensation for services rendered during the year 1931 as a member of the land designating committee for the Wapato project, Washington, in connection with the designation of irrigable lands of such project.

## With the following committee amendment:

On page 1, after line 10, insert a colon and the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or rein excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The committee amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## NORMAN BEIER

The Clerk called the next bill, S. 488, for the relief of Norman Beier.

Mr. TRUAX. Mr. Speaker, reserving the right to object, I should like to see a copy of the bill.

Mr. ZIONCHECK. Mr. Speaker, a parliamentary inquiry. The SPEAKER pro tempore. The gentleman will state it.

Mr. ZIONCHECK. Is it not possible to return to the House bills that are on the Speaker's desk instead of continuing with the Senate bills? There seems to be a lack of general preparation in connection with the Senate bills at the present time.

Mr. BLANCHARD. If the majority leader is here, may I make the suggestion that we recess for a half hour?

Mr. BLACK. Let us go on.

Mr. BLANCHARD. I am willing to make the recess for an hour, but we should get caught up with these bills.

Mr. BYRNS. Call one or two more bills, and we will see what progress can be made.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$2,500 to Norman Beier, Brooklyn, N.Y., in full settlement and satisfacto Norman Beier, Brooklyn, N.Y., in full settlement and satisfaction of injuries sustained by him when struck by a truck of the Post Office Department: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000. any sum not exceeding \$1,000.

With the following committee amendment:

On page 1, line 7, strike out "and satisfaction of" and insert in lieu thereof "of all claims against the Government of the United States for."

The committee amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### WILLIAM G. FULTON

The Clerk called the next bill, S. 740, for the relief of William G. Fulton.

There being no objection, the Clerk read the bill, as fol-

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to William G. Fulton, of Annapolis Junction, Md., out of any money in the Treasury not otherwise appropriated, the sum of \$1,528, in full settlement of all claims against the Government, for damage to crop on the Camp Meade Reservation, Md., for which he had entered into con-tract with the United States Army authorities at Camp Meade on May 18, 1922.

With the following committee amendment:

Page 1, line 10, after "1922", insert: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### THE TOBACCO INDUSTRY

Mr. FULMER. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H.R. 9690) to place the tobacco-growing industry on a sound financial and economic basis, to prevent unfair competition and practices in the production and marketing of tobacco entering into the channels of interstate and foreign commerce, and for other purposes, with Senate amendments, and move to concur in the Senate amendments.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the Senate amendments as follows:

Page 4, line 9, after "tobacco" where it occurs the first time, insert a comma.

Page 4, line 11, strike out "two-thirds" and insert "three-fourths."

Page 5, strike out lines 6 to 8, inclusive.

Page 5, line 9, strike out "(3)" and insert "(2)."
Page 6, line 24, strike out "5 percent" and insert "6 percent"

Page 7, line 6, strike out all after "That" down to and including "prescribe" in line 10, and insert "Warrants covering two-thirds of the amount of tobacco allotted under this subsection in any county shall be issued to growers whose allotments are 1,500 pounds or less."

Page 9, lines 24 and 25, strike out "or by imprisonment not exceeding 1 year or both."

Page 10, line 7, strike out "tax payment" and insert "tax-payment warrant."

Page 11, line 6, strike out "authorized to be."
Page 11, line 22, strike out "authorized to be" and insert

Page 11, line 22, which is the result of the Republic of Cuba, such quotas shall be based on average quantities of tobacco so imported during the crop years 1928-33."

The Senate amendments were agreed to.

CENTENNIAL OF THE INDEPENDENCE OF THE REPUBLIC OF TEXAS

Mr. LANHAM. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the concurrent resolution (S.Con.Res. 21), and agree to the same.

The Clerk read the concurrent resolution as follows:

Senate Concurrent Resolution 21

Resolved by the Senate (the House of Representatives con-curring), That there is hereby established a joint congressional committee to be composed of three Senators, to be appointed by the President of the Senate, and three Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives, to inquire into and report to Congress to what extent, if any, the Federal Government should participate in the Centennial of Independence of the Republic of Texas, to be held in the State of Texas in the year 1936. The expenses of the committee, including necessary clerical

The expenses of the committee, including necessary clerical assistance and traveling expenses, which shall not exceed \$5,000, shall be paid, one-half from the contingent fund of the Senate, and one-half from the contingent fund of the House of Representatives, upon vouchers, approved by the chairman.

Mr. SNELL. Mr. Speaker, is this a unanimous-consent request?

Mr. LANHAM. It is. It is the matter about which I spoke to the minority leader a few days ago.

This has reference to the centennial celebration of the establishment of the independence of the Republic of Texas, and the resolution provides for the appointment of 3 Members of the House and 3 Members of the Senate to see to what extent it would be proper or appropriate for the Federal Government to participate in this centennial.

Mr. SWICK. Mr. Speaker, reserving the right to object, was not this resolution objected to the other day?

Mr. LANHAM. It was, but the gentlemen who objected, upon investigation of the matter, have said they have no objection.

Mr. BLANCHARD. Mr. Speaker, reserving the right to object, is there any reason why this celebration should be distinguished from the tercentenary exposition we are holding now out in Wisconsin?

Mr. LANHAM. I am not objecting to that one, but I may say to the gentleman that this celebration is unique in view of the fact that the State of Texas was a Republic for 9 years and established its independence very much as the Colonies established theirs.

Mr. BLANCHARD. I appreciate that, and that is the only reason that would prevent an objection. I think it is for that reason there has been no objection heretofore.

Mr. LANHAM. Yes; and the establishment of its independence, of course, was participated in by Americans from all over the country and therefore this is an American proposal.

Mr. SNELL. What is expected to be done? Is this going to cause the Government to spend a lot of money?

Mr. LANHAM. This is simply to investigate and see to what extent the Federal Government should participate. The State legislature has appropriated some money for initial purposes and has appointed a committee.

Mr. SNELL. I think it is really a crime the way we are going into these celebrations and spending the people's money for them, and I think it is a matter for which you gentlemen may be held responsible.

Mr. LANHAM. This is simply for the purpose of having the investigation, I may say to the gentleman from New York, and the celebration will not be held until some time in 1936

Mr. SNELL. But I know what it is going to lead to, and the only reason the matter is brought in here is in order to get a Federal appropriation.

Mr. LANHAM. No; not necessarily. This is simply to find out to what extent the Federal Government should participate, and Texas is closely linked with the Federal Government in its whole history and they have many things in common.

Mr. SWICK. Mr. Speaker, will the gentleman yield?

Mr. LANHAM. Yes.

Mr. SWICK. It seems to me the Federal Government has participated to some extent with Texas when Texas has received \$47,000,000 against \$8,000,000 that they have paid out.

Mr. LANHAM. In what respect?

Mr. SWICK. In processing taxes.

Mr. LANHAM. Of course, that is quite apart from this matter.

gentleman from Texas?

There was no objection.

The concurrent resolution was agreed to.

Mr. PIERCE. Mr. Speaker, I ask unanimous consent to return to Calendar No. 849 on the Private Calendar.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

Mr. HOPE. I object.

Mr. COLMER. Mr. Speaker, I ask unanimous consent to return to No. 756 on the Private Calendar.

Mr. HOPE. Reserving the right to object, what is this

Mr. COLMER. It is a Senate bill inadvertently passed

Mr. HANCOCK of New York. Was the bill objected to? Mr. COLMER. It was passed by the Senate but has never been up in the House.

Mr. HOPE. I object.

Mr. PIERCE. Mr. Speaker, I again renew my request to return to No. 849 on the Private Calendar. The gentleman from Ohio will withdraw his objection if I accept an amendment.

Mr. TRUAX. I will withdraw the objection if the gentleman will accept an amendment of \$25,000 instead of

Mr. PIERCE. I will agree to that amendment.

The SPEAKER. The gentleman from Oregon asks unanimous consent to return to Calendar No. 849.

Mr. WOLFENDEN. I object.

#### MARTIN-WALSH, INC.

Mr. BLACK. Mr. Speaker, I ask unanimous consent to return to Calendar No. 416 on the Private Calendar (H.R. 4608), for the relief of Martin-Walsh, Inc.

The SPEAKER. Is there objection?

Mr. BLACK. The gentleman who objected has withdrawn his objection.

Mr. HOPE. Was the bill objected to on this side of the House or on the other?

Mr. BLACK. It was on our side.

There being no objection, by unanimous consent the Clerk read the Senate bill, S. 173, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to William Martin and John E. Walsh, Jr., who have succeeded to and are the sole owners of all right, title, and interest of Martin-Walsh, Inc., in and to the within claim, out of any money in the Treasury not otherwise appropriated, the sum of \$4,221.50 in full settlement of all claims against the United States. Such sum is the amount of excess duties levied and collected from Martin-Walsh, Inc., by the collector of the port of New York on 31 distinct entries covering importations of kraft wrapping paper from Sweden and Norway during the years 1922 and 1923: Provided, That no part of the amount appropirated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed gullty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

Mr. COLMER. Mr. Speaker, I ask unanimous consent to return to Calendar No. 756 to consider a similar Senate bill.

Mr. HANCOCK of New York. Mr. Speaker, I object to returning any more bills. If we are going to legislate in this way, we will never get finished. It is obviously unfair to go back to bills when we have not the reports here.

HEIRS OF JAMES TAYLOR, DECEASED CHEROKEE INDIAN

Mr. WEIDEMAN. Mr. Speaker, I ask unanimous consent for the present consideration of the bill, S. 3092, and I do so for this reason: At the time that this was reached in regular Private Calendar I was in New York as a member of an

The SPEAKER. Is there objection to the request of the | investigating committee and I had no opportunity to be heard. The bill has been passed by the Senate.

Mr. HANCOCK of New York. There is no one here who knows what the bill is.

Mr. WEIDEMAN. It is 577 on the calendar. I talked with the gentleman from Kansas [Mr. Hope] about it. He objected to it the last time it was considered.

Mr. HOPE. Is that the bill that refers to the Court of Claims the claim to certain lands in North Carolina?

Mr. WEIDEMAN. Yes. The SPEAKER. Is there objection?

Mr. HANCOCK of New York. Mr. Speaker, I have no objection to this particular bill; but my point is that if we are going to legislate in an orderly manner, we should proceed with the regular call of the calendar. When we go back like this you are catching us by surprise. We have not our reports here; we cannot remember what the bills are. It is obvious that at the time it was first reached someone objected to it. We do not know who; and this helterskelter scramble, taking up by unanimous consent bills that were objected to a week or a month or 6 months ago, is not going to produce good results.

The SPEAKER. Is there objection to returning to the

There was no objection.

Mr. GOSS. Mr. Speaker, is this a matter for unanimous

The SPEAKER. It is unanimous consent to return to a bill numbered 577 on the Private Calendar. We have returned, and now the bill is being reported to see if there is objection to its present consideration. The Clerk will report the bill.

The Clerk read as follows:

An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the heirs of Jesse Taylor, deceased Cherokee Indian, for the value of certain lands now held by the United States

of Jesse Taylor, deceased Cherokee Indian, for the value of certain lands now held by the United States

Be it enacted, etc., That jurisdiction is hereby conferred upon the Court of Claims to hear, determine, and render final judgment upon, notwithstanding any statute of limitations, any rule of such court, or any provision or principle of law to the contrary, the claim of the heirs named in the last will and testament of James Taylor, deceased Cherokee Indian (as recorded in the office of the clerk of the Superior Court of Cherokee County, N.C.), for the value of certain lands (including the value of timber and other property removed, sold, or otherwise disposed of, from such lands), being the lands conveyed to the United States by one Levi Stevens and wife on March 15, 1869, in compromise settlement of an indebtedness due the United States by one E. B. Olmsted (37 Stat.L. 189), and theretofore, in 1855 and 1859, located, surveyed, and sold by the State of North Carolina to the said James Taylor (H.Doc. No. 187, 64th Cong., 1st sess.), and on July 6, 1912 (37 Stat.L. 189), transferred to the jurisdiction of the Secretary of Agriculture, to be administered as a part of the national forest reserves under the provisions of the act of March 1, 1911 (36 Stat.L. 961). The Court of Claims shall hear, determine, and render judgment on such claim without prejudice based on the findings made by such court in Congressional Case No. 1347, James Taylor against United States (H.Doc. No. 187, 64th Cong., 1st sess.). The court shall advance the claim on its docket for hearing, but shall not take jurisdiction under this act unless the said heirs of James Taylor (or so many of them as may choose to join in the petition) file in such court a petition setting forth such claim within 6 months from the date of approval of this act. The Court of Claims shall, if it renders judgment for the said heirs, or for any of them, allow, in addition to the amount thereof, such sum as the court may deem just, in of approval of this act. The Court of Claims shall, if it renders judgment for the said heirs, or for any of them, allow, in addition to the amount thereof, such sum as the court may deem just, in lieu of the value of the use of said lands from March 15, 1869, until the amount of the judgment is paid to said heirs, and attorneys' fees for the attorney or attorneys representing the said heirs in court in an amount not to exceed 20 percent on the amount of the judgment.

SEC. 2. There is authorized to be appropriated such sums as

amount of the judgment.

SEC. 2. There is authorized to be appropriated such sums as may be necessary to pay the amount of any judgment rendered and sum in lieu of use and attorneys' fees allowed pursuant to this act. The amount of such judgment and the sum in lieu of use and attorneys' fees allowed shall be paid by the Secretary of the Treasury upon presentation of a duly authenticated copy of the judgment of the Court of Claims, together with a certificate from the Secretary of Agriculture stating that the Secretary has accepted delivery of a conveyance to the United States of all the right, title, and interest of the said heirs in and to the lands referred to in section 1 of this act.

The SPEAKER. Is there objection? There was no objection.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 7543) was laid on the table.

AMERICAN-LA FRANCE & FOAMITE CORPORATION OF NEW YORK

Mr. MEAD. Mr. Speaker, I ask unanimous consent to return to Senate bill 2156, which was objected to a few moments ago by the gentleman from Washington [Mr. Zion-CHECK], but who has since withdrawn his objection.

The SPEAKER. Is there objection?

Mr. BLANCHARD. Mr. Speaker, I am going to object until I get this thing straightened out. Is this one of the bills that was objected to a few moments ago?

Mr. MEAD. Yes.

Mr. BLANCHARD. I have no objection.

The SPEAKER. The Clerk will report the bill.

Mr. TRUAX. Mr. Speaker, if we are going to continue to recall bills, I insist on reading a letter that I have from the Court of Claims justifying the position that I have taken with respect to refunding taxes and other claims that date back years ago.

Mr. BLACK. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio be permitted to read the letter to which he refers.

The SPEAKER. Is there objection?

There was no objection.

Mr. TRUAX. The letter reads as follows:

My Dear Mr. Truax: I notice that on yesterday you objected to a bill for payment to a bank of certain taxes alleged to have been wrongfully collected about 1920, a claim which has for a long time been barred by the statute of limitations. I wish to commend your action in so doing.

I know of no policy so dangerous as the one for which this bill would furnish a precedent. The number of such claims is legion. The amount thereof would run into the billions of dollars and if allowed would utterly swamp the Treasury.

if allowed would utterly swamp the Treasury.

You will remember that back in Civil War times an income tax was levied and continued in force until 1870 when it was repealed was levied and continued in force until 1870 when it was repealed Finally in 1895 the law was held to be unconstitutional. An enormous amount of money was collected under it, but none of it was ever refunded except to a very small number of people who had commenced their actions in court to recover it back within the period of limitations. I could cite numerous examples of the same kind where hundreds of millions are involved and there are innumerable individual cases where the tax has been overpaid and the overpayment not discovered until after the statute of limitations has run.

the overpayment not discovered until after the statute of limitations has run.

I have shown that it is impossible to do exact justice in matters of taxation, that practically all taxes at times work out unfairly as between different parties which are subject thereto, and that there are some taxes which always work out unfairly. The most equitable method is to fix a time both for the Government and the taxpayer in which these matters will be closed. There is no more reason for the taxpayer to get back money after the statute of limitations has expired than there is for the Government, after the expiration of this period, to collect taxes which originally ought to have been paid by the taxpayer, and there are many more cases where the tax has been undercollected than where it has been overcollected. In both instances so long a time has expired that it is difficult to get at the exact truth in the matter if it depends on the facts in the case. As an example of how lenient the Government is, I might mention the fact that I tried to get an amendment inserted in the income-tax law in substance that where a taxpayer intentionally omitted any specific item of income subject to tax the statute of limitations should not run against the Government as to such item. I thought that the fact that the taxpayer knew all about the matter and the Government knew nothing was a good reason for adopting such an amendment, but it did not reaven.

knew nothing was a good reason for adopting such an amendment, but it did not prevail.

I hope you will continue to make objections to any bills of a similar character that may be called up. On account of my position I do not wish to be quoted in the matter. I express myself tion I do not wish to be quoted in the matter. I express myser freely in relation to such bills and always oppose them. One bill in particular came before that committee for the return, to certain States of the South, of many millions of dollars which had been collected under a tax subsequently declared to be unconstitutional. It had a great deal of influence back of it and may again be revived. The bankruptcy of the Treasury would be inevitable if a policy of approval of such bills should once be adorted.

adopted.

Very truly yours,

Mr. Speaker, I know that it will be good reading to the taxpayers back home.

[Laughter.]

I will say to any of you gentlemen that have bills for \$50,000 or for \$100,000, that you are trying to rush through here, that you can talk to the gentleman who wrote this letter.

I will say to you, moreover, that if any of you bring out a bill today or any other day for \$50,000 or \$10,000, that goes back 16, or 18, or 20 years, you will not get 25 votes on a record vote.

Mr. O'MALLEY. Will the gentleman yield?

Mr. TRUAX. I yield.

Mr. O'MALLEY. Whenever there has been undercollection of taxes by the Government, do not the tax evaders always plead the statute of limitations wherever they can get away with it?

Mr. TRUAX. Of course they do. What is the statute of limitations for, if it is not to stop such enormous raids on the Treasury of the Government?

Mr. MEAD. Mr. Speaker, I ask for a vote on the bill. The SPEAKER. Is there objection?

There was no objection.

The Clerk read as follows:

The Cierk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury of the United States not otherwise appropriated, to the American-La France and Foamite Corporation of New York, successor to the American-La France Fire Engine Co., Inc., all sums illegally collected by the Internal Revenue Bureau as excise taxes upon fire-fighting apparatus from the American-La France Fire Engine Co., Inc., under the Revenue Act of 1916, the Revenue Act of 1917, and/or the Revenue Act of 1918, not heretofore refunded, and all claims for refund heretofore filed by the American-La France Fire Engine Co., Inc., which have not been allowed shall be considered, notwithstanding any statute of limitations prohibiting such refund. prohibiting such refund.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### INGRAM-DAY LUMBER CO.

Mr. COLMER. Mr. Speaker, I ask unanimous consent to return to Private Calendar No. 756, and ask for the immediate consideration of a Senate bill of similar character,

The SPEAKER. Is there objection?

Mr. BLANCHARD. Mr. Speaker, I am going to object until we get this straightened out.

## HON. ANNING S. PRALL

Mr. O'CONNOR. Mr. Speaker, on June 11 the gentleman from Alabama [Mr. STEAGALL] gave a luncheon to his committee in honor of the gentleman from New York, Mr. Anning S. PRALL, who is retiring from Congress. The minutes of that luncheon were taken down, and I ask unanimous consent that they may be inserted in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, today the distinguished gentleman from Alabama, Mr. HENRY B. STEAGALL, Chairman of the Committee on Banking and Currency, tendered a luncheon to that committee in honor of the gentleman from New York, the Honorable Anning S. Prall, a member of that committee, who is retiring from Congress at the close of the session. Some time ago Mr. PRALL was appointed by the President, and confirmed by the Senate, as a member of the Federal Radio Commission, and it is generally understood that with the consolidation of that Commission with the new Communications Commission he will become a member of that all-embracing body. I take this opportunity to express my regret of the retirement of Mr. PRALL from Congress. He entered this body in the Sixty-eighth Congress at the same time I and many Members of the House came here. He was immediately elected a member of this very important Committee of the House, and has continually served on that committee and is now the second ranking member.

During these six Congresses that he has been a Member he has given all his time to the committee and to the floor of the House; because of his previous experience in business! and public service he came to this body especially equipped to serve his constituents and country well, particularly in matters relating to banking and business.

It is a matter of personal regret to me and to the other members of the New York delegation and to the many other friends he has made here in the House of Representatives to learn that he is leaving this body.

I am sure that every Member joins me in wishing him the greatest happiness and success in his new work.

Mr. Speaker, I now ask unanimous consent that the remarks made at the luncheon tendered Mr. PRALL may be inserted in the RECORD.

The matter referred to follows:

HOUSE OF REPRESENTATIVES COMMITTEE ON BANKING AND CURRENCY

HOUSE OF REPRESENTATIVES COMMITTEE ON BANKING AND CURRENCY HENRY B. STEAGALL (Chairman), Alabama; T. Alan Goldsborough, Maryland; Anning S. Prall, New York; Jeff Busby, Mississippi; Michael K. Reilly, Wisconsin; Frank Hancock, North Carolina; Clyde Williams, Missouri; Wesley E. Disney, Oklahoma; O. H. Cross, Texas; Brent Spence, Kentucky; Denver Church, California; Prentiss M. Brown, Michigan; Fred J. Sisson, New York; James I. Farley, Illinois; James A. Meeks, Illinois, Heeman P. Kopplemann, Connecticut; James G. Scrugham, Nevada; Robert Luce, Massachusetts; Carroll L. Beedy, Maine; Edward L. Stokes, Pennsylvania; John B. Hollister, Ohio; Jesse P. Wolcott, Michigan; Peter A. Cavicchia, New Jersey; James Simpson, Jr., Illinois; Hamilton Fish, Jr., New York.

#### HON. HENRY B. STEAGALL

There are not supposed to be any formalities at this meeting. I wanted the members of the Committee on Banking and Currency to have a party and final meeting with Mr. Prall before he leaves us to assume his duties in the new position that awaits him before the reassembling of the next Congress.

I have served on this committee for a long time; to be exact, since March 1915. It has been my pleasure to know with some degree of intimacy all the members of the committee during all these years. We have had on our list during that time many of the country's ablest men and greatest statesmen. Every Member of Congress cannot reach a front place as a statesman. It is a very rare exception to the rule when we find a Member of Congress who does not measure up to the high standard of citizenship, who is not after all a gentleman in the truest sense of that word. Mr. Prall, we know, is a gentleman in all that the word implies; and, also, he measures up to the requirements of statesmanship befitting a man for great service in the Congress of the United States. [Applause.]

manship befitting a man for great service in the Congress of the United States. [Applause.]

We know his loyalty; his unselfishness; his devotion to his friends; his devotion to his party; his devotion to his country; we know his devotion to the administration, that honors itself in recognizing Mr. Prall as worthy of a most responsible and confidential connection with that administration. But we love Mr. Prall, not so much for all these things, but we love him because of his personal charm; his delightful personality; his love for his friends; his kindness; his gentility; his consideration, never falling for a moment to function in a most refined way in all the contacts with those of us who have enjoyed his friendship and his association and who have labored with him during these many years.

many years.

Mr. Prall, you leave us with the confidence and esteem and admiration and love and affection of every member of the Com-

mittee on Banking and Currency.

mittee on Banking and Currency.

We shall fondly cherish the recollection of our association with you, and we bid you Godspeed in any activity or endeavor in which you may engage. Speaking for all the membership of this committee, I congratulate the administration upon its selection of you for this important position, because it could not have found within the confines of the Republic a gentleman more worthy of the confidence or better fitted to carry on the great work of this administration, which commands the confidence and embodies the hopes and aspirations of the American people in embodies the hopes and aspirations of the American people in this hour.

We bid you Godspeed; we dislike very much to see you leave us; but we wish you happiness and abundant success in your new activity. [Prolonged applause.]

## HON. O. H. CROSS

A little while ago somebody said that Cross has opposition in his district for reelection. Therefore, before the chairman made his introductory remarks, I had thought that this was to be a fare-well luncheon for me. [Laughter.] I venture the prediction that

well luncheon for me. [Laughter.] I venture the prediction that many of us who will leave here within a few days will not return. There is one thing, gentlemen, that I want to say most sincerely, and it is this: I have never known a finer group of men than we have on the Committee on Banking and Currency of the House of Representatives.

I know that Mr. Party is all rights but the respective of the House of Representatives.

I know that Mr. Prail is all right; but the remainder of you, too, are all right. I could even put up with our friend Hamilton Fish. [Laughter.]

This committee worked and has worked with such a nonpartisan spirit and I want to say that there is not a member of this committee whom I do not love; and that applies especially to my dear old friend, Mr. Luce, of Massachusetts. [Applause.] There is something strange connected with my relations with Mr. Luce.

When I came here I acquired a prejudice against him for some reason. One day while on a street-car together, we became engaged in conversation, and thereafter I became a member of this committee, and since then I have felt that one should never make up his mind until he has had a chance for careful study and mature consideration of a man; for, if ever there was a man with a heart of gold, that man is our dear friend Mr. Luce. [Prolonged appliance] applause.]

Brother Prail, we shall remember you; and we shall continue to try to emulate you and your good work. We want you to come to see us. You are going where life will be worth while, while we shall be twisting, and turning, and suffering here. [Applause.]

#### HON. JEFF BUSBY

Mr. Chairman, I think I occupy a more pecular situation with regard to Mr. Prall than any other member of the Committee on Banking and Currency. It is this: He and I came to the House together. We came here in the Sixty-eighth Congress.

In our early days of service here I, with Mr. Wingo, had occasion to talk with Mr. Prall for a long time in his office, and I gathered an exceedingly lovely and enduring impression of Mr.

PRALL on that occasion.

I have nothing especial to add to what the chairman has said about Mr. Prall, except to say that all the things he said were expressed much better than I could have said them, and all he said is heartily endorsed by me and, I am sure, by all other

said is heartily endorsed by me and, I am sure, by all other members of the committee.

Since Mr. Prall and I came to the House together, I feel especially close to him, as I do to every Member of the Congress who entered in the Sixty-eighth Congress. I did not come immediately to the Committee on Banking and Currency. For 6 years I served on another committee. I then asked that I might be assigned to the Committee on Banking and Currency; which was done. I ranked next to Mr. Prall, therefore it may be readily observed that few vacancies have occurred during that 6 years.

Mr. Goldsborough. How are you getting along with Mr. Reilly now? [Laughter.]

Mr. Goldstorouth how are you getting along with in. Italian now? [Laughter.]

Mr. Bussy. We have made up. Mr. Reilly likes me and I like him. [Laughter.]

I want to say that I am sure there is no better representation in the House than the membership of the Committee on Banking and Currency.

I am exceedingly appreciative of every one of you. Regardless of what we say while working in the committee, you are the greatest of men. [Applause.]

Since Mr. Prall is to leave us for his new field of service as a member of the Federal Radio Commission, I assure him that I do regret to see him go. His affability, diplomacy, and personal charm will lend much to his efficiency in his new work, and his powers of discrimination and sense of fair play and justice will assure everybody going to that Commission an equitable determination of his cause. I wish for him the greatest pleasure in his new work of his cause. I wish for him the greatest pleasure in his new work and feel that the country may confidently expect of him a service that cannot be surpassed by any man. [Applause.]

## HON. T. A. GOLDSBOROUGH

James Russell Lowell once said of Thomas DeQuincey that he possessed "the grace of perfect breeding, everywhere persuasive, and nowhere emphatic." That is the thought I should like to leave with my colleagues of the Committee on Banking and Currency concerning Mr. Prall. I am very sorry to say that he cannot say so much for me. [Applause.]

## HON. WESLEY E. DISNEY

Mr. Chairman, I like Mr. Prall. I like him for many reasons, among those being the reasons mentioned by the chairman; and for the additional reason that as soon as he takes over his new duties with the Federal Radio Commission I have a definite promise that he will arrange for free radio service for me as long as I am in the Congress. [Laughter.]

I have enjoyed an association with every member of the committee here and particularly Mr. Prall, because of his geniality; and then, too, I like his sarcasm that is used against some other members of the committee—whom I will not name—when they get too gay in committee. We know that when he starts it he is usually very effective. And I have noticed a tendency of Mr. Prall to be wholeheartedly for the administration.

My love for Mr. Prall amounts to more than my respect for most men. I know him rather intimately and that knowledge amounts to an enthusiasm, so to speak. It can best be illustrated by a story we heard the other day concerning two boys in Sunday School. It illustrates how a man for no special reason at all will form a judgment of another man and stay by him through in Sunday School. It illustrates how a man for no special reason at all will form a judgment of another man and stay by him through all the vicissitudes and tergiversations. The teacher inquired of one of the boys as to whom God has sent to save the world, and the boy promptly answered, "President Roosevelt." The boy next to him nudged him and said, "No; it was Jesus Christ." The boy replied, "Shut up, you damn Republican." [Laughter.] Regardless of what may be said about Mr. Prall, I come to his defense immediately. Moreover, I love him because of a few of the stories he tells. That has endeared him to me.

I thought when the chairman was launching upon his encomium

the stories he tells. That has endeared him to me.

I thought when the chairman was launching upon his encomium of Mr. Prall that I would tell about the man at the banquet in Pennsylvania who was referring to his friend. He said, "We love Mr. Potts; he is so famous that we have named three cities for him process."

Mr. Potts; he is so famous that we have hamed three cities for him, namely, Pottsdam, Pottsville, and Chambersburg"; but the chairman left that out.

I like Mr. Prail because he agrees with me that this committee should have at least one or two good lawyers and two or three com-

petent statisticians at its beck and call, even though they work only 1 hour a week, so that the departments, with an arrogance that is distasteful, will not frame bills and send them down to the committee and say, "Pass these bills as is." I should prefer that

that is distasteful, will not frame bills and send them down to the committee and say, "Pass these bills as is." I should prefer that they let us know what bills they want passed and let us, with our facilities and wisdom, work out the bills. We could work out such a plan if we had the organization to do it.

Referring to other members of the committee, we learn to love each other here. We have our rounds and spats and we talk about each other, but most of that we do not mean; and when we get together on an occasion like this we are a big family. It is a great honor to be a member of the Committee on Banking and Currency and it is a matter of great satisfaction and profit to have

rency, and it is a matter of great satisfaction and profit to have been associated with Mr. Prall.

Mr. Prall, I wish you abundant success and pleasure in every future activity; and I hope, like that great "brain twister", Hamilton Fish, you stay by the administration. [Applause.]

HON. HAMILTON FISH, JR.

Being one of the new members of the Committee on Banking and Currency, I am not here to make a speech. I am here to make a few observations and remarks only.

The main observations and remarks only.

The main observation is that the chairman has well expressed the viewpoint of every member of this committee. We know that Mr. Prall's appointment to the Federal Radio Commission is a credit to the great Democratic Party, to New York City, and to the great Empire State. We Republicans of New York State feel it is a signal honor to our State to be represented on the Federal Radio Commission by Mr. Prall, and it is our hope that he will well look after our domestic affairs.

well look after our domestic affairs.

If the Democratic Party would only follow the example it is now about to demonstrate to the Nation, namely, that there are men in that great party, men who have served a long time in the Congress of the United States, men who have the experience that comes from long training and service here, and would select only those men to hold the key positions in your administration, you could well fill every position from the Membership of the House of Representatives, taking the chairman and the ranking member and the next ranking member, far more efficiently and far better for your own party and the public good than by going out into the highways and byways and appointing men who are not Democrats and who never voted your ticket. If this is the beginning of such good appointments, you will restore confidence in America, and your party may remain in power another 4 years. [Applause.] [Applause.]

HON. MICHAEL K. REILLY

Mr. PRALL, and the other members of the Committee on Banking and Currency of the House of Representa-tives, I am pleased to be here today as one of the guests of the chairman of our committee to join in a much-deserved tribute of appreciation to Mr. Prall, who will shortly take up his duties as a member of the Federal Radio Commission.

honored chairman has one very bad habit, and it is that Our honored chairman has one very bad habit, and it is that when he starts out to talk about a man or any other subject he exhausts the theme and leaves nothing else for others to say. Mr. Steagall has paid a wonderful tribute to Mr. Prall, both as a man and as a member of this important committee, and, of course, as chairman of the committee he is in a very good position to accurately appraise Mr. Prall's worth in these two lines. Our chairman has really left nothing for the remainder of us to do except to say "amen" to all the good things he has said about Mr. Prall.

If first met Mr. Prall, when I became a member of this com-

except to say "amen" to all the good things he has said about Mr. Prall.

If first met Mr. Prall when I became a member of this committee in December 1930. Since that time I have learned to admire him as a man and appreciate his extraordinary ability and his services as a member of this committee. I have no doubt at all but that the Banking and Currency Committee of the House of Representatives is a great committee, if not the greatest committee of the House, although there may be some doubt as to whether or not we are all entitled to be designated as great members of a great committee. There can be no doubt at all but that this committee has had to deal with, and in the future will have to deal with, problems vital to the industrial and economic future of our country.

When I came back to Washington in December 1930, after an exile of 13 years from the House, I deliberately sought membership on this committee, and that I am on this committee today is not due to any recognition on the part of the Committee on Ways and Means of any peculiar fitness I had to serve on this particular committee, but rather to my own efforts to sell myself to the membership of the Committee on Ways and Means as having some fitness for membership on this great committee.

While Mr. Prall is leaving a very important commitee, he is entering upon a field of activity as a member of the Federal Radio Commission of equal importance, if not of greater importance, to the country as a whole, than his Committee on Banking and Currency.

The radio is in its infancy, and the problems that will have to

Currency.

The radio is in its infancy, and the problems that will have to be solved by the Federal Radio Commission are just as difficult and vital to the future of our country as the problems that have been considered and will be considered by this Committee on Parking and Currency. Banking and Currency.

I have no doubt but that Mr. Prall will in his new position be able to render efficient service to the country and that his record on the Federal Radio Commission will meet the highest expectation of his very many friends and admirers and justify the judgment of the President in selecting him for one of the most important governmental agencies. [Applause.]

HON. HENRY B. STEAGALL

I want to take this occasion to endorse what Mr. Cross has so well and fittingly said, and to add in my own right my sincere tribute of respect and admiration for our distinguished friend from Massachusetts, Mr. Luce.

I think that Mr. Luce is one of the country's really great men,

even when measured by the highest standards. I think he is one of the real statesmen that I know in the Congress; and, notwith-standing that there were once political differences of opinion between us, they seem for the time to have vanished, I am glad to say, with the oncoming of the troublesome times and perplexing problems which we find at hand.

I know no man who has met more fearlessly, more ably, more tactfully, more patriotically, more creditably the demands upon statesmanship as a Representative in the Congress than has Mr. Luce in this important Committee on Banking and Currency and in the House of Representatives. [Applause.] And what I say, Mr. Luce, is the judgment of this committee and the opinion of the House of Representatives on both sides of the aisle. Now, we should like to hear from you. [Prolonged applause.]

HON. ROBERT LUCE

No reward for the attempt to be of public service could be more precious than the words that have just been spoken. Should I never come back to the House, I shall treasure them as a proof that I have, in some measure, succeeded in trying to put whatever judgment and experience and training I may have had at

ever judgment and experience and training I may have had at the service of my country.

I have been long in legislative bodies; the greater part of a generation. I early learned, and since I have had the knowledge confirmed, that the best gift brought by legislative service is that which is to be found in the friendships one makes. And along with it goes gratitude for the opportunity by these associations year after year to acquire a higher regard for innate human nature, a higher regard for the better qualities of men, a stronger belief in the merits of the system of government under which we live, a system that puts into positions of responsibility men who share with myself—all share with myself—the consciousness that we are trying to devote our lives to the welfare of mankind. In all this experience nothing has confirmed me more in these judgments than the work of this committee.

I dislike even to refer to myself as a member of the minority or as having been a member of the majority, because from the day I came to the committee partisanship of the baser sort has been out of sight and forgotten.

out of sight and forgotten.

As I look back over the 15 years I have served on the Committee on Banking and Currency, I find it hard to recall a single instance when, behind closed doors and in executive session, any man has sought partisan advantage by his vote or by his speech. This has made our committee the most effective committee, I think in the House. To be super way to not retained by in the think, in the House. To be sure, we do not stand high in the judgment of some of the extremists, who abuse us for not empudgment of some of the extremists, who abuse us for not embarking upon unknown seas, who desire that we should leap before we look, who would drive us if they could into rash positions; but, after all, they are only a small part of the House. My belief is that the thoughtful men of the House, those more experienced in public affairs, believe that the judgments of this committee are sound and patriotic.

belief is that the thoughtful men of the House, those more experienced in public affairs, believe that the judgments of this committee are sound and patriotic.

I want to transgress for one moment my intention not to refer to majority and minority by expressing my gratitude as a member of the minority for the care and wisdom used by the majority leaders in filling the empty places on the majority side in this Congress. It was a matter of the gravest importance that soberminded, level-headed, prudent, experienced men should be placed upon this committee in order that we might handle these, the biggest problems of our day, judiciously and to the public advantage. I have been particularly pleased at the sense of public duty shown by the new members on the Democratic side. I am sure my fellow members on the Republican side will not want me to talk in the same vein about them, for it might seem that there were some prejudice in the matter; but the committee as a whole has been the best committee upon which I have served in the generation in which I have been in public life.

And we are sorry that there is to leave the committee Mr. Prall. I should be deemed repetitious if I added to opinions so well expressed of Mr. Prall., One feature of his service here has escaped attention. He represents or has in his district, I presume, more great banking institutions than any other district in the United States. To be sure, it may be said that those who do the voting there are the janitors. Nevertheless, the fact that he represents this district is significant in this particular: I have never heard anybody intimate, as has been more than intimated about some of the rest of us, that he has been subject to the influence of financial interests. He has, on the contrary, never shown improper regard of the nature of his district. He has represented his district and his State accurately, wisely, well; for that reason we regret that he leaves us.

He goes to a field of broader opportunity, for the radio ompletely under governmental c

of all great issues by men capable of enlightening and informing or an great issues by men capable of enlightening and informing the public. So he leaves what was a great responsibility for one that, in my judgment, is far greater. And we who know him so well may be thankful that he will have a share in this tremendously important work. His personality has already received such commendation and such deserved tribute that I need not add thereto, except to express my own gratitude that I have known ANNING S. PRAIL and the hope that I shall know him for many years to come. [Prolonged annlayes 1] years to come. [Prolonged applause.]

#### HON. H. P. KOPPLEMANN

Mr. Luce, in speaking of the newer members of this committee, developed an interesting thought. Like Mr. Reilly, I, too, sought a place in this group, the Committee on Banking and Currency. I felt myself honored when I was selected for such service.

As I have come to know the members of this committee I have learned to look up to each and every one of you. I confess that I have felt myself quite unable many times to understand those complicated matters which so often confronted us.

In this connection it may be of interest to some of you to know that I went to Mr. Luce one day and said, "I come to you, as an older member of the committee, for information." I proceeded to tell him my problem. Mr. Luce answered, "I have been on the Committee on Banking and Churency 15 years and I myself cannot tell him my problem. Mr. Luce answered, "I have been on the Committee on Banking and Currency 15 years and I myself cannot answer that." I felt cheered to think that, perhaps, after all, looking upon Mr. Luce as one of the really great men of this committee, I was not quite so hopeless as I had thought.

Often I have gone to Chairman Steagall with perplexing problems. He has always been courteous, understanding, helpful. That has been most gratifying.

While on my feet I want to unburden myself of a grievance I had temporarily entertained. Then I shall be happier for having expressed myself.

During my campaign an able resident of my district, a young

During my campaign an able resident of my district, a young During my campaign an able resident of my district, a young man who gives deep thought to things concerning economics, came to me with the proposal that this Government must come to the rescue of small industry and business. He developed a number of interesting ideas. He used to write to me. I did not pay so much attention to him until I sensed a clamor throughout the country supporting his suggestion. I then introduced such a bill, and naturally I was anxious to become a member of the subcommittee to further that proposed legislation. I talked to many members of the committee, but I failed of selection. Now that the battle for this necessary element of national recovery is over and the battle is won, and we have that bill coming out of conference, and it is soon to become law. I assure you that I of conference, and it is soon to become law, I assure you that I have no grievance.

I want to say to Mr. Prall that I appreciate very much the splendid, thorough, hard work he did in connection with that important legislation. It is a fitting monument to his wisdom and perseverance. I appreciate his work in connection with that legislation as much as if I myself had accomplished it. I have nothing but praise. I want everybody here to know that.

I confidently and gratifyingly look forward to seeing Mr. Prail the great success in his new work that he has been on the Com-

mittee on Banking and Currency. Like the remainder of the members of this committee and the House, I wish him every sucess and happiness in whatever undertaking he may be engaged. [Applause.]

HON, CLYDE WILLIAMS

Mr. Chairman, I have been thinking as I have listened to these encomiums of various members of this committee that it is comforting and consoling to be a member of a committee, all members of which, without proof, admit that their committee, an inclined of which, without proof, admit that their committee is the greatest of committees. [Laughter.]

I am sure that Mr. Prall, after listening to the remarks here today, will regret that it has fallen to his lot to leave the association and the company of such great and good men as are on the

gentleman who has been of inestimable service to this important committee; and I refer to the gentleman from Ohio, Mr. Hollister. [Applause.] He is among the very best lawyers on the minority side. I think that his painstaking assistance in shaping legislation of this committee in recent months of hard work has been a most reliable contribution. [Applause 1]

of this committee in recent months of hard work has been a most valuable contribution. [Applause.]

Moreover, I think we ought to comment upon the regrettable fact that one of the younger members on the Republican side who has exhibited much promise is about to leave us. I refer to our good friend Mr. Simpson, of Illinois. [Applause.] I am sure that every member of the committee regrets, from the personal standpoint, his leaving. His views have been presented to the committee tersely, understandingly, courteously, convincingly, and I think his work has been outstanding. [Applause.]

I want to express my kindly feeling for Mr. Prail by calling attention to an article I read a few days ago on the sporting page of one of the New York City newspapers. It concerned the Dean brothers, pitchers for the St. Louis Cardinals, who have made an enviable record for their baseball team. The article said that these

brothers, pitchers for the St. Louis Cardinals, who have made an enviable record for their baseball team. The article said that these boys are extraordinary men; that they put up a great game when playing against Pittsburgh, Cincinnati, Boston, and other teams in the National League, but when they went up against the big city they became flaming angels of vengeance representing the small town's resentment toward the big city, and pitched baseball that could not be equaled. That expresses the feeling of some from the smaller cities toward the big city.

When I went in 1924 as a delegate to the Democratic National Convention for the first time, I commenced to realize that there were human beings in the city of New York just like there were

were human beings in the city of New York just like there

were human beings in the city of New York just like there were in the rest of the country.

I want to say to the gentleman from New York [Mr. Prall] that my association with him has confirmed my judgment, and I am very happy to have had the experience of associating with him. I sincerely feel that my life is richer as a result of that experience. [Applause.]

#### HON. JAMES I. FARLEY

As one of the young members of the Committee on Banking and Currency I have thought about this committee and the great men on it, and of my misgivings when I was chosen to be one of its members.

I came to Washington with the thought that I was not going to attempt to get in the Record much; that I would let discretion be the better part of valor, and learn from those who had ripe experience in the work. Before coming here I had for a number of years sat at the head of a table in a business enterprise where I usually said ultimately, "We will do it this way or that way." I thought that I had learned in those years of experience a little diplomacy, but I found after going on this committee and associating with men like Mr. Stragall and Mr. Prall and Mr. Lucz that I did not know anything at all about diplomacy. They can talk longer and farther around a thing than any group of men I have ever met in my whole life. [Laughter.]

I had been used to saying "yes" and "no" to business propositions; however, here I learned that they said things just as emphatically but only in a decidedly different way. My service on this committee has been an interesting one. I would not want to pick out any man as ideal among the group comprising this important committee. All members of the committee are all right. When I came to the committee I was interested in seeing what the various gentlemen of the committee looked like. I have gone about the world quite a great deal, and I find that the buildings in Paris and Comendagen look about the world quite a great deal, and I find that the buildings in Paris and Comendagen look about the world quite a great deal, and I find that the buildings in Paris and Comendagen look about the world quite a great deal, and I find that the buildings in Paris and Comendagen look about the world quite a great deal, and I find that the buildings in Paris and Comendagen look about the world quite a great deal, and I find that the buildings I came to Washington with the thought that I was not going

when I cannot be the committee I was interested in seeing what the various gentlemen of the committee looked like. I have gone about the world quite a great deal, and I find that the buildings in Paris and Copenhagen look about like the buildings do in New York City and Philadelphia; but human nature and men are different everywhere. It seems to me that with all the millions of human beings no two have been created exactly alike. They do not think in just the same way; and sometimes I have here in the

of committees. [Laughter.]

I am sure that Mr. Prall, after listening to the remarks here today, will regret that it has fallen to his lot to leave the association and the company of such great and good men as are on the Committee on Banking and Currency. [Laughter.]

Now, in all seriousness, I think this is truly a wonderful committee to Banking and Currency. [Laughter.]

Now, in all seriousness, I think this is truly a wonderful committee. It is good for us to come together on an occasion like this, because there is a feeling of hospitality, of good will, of good fellowship around the banquet table that does not exist in a committee room. Whatever our differences may be, and we have them; whatever our differences of opinion may be, and we have many of them, sooner or later it has been our good fortune in dealing with all major legislation, practically, to get together; consequently I feel that we have made ourselves felt.

It is needless for me to speak of my high esteem and regard for our departing friend, Mr. Prall; and I regret, as you, the remainder of the members of this committee, do his leaving. It has been a genuine and enduring pleasure to associate with him, to have enjoyed his companionship and counsel; and we bespeak for him the highest success and greatest achievement in the new field of usefulness to which he has been called. [Applause.]

Non, Pernits M. BROWN

Speaking as one of the "freshmen" on the majority side, I appreciate what the distinguished gentleman from Massachusetts, Mr. Luce, has said. I would not be contented to leave the words and praise there. I think that the older members on the minority side also deserve a good word.

New York City bankers. I have food on a legislative committee before. As a preciate what the distinguished gentleman from Massachusetts, Mr. Luce, has said. I would not be contented to leave the words and praise there. I think that the older members on the minority side also deserve a good word.

It is needless from the server with a server with the server with

Somebody has said that he is about to go into an easier position. I am not so sure of that. I received a petition recently signed by 16,000 persons of my district asking for the freedom of the radio. [Laughter.] I suspect that every other Congressman has had similar requests and if you, Mr. Prall, can deal satisfyingly with such a crowd in your new position, I know you will have the best of success. [Laughter.]

I desire to pay my compliments to the distinguished gentleman from New York, Mr. Prall, in an old toast. Most of you have heard this toast long ago, but it more correctly represents my sentiments than any other suggestion I could make at this time. This toast is credited to Opic Reed.

One tramp to another

## One tramp to another

Here's to you, my pal, and may you live a thousand years,
Just to sorta cheer things through this vale of tears,
And may we, the committee, live a thousand too—a thousand
less a day;
For we should regret to be here and know that you have gone away.

[Applause.]

## HON. PETER A. CAVICCHIA

Mr. Prall is one of the men who comes from the great metropolis. I have known many who came from Manhattan and Brooklyn, but I feel strongly for Mr. Prall because he comes from the little island known as the "Borough of Staten Island", sur-

rounded by water.

It looks as though he has been in exile. The State of New Jersey has built three bridges to connect the State of New Jersey with that island. I do not think it will do much good. We are seriously thinking of annexing Greater New York to New Jersey so

seriously thinking of annexing Greater New York to New Jersey so as to make a real town of it. [Laughter.]

Referring to my work on this Committee on Banking and Currency, when I first came here I heard gentlemen from the South refer to our part of the country as the place whence the bankers come and every Member of Congress is a pawn in the hands of Wall Street. I myself have no particular liking for bankers, particularly during the last 2 or 3 years, because they have refused to discount notes I have offered them. [Laughter.]

I think that when we get 24 or 25 men to represent practically

to discount notes I have offered them. [Laughter.]

I think that when we get 24 or 25 men to represent practically every section of the country in an intimate way such as this committee has been doing, every member trying his best to properly serve his district, that we get to understand one another and do better work. I should regret to think that while I have been elected a Member of Congress as a Republican any act of mine is based upon purely partisan considerations, particularly in these days when everybody is trying to bring back the confidence and prosperity of our common country.

I am learning a great deal. I consider this a postgraduate course. I always try to be a student and learn more

I am learning a great deal. I consider this a postgraduate course, I always try to be a student and learn more.

I am very sorry, indeed, that Mr. Prall is leaving us, I do hope that he may have congenial companionship and surroundings in his new position of responsibility, and that he may be able to be of even greater service in his new work; but I wonder what his thought is when he recognizes that he will have 435 Members of Congress and 96 Senators asking for special favors! [Laughter.] Then I venture to suggest he will wish he were back here on the Committee on Banking and Currency of this House. [Laughter.]

I do wish you, Mr. PRALL, the very best fortune. deserve it. I have enjoyed knowing you, and I shall be seeing you again. If you do not extend us a May West invitation, we will ourselves take it. We will go up to see you sometime.

## HON. BRENT SPENCE

I also wish to testify to my high regard and deep affection for all members of the Committee on Banking and Currency.

These compliments remind me of the fact that many years ago when I was a young man I ran for and was elected to the State senate. A young man with about three sheets to the wind introduced me at a political meeting. He said, "Elect this young man to the State senate and the white sails of commerce will dot the rivers of Kentucky, the smoke from her factories will obscure the heavens, the mountains will belch forth their minerals, and a brighter garniture will adorn her soil." I said to him, "Great goodness, Jim, I cannot do that." He rejoined, "Then I'll take it all back." [Laughter.] Although I disclaim the compliment to myself, I, as a member of this committee, would, I think, willingly accept without proof all the fine compliments that have been paid here. We need no proof of our greatness. We admit it. I deeply appreciate the privilege of being a member of this important committee. When I became a member of the committee I recognized very soon the fine qualities of our departing friend, Mr. Prall. I recognized his fine appearance, his soldierly bearing, the many fine qualities that would make him an ideal Kentucky colonel. Thereupon I wrote to the Governor of Kentucky, suggesting that he make Mr. Prall a colonel, because by so doing he would honor himself and our State. The Governor promptly sent me his commission: but unfortunately, he did not send above.

would honor himself and our State. The Governor promptly sent me his commission; but, unfortunately, he did not send a horse.
[Laughter.] The inference at least was that Colonel Prall himself would be compelled to provide his mount.

A Kentucky colonel must have several qualities. He must be a man of fine appearance. Colonel Prall is that. He must be

brave and fearless. Colonel Prail is that. He should carry his liquor well. I have not investigated that. [Laughter.]

Seriously, I want to say that I sincerely think that every member of this committee will feel a genuine regret that Mr. Prail is leaving us. We all have a deep affection and kindly regard

for him. I know that when I say I wish him well in the new duties that he is about to assume that I echo the sentiments of every member of the committee. I believe, as you do, that he is going to bring credit to himself, strength to the administration, and by his honest, intelligent, and faithful performance of his duties he will render a great service to his country.

We wish you health and happiness. We wish you Godspeed, Colonel Prall. [Prolonged applause.]

## HON. FRED J. SISSON

Mr. Chairman and gentlemen of the committee, it has been a great pleasure for me to serve upon this important Committee on Banking and Currency, and the only unpleasant thing that occurs to me at the present time is that we are going to lose the pleasant and profitable companionship we have enjoyed with our fellow member who is about to leave us, Mr. Prall. [Applause.]

When I came here as a new Member of the Congress and it was learned that I had received the privilege and honor of becoming a member of this important committee, I was happy that I could look to my senior colleague from New York City, Mr. Prall, for advice and counsel, as he was the only one I knew on the committee. I shall miss that advice and counsel, if I have the honor to be returned to the Congress and serve on this eminent committee. mittee

mittee.

I heartily agree with all that has been said with respect to unity of purpose and freedom from partisanship in this committee. Those factors have, according to my own observation, thoroughly characterized the work of this committee.

Comparisons are always futile and frequently invidious, and I could not single out any member on either side—on either one side or the other—and say that I have enjoyed his association and benefited from his advice more than I have from the others, except with respect to their greater experience in the work of the committee and the greater experience and service in the House.

I was agreeably surprised with respect to men on the committee, who I had known only by reputation, to learn that all of their work is apparently actuated by the sole purpose of carrying out the important work of the committee for the House of Representatives and to the best interests of the whole people of the United States. [Applause.]

States. [Applause.]

States. [Applause.]

I have received nothing but kindness, forbearance, courtesy from each and every member of this committee. I would not say on both sides, because, as has been fittingly said here several times, there have not been partisan sides in the work of the committee.

I shall very much regret losing Mr. Paall. I feel a personal pride in his representation, in part, of the great city of New York. I knew of his good work and outstanding ability before I came here, but I did not know him personally. I was well acquainted with the splendid work he had done in a civic capacity in his home city.

Again, I join in the note of personal regret that we are to lose Mr. Simpson. I have enjoyed his association and have been frequently impressed by the tactfulness and courtesy and ability he has displayed even when he has, perhaps, volced views that were

quently impressed by the tactfulness and courtesy and ability he has displayed even when he has, perhaps, voiced views that were contrary to the particular views I possessed at that time.

The only other thing I might speak of here is this: We have each introduced some personal note. I recall that the dominant member of my family—because I have always been under petticoat rule—warned me when I came here that I had a habit of speaking out of turn. She had not been in court when I was trying a lawsuit and she did not know the strict rules under which we operate in court. She was fearful that I would take too prominent and vociferous and positive a part in debate and committee work; and if I have transgressed along that line, I will say that the other members of the committee have shown great tolerance and patience. and patience.

I have enjoyed the work of the past 2 years more than I can tell you. The only regret is that we cannot be sure that all of us will be back for another session of the Congress. [Applause.]

## HON. JAMES SIMPSON, JR.

Mr. Chairman and gentlemen of the committee, I truly count it a great privilege and honor for a man of my age to serve on the important Committee on Banking and Currency with a gentleman of such distinguished and outstanding ability as has Mr. Prall. I shall remember the interesting work of this eminent committee for many years to come, and I expect to profit greatly from what I have learned by being associated with as fine a man as Mr. Prall. [Applause.]

## HON. FRANK W. HANCOCK, JR.

Mr. Chairman and gentlemen of the Committee on Banking and Currency, I think it both delightful and appropriate that our distinguished chairman has seen fit to stage this little party in honor of the able and distinguished gentleman from New York [Mr. Prall], who has met with us perhaps for the last time. In honoring him we bring honor to ourselves.

For 4 years on this committee I have closely and profitably observed the effectiveness of Mr. Prall's work and the wisdom of his deliberations. Though calm and composed in action, his determination has been at times disarming. Willing to give and take, as all men must at times in matters of legislation, he has held firmly to principles and convictions. During the present held firmly to principles and convictions. During the present session of Congress no man on the committee has rendered a more prodigious service or has been more faithful in support of the measures sponsored by the administration. Unfailingly fair at all times, he has nevertheless thought first of the President's wishes and given his best of mental and physical energy to the carrying out of his program. His work in the committee room and on the floor of the House, particularly during this session, has been a high mark in his distinguished political career. The masterful

manner in which he handled almost single-handed the bill de-signed to afford direct loans to small and medium-sized industries and businesses was a feat of which any man might be justly

signed to anord direct loans to small and medium-sized industries and businesses was a feat of which any man might be justly proud.

Mr. Chairman, Anning S. Prall is not only an able legislator and a formidable character but he is also a delightful gentleman in its highest sense and best meaning. To know him is to like him and to be impressed with the sweetness of his nature. Though he hails from the other part of this great Nation, with a different background and tradition from mine, I have always felt at perfect ease in his company. I think I can truthfully say that any good man can be congenial with Anning S. Prall.

His absence from this committee and from the Congress will be conspicuously missed. It is but proper, however, that men who attain unto high place by merit and distinguished service should be given greater responsibilities. We all rejoice with him in the new and higher honor which has been conferred upon him by our great leader, and we bid him farewell with an abiding assurance and confidence that he will discharge the responsibilities of his new assignment with benefit to the Government that he serves and with credit to himself. I should feel very unhappy if I did not know that in his new position "a friend could always tune in on him." I shall miss his charming association and attractive personality. personality.

My tribute to him would not be fully complete if I did not state that in my opinion Anning Prail in his work and in his life understood perfectly the truth of the saying: "Do well thy part; there all the honor lies."

#### HON. ANNING S. PRALL

Mr. STEAGALL and my friends of the committee, I deeply appre-

Mr. Steagall and my friends of the committee, I deeply appreciate the thoughtfulness and generosity of our chairman for calling us together to break bread in my honor after 12 years of service on this Committee on Banking and Currency.

During the years of my association with him, I have learned to love Henry Steagall, and, while we have not always been in complete accord in our work here, after the decks have cleared and legislation pending before us has been reported favorably or adversely, it has never left a scar to mar that friendship so long existing.

I wish to voice my appreciation for their fine cooperation and

I wish to voice my appreciation for their fine cooperation and support of those members who served under my chairmanship on the subcommittee which had under consideration more than 80 bills introduced amending the Reconstruction Finance Corporation Act. I dare say no subcommittee of any committee of Congress has been more painstaking or generous in its public hearings, its consideration of legislation, or its final conclusions

I wish to assure all the members of the committee, regardless of their political complexion, that I deeply appreciate the many courtesies extended by them during the pleasant hours we have spent together. While to err is but human and I may have often erred in judgment, I have ever been mindful of my duty to the people of the Nation; and in these closing hours of my service on this committee, I hope that whatever I have done will reduced with gradient have to my service on the committee. on this committee, I hope that whatever I have done will redound with credit and honor to my country, my State, my home community, and to my friends. It is mighty nice to strew flowers while we live and it has been most pleasing to listen to your tributes of praise and admiration. Every member of this committee, however, has contributed of his talents from time to time for the benefit of our country and to you much credit is due. I do not recall an instance, and I have served under Republican and Democratic majorities, when partises relatives has ever had

for the benefit of our country and to you much credit is due. I do not recall an instance, and I have served under Republican and Democratic majorities, when partisan politics has ever had a place or played a part in the work of our committee.

It was a privilege and a pleasure to have been assigned to the Committee on Banking and Currency of the House of Representatives upon my election to the Sixty-eighth Congress and to have served continuously on this committee. Membership on this committee offered me many opportunities for service to the Nation and to the administration. My service during the past six terms has been exclusively confined to this committee, and I am sure no Member of any Congress has more thoroughly enjoyed the honors, the associations, or the friendships that have been mine. My retirement from Congress is fraught with pleasurable recollections of the past and with keen regret in the thought that in the future I shall no longer see service upon this committee or in the House. Friendships that I hold dearest I have made during my six terms in Congress; and in the years to come, in the hours of reminiscence, it will be my delight to recall the happy years spent with you all.

The President has honored me by appointment to an important post, and here again you may be assured of my unselfish devotion to the work of the Commission on which I will serve, to the administration that has honored me by appointment, and to the country which I have served in the past. I trust my every act will merit your admiration. I trust I shall always have your confidence, your esteem, your love, and affection, and that no act of mine will ever cause you to regret it.

Be assured of my sincere appreciation of your kind words of today and of my continued friendship and esteem in the days to follow. [Applause.]

Mr. Steagall. We have enjoyed having you with us, Mr. Prall, and we very much dislike to see you go.

and we very much dislike to see you go.

The meeting will now adjourn.

Mr. BYRNS. Mr. Speaker, I think it is evident that we are not going to get very far for a little while in the con-

sideration of bills on the Private Calendar. Gentlemen on the other side and on this side have spoken to me, and they have said that they will be compelled to object to these bills unless they are given a few minutes in order to acquaint themselves with the provisions of the bills that are to be called up. I refer particularly to the gentlemen on both sides who are charged with the responsibility of looking over these bills. I am also told that at 5:30 it is hoped the conferees on the housing bill will be ready to report to the Congress so that that matter can be taken up and disposed of at that time.

It occurred to me that what the House should do under the circumstances is to take a recess until 5:30. In order that it may have the concurrence or nonconcurrence of all the Membership, I ask unanimous consent that the House stand in recess until 5:30 o'clock.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. Byrns]?

Mr. McDUFFIE. Reserving the right to object, after the recess will it be permitted to continue with Senate bills on the Private Calendar? I have no bills on the calendar, but there are some meritorious bills which ought to be considered.

Mr. BYRNS. The gentleman knows my position. For weeks I have been trying to get all of these bills on the Private Calendar disposed of. Certainly I am not going to object to the continuation if we can proceed in order and have these bills considered, but I do think, in view of the confusion at the present time, that we are not going to get very far. Perhaps after we dispose of the conference report we might be able to do something.

Mr. HOPE. Reserving the right to object, can the gentleman tell us if it is the plan and intention to take up some of these bills at a later time, whether he will proceed with Senate bills now on the calendar or take up bills on the Speaker's desk?

Mr. BYRNS. That is entirely for the House, under the order which was made by the House at the opening of the session. If the House wishes to take up bills on the Speaker's table, of course that will be done.

Mr. MARTIN of Massachusetts. But it must be done by another unanimous consent request.

Mr. HOPE. I think we should determine that, in order that those of us who are to be prepared on these bills may have an opportunity to be better prepared when the bills come up.

Mr. BYRNS. The gentleman is asking me to decide between two conflicting elements. Some want to take up bills on the Speaker's table and others want to proceed with the Private Calendar. I have no objection to either purpose because, as I have said many times, I have not had a bill on the Private Calendar.

Mr. BLACK. Reserving the right to object, after recess could we not proceed on the Private Calendar with Senate bills that have not been acted upon, and if we finish those we can then go to the business on the Speaker's table?

Mr. BYRNS. That was the order that was made at the opening this morning.

Mr. MARTIN of Massachusetts. And I think that should be lived up to.

Mr. O'MALLEY. Reserving the right to object, how about bills on the Speaker's desk that are not on the Calendar?

Mr. BYRNS. They will have to come afterwards.

Mr. Speaker, I renew my request.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. Byrns]?

There was no objection.

Accordingly (at 4 o'clock and 36 minutes p.m.), the House took a recess until 5:30 o'clock p.m.

## AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 5:30 o'clock p.m.

## MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one

of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On June 16, 1934:

H.R. 1769. An act for the relief of Jeannette S. Jewell: H.R. 5357. An act for the relief of Alice M. A. Damm;

H.R. 5369. An act providing for the issuance of patents upon certain conditions to lands and accretions thereto determined to be within the State of New Mexico in accordance with the decree of the Supreme Court of the United States entered April 9, 1928;

H.R. 6781. An act to authorize appropriations to pay the annual share of the United States an an adhering member of the International Council of Scientific Unions and associated unions.

H.R. 7781. An act for the relief of Rosemund Pauline Lowry: and

H.R. 8639. An act to repeal certain laws providing for the protection of sea lions in Alaska waters.

On June 18, 1934:

H.R. 8781. An act to increase employment by authorizing an appropriation to provide for emergency construction of public highways and related projects, and to amend the Federal Aid Road Act, approved July 11, 1916, as amended and supplemented, and for other purposes;

H.R. 9322. An act to provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes;

H.R. 9646. An act to authorize the acquisition of additional land for the Upper Mississippi River Wild Life and Fish

H.J.Res. 373. Joint resolution to protect the revenue by requiring information concerning the disposition of substances used in the manufacture of distilled spirits.

## FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3580) entitled "An act to amend an act entitled 'An act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, and acts amendatory thereof and supplementary thereto."

The message also announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, bills and a joint resolution of the House of the following titles:

H.R. 5543. An act for the relief of T. Brooks Alford;

H.R. 9741. An act to provide for the taxation of manufacturers, importers, and dealers in certain firearms and machine guns, to tax the sale or other disposal of such weapons, and to restrict importation and regulate interstate transportation thereof;

H.R. 9861. An act to amend the Railway Labor Act approved May 20, 1926, and to provide for the prompt disposition of disputes between carriers and their employees; and

H.J.Res. 322. Joint resolution to provide for the disposal of smuggled merchandise, to authorize the Secretary of the Treasury to require imported articles to be marked in order that smuggled merchandise may be identified, and for other

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 1825. An act authorizing the Secretary of the Interior to issue patents to the numbered school sections in place. granted to the States by the act approved February 22, 1889, by the act approved January 25, 1927 (44 Stat. 1026), and by any other acts of Congress; and

S. 2809. An act conferring jurisdiction upon the Court of Claims to hear and determine the claims of the International Arms and Fuze Co., Inc.

#### OSAGE INDIANS

Mr. DISNEY. Mr. Speaker, I desire to renew a unanimous-consent request I submitted earlier in the afternoon to recall from the Senate the bill (S. 1948) amending the act entitled "An act authorizing the Court of Claims to hear, determine, and render judgment in the civilizationfund claim of the Osage Nation of Indians against the United States", approved February 6, 1921. This bill was passed the other day by the House with an amendment.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

#### MOTINT RUSHMORE NATIONAL MEMORIAL COMMISSION

Mr. KELLER. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3533), an act to amend the act entitled "An act creating the Mount Rushmore National Memorial Commission and defining its powers and purposes", approved February 25, 1929, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That section 3 of the act entitled "An act creating the Mount Rushmore National Memorial Commission and defining its powers and purposes", approved February 25, 1929, is amended by adding at the end thereof the following new sentence: "If by reason of death, disability, or other cause, any individual to whom functions are assigned under this section has been or shall be rendered unable to perform such functions, the Commission is authorized to designate or employ such other person as it deems competent to perform such functions."

SEC. 2. Section 5 of such act of February 25, 1929, is amended

"SEC. 5. Section of such act of February 25, 1828, is amended to read as follows:

"SEC. 5. There is hereby authorized to be appropriated the sum of not to exceed \$250,000 for the purpose of defraying the cost of such memorial and landscaping. Such sums as may be appropriated pursuant to this act shall be advanced to the treasurer of said Commission from time to time by the Secretary of the Treasury upon requisition of the executive committee provided for by this act."

SEC. 3. Any funds heretofore made available for expenditure under the provisions of such act of February 25, 1929, are hereby made available for expenditure under such act as amended by this

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## WOODROW WILSON

Mr. MARTIN of Colorado. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. MARTIN of Colorado. Mr. Speaker, the discussion provoked by the resolution authorizing the United States to participate in the International Labor Organization has prompted me to give expression to deep and long-abiding convictions in order that they may find a place in the Con-GRESSIONAL RECORD.

I wonder when the people of America will awaken to a proper sense of the responsibilities and opportunities of this Nation in the affairs of the world, and stop listening to the song of international hate against the League of Nations and the World Court, and take their proper place at the head of the table in the councils of the distracted peoples of the

Woodrow Wilson was eternally right, and as sure as the rising of the morning sun time will vindicate him. He said he was playing for the verdict of mankind, and the verdict of mankind will be for him.

Woodrow Wilson ranks with Thomas Jefferson as among those world statesmen who belong to the future of all peoples. Only America could give two such men to the world. Thomas Jefferson stated in final form the true relationship between man and government. Woodrow Wilson stated in form as final the true relationship between nation and nation. His enunciation of the right of the self-determination of peoples has already given the world new nations. His 14 points have given the world a charter of international relationships which will be studied and followed by statesmen centuries after the critics of Woodrow Wilson have all been forgotten. His is the one enduring name that came out of the World War. He lighted a new torch to guide the feet of mankind toward the goal of universal brotherhood, toward the day envisioned by the poet:

Till the war drum throbbed no longer And the battle flags were furled, In the parliament of man, The federation of the world.

#### EXTENSION OF REMARKS

Mr. BUCHANAN. Mr. Speaker, I understand that each Member of the House has been granted permission to extend his remarks in the RECORD. I wish to submit an additional request.

Mr. Speaker, I ask unanimous consent that each member of the Appropriations Committee may have the privilege of including in extensions of his remarks any tables or papers bearing on the fiscal relations of the Government. I understand there is some question as to the printing of certain tables.

Mr. KVALE, Mr. Speaker, reserving the right to object merely to ask a question, is the Chairman of the Appropriations Committee sure that the Committee on Printing will accede to this order of the House if the request is granted, that they have no arbitrary rule which will prevent the printing of very valuable information?

Mr. BUCHANAN. That is exactly why I am submitting

this unanimous-consent request.

Mr. SNELL. I understood, if the gentleman will permit, that the majority leader, if he has not already done so, will ask unanimous consent for all Members.

Mr. BUCHANAN. Yes; but there seems to be some question whether a Member may have a table in his remarks, and I want to be sure that this privilege is extended to each member of the Committee on Appropriations.

Mr. GOSS. The gentleman is referring to all members of the Appropriations Committee?

Mr. BUCHANAN. I am. The gentleman knows I treat everybody alike.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The Clerk will call the next Senate bill on the Private Calendar.

## THE PRIVATE CALENDAR

The Clerk called the next Senate bill, S. 1527, for the relief of Charles A. Lewis.

Mr. TRUAX. Mr. Speaker, reserving the right to object, may I say to the House that at the time I read the letter from a justice of the Court of Claims I did not mention the name of the writer, and this caused some merriment, some laughter, and some applause. This letter is from one of the present judges of the Court of Claims in Washington, D.C. So you can readily understand why he does not wish his name to be used, for somebody might try to take him away from his position.

Now, may we have an explanation of the bill?

Mr. HANCOCK of New York. Mr. Speaker, in the absence of the gentlewoman from New York, there seems to be no one here to explain it.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

## MESSAGE FROM THE PRESIDENT—PHILIPPINE ISLANDS

The SPEAKER laid before the House the following message from the President of the United States which was read and together with the accompanying papers referred to the Committee on Insular Affairs:

To the Congress of the United States:

As required by section 19 of the act of Congress approved August 29, 1916, entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands", I transmit herewith a set of the laws and resolutions passed by the Ninth Philippine Legislature during its third regular session, from July 17 to November 9, 1933, with the exception of act no. 4104, which will be transmitted to you hereafter when copies have been received from the Philippine Islands.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, June 18, 1934.

# THE PRIVATE CALENDAR SOUTHERN PRODUCTS CO.

The Clerk called the next Senate bill, S. 1629, for the relief of the Southern Products Co.

Mr. TRUAX. Mr. Speaker, reserving the right to object, may I ask the distinguished Chairman of the Committee on the Judiciary to explain this bill?

Mr. SUMNERS of Texas. Mr. Speaker, this is a bill to pay the sum of \$13,051.19 to the Southern Products Co., of Dallas, Tex., for the cost of removal and the cost of reconditioning 9,097 bales of cotton from its place of storage in the Bush Terminal Co. warehouse, Brooklyn, N.Y., the damage being caused to the cotton by climatic and other causes during its enforced removal and while it was exposed to the weather after removal from the Bush Terminal warehouse as a result of the commandeering of the entire storage warehouse on the 3d of January 1918 by the Secretary of War.

Mr. TRUAX. It was during the war period?

Mr. SUMNERS of Texas. Yes; it was during the war period. They were compelled to remove this cotton. It cost them \$15,000 to recondition the cotton, according to their claim.

Mr. TRUAX. Has this claim run the statute of limita-

Mr. SUMNERS of Texas. The Court of Claims said that it could not entertain jurisdiction under the Lever Act, or under either one of the other acts on the ground that the Federal Government exercising eminent domain is not compelled to bear the expense incurred by people who move their property from the property condemned.

Mr. TRUAX. The gentleman did not answer my question, as to whether the claim has run the statute of limitations.

Mr. SUMNERS of Texas. What I am trying to say is that there is no tribunal to which they could go. So it would be difficult to determine what would be the limitation when there is no way they could turn.

Mr. TRUAX. The gentleman from Texas has had a large number of meritorious bills passed which have not been objected to. Does not the gentleman think that during the closing hours of a session we should hesitate before passing a bill refunding \$13,000 for a loss incurred during the war, especially when there accompanies the bill no recommendation of the departments of the Government?

The regular order was demanded. Mr. TRUAX. Mr. Speaker, I object.

## WALES ISLAND PACKING CO.

The Clerk called the next bill, S. 1666, to carry out the findings of the Court of Claims in the case of the Wales Island Packing Co.

Mr. HANCOCK of New York. Mr. Speaker, I object.

Mr. BLACK. Will the gentleman reserve his objection?

Mr. HANCOCK of New York. Yes.

Mr. BLACK. This bill has been in Congress a great many years. It has been reported favorably by committee after committee, and there is no question about the liability or the injury. The bill has fallen down in Congress in the past for several reasons. You have the Court of Claims' finding here.

Mr. HANCOCK of New York. My understanding is that the Court of Claims found adversely to the claimant.

Mr. BLACK. No; that is not so.

Mr. HANCOCK of New York. This is a claim over 30 years old.

Mr. BLACK. Yes.

Mr. HANCOCK of New York. The claim has been rejected by the Court of Claims. It does not seem to me that we should make an award of \$100,000 in this off-hand manner. It is a bill on which we ought to have suspension of the rules and some discussion.

Mr. BLACK. This bill is one of the bills I had intended to take up under a rule that the Rules Committee granted me where we could have had discussion. Of course, it is late in the day. It is not exactly fair to say that this bill has not had any consideration. It has been under consideration for a great many years.

Mr. ELTSE of California. Is this claim 30 years old?

Mr. HANCOCK of New York. It arose in 1903.

Mr. ELTSE of California. Mr. Speaker, I object.

W. P. FULLER & CO.

The Clerk called the next bill, S. 1818, for the relief of W. P. Fuller & Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the claim of W. P. Fuller & Co., of San Francisco, Calif., against the United States for damages alleged to have been caused by a collision on or about November 29, 1912, in San Francisco Harbor, between their steamer Sunol and the Government tug Angel Island, then in the service of the Immigration Bureau of the Department of Commerce and Labor, may be sued for by the said W. P. Fuller & Co. in the District Court of the United States for the Northern District of California, sitting as a court of admiralty and acting under the rules governing such court, and said court shall have jurisdiction to hear and determine such suit and to enter a judgment or decree for the amount of such damages and costs, if any, as shall be found to be due against the United States in favor of the said W. P. Fuller & Co. or against the said W. P. Fuller & Co. in favor of the United States upon the same principles and measures of liability as in like cases in admiralty between private parties and with the same rights of appeal: Provided, That such notice of the said suit shall be given to the Attorney General of the United States as may be provided by order of the said court, and it shall be the duty of the Attorney General to cause the United States attorney in such district to appear and defend for the United States: Provided further, That said suit shall be brought and commenced within 4 months of the date of the passage of this act.

SEC. 2. The District Court of the United States for the Northern District of California, in the adjudication of such claim, is authorized in its discretion to permit the use in addition to any evidence

SEC. 2. The District Court of the United States for the Northern District of California, in the adjudication of such claim, is authorized in its discretion to permit the use, in addition to any evidence which may be offered in such suit, any affidavits or other written documents in the files of the United States Department of Labor, or in the files of the said W. P. Fuller & Co., relating to or bearing

upon such claim.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## HAROLD SORENSON

The Clerk called the next bill, S. 1822, for the relief of Harold Sorenson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General is authorized and directed to credit the accounts of Harold Sorenson, major, United States property and disbursing officer, North Dakota National Guard, in the amount of \$1,518.91, representing the credit disallowed in such accounts by reason of the payment of such sum by such Harold Sorenson during the year 1926, out of funds of the United States, for certain work in connection with the construction of a water-supply system near Camp Grafton, N.Dak., pursuant to obligations incurred after the termination of the authority for such obligations.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## JAMES W. WALTERS

The Clerk called the next bill, S. 1972, for the relief of James W. Walters.

Mr. TRUAX. Mr. Speaker, reserving the right to object, may I inquire what has become of Private Calendar No. 895?

The SPEAKER. The bill the gentleman refers to was objected to.

Mr. TRUAX. I withdraw my reservation of objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he hereby is, authorized and directed to pass and allow credit for in the settlement of the disbursing accounts of James W. Walters, captain, Ordnance Department, United States Army, an item in the sum of \$2,626.76, representing a shortage in the disbursing account of John D. Gallagher, civilian clerk, employed at the Raritan Arsenal, N.J., for which said James W. Walters has been held accountable: Provided, That any amounts stopped against the pay of Captain Walters on account of this disallowance which is cleared by the passage of this act shall also be refunded to him.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### A. J. HANLON

The Clerk called the next bill, S. 2322, for the relief of A. J. Hanlon.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit the accounts of A. J. Hanlon, special disbursing agent, Bureau of Prohibition, San Juan, P.R., with the sum of \$223.75, said sum representing the amount paid on vouchers to Juan R. Toledo, prohibition agent, as per diem in lieu of subsistence for the period June 13 to July 21, 1929, which sum was disallowed by the General Accounting Office.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### ELMER KETTERING

The Clerk called the next bill, S. 2534, for the relief of Elmer Kettering.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to redeem in favor of Elmer Kettering, Mellette, S.Dak., United States registered notes nos. L-1230844 and L-1230845 (uncalled) in the denomination of \$100 each of the Victory Liberty Loan 4¾-percent convertible gold notes of 1922-23, registered in the name of Elmer Kettering, without presentation of the notes which are alleged to have been stolen in a mail robbery after having been assigned in blank by the registered payee: Provided, That the said notes shall not have been presented to the Department: And provided further, That the said Elmer Kettering shall first file in the Treasury Department a bond in the penal sum of double the amount of the principal of the said notes, in such form and with such corporate surety as may be acceptable to the Secretary of the Treasury with condition to indemnify and save harmless the United States from any claim on account of the notes hereinbefore described.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## GEORGE M. WRIGHT

The Clerk called the next bill, S. 2720, for the relief of George M. Wright.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to refund and pay, out of any money in the Treasury not otherwise appropriated, to George M. Wright, Great Falls, S.C., the sum of \$545.03, for income taxes erroneously collected for the taxable year 1924.

With the following committee amendments:

On page 1, line 7, insert the words "in full settlement of all claims against the Government of the United States", and on page 1, line 9, after the figures "1924", insert a colon and the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the pro-

visions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

# REFUND OF TAXES COLLECTED FROM BUILDING-AND-LOAN ASSOCIATIONS

The Clerk called the next bill, S. 2816, to extend the time for the refunding of taxes erroneously collected from certain building-and-loan associations.

Mr. BLANTON. Mr. Speaker, I object.

## CHEROKEE FUEL CO.

The Clerk called the next bill, S. 2871, giving jurisdiction to the Court of Claims to hear and determine the claim of the Cherokee Fuel Co.

Mr. BLANTON. Mr. Speaker, I object.

## MARY LOUISE BELANGER

The Clerk called the next bill, S. 2872, for the relief of Mary Louise Belanger.

Mr. HANCOCK of New York. Mr. Speaker, reserving the right to object, will the gentleman make a brief explanation of this bill?

Mr. RUFFIN. Mr. Speaker, what I say in reference to this bill is also applicable to the following bill. These bills were introduced in the Senate by Senator Clark, a Democrat, and Senator Patterson, a Republican.

The transaction arises out of the death of two men who went into a Government hospital, which was under the direction and control of the Department of Justice. These men were in no way connected with the hospital. They were sent there by the local gas and electric company to fix a gas meter. While in this hospital one of them struck a match, an explosion ensued, and both of the men were killed.

Mr. HANCOCK of New York. Does the Department admit liability?

Mr. RUFFIN. Yes. The Department of Justice investigated this matter thoroughly. This was a hospital for the criminal insane which came under the control of the Department of Justice.

Mr. HANCOCK of New York. This is a companion bill to Private Calendar No. 905?

Mr. RUFFIN. It is a companion bill. The two men were killed in the same accident. One bill immediately follows the other.

Mr. HANCOCK of New York. Would the gentleman be willing to accept an amendment that this claim of \$5,000 is in full settlement of all claims against the Government of the United States?

Mr. RUFFIN. If the gentleman desires to offer such an amendment, I will accept the amendment, as I do not want this matter delayed.

Mr. HANCOCK of New York. That is our usual practice when we pay \$5,000 in a death case, to make sure that the payment is made in full settlement of all claims against the United States Government.

Mr. RUFFIN. I have no objection to that; and if the gentleman will prepare the amendment and also have it apply to the next bill, it will be perfectly all right.

Mr. BOILEAU. Mr. Speaker, as I understand, these men were both employees of a local gas company.

Mr. RUFFIN. They were agents of the gas company.

Mr. BOILEAU. Were they not employees of the gas company at the time and were they not working for the gas company?

Mr. RUFFIN. Yes; I think they were.

Mr. BOILEAU. Did they get compensation under the Workman's Compensation Act?

Mr. RUFFIN. No.

Mr. BOILEAU. Have you not a workman's compensation act in your State?

Mr. RUFFIN. We have one, but these men have not been given any compensation, and I am not sure whether they would come under it or not.

Mr. BOILEAU. If they were there as employees of the gas company, it would seem to me there would be liability under the workman's compensation act.

Mr. RUFFIN. I do not know about that. I know the Department of Justice went into this very thoroughly and admitted they ought to be paid, and it was reported in that way.

Mr. MILLIGAN. And admitted that the accident was caused on account of the construction of the building.

Mr. RUFFIN. They admitted more than that. The investigation disclosed that the agents of the Government had actual knowledge of the fact that there might be trouble and they had this knowledge in sufficient time so that by the exercise of due care they could have corrected the defect, but did not do so.

Mr. BOILEAU. That is what these men were there for, was it not?

Mr. RUFFIN. No; it was not on account of that defect at all. The agents of the Government had actual knowledge of the fact that by reason of the construction of the building someone might be hurt. These men went there for the purpose of putting in a gas meter.

Mr. BOILEAU. It seems to me that if there is a work-men's compensation law in the gentleman's State, these men would come under that; but I have no disposition to object to the bill if the official objectors think it is all right.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$5,000 in full settlement of all claims of Marie Louise Belanger against the Government on account of the death of her husband, Alfred Belanger, caused by an explosion in the meter house of the Federal Hospital for Defective Delinquents, at Springfield, Mo., on September 15, 1933: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding

Mr. HANCOCK of New York. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Hancock of New York: In line 6, after the word "claims", strike out the words "of Marie Louise Belanger."

Page 1, line 7, strike out the words "her husband."

The amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## BRIDGE ACROSS LAKE CHAMPLAIN

Mr. HOLMES. Mr. Speaker, my attention has been called to the fact that one of the first bills on the Consent Calendar which was passed this afternon was Senate bill 3374, to extend the times for commencing and completing the construction of a bridge across Lake Champlain from East Alburg, Vt., to West Swanton, Vt. I understand that by unanimous consent the Speaker recognized the gentleman from Verment and a Senate bill was passed authorizing the State of Vermont to build this bridge; and, in view of this fact, I ask unanimous consent, Mr. Speaker, that the action taken with respect to S. 3374 be vacated.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

## THE PRIVATE CALENDAR

STELLA D. WICKERSHAM

The Clerk called the next bill, S. 2873, for the relief of Stella D. Wickersham.

Mr. TRUAX. Mr. Speaker, reserving the right to object, what is this bill?

Mr. RUFFIN. This is a companion bill to the one I have just explained. These two men were killed in the same

Mr. TRUAX. What is the amount involved?

Mr. RUFFIN. Five thousand dollars, and there are no attorneys' fees.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$5,000 in full settlement of all claims of Stella D. Wickersham against the Government on account of the death of her husband, Robert L. Wickersham, caused by an explosion in the meter house of the Federal Hospital for Defective Delinquents, at Springfield, Mo., on September 15, 1933: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

Mr. HANCOCK of New York. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Hancock of New York: Page 1, line 6, after the word "claims", strike out the words "of Stella D. Wickersham"; and on page 1, line 7, strike out the words "her husband."

The amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## PRESENT STATUS OF THE PHILIPPINES

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and insert a speech on the present status of the Philippines by Mrs. Camilo Osias, the wife of the Commissioner from the Philippines.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech on the present status of the Philippines, by Mrs. Camilo Osias, the wife of the Commissioner from the Philippines:

## THE PRESENT PHILIPPINE STATUS

## By Mrs. Ildefonsa C. Osias

Ladies and gentlemen, 36 years ago, on August 13, the Spanish flag was hauled down from the battlements of the walled city of Manila and the Stars and Stripes was hoisted in its place. The occasion marked the final triumph of American arms over the

occasion marked the final triumph of American arms over the tottering power of the once mighty kingdom which ruled the Philippines for nearly 4 centuries.

Four months after that momentous event, on December 10, 1898, the Treaty of Paris was signed, by virtue of which Spain ceded the Philippines to the United States. The cession was protested by Filipino diplomatic agents in Paris on the contention that, since the Filipino revolutionary forces under General Aguinaldo had all but completely demolished the Spanish dominion in the islands before the arrival of the American Army and Navy, the Spanish Government did not possess a clear and cloudless title to convey to the United States under a treaty of territorial cession and transfer of sovereignty. of sovereignty.

The protest was ignored, the treaty was negotiated, and in due course it received the ratification of the United States Senate. Since then the validity of that treaty has never been seriously challenged.

Let me say at this point that, according to the decisions of the Federal Supreme Court, the treaty of Paris has not made the Philippines an integral part of the American body politic, having become merely a territorial possession to which the Constitution

has not followed the flag and over which Congress has supreme and absolute power of regulation, government, and disposal.

The inevitable happened. Even before the American people knew that the Philippines was not really the name of a new ballad nor yet a new brand of canned goods, the question of the future political status of the archipelago of 7,000 islands, populated then by 7,000,000 people and now by 14,000,000, became a football of American partisan politics.

As the first rumblings of the Presidential campaign of 1900 arose in the West in a crescende of confused voices, that peerless

As the first rumblings of the Presidential campaign of 1900 arose in the West in a crescendo of confused voices, that peerless leader of popular causes, William Jennings Bryan, thundered that the taking over of the Philippines under any condition was a dangerous and unconstitutional venture in imperialism. So when he became the standard-bearer of the embattled democracy which had suffered defeat 4 years before on the issue of bimetallism, he promptly made the Philippine question the paramount issue of that quadrennial electoral contest.

Mr. Bryan went down in defeat frustrated for the second time.

Mr. Bryan went down in defeat, frustrated for the second time in his efforts to achieve the Presidency. The American people elected William McKinley as their Chief Magistrate. And so, naturally, America's Philippine policy took form and direction under the guidance of President McKinley and the Republican

under the guidance of President McKinley and the Republican Party.

To identify that policy one must needs refer to the historic document penned by the then Secretary of War Elihu Root, known as the "McKinley Instructions to the First Philippine Commission." Its reassuring message of good will to the Filipino people acquired the impressiveness of a celestial benediction when it revealed the spirit of America with the golden words, "The Philippines are ours, not to exploit but to develop, to civilize, to educate, to train in the science of self-government."

Now, as I look back in retrospect upon the happy and eventful years since our beloved country has been under the Stars and Stripes, I am suffused with an irresistible sentiment that, insofar as the Philippines alone were concerned, the defeat of Mr. Bryan in 1900 was one of those cases which the poet describes as "defeats more triumphant than victories."

For, impelled by design and smarting under a militant anti-imperialist criticism, the McKinley administration proceeded to work out a Philippine plan inspired by the noble purpose to serve, predicated on a square deal for all and directed to the achievement of the well-being and contentment of the Filipino masses. It was a program nobly conceived and nobly executed. By it America gave the world an object lesson of national magnanimity and international fair play.

America's work in the Philippines, carried out under American supervision largely by the Filipinos themselves, consists in the establishment of representative government, the implantation of the rule of equality before the law, the implementation of democratic principles, the separation of church and state, the diffusion of public instruction, the adoption of modern sanitation, the enhancement of material progress, the elevation of the regime of equal opportunity for every Filipino, poor and rich alike.

As we come now to the consideration of the present political status of the Philippines, we are reminded by the outstanding

As we come now to the consideration of the present political status of the Philippines, we are reminded by the outstanding milestones in the process of gradually extending the boon of self-government to the Filipino people. It is well that we should ever keep them in mind in order that those who worked for their realization may not escape our grateful recognition.

their realization may not escape our grateful recognition.

Following the occupation of Manila, a military government was established with American generals at the helm. Two years after, with the reports of the Denby commission and the Schurmann commission before it, Congress established civil government through the Spooner amendment to the Army appropriation bill. Then on July 1, 1902, sponsored by Congressman Cooper, that grand old man who recited Rizal's Last Farewell poem on the floor of Congress way back in 1899, the first Philippine organic law was enacted and promulgated. law was enacted and promulgated.

That law was superseded by the Jones act on August 29, 1916. And now we have the Tydings-McDuffle Act, which is the virtual reenactment of the Hawes-Cutting measure, approved by Congress on March 23, 1934, and signed by President Roosevelt on the following day.

the following day.

On May 1 last, exactly 36 years to the day of Admiral Dewey's naval victory in Manila Bay, the Philippine Legislature unanimously approved a concurrent resolution accepting the Tydings-McDuffle Act pursuant to section 17 thereof, which requires that ratifying action before the act could go into effect.

That historic session, as you will recall, was transmitted to the United States by radio short waves. I tried to catch every word that was uttered on that stirring occasion. The cheering and applause were truly inspiriting. I could see in my mind's eye the great assemblage all aglow with hope and expectation. I could feel the enthusiasm tempered by the sober appreciation of the new responsibilities assumed. And I could imagine the repercussions that went all over the archipelago, bringing the tidings of the new day. That night, in Washington, I slept prouder of myself and of my Filipino birthright.

President Quezon's speech in English and that of Senator Os-

President Quezon's speech in English and that of Senator Osmena's in Spanish were symbolic of the two cultural influences that permeate the Philippine civilization. And the rendition of The Star-Spangled Banner was a reminder of the fact that Philippine independence was not yet a reality and that our country would still be for about a decade more under American sovereignty. With the acceptance of the Tydings-McDuffle Act by our legislature, only 1 of its 17 provisions, section 8, went into effect. The rest of the provisions will go into operation upon the inauguration of the Philippine Commonwealth, which, according to present plans, will take place on or about January 1, 1935.

This section 8 should concern us seriously at this time. It provides that not more than 50 Filipinos can enter the United States a way. This greats does not include home fide students.

provides that not more than 50 Filipinos can enter the United States a year. This quota does not include bona fide students, tourists, merchants on a temporary visit, public officials on a mission, and others of similar classifications. An ambitious but poor Filipino youth who wants to come here and work his way through school is barred unless he comes within the quota.

Under the same section the Filipinos who are already in the United States, numbering between 50,000 and 75,000 men, women, and children, are considered as aliens under the Federal Immigration Acts of 1917 and 1924 and all other laws of the United States

tion Acts of 1917 and 1924 and all other laws of the United States relating to the immigration, exclusion, or expulsion of aliens. To say that this provision is harsh is to put it mildly, for the same law that enjoins it requires the Filipinos to maintain true faith and allegiance to the United States.

I desire now to make a rapid review of some of the salient provisions of the new organic law. The Philippine government has a bonded indebtedness owing to American banking syndicates approximating \$75,000,000. The interest on this debt and the sinking fund absorb about \$5,000,000 annually of the total income of the Philippine government, which now amounts to around \$30,000,000—a very considerable proportion indeed.

To insure the liquidation of this bonded obligation, the Philippine Commonwealth is directed to levy export taxes on Philippine goods shipped to the United States after the sixth year from the inauguration of the Commonwealth. And to make the insurance doubly effective, the American High Commissioner, by direction of the President of the United States, is authorized to take over the control of the customs offices in the event of default or non-payment of the debt or the interest thereon and collect revenue and use it to pay the amounts in default.

and use it to pay the amounts in default.

Until the Commonwealth government is inaugurated, there are no tonnage restrictions on the free entry of Philippine imports to the United States. Thereafter, there shall be maximum quotas on duty-free sugar, coconut oil, and cordage. The industries affected have been complaining that the quotas are altogether too low, placing the Philippines in a highly disadvantageous position. The sugar industry especially, which is the leading industry in our country and the principal source of revenue of our government, is making titanic efforts to secure a more liberal treatment from the American Congress.

Besides these restrictive provisions in the Tydings-McDuffle Act.

Besides these restrictive provisions in the Tydings-McDuffle Act, Congress has recently approved a law placing sugar on a tonnage limitation and under administrative control and regulation, and Congress has recently approved a law placing sugar on a tonnage limitation and under administrative control and regulation, and another law placing an excise tax on coconut oil that is about one and a half times as much as the price of that commodity. These have been protested as violations of the terms of the Tydings-McDuffie Act, but, I regret to say, the protest has proved unavailing. We still hope, however, that Congress may eventually reverse itself and give the Philippines a square deal.

I have set forth some of the sacrifices that our country will shoulder under the new organic law. There are, of course, certain compensations for these sacrifices, and among them are that we shall have a constitution drafted by ourselves, a government conducted by ourselves, a chief executive elected by ourselves, and, above all, a definite, mandatory legislative provision creating a free and independent Philippine nation after a specified period of time mentioned in the statute.

Whether these compensations are commensurate with the sacrifices are matters for an honest difference of opinion. The material fact is that the Tydings-McDuffie Act is an actuality. It is a vital, vibrating reality.

Indeed, the new dispensation brings us satisfactions as well as obligations, spiritual refreshment together with material burdens. It gives us joy as well as pain, the pain that makes joy all the sweeter and life the more interesting.

I, for one, am determined to give my heart and my hand, be they ever so feeble, to the successful operation of the independence

sweeter and life the more interesting.

I, for one, am determined to give my heart and my hand, be they ever so feeble, to the successful operation of the independence legislation and the glorious consummation of its supreme purpose.

I want to spread the contagion of optimism and good will. I wish to banish doubt, division, and discord. The phantom of fear must be laid low. The philosophy of despair must be shattered. We must succeed, succeed greatly, succeed heroically. These sentiments possess me and enrapture my soul. I wish I could tug upon the heartstrings of every Filipino and inspire him to the serene contemplation of his duties to the land of his birth. He must not be a recreant, he must not be a derelict. Rather, a valiant fighter, he must be among the invincible hosts of liberty. We are face to face with destiny. God is with us, I know because the angels have whispered so. Our country! There she stands and there she will stand forever, sparkling in the Orient seas.

Now, as we are entering the mansion of our highest aspirations we may well repeat in affectionate apostrophe to our beloved country the majestic and imperishable words of Henry Wadsworth Longfellow:

Our hearts, our hopes, are all with thee, Our hearts, our hopes, our prayers, our tears, Our faith triumphant o'er our fears, Are all with thee, are all with thee!

INTERNATIONAL CELEBRATION AT FORT NIAGARA, N.Y.

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of a joint resolution (H.J. Res. 376) to provide an appropriation to enable the United States Army to send certain units to participate in the International Celebration at Fort Niagara, N.Y., which I send to the Clerk's desk.

The Clerk read the House joint resolution, as follows:

House Joint Resolution 376

Resolved, etc., That to enable the War Department to pay the expenses of participation of certain units of the Army of the United States in the events and ceremonies incident to the International Celebration at Fort Niagara, N.Y., under such regulations as the Secreary of War may prescribe, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$6,000, to remain available until June 30, 1935.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### CHEROKEE FITEL CO.

Mr. SHANNON. Mr. Speaker, I ask unanimous consent to return to Calendar No. 903 so that the gentlemen who objected may reconsider their objections.

Mr. TRUAX. Mr. Speaker, I objected to the bill and I presume I shall object again if we return to it.

Mr. RANKIN. Mr. Speaker, reserving the right to object, will the gentleman withhold his request until we get through with the Private Calendar?

Mr. SHANNON. This is a Private Calendar bill.

Mr. RANKIN. We are now considering Senate bills on the Private Calendar and we do not want to start the policy of returning to bills.

Mr. SHANNON. It is only two bills removed.

Mr. HANCOCK of New York. Mr. Speaker, I am going to insist that we finish the calling of the calendar before we return to any bills.

Mr. RANKIN. I shall help the gentleman to be allowed to return to the bill, but we do not want to start that

## GEORGE LAWLEY & SON CORPORATION

The Clerk read the next Senate bill on the calendar, S. 3047, to carry out the findings of the Court of Claims in the case of George Lawley & Son Corporation, Boston, Mass.

The SPEAKER. Is there objection? Mr. BLANTON. I object.

## MARY ANGELA MOERT

The Clerk read the next Senate bill on the Private Calendar, S. 3156, for the relief of Mary Angela Moert.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mary Angela Moert the sum of \$30 for service rendered in nursing one Sgt. Albert Wells, Company A., Eleventh Regiment United States Infantry, formerly stationed at Fort Knox, Ky., who was injured June 6, 1931, and admitted to Sts. Mary and Elizabeth Hospital, Louisville, Ky.

With the following committee amendments:

Page 1, line 6, after the figures "\$30" insert "In full settlement of all claims against the Government of the United States." And at the end of the bill insert: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000." sum not exceeding \$1,000."

The amendments were agreed to.

The bill as amended was ordered to be read a third time, read the third time, and passed, and a motion to reconsider was laid on the table.

#### ARTHUR HANSEL

The Clerk read the next Senate bill on the Private Calendar, S. 3192, for the relief of Arthur Hansel

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement against the Government, the sum of \$2,500 to Arthur Hansel for injuries sustained when struck by an ambulance of the Second Motor Transport Company, Brooklyn, N.Y., on October 11, 1932: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### MURIEL CRICHTON

The Clerk read the next Senate bill on the Private Calendar, S. 3264, for the relief of Muriel Crichton.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Muriel Crichton, of Washington, D.C., the sum of \$10,000, in full and final settlement of all claims for hospitalization and medical and other charges and expenses and for pain, suffering, and damage to her person, resulting from an injury suffered by her as the result of being knocked down by an employee of the Senate at or near the east door of the Senate Chamber on March 28, 1933: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendments: Be it enacted, etc., That the Secretary of the Treasury be, and

With the following committee amendments:

Page 1, line 6, strike out the figures "\$10,000" and insert the figures "\$5,000."

Page 1, line 7, after the word "claims", insert "against the Government of the United States."

The committee amendments were agreed to.

The bill as amended was ordered to be read a third time. was read the third time, and passed, and a motion to reconsider was laid on the table.

## UNION IRON WORKS

The Clerk read the next bill on the Private Calendar, S. 3322, to carry out the findings of the Court of Claims in the case of the Union Iron Works.

The SPEAKER. Is there objection? Mr. BLANTON. I object.

## HARRY LEE SHAW

The Clerk read the next Senate bill on the Private Calendar, S. 1557, for the relief of Harry Lee Shaw.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That in the administration of the pension laws or any laws conferring rights, privileges, or benefits upon persons honorably discharged from the United States Army, Harry Lee Shaw shall be held and considered to have been honorably discharged as a captain, Medical Corps, United States Army, on December 5, 1918: Provided, That no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued by reason of this act prior to its passage.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### BOWERS SOUTHERN DREDGING CO.

The Clerk called the bill (S. 1690) for the relief of the Bowers Dredging Co.

The SPEAKER. Is there objection? Mr. BLANTON. I object.

Mr. TRUAX. I object.

#### ROGER P. AMES

The Clerk called the bill (S. 1587) to amend an act entitled "An act to recognize the high public service rendered by Maj. Walter Reed and those associated with him in the discovery of the cause and means of transmission of yellow fever", approved February 28, 1929, as amended, by including Roger P. Ames among those honored by said act.

The SPEAKER. Is there objection? Mr. GOSS. Mr. Speaker, I object.

Mr. BUCHANAN. Mr. Speaker, will the gentleman withhold his objection?

Mr. GOSS. The subcommittee that originally heard this bill refused to report it out, and after reconsideration they did bring it out. I was one of those on our own committee that voted against it. My objection is this. This Roger P. Ames was acting in the line of duty, and was not in a class with these other people.

Mr. FITZPATRICK. He took the same chances as the

Mr. GOSS. He was doing his duty as a doctor, while the other people that are involved went out there to go through these experiments.

Mr. BUCHANAN. How about Major Reed, who stayed here in Washington?

Mr. GOSS. The subcommittee originally refused to report this out. I reserved my rights in the committee and voted against it.

The SPEAKER. Is there objection?

Mr. HANCOCK of New York. Mr. Speaker, I object.

## FIRST GRANITE NATIONAL BANK, AUGUSTA, MAINE

The Clerk called the bill (S. 1853) to authorize the Secretary of the Treasury to execute an agreement of indemnity to the First Granite National Bank, Augusta, Maine.

The SPEAKER. Is there objection?
Mr. BLANTON. If the author of the bill is here, I should like to know why the Government should provide this indemnity. If he is not here, I object.

The SPEAKER. Objection is heard.

## RIO GRANDE SOUTHERN RAILROAD CO.

The Clerk called the bill (S. 1859) authorizing the adjustment of the claim of the Rio Grande Southern Railroad Co.

The SPEAKER. Is there objection? Mr. BLANTON. Mr. Speaker, I object.

## MORSE DRY DOCK & REPAIR CO.

The Clerk called the bill (S. 3280) to carry out the findings of the Court of Claims in the case of the Morse Dry Dock & Repair Co.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, I object.

Mr. BLANTON. I object.

## HOWELL K. STEPHENS

The Clerk called the bill (S. 879) for the relief of Howell K. Stephens.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Howell K. Stephens, who was a private, Medical Department, United States Army, shall hereafter be held and considered to have been honorably discharged from the military service of the United States on the 25th day of October 1919: Provided, That no back pay, compensation, benefit, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

#### ARTHUR R. LEWIS

The Clerk called the bill (S. 1992) for the relief of Arthur R. Lewis.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the pension laws or any laws conferring rights, privileges, or benefits upon persons honorably discharged from the United States Army Arthur R. Lewis shall be held and considered to have been honorably discharged as a private, Second Company (Mobile), Coast Artillery Corps, January 13, 1924: Provided, That no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued by reason of this act prior to its passage.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### THOMAS E. READ

The Clerk called the bill (S. 1505) for the relief of Thomas E. Read.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Thomas E. Read, otherwise known as "Thomas Griffiths", who was a member of Company I, Twenty-sixth Regiment United States Volunteer Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 12th day of February 1900: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### CURTIS JETT

The Clerk called the bill (S. 792) for the relief of Curtis Jett.

The SPEAKER. Is there objection? Mr. BLANCHARD. Mr. Speaker, I object.

## VICTORIA ARCONGE

The Clerk called the bill (S. 2585) authorizing and directing the Secretary of the Interior to cancel patent in fee issued to Victoria Arconge.

The SPEAKER. Is there objection? Mr. TRUAX. Mr. Speaker, I object.

## SNARE & TRIEST CO.

The Clerk called the bill (S. 1760) for the relief of the Snare & Triest Co., now Frederick Snare Corporation.

The SPEAKER. Is there objection? Mr. BLANTON. I object.

Mr. TRUAX. Mr. Speaker, I object.

## LUCILLE A. ABBY

The Clerk called the bill (S. 1786) for the relief of Lucille A. Abby.

The SPEAKER. Is there objection?

Mr. BLANCHARD. Mr. Speaker, I object.

## COLLIER MANUFACTURING CO.

The Clerk called the bill (S. 2242) for the relief of the Collier Manufacturing Co., of Barnesville, Ga.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, I object. Mr. OWEN. Will the gentleman withhold his objection for a moment?

Mr. TRUAX. I objected, but I will withhold it for the gentleman to make a statement.

Mr. OWEN. This bill, Mr. Speaker, covers a case as follows: The Collier Manufacturing Co. was approached during the war and asked to manufacture certain knit underwear for the soldiers. An agreement was reached between the Government and the Collier Manufacturing Co., but when the contract was to be made, the contract was taken in the name of a firm of New York brokers, Clifton Goodrich. This was done at the instance of the Government

in order to expedite the manufacture of the shirts. Subsequently the contract in question was terminated because the war was about to end. The items of damage and the specifications in the account are beyond dispute. The whole question is whether or not this bill should pass because the contract was not made with the Collier Manufacturing Co., but was made through its agents, Clifton Goodrich, the bonds required by the Government having been executed by Clifton Goodrich.

Mr. TRUAX. Mr. Speaker, here is the report of George H. Dern, Secretary of War:

For the reasons set forth in the above findings and for the further reason that the matter has already been adjudicated, this Department recommends that the above bill be not reported favorably.

Mr. OWEN. Adjudicated upon the basis that this claimant was not a party to the contract, but its agents were, with the knowledge of the Government.

Mr. TRUAX. I am willing to follow Mr. Dern. I object to the hill

#### BERT MOORE

The Clerk called the next bill, S. 2272, for the relief of Bert Moore

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Bert Moore, out of any money in the Treasury not otherwise appropriated, the sum of \$2,500 in full settlement of all claims for injuries sustained by reason of being shot and seriously wounded by a military guard at Fort Logan H. Roots on the night of April 23, 1925: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## ESTATE OF JENNIE WALTON

The Clerk called the next bill, S. 2617, for the relief of the estate of Jennie Walton.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he hereby is, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Jennie Walton, late of Bantry, N.Dak., the sum of \$4,000, in full satisfaction of its claim against the United States for damages from an automobile accident on Highway No. 5, near Belcourt. N.Dak., within the Turtle Mountain Indian Reservation, on Octo-

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## E. CLARENCE ICE

The Clerk called the next bill, S. 2619, for the relief of E. Clarence Ice.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to E. Clarence Ice, out of any money in the Treasury not otherwise appropriated, the sum of \$3,000, in full settlement of all claims against the Governsum of \$3,000, in full settlement of all claims against the Government on account of the death of his son, Corp. Egbert J. Ice, who was killed August 15, 1933, while in the performance of his duties with the District of Columbia National Guard at Camp Albert C. Ritchie: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### RANSOME COOYATE

The Clerk called the next bill, S. 2906, for the relief of Ransome Cooyate.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$2,000 to Ransome Cooyate, of the Zuni Reservation in New Mexico, in full satisfaction of his claim against the Government of the United States for injuries received while a student at the Albuquerque Boarding School, N.Mex.: Provided, That in the discretion of the Secretary of the Interior, the amount herein appropriated may be held as individual Indian money by the Superintendent of the Zuni Agency, N.Mex., and disbursed to the beneficiary at the rate of \$30 a month.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### C. O. MEYER

The Clerk called the next bill, S. 3366, for the relief of C. O. Meyer.

Mr. TRUAX. Mr. Speaker, reserving the right to object, this bill refunds \$15,000 to a bonding company, and therefore I object.

#### GEORGE L. RULISON

The Clerk called the next bill, S. 3486, for the relief of George L. Rulison.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to George L. Rulison, out of any money in the Treasury not otherwise appropriated, the sum of \$600, in full settlement of all claims against the Government, for expenditures made by said George L. Rulison between November 1, 1927, and July 1, 1928, for office rental and stenographic and other service in connection with the performance of his duties as United States attorney and as assistant United States attorney at South Bend, Ind.

With the following committee amendment:

Page 1, line 12, after the word "Indiana" insert a colon and the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in the second of the second collect. to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to,

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## LILLIAN MORDEN

The Clerk called the next bill, S. 527, for the relief of Lillian Morden.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lillian Morden the sum of \$2,462.20, in full settlement of all claims against the Government for medical expenses incurred as a result of contracting influenza and other allments while employed as a student nurse in the Medical Department of the Army at Fort Dodge, Des Moines, Iowa; and that said Lillian Morden shall be admitted to such Army hospital as may be directed by the Surgeon General of the United States Army for necessary care and treatment.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## TERESA DE PREVOST

The Clerk called the next bill, S. 762, for the relief of Teresa De Prevost.

Mr. BLANCHARD. Mr. Speaker, I object.

#### WINIFRED MEAGHER

The Clerk called the next bill, S. 568, for the relief of Winifred Meagher.

Mr. TRUAX. Mr. Speaker, reserving the right to object, is the sponsor of the bill here to explain it? If not, I ask unanimous consent that it be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

#### JAMES R. MANSFIELD

The Clerk called the next bill, S. 2074, for the relief of James R. Mansfield.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorrized and directed to pay, out of any money in the Treasury not otherwise appropriated, to James R. Mansfield, the sum of \$58.33 a month for the remainder of his natural life, as compensation for a permanent disability resulting from injuries received by him on or about January 4, 1925, while assisting a prohibition agent in making a raid on an illicit still on Waldens Ridge, Rhea County, Tenn. Such monthly payments shall be made through the United States Employees' Compensation Commission and shall date from the approval of this act.

#### With the following committee amendment:

With the following committee amendment:

Page 2, line 1, after the word "act" insert a colon and the following: "Provided, That payments hereunder shall be in full settlement of all claims against the Government of the United States for such permanent disability of James R. Mansfield: Provided further, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

## ESTATE OF MRS. DONNIE WRIGHT

The Clerk called the next bill, S. 2336, for the relief of the estate of Mrs. Donnie Wright, deceased.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. YOUNG. Mr. Speaker, I object.

## HERBERT E. MATTHEWS

The Clerk called the next bill, S. 2343, for the relief of Herbert E. Matthews.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compen-Be it enacted, etc., That the United States Employees' Compensation Commission is hereby authorized to consider and determine the claim of Herbert E. Matthews, of Johnson City, Tenn., formerly employed by the Federal Barge Lines, operated by the Inland Waterways Corporation, aboard the steamer Memphis, in the same manner and to the same extent as if application for the benefits of the United States Employees' Compensation Act had been made within the 1-year period required by sections 17 and 20 thereof: Provided, That no benefits shall accrue prior to the approval of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## DR. R. N. HARWOOD

The Clerk called the next bill, S. 2501, for the relief of Dr. R. N. Harwood.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HANCOCK of New York. Mr. Speaker, I object.

## JEWELL MANESS

The Clerk called the next bill, S. 2613, for the relief of Jewell Maness.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That sections 17 and 20 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, are hereby waived in favor of Jewell Maness, widow of Ward W. Maness, deceased, former transfer mail clerk, Union Depot, Jackson, Tenn., and the United States Employees' Compensation Commission is authorized and directed to consider and determine her claim for compensation on account of her husband's death notclaim for compensation on account of her husband's death not-withstanding the limitations in the first paragraph of section 10 of the said act: *Provided*, That compensation, if any, shall com-mence from and after the date of the passage of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### EDWIN C. JENNEY

The Clerk called the next bill, S. 3017, for the relief of Edwin C. Jenney, receiver of the First National Bank of Newton, Mass.

Mr. BLANTON and Mr. TRUAX objected.

#### WE MUST WATCH THESE PRIVATE BILLS

Mr. BLANTON. Mr. Speaker, there has already been paid to the claimant in this case by the United States the huge sum of \$371,025, and I am not willing that it shall take out of the Treasury any further tax money of the people. That was my reason for objecting.

The bill I objected to a moment ago, Calendar No. 910, would have paid out of the Treasury the sum of \$165,284.53. I felt that money should not be paid to this corporation.

Another bill I objected to was the Boston bill, which sought to take out of the Treasury the sum of \$92,781.

I objected to the bill seeking to pay to the Cherokee Fuel Co. the sum of \$20,562.48, because the evidence shows that the Government has already paid this company every dollar that is due them.

We must watch these private bills seeking to take large sums of money out of the Treasury, else it will bankrupt the Government.

Mr. Speaker, at this juncture I ask unanimous consent to extend my remarks to give my reasons for objecting to a number of bills on the calendar.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TRUAX. Mr. Speaker, I make the same request. The SPEAKER. Without objection, it is so ordered. There was no objection.

## H. N. WILCOX

The Clerk called the next bill, S. 3122, for the relief of H. N. Wilcox.

There being no objection, the Clerk read the bill, as fol-

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to H. N. Wilcox, out of any money in the Treasury not otherwise appropriated, the sum of \$119 in full settlement of all claims against the Governsum of \$119 in full settlement of all claims against the Government for hospital and medical expenses incurred as a result of injuries sustained by H. N. Wilcox and Edson Reed in an explosion aboard the gasoline fishing boat Cachalot on December 8, 1933: Provided, That before any payment is made to the claimant, H. N. Wilcox, that reimbursement be made to the Truesdale Hospital, Inc., of Fall River, Mass., and Dr. C. H. Bryant, of Tiverton, R.I., in full satisfaction of all hospital and medical expenses incurred by H. W. Wilcox, and Edson Boats. by H. N. Wilcox and Edson Reed.

With the following committee amendment:

Page 2, line 3, after the word "Reed", insert the following proviso: "Provided further, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to.

The bill as amended was ordere to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### CHARLES E. SECORD

The Clerk called the next bill, S. 3160, for the relief of Charles E. Secord.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Charles E. Secord the sum of \$500, in full settlement of all claims against the Government of the charles are settled threather than the settled threather threathe ment, for injuries received through the negligent operation of a motor vehicle by a prohibition agent working under the Treasury Department of the United States Government: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. And person yieleting the provisions of this cost shall be ing. And person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### ROBERT N. STOCKTON

The Clerk called the next bill, S. 3656, for the relief of Robert N. Stockton.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Robert N. Stockton, out of any money in the Treasury not otherwise appropriated, the sum of \$4,000 in full settlement of all claims against the Government for injuries received on January 7, 1933, while he was assisting Endered and concernent officers in apprehending bootleggers, said stockton being the night marshal of Amory, Miss.: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents attorney or attorneys to except collect with rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## CARLOS C. BEDSOLE

The Clerk called the next bill, S. 1707, for the relief of Carlos C. Bedsole.

Mr. LAMBERTSON. Mr. Speaker, reserving the right to object, and I shall not object, there is a clerical mistake in the calendar, in that Calendar No. 935 is carried as a House bill instead of a Senate bill. It should have been the Senate bill, for the Senate bill has been in the committee for 6 weeks; and I should like recognition. I ask unanimous consent to return to Calendar No. 935 and pass the Senate bill

The SPEAKER. The Chair will recognize the gentleman for that purpose a little later.

There being no objection, the Clerk read the Senate bill. as follows:

Be it enacted, etc., That the Secretary of the Treasury, on certification by the Secretary of the Interior, be, and he is hereby, authorized and directed to pay to Carlos C. Bedsole, of Natchitoches, La., out of any money in the Treasury not otherwise appropriated, such sum, not to exceed \$1,000, as may be found by the Secretary of the Interior to be the fair and reasonable value of all improvements placed by said Bedsole upon lot 5, section 18, township 14 north, range 4 east, Louisiana meridian, prior to the date of final cancelation of his homestead entry, General Land Office serial numbered 01229, which was allowed December 17, 1927, covering said land. 1927, covering said land.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### JOSEPH M. THOMAS

The Clerk called the next bill, S. 3059, for the relief of Joseph M. Thomas, alias Joseph Thomas, alias Thomas O'Donnell.

Mr. BLANTON. Mr. Speaker, this man has entirely too many aliases. I object.

#### HAROLD S. SHEPARDSON

The Clerk called the next bill. S. 2227, for the relief of Harold S. Shepardson.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Harold S. Shepardson, late of Company A, Fourteenth Regiment United States Infantry, shall hereafter be held and considered to have been honorably discharged April 28, 1905, from the military service of the United States: Provided, That no bounty, back pay, pension, or allowances shall be held to have accrued prior to the passage of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### WILLIAM H. CONNORS

The Clerk called the next bill, S. 418, for the relief of William H. Connors, alias John H. Connors, alias Michael W. H. Connors.

Mr. TRUAX. Mr. Speaker, reserving the right to object,

may we have an explanation of the bill?

Mr. MARTIN of Massachusetts. I may say to the gentleman this is a bill that has passed the House on three different occasions. In the past it has gone to the Senate too late to get action. This year Senator Walsh, of Massachusetts, introduced the bill and it has come over to the House. The bill is one where a man had two terms of service in the Regular Army which were satisfactory and won for him an honorable discharge. When he made another enlistment he specified he must be placed in the light artillery instead of the heavy artillery. This was not done and he deserted, and several weeks later reenlisted and again specified he wanted to go into the light artillery.

Mr. BLANTON. Why was it necessary to have three

different aliases?

Mr. MARTIN of Massachusetts. If the gentleman will look at the calendar he will find Connors kept his last name all the time. In the case of one enlistment he dropped the word "Michael."

Mr. O'CONNOR. Mr. Speaker, I shall not object even

though he dropped the "O" off of his name.

Mr. McCORMACK of Massachusetts. Mr. Speaker, I remember this bill very well and I hope the gentleman will

Mr. BLANTON. Since his last name was "Connors" even without an "O" there must be some good in him, so I will not object.

Mr. TRUAX. Mr. Speaker, I withdraw my reservation of objection for the same reason.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers William H. Connors, alias John H. Connors, alias Michael W. H. Connors, who was a member of Battery C, Sixth Regiment United States Field Artillery, Fort Bliss, Tex., shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private of that organization on the 14th day of October 1914: Provided, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## J. B. WALKER

The Clerk called the next bill, S. 3248, for the relief of J. B. Walker.

Mr. BLANTON. Mr. Speaker, I make the point of order on this and the next two bills because they were only printed this afternoon.

Mr. BLANCHARD. That is true, and I am going to object to the hill.

Mr. BLANTON. There has not been a chance to give them any study whatever, and they ought not to be called. I object to all three of them.

The SPEAKER. That finishes the call of the Private Calendar.

#### FRED HERRICK

Mr. PIERCE. Mr. Speaker, I ask unanimous consent to return to Private Calendar No. 849, the bill (S. 250) for the relief of Fred Herrick. A more righteous bill was never put through this body.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

Mr. TRUAX. Mr. Speaker, reserving the right to object, may I have the gentleman state what this bill is?

Mr. PIERCE. This involves the claim for the return of \$50,000 to a man who put it into the Treasury of the United States when it was not due this Government.

Mr. TRUAX. What is the age of the man?

Mr. PIERCE. He is in the seventies. Mr. TRUAX. Has he any dependents?

Mr. PIERCE. Yes. He has a wife. He has a child also in the hospital.

Mr. TRUAX. A child in the hospital?

Mr. PIERCE. Yes.

Mr. TRUAX. A wife and a child?

Yes; he also has other children. Mr. PIERCE.

Mr. TRUAX. If the gentleman will amend the bill and make it \$25,000 I shall not object.

Mr. PIERCE. This is Senator Sterwer's bill. Since we recessed I saw Senator Sterwer, and he says it is a just claim for every dollar.

Mr. BLANCHARD. An amendment would not do any good at this late date.

Mr. PIERCE. Senator Sterwer thinks it should be passed for the full amount. This man did no damage to the Gov-

Mr. TRUAX. That is no reason why the Government should hand him \$50,000.

Mr. PIERCE. They took the money from him illegally. Mr. TRUAX. They took it away from thousands of others and did not refund the money either.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TRUAX. Mr. Speaker, I object.

## WINIFRED MEAGHER

Mr. BLACK. Mr. Speaker, I ask unanimous consent to return to Private Calendar No. 980, the bill (S. 568) for the relief of Winifred Meagher. This bill was passed without prejudice and it came up while I was busy on the other side of the Chamber.

Mr. BLANCHARD. What is Private Calendar 980?

Mr. BLACK. This is a bill to permit the dependents of Dr. Meagher of my county to go to the Court of Claims in order to determine whether or not there is liability on the part of the United States Government for his death.

Mr. TRUAX. How much money is claimed? Mr. BLACK. The bill does not give the amount.

Mr. TRUAX. I know, but how much is claimed?

Mr. BLACK. Dr. Meagher was one of the most prominent physicians in my county. The facts are that he was attending a military exhibition in Pennsylvania on ground controlled by the Government, and while there, a cement pillar fell on him and killed him. This man had a very fine standing. He kept his family in fine circumstances.

Mr. TRUAX. What year was this?

allowed to go to the Court of Claims. They are not asking for an appropriation.

Mr. TRUAX. How much money are they asking?

Mr. BLACK. The bill does not provide that.

Mr. TRUAX. If the gentleman will amend the bill so that it provides \$5,000, I shall not object.

Mr. BLACK. The difficulty with that is if we amend the bill it will be impossible to pass it. I want to put this request on personal grounds to a certain extent. I have done a lot of work on this committee-

Mr. TRUAX. The gentleman wants this bill passed because it is his bill.

Mr. BLACK. I want this bill passed very much.

Mr. BLANTON. Mr. Speaker, there ought to be a limitation here as to the amount that may go to the Court of Claims. This man's legal representatives could go there and claim \$100,000, and there is no limitation whatever upon the amount of damages. If the gentleman from New York will follow the rule that he has adopted in his committee and fix the amount of this claim at a maximum of \$5,000 before going to the Court of Claims, I shall not object.

The SPEAKER. Is there objection?

Mr. BLANTON. I object to the bill in its present form, Mr. Speaker.

Mr. BYRNS. Mr. Speaker, I want to remind the House that under its previous order, as soon as this calendar has been completed, we take up bills on the Speaker's table, and there are about 20 such bills to be considered. I think in fairness to those who are interested in such bills on the Speaker's table we ought to consider them now.

#### STANTON & JONES

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to return to Calendar No. 935. On account of a clerical error the bill is on the calendar as H.R. 2408, when it should be S. 294. This is due entirely to a clerical error, in that the House bill was reported instead of the Senate bill; and I therefore ask unanimous consent to return to this number and consider the Senate bill, S. 294, which is now on the Speaker's table. This was due purely to a clerical error, as the gentleman from Oklahoma [Mr. Cartwright] will testify.

The SPEAKER. Calendar No. 935 is a House bill.

Mr. LAMBERTSON. Yes; and the Senate bill was intended to be reported, as both the gentleman from Oklahoma [Mr. Cartwright] and the gentleman from North Dakota [Mr. Sinclair] will testify, but the Clerk reported my House bill which was before the committee instead of reporting the Senate bill.

Mr. BLANTON. Was the Senate bill passed? Mr. LAMBERTSON. The Senate bill passed the Senate on April 27.

I ask unanimous consent, Mr. Speaker, that the House bill be taken off and the Senate bill be considered in its

Mr. SINCLAIR. Mr. Speaker, it was the intention of the committee to report the Senate bill instead of the House bill.

Mr. BLANCHARD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BLANCHARD. Will not that bill be reached, if it is on the Speaker's table?

The SPEAKER. The House bill has not been taken up at all.

Mr. LAMBERTSON. I understand that, Mr. Speaker, and I purposely let it go by because a Senate bill was intended to be put on the calendar in its place. The Senate bill was passed in April and was reported out 2 weeks ago, but the clerk, instead of reporting the Senate bill, reported my House bill.

The SPEAKER. Is the gentleman discussing a mistake made by the clerk of the committee?

Mr. LAMBERTSON. Yes; the clerk of the Committee on War Claims. The clerk reported out my bill instead of the Senate bill. The intention was to report out the Senate bill,

Mr. BLACK. About 3 years ago. All they ask is to be | and I therefore ask unanimous consent for the present consideration of Senate bill 294.

Mr. TRUAX. I object, Mr. Speaker.

The SPEAKER. The gentleman from Kansas [Mr. Lam-BERTSON ] asks unanimous consent for the present consideration of the Senate bill, S. 294, for the relief of Stanton &

Mr. TRUAX. Mr. Speaker, I withdraw my objection.

There being no objection, the Clerk read the Senate bill. as follows:

as follows:

Be it enacted, etc., That whereas, due to conditions brought about by the late war with Germany, Stanton & Jones suffered losses in performing revetment work at Pellican Bend, Mo., under contract with the Engineers' Office, dated June 12, 1918; and whereas, because of equitable and moral considerations, it is the intention of Congress that the said Stanton & Jones shall be reimbursed for whatever losses and/or damages were suffered by them in performing the work in question begun during the period of the late war with Germany, the said claim is hereby referred to the Court of Claims of the United States to be adjudicated upon the basis of such losses and/or damages with instructions to determine from the evidence already submitted, and such additional evidence as either party may desire to submit, the amount of any such losses and/or damages, and the said court is hereby given jurisdiction and instructed to render judgment for the amount of such losses and/or damages as may be found to have been suffered by the said Stanton & Jones in the performance of the said work begun during the late war with Germany: Provided, That suit shall be brought in said court withing 4 months from the date suit shall be brought in said court withing 4 months from the date suit shall be brought in said court withing 4 months from the date suit shall be brought in said court withing 4 months from the date suit shall be brought in said court withing 4 months from the date. work begun during the late war with Germany: Provided, That suit shall be brought in said court within 4 months from the date that this act becomes effective.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider and a similar House bill, H.R. 2408, were laid on the table.

#### ORDER OF BUSINESS

Mr. BYRNS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BYRNS. Under the order of the House at the beginning of the session today for the consideration of Senate bills on the Speaker's table where a similar bill is upon the Private Calendar, to be called after the conclusion of consideration of bills on the Private Calendar, will those bills be called in their order by the Clerk beginning at the star?

The SPEAKER. They will be called in their order. The Clerk will call the first of the Senate bills on the Speaker's

## CHEROKEE FUEL CO.

Mr. SHANNON. Mr. Speaker, I ask unanimous consent to return to Private Calendar No. 903, the bill (S. 2871) giving jurisdiction to the Court of Claims to hear and determine the claim of the Cherokee Fuel Co.

Mr. HOPE. Mr. Speaker, reserving the right to object, what is this bill?

Mr. BLACK. This is the bill that the gentleman from Ohio objected to because he misapprehended the situation.

Mr. HOPE. Mr. Speaker, reserving the right to object, I should like to have the gentleman explain the bill.

Mr. SHANNON. It is a dispute over a sale of coal under a Government contract for the War Department, and all they want to do is to have the matter heard in the Court of Claims.

The SPEAKER. Is there objection to returning to Private Calendar No. 903?

Mr. HOPE. Mr. Speaker, I am reserving the right to object, until the gentleman can explain the bill.

Mr. GLOVER. Mr. Speaker, I demand the regular order. Mr. BLANTON. Mr. Speaker, I object to returning to Private Calendar No. 903.

## ARTHUR BUSSEY

Mr. UMSTEAD. Mr. Speaker, I ask unanimous consent to return to Calendar No. 863, S. 2357, for the relief of Arthur Bussey.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, I object to returning to any number until we have finished this calendar.

Mr. BLANTON. Mr. Speaker, this bill involves \$29,000. Mr. UMSTEAD. Will the gentleman reserve his objection and let me make an explanation? I want to say at the outset that I have no interest in this bill. The gentleman for whose relief this bill is proposed does not live in my

district or in my State. But as a member of the War Claims Committee, I endeavored to look into the merits of this claim. I want to urge gentlemen who have objected to the bill to give it their attention before they object again. I wish they would read the report before they interpose an

During the war, under the right of condemnation possessed by this great Nation of ours, the Government went into the State of Georgia and condemned the property of a citizen of that Commonwealth who owned 1,782 acres of land. Among other things, he operated a creamery, a nursery, a dairy, and necessarily in the operation of that tremendous plant there was considerable personal property. The United States Government took charge of it completely and did not give the owner of the property an opportunity to remove his personal property from the farm.

Much of it was destroyed-his hogs, his cattle, his hoes, pitchforks, tools of every kind, and everything he had that could be used by the Government was taken and used.

Mr. BLANTON. Right there, I want to call attention to the fact that the War Department by its Secretary, George Dern, says this: "By reason of the consideration herein set forth, the War Department is unequivocally opposed to the legislation embodied in this bill." Does the gentleman think we are going to pass a bill when the Secretary of War says that he is unequivocally opposed to the legislation?

Mr. TRUAX. And it goes back 16 years.

Mr. BLANTON. And it goes back 16 years at a cost to the taxpayers of \$29,000, and I object.

Mr. COX. Will the gentleman withhold his objection? I think the gentleman from Texas is speaking of one bill and the gentleman from North Carolina of another bill.

Mr. UMSTEAD. The gentleman from Texas is not discussing this bill. There is no such statement from the Secretary of War in the report on the bill now being considered.

Mr. BLANTON. Well, I want to know how we can know which bill is under consideration when there is so much confusion on the floor of the House.

Mr. UMSTEAD. We are discussing Calendar No. 863. The SPEAKER. Is there objection?

Mr. TRUAX. I object.

Mr. UMSTEAD. Will not the gentleman withhold that until I can make a further explanation?

Mr. TRUAX. Mr. Speaker, I would say to the gentleman that thousands of citizens of this country have suffered losses. There is no lobby organized to press claims for them.

Mr. MOTT. Mr. Speaker, I demand the regular order.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, I object.

Mr. COX. Mr. Speaker, was the objection just offered made to House bill 863 or to a different bill? As I understand it, it was made to a different bill.

The SPEAKER. The objection was to returning to Calendar 863. The Clerk will call the first bill on the Speaker's table, commencing with the star.

## ROBERT RAYL

The Clerk called the bill (S. 3562) for the relief of Robert Rayl.

The SPEAKER. Is there objection?

Mr. BLANCHARD. Mr. Speaker, I reserve the right to object. How much does this bill carry?

Mr. ROBINSON. It does not carry anything. This bill is just to clear title to a farm.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to issue patent to Robert Rayl on desert-land entry, Blackfoot, Idaho, no. 039881, entered by him November 17, 1925, for the northwest quarter and the west half southwest quarter section 15, township 11 south, range 17 east, Boise (Idaho) meridian.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill, H.R. 5419, was laid on the table.

CARLO DE LUCA

The Clerk called the bill, S. 2806, to confer jurisdiction on the Court of Claims to hear and determine the claim of Carlo de Luca.

The SPEAKER. Is there objection?

Mr. ZIONCHECK. Mr. Speaker, I object. Mr. O'CONNOR. Mr. Speaker, will the gentleman with-hold his objection? This is merely a bill to confer jurisdiction on the Court of Claims to hear and determine this claim.

Mr. ZIONCHECK. I withdraw my objection.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the Court of Claims of the United States be, and it is hereby, given jurisdiction to hear and determine the claim of Carlo de Luca, and to award him just compensation for losses and damages, if any, which he may have suffered through action of the United States Shipping Board Emergency Fleet Corporation in commandeering or requisitioning two certain contracts dated June 25, 1917, which the said Carlo de Luca owned and which he had with the Standard Shipbuilding Corporation of New York for the construction and delivery of two certain ships designated as "hulls 12 and 13"; and to enter decree or judgment against the United States for such just compensation, if any, notwithstanding the bars or defenses of any alleged settlement or adjustment heretofore made or of res alleged settlement or adjustment heretofore made or of res judicata, lapse of time, laches, or any statute of limitation: Provided, however, That the United States shall be given credit for any sum heretofore paid the said Carlo de Luca by reason of said action of the United States Shipping Board and/or the United States Shipping Board Emergency Fleet Corporation.

SEC. 2. Such claim may, under section 1 of this act, be instituted at any time within 4 months from the approval of this act. Proceedings in any suit brought in the Court of Claims under this act, appeals therefrom, and payment of any judgment therein shall be had as in the case of claims over which such court has jurisdiction under section 145 of the Judicial Code, as amended.

Mr. BLANCHARD. Mr. Speaker, I move to strike out the last word. I do this to say that unless order can be maintained so that we can hear what is going on, there will be no more private bills passed tonight.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

A similar House bill. H.R. 7824, was laid on the table.

RELIEF OF RIPARIAN OWNERS, MARSHALL COUNTY, MINN.

The Clerk called the bill (S. 1803) for the relief of certain riparian owners for losses sustained by them on the drained Mud Lake bottom in Marshall County in the State of Minnesota.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, I reserve the right to object. I should like to know what this bill is about.

Mr. KVALE. Mr. Speaker, the bill is for the payment of damages and for riparian rights to certain owners of land on a dry lake bottom, who were the victims of a mistaken opinion rendered by the Attorney General to the Secretary of the Interior stating that these were public lands.

Squatters came in and did great damage to the land and owners thereof. The actual owners for a number of years have kept up their taxes. Eventually the matter went to the Supreme Court of the United States, where a ruling was made in favor of the landowners, and this is a belated effort to bring them some measure of justice.

It is recommended by the Department of the Interior. There is no objection to the bill.

I must regretfully say, in good faith to the Committee on the Public Lands, some minor amendments were offered at the time the bill was favorably reported, so, at the risk of endangering the fate of the measure in these closing hours, I shall ask to substitute the House language, in accordance with the desire of the Public Lands Committee, and then take my chances on trying to have the bill go through the Senate, as amended by us, in these last minutes.

Mr. TRUAX. What is the amount of money involved? Mr. KVALE. Thirty-seven thousand dollars.

Mr. TRUAX. Mr. Speaker, I have heretofore objected to | all bills of \$20,000 and over. I am sorry that I shall have to object to this.

Mr. KVALE. But this is recommended by the Depart-

Mr. TRUAX. When were these claims incurred; what

Mr. KVALE. They were back about 1915. The action of the Supreme Court was in 1925.

Mr. TRUAX. I am opposed to going back and paying claims originating in 1915, when we provide no means for raising the revenue with which to pay the claim.

Mr. KVALE. But the Committee on Public Lands approves this.

Mr. TRUAX. The Committee on Public Lands does not raise revenue.

Mr. KVALE. But the Department will offer no objection to the passage of the bill.

Mr. TRUAX. No; they will not, but how will the money be raised?

Mr. KVALE. But, oh, the gentleman ought not to take it out of these poor people.

Mr. TRUAX. Oh, 95 percent of the people are poor.

Mr. KVALE. Do not take it out of these people.

Mr. TRUAX. How many people are involved? Mr. KVALE. Several families; they are enumerated in the bill and the final disposition is left to the approval and satisfaction of the Secretary of the Interior.

Mr. AYERS of Montana. These are people whose lands

had been taken away from them.

Mr. TRUAX. Let us take care of all of them.

Mr. BOILEAU. Will the gentleman yield?

Mr. TRUAX. I yield.

Mr. BOILEAU. This is not a claim of \$37,000 for one person. There are a number of people who individually have a number of small claims, which all together amount to \$37,000.

Mr. KVALE. Exactly, and I am profoundly grateful to my friend from Wisconsin for his clear and helpful

Mr. TRUAX. Then the \$37,000 does not go to any one private individual or banking corporation?

Mr. BOILEAU. No. Mr. BLANTON. This is the first time I have ever seen the gentleman from Ohio outtalked.

The SPEAKER. Is there objection?

There was no objection.

Mr. KVALE. Mr. Speaker, I move to strike out all after the enacting clause in the Senate bill and insert the House bill, H.R. 8004, in lieu thereof.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized to pay, out of any money in the Treasury not otherwise appropriated, and the appropriation of which is hereby authorized, the following sums of money to the following persons or their heirs, assigns, or legal representatives: A. N. Eckstrom, \$2,792.25; Margit Vaule, \$3,894.80; Bernard Larson, \$57.24; K. O. Flakne, \$1,027.20; L. M. Larson, \$31.64; Mrs. Gusta Petterson, \$870.57; Ava Luella Dale, \$2,031.33; Elmer Odie, \$2,638.03; George E. Olson, \$2,325.35; J. M. Silberstein, \$1,860.28; Peter Christianson, \$786.84; R. Rierson, \$983.55; Ruth Lyons Rose, \$196.71; Mary C. Moran, \$334.24; Clarence Larson, \$1,337.01; Mrs. O. B. Johnson, \$528.01; Christian Burckland, \$1,370.88; Karen Knutson, \$507.60; Engelvet \$334.24; Clarence Larson, \$1,337.01; Mrs. O. B. Johnson, \$028.01; Christian Burckland, \$1,370.88; Karen Knutson, \$507.60; Engebret S. Moe, \$1,015.20; Nels A. Fosen, \$064.50; Christian Larson Ring, \$289.20; Elizabeth Risberg, \$3,128.53; Axel Nelson, \$3,620.30; G. F. Cashman, \$301.69; D. B. Bakke, \$3,482.70; and Frank W. Erickson, \$1,030.68. The sums of money paid under the authority hereof shall be in full and final settlement of all debts, demands, and claims of the persons receiving the same and of their heirs, assigns, or legal representatives against the United States on account of or legal representatives against the United States on account of the losses sustained by them through the opening up of their lands on the drained Mud Lake bottom in Marshall County in said State of Minnesota to homestead entry.

## Amendment offered by Mr. KVALE:

Strike out all after the enacting clause and insert in lieu thereof the following: "That the Secretary of the Treasury is authorized to pay, out of any money in the Treasury not otherwise appropriated and the appropriation of which is hereby authorized, not to exceed the following sums of money, if their claims are properly adjusted to the satisfaction of the Secretary of the Interior, to the following persons, or their heirs, assigns, or legal

representatives: A. N. Eckstrom, \$2,792.25; Margit Vaule, \$3,894.80; Bernard Larson, \$57.24; F. H. Wellcome Co., \$1,027.20; L. M. Larson, \$31.64; Mrs. Gusta Petterson, \$580.38; Ava Luella Dale, \$2,321.52; Elmer Odie, \$2,638.08; George E. Olson, \$2,325.35; J. M. Silberstein, \$1,860.28; R. Rierson, \$1,770.39; Ruth Lyons Rose, \$196.71; Clarence Larson, \$1,671.26; Mrs. O. B. Johnson, \$528.01; Christian Burckland, \$1,870.88; Karen Knutson, \$1,522.80; Nels A. Fosen, \$964.50; Christian Larson Ring, \$289.20; Elizabeth Risberg, \$3,-128.58; Axel Nelson, \$3,620.30; G. F. Cashman, \$301.69; D. B. Bakke, \$3,482.70; and Frank W. Erickson, \$1,030.68.

The amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

CARL LINDOW, ALIAS CARL LINDO

The Clerk called the next bill, S. 2673, for the relief of Carl Lindow, alias Carl Lindo, deceased, a similar House bill, H.R. 7365, being on the calendar.

Mr. BLANCHARD. Mr. Speaker, I object.

#### FREDERICK G. BARKER

The Clerk called the next bill, S. 379, for the relief of Frederick G. Barker, a similar House bill, H.R. 5021, being on the calendar.

There being no objection, the Clerk read the Senate bill. as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Frederick G. Barker, of Cleveland, Ohio, the sum of \$3,000 in full settlement of all claims against the Government of the United States for injuries received November 14, 1919, when a United States mail truck collided with him.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

#### MICHAEL ILITZ

The Clerk called the next bill, S. 3499, for the relief of Michael Ilitz, a similar House bill, H.R. 6280, being on the

The SPEAKER. Is there objection?

Mr. HOPE. Reserving the right to object, will the gentleman please explain this bill?

Mr. JAMES. This is a bill to put Michael Ilitz on the retired list. There is a long letter from the War Department, but I will read the last two paragraphs from the letter.

Mr. HOPE. Does the War Department make a favorable recommendation?

Mr. JAMES. The War Department states as follows:

In the last few years as a civilian employee of the War Department he has rendered excellent service to the Government.

The War Department is consistently opposed to special legis-lation of this general character, but in view of the precedent which exists, no objection is interposed to the enactment of this

The War Department, therefore, does not desire to interpose any objection to the enactment of this legislation.

Mr. HOPE. I withdraw my objection, Mr. Speaker. There being no objection, the Clerk read as follows:

Be it enacted, etc., That in the administration of the pension laws or any laws conferring rights, privileges, or benefits upon persons retired from the United States Army Michael Ilitz, who persons retired from the United States Army Michael III.2, who served as master sergeant, Hospital Corps, shall be held and considered to have been retired as captain, military storekeeper, United States Army, on June 28, 1916: Provided, That no pension, pay, or bounty shall be held to have accrued prior to the passage

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

## YELLOW DRIVURSELF CO.

The Clerk called the next bill, S. 3469, for the relief of the Yellow Drivurself Co., a similar House bill, H.R. 2711, being on the calendar.

Mr. BLANTON. Mr. Speaker, I object.

#### ERIK NYLIN

The Clerk called the next bill, S. 2470, for the relief of Erik Nylin, a similar House bill, H.R. 3866, being on the calendar.

There being no objection, the Clerk read the Senate bill,

Be it enacted, etc., That the United States Employees' Compensation Commission is hereby authorized to consider and determine, in the same manner and to the same extent as if application for the benefits of the Employees' Compensation Act had been made within the 1-year period required by sections 17 and 20 thereof, the claim of Erik Nylin, on account of disability caused by his employment in the service of the United States at Elim, Alaska: Provided, That no benefits shall accrue prior to the enactment of this act. ment of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

#### VIRGINIA HOUGHTON

The Clerk called the next bill, S. 1162, for the relief of Virginia Houghton, a similar House bill, H.R. 4916, being on the calendar.

There being no objection, the Clerk read the Senate bill,

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$3,000 to Virginia Houghton, of Chevy Chase, Md., as payment in full for personal injuries sustained by being struck by an automobile driven by Pvt. Cyrus L. Scribner, United States Army, on April 22, 1931, at Washington, D.C.: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

## MARY V. SPEAR

The Clerk called the next bill, S. 1163, for the relief of Mary V. Spear, a similar House bill being on the calendar.

Mr. BLANCHARD. Mr. Speaker, reserving the right to object, can the gentleman from Maryland inform us as to whether the Senate bill has been reported by the committee?

Mr. LEWIS of Maryland. It has.

Mr. BLANCHARD. Is that true also of Calendar Nos. 749 and 751, representing claims growing out of the same accident?

Mr. LEWIS of Maryland. Yes; they are like bills. The Senate has, perhaps, reduced the amounts reported by the House

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$5,000 to Mary V. Spear, of Chevy Chase, Md., as payment in full for personal injuries sustained by being struck by an automobile driven by Pvt. Cyrus L. Scribner, United States Army, on April 22, 1931, at Washington D.C.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill, H.R. 4917, was laid on the table.

## ALICE E. BROAS

The Clerk called the next bill, S. 1161, for the relief of Alice E. Broas.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$2,500 to Alice E. Broas, of Chevy Chase, Md., as payment in full for personal injuries

sustained by being struck by an automobile driven by Pvt. Cyrus L. Scribner, United States Army, on April 22, 1931, at Washington, D.C.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider and a similar House bill (H.R. 4918) were laid on the table.

#### INGRAM-DAY LUMBER CO.

The Clerk called the next bill, S. 854, for the relief of the Ingram-Day Lumber Co.

Mr. BLANTON. Mr. Speaker, I object.

Mr. COLMER. Mr. Speaker, will the gentleman withhold his objection?

Mr. BLANTON. I withhold my objection to permit the gentleman to make an explanation.

Mr. COLMER. I should like to know the grounds of the gentleman's objection. I may say to the gentleman from Texas that this bill is for damages growing out of the furnishing of certain war materials to the contractor who was building tug boats.

The Supreme Court of the United States has fixed the amount to which this claimant was entitled at \$42,000.

Mr. BLANTON. If they were entitled to only \$42,000, why was the bill introduced claiming \$53,000?

Mr. COLMER. The difference represents interest. The bill was introduced by my predecessor. The interest item was eliminated in the committee with my approval.

Mr. BLANTON. What does the Department say about this bill?

The Department's representative was Mr. COLMER. before the committee.

Mr. BLANTON. What does the report from the Department state; is it favorable or is it unfavorable?

Mr. COLMER. I would not say as to that. The Department had its representative before the committee.

Mr. BLANTON. Mr. Speaker, may I ask my colleague from Texas [Mr. PATMAN] if he has personally investigated this case?

Mr. PATMAN. I have.

Mr. BLANTON. And the gentleman is satisfied that the claim is meritorious?

Mr. PATMAN. Yes.

Mr. TRUAX. Mr. Speaker, I object.

## GRIER-LOWRENCE CONSTRUCTION CO.

The Clerk called the next bill, S. 3394, for the relief of the Grier-Lowrence Construction Co., a similar House bill being on the calendar.

Mr. HOPE. Mr. Speaker, I object.

## SQUAW ISLAND FREIGHT TERMINAL CO.

The Clerk called the next bill, S. 3482, conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on the claim of Squaw Island Freight Terminal Co., Inc., of Buffalo, N.Y., against the United States in respect of loss of property occasioned by the breaking of a Government dike on Squaw Island, a similar House bill being on the calendar.

Mr. TRUAX. Mr. Speaker, I object.

## MOUNT M'KINLEY NATIONAL PARK

The Clerk called the next bill, S. 2238, to provide for the payment of damages to certain residents of Alaska caused by reason of extending the boundaries of Mount McKinley National Park, a similar House bill being on the calendar.

Mr. TRUAX. Mr. Speaker, I object.

Mr. DIMOND. Mr. Speaker, will the gentleman withhold his objection.

Mr. TRUAX. I withhold the objection.

Mr. DIMOND. Mr. Speaker, this is a bill to enable certain residents of Alaska to present claims to the Government.

Mr. TRUAX. When did the claims originate? Mr. DIMOND. In 1932. We merely ask permission, Mr. Speaker, if I may be permitted to address the House, to present the claims to the Secretary of the Interior for adjudication and then either the Government or the claimants may sue in the Court of Claims. It simply gives these people a chance to present their claims; and it will be the only chance they will ever have. The action is taken promptly.

Mr. TRUAX. On page 4 of the report I notice the Department states that for reasons stated the Department is opposed to the enactment of this bill, signed by the Acting Secretary of the Treasury.

Mr. DIMOND. Yes, Mr. Speaker. We went to the Department and asked them to take jurisdiction of the claims but they said they could not because they did not have jurisdiction. The only thing we can do is to present this bill. It looks as though we have been given the run-around.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to ascertain and determine, either from such investigations as he has heretofore caused to be made, or in such investigations as he has heretofore caused to be made, or in any other manner he may deem necessary, the amount of property losses and damages, if any, sustained by C. L. Plumb, D. E. Stubbs, and other residents of Alaska, who are citizens of the United States and property owners within the area included within the boundaries of Mount McKinley National Park under and by virtue of the act of Congress entitled "An act to revise the boundary of the Mount McKinley National Park, in the Territory of Alaska, and for other purposes", approved March 19, 1932 (Public, No. 63, 72d Cong.). Such determination by the Secretary of the Interior shall be made only after the persons claiming to have sustained such property losses and damage shall have filed claims for the same with the Secretary: Provided, however, That all such claims shall be filed within 90 days after the date of the enactment of this act. enactment of this act.

enactment of this act.

SEC. 2. The Secretary of the Interior shall, as soon as possible after the expiration of the period for filing such claims, determine the amount of such losses and damage and shall advise each claimant in writing by registered mail of his determination, and any claimant shall have the right, within 6 months after the receipt of such advice regarding his determination, to appeal from the decision and determination of the Secretary to the United States Court of Claims, and the Court of Claims is hereby given invisidation to hear said anneal to judgment.

States Court of Claims, and the Court of Claims is hereby given jurisdiction to hear said appeal to judgment.

SEC. 3. There is hereby authorized to be appropriated the sum of \$75,000, or so much thereof as may be necessary, for the purposes of this act, and the Secretary of the Interior is hereby directed to cause payment to be made of the sums determined by him, or by the United States Court of Claims on appeal from his determination, to be due to the respective claimants. Such payments shall be made upon such vouchers as the Secretary may prescribe

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider, and a similar House bill, H.R. 6177, were laid on the table.

## MORGAN DECORATING CO.

The Clerk called the next bill, S. 3516, for the relief of the Morgan Decorating Co., a similar House bill being on the calendar.

There being no objection, the Clerk read the Senate bill, as follows:

as follows:

Whereas the United States, acting through the Bureau of Indian Affairs, Department of the Interior, in the fall of 1930, entered into a contract with certain persons doing business under the name of Morgan Decorating Co., residing at Devils Lake, NDak., in which the said Morgan Decorating Co. was employed to do certain painting and decorating in connection with the construction of a hospital, school, and nurses' home at the Turtle Mountain Indian Agency, Belcourt, NDak., and in such agreement and contract the said Morgan Decorating Co. were requested and directed to hold their entire force in readiness, not only to complete such work at said agency but additional work of like kind in connection with the construction and repair of various buildings in other parts of the country under the jurisdiction of the Bureau of Indian Affairs; and

Whereas the said Morgan Decorating Co. relied upon such agreement and accepted such instructions in good faith and declined other contracts and labor and held themselves in readiness at all times to perform work that might be assigned to them in accordance with such contract for a period of 4½ months; and

Whereas the Bureau of Indian Affairs thereafter, without excuse or justification, failed in all respects to carry out the terms of said contract and failly refused to permit the said Morgan.

whereas the Bureau of Indian Affairs thereafter, without excuse or justification, failed in all respects to carry out the terms of said contract and finally refused to permit the said Morgan Decorating Co. to perform the work, or any part of it, covered by said contract, although they, the Morgan Decorating Co., stood ready, able, and willing at all times to perform the same, with the result that said Morgan Decorating Co. was left without employment or other work for a period of 4½ months, all through no fault on their part; and

employment or other work for a period of 4½ months, all through no fault on their part; and Whereas the said Morgan Decorating Co. sustained a loss by reason of such breach of contract in the sum of \$6,912: Therefore Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Morgan Deco-

rating Co., of Devils Lake, N.Dak., the sum of \$5,000 in full settlement of all claims against the United States for damages sustained the total claims against the United States for damages sustained by the said Morgan Decorating Co. by virtue of the breach on the part of the United States of a contract made and entered into between the Bureau of Indian Affairs and said Morgan Decorating Co. in the fall of 1930 for certain painting and decorating in connection with the construction of a hospital, school, and nurses' home at the Turtle Mountain Indian Agency, Relegant N Dek Belcourt, N.Dak.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar bill, H.R. 1213, was laid on the table.

#### C. B. DICKINSON

The Clerk called the next bill, S. 1895, for the relief of C. B. Dickinson, a similar House bill being on the calendar. Mr. TRUAX. Mr. Speaker, I object.

## OFFICERS AND EMPLOYEES OF THE FOREIGN SERVICE

The Clerk called the next bill, S. 380, for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of catastrophes of nature, a similar House bill being on the calendar.

Mr. BLANTON. Mr. Speaker, I object.

#### ALICE F. MARTIN

The Clerk called the next bill, S. 2810, for the relief of Alice F. Martin, widow, and two minor children, a similar House bill being on the calendar.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby authorized to pay, out of any money in the Treasury not otherwise appropriated, to Alice F. Martin the sum of \$1,800, being the gratuity of 6 months' pay for the support of said Alice F. Martin, widow, Elizabeth Ruth Martin, and Catherine Mary Martin, minor children, of the late George F. Martin, captain, Emergency Officers' Reserve Corps, who died at Walter Reed Hospital May 31, 1919.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill, H.R. 8614, was laid on the table.

PUBLIC SERVICE COORDINATED TRANSPORT OF NEWARK

The Clerk called the next bill, S. 1084, authorizing adjustment of the claim of the Public Service Coordinated Transport of Newark, N.J., a similar House bill being on the calendar.

Mr. BLANTON. Mr. Speaker, I object.

## ULDRIC THOMPSON, JR.

The Clerk called the next bill, S. 1382, for the relief of Uldric Thompson, Jr., a similar House bill being on the

Mr. TRUAX. Mr. Speaker, reserving the right to object, the gentleman from New York wishes to explain this bill. What amount is sought to be recovered?

Mr. O'CONNOR. Two thousand dollars.

There being no objection, the Clerk read the Senate bill. as follows:

as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the Court of Claims of the United States, notwithstanding the lapse of time or the statute of limitations, to hear, determine, and render judgment under the act of July 1, 1918 (40 Stat.L., ch. 114, pp. 704, 705), on the claim of Uldric Thompson, Jr., for the use of, or the manufacture by the United States without license of the owner thereof, or the lawful right to use or manufacture war material under certain inventions of said Uldric Thompson, Jr., described in or covered by Letters Patent Nos. 1237362 and 1255836, respectively: Provided, That the records of the War Department as to such manufacture and use under these patents shall be available to the court and to the claimant: Provided jurther, That from any decision in any suit prosecuted under the authority of this act an appeal may be taken by either party as is provided for by law in other cases.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 1122) was laid on the table.

#### J. A. TIPPIT ET AL.

The Clerk called the next bill, S. 3517, authorizing the Court of Claims to hear, consider, adjudicate, and enter judgment upon the claims against the United States of J. A. Tippit, L. P. Hudson, Chester Howe, J. E. Arnold, Joseph W. Gillette, J. S. Bounds, W. N. Vernon, T. B. Sullivan, J. H. Neill, David C. McCallib, J. J. Beckham, and John Toles, a similar House bill being on the calendar.

Mr. BLANCHARD. Mr. Speaker, reserving the right to

object, may I ask what the bill is all about?

Mr. ROGERS of Oklahoma. This is a jurisdictional bill. It does not grant any sum at all. It just asks that the court be given jurisdiction.

Mr. BLANCHARD. What amount is involved?

Mr. ROGERS of Oklahoma. There is no amount stated in the bill. It has to be settled by the court.

Mr. BLANCHARD. What are they claiming?

Mr. ROGERS of Oklahoma. Whatever the court allows. Mr. BLANCHARD. That might be a nickel, but the gen-

tleman must have some idea of the amount involved. Mr. ROGERS of Oklahoma. It is not stated in the bill.

Mr. BLANCHARD. Well, I ask that it go over. The SPEAKER. Is there objection?

Mr. BLANCHARD. I object.

#### GRIER-LOWRENCE CONSTRUCTION CO.

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to return to Private Calendar No. 795, the bill (H.R. 7170) for the relief of the Grier-Lowrence Construction Co.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. HOPE. Mr. Speaker, reserving the right to objectand I shall interpose no objection to returning to this bill in order to enable the gentleman from North Carolina to explain it-however, I want to reserve the right to object to the bill.

Mr. BLANTON. We went into it very carefully. It involves \$74,000.

Mr. HOPE. It involves an expenditure of \$74,000.

Mr. BLANTON. Does the Department recommend against it?

Mr. HOPE. The Department does not recommend it either. I am not objecting to returning to the bill, but I am reserving my objection to considering the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to substitute the Senate bill, S. 3394, for the House bill 7170. The Senate passed a similar Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. DOUGHTON. This bill was considered by the Committee on the Judiciary and has a unanimous report. It was reported unanimously by the Claims Committee of the Senate and has passed the Senate, and there is no objection to it by the Secretary of the Interior. It is a claim of the Grier-Lowrence Construction Co. in connection with the construction of the Memorial Bridge. The claim is for money lost where it was clearly shown that the fault was the fault of the Government and not the contractor. A reading of the report will fully prove that.

Mr. HOPE. May I ask the gentleman if it is not a fact that the Arlington Memorial Bridge Commission has turned this claim down at least twice after having given it full consideration?

Mr. DOUGHTON. They turned it down on a legal tech-

Mr. BLANTON. There was a unanimous committee report on the bill?

Mr. DOUGHTON. It was unanimously reported. Mr. BLANTON. And there were some awfully good lawyers on that committee?

Mr. DOUGHTON. Yes. The contractors went broke. One of the contractors lost his home as a result of the Government failing to carry out its part of the contract.

When the company first moved in with their equipment to begin work they found another company occupying the site and they were compelled to move away, and after they had moved to another place they were called back. They were hampered in every way, and this claim does not cover half of their losses. I therefore hope the gentleman will not object.

Mr. HOPE. Has the gentleman from North Carolina given careful study to this bill personally?

Mr. DOUGHTON. I have given it diligent study, repeatedly, and I have no doubt in the world about its merits.

Mr. HOPE. And the gentleman is thoroughly familiar with all the facts in connection with the case?

Mr. DOUGHTON. I am.

Mr. HOPE. And is willing to state he regards this as a just and fair claim against the Government?

Mr. DOUGHTON. I am willing to state on my personal responsibility that I have not the slightest doubt about its being absolutely just.

Mr. HOPE. Mr. Speaker, in view of the gentleman's excellent explanation of the bill, I withdraw my objection.

#### AMERICAN SCHOOLS FACE CRISIS

Mr. LUNDEEN. Mr. Speaker, reserving the right to object, I want the RECORD to show that I oppose adjournment of this Congress until we have made adequate provision for our schools, colleges, and universities, and adequate appropriations for the educational system of our country, by no means forgetting the students themselves.

#### FEDERAL AID FOR SCHOOLS

Officials of the American Federation of Teachers inform me that over a hundred million dollars is owing to teachers in this country at the present time. This House has passed an amendment to the loans to industry bill giving the Reconstruction Finance Corporation power to loan "upon full and adequate security" up to \$75,000,000 to school districts or other similar public-school authorities "for the purpose of payment of teachers' salaries." This is not a grant; it is a loan which has to be repaid. And it is for overdue salaries alone; it makes no provision for the opening of schools next fall. It does not even cover the entire debt to the teachers alone.

## SCHOOLS ARE CLOSING BY THE THOUSANDS

But even if this debt to teachers were covered by this amendment, we would still be faced with the fact that about 2,600 rural schools failed to open last fall, and no one knows how many more will remain closed next September. On January 1 last the National Education Association estimated that about 20,000 schools would be closed by April 1, 1934. The entire cost of schools, including salaries, buildings, and all other expenses, amounts to less than 3 percent of the entire national income. Even under the guise of economy no one can attempt to justify the demobilization of our schools.

## WE MUST STAY ON THE JOB IN THIS CRISIS

If we adjourn and go home now without standing by education, we shall have failed miserably in our duty to our schools, colleges, and universities, our teachers, our children, and the future of this Nation. We must do more than pay the teachers, more than open the schools We must provide for a new program of expansion and improvement in our whole educational system, from the primary grades to graduate university courses. Schools must be kept abreast with the times, and students must be given an opportunity to vision the future.

## AMERICAN STUDENTS MUST BE AIDED

We should take time to deliberate on the possibilities of setting up a Government credit system for students who wish to attend schools, colleges, and universities and have not the financial means to do so. Such a system would revive the hopes and ambitions of thousands of young men and women whose dreams for higher education have crashed on the rocks of economic disaster.

For the past 6 months we have been buried in a mass of legislation by which we have tried to dig this country out

of an abyss. But if in our zeal to provide the bare physical necessities of life we overlook the mental development of our people-if we forget education-then we may plunge into darkness for centuries to come. Even though all our present physical necessities may be provided, education is our hope for the future.

UNITED STATES BUREAU OF EDUCATION GIVES STARTLING STATISTICS

On January 15, 1934, in a speech on the floor of the House, I called to the attention of Members of this House the startling facts and figures published by the United States Bureau of Education, proving beyond a doubt that our schools are in danger of collapse. We may adjourn tonight and go home, but sooner or later we shall have to face the fact that we are gradually demobilizing our American schools, colleges, and universities. I shall not detain the Members of this House tonight to elaborate upon the figures which I quoted in my speech on January 15. They can be found in the Congressional Record. I say to the Members of this House that I am opposed to adjourning this Congress until we can go home and tell our people that their teachers will be paid and their schools will open next fall.

#### LET US HAVE TEAMWORK BEFORE IT IS TOO LATE

Congress may adjourn but I will not give up the ship. I will remain in Washington until I am assured that the Director of Federal Relief Emergency will set aside funds sufficient to protect the finest and best system of schools in all the world, and until our splendid and self-sacrificing corps of teachers are given fair consideration at the hands of those who allot our funds. I will do my best, but I need your cooperation. Let us have teamwork.

#### AMERICAN FEDERATION OF TEACHERS

For information, write Selma M. Borchardt, 1741 Park Road N.W., Washington, D.C. Miss Borchardt is the best informed person on the needs of our teachers and schools I have met in many a day. She is wide-awake, able, and conscientious in her endeavor to protect our system of education. She is on the job in Washington. I want every Congressman within the sound of my voice to rouse the country to the peril that threatens. Save our schools.

There being no objection, the Clerk read the Senate bill, S. 3394. as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to the Grier-Lowrence Construction Co., of Statesville, N.C., out of any money in the Treasury not otherwise appropriated, the sum of \$74,723.97, in full settlement of all claims against the Government of the United States on account of extra work performed by the Grier-Lowrence Construction Co. for which no payments have been made, and deductions imposed under contract dated May 18, 1929, for the construction of foundations for the structures comprising the bridge plaza and water gate of the Arlington Memorial Bridge for the construction of foundations for the structures comprising the bridge plaza and water gate of the Arlington Memorial Bridge project, Washington, D.C.: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## J. A. TIPPIT ET AL.

Mr. ROGERS of Oklahoma. Mr. Speaker, the gentleman has withdrawn his objection to the bill (S. 3517) authorizing the Court of Claims to hear, consider, adjudicate, and enter judgment upon the claims against the United States of J. A. Tippit, L. P. Hudson, Chester Howe, J. E. Arnold, Joseph W. Gillette, J. S. Bounds, W. N. Vernon, T. B. Sullivan, J. H. Neill, David C. McCallib, J. J. Beckham, and John Toles, and I ask unanimous consent to return to that bill, which is Calendar No. 1001.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Court of Claims is hereby authorized to hear, consider, and adjudicate the claims against the United States of J. A. Tippit, L. P. Hudson, Chester Howe, J. E. Arnold, Joseph W. Gillette, J. S. Bounds, W. N. Vernon, T. B. Sullivan, J. H. Neill, David C. McCallib, J. J. Beckham, and John Toles for services rendered and expenses incurred in connection with the identification, enrollment, removed allotment, and subsistence of services rendered and expenses incurred in connection with the identification, enrollment, removal, allotment, and subsistence of Mississippi Choctaw Indians to enable them to acquire citizenship in the Choctaw Nation of Oklahoma, and to render judgment therein in such amount as may be found to be legally or equitably due each claimant, after deducting such sum or sums the claimant may have collected or received from the Indian or Indians benefited by the said services or expenses: Provided, That nothing herein contained shall be construed to create any obligation not heretofore existing in law or equity against the United States in its governmental capacity or as trustee for the individual Indians receiving the benefit of such services and/or expenses: Provided further, That the jurisdiction hereby conferred shall be limited to claims for services rendered and expenses incurred on behalf only receiving the benefit of such services and/or expenses. Provided further, That the jurisdiction hereby conferred shall be limited to claims for services rendered and expenses incurred on behalf only of such Indian or Indians as were enrolled as citizens of the Choctaw Nation under the provisions of the Choctaw-Chickasaw supplemental agreement approved by the act of July 1, 1902, and ratified by the Choctaws and Chickasaws on September 25, 1902 (32 Stat. 641, 651–652), and the provisions of this act shall not be construed as authorizing the consideration or adjudication of any claim for services rendered and expenses incurred on behalf of any claim for services rendered and expenses incurred on behalf of any person not so enrolled.

SEC. 2. No claim herein authorized to be submitted to the Court

SEC. 2. No claim herein authorized to be submitted to the Court of Claims shall be heard or adjudicated by the court unless a petition duly verified by affidavit of the claimant or by his heirs, executors, or administrators, or by his or their agent or attorney, shall be filed within 1 year from the date of this enactment, falling in which the claim shall be forever barred. The petition shall fully set forth the claim, what persons are owners thereof or interested therein, and when, and upon what consideration, such persons became so interested. The petition shall further set forth that no assignment or transfer of said claim or any part thereof or interest therein has been made, except as set forth in the petition; that the claimant is justly entitled to the amount therein claimed from the United States after allowing all just credits and offsets, and that the petitioner believes the facts as stated in the petition are true. The said petition shall contain an itemized statement of the amount or amounts claimed to be due, together with a full accounting for all sums had and received from the Indian or Indians benefited by the services rendered and expenses Indian or Indians benefited by the services rendered and expenses incurred.

SEC. 3. All judgments and decrees entered by the Court of Claims

SEC. 3. All judgments and decrees entered by the Court of Claims under the provisions of this act shall be subject to review by the Supreme Court as provided in section 3 of the act of February 13, 1925 (43 Stat. 936, 939).

SEC. 4. The Attorney General, or his assistants under his direction, shall appear for the defense and protection of the interests of the United States in all actions filed in the Court of Claims under the provisions of this act, with the same power to interpose counterclaims, offsets, defenses for fraud practiced or attempted to be practiced by claimants, and other defenses, in like manner as he is required to defend the United States in other suits in said court.

SEC. 5. That in the hearing of any suit or suits brought in said court under the provisions of this act the Court of Claims is hereby authorized to admit in evidence with such weight as to the court may seem proper all depositions and other competent evidence introduced in evidence and constituting a part of the record in said court in the case entitled "Estate of Charles F. Winton and others against Jack Amos and others", Docket No. 29821.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider and a similar House bill were laid on the table.

## ARTHUR BUSSEY

Mr. UMSTEAD. Mr. Speaker, I ask unanimous consent to return to Calendar No. 863, the Senate bill 2357, for the relief of Arthur Bussey.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Arthur Bussey the sum of \$29,848.93 in full satisfaction of his claim against the United States for damages for loss of, or damage to, personal property consequent upon the taking of his plantation, Riverside, in Chattahoochee County, Ga., for military purposes, under the act of July 2, 1917.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### INGRAM-DAY LUMBER CO.

Mr. COLMER. Mr. Speaker, I ask unanimous consent to return to Private Calender No. 756, the bill (S. 854) for the relief of the Ingram-Day Lumber Co., and for the immediate consideration thereof.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. ELTSE of California. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Mississippi how much is involved in this bill.

Mr. COLMER. Forty-two thousand dollars.

Mr. ELTSE of California. And how old is the claim?

Mr. COLMER. The claim grows out of the World War, but the Shipping Board's attorneys contested the matter for 8 years in the courts and went through to the Supreme Court of the United States to settle the amount, and this is why it has not been adjudicated sooner.

Mr. ELTSE of California. They went through to the Su-

preme Court?

Mr. COLMER. On the question of the amount that was due the claimant by the contractor who had engaged to purchase this timber for the purpose of building these tugs for the Shipping Board.

Mr. ELTSE of California. It has been reduced to judg-

ment?

Mr. COLMER. Yes.

Mr. ELTSE of California. And affirmed by the Supreme Court?

Mr. COLMER. But not as against the United States.

Mr. ELTSE of California. I understand that.

Mr. COLMER. That is the amount of the judgment; yes. Mr. ELTSE of California. I withdraw my reservation of

objection. The SPEAKER. Is there objection to the request of the

gentleman from Mississippi? There was no objection.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Ingram-Day Lumber Co., a Wis-consin corporation, the sum of \$42,789.96, in full satisfaction of consin corporation, the sum of \$42,789.96, in full satisfaction of its claim against the United States Shipping Board Emergency Fleet Corporation and against the estate of Sydney C. McLouth, of Marine City, Mich., for damages arising out of the breach of a contract under which the said Sydney C. McLouth agreed to purchase from the said Ingram-Day Lumber Co. certain lumber which was to be used in the manufacture of tugs for the said United States Shipping Board Emergency Fleet Corporation: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. BLANCHARD. Mr. Speaker, I make the point of order that there is no quorum present. I will withdraw it, however, if we can have order in the House.

The SPEAKER. The House will be in order, and gentlemen will take their seats.

#### J. B. WALKER

Mr. BLANTON. Mr. Speaker, through an error I objected to Calendar No. 1009. It involves only \$300. I thought it was another matter, and I ask unanimous consent to vacate the proceedings and go back to that bill.

The SPEAKER. Is there objection to returning to Calendar No. 1009?

There was no objection.

The Clerk read the bill (S. 3248) for the relief of J. B. Walker, as follows:

Be it enacted, etc., That the Attorney General is authorized and directed to apply to the District Court for the Eastern District of South Carolina for an order to settle, for the sum of \$346.64, the judgment recovered by the United States against J. B. Walker, of Buffton, S.C., as surety upon the appeal bond given in the case of United States against Woodrow Jenkins, such bond having been forfeited because of the willful default of said Woodrow Jenkins, who was subsequently rearrested at an expense to the United States of \$346.64, including the costs of suit to recover judgment on such bond.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. RICH. Mr. Speaker, I make the point that there is no quorum present.

The SPEAKER. The gentleman from Pennsylvania makes the point of order that no quorum is present. The Chair will count.

Mr. RICH. Mr. Speaker, I will withdraw that point of

#### RECESS

Mr. BYRNS. Mr. Speaker, I move that the House stand in recess until 8:15, when the conference report on the Housing bill will be ready.

The motion was agreed to; accordingly (at 7 o'clock and 15 minutes p.m.) the House stood in recess until 8 o'clock and 15 minutes p.m.

#### AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 8 o'clock and 15 minutes p.m.

#### J. B. WALKER

The SPEAKER. The unfinished business is concurring in the Senate amendment to the bill S. 3248.

The Clerk read the Senate amendments as follows:

Page 1, strike out lines 3, 4, and 5 and insert "that the Secretary of the Treasury be, and he is hereby, authorized and directed to accept the sum of \$346.64 in full settlement of."

Mr. SNELL. What bill is that?

Mr. BLANTON. That is the bill that involves \$300. The SPEAKER. The question is on concurring in the amendments.

The amendments were concurred in.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

#### FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H.R. 4444. An act for the relief of Lt. James Floyd Terrell, Medical Corps, United States Navy;

H.R. 4447. An act for the relief of Vertner Tate;

H.R. 4554. An act to amend section 4808 of the Revised Statutes (U.S.C., title 24, sec. 3), to prevent discriminatory reductions in pay of the retired personnel of the Navy and Marine Corps;

H.R. 5122. An act for the relief of William S. Steward; H.R. 5330. An act to amend the act of March 2, 1917, entitled "An act to provide a civil government for Puerto Rico, and for other purposes";

H.R. 5668. An act authorizing the relief of the McNeill-Allman Construction Co., Inc., of W. E. McNeill, Lee Allman, and John Allman, stockholders of the McNeill-Allman Construction Co., Inc., and W. E. McNeill, dissolution agent of McNeill-Allman Construction Co., to sue in the United States Court of Claims;

H.R. 7163. An act for the relief of the D. F. Tyler Corporation and the Norfolk Dredging Co.;

H.R. 7292. An act for the relief of the Boston Store Co. corporation, Chicago, Ill.;

H.R. 8662. An act to modify the operation of the Indian liquor laws on lands which were formerly Indian lands;

H.R. 9233. An act authorizing associations of producers of aquatic products; and

H.J.Res. 376. Joint resolution to provide an appropriation to enable the United States Army to send certain units to participate in the international celebration at Fort Niagara, N.Y.

The message also announced that the Senate had agreed to the following concurrent resolutions:

#### House Concurrent Resolution 47

Resolved by the House of Representatives (the Senate concurring), That when the Senate shall adjourn as of the legislative day of June 6, 1934, and the House of Representatives shall adjourn as of the legislative day of June 15, 1934, they shall stand adjourned sine die.

#### House Concurrent Resolution 48

Resolved by the House of Representatives (the Senate concurring). That notwithstanding the adjournment of the second session of the Seventy-third Congress, the President of the Senate and the Speaker of the House of Representatives be, and they are hereby, authorized to sign any enrolled bill or joint resolution duly passed by the two Houses and which have been examined by the Committee on Enrolled Bills of each House and found truly enrolled. truly enrolled.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1538. An act to amend section 24 of the Judicial Code by conferring on district courts additional jurisdiction of bills of interpleader.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

- S. 60. An act for the relief of Richard J. Rooney;
- S. 86. An act for the relief of A. L. Ostrander;
- S. 255. An act for the relief of John Hampshire;
- S. 365. An act for the relief of Archibald MacDonald;
- S. 488. An act for the relief of Norman Beier;
- S. 740. An act for the relief of William G. Fulton;
- S. 847. An act for the relief of the Nez Perce Tribe of Indians;
  - S. 1258. An act for the relief of Charles F. Littlepage;
- S. 1498. An act authorizing the Secretary of the Interior to pay E. C. Sampson, of Billings, Mont., for services rendered the Crow Tribe of Indians:
  - S. 1526. An act for the relief of Ann Engle;
  - S. 1531. An act for the relief of Elizabeth Buxton Hospital;
  - S. 1585. An act for the relief of the Black Hardware Co.;
- S. 1753. An act for the relief of Marcella Leahy McNerney;
- S. 1803. An act for the relief of certain riparian owners for losses sustained by them on the drained Mud Lake bottom in Marshall County in the State of Minnesota;
  - S. 1901. An act for the relief of William A. Delaney;
  - S. 1998. An act for the relief of the estate of Martin Flynn;
  - S. 2074. An act for the relief of James R. Mansfield;
- S. 2112. An act for the relief of W. H. Key and the estate of James E. Wilson;
  - S. 2141. An act for the relief of Roy Lee Groseclose;
  - S. 2233. An act for the relief of Mildred F. Stamm;
  - S. 2338. An act for the relief of Robert V. Rensch;
  - S. 2467. An act for the relief of Ammon McClellan;
  - S. 2549. An act for the relief of Albert W. Harvey;
- S. 2553. An act for the relief of the Brewer Paint and Wall Paper Co., Inc.:
  - S. 2561. An act for the relief of Robert R. Prann;
- S. 2620. An act for the relief of N. W. Carrington and J. E. Mitchell:
  - S. 2672. An act for the relief of Mabel S. Parker;
  - S. 2720. An act for the relief of George M. Wright;
  - S. 2872. An act for the relief of Marie Louise Belanger;
  - S. 2873. An act for the relief of Stella D. Wickersham;
  - S. 2972. An act for the relief of John N. Knauff Co., Inc.:
  - S. 3122. An act for the relief of H. N. Wilcox;
  - S. 3156. An act for the relief of Mary Angela Moert;
  - S. 3248. An act for the relief of J. B. Walker;
  - S. 3264. An act for the relief of Muriel Crichton; and
  - S. 3486. An act for the relief of George L. Rulison.

The message also announced that the Senate had directed that the bill (S. 3374) to extend the times for commencing and completing the construction of a bridge across Lake Champlain from East Alburg, Vt., to West Swanton, Vt., be returned to the House, in compliance with its request.

### WALES ISLAND PACKING CO.

Mr. McDUFFIE. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 1666) to carry out the findings of the Court of Claims in the case of the Wales Island Packing Co. It is Calendar No. 895. I discussed this bill with several gentlemen who have given it their attention. It is a bill that involves an award by the Court of Claims amounting to \$100,000. The award was made in 1931 to a New York corporation which has built its plant on Canadian soil, and the damages grew out of an award made by the Alaskan Boundary Commission.

Mr. ELTSE of California. Mr. Speaker, I reserve the right to object. Is this the bill that the gentleman from New York [Mr. Hancock] objected to awhile ago?

Mr. McDUFFIE. Yes. I endeavored to find the gentleman. I heard that he had withdrawn his objection.

Mr. ELTSE of California. I was talking to him a few moments ago, and he did not say anything to that effect.

Mr. McDUFFIE. Mr. Speaker, the Court of Claims has passed upon this. These gentlemen have not been negligent in an effort to present their claim to Congress. The only court that could deal with this question is the Court of Claims.

Mr. BLACK. There has been a Court of Claims adjudication on the amount.

The SPEAKER. Is there objection?

Mr. BLANCHARD. Mr. Speaker, I object.

Mr. TRUAX. Mr. Speaker, will the gentleman from Alabama yield?

Mr. McDUFFIE. Yes.

Mr. TRUAX. Is this the bill that I objected to this afternoon, involving the expenditure of \$100,000?

Mr. McDUFFIE. Yes.

Mr. ZIONCHECK. Mr. Speaker, I demand the regular order.

Mr. YOUNG. Mr. Speaker, there has been objection to this bill.

The SPEAKER. Is there objection?

Mr. BLANCHARD. Mr. Speaker, I object.

## DISPOSAL OF SMUGGLED MERCHANDISE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table House Joint Resolution 322, to provide for the disposal of smuggled merchandise, to authorize the Secretary of the Treasury to require imported articles to be marked in order that smuggled merchandise may be identified, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent to take from the Speaker's table House Joint Resolution 322, with Senate amendments thereto, and concur in the Senate amendments. The Clerk will report the Senate amendments.

The Clerk read the Senate amendments, as follows:

Page 2, line 4, after the word "thereof", insert "abroad."
Page 2, line 6, after "United States", insert "in which case it
may be sold abroad."

Mr. RANKIN. Mr. Speaker, I reserve the right to object. What is the object of this resolution? Let me say to the gentleman from Massachusetts that it looks to me as if this is a movement to restrict our foreign trade. If you are going to force every country that ships goods into the United States to mark them in order to hamper the sale of those goods in this country, I am opposed to it.

Mr. McCORMACK. Might I say to my friend that that part of the bill has been stricken out. The marking part is not in the bill.

Mr. RANKIN. Very well.

Mr. McCORMACK. I assure my friend on my honor and on my word that the marking part of the bill is out of the

Mr. RANKIN. Mr. Speaker, I withdraw my objection. Mr. MOTT. Mr. Speaker, if the marking part is out of

the bill what good does it do?

Mr. McCORMACK. Watches are smuggled into this country and they are sold in competition with the domestic product. In one case a lot valued at \$240,000 was sold for \$90,000 and immediately they were advertised in the newspapers as smuggled watches secured May 25, 1934, from the United States Government and sold for \$5, when the duty is \$4.50. This is for the purpose of protecting our domestic watch factories.

Mr. JENKINS of Ohio. This bill is one reported out by

the Ways and Means Committee.

Mr. McCORMACK. Reported out unanimously and passed the House unanimously. This is to concur in minor amendments put on by the Senate.

Mr. MOTT. I withdraw my reservation of objection.

Mr. BLANTON. It is to protect American watchmakers in the United States.

Mr. McCORMACK. Absolutely.

The SPEAKER. Is there objection.

There was no objection.

The SPEAKER. The question is on concurring in the Senate amendments.

The Senate amendments were concurred in.

A motion to reconsider the vote by which the Senate amendments were concurred in was laid on the table.

#### THE HITLER INVASION

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein a speech delivered over the radio by our colleague the gentleman from New York [Mr. Somers] containing extracts and data from Government documents.

The SPEAKER. Is there objection?

There was no objection.

Mr. CELLER. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I include the following speech by Congressman Andrew L. Somers, Sixth District, New York, over WOR, 7:30 p.m., Sunday, June 17, 1934.

#### THE HITLER INVASION

Germany's action in declaring a moratorium on all foreign indebtedness for 6 months not only gives Washington great concern but will also prove a bitter pill to many of the German people in the United States. This moratorium, of course, is the forerunner of complete repudiation. Repudiation at times may inspire our sympathy rather than excite our contempt if the debtor has made an honest and intelligent effort to meet his obligations.

In the case of Germany, however, this sympathy is not justified. Germany has succeeded in disposing of more than one billion dollars' worth of bonds in America. These are held mostly by Americans of German blood who, knowing the reputation for integrity enjoyed by the former German Governments, made the natural mistake of assuming that the new Government inherited similar virtues.

virtues.

This repudiation does not come as a surprise to those who are familiar with Hitler's ambitions and have watched his financial manipulation during the last year. Judging from the reports, he is determined to construct a war machine that staggers our imagination. If we but examine his appropriations for the past year, we will find it shows an increase in military budget of more than \$140,000,000, \$16,000,000 of which went for foreign propaganda. This unwarranted expenditure for gas, armament, and airplanes may very properly be resented by those Americans to whom Germany owes money, for it is their money, and it happens to represent a sum which would pay 15 times over, the annual interest requirements of the German Government's direct obligation to the American people.

requirements of the German Government's direct obligation to the American people.

Under the circumstances, the expenditure of this vast sum in militarizing every phase of German life is indefensible, but the thing that will be resented most by the American people, is the use of millions of dollars belonging to the holders of German bonds to flood the United States with propaganda designed to destroy our institutions, to disrupt our society, and to aline American against American.

Hitler today finds himself without an issue. He has no definite economic plan with which to lead the German people out of the

Helier today finds himself without an issue. He has no definite economic plan with which to lead the German people out of the despair of the depression. Yet his imagination, nourished by dreams of the heroic ages, leads him to use every means to hold control. He waves the sword and wars upon a defenseless group of his own nationals in order to draw attention from his shortcomings and strengthen his own prestige.

To gain financial support from this country, he sends his agents into every city and town to spread by decadent rhetoric, his poisonous propaganda.

agents into every city and town to spread by decadent rhetoric, his poisonous propaganda.

Before his ascension to the chancellorship, we had but 600 Germans on visitors' visas in this country. In the first 8 months of his control, this number increased tenfold. These are the people who are organizing the Friends of New Germany, the D.A.W.A., and other organizations so obnoxious to thoughtful Americans. In this respect, Hitler, whose mind is enslaved by the consciousness of immortal fame, insults the intelligence of our people. If he knew us better, he would realize that we do not

express our nationalism in waves of prejudice. The American people have grown great through tolerance, and the vast majority of them shall always remain true to the tolerant principles upon which this Government was founded, and no movement upon which this Government was founded, and no movement antagonistic to these principles can enjoy any degree of success. Thus it is that the likelihood of Nazi-ism's gaining control in America is indeed remote, but the establishment of un-American organizations created by foreign propaganda can present a formidable problem, especially if these organizations are led by persons lacking a high degree of character and intelligence. When these organizations, inspired by nothing but blind prejudice can take a course in opposition to the interest of their neighbors, they are likely to set up a movement that can seriously interfere with

these organizations, inspired by nothing but blind prejudice can take a course in opposition to the interest of their neighbors, they are likely to set up a movement that can seriously interfere with our progress, and at the same time, provide a constant menace to every decent aspiration of our people.

The congressional committee now investigating the Hitler movement in America, has definitely proved that this movement is not spontaneous, but is carefully planned and directed by the German Government which, as has been stated, appropriated more than \$15,000,000 to sow a racial discord in the United States with the ultimate view of creating Nazi sympathy in this country. This, in itself, is an act of war, and all Germany's pledges of peaceful intention are thereby definitely contradicted. While Hitler's lips speak empty phrases of peace, his hands are busily engaged in building the strongest military system in the world. There is a discrepancy that we may well pause to ponder.

The extent to which the Nazi Government has penetrated influential circles in this country was brought out when it was revealed that the man who was so active in organizing the President's ball, Carl Byoir, has been receiving large sums of money from the German Government as one of its promotion agents. In addition to that, we learn that a retired Slavic priest was supplied funds by the German consul in New York for publishing the anti-Semitic literature.

Consuls in three other large cities were also instrumental in spreading this sort of literature, the purpose of which was to convey a message to the American Christians beseeching them to organize against Americans of Jewish blood because of the many high posts the latter held in our political system. This attempt on the part of a foreign government to aline Americans against Americans, is an impertinence that calls for the strongest con-

high posts the latter held in our political system. This attempt on the part of a foreign government to aline Americans against Americans, is an impertinence that calls for the strongest condemnation, and it places the German Ambassador, Dr. Luther, who is charged with having financed part of this propaganda, in the embarrassing position of finding his usefulness as a friendly representative definitely terminated, there remaining but one way in which to serve the interest of all concerned and that is by the immediate presentation of his resignation.

This congressional committee has performed a splendid service to the American people, by definitely connecting this vicious propaganda with the German Government itself, but so far, only the surface has been scratched. When the whole story is told, I am confident that the Nazi movement in America will be ended forever.

I am confident that the Nazi movement in America will be ended forever.

The attempt to control our National Guard, the establishment of a wide-spread espionage system within our borders, the use of our lecture platforms, our press, our universities, and our schools, and the continuous distribution of libelous literature along with the establishment of more than 20 storm centers in our principal cities, and the attempt to organize storm troops wearing Nazi uniforms, and the movement to gain control of our merchant marine, are only a few of the activities that are so nauseating to our sense of decency. In connection with our merchant marine, I desire to call the attention of the congressional committee to the possibility that Nazi agents, not satisfied with using German steamship lines as a means of transferring agents and propaganda to this country in violation of the immigration and other laws, are also attempting to utilize the United States Steamship Lines for this purpose. My information is that a number of steamers of the United States Lines have a preponderance of Germans in their crews who openly flaunt their Nazi sympathies and don Nazi uniforms upon touching German ports. That during the winter slack season, ships of the United States Lines left our ports undermanned, only to take on Germans who were Nazi at German ports. These additions to the ships' crews were agents who deserted the moment the United States' shores were reached. Furthermore, Jewish employees in the kosher kitchens of the United States Lines have been persecuted by these Nazis.

Inasmuch as the heads of the United States Lines have dis-

Inasmuch as the heads of the United States Lines have disavowed any sympathies with Nazis, and inasmuch as these practices are reported to be continued, it may be thought that they are part of the Nazi propaganda machine in this country.

In the light of what is transpiring, the visit of Dr. Hanfstaengl to this country is a deliberate affront to the intelligence of the American people.

American people.

From past experience with Hitler representatives, it is obvious that the attempt to place Hanfstaengl's visit on a purely personal and unofficial basis is ridiculous. Hanfstaengl is the personal press representative of Adolf Hitler. Read his purely personal press representative of Adolf Hitler. Read his purely personal biography in the twenty-fifth anniversary volume of the Harvard 1909 Class Year Book, and you see that there is no division between his personal and his official life. With the best intentions in the world, and we deny that, Hanfstaengl is still the emissary of the Hitler Government in this country.

We who believe in the freedom of the individual, even when that individual is an enemy of our interests, will not deny Hanfstaengl the right to enter this country, but the members of his class of the body of citizens at large have the right and

should employ the right to make it clear to him that he is an unwelcome visitor with whom self-respecting Americans wish to have no traffic, for this is a peaceful land and we are not inclined to embrace the visitor who seeks to pierce the armor of our contentment.

The history of America is the story of heterogeneous people, working out a common destiny, striving for peace and security, rather than war and conquest. Set-backs there have been in the past, some disintegrating influences may appear in the future, but that a national spirit has at last arrived cannot be longer questioned. To foster this spirit, to protect one another, to live and to let live, and to cooperate for our mutual advantage and our mutual advancement, that is your duty and mine.

PRESIDENT ROOSEVELT AND THE SEVENTY-THIRD CONGRESS

Mr. UNDERWOOD. Mr. Speaker, I ask unanimous consent to address the House.

The SPEAKER. Is there objection?

There was no objection.

Mr. UNDERWOOD. Mr. Speaker, I do not deem it necessary to review extensively the record of President Roosevelt and the Congress. The honest, constructive, and sincere leadership of the man who has occupied the White House since March 4, 1933, in behalf of the average men and women of this country is known in every American home. The American people, loyal, patient, and patriotic, have an abiding faith and hope that progress has been made and a solution will be found for the ills which confront them

#### THE OLD CRITICS AT WORK

With the wonderful and magnificent record of the Roosevelt administration vividly in mind, it is my intention to review briefly the record of the old guard and the old gang that were driven from power in the last election. The new deal of Roosevelt has brought renewed hope and courage to the American people. In our country, it is the privilege of all to freely criticize; however, criticism should be constructive, not destructive. Today this repudiated leadership that wrote the darkest pages in the history of our country is again attempting to deceive and hoodwink the American people. With the express purpose of misleading and concealing the real truth, they are creating a smoke screen to hide their manipulations and trickery. They want the people to forget the 4 years of dreadful ruin behind them. They were the directing brains of the Hoover period that hung over our country like the darkness of night.

This is the same gang that groped along in the dark and asked what could be done to remedy the situation. This is the same old gang of false prophets that caused the financial structure of the Nation to totter, that caused industry to languish, that caused 14,000,000 of patriotic American men and women to be denied their right to work. They were the directing brains of the Hoover period. Do we not have a right to recall the condition of our country when our Government was directed by their leadership and wisdom?

It was their blind, stupid policy in the management of our Government that was responsible in large part for the widespread human misery and suffering in a time not of scarcity but of overabundance and plenty. With the dreadful record of ruin behind them, they warn us against Roosevelt progress. They ask the American people to return them and their discredited leadership to power. The American people were tired of this selfishness; they were tired of this blundering and bungling; they were tired of this misrepresentation of conditions; they were tired of waiting and watching. The American people rightfully demanded action, relief, and a new deal. Let these critics who sit in high positions in the affairs of our Nation tell the people the truth; let us pull the curtain aside and give them a true picture. In so doing, you will find some of the real causes of the American panic and serious economic condition. You will find some of the real reasons for our unpreccedented unemployment, untold fall in commodity prices, and the unmeasured economic losses that threatened and challenged the very foundation of our Government and our economic and political system. You will find some of the real reasons for the unequal and unfair distribution of the wealth of our country; yes; you will find the reasons why

the average man and the average woman of our fair Republic is not today enjoying the prosperity to which they are rightfully entitled.

#### PANIC IN A LAND OF PLENTY

The depression and panic under Hoover and the Old Guard leadership was indeed terrible. There had been no shortage of gold and goods. There had been no Nationwide famine or flood. Our factories and granaries were full. America "enjoyed" under the Hoover administration its first panic in a land of plenty. Our people said by their action at the polls that these abuses must be corrected or else our Government would collapse. There was a grim determination that Government must be restored to the people. They were sick and tired of the misrepresentation of conditions, lack of leadership, and the waiting and watching policy for something better to come along.

#### SPECULATION RAMPANT

The press boasted of the Hoover market with Wall Street waving the Hoover flag. Speculating tendencies were encouraged. The people were led to believe by acquiescence or silence that many of these investments were sound, safe. and secure. The markets went to unreasonable and dizzy heights. Domestic and foreign stocks and bonds, good and bad, skyrocketed and soared. Unsuspecting American citizens, lacking knowledge of the true conditions, dreamed of the day when they would be millionaires. Financial houses and big banking institutions became enormously rich in commissions and fees. Billions of dollars of good American money were invested in practically worthless foreign bonds and securities which were unloaded upon the American people for the purpose of making gigantic and unholy profits aggregating millions of dollars in the way of commissions and loans. Many of these bonds are worth about 10 cents on the dollar today. Millions of dollars of good American money were tied up in business abroad. Foreign countries still owed us more than \$11,000,000,000 on their debts, while our principal European debtor nations were spending approximately \$2,000,000,000 annually for armies and navies that endanger the peace of the world. Thousands of banks closed their doors, business was ruined, and the tax-burdened farmer was selling his products at less than cost of production.

#### CHARITY SHOULD BEGIN AT HOME

Hunger and despair were spreading among the masses. Millions of loyal, patriotic American citizens were out of work, without purchasing power, and were unable to buy. The European nations were given a moratorium or donation by the Hoover administration while overburdened American taxpayers were compelled to pay the bill. Thousands of mortgaged farms and small-home owners in the city were facing foreclosure and bankruptcy. It would have been a great and glorious thing for the American people if charity had begun at home. No relief was given to the American farmer burdened with debts. No relief was given to the small-home owner, the merchant, and business man, facing bankruptcy and ruin. Unrestrained greed and gambling were encouraged, helping to bring about the deplorable conditions of the country which faced President Roosevelt upon his inauguration. Greed and special interests were determined to rule or ruin.

These same interests would destroy our representative Government, your Government and mine; they would rule over all of us or ruin us. They are still represented today by the same discredited leadership that believes in and encourages gigantic mergers, monopolies, and trusts to rob the people. The American people cannot and will not forget this discredited and repudiated leadership.

#### A NEW DEAL AND A NEW DAY

On the eve of the inauguration of Franklin D. Roosevelt, the Nation was set for tragedy. The financial structure of the country was trembling in the balance. Changed and unusual conditions rightfully demanded reversal of beliefs and opinions. That was the case on March 4, 1923, and it is true today. There must be a redistribution of the wealth of this country so that the average man, the farmer, the

laboring man and woman, the small merchant and business | do, but President Roosevelt has an open mind that can be man, and those who depend upon toil for their living, shall have a fair share of the returns. The future of the country depends upon the satisfaction of its people. The masses of the people who constitute the great backbone of this Republic must have an equal opportunity. If the average American citizen is not permitted to earn and enjoy his share of our natural resources, then I hesitate to say, I fear to predict, what will happen to the country which we all love so much.

Facing these unusual conditions President Roosevelt has given Congress and the country a recovery program that has set our faces toward the rising sun of a new day and a new deal. The accomplishments of the administration since President Roosevelt took office on March 4, 1933, stand out like guideposts along the highway and beacon lights along the shore. Fault-finding critics, struck with terror a short time ago, are offering destructive criticism without ideas of substitute for the Roosevelt program of progress, happiness, and prosperity. No one will deny that business is improving. Agricultural prosperity is now slowly reviving; confidence and hope are returning; millions of jobless men and women are marching back to work. We are on the road to full economic recovery.

### DO YOU WANT TO TURN BACK?

Yet, we find standing in the middle of the highway, the old familiar discredited leadership which asks us to turn back. What have they to offer to our people who vividly remember the suffering they underwent until these critics passed from power? Where was their leadership then? Where were they when the Hoover prosperity myth exploded? What were they doing when millions of loyal, patriotic American citizens were out of work, without purchasing power, and were unable to buy? Where were they when the darkest pages in the financial history of our country were written, the confidence of the American public trembled, and the inflationary bubble had burst? Where were they when the wild orgy of speculation crashed? They were insisting with Hoover that prosperity was just around the corner, and that all the evidence indicated that the worst effects of the crash would pass within 60 days. They confidently predicted with Hoover that if we continued the policies which he advocated, that the poorhouse would vanish from among us; that poverty would be banished from the Nation. These same critics were issuing false and misleading statements that brought on the inevitable crash and tragedy, which will always remain as the darkest pages in our history.

The American people will not forget such things in 18 months. They cannot forget the crash of banks and the loss of their hard-earned savings. They will not forget the selfish, sordid, and greedy legislation that destroyed our foreign credit and markets, which brought unemployment to the millions of industrial workers who were thrown upon private charity or else starved.

This same old guard and old gang urge you to go back to the barren days of Hooverism. They would have you forget the picture of ruin, havoc, destitution, and suffering wrought by their policies and lack of leadership. They would have you forget their helplessness in solving the serious problems that challenged the very foundation of our economic and political system. They advocated then, and they would have you return today, to a system of privilege through which a small group of the greedy and selfish became wealthy while the average man became a pauper. They made no effort to correct the wrongs on which they thrived. They preferred to remain stationary in the hope of preserving the system of privilege that would continue to exploit the American people for the benefit of the few.

#### THE SHADOW IS LIFTED

Let us review for a moment the picture that confronted President Roosevelt and the Congress. It was the picture of despondency and despair. It was the picture of lost confidence. It was the picture of closed banks. He squarely met the issues. He has made mistakes, no doubt, as we all

relied upon to correct them if he finds them.

Confidence has been restored by the recovery program. The depositors in the banks now feel safe because Roosevelt has made banks safe. The crooked and greedy speculation of banking institutions has been regulated and controlled.

Roosevelt leadership has placed millions of jobless men and women at gainful employment. The cloud is slowly lifting from the farm. Roosevelt's policies have put new hope and new heart into the tillers of the soil. Industry, commerce, and agriculture, which were bankrupt, stagnant, and prostrate under the rule of the Old Guard and Hoover leadership, are now climbing slowly upward. The new deal of Roosevelt has brought this about. The people today have more confidence, more courage, and more hope. They will not return to the false prophets who told us that conditions were improving when everyone knew that they were growing worse. The American people believe in Roosevelt and his program of progress and hope. They believe in his policies of Government; they believe in his courage, his statesmanship, and the great humanitarian principles which he advocates. They believe in his past performances and have faith in his promises for the future. They are solidly behind his banner and his courageous leadership of a great liberal party.

#### FOLLOW THE GLEAM

They believe in his program of social insurance, land utilization, and housing. They believe in his principles of legislation that it is our duty under our social system to work out and devise means that will care for and assist the elderly and deserving men and women of our Nation, who, through no fault of their own, meet destitution and want, without the necessities of life or the means of providing a livelihood for themselves. They believe in his legislation which will remedy and correct for the laboring man and woman of this country many of the injustices which existed in the past.

Unemployment insurance, old-age pensions, and other social reforms are having thoughtful consideration. We must reorganize our entire industrial system. Those who toil with human hands must have reasonable hours, fair and decent wages, and a just share of the wealth of the country. This should not alarm us, because too much of the wealth and industrial resources of the country have been concentrated in the hands of the few. This depression, under the leadership of President Roosevelt, can be overcome. Every laboring man and woman is entitled to his share according to his ability, needs, and opportunity.

## SOCIAL LEGISLATION-WE MUST HAVE FAITH IN THE FUTURE

A noble beginning has been made by the administration, and the ultimate objective is to make it possible for American families to live as Americans should. Our great liberal leader believes that a wise government may help its people in the necessary readjustments: he believes that the social and economic conditions confronting us are not impossible of solution; that it is possible for our Government to adopt a clear policy for the control and development of our natural resources, to the end that all our people will prosper and be happy. To this end and to promote the general welfare provided by the Constitution, President Roosevelt has stated that in the next session of Congress, in addition to the program that is already in effect, it is the intention of the administration to undertake the great task of furthering the security of the citizen and his family through social insurance, a security which will provide relief from distress of unemployment and old age.

The three great objectives which our President has in mind-the security of the home, the security of livelihood, and the security of social insurance—are promises which appeal to every patriotic American, and constitute a birthright which belongs to every individual and every family willing to work.

These steps will be undertaken in the next Congress as being essential to the fulfillment of measures already taken by the administration toward relief, recovery, and reconstruction. These things must be accomplished for human happiness. Those who advocate going back to the old days and the old deal offer no substitute for the gains already made or for the future solution of our economic and social ills. The American people will cooperate with President Roosevelt and dedicate themselves to the principles which he advocates, to a recovery of the old and sacred rights for which mankind has constantly struggled—homes, livelihood, and individual security.

THE OLD GANG WILL ATTEMPT A COME-BACK

With the wreckage of their discredited leadership still smoking, the old gang of the old deal will make a determined effort to return to power in the November elections. They will seek seats in Congress in order that they may thwart the future policy of President Roosevelt and retard the working of the recovery measures already adopted. They will attempt to win these elections by every means of deception and trickery known to politics in addition to the lavish expenditure of money. In the elections already held in some of our States, men who under Herbert Hoover had a controlling voice in the formation of policies which brought the Nation to starvation and panic, have sought public office. In other parts of our land former members of the Hoover Cabinet and little cabinet have declared their intention to preach the doctrine of government by Wall Street, Mills, Mellon, and Hoover in the Congress of the United States. In these campaigns the question before our people will not be simply the election of a Republican or a Democrat. The only issue involved in these campaigns will be a choice between the old and the new deals. The American people must not and will not be misled. If the program already in action is to be completed our President must have the active support of a friendly Congress.

He has given us the promise of a future program which will further guarantee to our families the opportunity to engage in productive enterprise and full security in time of adversity. President Roosevelt has fulfilled every promise so far made to the American people. His strength lies in their continued support and cooperation. He is making a supreme effort to lead us to a new day filled with prosperity and happiness for all Americans. We must not let him down. This must be done in justice to all. The future welfare of our country depends upon the satisfaction of our people. We want all of our citizens to be prosperous and happy. We must not turn back.

Mr. RANKIN. Mr. Speaker, a few days ago Mr. Rice W. Means, a former Republican Senator from Colorado, who is now editor of the National Tribune, made a vicious and unwarranted attack on the President of the United States, in which he said:

President Franklin D. Roosevelt is the greatest enemy of war veterans that has ever been in the White House.

I want to take this occasion to denounce that statement as absolutely untrue. A more unjust charge was never made. It is a slander against the President which is without any justification whatsoever.

I do not believe that President Roosevelt is the enemy of anyone—certainly not of our ex-service men. There has never been a more humane individual at the head of this Government than Franklin D. Roosevelt. I have not always agreed with him on veterans' legislation, but whenever he has been convinced that he has made a mistake, he has not hesitated to correct it. I did not agree with him on the so-called "economy bill", because I thought that it went too far; but a majority of the injustices wrought by that measure have been corrected, and I believe the really wardisabled veterans of this country, especially the World War veterans, are better satisfied and more contented today than they have been for many years.

Mr. Means knows, or ought to know, that President Harding, President Coolidge, and President Hoover vetoed veterans' legislation. Did he say that they were enemies of war veterans because of those vetoes? No; Mr. Means has lauded them to the skies and supported both Mr. Coolidge and Mr. Hoover for reelection, and would have supported Mr. Harding for reelection if Mr. Harding had lived.

I yield to no man in my devotion to the disabled veterans of this country. I have stood by them through thick and thin, and they know it. I know the President's feelings on this subject as well, perhaps, as any man in public life, and I know that his attitude has never been inspired by any ill will toward the veterans of the World War, the Spanish-American War, or any other war.

When Mr. Roosevelt agreed to approve the widows and orphans bill, commonly referred to as the Rankin bill, he showed that he was the best friend the unfortunate dependents of the World War veterans have had in the White House since the close of that conflict. This measure goes into the desolate homes of 13,900 cases of widows and orphans of World War veterans who were suffering from direct service-connected disabilities, many of whom had their eyes shot out, their arms shot off, their legs shot off. or were otherwise maimed and disfigured in the firing line on the western front. These unfortunate dependents of our brave heroes have been neglected. I have tried for years to get something done for them. I have failed because of a lack of cooperation on the part of former Presidents of the United States. But when these facts were laid before President Roosevelt, he immediately saw the injustice that had been done them and agreed to help correct it. I can never forget the expression on his face when I first told him that there were men whose eyes were shot out on the western front, and who had groped their way through life until they died from other causes, whose widows and orphans were not drawing a penny; and when I told him of the men whose arms and legs had been shot off or who had been maimed and disfigured for life on the firing line, but who had died of other causes, and whose widows and orphans were going through this terrible panic without drawing a nickel, and never had drawn a nickel, even before the economy bill was passed.

When I left that conference, I said to myself that he was one of the most reasonable and most humane men I had ever seen in such an exalted position. His preelection words came to me when he said, "We will try something; and if it doesn't work, we will try something else." He does not claim to be infallible, nor do his friends claim infallibility for him; but when he sees that a mistake has been made, he does not hesitate to correct it.

Mind you, during all the years that these deserving widows and orphans have been neglected, during the dark and trying hours of the world's greatest panic, when many of these unfortunate dependents of our brave veterans have gone hungry and suffered from cold and privation, Mr. Rice Means was drawing a pension, which he called "retirement pay", under the so-called "Emergency Officers' Retirement Act", of \$2,880 a year, although at the same time he was drawing a lucrative salary as editor of the National Tribune. Not only that, but Mr. Means was a Member of the Senate and helped to put the Emergency Officers' Retirement Act through and to pass it over the President's veto.

Right here let me pause and pay my tribute of respect to President Coolidge, who has now passed away, for his courageous and patriotic action in vetoing that bill. I said then and I say now that it was one of the most vicious and unjust pieces of legislation ever placed upon the statute books of the United States, and that Mr. Coolidge deserved the gratitude of the Nation for vetoing it.

It was lobbied through both Houses by a little group of selfish ex-officers who wanted to get themselves on the pension roll at rates that could not be justified in common justice or in common honesty. I helped to lead the fight against it in the House. I said then and I say now that its passage was the greatest outrage against the rank and file of World War veterans and their widows and orphans that has ever been perpetrated by the American Congress. Four of us ex-service men who were Members of the House went to the White House and asked President Coolidge to veto that measure. Two of us were Democrats—Hon. Jacob L. Milligan, of Misouri, and myself—and the other two were Republicans—Hon. Robert G. Simmons, of Nebraska, who is

who has since passed away.

It was the outrageous pensions paid these ex-officers under the Emergency Officers' Retirement Act that created such a wave of resentment against the ex-service men throughout the country. Not only did the disabled enlisted men suffer as a result of that criticism but the really disabled officers who were injured in line of duty were made to suffer as well. They placed on that roll men who were already drawing salaries of 10 or 12 thousand dollars a year. There was one man on the roll who was drawing a salary of \$12,000 a year, yet drawing a pension, or retirement pay, of \$1,275 a year and running for Governor of his State. One man who was in the Judge Advocate's Department fell off a horse in Coblenz, Germany, in April 1919, 5 months after the war closed, and broke his leg. I am told that he has long since ceased to limp and that he has one of the most lucrative law practices in his State. Yet he was placed on the roll at \$2,625 a year pension, or retirement pay, for life. For the same disability a wounded buck private would have received \$30 a month, and that only so long as the buck private could prove that he was disabled to that extent, while the emergency officer was placed on this roll for life whether he recovered or not.

I have before me a list of those retired emergency officers, and I am going to cite just a few more instances of the effect of that measure. I see here one man who served only 1 month and 19 days, yet he was drawing a pension or retirement pay of \$1,500 a year. Here is another who served in the Medical Corps for 4 months and 9 days, who was drawing \$1,800 a year, and another one who served 2 months and 24 days and was drawing \$1,800 a year under this Emergency Officers' Retirement Act. Here is another one who served 2 months and 12 days and who was drawing \$1,500 a year, and another who served 2 months and 11 days, and was drawing \$1,800 a year under that act.

There are numbers of such examples in this list, which will be found in House Document No. 802 of the third session of the Seventy-first Congress.

The disabled veterans from the rank and file have been punished because of this unjust measure for which they were in no wise responsible. Not only that, but these retired emergency officers crowded into the Veterans' Bureau, got themselves on the retirement list with pay, and at the same time drew their salaries from the Government. They passed on each other's cases until this list became a national scandal. At the same time, they were so unreasonable in passing upon the claims of the disabled enlisted men that we had to come to Congress to get relief for the men from the rank and file who were suffering from tuberculosis, insanity, cancer, paralysis, and other similar maladies.

Yet, Mr. Means, who helped to put this unjust measure through the Senate, and who became one of its chief beneficiaries, would have the country believe that because President Roosevelt has tried to correct these inequalities he is an enemy of the war veterans. If President Roosevelt had left these retired emergency officers on the list and permitted them to draw these enormous pensions, or retirement pay, which the author of the bill said on the floor of the House was a "pension based on rank", which I contended then and contend now violate every principle of American institutions—if President Roosevelt had left them all on the roll, even though he had not come to the relief of the distressed widows and orphans of those battle-scarred men who have passed away, then, I dare say, Mr. Means would have been praising him instead of making his vicious attack. I am sure he would have done so, under those circumstances, if Mr. Roosevelt had been a Republican President.

Mr. Speaker, the list of these retired emergency officers is too long for me to read it all into the RECORD; but I am going to read the list from my own State of Mississippi,

now out of Congress, and Hon. Bird J. Vincent, of Michigan, | showing the names, addresses, lengths of service, and amount of retirement pay they were drawing under that iniquitous bill. The list for Mississippi in 1932 was as follows:

Mississippi

Name and address	Length of service	Retirement pay per year
Adams, Winfred Cooper (Chubby), Corinth Alexander, Cassins Dent, Vaiden. Ayoook, William Jasper, Derma Berkley, Claud Douglas, State Line Barnwell, Frank Hayne, Greenwood Baylis, George Warren, Columbia Beams, Douglas Eugene, Greenville Beekett, Clinton George, Gulfport Blank, Guy B., Red Lick Britt, Wallace Leslie, Jackson. Buckingham, Henry G., Biloxi Burnes, Joseph Strattion, Natchez Calhoun, Walter Norman, Canton Carr, Hiton Rice, Water Valley Clarke, Cyrus Augustus, Jackson. Coker, Perry Ander, Brookhaven Crawley, David Ephraim, Kosciusko. Daniel, Sam Hardeman, Biloxi Gray, Robert Ellington, Gulfport Grayson, Thomas Jackson, Biloxi Green Curtis Taylor, Jackson. Griffin, Garnett William, Gulfport Gray, Thomas Jesse, Macon. Hamilton, Waring, Hattiesburg. Henson, Edward Newell, Philadelphia. Hill, Marion Lawrence, Biloxi Hinchelif, John William, Jackson Houtz, Bumond Clyde, Canton Huggins, Cleveland Paul, Biloxi Kent, Henry Cowles, Indianola Lofton, Albert Columbus, Lucten Lotterhos, George, Crystal Springs McCalmont, John A., Mathiston McHenry, Wiley Earskine, Soso McVery, Eric A, Lambert Middleton, Caleb S., Gulfport Miller, Francis Loren, Hattiesburg. Moore, William Milous, Yazoo City Morgan, Lewis Riley, Gulfport Murphy, James B., Wiggins Oberschmidt, Leon P., Brookhaven Owens, William R., Columbia. Peery, Arnold Liddell, Jackson Phyfer, Lemar F., New Albany Polk, Phil Russell, Morgan City Powell, Henry Bradford, Ocean Springs Price, Frank Ray, Utea Reedy, John Dennis, Hattiesburg Riley, Franklin Gail, Meridian Shamburger, Roland Lamar, Gulfport Russell, Presley B, Carthage	1 10 25 2 0 22 2 0 23 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	\$1,800.00 1,800.00 1,800.00 1,900.00 1,900.00 1,950.00 1,950.00 1,950.00 1,250.00 1,250.00 1,275.00 2,250.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00
Schwartz, Grover Cleveland, Corinth	1 2 7 28	1,500.00
Walker, Charles Emmitte, Sanatorium		1, 500, 00
Ware, Robert Lowery, Crystal Springs.	10 9	1, 275. 00
Ware, Robert Lowery, Crystal Springs Watson, Henry Willis, Lexington	1 7 12	1, 275. 00 1, 275. 00
Wayman, Herbert Lee, Aberdeen	1 6 0	1, 980. 00 1, 275. 00
Williams, Neal M., Raymond Yates, Riley Barber, Greenwood	2 2 26 1 3 12	1, 800.00
		100000000000000000000000000000000000000

CREDIT SYSTEM FOR INDIANS, ETC., APPROPRIATION

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to the present consideration of a resolution which I send to the desk.

The Clerk read as follows:

Joint resolution to provide an appropriation for special elections, and preliminary planning to carry into effect the act entitled "An act to conserve and develop Indian lands and resources, to establish a credit system for Indians, to provide for higher education for Indians, to extend toward Indians the right to form business and other organizations, and for other purposes"

Resolved, etc., That there is hereby appropriated, from any money in the Treasury not otherwise appropriated, the sum of \$50,000 to defray the expenses of special elections on Indian reser-\$50,000 to defray the expenses of special elections on Indian reservations, and expenses incident to preliminary planning to carry into effect the provisions of the act entitled "An act to conserve and develop Indian lands and resources, to establish a credit system of Indians, to provide for higher education for Indians, to extend toward Indians the right to form business and other organizations, and for other purposes", which appropriation shall be available for pay of employees, printing and binding, purchase of equipment and supplies, traveling expenses, and all other necessary expenses: *Provided*, That of the foregoing amount not to exceed \$10,000 shall be available for personal services in the District of Columbia. of Columbia.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. Buchanan]?

Mr. SNELL. Reserving the right to object, let us find out what this is.

Mr. BRITTEN. Well, Mr. Speaker, I object. The SPEAKER. Objection is heard.

#### PATRICK HENRY WALSH

Mr. BLACK. Mr. Speaker, I ask unanimous consent for the present consideration of Private Calendar No. 571 (S. 170) for the relief of Patrick Henry Walsh.

The SPEAKER. Is there objection?

Mr. SNELL. Well, Mr. Speaker, reserving the right to object, it seems to me it is pretty late to go back to these Private Calendar bills. If you let one of them go through you will have to let them all go through.

Mr. BLACK. Let us see what the merits are.
Mr. TRUAX. Reserving the right to object, I should like to know what the bill is.

Mr. BLACK. Mr. Speaker, this is a bill for the relief of Patrick Henry Walsh. Mr. Walsh was struck by a post-office truck. The bill calls for \$3,000, a very small amount for his injuries. He is permanently injured.

Mr. SNELL. I withdraw my reservation of objection.

Mr. BLANTON. Could an Irishman named "Patrick" be injured for so small an amount?

Mr. BLACK. Nobody knows what happened to the truck. The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. BLACK]?

Mr. HANCOCK of New York and Mr. ELTSE of California objected.

#### FIREARMS, MACHINE GUNS, ETC.

Mr. SAMUEL B. HILL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 9741) to provide for the taxation of manufacturers, importers, and dealers in certain firearms and machine guns, to tax the sale or other disposal of such weapons, and to restrict importation and regulate interstate transportation thereof, and I move to concur in Senate amendment no. 1 and disagree to Senate amendment no. 2.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

Mr. SNELL. Reserving the right to object, let us find out what this is about.

Mr. SAMUEL B. HILL. This is an act to provide for the taxation of manufacturers, importers, and dealers of firearms and machine guns.

Mr. BLANCHARD. Reserving the right to object, what is this all about?

Mr. BLANTON. This is to stop gangsters from buying machine guns.

Mr. JENKINS of Ohio. Reserving the right to object, is this the pistol bill?

Mr. SAMUEL B. HILL. This is the firearms bill.

Mr. JENKINS of Ohio. Which was reported by the Ways and Means Committee?

Mr. SAMUEL B. HILL. Which was reported by the Ways and Means Committee.

Mr. BLANCHARD. Reserving the right to object, I want to ask what the Senate amendments did to this bill?

Mr. SAMUEL B. HILL. Senate amendment no. 1, in which we are asking to concur, reduces the licenses for wholesalers, manufacturers, and importers from \$1,000 to \$500.

Mr. McFADDEN. Reserving the right to object, let the gentleman explain it.

Mr. SAMUEL B. HILL. I am calling up this House bill, 9741, which is the firearms bill, for the purpose of moving to concur in Senate amendment no. 1, which reduces the license tax on manufacturers, wholesalers, and importers from \$1,000 to \$500 per year. I am moving to disagree to Senate amendment no. 2, which is an amendment to amend the reciprocal tariff act by excepting fermented and distilled spirits and wines from the 50-percent provision, making it 75 percent instead of 50 percent.

The SPEAKER. Is there objection? Mr. McFADDEN. Mr. Speaker, I object.

## HARRY H. A. LUDWIG

Mrs. GREENWAY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2757) for the relief of Harry H. A. Ludwig.

Mr. BLANCHARD. Mr. Speaker, reserving the right to object, is this a private bill?

The SPEAKER. It is.

Mr. BLANCHARD. Mr. Speaker, I withdraw my objec-

Mr. HANCOCK of New York. Mr. Speaker, reserving the right to object, is this bill a Private Calendar bill?

Mrs. GREENWAY. It is not.

Mr. HANCOCK of New York. Mr. Speaker, will the gentlewoman from Arizona explain the bill?

Mrs. GREENWAY. This is a bill which passed the Senate today. Mr. Ludwig was an employee of the War Department who failed to get his annuity through ignorance on the part of officials in the War Department, who wrote an apology, and offered to assist him in every way they

Mr. HANCOCK of New York. What is the present status of the bill?

Mrs. GREENWAY. It has passed the Senate and is on the Speaker's desk.

Mr. HANCOCK of New York. Was the bill called this afternoon?

Mrs. GREENWAY. No; it has just come over from the

Mr. HANCOCK of New York. How much money is involved.

Mrs. GREENWAY. The amount cannot be fixed at the present time. It relates to an annuity under civil-service regulations which annuity the claimant failed to receive.

Mr. MARTIN of Massachusetts. Mr. Speaker, I object.

#### BITTER ROOT IRRIGATION PROPECT

Mr. MONAGHAN of Montana. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3116), an act to amend sections 3 and 4 of the act of July 3, 1930, entitled "An act for the rehabilitation of the Bitter Root irrigation project, Montana."

Mr. SNELL. Mr. Speaker, I object.

### UNITED STATES NAVAL ACADEMY

Mr. GREEN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. GREEN. Mr. Speaker, I wish to call the attention of my colleagues to an important resolution I shall introduce at the next session of Congress to investigate why the Naval Academy requirements are so severe that 9 out of 10 of the boys we nominate fail to pass. [Laughter.] Oh, you have all had the same experience; and we want to find out why these boys fail. This investigation should be conducted by the next Congress, and I shall ask your favorable consideration of a resolution providing for such an investigation.

## EXTENSION OF REMARKS

Mr. DRIVER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an address made by a Government official on certain phases of drainage and irrigation.

Mr. BLANCHARD. Mr. Speaker, I object.

CENTENNIAL OF THE INDEPENDENCE OF THE REPUBLIC OF TEXAS The SPEAKER. The Chair announces the appointment of the following committee:

The Clerk read as follows:

Pursuant to the provisions of Senate Concurrent Resolution 21, the Chair appoints as members of the joint committee to inquire the Chair appoints as members of the joint committee to inquire into and report to Congress to what extent, if any, the Federal Government should participate in the centennial of the independence of the Republic of Texas, to be held in the State of Texas in the year 1936, the following Members of the House: The gentleman from Texas, Mr. Lanham, the gentleman from New York, Mr. Bloom, and the gentleman from Massachusetts, Mr. MARTIN.

## EXTENSION OF REMARKS

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to revise and extend my remarks with respect to the bill. S. 2238.

The SPEAKER. The gentleman has that permission.

#### FOREIGN DEBTS

Mr. STOKES. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. STOKES. Mr. Speaker, I simply want to take a few minutes' time on a question which has not been considered by the House as fully as it should have been. That is the question of the cancelation of the foreign debts. May I bring to the attention of the House a statement from the President?

The President has clearly pointed out in his recent message on foreign debts the fact that the repayment of the debts will have a tendency to injure the foreign trade of the United States. He said:

It is a simple fact that this matter of the repayment of debts contracted to the United States during and after the World War has gravely complicated our trade with the borrowing nations for many years.

The total value of domestic exports from the United States during the year 1929 was \$5,145,000,000, while this value fell off in 1932 to \$1,572,000,000.

This is a plain statement of fact; and without knowing the facts, we cannot deal justly with any subject.

It is, of course, a plain business proposition that when one nation borrows money from another the loan is expected to be paid; but, as is pointed out in the statement above mentioned, there are other circumstances connected with the loans which must be considered.

Mr. Samuel Harden Church recently said:

We were entirely unprepared for participation in such a conflict, and 15 months elapsed before we were ready to put an army on the battle front. In the meantime the Allied Powers were bearing the battle front. In the meantime the Affied Powers were bearing the whole brunt of the fighting, with the loss of nearly the whole chivalry of a generation comprising 10,000,000 killed and 20,000,000 grievously wounded, and while providing the men, they also furnished the materials and the money to win a war in which we

were then engaged.

Let us also keep in mind the fact that most of this money was spent in the United States at a large profit to our labor and

capital.
We can best judge the future by the past; let us look back at history

At the end of the Napoleonic wars all the countries of Europe were in debt to England. The burden was so great that commerce was paralyzed until England canceled them all, with one or two exceptions, and after that there was a season of universal pros-

exceptions, and after that there was a season of universal prosperity, in which England reaped the greatest profits.

The case for a reconsideration of the whole question of interallied indebtedness, however, does not rest merely upon the nature of the debts. Opinions may differ legitimately as to the precise part which the huge reparation and war-debt payments have played in creating the deplorable financial and trade conditions prevailing throughout the world today, but that they have been one of the major factors is not really open to question.

The British Government pointed out in their note of the 1st of December 1932 to the United States Government commercial loans are normally of a self-liquidating character. "The market loans thus raised during the last hundred years have converted whole territories from desolate swamps or uninhabited plains to flourishing provinces teeming with human life and producing great addi-

territories from desolate swamps or uninhabited plains to flourishing provinces teeming with human life and producing great additions to the real wealth of the world. Such productive loans directly afford the means whereby the borrower can repay them with interest and at the same time become more prosperous. But reparations and war debts represent expenditure on destruction. Fertile fields were rendered barren and populous cities a shattered ruin. Such expenditure instead of producing a slow and steady accumulation of wealth destroys in a few hours the stored-up riches of the past. Like shells on which they were largely spent, those loans were blown to pieces. They have produced nothing to repay them, and they have left behind nothing but fresh complications. plications.

I should like to bring to your attention the following from the British note of June 4:

The revenues of the United Kingdom are sterling revenues, whereas the debt payments to America have to be made in dollars or in gold. In order to secure the means to pay, therefore, any sums available in sterling would have to be transferred across the exchange.

The attempt to transfer amounts of this magnitude would as its immediate effect cause a sharp depreciation of sterling against the dollar, which would not be consistent with the monetary policy of the United States Government.

The Committee for the Consideration of Intergovernmental Debts stated in 1932:

We do not regard recovery in commodity prices as a mere theoretical assumption. One of the chief contributory causes of the present low commodity level is the dislocation of exchanges arising from the necessity of making payments in dollars in the United States. In order to meet this situation, the debtor countries have resorted to their only recourse, cutting down their imports and speeding up their exports in an effort to obtain a believe of trade balance of trade.

World recovery can be greatly improved by stable foreign exchanges, and it is, therefore, up to us to help bring this desirable end about.

The New York Times stated in an editorial dated June 7, 1934, as follows:

Americans ought not in consistency to object to such a reconsideration and readjustment. In their own affairs they are doing the same thing on an enormous scale. Contractual interest rates have been set up in several States. Insurance companies and banks and trustees have been compelled to make large sacrifices in salvaging as much as possible of their investments and reserves. serves.

Time and patience and study and instruction of the public will be necessary, but in the end some form of compromise will be

The Baltimore Sun in an editorial said:

Strange as it may now seem, the civilized world may yet come to recognize Senator Hiram Johnson, Republican, of California, as the man who broke a vicious circle while seeking to strengthen it. His bill barring European defaulters from the American capital market confronted the British Government with a choice of paying nothing or paying in full, and she has paid nothing.

But let us bear in mind that Great Britain has offered to pay according to her capacity, and in this connection they have stated as follows:

His Majesty's Government wish to reiterate that, while suspendris majesty's Government wish to reiterate that, while suspending further payments until it becomes possible to discuss an ultimate settlement of intergovernmental war debts with a reasonable prospect of agreement, they have no intention of repudiating their obligations, and will be prepared to enter upon further discussion of the subject at any time when in the opinion of the President such discussion would be likely to produce results of value

In regard to our war advances of \$4,277,000,000 to Great Britain, payments totaling \$2,025,000,000 have been made up to date by Great Britain to the United States. Yet, despite these payments, the nominal amount of debt still outstanding as at June 15, 1934, amounts to \$4,713,785,000. total foreign debts owed to America amount to \$12,000,-000,000.

## AMENDMENT TO RAILWAY LABOR ACT

Mr. CROSSER of Ohio. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk bill, H.R. 9861, to amend the Railway Labor Act approved May 20, 1926, and to provide for the prompt disposition of disputes between carriers and their employees, with Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The SPEAKER. The Clerk will report the Senate amendment.

The Senate amendment is as follows:

Strike out all after the enacting clause and insert:
"That section 1 of the Railway Labor Act is amended to read

" DEFINITIONS

"'SECTION 1. When used in this act and for the purposes of this

""Section 1. When used in this act and for the purposes of this act—
""The term "carrier" includes any express company, sleeping-car company, carrier by railroad, subject to the Interstate Commerce Act, and any company which is directly or indirectly owned or controlled by or under common control with any carrier by railroad and which operates any equipment or facilities or performs any service other than trucking service in connection with the transportation, receipt, delivery, elevation, transfer in transit, refrigeration or icing, storage, and handling of property transported by railroad, and any receiver, trustee, or other individual or body, judicial or otherwise, when in the possession of the business of any such "carrier": Provided, however, That the term "carrier" shall not include any street, interurban, or suburban electric railway, unless such railway is operating as a part of a general steam-railroad system of transportation, but shall not exclude any

part of the general steam-railroad system of transportation now or hereafter operated by any other motive power. The Interstate Commerce Commission is hereby authorized and directed upon request of the Mediation Board or upon complaint of any party interested to determine after hearing whether any line operated by electric power falls within the terms of this proviso.
"'Second. The term "Adjustment Board" means the National

"'Second. The term "Adjustment Board" means the National Railroad Adjustment Board created by this act.
"'Third. The term "Mediation Board" means the National Mediation Board created by this act.
"'Fourth. The term "commerce" means commerce among the several States or between any State, Territory, or the District of Columbia and any foreign nation, or between any Territory or the District of Columbia and any State, or between any Territory and any other Territory, or between any Territory and the District of Columbia, or within any Territory or the District of Columbia, or between points in the same State but through any other State or any Territory or the District of Columbia or any

foreign nation.

"'Fifth. The term "employee" as used herein includes every person in the service of a carrier (subject to its continuing authorphic action of his service). person in the service of a carrier (subject to its continuing authority to supervise and direct the manner of rendition of his service) who performs any work defined as that of an employee or subordinate official in the orders of the Interstate Commerce Commission now in effect, and as the same may be amended or interpreted by orders hereafter entered by the Commission pursuant to the authority which is hereby conferred upon it to enter orders amending or interpreting such existing orders: Provided, however, That no occupational classification made by order of the Interstate Commerce Commission shall be construed to define the crafts according to which railway employees may be organized by their voluntary action, nor shall the jurisdiction or powers of such employee organizations be regarded as in any way limited or defined by the provisions of this act or by the orders of the Commission. orders of the Commission.

"'Sixth. The term "representative" means any person or persons, labor union, organization, or corporation designated either by a carrier or group of carriers or by its or their employees, to

act for it or them.

"'Seventh. The term "district court" includes the Supreme Court of the District of Columbia; and the term "circuit court of appeals" includes the Court of Appeals of the District of Columbia.

"'This act may be cited as the "Railway Labor Act."'
"SEC. 2. Section 2 of the Railway Labor Act is amended to read as follows:

## " GENERAL PURPOSES

"'Sec. 2. The purposes of the act are: (1) To avoid any interruption to commerce or to the operation of any carrier engaged therein; (2) to forbid any limitation upon freedom of association among employees or any denial, as a condition of employment or otherwise, of the right of employees to join a labor organization; (3) to provide for the complete independence of carriers and of employees in the matter of self-organization to carry out the purposes of this act; (4) to provide for the prompt and orderly settlement of all disputes concerning rates of pay, rules, or working conditions; (5) to provide for the prompt and orderly settlement of all disputes growing out of grievances or out of the interpretation or application of agreements covering rates of pay, rules, or working conditions. rules, or working conditions.

## " GENERAL DUTIES

"'First. It shall be the duty of all carriers, their officers, agents, and employees to exert every reasonable effort to make and maintain agreements concerning rates of pay, rules, and working conditions, and to settle all disputes, whether arising out of the application of such agreements or otherwise, in order to avoid any interruption to commerce or to the operation of any carrier growing out of any dispute between the carrier and the employees thereof.

"'Second. All disputes between a carrier or carriers and its or their employees shall be considered, and, if possible, decided, with all expedition, in conference between representatives designated and authorized so to confer, respectively, by the carrier or carriers and by the employees thereof interested in the dispute.

"'Third. Representatives, for the purposes of this act, shall be designated by the respective parties without interference, influence, or coercion by either party over the designation of representatives by the other; and neither party shall in any way interfere with, influence, or coerce the other in its choice of representatives. Representatives of employees for the purposes of this act need not be persons in the employ of the carrier, and no carrier shall, by interference, influence, or coercion seek in any manner to prevent the designation by its employees as their representatives of those who or which are not employees of the

"'Fourth. Employees shall have the right to organize and bargain collectively through representatives of their own choosing. The majority of any craft or class of employees shall have the right to determine who shall be the representative of the craft or class for the purposes of this act. No carrier, its officers or agents, shall deny or in any way question the right of its employees to join, organize, or assist in organizing the labor organization of their choice, and it shall be unlawful for any carrier to interfere in any way with the organization of its employees, or to use the funds of the carrier in maintaining or assisting or contributing to any labor organization, labor representative, or other agency of collective bargaining, or in perform-

ing any work therefor, or to influence or coerce employees in an effort to induce them to join or remain or not to join or remain members of any labor organization, or to deduct from the wages members of any lator organization, or to deduct from the wages of employees any dues, fees, assessments, or other contributions payable to labor organizations, or to collect or to assist in the collection of any such dues, fees, assessments, or other contributions: Provided, That nothing in this act shall be construed to prohibit a carrier from permitting an employee, individually, or local representatives of employees from conferring with management during working hours without loss of time, or to prohibit

while engaged in the business of a labor organization.

"'Fifth. No carrier, its officers, or agents shall require any person seeking employment to sign any contract or agreement promising to join or not to join a labor organization; and if any such contract has been enforced prior to the effective date of this act, then such carrier shall notify the employees by an appropriate order that such contract has been discarded and is no longer binding on them in any way.

order that such contract has been discarded and is no longer binding on them in any way.

"'Sixth. In case of a dispute between a carrier or carriers and its or their employees, arising out of grievances or out of the interpretation or application of agreements concerning rates of pay, rules, or working conditions, it shall be the duty of the designated representative or representatives of such carrier or carriers and of such employees, within 10 days after the receipt of notice of a desire on the part of either party to confer in respect to such dispute, to specify a time and place at which such conference shall be held: Provided, (1) That the place so specified shall be situated upon the line of the carrier involved or as otherwise mutually agreed upon; and (2) that the time so specified shall allow the designated conferees reasonable opportunity to reach such place of conference, but shall not exceed 20 days from the receipt of such notice: And provided further, That nothing in this act shall be construed to supersede the provisions of any agreement (as to conferences) then in effect between the parties.

ment (as to conferences) then in effect between the parties.

"'Seventh. No carrier, its officers, or agents shall change the rates of pay, rules, or working conditions of its employees, as a class as embodied in agreements except in the manner prescribed in such agreements or in section 6 of this act.

"Eighth. Every carrier shall notify its employees by printed notices in such form and posted at such times and places as shall be specified by the Mediation Board that all disputes between the carrier and its employees will be handled in accordance with the requirements of this act, and in such notices there shall be printed verbatim, in large type, the third, fourth, and fifth paragraphs of this section. The provisions of said paragraphs are hereby made a part of the contract of employment between the carrier and each employee, and shall be held binding upon the parties, regardless of any other express or implied agreements

between them.

"'Ninth. If any dispute shall arise among a carrier's employees as to who are the representatives of such employees designated and authorized in accordance with the requirements of this act, it shall be the duty of the Mediation Board, upon request of either party to the dispute, to investigate such dispute and to certify to both parties, in writing, within 30 days after the receipt of the invocation of its services, the name or names of the individuals or organizations that have been designated and authorized to represent the employees involved in the dispute, and certify the same to the carrier. Upon receipt of such certification the carrier same to the carrier. Upon receipt of such certification the carrier shall treat with the representative so certified as the representative of the craft or class for the purposes of this act. In such an investigation, the Mediation Board shall be authorized to take a secret ballot of the employees involved, or to utilize any other appropriate method of ascertaining the names of their duly designated and authorized representatives in such manner as shall insure the choice of representatives by the employees without interference, influence, or coercion exercised by the carrier. In the conduct of any election for the purposes herein indicated the Board shall designate who may participate in the election and establish the rules to govern the election, or may appoint a committee of three neutral persons who after hearing shall within 10 days designate the employees who may participate in the election. The Board shall have access to and have power to make copies of the books and records of the carriers to obtain and utilize such information as may be deemed necessary by it to carry out the purposes and provisions of this paragraph.

"Tenth. The willful failure or refusal of any carrier, its officers or agents to comply with the terms of the 3d, 4th, 5th, 7th, or 8th

or agents to comply with the terms of the 3d, 4th, 5th, 7th, or 8th paragraph of this section shall be a misdemeanor, and upon conparagraph of this section shall be a misdemeanor, and upon conviction thereof the carrier, officer, or agent offending shall be subject to a fine of not less than \$1,000 nor more than \$20,000 or imprisonment for not more than 6 months, or both fine and imprisonment, for each offense, and each day during which such carrier, officer, or agent shall willfully fail or refuse to comply with the terms of the said paragraphs of this section shall contilute a converte offense. It shall be the duty of any district of with the terms of the said paragraphs of this section shall constitute a separate offense. It shall be the duty of any district attorney of the United States to whom any duly designated representative of a carrier's employees may apply to institute in the proper court and to prosecute under the direction of the Attorney Gencourt and to prosecute under the direction of the Attorney General of the United States, all necessary proceedings for the enforcement of the provisions of this section, and for the punishment of all violations thereof and the costs and expenses of such prosecution shall be paid out of the appropriation for the expenses of the courts of the United States: Provided, That nothing in this act shall be construed to require an individual employee to render labor or service without his consent, nor shall anything in this act be construed to make the quitting of his labor by an individual employee an illegal act; nor shall any court issue any process to compel the performance by an individual employee of such labor or service, without his consent.'
"Sec. 3. Section 3 of the Railway Labor Act is amended to

read as follows:

"'NATIONAL BOARD OF ADJUSTMENT-GRIEVANCES-INTERPRETATION OF AGREEMENTS

"'SEC. 3. First, There is hereby established a Board, to be known as the "National Railroad Adjustment Board", the members of which shall be selected within 30 days after approval of this act, and it is hereby provided—

"'(a) That the said Adjustment Board shall consist of 36 mem-

(a) That the said Adjustment Board shall consist of 36 members, 18 of whom shall be selected by the carriers and 18 by such labor organizations of the employees, national in scope, as have been or may be organized in accordance with the provisions of section 2 of this act.

"'(b) The carriers, acting each through its board of directors or its receiver or receivers, trustee or trustees, or through an officer or officers designated for that purpose by such board, trustee or trustees, or receiver or receivers, shall prescribe the rules under which its representatives shall be selected and shall select the representatives of the carriers on the Adjustment Board and designate the division on which each such representative

Board and designate the division on which each such representative shall serve, but no carrier or system of carriers shall have more than one representative on any division of the Board.

"'(c) The national labor organizations, as defined in paragraph (a) of this section, acting each through the chief executive or other medium designated by the organization or association thereof, shall prescribe the rules under which the labor members of the Adjustment Board shall be selected and shall select such members and designate the division on which each member shall

serve; but no labor organization shall have more than one representative on any division of the Board.

"'(d) In case of a permanent or temporary vacancy on the Adjustment Board, the vacancy shall be filled by selection in the same manner as in the original selection.

"'(e) If either the carriers or the labor organizations of the employees fall to select and designate representatives to the Adjustment Board, as provided in paragraphs (b) and (c) of this section, respectively, within 60 days after the passage of this act, in case of any original appointment to office of a member act, in case of any original appointment to omice of a member of the Adjustment Board, or in case of a vacancy in any such office within 30 days after such vacancy occurs, the Mediation Board shall thereupon directly make the appointment and shall select an individual associated in interest with the carriers or the group of labor organizations of employees, whichever he is to

the group of labor organizations of employees, whichever he is to represent.

""(f) In the event a dispute arises as to the right of any national labor organization to participate as per paragraph (c) of this section in the selection and designation of the labor members of the Adjustment Board, the Secretary of Labor shall investigate the claim of such labor organization to participate, and if such claim in the judgment of the Secretary of Labor has merit, the Secretary shall notify the Mediation Board accordingly, and within 10 days after receipt of such advice the Mediation Board shall request those national labor organizations duly qualified as per paragraph (c) of this section to participate in the selection and designation of the labor members of the Adjustment Board to select a representative. Such representative, together with a representative likewise designated by the claimant, and a third or neutral party designated by the Mediation Board, constituting a board of three, shall within 30 days after the appointment of the neutral member, investigate the claims of the pointment of the neutral member, investigate the claims of the labor organization desiring participation and decide whether or not it was organized in accordance with section 2 hereof and is otherwise properly qualified to participate in the selection of the labor members of the Adjustment Board, and the findings of such boards of three shall be final and binding.

"'(g) Each member of the Adjustment Board shall be com-

"'(g) Each member of the Adjustment Board shall be compensated by the party or parties he is to represent. Each third or neutral party selected under the provisions of (f) of this section shall receive from the Mediation Board such compensation as the Mediation Board may fix, together with his necessary traveling expenses and expenses actually incurred for subsistence, or per diem allowance in lieu thereof, subject to the provisions of law applicable thereto, while serving as such third or neutral party.

"'(h) The said Adjustment Board shall be composed of four divisions, whose proceedings shall be independent of one another.

divisions, whose proceedings shall be independent of one another, and the said divisions as well as the number of their members shall be as follows:

"First division: To have jurisdiction over disputes involving train- and yard-service employees of carriers; that is, engineers, firemen, hostlers, and outside hostler helpers, conductors, trainmen, and yard-service employees. This division shall consist of 10 members, 5 of whom shall be selected and designated by the carriers and 5 of whom shall be selected and designated by the national labor organizations of the employees.

"Second division: To have jurisdiction over disputes involving

"Second division: To have jurisdiction over disputes involving machinists, boilermakers, blacksmiths, sheet-metal workers, electrical workers, carmen, the helpers and apprentices of all the foregoing, coach cleaners, power-house employees, and railroad-shop laborers. This division shall consist of 10 members, 5 of whom shall be selected by the carriers and 5 by the national labor organizations of the employees.

"'Third division: To have jurisdiction over disputes involving station, tower, and telegraph employees, train dispatchers, maintenance-of-way men, clerical employees, freight handlers, express,

station, and store employees, signal men, sleeping-car conductors, sleeping-car porters, and maids and dining-car employees. This division shall consist of 10 members, 5 of whom shall be selected by the carriers and 5 by the national labor organizations of

by the carriers and 5 by the national labor organizations of employees.

"'Fourth division: To have jurisdiction over disputes involving employees of carriers directly or indirectly engaged in transportation of passengers or property by water, and all other employees of carriers over which jurisdiction is not given to the first, second, and third divisions. This division shall consist of 6 members, 3 of whom shall be selected by the carriers and 3 by the national labor organizations of the employees.

"'(1) The disputes between an employee or group of employees and a carrier or carriers growing out of grievances or out of the interpretation or application of agreements concerning rates of pay, rules, or working conditions, including cases pending and unadjusted on the date of approval of this act, shall be handled in the usual manner up to and including the chief operating officer the usual manner up to and including the chief operating officer of the carrier designated to handle such disputes; but, failing to of the carrier designated to handle such disputes; but, falling to reach an adjustment in this manner, the disputes may be referred by petition of the parties or by either party to the appropriate division of the Adjustment Board with a full statement of the facts and all supporting data bearing upon the disputes.

"'(j) Parties may be heard either in person, by counsel, or by other representatives, as they may respectively elect, and the several divisions of the Adjustment Board shall give due notice of all hearings to the employee or employees and the carrier or carriers involved in any disputes submitted to them.

"'(k) Any division of the Adjustment Board shall have authority to empower two or more of its members to conduct hearings and make findings upon disputes, when properly submitted, at any

make findings upon disputes, when properly submitted, at any place designated by the division: Provided, however. That final awards as to any such dispute must be made by the entire division

awards as to any such dispute must be made by the entire division as hereinafter provided.

"'(1) Upon failure of any division to agree upon an award because of a deadlock or inability to secure a majority vote of the division members, as provided in paragraph (n) of this section, then such division shall forthwith agree upon and select a neutral person, to be known as "referee", to sit with the division as a member thereof and make an award. Should the division fail member thereof and make an award. Should the division fail to agree upon and select a referee within 10 days of the date of the deadlock or inability to secure a majority vote, then the division, or any member thereof, or the parties or either party to the dispute may certify that fact to the Mediation Board, which Board shall, within 10 days from the date of receiving such certificate, select and name the referee to sit with the division as a member thereof and make an award. The Mediation Board shall be bound by the same provisions in the appointment of these neutral referees as are provided elsewhere in this act for the appointment of arbitrators and shall fix and pay the compensation of such referees.

"'(m) The awards of the several divisions of the Adjustment Board shall be stated in writing. A copy of the awards shall be furnished to the respective parties to the controversy, and the awards shall be final and binding upon both parties to the disputes, except insofar as they shall contain a money award. In case a dispute arises involving an interpretation of the award the division of the Board upon request of either party shall interpret

case a dispute arises involving an interpretation of the award the division of the Board upon request of either party shall interpret the award in the light of the dispute.

"(n) A majority vote of all members of the division of the Adjustment Board shall be competent to make an award with respect to any dispute submitted to it.

"'(o) In case of an award by any division of the Adjustment Board in favor of petitioner, the division of the Board shall make an order, directed to the carrier, to make the ward effective and if the award includes a requirement for the payment of money, to pay to the employee the sum to which he is entitled under the award on or before the day named. award on or before the day named.

award on or before the day named.

"'(p) If a carrier does not comply with an order of a division of the Adjustment Board within the time limit in such order, the petitioner, or any person for whose benefit such order was made, may file in the District Court of the United States for the district in which he resides or in which is located the principal operating office of the carrier, or through which the carrier operates, a petition setting forth briefly the causes for which he claims relief, and the order of the division of the Adjustment Board in the premises. Such suit in the District Court of the United States shall proceed in all respects as other civil suits, except that on the trial of such suit the findings and order of the division of the Adjustment Board shall be prima facie evidence of the facts therein stated, and except that the petitioner shall not be liable for costs in the district court nor for costs at any subsequent stage of the proceedings, unless they accrue shall not be liable for costs in the district court nor for costs at any subsequent stage of the proceedings, unless they accrue upon his appeal, and such costs shall be paid out of the appropriation for the expenses of the courts of the United States. If the petitioner shall finally prevail, he shall be allowed a reasonable attorney's fee, to be taxed and collected as a part of the costs of the suit. The district courts are empowered, under the rules of the court governing actions at law, to make such order and enter such judgment, by writ of mandamus or otherwise, as may be appropriate to enforce or set aside the order of the

as may be appropriate to enforce or set aside the order of the division of the Adjustment Board.

"'(q) All actions at law based upon the provisions of this section shall be begun within 2 years from the time the cause of action accrues under the award of the division of the Adjustment Pearly and not offer.

Board, and not after.

"'(r) The several divisions of the Adjustment Board shall maintain headquarters in Chicago, Ill., meet regularly, and con-

tinue in session so long as there is pending before the division any matter within its jurisdiction which has been submitted for its consideration and which has not been disposed of.

"'(s) Whenever practicable, the several divisions or subdivisions of the Adjustment Board shall be supplied with suitable quarters in any Federal building located at its place of meeting.

"'(t) The Adjustment Board may subject to the approval of

"'(t) The Adjustment Board may, subject to the approval of the Mediation Board, employ and fix the compensations of such assistants as it deems necessary in carrying on its proceedings. The compensation of such employees shall be paid by the Mediation Board.

"'(u) The Adjustment Board shall meet within 40 days after the approval of this act and adopt such rules as it deems neces-sary to control proceedings before the respective divisions and not in conflict with the provisions of this section. Immediately following the meeting of the entire Board and the adoption of such rules, the respective divisions shall meet and organize by the selection of a chairman, a vice chairman, and a secretary. Thereafter each division shall annually designate one of its members to act as chairman and one of its members to act as vice chairman:

Provided, however, That the chairmanship and vice chairmanship of any division shall alternate as between the groups, so that both the chairmanship and vice chairmanship shall be held alternately by a representative of the carriers and a representative of the employees. In case of a vacancy, such vacancy shall be filled for the unexpired term by the selection of a successor from

the same group.

"'(v) Each division of the Adjustment Board shall annually prepare and submit a report of its activities to the Mediation Board, and the substance of such report shall be included in the annual report of the Mediation Board to the Congress of the United States.

"'The reports of each division of the Adjustment Board and

"'The reports of each division of the Adjustment Board and the annual report of the Mediation Board shall state in detail all cases heard, all actions taken, the names, salaries, and duties of all agencies, employees, and officers receiving compensation from the United States under the authority of this act, and an account of all moneys appropriated by Congress pursuant to the authority conferred by this act and disbursed by such agencies, employees, and officers.

'(w) Any division of the Adjustment Board shall have authorty, in its discretion, to establish regional adjustment boards to act in its place and stead for such limited period as such division may determine to be necessary. Carrier members of such regional boards shall be designated in keeping with rules devised for this purpose by the carrier members of the Adjustment Board, and the labor members shall be designated in keeping with rules devised for this purpose by the labor members of the Adjustment Board, and the labor members of the Adjustment for this purpose by the labor members of the Adjustment for the suppose by the labor members of the Adjustment Board and Indiana and In devised for this purpose by the labor members of the Adjustment Board. Any such regional board shall, during the time for which it is appointed, have the same authority to conduct hearings, make findings upon disputes, and adopt the same procedure as the divi-sion of the Adjustment Board appointing it, and its decisions shall be enforceable to the same extent and under the same processes. A neutral person, as referee, shall be appointed for service in connection with any such regional adjustment board in the same circumstances and manner as provided in paragraph (1) hereof, with respect to a division of the Adjustment Board.

"'Second. Nothing in this section shall be construed to prevent any individual carrier, system, or group of carriers and any class or ses of its or their employees, all acting through their represent atives, selected in accordance with the provisions of this act, from mutually agreeing to the establishment of system, group, or from mutually agreeing to the establishment of system, group, or regional boards of adjustment for the purpose of adjusting and deciding disputes of the character specified in this section. In the event that either party to such a system, group, or regional board of adjustment is dissatisfied with such arrangement, it may upon 90 days' notice to the other party elect to come under the jurisdiction of the Adjustment Board.'

"Section 4 of the Railway Labor Act is amended to read as follows:

" 'NATIONAL MEDIATION BOARD

"'SEC. 4. First. The Board of Mediation is hereby abolished, effective 30 days from the approval of this act and the members, secretary, officers, assistants, employees, and agents thereof, in office upon the date of the approval of this act, shall continue to function and receive their salaries for a period of 30 days from such date in the same manner as though this act had not been passed. There is hereby established, as an independent agency in the executive branch of the Government, a Board to be known as the "National Mediation Board", to be composed of three members appointed by the President, by and with the advice and consent of the Senate, not more than two of whom shall be of the same political party. The terms of office of the members first appointed shall begin as soon as the members shall qualify, but not before 30 days after the approval of this act, and expire, as designated by the President at the time of nomination, one on February 1, 1935, one on February 1, 1936, and one on February 1, 1937. The terms of office of all successors shall expire 3 years after the expiration of the terms for which their predecessors were appointed; but any member appointed to fill a vacancy occurring prior to the but any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the unexpired term of his predecessor. Vacancies in the Board shall not impair the powers nor affect the duties of the Board nor of the remaining members of the Board. Two of the members in office shall constitute a quorum for the transaction of the business of the Board. Each member of the Board shall receive a salary at the rate of \$10,000 per annum, to-

gether with necessary traveling and subsistence expenses, or per diem allowance in lieu thereof, subject to the provisions of the law applicable thereto, while away from the principal office of the Board on business required by this act. No person in the employment of or who is pecuniarily or otherwise interested in any organization of employees or any carrier shall enter upon the duties of or continue to be a member of the Board.

"'All cases referred to the Board of Mediation and unsettled on the date of the approval of this act shall be handled to conclusion by the Mediation Board.

by the Mediation Board.

"'A member of the Board may be removed by the President for inefficiency, neglect of duty, malfeasance in office, or ineligibility, but for no other cause.

"'Second. The Mediation Board shall annually designate a member to act as chairman. The Board shall maintain its principal office in the District of Columbia, but it may meet at any other place whenever it deems it necessary so to do. The Board may designate one or more of its members to exercise the functions of the Board in mediation proceedings. Each member of the Board shall have power to administer oaths and affirmations. The Board shall have power to administer oaths and affirmations.

Board shall have power to administer oaths and affirmations. The Board shall have a seal which shall be judicially noticed. The Board shall make an annual report to Congress.

"'Third. The Mediation Board may (1) appoint such experts and assistants to act in a confidential capacity and, subject to the provisions of the civil-service laws, such other officers and employees as are essential to the effective transaction of the work of the Board; (2) in accordance with the Classification Act of 1923, fix the salaries of such experts, assistants, officers, and employees; and (3) make such expenditures (including expenditures for rent and personal services at the seat of government and elsewhere, for law books, periodicals, and books of reference, and for printing and binding, including expenditures for salaries and compensation, necessary traveling expenses and expenses actually incurred for subsistence, and other necessary expenses of the Mediation Board, Adjustment Board, Regional Adjustment Boards established under paragraph (w) of section 3, and boards of arbitration, in accordance with the provisions of this section and sections 3 and 7, respectively), as may be necessary for the execution of the functions vested in the Board, in the Adjustment Board, and in the boards of arbitration, and as may be provided for by the Congress from time to time. All expenditures of the Board shall be allowed and paid on the presentation of itemized vouchers therefor approved by the chairman.

"Fourth. The Mediation Board is hereby authorized by its order to assign, or refer any portion of its work business."

Board shall be allowed and paid on the presentation of itemized vouchers therefor approved by the chairman.

"Fourth. The Mediation Board is hereby authorized by its order to assign, or refer, any portion of its work, business, or functions arising under this or any other act of Congress, or referred to it by Congress or either branch thereof, to an individual member of the Board or to an employee or employees of the Board to be designated by such order for action thereon, and by its order at any time to amend, modify, supplement, or rescind any such assignment or reference. All such orders shall take effect forthwith and remain in effect until otherwise ordered by the Board. In conformity with and subject to the order or orders of the Mediation Board in the premises, any such individual member of the Board or employee designated shall have power and authority to act as to any of said work, business, or functions so assigned or referred to him for action by the Board.

"Fifth. All officers and employees of the Board of Mediation (except the members thereof, whose officers are hereby abolished) whose services in the judgment of the Mediation Board are necessary to the efficient operation of the Board are hereby transferred to the Board, without change in classification or compensation; except that the Board may provide for the adjustment of such classification or compensation to conform to the duties to which such officers and employees may be assigned.

"All unexpended appropriations for the operation of the Board of Mediation that are available at the time of the operation of the Board of Mediation that are available at the time of the board the operation of the Board of Mediation that are available at the time of the operation of the Board of Mediation that are available at the time of the operation of the Board of Mediation that are available at the time of the board of the Board

"All unexpended appropriations for the operation of the Board of Mediation that are available at the time of the abolition of the Board of Mediation shall be transferred to the Mediation Board and shall be available for its use for salaries and other authorized expenditures.

SEC. 5. Section 5 of the Railway Labor Act is amended to read

as follows:

"'FUNCTIONS OF MEDIATION BOARD

"'SEC. 5. First. The parties, or either party, to a dispute between an employee or group of employees and a carrier may invoke the services of the Mediation Board in any of the following cases:

"(a) A dispute concerning changes in rates of pay, rules, or working conditions not adjusted by the parties in conference "(b) Any other dispute not referable to the National Railroad Adjustment Board and not adjusted in conference between the parties or where conferences are refused.

"'The Mediation Board may profice its convices in cone and

"'The Mediation Board may proffer its services in case any labor emergency is found by it to exist at any time.

'In either event the said Board shall promptly put itself in communication with the parties to such controversy, and shall use its best efforts, by mediation, to bring them to agreement. If such efforts to bring about an amicable settlement through mediation shall be unsuccessful, the said Board shall at once endeavor as its final required action (except as provided in par. 3d of this section and in sec. 10 of this act) to induce the

3d of this section and in sec. 10 of this act) to induce the parties to submit their controversy to arbitration, in accordance with the provisions of this act.

"'If arbitration at the request of the Board shall be refused by one or both parties, the Board shall at once notify both parties in writing that its mediatory efforts have failed and for 30 days thereafter, unless in the intervening period the parties agree to arbitration, or an emergency board shall be created under section

10 of this act, no change shall be made in the rates of pay, rules, or working conditions or established practices in effect prior to

time the dispute arose

the time the dispute arose.

"'Second. In any case in which a controversy arises over the meaning or the application of any agreement reached through mediation under the provisions of this act, either party to the said agreement, or both, may apply to the Mediation Board for an interpretation of the meaning or application of such agreement. The said Board shall upon receipt of such request notify the parties to the controversy, and after a hearing of both sides give its interpretation within 30 days.

"Third. The Mediation Board shall have the following duties with respect to the arbitration of disputes under section 7 of this act:

"'(a) On failure of the arbitrators named by the parties to agree on the remaining arbitrator or arbitrators within the time set by section 7 of this act, it shall be the duty of the Mediation Board to name such remaining arbitrator or arbitrators. It shall be the duty of the Board in naming such arbitrators or arbitrators to appoint only those whom the Board shall deem wholly disinterested in the controversy to be arbitrated and impartial and without bias as between the parties to such arbitrators. Should, however, the Board name an arbitrator or arbitrators not so disinterested and impartial, then, upon proper investigation and presentation of the facts, the Board shall promptly remove such

"'If an arbitrator named by the Mediation Board, in accordance with the provisions of this act, shall be removed by such Board as provided by this act, or if such an arbitrator refuses or is unable to serve, it shall be the duty of the Mediation Board, promptly, to select another arbitrator, in the same manner as provided in this act for an original appointment by the Mediation

"'(b) Any member of the Mediation Board is authorized to take the acknowledgment of an agreement to arbitrate under this act. When so acknowledged, or when acknowledged by the parties before a notary public or the clerk of a district court or a circuit court of appeals of the United States, such agreement to arbitrate shall be delivered to a member of said Board or transmitted

to said Board, to be filed in its office.

to said Board, to be filed in its office.

"'(c) When an agreement to arbitrate has been filed with the Mediation Board, or with one of its members, as provided by this section, and when the said Board has been furnished the names of the arbitrators chosen by the parties to the controversy it shall be the duty of the Board to cause a notice in writing to be served upon said arbitrators, notifying them of their appointment, requesting them to meet promptly to name the remaining arbitrator or arbitrators necessary to complete the Board of Arbitration, and advising them of the period within which, as provided by the agreement to arbitrate, they are empowered to name such arbitrator or arbitrators. or arbitrators.

"'(d) Either party to an arbitration desiring the reconvening of a board of arbitration to pass upon any controversy arising over the meaning or application of an award may so notify the Mediation Board in writing, stating in such notice the question or questions to be submitted to such reconvened Board. The Mediaquestions to be submitted to such reconvened Board. The Mediation Board shall thereupon promptly communicate with the members of the Board of Arbitration, or a subcommittee of such Board appointed for such purpose pursuant to a provision in the agreement to arbitrate, and arrange for the reconvening of said Board of Arbitration or subcommittee, and shall notify the respective parties to the controversy of the time and place at which the Board, or the subcommittee, will meet for hearings upon the matters in controversy to be submitted to it. No evidence other than that contained in the record filed with the original award shall be received or considered by such reconvened Board or subcommittee, except such evidence as may be necessary to illustrate the interpretations suggested by the parties. If any member of the original Board is unable or unwilling to serve on such reconvened Board or subcommittee thereof, another arbitrator shall be named in the same manner and with the same powers and duties as such original arbitrator.

"'(e) Within 60 days after the approval of this act every carrier shall file with the Mediation Board a copy of each contract with its employees in effect on the 1st day of April 1934, covering rates of pay, rules, and working conditions. If no contract with any craft or class of its employees has been entered into, the carrier shall or class of its employees has been entered into, the carrier shall file with the Mediation Board a statement of that fact including also a statement of the rates of pay, rules, and working conditions applicable in dealing with such craft or class. When any new contract is executed or change is made in an existing contract with any class or craft of its employees covering rates of pay, rules, or working conditions, or in those rates of pay, rules, and working conditions of employees not covered by contract, the carrier shall file the same with the Mediation Board within 30 days after such new contract or change in existing contract has been executed or rates of pay, rules, and working conditions have been made effective.

The Mediation Board shall be the custodian of all papers and documents heretofore filed with or transferred to the Board of Mediation bearing upon the settlement, adjustment, or determination of disputes between carriers and their employees or upon mediation or arbitration proceedings held under or pursuant to the provisions of any act of Congress in respect thereto; and the President is authorized to designate a custodian of the records and property of the Board of Mediation until the transfer and

delivery of such records to the Mediation Board and to require the transfer and delivery to the Mediation Board of any and all such papers and documents filed with it or in its possession.' "Sec. 6. Section 6 of the Railway Labor Act is amended to read

as follows:

"'SEC. 6. Carriers and representatives of the employees shall give at least 30 days' written notice of an intended change in agreements affecting rates of pay, rules, or working conditions, and the time and place for the beginning of conference between the the time and place for the beginning of conference between the representatives of the parties interested in such intended changes shall be agreed upon within 10 days after the receipt of said notice, and said time shall be within the 30 days provided in the notice. In every case where such notice of intended change has been given, or conferences are being held with reference thereto, or the services of the Mediation Board have been requested by either party, or said Board has proffered its services, rates of pay, rules, or working conditions shall not be altered by the carrier until the controversy has been finally acted upon as recarrier until the controversy has been finally acted upon as required by section 5 of this act, by the Mediation Board, unless a period of 10 days has elapsed after termination of conferences without request for or profier of the services of the Mediation

Board.'
"SEC. 7. The Railway Labor Act is amended by striking out the words 'Board of Mediation' wherever they appear in sections 7, 8, 10, and 12 of such act, and inserting in lieu thereof the words

"SEC. 8. If any section, subsection, sentence, clause, of this act, is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this act. All acts or parts of acts inconsistent with the provisions of this act are hereby repealed."

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that the reading of the Senate amendments be dispensed with, and that the gentleman from Ohio [Mr. CROSSER] explain the changes between the Senate bill and the House

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CROSSER of Ohio. Mr. Speaker, since the House passed the bill last week I have earnestly endeavored to have the Senate pass the bill in exactly the form in which the House passed it. It was, however, impossible to induce those in charge of the bill in the Senate to agree to my request, and so the bill passed the Senate in the form in which it is now before us. While, however, it is true that the bill as passed by the Senate differs considerably in detail from the bill as it passed the House, nevertheless the bill as it passed the Senate and as it is now before us, clearly establishes the main principle embodied in the bill as it passed the House. It prohibits the creation, maintenance, or support by railroads of any union. In short, we shall no longer have company unions in the sense of company-controlled unions.

Mr. Speaker, I feel that I would be unmindful of my duty to a great principle if because of some differences in detail between the Senate bill and House bill I were now to ask that this bill be sent to conference and thereby jeopardize the enactment of this most important measure. [Applause.] I have been advised by the Chairman of the Senate Interstate Commerce Committee that there is no possibility of the Senate's yielding in regard to the matters as to which it differs from the House. To send the bill to conference, therefore, at the last minute of the session would simply mean that there would be no legislation on the subject under consideration.

Mr. Speaker, I feel that the bill as it passed the Senate so clearly outlaws company-controlled unions that it would be not only unwise but foolish if I did not now unqualifiedly ask the House to concur in the Senate amendments.

The Board provided by the present Railway Labor Act consists of five members. This bill provides for the substitution of a Board of three members in accordance with the recommendations of the Railway Coordinator, Mr. Eastman. He felt that that would be a more efficient body. It is also provided that the new Board shall be bipartisan. That is one of the amendments which the Senate adopted.

The other is in regard to the provisions as to the right of freedom of men to organize and to adhere to such labor unions as they may themselves choose. I feel that when all is said and done the language here absolutely assures the men the right to join any organization that they may choose to join. This language is broader in that respect than the language of the House bill, but there is no doubt that it does absolutely prohibit the creation, support, and maintenance of unions by railroad companies.

The Senate bill assures the men absolute freedom to join any labor union that pleases them and makes it possible for them to organize and maintain any labor union they may see fit to establish. The only prohibition is against the control of labor unions either by seduction or coercion on the part of railroads. [Applause.]

I would not be true to my trust if I were to be responsible for sending this bill to conference at this late hour when Congress is impatient to adjourn, and no doubt will adjourn in a comparatively few minutes. I should feel that in doing so under the circumstances I would be sending the bill to its death. I will not assume such a responsibility.

Mr. Speaker, this bill when it becomes law will not only place the organization of labor on a sound and free basis but it will also give new emphasis to the fundamental principles of democracy. The main principle of the bill is also the very essence of democracy itself, in that it gives not only the right but encouragement to men to think and speak in the way they may think to be right on public affairs. The greatest duty we have imposed upon us as American citizens is the duty of preserving the right of freedom of thought, speech, and press, because unless men are free from the fear of consequences incident to their speaking the truth as they see it, then they cease to grow to the stature of true manhood. This is indeed true not only of men belonging to labor unions but of those in every walk of life. I repeat, therefore, that we must not only assure men of the right to think and speak what they honestly believe to be the truth but we must give them every possible encouragement to do so. Only in this way does truth come to the attention of the world as rapidly as it should. [Applause.]

In the particular field to which this bill specifically applies, namely, that of railway labor, the enactment of this measure into law will free such labor once and for all time from the feeling that railway workers must join a so-called "company union" in order to avoid oppression by the railway company creating such union. Such men from now on can hold their heads erect and feel that they can negotiate through representatives freely chosen by themselves in regard to any dispute they may have with the owners of the railroads. They will thus not only become better railway workers but, in fact, nobler citizens. With the passage and approval of this bill railway labor in the United States will have procured what may well be called "railway labor's Magna Carta." [Applause.]

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield? Mr. CROSSER of Ohio. I yield.

Mr. O'CONNOR. The gentleman will recall that when the House bill was here the gentleman from Maryland [Mr. Cole] and myself pointed out that section 5 was somewhat vague and that it might, under the language of that section, permit "yellow dog" contracts. Has that been corrected by the Senate?

Mr. CROSSER of Ohio. I did not agree with the gentleman at the time as to his construction of the language in question. I believe, however, that the bill as passed by the Senate removes all doubt as to that matter.

Mr. O'CONNOR. I should like to hear from someone as to whether this criticism was met by the Senate.

Mr. MONAGHAN of Montana. If the gentleman will permit, I believe the objection of the gentleman from New York and the gentleman from Maryland was met by the Senate. However, I would not positively guarantee that.

Mr. MAPES. Mr. Speaker, reserving the right to object, and I do not intend to object, I desire to point out, perhaps a little more in detail, what I understand to be the more important differences between the House and Senate bills.

As Members will recall, one of the controversies which arose in the consideration of the bill in the House was over the language on page 7 of the House bill, three lines of which I shall read, being lines 10, 11, and 12:

No carrier, its officers, or agents shall require any person seeking employment to sign any contract or agreement promising to join or not to join a company union.

This was the language of the House bill. Its purpose was to prevent a carrier from requiring anyone seeking employment to agree to join a company union as a condition of securing such employment. Some thought that this language was necessary in order to protect the percentage contracts in which the trainmen are especially interested. The trainmen have contracts with a limited number of carriers in which the carriers agree to employ not less than a certain percentage of trainmen who belong to the railroad brotherhood. Others believe that the trainmen are unduly alarmed over this language and that their percentage contracts will be protected or honored in any event. I may say further that the Coordinator of the railroads took a position against that provision in the House bill. He preferred the bill as it was originally introduced in that respect and as the Senate has passed it.

The Senate amendment strikes out the words "a company union" and carries the words "any labor organization."

The question confronting the House now is whether to send the bill to conference because of this difference, and thereby run the risk of failure of the legislation entirely, or to accept the Senate amendment and send the bill at once to the President for his approval. I am inclined to agree with the gentleman from Ohio [Mr. Crosser] that it is wiser to take the latter course. There is too much involved, too much good in the legislation, to run the risk of having it all go by the board by sending it to conference in these last minutes of the session.

The House bill carried a specific definition of company unions. The Senate has stricken out the paragraph containing the definition of company unions. I am not sure that I understand the full significance of that change, but I doubt if it has much significance in view of the other provisions of the bill.

There is one other provision that some of us, for personal reasons, are quite concerned about. That is the Senate amendment which abolishes the present Board of Mediation. Some of us have known the Chairman of the Board of Mediation for a great many years and have watched the work of the Board since it was created, and regret very much that the Senate saw fit to adopt an amendment to abolish it.

I refer to the former distinguished Member of this House and former Chairman of the Committee on Interstate and Foreign Commerce, Mr. Winslow. The Senate abolished the present Board of Mediation, which consists of 5 members, after a period of 30 days from the approval of the act, and substitutes a new board of 3 members, with the provision which the gentleman from Ohio has stated, that not more than 2 members shall be members of any one political party.

Personally I very much regret the abolition of the Board of Mediation. I think that Board has performed a very efficient and meritorious service. Since its creation, since the passage of the original Railroad Labor Act, there has been no serious dispute upon the railroads that has not been amicably settled, and I believe the Board of Mediation is entitled to no small amount of credit for that condition.

Mr. BLANTON. Will the gentleman yield?

Mr. MAPES. I yield to the gentleman from Texas.

Mr. BLANTON. Our former colleague from Massachusetts, Mr. Samuel Winslow, is one of the most efficient and ablest men in the United States and one of the fairest of men, is he not?

Mr. MAPES. I think that is so. Personally, I take the same position as the gentleman from Ohio. I do not care to object to the consideration of the legislation or vote against it on account of the legislative situation simply on account of that one feature. I do express the hope, however, that due to the fairness and the ability and the particular adaptability of Mr. Winslow for the position which he occupies that the President will give serious consideration to appointing him as the Republican member of the new board. [Applause.]

Mr. Speaker, I withdraw my reservation of an objection.

Mr. CONNERY. Mr. Speaker, will the gentleman yield? Mr. CROSSER of Ohio. I yield to the gentleman from Massachusetts.

Mr. CONNERY. Merely to make the situation clear. As I understand it, the gentleman from Ohio agrees with the gentleman from Michigan that he would like to have everything originally in the House bill, but in these closing hours of legislation rather than lose that wonderful principle in this bill he desires to agree to the Senate amendments.

Mr. CROSSER of Ohio. Mr. Chairman, I yield now to the gentleman from Montana [Mr. Monaghan].

Mr. MONAGHAN of Montana. Mr. Speaker, I rise to state for the benefit of the House that in as poor health as the gentleman from Ohio [Mr. CROSSER] is, he has remained in the Senate even without bothering to eat meals on many occasions during the last 2 days to try to get this bill considered. He has worked earnestly, sincerely, and untiringly in the interest of the bill with a mind single to peace on the railroads, a peace, which may set an example in other industries. Let us hope that this will open up an avenue to restored peace to this Nation in all labor disputes. [Applause.]

Mr. FULLER. Mr. Speaker, will the gentleman yield?

Mr. CROSSER of Ohio. Yes.

Mr. FULLER. We have not had an opportunity to examine the bill, but it is generally rumored around here that the terms and provisions of this Senate amendment require the employees of every railroad, regardless of their financial condition, to be unionized before they can get any benefit.

Mr. CROSSER of Ohio. It does not require any such thing. Mr. MEAD. The truth of the matter is that the employee of any railroad can join a union of his own choice. It is not necessary that it shall be a railroad brotherhood now in existence.

Mr. FULLER. Does he have to join the union? Mr. MEAD. No. It is left with the individual.

Mr. CROSSER of Ohio. Mr. Speaker, I ask for a vote. The SPEAKER. Is there objecton to the request of the gentleman from Ohio?

There was no objection.

Mr. DUNN. Mr. Speaker, is it the gentleman's opinion that the Brotherhood of Trainmen and all other railroad employees are satisfied with this bill in its present form?

Mr. CROSSER of Ohio. From the standard of true labor legislation it is, I think, 100 percent satisfactory to them.

The SPEAKER. The question is on concurring in the Senate amendment.

The Senate amendment was concurred in. A motion to reconsider was laid on the table.

MANUFACTURERS OF CERTAIN FIREARMS AND MACHINE GUNS

Mr. SAMUEL B. HILL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 9741) to provide for the taxation of manufacturers, importers, and dealers in certain firearms and machine guns, to tax the sale or other disposal of such weapons, and to restrict importation and regulate interstate transportation thereof, with Senate amendments thereto, and consider the same.

The SPEAKER. The gentleman from Washington asks unanimous consent to call up House bill 9741, with Senate amendments thereto, and consider the same at this time. Is there objection?

Mr. McFADDEN. Mr. Speaker, I reserve the right to object. Since my previous objection, the gentleman from Washington [Mr. Hill] has assured me that he will insist on the elimination of the duty pertaining to the importation of wines in this pistol bill, to which my objection was directed. I objected to the inclusion of a change in the tariff on the importation of wines into the United States.

Mr. BLANCHARD. Mr. Speaker, I reserve the right to object to inquire whether this meets the approval of the people who are interested in sport and sporting arms, from the standpoint of the use of those arms for ordinary purposes.

Mr. SAMUEL B. HILL. The National Rifle Association approves the bill.

The SPEAKER. Is there objection? There was no objection.

The SPEAKER. The Clerk will report the first Senate amendment.

The Clerk read as follows:

Page 3, line 16, strike out "\$1,000" and insert "\$500."

Mr. SAMUEL B. HILL. Mr. Speaker, I move to concur in the Senate amendment no. 1.

The motion was agreed to.

The SPEAKER. The Clerk will report the second Senate amendment.

The Clerk read as follows:

Page 11, after line 13, insert:

"Sec. 19 (a) paragraph (2) of subsection (a) of section 350 of the Tariff Act of 1930, as amended, is amended by inserting after the words 'any existing rate of duty', the following: '(except in the case of fermented liquors, spirits, and wines, not more than

75 percent)."

"(b) Paragraph (b) of such section is amended by striking out the period after the words 'now payable thereon' and inserting in lieu thereof the following: '(except fermented liquors, spirits, and wines, not more than 75 percent).'"

Mr. SAMUEL B. HILL. Mr. Speaker, I move that the House disagree to the Senate amendment no. 2 and ask for a conference.

The motion was agreed to.

The Chair appointed the following conferees: Mr. Dough-TON, Mr. SAMUEL B. HILL, Mr. CULLEN, Mr. WOODRUFF, Mr. COCHRAN of Pennsylvania.

#### RECESS

Mr. BYRNS. Mr. Speaker, we have not yet received the conference report, although I am expecting it any moment.

I ask unanimous consent that the House stand in recess subject to the call of the Chair.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Accordingly (at 9 o'clock and 14 minutes p.m.) the House stood in recess subject to the call of the Chair.

#### AFTER RECESS

The recess having expired, the House was called to order at 10 o'clock p.m. by the Speaker.

#### NATIONAL HOUSING ACT

Mr. STEAGALL, Mr. Speaker, I call up the following conference report on the bill (H.R. 9620) to improve housing conditions; to provide employment; to provide for the insurance of mortgages; to insure the savings in savings-and-loan associations and similar institutions; to amend the Federal Home Loan Bank Act, Home Owners' Loan Act of 1933, the Federal Reserve Act, and the Farm Credit Act of 1933; and for other purposes.

#### CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9620) to improve housing conditions; to provide employment; to provide for the insurance of mortgages; to insure the savings in savings-and-lean associations and similar institutions; to amend the Federal Home Loan Bank Act, Home Owners' Loan Act of 1933, the Federal Reserve Act, and the Farm Credit Act of 1933; and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That this act may be cited as the 'National Housing Act.'

"TITLE I-HOUSING RENOVATION AND MODERNIZATION

## "CREATION OF FEDERAL HOUSING ADMINISTRATION

"Section 1. The President is authorized to create a Federal Housing Administration, all of the powers of which shall be exercised by a Federal Housing Administrator (hereinafter referred to as the 'Administrator'), who shall be appointed by the President, by and with the advice and consent of the Senate, shall hold office for a term of 4 years,

and shall receive compensation at the rate of \$10,000 per annum. In order to carry out the provisions of this title and titles II and III, the Administrator may establish such agencies, accept and utilize such voluntary and uncompensated services, utilize such Federal officers and employees, and, with the consent of the State, such State and local officers and employees, and appoint such other officers and employees as he may find necessary, and may prescribe their authorities, duties, responsibilities, and tenure and fix their compensation, without regard to the provisions of other laws applicable to the employment or compensation of officers or employees of the United States. The Administrator may delegate any of the functions and powers conferred upon him under this title and titles II and III to such officers, agents, and employees as he may designate or appoint, and may make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere, for law books and books of reference, and for paper, printing, and binding) as are necessary to carry out the provisions of this title and titles II and III, without regard to any other provisions of law governing the expenditure of public funds. All such compensation, expenses, and allowances shall be paid out of funds made available by this act.

#### "INSURANCE OF FINANCIAL INSTITUTIONS

"SEC. 2. The Administrator is authorized and empowered, upon such terms and conditions as he may prescribe, to insure banks, trust companies, personal finance companies, mortgage companies, building and loan associations, installment lending companies, and other such financial institutions, which are approved by him as eligible for credit insurance, against losses which they may sustain as a result of loans and advances of credit, and purchases of obligations representing loans and advances of credit, made by them subsequent to the date of enactment of this act and prior to January 1, 1936, or such earlier date as the President may fix by proclamation, for the purpose of financing alterations, repairs, and improvements upon real property. In no case shall the insurance granted by the Administrator under this section to any such financial institution exceed 20 percent of the total amount of the loans, advances of credit, and purchases made by such financial institution for such purpose; and the total liability incurred by the Administrator for such insurance shall in no case exceed in the aggregate \$200,000,000. No insurance shall be granted under this section to any such financial institution with respect to any obligation representing any such loan, advance of credit, or purchase by it the face amount of which exceeds \$2,000; nor unless the obligation bears such interest, has such maturity, and contains such other terms, conditions, and restrictions, as the Administrator shall prescribe.

## "LOANS TO FINANCIAL INSTITUTIONS

"Sec. 3. The Administrator is further authorized and empowered to make loans to institutions which are insured under section 2, and to enter into loan agreements with such institutions, upon the security of obligations which meet the requirements prescribed under section 2. Such loans or agreements may be made for the full face value of the obligations offered as security, and shall be at such rates and upon such terms and conditions as the Administrator shall determine.

## " ALLOCATION OF FUNDS

"Sec. 4. For the purposes of carrying out the provisions of this title and titles II and III, the Reconstruction Finance Corporation shall make available to the Administrator such funds as he may deem necessary, and the amount of notes, debentures, bonds, or other such obligations which the Corporation is authorized and empowered to have outstanding at any one time under existing law is hereby increased by an amount sufficient to provide such funds: Provided, That the President, in his discretion, is authorized to provide such funds or any portion thereof by allotment to the Administrator from any funds that are available, or may hereafter be made available, to the President for emergency purposes.

#### "ANNUAL REPORT

"Sec. 5. The Administrator shall make an annual report to the Congress as soon as practicable after the 1st day of January in each year of his activities under this title and titles II and III of this act.

## "TITLE II—MUTUAL MORTGAGE INSURANCE "DEFINITIONS

"Section 201. As used in this title-

"(a) The term 'mortgage' means a first mortgage on real estate in fee simple or on a leasehold (1) under a lease for not less than 99 years which is renewable, or (2) under a lease having a period of not less than 50 years to run from the date the mortgage was executed, upon which there is located a dwelling for not more than four families which is used in whole or in part for residential purposes, irrespective of whether such dwelling has a party wall or is otherwise physically connected with another dwelling; and the term 'first mortgage' means such classes of first liens as are commonly given to secure advances on, or the unpaid purchase price of, real estate under the laws of the State in which the real estate is located, together with the credit instruments, if any, secured thereby.

"(b) The term 'mortgagee' includes the original lender under a mortgage, and his successors and assigns approved by the Administrator; and the term 'mortgagor' includes the original borrower under a mortgage and his successors and assigns.

#### "MUTUAL MORTGAGE INSURANCE FUND

"Sec. 202. There is hereby created a Mutual Mortgage Insurance Fund (hereinafter referred to as the 'Fund'), which shall be used by the Administrator as a revolving fund for carrying out the provisions of this title as hereinafter provided, and there shall be allocated immediately to such Fund the sum of \$10,000,000 out of funds made available to the Administrator for the purposes of this title.

#### "INSURANCE OF MORTGAGES

"Sec. 203. (a) The Administrator is authorized, upon application by the mortgagee, to insure as hereinafter provided any mortgage offered to him within 1 year from the date of its execution which is eligible for insurance as hereinafter provided, and, upon such terms as the Administrator may prescribe, to make commitments for the insuring of such mortgages prior to the date of their execution or disbursement thereon: Provided, That except with the approval of the President (1) the aggregate principal obligation of all mortgages on property and low-cost housing projects existing on the date of enactment of this act and insured under this title shall not exceed \$1,000,000,000, and (2) the insurance of mortgages on property and low-cost housing projects constructed after the passage of this act shall be limited to a similar amount.

"(b) To be eligible for insurance under this section a mortgage shall—

"(1) Have, or be held by, a mortgagee approved by the Administrator as responsible and able to service the mortgage properly

"(2) Involve a principal obligation (including such initial service charges and appraisal and other fees as the Administrator shall approve) in an amount not to exceed \$16,000, and not to exceed 80 percent of the appraised value of the property as of the date the mortgage is executed.

"(3) Have a maturity satisfactory to the Administrator, but not to exceed 20 years.

"(4) Contain complete amortization provisions satisfactory to the Administrator requiring periodic payments by the mortgagor not in excess of his reasonable ability to pay as determined by the Administrator.

"(5) Bear interest (exclusive of premium charges for insurance) at not to exceed 5 percent per annum on the amount of the principal obligation outstanding at any time, or not to exceed 6 percent per annum if the Administrator finds that in certain areas or under special circumstances the mortgage market demands it.

"(6) Provide, in a manner satisfactory to the Administrator, for the application of the mortgagor's periodic payments (exclusive of the amount allocated to interest and to the premium charge which is required for mortgage insurance as hereinafter provided) to amortization of the principal of the mortgage.

"(7) Contain such terms and provisions with respect to insurance, repairs, alterations, payment of taxes, default reserves, delinquency charges, foreclosure proceedings, anticipation of maturity, additional and secondary liens, and other matters as the Administrator may in his discretion prescribe.

"(c) The Administrator is authorized to fix a premium charge for the insurance of mortgages under this section (to be determined in accordance with the risk involved) which in no case shall be less than one-half of 1 percent nor more than 1 percent per annum of the original face value of the mortgage, and which shall be payable annually in advance by the mortgagee. If the Administrator finds upon the presentation of a mortgage for insurance and the tender of the initial premium charge that the mortgage complies with the provisions of this section, such mortgage may be accepted for insurance by endorsement or otherwise as the Administrator may prescribe; but no mortgage shall be accepted for insurance under this section unless the Administrator finds that the project with respect to which the mortgage is executed is economically sound.

"(d) The Administrator is authorized and directed to make such rules and regulations as may be necessary to carry out the provisions of this section.

#### "PAYMENT OF INSURANCE

"Sec. 204. (a) In any case in which the mortgagee under an insured mortgage shall have foreclosed and taken possession of the mortgaged property in accordance with regulations of, and within a period to be determined by, the Administrator, or shall, with the consent of the Administrator, have otherwise acquired such property from the mortgagor after default, the mortgagee shall be entitled, upon the prompt conveyance to the Administrator of title to such property satisfactory to him and the assignment to him of all claims of the mortgagee against the mortgagor arising out of the mortgage transaction or foreclosure proceedings, to receive the benefits of the insurance as hereinafter provided. Upon such conveyance and assignment the obligation of the mortgagee to pay the annual premium charges for insurance shall cease and the Administrator shall issue to the mortgagee debentures having a total face value equal to the value of the mortgage on the date of the delivery of the property to the Administrator, and a certificate of claim, as hereinafter provided. For the purposes of this subsection, the value of the mortgage shall be determined by adding to the amount of the principal of the mortgage which is unpaid on the date of such delivery the amount of all payments which have been made by the mortgagee for taxes and insurance on the property mortgaged in accordance with rules and regulations prescribed by the Administrator.

"(b) The debentures issued by the Administrator under this section to any mortgagee shall bear interest at a rate determined by the Administrator at the time the mortgage was offered for insurance, but not to exceed 3 percent per annum, payable semiannually on the 1st day of January and the 1st day of July of each year. and shall mature 3 years after the 1st day of July following the maturity date of the mortgage in exchange for which the debentures were issued. All such debentures shall be subject only to such Federal, State, and local taxes as the mortgages in exchange for which they are issued would be subject to in the hands of the holder of the debentures and shall be a liability of the fund only; except that debentures issued in exchange for mortgages insured under this section prior to July 1, 1937, shall be fully guaranteed as to principal and interest by the United States. In the event that the amount in the fund is insufficient to pay upon demand, when due, the principal of or interest on any debentures so guaranteed, the Secretary of the Treasury shall pay to the holders the amount thereof which is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated, and thereupon to the extent

of the amount so paid the Secretary of the Treasury shall succeed to all rights of the holders of such debentures.

"(c) The certificate of claim issued by the Administrator to any mortgagee shall be for an amount which the Administrator determines to be sufficient, when added to the face value of the debentures issued to the mortgagee, to equal the amount which the mortgagee would have received if, at the time of the conveyance to the Administrator of the property covered by the mortgage, the mortgagor had redeemed the property and paid in full all obligations under the mortgage and those arising out of the foreclosure proceedings. Each such certificate of claim shall provide that there shall accrue to the holder of such certificate with respect to the face amount of such certificate, an increment at the rate of 3 percent per annum. The amount to which the holder of any such certificate shall be entitled shall be determined as provided in subsection (d).

"(d) If the net amount realized from any property conveyed to the Administrator under this section and the claims assigned therewith, after deducting all expenses incurred by the Administrator in handling, dealing with, and disposing of such property and in collecting such claims, exceeds the face amount of the debentures issued in exchange for the mortgage covering such property plus all interest paid on such debentures, such excess shall be divided as follows:

"(1) If such excess is greater than the total amount payable under the certificate of claim issued in connection with such property, the Administrator shall pay to the holder of such certificate the full amount so payable; and any excess remaining thereafter shall be paid to the mortgagor of such property.

"(2) If such excess is equal to or less than the total amount payable under such certificate of claim, the Administrator shall pay to the holder of such certificate the full amount of such excess.

"(e) Notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real property by the United States, the Administrator shall have power to deal with, rent, renovate, modernize, or sell for cash or credit, in his discretion, any properties conveyed to him in exchange for debentures and certificates of claim as provided in this section; and notwithstanding any other provision of law, the Administrator shall also have power to pursue to final collection, by way of compromise or otherwise, all claims against mortgagors assigned by mortgagees to the Administrator as provided in this section.

"(f) No mortgage or mortgagor shall have, and no certificate of claim shall be construed to give to any mortgagee or mortgagor, any right or interest in any property conveyed to the Administrator or in any claim assigned to him; nor shall the Administrator owe any duty to any mortgagee or mortgagor with respect to the handling or disposal of any such property or the collection of any such claim.

"CLASSIFICATION OF MORTGAGES AND REINSURANCE FUND

"Sec. 205. (a) Mortgages accepted for insurance under this title shall be so classified into groups that the mortgages in any group shall involve substantially similar risk characteristics and have similar maturity dates. Premium charges received for the insurance of any mortgage, the receipts derived from the property covered by the mortgage and claims assigned to the Administrator in connection therewith, and all earnings on the assets of the group account, shall be credited to the account of the group to which the mortgage is assigned. The principal of and interest paid and to be paid on debentures issued in exchange for any mortgage, payments made or to be made to the mortgagee and the mortgagor as provided in section 204, and expenses incurred in the handling of the property covered by the mortgage and in the collection of claims assigned to the Administrator in connection therewith, shall be charged to the account of the group to which such mortgage is assigned.

"(b) The Administrator shall also provide, in addition to the several group accounts, a general reinsurance account, the credit in which shall be available to cover charges against such group accounts where the amounts credited to such accounts are insufficient to cover such charges. General expenses of operation of the Federal Housing Administration under this title may be allocated in the discretion of the Administrator among the several group accounts or charged to the general reinsurance account, and the amount allocated to the fund under section 202 shall be credited to the general reinsurance account.

"(c) Whenever the credit balance in any group account exceeds the remaining unpaid principal of the then outstanding mortgages assigned to such group by an amount equal to 10 percent of the total premium payments which have theretofore been credited to such account, the Administrator shall terminate the insurance as to that group of mortgages (1) by paying to each of the mortgagees holding an outstanding mortgage assigned to such group a sum sufficient, if such mortgage is in good standing, to pay off such mortgage in full, the payment in each case being for the benefit and account of the mortgagor, and (2) by transferring the remainder of such credit balance to the general reinsurance account provided for in subsection (b).

"(d) If the credit balance in any group account fails to exceed, until the final year prior to the maturity date of the mortgages assigned to such group, the remaining unpaid principal of the then outstanding mortgages assigned to such group by an amount equal to 10 percent of the total premium payments which have theretofore been credited to such account, the Administrator shall terminate the insurance as to that group of mortgages (1) by transferring to the general reinsurance account provided for in subsection (b) an amount equal to 10 percent of the total premium charges theretofore credited to such group account, and (2) by distributing the remainder of such credit balance, if any, pro rata to the mortgagees for the benefit and account of the mortgagors of the mortgages assigned to such group.

"(e) No mortgagor or mortgagee of any mortgage insured under this title shall have any vested right in the credit balance in any such account, and the determination of the Administrator as to the amount to be paid by him to any mortgagee or mortgagor under this title shall be final and conclusive.

"(f) In the event that any mortgagee under an insured mortgage forecloses on the mortgaged property but does not convey such property to the Administrator in accordance with section 204, or in the event that the mortgagor pays the obligation under the mortgage in full prior to the maturity thereof, the obligation to pay the premium charge for insurance shall, upon due notice to the Administrator, cease, and all rights of the mortgagee and the mortgagor under section 204 shall likewise terminate. Thereupon the mortgagor shall be entitled to receive a share of the credit balance of the group account of the group to which the mortgage has been assigned, in such amount as the Administrator shall determine to be equitable and not inconsistent with the preservation of the solvency of the group account and of the fund.

## "INVESTMENT OF FUNDS

"SEC. 206. Moneys in the fund not needed for the current operations of the Federal Housing Administration shall be deposited in the Treasury of the United States to the credit of the fund, or invested in bonds or other obligations of the United States. The Treasurer of the United States is hereby directed to pay interest semiannually on any amount so deposited at a rate not greater than the prevailing rate on long-term Government bonds, such rate to be computed on the average amount of such bonds outstanding during any such semiannual period. The Administrator may, with the approval of the Secretary of the Treasury, purchase, at not to exceed par, in the open market, debentures issued under the provisions of section 204. Debentures so purchased shall be canceled and not reissued, and the several group accounts to which such debentures have been charged shall be charged with the amounts used in making such purchases.

## "LOW-COST HOUSING INSURANCE

"Sec. 207. The Administrator may also insure first mortgages, other than mortgages defined in section 201 (a) of

this title, covering property held by Federal or State instrumentalities, private limited dividend corporations, or municipal corporate instrumentalities of one or more States. formed for the purpose of providing housing for persons of low income which are regulated or restricted by law or by the Administrator as to rents, charges, capital structure, rate of return, or methods of operation. Such mortgages shall contain terms, conditions, and provisions satisfactory to the Administrator, but need not conform to the eligibility requirements of section 203. Subject to the right of the Administrator to impose a premium charge in excess of, or less than, the amount specified for mortgages defined in section 201 (a), the provisions of sections 204 and 205 shall be applicable to mortgages insured under this section: Provided. That the insurance with respect to any low-cost housing project shall not exceed \$10,000,000.

#### "TAXATION PROVISIONS

"Sec. 208. Nothing in this title shall be construed to exempt any real property acquired and held by the Administrator under this title from taxation by any State or political subdivision thereof, to the same extent, according to its value, as other real property is taxed.

### "STATISTICAL AND ECONOMIC SURVEYS

"SEC. 209. The Administrator shall cause to be made such statistical surveys and legal and economic studies as he shall deem useful to guide the development of housing and the creation of a sound mortgage market in the United States, and shall publish from time to time the results of such surveys and studies. Expenses of such studies and surveys, and expenses of publication and distribution of the results of such studies and surveys, shall be charged as a general expense of the fund.

# "TITLE III—NATIONAL MORTGAGE ASSOCIATIONS "CREATION AND POWERS OF NATIONAL MORTGAGE ASSOCIATIONS

"Section 301 (a) The Administrator is further authorized and empowered to provide for the establishment of national mortgage associations as hereinafter provided, which shall be authorized, subject to rules and regulations to be prescribed by the Administrator, (1) to purchase and sell first mortgages and such other first liens as are commonly given to secure advances on real estate held in fee simple or under a lease for not less than 99 years, under the laws of the State in which the real estate is located, together with the credit instruments, if any, secured thereby, such mortgages not to exceed 80 percent of the appraised value of the property as of the date the mortgage is purchased; and (2) to borrow money for such purposes through the issuance of notes, bonds, debentures, or other such obligations as hereinafter provided.

"(b) Any number of natural persons, not less than five may apply to the Administrator for authority to establish a national mortgage association, and at the time of such application shall transmit to the Administrator articles of association, signed and sealed by each of the incorporators and acknowledged before a judge of any court of record or a notary public, which shall contain (1) the name of the association, (2) the place where its principal office or place of business is to be located, and (3) such information with respect to its capital stock as the Administrator may by regulation require. If the Administrator is of the opinion that the incorporators transmitting the articles of association are responsible persons and that such articles of association are satisfactory in all respects, he shall issue or cause to be issued to such incorporators a certificate of approval, and the association shall become, as of the date of issuance of such certificate, a body corporate by the name set forth in its articles of association.

"(c) Each national mortgage association created under this section shall have succession from the date of its organization unless it is dissolved by act of its shareholders, or its franchise becomes forfeited by order of the Administrator as hereinafter provided, or it is dissolved by act of Congress, and shall have power—

"(1) To adopt and use a corporate seal.

"(2) To make contracts.

"(3) To sue and be sued, complain and defend, in any court of law or equity, State or Federal.

"(4) To conduct its business in any State of the United States or in the District of Columbia and to have one or more offices in such State or in the District of Columbia, one of which offices shall be designated at the time of organization as its principal office.

"(5) To do all things as are necessary or incidental to the proper management of its affairs and the proper conduct of its business.

"(d) No association shall transact any business except such as is incidental to its organization until it has been authorized to do so by the Administrator. Each such association shall have a capital stock of a par value of not less than \$5,000,000, and no authorization to commence business shall be granted by the Administrator to any such association until he is satisfied that such capital stock has been subscribed for at not less than par and paid in full in cash or Government securities.

"(e) Each national mortgage association, for the purpose of all actions by or against it, real, personal, or mixed, and all suits in equity, shall be deemed a citizen of the State in which its principal office is located.

"(f) No individual, association, partnership, or corporation, except associations organized under this section, shall hereafter use the words 'national mortgage association', or any combination of such words, as the name or a part thereof under which he or it shall do business. Every individual, partnership, association, or corporation violating this prohibition shall be guilty of a misdemeanor and shall be punished by a fine of not exceeding \$100 or imprisonment not exceeding 30 days, or both, for each day during which such violation is committed or repeated. The provisions of section 5243 of the Revised Statutes shall not apply to associations created under this title.

#### "OBLIGATIONS OF NATIONAL MORTGAGE ASSOCIATIONS

"SEC. 302. Each national mortgage association is authorized to issue and have outstanding at any time notes, bonds. debentures, or other such obligations in an aggregate amount not to exceed (1) 10 times the aggregate par value of its outstanding capital stock, and in no event to exceed (2) the current face value of mortgages held by it and insured under the provisions of title II of this act, plus the amount of its cash on hand and on deposit and the amount of its investments in bonds or obligations of, or guaranteed as to principal and interest by, the United States. No national mortgage association shall borrow money except through the issuance of such notes, bonds, debentures, or other obligations, or issue any such notes, bonds, debentures, or other obligations, except with the approval of the Administrator and under such rules and regulations as he shall prescribe.

#### "INVESTMENT OF FUNDS

"SEC. 303. Moneys of any national mortgage association not invested in first mortgages or other liens as provided in section 301, or in operating facilities approved by the Administrator, shall be kept in cash on hand or on deposit, or invested in bonds or other obligations of, or guaranteed as to principal and interest by the United States; except that each such association shall keep and maintain such reserves as the Administrator shall by rules and regulations prescribe.

#### "MANAGEMENT OF ACQUIRED PROPERTIES

"SEC. 304. Subject to such rules and regulations as the Administrator shall prescribe, any national mortgage association shall have power to deal with, rent, renovate, modernize, or sell for cash or credit, or otherwise dispose of. with a view to assuring a maximum financial return to the association, any property acquired by it as a result of foreclosure proceedings.

## " EXAMINATIONS AND LIQUIDATION

"SEC. 305. The Administrator shall have power to provide for the periodic examination of the affairs of every national mortgage association and shall have power to terminate the existence of any such association and order its liquidation and the winding up of its affairs in any case in | institution for the purpose of liquidation.

which the Administrator finds that the association is violating any provisions of this title or any rule or regulation thereunder, or in any case in which he finds that the association is conducting its business in an unsafe and unbusinesslike manner. In any case in which the Administrator finds, upon examination of the affairs of any such association, that the capital of such association is substantially impaired, and if, within 30 days after the Administrator has notified the association of the existence of such impairment, the capital is not restored to the satisfaction of the Administrator, he shall terminate the existence of such association and shall order the liquidation and winding up of its affairs. The expenses of examination of any such association shall be assessed upon and paid for by the association in such manner and under such rules and regulations as the Administrator shall prescribe. For the purposes of this section, examiners appointed by the Administrator shall be subject to the same requirements, responsibilities, and penalties as are applicable to examiners under the national banking laws and the Federal Reserve Act, as amended, and, in the exercise of their functions, shall have the same powers and privileges as are vested in such examiners by law.

#### "RULES AND REGULATIONS

"SEC. 306. The Administrator shall have power to provide by rules and regulations for the liquidation, reorganization, consolidation, or merger of national mortgage associations, including the power to appoint a conservator or a receiver to take charge of the affairs of any such association, to require an equitable readjustment of its capital structure, to release it from the control of a conservator or receiver, and to permit its further operation.

#### "TAXATION PROVISIONS

"Sec. 307. National mortgage associations shall be subject to taxation to the same extent as State-chartered corporations, except that no State or political subdivision thereof shall impose any tax on any such association or its franchise, capital, reserves, surplus, loans, income, or stock, or its securities or the income therefrom, at a greater rate than that imposed by such State on corporations, domestic or foreign, engaged in similar business within the State. Nothing herein shall be construed to exempt the real property of such associations from taxation by any State or political subdivision thereof, to the same extent, according to its value, as other real property is taxed.

## "DEPOSITARIES OF PUBLIC MONEYS

"SEC. 308. When designated for that purpose by the Secretary of the Treasury any national mortgage association shall be a depositary of public money, except receipts from customs, under such regulations as may be prescribed by said Secretary; and it may also be employed as a financial agent of the Government; and it shall perform all such reasonable duties as a depositary of public money and financial agent of the Government as may be required of it. Any national mortgage association may act as agent for any other instrumentality of the United States when designated for that purpose by such instrumentality.

"TITLE IV-INSURANCE OF SAVINGS AND LOAN ACCOUNTS " DEFINITIONS

"Section 401. As used in this title-

"(a) The term 'insured institution' means an institution whose accounts are insured under this title.

"(b) The term 'insured member' means an individual, partnership, association, or corporation which holds an insured account.

"(c) The term 'insured account' means a share, certificate, or deposit account of a type approved by the Federal Savings and Loan Insurance Corporation which is held by an insured member in an insured institution and which is insured under the provisions of this title.

"(d) The term 'default' means an adjudication or other official determination of a court of competent jurisdiction or other public authority pursuant to which a conservator, receiver, or other legal custodian is appointed for an insured "CREATION OF FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

"Sec. 402. (a) There is hereby created a Federal Savings and Loan Insurance Corporation (hereinafter referred to as the 'Corporation'), which shall insure the accounts of institutions eligible for insurance as hereinafter provided and shall be under the direction of a board of trustees to be composed of five members and operated by it under such bylaws, rules, and regulations as it may prescribe for carrying out the purposes of this title. The members of the Federal Home Loan Bank Board shall constitute the board of trustees of the Corporation and shall serve as such without additional compensation. The principal office of the Corporation shall be in the District of Columbia.

"(b) The Corporation shall have a capital stock of \$100,000,000, which shall be divided into shares of \$100 each. The total amount of such capital stock shall be subscribed for by the Home Owners' Loan Corporation which is hereby authorized and directed to subscribe for such stock and make payment therefor in bonds of the Home Owners' Loan Corporation. The Corporation shall issue to the Home Owners' Loan Corporation receipts for payment for or on account of such stock, which shall serve as evidence of the ownership thereof, and the Home Owners' Loan Corporation shall be entitled to the payment of dividends on such stock cut of net earnings at a rate equal to the interest rate on such bonds, which dividends shall be cumulative.

"(c) Upon the date of enactment of this act, the Corporation shall become a body corporate, and shall be an instrumentality of the United States, and as such shall have power—

"(1) To adopt and use a corporate seal.

"(2) To have succession until dissolved by act of Congress.

"(3) To make contracts.

"(4) To sue and be sued, complain and defend, in any court of law or equity, State or Federal.

"(5) To appoint and to fix the compensation, by its board of trustees, of such officers, employees, attorneys, or agents, as shall be necessary for the performance of its duties under this title, without regard to the provisions of any other laws relating to the employment or compensation of officers or employees of the United States. Nothing in this title or any other provision of law shall be construed to prevent the appointment and compensation as an officer, attorney, or employee of the Corporation, of any officer, attorney, or employee of any board, corporation, commission, establishment, executive department, or instrumentality of the Government. The Corporation, with the consent of any board, corporation, commission, establishment, executive department, or instrumentality of the Government, including any field service thereof, may avail itself of the use of information, services, and facilities thereof in carrying out the provisions of this title.

"(d) For the purposes of this title, the Corporation shall have power to borrow money, and to issue notes, bonds, debentures, or other such obligations upon such terms and conditions as the board of trustees may determine. Moneys of the Corporation not required for current operations shall be deposited in the Treasury of the United States, or upon the approval of the Secretary of the Treasury, in any Federal Reserve bank, or shall be invested in obligations of, or guaranteed as to principal and interest by, the United States. When designated for that purpose by the Secretary of the Treasury, the Corporation shall be a depositary of public money under such regulations as may be prescribed by the Secretary of the Treasury, and may also be employed as fiscal agent of the United States, and it shall perform all such reasonable duties as depositary of public money and fiscal agent as may be required of it.

"(e) All notes, bonds, debentures, or other such obligations issued by the Corporation shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority. The Corporation, including its franchise,

capital, reserves, surplus, and income, shall be exempt from all taxation now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority, except that any real property of the Corporation shall be subject to State, Territorial, county, municipal, or local taxation to the same extent according to its value as other real property is taxed.

"(f) The Corporation shall make an annual report of its operations to the Congress as soon as practicable after the

1st day of January in each year.

"(g) No individual, association, partnership, or corporation shall use the words 'Federal Savings and Loan Insurance Corporation', or any combination of any of these words which would have the effect of leading the public in general to believe there was any connection, actually not existing, between such individual, association, partnership, or corporation and the Federal Savings and Loan Insurance Corporation, as the name under which he or it shall hereafter do business. No individual, association, partnership, or corporation shall advertise or otherwise represent falsely by any device whatsoever that his or its accounts are insured or in anywise guaranteed by the Federal Savings and Loan Insurance Corporation, or by the Government of the United States, or by any instrumentality thereof; and no insured member shall advertise or otherwise represent falsely by any device whatsoever the extent to which or the manner in which its accounts are insured by the Federal Savings and Loan Insurance Corporation. Every individual, partnership, association, or corporation violating this subsection shall be punished by a fine of not exceeding \$1,000, or by imprisonment not exceeding 1 year, or both.

"INSURANCE OF ACCOUNTS AND ELIGIBILITY PROVISIONS

"Sec. 403. (a) It shall be the duty of the Corporation to insure the accounts of all Federal savings and loan associations, and it may insure the accounts of building-and-loan, savings and loan, and homestead associations and cooperative banks organized and operated according to the laws of the State, District, or Territory in which they are chartered or organized.

"(b) Application for such insurance shall be made immediately by each Federal savings and loan association, and may be made at any time by other eligible institutions. Such applications shall be in such form as the Corporation shall prescribe, and shall contain an agreement (1) to pay the reasonable cost of such examinations as the Corporation shall deem necessary in connection with such insurance, and (2) if the insurance is granted, to permit and pay the cost of such examinations as in the judgment of the Corporation may from time to time be necessary for its protection and the protection of other insured institutions, to permit the Corporation to have access to any information or report with respect to any examination made by any public regulatory authority and to furnish any additional information with respect thereto as the Corporation may require, and to pay the premium charges for insurance as hereinafter provided. Each applicant for such insurance shall also file with its application an agreement that during the period that the insurance is in force it will not make any loans beyond 50 miles from its principal office except with the approval of, and pursuant to regulations of, the Corporation, but any applicant which, prior to the date of enactment of this act, has been permitted to make loans beyond such 50-mile limit may continue to make loans within the territory in which the applicant is operating on such date; will not, after it becomes an insured institution, issue securities which guarantee a definite return or which have a definite maturity except with the specific approval of the Corporation, or issue any securities the form of which has not been approved by the Corporation; will not carry on any sales plan or practices, or any advertising, in violation of regulations to be made by the Corporation; will provide adequate reserves satisfactory to the Corporation, to be established in accordance with regulations made by the Corporation, before paying dividends to its insured memreserves to 5 percent of all insured accounts within a reasonable period, not exceeding 10 years, and shall prohibit the payment of dividends from such reserves, or the payment of any dividends if any losses are chargeable to such reserves.

shall make available to each of them, after notice by mail at his last-known address as shown by the books of the insured institution, and upon surrender and transfer to the Corporation of his insured account, either (1) a new insured account in an insured institution not in default. in an

"(c) The Corporation shall reject the application of any applicant if it finds that the capital of the applicant is impaired or that its financial policies or management are unsafe; and the Corporation may reject the application of any applicant if it finds that the character of the management of the applicant or its home financing policy is inconsistent with economical home financing or with the purposes of this title. Upon the approval of any application for insurance the Corporation shall notify the applicant, and upon the payment of the initial premium charge for such insurance, as provided in section 404, the Corporation shall issue to the applicant a certificate stating that it has become an insured institution. In considering applications for such insurance the Corporation shall give full consideration to all factors in connection with the financial condition of applicants and insured institutions, and shall have power to make such adjustments in their financial statements as the Corporation finds to be necessary.

"(d) Any applicant which applies for insurance under this title after the first year of the operation of the Corporation, shall pay an admission fee based upon the reserve fund of the applicant which, in the judgment of the Corporation, is an equitable contribution.

#### "PREMIUMS ON INSURANCE

"Sec. 404. (a) Each institution whose application for insurance is approved by the Corporation shall pay to the Corporation, in such manner as it shall prescribe, a premium charge for such insurance equal to one-fourth of 1 percent of the total amount of all accounts of the insured members of such institution plus any creditor obligations of such institution. Such premium shall be paid at the time the certificate is issued by the Corporation under section 403, and thereafter annually until a reserve fund has been established by the Corporation equal to 5 percent of all insured accounts and creditor obligations of all insured institutions; except that under regulations prescribed by the Corporation such premium charge may be paid semiannually. If at any time such reserve fund falls below such 5 percent, the payment of such annual premium charge for insurance shall be resumed and shall be continued until the reserve is brought back to such 5 percent. For the purposes of this subsection, the amount in all accounts of insured members and the amount of creditor obligations of any institution may be determined from adjusted statements made within 1 year prior to the approval of the application of such institution for insurance, or in such other manner as the Corporation may by rules and regulations prescribe.

"(b) The Corporation is further authorized to assess against each insured institution additional premiums for insurance until the amount of such premiums equals the amount of all losses and expenses of the Corporation; except that the total amount so assessed in any one year against any such institution shall not exceed one-fourth of 1 percent of the total amount of the accounts of its insured members and its creditor obligations.

### "PAYMENT OF INSURANCE

"Sec. 405. (a) Each institution whose application for insurance under this title is approved by the Corporation shall be entitled to insurance up to the full withdrawable or repurchasable value of the accounts of each of its members and investors (including individuals, partnerships, associations, and corporations) holding withdrawable or repurchasable shares, investment certificates, or deposits, in such institution; except that no member or investor of any such institution shall be insured for an aggregate amount in excess of \$5,000.

"(b) In the event of a default by any insured institution the Corporation shall promptly determine the insured members thereof and the amount of their insured accounts, and

shall make available to each of them, after notice by mail at his last-known address as shown by the books of the insured institution, and upon surrender and transfer to the Corporation of his insured account, either (1) a new insured account in an insured institution not in default, in an amount equal to the insured account so transferred, or (2) at the option of the insured member, the amount of his account which is insured under this section, as follows: Not to exceed 10 percent in cash, and 50 percent of the remainder within 1 year, and the balance within 3 years, from the date of such default, in negotiable non-interest-bearing debentures of the Corporation. The Corporation shall furnish to all insured institutions a certificate stating that the insurance of accounts in such institution is to be paid in the manner described in this subsection.

#### "LIQUIDATION OF INSURED INSTITUTIONS

"Sec. 406. (a) In order to facilitate the liquidation of insured institutions, the Corporation is authorized (1) to contract with any insured institution with respect to the making available of insured accounts to the insured members of any insured institution in default, or (2) to provide for the organization of a new Federal savings and loan association for such purpose subject to the approval of the Federal Home Loan Bank Board.

"(b) In the event of a Federal savings-and-loan association is in default, the Corporation shall be appointed as conservator or receiver and is authorized as such (1) to take over the assets of and operate such association, (2) to take such action as may be necessary to put it in a sound and solvent condition, (3) to merge it with another insured institution. (4) to organize a new Federal savings-and-loan association to take over its assets, or (5) to proceed to liquidate its assets in an orderly manner, whichever shall appear to be to the best interests of the insured members of the association in default; and in any event the Corporation shall pay the insurance as provided in section 405 and all valid credit obligations of such association. The net proceeds which may arise from the orderly liquidation of the assets of any such association, after reimbursement of the Corporation of all amounts paid by it for such insurance, shall be distributed pro rata among the shareholders of the association.

"(c) In the event any insured institution other than a Federal savings-and-loan association is in default, the Corporation shall have authority to act as conservator, receiver, or other legal custodian of such insured institution, and the services of the Corporation are hereby tendered to the court or other public authority having the power of appointment. If the Corporation is so appointed, it shall have the same powers and duties with respect to the insured institution in default as are conferred upon it under subsection (b) with respect to Federal savings-and-loan associations. If the Corporation is not so appointed it shall pay the insurance as provided in section 405, and shall have power (1) to bid for the assets of the insured institution in default, (2) to negotiate for the merger of the insured institution or the transfer of its assets, or (3) to make any other disposition of the matter as it may deem in the best interests of all concerned.

"(d) In connection with the liquidation of insured institutions in default, the Corporation shall have power to carry on the business of and to collect all obligations to the insured institutions, to settle, compromise, or release claims in favor of or against the insured institutions, and to do all other things that may be necessary in connection therewith, subject only to the regulation of the court or other public authority having jurisdiction over the matter.

"(e) The Corporation shall make an annual report to the Congress of the operation by it of insured institutions in default, and shall keep a complete record of the administration by it of the assets of such insured institutions which shall be subject to inspection by any officer of any such insured institution or by any other interested party, and, if any such insured institution is operated under the laws of any State, Territory, or possession of the United States, or of the District of Columbia, such annual report shall also be | Board, to borrow and give security therefor and to pay filed with the public authority which has jurisdiction over the insured institution.

#### "TERMINATION OF INSURANCE

"SEC. 407. (a) Any institution which is insured under the provisions of this title may, upon not less than 90 days' written notice to the Corporation, terminate its status as an insured institution upon a majority vote of its shareholders entitled to vote, or upon a majority vote of its board of directors or other similar governing body which is authorized to act for the institution. Thereupon its status as an insured institution shall immediately cease and all rights of its insured members to insurance under this title shall immediately terminate; but the obligation of the institution to pay the premium charges for insurance shall continue for a period of 3 years after the date of such termination.

"(b) The Corporation shall have power to terminate the insured status of any insured institution at any time, after 90 days' notice in writing, for violation of any provision of this title, or of any rule or regulation made thereunder, or of any agreement made pursuant to section 403. In the event the insured status of any insured institution is so terminated it shall be unlawful thereafter for it to advertise or represent itself as an insured institution, but the insured accounts of its members existing on the date of such termination shall continue as such for a period of 5 years thereafter, and the institution shall be required to continue the payment of the premium charge for insurance during such 5-year period.

" TITLE V-MISCELLANEOUS

"Section 501. Section 10 (a) of the Federal Home Loan Bank Act is amended to read as follows:

"'SEC. 10. (a) Each Federal home loan bank is authorized to make advances to its members, upon the security of home mortgages, subject to such regulations, restrictions, and limitations as the board may prescribe. Any such advance shall be subject to the following limitations as to

"'(1) If secured by a mortgage insured under the provisions of title II of the National Houshing Act, the advance may be for an amount not in excess of 90 percent of the unpaid principal of the mortgage loan.

"'(2) If secured by a home mortgage given in respect of an amortized home mortgage loan which was for an original term of 8 years or more, or in cases where shares of stock, which are pledged as security for such loan, mature in a period of 8 years or more, the advance may be for an amount not in excess of 65 percent of the unpaid principal of the home mortgage loan; but in no case shall the amount of the advance exceed 60 percent of the value of the real estate securing the home mortgage loan.

"'(3) If secured by a home mortgage given in respect of any other home mortgage loan, the advance shall not be for an amount in excess of 50 percent of the unpaid principal of the home mortgage loan; but in no case shall the amount of such advance exceed 40 percent of the value of the real estate securing the home mortgage loan.'

"SEC. 502. The Federal Home Loan Bank Act is further amended by adding after section 10 thereof the following new section:

"'SEC. 10a. Until July 1, 1936, each Federal home-loan bank is authorized to make advances to its members, in order to enable such members to finance home repairs, improvements, and alterations. Such advances shall not be subject to the provisions and restrictions of section 10 of this act, but shall be made upon the security of notes representing obligations incurred pursuant to, and insurable under, section 2 of the National Housing Act. Advances made under the terms of this section shall be at such rates of interest and upon such terms and conditions as shall be determined by the Federal Home Loan Bank Board.'

"SEC. 503. Section 11 of the Federal Home Loan Bank Act is amended to read as follows:

"'SEC. 11. (a) Each Federal home-loan bank shall have

interest thereon, to issue debentures, bonds, or other obligations upon such terms and conditions as the Board may approve, and to do all things necessary for carrying out the provisions of this act and all things incident thereto.

"'(b) The Board may issue consolidated Federal homeloan bank debentures which shall be the joint and several obligations of all Federal home-loan banks organized and existing under this act, in order to provide funds for any such bank or banks, and such debentures shall be issued upon such terms and conditions as the Board may prescribe. No such debentures shall be issued at any time if any of the assets of any Federal home-loan bank are pledged to secure any debts or subject to any lien, and neither the Board nor any Federal home-loan bank shall have power to pledge any of the assets of any Federal home-loan bank, or voluntarily to permit any lien to attach to the same while any of such debentures so issued are outstanding. The debentures issued under this section and outstanding shall at no time exceed five times the total paid-in capital of all the Federal home-loan banks as of the time of the issue of such debentures. It shall be the duty of the Board not to issue debentures under this section in excess of the notes or obligations of member institutions held and secured under section 10 (a) of this act by all the Federal home-loan

"'(c) At any time that no debentures are outstanding under this act, or in order to refund all outstanding consolidated debentures issued under this section, the Board may issue consolidated Federal home-loan bank bonds which shall be the joint and several obligations of all the Federal home-loan banks, and shall be secured and be issued upon such terms and conditions as the Board may prescribe.

"'(d) The Board shall have full power to require any Federal home-loan bank to deposit additional collateral or to make substitutions of collateral or to adjust equities between the Federal home-loan banks.

"(e) Each Federal home-loan bank shall have power to accept deposits made by members of such bank or by any other Federal home-loan bank or other instrumentality of the United States, upon such terms and conditions as the Board may prescribe, but no Federal home-loan bank shall transact any banking or other business not authorized by this act.

"'(f) The Board is authorized and empowered to permit, or whenever in the judgment of at least four members of the Board an emergency exists requiring such action, to require, Federal home-loan banks, upon such terms and conditions as the Board may prescribe, to rediscount the discounted notes of members held by other Federal home-loan banks, or to make loans to, or make deposits with, such other Federal home-loan banks, or to purchase any bonds or debentures issued under this section.

"'(g) Each Federal home-loan bank shall at all times have an amount equal to the sums paid in on outstanding capital subscriptions of its members, plus an amount equal to the current deposits received from its members, invested in (1) obligations of the United States, (2) deposits in banks or trust companies, (3) advances with a maturity of not to exceed 1 year, which are made to members or nonmember borrowers, upon such terms and conditions as the board may prescribe, and (4) advances with a maturity of not to exceed 1 year, which are made to members or nonmember borrowers whose creditor liabilities (not including advances from the Federal home-loan bank) do not exceed 5 percent of their net assets, and which may be made without the security of home mortgages or other security, upon such terms and conditions as the board may prescribe.

"'(h) Such part of the assets of each Federal home-loan bank (except reserves and amounts provided for in subsection (g)) as are not required for advances to members or nonmember borrowers, may be invested, to such extent as the bank may deem desirable and subject to such regulations, restrictions, and limitations as may be prescribed by the power, subject to rules and regulations prescribed by the board, in obligations of the United States and in such

securities as fiduciary and trust funds may be invested in under the laws of the State in which the Federal homeloan bank is located.'

"Sec. 504. The Farm Credit Act of 1933 is amended by adding after section 86 thereof the following new section:

"'SEC. 86a. With the approval of the Governor of the Farm Credit Administration and under rules and regulations to be prescribed by the Production Credit Commissioner, production-credit associations organized under the provisions of the Farm Credit Act of 1933 are authorized and empowered (without regard to the provisions of this act relating to the requirement for the ownership of class B stock or any other limitations therein contained) (1) to make loans to farmers for the purpose of enabling them to make home alterations, repairs, and improvements, (2) to sell, discount, assign, or otherwise dispose of any loans made by them under the provisions of this section, under such restrictions and limitations as to endorsement and liability as may be approved by the Governor of the Farm Credit Administration, (3) to avail themselves of the benefits of insurance under the provisions of section 2 of the National Housing Act, and (4) to do all such things as may be reasonably necessary to carry out the provisions of this

"Sec. 505. (a) Section 24 of the Federal Reserve Act, as amended, is amended by adding at the end of the third sentence thereof the following: 'Provided, That in the case of loans secured by real estate which are insured under the provisions of title II of the National Housing Act, such restrictions as to the amount of the loan in relation to the actual value of the real estate and as to the 5-year limit on the terms of such loans shall not apply.'

"(b) Section 24 of such act, as amended, is further amended by adding at the end thereof the following new paragraph:

"'Loans made to finance the construction of residential or farm buildings and having maturities of not to exceed 6 months, whether or not secured by a mortgage or similar lien on the real estate upon which the residential or farm building is being constructed, shall not be considered as loans secured by real estate within the meaning of this section but shall be classed as ordinary commercial loans: Provided, That no national banking association shall invest in, or be liable on, any such loans in an aggregate amount in excess of 50 percent of its actually paid-in and unimpaired capital. Notes representing such loans shall be eligible for discount as commercial paper within the terms of the second paragraph of section 13 of the Federal Reserve Act, as amended, if accompanied by a valid and binding agreement to advance the full amount of the loan upon the completion of the building entered into by an individual, partnership, association, or corporation acceptable to the discounting bank.

"Sec. 506. (a) The first sentence of section 4 (c) of the Home Owners' Loan Act of 1933, as amended, is further amended to read as follows:

"'(c) The Corporation is authorized to issue bonds in an aggregate amount not to exceed \$3,000,000,000, which may be exchanged as hereinafter provided, or which may be sold by the Corporation to obtain funds for carrying out the purposes of this section or for the redemption of any of its outstanding bonds called in for retirement; and the Corporation is further authorized to increase its total bond issue in an amount equal to the amount of the bonds so called in and retired.'

"(b) Section 4 (m) of the Home Owners' Loan Act of 1933, as amended, is amended by striking out '\$200,000,000' and inserting in lieu thereof '\$300,000,000.'

"SEC. 507. Subdivision (6) of section 2 of the Federal Home Loan Bank Act is amended so as to read as follows:

"'(6) The term "home mortgage" means a mortgage upon real estate, in fee simple, or on a leasehold (1) under a lease for not less than 99 years, which is renewable, or (2) under a lease having a period of not less than 50 years to run from the date the mortgage was executed, upon which there is located a dwelling for not more than three families,

and shall include, in addition to first mortgages, such classes of first liens as are commonly given to secure advances on real estate by institutions authorized under this act to become members, under the laws of the State in which the real estate is located, together with the credit instruments, if any, secured thereby.'

"Sec. 508. (a) Section 2 (c) of the Home Owners' Loan Act of 1933, as amended, is amended by striking out 'under a renewable lease for not less than 99 years' and inserting in lieu thereof '(1) under a lease for not less than 99 years which is renewable, or (2) under a lease having a period of not less than 50 years to run from the date the mortgage was executed.'

"(b) Section 4 (c) of such act, as amended, is amended by striking out 'under a lease renewable for not less than 99 years' and inserting in lieu thereof '(1) under a lease for not less than 99 years which is renewable, or (2) under a lease having a period of not less than 50 years to run from the date the mortgage was executed.'

"Sec. 509. Section 6 of the Federal Home Loan Bank Act is amended by striking out '\$1,500' in subsections (c) and (e), and inserting in lieu thereof '\$500.'

"Sec. 510. The act entitled 'An act relating to contracts and agreements under the Agricultural Adjustment Act', approved January 25, 1934, is amended by inserting before the period at the end thereof a comma and the following: 'The Federal Farm Loan Act, as amended, the Emergency Farm Mortgage Act of 1933, as amended, the Federal Farm Mortgage Corporation Act, as amended, the Farm Credit Act of 1933, as amended, and the Home Owners' Loan Act of 1933, as amended.'

"Sec. 511. Section 22 of the Interstate Commerce Act, as amended, is further amended by adding at the end thereof the following new sentence: 'Nothing in this act shall prevent any carrier or carriers subject to this act from giving reduced rates for the transportation of commodities to be specified by the Commission as hereinafter provided, to or from any section of the country, with the object of improving Nation-wide housing standards and providing employment and stimulating industry, if such reduced rates have first been authorized by order of the Commission (with or without a hearing); but in such order the Commission shall specify the commodities as to which this provision shall be declared effective and shall specify the period during which such reduced rates are to remain in effect.'

## " PENALTIES

"Sec. 512. (a) Whoever, for the purpose of obtaining any loan from the Federal Housing Administration or the Federal Savings and Loan Insurance Corporation, or any extension or renewal thereof, or the acceptance, release, or substitution of security therefor, or for the purpose of inducing the Administration or the Corporation to purchase any assets, or for the purpose of influencing in any way the action of the Administration or the Corporation under this act, makes any statement, knowing it to be false, or willfully overvalues any security, shall be punished by a fine of not more than \$5,000, or by imprisonment for not more than 2 years, or both.

"(b) Whoever (1) falsely makes, forges, or counterfeits any obligation or coupon, in imitation of or purporting to be an obligation or coupon issued under authority of this act, or (2) passes, utters, or publishes, or attempts to pass, utter, or publish, any false, forged, or counterfeited obligation or coupon purporting to have been so issued, knowing the same to be false, forged, or counterfeited, or (3) falsely alters any obligation or coupon so issued or purporting to have been so issued, or (4) passes, utters, or publishes, or attempts to pass, utter, or publish, as true, any falsely altered or spurious obligation or coupon, so issued or purporting to have been so issued, knowing the same to be falsely altered or spurious, shall be punished by a fine of not more than \$10,000, or by imprisonment for not more than 5 years, or both.

"(c) Whoever, being connected in any capacity with the Federal Housing Administration or the Federal Savings and Loan Insurance Corporation, (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, | or other things of value, whether belonging to the Administration or the Corporation or pledged, or otherwise intrusted to the Administration or the Corporation, or (2) with intent to defraud the Administration or the Corporation, or any other body, politic or corporate, or any individual, or to deceive any officer, auditor, or examiner of the Administration or the Corporation, makes any false entry in any book, report, or statement of or to the Administration or the Corporation, or without being duly authorized draws any order, or issues, puts forth, or assigns any note, debenture, bond, or other such obligation, or draft, bill of exchange, mortgage, judgment, or decree thereof, shall be punished by a fine of not more than \$10,000, or by imprisonment for not more than 5 years, or both.

#### "SEPARABILITY PROVISION

"SEC. 513. If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill, and agree to the same.

> HENRY B. STEAGALL. T. ALAN GOLDSBOROUGH, ANNING S. PRALL, ROBERT LUCE. Managers on the part of the House. ROBERT F. WAGNER, ALBEN W. BARKLEY, ROBERT J. BULKLEY, JOHN G. TOWNSEND, Jr., FREDERICK STEIWER, Managers on the part of the Senate.

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill (H.R. 9620) to improve housing conditions; to provide employment; to provide for the insurance of mortgages; to insure the savings in savings-and-loan associations and similar institutions; to amend the Federal Home Loan Bank Act, Home Owners' Loan Act of 1933, the Federal Reserve Act, and the Farm Credit Act of 1933; and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Title I of the House bill provided for the establishment of a Corporation with a board of directors of not less than 5 nor more than 7 members to be selected by the President from existing governmental agencies to insure financial institutions which, after the date of enactment of the act and prior to January 1, 1936, or such earlier date as the President might fix, might make loans for the purpose of financing alterations, repairs, and improvements to real property. The aggregate amount of such insurance was not to exceed \$200,000,000 and in no case was any financial institution to be insured against losses in an amount more than 20 percent of the total amount of the loans made by it and in no case were obligations representing loans in excess of \$2,000 to be insured. It was also provided in title I that the Corporation might insure amortized mortgages on owner-occupied buildings or low-cost housing projects where the mortgages covered property having a present appraisal value of not more than \$20,000 or where the original principal obligation involved was not in excess of 80 percent of the appraised value of the property in the case of houses constructed after the passage of the act, or 60 percent of the appraised value in the case of existing homes. There was also a limitation that no mortgage should be insured on a low-cost housing project in an amount in excess of \$5,000,000. The insurance of mortgages on existing homes and low-cost housing projects under section 105 of the House bill was limited to not to exceed \$1,000,000,000, and

the insurance on homes and low-cost housing projects constructed after the passage of the act was limited to a similar amount.

Titles I and II of the Senate amendment contained similar provisions for such insurance of financial institutions. loans, and insurance of amortized mortgages, and provided that they should be under the administration of a Federal housing administrator, to be appointed by the President, by and with the advice and consent of the Senate. The first two matters were covered by title I of the Senate amendment, and title II established in considerably more detail than the House provision (sec. 105) the system of mutual home-mortgage insurance.

The conference agreement retains the provisions of the Senate amendment but extends the limitation on low-cost housing projects from \$5,000,000 to \$10,000,000. The limitation upon the aggregate amount of insurance permitted on homes and low-cost housing projects is retained under the conference agreement, except that with the approval of the President the limitation may be removed.

The conference agreement also retains the provisions of the Senate amendment that no mortgage is to be insured where the principal obligation exceeds \$16,000, and that no insurance is to be granted in excess of 80 percent of the appraised value of the property as of the date the mortgage is executed.

Title II of the House bill authorized the Home Owners' Loan Corporation to subscribe for shares of Federal savingsand-loan associations, building-and-loan associations, homestead associations or cooperative banks, to make deposits or purchase certificates of deposit in savings banks and building-and-loan associations, and to make loans to insurance companies which are members of a Federal home-loan bank, for the purpose of contributing to the employment of labor in the construction, repair, and improvement of homes and small business properties and for refinancing existing mortgages. The aggregate amount of the funds of the Corporation to be used for such purposes was not to exceed \$500 .-000,000, and the amount of the bonds which the Corporation was authorized to have outstanding was increased from \$2,000,000,000 to \$3,500,000,000.

There was no similar provision in the Senate bill with respect to the activities of the Home Owners' Loan Corporation, but it was provided in the Senate amendment (sec. 506) that the authorization for the Corporation to issue bonds should be increased by \$1,000,000,000, and that the limitation of existing law with respect to advances for repairs and improvements of homes covered by mortgages held by the Corporation should be increased from \$200,000,-000 to \$300,000,000.

The conference agreement eliminates title II of the House bill but retains the Senate provision.

Title III of the House bill and the Senate amendment provided for the creation of national mortgage associations which are authorized to purchase and sell mortgages and to borrow money for such purposes through the issuance of bonds and debentures. Under the House provision such associations were to be supervised by the Federal Home Loan Bank Board, while under the Senate amendment they were to be supervised by the Federal Housing Administrator. Under the House bill the national mortgage associations were authorized to issue debentures in an aggregate amount not to exceed 15 times the aggregate par value of their outstanding capital stock, but in no event to exceed the current face value of mortgages held by them and insured under the provisions of the bill, plus the amount of cash and its equivalent and bonds or obligations of the United States. In the Senate amendment the first limitation upon the issuance of debentures was fixed at 10 times the aggregate par value of the outstanding capital stock of the associations and this provision was retained in the conference agreement. The Senate amendment also provided that mortgages which were to be purchased and sold by the associations were not to exceed 80 percent of the appraised value of the property as of the date the mortgages were purchased. The conference agreement retains the provisions of the Senate amendment.

Title IV of the House bill provided for the creation of a Federal Savings & Loan Insurance Corporation to be under the supervision of a board of trustees consisting of the members of the Federal Home Loan Bank Board. The corporation was authorized to insure accounts of members of Federal savings-and-loan associations and of buildingand-loan, savings-and-loan, and homestead associations and cooperative banks, whether or not they were members of a Federal home-loan bank, but no account was to be insured in an amount in excess of \$2,500. Institutions eligible for insurance were required to submit at the time of their application to the corporation for insurance an agreement not to issue securities of which the form had not been approved by the corporation, or to violate such necessary and reasonable regulations as might be made by the trustees for the protection of the corporation.

The Senate amendment contained a similar provision for the establishment of a corporation which was to insure the accounts of members of Federal avings-and-loan associations and other members of the Federal home-loan bank system except mutual savings banks and insurance companies, but the amount of any account which might be insured was limited to \$5,000. The institutions which were insured under the provisions of the Senate amendment were required to submit with their application an agreement providing, among other things, that they should not make any loan during the period the insurance was in force beyond 100 miles from their principal office, that they would not issue securities which guarantee a definite return or which have a definite maturity, that they would not carry on any sales plan or practices in violation of regulations made by the corporation, and would provide adequate reserves satisfactory to the corporation, but should have reserves at least equal to 5 percent of all their insured accounts within a period of not to exceed 10 years. Insured institutions were required to pay to the corporation a premium charge for insurance equal to one-half of 1 percent of the total amount of all accounts of its insured members plus any creditor obligations of such institutions, and it was provided that an additional one-fourth of 1 percent might be assessed by the corporation against each such institution until the amount of such premiums equaled the amount of all losses and expenses of the corporation. The total assessments against any such institution, however, under the Senate provisions were not to exceed one-half of 1 percent of the total amount of all accounts of its insured members and its creditor obligations.

The conference agreement retains the provisions of the Senate amendment, except that the benefit of insurance is extended to institutions of the class specified in the House bill, whether or not they are members of the Federal homeloan bank system, the premium charge for insurance is reduced from one-half of 1 percent to one-fourth of 1 percent, and with respect to the limitation upon the making of loans it is provided that the institutions are to agree not to make loans beyond 50 miles from their principal office except with the approval of the Corporation, but that any applicant which prior to the date of enactment of the act has been permitted to make loans beyond such 50-mile limit may continue to do so within the territory in which the applicant is operating on such date. An exception is also made with respect to the limitation upon the issuance of securities guaranteeing a definite return or which have a definite maturity so as to provide that such securities may be issued with the specific approval of the Corporation.

Title V of the House bill contained a number of miscellaneous amendments to existing law supplementing the provisions made by the preceding titles of the bill. Among these was a provision amending the definition of "home mortgage" in the Home Owners' Loan Act of 1933 which was eliminated under the conference agreement. The Senate amendment contained a provision eliminating from the provisions of the Federal Reserve Act (relating to loans secured by real estate) loans which are insured under the provisions of the National Housing Act.

The Senate amendment also added a provision extending the relief afforded by the act approved January 25, 1934 (relating to contracts and agreements under the Agricultural Adjustment Act to include the Federal Farm Loan Act and the Home Owners' Loan Act.

The conference agreement retains this provision and extends it to other acts relating to the Farm Credit Administration.

HENRY B. STEAGALL,
T. ALAN GOLDSBOROUGH,
ANNING S. PRALL,
ROBERT LUCE,
Managers on the part of the House.

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that the statement may be read in lieu of the report.

The Clerk read the statement.

Mr. STEAGALL. Mr. Speaker, title I of the House bill provided for the establishment of a Home Credit Insurance Corporation. Under the House bill the corporation would have been administered by a board of five members appointed by the President and selected from existing Government boards. The Senate bill provided for the administration of the home-credit insurance activities by an administrator instead of by a corporation, and the administrator would be appointed by the President, confirmed by the Senate, and his salary would be fixed at \$10,000. The provisions of the Senate bill were accepted in conference and are embodied in the report submitted to the House. The measure as agreed upon provides for the insurance of financial institutions making loans for repairs, alterations, and improvement of real estate. The total amount that may be used is \$200,000,000, and loans for such purposes cannot exceed \$2,000, and the insurance is limited to 20 percent of the loans. The House bill authorized insurance of mortgage loans on low-cost housing projects not to exceed \$5,000,000 on such mortgages. The bill as reported would limit each project up to \$10,000,000. No insurance may be extended upon a mortgage where more than 80 percent of the value of the property is covered, nor where the total value of the property exceeds \$20,000.

In that connection I should like to say, in view of the changes made, that the plan finally adopted was approved at the suggestion of the administration. Under the provisions of the House bill the insurance on homes and low-cost-housing projects was limited to \$1,000,000,000 on such projects and the same limitation upon insurance of loans upon homes. The provision is retained with a proviso that such limit may be removed with the approval of the President.

Title II of the bill-

Mr. BLANCHARD. Will the gentleman yield?

Mr. STEAGALL. Will the gentleman excuse me for just a moment?

Mr. BLANCHARD. I want to propound a question with reference to title II so that the gentleman may discuss it.

Mr. STEAGALL. I was about to begin a discussion of title II, but I will yield. However, before I yield, let me say to the gentleman from Massachusetts [Mr. Luce] that I shall yield him such time as he may desire.

Mr. BLANCHARD. I am perfectly willing to defer until the gentleman has made his statement. I wanted it discussed with reference to the building-and-loan associations, as to what effect title II has had upon them since this bill left the House.

Mr. STEAGALL. I will say to the House that title II of the bill as it passed the House has been eliminated in part. Title II of the House bill authorized the Home Owners' Loan Corporation to subscribe for shares of Federal savings-and-loan associations, building-and-loan associations, homestead associations, or cooperative banks, to make deposits or purchase certificates of deposit in savings banks and building-and-loan associations, and to make loans to insurance companies which are members of a Federal home-loan bank, for the purpose of contributing to the employment of labor in the construction, repair, and improvement of homes

and small business properties and for refinancing existing mortgages. The aggregate amount of the funds of the corporation to be used for such purposes was not to exceed \$500,000,000, and the amount of the bonds which the corporation was authorized to have outstanding was increased from \$2,000,000,000 to \$3,500,000,000.

There was no similar provision in the Senate bill with respect to the activities of the Home Owners' Loan Corporation, but it was provided in the Senate amendment (sec. 506) that the authorization for the corporation to issue bonds should be increased by \$1,000,000,000, and that the limitation of existing law with respect to advances for repairs and improvements of homes covered by mortgages held by the corporation should be increased from \$200,000,000 to \$300,000,000.

The conference agreement eliminates title II of the House bill, but retains the Senate provision.

The report as agreed upon retained the provisions of title II of the House bill, which provided for an increase of the funds of the Home Owners' Loan Corporation in the amount of \$1,000,000,000. One hundred million dollars of that additional sum to be supplied the Home Owners' Loan Corporation may be devoted to repairs and renovation, in addition to \$200,000,000 of the Home Owners' Loan Corporation fund made available for that purpose out of funds constituting the \$2,000,000,000 supplied in the former enactment of the Congress.

Mr. MOTT. Will the gentleman yield?

Mr. STEAGALL. I will ask the gentleman to let me proceed briefly. I wish to say, Mr. Speaker, that the House provision in this bill providing for the creation of national mortgage associations, which was adopted by the House as an amendment, has been agreed upon by the conferees, and it is adopted in the same form in which it passed the House. [Applause.] Such associations are not to be permitted to make loans and the tax-exemption features are eliminated. These associations may only purchase or sell mortgages.

Under the House provision such associations were to be supervised by the Federal Home Loan Bank Board, while under the Senate amendment they were to be supervised by the Federal Housing Administrator. Under the House bill the national mortgage associations were authorized to issue debentures in an aggregate amount not to exceed 15 times the aggregate par value of their outstanding capital stock, but in no event to exceed the current face value of mortgages held by them and insured under the provisions of the bill, plus the amount of cash and its equivalent and bonds or obligations of the United States. In the Senate amendment the first limitation upon the issuance of debentures was fixed at 10 times the aggregate par value of the outstanding capital stock of the associations and this provision was retained in the conference agreement. The Senate amendment also provided that mortgages which were to be purchased and sold by the associations were not to exceed 80 percent of the appraised value of the property as of the date the mortgages were purchased. The conference agreement retains the provisions of the Senate amendment. The Senate bill defined the kind of mortgages that may be insured for the purpose of effecting the development of lowcost housing projects. They are limited to property held by Federal or State instrumentalities, private limited dividend corporations, or mutual corporate State instrumentalities established to provide housing for persons of low income and regulated by law as to rents or return.

Mr. Speaker, title V of this bill deals with general provisions that I do not deem it necessary to consume the time of the House in discussing at this hour. Mr. Speaker, we are sure that this legislation will enable the Home Owners' Loan Corporation to continue the splendid service being rendered for the relief of home owners. We believe that the legislation will bring a revival of construction and building activities in the United States, and will accomplish far-reaching and substantial reemployment of labor. It is a major effort of the administration to find relief from the general distress from which the Nation has suffered during recent years. [Applause.]

The Home Loan Bank Board was authorized by the House bill to create a Federal savings-and-loan insurance corporation to insure accounts of members of Federal savings-andloan asociations, of building-and-loan, savings-and-loan, homestead associations, and cooperative banks. Whether or not members of a home-loan bank, any account might be insured up to \$2,500. The Senate bill contained a similar provision, but permits insurance up to \$5,000 for each account. The Senate provision is retained. The institutions which were insured under the provisions of the Senate amendment were required to submit with their application an agreement providing, among other things, that they should not make any loan during the period the insurance was in force beyond 100 miles from their principal office, that they would not issue securities which guarantee a definite return or which have a definite maturity, that they would not carry on any sales plan or practices in violation of regulations made by the corporation, and would provide adequate reserves satisfactory to the corporation, but should have reserves at least equal to 5 percent of all their insured accounts within a period of not to exceed 10 years. Insured institutions were required to pay to the corporation a premium charge for insurance equal to one-half of 1 percent of the total amount of all accounts of its insured members plus any creditor obligations of such institutions, and it was provided that an additional one-fourth of 1 percent might be assessed by the corporation against each such institution until the amount of such premiums equaled the amount of all losses and expenses of the corporation. The total assessments against any such institution, however, under the Senate provisions were not to exceed one-half of 1 percent of the total amount of all accounts of its insured members and its creditor obligations.

The conference agreement retains the provisions of the Senate amendment, except that the benefit of insurance is extended to institutions of the class specified in the House bill, whether or not they are members of the Federal homeloan bank system, the premium charge for insurance is reduced from one-half of 1 percent to one-fourth of 1 percent, and with respect to the limitation upon the making of loans it is provided that the institutions are to agree not to make loans beyond 50 miles from their principal office except with the approval of the corporation, but that any applicant who prior to the date of enactment of the act has been permitted to make loans beyond such 50-mile limit may continue to do so within the teritory in which the applicant is operating on such date.

Mr. LUCE. Mr. Speaker, it would, of course, in this juncture be unwise and superfluous to attempt discussion of the details of the conference report.

I wish first to say that the conferees have devoted many hours to the careful study of these details, and their agreement may attest the satisfaction that the conferees feel at harmonizing their differences.

In general, this bill has three purposes. The first is to embark upon the insuring of mortgages. While my doubts continue, I drown them in my hopes, for I sincerely hope that this new extension of the field of insurance may help break the jam and start up the construction industry. The second feature of the bill concerns the creation of national mortgage associations. I still have my doubts about the wisdom of that, still believing that the insuring of mortgages ought either to be left to private enterprise or wholly taken over by the Government, and that hybrid institutions of this sort run the same dangers that faced the joint-stock land-bank system. I pray that the event may not be the same. The third provision of the bill is the important provision, to me, for my chief interest has been that of the thrift institutions of the country. Grave apprehensions have been felt by these institutions lest the creation of national mortgage associations, with advantage in the way of tax-exempt securities, might lead to competition that would drive all the thrift institutions to the wall. The wisdom of the House in taking away the tax exemption has been accepted by the conference committee and fortified by additional provisions which we think will secure equal and fair competition between these new associations and the thrift institutions of the country. And I may say that the most-thoughtful men among the leaders of the thrift institutions are of the belief that as the matter now stands there will be competition on equal footing and that the building-and-loan associations, the savings banks, and all kindred institutions may not fear the prospect.

Title II, as we put it in the bill, has disappeared as such. Advantages accrue to the thrift institutions in other respects that will make them, I believe, of greater usefulness. Therefore, sir, without further entering upon discussion of detail, I would say that, in my own judgment, the House will be warranted in accepting the report of the conference committee, may feel assured that a step ahead has been taken and that however grave the dangers involved, we have brought every safeguard we could think of to protect the thrift institutions of the country and the people of the country. We hope we have contributed something toward the most important step now to be taken for recovery-renewal of activity in the building field. [Applause.]

Mr. BOLTON. Mr. Speaker, will the gentleman yield?

Mr. LUCE. I yield.

Mr. BOLTON. Can the chairman of the committee tell us what the known or contingent liabilities of this bill are to the Federal Government? For instance, in title II as I understand, is \$200,000,000. What are the total liabilities of this bill to the Federal Government, or what are the contingent liabilities to the Federal Government?

Mr. STEAGALL. We do not expect any Government loss under the operation of this bill. The insurance title, to which the gentleman refers, covering renovation and repairs,

is limited in amount to \$200,000,000.

On mortgages the limitation is \$1,000,000,000 on existing projects and another billion dollars on new projects. These provisions may be extended upon order of the

The other provisions of the bill provide for a mutual insurance and under plans which place the burdens upon the institutions to be insured and which levy specific charges for the purpose of raising funds to take care of losses.

Mr. Speaker, I move the previous question upon the adoption of the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

Mr. RANKIN. Mr. Speaker, I rise to question of the privileges of the House and offer a resolution which I send to the desk.

The Clerk read the resolution, as follows:

Whereas it is proposed that an entertainment be held in the Hall of the House of Representatives immediately after the Con-

Hall of the House of Representatives immediately after the Congress adjourns for the purpose of broadcasting to the country certain alleged songs, music, and so forth, and

Whereas such a performance is contrary to the wishes of the majority of the thinking Members of Congress, for the reason that it will be sent out to the country as the performance of Congress itself, and immediately reflect discredit upon the House of Representatives and hold this body up to ridicule and subject it to criticism and contempt: Therefore be it

\*Resolved.\*\* That such an entertainment in the Hall of the House

Resolved, That such an entertainment in the Hall of the House of Representatives be, and it is hereby, forbidden.

Mr. FULLER. Mr. Speaker, a point of order. The resolution is not privileged. It is not contemplated that anything shall be done until after the House adjourns.

Mr. RANKIN. Mr. Speaker, I ask to be heard on the point of order.

The SPEAKER. The Chair will hear the gentleman on the point of order.

Mr. FULLER. On the point of order only.

Mr. RANKIN. I will be my own judge of that.
Mr. FULLER. Not entirely your own judge.
Mr. RANKIN. Mr. Speaker, anything that goes on, anything that is carried on on the floor of this House that tends to hold the Congress of the United States up to ridicule and contempt is a violation of the rules of the House. [Applause.1

I call the Speaker's attention to the fact that since I have been a Member of this House, on one occasion a Member came into the House of Representatives on Sunday for the purpose of addressing a great gathering in the galleries. with the very best intention. There was to be no broadcasting, no monkey show, and yet it was held by the then Speaker, the distinguished gentleman from Massachusetts. Mr. Gillett, that that was a violation of the rules of the House.

To hold a performance such as was attempted to be held here the other night, and to broadcast it over the country at a time when we are going home, when the people are looking to the Congress and expecting it to maintain that dignity that has characterized it throughout the years, and to cap the climax here by putting on a show that would be ridiculous and bring Congress into ridicule and contempt. I submit, is a violation of the rights of the Membership of the House, and we have a right to protest by the adoption of this resolution. [Applause.]
The SPEAKER. The Chair is ready to rule. Does the

gentleman desire to be heard?

Mr. FULLER. Not if the Chair is ready to rule.

The SPEAKER. The Chair reads from the House rules and Manual:

Questions of privilege shall be, first, those affecting the rights of the House collectively, its safety, dignity, and the integrity of its proceedings.

The object of the resolution is to reach something which might occur after the adjournment of the House, but the Chair thinks it is a close question. The House controls the use of its own Chamber even after it adjourns; therefore the Chair prefers to submit the question to the House.

Mr. RANKIN. Mr. Speaker, I move the previous question

on the adoption of the resolution. The previous question was ordered.

The SPEAKER. The question is on the adoption of the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

UNITED STATES TERRITORIAL EXPANSION MEMORIAL COMMISSION

Pursuant to the provisions of Senate Joint Resolution 93. the Chair appointed as members of the United States Territorial Expansion Memorial Commission the following Members of the House: Mr. Sandlin, of Louisiana; Mr. Keller, of Illinois; and Mr. Thurston, of Iowa.

SPECIAL COMMITTEE TO CONDUCT INVESTIGATIONS OF PHILIPPINE CONDITIONS

The SPEAKER laid before the House the following communication from the President of the United States:

> THE WHITE HOUSE Washington, June 16, 1934.

The Honorable Henry T. Rainey,

Speaker of the House of Representatives.

My Dear Mr. Speaker: I am transmitting herewith a copy of a concurrent resolution adopted by the Philippine Legislature on May 2, 1934. You will observe that this resolution requests meto appoint a committee, including an economic expert, to conduct hearings and investigations in the Philippine Islands, in accord-ance with my message to Congress of March 2, 1934.

It does not seem to me appropriate that I should appoint such a committee at this time, since the constitution which may be adopted under the provisions of the Independence Act has not yet adopted under the provisions of the Independence Act has not yet been ratified. Since, however, the Congress has been giving close attention to the relations between this Government and the Philippine Islands, it has occurred to me that the Senate and the House of Representatives might consider it useful and opportune at this moment to appoint a committee consisting of probably three of the Members of each branch of the Legislature for the purpose of investigating the present conditions in the Philippines and reporting to the Congress thereon. It is therefore to the end that any action which may be deemed appropriate in the premises may be taken by the Congress that I am transmitting to you a copy of the resolution aforementioned.

I am communicating in the same sense to the President of the Senate.

the Senate. Very sincerely yours,

FRANKLIN D. ROOSEVELT.

The SPEAKER. Without objection, the accompanying resolution of the Philippine Legislature will be printed in the RECORD.

The concurrent resolution adopted by the Philippine Legislature is as follows:

Concurrent Resolution No. 53, adopted by Philippine Legislature on May 2, 1934

Concurrent resolution inviting a committee of the Government of the United States to conduct hearings and inspections in the Philippine Islands for the purpose of ascertaining such imperfections and inequalities as may exist in the Tydings-McDuffle Law

Whereas in his message to Congress of March 2, 1934, recommending the approval of a Philippine independence legislation, the President of the United States stated: "I do not believe that other provisions of the original law need be changed at this time.

provisions of the original law need be changed at this time. Where imperfections or inequalities exist, I am confident that they can be corrected after proper hearing and in fairness to both peoples"; Whereas it is the desire of the Philippine Legislature that an authorized committee of the Government of the United States conduct hearings and investigations in due time in the Philippine Islands for the purpose of ascertaining such imperfections and inequalities as may exist in the Tydings-McDuffie Act: Now, therefore he it fore, be it

Resolved by the senate (the House of Representatives of the Philippines concurring), That the President of the United States be requested, and he is hereby requested, to appoint a committee, including an economic expert, to conduct hearings and investigations in the Philippine Islands, in accordance with his message to Congress of March 2, 1934, the expenses of said committee and economic expert to be borne by the Philippine government.

The SPEAKER. Pursuant to the suggestion of the President of the United States, the Chair appoints the following Members to represent the House of Representatives on the special committee to conduct hearings and investigations in the Philippine Islands, pursuant to Concurrent Resolution No. 53, adopted by the Philippine Legislature on May 2, 1934: The gentleman from Alabama [Mr. McDuffiel, the gentleman from West Virginia [Mr. SMITH], the gentleman from Missouri [Mr. Lozier], and the gentleman from Maine [Mr. BEEDY].

#### EXTENSION OF REMARKS

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their remarks on the Housing bill.

The SPEAKER. The Members have that privilege.

JEFFERSON NATIONAL EXPANSION MEMORIAL ASSOCIATION

Mr. COCHRAN of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the appointment of the committee just read and to include therein a brief sketch of the historic aspects of the Louisiana Purchase prepared by the association.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COCHRAN of Missouri. Mr. Speaker, in keeping with the provisions of the resolution which provides for the creation of a national commission to be known as the "United States Territorial Expansion Memorial Commission", introduced in the Senate by Bennett Champ Clark, and in the House by myself, for the purpose of acquiring a suitable site and designing and constructing a permanent memorial facing the Mississippi River at St. Louis to commemorate the achievements of Thomas Jefferson and the men who made possible the expansion of the United States beyond the original Colonies on the Atlantic coast westward, the President will name 3 members, the Vice President 3 members, and you, the Speaker of the House of Representatives, 3 members.

I have just been informed that following your action in naming three Members of the House, who will serve on the Commission, the Vice President has likewise named the three Members of the Senate. Those named are: Senators ALBEN W. BARKLEY, of Kentucky; Frederick Van Nuys, of Indiana; and James J. Davis, of Pennsylvania; and Representatives John N. Sandlin, of Louisiana; Kent E. Keller, of Illinois; and LLOYD THURSTON, of Iowa. Senator BARKLEY,

lic-spirited citizens of St. Louis, who will cooperate with the Commission. The officers of this association are: Bernard F. Dickmann, mayor of St. Louis, honorary chairman; Charles Nagel, former Secretary of Commerce and Labor, honorary vice chairman; Rolla Wells, former mayor of St. Louis, honorary vice chairman; Luther Ely Smith, chairman: Morton May, Carl F. G. Meyer, Frank C. Rand, vice chairmen; John G. Lonsdale, treasurer; Tom Gilmartin, secretary. Members of executive committee and chairmen of special committees: Plan and scope, Judge Jesse McDonald, chairman; press and publicity, W. C. D'Arcy, chairman; finance, Sidney Maestre, chairman; legislation, Gale F. Johnson, chairman, William J. Gibbons, Isaac H. Orr; historical data. McCune Gill, chairman; legal, Charles P. Williams, chairman; transportation, Col. Albert T. Perkins, chairman: speakers: Mrs. George Gellhorn, chairman, Claude B. Rick. etts, Max O'Rell Truitt; Mrs. E. M. Grossman, executive secretary.

Mr. Speaker, the proposed Jefferson National Expansion Memorial will be composed of two construction projects, as follows:

First. It is proposed to acquire a tract on the west bank of the Mississippi of "Old St. Louis", extending back three blocks from the levee, comprising the historic focus of National Expansion in the original frontier capital of upper Louisiana, with a vista extending from the old courthouse on Fourth Street to the river. On this tract will be built a large memorial monument to Thomas Jefferson and the other early statesmen, patriots, pioneers, hunters, trappers, and frontiersmen who fostered the National Expansion movement. It is proposed that there be memorials of the various States, affording opportunity to set forth the contribution and participation of the States in the expansion and development of the Nation.

Second. It is also proposed to build a highway or drive along the entire river front of the city of St. Louis on a wharf, which is now owned by the city, and can be utilized. This highway will form a much-needed connection between the great network of United States highways entering the city from the north and south, and will permit easy access by pleasure and business automobiles to the central part of the city. The building of such a highway is in conformity with the Government's plans to establish a system of national highways, as it will be free from the interferences of cross traffic, and will be of great value to travelers from all parts of the country entering St. Louis.

The most characteristic new product of today, leisure time, would be devoted here, both by citizens and visitors, in viewing a beautiful and educational national monument to the pioneers and their great adventures and achievements.

An empire of fertile land, millions of people, a storehouse of the Nation's wealth, a broad expanse where the plain people could strive for and achieve the ideals of liberty, democracy and independence between the Mississippi and the Pacific Ocean-this is what Thomas Jefferson gave to the young American Nation in 1803 when, by the stroke of a pen, he made possible the extension of our boundaries from ocean to ocean. More exactly, over 2,000,000 square miles of territory, which today represents values totaling more than \$165,000,000,000, and for which he obligated our Government to pay approximately \$15,000,000 in cash. The man and his deed deserve a national memorial. St. Louis is the natural gateway of the West, where Jefferson's vision found its greatest impetus and development. It was on the banks of the "Father of Waters" that the West began; and at this place, one of the most historic spots in America, the proposed memorial should stand for all time.

President Franklin D. Roosevelt in his book, Looking Forward, said:

We have in our own history three men who chiefly stand out of Kentucky, and Representative Keller are Chairmen of the Library Committees of their respective bodies.

The President will in the very near future name representative citizens for places on the Commission.

Mr. Speaker, the Jefferson National Expansion Memorial Association, organized about a year ago, is composed of pubAnd of the three, I think that Jefferson was in many ways the deepest student—the one with the most inquiring and diversified intellect and, above all, the one who at all times looked the farthest into the future, examining the ultimate effects on humanity of the actions of the present.

Ity of the actions of the present.

Jefferson's methods were usually illustrative of government based upon a universality of interest. I can picture the weeks on horseback when he was traveling into the different States of the Union, slowly and laboriously accumulating an understanding of the people of his country. He was not only drinking in the needs of the people in every walk of life, but he was also giving to them an understanding of the essential principles of

Mr. Speaker, under the permission granted by the House, I am including excerpts from the brochure prepared and published by the press and publicity committee of the Jefferson National Expansion Memorial Commission. Mr. W. C. D'Arcy is chairman of that committee. I am sure this historical data will be of interest to the people of the country, as well as educational:

#### JEFFERSON'S VISION OF OUR NATIONAL EXPANSION

Romantic-dramatic-is the fact that exactly a quarter century Romantic—dramatic—is the fact that exactly a quarter century after Thomas Jefferson, as a member of Governor Patrick Henry's council during the Revolutionary War, had paved the way to the Louisiana Purchase by securing Virginia's support for the expedition to drive the British out of the old Northwest. He made his vision come true by signing, in 1803, the treaty with Napoleon for the cession of that territory by France.

Jefferson's vision of our national expansion, which he saw must come to pass if the original Colonies were to be a great nation, has been fulfilled. "Where there is no vision, the people perish", but where there is vision, such as Jefferson had, a great nation must be, and was, the inevitable result.

And the people believed that liberty could only be preserved by

And the people believed that liberty could only be preserved by an expanding country. Jefferson had helped to foster this idea when he had aided in establishing democratic government across the Ohio at Marietta in the old Northwest Territory, and beyond the mountains in Kentucky.

His ambitious dream for the United States of America did not end there. Even the Mississippi did not limit his glorious project. When Napoleon hoped to embarrass England, Livingston, of New York, and Monroe, of Virginia, drove a bargain and bought Lou-isiana—with undefined boundaries—for what would now buy no more than a valuable block in a city of that domain. Radiating from "Old St. Louis" on the banks of the Missis-sippi, expeditions went forth, new boundaries were defined and

established until the dreams of Thomas Jefferson became history the Louisiana Purchase gave us to the Rocky Mountains, a claim reaching to the Pacific and to the Mexican border. Texas brought us to the Rio Grande, and the far Northwest gave us the stepping stone to Alaska.

#### HISTORIC GROUND

The west bank of the Mississippi, stretching for 15 miles as the eastern boundary of St. Louis, is fraught with a wealth of historic associations. In particular, the blocks between the levee and Third Street, from the Eads Bridge south to Poplar Street, have been the scene in succession of the government and culture of France, Spain, and the United States, with British dominion abutting the eastern shore.

abutting the eastern shore.

Here came Capt. Amos Stoddard in 1803 representing President Jefferson as well as France to take possession of Louisiana. The flag of Spain was lowered, the flag of France was raised to signify the reacquisition by Napoleon 2 years before; then the Lilies of France came down and the Stars and Stripes were raised over America's new domain. To this spot had previously come the explorers Joliet, Pere Marquette, and La Salle.

Later came the Germans under Gottfried Duden and Carl Schurz. Scandinavians came through St. Louis, some bound for the Northwest, and sons of other nations. Such famous men as

Schurz. Scandinavians came through St. Louis, some bound for the Northwest, and sons of other nations. Such famous men as Zebulon Pike, Benton, Robert E. Lee, Doniphan, Douglas, Lincoln, Sherman, Blair, Mark Twain, James B. Eads, and Eugene Field were here. St. Louis was a starting point for the Santa Fe Trail, the Oregon Trail, the fur-trading enterprises, the Lewis and Clark expedition, the migration to Texas under Moses and Stephen F. Austin, and the Forty-niners—a myriad of unknown pioneers and frontiersmen. This is sacred ground in American history.

#### MEMORIAL TO NATIONAL EXPANSION NEEDED

What a march of historic sequences! Figures of national import lived here in the early days. However honored by pageants, presentations, and Presidential praises, the United States has thus

presentations, and Presidential praises, the United States has thus far had no adequate, permanent, national memorial to those men who, as pioneers, gave to our Government and held for posterity an area west of the Mississippi double that east of it.

It is well to honor Jefferson, Lewis and Clark, Livingston, and Monroe, and that galaxy of statesmen, patriots, and pioneers who had this great vision of the national expansion that was to be. Every great movement must have its leaders. They should be honored.

And we should honor the unknown pioneers who came from

And we should honor the unknown pioneers who came from New England and New York, Virginia, Maryland, the Carolinas, and Georgia and formed a westward movement that is one of the marvels of the history of the world.

Unknown pioneers, indeed; but they brought with them the Puritan sturdiness to conquer the wilderness. The Cavaliers and Piedmont frontiersmen left their impress upon some of these brave men and women. Unknown, but within a few years, over a million had crossed the mountains. Continuing the march, generally with the wharf of "Old St. Louis" as the gateway to the miraculous wonders of the West, these sturdy frontiersmen fol-lowed the streams to the land of promise. And the women bore the hardships of the new country as heroically as did the men.

These unknown pioneers planted the ideals of the East and South in the fresh soil of the West, and history can tell no more stirring story than that embodied in the myriads who reached St. Louis, went to the Northwest along the Missouri, the Oregon Trail, the paths of the fur traders, or turned to the Southwest, some to Texas, others to New Mexico, Arizona, and California. Destiny itself and the work of these unknown pioneers demonstrated that the United States of America could and should reach from coast to coast.

#### THE FOCUS OF NATIONAL EXPANSION

Geographically, no point west of Plymouth Rock is filled with the significance attached to the spot, now the foot of Market Street, on the St. Louis Levee, originally marked by Pierre Laclede Liguest in 1764 when, with an engineer's keen perception, he blazed trees on the river bank to mark the spot named by him "St. Louis."

Nations are great as they honor the cardinal virtues. Is there any spot where the romance of justice, prudence, and fortitude found better root than in this birthplace of the Mississippi Valley

and the Far West?

These heroic attributes made possible the foundation of the first Catholic diocese between the Rockies and the Father of Waters; these qualities brought Methodists, Baptists, Presbyterians, Episcopalians to start their expansion to the west, north,

Spiritual values, indeed, but with such a background of faith it was natural for Lewis and Clark to outfit here their expedition up the Missouri to the Northwest; for Zebulon Pike to push his explorations beyond the peak named in his honor; for the "forty-niners" to consume weary and dangerous months in the overland trip to California; here where the old courthouse, overlooking the viver is still standing in which the Pred Scott case was first tried. river, is still standing in which the Dred Scott case was first tried. History for the Nation was made here—in politics, in discoveries,

in transportation, in religion, in trade.

History for the Nation was made here—yet no adequate, permanent, national memorial stands to encourage the emulation by

posterity of the noble qualities that made this history.

That is why the Jefferson National Expansion Memorial Association is asking Congress to recognize adequately this historically

holy ground.

#### STARTING POINT OF THE DISCOVERERS OF THE WESTERN EMPIRE

Rich in the lore of this country have been the associations connected with "Old St. Louis." Priests from Quebec, French engineers from New Orleans, beheld the beautiful city of St. Louis. Father De Smet pushed on to carry the cross to the western Indians; Zebulon Pike started from St. Louis in 1805 to map the upper Mississippi and later penetrated the Rockies and discovered the mountain permed for him. the mountain named for him.

What more interesting page is there in American history than the journey of Meriwether Lewis and William Clark up the Missouri River to Oregon and the Pacific? The seed planted by Jefferson came into full flower with this expedition. Equipped and ready for the journey, the expedition waited at Wood River on the east bank of the Mississippi near St. Louis, ready to start when the Louisiana Purchase became a fact. Stirring to the imagination is the picture of Lewis and Clark presenting the record of their journey to Jefferson in the White House upon their return to Washington. It was a moment great for Jefferson and great to Washington. It was a moment great for Jefferson and great for the Nation. Lewis afterward was Governor of Louisiana Terri-tory. Clark returned to St. Louis, became Governor of Missouri

tory. Clark returned to St. Louis, became Governor of Missouri Territory, completed a useful life, and was buried here. Father Peter John De Smet, born in Belgium, American Jesuit missionary, traveled 180,000 miles as a missionary discoverer in the trans-Mississippi country. Almost contemporary with Gott-fried Duden, of Germany, he told Europe of this great West, collected a million francs in Europe for his work. A missionary to the Indians in truth but also a missionary of information to the land of his birth.

In 1819 Stephen H. Long started from St. Louis to go to the

In 1819 Stephen H. Long started from St. Louis to go to the Rocky Mountains; Longs Peak was named after him. William H. Ashley led an expedition from St. Louis to explore the Yellowstone in 1822

Daniel Boone visited here and established a home a few miles away near the banks of the Missouri on land given to him by the Federal Government.

A glorious succession of American discoverers, but the Nation as a nation has never honored them with an adequate, permanent, national memorial.

#### MISSIONS OF THE PIONEERS OF RELIGION CENTERED HERE

No chapter telling of proud achievement is greater than the story of the religious leaders and missionaries who crossed "the Father of Waters" at St. Louis. Marquette, La Salle, Joliet came down the river. The Des Peres Mission at St. Louis, established in 1699, was the first in the entire Mississippi Valley, shortly followed by Cahokia across the river.

No sooner had Laclede founded St. Louis than Jesuit priests celebrated mass on the river front. Father Gibault built the first permanent church in 1770, and later on St. Louis was the seat of the first Catholic diocese between "the Father of Waters" and the Rocky Mountains. On the front of the old French Cathedral standing at Second and Walnut Streets are carved the words: "Ma Maison Sera Appellee La Maison De Priere." ("My house shall be called a house of prayer")

called a house of prayer.")

Protestants were not long in arriving and we find Rev. John Clark planting Methodism in Missouri in 1798. By 1804 it was estimated that 1,000 Protestants were in the Territory of Louisiana. Thomas Musick organized the first Baptist Church in 1807 at Fee Fee, on the road between St. Louis and St. Charles. In 1811 Salmon Giddings established the first Presbyterian Church near the levee. In 1819 John Ward founded the first Protestant Episcopal Church, and it was on the bank of the historic river.

Circuit riders, bringing solace and news from the outside world

to the lonely settlers; priests, celebrating mass for widely separated parishioners; evangelists, who answered the longing for emoparishoners; evangeness, who answered the longing for emotional righteousness. From these beginnings throughout the country have gone devoted ministers and missionaries establishing churches, hospital orphanages, seminaries, colleges, until, "the great Middle West in the early part of the nineteenth century became the site of the purest Americanism."

Significant indeed is the fact that early St. Louis could look with reversely upon a 20 feet chart early St.

with reverence upon a 20-foot cross placed on top of the bluff to the west of the city.

#### MILITARY IMPORTANCE

From the very beginning, "Old St. Louis" has been, in the military sense, of strategic importance. The British, who attempted to wrest Louisiana from Spain and strengthen their hold on the Province of Quebec (then recently extended by act of Parliament to the Ohio and Mississippi), believed that St. Louis was the key to the situation. If Fort San Carlos, which the Spanish had erected near the river as a protection to St. Louis, could be captured, the Spanish hold west of the Mississippi would be harrassed. In 1780 British soldiers accompanied Indians, who murdered a number of the settlers. In the battle around the fort the British and Indians were driven back from the Mississippi to the north, and from that time forward Great Britain gave up all efforts to account the Territory included in the Louisipne Byreshees.

and from that time forward Great Britain gave up all efforts to acquire the Territory included in the Louisiana Purchase.

St. Louis produced the man who, failing help from Virginia, financed George Rogers Clark's expedition. Col. Francis Vigo, born Italian but always American in his sympathies, provided \$20,000 in response to Clark's appeals made on frequent visits to St. Louis in 1778. Vigo also journeyed through the wilderness to Vincennes and brought back to Clark the information that enabled the "Hannibal of the West" to carry out the capture of Fort Sackville. In 1814 Zachary Taylor, then a captain, led regulars from St. Louis to Wisconsin, accompanying volunteer troops from Missouri. Robert E. Lee spent 2 years here as an engineer for the Federal Government, and kept St. Louis on the river by diverting the channel of the Mississippi to the west of Bloody Island, the battle-ground of duelists.

ground of duelists.

Grant sold wood on this river front. He married Julia Dent in

Gen. William Henry Harrison, afterward "Old Tippecanoe", as Governor of Indiana Territory, became the first American Governor of upper Louisiana, and at St. Louis perfected the first code of laws for the district.

General Lafayette in 1825 made St. Louis the western terminus of his famous visit to the nation he had helped establish.

During the Mexican War Colonel Doniphan started the longest

march known to American military history, when St. Louis troops went to Fort Leavenworth, and thence overland to Santa Fe, then to Chihuahua, and eventually back to Missouri.

Noble figures indeed. They belong to the Nation-to its history, lore, and ideals.

If Jefferson had not had the vision to push through the Louisiana Purchase, Custer, Sam Houston, and the Austins might not have been figures in our national epic.

Military leaders starting from St. Louis helped conquer the military leaders starting from St. Louis helped conquer the wilderness. Beginning with Lewis and Clark and down through that long procession of hardy soldiers marched John C. Fremont to the Pacific; Gen. William H. Ashley, who found the way to the Utah Basin; Major Sibley, together with Joseph C. Brown and Captain Gamble, who marked the Santa Fe Trail.

St. Louis was the site of first early Army posts, including Fort Bellefontaine established in 1805. Jefferson Barracks, adjoining St. Louis, now the central barracks of the United States, was commenced in 1826.

An adequate permanent national memorial to the military leaders of the national expansion would alone be worthy of the attention of Congress.

#### THE FOCUS OF EARLY TRANSPORTATION

From the time that De Soto in 1541 tramped, waded, and fought From the time that De Soto in 1541 tramped, waded, and fought his way across to the Mississippi near Memphis down to 1927 when Lindbergh, backed by "The Spirit of St. Louis", made his memorable flight to Paris, "Old St. Louis"—gateway to the West—has had its part in the development of transportation. Laclede and the Original Thirty in 1764 came up the river to Fort Chartres and St. Louis from New Orleans by boat. Soon the lonely horseman on land, the pirogues, keelboats, batteaux on the rivers, and then Nicholas Roosevelt (paternal ancestor of two Presidents), who put the first steamboat on the Ohio and the Mississippi. Nicholas

Roosevelt had worked with Fulton in the East and brought his bride on his trips down and up the Ohio and Mississippi. He sought to establish permanent lines of communication between the markets of the East and the production of the West. These achievements were followed by the railroads which were described in the fifties by Thomas H. Benton, in one of his notable speeches in the Senate, as follows:

in the Senate, as follows:

"Behold the extended and ramified system of railroads from the Mississippi to the Atlantic! What is it but an extended fan! The top on the Atlantic Coast, the spokes converging to St. Louis.

"I have demonstrated the rationality of this work (the building of the railroads to the Pacific Ocean)—its practicability—and the means in our hands for making it; I do not expatiate upon its importance. When finished it will be the American route to Asia, and will turn the Asiatic commerce of Europe through the heart of America. It will make us mistress of that trade—rich at home and powerful abroad—and reviving a line of oriental and almost fabulous cities to stretch across our continent."

Even in 1847, when Abraham Lincoln took his family to Washington for his service in Congress, it was necessary to take a 2-day stage ride from Springfield to St. Louis and rest at Scott's Hotel before proceeding to the Capital.

River traffic also aided greatly in developing the western coun-

River traffic also aided greatly in developing the western country. One of the dramatic episodes in the river trade was the race of the steamboats Robert E. Lee and the Natchez from New Orleans to St. Louis in 1870—time: 3 days, 18 hours, 14 minutes. Finally the great bridge across the Mississippi was built at St. Louis by Eads, who used caissons for the first time in 1870. No wonder Eads went from the site of "Old St. Louis" to become the father of the jettles at the mouth of the river.

Transportation carried out Jefferson's vision by utilizing the

Transportation carried out Jefferson's vision by utilizing the fortitude, ingenuity, and perseverance of those who gathered on and around the banks of the river at "Old St. Louis."

#### COMMERCIAL IMPORTANCE OF EARLY EXPANSION

When Laclede chose a level tract on a rocky ledge about 30 feet above the Mississippi River, he declared: "I have found a location where I will form an establishment that will some day become one of the finest cities of America."

Laclede's prophecy came true, and from the beginning the commercial expansion of the United States used St. Louis and its river routes as the point from which to carry on this national

on the river at "Old St. Louis" was established the first trading post in this section of the United States. From this post went the traders up and down the streams bringing back furs. In 1808, leading citizens formed the Missouri Fur Co., and established posts beyond the Rocky Mountains, even placing one on the Columbia; John Jacob Astor, in 1819, established a branch of the American Fur Co. in St. Louis, and sent out his men to the West. In the original purchase of Louisiana were, as finally defined by the treaties, included about 1,000,000 square miles. Later were added to the national domain Texas, California, and Oregon, now embracing the States of Washington, Oregon, and Idaho. Except for the extreme South, commercial enterprises, like the fan mentioned by Benton, spread to the west, north, and south from the river at "Old St. Louis." Railroads, steamboats, and even aviation found St. Louis a favored point of origin.

#### GREAT HISTORICAL QUESTIONS OF STATESMANSHIP ANSWERED HERE

A country established by the French, ruled by the Spanish, and developed by the United States, naturally has a cosmopolitan character. At no other time has a continent been discovered, conquered, and civilized within three centuries.

With the influx of settlers first attracted by Spanish grants, the Middle West was the forum for the settlement of national issues.

issues.

Missouri's admission to the Union, coincidentally with Maine, was preceded by national debates of the most far-reaching char-

Jefferson in 1820 wrote: "The Missouri question is the most portentous one which ever yet threatened the United States. In the gloomiest moment of the Revolutionary War I never had any apprehensions equal to what I feel from this source."

It was John Quincy Adams who said that this compromise was: "The title page to a great, tragic volume."

The Dred Scott case originated in the old courthouse, still stands within the confines of old St. Louis, and which may properly be a part of the permanent national memorial. On the steps of this same courthouse slaves were sold at execution sale.

Webster and Clay came to St. Louis and confirmed their reputation by speaking to enthusiastic audiences. Clay could well do so, for Missouri produced Edward Bates, also an advocate of internal improvements. Bates afterward was Attorney General in Lincoln's first Cabinet.

## JEFFERSON'S "STEADFAST FRIENDSHIP FOR THE GREAT WEST"

## Theodore Roosevelt in Winning of the West

first of these expeditions was planned by Jefferson himself and authorized by Congress. It was purely a voyage of exploration, planned with intent to ascend the Missouri to its head, and thence to cross the continent to the Pacific. The explorers were carefully instructed to report upon the geography, physical characteristics, and zoology of the region traversed, as well as upon its wild human denizens. Jefferson was fond of science, and in appreciation of the desirability of non-remunerative scientific observation and investigation he stood honorably distinguished among the public men of the day. To him justly belongs the credit of originating this first exploring expedition ever undertaken by the United States Government.

Jefferson \* \* \* deserves well of all Americans, in the first place because of his services to science, and in the next place, what was of far more importance, because of his steadfast friend-ship for the great West and his appreciation of its magnificent

#### THE MARCH OF THE FLAG

#### Albert J. Beveridge

In 1789 the flag of the Republic waved over 13 States and their savage territory, which stretched to the Mississippi, to Canada, to the Floridas. The timid minds of that day said that no new territory was needed, and, for the hour, they were right. But Jefferson, through whose intellect the centuries marched—Jefferson acquired that imperial territory which swept from the Mississippi to the mountains, from Texas to the British possessing the same than the same territory which swept from the mississippi to the mountains, from Texas to the British possessing the same territory which save the save territory which save territory which save the save territory which save territor sions, and the march of the flag began!

The infidels to the gospel of liberty raved, but the flag swept on! The title to that noble land, out of which Oregon, Washington, Idaho, and Montana have been carved, was uncertain; Jefferson, strict constructionist of constitutional power though he was, obeyed the impulse within him, whose watchword throughout the world today is "Forward"; another empire was added to the Republic, and the march of the flag went on!

Those who deny the power of free institutions to expand urged every argument, but the people's judgment approved the command of their blood, and the march of the flag went on!

#### LARGEST CONQUEST PEACEFULLY ACHIEVED

#### James G. Blaine

For the advantage of his country, not understanding the dangers of war, yet ready to engage in it for the control of the great waterway to the Gulf, the President (Jefferson) made the largest conquest ever peacefully achieved, and at a cost so small that the total sum expended for the entire Territory does not equal the revenue which has since been collected on its soil in a single month in time of great public peril. \* \* The acquisition of Louisiana brought incalculable wealth, power, and prestige to the Union, and must always be regarded as the masterstroke of policy which has advanced the United States from a stroke of policy which has advanced the United States from a comparatively feeble nation, lying between the Atlantic and the Mississippi, to a continental power of assured strength and bound-

#### WOODROW WILSON'S PRAISE

Thomas Jefferson was a great leader of men because he understood and interpreted the spirits of men. \* \* \* Jefferson felt, more than any other American of his time except Benjamin Franklin, his close kinship with like thinking spirits everywhere else in the civilized world.

#### COOLIDGE ON JEFFERSON

When our Government had been established and given strength and direction under Washington, the great instrument which insured that it should forever remain dedicated to the voice of the people was again Thomas Jefferson.

#### CHAMP CLARK'S COMMENT

I tell you when we became a world power. It was on the 30th day of April 1803, when Thomas Jefferson bought from Napoleon, for a song, the Louisiana Territory. That was the greatest transaction in real estate ever suggested on this earth, and I never think of Thomas Jefferson without blessing him in his grave.

\* \* If it hadn't been for him, men couldn't have lived where I live and be American citizens. It was the greatest of all Thomas Jefferson's works.

#### MARK TWAIN DESCRIBES "THE FATHER OF WATERS" FROM LIFE ON THE MISSISSIPPI

The Mississippi is well worth reading about. It is not a commonplace river, but on the contrary is in all ways remarkable. Considering the Missouri, its main branch, it is the longest river monplace river, but on the contrary is in all ways remarkable. Considering the Missouri, its main branch, it is the longest river in the world—4,300 miles. It seems safe to say that it is also the crookedest river in the world, since in one part of its journey it uses up 1,300 miles to cover the same ground that the crow would fly over in 675. It discharges 3 times as much water as the St. Lawrence, 25 times as much as the Rhine, and 338 times as much as the Thames. No other river has so vast a drainage basin; it draws its water supply from 28 States and Territories; from Delaware on the Atlantic seaboard, and from all the country between that and Idaho on the Pacific slope—a spread of 45 degrees of longitude. The Mississippi receives and carries to the Gulf water from 54 subordinate rivers that are navigable by steamboats, and from some hundreds that are navigable by flats and keels. The area of its drainage basin is as great as the combined areas of England, Wales, Scotland, Ireland, France, Spain, Portugal, Germany, Austria, Italy, and Turkey; and almost all this wide region is fertile; the Mississippi Valley proper is exceptionally so.

(It was in the late fifties that Mark Twain learned to be a pilot on the Mississippi. He paid \$100 toward the \$500 fee required for learning the river, took one boat from St. Louis to New Orleans,

and on his return decided to quit. His book, Life on the Mississippi, was the fruitful result of this experience.)

#### OL' MAN RIVER

The word "Mississippi" is from two Algonquin Indian words, "misi', great, and "sipi", river. The greatness of this river and of the valley it drains are quaintly, but powerfully, expressed in the ancient song of the Southern negroes, Ol' Man River-

Ol' man river dat ol' man river, He must know sumpin', but don't say nothin', He jes keeps rollin',
He keeps on rollin' along.
He don't plant taters, he don't plant cotton,
And dem dat plants 'em is soon forgotten;
But ol' man river, he jes keeps rollin' along.

#### HISTORICAL EVENTS

Monroe, Marbois, and Livingston executed at Paris the Louisiana Purchase, April 30, 1803. Livingston declared: "From this day the United States take their place among the powers of first rank."

Said Jefferson to Congress, October 17, 1803: "Whilst the property and sovereignty of the Mississippi and its waters secure an uncontrolled navigation through their whole course, free from collision with other powers, and the dangers to our peace from that source, the fertility of the country, its climate, and extent, promise, in due season, important aids to our Treasury, an ample provision for our posterity, and a wide spread for the blessings of freedom and equal laws."

May 26, 1780, Indians, inspired and accompanied by the British

of freedom and equal laws."

May 26, 1780, Indians, inspired and accompanied by the British from Canada, attacked the village of St. Louis. The fight centered around the fort named San Carlos, or St. Charles, on the levee of old St. Louis. It was the hope of the English to establish a western limit to the territorial expansion of the United States, or recapture some of the territory east of the river, which George Rogers Clark had added to the national domain by his expedition against Kaskaskia, Cahokia, and Fort Sackville. Inhabitants of St. Louis resisted this attack valiantly and the Indians were repulsed. If the Indians had succeeded the course of history might have been changed. A small battle, but great in its results for the Nation.

No more striking sample of the spirit of the United States can be recalled than when Jefferson, that great exemplar of expansion, received Meriwether Lewis and William Clark in Washington, after their historic expedition up the Missouri and down the Columbia River to its mouth. After their report to the Government, no informed man could doubt that the United States ultimately would reach the Pacific.

Sitting under the "Judgment Tree", Daniel Boone acted as judge and heard disputes by authority of the Spanish syndic or commandant. Congress gave Boone lands for his noble exploits as a pioneer. Boone's sons made salt at Boone's Lick at Boonville and sold it in St. Louis. Kentuckians and others from the Southern States followed Boone into Missouri.

It was Boone who in 1824-25 acted as guide for Gottfried Duden, practical German man of letters. After Daniel Boone had shown Duden the rich soil along the Missouri, Duden returned to Germany, wrote a book of 350 pages, which proved a best seller, and, as a consequence, the great German immigration of 1833 began, to be followed by that of 1848. This immigration gave to the United States such men as Carl Schurz, Franz Sigel, and Joseph Pulitzer.

I am sure that the Jefferson National Expansion Memorial Association will welcome the cooperation of the public officials and citizens of the various States which comprise the area covered by the Louisiana Purchase to the end that the outstanding memorial of all times will be erected on the shores of the Mississippi River at St. Louis to commemorate this epochal achievement.

#### EXTENSION OF REMARKS

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a statement of Gen. Hugh Johnson.

Mr. BLANCHARD. I object, Mr. Speaker.

#### CORRECTION

Mr. CHAPMAN. Mr. Speaker, a few days ago, on the passage of the bill to create a pioneer national monument in Kentucky and commemorate the bicentennial anniversary of the birth of the great pioneer, Daniel Boone, I asked and received permission to revise and extend my remarks on that subject at that point in the RECORD. This was not shown in the RECORD on the following day, and I therefore desire to renew the request.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

#### HAYDEN-CARTWRIGHT ROAD ACT

Mr. CARTWRIGHT. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record on road legislation, and to include a brief statement by President Roosevelt on this subject made this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. CARTWRIGHT. Mr. Speaker, as we come to almost the closing moments of the second session of the Seventy-third Congress, I am very happy to announce that I have just this afternoon returned from the White House, where I was summoned by the President to witness the signing of the Hayden-Cartwright road bill, introduced in the House by me and sponsored in the Senate by the distinguished gentleman from Arizona, Senator Hayden.

The passage of this road bill is undoubtedly one of the most important of any measures enacted during this session. It marks a new era in road building throughout the country and means much to the great State of Oklahoma. I trust I may be pardoned for adding that, after signing the bill, President Roosevelt presented me with the beautiful fountain pen used by him in signing it. It is needless for me to say that I prize it very highly.

Following is the statement made by the President upon signing the Hayden-Cartwright Road Act:

As long as the roads of the Nation are used by more than 24,000,000 automobiles and trucks, construction and improvement of roads will be of major importance.

The Hayden-Cartwright Act seeks to stabilize highway building with Federal and State funds by insuring a work program for the next 3 years of far-reaching proportions and benefits.

Highway work under the National Recovery Act now is more than 90 percent under contract or advertised for contract, and the new program is necessary to sustain highway employment on an adequate and reasonable scale for the remaining period of recovery.

The act also provides for a gradual tapering off of emergency highway expenditures and lays the foundation for a return to normal expenditures.

Of the \$522,000,000 authorized to be expended by the act, \$450,000,000 is allotted for Federal participation with the States in highway building, of which sum \$200,000,000 will be a Federal grant, and the remaining \$250,000,000, the Federal portion of regular Federal aid for the fiscal years 1936 and 1937, to be matched by the States on a 50-50 basis. The balance, \$72,000,000, is to be applied at the rate of \$24,000,000 annually to highway activities in the national forests, national parks, Indian reservations, and the public lands. Including the contributions to be made by the States and the \$230,000,000 which will be carried over from the \$400,000,000 appropriated by Congress last year, the total sum to be paid out for highway construction during the 3-year period will be more than a billion dollars.

The act provides that States, to be eligible for full participation in Federal aid, must continue to use for roads at least whatever portion of their revenues from gasoline and other taxes on motor vehicles is now authorized by law to be expended for highway purposes. Notice is also given to the 44 State legislatures which will convene early next year that unmatched emergency grants are to be abandoned and that there is to be a return to the established plan which requires that the State shall meet the Federal Government halfway in paying the cost of new construction.

Other important provisions of the act provide safer traffic facilities and the elimination of hazards to pedestrian and vehicular traffic, preparation of advance surveys and plans for future highway construction, meeting emergency repairs on the Federalald highway system in the event of damage by floods or hurricanes, and continuing the cooperative surveys for the proposed Inter-American Highway.

It is important to note that the sums mentioned above represent only an authorization by the Congress and not an appropriation. Funds for work to be done the first year the act is in effect are contained in the deficiency appropriation bill.

## HOUSE JOINT RESOLUTION

Mr. WHITE. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and to include at this point a copy of a joint resolution introduced by myself.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

#### The matter referred to follows:

Joint resolution to facilitate an advantageous payment of intergovernmental debts owed to the United States by the acceptance of indestructible metals to be stored as reserve for defense preparedness

Resolved, etc., That in order to provide for an ample supply of metals and indestructible commodities to be held in reserve and made available for the manufacture of defense armament and munitions, and to provide a feasible means for securing the repayment of the intergovernmental debts owed to the United States by the acceptance of goods and commodities without disturbing international trade, or cause competition with products of American labor, and to secure a reduction of the world marketable stock of surplus metals, the President is authorized from the date of the enactment of this joint resolution to accept in payment from any foreign government on account of any indebtedness thereof to the United States, indestructible metals, silver, copper, lead, zinc, tin, nickel, arsenic, ferro-chrome, ferromanganese, iron, and other useful metals, and commodities, in such quantities, at such prices, and upon such terms as the President may prescribe, such metals to be stored and held in reserve as a preparedness and defense measure for Government use in the manufacture of defense armament and munitions in case of national emergency.

Mr. O'CONNOR. Mr. Speaker, we are at the threshold of the close of the regular session and, let us hope, the last session of the Seventy-third Congress.

After the gavel shall fall on the adoption of the concurrent resolution to adjourn this Congress sine die, practically all of us shall then depart for our homes in the 435 congressional districts; 435 of us who have lived or worked together since March 4 of last year will separate. Some of us may never meet again! Either retirement, failure of reelection, or the unseen and unpredicable hand of divine Providence will surely prevent the accomplishment of our unanimous wish to again foregather in this Hall on January 3 next to again shake each other's hand with the warmth of real friendship.

If you will pardon a personal note, permit me to say that I have been present at the adjournment of 14 sessions of this House. The feeling that comes over me is difficult of exact description. One at times feels it is like class day, when we leave college. Men, associated together for years, separate to the four corners of this country; yes, even to all parts of the world, most of them never to meet again.

Here tonight there has been a lot of frivolity, a lot of "horse play", but if I can discern the real feelings behind the boyish, laughing masks on the faces of most of the Members here, I can see evidence of the same pang I now feel for the fourteenth time—that straining at the heart-strings one always feels at parting from a friend.

We are all friends here—friends in the real sense of the word. There is no politics, there is no partisanship, in friendship. We have our differences of political opinion, Democratic, Republican, Farmer-Labor. We fight measures on the floor to support our political principles. Sometimes some of us forget ourselves, as humans always did and always will, and engage in acrid, bitter, or even personal passages at arms. None of us mean it. There is not a man or woman here who has not the same goal in mind—to do the best thing possible for the benefit of all our fellow citizens in this country we all love and serve. Our only differences are the approaches to the solution of the problems as we individually see them.

It has always impressed me as an irrefutable truism that no man or woman ever was or ever could be elected to Congress who did not love his country and his colleagues.

We have been particularly fortunate in this Congress in the type of leadership we have worked under, on both sides of that mythical "aisle." Presiding over us as Speaker has been that progressive, forward-looking Jeffersonian, our own beloved Henry T. Rainey, of Illinois. At all times has he been patient, courteous, and friendly. His parliamentary rulings will rank with those of his great predecessors. May he and his charming wife enjoy during this summer a muchdeserved rest on their farm.

"JOE" BYRNS, beloved by every Member of this body, has | led our great majority with all the force and all the vigor and all the inherent fairness and pleasantness that he has displayed throughout his long service in the House. May he bask peacefully in the quietude of the Tennessee Valley until we reconvene.

Another great leader, the gentleman from Alabama, the Honorable William B. Bankhead, deserves equal commenda-

tion for his leadership in this session.

You of the minority have been ably led by the distinguished gentleman from Potsdam (U.S.A.), the Honorable Bertrand H. Snell. Long trained in politics and leadership in this House, he has been partisan to his party, but kindly to us, the "enemy." We have made him "mad" at times. That has been one of the methods we have used to brighten the otherwise dull humdrum of the legislative machinery. He has often thought we were in earnest when we were only trying to "get a rise" out of him.

Many other leaders and outstanding Members might I mention, but time will not permit. Suffice it to say we have all enjoyed working with you all, and treasure the privilege

of having been associated with you.

As for you so-called "wild fellows", not only from the "woolly" West, but from all sections of the country, perhaps we have "tamed" you somewhat, but then again maybe you will not be so useful for the taming.

It has always been my firm conviction that every man and woman in this House, no matter what any other Members may think of him or her, serve some useful purpose in the composite scheme of our united attempt to solve the problems of our people.

To you all and to each other we say, good-bye, and may

God be with you till we meet again.

Mr. KVALE. Mr. Speaker, I ask unanimous consent to proceed for 4 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KVALE. Mr. Speaker, in view of the absence of what might have been convivial and good-spirited greeting to each other on this evening of departure, I ask unanimous consent to read a short extract from an address by a beloved Member of this House, the gentleman from Nebraska [Mr. Howard], on the 21st of March last.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KVALE. The gentleman from Nebraska [Mr. Howard], who is seated at the majority table here as I read this, then said:

Some day each of us who now holds Membership in this House will be called away from service here, perhaps by a discriminating constituency or by a Higher Power. In that day I shall be content if my colleagues who remain shall pay but one tribute to my memory, and that will be to speak of me as one who was loyal to his friends. A sage has said that friendliness is a gift from the gods, and I am believing that precious gift will be vouchsafed to every mortal willing to receive it. To my every colleague here, and particularly to those of lesser years, before whom the pathway of life looms long, let me plead acceptance of the gift of friendliness. When halting at two pathways plain, not knowing which is best to take, lose sight of self and selfish gain and make a choice for friendship's sake. True friends are God's best gifts to earth; true friendships are the priceless boon. Let us strive to prize them at their worth, nor lose them from our lives too soon. Be brave to serve your real friends; therein the proof of friendship lies. Trust friendship's tongue to speak amends for all your faults in other eyes. faults in other eves.

And to my venerable and well-beloved friend from Nebraska, whom I have watched and followed ever since his arrival in the Sixty-eighth Congress, when I served as secretary to my father until his death, in 1929, and since then as a Member of this body, let me say that I doubt that any Member of this House has a richer right to claim a realm and wealth of warm friendship, regardless of party and belief, than our friend from Nebraska [Mr. Howard]. [Prolonged applause. 1

May his summer be sweet and restful and pleasant, as that

our feet may lead us during this summer and autumn; and may those of us who voluntarily depart from this Chamber and sit for the last night in this seat of responsibility carry with us the friendliness of this body. And may those who involuntarily are sitting here for the last time this evening remember, also, that they carry with them the friendly regard of those of us who have served with them, attributing to them a conscientiousness and sincerity of purpose, regardless of the differences that from day to day may have fallen between us.

I thank my friend from Nebraska from my heart for the thought he has left with us. [Applause.]

COMMITTEE TO WAIT ON THE PRESIDENT

Mr. BYRNS. Mr. Speaker, I present a resolution and ask for its immediate consideration.

The Clerk read as follows:

#### House Resolution 452

Resolved, That a committee of two Members be appointed by the House to join a similar committee appointed by the Senate to wait upon the President of the United States and inform him that the two Houses have completed the business of the present session and are ready to adjourn unless the President has some other communication to make to them.

The resolution was agreed to.

The SPEAKER appointed as a committee on the part of the House Mr. Byrns and Mr. Snell.

Mr. BYRNS. Mr. Speaker, it will be necessary for the House to remain in session to receive a report that the conference report on the housing bill has been adopted by the Senate. I move that the House stand in recess, subject to the call of the Speaker.

Mr. FULLER. Mr. Speaker, I ask unanimous consent that inasmuch as the Marine Band is present, and as many are assembled here from the city of Washington, to permit the Marine Band to entertain us during the recess with a few selections.

Mr. BLANTON. Mr. Speaker, before we take the recess, will the gentleman from Tennessee permit me to ask unanimous consent to proceed for half a minute. I thank my colleagues for not objecting.

Mr. Speaker, I want to say to you, sir, that this House of Representatives, in the Congress of the United States, has one of the most efficient, impartial, and courteous Speakers that it has ever had in its entire history.

I also want to say that we have the finest majority leader of any parliamentary body. We also have one of the greatest minority leaders the Republicans have ever had in the House of Representatives.

We have here now exactly the right number of Democrats and exactly the right number of Republicans. [Laughter.]

We have now the most reliable, efficient, and finest set of officers and employees in this House of Representatives that any parliamentary body has ever had anywhere in the world.

I cordially invite all of you colleagues to visit me in Abilene this summer. [Laughter and applause.]

The SPEAKER. Is there objection to the request of the

gentleman from Arkansas?

Mr. RANKIN. Mr. Speaker, reserving the right to object. I have no objection to the Marine Band playing during the recess; that is legitimate and dignified.

The SPEAKER. Is there objection?

There was no objection.

The motion of Mr. Byrns was then agreed to.

Accordingly (at 10 o'clock and 3 minutes p.m.) the House stood in recess subject to the call of the Speaker.

#### AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 11:15 o'clock p.m.

## FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing of every associate of ours in this House, regardless of where votes of the two Houses on the amendments to the bill (H.R. 9620) enitled "An act to encourage improvement in housing | enjoy the rest and comfort to which you are entitled after standards and conditions, to provide a system of mutual mortgage insurance; and for other purposes."

The message also announced that the Senate recedes from its amendment no. 2 to the bill (H.R. 9741) entitled "An act to provide for the taxation of manufacturers, importers, and dealers in certain firearms and machine guns, to tax the sale or other disposal of such weapons, and to restrict importation and regulate interstate transportation thereof."

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S.Con. Res. 24. Concurrent resolution authorizing the enrollment with an amendment of the bill (H.R. 9741) relative to the taxation of firearms.

#### COMMITTEE OF NOTIFICATION

Mr. BYRNS. Mr. Speaker, your committee appointed to join a like committee on the part of the Senate to inform the President of the United States that the Congress is ready to adjourn, and to ask him if he has any further communication to make, has performed that duty. We are directed by the President to inform the Congress that he has no further communication to submit to the Congress. [Applause,]

Mr. BYRNS assumed the chair as Speaker pro tempore. HON. HENRY T. RAINEY, SPEAKER OF THE HOUSE OF REPRESENTA-

Mr. SNELL. Mr. Speaker, I offer the following resolution (H.Res. 454) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That the thanks of the House are presented to the Honorable Henry T. Rainey, Speaker of the House of Representa-tives, for the able, impartial, and dignified manner in which he has presided over the deliberations and performed the arduous duties of the Chair during the present term of Congress.

The SPEAKER pro tempore (Mr. Byrns). Is there objection to the present consideration of the resolution? There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Speaker, it gives me great pleasure, from a personal standpoint and on behalf of the minority, to present this resolution. The Speaker and I have been warm personal friends for a great many years. I have great admiration for his manhood, his character, and his legislative ability. There is no doubt but that the people of his district fully appreciate those characteristics, for they have kept him so long in the House of Representatives that he is now dean in service in this House. The majority has shown its appreciation of Mr. RAINEY by electing him to the highest position in its power. Of course, we have often disagreed on political matters, and some matters not political, but if this House is to be presided over by a Democrat, I cast my vote for the Honorable Henry T. Rainey, of Illinois. [Applause.]

While I have this opportunity I also wish to pay my personal respects to the able, genial, and efficient leader of the majority. [Applause.] During the years I have been a Member of this House I cannot recall any session of Congress where the majority leader had such a difficult task as had Mr. Byrns during the present session. There are very few Congresses that have had so many and such difficult problems before it, and the gentleman from Tennessee, Mr. Byrns, has safely guided all the administration measures through the House of Representatives and won admiration and respect on both sides of the aisle.

I take this opportunity to thank him for the thoughtful and courteous attention he has at all times given to the minority leader. We have had some tilts on the floor. That is a natural consequence; but I know that as far as each of us is concerned any of those contacts and the memory of them died with the setting sun.

I wish to take this opportunity to thank the Members of the minority for the loyal cooperation and support they have given me, and to all my colleagues I extend my heartfelt felicitations. May you all soon go to your homes and

the hard work of the Seventy-third Congress. [Applause.]

The SPEAKER pro tempore. The question is on the adoption of the resolution.

The resolution was unanimously agreed to.

Mr. SNELL assumed the chair as Speaker pro tempore.

The SPEAKER pro tempore (Mr. SNELL). The Chair recognizes the gentleman from Illinois [Mr. RAINEY].

Mr. RAINEY. Mr. Speaker, I deeply appreciate the resolutions which have just been presented by my friend the minority leader, and which have just been unanimously adopted by the House. I reciprocate the kindly feeling the minority leader has expressed for me. As he has stated, for many years we have been close personal friends, and if ever we have a Republican House-and I hope it will be many years in the future [laughter]-I hope to have the pleasure of being here and of addressing the present speaker representing then the majority side, which perhaps at some distant future may be in control. [Laughter and applause.]

During the period of time I have had the honor of presiding over this body, I have tried to be fair to both sides of the Chamber, to treat Members on both sides of the Chamber with the courtesy to which they were entitled from the presiding officer.

There are 435 Members in the American Congress. There are 615 members in the British Parliament. There are exactly 615 members in the French Chamber of Deputies. But in the British Parliament there are seats for only 200, and sometimes the members sit in the galleries. This is the largest deliberative body assembling in the largest numbers among the nations of the world, but in this body, in spite of all that is said about it—and I have visited the parliaments of the world-the best order prevailed. [Applause.] In other parliaments there are intense disturbances on the floor and physical encounters. Here the encounters are intellectual, and order has been preserved in the American Congress better than in any other parliament in this world.

An historic Congress is about to end its second and its last session. In this Congress we have enacted more legislation, we have done more work, and we have talked less than in any other Congress in the history of this Republic.

I wish you all now as you leave for your vacations a pleasant summer. I wish you all good health, much happiness, prosperity, and a safe return. [Applause.]

The SPEAKER resumed the chair.

Mr. BYRNS. Mr. Speaker-

The SPEAKER. The Chair recognizes the gentleman from Tennessee.

Mr. BYRNS. Mr. Speaker, after a session lasting for 51/2 months Congress is about to adjourn and the Members to return to their homes.

In my judgment, as has been stated, this Congress has been the most momentous Congress that ever assembled in the history of the Nation. No war Congress was ever confronted with the many serious and important problems that have confronted this Congress. In the war Congress about all that was necessary to be done was to make the appropriations necessary to carry on the war and to provide the funds out of which the appropriations could be made; but in this Congress every subject has been considered; bills of far-reaching nature have been enacted into law; and, if I am any judge, I may say that the present session of Congress has been even a more important session than the extra session in that more legislation and more measures have been enacted. Every Member of Congress has been under great pressure during this present session and the session preceding. There have been no laggards in Congress; and I think one and all can return to their constituents with the assurance of duty well done and a sincere effort upon their part to relieve the distressing conditions of the country.

I want to take this occasion to join in the tribute that has been paid to our distinguished and beloved Speaker. He enjoys the confidence and the respect of every Member of Congress on both sides of the aisle. [Applause.] He has served in Congress, as has been stated, longer than any other Member; and he has served with an ability and an earnest devotion to duty which has served to endear him not only to his constituents but also to the people of the entire country.

I wish to join in the tribute which he has paid to the distinguished minority leader, the gentleman from New York [Mr. SNELL]. [Applause.] He has ably and faithfully represented his party upon the floor of this House. I want to thank him for his cooperation. I want to thank him for the friendship which exists between us. While, as he has stated, there have been times when we have seriously differed on problems and measures which have come before the House, those things were quickly forgotten, because he was doing his duty as he saw it and I was attempting to do

I want to take this occasion to thank my Democratic colleagues, the Democratic membership of this House, for their cooperation, for their sympathy, and for their patience with me as the majority leader during this term of Congress. am indebted to each one of them.

I would not overlook thanking the members of the minority for their cooperation and their friendly sympathy. I feel that I have never served in a Congress which has exhibited greater patriotism and a more sincere, earnest effort to serve their country and the people who sent them here than have the Members of the Seventy-third Congress.

Mr. Speaker, I join in the hope that the Members, when they return to their homes, will enjoy the vacation which they are to have between now and the next Congress and that all of us may meet here in equal proportion [laughter] when the next Congress assembles; that every one of you on both sides of this Chamber may have a pleasant summer and an enjoyable vacation: that we may come back here in January determined not only to continue our efforts in behalf of the people but also with the determination to stand in the future as we have in the past, for the great country in which we live and which we are happy to serve. [Applause.]

Mr. COX. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. COX. Mr. Speaker, as has been said by our distinguished friend, the leader of the majority, the second session of the Seventy-third Congress is fast coming to an end, but may we not hope, Mr. Speaker, that this is but a parting to meet again.

Mr. Speaker, speaking from a legislative standpoint, I am sure it is the consensus of opinion of all that there is no man in the country that has contributed more to the recovery of the Nation than the distinguished gentleman who presides over this body. He has been patient of toil. serene amidst alarm, and inflexible in faith. Diligent as he has been to fill his mind with knowledge, he has not permitted material things to crowd upon the spiritual, love, joy, and worship.

Mr. Speaker, as has been said, we have differed here in this body, but we differed in peace and tolerance. Beneath it all there has been the grim determination common to all that this Nation shall live. In love of country there is no distinction to be made between Democrats and Republicans, and it pleases me tremendously that the Speaker of this House and the leader of the majority have found it agreeable to them and in accordance with right to pay tribute to the leader of the minority, the gentleman from New York [Mr. Snell], who is in truth and in fact a great American. [Applause.]

The SPEAKER. The Chair lays before the House the following concurrent resolution.

The Clerk read as follows:

## SENATE CONCURRENT RESOLUTION 24

Resolved by the Senate (the House of Representatives concurring), That the Clerk of the House is authorized and directed, in the enrollment of the bill (H.R. 9741) to provide for the taxation of manufacturers, importers, and dealers in certain firearms and machine guns, to tax the sale or other disposal of such weapons, and to restrict importation and regulate interstate transportation

thereof, to insert after line 22, on page 4 of he House bill, the following:

following:

"(c) Under such rules and regulations as the Commissioner, with the approval of the Secretary, may prescribe, and upon proof of the exportation of any firearm to any foreign country (whether exported as part of another article or not) with respect to which the transfer tax under this section has been paid by the manufacturer, the Commissioner shall refund to the manufacturer the amount of the tax so paid, or, if the manufacturer waives all claim for the amount to be refunded, the refund shall be made to the exporter. to the exporter.

The SPEAKER. The question is on agreeing to the resolution.

The concurrent resolution was agreed to.

Mr. PARSONS. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

Mr. RANKIN. Mr. Speaker, reserving the right to object, this is the end of the session; we are all tired, and we are ready to adjourn. I am not going to object to the gentleman from Illinois speaking, but I shall object to anyone else except the majority leader or the minority leader.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PARSONS. Mr. Speaker, we have had a great tribute paid here to the Speaker of the House by the minority leader, the gentleman from New York [Mr. SNELL]. A great tribute has been paid to the minority leader by the Speaker of the House, and a well-deserved tribute has been paid to both of them by the majority leader. Every member of this House joins in these tributes.

I rise for the purpose of paying tribute to those who really do the work of the House but who are seldom mentioned, the Parliamentarian and Assistant Parliamentarian. the Official Reporters of debates, the journal and enrolling clerks and their assistants, the Sergeant at Arms and his assistant, the Doorkeeper and his assistants, the pair clerks, the tally clerk, the reading clerks, the floor manager and assistant manager of the majority and the minority, the clerks of committees, and the secretaries of the Members of the Congress.

Without these employees of the House who function efficiently every day, and without our secretaries who take care of our mail and of the multitudinous duties coming to us, we as Members of the Congress would not be able to function in behalf of our constituents in the way we do; and, as I sat here tonight and listened to these tributes, with which we all agree, paid to the great men who have served in this House for 30 years, 20 years, and 12 years, it seemed only fair to me that every Member of this House should rise in tribute to these faithful secretaries and employees of the House. [Applause.]

#### ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 3726. An act to grant a patent to Albert M. Johnson and Walter Scott;

H.R. 4444. An act for the relief of Lt. James Floyd Terrell. Medical Corps, United States Navy;

H.R. 4447. An act for the relief of Vertner Tate:

H.R. 4554. An act to amend section 4808 of the Revised Statutes (U.S.C., title 24, sec. 3) to prevent discriminatory reductions in pay of the retired personnel of the Navy and Marine Corps:

H.R. 5122. An act for the relief of William S. Steward;

H.R. 5330. An act to amend the act of March 2, 1917, entitled "An act to provide a civil government for Puerto Rico, and for other purposes;

H.R. 5543. An act for the relief of T. Brooks Alford;

H.R. 5668. An act authorizing the relief of the McNeill-Allman Construction Co., Inc., of W. E. McNeill, Lee Allman, and John Allman, stockholders of the McNeill-Allman Construction Co., Inc., and W. E. McNeill, dissolution agent of McNeill-Allman Construction Co., to sue in the United States Court of Claims;

H.R. 6462. An act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes;
H.R. 7163. An act for the relief of the D. F. Tyler Cor-

poration and the Norfolk Dredging Co.;

H.R. 7292. An act for the relief of the Boston Store Co., a corporation, Chicago, Ill.;

H.R. 7922. An act authorizing the Secretary of Commerce to dispose of a portion of the Yaquina Bay Lighthouse Reservation, Oreg.;

H.R. 8662. An act to modify the operation of the Indian liquor laws on lands which were formerly Indian lands;

H.R. 8910. An act to establish a National Archives of the United States Government, and for other purposes;

H.R. 8954. An act to amend an act approved June 14, 1932 (47 Stat. 306), entitled "An act granting the consent of Congress to the States of Montana and Wyoming to negotiate and enter into a compact or agreement for division of the waters of the Yellowstone River";

H.R. 9046. An act to discontinue administrative furloughs in the Postal Service:

H.R. 9233. An act authorizing associations of producers of aquatic products;

H.R. 9275. An act to provide for the protection and preservation of domestic sources of tin;

H.R. 9547. An act to amend section 766 of the Revised Statutes, as amended;

H.R. 9620. An act to encourage improvement in housing standards and conditions, to provide a system of mutual mortgage insurance, and for other purposes;

H.R. 9690. An act to place the tobacco-growing industry on a sound financial and economic basis, to prevent unfair competition and practices in the production and marketing of tobacco entering into the channels of interstate and foreign commerce, and for other purposes;

H.R. 9741. An act to provide for the taxation of manufacturers, importers, and dealers in certain firearms and machine guns, to tax the sale or other disposal of such weapons, and to restrict importation and regulate interstate transportation thereof;

H.R. 9769. An act to amend the act of June 19, 1930 (46 Stat. 788), entitled "An act providing for the sale of the remainder of the coal and asphalt deposits in the segregated mineral land in the Choctaw and Chickasaw Nations, Oklahoma, and for other purposes";

H.R. 9826. An act granting the consent of Congress to the State highway commission to construct, maintain, and operate a free highway bridge across Eleven Points River in the northwest half of section 31, township 25 north, range 3 west, 8 miles northeast of Alton, on route B in Oregon County, Mo.;

H.R. 9829. An act to amend the Agricultural Adjustment Act with respect to the processing tax on hogs;

H.R. 9830. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other

H.R. 9861. An act to amend the Railway Labor Act approved May 20, 1926, and to provide for the prompt disposition of disputes between carriers and their employees;

H.R. 9867. An act amending the Independent Offices Appropriations Act of 1935;

H.J.Res. 322. Joint resolution to provide for the disposal of smuggled merchandise, to authorize the Secretary of the Treasury to require imported articles to be marked in order that smuggled merchandise may be identified, and for other purposes:

H.J.Res. 342. Joint resolution authorizing an appropriation to defray the expense of erecting the completed Navy and Marine Memorial Monument:

H.J.Res. 365. Joint resolution to amend the Settlement of War Claims Act of 1928, as amended;

H.J.Res. 366. Joint resolution to simplify the administration of air-mail routes and contracts;

H.J.Res. 375. Joint resolution to effectuate further the policy of the National Industrial Recovery Act;

H.J.Res. 376. Joint resolution to provide an appropriation to enable the United States Army to send certain units to participate in the international celebration at Fort Niagara, N.Y.; and

H.J.Res. 452. Joint resolution to provide an additional appropriation for expenses of special and select committees of the House of Representatives for the fiscal year 1935.

The Speaker announced his signature to enrolled bills and joint resolutions of the Senate of the following titles:

S. 60. For the relief of Richard J. Rooney;

S. 86. For the relief of A. L. Ostrander;

S. 101. For the relief of Robert Gray Fry. deceased:

S. 173. For the relief of William Martin and John E. Walsh, Jr.;

S. 255. For the relief of John Hampshire:

S. 294. For the relief of Stanton & Jones; S. 336. For the relief of the Edward F. Gruver Co.;

S. 365. An act for the relief of Archibald MacDonald;

S. 379. For the relief of Frederick G. Barker;

S. 418. An act for the relief of William H. Connors, alias John H. Connors, alias Michael W. H. Connors;

S. 488. An act for the relief of Norman Beier;

S. 521. For the relief of Henry Poole;

S. 527. An act for the relief of Lillian Morden;

S. 740. An act for the relief of William G. Fulton;

S. 847. For the relief of the Nez Perce Tribe of Indians;

S. 854. For the relief of the Ingram-Day Lumber Co.:

S. 879. For the relief of Howell K. Stephens;

S. 887. For the relief of Lucy B. Hertz and J. W. Hertz;

S. 1072. For the relief of Rufus J. Davis;

S. 1118. An act for the relief of George J. Bloxham;

S. 1119. For the relief of Fred A. Robinson;

S. 1161. For the relief of Alice E. Broas;

S. 1162. For the relief of Virginia Houghton;

S. 1163. For the relief of Mary V. Spear;

S. 1200. For the relief of Elizabeth Millicent Trammell;

S. 1258. For the relief of Charles F. Littlepage;

S. 1287. For the relief of Leonard Theodore Boice;

S. 1288. For the relief of Otto Christian;

S. 1382. An act for the relief of Uldric Thompson, Jr.;

S. 1498. Authorizing the Secretary of the Interior to pay E. C. Sampson, of Billings, Mont., for services rendered the Crow Tribe of Indians:

S. 1505. An act for the relief of Thomas E. Read:

S. 1526. For the relief of Ann Engle;

S. 1531. For the relief of Elizabeth Buxton Hospital;

S. 1557. An act for the relief of Harry Lee Shaw;

S. 1585. For the relief of the Black Hardware Co.;

S. 1600. For the relief of S. G. Mortimer;

S. 1654. An act for the relief of George Yusko;

S. 1707. An act for the relief of Carlos C. Bedsole;

S. 1753. An act for the relief of Marcella Leahy McNerney;

S. 1758. An act for the relief of B. E. Dyson, former United States marshal, southern district of Florida;

S. 1803. An act for the relief of certain riparian owners for losses sustained by them on the drained Mud Lake bottom in Marshall County in the State of Minnesota;

S. 1804. An act to authorize the transfer of certain real estate by the Secretary of the Treasury to C. F. Colvin in settlement of the Northfield, Minn., post-office site litigation, and for other purposes;

S. 1818. An act for the relief of W. P. Fuller & Co.;

S. 1822. An act for the relief of Harold Sorenson;

S. 1825. An act authorizing the Secretary of the Interior to issue patents to the numbered school sections in place, granted to the States by the act approved February 22, 1889, by the act approved January 25, 1927 (44 Stat. 1026), and by any other act of Congress;

S. 1901. An act for the relief of William A. Delaney;

S. 1972. For the relief of James W. Walters;

S. 1992. An act for the relief of Arthur R. Lewis;

S. 1993. For the relief of The Lower Salem Commercial Bank, Lower Salem, Ohio;

S. 1998. For the relief of the estate of Martin Flynn;

S. 2043. To amend the act of May 22, 1928, entitled "An act to authorize the collection, in monthly installments, of indebtedness due the United States from enlisted men, and for other purposes";

S. 2074. An act for the relief of James R. Mansfield;

S. 2112. For the relief of W. H. Key and the estate of James E. Wilson:

S. 2141. For the relief of Roy Lee Groseclose;

S. 2156. For the relief of the American-La France and Foamite Corporation of New York:

S. 2227. An act for the relief of Harold S. Shepardson;

S. 2233. An act for the relief of Mildred F. Stamm;

S. 2238. An act to provide for the payment of damages to certain residents of Alaska caused by reason of extending the boundaries of Mount McKinley National Park;

S. 2272. An act for the relief of Bert Moore:

S. 2322. An act for the relief of A. J. Hanlon;

S. 2338. An act for the relief of Robert V. Rensch;

S. 2343. An act for the relief of Herbert E. Matthews;

S. 2357. An act for the relief of Arthur Bussey;

S. 2367. An act for the relief of Emilie C. Davis:

S. 2398. An act for the relief of Nancy Abbey Williams;

S. 2467. An act for the relief of Ammon McClellan;

S. 2470. For the relief of Erik Nylin;

S. 2549. For the relief of Albert W. Harvey;

S. 2553. For the relief of the Brewer Paint & Wall Paper Co., Inc.;

S. 2561. An act for the relief of Robert R. Prann;

S. 2584. For the relief of Elmer Kettering:

S. 2613. An act for the relief of Jewell Maness;

S. 2617. An act for the relief of the estate of Jennie Walton:

S. 2619. An act for the relief of E. Clarence Ice:

S. 2620. For the relief of N. W. Carrington and J. E. Mitchell:

S. 2627. For the relief of Arvin C. Sands;

S. 2672. For the relief of Mabel S. Parker;

S. 2702. An act to amend the Civil Service Retirement Act of May 29, 1930, and for other purposes;

S. 2720. An act for the relief of George M. Wright;

S. 2744. An act for the relief of Anna Carroll Taussig;

S. 2752. An act for the relief of the legal beneficiaries and heirs of Mrs. C. A. Toline;

S. 2806. An act to confer jurisdiction on the Court of Claims to hear and determine the claim of Carlo de Luca;

S. 2809. An act conferring jurisdiction upon the Court of Claims to hear and determine the claims of the International Arms and Fuze Co., Inc.;

S. 2810. An act for the relief of Alice F. Martin, widow, and two minor children;

S. 2872. An act for the relief of Marie Louise Belanger;

S. 2873. An act for the relief of Stella D. Wickersham:

S. 2875. An act for the relief of Margoth Olsen von Struve;

S. 2906. An act for the relief of Ransome Cooyate;

S. 2919. An act for the relief of Cornelia Claiborne;

S. 2957. An act for the relief of the rightful heirs of Wakicunzewin, an Indian:

S. 2972. An act for the relief of John N. Knauff Co., Inc.; S. 2987. An act to restore homestead rights in certain cases:

S. 3016. An act for the relief of the Dongji Investment Co., Ltd.:

S. 3092. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the heirs of James Taylor, deceased, Cherokee Indian, for the value of certain lands now held by the United States;

S. 3122. An act for the relief of H. N. Wilcox;

S. 3156. An act for the relief of Mary Angela Moert;

S. 3160. An act for the relief of Charles E. Secord;

S. 3161. An act for the relief of Mary Seeley Watson;

S. 3185. An act to amend the Agricultural Adjustment Act, as amended, with respect to farm prices;

S. 3192. An act for the relief of Arthur Hansel;

S. 3248. An act for the relief of J. B. Walker;

S. 3264. An act for the relief of Muriel Crichton;

S. 3335. An act for the relief of Joanna A. Sheehan;

S. 3394. An act for the relief of the Grier-Lowrance Construction Co.;

S. 3408. An act to provide for a preliminary examination of Cromline Creek in the State of New York, with a view to the control of its floods;

S. 3486. An act for the relief of George L. Rulison;

S. 3487. An act relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes;

S. 3499. An act for the relief of Michael Ilitz:

S. 3516. An act for the relief of the Morgan Decorating Co.:

S. 3517. An act authorizing the Court of Claims to hear, consider, adjudicate, and enter judgment upon the claims against the United States of J. A. Tippit, L. P. Hudson, Chester Howe, J. E. Arnold, Joseph W. Gillette, J. S. Bounds, W. N. Vernon, T. B. Sullivan, J. H. Neill, David C. McCallib, J. J. Beckham, and John Toles;

S. 3526. An act to amend the Air Commerce Act of 1926 and to increase the efficiency of the Aeronautics Branch of the Department of Commerce with respect to the develop-

ment and regulation of civil aeronautics;

S. 3528. An act to grant permission to the Willard Family Association to erect a tablet at Fort Devens, Mass.;

S. 3533. An act to amend the act entitled "An act creating the Mount Rushmore National Memorial Commission and defining its powers and purposes", approved February 25, 1929, and for other purposes;

S. 3562. An act for the relief of Robert Rayl;

S. 3580. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

S. 3626. An act referring the claims of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota to the Court of Claims for adjudication and settle-

S. 3646. An act to amend section 938 of the Revised Statutes to vest the courts with discretion to refuse to order the return of vessels seized for violation of any law of the United States; and to amend subsection (b) of section 7 of the Air Commerce Act of 1926, as amended, to provide for the forfeiture of aircraft used in violation of the customs

S. 3656. An act for the relief of Robert N. Stockton;

S. 3660. An act to grant to the city of Monterey, Calif., an easement for street purposes over certain portions of the military reservation at Monterey, Calif.;

S. 3741. An act to convey certain lands to the State of South Dakota for public-park purposes, and for other

S. 3780. An act for the relief of persons engaged in the fishing industry;

S. 3788. An act to extend the times for commencing and completing the construction of a bridge across the Rio Grande at Boca Chica, Tex.;

S.J.Res. 115. Joint Resolution to provide for the continuation of the investigation authorized by S.Res. 83, Seventieth Congress, first session; and

S.J.Res. 131. Joint resolution providing for membership of the United States in the International Labor Organiza-

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and joint resolutions of the House of the following titles:

H.R. 2419. An act for the relief of W. B. Ford;

H.R. 3357. An act to amend section 99 of the Judicial Code (U.S.C., title 28, sec. 180), as amended;

H.R. 3636. An act for the relief of Thelma Lucy Rounds:

H.R. 3726. An act to grant a patent to Albert M. Johnson and Walter Scott;

H.R. 4444. An act for the relief of Lt. James Floyd Terrell, Medical Corps, United States Navy;

H.R. 4447. An act for the relief of Vertner Tate;

H.R. 4554. An act to amend section 4808 of the Revised Statutes (U.S.C., title 24, sec. 3) to prevent discriminatory reductions in pay of the retired personnel of the Navy and Marine Corps:

H.R. 5122. An act for the relief of William S. Steward;

H.R. 5330. An act to amend the act of March 2, 1917, entitled "An act to provide a civil government for Puerto Rico, and for other purposes;

H.R. 5543. An act for the relief of T. Brooks Alford;

H.R. 5668. An act authorizing the relief of the McNeill-Allman Construction Co., Inc., of W. E. McNeill, Lee Allman, and John Allman, stockholders of the McNeill-Allman Construction Co., Inc., and W. E. McNeill, dissolution agent of the McNeill-Allman Construction Co., to sue in the United States Court of Claims;

H.R. 6462. An act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes;

H.R. 7163. An act for the relief of the D. F. Tyler Cor-

poration and the Norfolk Dredging Co.;

H.R. 7292. An act for the relief of the Boston Store Co., a corporation, Chicago, Ill.;

H.R. 7922. An act authorizing the Secretary of Commerce to dispose of a portion of the Yaquina Bay Lighthouse Reservation, Oreg.;

H.R. 8662. An act to modify the operation of the Indian liquor laws on lands which were formerly Indian lands;

H.R. 8910. An act to establish a National Archives of the United States Government and for other purposes;

H.R. 8954. An act to amend an act approved June 14, 1932 (47 Stat. 306), entitled "An act granting the consent of Congress to the States of Montana and Wyoming to negotiate and enter into a compact or agreement for division of the waters of the Yellowstone River;

H.R. 9046. An act to discontinue administrative furloughs in the Postal Service:

H.R. 9233. An act authorizing associations of producers of aquatic products;

H.R. 9275. An act to provide for the protection and preservation of domestic sources of tin;

H.R. 9547. An act to amend section 766 of the Revised Statutes, as amended;

H.R. 9620. An act to encourage improvement in housing standards and conditions, to provide a system of mutual mortgage insurance, and for other purposes;

H.R. 9690. An act to place the tobacco-growing industry on a sound financial and economic basis, to prevent unfair competition and practices in the production and marketing of tobacco entering into the channels of interstate and foreign commerce, and for other purposes;

H.R. 9741. An act to provide for the taxation of manufacturers, importers, and dealers in certain firearms and machine guns, to tax the sale or other disposal of such weapons, and to restrict importation and regulate interstate transportation thereof;

H.R. 9769. An act to amend the act of June 19, 1930 (46 Stat. 788), entitled "An act providing for the sale of the remainder of the coal and asphalt deposits in the segregated mineral land in the Choctaw and Chickasaw Nations, Oklahoma, and for other purposes;

H.R. 9826. An act granting the consent of Congress to the state highway commission to construct, maintain, and operate a free highway bridge across Eleven Points River in the northwest half of section 31, township 25 north, range 3 west, 8 miles northeast of Alton, on route B in Oregon County, Mo.;

H.R. 9829. An act to amend the Agricultural Adjustment Act with respect to the processing tax on hogs;

H.R. 9830. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes:

H.R. 9861. An act to amend the Railway Labor Act approved May 20, 1926, and to provide for the prompt disposition of disputes between carriers and their employees;

H.R. 9867. An act amending the Independent Offices Appriation Act of 1935;

H.R. 9936. An act to compensate widows and children of persons who died while receiving monetary benefits for disabilities directly incurred in or aggravated by active military or naval service in the World War:

H.J.Res. 322. Joint resolution to provide for the disposal of smuggled merchandise, to authorize the Secretary of the Treasury to require imported articles to be marked in order that smuggled merchandise may be identified, and for other purposes;

H.J.Res. 330. Joint resolution authorizing certain retired officers or employees of the United States to accept such decorations, orders, medals, or presents as have been tendered them by foreign Governments;

H.J.Res. 342. Joint Resolution authorizing an appropriation to defray the expense of erecting the completed Navy and Marine Memorial Monument:

H.J.Res. 365. Joint resolution to amend the Settlement of War Claims Act of 1928, as amended;

H.J.Res. 366. Joint resolution to simplify the administration of air-mail routes and contracts:

H.J.Res. 371. Joint resolution authorizing the creation of a Federal Memorial Commission to consider and formulate plans for the construction, on the apex block, Constitution and Pennsylvania Avenues, in the city of Washington, D.C., of a permanent memorial to the memory of Thomas Jefferson, third President of the United States and author of the Declaration of Independence:

H.J.Res. 375. Joint resolution to effectuate further the policy of the National Industrial Recovery Act;

H.J.Res. 376. Joint resolution to provide an appropriation to enable the United States Army to send certain units to participate in the international celebration at Fort Niagara, N.Y.; and

H.J.Res. 452. Joint resolution to provide an additional appropriation for expenses of special and select committees of the House of Representatives for the fiscal year 1935.

# FURTHER MESSAGE FROM THE PRESIDENT-APPROVALS

A further message from the President of the United States announced that on the following dates he approved and signed bills and joint resolutions of the House of the following titles:

On June 16, 1934:

H.R. 7697. An act for the relief of William Chinsky. On June 18, 1934:

H.R. 206. An act for the relief of Pierre E. Teets;

H.R. 452. An act for the relief of Laura B. Crampton;

H.R. 471. An act for the relief of Physicians and Surgeons Hospital, Ltd.;

H.R. 529. An act for the relief of Morris Spirt;

H.R. 1306. An act for the relief of Clarence A. Wimley;

H.R. 1308. An act for the relief of John Parker Clark, Sr.;

H.R. 1345. An act for the relief of John Parker Clark, Jr.; H.R. 1792. An act for the relief of Michael Petrucelli;

H.R. 2038. An act for the relief of Jeanie G. Lyles;

H.R. 2326. An act for the relief of Emma R. H. Taggart:

H.R. 2669. An act for the relief of Paul I. Morris;

H.R. 3176. An act for the relief of Ernest Elmore Hall;

H.R. 3318. An act to reimburse Earl V. Larkin for injuries sustained by the accidental discharge of a pistol in the hands of a soldier in the United States Army;

H.R. 3606. An act for the relief of William Sheldon;

H.R. 3748. An act for the relief of Mary Orinski;

H.R. 3912. An act for the relief of Roland Zolesky;

H.R. 4082. An act for the relief of John J. Corcoran;

H.R. 4253. An act for the relief of Laura Goldwater;

H.R. 4387. An act for the relief of Mary A. Rockwell;

H.R. 4446. An act for the relief of E. E. Hall;

H.R. 4659. An act for the relief of Carleton-Mace Engineering Corporation;

H.R. 4670. An act for the relief of Lyman D. Drake, Jr.;

H.R. 5584. An act for the relief of William J. Kenely;

H.R. 5665. An act authorizing the control of floods in the Salmon River, Alaska;

H.R. 5809. An act to provide compensation for Robert Rayford Wilcoxson for injuries received in citizens' military training camp;

H.R. 6324. An act for the relief of Mabel Carver;

H.R. 6350. An act for the relief of Arthur Smith;

H.R. 6696. An act for the relief of William T. Roche;

H.R. 6898. An act authorizing the city of Atchison, Kans., and the county of Buchanan, Mo., or either of them, or the States of Kansas and Missouri, or either of them, or the highway departments of such States, acting jointly or severally, to construct, maintain, and operate a free highway bridge across the Missouri River at or near Atchison, Kans.:

H.R. 6998. An act for the relief of Capt. Frank J. McCor-

mack:

H.R. 7067. An act for the relief of St. Anthony's Hospital at Michigan City, Ind.; Dr. Russell A. Gilmore; Emily Molzen, nurse; and the Hummer Mortuary;

H.R. 7121. An act authorizing the Secretary of the Treasury to pay Dr. A. W. Pearson, of Peever, S.Dak., and the Peabody Hospital, at Webster, S.Dak., for medical services and supplies furnished to Indians;

H.R. 7212. An act to remove the limitation upon the

extension of star routes; H.R. 7230. An act for the relief of J. B. Hudson; H.R. 7272. An act for the relief of John W. Adair;

H.R. 7301. An act to authorize the Postmaster General to charge an additional fee for effecting delivery of domestic registered, insured, or collect-on-delivery mail, the delivery of which is restricted to the addressee only, or to the addressee or order;

H.R. 8115. An act for the relief of May L. Marshall, administratrix of the estate of Jerry A. Litchfield;

H.R. 8544. An act making receivers appointed by any United States courts and authorized to conduct any business, or conducting any business, subject to taxes levied by the State the same as if such business were conducted by private individuals or corporations:

H.R. 8912. An act to amend section 35 of the Criminal

Code of the United States;

H.R. 9007. An act to amend section 11 of the District of Columbia Alcoholic Beverage Control Act;

H.R. 9234. An act to amend section 601 (c) (2) of the Revenue Act of 1932:

H.R. 9326. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near York Furnace, Pa.;

H.R. 9371. An act to authorize the incorporated town of Douglas City, Alaska, to undertake certain municipal public works, including construction, reconstruction, enlargement, extension, and improvements of its water-supply system; and construction, reconstruction, enlargement, extension, and improvements to sewers, and for such purposes to issue bonds in any sum not exceeding \$40,000;

H.R. 9401. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Middletown, Dauphin County, Pa.;

H.R. 9402. An act to authorize the incorporated town of Fairbanks, Alaska, to undertake certain municipal public works, including construction, reconstruction, and extension of sidewalks; construction, reconstruction, and extension of sewers; and construction of a combined city-hall and firedepartment building, and for such purposes to issue bonds in any sum not exceeding \$50,000;

H.R. 9476. An act to empower certain members of the Division of Investigation of the Department of Justice to make arrests in certain cases, and for other purposes;

H.R. 9526. An act authorizing the city of Port Arthur, Tex., or the commission hereby created and its successors, to construct, maintain, and operate a bridge over Lake Sabine at or near Port Arthur, Tex.;

H.R. 9571. An act granting the consent of Congress to the county commissioners of Essex County, in the State of Massachusetts, to construct, maintain, and operate a free highway bridge across the Merrimack River in the city of Lawrence, Mass.;

H.R. 9617. An act to authorize the reduction of the required distance between liquor distilleries and rectifying plants and to authorize higher fences around distilleries;

H.R. 9618. An act authorizing the Sistersville Bridge Board of Trustees to construct, maintain, and operate a toll bridge across the Ohio River at Sistersville, Tyler County, W.Va.;

H.R. 9622. An act to amend subsection (a) of section 23 of the District Alcoholic Beverage Control Act;

H.R. 9645. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Washington, Mo.;

H.R. 9721. An act authorizing the Spencer County Bridge Commission, of Spencer County, Ind., to construct, maintain, and operate a toll bridge across the Ohio River between Rockport, Ind., and Owensboro, Ky.;

H.R. 9946. An act providing for the ratification of Joint Resolution No. 59 of the Legislature of Puerto Rico, approved by the Governor May 5, 1930, imposing an import duty on coffee imported in Puerto Rico;

H.J.Res. 295. Joint resolution authorizing appropriation for expenses of representatives of United States to meet at Istanbul, Turkey, with representatives of Turkish Republic for purpose of examining claims of either Government against the other and for expense of proceedings before an umpire, if necessary;

H.J.Res. 325. Joint resolution extending for 2 years the time within which American claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the Mixed Claims Commission and the Tripartite Claims Commission, and extending until March 10, 1936, the time within which Hungarian claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the War Claims Arbiter;

H.J.Res. 341. Joint resolution authorizing an appropriation for the participation of the United States in the International Celebration at Fort Niagara, N.Y.; and

H.J.Res. 370. Joint resolution to protect the revenue by regulation of the traffic in containers of distilled spirits.

# EXTENSION OF REMARKS

# INTERNATIONAL LABOR ORGANIZATION

Mr. McREYNOLDS. Mr. Speaker, on Saturday night, June 16, 1934, the rules of the House were suspended and Senate Joint Resolution 131 providing for membership of the United States in the International Labor Organization was passed by more than two-thirds vote. Being so rushed at that time that I did not have an opportunity to express myself fully on this resolution and being granted the privilege of extending my remarks I desire to add the following as further justification of our action.

The National Industrial Recovery Act, one of the earlier of the great efforts for restoration and prosperity in this country, has as its particular objective, the improvement in the standards and conditions of living of the tens of millions of families whose support is derived from a vast variety of manufacturing and mercantile pursuits. Increasing wages and decreasing hours of labor as better technical methods and higher efficiency develop are ends sought in this legislation.

The Agricultural Adjustment Act has similar aims in behalf of that immense portion of our population who are engaged in agriculture. By careful weighing of needs and calculations of supply, effort is made to avoid the waste of producing what cannot be sold for as much as it costs, and to conserve the farmers' energy for the production of what may not only fulfill their country's necessity but also make for themselves a reasonable living.

As everyone knows, the productive capacity of the United States in numerous great fundamental fields of production, both agricultural and extractive and manufacturing, have been developed and geared to a market larger than that of this country. Export of American goods to other countries in profitable exchange for products needed in the United States always has been and always will be a vital part of the national economy of the United States.

That is why the Congress has just enacted the Reciprocity Trade Agreements Act, by means of which the President has been given ample powers to take effectual

steps to build up our foreign trade.

Higher standards of living for agriculturists and for wage earners frequently mean higher costs which must be reflected in the prices which are charged for goods wherever sold. Such being the case, the prevalence of low standards of wages in other countries makes more difficult the full enjoyment of the benefits that ought to be derived from reductions in tariff duties. The difficulty is twofold. In the first place, the competition of producers whose wage costs are low may deprive American producers of the expected markets, notwithstanding success on the part of the Government in persuading other governments to lower barriers to trade.

In the second place, low wages in other countries and other inferior standards of living decrease purchasing power and make the demand for the products of American agriculture and other industry in other countries less than should be the case. On both these grounds, accordingly, the success of the administration's program of reciprocal trade should be definitely enhanced in proportion as standards of living in other countries may be leveled up so as to approach rising standards of living in the United States.

We in the United States believe that, aided by a bountiful nature, we have made our standards of living the highest in the world. We take legitimate pride in that faith. We propose to keep on increasing and improving these stand-

ards.

But we can proceed faster and farther in this direction if standards are also being raised in most of the other countries of the world. Our exporters know very well that if their competitors in other countries underpay their employees, force long hours, and neglect health, safety, and other conditions making for the welfare of labor, they can quote prices that, other things being equal, will cut under the prices that can be quoted by the managers of enterprises where better standards are maintained. The result is that low standards in any country are a menace to high standards in all the other countries.

We in the United States are, accordingly, limited in the control of our own recovery and of our own permanent welfare by the conditions of labor prevailing in other countries. We cannot, of course, control the economic practices of other countries, but we can influence such practices, and that not merely by example. We can, by active participation in an organization set up for the purpose of improving labor conditions, do our part in their gradual betterment throughout the world.

With a view to such long-term improvement, House Joint Resolution 368, which is identical with Senate Joint Resolution 131, already passed by the other body, has been brought forward and has been favorably reported with the approval of your Committee on Foreign Affairs. It is sponsored by the Department of Labor, and I have ascertained on inquiry that it has the full approval of the other interested Departments—the Departments of Agriculture, State, and Commerce.

The resolution provides for the participation of the United States in the International Labor Organization, an instrumentality maintained by some 60 countries with the sole objective of improving labor conditions. Canada, with its well-known high standards, our great southern neighbors, Mexico and Brazil, indeed, the entire Western Hemisphere except Costa Rica and Ecuador, take part in the International Labor Organization. A few weeks ago Nicaragua distinguished itself by adopting at a single stroke almost the

entire group of labor conventions proposed by the organization during the 15 years since its first general conference was convened here in Washington.

The great industrial countries of western Europe and those of the Far East—Japan, China, and India—are likewise members of the International Labor Organization, and so susceptible of the influence of the United States, working through that organization. This Government has, indeed, already begun in fact to take part in the organization. The resolution before us is to make our participation in this work regular and more effectual.

By the terms of its charter, no country participating in the International Labor Organization may be asked to adopt any measure which would "lessen the protection afforded by its existing legislation to the workers concerned." Thus, while seeking to raise standards everywhere, the labor organization is prevented from lowering standards anywhere. It accordingly is the effectual agency of high-standard countries for helping to raise the standards of other countries.

The organization operates chiefly as a conference to draft conventions. These conventions set up standards of labor conditions. They become operative and obligatory in any particular country when that country adopts them according to its constitutional method of ratifying treaties. Among the more noteworthy of the 30 or 40 conventions that have been put forward are those dealing with the limitation of hours of labor; unemployment; child labor; labor at sea; workmen's compensation; night work; dangerous employment; agricultural labor; old age, sickness, and other forms of insurance; forced labor; and the creation of minimum wage-fixing machinery.

When it accepts full membership, the United States can exert a large influence in determining what shall be subjects of future conventions and in making them as stringent and far-reaching as possible. In this way it can help to set up standards for the world that are at least as high as its own. Humanity and economic self-interest alike demand this course.

Awaiting the time when conventions can be perfected, the labor organization makes recommendations, which may be thought of as expressions of enlightened public opinion, for the consideration of the national governments. Its permanent office employs hundreds of people who give their full time to collecting and publishing information of all kinds relating to the welfare of labor and the improvement of labor conditions. This information has long been of recognized value to our own Department of Labor, which has both utilized and contributed to it.

I am not contending, of course, that the participation of the United States in the International Labor Organization will immediately or fully take away the competition which low standards and adverse labor conditions in other countries offers to the commerce of the United States. Nor can the unfavorable effect upon improvement of American standards be quickly dispelled. But here is a means toward these ends. It is a simple means, involving no considerable obligations, and it can be made in the long run an effective means. The more indirect consequences, moreover, are of great importance. The motto of the organization is "Si vis pacem cole justiciam"—if you wish peace, cultivate justice. It is the belief of those who know the organization best that it is making a definite contribution toward both peace and prosperity.

SUMMARY OF RECORD IN THE TWO SESSIONS OF THE SEVENTY-THIRD CONGRESS, 1933 AND 1934

Mr. CARPENTER of Kansas. Mr. Speaker, I wish to take this occasion to state that since I have been a Member of Congress I have been present and attended every session of this body. I have not missed a single roll-call vote during these 2 years and have only missed two quorum calls; one was when I was down town on departmental business, attempting to get the head of the Regional Agricultural Credit Corporation to pay a claim to a constituent of mine, and the other time was when I was on a special delegation to see the President at the White House in regard to drought relief.

I have, for the most part, registered my opinion on the more important pieces of legislation and questions up for consideration by Congress. I have refused to be merely a rubber stamp or "yes" man and have represented my district in keeping with my campaign promises in the manner, in my judgment, the majority desired to be represented.

I advocated during these times the reduction of salaries of Congressmen and other substantial cuts all along the line from the President on down. I introduced bills to this effect and paid back part of my salary and mileage to the Government.

I have opposed and voted against increased expenditures and new taxes; at the same time I have voted and supported such emergency expenditures as were necessary to provide sufficient work and relief to keep our people from starving and suffering.

I voted to repeal the law creating the Farm Board.

I voted and advocated at all times tariff legislation that would be beneficial to agriculture.

I introduced a bill providing for heavy export tax on all money taken out of this country and invested in industries in foreign countries.

I voted on all occasions for legislation providing better opportunities for the farmers, the artisans, the tradesmen, and laborers of all classes including railroad employees and protection against lowering the standard of their occupation and employment.

I opposed and voted against all legislation that would weaken our antitrust laws and insisted at all times that we have more stringent antitrust laws and better enforcement to prevent evils resulting from combines and trusts.

You will find upon checking up that I have supported President Roosevelt in all the great and constructive measures that have generally been recognized as necessary and helpful, and have opposed and voted against such of the program as has proven to be unjust and harmful.

I have advocated and supported sound currency expansion and for this reason, among others, I have voted for and supported silver legislation, the soldiers' bonus bill, and the Frazier-Lemke bill, which latter bill also provides for a more comprehensive farm-mortgage relief plan and money to be loaned to the farmers at 1½-percent interest and 1½ percent on the principal.

I have also supported what was known as the "Simpson cost-of-production plan", providing for a minimum price for agricultural products.

My record is as follows:

# 1933 SPECIAL SESSION

Voted for Emergency Banking Act, to open closed banks of the Nation.

Voted for Agricultural Relief Act.

Voted for Farm Mortgage Relief Act.

Voted for act to prohibit exportation of arms and munitions of war.

Voted for reduction of postage rates.

Voted for railroad bill, providing benefits to employees.

Voted for Unemployment Relief Act.

Voted for Muscle Shoals and Tennessee Valley development.

·Voted for relief to home owners in respect to their mortgages.

Voted for cost of production for agricultural products (passed Senate, defeated in the House).

Voted for expansion of currency, known as the "Thomas Act."

Voted for Securities Act to make the seller as well as the buyer beware.

Voted for Connally amendment to independent office appropriation bills.

Voted for amendments to independent offices bill to return grants to veterans taken away from them in the economy bill.

Voted for Reforestation Act.

1934 SESSION

Voted for gold devaluating bill to protect currency of United States.

Voted for Civil Works program on bill making an additional appropriation.

Voted for Revenue Act of 1934 to reenforce income-tax laws.

Voted for Dies silver bill, otherwise known as "American agricultural surplus products bill", to promote foreign buying.

Voted for tariff bill, providing for reciprocal trade agreements.

Voted for securities exchange bill, known as the "Fletcher-Rayburn bill."

Voted for silver bill.

Voted for Women's Equal Rights National Act permitting citizenship rights to children through the mothers as well as the fathers, and removing all sex discrimination.

Voted for motion to discharge Ways and Means Committee from further consideration of the bonus bill in order to get a vote on the bill in the House.

Voted for bonus bill, otherwise known as "bill for immediate payment of adjusted-service certificates, and controlled expansion of currency."

Voted for bill to amend section 12B, Federal Reserve Act, so as to extend for 1 year temporary plan for deposit insurance, and for other purposes.

Voted for Vocational Educational Act.

Voted for Johnson bill to prevent interference of Federal courts with State courts and commissions in rate cases.

Voted for bill to guarantee the farm-loan bonds.

Voted for bill to guarantee the bonds of the Home Owners' Loan Corporation.

Voted for Senate amendment no. 22, restoring veteran

Voted for Senate amendment restoring veteran benefits.

Voted to pass the independent offices appropriation bill over the veto of the President.

Voted for so-called "Norris resolution" concerning Federal appointments.

Voted for public roads bill, authorizing appropriation for. Voted for De Priest resolution to investigate discrimination in House restaurant.

Voted for National Housing Act.

Voted to prohibit the sale of arms, ammunition, and munitions of war to nations engaged in warfare in the Chaco.

Voted for Johnson bill, forbidding loans to foreign debtors who are in default.

Voted for bill to establish foreign-trade zones.

Voted for bill to prevent competition of prison industries. Voted for air mail bill authorizing the making of temporary contracts.

Voted for conference report on air mail.

Voted for limited participation in Chicago World's Fair. Voted for rural route bill and to authorize the Postmaster

General to preserve rural routes. Voted for railway pension bill.

Voted for Railroad Labor Act, to provide for prompt disposition of disputes between carriers and their employees.

Voted for bill to amend bankruptcy laws to provide relief to farm mortgagors, known as Frazier-Lempke bankruptcy

Voted for compensation for widows and children of veterans receiving compensation for disability directly incurred in active duty in the World War and who died of non-service-connected disability.

Voted for bill to establish a Federal Credit Union system to provide for small loans.

Voted for the Grazing Act known as the Taylor bill to protect the public lands.

I voted against and opposed the following bills and measures:

1933 SPECIAL SESSION

Voted against economy bill that repealed all veterans' benefits subsequent to Civil War.

Voted against N.R.A. and appropriating of \$3,500,000,000 | out of the Treasury.

Voted against St. Lawrence River Waterway project.

Voted against national liquor law.

Voted against liquor law in the District of Columbia.

Voted against action against the Lowell habeas corpus proceedings.

Voted against \$40,000 appropriation for International Institute of Agriculture, 1933.

Voted against resolution to investigate picture-show business, which amounted to a junketing trip to Hollywood.

Voted against compromising the judgment and releasing the claims of the United States Government against those involved in the Teapot Dome oil scandal.

#### 1934 SESSION

Voted against Bankhead cotton bill limiting and licensing production of cotton.

Voted against Kerr tobacco bill, second step in limiting and licensing agriculture products.

Voted against resolution authorizing appropriation for expenses of representatives of the United States to meet at Istanbul, Turkey, for purpose of examining claims.

Voted against conference report on Bankhead bill.

Voted against census bill, roll call 172, defeated on this roll call.

Voted against census bill, roll call 180.

Voted against motion that the House stand in recess because I desired consideration of Frazier bill.

Voted against act creating inland waterway corporation

to operate on Columbia and Snake Rivers.

Voted against bill to authorize annual appropriation to meet losses sustained by officers and employees in Foreign Service of the United States by reason of currency exchange.

Voted against Post Office appropriation bill for the establishment of a Federal furniture factory at Reedsville, W.Va. Voted against Senate amendment no. 14 restoring full pay

to Federal officers and employees.

Voted against Senate amendment to increase Federal employees' salaries in full.

Voted against resolution to appoint a committee to investigate oil code; if such bill had passed it would have adversely affected Kansas oil fields.

Voted against bill establishing Everglades National Park in Florida.

Voted against bill to permit Members of Congress to borrow, take over, form, and make contracts with certain governmental agencies.

Voted against appropriation of \$23,862,650.78 to the government of Philippine Islands by reason of reduction of the weight of gold dollar, which appropriation practically amounts to a gift to the Philippine Islands (defeated on first consideration). Voted against said bill the second time before the House for consideration.

Voted against joint resolution providing for membership of the United States in the International Labor Organization of the League of Nations.

In addition to these votes, I signed petitions to discharge the committee and to bring the following bills the committees refused to report out for consideration upon the floor of the House:

The Frazier-Lemke farm mortgage relief bill. Was one of the early signers of this petition.

The cost of production bill for agricultural products introduced by Congressman Swank, of Oklahoma, and generally known as the "Simpson cost of production bill."

The Wearin bill to prevent direct buying of hogs and other livestock by the packers.

I wish to call your attention to some of my statements and remarks in the Congressional Record:

# REFUND OF SALARY AND MILEAGE

"In regard to mileage, I might say that by automobile it is about 1,250 miles from Marion to Washington. At 20 cents a mile going to Washington and back to Marion, I would be entitled to about \$500, which is now reduced 25 percent, making \$375 due. In making my claim for mileage I sent to the Committee on Accounts the following letter:

COMMITTEE ON ACCOUNTS.

Washington, D.C.

GENTLEMEN: My expenses incurred in coming to Washington are

Traveling expenses	\$25.40
Gasoline and oil	18.10
For express	23.00

Making a total\_\_\_\_

I traveled in my own car, for which I am making no charge,

nor for the expenses of my family.

When you allow my claim for mileage, I wish you would just allow it for \$66.50.

Very truly yours,

### RANDOLPH CARPENTER.

"Therefore I only intend to keep this amount for each one of my trips, making \$133 for the round trip. So that my action in regard to the salary reduction bill is sincere on my part, I will, as I have repeatedly announced before coming to Washington, return to the Government all over \$7,500 a year, and I believe that all other Members who are sincere in regard to economy in government should do the same thing." (CONGRESSIONAL RECORD, Mar. 16, 1933, p. 572.)

OBJECTION TO PAYMENT OF A YEAR'S SALARY TO WIDOWS OF CONGRESS-MEN

Mr. CARPENTER of Kansas. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.
Mr. CARPENTER of Kansas. If this motion is carried, does it
mean that these widows are given the money carried in the Senate amendment?

Mr. CARPENTER of Kansas. For myself, I want to protest against this practice, and I should like to have an opportunity of voting against a continuance of the practice of giving widows of Representatives and Senators this money that the widows of no other class of people get. (Congressional Record, May 24, 1933, p.

There are certain items in this bill that I am fundamentally

There are certain items in this bill that I am fundamentally opposed to and wish to take this occasion to register my opposition to them and to state, if the opportunity had been available, I would have voted against them.

These items appear in title 1 on page 2 of the bill, appropriating the sum of \$8,500 each, a full year's salary, to eight widows of deceased Congressmen, and the sum of \$8,500, a year's salary, to the daughters of a deceased Congressman, amounting in all to the sum of \$76,500. (CONGRESSIONAL RECORD, June 4, 1934, p. 10427). IMPORTANT LEGISLATIVE MEASURES AFFECTING ECONOMIC WELFARE OF THIS COUNTRY

I wish to state that among the most important matters of legislation affecting the economic welfare of this country, in my

First. Tariff legislation that will enable us to resume our trading with the rest of the world.

Second. Legislation that will give us an expansion of the currency wherein we will have an adequate but sound medium of exchange, and I believe this can best come about through re-

rency wherein we will have an adequate but sound medium of exchange, and I believe this can best come about through remonetization of silver, which will give us a medium of exchange to trade with that part of the world that has only silver with which to purchase our products.

Third. The legislation as provided in the Securities Exchange Act of 1934, known as the "Fletcher-Rayburn bill", the object of which is to prohibit pure speculation in securities and commodities and to prohibit a creating of a false or misleading appearance of active trading in any security registered on the national stock exchange and prohibit transactions which involve no change in the beneficial ownership of such security.

While I believe it is proper to have legitimate markets for our agricultural products and other commodities, yet the welfare of the whole public should not rest upon the operations of the gamblers upon our stock and market exchanges. The farmer who has raised his products in the sweat of his brow has been at the mercy of these gamblers. This need of such legislation has been recognized for a long time and the Fletcher-Rayburn bill endorsed by President Roosevelt is the first sincere step in the direction of eliminating these corrupt practices. Of course, this monster that has had this Nation by the throat these many years is not going to give up without a fight and a struggle. However, they are going to have a difficult time in obtaining any sympathy from the people of the country when it is revealed that from 1928 to and including 1933 the Wall Street brokers were making money to the tune of two thousand million dollars, while their customers lost sixty-five thousand million dollars, and proper their customers lost sixty-five thousand million dollars. With the suggested tariff legislation, expansion of the currency, and proper stock-market legislation the depression can be cured and agriculture, which must be prosperous if the rest of the country is to be prosperous, and business in general will again be put or their feet without any artificial stimulants in the form of process. ing taxes or regimentation. (Congressional Record, May 2, 1934, pp. 7958-7959.)

# WE ARE ALL IN THE SAME BOAT IN THIS DEPRESSION

We are all in the same boat in this depression, and the war veterans and their friends never did and do not now object to reasonable cuts in compensation to assist this country in balancing its Budget, and are willing to make the same patriotic sacrifices now for our country that they did during the wars in

which they were engaged.

The Government, since the time the economy bill was passed, has seen fit to spend billions of dollars in an earnest endeavor to help its citizens out of this terrible depression; therefore, I wish to state that I am very much in favor of the Senate amendments to the independent offices bill in behalf of the veterans, especially

to the independent offices bill in behalf of the veterans, especially including the World War and Spanish-American War veterans, which rectifies the injustices created in the economy bill.

I am, however, opposed to returning to the Federal employees at this time their full 15-percent cut, restoring them to their full status before the economy bill was passed and leaving the whole burden of the economy upon the veteran.

As has been suggested to me, I hardly believe it is the spirit of this Congress that the restoration of benefits to the disabled veteran is a raid on the Treasury while restoration of pay to the veteran is a raid on the Treasury while restoration of pay to the Federal employee is a patriotic duty.

Federal employee is a patriotic duty.

There is a great deal of misinformation going out over the country to the effect that the increase in veteran benefits is going to wreck the economy program of the Government and cost the Government \$334,246,824, when the truth of the matter is that the total veteran benefit included in these amendments will only amount to \$118,253,700, whereas the cost of restoring Federal employees their 15 percent will be \$215,993,124. The people in my district—and I know this to be true all over the United States—are in the terrible economic situation they are in because of the depression. Governmental expenses have been cut to the core, courthouse officials who do three times as much work as most of the Federal employees get from \$60 to \$80 a month, and the girls who work in their offices \$40 a month. School teachers in rural schools, where they can get a job at all, \$40 a month; and we even find those with masters' degrees teaching in our rural schools for salaries of not over \$60 a month. In addition to this,

in rural schools, where they can get a job at all, \$40 a month; and we even find those with masters' degrees teaching in our rural schools for salaries of not over \$60 a month. In addition to this, we have thousands of people who are very happy to get a few hours' work a week at 30 to 40 cents an hour under the C.W.A. Federal employees in my district are not yelping for increase in salaries, they are very happy they have their jobs, and are graciously accepting their cuts, which is very small in comparison with the cut in cost of governmental services performed for the State and local governments, and the people in general who are paying the bill and doing all the suffering are not in favor of keeping this office-holding aristocracy up in the style in which it has been accustomed. I would not be in favor of cutting anyone's salary that was \$1,000 or less a year, and would be in favor of restoring Federal employees' salaries when prosperity has been returned to the rest of the country. It is just merely the application of judgment and fairness to all concerned.

And the worst of all would be the increase of the Congressmen's salaries. I cannot conceive how any Congressman can go out and face the veterans and the people in his district, telling them how necessary it was to cut them down with one hand, whereas with the other he increased his own salary; therefore, I am supporting the Borah amendment prohibiting the increase at this time of all governmental salaries over \$6,000 per year. As a matter of fact, I think the Congressmen's salaries should be reduced under existing conditions and until prosperity has again been returned to their country, and this was the first hill I

matter of fact, I think the Congressmen's salaries should be reduced under existing conditions and until prosperity has again been returned to their country, and this was the first bill I introduced in Congress last year, and which was introduced prior to our voting on the economy bill. For my part I do not believe that the cut in compensation to the disabled service-connected veteran should be any greater percentage than the percentage of cut to the Federal employee." (Congressional Record, Mar. 14, 1934, pp. 4522-4523.)

AMENDMENT TO STRIKE OUT \$40,000,000 FOR REFUNDS ON INCOME

Mr. CARPENTER of Kansas. Mr. Chairman, I offer an amendment.

Mr. Carpenter of Kansas. Mr. Chairman, I offer an amendment. The Clerk read as follows:

"Amendment offered by Mr. Carpenter of Kansas: On page 13, strike out lines 7 to 17, inclusive."

Mr. Carpenter of Kansas. Mr. Chairman, this amendment is for the purpose of striking out that part of this bill that appropriates \$40,000,000 for refunds on income taxes. I am opposed to this practice of the Government in refunding income taxes. As I understand the income tax law, these amounts are paid in voluntarily, on voluntary income-tax statements; and if the persons making out their own income-tax statements make a mistake, it is their own mistake. If they cannot add properly, and if they cannot present proper information, it is their own fault. \* \*

Now, what is this bill? This bill presupposes that the Government is going to levy some illegal taxes and then it is going to be necessary to refund those erroneous and illegal taxes, and it presupposes that some people are not going to be able to add and that they will make mistakes and will turn in more tax money than they should.

Another thing, we have this \$40,000,000 now. Let us keep it.

money than they should.

Another thing, we have this \$40,000,000 now. Let us keep it. Just think what \$40,000,000 would do. Forty million dollars would be enough to put over the four-point program of the American Legion that is being suggested here, or enough to reestablish the Spanish-American War veteran to where he was before the economy bill was passed. Yet we are going to turn it back to those people who have found out that we have appropriated \$40,000,000 and it is here for them, and by some hook or crook or lawyer or national committeeman or somebody who has some influence and who has probably been employed in the Internal Revenue Department and is well acquainted with the Bureau, they are going to get this money back again. All of you fellow Members who have

been denouncing this thing time after time and who intend to go out in the next campaign and make as much of an issue of it as you can, and talk about protecting the taxpayers' money, this is the time to put a stop to that sort of thing." (CONGRESSIONAL RECORD, Jan. 25, 1934, p. 1369.)

THE PEOPLE OF THIS COUNTRY DO NOT WANT ANY DOLE; THEY WANT TO WORK FOR THEIR MONEY

To work for their money. To work for their money to not want any dole. They want to work for their money. We are not going to let people starve in this country. You have heard that time after time, and we, as citizens, do not propose to let the needy starve. Oh, it is fine to appropriate money and let the contractors take all the money, but this is the first time when Government money has gone out to the forgotten man, the little man at the bottom. Here is relief starting at the bottom and going up instead of starting at the top and going down. Of course, we should not spend any more money than we need to. We should try to balance our Budget and save our money in times when we are making it so that we will have it on hand in times of sickness and when we need it. That is the position of this country today. A nation is nothing but a cooperative society, anyway, organized to help the people obtain some protection or some benefit that they could not obtain alone. (Congressional Record, Jan. 23, 1934, p. 1196.) alone. (Congressional Record, Jan. 23, 1934, p. 1196.)

#### THE FRAZIER-LEMKE MORTGAGE RELIEF BILL

Mr. Chairman, coming from a strictly agricultural district, as I do, I feel it is my duty to urge upon this Congress the adoption of what is known as the 'Frazier bill.' I am glad that, being one of the new Democratic Members of this House from Kansas, along with my lady colleague who has just addressed you, I am in accord with her on this matter as representing the farmers. And I believe all the rest of our colleagues in Kansas are also in accord. I am glad we are all here on the job this afternoon instead of going to the ball game.

going to the ball game.

Now, I favor the Frazier bill for the reason that it gives us a lower rate of interest; but primarily I am in favor of it because I think the greatest emergency legislation we could consider we have not had an opportunity to consider, and that is the expansion of the currency. To my mind that is the only way I can conceive of bringing back prosperity to this country in the near future. Not having an opportunity to get the Frazier bill, if we cannot get that, I say that next I am in favor of the present bill and will vote that, I say that next I am in lavor of the present bill and will vote for it when the time comes. First, if we have an opportunity to vote to recommit the present bill, with instructions to the Agriculture Committee to amend by substituting the Frazier bill, I will vote to recommit it accordingly. If we have no such opportunity, or such a motion to recommit falls, then I will vote for the present bill, as I said, on the theory it is the only available mortgage relief, and, so far as I am concerned, do everything I can to reach the content of the present below. can to make it a success

The gentleman from Arkansas [Mr. GLOVER] called my atten-The gentleman from Arkansas [Mr. Glover] called my attention to a bill which he had introduced, which in some respects may be better than the Frazier bill, I do not know. The gentleman stated it was before the Ways and Means Committee. I said, "Why do you not present it as an amendment before the Committee on Agriculture?" The gentleman said, "That committee would rule it out under the rule."

Yesterday when my colleague, Mr. McGucin, was speaking, trying to explain to the farmers the rules of the House and why we could not consider the Frazier bill, I asked him, "Do you think our farmers give a snap of their fingers for the rules of the House?" I wish to say that when there are such important matters as the

I wish to say that when there are such important matters as the Frazier bill pending and we are told that the rules of the House prevent our considering it, the farmers of Kansas and the farmers of the Nation do not give a damn for the rules of this House."
(CONGRESSIONAL RECORD, Apr. 12, 1933, p. 1613.)
I believe the Government should either get into the mortgage

the covernment should either get into the mortgage business or out of the mortgage business, and for the reason just stated that this bill does not go far enough, and for the further reason I am in favor of giving the farmer the real relief needed, and in favor of restoring prosperity to agriculture, I am supporting the Frazier bill, with its lower rates of interest. In fact I have promised my farmers to support it. (Congressional Record, Jan. 16, 1934, p. 743.)

# EXPANSION OF THE CURRENCY AND SILVER

Instead of the medium of exchange controlling the wealth, the wealth of the country should control the medium of exchange; in other words, instead of the tail wagging the dog, the dog should wag the tail. It may be that the medium of exchange in ordinary transactions of business, of course, would not have to be of such a great volume, but it has been manifested that this amount of gold has been altogether too small and therefore if we should broaden our base and remonetize silver and issue a certain amount of currency instead of tax-exempt bonds, such action would thereby increase our medium of exchange sufficiently to lubricate our business and keep the channels of trade moving.

ness and keep the channels of trade moving.

Most all forms of expansion of the currency are denounced by those opposing expansion as flat money. How have we been transacting business here prior to the debacle of March 1933? I should judge over 90 percent by the medium of exchange was in the form of notes, bank checks, and drafts, which did not even have the flat of the Government behind them and were nothing but paper money. While the Government now has more gold stored up in the Treasury than it has paper money outstanding, yet what kind of currency do we have in this country today? Primarily it is backed by gold, but practically, since the payment in gold is suspended and we are prohibited from possessing it or gold

certificates, all we have behind this paper money is the credit of the Nation. Silver, except to a limited degree, is not recognized; and yet we are warned, of all things, to beware of printing-press money, and lo, that is all we have. We have just as much paper money as someone in the Treasury says we shall have the Constitution of the United States says that Congress shall have Constitution of the United States says that Congress shall be the one to determine this. Just let Congress attempt to determine how much currency we should have and hear the experts begin to howl and tell us that Congress is attempting to ruin the country (Congressional Record, Mar. 28, 1934, pp. 5660-5661).

#### FARM RELIEF

The people in this district and State want to be heard on this question today. This is their day. They want to go along with this bill, because the President has given us the promise if it is not a good bill, if it does not work out successfully, he will be the first one to tell us. Short years ago the people in this country were happy and prosperous, but then came the black storm clouds of the Fordney-McCumber tariff, followed by the Smoot-Hawley tariff, and laid them low. Their overhead expenses had so increased that in order to keep going, looking for a better day they had always been promised, it was necessary to resort to mortgaging their farms. Men who were wealthy and well-to-do, who came out their farms. Men who were wealthy and well-to-do, who came out across the Plains and developed this great country, who had gone through the droughts, the cold winters, and the grasshopper years, and commenced with a homestead of 160 acres, then gradually accumulating a few quarters of land nearby, looking forward to the day when hey could leave a quarter for each child, have gradually witnessed these quarters of land slipping one by one away from them, and now the mortgage on the old homestead, where all the children were hown is being foreclosed. where all the children were born, is being foreclosed.

where all the children were born, is being foreclosed.

You can talk about brain storms all you want in regard to this bill, but I want to tell you that the farmers of my district, State, and Middle West are the ones who have been having the brain storms the last few years wondering what is going to happen to them. You can talk about socialism being in this bill all you want, but I want to tell you the farmer on the plow when he thinks of all that he is overcoming is almost seeing red out in our

country.

What has been the result of all this? It has resulted in bank failure in our towns and cities. Go out with me over my district, as I went over it the last 9 months; the little towns where the best building in town, the one that was the most modern and in which the people seemed to take the most pride, the bank building, with a sign on the door saying, 'This bank is closed and in the hands of the bank commissioners.' Some of these nice buildthe hands of the bank commissioners. Some of these file buildings which had in former years housed thriving banks were now turned into restaurants and garages. The lumber yards in these towns, that used to be the beehive of activity, are closed, with a sign on the door saying, 'If you desire to use the scales, see Mr. Smith, at the filling station.' Most of these little towns, and even the larger towns, have more empty buildings than buildings that are occupied. The people can no longer buy, and finally this condition extended back East and engulfed the whole Nation. The prosperity that the people in the East were enjoying from 1920 up until 1929 could not stay up in the air, with nothing to support it; either agriculture had to come up on the same plane of prices and prosper with the industrial and speculative East or else they had to come down to it. The result was the farmer was not permitted to come up, and finally this false prosperity had to fall to the level with agriculture.

Now it is finally recognized that we cannot have permanent

rosperity in this country unless the farmer is prosperous.

That prosperity, therefore, cannot be restored in this country until the farmer becomes prosperous.

"It must follow that the farmer cannot become prosperous until he receives an honest price for his products.

Personally, Mr. Speaker, I would prefer to see all Government receives an energy with and exceptions done away with and exceptions done are a serioulture returned to its own

regulations done away with and agriculture returned to its own channel of trade, but the emergency is so acute and we are lost in a dense swamp of governmental control. It does no good to rail against it; it is necessary that we get out of it; and so this is the legislation, so far as the farmers are concerned, the emergency is the legislation of the same of the s is the legislation, so far as the farmers are concerned, the emergency legislation that they are looking and praying for. I might also say that they are also desiring a cheaper dollar. This bill may not suit everyone. Personally, I should like to have seen the first provision in the bill do away with the Farm Board. Next, I am not so well satisfied with the processing fee charged here, and I do not know how the marginal-land proposition will work out. However, I do believe it has in it some semblance of price-fixing power, which I think is necessary at this time. No bill can be presented that will suit everyone." (Congressional Record, Mar 22 1933 no 739-740.) Mar. 22, 1933, pp. 739-740.)

As I have repeatedly stated, it is now generally recognized that we cannot have permanent prosperity in this country unless the farmer is prosperous—that prosperity, therefore, cannot be restored in this country until the farmer becomes prosperous. It must follow that the farmer cannot become prosperous. It must follow that the farmer cannot become prosperous until he receives an honest price for his products. The present price and the price he has been receiving for the past few years are not honest prices; they are dishonest and deflated prices, which conditions have have ditions have been going on for so long that he has been reduced

to almost abject poverty.

He has been unable to pay his taxes, his interest, his debts, or to pay anything that required cash. The price of farm products up to now has been so low that all the cash money he has seen the past few years are a few pennies. These are not idle words, but have been admitted and readmitted by all those who

are familiar with the farmer's condition, stated and restated almost are familiar with the farmer's condition, stated and restated almost everyday here on this floor in Congress, echoed and reechoed throughout the length and breadth of this country, until the courts of the land have stayed the sheriff in his foreclosure proceedings. Every State legislature has granted all the assistance it could, and Congress has passed a law intended to give the farmer a breathing spell for a few years. Incidentally practically every other business in this country is in the same condition as agriculture. agriculture.

We have in this country the past months been confronted with one emergency after another which has exploded at our feet. We have met them with such actions as seem best, but unless we are able to stop this terrible defiation and increase the price of products, all these former emergency measures will have been in vain. We must either have a cheaper dollar—that is, a dollar on a par with the price of the dollar when our debts were created—or all our debts will automatically cancel themselves, and next will go the credit of this Government. We cannot continually drain this credit without replenishing it. Give us a cheaper dollar and nine-tenths of our trouble will be over. Taxes will not seem too high, interest and debts can be paid, the old homestead saved, people will have money to spend, jobs will be available, and we will again be able to appreciate our form of government of, for, and by the people and enjoy life as we should (Congressional Record, May 2, 1933, p. 2748).

### LABOR AND THE RAILROAD BILL

Mr. Chairman, I rise to make this comment: We as a Nation, during the dark hours of the financial depression that we have been passing through the past 3 years and are now passing through, owe a great debt of gratitude to the labor of this country

and especially to organized labor.

They have been true, loyal soldiers, making great sacrifices for their homes and country. It is noticeable we have had less labor trouble and fewer strikes than ever before during a period of like conditions, and during such period labor has suffered more and taken more on the jaw than anyone else. Why have they co-operated with this country to such a great extent? Because of their patriotism and for the reason first of all they are true, loyal American citizens. American labor is the last one who wants any American citizens. American labor is the last one who wants any communism in this country; it is fighting it harder than anyone else. We cannot therefore pass laws that will result in more unemployment. We should not pass a railroad law that will result in fewer jobs on the railroad. The railroad employees are our finest and highest type of citizen; they have been reduced and cut time after time. When this panic first struck the country and the heads of the railroad roat head to work the country. and the heads of the railroads met here in Washington with President Hoover they announced they would not discharge their employees, when as a matter of fact they were discharging them then and continued to do so in increasing numbers in direct vio-lation of this agreement. The railroad brotherhoods and other railroad labor organizations have met every trying situation with great fortitude. They have taken care, through their lodge dues and contributions, of their unfortunate brothers. They are at

the end of their rope. It is absolutely impossible for them to take care of and provide for all discharged railroad employees.

We are soon to consider the railroad bill, and if we pass this bill let us pass it with such amendments as will give the utmost protection to the railroad employees and the public (Congress-

SIONAL RECORD, June 1, 1933, p. 4782).

# N.R.A. AND THE CONSTITUTION

The farmers of this country were denied the privilege of fixing their prices when the Simpson cost-of-production amendment was turned down in the House a couple of weeks ago; yet, under title I, the first part of this bill, that has no relation to the public-works part of the bill, monopolies and trusts are permitted to increase and fix the price of products they expect to

There is another feature of this proposed bill, which under the rule cannot be amended except by the Ways and Means Committee, that may lead to a dictatorship over all the industries of this country and which could result in disadvantage to the little man and the little industry through favoritism of this system to the more powerful. Serious doubt has arisen as to the constitutionality of such an act. And if because of the present so-called "emergency" the Supreme Court should hold this act as constitutional, such decision in itself might result in what would amount to an abandonment of the Constitution. This old Constitution has carried us through all the storms of the past into seas of prosperity, has made us the greatest nation and people in the history of civilization. The storm of the Civil War that it withstood was worse than the present storm. It stood by us then and will stand by and carry us through the present storm then and will stand by and carry us through the present storm. Then, in our hysteria of the present hour, we should not abandon it, for, if we do, not one can fortell the future; let us stay by it and ride the storm out to prosperity and a better day. GRESSIONAL RECORD, May 26, 1933, p. 4402.)

# THE COTTON CONTROL BILL

Generally when a proposition of this sort comes up which only affects one section of the country it is the usual practice to say, "Well, if this only affects that section, all right; let them have it." This is what I would be pleased to do in this case. But when such a revolutionary measure as this comes up for serious consideration by this Congress, of which I am a Member, I do not see how I can sit here and keep my mouth closed, or how I can explain to my farmers back home why I sat here and permitted such a measure, that may be the beginning of like

legislation affecting all agricultural commodities, to pass this body without my protest. I am in favor of any voluntary proposition for the regulation of agricultural commodities, or anything else in this country, but I am opposed to the involuntary servitude that is incorporated in this bill. This is the first step in establishing the Government of this country as the landlord of every farmer in the United States, and it is first step that I am opposing. I am opposing.

What does this law propose to do? In short, it gives the Secretary of Agriculture the right to tell every cotton producer just how many bales of cotton he can raise. To my mind, this is against the principles on which this Nation was founded, and would lead us into a sort of Russian communistic state in this

I think there are other ways to adjust our agricultural difficulties in this country, such as tariff legislation, silver legislation, and providing the naked and hungry with our surplus commodities. As I have said, in my opinion, such legislation as is included in this proposed Bankhead bill is against the principles upon which this Government was established, those principles that were responsible for the Boston tea party. Evidently the tea was good, but the tax was not so good, and the tax is not so good in this bill this bill.

I have had some legislative experience, both here and in other legislative bodies, and it has been my experience that it is the desire of every legislator to include some kind of a tax provision in his proposed bill. I do not know of any provision in the Constitution, either of my State or of the Federal Government, that provides that every bill introduced in either the State legislature or in the Congress of the United States must include some variety of a new tax. If any meritorious bill is brought before the legislative assembly, either State or national, that does not have a or in the Congress of the United States Must have a first lative assembly, either State or national, that does not have a new tax provision in it, it does not get very far, but if you can suggest some kind of a new tax to further add to the burden of the already tax-burdened people of this country, the bill generally has very little difficulty in being enacted into law.

Congress in this emergency has already delegated considerable power of taxation to the Secretary of Agriculture, and if we keep constantly creating additional taxes, where is this power of taxation going to lead us?

Those advocating this proposed legislation appear to have

Those advocating this proposed legislation appear to have great hopes for its success and therefore I say, I fear its success so far as the future liberty of the citizens of this country are concerned, more than its failure.

concerned, more than its failure. \* \* \*

The principal reason therefore, given for this kind of legislation at this time is based upon a declaration of emergency. I care not what the emergency is, it is not great enough to start this country on a course of further governmental interference that will lead us to such a state wherein we will be denied the "blessings of liberty to ourselves and our posterity", as set forth in the preamble of the Constitution of the United States." (Congressional Record, Mar. 15, 1934, p. 4459.)

OBJECTION TO PROCESSING TAX ON CATTLE AND OTHER GOVERNMENT CONTROL.

However, in my judgment, this is merely the second step in establishing the Department of Agriculture and the Secretary of Agriculture as the landlord over all the farms in this country. As I have heretofore stated on this floor, I am in favor of any

Agriculture as the landlord over all the larms in this country. As I have heretofore stated on this floor, I am in favor of any voluntary means of regulating agriculture surplus or any other kind of surpluses in this country, but I am not for any compulsory plan included in this and in the cotton control bill.

You may ask me what would be my plan to take care of the surpluses. My reply is that my plan would be for the Government to set a minimum price for domestic consumption upon all our agricultural products and then provide or build Government warehouses where the surpluses could be stored. These warehouses could be built or supplied by the P.W.A. funds or any other emergency funds and operated by the Government to permit the farmers to store their surplus in these Government warehouses. Such warehouses could be furnished and maintained with very little expense to the Government, almost infinitesimal with the amount that is being collected by processing and other taxes and being spent by the Government according to the present methods in payment of nonproduction of agricultural products.

If such a plan was adopted we would, in case of drought or other shortage, as in the days of Egypt, always have available wheat, foods, and supplies on hand for the country, and we would not run the risk entailed from plowing under and destroying crops, food products, and other surpluses.

crops, food products, and other surpluses.

crops, food products, and other surpluses.

My principal objection to this sort of legislation is that the next step would be to bring in a similar bill in regard to wheat, and that would affect me directly. Then, in the next progressive step would be similar legislation in regard to corn, and then hogs, and then cattle. The farmers out in my country are now objecting to the processing tax on hogs. Their experience has been that instead of increasing the price of hogs it has decreased the price of hogs to the producers. A great deal of working capital of the farmers in my country is raised from the production of hogs, and the present condition of the hog business is the worst thing that we have to combat out there today. The great fear in my country, which is a large cattle-producing country, is that a processing tax may be placed upon cattle. I am absolutely opposed to such a tax, and I am objections be known in every way possible to such a tax. The price of cattle, and especially heavy cattle, is better now than it has been for several years. Such fact has brought a great deal of encouragement to the cattle industry. All

of this without any processing tax or governmental interference in this business. Therefore the cattlemen arise with fear and trembling every morning as they face the hot sun and the prospects of a drought condition for fear a processing tax will be placed upon cattle, and that such tax, according to their experience with hogs, will result in the price of cattle being reduced to the farmer and the cattleman" (Congressional Record, June 6, 1934, p. 10655).

RELIEF FOR WIDOWS AND ORPHANS OF SERVICE-CONNECTED VETERANS

Mr. Speaker, in the status of civilization that we are living in now, and in the standards of living and the path of social legislation that we are on, this is one of the steps along the right

In our legislation during this session we have been looking forward to taking care of the needy. That is what this Govern-ment is doing. In this connection we should first look after

In our legislation during this session we have forward to taking care of the needy. That is what this Government is doing. In this connection we should first look after those who have some service connection with the Government, and this class would include the veterans who fought for the Government and for its maintenance, and after they have answered the last call we should look after their widows and orphans.

I am pleased, as a member of the World War Veterans' Committee and a Member of the Congress, that I am going to be able to take home with me some relief for these people.

As has been stated, in every congressional district we have cases of this kind. They are on our doorstep and, therefore, on behalf of these widows and children who are looking to us for relief, I wish to express my appreciation, along with the other members of the committee, of the hard work and the good work that our chairman has done with respect to this bill. It would not have done any good to have brought up a bill here and for all of us to have made a lot of speeches in favor of the veterans unless we were going to get the bill through. This is exactly what the chairman of our committee has stated time after time—that he wanted to get through a bill that would amount to something. (Congressional Record, June 16, 1934, p. 12147.)

With the nermission of Congressman John W. Flannagan,

With the permission of Congressman John W. Flannagan, Jr., of Virginia, I am copying tables setting forth the comparisons of bank failures, trade, business, and income under the Hoover administration and the Roosevelt administration, and the percentages of increase in employment, production, and business from March 1933 to March 1934, taken from his remarks on pages 11243 and 11245-11246 of the CONGRESSIONAL RECORD of June 12, 1934.

Record of bank failures

UNDER MR. H	OOVER			A STATE	
		Numb of bar failure	ık	Amount of deposits in- volved	
1929. 1930. 1931. 1932. 1933 to Mar. 4, to which should be added banks that failed to open after bank holiday.		1,345 2,298 1,456 420		864, 715, 000 1, 691, 510, 000 715, 626, 000	
Total	Total		78	5, 914, 287, 000	
UNDER MR. ROO	SEVELT				
1934		No	100	None	
Business comp	arisons		116		
	Hoover			Roosevelt	
Federal income collected up to June 6, 1933 on fiscal year ending June 1, 1933.  Income collected up to June 6, 1934, on fiscal year ending July 1, 1934.  2 Income of farmers:  For year 1932.	\$1, 831, 309, 3			792, 556, 689. 55	
For year 1933. Income on basic farm commodities: Cotton. Tobacco. Wheat. Corn. Hogs.	1 \$425, 488. 0 1 \$104, 529, 0 1 \$194, 846, 0 1 \$146, 090, 0	\$ 5,425,488.000.00		5, 530, 000, 000, 00 \$856, 776, 000, 00 \$214, 130, 000, 00 \$367, 153, 000, 00 \$242, 117, 000, 00 \$457, 000, 000, 00	
3. Profits of corporations:  180 representative corporations lost in 1932.  Same corporations made in 1932.  4. Commercial failures:	\$46,000,0			560, 000, 000. 00	
1932 1933 March 1933				20, 307 1, 162 None	
March 1934.  5. Banks: Number of bank failures under Hoover Deposits involved. Number of bank failures in 1934.	\$5, 914, 28				
5. Foreign trade: Exports; 1932 1933				\$1, 647, 220, 000	
1 1932	\$1933				

Business comparisons-Continued

	Hoover	Roosevelt
6. Foreign trade—Continued.		
Imports:		Designation of the
1932	\$1, 322, 774, 000. 00	
1933		\$1, 449, 559, 000. 00
Exports:	The second second	
March 1933	\$106, 293, 000. 00	
March 1934		\$187, 495, 000. 00
Imports:		The same of the same of
March 1933	\$94, 860, 000. 00	***** *** ****
March 1934		\$153, 075, 000. 00
7. Freight-car loading:		
1932cars		
1933do		29, 037, 000
March 1933do	2, 355, 000	
March 1934do		3, 059, 000
8. Production: Automobilesnumber_		
		21, 959, 945
Pig irontons_	1 8, 657, 000	113, 211, 000
Bituminous coaldo	1809, 710, 000	1327, 940, 000
Cotton salesbales_	1 5, 016, 000	2 6, 210, 000
9. Farms financed:		010 000
Number Amount loaned	17, 208	316,000
Amount loaned	1\$27, 569, 800	\$791,000,000
10. Homes financed:	The last	074 000
Number	None	274, 980
Amount loaned	None	\$822, 829, 888
11. Unemployment: March 1932	10 000 000	
March 1932	13, 203, 000	8, 021, 000
March 1933		8, 021, 000
12. Wages:		
Factory wages increased since Roosevelt		22
took chargepercent_ Wages of retail trade increased since Roose-		73 10 / 02 11 24
wages of retail trade increased since Roose-	OCCUPATION OF THE PARTY OF THE	26
velt took chargepercent_		20
Wages of anthracite coal miners increased		63
since Roosevelt took chargepercent		00
Wages of bituminous coal miners increased		91
since Roosevelt took chargepercent		91
1932.	11933.	

Percentages of increase in employment and business from March 1933 to March 1934

	P	ercent
Increase	in factory employment	37
	in factory pay	22
Increase	in retail trade pay	
Increase	in factory pay rolls	72
Increase	in retail employment	22
Increase	in manufacturing production	48
Increase	in automobile production	194
Increase	in iron and steel production	200
Increase	in mineral production	25
Increase	in electricity used	35
Increase	in freight-car loading	31
Increase	in value of 421 representative stocks	
Increase	in department-store sales	46
Increase	in variety-store sales	86
Increase	in construction contracts awarded	197.4
Increase	in rural general-store sales	66
Increase	in wholesale prices	22.4
Increase	in the cost of living	9.3
	in commercial failures	44

President Roosevelt on June 8 sent a message to the Congress of the United States, in which he states:

You are completing a work begun in March 1933 which will be regarded for a long time as a splendid justification of the vitality of representative government. I greet you and express once more my appreciation of the cooperation which has proved so effective.

The message recognizes that the first responsibility of this Nation is the welfare of the people of this country and especially to insure to them the safety of the home, the family, and the security of the individual as provided in the Constitution of the United States.

The President makes the following statement in his message:

Among our objectives I place the security of the men, women, and children of the Nation first.

There has been a great deal said lately about the Constitution of the United States. In this connection, the President is looking to the Constitution of the United States to obtain these objectives. He states:

If, as our Constitution tells us, our Federal Government was established, among other things, "to promote the general welfare", it is our plain duty to provide for that security upon which

It is very gratifying, therefore, that we have a man at the head of this country who really feels in his heart genuine sympathy for the ordinary citizen and is willing at all times

the laborers, and those engaged in all industries, with relief in the form of action, not merely by words, boards, commissions, or investigations.

### COSTIGAN-WAGNER ANTILYNCHING BILL

Mr. SUTPHIN. Mr. Speaker and Members of the House. in the few remaining days of the session there is one bill that I believe is most meritorious and justified and should receive our favorable consideration before adjournment. That is the Costigan-Wagner antilynching bill and its companion bill introduced in the House by Congressman Ford, of California. Far too long has America been held up to shame and ridicule throughout the world because of the unrestrained activities of lawless mobs which have lynched and even burned human beings at the stake. Among the victims have been not only men but also women and even children. Approximately 5,053 lynchings have disgraced our country since 1882.

Surely there is not a Member of this House who is opposed to this measure. No civilized race would tolerate or approve any measure which would tend to deprive any person of life, liberty, or property without due process of law, nor deny to any person within its jurisdiction adequate security. It is undoubtedly true that everything possible has been done to deter lynchings, but nevertheless they have occurred. This so vitally affects the honor of the Nation and the very character and integrity of our institutions that I trust you will think me justified in speaking very plainly about it.

I oppose the mob spirit which has recently here and there very frequently shown its head amongst us, not in any single region but in many and widely separated parts of the

There have been lynchings, and every one of them has been a blow at the heart of ordered law and humane justice. No man who loves America, no man who really cares for her fame and honor and character, or who is truly loyal to her institutions, can justify mob action while the courts of justice are open and the Governments of the States and the Nation are ready and able to do their duty.

We proudly claim to be the champions of democracy. If we really are in deed and in truth, let us see to it that we do not discredit our own. How can we preach democracy to other peoples if we disgrace our own by proving that it is, after all, no protection to the weak?

I therefore very earnestly and solemnly beg that this Congress pass this much-needed legislation.

# PARTIAL REPORT OF SERVICE RENDERED

Mr. STRONG of Texas. Mr. Speaker, when the Democratic administration came into power March 4, 1933, all are familiar with the fact that 12 years of Republican rule had brought absolute ruin to our country.

Our President, Franklin D. Roosevelt, is standing bravely at the helm and guiding the ship of state back to a safe harbor where all the people can enjoy peace, prosperity, and happiness. Our President has been very frank and outspoken with the people. His task is the greatest known to mankind today. He needs and should have the help of all citizens of this Nation to bring our Government back to the people. No one can afford to spend time in faultfinding; what is needed is real service.

I desire to give in this statement a few facts and brief mention of services I have rendered as Congressman at large for Texas.

There are 162 Members of Congress now serving their first terms in that body. It has been stated in newspapers that this Congress has passed more beneficial legislation for all the people than has any former Congress within the history of the Nation. One reason assigned for this splendid service is the fact that the 162 new Members participating in the proceedings of Congress have recently come direct from the people, and well know the people's needs.

I consider it a great honor to have participated in the sessions of the Seventy-third Congress as my first term and rendered all the service possible in the efforts to bring this great country of ours back to normal conditions, where to help all the people of this country, including the farmers, all the people may be properly served, without favoritism

to any special class or interests, for I believe in and shall | contend for "equal rights to all and special privileges to

There are measures now pending which I have introduced and feel sure will be enacted if I am fortunate enough to

serve another term in Congress.

I cannot take the time and space here to discuss all these measures, and will mention those which most affect the interests of the people. Aside from farming, the oil business is bringing more money into Texas than any other business; therefore, our people are largely concerned about the production of oil, the transportation of same, and the manufacturing of oil products.

I feel the producers of Texas oil, the refiners, and the landowners, also the consumers of oil products are receiving unfair treatment in the administration of the oil code. It is stated, by those in position to know the facts, that the production of oil in Texas has been reduced, under the oil code, to less than one-half of 1 percent of the possible production. Notwithstanding this fact, there is being shipped from the California oil fields, by way of the Panama Canal, to our Gulf ports and Atlantic ports an average of 81,000 barrels of oil and its products per day, these shipments passing right by our front door in Texas. The gasoline thus shipped has been selling in New York at 121/2 cents per gallon after being shipped more than 5,000 miles, while the same quality of gasoline has been selling in the States of Oregon and Washington, less than 500 miles from the California oil fields, at 16 cents per gallon.

The freight rate on oil from California shipping points to New York is 55 cents per barrel, while the freight rate from Texas points to New York is 19 cents per barrel. There is also being shipped into Gulf ports and Atlantic ports of this country from other nations about 130,000 barrels of oil

per day.

It will be seen there are about 210,000 barrels of oil shipped each day into territory which should be supplied with Texas oil, while the oil production in Texas is reduced to less than one-half of 1 percent of the possible production. Counting this oil at \$1 per barrel, which is being shipped into Texas territory from the Pacific coast and from other nations, causes a loss to Texas oil producers of \$210,000 per day, or more than \$75,000,000 each year.

I have a bill now pending before Congress to divorce pipe lines from oil production. The term "pipe-line divorce" is just so much Greek to a great number of people; yet pipeline divorce is a matter greatly affecting all of our citizens.

To illustrate the situation, I ask you to imagine that you are one of five coal-mine operators, all earning your livelihood by producing coal which you sell to customers at a distant point; one of these five coal producers owns a railroad serving the mines and extending to the point of consumption of your product.

Let us say that it costs each of these five coal miners \$1 per ton to produce their coal and deliver it on the cars belonging to the one owning the railroad, and that the rate of transportation from the mine to the market is \$1.50 per ton.

Let us assume still further that the actual cost of transportation from mine to market is 50 cents per ton.

Is it not obvious that the four coal miners who do not own the railroad each pay to the miner who does own the railroad \$1 per ton profit, and that this \$1 per ton profit will enable the miner owning the railroad to undersell his four competitors to the extent of \$1 per ton?

However, in the oil industry the penalty exacted by the owners of the pipe-line systems gives them a further advantage than that indicated in the foregoing example. This advantage consists in the ability of the pipe-line owners to absolutely fix the price paid their competitors for their product. In the oil industry it is unquestioned that the owners of the pipe lines invariably fix the price paid producers for their oil.

Price fixing in the production end of the industry does not necessarily affect the consuming public to any great extent, but it does, however, enable the parent or affiliates of the pipe-line company to sell their finished product to

the consuming public at a price below that which their competitors can afford to sell.

Ninety-five percent of the crude oil of this country is transported by the pipe-line companies owned or controlled by 19 integrated oil companies, and due to such control these 19 companies can and do raise or lower, not only the price of crude oil, but the price of gasoline to the ultimate consumer as well, and this with absolute disregard of the natural law of supply and demand.

During the years of this depression these pipe-line companies have paid dividends averaging above 25 percent per annum on their net investment, and I submit that such phenomenal earnings clearly indicate the existence of an uneconomic factor into which the consuming public should carefully inquire. The Humble Oil & Refining Co., a subsidiary of Standard Oil of New Jersey, testified before the Legislature of the State of Texas that while their producing and refining operations were creating a net loss of \$500,000 per month each, their pipe-line operations were yielding a net revenue of \$1,500,000 per month; such unbalanced profits and losses are a clear index of unusual conditions in the oil industry.

The only protection between the consuming public and extortionate prices for gasoline and other oil products is the independent operator in the oil industry, and it is through control of the pipe lines that the major oil companies are slowly but surely exterminating the competition of the independents.

Unless legislation of the character which I have introduced in Congress is enacted at an early date, I am convinced that monopoly will control the petroleum industry of this country, and that the consumers will foot the bill. What this bill will be was indicated at a recent oil-legislation hearing before the United States Senate when the general manager of the American Motorists Association, Mr. Keefe, testified that it was the purpose of the integrated companies to increase their retail prices of gasoline 7 cents per gallon. By divorcing the oil pipe lines from shipper ownership, the independents in the oil industry will be placed on a parity with the major companies and unfair practices, resulting in unfair prices to the consuming public, will be eliminated.

I have put forth all efforts possible to secure legislation which will overcome this great injustice being heaped upon Texas oil producers. I believe some relief will be realized soon, and permanent relief before the end of the next term

There is a wide difference of opinion among oil operators, and among Congressmen from oil-producing States, as to the remedy which should be applied to bring justice and permanent relief to all concerned. This being so, I believe Congress acted wisely in refusing to enact legislation at this time, but authorized that a committee be appointed to thoroughly investigate conditions prevailing in the oil business throughout the country and report its findings to the next session of Congress next January. I am sure this committee, authorized by Congress, will be composed of able. conscientious men who will sincerely perform their duty, and I firmly believe their report as to conditions prevailing in the oil business will enable Congress early in the next session to enact measures which will cause all concerned in the oil business to receive a square deal.

Another issue which is causing all good citizens much concern is the great volume of crime being committed throughout the Nation. I have been actively supporting all measures which I believed would protect the life and property of our people against the depredation of criminals: for the principal function of government is the protection of life and property of its citizens.

I have discovered that organized crime, in a large way, exists in the Capital City of our Nation. The only effort I could make at this time, toward abolishing this lawlessness, was to give notice to the public officials whose duty it is to enforce the law in the District of Columbia and the State of Maryland, that action will be taken unless they protect the

people; for I learned these facts too late to institute an investigation at the present session of Congress. Therefore, I made before the House of Representatives the following statement, which is printed in the Congressional Record of June 16:

GAMBLING NEAR THE NATION'S CAPITAL

Mr. STRONG of Texas. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The Speaker. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. Strong of Texas. Mr. Speaker, I desire to make a statement to the House concerning crime at the seat of our Nation's Capital. I will make this statement feeling sure that each Member of this. Congress desires to see the law of our Nation reign supreme, and especially in the city of Washington, where the laws are made for the purpose of protecting the citizenship of this Nation.

There is in the State of Maryland, just over the line of the District of Columbia, one of the largest gambling dives, no doubt, in the whole world. This gambling den has representatives at many places in the city of Washington who will convey persons in automobiles who desire to visit this lawless den and participate in automobiles who desire to visit this lawless den and participate in gambling. The person so conveyed to the gambling den must first satisfy the representative of this den that he has money he expects to use in gambling when he arrives at this lawless place. I am further informed that if any person visiting this gambling hell wins money, the proprietor of that den will furnish him transportation back to the city and a guard to see that he is not held up and robbed in returning to the city with his ill-gotten wealth.

There are also large gambling places within the city Washington, and I have the names of the persons operating such places and the street number of same. I have information showing that these gambling dens have representatives whose special duty it is to solicit Government employees to visit these gambling dens.

I am also informed that there is a special gambling place of large proportions in the city of Washington, especially for women, and that the proprietor of this den has women representatives soliciting patrons among the women of our Capital City.

My first intention was to ask Congress for a committee of investigation, but I, being a member of the Committee on Accounts, know what it costs the Government to carry on such investigations and decided to make this statement and notify the officers in the District of Columbia whose duty it is to see that all laws are properly enforced and also to notify the proper officers in the State where the immense gambling concern is located, just over the line out of the District of Columbia, if they do not enforce the laws and put an end to this awful crime—almost in the shadow of the Capitol of our Nation—that I will at the next session of Congress ask for an investigation and take steps to have such officers impeached who fail or refuse to enforce the laws against gambling. against gambling.

The Committee on Accounts, of which I am a member, supervises expenditure of public funds in many instances. During the past year this committee has reduced expenditures several hundred thousand dollars. I feel highly honored to present herewith a letter from the Chairman of the Committee on Accounts, which came unsolicited by me:

My Dear Mr. Strong: With the near close of the Seventy-third Congress, I wish to say to you in writing what I have so many times said in person, and express to you my deep appreciation of your fine work as a member of the Committee on Accounts and cooperation that you have at all times given me as chairman of the committee.

As you know, ours is more or less an unpleasant committee; that is, we have to constantly say "no" to the ever-present demands for increased expenditures in the House. During your entire service on the committee you have stood for the strictest economy, and your vote has always been cast in favor of holding down expenditures and against the creation of new positions. It has been a great pleasure to me to have been associated with you and work with you, and you well know that I hold you in the highest respect and esteem.

With best wishes, I am,

Sincerely.

LINDSAY C. WARREN. Chairman Committee on Accounts.

I am also a member of other committees which are given much opportunity for service, namely, the Pensions and Census Committees, and the Committee on Territories. The Census Committee reported a bill to the House, which was adopted, requiring the enumeration of all unemployed citizens of the United States, and other data as aid to the administration in carrying out measures of relief. The taking of this census would have given more than 100,000 people several months' employment, and would not have called for extra appropriations, as this service would have been paid for with funds set aside for the unemployed. This measure failed to pass the Senate.

The Pensions Committee has refused applications for pensions to widows of Army officers, which officers have drawn big salaries for many years, and upon retiring from service have drawn large pensions until death, leaving estates valued at \$50,000 and more. These widows have splendid homes, and are living in comfort; therefore our Pensions Committee concluded it would be an injustice to grant such pensions, especially when there are World War veterans and families who are in great need of help from our Government.

The Committee on Territories has approved measures permitting the Territories of Alaska and Hawaii to issue securities with which to secure funds for public improve-

I came to Washington to enter upon the duties of Congressman with but one object in view, to render the very best service possible to all the people. This I have endeavored to do in as active a way as possible.

I fully realize when any person passes from this life, and stands to receive the reward to be allotted by the Supreme Ruler of the universe, the only asset of worth will be the services rendered to mankind. I am allowing this great but plain truth to fully control my actions as a servant of my people.

I will add a greater truth, which may sound unusual in connection with governmental affairs or matters political, yet there is no reason why it should not be stressed in the most impressive manner possible and heeded by all who desire that right should prevail. If the teachings of the Man of Galilee were properly respected by all and fully complied with in our daily life, it would correctly solve all problems, rightfully adjust all issues, and in reality give us a government of the people, by the people, and for the people.

LET US PROVIDE AN HONEST MONETARY SYSTEM

Mr. LEMKE. Mr. Speaker, I am addressing the Members of this House not as a Republican, not as a Democrat, not as a partisan, but as a citizen of the United States; more concerned with the problems that confront this Nation of ours than with party politics and party politicians; more concerned with the welfare of all the people than with political patronage or the enrichment of a few. I would rather take 130,000,000 men, women, and children one step up along the highways and byways of civilization than a few individuals a million miles.

I regret to say to you that this Nation is still in agonythat millions are still hungry and in rags in the midst of plenty, and that millions more are on a disguised dole system. I deplore the fact that this Congress is about to adjourn without giving any fundamental relief to the crying needs of the country. I regret that during this session, as during the special session, no legislation has been seriously considered by this Congress that would meet the needs and requirements of the country. All that this Congress has done is to plunge the country further into debt—authorizing billions more of tax-exempt interest-bearing bondsplunging the Nation further into the "red."

The present Congress appropriated \$2,000,000,000 to the Secretary of the Treasury with which to gamble in gold, foreign exchange, and such other foreign instruments and securities as he deems necessary to stabilize the exchange value of the dollar abroad. I had thought that we had gotten enough of this class of securities during the previous administration, when, under the theory to increase the buying power of foreign exchange, Krueger and the international bankers were encouraged to unload on our unsuspecting public billions of questionable foreign bonds and securities; history repeats itself, so does ignorance. In the handling of this \$2,000,000,000, the Secretary of the Treasury need render no account to the Congress or to the people of this Nation. His manipulations with foreign international bankers-foreign racketeers-will remain a secret, a closed book to the public.

I am confident that if the Secretary of the Treasury attempts to gamble in foreign exchange and securities, that the result will be that the Government of the United States

will have on its hands several billion more of worthless foreign bonds and securities. I do not believe that the Secretary of the Treasury can enter that game with the European gamblers and manipulators and come out victorious. Anyway, it is not an honorable or legitimate game. In our courts gaming contracts are held void. Even if, in these market manipulations, the Secretary of the Treasury should be successful, how could he collect from our European friends who already have refused to pay us what they legitimately owe? My advice to the Secretary of the Treasury is to stay at home. If our Government must gamble, let it gamble with its own people. I am afraid we are getting altogether too internationally minded.

Such a dollar is not an honest dollar. Such a monetary system is corrupt. It has outlived its usefulness. It has grown senile with age. What this Nation needs and wants is a monetary system based on the average price level of the principal commercial commodities and not on one or two commodities, least of all upon the gold commodity. When we get that system, then the debtor will be able to pay his debts with an honest dollar of approximately the same value when pay day comes, as it was when the obligation was contracted. Let us provide an honest monetary system—an honest dollar with which we can correctly measure the things produced by the brain and muscular energy of our people, and then we need not worry about its exchange value in foreign markets. That will take care of itself.

As emergency measures, let Congress give to the farmers the Frazier-Lemke bill-let it pay the soldiers what it owes them in cash. It will not then be necessary for cities throughout the Nation to issue trade money-scrip-there will be enough real money to do the Nation's business. As a permanent remedy, let Congress give the farmers the cost of production plus a reasonable profit for that part of their products consumed within the United States. Let Congress pass H.R. 3834, a bill that I have introduced for the purpose of establishing the Bank of the United States, owned, operated, and controlled by the Government of the United States, in charge of a board of directors consisting of one director from each State. That would give us a national currency, and not a currency manipulated by Wall Street. Give to that bank the control of the money and the credit of this Nation, let it take up all the taxexempt interest-bearing outstanding bonds, let it supply us with ample units of exchange with which to measure the energy of our people, and then we will never again find a condition where millions are hungry in the midst of plenty, where everything is to be done and nothing being done, because we have not a sufficient medium of exchange, not sufficient money.

Give to this bank the \$4,878,500,000 of paper money which our Government now gives to the Federal Reserve and national banks—add \$2,000,000,000 more—use it as a revolving fund with which to take up the \$32,000,000,000 tax-exempt interest-bearing bonds and certificates of indebtedness that will be outstanding at the end of this year—and you will save this Nation \$1,120,000,000 in interest each year. In addition, this money, used as a revolving fund, would be sufficient to do the Nation's money and credit business. With that much money used as a revolving fund, the bank of the United States could not only take care of the needs of the Federal and State Governments, but could provide a sufficient medium of exchange for all of its people. If this bank charged 1 percent interest for this service, it would make another \$800,000,000 net profit annually.

But if the Government should take this money away from the international bankers and use it as it was intended to be used by the Constitution of the United States, then the Wall Street Journal will yell "flat money." It is sound money when the Government gives it to the banks for nothing save the cost of printing, but when the Government uses it in the interest of all the people, then it becomes flat money—greenbacks.

In 1864, President Lincoln had issued and outstanding \$447,300,203 of greenbacks—paper money without anything back of it save and except the credit of the Government of

the United States. In 1933, there were still outstanding and in circulation \$346,681,016. These greenbacks have been in constant and are still in use in transacting the Nation's business. No one, not even a banker, refuses to take them. If, in place of issuing these greenbacks, President Lincoln had issued tax-exempt 5-percent interest-bearing bonds, the interest to date on these bonds would amount to over \$11,-500,000,000. The people of this Nation cannot be fooled much longer—they are going to get the Frazier-Lemke bill as an emergency measure and the Bank of the United States as permanent legislation—they will not submit longer to the issuing of tax-exempt, interest-bearing bonds so that the international bankers can clip billions in coupons out of the misery and the suffering of the toiling masses.

The statement was made on the floor of this House that the people were praying and crying that Congress adjourn. I am sorry that I cannot agree with that statement because I know that the farmers are praying and crying that Congress remain in session until it has passed the Frazier-Lemke bill. I know that the veterans of the World War are begging and praying that we stay here until the soldiers are paid in cash. I know that the unemployed and those on a disguised dole system are begging and praying that we stay in session until something fundamental is done to meet the deplorable conditions that still exist. Consequently, I am forced to believe that the begging and crying for adjournment comes rather from the international bankers and politicians, and not from the people.

It has been said that those in power never learn anything from the fate of their predecessors. Those in charge of the legislation in the special session and in charge of the legislation during this session, certainly have not learned anything from the fate of the preceding administration. Not only are they as indifferent about the Frazier-Lemke bill as the previous administration, but they are equally indifferent on the cost of production for that part of the farm products consumed within the United States. Surely no honest or intelligent person wants to continue to consume the farmers' products below the cost of production.

Whenever we came within striking distance of having enough signatures on the petition at the Speaker's desk to bring the Frazier-Lemke bill out on the floor for discussion and passage, some invisible force, working through subterranean channels, seems to be able to get some Members to withdraw their names from that petition, and when the required number of signatures were finally obtained the gag rule was adopted for the express purpose of preventing this and other progressive legislation from being voted on at this session of Congress. I am not entirely unfamiliar with that invisible, subterranean force. I know something about the threat of loss of patronage, but I can assure the Members of Congress that the people of this Nation are no longer seriously concerned as to who is appointed as their postmaster. They demand something more fundamental. They demand the Frazier-Lemke bill.

I have taken occasion before to correct erroneous statements made by Members of Congress concerning this bill. Yet, in spite of this fact, these erroneous and incorrect statements persist. Needless to say, these statements are based upon misinformation by Members who talk too readily on subjects on which they are not informed and who accept rumors as facts when the facts chould have been readily and easily ascertained.

This bill has been before Congress for  $3\frac{1}{2}$  years. In the Senate it has had three extensive hearings. These hearings were printed. The first consisted of 128 pages devoted exclusively to the bill; the second of 219 pages, including other bills; and the third 90 pages devoted exclusively to this bill. No Congressman, therefore, is excusable who misquotes or misrepresents this bill. Yet some of those who have withdrawn their names have attempted to justify their action by incorrect statements and misinterpretations of the bill. The cold and indisputable fact remains that they withdrew their names when we were within a few signatures of going over the top, and that they withdrew their names when those who opposed this bill made their drive to get names removed.

I am compelled to conclude that this was the cause of the withdrawal of the names rather than the assumption of facts which do not exist except in the minds of those who withdrew their names and who have not reinstated them or those who have withheld their names and are attempting to justify their action before their electorate.

However, on Saturday, June 2, as you all know, we succeeded in getting sufficient signatures to discharge the committee and bring the Frazier-Lemke bill up for discussion and passage. One hundred and forty-five Members—in spite of the subterranean force—in spite of the opposition of three cabinet officers and the leadership of the majority and minority alike—have placed their names on the petition with the determination that they stay there and that the Members of Congress be given an opportunity to vote on this bill.

This bill is a nonpartisan measure. Of the 145 Members who have signed the petition, about half are progressive Democrats and the other half progressive Republicans and Farmer-Laborites. This bill would pass if it ever got to a vote and roll call. Even such conservative papers as the New York Times and the Wall Street Journal conceded that. When we finally got the required 145 signatures, they gave up the ghost and shouted "inflation." The farmers' homes were about to be saved—there was about to be an intelligent expansion of the currency—which would make it unnecessary for the Government to sell more tax-exempt interest-bearing bonds, which would have put an end to the disguised dole system.

Under the rule, this bill would have come up for a vote on Monday, June 11. The rule provides that when 145 Members have signed a petition to discharge a committee, that then the bill can be brought up on the second or fourth Monday of the month. It further provides that the 145 signatures must be on the petition for 7 legislative days before the Monday on which it is brought up. The friends of the bill felt confident that it would be brought up on June 11 and passed by a large majority; that at last the farmers, and thereby all the people, would get justice.

But then something happened. There was an apparent filibuster by the bellwethers of the Republican Party against some unimportant bills. This filibuster apparently was started because of an unwarranted decision made by the Speaker when he refused to recognize the fact that there was not a quorum present, although the Congressional Record shows that to be a fact. Somebody must have been asleep—generally those matters are revised so that the Record will justify the actions of those in control.

As I have stated before, the petition must be signed 7 legislative days before it can be brought up. Under the rules, as you know, by recessing from one day to another, any number of days can be put into one legislative day. Before the passage of the gag rule, the young Democratic colts were promised that this gag rule would not be used against farm or other pending legislation, but after these Members had been tricked into voting for the gag rule the majority leader quietly moved that the House recess on Wednesday, June 6, 1934, and continued to recess each day. On Saturday before last a motion was made to recess until 12 o'clock Monday. Protests were heard-a roll call was demanded, but the House was adjourned without a roll call. This is Monday, June 18, and the RECORD shows that we are on the second legislative day since Wednesday, June 6, although we have been in session every day since that time. This gag rule not only gags the Members of the House, but it gags the will of the

There are many Members on both sides who feel that this filibuster was a frame-up between the reactionary leaders of both parties. They feel that there cannot be so much pretended bitterness one minute between these leaders and all sunshine the next. They feel that these bellwethers cannot be fighting mad one minute and put their arms around each other the next, and that is just what has taken place. But be that as it may, we have a right to draw our conclusions, and that is the conclusion that many of us

have drawn. It was a frame-up to get the proper atmosphere so that the progressives would support the gag rule. There is further evidence of this fact because the majority leaders of the House promised the progressive Democrats, as stated before, that this rule would not be used against the Frazier-Lemke bill and other progressive legislation. That was the promise, but it has not been kept.

I am convinced that if this Nation is to grow and prosper, our whole system of government must once more be made responsive to the will of the people. Washington is too close to the international bankers—it is too far away from the 130,000,000 men, women, and children of this Nation. The whole atmosphere is wrong. It is hoary with age, seniority rights, party regularities, and corroded with time—it is too bureaucratic. We are fast approaching a feudal system with the bureaucrats, the lords, and the barons here in Washington, and the feudal vassals in the cities and towns, and with the farmers and the laboring people as the feudal serfs.

This condition can only be remedied when the people are able to correct these evils by laws they themselves enact. Therefore, I have introduced House Joint Resolution 356 amending the Constitution so as to provide for the national initiative of legislative measures by the electors. Many States in the Union now have the initiative including the referendum, but the latter is not necessary because a law can be repealed by an initiated measure the same as it can be defeated by referendum. The initiative in these States has been a success. As a whole, better laws have been initiated by the people than those passed by the legislatures, and the fact that the people can make their own laws has made the legislators more responsive to their will.

Under the proposed amendment, 10 percent of the electors at large from a majority of States may propose any measure by initiative petition. Every such petition must contain the full text of the measure and must be filed with the Secretary of State of the United States not less than 120 days before the election at which it is to be voted upon. The Secretary of State is required to mail certified copies to the Governors of all States with instructions that same be placed upon the ballot at the next congressional election. The veto power of the President does not extend to measures initiated by the electors and they can only be amended or repealed by two-thirds vote of all the Members elected to each House.

I want to say to Members of this Congress, I have been telling my constituents, "You must organize and make your influence felt." The reason for all organized government and taxation is that, as a group, people are more powerful and have more protection than as individuals. This is true as long as those in charge of a government perform their sacred duty and impartially protect the lives, liberty, and property of all. Patriotism is the feeling that you are somebody. It is the feeling that you belong to a nation that is not only powerful, but that is interested in your welfare. The contract between the individual and his nation is reciprocal. He tacitly agrees to protect the nation in time of danger, even unto death, and that nation tacitly agrees to protect him in his life and liberty and property. This is the compact between the nation and the individual. Without this feeling of security and reciprocity there can be no true patriotism on the part of the individual; there is no nationalism. In union there is strength, patriotism, nationalism

FEDERAL DEPOSIT INSURANCE AND BANK PAY-OFF BILLS

Mr. REILLY. Mr. Speaker, I wish to address myself to two features of the pending bill: First, the provision extending the temporary period of the bank-deposit guaranty law from July 1, 1934, to July 1, 1935, and also, for raising the amount guaranteed, during that period, from \$2,500 to \$5,000. Second, to that provision of the bill which provides for the liquidation of the frozen assets in all banks of the country, State and National, that have closed their doors since January 1, 1929.

At the last session of Congress a law was passed providing for the insuring of bank deposits, not by the Government but by the banks. However, under the terms of this law, the Treasury of the United States was to furnish \$150,-000,000 as the Government's contribution to the bank-insurance fund. This \$150,000,000 representing the amount of money that the Treasury had received from the Federal Reserve banks in the shape of a franchise tax since these banks were instituted.

The Federal Reserve banks under this law were required to pay into this fund one-half of their surpluses, or about \$141,000,000, the balance of the fund necessary to insure bank deposits to be furnished by the banks as a result of assessments.

This law, as it went into what might be called "partial effect" on January 1, 1934, provided that up to July 1, 1934, all bank deposits up to \$2,500 were to be insured in full. This law provided further that on July 1, 1934, all the bank deposits up to \$10,000 were to be insured in full; from \$10,000 to \$50,000, to the extent of 75 percent of the amount of the deposit; beyond that limit the insurance was to cover only 50 percent of the deposit. The idea of Congress being that during this preparation and perfecting period there should be an insurance to the amount of 100 percent of deposits up to at least \$2,500 to take care of what might be called the "small depositor", who can ill afford to lose his savings. Such a limited insurance would prevent, to a large extent, any runs on the banks, because 95 percent of all our depositors have deposits not in excess of \$2,500 to their account in the bank.

About 5 months have passed since this guaranty of bank deposit law went into effect, and the results so far have been very satisfactory. In fact, the workings of the law during this temporary period have more than met the expectation of its sponsors. Not a single bank has failed since last January and bank deposits have increased, it is estimated, in the sum of more than \$2,000,000,000.

It may be asked, if the law has worked so satisfactorily, why not have it go into full effect on July 1, next, as provided in the original law? I say that law has worked satisfactorily, because in the few months it has been in operation it has accomplished two of the purposes for which the law was written—the prevention of losses to depositors and the keeping of the money of the country in the banks, and not in stockings, mattresses, and vaults, for the use of commerce and industry.

Many banks failed in the past 2 or 3 years that never should have failed, and never would have failed if we had had a bank-guaranty deposit law on the statute books of this country. People drew their money out of the banks and compelled many banks to close their doors, because they had lost confidence in the soundness of our banking system.

We have in this country only about \$6,000,000,000 of money and \$40,000,000,000 of bank deposits, so it is quite evident that if the depositors begin to draw out their money through fear for the safety of their savings it would not take long to close all the banks of the country.

In extending the period for the operation of the temporary provisions of the bank-guaranty deposit law, Congress has voiced no lack of confidence in the merits of the law, but rather has bowed to the judgment of the Government officials who are charged with the duty of administering the law.

The officials of the Federal Deposit Insurance Corporation—Chairman Crowley, Director Bennett, and Comptroller of the Currency, Mr. O'Connor—have all appeared before the Banking and Currency Committee and urged the passage of a bill providing for the extension of the temporary features of the guaranty-bank deposit law for 1 year. These men are all friends of the guaranty-bank deposit law. This bill is not being passed at the demand of the opponents of the Federal Deposit Insurance Corporation, but rather at the request of the friends of the law.

There is no question but that a great many bankers are opposed to the insuring of bank deposits, but it can also be stated as a fact that the great majority of the bankers are in favor of such a law, and it is my judgment that the

but by the banks. However, under the terms of this law, longer this law is in operation the more friends it will have the Treasury of the United States was to furnish \$150.-

The passage of the present bill does not mean that the guaranty deposit law will not be repealed. The administrators of the Federal Deposit Insurance Corporation have all expressed their confidence in the wisdom of the legislation and their belief that it will be a permanent feature of our banking system.

It may be stated that when the Federal Reserve law was passed the great majority of the bankers of the country were opposed to it. As the opposition to the Federal Reserve System by the bankers faded away, so it is confidently believed that opposition of certain bankers to the guaranty deposit law will likewise fade out of the picture.

The provision of the pending bill that provides for the liquidation of assets in banks, State and National, that have closed since January 1, 1929, is intended to release about \$1,000,000,000 to the depositors of these banks without any great cost to the Government. This bill contemplates that the Federal Deposit Insurance Incorporation shall purchase the assets of these closed banks not at their present value but at a value based upon what they are fairly believed to be worth when liquidated over a period of several years.

One reason why bank depositors have suffered greatly as a result of bank failures is because of the forced sale of the assets of the closed banks. This new law proposes to hold up the sale of these assets until industrial and business conditions will make it possible to sell the same at a more advantageous price. The Federal Deposit Insurance Corporation can loan on these assets if it should see fit to do so instead of purchasing the same. When the assets are purchased by this corporation and, in the end, more should be realized than paid for, then this excess will go to the depositors.

The Reconstruction Finance Corporation to date has loaned on the assets of closed banks about \$800,000,000 which has been paid to the depositors, and it is estimated that this bill will release to the depositors about \$1,000,-000,000 more.

It is possible that this corporation may lose some money by this law, that is providing a too optimistic appraisal is made of the assets of the closed banks. However, the paying out at this time of \$1,000,000,000 to millions of depositors cannot help but have a beneficial effect on economic conditions and money lost by the Government will probably be made up by the reduction in relief appropriations.

The so-called "McLeod bill", which has been on the front pages of the papers of the country for the past month or so, would pay all the depositors in national banks and in member banks of the Federal Reserve System in full, regardless of the assets of these banks. In other words, under the terms of the McLeod bill, the Government would take over the assets of all closed banks, pay the depositors off in full, no matter what the assets of the bank might be worth. Of course, under the McLeod bill the Government would be holding the bag, and would have to stand all bank losses since 1929, which it has been estimated would amount to about \$2,000,000,000 if all the closed banks of the country were treated alike, and they all should be treated alike if the Government is going into the business of standing all the losses of our bank failures since the panic began.

The McLeod bill makes no provision for paying off the depositors in closed State banks. The pending bill includes in its operations State banks as well as national banks and member banks of the Federal Reserve System.

It is difficult to see why a depositor in a closed State bank is not entitled to just as generous treatment from the Government as those in a national bank or a member bank of the Federal Reserve System.

If the United States Government should pay in full depositors in all closed United States banks a principle would be established that would wreck the United States Treasury as no treasury was ever wrecked before. Every citizen who has lost money through investment in land banks or in institutions supervised by the Federal Government would be looking to the United States Treasury for reimbursement.

All depositors in closed banks can ask is that the Government provide for the payment in full at this time what is coming to them under a fair appraisal of the assets of their banks, and, of course, if as a result of an orderly liquidation of the assets of these banks over a period of time more is realized from the said assets than they were appraised, the excess will and should go to the depositors.

SHALL THE FARMERS OR THE COMPANIES GET THE TOBACCO-TAX REDUCTION?

Mr. BROWN of Kentucky. Mr. Speaker, the Ways and Means Committee has held extensive hearings on the question of reduction of the present tax on tobacco products and has reported to the House a bill calling for a 40-percent reduction in the tax on tobacco products. Tobacco products last year paid into the coffers of the Federal Government in excess of \$400,000,000, and this reduction in the tax will amount to an excess of \$165,000,000. The farmer in the year 1932 received for his crop \$68,000,000, while the companies took a net profit in the same year of \$146,000,000.

I am interested in this tax-reduction program being so enacted that the benefit will go to the farmers of the United States; but unless it is so written, it is rank hypocrisy to hold out to the farmers the lure of tax-reduction benefit and then leave them to the tender mercies of the tobacco companies. In other words, unless this law is written so that the Government makes it compulsory that the reduction be paid to the farmers, the farmers will get no benefit. This reduction is sufficient in size to have made the 1932 crop bring \$160,000,000 more than the amount paid by the companies to the farmers for the crop, or to have made it bring almost four times as much.

I have previously set out in a speech on the floor of this House the amount of bonuses drawn by the presidents and vice presidents of the various tobacco companies. In the year 1932 the president of the American Tobacco Co., Mr. Hill, drew in salary and bonuses \$1,051,630 and in that same year the 34 leading tobacco companies had a net profit of \$137,000,000. With the memory of this excessive profit and with the receipt on the part of company officials of exorbitant bonuses such as that of Mr. Hill, they yet went into the market the next year and bought the farmers' crop for the lowest price in the history of the tobacco market.

I submit therefore to you as the representatives of America's tobacco farmers that unless you write the law in an iron-bound fashion so as to make the companies pay this tax reduction to the farmers, the farmers will get no benefit from it but that it will inure exclusively to the profit of the tobacco companies.

As evidence of the soundness of my position in this matter, I submit that the tax placed on tobacco products during the Spanish-American War period caused an increase on the part of the manufacturers in the price of their product, but that in 1901 and 1902 when there was a reduction of from \$1.50 to 54 cents per thousand on cigarettes, the companies did not reduce their prices but rather maintained the same price level and thus added the reduction in tax as an additional profit.

The farmers have been led to believe that if the tax were reduced the companies would sell at a lower price and that consumption would be increased. The history of the practices of the tobacco companies refutes this argument. We should write into the law that either the consumer or the farmer must be given the benefit of this tax reduction. The tobacco companies have made more net profit during this depression than any other business in America. I have no antipathy toward these companies. I want them to make a fair profit, but in writing a law I believe that first consideration should be given to the down-trodden farmers, second consideration to the consuming public, and that the manufacturers should not be allowed to pocket this tax reduction.

We have the power to write such a law. We can provide that cigarettes sold in excess of the present market price less the tax reduction shall be subject to the same old tax. This would make it compulsory that the consumer receive the benefit of the tax reduction. On the other hand, we

can set aside the tax reduction of approximately \$160,000,000 into a special fund to be paid direct to the farmers through the A.A.A. tobacco-reduction contracts. We have the machinery already set up in the Department of Agriculture for the disbursement of this money direct to the farmer on either an acreage or a poundage basis.

In the hearings before the Ways and Means Committee, there appeared a large delegation of farmers pleading for this tax reduction, under the impression that they would get the benefit of this program. I am reliably informed that a great many of these delegates were financed by the tobacco companies, and that their expenses were paid to Washington for this trip. I ask them to turn back to the hearings before this committee and read the statement of the counsel for the Big Four tobacco companies, Mr. Junius Parker, and they will see from his statement how little the farmer can expect in actual benefits from this tax-reduction program unless this Congress so writes the law as to guarantee the farmer a benefit.

On page 126 of these hearings, Mr. Parker, in answer to the question "Does any thought of cost of production enter into the price that the buyer pays for the tobacco?", replied, "I should not think so."

In answer to the further question, "You buy the tobacco at the price you can get it; that is a correct statement, is it not?" Mr. Parker, representative of the tobacco companies, answered. "Yes, sir."

"You have your buyers and you buy it at the price you can get it." To which statement Mr. Parker replied, "Yes, sir."

"If it is below the cost of production, the poor farmer has to bear the burden." And Mr. Parker to this statement answered, "It sounds rather brutal, but it is true."

Now, I submit to the farmers of America and to you gentlemen of the House of Representatives, who ought to take care of the farmers' interests in the writing of this law, that if we leave the farmers to the tender mercies of these companies, according to the statement of their own representative, these companies will buy the farmers' crop at the lowest price they can get it. Our duty seems to me clear. There should be no quibbling in this matter. We should write this law so that the Agricultural Department will pay this tax deduction direct to the farmer, or we should so frame the law that if the consumer does not get the benefit the companies cannot take the excess profit. If we do this, the companies will still have their million-dollar bonuses for their presidents and other officials, but the farmers of this country will get at least twice the present price for their product and the consumer will buy at a lower cost.

THE ACCOMPLISHMENTS OF THE SEVENTY-THIRD CONGRESS

Mr. SWEENEY. Mr. Speaker, today marks the close of the Seventy-third Congress, and in my opinion the most important Congress that ever sat in the history of the United States. Loyal and cooperative service has been rendered to the President and to the people of the Nation.

The course of this Congress was charted on March 4, 1933, when there appeared on the Capitol steps at Washington a man to whom the people of this country had entrusted their future. Fate had placed in his hands the destiny of the world. Confidence beamed in his countenance. His virile voice repeated the oath of office, and then to the multitude of people assembled before him and to every metropolis and crossroad of this land radio carried his thrilling message; thrilling to the toilers who had no work; thrilling to the farmers whose produce rotted in warehouse and granary; thrilling to the citizens who feared that rectitude and honor would never return to public places, and after all thrilling to the despairing foes of privileged public plunder, greed, and avarice.

President Roosevelt's inaugural address was comparable to Lincoln's second inaugural address for its courage, brevity, and quality of statesmanship. The signal for the new deal was sounded in the mandate given to the Seventythird Congress of the United States, emphasizing its responsibilities and duties to the people of our great country. The Nation can never forget President Roosevelt's true appraisal

of the economic and social distress which confronted our people on March 4, 1933. In part he said:

Yet our distress comes from no failure of substance. We are stricken by no plague of locusts compared with the perils our forefathers conquered because they believed and were not afraid. We still have much to be thankful for. Nature still offers her bounty, and human efforts have multiplied it. Plenty is at our doorstep, but a generous use of it languishes in the very sight of the supply. Primarily, this is because the rules of the exchange of mankind's goods have failed, through their own stubbornness and their own incompetence have admitted their failure and have abdicated. Practices of the unscrupulous money changers stand indicted in the court of public opinion, rejected by the hearts and minds of men. The money changers have fied from their high seats in the temple of our civilization. We may now restore that temple to the ancient truths.

Five days after the President was inaugurated, Congress convened in extraordinary session. A bank holiday was declared. The Executive was given power to suspend all operations of our banking structure. The next day every banking institution in the United States closed its doors. Control of the banks was designed for the protection of the depositors. The money changers had looted and destroyed the lifesavings of millions of depositors. Sound banks were immediately reopened. Unsound and defunct institutions were seized by the Government. Conservators were placed in charge to salvage what was left of the liquid assets. Federal and State indictments came forth to punish those criminally responsible.

March 22, 1933, marked the passage of what is called the "relegalized beer bill", assuring considerable revenue to the Government and the destruction of the illicit traffic resulting from the enactment of the sumptuary legislative law known as the "Volstead Act."

In rapid-fire order the Agricultural Adjustment Act, offering relief to the great farming regions of the country, was enacted. Later, the most important legislation designed to meet the emergency was created. This was the National Recovery Act. This measure relieved industrial or trade associations from the operation of the Sherman-Clayton Anti-Trust Law, provided they would function under codes of fair competition, agreements, and licenses. It insured for labor the right of collective bargaining under the terms of section 7 (a), title I, and outlawed the "yellow dog" contract. It was my privilege to support this constructive legislation, as it was to endorse from the floor of the House in the Seventy-second Congress the Norris-LaGuardia Act, which put a limitation on the power of Federal judges to issue preliminary injunctions in labor disputes without full hearing, and nullifying the "yellow dog" contract. Thousands of industries are now operating under codes supervised by the Government, which spells a new day for both capital and labor, if the Governmental supervision remains active.

It was my pleasure to support the Civil Works Emergency Act in the extra session and later in the regular session to support the amendment providing \$950,000,000 to continue the Civil Works program for direct relief purposes. No one can fully estimate the value of the Civil Works Administration relief program last winter and early spring. This work was a godsend to millions of men and women out of employment and in danger of actual starvation because of the break-down in local relief agencies.

The Norris "lame duck" amendment to the Constitution; the repeal of the eighteenth amendment; the Guarantee of Bank Deposits Act; the Tennessee Valley Authority Act; which provides Government operation of Muscle Shoals; and the resolution providing for the United States going off the gold standard; all these bills received my approval and support.

Perhaps the most noteworthy legislation enacted in the Seventy-third Congress was the Home Owners' Loan Act, which permits the small-home owner to save his only place of shelter from the cruel process of foreclosure and eviction. I pleaded for this kind of legislation in the Seventy-second Congress and enthusiastically supported the recreated act of 1933 and the amendment guaranteeing both principal and interest of the bonds of the Home Owners' Loan Corporation.

Hundreds of thousands of young men have been taken off the streets and placed in employment, where they receive compensation in addition to subsistence, clothes, and medical attention by virtue of the Civilian Conservation Corps, as authorized by the reforestation program approved March 31, 1933.

I have enumerated some of the important measures enacted during the extra session. The regular session, which convened January 3, 1934, was equally prominent in the character of its legislation; the many measures under consideration were designed to carry on the recovery program of the new deal sponsored by the great President of the United States.

The Philippine Independence Act; the new revenue act, increasing Federal taxes, including income taxes; the revision of the air-mail contracts; the Fletcher-Rayburn bill, creating a commission to regulate the stock exchanges; the payment of adjusted-service certificates, commonly known as the "bonus bill"; the Silver Purchase Act; and the revaluation of gold; all these measures received my support and vote.

The closing days of the Seventy-third Congress witnessed the passage of the Crosser Act, providing old-age security for railroad employees. Railroad retirement acts have been attempted many times before. I was happy to vote for this measure, with every confidence that it will be approved by the President of the United States.

It is to be regretted that the Wagner Labor Disputes Act did not receive considerate attention in the early days of this session. However, as a friend of organized labor I supported the resolution granting to the President power to appoint a commission for the adjustment of industrial disputes. This resolution contains a clause guaranteeing to labor the right of collective bargaining.

I did not support the Economy Act of 1933, because of a gag rule which prevented the offering of amendments to protect the disabled veterans of the World War, the aged Spanish-American War Veterans, and the Federal employees who had suffered financially for a period of 1 year as a result of the furlough system enacted under the Hoover Administration. I believe my judgment was vindicated when the Congress, including a large number of the President's party, voted to override the veto to the independent offices supply bill, thereby restoring to the distressed veterans the consideration they justly deserve, and to Federal employees 10 percent of their pay cut, which in my humble opinion was justified by the increase in commodity prices.

I was glad to sponsor successfully the antifurlough bill, seeking to discontinue administrative furloughs in the Postal Service. It was a disappointment when the Mead bill, guaranteeing 100 hours per month to Postal substitutes, did not receive Executive approbation. In the metropolitan districts, where substitutes suffer most, receipts are increasing and every effort will be made to solve the problem in these areas.

Two equally important matters were under consideration during the present session of Congress—the Connery-Black 30-hour week bill, and the McLeod bank pay-off bill. I signed petitions to discharge committees on both of these measures for the purpose of securing action. The Connery-Black bill failed of sufficient signatures. The McLeod bill, although having sufficient signatures, was precluded from receiving action in the House by a parliamentary situation. An amendment to the Steagall Act, however, through a permissive feature authority was extended to the Reconstruction Finance Corporation to take over the liquid assets of distressed banks to pay depositors off in proportion to their value.

Another piece of constructive legislation was the act granting loans to industry, which received in the early days of the session my whole-hearted support.

It was my pleasure to lead a delegation of both Republican and Democratic Congressmen to the White House and present to the President of the United States arguments in support of a national housing act. In my presentation to the Executive I pointed to the fact that approximately 40,000 skilled workmen in Cleveland were out of work, some

of them for as long a period of time as 3 years; that they would benefit by the passage of such legislation; and that the condition in Cleveland among this class of craftsmen was but a cross section of the entire country. It was pointed out that the necessity for the construction of new homes was apparent to all of us. The President gave very sympathetic attention to our plea, which resulted in the National Emergency Council drafting the National Housing Act, which was passed in the closing days of the session. This act provides for loans for construction of new homes and for repairs, at a low rate of interest and long-term credit, with mortgages insured by the Government up to a certain

I have consistently supported all legislation tending to liberalize our immigration laws, to reunite families and loved ones who are separated by severe restrictions imposed by

In summing up the activities of this great Congress, let me express my gratitude to my constituents of the Twentieth Ohio Congressional District who made it possible for me to participate in the deliberations of this historic legislative body. Members of Congress should never become public rubber stamps, but should express the independent judgment their constituents expect of them when entrusted with the responsibilities of their office.

President Roosevelt is quoted as saying he does not expect to be right all the time, but if he is right 75 percent of the time he will be absolutely happy. I am thoroughly in accord with that philosophy, and I do feel that the people of the great cosmopolitan Twentieth District of Ohio will agree that, as their humble servant during this session of Congress, I have assisted materially in the reorganization of our political, social, and economic structure.

#### LINCOLN DAY ADDRESS

Mr. REECE. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to present an address delivered by my able colleague, the Honorable J. WILL TAYLOR, on the occasion of the Lincoln dinner, in Nashville, Tenn., February 12. 1934. It is a thoughtful, illuminating, and philosophical discussion of the economic and political trend of the times and, as such, is well worth the attention of the Members of Congress, as well as thoughtful American citizens generally. The address is as follows:

Mr. Chairman and fellow Republicans, we have again assembled to commemorate the birth of the immortal Lincoln, but, as we again contemplate his greatness and the tremendous influen we again contemplate his greatness and the tremendous influence of his life and example throughout the earth, we are brought to the grim realization of the utter futility of any effort we can possibly make to do justice to his memory. Lincoln, like Washington, occupies such an exalted place in the world's history, that any attempt to appraise his service to mankind partakes of a sacrilegious mockery. Nevertheless, my friends, it is, indeed, meet and proper that we observe this occasion, because in doing so we not only honor the great emancipator but we likewise honor ourselves. With due humility, therefore, we reverently once more summon from the shades of the past the hallowed shadow of his colossal figure. colossal figure.

colossal figure.

Mr. Chairman, this is our fourth consecutive celebration of this event, and while the party which Lincoln founded does not enjoy the same measure of power and prestige which it had on the three former occasions, it is, indeed, gratifying to observe that your loyalty and enthusiasm to the cause has in nowise abated. This magnificent meeting is a most positive and conclusive demonstration that loaves and fishes are not indispensable to your party fealty. You show by your presence here tonight that while your heads may be bloody they are still unbowed.

While it is true that in the last campaign we sustained a most overwhelming and decisive defeat, however, there is consolation in the fact that there are worse things than defeat. For is it not written that "the Lord loveth those that he chasteneth"?

We were not defeated on account of any failure on our part or on the part of those charged with administrative responsibility, my friends. We were defeated purely because our party had the

or on the part of those charged with administrative responsibility, my friends. We were defeated purely because our party had the misfortune to be in power at a time when conditions beyond human control dethroned reason, and frenzied discontent dictated the actions of men. No President in the history of our Republic ever strove harder to stem the tide of adverse conditions than did President Hoover, and he might have succeeded had he had the sincere support and cooperation from the legislative branch of the Government to which he was entitled. But during his entire 4 years of office he had a Senate on his hands which was positively inimical and sought in every conceivable way to nullify or abort his every effort to break the backbone of the greatest depression in the world's history. I know it is contended that a majority of the Senate was Republican, but as one who was on

the ground, I say unto you that this so-called "majority" was purely fictitious and hypocritical. The country knows that there was and still is a little group in the Senate of the United States masquerading under the color of Republicanism who did more to embarrass President Hoover than all of the Democrats of that body combined.

These wolves in sheep's clothing bored from within, and that sort of opposition is not only the most insidious and cowardly, but the most deadly and damnable also. During the last 2 years of his administration the House was Democratic, and as such, they put politics above patriotism. Forgetting the fine example set by the Republicans in Congress during the critical days of the Wilson administration, this Democratic majority was willing and did sacrifice the welfare of the country for purely

example set by the Republicans in Congress during the critical days of the Wilson administration, this Democratic majority was willing and did sacrifice the welfare of the country for purely partisan advantage. They were willing that the depression might go on, with its attendant human misery, inspired by the hope of political flesh-pots patronage and party plunder.

In spite of this atmosphere of hostility, President Hoover evolved that great instrument for industrial relief and recovery, known as the "Reconstruction Finance Corporation," which he virtually wrung from a reluctant and recalcitrant Congress. But for this highly constructive measure there would have followed such a wholesale collapse of banking, railroad, and life-insurance institutions throughout the country that would have startled the world. We can all remember how he was pilloried by an unfriendly press and scathingly denounced by his enemies in and out of Congress for this important piece of legislation. We can also well remember how this criticism, with increased volume, venom, and intensity, continued throughout the Presidential campaign. And yet, my friends, a few days ago we witnessed the Congress, dominated by an overwhelming Democratic majority, praise the work of the R.F.C. and unanimously vote to extend the life of this invention of President Hoover for another year, after injecting into its vitals 850 millions of new money.

"Oh, consistency, thou are indeed a precious jewel!"

I realize, Mr. Chairman, that anyone making criticism of the present administration inevitably invites the charge of being unpatriotic and a Tory; nevertheless some of its acts have been so extremely radical and so palpably un-American that I do not hesitate to subject myself, if necessary, to this indictment.

The gross misrepresentation that was indulged in by the Democratic Party during the campaign of 1932 through skilled and conscienceless propagandists employed and paid to smear President Hoover and his administration is still fresh in our memory. And i

reveal.

Mr. Chairman, a few days before the November election of 1932, in order to allay widespread suspicion that he did not stand for sound money, the Democratic candidate for President, in the most emphatic and unequivocal terms, pledged himself to the maintenance of our traditional sound-money basis. Apprehensive that this announcement might not suffice to satisfy those interested in financial security, he procured that well-known authority on finance, the venerable Senator Glass, of Virginia, to arise from a

finance, the venerable Senator Glass, of Virginia, to arise from a sick bed and over a national radio network address the country backing up what Candidate Roosevelt had said and guaranteeing the faithful performance of his promise.

Alas, my friends, what has happened in the meantime?

Immediately following the inauguration last March, the devaluation of the American dollar began, and to all intents and purposes, we went off and continued off the gold standard; and a few days ago, at the urgent behest of the White House, a supine Congress not only confirmed this policy but by solemn enactment actually reduced the value of the dollar to from 50 to 60 cents as the President might determine. It is true that the Government by some sort of legerdemain did net a profit of more than \$2,800,000,000 by this transaction. This staggering sum as a so-called "equalization fund" has been placed in the hands of one man, the Secretary of the Treasury, with which to play the markets of the world in a gigantic gambling stratagem. And it is freely predicted by those skilled in international finance that when Uncle Sam arises from the green-covered table his twenty-eight hundred million will have evaporated into thin air. If our experience in this adventure shall be similar to our past experience experience in this adventure shall be similar to our past experience

in diplomatic relations with European nations, Uncle Sam will be exceedingly lucky if he escapes with his shirt.

Instead of jeopardizing this \$2,800,000,000 in a gambling venture, in my judgment, it would have been far better to apply it to the payment of the remainder of the bonus to the World War veterans. In addition to discharging a solemn debt of honor which we will be forced to meet in 1945, and with funds, too, that cost Uncle Sam absolutely nothing, we could have put this tremendous sum into immediate circulation, thus greatly enhancing the President's pet program of inflation.

Mr. Chairman, we were told by the administration that inflation would stimulate the prices of farm commodities, but the exact reverse has been true. It is a well-known fact that the prices of agricultural products except those that have enjoyed a Government subsidy have steadily declined since the beginning of the devaluation of the dollar. As a direct result of the act devaluating gold, foreign debts due this country were automatically

reduced 40 percent, and instead of the dollar being stabilized its value continues vascillating, visionary, and extremely uncertain.

The American dollar which a year ago was at a premium in every mart in the world is today on its knees in the world's money markets passing, if at all, at a discount. Oh, my friends, but yesterday the American dollar might have challenged the financial resources of the earth—now lies it there and none are so poor as to do it reverence.

And, Mr. Chairman, it might not be amiss to add that while the President's so-called "gold bill" was under consideration in the Senate a few days ago, the same Senator Glass who on the eve of the election in 1932 underwrote Candidate Roosevelt's pledge for sound money, arose in the Senate Chamber and denounced the measure as not only utterly unsound, but highway robbery, and a cowardly betrayal of the confidence of the American

people.

During the campaign the Democratic candidate promised in the event of election to put every idle man and woman in the Nation immediately to work at a living wage. Coming from the Presidential candidate of a great political party, of course, this promise was accepted in good faith and naturally had a powerful influence on the result of the election. It is contended by the friends of the administration that some four or five million people have been put to work, but by the same process, my friends, the administration might have employed four or five times that many. Paying workers out of the public till and with taxpayers' money is a simple operation so far as those in charge of the C.W.A. are concerned; but what about the already overladen taxpayers who will ultimately have to bear the burden? If the Democratic administration considers this an achievement and can get any possible consolation out of it, it is certainly welcome to the glory.

As a Member of Congress, Mr. Chairman, I have endeavored to

consolation out of it, it is certainly welcome to the glory.

As a Member of Congress, Mr. Chairman, I have endeavored to go along with the administration in its recovery program, and have uniformly done so, except in the case of the so-called "Economy Act", which I opposed because of its injustice to the exservice men, their widows and children. With great agony of heart and anguish of soul, I voted for the administration's "gold bill", on the hypothesis that the American people had commissioned President Roosevelt as their leader, and I did not wish to put myself in the attitude of being an obstructionist.

But, my friends, during the past few months I have witnessed in this country a series of happenings that must have made the sacred remains of Washington, Jefferson, and Lincoln turn over in their graves and wonder whether after all their sacrifices were really worth while. I have seen constitutional government ravished and reduced to a travesty. I have seen hitherto boasted State sovereignty offered up on the Moloch of centralized power. I have seen the Congress of the United States absolutely abdicate its authority to the Executive. I have seen a dictatorship spring up which must have made the noses of Herr Hitler, Stalin, Mussolini, and Mustapha Kemal of Turkey turn green with envy. up which must have made the noses of Herr Hitler, Stalin, Mussolini, and Mustapha Kemal of Turkey turn green with envy. Independence in private business is a thing of the past, and individual liberty is only a memory. Paternalism is rampant, and local initiative and responsibility have completely broken down. Municipalities, counties, States, and individuals have practically ceased to function as such, and are looking to Washington for relief and deliverance. Under this terrific strain the Federal Treasury is going into the red at the rate of more than fifteen million a day, and the question is how long we can survive the ordeal. Of course, those who are enjoying the benefits of this governmental manna cry out "on with the dance", but who is going to pay the fiddler? fiddler?

I am reminded of the colored woman who was bragging about her husband. She said: "Sambo is sure good to me. He brings me in more washing than I can do." The American taxpayer must feel that this administration is sure good to him, because it is spending more money than he can possibly rake and scrape. That great Democrat, Grover Cleveland, once said that the people were supposed to support the Government and not the Government to support the people. This administration, however, has probably never heard of that great exponent and disciple of democracy.

During the last campaign a great deal was said about the forgotten man. His miserable plight afforded a constant theme for both the Democratic press and the Democratic spellbinders, of whom there were legion. It seems to me that the forgotten ones of today are clearly the American taxpayers and the American veterans. They seem to have been completely overlooked and ignored by the "brain trust" in its promulgation of the benevolent new deal.

Mr. Chairman, if we were making real progress toward national rehabilitation it would be an entirely different picture, but are we? Within the last 10 days Harry L. Hopkins, generalissimo of the C.W.A. branch of the alphabetical administration, made the following startling statement:

"We have got the bull by the tail, and we are afraid to hang on and afraid to let go."

He said further:

"We are spending tens of thousands of dollars just to investi-gate cases of graft that fairly fill the air. The lid is liable to blow off any minute. Some of our projects are 'lousy' and we know it."

And in one final climax, Hopkins declared with great emphasis: "The whole thing is a 'flop.'"

Mr. Chairman, in view of what Mr. Hopkins has said and what we ourselves already know, I wonder if when an investigation of the C.W.A. is made hereafter, it will not be found that Hog

Island, with all of its gruesomness, will smell like new-mown hay in comparison.

hay in comparison.

It is charged, my friends, that the relief activities under the C.W.A. are permeated and honeycombed with partisan politics, favoritism, nepotism, and downright graft. Alas, what a sad commentary! John J. Ingalls, the great Kansas orator and statesman, once said: "No one but an Indian will scalp the dead." Any party or individual that would condescend to coin profit and advantage out of the misery of human unfortunates belongs in the same category thus characterized by the brilliant Ingalls; because if they would do this, they certainly would not hesitate to scalp the dead.

My friends, I regret that time will not permit me to go through

My friends, I regret that time will not permit me to go through the gamut of the various and divers and sundry alphabetical agencies, with their innumerable high-salaried personnel scattered

agencies, with their innumerable high-salaried personnel scattered throughout the land, which have been set up by the present administration. They are more multitudinous than the lice of Egypt, and more pestiferous than the frogs and grasshoppers that drove poor old Pharoah to desperation and despair.

Under the great A.A.A., we are regulating the birth control of pigs by the certain method of slaughter of the mother hog. To stimulate the price of pork, tons and tons of meat were destroyed while millions of American people were starving for food. Thousands of acres of growing wheat and cotton were plowed under at a cost of several hundred millions to the American taxpayer; and yet this same Mr. Hopkins said a few days ago that the cotton and yet this same Mr. Hopkins said a few days ago that the cotton crop this year would be a normal one. Think of destroying acres upon acres of cotton and wheat ready to be harvested when mil-

upon acres of cotton and wheat ready to be harvested when millions of American people are naked and starving! A few days ago they burned up 200,000 bushels of blue grass seed in Kentucky with the express purpose of stimulating the price of the remainder. Why burn it up. Why not distribute it among the colleges, the churches, the cemeteries, the parks and other public institutions throughout the country to beautify their grounds?

It occurs to me that the C.C.C. might have found good use for those seeds in their battle with erosion throughout the country. My friends, I may be dumb. I certainly cannot harmonize this program of destruction with sound economic reason—especially when there is so much penury, distress, and destitution throughout the length and breadth of the land. But, Mr. Chairman, this seems to be the philosophy of the great "brain trust", and who would have the temerity and the hardihood to challenge or gainsay the wisdom and infallibility of this immaculate aggregation? But the pathos of the whole proposition is that all these things have been done by a party which in the past has boasted of its opposition to bureaucracy and centralized authority!

God save the mark! Since the days of Thomas Jefferson and Old Hickory Jackson the Democratic Party has prided itself on its opposition to the Federal Government invading the functions of the States. Federal Government invading the functions of the States. State's rights has been their one outstanding religious fetish. I have heard them denounce Republican bureaucracy until the very welkin rang. But today there are more bureaus in Washington than the proverbial Carter had oats. There is seldom a day that a new bureau or commission is not born, and on Sundays and holidays the new deal gives birth to twins and triplets. It is said that a man was found in an alley in Washington City a few days ago and that he was so dazed by intoxicants or otherwise that he didn't even know what commission he was on. he was on.

he was on.

You will also recall, my friends, that during the campaign the Democrats loudly denounced what they denominated the "robbertariff" policy of the Republican Party. They insisted that a majority of our ills was directly chargeable to our tariff laws; and, although this administration has been in power almost 11 months, and a completely Democratic dominated Congress has been in session for more than 5 months of that time, not one single, solitary gesture even has been made toward a revision of the tariff. It has been an open secret for sometime that, as a matter of fact. Democrats are rapidly becoming more tariffmatter of fact, Democrats are rapidly becoming more tariffminded than Republicans.

minded than Republicans.

Mr. Chairman, I must not impose on your indulgence longer. I don't want to put myself in the category of the fellow who, after speaking so long that he exhausted the patience of his audience, by way of apology said that he had forgotten to observe his watch. Whereupon a fellow in the audience yelled out, "You don't need a watch, my friend, what you need is a calendar."

However, I cannot conclude my remarks without commenting briefly on one other matter which is certainly of paramount importance.

importance.

Mr. Chairman, if during the campaign the Democrats stressed one promise more aggressively than another it was the unequivocal pledge of their Presidential candidate to balance the Budget and reduce the national debt. When Woodrow Wilson was inaugurated President of the United States our national debt was only \$1,000,000. 000,000. When 8 years later he relinquished office, our national debt had reached the staggering and almost incomprehensible aggregate of \$28,000,000,000. This was the exceedingly crucial aggregate of \$28,000,000,000. This was the exceedingly crucial and dismal situation which confronted Warren G. Harding when he assumed the Presidency on March 4, 1921. During the 12 years of Republican rule, by a strict and economical adherence to the Budgetary law enacted by a Republican Congress, our national debt was reduced to 17 billion. However, by virtue of the recovery activities sponsored by President Hoover, which included a public-building program costing nearly a billion, and funds for the R.F.C. amounting to another 2 billions, and other recovery projects, when Mr. Hoover went out of office on March 4, 1933, our public debt was approximately \$20,000,000,000. During those 12 years our Budget was guarded with scrupulous vigilance, with the result that when Mr. Hoover retired from office, it was

practically balanced.

When the Roosevelt administration started off it gave glowing promise of fulfillment of its pledge to maintain a balanced Budget promise of fulfillment of its pledge to maintain a balanced Budget and reduce the national debt. It gave notice that drastic economies would be inaugurated. It had Congress pass a bill authorizing the discontinuance of useless and unnecessary bureaus and the consolidation of others. Under the lash of the White House whip, the Congress also passed what is known as the "Economy Act", which took 15 percent from all Government employees and either deprived the veterans of the Nation of their pensions or reduced their pension ratings to a mere pittance. As a result of this ruthless legislation, thousands of sick and disabled Americans who had honorably worn the Nation's uniform were Americans who had honorably worn the Nation's uniform were ruthlessly evicted from Government hospitals without any provision for food or clothing, and along with hundreds of thousands of their comrades thrown upon the cold charity of the world. The public was given to understand that this utterly indefensible action of the administration was based on necessary economy. A shudder of horror went over the Nation at this act of cruel ina studger of horror went over the Nation at this act of cruel ingratitude to those who had sacrificed their health in the service of the colors and to the widows and orphans of those who had made the supreme sacrifice. But, reassured that it was a necessary economy and that, after all, the veterans would be dealt with in a spirit of the most sympathetic consideration, the wave of indignation soon subsided.

But, my friends, instead of dealing with the veterans gently as

But, my friends, instead of dealing with the veterans gently as they promised, the veterans were treated like so many impostors, and so great was their humiliation and chagrin that many of them died of sheer shock and disappointment, and hundreds of others sought solace in suicide. And instead of applying the \$400,000,000 which they took from the veterans under the pretense of balancing the Budget, they proceeded to apply it and innumerable additional millions to finance the great alphabetical Frankenstein that has sprung up in this country. Not only the present generation, but generations unborn will writhe and sweat under the tax burdens inflicted by this gigantic monster, even as the children of Israel writhed and agonized in Egyptian bondage. And in the meantime, the boys, who with elastic step and in the flower of youth in 1917 went forth with every assurance of pride and gratitude and with every promise of future appreciation that the English language could convey, are today walking the highways and byways—that is, those that came back, and those that are able to walk—and like the poor unfortunate man of Jericho, who fell among thieves, they tread the wine press of disease and destitution while Uncle Sam, like the proud indifferent Pharisee, passes by on the other side. It seems, Mr. Chairman, that this administration has no time to waste on the veterans, their widows, and orphan children. It is too busy plow-ing un cotton planning birth control of pigs, conducting dancing veterans, their widows, and orphan children. It is too busy plowing up cotton, planning birth control of pigs, conducting dancing schools, planting saplings, and making bonfires of bluegrass seed. But a good samaritan will come along some day who will hear the groans of the disabled soldiers and the walls of their widows and children, and he will not be so occupied with the material things of earth that he cannot find time to bind up their wounds and wipe away their tears. And God speed that hour.

I have faith in the spirit of American justice to believe that this ghastly and disgraceful condition cannot continue indefinitely. And before the present session of Congress comes to a close, I And before the present session of Congress comes to a close, I predict that the God of right and justice will so quicken its conscience that, regardless of any influence that may be exerted, it will expiate this foul crime committed against our disabled heroes and wipe this ignominious stain from our national

escutcheon.

Among the various accomplishments of the "brain trust" there is one that stands out most signal and commanding, and that is the two systems of bookkeeping which its experts in accountancy have evolved and inaugurated. They maintain two ledgers one ledger they use for the normal Budget and the other for the emergency Budget. When they discover that the normal Budget is about to show a deficit a messenger is promptly dispatched to the office of the Secretary of the Interior, Mr. Ickes, and sufficient emergency funds are immediately allocated to bring the normal Budget back into balance again. This ridiculous operation is repeated like the directions on a patent-medicine bottle "as often as is necessary."

Of course the whole performance is a cheap, transparent subterfuge and clearly shows that the Government at present is in the hands of a lot of financial quacks and tyros. Under this nonchalant, lackaday, slipshod system appropriations that have been disapproved and rejected by Congress because of its effort to maintain a normally balanced Budget, by this art of hocus-pocus are provided for out of emergency relief.

Just now our so-called "emergency Budget" shows a nice little deficit of more than \$7,000,000,000, and, according to the President himself, our national debt will aggregate thirty-two billions at the end of the fiscal year 1935. This means that at that time the annual interest charge on our public debt will be more than the amount of the total national debt when the Democrats took charge amount of the total national debt when the Democrats took charge in 1913. But what else could you expect, my friends, from a gentleman who as Governor of a great State ran it \$114,000,000 in the red, forcing his successor to resort to a sales tax to meet the State's financial emergencies. And lo! a little later, when this former Governor became President and some of his satellites mentioned a sales tax to maintain a balanced Budget, he threw up his hands in disgust and declared that he was horrified at the

suggestion. Personally, I have always opposed a sales tax; but, bad as it is, the Government may ultimately have to resort to it to meet the exigencies of the situation.

My friends, I realize that statistics are dull and tedious, but in order not to be deceived, please ponder these figures for a moment. On January 1, 1933, there were 3,800,000 families on relief in the United States. Averaging 3½ persons to the family, we had a total of about 12 million people on our relief rolls. On January 1 of this year, the number of families on relief had increased to 7 United States.

million, or by the same token, 25 million people.

Has normal employment increased under the N.R.A.?

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The code was adopted in September of last year. At that time according to figures compiled by the American Federation of Labor, normal employment was 74.3 percent. In October it was 73.9 percent. In November it was 72.4 percent. And in December it had gone down to 71.8 percent.

In the light of this revelation, I ask you, where are we headed? Unless we change our system, only the living God can answer. There is one thing certain, however, and that is we can't drink and spend our way back to prosperity.

There is one thing certain, however, and that is we can't drink and spend our way back to prosperity.

My remedy would be to provide for direct Government loans to private industry through the medium of the R.F.C., whereby real pay rolls would be established and genuine purchasing power created, thereby employing our idle workers at living, decent wages. I would then establish agricultural colonies to provide for those unable to compete in industry. I would furnish them tools and seeds and give them a chance to earn something for themselves. In this way they would regain their self-respect and relief would inevitably come to the taxpayers of the Nation

relief would inevitably come to the taxpayers of the Nation.

So, in conclusion, my friends, in this solemn presence tonight, let us highly resolve that the martyrdom of our illustrious patron saint shall not have been made in vain. Let us renew our faith in the proposition that "governments derive their just powers from the consent of the governed" and not from their coercion. Let us rededicate and reconsecrate ourselves to the preservation of the institutions of Liberty for which the immortal Lincoln sacrificed everything that he had—even his life—to the end that "government of the people, by the people, and for the people shall not perish from the earth."

#### THE BATTLE IS ON

Mr. LEMKE. Mr. Speaker, the battle is on-we have had several skirmishes—the farmers have again been betrayed by the reactionary standpatters of both parties. A bipartisan coalition against the Frazier-Lemke bill was formed between the reactionaries of the Republican and Democratic Parties. All the power these beliwethers could exert has been brought upon the Members who signed the Frazier-Lemke petition to withdraw their names and upon others not to sign. In spite of this we obtained the required 145 signatures, only to be delayed by the gag rule and the end of the session. The battle lines, however, are being drawn tighter and tighter on all fronts, and will continue until the November election, when the people of this Nation, I am confident, will win a final and complete victory. In the last election we drove the money changers from the first floor into the basement, where they are still mixing the medicine and influencing the legislation of this Nation. In the next election we will drive them out of the basement and permanently out of Washington. Let the standpatters of both parties beware.

In the meantime, progress is being made. The American Federation of Labor, through its president, William Green, has come to the aid of the farmers—to the aid of all the people of this Nation-to the support of the Frazier-Lemke bill. Hundreds and thousands of farmers, bankers, business and professional men and women throughout the Nation have written and wired their Members of Congress demanding to know under whose instruction and direction these bellwethers acted when they opposed the only emergency farm refinancing legislation before this Congress-the legislation that will give real and not makebelieve relief, not only to the farmers but to 130,000,000 men, women, and children. They demanded that their Representatives in Congress ignore these bipartisan bellwethers and sign the petition to discharge the committee and to bring the Frazier-Lemke farm refinancing bill out on the floor for discussion and passage.

The international bankers would now lead us to believe that there has already been an expansion of the currencythis is absolutely false. Not only has there not been an expansion of the currency, but during the first year of this administration there has been a contraction, a deflation equal to \$9.83 per capita. The Treasury reports show that on February 28, 1933, there was \$52.23 per capita circulation while on February 28, 1934, there was \$42.40. Thus, in spite of all the wild and exaggerated claims of expansion, there has been a deflation of \$9.83 per capita. In order to cover up this deflation we have borrowed billions of dollars and issued tax-exempt interest-bearing bonds to bolster up our tottering financial structure, but there is danger ahead because we cannot borrow ourselves out of debt. We cannot save ourselves from a final accounting—from Judgment Day—by a further contraction of the currency and accumulation of the wealth of this Nation in the hands of a few—in the hands of the coupon clippers.

There is danger ahead—the Government is still trying to get prosperity by borrowing—by issuing billions more of tax-exempt interest-bearing bonds. By the end of this year this Nation's debt will be some \$32,000,000,000. The average interest on this huge sum will be about 3½ percent, which amounts to \$1,120,000,000 per annum. This is the national debt. It does not include that of States, counties, cities, and other political subdivisions. These States, counties, cities, and other political subdivisions, as well as individuals, have all stretched their credit to the limit.

This Nation is bankrupt; every State in this Union is bankrupt; the people of the United States as a whole are bankrupt. The public and private debts of this Nation, which are evidenced by bonds, mortgages, notes or other written instruments amount to about \$250,000,000,000; and it is estimated that there is about \$50,000,000,000 of which there is no record, making in all \$300,000,000,000 of public and private debts. The total physical cash value of all the property in the United States is now estimated at about \$70,000,-000,000. That is more than it would bring if sold at public auction. In this we do not include debts or the evidence of debts, such as bonds, mortgages, and so forth. These are not physical property. How are we going to pay \$300,-000,000,000 with only \$70,000,000,000? It cannot be done unless we first put more money into actual circulation-not by doubling it in the hands of a few, but by putting it into circulation among the people. Let Wall Street call that debasing of the currency and make the most of it. We are more concerned with not debasing American manhood and womanhood.

At 5 percent the interest on this vast indebtedness amounts to \$15,000,000,000 annually, or \$120 a year for every man, woman, and child. The amount of money in actual circulation in this country is about \$2,000,000,000. By that I do not mean money lost or destroyed, hoarded, or in foreign countries. Therefore, in order to pay the interest on our public and private debts, each dollar in actual circulation, in actual use, will have to be used as a revolving fund and be paid over seven and one-half times a year.

Yet in spite of this vast indebtedness, in spite of these dizzy, incomprehensible figures, millions of our people are forced to seek positions on the Federal pay roll or on a disguised dole system. There is not enough money among the people to enable them to employ and utilize the energy of these men and women in necessary and useful work; there is a money famine. We have made beggars out of a once proud people. States, counties, cities, school districts, and other quasi-public institutions are all asking for help from the Federal Government. Some of these are offering so-called "frozen assets" as security for loans, forgetting that these assets are no longer frozen but have long since evaporated. There is danger ahead, a collapse, and a collapse may mean devastation and destruction.

What, then, caused this condition? It was caused by the monopolization, not of the wealth of this country but of the medium of exchange; the monopolization in the hands of a few financial monarchs of the money of the country, the unit of exchange. This was brought about by skillful manipulation of the currency, by a monopolizing tariff, by gambling in stocks and bonds and the necessities of life. It was brought about first by virtually doubling the money in circulation through the Federal Reserve banks during the war and then by cruel, brutal, and inhuman deflation, by virtually cutting the money in circulation in two.

To loosen this strangle hold upon our people, we propose as a remedy the Frazier-Lemke bill. This bill provides that the United States Government shall refinance existing farm indebtedness at 1½-percent interest and 1½ percent applied on the principal on the amortization plan, not by issuing bonds but by issuing Federal Reserve notes secured by the best securities on earth, first mortgages on farm lands; better security than gold or silver, because you cannot eat gold or silver but you can eat the products that grow on the farms; therefore your life depends upon the farms. They are the best security on the face of the earth. If our Government has enough intelligence to do this, it will make a profit of six billion three hundred and forty-five million at 1½-percent interest in 47 years, the time required for amortization of the farm indebtedness.

Let us compare the Frazier-Lemke bill with the one passed by the special session of Congress, written in New York in the atmosphere of the money changers. Under that bill, if all the farm indebtedness were refinanced, the farmers of this Nation would pay \$12,492,500,000 in 39 years to the bondholders. Under the Frazier-Lemke bill the farmers would have to pay just \$6,149,500,000 less interest in 47 years, and at the same time the Government would make a net profit of \$6,345,000,000 and to that extent lessen our Federal tax burden.

Under the present Farm Mortgage Act the farmer is asked to pay 41/2-percent interest if he lives in a Federal Farm Loan Association district and 5 percent if he does not, and in addition pay 1 percent for administration and buy stock in an amount equal to 5 percent of the loan, making 101/2 or 11 percent for the first year and thereafter 41/2- or 5percent interest, together with 1 percent for amortization, making 51/2 or 6 percent annually until paid, while under the Frazier-Lemke bill he will pay 11/2-percent interest and 11/2 percent on the principal, or \$30 for each thousand dollars borrowed, for approximately 47 years. Under the Frazier-Lemke bill a farmer could carry a \$17,000-mortgage loan, as far as his ability to pay goes, as easily as a \$5,000 loan under the present law. The Frazier-Lemke bill takes into consideration the farmer's ability to pay. Under the provisions of this bill a farmer, on a \$10,000 loan, will have to pay \$24,000 less in interest in 47 years than he would have to pay if he got the same loan for 6 percent straight. Surely we are all for that. Another difference is that under the present law hundreds and thousands of farmers are losing their farms by mortgage foreclosure because of their inability to meet the requirements and limitations of that law, while under the Frazier-Lemke bill they could be refinanced and their homes saved.

Under the provisions of this bill there would be issued and put into circulation between two and three billion dollars of new money—Federal Reserve notes. This, used as a revolving fund, will be sufficient to refinance all of the farm indebtedness and save the farmers from ruination. If we had passed this bill in the special session, this two or three billion dollars used as a revolving fund would have given us an intelligent expansion of the currency and would have made it unnecessary for the Government of the United States to issue billions of tax-exempt, interest-bearing bonds. That is the difference between the Frazier-Lemke bill and the present policy of the Government borrowing money and guaranteeing bonds.

If this bill had been passed there would have been enough money to do the Nation's money business. There would have been enough money so that the great State of Illinois would not have to compel its teachers and employees to accept scrip—paper money manufactured by Armour & Co., the National Tea Co., the Standard Oil Co., and the chain stores. The back of this scrip, or paper money, reads as follows:

This coupon is issued by Armour & Co. at the request of, and in cooperation with, school and local governing bodies, and is part of an arrangement through which we purchase tax-anticipation warrants, so that the salaries and wages of school and city employees can be paid pending resumption of normal tax collections.

In other words, this is proof that our Government has not supplied the people of Illinois with sufficient money to do the State's business, with sufficient money so that its people can pay their taxes, but compels the people of Illinois to turn their teachers and other State employees over to the mercies of Armour & Co., the Standard Oil Co., the National Tea Co., and the chain stores, for scrip or trade money. It is proof that there is an overproduction of just one thing in the United States and that is an overproduction of ignorance in Washington, D.C., proof that the so-called "brain trust" has gone into bankruptcy.

Our Government now prints Federal Reserve notes and gives them to the Federal Reserve banks at 0.7 of 1 cent per bill, the cost of printing. It makes no difference whether that bill is a \$1 bill or a thousand-dollar bill, or whether they keep it for 1 year or for 20 years; all they ever pay your Uncle Sam for it is 0.7 of 1 cent per bill. The amount of all the paper money given by the Government to the banks amounted on January 1 last, to over \$4,878,500,000, of which amount over \$3,332,000,000 were Federal Reserve notes. What is back of this paper money? Is there gold back of it? There is not. Is there even a farm back of it? There is not. There is simply the indebtedness of the United States-a Government bond-back of it. There is no gold back of it and if any of you think there is, just take a Federal Reserve note to the United States Treasury and try to get gold for it, and you will find that you cannot get it. If you could get it, then I could have you arrested for violating the law and having monetary gold in your possessionmoney is made by law.

After your Government had given all this money to these bankers, it found it necessary to borrow back some of the money that it gave away. It had to sell bonds and certificates of indebtedness. The amount of these bonds and certificates of indebtedness on January 1 last amounted to over \$25,000,000,000 and will be some \$32,000,000,000 by the end of the year. These bonds bear interest on an average of about 3½ percent and are tax exempt. In other words, these bankers use the \$4,878,500,000 paper money which your Government gave them as a revolving fund, with which they bought the \$25,000,000,000,000 tax-exempt, interest-bearing bonds and certificates of indebtedness.

These bankers not only now have the \$25,000,000,000 taxexempt, interest-bearing bonds and certificates, but they also have the \$4,878,500,000 of paper money which your Government gave them and which they used as a revolving fund to buy these bonds. At this time the Government is borrowing about a billion dollars a month. It prints tax-exempt, interest-bearing bonds to that amount and hands these over to these bankers, and in return the bankers hand to the Government deposit slips. No money is exchanged; the whole thing is merely a bookkeeping transaction. The banks draw interest on the bonds, but the Government draws no interest on the deposit slips. The Government checks on these deposit slips and the persons who receive the checks redeposit them in the banks. The Government, of course, is short-changed. If the banks need more money as a revolving fund, they take these bonds and put them up as security for more Federal Reserve notes.

If our Government can do this for the big bankers, why can it not do it for the farmers? Why not do it for agriculture? Why not issue Federal Reserve notes secured by better security than these bankers put up—secured by the farms of this Nation? Why not do the reasonable thing, the intelligent thing, the only thing, and pass the Frazier-Lemke bill? When this bill becomes a law it will reduce the farmers' indebtedness by three-fifths in 47 years because of the lower rate of interest and in addition the Government will make a net profit of \$6,345,000,000.

We have everything at our fingers' tips to bring about the greatest prosperity the world has ever seen. We have plenty of raw material; plenty of education; plenty of mechanical skill; plenty of willing workers; plenty of highly efficient machinery—everything necessary to create a great and lasting prosperity—except money. When the Frazier-Lemke bill passes there will be issued and put into circulation among

the people, several billion dollars of new money—Federal Reserve notes. It will again give purchasing power to the people. The farmers will pay their bankers, their merchants, their lawyers, and their doctors, and they in turn will pay their bills and all will start in again repairing and improving their homes. Unemployment and starvation will cease. Enforced idleness of millions of men and women will disappear and we will hear no more of overproduction. Consumption will again be normal and the industrial life of the Nation will return.

This bill has the official endorsement of the National Farmers Union; it has the official endorsement of some State Farm Bureau organizations and of many Bureau and Grange locals throughout the Nation. It has the approval of 95 percent of the farmers of this Nation; it has the approval of every intelligent banker, business, and professional man and woman. Twenty-one State legislatures have asked Congress to pass this bill. They are: Arizona, California, Colorado, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Montana, Nebraska, Nevada, North Dakota, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, and Wisconsin. It has the approval of the lower house of the State Legislature of New York, the President's own State, as well as that of Ohio and of Delaware. Surely no Member of Congress from these States is justified in ignoring these mandates from his State.

To the 30,000,000 who live on our farms, to you 130,000,000 everywhere, to you patriotic, liberty-loving citizens, I say there is danger ahead; the "brainless trust" is still bent upon the regimentation of agriculture, regimentation of everything, upon the establishment of a feudal system with the bureaucrats, the lords, and barons here in the departments in Washington, the vassals in the cities and towns, with the farmers and laboring men as the feudal serfs throughout the Nation. The vandals in the Department of Agriculture are still bent upon the destruction of food and clothing in the midst of starvation and want; it is a period of planned starvation and planned rags.

You farmers are asked to curtail production by permitting 40,000,000 acres to lie idle, while at the same time we are importing agricultural products that would require 40,000,000 acres to produce. Last year we imported 43,000,000 pounds of canned beef from the Argentine—this was equivalent to 250,000 head of cattle. At the same time the Department of Agriculture was guilty of the wanton destruction of over 6,000,000 pigs in the midst of hungry millions. The Department is now engaged in the destruction of dairy cows; still we imported 50,000,000 pounds of cheese, equivalent to 2,000,-000,000 of raw milk. The Department is still engaged in the destruction and curtailment of cotton production, while millions of our people go to bed without mattresses or bedding or sufficient clothing. This is the work of madmen. Our problem is not overproduction but underconsumption and maldistribution.

There is danger ahead—danger of an intellectual collapse of our bureaucrats. I appeal to the farmers—to all liberty-loving people—to refuse to sell themselves and their children into bondage for a mess of pottage. I appeal to you of the East to write and wire your Congressmen demanding the passage of the Frazier-Lemke bill at the next session of Congress. I appeal to you of the South and to you of California—out there in the Golden West—to do likewise. Agriculture must be refinanced—the farmer's homes must be saved

In closing may I state that the responsibilities of government are yours; that Congress is the only safeguard of your liberties; that the trouble is not with Congress but with you? As a whole, the Members of Congress represent the average honor, integrity, intelligence, and ideals of the people who elect them, no more, no less, and that is as it ought to be. If your Member of Congress is not representing you correctly, then it is your fault. You farmers of America, tell your Congressman you want the Frazier-Lemke bill to refinance you; that you want the Thomas-Swank bill giving you the cost of production for that part of your products consumed within the United States; and the Bank of the

United States, owned, operated, and controlled by the Government of the United States and in full and complete control of the money and credit of this Nation.

I have confidence in the future. We are going back to the democracy of Jefferson and Lincoln-forward to a happy, prosperous, self-reliant, and self-governed people, a people with hopes and aspirations; forward to the true grandeur of this Nation, where every man is a king.

PRESIDENT ROOSEVELT AND THE NEW-DEAL CONGRESS

Mr. DOBBINS. Mr. Speaker, we are evidently in the closing hours of the new-deal Congress. With an enormous legislative program accomplished, we may pause to take stock of the accomplishments of what is well described in one of the Washington papers this morning as the most colorful and outstanding peace-time Congress in the Nation's history.

For my part, it is difficult to regard this as a "peacetime" Congress. When we assembled here in March of last year, in preparation for the inauguration of Franklin D. Roosevelt as the new President of our beloved country, there was no peace in the mind nor heart of the thoughtful citizen. Unemployment was at its worst stage in our history. Commodity prices were at ruinous levels. Confidence in our private institutions was all but gone, and was ebbing fast in the Government itself. Many asked the question, "Will the Government last?" Oftener the inquiry was more hopelessly worded: "How long can it last?" True, the gunnery of warfare was not heard-there seemed not enough spirit left in the people for fighting. But more dreadful than the sound of distant cannon was the crashing of banks on every side and in every part of the land.

That, Mr. Speaker, was the setting in which more than 100 men who are in this Chamber today began their first terms as Representatives in Congress on March 4, 1933.

At noon that day I stood with my present colleagues at the back of the canopied structure erected on the front steps of this Capitol Building awaiting the appearance of the central figure in the national drama of that day. Facing us were 150,000 of our fellow citizens, dull of eye and heavy of heart. Long denied the inspiration of leadership, they had almost forgotten what it is like. Then with the vivid thrill of a desert sunrise came the awakening. It came in the form of one of their own kind, moving slowly out of the east portal of their Capitol, with broad shoulders squared and an eye as clear as the morning's dew. Straight at them he looked, and his voice was the voice of a leader and a friend, gentle in its encouragement, inspiring in the thought it expressed, confident in its purpose, and resolute and undaunted in its determination.

Thus Franklin Roosevelt took the oath and spoke to all of us on that day. Thus he has continued to look, to speak, and to act.

As he proceeded with his address before that great inaugural audience their dull eyes brightened, then glistened, and soon tears were rolling unashamed down the cheeks of strong men and women, conscious of revived hope and confidence. As it was with them there, they knew it must be in the minds and hearts of their fellow Americans, listening on every radio in the land. In this spirit the people of America continue to look to their leader, and our reliance upon him has become a part of our nature.

His instant and decisive course in the banking crisis cast into oblivion the dire prophecy of the 1932 campaign that he would not be a man of action.

Soon he called this Congress into special session. The greater part of the time from then to now we have been here grappling with the problems of the Nation. A mere recital of the national recovery legislation and progressive laws enacted in 1933 and 1934 is long and impressive. And they have all been in harmony with that wonderful mes-sage that marked the dividing line between despair and

The President then assured his countrymen that this great Nation would endure, revive, and prosper. So it has; and under laws enacted by us with his approval its credit is safe and secure, national wealth is increased, banks are

sound, commodity prices are improved, and unemployment steadily decreases.

He advocated honesty in financial transactions, and we have followed his lead with an honest security law and another banishing the devices of the crooked gambling house from our great security markets. Banking has been put on a firm basis, and the depositor is insured against the losses that in recent years brought agony, destitution, and

He advocated unselfish honesty in public service, and his watchful regard for that goal has been rewarded with an administrative record free from scandal.

He said, "This Nation asks for action, and action now." Suiting the deed to the word, he has been tireless and indefatigable in his activity; and the example he set is reflected in the arduous labors of this Congress.

"Our greatest primary task", he said, "is to put people to work." That we have done in the Civilian Conservation Corps, by Civil Works projects on the roads, on public buildings, waterworks, and, better yet, on railroads, in shops, stores, factories, and on the farms. We have accomplished this through legislation unprecedented in character and scope, and the results have justified the daring experiment.

He deplored the increasing foreclosures on homes and farms. Congress responded with appropriations of billions for mortgage relief and the machinery for its generous dis-

He spoke for an adequate but sound currency. That has been provided. The gold dollar has been equitably revalued, and provision for a broader but sound base for currency is afforded through increased coinage of silver. The croakers who predicted a financial crisis if this should be attempted are chagrined as they contemplate a national credit that is firmer than it ever was before.

In world affairs he spoke for the policy of a good neighbor. We have respected that pledge in all legislation affecting foreign affairs.

Labor stood in mortal fear at the thought of the inroads unemployment and want had made upon its advancement of workingmen's rights and standards of living. Today, under laws enacted by this Congress, and under an administration devoted to the welfare of the people as a whole, the laboring man faces the future with hope and confidence.

Fairness characterizes the legislation of this Congress. The criminal and the fraud face laws more stern and bind-

ing than before. That is as it should be.

Government contracts that were awarded like juicy plums have been canceled. In the air mail \$10,000,000 a year is saved by insistence upon the fair principle of competitive bidding, and the service now surpasses any we have had before. I pride myself upon an active participation in that accomplishment. In the great saving to our taxpayers there is ample reward for the incessant labor it involved.

As agriculture is our most important industry, particularly in my own State, I am deeply gratified by the intense interest in its problems that has been shown by this Congress, under the earnest and constant leadership of our President. In former years it has taken years of congressional effort to overcome Executive resistance to legislation in the farmer's behalf. Now the President and Congress are equally solicitous in a determination to see that the farmer shall receive a decent reward for his enterprise and labor and that the value of our farms and their products shall be restored.

Mistakes have been made, and we will make more. The only man who makes no mistakes is the one who never tries to do anything. The only hunter who never missed a bird is he who never fired at one.

There are those who urge that we let things alone, and contend that prosperity will return of its own accord. My history tells me that we once had a political party that was derisively called the "Know-Nothing Party." Its life was short and its death was ignominious. A "do-nothing party" would be as bad, in my opinion. What would have happened to this Nation in 1933 if the President and Congress had done nothing?

I am happy in the conviction that this Congress, now fading into history, has been stupendous in its endeavors and great in its accomplishments. I shall carry with me through life a feeling of deepest gratitude to my fellow-citizens who made it possible for me to take a modest part in its proceedings. The responsibilities of membership in the House of Representatives are grave indeed. I have steadfastly endeavored, Mr. Speaker, to bear those responsibilities with honor, and to discharge them industriously and intelligently.

The task is by no means finished. Our President, in his recent message to the Congress, points the way to further duties that we and our colleagues must not shirk. They involve the full recovery and protection of sacred rights in homes, livelihood, and individual security. Some of our opponents say this is only a fantastic dream, and can never be realized. They would have said the same thing (and with a greater show of confidence) of some of the plans that are now in the course of fulfillment. If the next Congress approaches these problems with the same courage and determination displayed here during these 2 years, we need have no fear of the result.

# POLITICAL DEMAGOGUERY AND GAG RULES

Mr. HART. Mr. Speaker, I desire to call the attention not only of the House but of the country as well to an exhibition of political demagoguery that has exceeded anything within the time of my service here. Of course, I am comparatively a new Member, this being my second term, and it may be that at the close of the session the political sharpshooters of the minority party find it necessary to indulge in a practice which to my mind is unethical. I desire to call the attention of the House to a statement of the gentleman from Kansas [Mr. McGucin] in the Record of June 2, in which he attributes the passing of the rule of June 1 to a desire on the part of the House managers to kill off the McLeod banking bill and the Frazier-Lemke bill. Anyone who has any knowledge of the attitude of our conservative Republican leadership, as exemplied by the gentleman from New York [Mr. Snell], is well aware that the majority of the Republicans are opposed and have been opposed to both the Frazier-Lemke bill and the McLeod bank bill. In fact, one rather liberal Republican remarked to me that the MeLeod bill was asinine. He said it was good politics but bad economics. So you can see the attitude of the Republican Membership on this bill.

Now, with reference to this rule, our Republican friends began their preliminary tactics to force this rule on May 30. On May 31 and June 1 they precipitated eight roll calls each day. It generally takes three-quarters of an hour to complete a roll call. The House ordinarily assembles at 12 o'clock. With eight roll calls, at three-quarters of an hour each, it would take 6 hours, or from 12 to 6 o'clock, doing nothing but calling the roll. Imagine such a silly situation, but this was aggravated on the morning of June 1, when the Republican leader, Mr. SNELL, demanded the reading of the Journal. This took nearly 3 hours, as all the roll calls of the previous day had to be read. This had not occurred before in the House for some 30 years. The passing of the rule giving the Speaker power to recognize whomever he pleased and, on motion of the floor leader, to recess instead of adjourning, was done for the purpose of preventing the Republican minority from consuming the entire day on roll calls and the reading of the Journal. It was a deliberate attempt on the part of the Republican leadership, in which the gentleman from Kansas [Mr. Mc-Gugin] took an active part, to stop any further legislation, including the Frazier-Lemke and the McLeod bank bills. There was practically no backing for the McLeod bank bill at this particular time, as a substitute had been provided. to which a large part of the Membership had agreed, with the exception of the Michigan delegation, which was in favor of passing a 100-percent pay-off bill.

When this rule was voted by the Democratic Membership it had followed 3 days of doing little or nothing but monotonously calling the roll, one roll call succeeding another. Everyone knows a Congressman has considerable work to do besides answering roll calls. He has a tremendous correspondence to answer. He has a number of con-

tacts to make with various departments, and he usually has to attend committee meetings in the forenoons.

Most of the Republican Membership went on with their work in their offices, leaving 15 or 20 Members on the floor to pursue their policy of obstruction. Under the circumstances the balance of the Roosevelt program had to be scrapped or the House leadership had to pass a rule that would prevent the carrying out of this policy of obstruction. After 3 days, with no accomplishment except answering to our names on roll calls, you can imagine the state of mind of the Membership. Without having in mind anything but orderly procedure and a determination to complete the Roosevelt program, we passed the rule which stopped the filibuster. The charge of the gentleman from Kansas [Mr. McGugin] that this rule was passed for the purpose of defeating the McLeod and Frazier-Lemke bills is false, and as evidence of what the gentleman from Kansas had in mind at the time he engaged in the filibuster, it is only necessary to call your attention to the fact that on the day following the passing of the rule he prepared his article under permission to extend his own remarks and made his untruthful charge, and immediately had it printed and started flooding the country with it. This was but a thin political trick, and anyone with a knowledge of the facts could easily see through it. Without the passage of this rule the Frazier-Lemke bill and the McLeod bill were dead as a mackerel, because no business was being transacted. As a result of the passage of this rule Congress was able to complete its program, which included the passage of the Frazier-Lemke bill providing for the scaling down of farm debts and a moratorium on interest charges, as well as the President's housing bill and several other pieces of very important legislation.

INFORMATION REGARDING THE DEPARTMENT OF WEIGHTS, MEAS-URES, AND MARKETS, DISTRICT OF COLUMBIA

Mr. PATMAN. Mr. Speaker, as a member of the Committee on the District of Columbia of the House, I have considered it my duty to devote as much attention as possible to the operations of the government of the District of Columbia.

I have not had the time to devote as much attention to the subject as I have desired. The District of Columbia is the Capital of the Nation, and the kind of municipal government we have in the District is, and should be, of interest to every Member of Congress, because Congress passes the laws governing the District of Columbia.

There is one of the executive departments of the District of Columbia government in which I have become deeply interested. That is the department of weights, measures, and markets. My unusual interest in this particular branch of the municipal government has perhaps been aroused by the fact that George M. Roberts, Superintendent of Weights, Measures, and Markets for the District of Columbia, was raised and resided in the district which I now represent in the House until he came to Washington some 20 years ago. Mr. Roberts, as head of the department, is charged with the duty of administration of the law establishing standard weights and measures in the District of Columbia, which is intended to protect consumers against deception and fraud in the purchase and sale of merchandise of every description. The law is also intended to protect upright and honorable business men against unfair and dishonest competition. A careful examination of the law in question discloses that it is perhaps one of the most comprehensive statutes on the subject in force anywhere in the country.

The subject of standard weights and measures is of much greater importance than many people believe. It is a subject of such importance that the Constitutional Convention, in order that weights and measures might be uniform, provided in the Constitution that Congress shall have power to fix the standards of weights and measures. It is especially essential that uniformity should be maintained in a city like Washington. To emphasize that fact it is only necessary to state that the merchant who delivers only 15 ounces for a pound not only subjects his honest competitor to grossly unfair competition but reaps a tremendous and unjustifiable

profit from consumers. For instance, there is consumed in | the District of Columbia approximately 8,450,000 pounds of butter per year

At the average price a shortage of only 1 ounce per pound would defraud consumers of more than \$160,000 per year. On the 23,000,000 pounds of fresh beef sold in Washington per year short weight of 1 ounce per pound would defraud consumers of more than \$360,000 per year. A similar shortage on dressed poultry would defraud consumers of about \$80,000 per year; on Irish potatoes, \$156,000 per year; on cheese, \$280,000 per year; on bread, \$365,000 per year; and on other commodities amounts relatively large.

It may astonish the average automobile owner to learn that an average short measure of only 1 pint on each 5-gallon sale of gasoline in the District would defraud consumers of gasoline of about \$250,000 per year, yet short measure of more than a gallon on 5-gallon sales has been found by investigators of this department and the violators prosecuted.

Investigations made under the direction of the Superintendent of Weights, Measures, and Markets have disclosed that in many instances merchants whose customers are chiefly among the poor and ignorant classes of people cheat the most. Some of them, according to the last report of the Superintendent, have been found resorting to most reprehensible practices. Such persons have, of course, been prosecuted. The people of the District of Columbia are fortunate to have a Department of Weights and Measures which is operated exclusively in the public interest, and with a degree of diligence which it would be difficult to excel. The record of this department in one respect is amazing. Of the hundreds of cases in which prosecutions have been instituted for defrauding customers or for other violations of the law during the past 6 years only one case resulted in acquittal. This fact, it seems to me, may be reasonably accepted as a fair measure of the diligence with which this department is

The District of Columbia standard weights and measures law contains many wholesome provisions. It is not confined to penalizing sales by short weight or measure. In the interest of fair dealing, it regulates in detail the methods which shall be employed in the sale of commodities essential to everyday life. It is calculated to prevent fraud, as well as to punish those guilty of fraud. It requires, of course, that scales, gasoline pumps, and all other commercial weighing or measuring instruments shall be tested before they are placed in use, and at least semiannually thereafter, to see that they comply with legal standards and regulations.

But the testing of weighing or measuring instruments lacks much of covering all the duties and activities of the weights and measures department. For instance, the law fixes certain standard weights for bread which may be manufactured or sold within the District. It provides that every loaf of bread shall bear a label stating the weight and the name of the baker. That insures consumers of bread that the weight shall not be reduced below the fixed standard. The law requires that coal dealers shall sell by the long ton of 2,240 pounds. It provides that ice shall be weighed at the time of delivery. It provides that all commodities shall be sold by net weight, thus preventing inclusion of wrappings in the weight of foodstuffs. It limits the amount of liquid which may be contained in oysters to 10 percent. It fixes the capacity and regulates the labeling of milk bottles. It fixes standard sizes for all fruit and vegetable containers used by wholesalers. It provides that package foods shall be marked with the correct quantity of contents. It regulates slot vending machines, providing that same shall be maintained in working order and shall deliver the commodity or service expressly or impliedly promised. It provides that the purchaser of any commodity shall receive a sales ticket on demand stating in definite terms the quantity of commodity involved in any particular sale. There are other wholesome provisions in the law which I might mention, but the foregoing are sufficient to indicate its scope in a general way.

plaints from the public are fully investigated. However, this department does not wait for complaints. It initiates many investigations. It has undercover investigators buy merchandise, foods, gasoline, and other necessities from stores, filling stations, and other establishments in regard to which suspicion for any reason may be aroused. The quantities received are carefully checked. In that way the facts are ascertained in regard to whether or not the public is being defrauded. Package goods in stores are reweighed by investigators to determine whether they contain the quantities of merchandise represented. Package merchandise shipped into Washington in carload lots is weighed to ascertain whether or not manufacturers or processors are shipping short-weight goods into Washington. If such is found, steps are taken to prevent its sale here. Investigators are sent into bakeries in the nighttime to weigh bread as it comes from the ovens to see that it is full weight. In fact, investigators of this department work any and all hours, day or night, to protect the pocketbooks of the half million population of the National Capital.

Manifestly, a department of the municipal government which enters so largely and so thoroughly into the welfare of the everyday life of every resident of the District of Columbia should receive unstinted support not only from the governing authorities of the District, which I believe it does, but from the general public as well. It should also be supplied with every reasonable and necessary facility, both of personnel and equipment, for performing its duties.

#### THE FORGOTTEN MAN

Mr. ELTSE of California. Mr. Speaker, we have heard much during the last few months about the forgotten man. That phrase has been a watchword. He who was supposed to be the forgotten man, when that expression was coined. today finds himself one of a motley crowd. There are many forgotten men, and not only forgotten but forsaken, and most of them are left on the economic field of battle, bleeding at every pore. I purpose to identify at least one of these forgotten and forsaken men.

# THE TAXPAYER

He is the taxpayer, staggering under a crushing load of debt, paying tribute on every turn of his hand. Unfortunately we have not realized where we were going and the speed with which we were traveling, but we are now becoming nationally tax conscious. We are suddenly finding that the immense sums appropriated with apparent ease and unconcern are piling up a load that will bear on the backs of every man, woman, and child in this and in several future generations. We are learning, as learn we must, that the structure of recovery cannot be built upon such foundations as an unbalanced budget, rubber dollars, staggering expenditures, confiscation of property by taxation, and a chaotic public policy. The rising avalanche of Federal debt is not an evidence of progress. Most every governmental agency has power to tax and is, in fact, taxing almost everything within its jurisdiction. As matters stand, taxing units set up toll gates at the points where money passes and take a crack at cash in passing. We have customs duties, entertainment taxes, excise taxes, income taxes, inheritance taxes, poll taxes, sales and luxury taxes, processing taxes, compensating taxes, and general property taxes-all snarled together in a matted, confusing mass of conflicting jurisdictions and governmental cross purposes. If we do not pay taxes directly, we pay them indirectly. We pay them in the rent, the food we eat, the clothes we wear, the gas we burn, the gasoline we use, for the privilege of doing business, for the right to manufacture, the right to process goods, the right to exercise the God-given privilege of growing crops: and if we happen to produce too much of some given commodity we are penalized by an exorbitant tax; in fact, we pay taxes in every item of the cost of getting born, growing up, growing old, even in dying.

Federal, State, and local governments combined are spending approximately \$70,000,000 a day, or \$48,000 plus Enforcement of the provisions mentioned make necessary every time the clock ticks. In 1913 the spending was at the constant investigation and constant vigilance. All comwords, the power to confiscate. The use of tax legislation to punish, to confiscate, and redistribute wealth has no place in the American program.

The tax burden has become so terrific that the taxpayer no longer has the ability to pay. Evidence of this is clear, for taxes are everywhere in default. We have moratoriums and special legislation to defer the ultimate day of payment of existing taxes, and the result will be an increased burden in the coming years. What a heritage we shall leave to our children!

It is startling and appalling to note the mounting expenditures of government as contrasted with its receipts.

Year	Federal Gov- ernment expenditures	Receipts
1913	\$748, 000, 000	\$747, 500, 000
1925	3, 697, 400, 000	3, 780, 100, 000
1929	3, 848, 400, 000	4, 033, 200, 000
1931	4, 219, 900, 000	3, 317, 200, 000
1932	5, 006, 500, 000	2, 121, 200, 000
1933	5, 306, 600, 000	2, 238, 300, 000
1934 (8 months)	4, 848, 000, 000	2, 305, 700, 000

Mr. Speaker, all the while increasing demands are being made upon the Federal Government from every corner of the United States in this wild scramble to dip into the Federal Treasury, the reason for which is to be found in the fact that cities and counties and States have exhausted their bonding capacities and depleted their treasuries. They are now throwing the burden upon the Federal Government, apparently unmindful of the fact that the Federal Government will pass the obligation back to them through the power of taxation in one form or another. The people of the Nation have become inoculated with the idea that if these burdens can be passed on to the Federal Government they will obtain the desired relief and aid without having to bear any portion of the burden. The tragedy and danger of this tendency are that the farther the Government is removed from the people, the more wasteful and corrupt it will become.

As showing the growth of total National, State, and local expenditures and the rising expenditures of the National Government as compared with the State and local governments examine the following figures:

Years	Total expendi- tures, national, State, and local	Percent by National Govern- ment
1913	\$2, 919, 000, 000 11, 126, 000, 000 13, 564, 000, 000 1 20, 000, 000, 000	24 34. 2 30 56

There are two primary causes for the change in trend indicated by the foregoing figures:

First. Local governments have limited powers to levy taxes and are therefore unable to collect the needed revenue to carry the extraordinary expenses of the depression resulting in their willingness to side-step the obligation. The States with varying degrees of persistence have declined to take up the burden where local communities laid it down.

Second. The Federal Government has jumped into the breach opened by the local communities and the States and adopted a plan of action through which it hopes to buy back prosperity through liberal appropriations in many directions. The cities and States have spent pennies while the Federal Government has poured out dollars.

During the first session of the Seventy-third Congress there was appropriated upward of \$4,600,000,000. The Democratic leaders so far have not announced their estimates of the appropriations and authorizations of expenditures made during this session, but these new obligations assumed by the Government will make a total that is at once amazing and appalling. From information now available it would appear that during the second session upward of \$3,600,- | Expenses of administration for this period, \$13,833,187.20.

said that the power to tax is the power to destroy; in other | 000,000 was provided under regular appropriations and some \$13,000,000,000 or more were provided under extra appropriations for various governmental agencies.

We have been launched upon a program of spending billions of dollars as a means of returning prosperity; but we cannot squander ourselves into prosperity nor borrow ourselves out of debt. Waste results in want. Reckless spending creates debt and demands ever increasing and burdensome taxes.

The old types of excise taxes and tariffs have long since broken down as adequate vehicles to raise the necessary Federal revenues to meet the tremendous expenditures. Strange, new, and un-American tax devices have been devised and adopted to raise revenues to feed the insatiable maw of the spending Frankenstein fastened on the body politic, and as a case in point I wish to remark on the processing tax under the Agricultural Adjustment Act.

#### PROCESSING TAX

The processing tax levied under this act, like all other taxes, is passed on to the taxpayer and adds to his burden. Moreover, this processing tax under the act is highly discriminatory and operates to enrich one group of States to the detriment of another group. The Bureau of Internal Revenue has provided figures showing the total receipts from the processing tax for the period from July 1, 1933, down to and including April 30, 1934, and the Department of Agriculture has provided figures showing the payments to farmers for the same period. The taxpayer and the consumer will be interested in examining those figures, which I obtained from the Honorable John Taber, Representative from New York.

Processing tax collections and payments to farmers, July 1, 1933,

The state of the s		Payments		
State	Collections from process- ing tax	Rental and benefit to farmers	Surplus re- moval	
Alabama	\$6, 561, 392, 33	\$9, 612, 245, 97		
Arizona	274, 859. 79	282, 420, 66		
Arkansas	509, 207. 74	10, 834, 045, 88		
California	7, 928, 675. 96	976, 853, 60	\$116, 015. 93	
Colorado	2, 435, 758. 02	1, 472, 063, 06 198, 818, 94		
Connecticut	1, 680, 705. 38	198, 818. 94		
Delaware	352, 312, 16	77, 069, 96		
Florida	496, 428, 30	416, 128. 17		
Georgia	13, 948, 539, 26	8, 783, 020. 88	81, 119. 00	
HawaiiIdaho	554, 129. 04 333, 992. 18	2, 346, 406, 80		
Illinois	36, 087, 849, 30	1, 732, 612. 41	28, 298, 572, 91	
Indiana	4, 316, 308, 43	1, 342, 068, 33	20, 200, 012, 91	
Iowa	6, 020, 205. 67	339, 670, 96		
Kansas	10, 030, 643, 66	16, 816, 355, 88		
Kentucky	3, 368, 490, 93	218, 091. 72		
Louisiana	1, 273, 742. 95	5, 005, 782, 42		
Maine	1, 780, 648. 63			
Maryland (including District of				
Columbia)	3, 401, 726, 92 17, 107, 741, 54	558, 541. 65		
Massachusetts	17, 107, 741. 54	96, 468, 40		
Michigan	3, 476, 569. 99	587, 606, 57	0 000 707 00	
Minnesota	19, 582, 527. 61 686, 950. 99	1, 311, 666, 13 10, 098, 853, 02	2, 668, 767. 83	
Mississippi Missouri	13, 847, 164. 70	2, 925, 070. 92	3, 400, 261, 93	
Montana	1, 315, 666. 70	4, 238, 282, 28	0, 400, 201. 90	
Nebraska	3, 238, 421, 57	4, 040, 745, 52	15, 104, 990, 63	
Nevada	120, 567. 93 1, 504, 183. 06	20, 838, 30	201 20 21 00 01 00	
New Hampshire	1, 504, 183. 06	2, 288. 60		
New Jersey	3, 012, 596. 54	8, 020, 41		
New Mexico	129, 035, 21	709, 190, 45		
New York	31, 847, 946. 10 24, 365, 272. 53	55, 806. 63		
North Carolina	24, 365, 272, 53	4, 406, 051. 91		
North Dakota	860, 571, 01	9, 812, 130, 29	FOO CED 00	
Ohio.	9, 961, 054, 12 2, 873, 353, 17	1, 505, 042, 75	580, 853. 99	
Oklahoma	2, 087, 367. 55	16, 419, 276, 92 1, 829, 248, 25	4, 004, 421, 72	
Pennsylvania	8, 029, 497. 60	662, 275. 09	2, 003, 201. 10	
Rhode Island	2, 879, 197. 62	000, 210.00		
South Carolina	13, 864, 159, 44	5, 567, 614. 86		
South Dakota	358, 617. 06	3 523 326 18		
Tennessee	4, 552, 530, 64	3, 417, 320, 06 47, 044, 240, 10 466, 945, 61 2, 724, 95		
Texas	8, 176, 941. 67	47, 044, 240, 10		
Utah	325, 480. 56	466, 945, 61		
Vermont	252, 613, 48	2, 724. 95		
Virginia	4, 942, 704. 96	831, 510, 88		
Washington (including Alaska)	3, 026, 776. 96	3, 979, 787. 90		
West Virginia	899, 862, 63	52, 743, 42		
Wisconsin Wyoming	2, 593, 380. 40 159, 942. 57	469, 342, 93 283, 894, 49		
Washington, D.C	100, 012. 01	200, 001, 10	\$762, 332, 98	
Total	287, 434, 311. 56	185, 380, 511, 11	55, 016, 336, 92	

Scrutiny of the foregoing figures reveals some startling facts. For example, my State, California, paid over \$7,900,-000, while its farmers received rental benefit payments of approximately \$977,000, almost \$7,000,000 less than the amount collected in the State. Illinois paid over \$36,000,000, and its farmers received less than \$2,000,000 rental benefit payments. Massachusetts paid over \$17,000,000, and received less than \$97,000. New York paid approximately \$32,000,000, and received less than \$56,000.

The ramifications of the processing tax reach into almost every activity in American life. Not only has it been imposed upon the basic agricultural commodities as defined by law, but Congress, not with my vote, however, foolishly delegated power to the Secretary of Agriculture to extend his taxing arm under the Agricultural Adjustment Act. What appeared to be a comparatively harmless provision is now proving to be a heavy and sharp weapon in the hands of the Secretary of Agriculture. By his dictum a tax aggregating millions and millions of dollars is being imposed upon the American farmer in the guise of a so-called "compensating tax" on commodities, such as jute or burlap bags and paper bags, which have been found by the Secretary to have come into competition with cotton. This can be said, without danger of successful refutation, that the farmers of California, the Pacific Northwest, and other States using jute or burlap bags in which to market their agricultural products are subsidizing the cotton grower, or, at least, were doing so until recently when Congress passed an act abating this compensating tax on jute or burlap bags. I am happy to say that my strenuous efforts to have the compensating tax on jute or burlap bags removed have been rewarded.

Mr. Speaker, lest anyone believe to the contrary, let me say that the \$287,434,311.56 collected from processing taxes are collected within the Department of Agriculture as a special tax and are not a part of but are in addition to general revenues collected by the Government to be used for general expenditures.

The national debt has reached a new high point for all time at near \$30,000,000,000, exceeding the national debt at the close of the World War. With a huge spending program in prospect, the Federal debt will continue to mount rapidly during the present fiscal year and probably the following year.

Optimists in high official positions have attempted to allay apprehension of the mounting debt burden by stating that the Nation can carry its projected national debt of \$32,000,-000,000 without serious concern. In such optimism lurks great danger, since that \$32,000,000,000 does not take into account the long-term obligations of States, communities and cities, real-estate mortgage loans, debts of railroads, utilities, and like obligations of corporations, which comprise an approximate grand total of \$130,000,000,000, or one-half of the estimated national wealth. The present and future generations are mortgaged with that amount. What will happen when the next depression comes, as come it will no doubt, when our reserve power is so encumbered? We must pause to ask how this Nation can recover by spending billions and thus creating additional billions of debt. No one who gives serious consideration to this matter can hope for a revived industry and commerce and a restoration of confidence in the minds of those who are expected to carry on. It is time to remember the forgotten man, the taxpayer.

Mr. Speaker, the Honorable Arthur W. Hyde, former Secretary of Agriculture, recently delivered an able address before the Missouri Republican Club of Kansas City, and the following language particularly arrested my attention:

This year government in the United States has spent an amount equal to 42 percent of the national income. If the Government takes in taxes one-fourth of the national income next year, that means that the people must work one-fourth of their time for the

means that the people must work one-fourth of their time for the Government. Neither men nor governments can eat next year's seed corn without foreclosing the hope of next year's crop.

Somebody must pay. Somebody must pay the processing taxes levied upon bread and meat and clothing. They will amount, we are told, to \$1,800,000,000 for the first 2 years. Somebody must pay the mounting deficit. Somebody must pay for the \$10,000,000,000 program. Somebody must pay for manicuring the nails of the inmates of southern hospitals, for cleaning up rural fence rows, for hiring artists to paint murals, for catching rats in

Brooklyn, for the army of bureaucrats scattered through every county in America drawing money which was appropriated for the relief of the needy.

Somebody must pay these huge sums, these mounting deficits. The Government has no funds except those it collects from its citizens by taxation. Who pays? The consumer pays. Sometimes he pays directly in taxes; sometimes he pays indirectly in the price of what he buys. But always the consumer pays, because the consumer is all of us. the consumer is all of us.

In conclusion, Mr. Speaker, I wish to say that my record in this Congress has been consistent with and builded upon the pledge I gave the people of my district when I aspired to this high office. I promised them then that I stood for a reduction in the high costs of government which have made property ownership a burden; for lower taxes and the equalization of the tax burden; for the reorganization of the governmental structure to (a) eliminate unnecessary duplications of bureaus, commissions, waste, and extravagance; to (b) establish more efficiency and greater economy in government; and that I stood against political expediency as represented in pork-barrel legislation, the patronage system, the spoils system, pay-roll racketeering, and other sharp political practices which have contributed to the everincreasing high cost of government. I now stand committed to the accomplishment of the foregoing purposes.

SUBCOMMITTEE REPORT ON BILL H.R. 9570, AMENDING THE SUGAR ACT OF MAY 9, 1934, BY FIXING A DEFINITE RAW-SUGAR QUOTA FOR PUERTO RICO AT 375,000 TONS, AND REMOVING ALL LIMITA-TIONS AND RESTRICTIONS ON ITS DIRECT-CONSUMPTION SUGAR Mr. LANZETTA. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the report of the Subcommittee on Agriculture on bill H.R. 9570:

#### REPORT

The Subcommittee on Agriculture, to whom was referred the bill (H.R. 9570) to amend the act of May 9, 1934, entitled "An act to include sugar beets and sugar cane as basic agricultural commodities under the Agricultural Adjustment Act, and for other purposes", having considered the same, report thereon and recommend to the committee as a whole that the bill do pass. J. R. MITCHELL, Chairman.

# SCOPE OF THE BILL

Briefly stated, this bill is presented to correct a condition not contemplated by the President's sugar legislation, and particularly by the Sugar Act of May 9, 1934. This bill affects no other sugar-producing area of the United States. It is offered for two purposes, namely:

First. To remove the restriction on the industrialization of sugar in Puerto Rico-a restriction which does not apply to sugar refineries in continental United States and which was neither contemplated in the original sugar legislation nor favored by the Department of Agriculture.

Second. To assure Puerto Rico of a fixed sugar quota of 875,000 short tons, raw value.

# GENERAL STATEMENT

This bill has as its object the stabilization of the sugar industry in Puerto Rico. Unless immediate relief is given the people of Puerto Rico will suffer untold hardships and social and industrial unrest will increase on the island.

This bill follows substantially to a great degree the President's sugar message of February 8, 1934. The general plan outlined in the President's message, with a fair allowance for hurricane losses, is all that this bill contemplates.

Puerto Rico now ranks eighth in the world market for products produced in continental United States. Puerto Rico purchases its entire consumption needs of every basic agricultural commodity, with the exception of sugar and tobacco, from the United States, its mother country. To maintain this purchasing power in these commodities and to help replace it in the position it formerly occupied as the sixth best world market for continental products, it is necessary that this bill be passed.

Four-fifths of the island's population of 1,600,000 is entirely dependent on sugar. This bill will assure Puerto Rico of stability in the one crop upon which practically the entire island is dependent, and to repeat, the other areas of the United States will not be affected by the passage of this

The people of Puerto Rico feel deeply the discriminations directed toward them in the Sugar Act of May 9, 1934. They have reason for this feeling in that the Sugar Act of May 9, 1934, sets them apart as a different kind of American citizen than those resident in continental United States. The passage of this bill will forestall a total collapse of the sugar industry and will strengthen the morale of the people on the island.

The people of Puerto Rico feel the Sugar Act of May 9, 1934, in limiting the industrialization of refined sugar on the island and at the same time permitting unlimited refining of sugar on the mainland, together with the lack of assurance of a fixed quota of raw sugar, is too much discrimination. Especially so when a foreign country is not asked to share a proportionate burden, but is, on the contrary, assured of increased benefits at the expense of American territory.

To insist on the continuance of such a policy tends to completely demoralize the industry and the morale of the 1,600,000 American citizens in the island. Wide-spread dis-

content and unrest is already reported.

The existing facilities in the island for the industrialization of refined sugar are fixed investments, expanded at the special request of the government of Puerto Rico. These investments represent several million dollars. To allow the Eugar Act of May 9, 1934, to stand uncorrected amounts in effect to a confiscation of this property.

The War Department has substantially approved the substance of this bill and recommended changes in the Sugar Act of May 9, 1934, as is shown in the memorandum of

that Department.

The people of Puerto Rico, through their legislature, have petitioned the United States Congress for statehood. With such a spirit predominant among 1,600,000 American citizens on the islands, it is a matter of justice that this bill, which will remove the stigma of discrimination against them, be acted on favorably by the Congress.

### RALPH F. LOZIER, A FRIEND OF THE VETERANS

Mr. LOZIER. Mr. Speaker, during my congressional service of nearly 12 years I have handled many thousands of claims of veterans and their dependents. Of course, I made no charge for this service. In those 12 years I have probably established more compensation and pension claims than any other Member of either the House or the Senate. My long experience as an attorney enabled me not only to construe the technical details of the pension and compensation laws but also to understand the character and quantity of evidence necessary to establish a pension or compensation claim. In preparing the case of a veteran, I proceeded as carefully as if I were an attorney preparing a case for trial. It was a pleasure to serve the veterans of all wars.

# THE 1933 VETERANS' LEGISLATION COMPROMISE

In June 1933, during the closing days of the first Congress following President Roosevelt's inauguration, I served as a member of a veterans' committee appointed by the House Democratic steering committee to confer with the President and bring about an increase in pensions and veterans' allowances, and to secure liberalization of the entirely too drastic regulations promulgated by the Veterans' Administration under the provisions of the Economy Act. Largely as a result of the work of that committee a compromise was reached which materially liberalized the regulations relating to pensions and compensations, and added \$100,000,000 to the payments received by veterans for the year 1933.

# WIDOWS AND ORPHANS RESTORED TO PENSION ROLLS

This compromise negotiated by my committee also restored to the pension rolls the widows and dependents of 36,000 deceased World War veterans without any reduction whatever in their pensions. While this compromise materially increased Spanish-American War pensions and put back on the pension rolls many thousand Spanish-American War veterans whose pensions had been withdrawn under the regulations prescribed by the Veterans' Administration under the Economy Act, still the compromise did not give the Spanish-American War veterans their just proportion of the \$100,000,000 increase as a result of said compromise, nor did the compromise give to the World War veterans in-

creases to which they were entitled. That compromise in June 1933 embodied the best terms that could then be obtained.

BILL TO CORRECT INJUSTICE OF ECONOMY ACT

In the early days of the present session of Congress I introduced H.R. 7853, to restore and increase pensions and compensation allowances to veterans of the World War and their widows and orphans. This bill embodied the clarified provisions of the four-point program of the American Legion.

#### PRESUMPTIVE CASES

It provided that where service connection for a disease, injury, or death had, prior to March 19, 1933, been established, either directly or presumptively under the laws then in force, and which service connection was severed by the Economy Act or regulations thereunder, such service connection and rates for payment for direct or presumptive service-connected disabilities should be restored.

### PENSIONS FOR WORLD WAR WIDOWS

My bill provided for needy widows and children of World War veterans at the rate of \$15 a month for the widow, \$5 a month for the first child, and \$3 for each additional child, on the same conditions and rates provided for the widows and dependents under then existing law.

### RESTORATION OF HOSPITAL PRIVILEGES

My bill called for the restoration of hospitalization privileges restricted to Veterans' Administration facilities where a veteran needs hospitalization and is not able to pay for it.

REGULATIONS UNDER ECONOMY ACT TOO DRASTIC

No person who has studied the subject can escape the conviction that the Economy Act and regulations promulgated thereunder made an unreasonable and entirely too drastic reduction in veterans' pensions and compensation, and my bill proposed to correct this injustice and substantially restore the rates in force before the enactment of the economy bill.

# THE GOVERNMENT SHOULD DEAL FAIRLY WITH VETERANS

It was my thought that inasmuch as the Government was spending billions to aid and rehabilitate numerous industrial, financial, business, and other groups, much of which expenditure is in reality a gift or thinly veiled dole, then under these conditions a sound public policy demands that, as to service-connected disabilities, there should be a restoration of the rates that prevailed before the enactment of the Economy Act.

As long as the Government deals with prodigal liberality with practically every other group of our citizenry, we should not deal stingily or penuriously with our veterans whose service-connected disabilities have substantially reduced, and in many cases destroyed, their capacity to earn a livelihood.

# SPANISH-AMERICAN PENSIONS

I also introduced H.R. 7868, an act to increase the pensions of Spanish-American War veterans. Unquestionably the pensions that were paid this group under the Economy Act were grossly inadequate. Following the enactment of the economy bill, Spanish-American War pensions were subjected to a more drastic reduction than pensions of any other group of veterans, but my bill proposed to correct this injustice and practically restore the Spanish-American pension rates that prevailed before the passage of the Economy Act.

It also proposed the payment of pensions to widows of veterans who served 90 days or more in the service during the Philippine insurrection or the China relief expedition, from April 21, 1898, to July 4, 1902, at the rate of \$30 per month during their widowhood, together with a pension to minor children under the age of 16 years in the sum of \$6 per month.

In short, the two bills introduced by me would have substantially restored the compensation of World War veterans and the pensions of Spanish-American War veterans to the level that prevailed before the passage of the Economy Act. Veterans' Legislation, Seventy-Third Congress, Second Session

During the present session of Congress I actively supported legislation to correct the grave injustice that had been done

veterans and their dependents by the harsh regulations issued by the Veterans' Administration under the so-called "Economy Act." I voted for the House amendments to the independent offices appropriation bill, which substantially met the demands of the World War veterans, while the Senate amendment increased pensions and allowances to a point where it was very evident that the President would veto the bill if it carried the Senate provisions, and with the Senate amendment in the bill it could not be passed over the President's veto, while, on the other hand, it was generally believed that the President would approve the bill if it carried the House amendment.

With reference to Spanish-American War pensions, there was but little difference between Senate and House amendments. The Senate amendments provided that Spanish-American War pensions should be restored to 90 percent of the rates that prevailed before the passage of the Economy Act, while the House amendment provided that the increase should not be less than 75 percent.

While the House amendment did not give the veterans all they demanded, or all I think they were entitled to, nevertheless I believe that it represented the most that we could hope to get for the veterans at that time and under existing conditions. As a friend of the veterans, I thought it would be a mistake to insist on the Senate amendments, well knowing that their adoption would invite a certain veto, while we hoped that the bill carrying the House amendments would meet with Executive approval.

Nothing was to be gained by demanding something for the veterans that we knew could not possibly be obtained. In legislative matters I have always tried to be practical and look at every question from a practical standpoint.

Believing that the rates prescribed by the House amendments were not excessive, and that while reasonably fair to the veterans they were not unfair to the Government, I voted to override the Presidential veto of this measure. No Member of Congress has more loyally or whole-heartedly supported President Roosevelt's forward-looking, epochmarking, history-making program, and this I will continue to do.

I have a profound respect and unfeigned affection for our great President. His admirable qualities, intellectual integrity, broad catholicity, tolerance of opinion, and charity by which he judges the motives and sincerity of his fellow men have made him a world character, and securely anchored him in the confidence and affections of the American people. At no time has the President applied or sought to apply any species of pressure or coercion to force Members of Congress to oppose legislation which they believed to be wise and necessary or to support legislation which they considered inexpedient, unwise, and unsound.

The President's greatness, broadness, and tolerance are reflected in his generous estimates of other men's virtues, good qualities, and sincerity of purpose. I am sure the President would not have Members of Congress surrender their honest convictions in reference to important legislation, but he would have Congress exercise its constitutional prerogatives, and its Members vote in harmony with their convictions and deliberate judgment. The President has never claimed that his judgment and policies were infallible, but has said that he would be satisfied if experience demonstrated he was right 75 percent of the time. Slightly disagreeing with the President on veterans' legislation, I, nevertheless, have a record of practically 100-percent loyal support of the President and his policies.

# SEVENTY-THIRD CONGRESS STRENGTHENED AGRICULTURE AND BANKING

Mr. SNYDER. Mr. Speaker, when the history of the Seventy-third Congress is written it will be known as the "Congress of constructive and Nation-building achievements."

I notice that the Seventy-third Congress is next to the shortest Congress in the last hundred years. It will be recorded in the pages of history that it was not only the shortest but that there was less said by Congressmen in this session than in any other session in the last 30 years, and more accomplished than any Congress since the Civil War.

In a former statement in the RECORD I said that the Constitution was broad enough and flexible enough to protect all the people all of the time. To protect all of the people all of the time we must have a legislative program that adjusts itself to the needs of all of the sections of the country. The Seventy-third Congress gave to the people of the Nation a nation-building and citizenship-building program, and just like all well-organized companies, such as railroad companies and banking institutions and manufacturing institutions, elect a president to oversee or superintend the carrying out of the program that the board or executive staff agrees upon, so the Seventy-third Congress placed in the hands of a superintendent—the President of the United States—the power in many instances to put into effect and carry out the various measures enacted by Congress, so that the very best interests of all of the people of all of the Nation will be best served.

The whole program focuses toward one broad comprehensive aim—to put all of the people who wish to work back to work at a living wage. To do this it was absolutely necessary to enact certain pieces of legislation that were unlike former legislation enacted by Congress. For instance, in agriculture:

When I was a boy, and later a high-school teacher and principal, I was interested in agriculture. I would go back to the old farm where I was born and reared and my brother would ask me, "What are they doing for the farmer?" I would tell him of the various acts of Congress, but in 1932 he proceeded to tell me that he was of the opinion that all of the acts of Congress with reference to helping the farmer were failures. In a large measure he was right. In former sessions of Congress they were just as sincere as the Seventy-third Congress when it came to their wishes and desires to help the farmer. However, it is believed now that they did not have the right set-up of procedure. In fact, the only conclusion you can draw is that the conditions of the country with reference to the farmer and his activities were growing worse and worse each year.

Something had to be done. The Seventy-third Congress set up the N.R.A. The N.R.A. has been successful in its 9 months of application. The principles embodied in the N.R.A. are here to stay. The name may change and the method of application, the procedure, may change, but the fundamental principles embodied in the N.R.A. as a Government procedure to care for its people are here to stay for all time.

In May 1933 Congress passed the Farm Relief Act which embodied in substance the following:

For direct agricultural relief by authorizing the Secretary of Agriculture to force increased farm prices either through allocating production or through leasing of land for the purpose of withdrawing it from production and to license and tax processors of agricultural products to pay the cost of this program.

It arranged for farm-mortgage relief by granting authorization for the refinancing of farm mortgages at 4½-percent interest through the issuance of not more than \$2,000,000,000 in Government bonds, the interest of which—but not the principal—would be guaranteed by the Government.

It authorized a broad inflation program involving the expansion of Federal Reserve credits by as much as \$3,000,000,000 in Treasury notes secured not by gold but solely by the credit of the United States Government; also authorized the President—in the so-called "Thomas amendment" to devalue the gold content of the dollar as much as 50 percent, and for 6 months from the passage of the act to accept up to \$200,000,000 of silver at a price not exceeding 50 cents an ounce in payment for war debts due from any foreign government to the United States.

It empowered the R.F.C. to make loans in an aggregate not exceeding \$50,000,000 to drainage, levee, irrigation, and similar districts.

Additional measures that we passed to stabilize the farmers of the Nation are the Farm Credit Act and Farm Mortgage Refinancing Act, both measures passed during this session of Congress. Added to these we gave the farmers the Crop Loan Act, the Cotton Control Act, the Sugar Act,

and the cattle, cotton, dairy relief resolution. We gave the farmer stabilizing legislation in the same proportion and of the same comparative strength as we had always given to manufacturers and manufacturing institutions. Then to make him secure, the Seventy-third Congress passed in its final hours the Farm Mortgage Act, which protects those who were trying to keep and pay for their farms. As soon as the farmers learn of the details of this act they will be forever grateful to the Democratic Party and the Seventy-third Congress. Being a farmer boy, I am happy that I had a part in making it possible for the farmer to receive the same consideration as other big industries and big institutions.

#### BANKING AND SECURITIES

Even the children 10 years old remember the gloom that hung over the Nation March 4, 5, 6, 7, 1933. The gloom was caused by weak and ineffective banking laws and measures of the Nation and the several States. And as a result, crooks and jokers and bad managers of banks and similar institutions not only robbed the masses of multiplied billions of dellars but created a social and industrial condition that closed down our mills and factories and mines, and threw multiplied millions of our men out of work and put them in the soup houses and bread lines all over the Nation, where the Democratic Congress found them on March 3, 1933.

It is an inspiration to all the people all over the Nation when they see the effects of the new banking laws passed by the Seventy-third Congress. The bankers themselves are happy, and the multiplied millions of depositors know now for the first time in the history of banking in this country that if they take \$1,000 to any authorized bank carrying the insurance feature, that a thousand dollars will be there for them when they go back to get it. They know that the bank door will not be shut in their face. They know that if they take \$2,500 to the bank, that it will be there when they go after it. It gives the individual as well as the community and the Nation a feeling of confidence and stability.

The banking structure built by the Seventy-third Congress will not be fully appreciated for some few years to come. There are many reasons why it will be appreciated, but two of the main reasons are that a large group of the people lost everything they had and don't have much use for a bank, and another large group, mounting into the millions in number, have lost all confidence in banking institutions, and it will take some time before they will use the banks as they did in the years prior to the financial deluge of November 1929.

The gold repeal joint resolution Congress passed in June 1933, plus the Gold Reserve Act of January 30, 1934, and the stabilizing Silver Purchase Act, which is now in the hands of the President for his signature, are measures that when thoroughly applied over a space of years will stabilize the monetary system of not only our system but the nations of the world, and add to the strength of our banking institutions

The stenographers, the clerks, the postal employees, the caddies, the waitresses, the farmers, the miners, and all other groups, including the stock-exchange people themselves, are complimenting the Seventy-third Congress and the Democratic Party for having the courage and the wisdom to give the Nation the Securities Exchange Act. This act will protect everybody that wishes to invest in the several securities, whether they be bonds, stocks, or whatnot. This act is of such vast importance and of interest to such a large group that I will here give you a brief interpretation of the bill, because you can use it in your everyday walks of life:

The act provides for the regulation of securities exchanges and over-the-counter markets operating in interstate and foreign commerce and through the mails and the prevention of inequitable and unfair practices on such exchanges and markets

It granted far-reaching control over the exchanges to the Federal Government and undertakes to curb excessive speculation and unethical practices and protect investors.

It establishes a bipartisan securities and exchange commission of five members, appointed by the President with Senate consent, to administer the act and also to take over from the Federal Trade Commission the administration of the Securities Act of 1933.

It requires the licensing of all stock exchanges and the registration of all listed securities with the new commission, the registration statement to contain 10 categories of facts, set out in the act, and any further financial statements which the commission might deem necessary. Corporations with registered securities to be required in addition to file periodical reports certified by independent public accountants.

It defines the functions of dealers, brokers, and specialists, bans manipulative practices to establish artificial prices for securities, and provides penalties of \$10,000 or 2 years' imprisonment, or both, for those willfully and knowingly violating its provisions or any rule or regulation made under the act.

The maximum penalty where an exchange is the violator is set at \$500,000.

It provides for the regulation of margins and brokers' credit by the commission and the Federal Reserve Board, and that the Federal Reserve Board should prescribe rules and regulations with respect to the amount of credit that may be initially extended and subsequently maintained on any security—other than an exempted security—registered on a national securities exchange.

It stipulates that for the initial extension of credit such rules and regulations should be based upon the following standard: An amount not greater than whichever is the higher of (1) 55 percent of the current market price of the security or (2) 100 percent of the lowest market price of the security during the preceding 36 calendar months, but not more than 75 percent of the current market price.

It empowers the Federal Reserve Board to raise or lower the margin requirements for the initial extension or maintenance of credit when it deems such action necessary.

It grants to any person aggrieved by an order of the new commission the right of court review in the Circuit Court of Appeals of the United States.

It carries several modifying amendments to the Securities Act of 1933 to meet severe criticisms of business and industry.

# FARM BANKRUPTCY ACT

Mr. TRUAX. Mr. Speaker, on Saturday, June 23, from 12:30 to 1:30 p.m., Station WMAL, Washington, D.C., over a Nation-wide hook-up of the National Broadcasting System, I shall address the people of the United States and acquaint them with the details and merits of the most humane legislation ever passed by a Congress of the United States.

The legislation I refer to is the Farm Bankruptcy Act, enacted into law on the last day of the session of Congress.

The address will be made during the national farm hour. The time will be divided between Mr. Edward E. Kennedy, secretary of the National Farmers Union, who will speak from Chicago, and myself speaking in Washington, D.C.

# A NEW DECLARATION OF INDEPENDENCE

The Farm Bankruptcy Act passed both the House of Representatives and Senate today. With the enactment of this bill, which now awaits the President's signature to become operative, a new era of peace and hope dawns upon the American farmer.

No longer will he fear the summons of the sheriff. No longer will he scan in mortal terror the columns of his newspaper to learn whether judgments have been taken, foreclosure proceedings started, or orders of sale issued. No longer will he wear out hand and heart and brain, slaving and toiling under the brutal lash of the iron-hearted money lenders and Shylocks. This bill provides a moratorium for 6 years.

Four years ago, when I started a national crusade for the enactment of a national moratorium against foreclosure of farm real estate, I was laughed at, scoffed at, ridiculed by the bankers, insurance companies, real-estate dealers, ruthless lawyers, professional politicians, and the 36-percent loan sharks. These inhuman leeches and vampires were sucking the lifeblood of the farmers day by day and wanted no interference. They wanted to bleed them white.

In the primary and election campaigns of 1932 a farm moratorium was the first plank in my platform. Promptly on entering the Seventy-third Congress I introduced two bills which provided for a complete cessation of foreclosures, and which, if enacted into law at that time, would have stopped the bloody slaughter of at least 500,000 farmers. During that history-making special session of the Seventy-third Congress I waged a single-handed fight for the enactment of this humanitarian measure.

Shortly after Congress convened in its regular session I laid on the Speaker's desk a petition to discharge the Committee on the Judiciary from further consideration of the bill. Following an interval of several weeks, my efforts, together with that great friend of the farmers, Congressman William Lemke, of North Dakota, were concentrated in a long but successful drive to secure 145 signatures on the petition to discharge the Ways and Means Committee from further consideration of the Frazier-Lemke bill to refinance existing farm mortgages at 3-percent interest, which included amortization of the loan.

Our efforts succeeded in securing the requisite number of signatures, but consideration of the bill was blocked and prevented by parliamentary tricks from those who opposed its passage.

In the meantime I had prepared a bill of my own which would not only have established an immediate moratorium against all foreclosures, orders of sale, and deficiency judgments but which included also all the salient features of the bill prepared by Mr. Lemke and introduced by Mr. McKeown. However, owing to the rapidity with which Congress was completing its work and preparing to adjourn, once again I deferred to my friend and colleague, Congressman Lemke, and supported his bill vigorously and militantly.

When the Senate bill reached the House, the major portion was stricken out and the House bill substituted. After a series of trips back and forth from Senate to House, House to conference, conferees to Senate, and so forth, there came the momentous hour when it was a race against time to secure final action by both Houses before adjournment.

About 11 o'clock Saturday night, I was informed by the distinguished Senator from Alabama [Mr. Bankhead] that a Senate amendment had been added, and it would be necessary for the House conferees to accept the amendment and secure quick action, since we both expected that adjournment would be taken within the hour. Hurriedly, I summoned the Honorable Marvin H. Jones, Chairman of the Committee on Agriculture and William Lemke, author of the bill, with the result that the amendment was accepted and adopted by the House.

It so happened, however, that the House and Senate, instead of adjourning, recessed until Monday. After convening Monday, to our amazement it was learned that the bill had been lost in conference and could not be found. Immediately upon the receipt of this information, the distinguished Senator from Louisiana, Mr. HUEY P. LONG, announced that a filibuster would be conducted unless the bill was found and acted on promptly.

I obtained from the majority floor leader, the Honorable Joseph W. Byrns, and the illustrious Speaker of the House, the Honorable Henry T. Rainey, assurances that the conference report would be called up for consideration and action just as soon as it was found and presented.

I am happy to conclude this statement by saying that within 2 hours the bill was found, promptly acted upon by both the Senate and the House, thereby writing a new declaration of independence for the tillers of the soil—the real knights of nature's nobility—and without whom this great country of ours would soon perish.

# THE NEW DEAL AND THE COLORED CITIZEN

Mr. GAVAGAN. Mr. Speaker, representing the Twenty-first Congressional District of New York, including the greater part of Harlem, the native State of both President Franklin Delano Roosevelt and Hon. James A. Farley, Post-master General of the United States and chairman of the Democratic National Committee, I therefore take peculiar pride in setting forth in the Congressional Record as I see it just how the colored citizen has fared under the new deal.

It is understood, of course, that as part of the whole citizenry the colored American citizen has and will enjoy the same wholesome benefits to be derived from higher standards of living, increased wages, and better housing conditions in the national recovery program as his fellow compatriots.

It has been increasingly evident that President Roosevelt, unlike his predecessor, as well as Mrs. Roosevelt, have drawn no color line at the White House.

The Chief Executive of the United States entertained President Stenio Vincent, of Haiti, and then posed with him for a picture and the sound movies. He was no less diffident in the honor freely bestowed upon his classmates of Harvard University, among them some 14 distinguished colored citizens. They and their families found the sociability of the President and Mrs. Roosevelt as they chatted on the White House lawn most stimulating. The little 6-year-old colored boy during the Easter-egg rolling fete who was "shot" in the picture with the three other youngsters got a great thrill out of holding the hand of the First Lady of the land while she beamed the Roosevelt smile before the battery of cameramen for the edification of all and sundry everywhere, at home and abroad. It recalled a like picture taken on her visit to the Virgin Islands. Mrs. Roosevelt's deeds have been no less significant than her speeches, especially the admonition to the educational leaders of the Nation assembled in Washington when she stoutly condemned double standards in teachers' salaries, buildings, equipment, and educational opportunities practiced to the detriment and social welfare of the whole country, and the colored citizen more spe-

Mrs. Franklin Delano Roosevelt, addressing a group of race educators in Washington, declared:

The day of really working together has come. We must learn to work together regardless of race, creed, or color.

After telling the conference that she favored equal educational opportunities for every child in the land, she said:

We can have no group beaten down, underprivileged, without reaction on the rest. Where the standard of education is low, the standard of living is low.

Unfortunately, Mrs. Roosevelt's address did not receive the widespread publicity it should have had. Such preachments as she uttered should be especially emphasized in the South, where black men and women have been deprived of education and training, which would have been beneficial both to them and the communities in which they live.

We congratulate Mrs. Roosevelt in her courageous stand for those principles which, if adhered to, will ultimately banish the brutalizing influences of the southern white man and enable him to recognize that the South cannot rise to its proper place economically, socially, and politically until it becomes educated beyond the distressing influences of hate, greed, and selfishness.

The colored race must be educated, to be sure, but the Nation must be educated as well to the point where it can appreciate the advantages to be obtained from a unified spiritual accord inherently applicable to all citizens alike.

The fact that President Roosevelt granted Walter White, secretary of the National Association for the Advancement of Colored People, an hour in the White House study Sunday a fortnight ago to get the facts as only he could reveal them on the history of lynchings and mob violence in this country must be construed as a distinctly forward step.

The President's personal interest, and that of the administration, was further borne out by the pressure upon Congress to pass the Wagner-Costigan Federal antilynching bill, favorably reported by the Senate Judiciary Committee. It is the first serious effort in this direction taken in the past 6 years that I have been here. Many promises to introduce and push such legislation had been written into certain party platforms, but up to the advent of this administration no action had been taken to put it through Congress.

In passing, a citation of the fact that there are 52 employees in the White House proper, of which 28 are colored

men and women, today is pertinent; 5 chauffeurs, 3 of them colored, and a half dozen messengers in the office of the President, and 1 clerk, Edgar Pryor, who was requested because of his expert knowledge of naval affairs, acquired while employed in the office of Assistant Secretary of the Navy, the position held by the present Commander in Chief during the administration of President Woodrow Wilson.

President Roosevelt's personal bodyguard is Gus Grenich, and his constant attendant Irvin Henry McDuffie, incorrectly designated by a newspaper writer as a Scotchman, but he is, as a matter of fact, a highly respected member of the colored race, once a partner of the Herndon Barber Shop, of Atlanta, Ga., one of the most successful businesses of its kind in America. Mrs. Allen, steward and director of the White House cuisine, holds a most responsible position. She is a colored woman of splendid training and fine personality.

The country has become so certain of the wholesome implications of the new deal in all its ramifications that no question was raised and not a dissenting vote cast in the United States Senate against the confirmation of Dr. William J. Thompkins, of Kansas City, Mo., for recorder of deeds of the District of Columbia. The fact that President Roosevelt saw fit to honor a distinguished colored citizen by such an appointment was sufficient to receive the unreserved official public approbation of North and South alike and every one of the 96 Senators' affirmative votes.

Missouri's particular pride in this unprecedented recognition of one of its most renowned leaders in professional, civic, and business achievement has known no race limitations and New York joins in its felicitations. President Roosevelt, as Governor of New York, portended this greater national recognition of our colored citizens when he signed the bill, twice vetoed, which made possible the election of the two only municipal judgeships in the country held by colored lawyers, excepting the District of Columbia.

No little credit for Dr. Thompkins' high place today in the United States Government may be attributed to the faithfulness in which Postmaster General James A. Farley and the dynamic leader of the party has carried through the promise of the platform of the 1932 Democratic National Convention written in Chicago, "Equal rights for all, special privileges for none."

G. Victor Cools, of New York, a graduate of Columbia University, and well-known economic expert, and John Prescott Murchison, Lincoln University, Jefferson City, Mo., have been appointed regional project managers with two other colored leaders for the subsistence homesteads division. Many States have been recognized in this very important organization as well as the Home Owners' Loan Corporation. Thousands of families have been given a new start in life through these services. Several laws passed by Congress during this session will enable the Administrator of the Agricultural Adjustment Act to better protect the interests of the tenant farmer in the South, so many of whom are colored.

The President outlined in his final message to Congress legislation which will guarantee in the future to every family, regardless of race, creed, or color, absolute security of a job, unemployment insurance, a home, an education, and oldage pension. It is significant that in Richmond, Va., one of the two most successful "self-help subsistence projects"—the other is Lansing, Mich.—out of 300 under the supervision of Administrator Harry L. Hopkins, of the Federal Emergency Relief Commission, that both colored and white families are working together for decent American living standards.

The Civilian Conservation Corps has absorbed 50,000 white and colored boys, who were hitch hiking over the country, to the great boon of these fine American youngsters out on their own; likewise the general peace and safety of every community in the country; has been thereby brought a little nearer reality. Many others from large families in urban centers have added the full weight of their mighty sinews of brain and muscle to reforestation

and the like, while providing at the same time \$25 a month cash relief to the folks back home. Employment, too, has come to colored recreational leaders, doctors, and nurses from the establishment throughout the country of these C.C.C. camps. There has been no color line in this service to American boys and American families. It is estimated there are a million colored men and women on work relief by the Federal Emergency Relief Commission. Positions as accountants, auditors, clerks, stenographers, case aides, tabulators, statisticians, technical supervisors, nurses, teachers, doctors, foremen, timekeepers, skilled and unskilled laborers have been created under this new-deal governmental set-up to a greater degree than ever before afforded the colored citizen. Many thousands of these are scattered over the five boroughs of New York as elsewhere.

The "little cabinet" and the much-discussed "brain trust" have had their counterpart in the administration bringing into the Government such well-known colored leaders and highly trained social experts as Eugene Kinkle Jones, Yale University graduate, and for 25 years executive secretary of the National Urban League, with headquarters in New York, as the special adviser on Negro affairs to Secretary of the Department of Commerce, Hon. Daniel C. Roper; Forester B. Washington, director Atlanta School of Social Science, as an assistant to the Honorable Harry L. Hopkins, Administrator of the Federal Emergency Relief Commission; and Earl R. Moses, M.A., University of Chicago, and research director of the Chicago Urban League, as a member of the Research and Statistics Bureau of the Federal Emergency Relief Commission; Robert L. Vann, Special Assistant Attorney General under Attorney General Cummings; William Hastie, Harvard University, and Theopolius Mann, Illinois University, attorneys in the Department of the Secretary of the Interior, Hon. Harold L. Ickes; and Prof. H. D. Hunt, of Fort Valley, Ga., in the Farm Credit Administration; T. M. Campbell, Tuskegee, and J. B. Pierce, Hampton Institute, in the Department of Agriculture, under Secretary Henry A. Wallace. L. A. Oxley, of North Carolina, was appointed as labor arbitrator and adviser on Negro affairs in the Department of Labor by Secretary Frances

In the 17 Southern States, with nearly 2,000,000 illiterates and a 10,000,000 population of colored citizens, over a half million colored persons were taught to read and write during the past year, according to Dr. Coliver, former dean of Fisk University and assistant to Dr. Alderman, head of the adult educational program under the Federal Emergency Relief Administration; too, the school term was extended 2 months and the salaries of a thousand colored school teachers increased. A real frontal attack against illiteracy has been made and is continuing under the personal impetus of Mrs. Roosevelt's leadership.

In Chicago 114 colored school teachers are now employed under the new deal continuation summer school at a salary of \$100 per month, and an equal number of nurses are also on the job. A like opportunity is presented to every community in the United States and the islands of the sea under our jurisdiction. One hundred and twenty colored colleges of higher learning provided between 15 and 20 dollars a month per capita during the past year from Federal funds which benefited nearly 4,000 colored students. Howard University and the Freedmen's Hospital in Washington received \$2,000,000 from the Public Works Administration.

These generous and general doses of new educational opportunities made possible along constructive social lines in every State of the Union for all alike should prove an incalculable asset in the development of an enlightened and happier citizenship.

In the department of Government giving permanent employment to the largest number of colored workers notable progress has been made under Postmaster General James A. Farley, both in status and working conditions.

Thousands of ex-service men and their families were benefited by the extra jobs in the post office, created by the holiday rush of the Yuletide.

The New York post office has made many promotions in the past year, a policy, I understand, carried out all over the country along with the erection of many modern postoffice buildings.

In Pittsburgh at the Wylie Avenue post office, the office of the district supervisor is capably filled by a colored postal employee, promoted under Postmaster General James A. Farley to the new rank, now, for nearly a year. It was one of the first official acts of this high official in the President's Cabinet.

Colored men share the positions as elevator operators in the Washington Post Office Building dedicated last week. A colored girl and a supervisor are assigned to the private elevator of the Postmaster General in this newest of the Capital's buildings, second in size only to the great Department of Commerce Building, where colored women elevator operators serve as in so many of the Government buildings.

It is estimated upwards of 60 colored farmers in each of the thousand to 1,500 counties of the South have been loaned an average per capita of \$200 for seed, fertilizer, livestock, and machinery for planting cotton or plowing it up under the direction of the A.A.A. Administrator. This runs into millions of dollars in direct financial assistance for these people from the Government.

It certainly cannot be denied that no class of our citizenry has received larger benefits in general and specific employment than the colored worker from the repeal of prohibition, which was carried through as one of the first big objectives of the new deal.

Finally I may say, with pardonable pride, that my vote for all the new-deal legislation and my unswerving and enthusiastic approval of President Roosevelt's leadership in Congress are a source of inexpressible joy to me, because they have made possible the greatest service to my constituents, high and low, Jew and Gentile, Catholic and Protestant, all alike, regardless of race or color.

# OUR MONEY ISSUED BY CORPORATIONS OWNED BY PRIVATE

Mr. PATMAN. Mr. Speaker, the 12 Federal Reserve banks should be owned by the Government. They are owned at this time by the member banks, private corporations, and the Government does not own one penny of their stock; neither does any individual own a penny of their stock. These banks occupy the unusual position of being permitted to issue Federal Reserve notes—paper money, currency—which represent a blanket mortgage upon all the property and incomes of all the people of this Nation, without paying a cent in the form of compensation for its use. They pay about 27 cents a thousand dollars for the cost of printing. The Constitution provides that Congress shall coin money and regulate its value. Instead, Congress has farmed out to these 12 banks the great privilege of issuing money.

# BILLION-DOLLAR FRANCHISE

Under existing laws these banks use the credit of the Nation free of charge and are exempt from the payment of all Federal, State, and local taxes, except taxes upon the real estate that they own, which is very small because their real-estate holdings are confined to the buildings that they occupy. They pay their officers as much as \$50,000 a year in salaries. In December 1933 an effort was made by certain large bankers to get the \$50,000 salaries raised to \$75,000. They have an unlimited expense account, charge off all losses they desire to charge off, have unlimited power and authority to use the Nation's credit, yet do not pay anything for the use of this great privilege-just the cost of printing the money, about 27 cents per \$1,000. It is a billion-dollar franchise that has been given on a silver platter to private corporations. The business of these banks is transacted in secret. Members of Congress do not know how they operate or how they use the Nation's credit, or for what purpose the credit of the Nation is used. No private concern on earth ever had so much power and authority without restraint, restriction, or cost.

#### RACKETEERING BANKING SYSTEM

The people of this Nation would not stand for the existence of such a racketeering banking system 24 hours if they all knew the truth about it at the same time. The administration in power must be careful not to advance too far ahead of public sentiment. Therefore, in order for the administration in power to be warranted in making such changes as are necessary to be made in the people's interest, it is necessary that we get the truth to the people.

### FEDERAL GOVERNMENT MAY FUNCTION WITHOUT TAXATION

H.R. 9855 of the Seventy-third Congress was introduced by me in the House and by Senator Cutting in the Senate. This bill is intended to enable the Government rather than private interests to profit by the use of the Nation's credit, thereby to lessen the burden of taxation. I am convinced that if the Government will use its credit in the interest of the people, and get a fair compensation for its use, the Federal Government may function without taxation. In addition, credit may be furnished for all public benefits, including highway construction and education, without interest charges. Under present laws and policies a few large bankers have a monopoly on the use and abuse of the Government's credit. They pay nothing for its use, but charge the people with whom they deal for the use of their own credit. H.R. 9855 will be reintroduced in January 1935 and its passage insisted upon.

#### MY RECORD IN THE SEVENTY-THIRD CONGRESS

Mr. ELLENBOGEN. Mr. Speaker, the greatest peacetime session of a Congress of the United States has just come to a close. Today the curtain falls on a spectacle which will live forever in the annals of the American people. Every Member of Congress whose good fortune it has been to take part in that spectacle cannot but feel a thrill of pride in the contributions which he himself has made to this record of achievement.

# RESPONSIBILITIES OF THE SEVENTY-THIRD CONGRESS

It fell on us, as Members of the Seventy-third Congress, to assume the leadership in marshalling all the resources at our command to combat forces as destructive as those resulting from the most terrible of wars—the forces of starvation and want, of misery and despair. Looking back on the darkness which seemed to envelop us during those terrible years, when the faith of a nation was steadily sinking, when only stark hopelessness loomed ahead—looking back, I say, on that fallow period and then turning to what has been since—to the emergence of a new leadership and the rebirth of a new and steadfast hope—we must give thanks for the opportunities which have been given us to help in the great battle for the restoration of better times to the American people.

# THE LEADERSHIP OF PRESIDENT ROOSEVELT

It has been our great good fortune, in helping to accomplish this change, to serve under an inspired leadership, and to be strengthened in our purposes by that leadership. The voice of the new President of the United States on March 4, 1933, brought to discouraged and despairing millions the message of a new deal. The confidence that voice instilled revived a nation, and since that day every action, every message, every piece of legislation which has come from Franklin D. Roosevelt has shown the American people that he is leading them steadily forward to the goal of a new national prosperity and a new national security.

We embarked on a war against depression. We attacked poverty and unemployment. We said that starvation must cease, that millions of unemployed must go back to work, that homes must be saved for their owners.

These broad principles have been translated into reality by the President and by the Seventy-third Congress, and I take great pleasure in knowing that I have done my full share in helping to carry out this constructive and humanitarian program.

# THE GRAVE PROBLEM OF THE DISTRESSED HOME OWNER

Among the grave national problems which confronted this session of Congress, none was more serious than the plight of the small home owner. There were literally hundreds ! of thousands of small home owners in this country who were faced with foreclosure, with sheriff sales, and with eviction.

I addressed myself to this problem long before the second session of this Congress convened. My observations in my own State of Pennsylvania, and studies of conditions in the country as a whole, convinced me that further legislation was necessary to provide adequate relief.

### THE HOME OWNERS' LOAN CORPORATION

We have already set up a governmental agency, the Home Owners' Loan Corporation, for the purpose of exchanging the bonds of this organization for distressed mortgages on small homes, and thus saving them from foreclosure. I believed then-and subsequent developments have fully confirmed the accuracy of my contentions-that this legislation, admirable as it was in the purpose, was functioning under severe handicaps which mitigated against its usefulness and hampered its work.

DEFECTS OF THE ORIGINAL HOME OWNERS' LOAN ACT

In the first place, the bonds of the Home Owners' Loan Corporation were guaranteed by the Government only as to interest, and not as to principal. Their value was immediately questioned. Many holders of mortgages definitely refused to accept them, and others were reluctant to take these bonds in exchange for the mortgages which they owned.

Second, I not only believed, but knew, that the total amount of bonds which the Home Owners' Loan Corporation was authorized to issue-\$2,000,000,000-was not nearly sufficient to afford the relief which the home owners of this country required.

A careful study had shown me that, at the most conservative of estimates, not less than \$7,000,000,000 in home mortgages in the United States were in default, and eligible for aid from the Home Owners' Loan Corporation.

# THE H.O.L.C. BONDS WERE NOT ACCEPTABLE

Those were two outstanding defects of the existing structure-no guaranty of principal, and insufficient capitaliza-

How serious the first was can be shown by the fact that a special ruling, which I obtained from the Comptroller of the Currency of the United States and from the attorney general of Pennsylvania, was necessary in the State of Pennsylvania for certain financial institutions. These institutions had shown no enthusiasm for accepting the bonds, at first claiming that they could not do so, and, after it became clear that they could, refusing to do so, because only the interest on the bonds was guaranteed.

Of what avail was it to the small home owner, who had seen in the enactment of this legislation the salvation of his home-of what avail was it to him that the Home Owners' Loan Corporation accepted his application for refinancing if the holder of the mortgage on his property refused to accept the bonds of the Corporation?

# BILLS TO REMEDY THE H.O.L.C. SITUATION

Such a situation was intolerable, and I prepared legislation for its relief.

Within a week of the opening of the second session I introduced three bills-H.R. 6141, H.R. 6147, and H.R. 6564. The last of these bills embodied in full the changes I believed necessary in the Home Owners' Loan Act of 1933 if it was to be a real instrumentality for the aid of the distressed home owner.

My bills provided for the guarantee of the principal of the bonds of the Home Owners' Loan Corporation, as well as their interest; they increased the amount of bonds which the Home Owners' Loan Corporation could issue to \$5,000,000,000 and contained still another important provision-to set aside \$1,000,000,000 for new-home construction.

# THE CONGRESS ADOPTED THE CHANGES ADVOCATED BY ME

I am truly happy to say that these and other changes in the Home Loan Act which I suggested were adopted by Congress.

The Congress increased the amount of bonds which may be issued to \$3,200,000,000 and provided that the bonds I introduced my bills in Congress.

should be fully guaranteed by the Government, both as to principal amount and as to interest payments. These bonds are now Government bonds, as good as cash, and no reasonable person will reject them.

# PROVISIONS FOR NEW CONSTRUCTION

And now I shall discuss my housing program. It contemplated the repair of existing homes and the construction of new homes, both individual homes and low-cost housing projects. The importance of this program is twofold: a substantial new-home construction program on a national scale means both a tremendous decrease in unemployment among the building and construction trades, and the providing of clean, decent homes for the middle class and for hundreds of thousands of small wage earners and their families.

# EFFECTS OF THE DEPRESSION ON THE BUILDING TRADES

Of all the trade groups which have suffered from our economic depression, none has felt the blow more keenly than those which depend on building construction for a livelihood. The moment a country starts downward into an economic and financial slough, the construction of new buildings declines sharply.

At the height of the depression, I should estimate the total of unemployed in the construction and allied groups to have been nearly 4,000,000 men, and when I started advocating a broad construction program the number had not yet diminished.

There was no construction. No one was building. No capital was available, no mortgage loans could be procured.

What was happening to these millions of men-highly skilled and capable though they were? Most of them were on the relief rolls. A part of the huge total was taken care of in C.W.A. and later in R.W.D. projects; the rest had to apply for direct relief.

How much better, how much more far-seeing, to transfer their energies, to take the load of relief money off the Government through putting them back to work, to that type of work for which they were most suited and which would produce lasting benefit to this country. It was work which could be translated in terms of homes-new homes, small but sturdily built, homes for the middle class and for the small wage earner who has always dreamed of owning that most precious of all material possessions-a home.

# DOES THIS COUNTRY NEED NEW HOMES?

Our country can use such homes—hundreds of thousands of them. When I first introduced and began to advocate this legislation many people were amazed when I told them that 24 Government agencies here in Washington had made studies on this very point and that their estimates varied from 400,000 to 700,000 new homes necessary to be built each year for the next few years. Natural deterioration, destruction by fire, the increase in the population, marriages, and other factors combined to create a demand for new homes.

If you think that we cannot use new homes in this country, come with me to Pittsburgh, where I can show you hundreds of hovels for which the word "home" is a sorry travesty.

Yet in this squalor people live, crowded three and four in a room, in wretchedness, without sanitation, little air. and, worst of all, without hope of anything better in the

What kind of lives can such people live? What contributions can they make to the well-being and to the progress of their community?

Their lives are vacant and empty, and their contributions to society are found in the crime headlines of the daily papers and in the criminal records of our courts.

# SLUM CLEARANCE AND NEW-HOME CONSTRUCTION

The slums must go. That is the beginning. With it must come a huge Nation-wide housing-construction program. Such a program can be the greatest single force for the return to normal times and at the same time bring a new era in good housing to this country.

This, then, was the program I had in mind and for which

PRESIDENT ROOSEVELT APPROVES THE FUNDAMENTAL PRINCIPLES OF MY HOUSING PROGRAM

I had the honor of discussing my housing program with President Roosevelt in January 1934. The President was very sympathetic and in accord with the fundamental principles of the program. He immediately referred my bill to his advisers for study and report. I later introduced H.R. 9118, which contained the housing program in revised form, and discussed my plans and the need for a revival of the construction industry with the departments and bureaus charged by the President with the study of this question.

CONGRESS PASSES THE HOUSING BILL

Finally a bill was evolved which had the complete endorsement of President Roosevelt and his administration. It has just been passed by Congress. I am hopeful that this means the beginning of a huge construction program which will employ thousands upon thousands of unemployed from the building trades and allied industries and will bring about the repair and modernization of our present homes and the construction of needed new homes.

The housing program, if properly carried out and continued over a number of years, will bring about a new era of housing for the American people. It will provide decent, comfortable, and pleasant living quarters for the small merchant, the professional man, the white-collar employee, and for the industrial worker. It will make life worth living and bring contentment and peace to millions of our citizens. If properly started and adequately continued, the housing program can pull us out of the depression and become one of the major achievements of this century.

I am frank to admit that I am gratified at the passage of this legislation and of the home-loan legislation, for both of which I worked so hard. I feel that I have made a contribution of lasting value for millions of our citizens. I feel that I have done my part in making life more livable for the American people.

#### OLD-AGE SECURITY

I have been deeply concerned with advancing the movement for social legislation—legislation for improving the social welfare of our people.

Paramount in such a program is insurance against old age and unemployment. We must remove from our people the dread of the insecurity of old age.

A person who has spent his life in hard and honest work, who has raised a family, and has been a useful part of his community, can justly call upon society to help him in his old age, when he is unable to work or cannot find employment. Security for our old people will be a blessing to them, a humane act, and a benefit to society.

I have given much study to the problem of old-age pensions. As a result of that study, I have advocated in the Congress of the United States a system of old-age insurance which differs from the systems prevailing in our States in two fundamental points:

First. I propose a national system, uniform throughout the United States, under the administration or at least supervision of the Federal Government.

Second. I propose that the money should be raised by contributions by the employers and the employees—and perhaps also the Government—and not be paid out of the Public Treasury, which means payment from general taxation.

Some of our States have systems of old-age pensions. Most of them, I fear, will not bear too close a scrutiny. I regret that Pennsylvania must be placed in that category. In this State the system in effect is not really an old-age pension system. It is in truth a pauper law.

# DEFECTS OF STATE OLD-AGE PENSION SYSTEMS

State systems are no solution. Some are stop-gaps. Others are sops thrown to pioneers in social legislation. There is little or no uniformity between the various State systems. In every one a long previous period of residence within the State is required for eligibility, so that, in order to receive the benefits, one cannot leave the State after he is 45 years or 50 years old, depending upon the particular State.

It is only through a national system that we can truly promise the aged of this country security and avert for them the tragedy of old age.

#### ADVANTAGES OF A NATIONAL SYSTEM

First. Only a national system can protect all dependent persons of old age, because in those States which have oldage pension systems there are residence requirements to 10, 15, 20, and even 25 years. Thus, in a State which requires 15 years and pays pensions beginning with the age of 65, a person 50 years or over could not leave the State and thereafter be eligible for a pension.

Second. Some States would not adopt old-age pension systems, and thus only a part of the citizens of the United States would receive pension benefits.

Third. The amounts of the pension would greatly vary.

Fourth. A Federal system by States would place one State at an economic disadvantage against another. In those States which adopt old-age pensions the cost of manufactured goods is affected. Many States will therefore refuse to adopt an old-age-pension system, because they will be placed at an economic disadvantage against competing industrial States which do not have such systems.

Fifth. The Federal Government is more remote from local political influence. It is more reliable in handling the funds which would be available in such a system, and could also invest these funds more advantageously than State agencies.

# THE CRUELTY OF THE POORHOUSE

All the tragedy of life—the bitter trail of misery and empty existence—can be seen in the gnarled hands and pitifully rounded shoulders of a poor old woman. It can be seen in the faces of gray men standing in our unemployment and bread lines, only to be told, "Too old."

We have been able to offer these aged of ours thus far only the supreme degradation—the poorhouse. This has been our solution of a problem—to separate a husband from his wife, a parent from his children; to wrench old people from the surroundings which they have known and loved for a lifetime; force them to leave their homes, in which they love every one of their belongings, small and insignificant though they may be. In return we have given them the poorhouse, a place where there is no privacy, where the sick mingle with the well, where their everyday lives and smallest acts follow a regimented course.

# THE POORHOUSE SYSTEM IS NOT ECONOMICAL

This, you may say, is argument to the emotions. Let us then examine it from a more practical point of view—that of dollars and cents. Accurate statistics are available to prove conclusively that the cost per person is lower under a pension system than under a poorhouse system. In a poorhouse there is property to be maintained, depreciation costs to be written off, staff to be housed, fed, and paid. In addition to being a cruel system, it is a very expensive one.

The poorhouse is much more costly than a system of oldage pensions. For instance, in New York State it costs \$39.61 per month to maintain a person in the poorhouse and only \$23.80 to pay him an old-age pension.

# RESOLUTION FOR A CONTRIBUTORY SYSTEM OF OLD-AGE PENSIONS

On January 8, 1934, and on February 2, I introduced in the House of Representatives House Resolution 212 and House Resolution 234, respectively, both on the subject of old-age pensions. The last resolution directs the House Committee on Labor to hold hearings, to investigate the actuarial, legal, and other problems involved, and to report to Congress on or before January 3, 1935. The most important feature of this resolution is that it definitely contemplates a contributory system of old-age insurance. The Committee on Labor is directed to prepare necessary studies and data for the drafting of legislation to establish a national system of old-age pensions on a contributory basis.

# CONGRESS PASSES THE ELLENBOGEN RESOLUTION

My resolution was unanimously passed by the House of Representatives on February 15. This is the first time that the attention of Congress was directed to the contributory system

#### PROVISIONS OF THE CONTRIBUTORY SYSTEM

Permit me to explain briefly what such a system contemplates. The contributory system is an insurance system, under which employer and employee contribute weekly sums to a central fund, and a pension is paid out of this fund when the employee reaches the pensionable age. During periods of unemployment no contribution is made, of course, and the contribution itself is a very small one. For example, it has been estimated that for a person of 18 years the total contribution would be about 28 cents per week, so that if it is divided equally between employer and employee each would contribute about 14 cents per week.

The contributory system is widely recognized as superior. Out of 42 foreign countries which have old-age pension systems, 31 have adopted the contributory system.

Country after country has recognized its obligation to its aged by the adoption of a national system of old-age security. In fact, of all the large countries of the world, the United States shares with only India and China the dubious distinction of not having a national system of oldage insurance or pensions.

THE PRESIDENT HAS ENDORSED THE NATIONAL CONTRIBUTORY SYSTEM PROPOSED BY ME

The faith I had in the value of the contributory plan has now been vindicated. The President has endorsed the plan of old-age insurance, which I first introduced and which I was the first to advocate in the Congress of the United States. The President has endorsed both fundamental principles of my resolution, namely, the contributory system of old-age insurance and a system to be national in scope.

On June 8 President Roosevelt sent to Congress a message which will become, I predict, an imperishable document, for it lays down principles which, if adopted, will establish a new era in the social security of this land.

Among our objectives-

Said the President-

I place the security of the men, women, and children of the Nation first. \* \* Next winter—

The President continues-

we may well undertake the great task of furthering the security of the citizen and his family through social insurance.

Specifically, how is this to be brought about? President Roosevelt says:

I am looking for a sound means which I can recommend to provide at once security against several of the great disturbing factors in life—especially those which relate to unemployment and old age. I believe there should be a maximum of cooperation between the States and the Federal Government. I believe that the funds necessary to provide this insurance should be raised by contribution rather than by an increase in general taxation. Above all, I am convinced that social insurance should be national in scope.

# LEGISLATION WILL BE INTRODUCED AT THE NEXT CONGRESS

In the message the President states that the actuarial and other necessary studies for the formulation of national legislation have begun. Because of my interest in this work, I have been asked to participate in this highly important preparatory work, and I shall be more than glad to do all I can.

I was alone in the Congress in advocating the contributory system. I am truly happy that it has now been endorsed by President Roosevelt. The President's message made a deep impression upon the Congress, and upon the country. It has brought my program of national old-age insurance on a contributory basis immeasurably closer to realization.

The next session of Congress is now committed to the consideration of the program I have long advocated. I hope that it will be adopted.

# THE UNEMPLOYMENT AND POPULATION CENSUS

In the session which has just come to an end, I also introduced legislation for the taking, on November 12, 1934, of a national census of unemployment, population, occupations, agriculture and livestock. This plan was embodied in the following legislation which I introduced: House Joint Reso-

Iution 234 on January 17; H.R. 7765 on February 7, and H.R. 8436 on March 2.

This census plan was passed in the House of Representatives on June 7, 1934. The last national census which was held in the United States took place in 1930. Since that time, this country has passed through 4 years which have completely changed its entire economic structure. There have been population shifts of unprecedented size from one locality to another. Members of families have been separated; communities whose existence depended on one large manufacturing establishment or factory have lost their economic security and much of their population. Hundreds of thousands of unemployed have left the cities and have gone back to the country.

# ALL GOVERNMENT AGENCIES ENDORSED THE CENSUS PLAN

The Secretaries of Commerce, of Labor, and of Agriculture favored my census plan. It was also endorsed by Harry L. Hopkins, Federal Relief Administrator, and by the Director of the Budget.

The date, November 12, 1934, was fixed for the holding of the census after much study and several conferences with the departments for the following main reasons:

First. So that the unemployment figures would be available toward the end of December.

Second. Because in the interest of accuracy, a census on unemployment should be taken, when unemployment was neither at its peak or depth, but at an average period. November appeared well suited for this purpose.

Third. The Department of Agriculture desired November, after the crops have been harvested and before tenant farmers remove to new farms.

# INFORMATION TO BE DERIVED FROM THIS CENSUS

To those who opposed this plan I say this: I challenge you to tell me with a fair degree of accuracy the number of unemployed in this country. Tell me how much population has drifted in the last 4 years, even in your own community. What trades and industries have contributed most to unemployment? What are the occupations of the unemployed? How many young men and women are there in this country, graduates of high schools and colleges, who have never had a job since leaving school?

You have in the educational systems of your communities, vocational schools, for the purpose of advising young men and women as to their future occupations and trades and preparing them for these. Tell me, if you can, how you can give such advice and conduct such courses when you do not know what occupations have the largest number of unemployed and the least probability of giving employment to newcomers.

# THERE IS AN URGENT NEED FOR THIS INFORMATION

These are but some of the aspects of this problem which we must know. It is clear, and admitted by everyone, that we do not have such information, that any estimates of unemployment are guesses, and that we must have these statistics as soon as possible.

We cannot have lasting recovery without an intelligent solution of the unemployment problem, and such a solution is impossible without the data which the census would give us. The welfare of the unemployed and the welfare of our country demand a census on unemployment, occupation, and on population. I am glad that the House of Representatives recognized this by passing the plan for the census.

# OTHER LEGISLATION SPONSORED

Among other legislation which I have sponsored, I should like to mention several bills which I have introduced providing for adequate and equitable care for veterans of the United States; bills appropriating additional funds to continue the great work of the Civil Works Administration and Public Works Administration; and bills which have had for their purpose the eradication of certain conditions which have worked against the public good.

# HONEST ELECTIONS

Included in these are H.R. 8620, which reduces the fees charged for copies of naturalization certificates. Such a reduction was enacted at this session, also H.R. 9204, which

gives Federal courts the right of actual supervision of elections involving Federal offices, thus preventing dishonest elections and insuring for the citizen the protection of his electoral franchise.

### SUPPORT OF THE PRESIDENT'S PROGRAM

As I review the roster of legislation which has been part of the President's program, and which has been enacted into law in the last 6 months, I shall always take pride in knowing that I was able to give my full support to the program of a great leader, and was a Member of a body which has established the greatest legislative record ever achieved by an American Congress.

The Presidential program is now history. We, the Members of the House of Representatives, have enacted this program of the President, enjoying his confidence and in

return pledging our every effort of help.

Included in this epoch-making roster are many farreaching bills. We have established the gold dollar at a new value and have vested the ownership of all gold in the Government. We have strengthened our income-tax laws, plugging up loopholes which permitted some of the wealthiest men to escape the payment of a fair share of taxation; we have given new hope to the unemployed and the hungry through appropriations for work relief, direct relief, and a program of public-works construction; we have enabled the President to make trade agreements with foreign countries in order to save a dwindling foreign trade; aid has been extended to a harassed educational system, and provision has been made for Government loans to industry.

### THE HOPE OF THE FUTURE

This session of Congress has accomplished much. It has laid the cornerstone for permanent recovery and for a better and happier life for all our people.

We have profound confidence in our country. We believe it has weathered the storm and is safely progressing toward better times, a fuller life, and a great future. With this faith, we look forward to the future. We shall not fail.

### MICHARL HITZ

Mr. JAMES. Mr. Speaker, on January 3, 1934, I introduced H.R. 6280 for the relief of Michael Ilitz.

Be it enacted, etc., That in the administration of the pension Be it enacted, etc., That in the administration of the pension laws or any laws conferring rights, privileges, or benefits upon persons retired from the United States Army, Michael Ilitz, who served as master sergeant, Hospital Corps, shall be held and considered to have been retired as captain, Military Storekeeper, United States Army, on June 28, 1916: Provided, That no pension, pay, or bounty shall be held to have accrued prior to the passage of this act.

On April 26, Senator Elbert D. Thomas of Utah introduced a similar bill.

H. R. 6280 received favorable action by the House Military Affairs Committee on April 25, 1934. The report on the bill was made by Hon. Thomas C. Coffin, of Idaho. S. 3499 received favorable action by the Senate Committee on Military Affairs on May 18, 1934.

Michael Ilitz was a comrade of mine in 1898. The same as myself, he was a volunteer. At the end of the Spanish-American War he voluntarily nursed yellow fever in Cuba. He went from Puerto Rico to Mount Pelee when that terrible earthquake disaster occurred.

Sergeant Ilitz had active service in the Philippines, where he was cited for gallantry in action against insurgent forces on Marinduque Island, September 12, 1900, in attending wounded under fire.

Sergeant Ilitz designed the roller kitchen which he had patented, and gave the Government free and unrestricted use of his invention.

He was retired on June 28, 1916, and offered his services to his country at the outbreak of the World War. Following the World War he entered the Army Transport Service, where he became quartermaster agent at New York, detailed especially in connection with the Gold Star Mothers' pil-

This measure will not only reward an individual who has had more than 31 years' service as an enlisted man and employee of the War Department, but will enable the War

Department to secure a qualified and trustworthy military storekeeper with an exceptional knowledge of the duties required of him.

At a hearing before the Subcommittee on Appropriations in charge of Army appropriations at a recent Congress, Major General DeWitt, who was Quartermaster General at the time, made the following statement:

He is an old employee, an old soldier, who has been in the service for many years, and he has been invaluable, Mr. Barbour, in connection with the arrangements made for taking care of the mothers and widows in connection with the pilgrimage to the battlefields of Europe.

To show how the War Department valued the services of Michael Ilitz, I quote herewith letter addressed to the chairman of our committee by the Secretary of War dated March 13, 1934:

War Department, Washington, March 13, 1934.

Hon. John J. McSwain,

Chairman Committee on Military Affairs,

House of Representatives.

Dear Mr. McSwain: Careful consideration has been given to the bill (H.R. 6280) for the relief of Michael Ilitz, which you transmitted to the War Department under date of January 22, 1934, with a request for information and the views of the Department

A generally similar bill (H.R. 6602) was reported upon by the War Department as follows, under date of January 24, 1931:

"Careful consideration has been given to the bill (H.R. 6602) for the appointment of a military storekeeper, transmitted with your letter of December 22, 1930, with request for a report thereon.

"The office of military storekeeper was abolished as a permanent grade in the Army over 50 years ago. Congress has, on two or three occasions, authorized its revival for the benefits of some individual occasions, authorized its revival for the benefits of some individual in consideration of outstanding service. The last incumbent was Maj. Charles F. Daly, for whom the office was revived by a special provision in the Appropriation Act of August 29, 1916, in consideration of his many years of fatthful and especially efficient service as chief clerk in the office of the Quartermaster General. Major Daly died November 13, 1926, and under the provisions of the law authorizing his appointment, the office ceased to exist on that date.

"The records of the War Department show that Michael Ilitz, the proposed beneficiary of H.R. 6602, entered the military service of the United States in 1898 as a volunteer for the War with Spain. He enlisted in the Regular Army December 9, 1898, in the Hospital Corps, and had practically continuous service therein until June 28, 1916, when he was placed upon the retired list as a sergeant, first class, Hospital Corps. He had 13 years and 5

a sergeant, first class, Hospital Corps. He had 13 years and 5 months foreign service which, under the law then in force, counted as double time for purposes of retirement. By the act of May 28, 1928, Sergeant Ilitz was advanced to the grade of master sergeant on the retired list. on the retired list.

"In the last few years as a civilian employee of the War Department he has rendered excellent service to the Government, not only in connection with the administration of the Transport Service, but especially in connection with the Gold Star Mothers\*

pilgrimage.

The War Department is consistently opposed to special legisla the war bepartment is consistently opposed to special legisla-tion of this general character, but in view of the precedent which exists, no objection is interposed to the enactment of this bill."

The War Department, therefore, does not desire to interpose any objection to the enactment of the legislation.

Sincerely yours,

GEO. H. DERN, Secretary of War.

Brigadier General Williams, Quartermaster Corps, has stated in part:

Mike is thoroughly capable of filling the position of captain and military storekeeper, and I think will be of great value to the service in that capacity.

The annual report, Port of Embarkation, New York City. on the pilgrimage of war mothers and widows, 1930, contains the following extract:

Whatever measure of success achieved in carrying out the mission assigned me was made possible by the untiring work and hearty cooperation during the whole summer of Quartermaster Agent Michael Ilitz

In my opinion Michael Ilitz was the most efficient civilian employee of the War Department that I have ever seen, and I am extremely gratified that he has been rewarded for the great services he has rendered the Army and the country in the past.

THE AMERICAN FARMER UNDER THE OLD AND NEW DEALS-CONTRAST

Mr. EICHER. Mr. Speaker, it seems to me important that before adjournment of the Seventy-third Congress there be presented for the benefit of the Members of the House and of the American people, a dispassionate and accurate

review of the progress we have made toward restoring agriculture, the Nation's basic industry, to its rightful place in our economic order. I shall endeavor to portray as concisely as may be the financial condition of our average farmer as he finds himself today and as he was on March 4, 1933, together with his prospects for continued improvement under the policies of a sympathetic administration. The very encouraging figures and statistics that I shall set out are vouched for by the Department of Agriculture and I believe them to be accurate. The problem of rehabilitating the American farmer will be carried through to a successful solution. We have set our hands to the plow and we will not turn back.

Let me express the hope at the outset, however, that my remarks may not be construed as indicating my complete personal satisfaction with all the methods that have been adopted nor with the results that have been accomplished. For instance, the existing provisions for the refinancing of farm mortgages as handled by the Federal land banks are in my judgment inadequate. Also, the producer must be protected in his cost of production so that the prices of his products may not fluctuate down to suicidal levels; marketing costs must be controlled, and the increasing spread between the price received by the producer and the price paid by the consumer of meat products, particularly, must be substantially narrowed; and direct packer buying of livestock must be regulated to the end that the producer may benefit by the full influence of supply and demand on market price as reflected by sales on free and open competitive markets. That effective supplemental legislation along the foregoing lines will be enacted by the next Congress, I have not the least doubt. Bills to accomplish these purposes are already pending. I introduced, during this session, H.R. 9508 to make mandatory the proclamation of a minimum price representing cost of production for hogs, and Representative Wearin of Iowa introduced a bill, H.R. 8099, in the preparation of which I collaborated, to amend the Packers and Stockvards Act in vital particulars.

## THE PRESIDENT AND HIS CRITICS

When President Roosevelt entered the White House, there came to the American people for the first time since 1920 a leadership which recognized the vital importance of farm improvement in any successful program for national recovery. The greatly improved condition of the farmers today is unquestionably due to the President's outstanding statesmanship. The farmers are battling their way back toward prosperity. They have been given a fighting chance, and with the machinery that Congress, under the President's leadership, has provided, they are working upward out of the valley of depression.

In 1 year, the short-memoried critics of the President have forgotten the bitter sufferings of the farmers under Mr. Hoover and his rugged individualism. In the hope that the victims may have forgotten the extremities of their plight under the old deal, the reactionary apostles of discredited Hooverism are scheming to decoy the people back into the bondage of 1932. Among them is Senator Dickinson of Iowa, acting as self-appointed heckler of every advocate of the recovery efforts.

What is it that these false leaders are trying to substitute for the new deal? Every thinking man knows what they want. They want the old order. They want a perpetuation of the vast power of concentrated wealth built at the expense of impoverished agriculture and labor. They want to dominate the incomes, the homes, and the hopes of 30,000,000 farming people. To achieve these aims, these exploiters of agriculture want at any cost to stop the fight that the present administration is making to give the farmers a chance to unite for control of their own economic destiny.

### PROSTRATE AGRICULTURE BRINGS A PROSTRATE NATION

For the farmers, the black year of 1932 was the consummation of Hooverism. It is true that the farm depression years before had become so chronic the old guard used to call it "normalcy." But on the day Mr. Hoover left the

White House, a stricken country finally realized the utter ruin wrought by the 12-year policy of blind and persistent neglect of agriculture.

Prostration of agriculture plunged the Nation into economic chaos. Wheat in 1932 sold for the lowest prices in centuries. In some States it did not bring 25 cents a bushel on the farm. In some markets, oats and barley were worthless. Farmers burned corn to keep their families from freezing. Cotton sold for 5 cents a pound, a price so low that the producers often could not buy any cotton clothes. Tens of thousands of farmers lost everything through bankruptcy. Rural tax delinquency piled increasing tax burdens on solvent taxpayers. The collapse of farm prices spread devastation to the cities. When 30,000,000 farming people could not buy, the home market for city-made products vanished. Hunger marches formed in the shadow of elevators bulging with an unsalable surplus of 386,000,000 bushels of wheat. Factories which once hummed with the task of supplying goods for farmers were grimly silent. Affluent champions of rugged individualism made merry, to the Nation's peril, with bear raids in Wall Street. While the Hoover administration refused to acknowledge Federal responsibility for human relief, bread lines were lengthened by people so desperate that denial of food and other relief on doctrinaire grounds was a ghastly quibble. Finally, by reason first of vanished farm buying power and then of the reflex effects of industry, a panic swept out of the West, and the whole financial structure of America fell to the ground. And that was the glorious climax and grand finale of rugged individualism and the old deal.

### ACTION AND UPLIFT

All through the depression apologists for the old order kept emitting the refrain that prosperity must be just around the corner, but not until March 4, 1933, when Mr. Hoover went away, did the American people catch their first glimpse of recovery in fact coming around the corner.

While plunging into the task of reopening the banks and restoring public hope and confidence, the President and the new Democratic Congress swung swiftly into action to help the farmers and thus build the foundation of recovery. The Agricultural Adjustment Act became a law on May 12, 1933. Under the act the Agricultural Adjustment and Farm Credit Administrations were quickly established. They launched a double-barrelled attack on the farm prob-While the Agricultural Administration set in motion machinery to increase farmers' income, the Farm Credit Administration began emergency lending operations to stop foreclosures and help the farmers save their farms. Thus in 60 days a Democratic President and Democratic Congress broke the log jam which for 12 years had blockaded at the Capitol or stopped at the White House legislation which was demanded and vitally needed by the farmers of the country. Whether it had a "brain trust" or not, the Roosevelt administration had the brains to know that quick action was imperative.

Under energetic leadership, the Farm Credit Administration mobzilized to pull agriculture out of the worst credit restriction in history. Loans totaling nearly \$1,300,000,000 were made to farmers in the first year. The Farm Credit Administration stopped the epidemic of foreclosures, lowered interest costs and reduced the weight of the mortgage load.

Meanwhile the Agricultural Adjustment Administration began placing its program one after another in operation. The work of both the Farm Credit and Agricultural Adjustment Administrations was substantially reenforced by the President's monetary policy and by the relief and employment operations of F.E.R.A., P.W.A., and C.W.A. I know there are criticisms of the Agricultural Adjustment Administration—bitter criticisms inspired by flour millers, packers, and other processors, who are determined to brook no interference with their traditional privilege of buying cheaply from the farmer. But let us sweep aside this antiadministration propaganda and get the facts. Agricultural cash income increased from \$3,979,000,000 in 1932 to \$5,530,000,000 in 1933. That is a boost of 39 percent. Yet some of our critical friends yearn to go back to the bankruptcy days.

wheat, cotton, tobacco, pork, and other products which weighted down farm prices before the Agricultural Adjustment Administration came on the scene. The Smoot-Hawley tariff bill, which was rammed down the farmers' throats in 1929, destroyed our export markets. We had no place to sell excess products from the farm. The surplus backed up in this country and ruined farm prices here.

THE VOLUNTARY PRODUCTION-CONTROL PROGRAM AND ITS RESULTS

The Agricultural Adjustment Administration provided the necessary machinery to reduce the production of surpluses during the emergency period until the export markets could be recovered. Now, if they were good-faith friends of the farmer, the Republican high command would be supporting production control for this purpose. Every Secretary of Agriculture since 1920 has urged production control to help farmers. William M. Jardine in the Coolidge Cabinet and Arthur M. Hyde in the Hoover Cabinet were emphatically for it. But they only talked about it. The Agricultural Adjustment Administration has acted, recognizing the need for it as an emergency call.

The A.A.A. provided machinery to make possible the voluntary cooperation of farmers to control their own supplies, just as big industrialists control their output to fit the market. Always before, the farmer who stayed out stood to gain at the expense of his fellows by his noncooperation. But the A.A.A. plan gave benefit payments to those who joined their fellows in production control. These payments were carefully planned to compensate farmers fully for signing up in adjustment programs, and to make it more to their advantage to join than to stay out.

A real difference exists, however, between industry and agriculture in that reduction of industrial output attains higher prices through real scarcity, whereas the A.A.A. plan seeks to adjust production to normal consumption, endeavoring merely to prevent waste and not to induce scarcity.

What resulted was not, as has been charged, "regimentation" of agriculture, but the greatest democratic movement of farmers in history to help increase their own incomes. In 1 year 3,000,000 American farmers voluntarily joined county production control associations, and signed up in the corn and hog, and the wheat, cotton, and tobacco campaigns. This voluntary sign-up was as much a democratic movement as was the march to the polls on election day. And these campaigns, fortified by our administration's other recovery measures, have certainly brought concrete and helpful results.

### ON CORN AND HOGS

The pain in the Corn Belt was cruel during the depression. With foreign tariffs going up, and American exports going down, prices of pork in this country were buried under increasing unsaleable surpluses.

In January 1933 hog prices averaged \$2.68 per hundredweight-the lowest of the depression. One million two hundred thousand corn-hog producers signed production adjustment contracts. Benefit payments financed by processing taxes are now beginning to move out in volume to the producers. The hard-pressed farmers this year get their income in two parts-first in market price, and second in benefit payments. Through most of this year since last November when the processing tax was levied, farmers have received higher prices for hogs than a year ago. In addition, they get their benefit payments of \$15 for each hog they don't raise which this year will add perhaps as much as \$160,000,000 to their incomes.

Besides this, the A.A.A. took hold of the hog-supply situation with the emergency campaign of 1933. More than \$30,0000,000 was spent, edible products from the surplus animals representing at least 90 percent thereof were distributed to hungry people by the Federal Emergency Relief Administration, and farmers realized cash from pigs which otherwise, because of drought and feed shortage, would either have been forced on the market, or else would have starved.

## CORN LOANS

The A.A.A. backed up its corn-hog campaign with corn loans on 290,000,000 bushels. These loans at 45 cents per

We all recall the mountainous unsalable surpluses of | bushel added 8 to 15 cents per bushel to the cash value of every bushel of corn sealed on the farm, or 25 to 40 million dollars in its total sale value. Corn values at the time the loans were made were more than double the prices of a year before. The corn-hog program will add greatly to the Corn Belt's income this year.

### ON WHEAT

Wheat prices on the farm had sunk to an average of 31.6 cents in December 1932 and in the West were even lower. The average farm price of wheat in 1933 was 73.1 cents, or more than double the 1932 price. Wheat farmers in 1933 harvested 200,000,000 bushels less wheat than in 1932, and received \$200,000,000 more for it. Gross farm income from wheat jumped from \$282,203,000 in 1932 to \$385,365,000 in 1933. Added to this is \$98,000,000 in benefit payments to 575,000 farmers. This brought the total to \$483,365,000 for 1933—an increase of more than \$200,000,000 in 1 year of the new deal.

#### ON COTTON

The cotton program brought renewed hope to the South. One million cotton farmers signed contracts to reduce their cotton acreage. With 1 year's supply of American cotton on hand, the 1933 plan averted a crop as large as that of 1927. Cotton prices more than doubled. The farm income from cotton rose from \$425,488,000 in 1932 to \$857,248,000 in 1933, or an increase of 101.5 percent. Included in this increase was \$112,000,000 benefit payments and \$48,000,000 on options. When speculators raided the cotton markets last autumn and threatened to break the price, the Government stepped in with loans of 10 cents per pound. This action gave to the farmers instead of the speculators the price benefits of production control and the liberalized monetary policy. That the Government should do that that the Government should serve the farmers instead of the speculators-is regarded as an outrage by the professional critics of the new deal. It has been demonstrated, however, that this administration stands for public welfare, not for special privilege. The workings of the cotton plan show that.

### ON TOBACCO

Four hundred thousand American families deriving all or most of their income from growing tobacco know all about the so-called "blessings of Hoover prosperity." What happened to them is one of the most glaring examples of the disadvantage large numbers of unorganized farmers face when dealing with strongly centralized processors.

Let us see what befell the tobacco farmers under the old deal! From 1923 to 1932, with upward and downward fluctuations, the general trend of annual returns to farmers from tobacco was a decline from over \$120,000,000 to \$70,000,000. In 4 years, from 1929 to 1932, the income per farm family fell from \$720 to \$250. That's what happened to the tobacco grower under the old deal.

Now, how about the manufacturer? Total annual profits of 52 leading tobacco manufacturers rose from \$76,000,000 in 1923 to \$146,000,000 in 1932. As the farmers' income went down, company profits went up. These profits were \$12,000,000 larger at the depths of the depression in 1932 than at the height of so-called "prosperity" in 1929. The companies paid less to the farmers, and less in wages to employees, and took more in profits. In 1932, when the financial structure of the country was tottering because of lack of farmer and worker purchasing power, a dozen tobacco company executives received more than 21/2 million dollars for personal services-or as much as was received by 10,000 farm families for their tobacco crop.

The Agricultural Adjustment Administration may have its faults-but lack of courage is not one of them. The job it did on tobacco in 1933 proves that. The A.A.A. tackled these powerful tobacco companies, won from them marketing agreements to pay the farmers higher prices, and backed up the agreements with production control and benefit payments financed by processing taxes.

When the 1933 marketing season opened, prices were so low as to drive farmers to desperation. Riots flared in the South. Governors of some States closed the markets by proclamation, to give the A.A.A. time to help. It was up to the Agricultural Adjustment Administration to act, and it did act. Marketing agreements were negotiated to cover each one of the types of tobacco. In every instance the agreement was backed up by production control. As a result, tobacco farmers in 1933 received \$186,000,000 from market sales and \$28,000,000 from benefit payments besides. This gave them a total of \$214,000,000, or about 100 percent more than they received for their tobacco in the final year of Mr. Hoover—1932. The net profits of the tobacco companies declined to \$60,000,000, which gave them just a little less than 10 percent on investment, as compared with 25 percent in the immediately preceding years.

### ON MILK

The Agricultural Adjustment Administration's work on marketing agreements and licenses for fluid milk producers constitutes one of the liveliest chapters in its entire history.

Farmers serving 23 of the large cities of the country now are operating under A.A.A. milk licenses, covering 18 percent of all fluid milk and cream consumed by the nonfarm population. These licenses establish prices only for farmers. Many different schemes practiced by distributors for underpaying and overcharging farmers are eliminated. Millions of dollars have been added to dairy farmers' income by abolishing distributors' overcharges on freight rates, country station and terminal costs, and charges for weighing and testing, with additional benefits to farmers through elimination of price cutting.

## MARKETING AGREEMENTS

Working steadily, the A.A.A. has grappled with a series of complicated farm problems through marketing agreements and licenses. Nearly a million farmers now are operating under these agreements and licenses.

The marketing agreement for peanuts affected 250,000 growers in 12 States, and the increase in their income in 1933 over 1932 was more than \$15,000,000.

Seventeen marketing agreements are now in effect for California clingstone peaches; California fresh deciduous tree fruits (apricots, cherries, pears, peaches, plums, and prunes); Tokay grapes, ripe olives; walnuts; fresh asparagus; California and Arizona citrus; Texas citrus; Northwest deciduous tree fruits, including apples; California raisins; California dates; Florida celery; Florida package and queen bees; and gum turpentine and resin. These special crop agreements are estimated to have added \$40,000,000 to farm income up to the end of May 1934. They have given help to farmers who could not have been aided in any other way.

### DROUGHT

Drought, blind and devastating, tested the A.A.A. just as it did the Hoover administration in 1930. The philosophy of do-little for farmers never is so cruel as in time of calamity. The old deal regarded weather as one of the risks farmers had to face. Until March 4, 1933, Government aid for drought-stricken farmers was confined to granting credit, encouraging freight-rate concessions, and calling on the Red Cross to give help.

But before this drought came, Congress had provided the President with the emergency machinery to protect the people in the drought areas. The A.A.A. swung into action again, operating a cattle-buying program, with the Federal Emergency Relief Administration furnishing supplies and employment to prevent hunger, control insect pests, and buy feed. The F.E.R.A. processed for relief distribution the surplus cattle it purchased. Determined to preserve the foundation stock of beef and dairy herds, the Farm Credit Administration supplied loans to finance feed shipments to farmers.

### BENEFIT PAYMENTS A GODSEND

The Agricultural Adjustment Administration benefit payments never were so greatly needed as in the drought regions. Because these payments are based on past average production, they are not affected by current crop failure. The farmers' crop may be dried out, burned out, hailed out, or be destroyed by frost, weevils, or chinch bugs, but the farmers get their benefit payments just the same. The cash the South Dakota farmers got in benefit payments was

nearly 20 times the amount they received for the sale of the share of their poor little wheat crop left over for market in 1933, after seed and feed needs were met. Thus the benefit payments maintain farmers on their farms, giving them a chance to get a new start, instead of permitting drought to drive them into the ranks of the city unemployed, depopulating regions and destroying the producing power of drought areas for years to come.

For decades farmers have wanted crop-income insurance, and the benefit payment program at last has provided them with the greatest crop-insurance operation ever undertaken anywhere in the world.

The A.A.A. benefit payments are designed to give the farmers as nearly as possible the difference between their current average farm prices and fair exchange value as measured by pre-war buying power of farm products for that part of the crop consumed in this country. These payments are the farmers' tariff. The processing tax might be called an "equalization fee", except that the farmers themselves proposed to pay the fee, whereas the tax is mostly passed along.

The farmers need this help. Comprising 30 percent of the population, the farmers under the old deal had seen the exchange value of their products reduced to less than 50 percent of the pre-war average. For many of them, this meant penury. Now after a year of Agricultural Adjustment Administration effort, agricultural products generally, including benefit payments, have attained 72 percent of parity. But the value of the seven commodities defined as basic in the law as passed, including benefit payments, has increased 100 percent from March 15, 1933, to May 15, 1934. The total spent by the administration for benefit payments to farmers and emergency hog and dairy purchases up to June 15 was \$323,912,961.45.

The benefits of this strengthening in farm products prices have been felt in every branch of industry, but especially in those factories and trades serving agriculture. By July 1933 industries that use primarily agricultural products had stepped up production to 122 percent of the 1923–25 average, while other industries in general advanced to 100 percent.

The recovery in farm buying power has proved as contagious as its loss, and will undoubtedly be cumulative in its influence. It is a factor in declining unemployment, in higher wages, in fewer farm foreclosures, in the stopping of bank closings, in stimulated manufacturing and retail trade, in the pick-up in advertising, in lessened tax delinquency, and in increased railroad activity. In general, the improvement of agriculture has a most essential place in national recovery.

This is what it means to have a man in the White House who is friendly to the farmers, and a Congress to back him up in courageous efforts to improve the state of agriculture.

The Roosevelt administration has served notice that the old order of ruthless exploitation of farmers is gone. The era of an economic democracy, progressing hand in hand with a political democracy, is here. The farmers of this country will not go back to Hooverism. They will not go back to the unbridled Bourbonism of those spokesmen of the processors and distributors who attack the efforts of the Agricultural Adjustment Administration, but offer nothing that is reconstructive in their stead. They will stand by their President as he has stood by them, and the struggle for economic freedom and equality for agriculture will be carried on under the banner of the new deal.

## FARM RELIEF

Mr. LOZIER. Mr. Speaker, I voted and worked for the Frazier-Lemke-McKeown Farm Mortgage Moratorium Act. Its passage was not seriously resisted in either the House or the Senate. A large majority of the Members of Congress realized that agriculture had not received its fair proportion of the benefits accruing from emergency legislation and the national recovery program, and although agricultural conditions have materially improved and the prices of major farm products substantially advanced since the inauguration of President Roosevelt, nevertheless the basic industry, agriculture, has not been as yet stabilized or farm commodity

the cost of production, plus a fair and reasonable profit.

Realizing that the American farmers have not had a square deal, that the proper balance between industry and agriculture has been dangerously disturbed, that the purchasing power of farmers has been tremendously reduced and in many cases destroyed, and convinced that there can be no return of prosperity or normal national life unless agriculture participates in that prosperity and has its just share of the new wealth that annually accrues to the American people-thus believing, Congress diligently endeavored to formulate a plan that would restore agriculture to the list of profitable occupations and halt the march of our farmers toward a condition of peasantry similar to that prevailing in many European States.

In its search for a remedy for agricultural ills, Congress was confronted by an exceedingly difficult situation. There is no magic wand, the waving of which will revitalize and restore a decadent agriculture to its former prosperous condition; no formulae or plan that overnight will work a miraculous change and rebuild the shattered fortunes of the

agricultural classes.

While loyally supporting the President's emergency and recovery policies, and going along with his agricultural program, Congress nevertheless felt that the agricultural situation was sufficiently grave to justify, in fact necessitate, more direct treatment, in order to afford immediate relief to a myriad multitude of farmers whose homes are being sold at sacrificial prices that sweep away the earnings and accumulations of a lifetime.

After carefully and conscientiously considering all the proposed farm-relief measures, and taking into consideration the attitude of the President and his departmental heads toward all the pending bills, Congress selected the Frazier-Lemke-McKeown farm mortgage moratorium bill as the one measure that could be passed through the House and the Senate, which embodied a sound public policy, and which would not only afford immediate and substantial first aid, but permanent relief to millions of mortgage-burdened farmers throughout the Nation.

The Frazier-Lemke-McKeown bill is now on the President's desk awaiting Executive approval. In my opinion, it is a real "honest-to-goodness" farm relief measure, and its wise and sympathetic administration will bring more benefits to the American farmers than all previous so-called 'farm-relief acts."

I believe in this bill. Every thoughtful student of the agricultural problem knows that if the farmers are to escape peasantry relief must come from one of two sources:

First, the price of farm products must be radically advanced and stabilized on a level comparable with the prices that prevailed when most of the farmers' debts were contracted. That is to say, farm commodity prices must rise to a point where a stated quantity of corn, wheat, beef, pork, produce, or other farm products will pay as many dollars' indebtedness as that same quantity of farm products would have paid at the time the farmers' debts were created. The abnormal decline in the price of farm products automatically doubled or trebled the farmer's mortgage or other indebtedness, because two or three times the quantity of farm products are now required to pay a certain amount of indebtedness as were required at the time the mortgage or other debts were contracted.

It is, therefore, a self-evident truth that the farmer cannot survive and pay his present indebtedness in full unless and until the former ratio and relationship between the farmers' commodities and his indebtedness is restored.

Second, the only other alternative is to scale down the indebtedness of the farmer in proportion to the decline in the value of farm lands and farm products. There is not sufficient money in the United States to pay even the mortgage indebtedness owed by the American farmers, much less the total indebtedness of the agricultural classes. It is, therefore, quite obvious that unless the prices of farm commodities are restored to substantially the same levels that prevailed when the existing farmers' debts were contracted, |

prices pushed to a point that will reimburse the farmer for I and unless such high prices are permanently maintained, a scaling down of the farmers' indebtedness is inevitable, just as from time to time large corporations have utilized the bankruptcy courts and receiverships to reorganize their financial structures and thereby scale down their bonded indebtedness.

> If approved by the President, the Congress, through the Frazier-Lemke-McKeown Farm-Mortgage Moratorium Act. will do for the farmers what it has heretofore done for corporations, railroads, cities, and towns. An overwhelming majority of farmers are honest and are not responsible for their present deplorable financial condition. They are largely the victims of class legislation, governmental favoritism, and a maladministration of our economic laws under which they have been penalized and impoverished for the enrichment of the industrial classes. Inasmuch as their failure to meet their obligations is an honest failure, no odium or disgrace should attach to the farmer who utilizes the procedure established by this act to secure a moratorium or reduction of his mortgage or other indebtedness.

> Some newspapers are predicting that the President will veto this measure, but I hope there is no basis for this prophecy. The farmer needs this legislation and without it he cannot keep his head above water; and if the farmer sinks he pulls with him every other vocational group to the bottom of the pool of insolvency and Nation-wide liquidation. If it is right for the Government to enact legislation to permit the railroads, corporations, and cities to use the machinery of the bankruptcy courts to scale down their indebtedness, why is not the farmer entitled to the same privilege?

> In answer to those who charge that this legislation means a Nation-wide, arbitrary, and ruthless reduction or scaling down of farm mortgages and other farm debts, I point with the undeniable fact that with the present value of money and the present price of farm products it is absolutely impossible for the American farmers to ever pay their debts or escape bankruptcy.

> In addition it must be borne in mind that under the bill now being discussed the amount of the indebtedness owed by a farmer cannot be reduced without the consent of a majority of the creditors in number or amount. But it does provide for an extension of 5 years upon the payment of a reasonable rental annually for that part of his property of which he retains possession.

> There are millions of persons and thousands of corporations in the United States indebted far beyond their ability to pay, because their income at present prices is insufficient to enable either the individual or the corporation to meet current expenses and discharge maturing obligations. It seems to me that individuals and corporations holding mortgages on farm lands or farm chattels might just as well realize now as later that their security has shrunk and is not worth one hundred cents on the dollar, and with the decline in the value of the farm and farm products it is inevitable that there be a corresponding shrinkage in the value of the mortgages on that farm and the chattels.

> I realize that the mortgage holder has acted in good faith, and he hates to acknowledge that his mortgage is not now worth as much as when he made the loan. When the security back of a mortgage shrinks in value, just as certainly as night follows day, there will be a corresponding shrinkage in the value of the mortgage.

> I repeat, that unless a large majority of farm mortgages can be scaled down in proportion to the decline in the value of farm lands and farm products, sacrificial foreclosure sales are inevitable and the farmer is doomed; and as to him the future is without hope.

> The Frazier-Lemke-McKeown Farm Mortgage Moratorium Act will afford the American farmer genuine farm relief, because under it the farmer's mortgage indebtedness will be reduced or scaled down to a point where he will have a chance to ultimately discharge it. As Congress has already prescribed a similar remedy by which railroads, corporations, cities, and towns may scale down their indebtedness, I

know of no sound reason why the same procedure and the same relief should not be made available to the American farmers.

I will say in conclusion that the approval of the farm mortgage moratorium bill would give assurance to thousands upon thousands of farmers that in no circumstances would they be dispossessed within 5 years, and would put on the shoulders of the creditors (where it rightfully belongs) the load which many creditors are now trying to shift to the shoulders of the Government.

When the creditor class discovers, upon the approval of the bill, that a court may grant a moratorium to a debtor without the consent of the creditor, the creditor will make a virtue out of a necessity and will be more amenable to reason and more willing to adjust the situation existing between the creditor and the debtor.

At present, innumerable cases arise where Federal land banks are unwilling to lend a farmer sufficient funds to refinance his mortgage. The farmers have construed the efforts of the President on their behalf and his statements in connection therewith as a guaranty on his part that a farmer shall not be dispossessed, and that come what may the President will see that mortgages on farms will not be foreclosed. The approval of the bill would make that guaranty good. The Frazier-Lemke-McKeown Farm-Mortgage Moratorium Act furnishes an agency and formula by which the President's pledge to the American farmers may be speedily fulfilled.

### IN THE INTEREST OF JUSTICE

Mr. SABATH. Mr. Speaker, on last Friday my colleague [Mr. SIMPSON], much to my regret, assailed the Secretary of the Interior, Mr. Ickes, because of a statement by the Secretary just before the primary election of last Spring, which statement, as I understand, caused Mr. Simpson's defeat.

Personally, I feel that if Secretary Ickes had been better acquainted with young Mr. SIMPSON and his activities in this House he would not have been so harsh in his criticism of our colleague. Most of the criticism was in fact due to the activities of our colleague's sire.

I have not often been charged with defending Republicans, but in this case I feel honor-bound to say that I think Secretary Ickes has done Mr. SIMPSON an injustice and deprived this House of the services of a young man who has the making of a truly good legislator.

I am satisfied that our colleague's views are not the views of his father. I have, I am happy to say, found Mr. Simpson to be liberal and really desirous of serving the best interests of the whole people, rather than the special interests that seem to be the object of his father.

I have had a good chance to observe our colleague's activities. I know that he has taken great interest in his legislative duties and aided me in my efforts to effect relief legislation for school teachers; and, therefore, I regret that his services have been cut off as they have by the undeserved criticism of Secretary Ickes.

On the other hand and unfortunately, Mr. Simpson himself is not without blame. He has unwarrantably accused the Secretary of the Interior of being behind the legislative investigation of Judge Wilkerson, in an effort to have the Secretary's law partner made United States judge in place of Judge Wilkerson.

I think that justice demands a true explanation, and I feel that it is my duty to set both these gentlemen right. The facts are these: When the Chicago Examiner and the Chicago American about 2 years ago published an allegation that many irregularities and abuses existed in the Federal courts in Chicago, specifically mentioning the receiverships and other Federal matters connected with Federal bankruptcies, and the Chicago Bar Association made a report thereon, a demand was made upon me to file impeachment proceedings against Judge Woodward. However, I felt in view of the sad experience of the Senate in two other impeachment proceedings that I, as well as the House, should have more evidence before acting, and therefore I sponsored the passage of a resolution to investigate these conditions and abuses in a sane and dignified manner before acting. After

effecting the passage of the resolution authorizing and directing the Committee on the Judiciary to make the investigation, many abuses came to light. Whereupon the Committee voted to impeach Judge Woodward, and contemplated the impeachment of Judges Wilkerson and Lindley also; but the committee and I felt that before final impeachment charges were filed against these two judges, more convincing evidence should be obtained, as I always discourage impeachment proceedings unless there is unmistakable supportive evidence.

During the entire time of this transaction I never heard of Secretary Ickes taking any active part; therefore the charge of my colleague, Mr. Simpson, who has no doubt suffered at the hands of Secretary Ickes, is not well grounded. Both of these incidents I very much regret.

I feel that Secretary Ickes, although a Republican, is making good. True, many Democrats feel that, holding a cabinet position under a Democratic administration, he should not discriminate against the Democrats; but I take it that he, having been a Progressive Republican all of his life, has not familiarized himself with the splendid ability of many prominent Democrats who, I know, are just as competent, just as able, and much more deserving than those he has appointed to various positions of responsibility; but he still has the chance to right the wrong.

I know that while the President does not want his official staff to play politics, yet he feels that Democrats should not be discriminated against. I fully realize that it is the supreme aim of the President to give the country an efficient, economical, and honest administration of its affairs in these excessively trying times. Personally, I feel that such can be accomplished only by the selection of those who are whole-heartedly in sympathy with the Presidential views and policies. I hope that in the future those in public life will recognize that, above all else, that honesty is the best policy; that fairness ever should be uppermost even in political matters.

### SOLDIERS OF ALL WARS

Mr. SPEAKER. Mr. Speaker, the new deal is going across in a big way. The Nation is coming out of the depression slowly but surely. All the major industries of the country show a decided increase in business during the last 15 months. Confidence is being restored everywhere. The automobile dealers and the salesmen of the Nation are most enthusiastic. The makers, distributors, and salesmen of farm implements are boosting the new deal. The department stores, the grocery stores, the clothing stores, and other stores are boosting the new deal. Some 6,000,000 men and women who had no work 15 months ago but are working now under the new deal are enthusiastic supporters.

However, I notice that in my own State, Pennsylvania, where they threw up their hands 2 years ago and cried for Federal aid and Federal help, they have a committee headed by a Mr. Williams to study whether or not the new deal is incompatible with the Constitution.

It appears also that they are somewhat worried about the State rights. One would think that anyone living in Philadelphia for the last 30 or 40 years, where corruption in municipal affairs and election affairs has been bold enough to be known Nation-wide, would not think of State rights.

You would naturally think that a State with so many advantages, so rich in natural resources, and so bountifully blessed in all respects—a State where the Republican leadership has dominated supremely for at least 40 years-would be almost self-assured of its security. It was and is because of bad management, or lack of management, on the part of the rulers of Pennsylvania for the last 40 years that the Federal Government is now obliged to pour millions and millions of dollars into the State to give food, shelter, and clothing to the men and women who are unemployed. Pennsylvania has been under the head of Republican dictators and Republican leaders for the last 40 or 50 years. The farmers, the laborers, and the little business men have been going along with this group year after year. Year after year these leaders would feed them on promises of lower taxes and better living conditions, but instead the taxes were increased year after year after year until now they are almost unbearable. Now, when these same farmers and laborers and business men have awakened to the fact that they have been fooled all these years, and that a Democratic administration and a Democratic Congress have to come to their aid to give them not only relief money to keep their children from starving but set up projects for employment, these same Pennsylvania Republican leaders and dictators think they can attract the attention of the masses by talking about the constitutionality of the Roosevelt program.

The people have learned to pay little attention to these prowlers who want to lean on the Constitution when they themselves fail. The people pay little attention to some local judge or committee passing on the constitutionality of this or that measure; they know that in most cases it is nothing more than political propaganda or publicity. The people are satisfied to wait until the Supreme Court of the United States hands down a decision on the constitutionality of this or that, and especially the new deal. Those who expect to get a lot of consideration by crying that the new deal is not altogether constitutional will be disappointed.

Even junior high schoolboys and girls know that the Constitution of the United States is broad enough and flexible enough to protect the people of the United States. Millions of our men, women, and children who stood in bread lines and in soup houses during the latter part of the Hoover administration, when they were led to believe by the action of those in authority that the Constitution could not protect them by giving them food, shelter, and clothing, now realize that the Constitution of the United States is being applied as Jefferson himself would have it applied in the new deal. The Seventy-third Congress of the United States gave the laboring man nothing new as far as the Constitution is concerned, but they interpreted the old Constitution so that labor now has the right of collective bargaining.

### SOLDIERS OF ALL WARS

Mr. Speaker, I am glad to see the day close at hand when there will be but one Federal set-up to care for the veterans of all wars. At present we have a set-up for the Civil War veterans, the Spanish War veterans, the World War Veterans, and other veterans.

If a man is called to service for his country, or he volunteers to serve his country under the banner of legalized warfare, he is entitled to the same consideration, the same regulations concerning hospitalization, pensions, and so forth, regardless of which war he happens to have served in.

Upon inquiry we find that every Congressman is of the same opinion, and it will undoubtedly reach a place in congressional procedure within the next few years where there will be one set-up.

If a man had his right arm shot off in the Spanish-American War, he should receive the same pension as a man who had his right arm shot off in the World War, all other things being equal. It is believed that fully 90 percent of the soldiers of all wars now see that it is or will be for their own good and the good of their widows and orphans that adjustments were made in the pension system, and especially the pension requirements.

If a nation declares war and sends its young men into battle and these young men become physically impaired in any way, whether in battle or in training or camp, they should be cared for by the Government that sent them into war. Our Government has always cared for its soldiers. According to the data direct from the several civilized nations, the soldiers of the wars of the United States, whether Mexican, Civil, Spanish, or World War, are treated better socially and financially than are the soldiers of any other nation in the world.

This is as it should be. Our deserving soldiers should be cared for. The unfortunate widows and orphans should be cared for. History will record that the Seventy-third Congress laid the foundation so that these groups would be cared for as they older grew.

I know that some few find fault with some of the Congressmen for voting for the National Emergency Economy

Act. However, when the great percent of them are acquainted with the fact that it was only to build a stronger foundation for the doughboys and the privates and those who deserve pensions and care so that they will be looked after by proper Government agencies, they will see the wisdom of the adjustments made in the recent legislation.

Their records show that on and before March 4, 1933, we had thousands of service-connected doctors and lawyers and others on our salary list, as well as on a pension roll. The Honorable Thomas L. Blanton, of Texas, inserts, on page 6279 of the Congressional Record of June 22, 1933, a few of the 5,600 topnotchers as to the salary they were drawing and the pension they were receiving, and gives the names so as to identify the case: Dr. Winthrop C. Adams, salary \$7,500, retired pay \$150 per month; Dr. Wilfred E. Chambers, salary \$6,500, retired pay \$206.25; Dr. William C. Gibson, salary \$6,500, retired pay \$125 per month; Dr. Ignatz D. Oowey, salary \$6,000, retired pay \$206.25; Dr. George C. Skinner, salary \$6,500; Dr. Dallas B. Smith, salary \$6,500, retired pay \$262.50 per month; Dr. Howard C. Von Dahn, salary \$6,500, retired pay \$150 per month; Levi A. Beem, salary \$3,300, retired pay \$165 per month; Mr. Charles E. Schaeffer, salary \$3,700, retired pay \$150 per month; Dr. Thomas F. Dodd, salary \$4,800, retired pay \$187.50 per month.

I have here before me the names of the rest of the 5,600 that are in this category of special privileged, but will not ask your time to read them. My intent and purpose in this whole matter is to work toward a goal that will give every deserving soldier his just rights. The taxpayers rebel against paying this group as mentioned above such salaries and pensions. I find that every person wants the little doughboy and the private, and the little lieutenant, and the rest of them, to have the same show when it comes to getting pensions. I have and will support all such measures pertaining to soldiers' and widows' pensions.

### SERVICES RENDERED SOLDIERS IN MY DISTRICT

During the first 16 months of my term as the Congressman from the Twenty-fourth District of Pennsylvania my office rendered service in behalf of soldiers' pensions and awards, hospitalization, and so forth, as follows:

Claims for pension of different soldiers	662 365 9
Certificates in lieu of lost discharge certificates	19
Other cases and awards	131

Total\_\_\_\_\_\_ 1, 186

The average number of letters it takes to close one of these cases is a little more than six; or we had from our office more than 7,116 written communications, or letters, as separate units of service rendered the soldier boys. We are happy to do this but at the same time we think it is only fair that the public should be informed of the fact that we have through our office in these 16 months dug up more military records for soldiers in our district than were dug up in 10 years prior in the same district. To this we add hundreds of telephone communications and personal taxicab trips to the Veterans' Administration offices in order that nothing be left undone.

## NEW PENSION RATES TO GO INTO EFFECT

On March 28, 1934, Congress passed legislation further liberalizing the pension laws governing World War veterans' and Spanish War veterans' cases:

### WORLD WAR VETERANS

Under the provisions of this new law World War veterans who were drawing pensions for service-connected disabilities under the old laws will be restored to the pension rolls at 75 percent of the pension formerly received, subject to the provisions of the new law.

Under the provisions of this new law World War veterans are entitled to the following benefits:

First. If suffering from a disability traceable to the service during the war, he is paid from \$10 to \$100 a month, depending upon disability, pre-war occupation; also additional amounts under certain conditions.

Second. If his death is caused by such disability, his widow or other dependents receive a pension from the Government, Third. Entitled under certain conditions to receive hospitalization and medical care for service-connected or non-service-connected disabilities; also transportation to and from the hospital.

Fourth. If he served 90 days, was honorably discharged, and is permanently and totally disabled, regardless of cause except misconduct, may receive from the Government \$30 a month if not in a hospital or soldiers' home. In that event, \$6 a month. If he has dependents, they receive the remainder.

Fifth. Certain preferences and advantages in obtaining positions with the Government.

Sixth. Burial allowances, including headstone.

Seventh. Any honorably discharged veteran may be buried in any national cemetery, including Arlington Cemetery in Washington, D.C.

#### SPANISH WAR VETERANS

The act of March 28, 1934, provides that every soldier who served 90 days or more, commencing between April 20, 1898, and August 12, 1898, during the Spanish-American War, and was not dishonorably discharged, is entitled to the following rates of pension:

First. If suffering from a disability traceable to the service during the war, he is paid from \$10 to \$100 a month, depending upon rate of disability, and so forth.

Second. The widow of such a soldier would receive \$30 per month, with \$10 additional for first child and \$6 for each additional child.

Third. Entitled to receive hospitalization and medical care for either service-connected or non-service-connected disabilities. Also transportation to and from the hospital.

Fourth. If indigent and disabled, he is entitled to live in a Government soldiers' home.

Fifth. If permanently and totally disabled, regardless of cause except misconduct, may receive from the Government \$45 per month, and if in need of an attendant, \$54 a month.

Sixth. If partially disabled, regardless of cause except misconduct, he is entitled to receive the following rates of pension:

One-tenth disability	\$15.00
One-fourth disability	18.75
One-half disability	26. 25
Three-fourths disability	37. 50
75 years of age	45.00
72 years of age	37. 50
68 years of age	30.00
62 years of age	22.50

Widows of such veterans will receive \$22.50 a month and \$4.50 for each child.

President is giving consideration to Executive order to give relief to Spanish War veterans who enlisted after August 12, 1898, and who served outside of the continental limits of the United States, and place them on war-time-service basis instead of the peace-time basis under which they are at the present time classified.

### WIDOWS AND ORPHANS OF WORLD WAR VETERANS

A bill was passed by the House and Senate on June 16, 1934, which provides payment of pensions to widows and dependents of World War veterans, and it is hoped and believed that the bill will be signed by the President.

The bill provides the payment of pension to widows who were married to the soldier prior to July 3, 1931, and who have not remarried, if the soldier had a 30-percent service-connected disability rating at the time of his death, notwith-standing that death was not the result of such service-connected disability. It is estimated that 13,900 widows and children will be benefited by this new law the first year at an approximate cost of \$4,114,000.

The monthly rate of pension will be as follows: Widow but no child, \$22; widow and 1 child, \$30, with \$4 for each additional child; no widow but 1 child, \$15; no widow but 2 children, \$22, equally divided; no widow but 3 children, \$30, equally divided, with \$3 for each additional child; total compensation shall not exceed \$56.

It is the consensus of opinion of those who are on the inside that the veterans of all wars are satisfied as a whole with the legislation as it is now progressing. Of course, now,

as in all times past, we have that one-half of 1 percent who are at the helm of the soldiers' organizations who are always clamoring for something more. However, in checking up we find that 90 percent or more of the soldier boys are right back of the Roosevelt program for permanent recovery. In closing I might say that I am for the masses in the soldiers' organizations. I never met anyone representing the National Economy League. They sent no lobbyists around to me. I know nothing of their work or their organization. I am for the farmer, the laborer, and the little business man at all times.

### THE FRAZIER-LEMKE-M'KEOWN FARM MORATORIUM BILL

Mr. LOZIER. Mr. Speaker, I favor this legislation. The Seventy-third Congress, now drawing to a close, passed three laws on the subject of bankruptcies, all of which are for the benefit of the farmer. I voted for each of these bills.

Before taking up these several bills in detail, it is well to consider for a moment the subject of bankruptcies. I use the phrase just quoted because the power of Congress to pass laws of that nature is derived from the Federal Constitution, and the Constitution uses the words, "the Congress shall have power to establish uniform laws on the subject of bankruptcies throughout the United States."

Taken by itself and considered alone, the word "bank-ruptcy" is frequently regarded as a term of reproach and carries with it a sense of disgrace. But this meaning should only be applied in exceptional cases, for rightly considered, the word was long construed by an eminent judge, Mr. Justice Catron, to extend "to all cases where the law causes to be distributed, the property of the debtor among his creditors." And as early as Leviticus (Lev. 25:10, and following) we find provision for a year of jubilee, the fiftieth year, when it became the duty of a creditor or a purchaser to "return every man unto his possession."

There is not sufficient money in existence to pay the debts owing by the farmers of the United States. Unless there is a tremendous increase in the price of farm commodities, unless the prices of farm products go back to the high levels that prevailed when existing farm debts were contracted, and those high prices are permanently maintained, there must be a scaling down of the farm debts, just as from time to time large corporations have reorganized their financial structure and cut down their bonded debt.

The Congress in 1934 has done for farmers that which has heretofore been done for corporations, railroads, and cities and towns.

Again, every time Uncle Sam has directly or indirectly loaned money to a farmer to enable him to settle with the person or corporation that had a mortgage on his farm or personal property, the transaction left the farmer still in debt, in no manner reduced his liabilities, and created a condition whereby all the farmers in the country would become the debtors of Uncle Sam, thus opening the door for a concentrated effort on the part of debtors to cancel all debts owing the Government. This would create a very serious situation. Refinancing farm mortgages for the amounts now due on them may afford the farmer a short breathing spell and postpone the judgment day, but unless the farmers get better prices for their farm products their doom is sealed and foreclosure sales inevitable. There is no hope for the farmer unless his debts are scaled down or unless farm commodity prices are radically advanced and maintained on practically the same level that prevailed when their debts were created.

This also is true: Every time the Government takes over a farm loan it is necessary for the Government to either issue bonds or paper money. Every dollar of debt thus incurred or circulation thus issued decreases the value of the dollars heretofore issued. To carry such process on to the extent necessary to finance all farm debts (\$9,000,000,000), would be to inflate our currency to such an extent that the dollars heretofore issued would be seriously impaired in value. Such a result would make our money conditions very hazardous and dangerous.

Three new bankruptcy laws are of peculiar and direct value to farmers, and one of indirect value to those engaged in agriculture. Taking the three laws of direct value to farmers—approved March 3, 1933, approved June 7, 1934, and the one passed June 18, 1934—and reading them together, as is necessary to understand them, we find:

The act of March 3, 1933, made special provisions for agricultural compositions—that is, reduction of debts and extensions—and extensions. The Federal district court in each district is required to appoint one or more conciliation commissioners in each county having a population of 500 or more farmers. The commissioner is paid \$25 for his services in each case, the payment to be made out of the Federal Treasury.

A farmer desiring to take advantage of these laws must file a petition with the conciliation commissioner for his county, and pay a fee of \$10 to the commissioner, who, in turn, is required to send the petition and the docket fee to the clerk of the court.

After the filing of such petition the court may order a supervision of the affairs of a farmer, if requested by creditors, but not more than one-half of the cost of the supervision is to be paid by the farmer.

The petition required to be filed by the farmer must state that he is insolvent or unable to pay his debts in full and that he desires to effect a composition; that is, to have his debts reduced in amount, or that he wishes to have granted him an extension of time in which to pay his debts.

The petition must be accompanied by a schedule or statement of the assets and liabilities of the debtor.

The Conciliation Commissioner is required to assist any farmer in preparing and filing a petition and in all matters arising in the proceedings, and farmers are not required to be represented by an attorney in any proceedings under the law.

A meeting of creditors is required to be held, at which the farmer is to be examined as to his property. Thereafter the farmer submits his proposal for composition and extension to creditors, and, if agreed to by a majority in number and amount of the creditors, and approved by the court, the composition or extension is put in force. The composition or extension may extend the time of payment of debts, provide for payment of secured debts ahead of unsecured debts, and may contain such other provisions as may be just and reasonable in the premises.

If a majority in number and amount of the creditors of a farmer do not consent to the terms proposed by him, the court may approve, without the consent of creditors, "an extension including a feasible method of financial rehabilitation for the debtor, which is for the best interest of all the creditors, including an equitable liquidation for the creditors whose claims are affected." This latter provision is found in the act approved by President Roosevelt on June 7, 1934.

Translated in plain English, this means, as I understand it, that if the creditors of a farmer do not consent to an extension or composition, the court, without the consent of creditors may approve any composition or extension which the court deems just and reasonable.

Under the act passed June 18, 1934, the farmer can get his farm released from the mortgage by having it appraised by appraisers appointed by the court, by paying a comparatively small amount annually for 5 years, and the balance is to be paid in full at the end of that time. All this must be done with the consent of the creditors. But if the creditors do not consent, the court may lease the farm to the farmer for 5 years at a rental to be fixed by the court. During this 5-year period the mortgage cannot be foreclosed. At the end of 5 years the farmer may buy back his farm or release it from the mortgage, by paying in full the appraised value thereof.

The remaining Bankruptcy Act, approved May 24, 1934, relates to debts of cities, counties, and other governmental organizations. Adjusting these debts will reduce the taxes due and payable by farmers.

In short, this Frazier-Lemke-McKeown farm mortgage moratorium bill does no more for the farmers than previous bankruptcy acts do for railroads, cities, towns, and business corporations. I repeat, that we are facing Nation-wide

liquidations, which, in plain words, means a Nation-wide scaling down both private and public debts. With the present volume of money and the present price of farm commodities it is absolutely impossible for the American farmers to pay their debts or escape bankruptcy. There are millions of persons and thousands of corporations in the United States indebted far beyond their ability to pay, because their income at present prices is insufficient to enable either the individuals or the corporations to meet current expenses and discharge their maturing obligations. It is my deliberate opinion that there are forty or fifty million people in the United States who are unable to meet their obligations and whose income, under existing conditions, will never permit the liquidation of their indebtedness. These millions of men and women are facing voluntary or involuntary bankruptcy. Their earnings and accumulations of a lifetime have either been dissipated or sooner or later will be taken over by their creditors. This is a tragic and pathetic situation, because a large majority of these people who are facing hopeless poverty are deserving and not responsible for conditions which threaten to make them objects of charity in their old

Individuals and corporations holding mortgages on farm lands might just as well realize now as later that their security is not worth 100 cents on the dollar, and with the decline in the value of the farm it is inevitable that there be a corresponding decline in the value of the mortgage on that farm.

It follows, therefore, that unless the farm mortgages in the United States can be scaled down in proportion to the decline in the value of farm lands, the farmer is doomed, and as to him the future is without hope. Frankly, and much to my regret, we are rapidly drifting toward conditions which will inevitably reduce the farmers of America to a condition of peasantry, and ultimately we will face Nation-wide repudiation of public and private debts.

The Frazier-Lemke-McKeown bill will, in my opinion, afford the American farmers more real farm relief than all the farm legislation enacted in the last 12 years, because under this act the farmer's mortgage indebtedness will be reduced or scaled down to a point where he will have a chance ultimately to discharge it.

Moreover, the 5-year moratorium will be a godsend to millions of farmers whose condition is desperate and who are facing the loss of their farm homes under sacrificial foreclosure sales. Under the provisions of this act the farmer retains his home for 5 years by making small annual payments, and by that time it is believed that conditions will have improved so as to enable the farmer to readjust his finances and save his home.

In my first speech in Congress I discussed the farm problem and advocated the prompt enactment of farm-relief measures for the rehabilitation of the agricultural classes, and during my 12 years' service in Congress I have consistently and aggressively, by voice and vote, loyally supported the legislative program of the American farmers. Very few Members of the House have spoken more frequently than I in favor of legislation that designed to place agriculture on an equality with industry, give the farmer a square deal, increase his purchasing power, and restore agriculture to its proper place in the list of profitable occupations. My loyalty to agriculture and to the cause of the American farmers is indelibly written in the records of Congress. By that record and by my 12 years' service I am willing to be judged.

SUMMARY OF APPROPRIATIONS AND BUDGET ESTIMATES, SEVENTY-THIRD CONGRESS, SECOND SESSION

Mr. BUCHANAN. Mr. Speaker, so many statements have been made of divergent character respecting the total of appropriations granted at the past session and the effect upon the Treasury of those appropriations and other relief measures that I feel it incumbent upon me as Chairman of the Committee on Appropriations of the House of Representatives to present a brief résumé of the work of the Congress in that respect, based upon such facts as exist at this time and upon the best estimates that can now be made as

to the effect of these measures upon future operations of the Treasury.

The fiscal problems confronting the second session of the Seventy-third Congress surpassed even those of the wartime Congresses. With industry and agriculture continuing to suffer from the economic depression, and with this condition accentuated by the most devastating and extensive drought which has affected the West and Middle West for 50 years, the enactment of further remedial legislation and the furnishing of huge sums in appropriations for relief purposes became vitally necessary in continuation of the President's program to renabilitate the Nation. In spite of the corrective measures applied as the result of legislation of the special session, mill ons of our citizens are still without employment and continue to need support and aid from Federal, State, and local sources, and this situation alone has made necessary the appropriation of hundreds of millions of dollars.

The appropriations made at the present session have been supplemental to those of the special session in continuation of the programs and policies adopted and in addition for the initiation of new measures to furnish further assistance in various phases of national recovery.

### APPROPRIATION TOTAL-\$7,526,382,866.53

The gross total of appropriations made at the present session, including the permanent and indefinite appropriations, which are continuing and automatic, is \$9,665,682,423.53. However, included in this sum are two amounts appropriated from the special receipts created by the increment resulting from the reduction in weight of the gold dollar, namely, the appropriation and setting aside of a fund of \$2,000,000,000 to enable the Secretary of the Treasury—in order to stabilize the exchange value of the dollar-to deal in gold and foreign exchange and other instruments of credit and securities, and also to invest and reinvest in the direct obligations of the United States, and a further sum of \$139,299,357 for payment to the surplus of the Federal Reserve banks in connection with the making of industrial and commercial loans. These two sums, aggregating \$2,139,299,557, payable as they are from these special receipts and not affecting either the Budget or the public debt, are properly deductible from the usual total of stated appropriations, leaving the net amount of the direct appropriations for all emergency and general purposes, including postal, at \$7,526,382,866.53. A listing of these appropriations will be found in table I.

Since the establishment of the Reconstruction Finance Corporation, funds furnished by that Corporation have not been included in the total of appropriated moneys with the single exception of the amount originally appropriated for the capital stock of the Corporation. There is one instance at this session, however, where funds of the Corporation may, in the discretion of the President, be used to supplement the appropriations for the Federal Emergency Relief Administration and/or the Public Works Administration, but in this case the amount to be so taken is limited to \$500,000,000. This sum is analogous to a direct appropriation from the general fund of the Treasury and, even if this full amount be assumed to be necessary to supplement the funds directly appropriated for either or both of these administrations, the listing of it as an appropriation would raise the stated total in table I from \$7,526,382,866.53 to \$8,026,382,866.53.

# BORROWING AUTHORITY OF RECONSTRUCTION FINANCE CORPORATION INCREASED BY A BILLION AND A HALF

In addition to the appropriations directly made from the Treasury, the funds of the Reconstruction Finance Corporation have been made available in a number of instances for financing new emergency enterprises where loans are to be made, securities purchased, or capital stock subscribed to furnish funds for corporate or other operations and where assets will be received in some form as security therefor. The measure of the responsibility for this session of Congress for Reconstruction Finance Corporation funds is the amount by which the borrowing power of the Corpora-

tion has been increased by granting authority to issue additional notes, bonds, or debentures. This sum totals approximately \$1,500,000,000. Included in this figure is \$850,000,000 in the act extending the life of the Corporation, \$250,000,000 in the Emergency Appropriation Act, 1935, to purchase securities owned by the Public Works Administration, \$250,000,000 in the act extending provision for the insurance of bank deposits for purchase of obligations of the Federal Deposit Insurance Corporation, and an estimated amount under the indefinite authority in the National Housing Act.

TOTAL OF APPROPRIATIONS AND NEW OBLIGATIONS NOT IN EXCESS OF \$9,526,000,000

Including the total of appropriations made during the session which is chargeable against general receipts—excluding the increment of gold—the postal revenues, and the public debt, \$7,526,382,866.53, the \$500,000,000 made available from Reconstruction Finance Corporation funds for direct expenditure by the Federal Emergency Relief Administration and/or Public Works Administration, and also including \$1,500,000,000 of new commitments made at this session to extend the borrowing power of the Reconstruction Finance Corporation, there is a total of obligations at the maximum, both for appropriations and additional R.F.C. funds, of not to exceed \$9,526,382,866.53.

It is true that at this session, just as at many sessions in the past, new authorizations have been made which may require appropriations in future years. These authorizations, however, will not enter into the fiscal picture until they materialize into estimates of appropriations upon which future Congresses will have to pass before there is any direct obligation against the Treasury of the United States. They should not now be included as a charge against the Treasury or the public debt. To do so is misleading.

## DIVISION BETWEN RGULAR AND EMERGENCY APPROPRIATIONS

An analysis of the total of appropriations made during the session shows that more than half of the total sum is for emergency purposes, as contrasted to the general or regular appropriations. There will be found in table II, attached to this statement, such a segregation of the appropriations. Of the total of \$7,526,382,866.53, the sum of \$3,904,829,428 is for distinctly emergency purposes and \$3,621,553,438.53 is for regular purposes. The appropriations for regular purposes have been reduced to a minimum. They carry the salaries of officers and employees on a 90-percent basis and are practically devoid of sums for new construction, such purposes being covered in the appropriations made available for the Public Works Administration at the present and the previous session.

Included in the total of \$3,904,829,428 for emergency appropriations and the added amount of \$500,000,000 by which it may be supplemented from savings in funds of the Reconstruction Finance Corporation, a total of \$4,404,829,428, are the following purposes:

Civilian Conservation Corps  Federal Emergency Relief Administration and Civil	\$285,000,000
	1, 517, 000, 000
for naval purposes)	500, 000, 000
Tennessee Valley Authority	48, 000, 000
Relief in stricken agricultural areas (drought)	525, 000, 000
Roads	1 119, 500, 000
Financing cotton held by the Secretary of Agricul-	
ture	100, 000, 000
Reduction in interest and deferment of principal	
and interest on farm mortgages	82, 950, 000
Public buildings	65, 000, 000
Cattle and dairy industries	150, 000, 000
Crop-production loans	40, 000, 000
Miscellaneous	15, 820, 000
Advances to Agricultural Adjustment Administra-	The state of the s
tion, payment of rentals, benefits, and refunds	2 831, 022, 428
Interest on the public debt (that portion of the in-	
terest chargeable to emergency purposes)	125, 537, 000
Total	4, 404, 829, 428

<sup>&</sup>lt;sup>1</sup>In addition to this sum, contracts may be entered into for another \$100,000,000 for public highways for 1935, making a total available for direct contract obligation of \$219,500,000.

2 Estimated.

NORMAL REDUCTION OF \$13,572,667.40 IN BUDGET ESTIMATES

The total of the appropriations, \$7,526,382,866.53, compared with the total of the Budget estimates, \$7,439,955,-533.93, shows an excess of appropriations over Budget estimates of \$86,427,332.60, as found in table III. Included in the total of appropriations is the sum of \$100,000,000 for the financing of cotton held by the Secretary of Agriculture for the United States for which no Budget estimate was submitted. This item was included by the Senate in the deficiency appropriation act as an emergency appropriation to provide the Secretary of Agriculture with funds to finance the holding of this cotton in the event of failure to secure a renewal of the present loans; there is little likelihood of the fund being needed or drawn upon. Eliminating this item from consideration, there is a net decrease in Budget estimates in all other items of appropriation of \$13,572,667.40. In arriving at this net reduction the nine regular annual appropriation acts show a net reduction in the Budget estimates of \$25,529,293.60, the deficiency and emergency appropriation act shows a net increase of \$8,532,839.20 over the Budget estimates, and the miscellaneous appropriations an estimated increase of \$3,423,787 over the Budget estimates.

The House of Representatives has continued to maintain its record of economy in keeping appropriations within the Budget estimates. At the past session the total of the appropriation measures as they passed the House was a net of \$23,767,702.68 under the Budget estimates submitted for consideration in connection with those same bills.

### PERMANENT APPROPRIATIONS REPEALED

The Congress at this session made a thorough review of the so-called "permanent" appropriations. This type of appropriation continues from year to year without any annual action by Congress, being automatic in character. A general tendency has developed for the creation of this form of appropriation. The investigation and hearings leading to the enactment of the bill involved the examination of several hundred statutes making permanent appropriations, some of them dating back 130 years. By the terms of the new law obsolete appropriation statutes are repealed, active permanent appropriations are put on an annual basis commencing July 1, 1935, and many changes are made in the classification and method of handling accounts. While not all of the permanent appropriations have been reached in the repeal provisions of the new law, an important forward step has been taken toward the elimination of permanent appropriations and placing all appropriations on an annual basis subject to review and consideration by each Congress in the same manner as the regular annual appropriations. The notable exceptions to the repeal of permanent appropriations are those for agricultural extension work, landgrant colleges, and vocational education.

## MINIMUM OF DEFICIENCY APPROPRIATIONS

Although the present session extended for nearly 6 months, the passage of only one deficiency and supplemental appropriation bill of a general character was necessary. The usual practice and necessity has been the enactment of two such bills, one at the beginning and one at the end of each session. The bill at this session carried both regular and emergency appropriations. The amount included in that bill for regular activities, both deficiency and supplemental in character, is \$15,642,365.59. This small amount for deficiencies and supplementals to finish out the present fiscal year, and even some for next fiscal year, is evidence of the success of the President and the Director of the Budget in keeping the spending agencies of the Government within the limits of the appropriations or the amounts allocated to them for expenditure purposes.

### REORGANIZATION OF EXECUTIVE AGENCIES

Authority was granted the President to reorganize agencies in the executive branch of the Government so as to bring about economy and more efficient service.

The most notable achievement under this legislation has been the establishment of the Farm Credit Administration through the consolidation of the agencies dealing with agricultural credits, namely the Federal Farm Board, the Fed-

eral Farm Loan Board, the functions of the Secretary of Agriculture with regard to loans in aid of agriculture, and those of the Reconstruction Finance Corporation pertaining to the management of regional agricultural credit corporations. This consolidation has resulted in providing for the benefit of the farmers a separate department of the Government dealing with credits for agriculture. It brought together the scattered agencies, eliminated duplications and unnecessary overhead, and has saved millions of dollars in administration. By an Executive order, dated June 10, 1933, the President provided for numerous consolidations, transfers, and regrouping of activities. A procurement division was established in the Treasury Department to determine the policies and methods of procurement, warehousing, and distribution of property, facilities, equipment, stores, and supplies. This division took over the construction activities of the Supervising Architect's Office and the Government fuel yards and rendered unnecessary the continuance of the General Supply Committee. Also by the same order there was provided a centralized disbursing agency in the Treasury Department to take over the function of disbursement of Government funds as rapidly as the new agency could develop to handle the duties; the military and naval services are excepted from this consolidation.

By the provisions of other Executive orders the Bureau of Industrial Alcohol and the remaining functions of the Bureau of Prohibition are restored to the Bureau of Internal Revenue in connection with the administration of the liquor-taxing laws. The Bureau of Immigration and the Bureau of Naturalization in the Department of Labor were consolidated into a single bureau to be known as the "Bureau of Immigration and Naturalization." The United States Shipping Board was abolished and its functions and duties transferred to the Department of Commerce. The scattered duties of administration of public buildings, reservations, national parks, national monuments, and national cemeteries were consolidated under the National Park Service in the Department of the Interior. Many minor consolidations, transfers, and abolitions have been made and the study of reorganization under the President's authority is still continuing. Definite figures are not available as to the exact saving in dollars and cents that result from these reorganization activities, but they are substantial amounts in addition to providing better service.

## AUDIT OF EMERGENCY EXPENDITURES

Desirous of providing every safeguard about the expenditure of emergency funds and to insure that they would be expended for the relief purposes to which they are devoted, the President on January 3, 1934, issued an Executive order directing that emergency agencies established since March 4, 1933, should submit their accounts and vouchers to the General Accounting Office for examination. From emergency funds the sum of \$500,000 was made available for this audit, and Congress by an appropriation in the final deficiency act provided \$1,000,000 in addition. Certain Government corporations with Federal funds for capital stock and incorporated under State laws do not fall within this requirement. Their corporate existence was provided to enable them to function smoothly, expeditiously, and without the usual retarding influence of the normal regulatory statutes. Each of these corporations has its own control and auditing organization.

REPUBLICAN APPROPRIATIONS AND EXPENDITURES REDUCED A BILLION DOLLARS

A comparison of the appropriations made at the present session of Congress for regular activities of the Government compared with those made at the third session of the Seventy-first Congress when the Executive and both Houses of Congress were in full control of the Republican Party shows a substantial reduction of regular appropriations at this session under those of the Seventy-first Congress, third session, on a comparable basis. Table IV sets out the totals and the differences for both sessions. This tabulation shows that after deducting the amount for the sinking fund on the World War debt and making an allowance esti-

mated at \$615,000,000 for emergency appropriations, drought relief, and public works, the net appropriations made at the third session of the Seventy-first Congress was \$4,095,015,-062.95. The deductions for emergency purposes are made from the gross for the Seventy-first Congress in order to place those appropriations on a comparable basis with the appropriations for regular purposes at the present session. The appropriations for regular activities at the present session, after deducting the estimated amount for the sinking fund, amount to a net total of \$3,095,789,588.53. This sum shows a decrease under the net for the third session of the Seventy-first Congress of \$999,225,474.42, or 24 percent plus.

On the basis of actual expenditures an equally good record has been made. The total expenditures (exclusive of trust funds and capital stock of the R.F.C.) for the fiscal year ending June 30, 1932, which were under appropriations almost wholly made during, and all expended by, the Hoover administration, aggregated \$4,336,000,000. The general or regular expenditures for the present fiscal year, the first full fiscal year under the present administration ending on the 30th of this month, exclusive of certain emergency items for the Agricultural Adjustment Administration and the Farm Credit Administration, will total approximately \$2,892,000,-000. This comparison shows a decrease of \$1,494,000,000. Included in the expenditures for 1932, however, are some emergency expenditures of the character of those classified in the 1934 expenditures as emergency items, but, even after making a liberal allowance for expenditures of this category in the 1932 figure, there will still be a reduction in the general expenditures for 1934 under comparable expenditures for 1932 of approximately \$1,000,000,000.

These reductions in appropriations and expenditures are a very practical compliance with the plank in the Democratic platform of 1932 calling for a 25-percent reduction in the expenses of the Government.

### ECONOMY LEGISLATION AND ADMINISTRATIVE SAVINGS

The economy measures of the Democratic Administration commenced with the election of a Democratic House of Representatives in the fall of 1930. The first Budget submitted to that new House by President Hoover came in December 1931. It showed no comprehension of the problem of bringing about economies nor did it contain any substantial recommendations for decreasing appropriations. The Democratic House on its own initiative created an economy committee and wrote into the statutes a comprehensive economy law. The new administration, when it came into power in March 1933, expanded the provisions of this economy legislation through the enactment of the National Credit Act. The estimate of the annual economies which were brought about by this special legislation during the Seventy-second Congress and as expanded by the Seventy-third Congress is in excess of \$675,000,000. By the enactment of veterans' legislation at the special session, the orders of the President restoring benefits, and the overriding by Congress of the President's veto of the independent offices bill at the present session in connection with the salaries of Government employees and World War and Spanish-American War veterans, this annual saving under special economy legislation has been cut approximately \$300,000,000, still leaving economy laws bringing about estimated annual savings of \$375,000,000.

The District of Columbia and Independent Offices Appropriation bills as recommended to the final session of the Seventy-second Congress by President Hoover totaled, respectively, \$36,795,770 and \$1,027,786,501. They failed of final enactment in the Seventy-second Congress. As the result of economy legislation passed at the special session, and also as the result of curtailment of those Budget estimates by President Roosevelt, these two bills as finally enacted at the first session of the Seventy-third Congress totaled, respectively, \$30,375,834 and \$631,802,546, making decreases under the amounts recommended by President Hoover for these same bills of \$6,419,936 and \$395,983,955.

Upon assuming office President Roosevelt directed that economies be made wherever possible by administrative ac-

mated at \$615,000,000 for emergency appropriations, drought relief, and public works, the net appropriations made at the third session of the Seventy-first Congress was \$4,095,015,-062.95. The deductions for emergency purposes are made from the gross for the Seventy-first Congress in order to place those appropriations on a comparable basis with the \$100,000,000.

#### NEW REVENUE PROVIDED

Supplementing the economies that have been made, the support of the regular activities of the Government has been strengthened by the enactment at this session of a revision of revenue laws designed to raise \$417,000,000 annually, and the Liquor Taxing Act, estimated to collect from taxes on alcoholic liquors \$320,000,000. These laws are also designed to close the gap on taxes escaping return and collection and to prevent frauds upon the liquor revenue by breaking up illicit distilling and traffic in alcoholic liquors.

#### EXPENDITURES AND PUBLIC DEBT

Confusion often exists in the public mind, accentuated frequently by the statements of those who seek for political purposes to exaggerate the state of our finances, between appropriations, authorizations for appropriations, expenditures, and loans and investments. In any consideration of the total of appropriations for this session of Congress and the use of any funds of the Reconstruction Finance Corporation, it should be remembered that the appropriations just enacted and the authority granted for use of R.F.C. funds are, with several exceptions, but the enactment into law of authority to make the estimated expenditures which the President outlined in his Budget last January for the 2-year period commencing July 1, 1933, and ending June 30, 1935. The Budget estimated these expenditures at \$16,500,000,000 for the 2-year period and predicted that if these expenditures eventuated, the public debt would stand at \$31,834,-000,000 on June 30, 1935. The estimated expenditures of \$16,500,000,000 for the 2-year period included estimated expenditures of approximately \$10,500,000,000 for the current fiscal year ending June 30, 1934. Expenditures during the present fiscal year will not reach that sum, falling short approximately \$3,500,000,000, or a total of general and emergency expenditures of approximately \$7,000,000,000.

Expenditures for the fiscal year 1935, as based upon the Budget estimates for 1935, and additional appropriations, were placed at approximately \$6,000,000,000. Some part of the \$3,500,000,000 not materializing in 1934 will occur in the fiscal year 1935 in addition to the \$6,000,000,000 so that it might be possible for the entire \$16,500,000,000 to be reached by June 30, 1935. Several disarrangements of this spending program, which could not be anticipated, occurred at the past session to affect this total at its maximum. The unprecedented drought made it necessary for funds to be sought for relief in the stricken agricultural areas in the sum of \$525,000,000. The overriding of the President's veto of the independent offices appropriation bill upset the Budget expenditures in the amount of \$228,000,000. Additional funds have been made necessary for extension of insurance of bank deposits, the purchase of securities taken in connection with loans and grants for public works, the new housing law, and so forth. These modifications would have the effect of increasing the estimated gross expenditures of the 2 years by approximately \$1,000,000,000, and raising the estimated possible 2-year maximum from \$16,-500,000,000 to \$17,500,000,000.

It is my opinion expenditures, even with the modifications and increase made in the President's program at this session by reason of the drought and other emergencies, will not reach that total. With the estimated expenditures for the fiscal year 1934 approximately \$3,500,000,000 short of the predicted figure and the entire estimated total possibly raised by approximately a billion dollars, it is my judgment that the original estimated expenditures for the fiscal year 1935 of \$6,000,000,000 will not go beyond \$9,500,000,000 and the original estimated total of \$16,500,000,000 for the 2-year period will hardly be reached by June 30, 1935.

With strong forces for recovery well under way and the entire Nation feeling the impetus of the steps taken by the Federal Government to assist in this recovery, there is good | ments which it cannot finance without oppressive taxation prospect that the President will hold the total expenditures under all the funds placed under his control well within the figures that he estimated last January and achieve the goal which he set at that time for a balance between receipts and expenditures for the fiscal year 1936.

The President, in his message of last January, also stated that with expenditures for the 2-year period estimated at \$16,500,000,000, the public debt on June 30, 1935, would reach the figure of \$31,834,000,000. It is also my judgment that this figure will not be exceeded, if indeed it is reached by

### RECOVERY COSTS AND ITS BY-PRODUCTS

In consideration of these large figures of public debt and expenditures, attention must be given to the large proportion of these funds that constitute loans, investments, and other securities that within every reasonable consideration may be expected to be returned to the Treasury in good measure. At the time the Budget, last January, was submitted it gave the estimated book value of assets held as security for loans at \$5,462,000,000. It is fair to assume that as the result of additional commitments this figure will be raised at least to \$6,500,000,000.

When the present administration took office in March 1933 the public debt stood at \$20,934,000,000. If the public debt on June 30, 1935, does not exceed the estimated figure of \$31,834,000,000, there will have been an increase in debt during this period of \$10,900,000,000. Deducting from this figure the estimated book value of assets held as security for loans of \$6,500,000,000, there remains an increase in the public debt during this period not offset by these assets of \$4,400,000,000, which, if not otherwise represented by investment in Government property, might properly be charged off against recovery. However, large expenditures have been and will be made by way of capital outlay in Government property as a byproduct of this recovery. Included in this category is the enlargement of the Navy and the replacement of obsolete vessels, roads, lighthouse property, public buildings, aviation, housing at military posts and stations, naval shore station improvement, reclamation, Boulder Dam, Tennessee Valley Authority, river and harbor improvement, flood control, conservation, improvement of national parks and national forests, post offices and other public buildings, prevention of soil erosion, establishment of subsistence homesteads, and a host of minor projects that constitute permanent and lasting improvement. In addition to these Federal improvements, more than \$600,000,000 will have been available in this 2-year period for expenditure on public State highways.

In connection with any statements of the cost to the Nation of recovery measures there must be kept in mind as a very definite asset the sum of \$2,811,000,000 now held as a separate account in the general fund of the Treasury as the increment resulting from the reduction in the weight of the gold dollar. By special appropriation \$2,000,000,000 of this increment is set aside as a special fund to enable the Secretary of the Treasury to stabilize exchange and to invest and reinvest in United States securities. When these transactions have been completed, there will be a very substantial sum in this increment in the general fund for such disposition as may be made by law.

Mr. Speaker, statements have been issued recently from opposition political sources severely criticizing the outlays for recovery purposes, and in several instances exaggerating the amounts directly chargeable to the Federal Government. The figures of cost for this session in several cases are not in agreement, one opposition spokesman placing the total commitments for the session at \$17,000,000,000, and another, in a more conservative body, placing the amount at \$14,000,000,000. It is the function of the minority to criticize but it should be constructive criticism. Exaggerated statements do not aid recovery; they tend to retard it by unduly frightening business and making the individual timid by believing that the Government is entering upon commitand Government regulation.

#### CONCLUSION

The only hope in this depression of millions upon millions of our citizens for the preservation of their homes, their farms, their business, their financial recovery, and even their daily bread and butter, is the Government of the United States. Our people have the courage, the vision, and the industry to lift themselves from this slough of despondency, but they need the helping hand of the Federal Government. Under the leadership of our great President they are receiving that assistance. Whatever measures are necessary, whatever funds are requisite, the American people are willing to furnish him to carry on this herculean task. They do not begrudge the outlays. All they ask is that the money be well and carefully expended along sound recovery lines.

The cost of the participation of the United States in the World War, exclusive of the loans to the Allied Governments and the expenses of our Government on a peace basis, was \$23,400,000,000. We are engaged in a different kind of a war at this time, but one just as important to the people of this Nation. If the cost of defeating this depression should approximate one-fourth our cost of the World War, it would be money well expended. A new United States will emerge from this era, one with greater hope, greater opportunity, greater vision, and a greater soul. We are on our way out of the economic morass and better days are ahead.

TABLE I .- Appropriations made during the Seventy-third Congress,

Net grand total of appropriations		2, 139, 299, 557. 00
Less appropriations from the receipts created by the increment resulting from the reduction in weight of the gold dollar (receipts under sec. 7 of the Gold Reserve Act of 1934);	2, 000, 000, 000. 00 139, 299, 557, 00	
Grand total		
Advances to Agricultural Adjustment Administration (rentals, benefits, and refunds).  Interest on the public debt	<sup>2</sup> 824, 349, 000, 00 <sup>2</sup> 525, 763, 850, 00	2, 304, 818, 940, 00
Permanent and indefinites:		3, 284, 299, 557. 00
Reserve banks in connection with making of industrial and commercial loans (to be paid from receipts authorized by sec. 7 of Gold Reserve Act of 1934)		
Exchange stabilization fund (to be paid from receipts authorized by sec. 7 of Gold Reserve Act of 1934)  Amount for payment to surplus of Federal	2, 000, 000, 000. 00	
Relief of cattle and dairy industries Crop-production loans	40, 000, 000. 00	
Miscellaneous acts carrying appropriations: Chinch-bug control and other miscellaneous Federal Emergency Relief Administration and Civil Works	950, 000, 000, 00	
Emergency and deficiency appropriation act: Title I. General appropriations (regular) Title II. Emergency appropriations		1, 823, 912, 365. 5
The state of the s		316, 228, 991. 0 2, 252, 651, 560. 9
War Department: Military activities Nonmilitary activities	255, 526, 147, 00 60, 702, 844, 00	212 200 201 2
Post Office	669, 628, 940. 00	819, 721, 370. 0
Treasury and Post Office Departments:	150, 092, 430. 00	58, 884, 522. 0
Justice	32, 267, 321, 00	00 004 700 0
Departments of State, Justice, Commerce, an State	\$13, 885, 618, 00	
Legislative Establishment		25, 075, 995. 0 284, 658, 799. 0
Interior Department		1 588, 574, 714. 0 31, 474, 319. 0
		35, 411, 177. 9

<sup>&</sup>lt;sup>1</sup> Does not include any estimated amount under the indefinite appropriation for payments resulting from decrease in the percentage of reduction in salaries and other changes in economy laws.

<sup>1</sup> Approximated.

<sup>3</sup> Appropriations from these receipts in no wise affect the public debt or the Budget. For that reason they are deducted.

TABLE II.—Division of appropriations in table I, Seve gress, second session, between regular appropriations appropriations	enty-third Con- and emergency	1
Regular appropriations:  Amounts in regular annual appropriation acts, including postal.  Amount in title I, deficiency appropriation act, for general (regular) purposes.  Amounts in miscellsneous acts.  Permanent appropriations:  Interest on the public debt (being interest on the amount of debt as of Feb. 28, 1933)\$608, 812, 000  Sinking fund and other debt retirement funds. 525, 763, 850  All other permanent and indefinite appropria-	\$2, 252, 651, 560. 94 15, 642, 365. 59 1 5, 000, 000. 00	1
tions	1, 348, 259, 512.00	
Total, regular appropriations, incluging postal	3, 621, 553, 438. 53	1
Emergency appropriations:  Emergency Appropriation Act, 1935 (title II of emergency and deficiency act):  Fund for allocation by the President to Tennessee Valley Authority, Federal Emergency Relief Administration, Public Works Administration, and Civilian Conservation Corps.  Relief in stricken agricultural areas, including loans (drought relief).  Roads, including public highways, forest roads and trails, park roads, public-land		CI

roads, and Indian-reservation roads......... 119, 500, 000

Table II.—Division of appropriations in table I, Seventy-third Congress, second session, between regular appropriations and emergency appropriations—Continued

appropriations—Continued.

Emergency appropriations—Continued.

Emergency Appropriation Act, 1935 (title II of emergency and deficiency act)—Continued.

Petroleum Administration.

Fund to enable the Secretary of Agriculture to protect the title to cotton held by him for the United States.

Reduction in interest rate and deferment of payments of principal and interest on farm mortgages, Federal land banks.

Public buildings.

Sundry items under the Treasury Department. \$1,500,000 100, 000, 000 14, 645, 000

| Medical Emergency Relief Administration and Civil Works | 950,000,000,000 | 950,000,000,000 | 150,000,000,000 | 150,000,000,000 | 150,000,000,000 | 150,000,000,000 | 150,000,000,000 | 150,000,000,000 | 150,000,000,000 | 150,000,000,000 | 150,000,000,000 | 150,000,000,000 | 150,000,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 15 956, 559, 428, 00

Total, emergency appropriations.... 3, 904, 829, 428. 00 Grand total 7, 526, 382, 866, 53

TABLE III.—Comparison of Budget estimates and appropriations, Seventy-third Congress, second session

Act	Budget estimates	Appropriations	Increase (+) or decrease (-)	
Regular annual acts: Agricultural Department and Farm Credit Administration District of Columbia Independent offices Interior Department Legislative establishment Navy	35, 154, 843. 94 595, 218, 914. 00 31, 524, 656. 00 25, 362, 856. 60	\$62, 621, 673, 00 35, 411, 177, 94 1 588, 574, 714, 90 31, 474, 319, 00 25, 075, 995, 00 284, 658, 799, 00	-\$1, 994, 998. 00 +256, 334. 00 -6, 644, 200. 00 -50, 337. 00 -286, 861. 00 -1, 673, 593. 00	
State, Justice, Commerce, and Labor: State Justice Commerce Labor.	31, 359, 704. 00 32, 282, 406. 00	13, 885, 618, 00 28, 700, 778, 00 32, 267, 321, 00 14, 030, 805, 00	+410, 520, 00 -2, 658, 926, 00 -15, 085, 00 -13, 340, 00	
Total, State, Justice, Commerce, and Labor	91, 161, 353. 00	88, 884, 522. 00	-2, 276, 831. 00	
Treasury and Post Office: Treasury. Post Office.	150, 527, 869. 00 676, 849, 240. 00	150, 092, 430, 00 669, 628, 940, 00	-435, 439, 00 -7, 220, 300, 00	
Total, Treasury and Post Office.	827, 377, 109. 00	819, 721, 370. 00	-7, 655, 739. 00	
War: Military activities Nonmilitary activities	260, 624, 208. 00 60, 807, 851. 00	255, 526, 147. 00 60, 702, 844. 00	-5, 098, 061, 00 -105, 007, 03	
Total, War	321, 432, 059. 00	316, 228, 991. 00	-5, 203, 063. 03	
Total regular annual appropriation acts.	2, 278, 180, 854. 54	2, 252, 651, 560. 94	-25, 529, 293. 60	
Deficiency and emergency appropriation act: Title I, general appropriations (regular) Title II, emergency appropriations	14, 783, 526. 39 1, 700, 596, 000. 00	15, 642, 365. 59 1, 808, 270, 000. 00	+858, 839, 20 +107, 674, 000. 00	
Total, emergency and deficiency act	1, 715, 379, 526. 39	1, 823, 912, 365. 59	+108, 532, 839. 20	
Miscellaneous acts carrying appropriations: Chinch-bug control and other miscellaneous. Federal Emergency Relief Administration and Civil Works. Cattle and dairy industries. Crop production loans.	150, 000, 000. 00		+3, 423, 787.00	
Total, miscellaneous	1, 141, 576, 213. 00	1, 145, 000, 000. 00	+3, 423, 787.00	
Permanent and indefinite appropriations	* 2, 304, 818, 940. 00	2 2, 304, 818, 940. 00		
Grand total	7, 439, 955, 533, 93	7, 526, 382, 866. 53	+86, 427, 332. 60	

Does not include any estimated amount under indefinite appropriation for payments resulting from decrease in the percentage of reduction in salaries and other changes in economy laws.
Estimated.

ABLE IV.—Comparison of appropriations (less emergency appropria-tions) made during the Seventy-first Congress, third session, with those made during the Seventy-third Congress, second session Total appropriations made during the 71st Cong., 3d sess., for the fiscal year 1832, and prior fiscal years. \$5, 178, 524, 967. 95

Deduct: Sinking fund and other debt retirement funds. Emergency appropriations for drought relief, emergency construction, and public works (estimated). \$468, 509, 905

1, 083, 509, 905. 00

Net appropriations, 71st Cong., 3d sess..... \_\_ 4, 095, 015, 062, 95 Table IV.—Comparison of appropriations (less emergency appropria-tions) made during the Seventy-first Congress, third session, with those made during the Seventy-third Congress, second session— Continued

Net regular appropriations, 73d Cong., 2d \$3,095,789,588,53

Decrease, total appropriations for 73d Cong., 2d sess., for regular purposes, under com-parable appropriations for 71st Cong., 3d

999, 225, 474, 42

1 Estimated.

Remainder of item of \$824,349,000 for interest on the public debt after deducting the sum of \$698,812,000 of interest on the amount of debt as of Feb. 28, 1933.

ADDITIONAL BENEFITS FOR WORLD WAR VETERANS AND DEPENDENTS

Mr. PATMAN. Mr. Speaker, on May 15, 1934, I inserted in the Congressional Record a statement showing the present status of World War veterans, Spanish-American War veterans, and their dependents. About 100,000 of these statements were printed and distributed by Members of Congress, veterans' organizations, heads of departments, and others. Since that time H.R. 9936, introduced by the Honorable John E. Rankin, Chairman of the Committee on World War Veterans' Legislation, has become a law. It passed Congress June 16, 1934. It is a law to compensate widows and children of persons who died while receiving or entitled to receive monetary benefits for directly service-connected disabilities, and relates only to persons who had World War service.

It includes widows and children but does not include dependent parents.

The deceased veteran must have served in the World War before November 12, 1918, or, if serving in Russia, before April 2, 1920; and his death need not have been or be caused by a service-connection disability.

Such veteran must have been receiving or entitled to receive at the time of his death compensation pension or retirement pay for a 30-percent disability or more which was directly incurred in or aggravated by service in the World War. It does not include presumptives.

The law includes cases where such a veteran dies in the future.

No widow or child shall receive such compensation unless exempt from the payment of a Federal income tax.

A widow with no child will receive \$22; widow and one child, \$30, with \$4 for each additional child. No widow, but one child, \$15; no widow, but 2 children, \$22 (equally divided); no widow, but 3 children, \$30 (equally divided), with \$3 for each additional child, total amount to be equally divided, provided the total compensation shall not exceed \$56. These are the same rates provided for dependents of peace-time soldiers.

The term "widow" means a person who was married to a veteran prior to July 3, 1931, and who has not remarried. The term "child" shall mean an unmarried person under the age of 18 years.

If the child is going to school or college, the compensation may be continued until the age of 21.

The act provides that the Administrator of Veterans' Affairs is authorized and directed to receive evidence and adjudicate claim for compensation under this act when it is claimed that the veteran was 30 percent or more disabled immediately prior to his death from disease or injury established to the satisfaction of the Veterans' Administration prior to date of death to have been directly incurred in or aggravated by service in the World War, although a determination of 30-percent disability or more had not been made by the Veterans' Administration prior to the veteran's death.

Payments will be effective from the date of enactment into law of this act in all cases where death occurred prior to its enactment. In all other cases payment shall be made from the date of the application of the widow or child.

A claim by the widow or child for pension or compensation under Public Law No. 2, Seventy-third Congress, or Public Law No. 141, Seventy-third Congress, on account of death of veteran from a directly service-connected disability will be accepted as a claim for benefits under this act. An additional statement will have to be filed, however, showing that the claimant is exempt from the payment of a Federal income tax. The same requirements apply to children.

The law does not apply to cases where a veteran dies of a disability, the result of his own misconduct.

The law will apply to 13,900 cases at this time, and will cost \$4,114,000 the first year.

Until the enactment of this law no widow or child of a World War veteran received a pension or compensation from the Government unless the veteran's death was caused by a service-connected disability. In other words, as pointed out by Judge Rankin, while speaking for this legislation, if a

veteran had his eyes shot out on the western front, but died of some other cause, his widow and orphans have not been able to draw one penny of compensation from the Government. If a veteran was at the point of death by reason of tuberculosis, or any other disease that was service connected, but was killed by an automobile or street car, under prior laws, the Veterans' Administration was forced to hold that his death was not caused by a service-connected disability, and, therefore his widow and children were not entitled to compensation.

In conclusion, it should be remembered that in order for a widow to draw compensation under this act she must show that her deceased veteran husband was receiving compensation for a disability which was rated 30 percent or more directly service connected at the time of his death or she must show within 3 years that he was entitled to a rating of at least 30 percent at the time of his death for a disability shown to be directly service connected. The cause of death is immaterial if not due to misconduct. If his death was caused by a war service-connected disability she and her children will be entitled to higher rates.

STATEMENT OF COST OF VETERANS' BENEFITS BEFORE THE SO-CALLED "ECONOMY ACT" AND SINCE THAT TIME

Without the so-called "Economy Act" of March 20, 1933, the Government would have expended \$866,830,000 for compensation, pensions, hospital and domiciliary care, and administration for the year ending June 30, 1934. By reason of reductions made by regulations under the Economy Act the Government expended for these purposes during the year the sum of \$600,811,504. All war service-connected veterans are now receiving the same compensations they received prior to the Economy Act. All widows and children of war service-connected veterans, including the presumptives, have remained on the pension rolls without any deduction whatsoever.

### ADJUSTED-SERVICE CERTIFICATES

This bill was first introduced in May 1929, providing for full payment to each veteran of the full amount of his adjusted-service certificate in cash.

Although we were not successful in getting the bill passed, we were successful in getting the interest rate reduced to  $4\frac{1}{2}$  percent from 6 percent to 8 percent on February 27, 1931, and the veterans allowed to borrow 50 percent of the face value of their certificates. The fight for full payment continued, and on July 21, 1932, we were successful in getting the interest rate reduced to  $3\frac{1}{2}$  percent. The House of Representatives on June 15, 1932, during the Seventy-second Congress, had passed the bill H.R. 1, providing for the full and immediate cash payment of the certificates. The Senate defeated the measure.

At the beginning of the Seventy-third Congress, in March 1933, I again introduced a bill providing for full payment, which was known as "H.R. 1." This bill was passed in the House of Representatives on March 12, 1934. It was defeated in the Senate.

I have already filed with the Clerk of the House of Representatives a new bill, which will be known as "H.R. 1", for the Seventy-fourth Congress, which will convene January 3, 1935. This bill provides for the full payment of the adjusted-service certificates without interest on loans prior to October 1, 1931. It will be the same bill as H.R. 1, of the Seventy-third Congress, which passed the House March 12, 1934. The payment is to be made in the same kind of money that is issued to national banks and Federal Reserve banks every day. The Federal Reserve banks pay 27 cents a \$1,000 to get the money printed. They pay nothing for the use of the Nation's credit. The national banks deposit Government bonds drawing 3%-percent interest and receive new money in return. They pay a tax of one-half of 1 percent annually on the money, but continue to get interest on the bonds, thereby getting a bonus for putting money in circulation. We have a better plan to put money in circulation, and instead of it costing the Government money it will save the Government money. If this bill passes, it will give the holder of an average certificate \$500 in cash. It will not cause taxes to be raised to make the payment. It will not

cost the Government an extra penny, but will actually save the Government \$112,000,000 a year until 1945, in addition to the millions of dollars it will save in administration expenses of present laws between now and 1945.

I have prepared statements showing the amount of money that will be received by veterans in each county of the United States in the event this bill is enacted into law.

### WAR-RISK INSURANCE CASES

The Supreme Court of the United States handed down a decision on June 4, 1934, in the cases of Lynch & Wilner against United States Government, which confers certain

yearly renewable term-insurance rights which were thought to have been withdrawn under section 17 of the Economy Act of March 20, 1933. Action is being taken to place into effect the requirements of the decision. As a result of the decision, the Government is expected to expend approximately \$22,-000,000 in payment of these cases during the next year, and a total of approximately \$40,000,000.

Mr. Speaker, I desire to call attention to the following information in regard to the number of veterans and dependents on the pension rolls and the disbursements for fiscal years 1933-35.

The number of veterans and dependents on the pension rolls and the disbursements for fiscal years 1933-35

	Fiscal year 1933		Fiscal year 1934		Fiscal year 1935	
	Actual number on rolls Mar. 19	Actual dis- bursements	Actual number on rolls Mar. 31	Estimated appropriation required under Public 2 and Public 78	Estimated number on rolls	Estimated appropriation required
World war veterans: Service connected Nonservice connected—D.A. Peace time.	338, 544 425, 894	\$184, 824, 666 85, 186, 547	308, 978 33, 252 10, 374	\$115, 969, 212 10, 142, 760 2, 303, 028	329, 853 32, 320 9, 991	1 \$157, 141, 674 11, 989, 784 2, 353, 480
Emergency officers' retirement	6, 037	9, 968, 980	1, 527	3, 300, 000	1, 517	2, 905, 252
Total	770, 475	279, 980, 193	354, 131	131, 715, 000	373, 681	184, 390, 190
World War dependents: Service connected	101, 542	35, 582, 821	100, 039	36, 830, 000	100, 039	34, 549, 538
Total World War	872, 017	315, 563, 014	454, 170	168, 545, 000	473, 720	218, 939, 728
Spanish War veterans: Service connected	458 195, 387	313, 442 108, 703, 218	6, 212 117, 861	16, 785, 000 36, 606, 644	6, 212 174, 388	} 73, 184, 423
Total	195, 845	109, 016, 660	124, 073	53, 391, 644	180, 600	73, 184, 423
Spanish War dependents: Service connected Nonservice connected	1, 244 37, 929	364, 627 15, 924, 365	1, 598 31, 091	700, 000 7, 700, 000	1, 598 33, 302	} 12, 023, 431
Total	39, 173	16, 288, 992	32, 689	8, 400, 000	34, 900	12, 023, 431
Total Spanish War	235, 018	1 125, 305, 652	156, 762	61, 791, 644	215, 500	85, 207, 854
Grand total 3.	1, 107, 035	440, 868, 666	610, 932	230, 336, 644	689, 220	304, 147, 582

Does not include cost of new claims under Steiwer amendment to sec. 28, Public 141, which amendment was added after preparation of estimata. Includes approximately 13 months disbursements due to change in date of payment.

Wars prior to 1898 not included; no peace-time cases included except World War transferred to peace time.

### FARM LEGISLATION

Mr. TRUAX. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address to be delivered by me June 23, 1934:

Fellow members of the National Farmers' Union and friends from coast to coast and Gulf to Lakes, to be a guest speaker on the national farm and home hour, under the auspices of the National Farmers' Union, without paying tribute to its fighting, courageous leaders, past and present, would be rank ingratitude indeed. Hence I not only pay tribute but silently eulogize our former great leader, John A. Simpson, as in memory's fleeting eye I see him in the corridors of Congress fighting always for

right and justice to the American farmer.

Great leader that he was, the National Farmers' Union is fortunate in having as his successor a leader in whom there is no diminution of courage, no sacrifice of principle, no weakening of zeal, and who has no superior now as a fighter for our common cause, E. H. Everson.

Neither does our secretary, Mr. Edward E. Kennedy, need intro-

Neither does our secretary, Mr. Edward E. Kennedy, need introduction, eulogy, or alibi from lips of mine. The Book of Books says, "By his works ye shall know him best." So, measured by this gage, our mutual friend, Ed Kennedy, stands out in the hearts and minds of all who know him best.

During the recent session of Congress it was my privilege not only to know and to learn E. H. Everson and Ed Kennedy well but to admire, revere, and respect them as champions of our common cause. During the not too encouraging days that we fought for signatures on the Lamke petition Ed Kennedy was a tireless worker as level to the Union as the stars to their appointed. tireless worker, as loyal to the Union as the stars to their appointed

Last Monday night, when Congress adjourned, it was proposed to have certain State delegations sing their State songs. Objection was made to this on the grounds that such a procedure would be undignified; that it would cause disrespect and derision to be

undignified; that it would cause disrespect and derision to be thrown upon the Congress of the United States.

My reply was that for once in this session Congress had cast aside its so-called "dignity." It had scattered to the four winds of heaven its exalted eminence and got down to the level of the common people by passing the most deserved, the most humane legislation enacted within the memory of this generation—H.R. 9865, a bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", ap-

proved July 1, 1898, and acts amendatory thereof and supplementary

My reply was that I was happy for the first time during all the tempestuous moments and hectic hours of the session, because at last a new Declaration of Independence had been written when the farm bankruptcy bill was passed. With the enactment of this bill, which now awaits the President's signature to become operative, a new era of peace and hope dawns upon the American farmer.

No longer will he fear the summons of the sheriff. No more will he scan in mortal terror the columns of his newspaper to learn he scan in mortal terror the columns of his newspaper to learn whether judgments have been taken, foreclosure proceedings started, or orders of sale issued. No longer will he wear out hand and heart and brain slaving and toiling under the brutal lash of the iron-hearted money lenders and Shylocks. This bill provides a moratorium for 6 years.

My fellow members of the Farmers' Union, have you heard the latest news? No? Well, Dillinger and his gang are in town. Perhaps you feel safe and secure in your country homes in Ohio, in Illinois, in the Northwest, the Southwest, and the Southeast.

Illinois, in the Northwest, the Southwest, and the Southeast.

Let me warn you against any false sense of security. This

Dillinger can and does reach his long arm of destruction into
every farm home in America. Like a hungry and famished wolf he stands now at the door of every farm home upon which there is a mortgage about to be foreclosed. I refer to the Dillingers of Wall Street and their fellow pirates, the international bankers and money lenders, the high-salaried executives of life-insurance companies.

Since the passage of the Farm Bankruptcy Act they have invaded Washington like Ali Baba and his 40 thieves. Their avowed purpose is to induce the President of the United States to veto this bill. Yes; they are here for that sinister purpose in the very face of the well-known fact that they have been benefited more by special legislation than any other class of people in America

They come despite the fact that they have been lent millions of dollars by the Government, which will ultimately be paid by the taxpayers, which includes you and I and 120,000,000 more of

common people.

Like the Shylocks of old they come, demanding their pound of flesh! Now, do you realize your danger? Do you realize the imminent peril that hangs like the sword of Damocles over the heads of every one of you farmers who has a mortgage that may be fore-closed? Do you see now how the long arm of these Dillingers of

Wall Street reaches right now through your door, and its grasping, clutching tentacles are clawing at this very moment at your throat to empty your very veins of their lifeblood?

If this bill is vetoed, there is no hope, no encouragement, no chance. The future is black. We are at the end of the rope. Between now and during the next 12 months these human vultures will pick clean the bones of every American farmer who is in distress. They will confiscate farms at the same rate as now, 3.000 per day. 3.000 per day.

3,000 per day.

The rising and setting of the sun are not more certain than this. This must and will be prevented when the President signs the bill on his return to Washington next week.

Four years ago, when I started a national crusade for the enactment of a moratorium against foreclosure of farm real estate, I was laughed at, scoffed at, ridiculed by the bankers, insurance companies, real-estate dealers, ruthless lawyers, professional politicians, and the 36-percent loan sharks. These inhuman leeches and vampires were sucking the lifeblood of the farmers day by day and wanted no interference. They wanted to bleed them white.

In the primary and election campaigns of 1932, a farm moratorium was the first plank in my platform. Promptly upon entering the Seventy-third Congress I introduced two bills which provided for a complete cessation of foreclosures, and which, if enacted into law, would have stopped the bloody slaughter of at least 500,000 farmers.

During the history-making special session of the Seventy-third Congress I waged a single-handed fight for the enactment of this humanitarian measure.

humanitarian measure.

Shortly after Congress convened in its regular session I placed on the Speaker's desk a petition to discharge the Committee on the Judiciary from further consideration of the bill. Following an interval of several weeks, my efforts together with that great friend of the farmers, Congressman William Lemke, other Members, and Ed Kennedy and E. H. Everson, were concentrated in a long but successful drive to secure 145 signatures on the petition to discharge the Ways and Means Committee from further consideration of the Frazier-Lemke bill to refinance existing farm mortgages at 3-percent interest, which included amortization of the loan.

Our efforts succeeded in securing the requisite number of signatures, but consideration and vote on the bill were blocked and prevented by parliamentary tricks from those who opposed its

passage.

In the meantime I had prepared a bill of my own which would not only have established an immediate moratorium against all foreclosures, orders of sale, and deficiency judgments, but which included all the salient features of the bill prepared by Mr. Lemke and introduced by Mr. McKeown. However, owing to the rapidity with which Congress was completing its work and preparing to adjourn, once again I deferred to my friend and colleague, Congressman Lemke, and supported his bill vigorously and militantly. When the Senate bill reached the House, the major portion was stricken out and the House bill substituted. After a series of trips back and forth from Senate to House, House to conference, conferees to Senate, and so forth, there came the momentous hour when it was a race against time to secure final action by both Houses before adjournment.

About 11 o'clock Saturday night, I was informed by the dis-

hour when it was a race against time to secure final action by both Houses before adjournment.

About 11 o'clock Saturday night, I was informed by the distinguished Senator from Alabama, Mr. Bankhead, that a Senate amendment had been added and it would be necessary for the House conferees to accept the amendment and secure quick action, since we both expected that adjournment would be taken within the next hour. Hurriedly, I summoned the Honorable Marvin H. Jones, Chairman of the Committee on Agriculture, and William Lemke, author of the bill, and other conferees, with the result that the amendment was accepted and adopted by the House.

It so happened, however, that the House and Senate, instead of adjourning, recessed until Monday. After convening Monday, to our amazement, it was learned that the bill had been lost in conference and could not be found. Immediately upon the receipt of this information, the distinguished Senator from Louisiana, Mr. Huey Long, announced that he would conduct a filibuster unless the bill was found and acted upon promptly.

In the House of Representatives I made a point of order that there was no quorum present. Members besieged me, urging that the point of order be withdrawn. Finally, I was informed by the leaders that there was not a quorum present in Washington. Consequently, had I insisted on the point of order, it would have been impossible to have adjourned Congress. When the majority floor leader, the Honorable Joseph W. Byens, and the illustrious Speaker of the House, the Honorable Henry T. Rainer, gave assurances that the conference report would be called up for consideration and action just as soon as it was found, I withdrew the point of order.

I am happy to conclude this statement by saving that within

point of order.

I am happy to conclude this statement by saying that within 2 hours the bill was found, promptly acted upon by both the Senate and the House, thereby writing a new Declaration of Independence for the tillers of the soil—the real knights of nature's nobility—and without whom this great country would soon perish. What is this new Declaration of Independence, this modern Magna Carta? What does it do for the people with the heaviest debt burden and the least able to pay it?

First, it says that any farmer failing to obtain the acceptance of a majority of creditors may petition the court to appraise all of his property, real and personal, and be allowed to retain possession of said property and pay for same within or at the end of the 6-year period. Said property shall be appraised at its fair

value. The referee in bankruptcy shall issue an order setting aside to the farmer his exemptions prescribed by the State law, subject to any existing mortgages or liens upon any such exemptions to an amount equal to the value as fixed by the appraisal or as covered by any mortgage or lien, and shall further order that the possession under the control of the court shall remain in the debtor, subject to a general lien as security for the payment of the value thereof to the trustee of the creditors.

(a) The farmer shall pay 1 percent interest upon the appraised

(a) The farmer shall pay 1 percent within 1 year.

(b) He shall pay 2½ percent within 2 years.

(c) He shall pay 5 percent within 3 years.

(d) He shall pay 5 percent within 4 years.

(e) He shall pay 5 percent within 5 years.

(f) He shall pay the remaining unpaid balance of the appraised price within 6 years.

price within 6 years.

(g) The farmer must pay interest on the appraised price and unpaid balances of the unpaid price yearly as it accrues at the rate of 1 percent per annum, and all taxes shall be paid by the

debtor.

(h) At the end of 5 years, or prior thereto, the debtor may pay into court the appraised price of the property of which he retains

possession.

(i) The provisions of this act shall apply only to debts existing

at the time this act becomes effective.

(j) If the debtor fails to comply with the provisions hereof, then the court may order the trustee to sell the property as provided in this act.

then the court may order the trustee to sell the property as provided in this act.

In plain English, we are giving our debt-burdened farmer a moratorium for 6 years. We are giving him that moratorium with a rate of interest of 1 percent, the only rate he can afford to pay and keep up his taxes, his buildings, and his plant and provide food and clothing for himself and family.

We are saying to the Shylocks and the money lenders: "Your brutal butchery and slaughter have come to an end. The black flag of piracy has been hauled down; the white flag of justice has been hoisted aloft. The dove of peace has come fluttering down. Succor has at last been granted to an ever-weakening foe. The armistice has been signed. From now on you must seek some other field upon which to continue your piratical blood-sucking, inhuman racketeering of legally stealing the farmer's property and setting him adrift to beg or to starve or to steal." We say to you that no longer can you compel the mortgagee to suffer all the loss while you sustain none. No longer shall you clip the coupons while the farmer goes deeper into the red. No longer shall you be the beneficiary of Government paternalism and doles and loans, while you, in turn, wantonly rape and plunder and murder the men of the soil, upon which your tallest citadels in New York and Chicago and the other great cities rest.

The time has come. The day is set. The hour is here. Like Belshazzar of old you can read on the walls of an outraged and pillaged farm populace the scalding and fiery words "Mene, mene, tekel, upharsin", meaning "Thou art weighed in the balance and art found wanting."

Newspaper scribes somewhat freely predict that the President will yeto this bill. As one Member of Congress, who sounded

Newspaper scribes somewhat freely predict that the President will yeto this bill. As one Member of Congress, who sounded the clarion call for this great humanitarian, Franklin D. Roosevelt, even before he had announced his candidacy for President; as one who spent his time at the Chicago convention for this as one who spent his time at the Chicago convention for this President, who after election had the courage to tell Wall Street to go to hell; as one Buckeye Democrat who went hook, line, and sinker for Roosevelt while the Ohio delegation was still caucusing after the nomination had been made, and as a nominee for Congressman at large on the Democratic ticket, traveling and speaking from the placid shores of Lake Erie to the banks of the mellifluent Ohio, and from the industrial boundary lines of the east to the beginning of the great Corn Belt in western Ohio, urging the farmers, exhorting them, demanding of them, that they support this great friend and protector of the common people, I refuse to entertain, believe, personify, or dignify such scurrilous propaganda that the President will veto this bill, loosed upon a long-suffering people like a horde of Egyptian locusts by the paid mouthpieces and pencil pushers of a plutocratic press and the selfish, greedy minions of international bankers, insurance companies, and 36-percent loan sharks.

Washington is overrun today with executives of insurance com-

panies, and 36-percent loan sharks.

Washington is overrun today with executives of insurance companies. Fear them not. This battle is won if you act promptly. How shall you act? Why, use the same methods as those employed by the big bankers, the great industrialists, when they are vitally interested in legislation. Wire the President today, urging him, imploring him, begging him to sign the farm bankruptcy bill. Let our great President know that this is the farmers' bill, that it is the only bill that will save their farms and homes and their posterity. Let him know that even though he may incur the hostility and criticism of the greedy, selfish money lenders, it is as nothing because he has gained the everlasting thanks and the eternal gratitude of 30,000,000 tillers of the soil.

Let him know that our lobby is not one for special privilege. We are fighting for our lives, our homes, our posterity. Impress

We are fighting for our lives, our homes, our posterity. Impress on him that in past administrations we petitioned for justice, and our petitions were ignored. We implored them to give us fair prices for our products, and we were told to work out our own salvation.

We begged them to save our farms and our homes, and we were scoffed at. And so now we petition no longer. We implore no more. We beg no more. We demand as our reward, as our just mete, and as simple justice that the farm-bankruptcy bill be signed and speedily, so that even now 3,000 of our farms may be

saved each time the sun rises and sets. And when that bill is | signed, then we shall look not upon the setting sun in the west, but upon the rising sun in the east in all its splendor and glory. We look to the legislative program that must be enacted by the Seventy-fourth Congress:
(1) The Frazier-Lemke bill to refinance all farm mortgages at

(1) The Frazier-Leinke bill to reinfance all farm moregages as 3-percent interest.

(2) The establishment of a Nation-wide system of farm-credit banks making loans upon livestock, chattels, and upon the farmer's unsecured notes for a period of from 2 to 3 years at a low rate of interest.

(3) Establishment of minimum prices for every farm commodity based on the same premises as the commodities of industry.

dustry

The farmer, laborer, and war veterans just join hands in (4) The farmer, laborer, and war veterans just join hands in this fight to the finish against organized capital and predatory wealth. Destroy the monopoly of the International Harvester Trust, with its high prices which rob the farmer.

(5) Abolish the army of professors, lawyers, and "crack-pots" in the Department of Agriculture and the A.A.A.

(6) Nationalize banks, the currency, and the credit. Let the Government take over the whole banking structure and collect the interest, thereby raising \$10,000,000,000 per year—the solution of the taxation problem. Pay off the national debt with new

currency.

(7) Redistribute wealth, scaling all fortunes down to \$1,000,000.

(8) Limit all incomes to \$50,000 per year. Take all the excesses, pay them back into the Treasury to finance unemployment.

(9) Enact old-age-pension laws that will give a minimum of \$35 per month to every individual past 60 years of age unable to surrort binself.

support himself. (10) Unemployment insurance for all able-bodied men ready and willing to work who are denied work. To be financed by profits and dividends of the millionaire corporations

and idle rich

Said Portia to Shylock in the Merchant of Venice:

"Tarry a little; there is something else. This bond doth give thee here no jot of blood;
The words expressly are 'a pound of flesh':
Take then thy bond, take thou thy pound of flesh;
But, in the cutting it, if thou dost shed
One drop of Christian blood, thy lands and goods
Are, by the laws of Venice, confiscate
Unto the state of Venice.

Therefore prepare thee to cut off the flesh. Shed thou no blood, nor cut thou less nor more But just a pound of flesh:—"

Under the farm bankruptcy bill we say to the modern Shylock that "you shall have justice. You shall have the penalty, but no more. Prepare to cut off your pound of flesh; no more, no less. Shed you not one drop of blood, because the law now says the farmers' indebtedness must be scaled down to its actual value. He will pay you usury no more. He will continue to own his home. You cannot set him out in the street, and no more deficiency judgments can you take."

"If thou cut'st more Or less than a just pound, be it but so much As makes it light or heavy in the substance, Or the division of the twentieth part Of one poor scruple, nay, if the scale do turn But in the estimation of a hair, Thou diest and all thy goods are confiscate."

FEDERAL COURT CHALLENGES LAWYER'S CONSTITUTIONAL RIGHT TO BRING CHARGES AGAINST FEDERAL JUDGE

Mr. SHOEMAKER. Mr. Speaker, I desire to extend my remarks under the unanimous consent granted in order to call the attention of all Members of the House and all lawyers and citizens to a dangerous decision of the Federal court in the District of Columbia, which attempts to punish a lawyer by disbarment because he brought serious charges before the Judiciary Committee and in the court of appeals against a Federal judge.

There can be no doubt that a lawyer has the right and the duty to bring serious charges against a judge under the Constitution and under the Canons of Professional Ethics, recognized universally by the American bar and taught in all first-class law schools.

The first canon provides that it is the right and duty of the lawyer to bring serious charges against a judge, and further provides that he is to be encouraged and protected in bringing such charges which he believes justified. It is apparent, therefore, that a lawyer would be guilty of unprofessional and unethical conduct if he did not bring serious charges against a judge to the attention of the proper tribunals.

There is also a professional duty to bring such charges, when necessary to protect the interests of his clients; and the leading case on this subject, In re Cottingham et al. (66

Colo. 335), quotes with approval from an Ohio case holding that a lawyer should be "branded as a craven and a poltroon" if he failed to bring charges against a judge through fear of consequences to himself. The Cottingham case collects many appropriate cases upholding the independence of the American bar in dealing with judges guilty of improper conduct.

Furthermore, there can be little doubt that in America a lawyer is absolutely privileged in making charges during the course of a judicial inquiry and relevant or pertinent to the inquiry, as pointed out in collected decisions In re Sherwood (259 Pa. 254, L.R.A. 1918D, 447, Annotated).

In the first legal textbook published in America-Philadelphia in 1803, St. George Tucker's American edition of Blackstone's Commentaries-this distinguished Virginia lawyer published in Note G a famous article on the American right to criticize any public official. Justice Brewer, in the case of In re Pryor (18 Kan. 72), said that after a case is disposed of a court or judge has no power to compel the public, or any individual thereof, attorney or otherwise, to consider his rulings correct, his conduct proper, or even his integrity free from stain.

It is hardly necessary to point out that the first amendment, guaranteeing the right of free speech, makes this a constitutional right of all citizens and all lawyers. It would certainly seem that the due-process-of-law clause would protect a lawyer or his client in bringing charges of improper conduct of a judge during a trial to the attention of the appellate judges. The right to the assistance of counsel, guaranteed by the sixth amendment and recently upheld in the Scottsboro case by the United States Supreme Court, must mean an effective counsel and not a lawyer who dare not criticize a judge or tell the higher court or Congress what a judge did to his client.

Despite the law and the Constitution, however, this Federal court did disbar the lawyer, and this reactionary precedent stands as a threat to every lawyer and citizen in America if not reversed in the higher Federal courts. One of the three judges dissented, however, and upheld the right to criticize.

### JUDICIARY COMMITTEE ACTS

It is probable that it was this attempt of the local Federal court to protect Judge F. Dickinson Letts and punish the lawyer bringing the charges, Jesse C. Duke, a reputable, member of the bars of Virginia, Maryland, the District of Columbia, and the United States Supreme Court, which enabled Mr. Duke to get a hearing on his charges before the House Judiciary Subcommittee No. 1 on June 13, 1934.

Mr. Duke brought his impeachment charges against Judge Letts on December 5, 1932, by filing same with the Speaker of the House, who referred same under the rules to the Committee on the Judiciary for investigation, as appears from the Congressional Record. This is a recognized method of initiating impeachment proceedings besides that of a Member of the House introducing an impeachment resolution on the floor, which is then referred to the same committee.

The committee referred the charges to a standing subcommittee and Mr. Duke was promised a hearing on his charges by Judge Sumners, the committee chairman, and by Judge TOM D. McKeown, the subcommittee chairman. The latter, however, referred the charges to Hon. MALCOLM TARVER. Democrat, of Georgia, and Hon. EARL MICHENER, Republican, of Michigan, for investigation. They did not afford Mr. Duke any opportunity to be heard or to present his evidence, and, according to the press, reported to the committee in the closing week of the session that they had investigated the charges and found nothing to sustain same.

On seeing this item in the papers, Mr. Duke immediately protested to Hon. HATTON W. SUMNERS that he had been given no opportunity to present his evidence or to be heard by these two gentlemen, and sent copies of this letter to the The Washington, D.C., newspapers refused to publish press. same, but the Iowa newspapers did, and copies of clippings are on file with the committee.

The new Congress met in a short while thereafter and Mr. Duke filed the charges with the Speaker again on March 9, 1933, as appears from the Congressional Record. He did not press for a hearing at that session because of the emergency legislation and the Judge Louderback impeachment trial. However, new charges were filed on January 8, 1934, and referred to the Committee on the Judiciary on the next day, as appears in the Record.

Judge Letts' friends had started a counter movement prior to that date by filing on October 10, 1933, disbarment charges against Mr. Duke, which alleged that his charges against Judge Letts were false and maliciously or recklessly made. Mr. Duke answered that his charges were brought in good faith and in the interest of his clients and were true. The case was set for trial on December 18, 1933, and lasted every court day until January 16, 1934, before Chief Justice Alfred A. Wheat and Associate Justices Jennings Bailey and Daniel W. O'Donoghue.

Mr. Duke served as chief counsel, but called in a distinguished group of nonresident members of the American bar to assist him, including Hon. Waldo G. Morse, 37 Wall Street, New York City, chairman of the committee on practice and scope of the law of the New York State Bar Association; Henry Camp, Jr., Knoxville, Tenn.; Charles Pickett, Fairfax, Va., a member of the Virginia constitutional convention last year; and Dr. John Randolph Neal, Knoxville, Tenn. These prominent lawyers addressed the court at the close and denounced the trial as an interference with the constitutional right of free speech and as a danger to every lawyer representing his client. They told the court that they saluted Mr. Duke for having the courage to bring the charges and that, of course, the evidence before the court proved his charges to be true.

However, the three judges withheld any decision until late in March 1934, when Chief Justice Wheat handed down a decision, concurred in by Judge Bailey, disbarring Mr. Duke for bringing the charges. The decision was in the nature of a confession that a false record had been certified by Judge Letts, but attempted to avoid responsibility on his part by saying that—

There is nothing in the evidence to indicate that it was not prepared in a conscientious endeavor to make it fairly and adequately cover the assignment of errors or was not signed in the honest belief that it satisfied those conditions.

This attempted defense is not only not in accord with the facts in evidence but is fully answered by the settled Federal law which, since 1919, has required appellate courts to consider all error in the record as a whole, regardless of objections, exceptions, and assignments of error. Furthermore, the Wheat decision ignores the very basis upon which exceptions are taken during a trial and would allow the judge and United States attorney to certify only such exceptions as they desired to have a defendant raise in the higher courts instead of all exceptions taken by the attorney for the defendant. In other words, they could commit any error they pleased during the trial and then prevent the defendant from having the appellate court reverse the case by refusing him a record containing the exceptions. In fact, this is what happened in the Moder case; and Judge Letts certified only 18 exceptions for the defendants, whereas the Department of Justice stenographic record shows that a total of 2,353 exceptions were taken for the 13 defendants during the 3 weeks of the trial, which is about 10 exceptions per day for each defendant. Furthermore, the 18 exceptions certified in the false bill of exceptions by Judge Letts contained only harmless errors, while the exceptions left out or deleted by him included serious reversible errors.

Justice O'Donoghue filed a dissenting opinion in which he pointed out that Mr. Duke was not accused of any conduct held to be unprofessional conduct; that he was not accused of any offense involving moral turpitude; and that he was not accused of betraying the interest of a client. He held that there was no cause shown for disbarment.

The order of disbarment was signed March 27, 1934. Mr. Duke soon thereafter applied to the United States Supreme Court direct for permission to file mandamus proceedings to require his immediate reinstatement by this court to the bar. He relied upon the ground that the Court of Appeals of the District of Columbia was disqualified because, first, they had

passed on the matters concerning the case and, second, all five justices had been summoned as witnesses for respondent and either testified or had their testimony stipulated. The motion for leave to file the mandamus petition was denied without opinion, so an appeal was duly noted, and the appeal papers are being prepared now.

COMMITTEE HEARS DUKE

Some weeks ago the Chairman of the Committee on the Judiciary referred the impeachment charges pending before it to a standing subcommittee, no. 1, of which Gov. A. J. Montague, of Virginia, is chairman. Governor Montague appointed Hon. John C. Lehr, of Michigan, to investigate the charges, and Mr. Lehr visited the Supreme Court of the District of Columbia and examined the original court records and Department of Justice stenographic transcripts.

The matter then came on for formal hearing before the full subcommittee on Wednesday, June 13, 1934, which is the first time since he filed the original charges on December 5, 1932, that Mr. Duke has been able to get a hearing.

The subcommittee no. 1 thereafter filed its report, recommending the usual impeachment resolution giving authority to summon witnesses, appropriating \$5,000 for expenses, and so forth. However, the early adjournment prevented further action at this session, and the matter now goes over until January.

It is estimated that the Committee on the Judiciary now has before it charges preferred on the floor of the House by Congressmen or referred to it by the Speaker in the form of petitions filed by lawyers or others which involve from 50 to 100 Federal judges. The American people have to look to this Committee on the Judiciary for the first action on complaints against Federal judges; and it is to be regretted that no hearings are had on these complaints or the hearings are delayed for such a long time, as in the case of Mr. Duke's charges.

During the impeachment trial of Judge Louderback, Hon. HATTON W. SUMNERS, chairman of this committee, told the Senate that at no time in the history of the country was the institution of the Federal judiciary lower and that at no time in the past was it more necessary for it to be higher.

Mr. Duke has supplied to the members of this subcommittee, and to others interested in the charges filed by him, a corrected copy of his speech at this hearing. It is a sad commentary on the way that impeachment charges are now being handled that a Federal judge, like Judge Letts, can remain on the bench for years after serious charges are made against him by reputable lawyers while a hearing is denied the complainants. It is to be hoped that some improvement in impeachment procedure is adopted, somewhat along the lines suggested some months ago by Judge Sumners.

In brief, the charges against Judge Letts brought by Mr. Duke is that he was guilty of falsification of records; that he hand picked the jury in violation of the constitutional rights of defendants and of decisions of the United States Supreme Court, so as to exclude all citizens who favored modification or repeal of prohibition laws; that he violated the constitutional rights to bail of litigants pending appeal, and tried to discourage their appeals by unfair and illegal methods of denying bail and falsifying their appeal records so errors committed by him would not appear in the appeal record; that he denied any bail whatever for nearly a year after an appeal was taken in the Moder case, upon the ground that Moder was a foreigner; that he admitted under oath at the Duke trial that he was not impartial in dealing with cases of foreigners but that he thought he should consider whether they were foreigners in dealing out justice to them; and a whole course of conduct in the Moder case which was partial, arbitrary, malicious, corrupt, and oppressive as to Moder and his fellow defendants.

Mr. Duke told the subcommittee that he had shown to Mr. Lehr the original Department of Justice stenographic record in the Moder case, made by the best reporters here, which contained 1,808 pages, besides which there were about 200 pages of exhibits, or over 2,000 pages of trial proceedings. Verbatim copies of certain of these pages are filed

with Mr. Duke's complaint before the Judiciary Committee and show that a total of 2,353 exceptions were actually saved by attorneys at the trial. The false bill of exceptions was also filed as an exhibit with the complaint, and shows only 169 pages as a total and only 18 exceptions; yet Judge Letts certified same as containing all of the exceptions and the substance of all of the evidence. The true stenographic record belonging to the Department of Justice and in the possession of Judge Letts and of the United States attorney has about 55,000 typewritten lines and the exhibits contain an estimated 5,000 lines in addition, or a total of about 60,000 typewritten lines. The false bill of exceptions sent up by Judge Letts contains only about 5,100 typewritten lines. The false Letts bill of exceptions certifies that Posey and Pellicano have only 1 exception whereas each is shown to have 181 exceptions in the Department of Justice stenographic record. Moder and J. Caparrotta are shown to have only 2 exceptions each in the Letts bill of exceptions, when the Department of Justice record shows they have 181 exceptions each.

Practically every layman who has ever been in court knows that whenever a lawyer objects to any ruling of a judge and his objection is overruled, the lawyer asks for an exception and the judge is bound to grant him an exception so that he can have the appellate court rule on this exception. The judge has to certify every exception taken and has no power to refuse to certify all exceptions. Otherwise, a judge could commit many errors but prevent a litigant from showing the higher court these errors by the device of refusing to certify that the exceptions were taken. It is impossible to accept the Wheat excuse for Judge Lett's conduct, because any judge knows this elementary principle: that exceptions belong to the party taking same and no judge or Government attorney can pass on the value of such exceptions or prevent the party from having the benefit of the same. Any other view would make the trial judge an autocrat and destroy the right to appeal and all appellate courts because no judge would certify his errors, or purported errors, if he did not have to do so.

Judge Letts and the United States attorney each had a copy of the true record of the trial, the Department of Justice stenographic transcript. Although the court rules gave Judge Letts full power to order this true record shown to Mr. Duke so he could prepare a full bill of exceptions, the judge and United States attorney refused to let him see this record, which was an official court and Government record. Mr. Duke was not attorney in the trial and was handling the case as a charity case because he had become convinced that the men had been unfairly convicted and their constitutional rights violated. It may be noted that the new criminal appeal rules of the United States Supreme Court require that all Federal judges shall see that such transcripts are produced promptly, so proper appeal records may be made up, but this court already had this type of rule in effect.

Justice O'Donoghue's dissenting opinion brands the action of the United States attorney in withholding the use of this official record as "uncommendable." However, Judge Letts also withheld his copy of this record and refused to order same shown to Mr. Duke, although holding the appellants in jail without bail until they did produce a bill of exceptions, which could not be prepared without this official record. It may be noted that the Court of Appeals of the District of Columbia also refused mandamus to compel the production of this official Department of Justice record of the trial

As the Canons of Judicial Ethics of the American Bar Association, No. 22, as to review, particularly makes it the ethical duty of judges to see that litigants are given full and fair bill of exceptions and aided in presenting their appeals, it would seem that the actions of Judge Letts and of the justices of the court of appeals, in refusing to enforce the court rule and order this official record produced so a full bill of exceptions could be promptly prepared, were also "uncommendable", particularly as bail was refused to these men after they had appealed, by the same judges, until the appeal record was settled.

After the court of appeals refused to order the record produced by Judge Letts or the United States attorney, Mr. Duke tried another method of getting a complete record by filing a skeleton bill of exceptions in which he again incorporated a motion to require the official stenographic record to be produced and, in the alternative, that the United States attorney be required to amend same by adding all of the evidence and all of the exceptions.

Then Mr. Duke carried the matter to the United States Supreme Court by filing petition for bail, and reciting the refusal to produce the official stenographic record, with Chief Justice Hughes, who ordered the Government to answer the petition. While the matter was before Chief Justice Hughes, the United States attorney sent the Chief Justice Word, through his law clerk, Mr. Reynolds Robertson—and Mr. Robertson testified to same during the disbarment trial after the United States attorney had denied sending such a message—to the effect that they were filing a bill of exceptions for Mr. Duke's clients, and they could thus take the whole matter to the court of appeals. Evidently, acting on this advice, the Chief Justice dismissed the petition for bail and motion for rehearing and left the city on vacation.

Mr. Duke was then furnished with the false bill of exceptions later certified by Judge Letts to contain all of the exceptions taken during the trial and the substance of all of the evidence. The falsity of this Letts bill of exceptions is apparent at a glance. The 104 Government exhibits and about 40 defendants' exhibits are missing from it. The 19 Government prayers for instructions and 24 defendants' prayers are left out, although assignment of error no. 5 sets out that the verdict was contrary to the evidence and to the instructions of the court and that Judge Letts erred in refusing to set same aside. Only 18 worthless exceptions are shown in the Letts record, while 2,353 exceptions were taken for the 13 defendants at the trial, and it was agreed by Judge Letts and the attorneys that any exception granted one defendant would be allowed to all 13, so as to save time in noting exceptions. It purported to set out the substance of 1,808 pages of the Department of Justice record and 200 pages of exhibits in only 169 pages, which was manifestly ridiculous.

Consequently, Mr. Duke filed a written motion to strike this false bill of exceptions, in which he again demanded that his clients be furnished with the substance of all of the evidence and all of the exceptions by amendment, or that he be permitted to see the official record and prepare such a true copy thereof.

In passing, it might be of interest to recall that it required about 3 weeks of time of two assistant United States attorneys and a stenographer, at a cost to the Government in salaries of about \$1,000, to prepare this false bill of exceptions. All of this work and expense could have been avoided by simply permitting Mr. Duke to see the official record and allowing him to make up his own bill of exceptions. It seems quite obvious that neither the United States attorney nor Judge Letts had any idea of allowing a true record of the evidence and exceptions to become public and sent up to the higher court on appeal. Judge Letts wanted no record to be made public of the way he hand-picked the jury and judicially lynched these poor men.

## DUKE WARNS JUDGE LETTS

The written motion to strike this false bill of exceptions was argued at length to Judge Letts by Mr. Duke on Monday, July 11, 1932, so that he had written and verbal warnings as to its falsity presented to him a few days before he signed it, but Judge Letts denied the motion to strike it on that day. On July 12, 1932, the matter of the skeleton bill of exceptions and the motion contained therein which demanded a full and complete record, and the signing of the proposed false bill of exceptions was again before Judge Letts and argued at length. At the conclusion of the arguments he announced that he would sign the proposed bill of exceptions prepared by the United States attorney. Then Mr. Duke again warned him that it was false and asked him to compare it with the Department of Justice stenographic record before doing so, which Judge Letts agreed to do, and continued the case to the next day, July 13, at which time he announced to the attorneys that he had not finished going over the records, and asked them to come back on July 14, and the same occurred on the 14th, so the matter finally came up again on July 15, 1932.

Judge Letts then announced that he found the bill of exceptions proposed by the United States attorney all right and that he would sign same. Then Mr. Duke shook his finger solemnly at Judge Letts and warned him that he would not sign such a false bill of exceptions for anything in the world if he were sitting as judge. Nevertheless, Judge Letts gave a sigh and signed same, and Mr. Duke demanded an exception.

While Mr. Duke was cross-examining Judge Letts in the recent disbarment case, Judge Letts admitted having these written and verbal warnings of Mr. Duke as to the falsity of the record which he certified before he signed it. Mr. Duke asked if he remembered what his, Mr. Duke's, demeanor was when he warned him in open court that he would not sign such a false bill of exceptions for anything in the world if he were sitting as judge, and Judge Letts replied that he thought that Mr. Duke's demeanor at the time was "a veiled threat."

Judge Letts, after signing the false record, announced that he would then pass on the amount of bail pending the appeal, which he had refused to do for 3 months after the men had appealed and thus kept them in jail. He set excessive bail, in violation of the eighth amendment, on four of the men, ranging from \$5,000 to \$7,000 for men so poor that he had allowed their appeals in forma pauperis. As for Moder, who is a native of Switzerland, who has taken out his first citizenship papers here and married an American girl, he refused to grant him any bail upon the ground, among others, that he was a "foreigner." As a result of this illegal and unconstitutional denial of bail or fixing excessive bail, these men were kept in jail for nearly a year after they appealed, in a prohibition case, in violation of settled Federal law and the eighth amendment. See Justice Pierce Butler's decision in Motlow against The United States in Tenth Federal (2d).

### DUKE FILES CHARGES

Mr. Duke then filed the record with the false bill of exceptions in the Court of Appeals of the District of Columbia, together with a motion for certiorari, in which he charged that Judge Letts had deliberately and intentionally sent up a false, inaccurate, incomplete, deleted, and diluted bill of exceptions in the case, and that the United States attorney was equally guilty in this falsification of records and obstruction of justice.

These charges were filed on July 27, 1932, and the United States attorney immediately filed a motion to strike same, in which he swore that Judge Letts had sent up a complete bill of exceptions containing all evidence and all exceptions. Mr. Duke replied that his charges were true and swore to same.

## COURT OF APPEALS THREATENS DUKE

On August 3, 1932, the court of appeals handed down a decision (see *Moder* v. *U.S.* (62 F. (2d) 462) striking Mr. Duke's charges as scandalous, impertinent, and defamatory, and stating that inasmuch as disciplinary action was required they ordered the United States attorney to file the Department of Justice stenographic record of the trial proceedings, which was filed that day.

Mr. Duke examined the record for the first time, and found that it proved his charges as to the falsification of records. However, the court of appeals, which had acted in a week on his charges, now refused to act further so as to clear him from the threat of disciplinary action and free his clients.

On August 20, 1932, Mr. Duke filed a formal motion for rehearing, and so forth, and filed therewith a memorandum which gave the details of the falsification of records and the page numbers in the two records of the exceptions and important matters, including the hand-picking of the jury by Judge Letts in violation of the Constitution and the Connors, Remus, and Ungerleider cases in the United States Supreme Court, so as to exclude all citizens who favored

modification or repeal of prohibition. This is on file with the Committee on the Judiciary and in the United States Supreme Court, and conclusively proves the falsification of records by Judge Letts.

After waiting week after week and month after month for action by the court of appeals to clear him and his clients, Mr. Duke applied on December 5, 1932, to the United States Supreme Court for permission to file a petition for mandamus to force the court of appeals to decide whether Judge Letts had falsified the record. One week later the United States Supreme Court ordered rule to show cause to issue in this case against the court of appeals, returnable to January 9, 1933. Four days later the court of appeals handed down two memorandum opinions, neither of which decided the question of falsification of records, which suggested that the charges be filed in more succinct language and be supported by affidavits.

Mr. Duke declined in writing to change the language of his charges or to file affidavits in place of the original Department of Justice stenographic record, which he pointed out was his proof. Despite this answer of Mr. Duke, which also pointed out that to follow the court's suggestion would make his pending case in the United States Supreme Court a moot one, the court of appeals on January 3, 1933, decided that there was no answer nor affidavits filed by Mr. Duke and that it found that there was nothing to support his charges. Having secured a decision, Mr. Duke then dismissed his mandamus proceedings and asked at the same time for certiorari before judgment so that the United States Supreme Court could decide whether his charges were true or not, but the court denied same without opinion and without ordering up the stenographic record, as requested.

The court of appeals then tried the case on the false record and held it contained no error which Duke had already charged. Beginning on December 17, 1932, however, Duke's clients had been reached by attorneys, assistant United States marshals, and others, and inducements offered them to give up their appeals. The wives of two appellants testified that Judge Letts himself told them that if they would discharge Duke and give up their appeals, that he would do all in his power for them. In plain language, the case was being fixed up to hush up the charges against Judge Letts. However, Dominick Caparrotta refused to give up his appeal and Duke asked certiorari from the United States Supreme Court, but this was denied without opinion. Judge Letts did do about all in his power for the men who gave up their appeals by crediting them with time they had spent in jail illegally due to his fault and allowing sentences of two whose probation was illegally revoked to run concurrently, and they were paroled without his objection.

However, Mr. Duke had also filed his charges against Judge Letts with the House Judiciary Committee. This was handled by Messrs. Tarver and Michener, as noted, so that the hearing on June 13, 1934, is the first time he has been able to present his charges, and the prompt action of the subcommittee in recommending action against Judge Letts shows that they have no intention of allowing these charges to be hushed up by disbarment of Mr. Duke in their court or any other methods.

The New York bar has had considerable trouble with its judges, but the appellate division fired Judge Jean Norris off the bench for changing about two lines in an appeal record, while Judge Letts changed two or three thousand lines.

Nor is that the only case of falsification of records which Mr. Duke presented to the committee. He reminded Mr. Lehr that he had shown him two falsified jury verdicts in the Caroline Britton lunacy case, signed by Judge Letts, which caused this lady to be illegally confined in St. Elizabeths at the expense of the Government. The affidavits are undenied of record in this case, and after Justice Luhring allowed an appeal this was prevented because Justice Proctor refused to allow it in forma pauperis despite the Federal statute so providing.

Reference has been made to the fact that all instructions to the jury by Judge Letts were omitted from his bill of exceptions, although assignment of error no. 5 plainly

claimed that the verdict of the jury was contrary to the instructions of the court and there was error in refusing to set same aside. This involves particularly reprehensible conduct on the part of Judge Letts, as the jury were instructed that they must find the particular conspiracy proved and that they were members of a single conspiracy. The jury, however, freed five necessary defendants to connect the conspiracy, if there had been any such conspiracy as was charged. The United States attorney, in a brief filed in the court of appeals, admitted that they had to prove "the unlawful association of all of the 36 defendants as charged."

This principle of conspiracy law, for which see the case of *Mercante* v. *United States* (49 F. (2d) 156) and cases cited therein, also came up in the recent trial of Bishop James Cannon, Jr., and Miss Burroughs for conspiracy to violate the election law when the jury was instructed that it must convict both or let both go free.

Instead of freeing the Moder case defendants, however, Judge Letts tried to hold them and to prevent their appeal by denying bail and withholding necessary court records, as has been set forth.

Justice Luhring admitted that the Britton verdicts were improper and violated the rules. He also admitted that the revocation of probation of Pellicano and Caparrotta by Judge Letts was in violation of the law and of the court rules. However, he declined to interfere with Judge Letts' rulings and said it would be necessary to carry the matter to the court of appeals.

Mr. Duke's friends have started a movement to bring the matter of his disbarment before the American Bar Association at the convention this summer so that it may decide whether to stand by its Canons of Professional Ethics or change these so as to no longer encourage or protect a lawyer like Mr. Duke in bringing serious charges against a Federal judge. The issue cannot be dodged. Mr. Duke has been disbarred for doing his ethical duty according to canon no. 1.

If Mr. Duke had not been a member of the bars of Virginia and Maryland, his disbarment would have been even more serious and costly to him, as he was denied a suspension of the disbarment while appealing. However, he is still able to handle his practice in the United States Supreme Court, the Court of Appeals of the District of Columbia, and in the Virginia and Maryland courts. A District of Columbia lawyer would have been absolutely prevented from further practice of the law until he won on appeal.

The fight of Mr. Duke in his appeal from disbarment and in his impeachment of Judge Letts is in the interest of every lawyer who wants to honestly and fearlessly represent his clients, and is also in the interest of every citizen who must rely upon lawyers to honestly and fearlessly state their views to any judge and against any judge when the life, liberty, or property of the citizen is at stake in the courts.

## EDUCATION FOR A CHANGING WORLD

Mr. FLETCHER. Mr. Speaker, one of the functions of the congressional Committee on Education, of which I have the privilege to be a member, is to assist in determining the responsibility of the United States Government to education insofar as Federal legislation is concerned.

It also is the function of the Education Committee of the United States Congress to secure and interpret the new research findings relating to changing conditions in education throughout the Nation and to be guided by these facts in preparing legislative measures in the interest of education.

A third duty of the House and Senate Committees on Education is to formulate a practical businesslike policy of Federal cooperation with the States for the purpose of meeting such serious emergencies as this one which now threatens the educational advantages of unprepared and unadjusted millions of people.

## THE GOVERNMENT'S INTEREST IN EDUCATION

Approximately one-fourth of our entire population, or 30,000,000 men, women, and children, are directly identified with education either as students or as professional educators.

Nearly 900,000 men and women are certified educators engaged in some branch of educational service—almost as large a number as is employed by all the railroads of the country.

The annual pay roll for education is more than twelve hundred million dollars. The buying power of the men and women on the pay roll of education exceeds the buying power of the motor vehicles, electrical equipment, and steelwork employees combined.

These are but a few of the many obvious economic reasons why the Federal Government, which is spending not only millions but billions of dollars to aid in economic recovery and to help business, is also deeply interested in what is happening to education in America today.

### WITHOUT EDUCATION DEMOCRACY IMPOSSIBLE

Any recovery program spending thousands of millions of dollars to open factory doors but leaving schoolhouse doors closed would likely be discredited by the parents of the Nation who have the responsibility of training and educating their children to be the citizens of tomorrow.

We have every assurance from those in official position to speak with authority that under the new deal of the Roosevelt administration education is assured of a square deal.

### PARENTS GOING BACK TO SCHOOL

It is the concern of legislators as well as educators that parents are going back to school. Never before has there been such demand for adult education, and this is a fact in which both State and National Governments have deep interest.

All agree that the safety and perpetuity of democracy depend in large degree upon the education of the citizenry.

No nation can rise above the level of what its citizens think, and its citizens cannot think above the level of what they know. When our citizens stop learning, our Nation will start dying.

### LEGISLATORS SHOULD BE EDUCATORS

Believing that legislators for the people should also be educators of the people in such subjects as economics, social and political science, and the processes of government, I have conducted a large number of educational forums throughout the United States.

So great has been the response to these educational forums that in most cities many were turned away unable to find standing room in the packed auditorium. Nowhere has there been greater response than among the Ohio people at home whom I have the honor to represent in Congress, as was demonstrated in a series conducted previous to the second session of the Seventy-third Congress.

In several instances, in response to popular demand, the second and even the third programs were repeated in the same community to accommodate those who were unable to get into the crowded building at previous forum meetings.

The response has always been the same from special, professional, college, and university groups as that from groups composed of business men, wage earners, and the rank and file of men and women representing all walks of

## POPULARIZING A DIFFICULT SUBJECT

Further experiments were made to get the reactions of people to adult education on subjects usually conceded to be too abstract to popularize.

As editor and publisher of a daily newspaper I endeavored several years ago to learn the attitude of our newspaper readers toward adult education on such technical subjects as the tariff. I conducted a tariff school as a special educational feature of my newspaper.

To assist in this educational work I engaged a noted authority on the tariff, Attorney Lee Francis Lybarger, whose presentation of this difficult subject had been highly commended by Hon. HENRY T. RAINEY, the present distinguished Speaker of the National House of Representatives, who is, himself, one of America's foremost exponents of the tariff issue.

This newspaper experiment in adult education, starting with the tariff, proved to be one of the most popular as well

years I had been engaged in the newspaper business.

### COMMENDED BY WARREN G. HARDING

The late President Warren G. Harding, with a number of his business and political friends, attended our tariff school and commended it in the highest terms of appreciation.

These experiences are mentioned here merely to prove the growing interest in adult education and to prove that people who no longer respond to the old political appeal do very enthusiastically respond to the educational appeal which gives them a chance to ask questions and gain new facts so vitally essential to their intellectual equipment if they are to keep abreast of the times in a rapidly changing world.

We underestimate the intellectual hunger of the radiobored masses of people. More men and women are intellectually lonely today for the companionship of new ideas and new knowledge than ever before.

### NEWTON D. BAKER WARNS THE SELF-SATISFIED

Newton D. Baker, former Secretary of War, and frequently mentioned for the Presidency, recently said:

The man who graduates from college or university today and stops learning tomorrow is uneducated the day after.

The report of President Hoover's special committee on recent economic, business, and employment changes should awaken from their lethargy the intellectually indifferent who are satisfied with the education they received in school or college and cause them to realize the imperative necessity for making investment in new training, new knowledge, and new ideas if they hope to survive and get ahead financially.

#### LEARN OR PERISH

We are living in a swiftly changing world where people whose knowledge is stale or incomplete cannot compete.

Even in the most prosperous times employers are compelled to drop from their pay rolls the self-satisfied men and woman who have quit learning. The employee who does not have a program for self-improvement and who is not investing in new education of some kind eventually becomes mentally rusty and is as much of a menace to the industry that employs him as the machines that are allowed to become rusty and in need of repair.

Job-destroying, labor-saving devices, with electric brains and fingers of steel, are daily forcing unprepared thousands out onto the dangerous precipice of employment and business uncertainty to face a jobless future. It is either learn or perish.

### OUTWITTING THE MIDDLE-AGE DEAD LINE

The middle-age dead-line employment policy is crowding countless numbers past 40 over the precipice of employment uncertainty partly because of their neglect to keep their personalities and their knowledge up to date.

One way for people to outwit the fatal, middle-age dead line is by modernizing their minds. The door of opportunity is everywhere being slammed shut in the empty, dull faces of smug, contented people who think they know enough.

Life ends at 40 for those who do not continue to keep abreast of the times. There is no middle-age dead line for men and women who have a new idea. Unfortunately, the last thing people invest in is an idea.

## YOUR GREATEST DANGER

Because of the astounding new inventions, increasing thousands of labor-saving machines, billion-dollar-merger combines, overproduction, chain-store distribution, merciless new competition, the middle-age dead-line-employment policy, and other alarming revolutionary changes that are coming with terrifying swiftness, millions who have let their training and knowledge get out of date must quickly prepare themselves to readjust their lives by equipping themselves with new facts and new self-improvement or face stark tragedy.

The late President Calvin Coolidge pointed the way to those ambitious to advance themselves when he said that the chief hope of the average man today is in his mind.

### YOUR GREATEST HOPE

Those who have been listening to the apostles of despair prophesying dangerous years ahead should take new hope

as one of the most useful features sponsored in all the many | in the more optimistic predictions of those educators, employers, and business leaders who state that the so-called 5 dangerous years ahead" will bring more reward, more happiness, more new opportunities for making money to those who modernize their training, knowledge, and thinking than have been known in any similar 5-year period in the business history of America.

At the last session of Congress we authorized the spending of millions to aid the unemployed, and justly so; but there has been little organized effort in behalf of the unemployable, who, in spite of growing prosperity, will continue to remain unemployed unless they increase their earning ability by specialized education.

THE GOVERNMENT CANNOT HELP PEOPLE WHO DO NOT HELP THEMSELVES

No matter how many billions of dollars the Government may spend to help people, yet much of the spending will be in vain unless people are encouraged to do something toward helping themselves by improving themselves.

No legislation, no government can change this fundamental basic law that to earn more it always will be necessary to learn more and be more. The moment men and women stop learning they begin slipping and no government can do anything about that.

Individualism may give way to collectivism or a variety of other "isms" but that will not change the fact that the individual, in the final analysis, will have to assume the responsibility of doing something for himself by following a program of self-development that will release and make usable his latent and often wasted ability.

Intellectual stagnation is probably the greatest calamity that can happen to a human being. But intellectual stagnation which handicaps people in getting jobs or holding jobs will ever remain a matter under the exclusive control of the individual himself.

### WHY SO MANY COLLEGE GRADUATES FAIL

But you ask, if more education is the means by which many of the unemployable can make themselves more certain of securing employment, then why are so many college and university-trained graduates failures?

The answer to that question is our high schools, colleges, and universities, just like the railroads, banks, and most industries, have not been able to keep up with the new demands resulting from rapidly changing conditions, and therefore have continued to graduate thousands annually, equipped with obsolete education for which there is no market.

Obsolescence in education is responsible for the graduating of overstuffed minds without trained thinking capacity and the individual handicapped by a nonthinking mind has to be reeducated before he can be put on the pay roll at profit to himself and his employer.

Many educators agree with Arthur Brisbane, who says:

Students who spend 4 years in college acquiring a technical education, which only a few use afterward, forfeit about 50 percent of their chance of attaining practical success by deducting from useful effort their 4 most important years.

## NEW METHODS IN ADULT EDUCATION

Chicago University, Columbia University, and many other leading universities of the country have done good work through their university extension courses in assisting people to acquire the additional margin of education necessary to increase their earning ability.

Those identified with the American Association for Adult Education, who recently held their annual convention in Washington, have done a great work in aiding people to secure the kind of knowledge necessary for their advancement.

The Peoples University Service is still another agency which makes available to adults in all walks of life a practical training that is original in that the facts are presented by the eye-learning method.

## PICTURIZED KNOWLEDGE

By means of exhibits, stage demonstrations, and large numbers of colored financial and business charts research findings are simplified and so picturized as to be easily understood and easily remembered.

By this eye-learning method new business facts from the Department of Commerce of the United States Government, and other research bureaus of the Government are made practical and instantly usable.

In an effort to make available to men and women of all ages and from all walks of life the researches in every field of science this traveling university service has provided information in motion pictures featuring the kind of knowledge which extensive surveys have shown most practical in aiding people to adjust themselves to changing business, employment, and economic conditions.

### TO HELP MEN INCREASE THEIR EARNING ABILITY

Facts are brought from every field of knowledge including biology, psychology, finance, investment, economics, sociology, salesmanship, advertising, personnel relations, and extensive information is given showing the various factors that decrease the earning power of the individual in various occupations.

Self-study plans are provided, and the students are shown how to organize a program for continued self-education and self-development.

Several tons of equipment and exhibits are used in presenting modern business methods and personal advancement lessons featured by this traveling university service, which is the most extensive and the first of its kind in the field of adult education.

It is the purpose of educational service of this type to simplify some of the vast storehouse of technical knowledge heretofore available only to laboratory and academic technicians and make it understandable and usable for the man in the street.

### PRESIDENT ROOSEVELT'S SPEECH

It is an effort to show people how to solve their old problems with new knowledge. In his great speech to Congress at the close of the session President Roosevelt said:

Fear and worry based on unknown danger contribute to social unrest and economic demoralization.

The proper kind of adult education helps remove some of this "fear and worry" to which the President referred. The proper kind of adult education gives people scientific information about themselves. It shows them how to market their ability to a better advantage. It teaches them how to discover and develop their unused mental resources, how to train themselves for more effective business thinking, how to plan their future in line with a definite success goal, and how to advance themselves, by scientific methods, from where they are to where they want to be in life.

## FREEING THE MIND FROM FEAR AND WORRY

Practical adult education of this type does not deal in academic theories, but does deal in the kind of practical, economic, and business facts that enable men to free themselves from some of the fear and worry inspired by a sense of insecurity.

Such educational agencies as night schools for adults, American Association for Adult Education, the People's University Service, and other practical agencies for aiding men and women to adjust themselves happily to a changing world are doing something toward removing fear and worry based on unknown danger which contributes to the social unrest and economic demoralization, the goal toward which President Roosevelt is directing the forces of the United States Government under his great constructive and fearless leadership.

## MY RECORD IN THE SEVENTY-THIRD CONGRESS

Mr. CHAPMAN. Mr. Speaker, a little more than a week before the primary in 1932 a court decision, later reversed by the United States Supreme Court, held that the Kentucky redistricting act of 1932 was invalid, and caused the names of 27 candidates in the various districts to be placed on one ballot as candidates from the State at large. The result was that the seven incumbent Democratic Congressmen from Kentucky were renominated, and the remaining two nominations went to Hon. Finley Hamilton and Hon. J. Y. Brown out of a field of 20 contending for those two remaining places on the ticket. While it may seem like

one of Ripley's Believe It or Not pages, nevertheless, it is true that, although my majority over Mr. Brown in the State at large was more than 30,000, my majority over him in the 17 counties of the Sixth Congressional District was 11,444 and my majority over him in the city and county of his residence, Lexington and Fayette County, in which I carried every magisterial district and 88 of the 99 voting precincts, was 1,633, yet he received a place on the ballot, and in the Democratic tidal wave in November 1932 the entire ticket was carried to overwhelming victory.

Now he is my announced opponent in the primary, August 4, 1934, in the 17 counties of the Sixth District, which the United States Supreme Court has held is a valid district, and which my friends—as faithful in friendship and as loyal in party fealty as any men and women on this earth ever were—carried for me over Mr. Brown 2 years ago by 11,444 majority.

I am one who does not, never has, and never will clutter the pages of the Congressional Record with speeches or remarks, such remarks consisting chiefly of blather and demagogy, all at a tremendous cost to American taxpayers.

Now, I feel that having spoken only a few times when occasion seemed to demand it on legislation with which I had veritably lived in my own committee, Interstate and Foreign Commerce, it is proper that I should make a brief report of some of my services to my country, my party, and my constituents before the final page of this session of Congress is written. The only real compensation which a Member of Congress receives is the consciousness of service rendered to his country and the satisfaction derived from performing services for his friends.

I shall not dwell upon the record which I made during my two terms prior to the loss of my seat in 1928 as a result of the Hoover landslide which swept Kentucky and other normally Democratic States into the Republican column, nor shall I use space in narrating my record in the Seventy-second Congress, last of the Hoover regime, when I served under the matchless leadership of that plumed knight of Democracy, the then Speaker of the House, Jack Garner.

All my life I have been and still am a Democratic Party regular from the precinct in which I vote in Paris, Bourbon County, to the marble corridors of the Nation's Capitol. I believe that the real, regular Democrats are entitled to all the jobs in the Government. I believe there are enough competent, honest, courageous, regular Democrats to fill creditably every office in this land. I respect the views of Andrew Jackson, who, when his "kitchen Cabinet" was in session at the White House one night considering Federal appointments, heard one of his advisers say, "General, I do not believe we can find a Democrat capable of filling that office", and Old Hickory, pounding the table with his clenched, bony fist, exclaimed: "Then, by the eternal, we will abolish that office."

My colleagues in Congress, advocates of national defense, and farmers and horse breeders, as well as the press, have been so generous as to give me principal credit for preventing, from the Sixty-ninth Congress—my first—until now, the destruction of the remount service of the Army.

I have always believed, with the Father of his Country, that one of the most effectual means of preserving peace is to be prepared for war, and have been a staunch advocate of national defense.

It was my good fortune to be the Representative of the old Seventh District, who led and won the fight, through months of battling with rival sections, that caused the location in that district of the magnificent United States veterans' hospital, presided over by that prince of Kentuckians, Dr. Jo M. Ferguson, who, with his excellent staff, ministers to those who wore their country's uniform and fought for their country's flag, with skill and patriotism and tenderness and love.

It also gave me great satisfaction to win after months of effort the fight to construct at Lexington a new Federal building to house the post office, the United States district court, and other Federal agencies, a beautiful edifice soon to be dedicated.

In 1931 my colleagues made me a member of one of the greatest committees in the House—Interstate and Foreign Commerce. I now have the honor through seniority of having rather high rank on that committee. The Committee on Interstate and Foreign Commerce, under the leadership of Hon. Sam Rayburn, of Texas, than whom I have never seen a greater committee chairman, has handled probably more major constructive legislation than any other committee in Congress, legislation constituting a large portion of the administration program.

Our committee has jurisdiction of all bills pertaining to transportation and transmission, also the Panama Canal Zone, lighthouses, Coast Guard, Public Health, bridge permits, and everything affected by the commerce clause of the Constitution.

Among major legislation handled by us during the Seventythird Congress were:

Provided for a full and fair disclosure of the character of securities sold in interstate and foreign commerce and through the mails, and to prevent frauds in the sale of such securities. I spoke on the floor in favor of this bill, after spending 8 weeks in hearings and assisting to write it. If that bill had been a law during the past decade, \$25,000,000,000 would have been saved to American investors who bought fraudulent or worthless securities. Its enactment constituted the redemption of one of the most important planks in the Democratic platform adopted at Chicago in 1932.

The railroad systems of our country were on the brink of bankruptcy. The hundreds of thousands of brave men who run the trains, their wives and children, and the hundreds of thousands of owners of railroad securities-and that includes the savings banks with all their depositors, and insurance companies with all their policyholders-were vitally interested in saving the railroad systems from wreck and ruin. The President had promised to try to save them and asked our committee to formulate the necessary legislation. We did, and it passed both Houses and the railroad coordinatorship is now functioning for the benefit of railroad labor, railroad security holders, shippers, depositors in savings banks, insurance policyholders, and the general public. One of the strongest speeches the President ever delivered was his speech at Salt Lake City in 1932 on this subject, and his pledges were redeemed in the enactment of this bill sponsored by him and our committee.

Realizing the havoc wrought by the panic of 1929, the President asked us for legislation to regulate stock exchanges and over-the-counter markets operating in interstate and foreign commerce and through the mails, and to prevent inequitable and unfair practices on such exchanges and markets. Our committee responded by reporting a bill regulating practices of stock exchanges, without injuring or hampering any honest business of any kind in America. It was as technical and complex as any legislation ever considered by Congress. We spent 9 weeks in hearings, most of the time sitting both mornings and afternoons, and giving threefourths of the time to opponents of the bill, who maintained the most powerful and bountifully financed lobby that ever infested the Capitol. It required 5 days to pass it. I spoke in favor of it. No finer example of real leadership can be cited during the past generation than the manner in which the gentleman from Texas [Mr. RAYBURN], chairman of our committee, piloted this important administration legislation through the committee, and later through the House, without a gag rule and won a signal victory for the benefit of honest business men and the protection of American investors. It is one of the outstanding accomplishments not only of this administration, but also of the Democratic Party in all the years of history.

Then there came the administration bill to establish a commission on communications for the regulation of interstate and foreign communications by telephone, telegraph, cable, and radio. After weeks of labor on that important bill, affecting vitally the transmission systems of the world we reported and passed a constructive measure without even the necessity of a roll call in the House,

I assisted in reporting from the same committee, Interstate and Foreign Commerce, two bills vitally affecting the men who work on railroads; the men who run the trains and have in their care the lives and property of millions of American citizens. They were the bills sponsored by that valiant battler for right and justice to humanity, my colleague on the Committee on Interstate and Foreign Commerce, the chairman of the steering committee of the House, the distinguished gentleman from Ohio [Mr. CROSSER]. Those bills passed both Houses and are measures of right and justice and humanity. One of them provides a retirement system for railroad employees and for unemployment relief; the other amends the Railway Labor Act so as to guarantee prompt disposition of disputes between capital and labor. Both measures are just and righteous, and I deem it an honor to have enjoyed the privilege of assisting in framing and enacting them into law for the protection of the soldiers of the steel rails—those who risk their lives for the comfort and protection of the general public.

The able and diligent Chairman of the Committee on Interstate and Foreign Commerce, Mr. Rayburn, named as the subcommittee on bridges: Mr. Milligan, of Missouri; Mr. Chapman, of Kentucky; and Mr. Holmes, of Massachusetts. No man ever had more capable and vigilant colleagues on any committee than Captain Milligan and Mr. Holmes. We have jurisdiction over permits to construct all bridges over navigable waters, interstate and international boundaries. There were referred to us for hearings 176 bridge bills. After careful hearings, 104 were reported to the House, 86 of which passed both House and Senate, and 4 of which passed the House but did not pass the Senate.

As to general legislation in the committee, 184 bills were referred to us. We reported 36, while 17 of them passed both House and Senate and 9 additional bills passed the House.

We held hearings on bills to empower the Interstate Commerce Commission to regulate trucks and motor busses engaged in interstate commerce, bills to control the petroleum industry, and a number of other important measures, but did not report on them. We did provide for the appointment of a subcommittee, headed by the able Member from Maryland [Mr. Cole], to make a thorough investigation of the petroleum industry and report to us when Congress reconvenes in January. We are confident that the subcommittee will perform capably and courageously and provide us with facts on which to base whatever remedial legislation may be needed.

I have kept faithfully every preelection pledge which I made to the people of what I believe is the greatest congressional district between the two oceans—the Ashland District of old Kentucky. I have stood by the President on every proposal, including gag rules, except on one subject on which I had made preelection pledges and had deep conscientious convictions.

This reference is to veterans' legislation. I never have broken a promise and I never will. When that bill came before the House, it contained provisions which I had pledged my constituents I would not support, and I did not. As that bill came to a vote in the House it contained provisions that would have taken every Spanish-American War veteran's pension from him unless he could show that he had suffered actual battle casualties-had a leg or an arm shot off-and 35 years after that war, how many, if you pleasewith inadequate medical records; with comrades scattered and dead-how many do you think could possibly supply the requisite records to prove service connection unless they were actual battle casualties? It would be impossible. They, like their sons in the World War, had one impulse when time came to discharge them. They did not quibble over a health certificate on their discharges. They wanted one thing; their only thought and feeling was, "I want to go home."

Among the many atrocities, cruelties, and inhumanities in the so-called "economy bill" was a provision that a soldier with arrested tuberculosis could not receive compensation. Many soldiers having tuberculosis and receiving the proper care were able to arrest the disease. However, when

they went back to work in shops, mills, stores, or on the hillsides, as they labored on earning a livelihood for their dependents, naturally their tuberculosis would get worse, and the so-called "Economy Act", against which I voted, decreed that they should go down to their graves without relief from the country they had served, with their wives and children destitute and the veterans "unhonored and unsung."

Another thing I opposed in the so-called "economy bill" was the doctrine of prior adjudication. If a boy just back from France applied for compensation and lacked one-half percent of having a compensable degree of disability, and after going on through months of toil, earning a living, working in an office, a mill or on a farm, got in worse condition, and became 100 percent totally disabled, this bill closed the door of the Veterans' Administration to him. He might have been shell shocked and had mental troubles; he might have been gassed and had tuberculosis; he might have had heart trouble. He might be permanently and totally disabled, but this bill, which I voted against, said he never could go back and be examined again, that even though he was 100 percent totally and permanently disabled, the door of the Veterans' Administration was closed to him and that he never could reopen his case.

If the "economy bill" so-called, against which I voted, had become a law as it passed the House that day, a large majority of the veterans' hospitals would have been empty. The boys without any other means of support would have been turned out. The victims of the war in the Lexington Hospital would have been a pitiable sight, turned out, some sent to the already congested Eastern State Hospital and the rest tied to bedposts to save them from committing acts of violence against themselves and others.

In the same bill as it passed the House, when I voted against it, there was the provision that if a veteran during his service entered into an insurance contract with the Government, just as binding and sacred as any contract could be, had paid all his premiums promptly, and his policy contained the provision that if he should become permanently and totally disabled he could receive a specified amount each month, and if he did become permanently and totally disabled, and the Veterans' Administration refused to carry out the contract of insurance between him and the Government, this bill provided that he could not file suit to enforce his contract. It also provided that if he had already filed a suit that the so-called "Economy Act" was constituted as a demurrer and the dismissal of the suit. It also provided that if he had tried his case and received a judgment in the United States District Court that he never could collect that judgment as long as the sun shines.

The Supreme Court a few days ago decided a case involving these insurance rights of veterans. It held unconstitutional and void the attempt to prevent a veteran from suing upon said contract. It stated substantially that such contractual rights could not be taken away from such veteran.

Since the enactment of the so-called "Economy Act" the Congress has modified and liberalized it and repealed many of its worst provisions. I have supported every measure to liberalize it and make it less cruel and inhumane than it was the day it first passed the House, when I opposed it.

Among accomplishments for my constituents during the present session were:

I worked several months in cooperation with the Kentucky Bluegrass Seed Growers' Cooperative Association, of which Mr. R. Penn Taylor, of Winchester, is president, and Mr. John W. Jones, of North Middletown, is secretary, and the Lespedeza Growers' Association, of which Mr. R. R. Giltner, of Eminence, is president, in a successful effort to sell the seed surplus to the Government. The sale of the lespedeza surplus saved the growers from a critical situation and the sale of the 10,000,000 pounds of the 1931 surplus of bluegrass seed made a good price for the 1932, 1933, and 1934 crops and saved bluegrass producers from irreparable loss. Mr. Taylor and Mr. Giltner have been so generous as to issue statements to the seed producers giving me a large measure of credit for saving the seed producers in this crisis.

I cooperated with livestock auction managers in Kentucky, in saving livestock auction markets from destruction when those markets, serving thousands of farmers and stock raisers in Kentucky, were threatened with destruction by the tentative code prepared by the big terminal markets.

I was instrumental in averting milk strike at Lexington, pending action of the Agricultural Adjustment Administration, whose promise of cooperation I had secured.

Those most interested and active in behalf of tobacco growers have been so kind as to credit me with having taken a major part in the plan for reduction of tobacco taxes. Among my other activities in this behalf I introduced bills in this and the preceding Congress to reduce taxes on tobacco products. I shall continue this fight for the producers of Kentucky's principal money crop.

I took a leading part in advocacy of the bill to protect signers of acreage-reduction agreements between the Government and tobacco producers.

When the Agricultural Adjustment Act was passed I took an active part in securing a change in the base period for tobacco, which resulted in raising the parity price of burley from 10 cents to 16.3 cents per pound, which added millions of dollars to the income of burley tobacco farmers.

I opened and led the speaking campaign in December 1933 to secure signatures to acreage-reduction agreements in Kentucky, which resulted in more than 90 percent of the burley producers signing contracts with the Government to reduce the tobacco crop in 1934, as a part of the Agricultural Adjustment program.

I took a leading part in advocacy of the bill to protect signers of acreage-reduction agreements between the Government and tobacco producers, and believe it will prove to be a beneficial measure.

I supported the measure to guarantee the principal as well as interest on bonds of Home Owners' Loan Corporation, which should prove a great boon to home owners.

I introduced and succeeded in passing a bill to coin 600,000 half dollars, the profit from the sale of which will be used to purchase and donate to the Federal Government, as a national monument, Fort Boonesborough, Boones Station, Bryans Station, and the Blue Licks Battlefield, and also a measure by which the President is authorized to accept on behalf of the Federal Government those four historic sites as a national pioneer monument.

With the cooperation of the American Legion, Daughters of the Confederacy, and other patriotic and civic organizations, I introduced a bill to inscribe on the walls of the amphitheater trophy room at Arlington National Cemetery the immortal martial elegy "The Bivouac of the Dead", by the illustrious Kentuckian, Theodore O'Hara.

When a determined effort was being made by one Kentucky Member and some others to defeat the veteran Kentucky Democrat and former Congressman from my district, Hon. South Trimble, of Frankfort, for Clerk of the House of Representatives, I led the fight for his reelection, as I had for his election 2 years before.

I helped secure an airport for Danville and worked for favorable consideration of numerous other public-works projects for the sixth district, such as water-works plants, a college library, and so forth, and in several cases was successful. I also helped the citizens of Winchester in securing an additional story to the Federal building, which will house an important Federal activity.

I helped to open several closed banks in my district.

When two of the most brutal murders in the history of Kentucky were committed in Mercer and Jessamine Counties and local law-enforcement officers communicated their wishes to me that they needed assistance in recovering the body of one of the victims from Herrington Lake in order to secure the conviction of the perpetrator of the crime, I promptly secured the cooperation of the Navy Department, and three master divers were sent to Kentucky and were successful in their efforts.

The voters of the district, which it is my honor to represent, have placed upon me a debt of undying gratitude which I can repay only by rendering to them devoted, dili-

gent, faithful, and courageous service. That service I have sought to render in the past, and I pledge to them, who have reposed such confidence in me, a continuance of that service in the future.

### JUSTICE FOR THE VETERAN AND HIS DEPENDENTS

Mr. WOLVERTON. Mr. Speaker, it is gratifying to realize that some of the injustices suffered by veterans and their dependents as a result of the so-called "Economy Act" of last year have been corrected as a result of legislation passed by this Congress over the President's veto. There are yet many inequities and injustices that remain for correction by another Congress. The progress made by this Congress, however, in rectifying the wrongs committed by the previous Congress in its very drastic and unfair treatment of veterans' affairs, gives promise that there will be continued action until every wrong is righted. This change of attitude upon the part of many Members of Congress toward veterans' legislation brings a sense of justification to those of us who last year cast our vote against the legislation that sought to balance the Budget at the expense of deserving veterans, widows, and orphans.

The so-called "Economy Act" was passed under the pretense that a balanced Budget would result and that such was necessary to maintain the credit of the Nation.

If this had been true, and not the direct result of a high-powered propaganda carried on by the National Economy League in behalf of those who, because of their wealth, were subject to the payment of income taxes, there would have been no such outburst of indignation and cry of distress raised by veterans and Federal employees. But when all pretense of a balanced Budget was cast aside by everincreasing expenditures to provide thousands of jobs of a political character for political workers—and there have been 81,000 additional and new jobs provided during the past year over and above what previously existed—it was natural for veterans and others to ask why should deserving veterans and Federal employees be required to pay for this orgy of spending by reduction, and entire loss in some cases, of disability allowances and compensation.

And furthermore it is well, when considering the necessity of a balanced Budget, to realize that there are three ways to accomplish the purpose. One method is to cut expenditures until they do not exceed income received; the other method is to increase the income until it equals the expenditures; or there might properly be a combination of both.

The injustice of the Economy Act was due to the fact that it only adopted the first method and thereby required disabled veterans, including old Civil War veterans and their widows and underpaid Government employees to suffer cuts in order that the Budget might be balanced. It is almost inconceivable that veterans disabled in the service of their country and even widowed scrubwomen working on the floors of Government buildings for a few dollars per week should be required to carry the burden of maintaining the credit of the Nation. Dictatorial power was given to the President to accomplish the purpose. It would have been more just if the dictatorial power had been broadened so as to include the right in the first instance to compel additional contributions from possessors of wealth, who were most able to pay. Why require the disabled veteran, the widow, and the scrubwoman to balance the Budget when the wealth of the country is permitted to invest in taxexempt securities and thereby escape making any contri-bution to the Government? What right have these individuals and their associates in the National Economy League, many of whom benefit by mail and other subsidies and large retirement pay or pensions from the Government, to cry "Treasury raiders" at deserving veterans? It was the realization that a great wrong had been done a year ago that caused Congress, in answer to a Nation-wide demand, to reverse itself this year; and I am confident that a sympathetic and just treatment of veterans and Federal employees will continue to evidence itself until full justice has been

It is also gratifying to realize that in the closing hours of Congress favorable consideration is given to a bill that will extend relief to some of the widows and orphans of World War veterans who had previously been denied assistance of any kind. There are thousands of needy World War widows in the United States, with small children, who receive no aid of any kind from the Government. They are entitled to relief not only from a humanitarian standpoint but also as a matter of common decency and welfare to the country. This has been corrected to some extent, but the full victory is yet to be won.

The Government of the United States has a sacred duty to perform toward its defenders and their dependents. The men who offered their lives for the country's defense were given every assurance, based upon the former established policy of the Government, that they would be cared for in time of need and their dependents would not be permitted to suffer when they were gone. If it was not in the written contract between them and the Government when they enlisted, then it was most certainly there in principle. Through all the years of this Nation's history there has been a recognition of this obligation by the Government, and there is a duty upon each of us to see that it shall continue to be recognized. No nation should ever forget the sacrifices of its defenders, nor cease to be grateful.

### THE COST OF THE NEW DEAL

Mr. BOLTON. Mr. Speaker, a review of appropriations made and obligations incurred by the Seventy-third Congress for the first 2 years under the new deal discloses not only enormous sums which have been made available and are being expended but also the fact that the administration has not kept the pledges which the Democratic Party and the Democratic candidate for President made to the American people in 1932. Generally speaking, quite the contrary is true. It is not feasible to search out all the inconsistencies and cite them at this time, but it is essential that we call attention to certain statements made during the campaign of 1932, as these formed a basis on which the people of this country expressed themselves at the last national election.

At Chicago, Governor Roosevelt accepted the Democratic platform 100 percent, without reservations or qualifications of any kind. In his opening radio speech he said:

A platform is a proposal and at the same time a promise binding on the party and its candidates.

At Brooklyn, just prior to election, he said publicly:

I have been scrupulously careful to make no idle promises, to raise no false hopes.

The plank in the Democratic platform of 1932 on public economy reads as follows:

We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25 percent in the cost of Federal Government, and we call upon the Democratic Party in the States to make a zealous effort to achieve a proportionate result. We favor maintenance of the national credit by a Federal Budget annually balanced on the basis of accurate executive estimates within revenues, raised by a system of taxation levied on the principle of ability to pay.

Compare that with administration policies of today.

Repeatedly while a candidate the President promised a reduction of 25 percent in the cost of the Federal Government. He was consistent in his demand for and promise of a balanced Budget, and in his first campaign speech said:

Let us have the courage to stop borrowing to meet continuing deficits. Stop the deficits. Revenue must cover expenditures by one means or another.

At Pittsburgh, in October 1932, he attacked the "unprecedented bureaucracy that had assembled in Washington" during the previous 4 years and promised to eliminate it. The results stand out boldly as unrebuttable proof that these promises were idle gestures. An examination of the record indicates that once in office and in control of the machinery of government the administration made no attempt to keep faith with the people who had been swayed

by promises accepted as sincere in 1932. In practically every instance where definite promises as to the financial policy of the Government were made we find that the present administration has failed to live up to its own standards as defined by it in the last campaign. The platform has been ignored.

As shown from these campaign statements, emphasis was laid on the growth of bureaucracy, on the cost of government, and the danger of Government borrowing and growing deficits, and solemn promises made to eliminate or reduce these operations in order to sustain our national credit. What has actually resulted?

#### BUREAUCRACY

Quite contrary to any announced plan prior to taking office, the President has launched into a program avowedly experimental, calling for not only the expansion of existing agencies and bureaus but the creation of many more, extending into industry, agriculture, business, and other fields of endeavor.

Instead of reducing bureaucracy, the administration has reverted to the spoils system in its worst stage, ignoring the civil-service requirements and proceeding to give many, many thousands of positions to members of its own party at the expense of the merit system. Instead of using the established agencies of the Government for the purpose of handling in an orderly way the billions of dollars which have been and are being spent, new agencies have been set up at such a pace that it is well nigh impossible to tell how many there are or whether they conflict with each other. While some transfers of commissions and offices have been made between the departments, reports show the number of civilian employees in the executive branch of the Government has increased from 563,000 on March 1, 1933, to 644,000 in April 1934. Figures are not available for those agencies not reporting to the Civil Service Commission. Neither does this include the enrolled personnel, such as the Army, Navy, and Civilian Conservation Corps. Over 40 new agencies have been created, such as the A.A.A., the P.W.A., the N.R.A., and other alphabetical designations, acting under authority granted to the President, responsible to the President, but not under budgetary control. The cost to the Government is not difficult to visualize. There is little cohesion between these new agencies, nor is there any general scheme of procedure-largely an assortment of governmental bureaus and commissions gradually regimenting the American people into a socialistic and paternalistic form of dictatorship. History shows that while it is very easy for the Government to take on new power under the guise of an emergency, to get rid of Government oppression and centralization of power is another and difficult matter. Most of the activities of our Government now considered permanent were originally established as temporary agencies on the basis of some emergency, and they still remain with us.

## COST OF FEDERAL GOVERNMENT

Appropriations and contingent obligations for the first 2 years of the present administration reach a staggering total of over \$28,000,000,000. This amount, covering but 2 years, is five billions more than the total national debt at the time the present administration took office. Of this amount twenty billions represents outright appropriations.

Without making any attempt to clarify one's conception of just how enormous a billion is, some idea may be obtained through a comparison with the amount of currency in circulation. According to Treasury reports there is about \$42 per capita, or five billions of money in actual circulation.

The total income of all the people of the United States during 1933 is estimated at approximately forty billions, and the total cost of all governments—Federal, State, county, and local—during 1932 at about fifteen billions.

The Federal Government under the present administration has already added to the contingent obligations of the people of the United States through appropriations and authorized bond issues an amount which is more than double the total value of monetary gold in the world as of January 1 of this year.

Congress has capitulated and delegated its legislative pear in Budget statements. However, this is another case powers to the Executive. It surrendered its constitutional of using money which must eventually be repaid without

right of appropriating money, and placed this authority in the hands of the Chief Executive through its practice of lump-sum appropriations, accompanied by blanket and unlimited authority—all upon the excuse of meeting a national emergency. Such practice is absolutely un-American and undemocratic, and while defended on the ground of a national emergency, is absolutely pernicious in the extent to which it has been carried.

#### REDUCTION IN EXPENDITURES?

Instead of making the drastic reductions in governmental expenditures as promised by the present administration, there has been no real effort displayed to reduce such costs. The cost of Federal Government covers expenditures for both ordinary operations and emergency activities. Contrary to past practice, the administration today has set up a dual system of bookkeeping, one to cover the ordinary expenditures of the Government, the other the so-called "emergency demands", and in so doing now tells the country that its promises to reduce the expenditures of the Government by 25 percent were based on the cost of ordinary operations of Government. Even accepting this system of bookkeeping, a study of the activities of the Government during the past 2 years will indicate that these reductions have fallen far short of the 25 percent promised. Great emphasis has been laid upon the regular appropriation measures which do show some reduction, and in many instances have been reduced by Congress below the Budget estimates of the Executive. This, however, is misleading, as practically all the funds for such purposes as highways, public buildings, river-and-harbor improvements, flood control, reclamation works, and naval construction, all carried in the regular appropriation bills of previous years, and considered ordinary operations, have been taken out of the annual appropriation bills. These activities are provided for, however, in greatly increased amounts through so-called "emergency allocations and appropriations", and if added to the regular appropriation totals would show an actual increase in the cost of regular appropriation measures. A study of the appended tables will indicate the extent to which so-called emergency funds" have supplemented the regular appropriation activities.

We have never before established an emergency Budget in the Federal Government. It has been the policy of other administrations to consider all expenditures in one Budget which must be met by governmental receipts. Even during the World War all the expenses of that emergency were included in the regular Budget. It remained for the new deal to set off by themselves the expenditures termed "emergency", many of which are not mentioned or considered in statements emanating from the Executive with regard to balancing the Budget.

It is evident to all that the actions of Congress and the majority leadership merely represent the will of the Executive. From time to time we have read statements of the majority leaders, particularly those of the House, to the effect that the practice of making blanket emergency appropriations for expenditures as the Executive saw fit was contrary to the best interests of the country, and that items in supplementary emergency appropriation bills would hereafter be earmarked for the purpose of restricting expenditures. Nevertheless, the House passed only recently, under the gag rule and with only 40 minutes' debate, the tremendous supplemental appropriation bill carrying not only \$1,823,000,000 of funds definitely appropriated, but giving authority to the President to use approximately \$1.500 .-000,000 of the funds previously allocated by the Public Works Administration and the borrowing power of the R.F.C., involving an additional \$750,000,000, at any time or for any purpose the President desired, so long as he deemed it an emergency. This measure went so far as to authorize the R.F.C. to purchase bonds and other obligations accepted by the P.W.A. from beneficiaries, and the proceeds to be automatically available to the P.W.A. for additional Public Works projects. These funds are among those which will not appear in Budget statements. However, this is another case



charging it as an expense. It is, to say the least, an unbusinesslike procedure. Time alone will tell the far-reaching effect of such blanket legislation as this.

There are evidences that the actual expenditures made by the administration against appropriations requested of and authorized by Congress will fall short of the amount suggested by the Chief Executive in the Budget message to Congress for this fiscal year. Two reasons are advanced for this—one being that it is impossible to spend the huge sum suggested by the Executive in so short a time; the other that the expenditure of a large part of this vast amount of money is being withheld until after the close of the fiscal year on June 30 for political reasons. Both views undoubtedly have a large degree of truth in them. However, we will find that expenditures are planned to be rapidly increased, and that, generally speaking, funds made available will ultimately be used so that any statement showing disbursements at this particular time does not represent a true picture of what may be expected.

An examination of the appropriations discloses a prospective total of \$3,800,000,000 for the fiscal years 1934 and 1935 through the Public Works Administration. In addition, it will have at its disposal receipts from the sale to the Reconstruction Finance Corporation of any securities which it holds and which will not be shown in the Budget statements. The Emergency Relief Administration anticipates a total expenditure of approximately \$3,000,000,000 by February 28, 1935. The Government will have spent about \$1,000,000,000 for agricultural relief—not including ordinary Agriculture Department operations—in addition to which there is an immense indefinite fund of nearly a billion dollars at the disposal of the Agricultural Adjustment Administration obtained through various processing taxes, another constantly growing sum not appearing in the Budget.

### BUDGET BALANCING-ELIMINATION OF DEFICITS

Instead of meeting charges for these tremendous outlays and activities as we go, in accordance with the statement that "revenues must cover expenditures by one means or another", the administration is expanding its activities on borrowed money in the same way for which it has criticized private enterprises and which it has acted, dramatically, to prevent private business from doing in the future. This, again, is another of the many inconsistencies of the administration's policies. During the campaign of 1932 attention was directed to the tremendous increase in the debt of the State of New York under the administration of Governor Roosevelt. Despite all campaign promises, he and his administration have brought to the Federal Government the same extravagant policy. The most exaggerated prophecies of opponents in the campaign of 1932 are far exceeded by the orgy of spending which we are experiencing. A policy of spending our way to prosperity through Government expenditures and Government borrowing has been adopted. Such a policy is predicated on vast expenditures of the taxpayers' money and places a burden upon business and industry, which prevents its return to a normal basis and normal conditions and all that that implies.

Our current revenues fall far short of Government cost of operation. There is little of sound business practice in Government financial affairs as they are now being conducted. Power has been delegated to the President and tremendous sums placed at his disposal, all at his request. His is the responsibility for both the serious financial situation which we are now facing and for the outcome.

It must be borne in mind that, although much has been made by the administration of a relatively few small items passed by Congress without specific recommendation from the Chief Executive, the President has asked for and recommended personally and through the Director of the Budget practically all the sums appropriated by Congress. In addition the administration has gone far beyond its authority in many instances and committed the Government to further obligations to complete projects which have only started by funds made available. We read recently where the Tennes-

see Valley Authority has estimated it would cost ultimately \$310,000,000 to complete its work. However, but \$98,000,000 has been appropriated for this purpose. Secretary Ickes within the past few weeks admitted in a hearing before the House Appropriations Committee that more than \$250,000,-000 would be required to complete work started by the Public Works Administration, and this in addition to the vast sum placed at his disposal by the Chief Executive. This figure does not include maintenance charges for public-works projects which will be continuous, such as maintenance of rivers and harbors and flood control. No authority has been given by Congress for such commitments.

During the campaign of 1932 great stress was laid by the Democratic platform and the Democratic candidate upon the necessity of eliminating deficits and balancing the Budget, yet with enormous so-called "emergency" funds at the disposal of the administration it has not only proceeded to spend what is available but in addition has exceeded its authority and committed the Federal Government to additional expenditures in the future.

There seems to have been no real effort on the part of the administration to eliminate deficits by drastic reduction in governmental operations, so severely criticized in 1932, and by the adoption of a revenue program "on the basis of accurate executive estimates within revenues raised by a system of taxation levied on the principle of ability to pay." On the other hand, we find continually increasing recommendations, and requests have come to Congress for funds and authority to spend enormous sums which have increased our deficit to a figure never before approached.

Yet, in speaking of the Budget, many of these funds are hidden away under the title of "emergency", and not shown. Even so, a fair analysis of appropriations based upon this new and novel system of bookkeeping will disclose that there has been no saving, that the so-called "ordinary Budget" has not been balanced, and that we already have a deficit of some seven billions, which will continue to mount up and which must ultimately be included in our national debt.

### MAINTENANCE OF NATIONAL CREDIT

No government can continue to operate on borrowed capital. The people must eventually pay the way and if definite plans are not established to meet the rising cost of government and to provide for carrying out our current national debt charges, either through drastic reductions in government operations, or by increased taxation, we will have not only seriously threatened our national credit, but mortgaged future generations to a point where the development and progress of our country will be retarded for many, many years. Our national debt has increased alarmingly, and will continue to increase, unless present policies are drastically checked. As may be expected, our current operations exceed current revenues by many billions of dollars.

While expenditures have not been made at the rate originally anticipated in order to stimulate industry and quickly relieve unemployment, such stupendous sums have been appropriated by Congress and placed at the disposal of the President that if these are utilized, and they no doubt will be, our borrowings and debt situation will have so increased that our national credit will be very seriously impaired, and our Government may find itself obliged to resort to other than borrowing policies in order to meet its obligations,

We must all keep in mind that relief is necessary, yet not only those who receive relief but every American citizen must bear his or her full share of the total expense of government. Today so-called "relief activities" represent a large portion of this Government's expense. Our national debt, however, is based upon Government revenue and Government expense, and increases directly in proportion to the amount that expense exceeds revenue. Our national credit in turn is dependent upon not only our debt but the resources of our country, the business activities of the Nation, with the employment opportunities offered, and the prosperity of its citizens. If we are to discourage and stifle business and adversely affect employment opportunities through

the enormous tax burden and the uncertainty of the entire situation, we will not make any appreciable progress toward recovery. If it were not for the tendency of the present administration to spend huge public funds and create uncertainty through paternalistic policies, we would have been much farther along the road to recovery today. A year ago there was definite evidence of the beginning of an upward trend not only in this country but in other nations of the world. Today the opposite is true insofar as the United States is concerned.

The farmer has found that, although prices for his commodities have risen, the increased cost of those commodities which he must buy have constantly kept ahead of his income. The same situation faces the laboring class. Any administration which is as free with the public funds as the present administration should also have the courage to tell the American people that economy in government operations must be practiced and that taxes must be increased to sustain our national credit, and not endeavor to mislead the average person by deferring the levying of adequate taxes until such time as it is believed politically expedient.

Thus a comparison of promises made with appropriations and obligations incurred by the new deal Congress during its first 2 years indicates grave differences, and the fact is apparent that promises made, supposedly with a full knowledge of national affairs, have been relegated to the rear under the pressure of administration in time of difficulty. It requires little imagination to judge what a continuation of these activities will mean, when it is realized that during the height of prosperity and under strict economy the Government was able to reduce the national debt by only approximately \$1,000,000,000 annually. It will be recognized what a stupendous task lies ahead of this Nation to meet its present obligations. It is unnecessary to comment on the fact that for many years to come increased tax burdens must be placed upon the citizens of this country in order to reduce not only this debt but also to meet the interest charges necessary to carry it. The handicap to recovery through the tax burden is perfectly apparent. The danger of further borrowing and the strain on the national credit should be fully recognized. The country is confronted either with the necessity of calling a halt to the many activities indulged in, admitted in many quarters to be extravagances, or else face the inevitable result of inflation and the hardship and failures which other nations who have followed this policy have experienced. Our country cannot survive under such a policy. Our country must and will meet the emergency of relief and unemployment, but it must do this in a more practical and saner fashion and, in so doing, build on a permanent and sound basis.

There follows a tabulation showing the sums involved in the astounding total which the present administration has requested and recommended and for which appropriations have been made, together with a table of contingent obligations covered by authorizations which make these items strictly liabilities of the Federal Government.

Appropriations made during the Seventy-third Congress, not including annual appropriations for the fiscal year 1934 passed by the Seventy-second Congress

	Seventy-third Congress		
	First session	Second session	
General: Departmental Legislative	\$30, 375, 834	\$1, 638, 991, 772 25, 075, 995	
Independent offices. Independent offices, amendments, indefinite (estimated)	631, 802, 546	588, 574, 714	
Third Deficiency Act, 1933 (Public, No. 26) Fourth Deficiency Act, 1933-34 (Public, No. 77) Deficiency resolution, District of Columbia (Pub-	994, 580 1, 582, 630		
lic Resolution No. 13) Urgent deficiency resolution (Public Resolution No. 23)		26, 667 807, 454	
Deficiency and Supplemental Act, 1934-35 (Public, No. 412).  Miscellaneous deficiency resolution (H.J.Res. 452)		15, 642, 366 121, 000	
Total general appropriations	664, 755, 590	2, 459, 239, 968	

Appropriations made during the Seventy-ti		rd Congress
	First session	Second session
	First session	Second session
Emergency:         Public Works Administration (Public, No. 77):           Departmental         \$1, 534, 511, 190           New agencies         997, 288, 900           Non-Federal and unallotted         768, 201, 910	\$3, 300, 000, 000	
Reconstruction Finance Corporation (see follow- ing table).  Emergency Bank Act (Public, No. 1). Agricultural Adjustment Administration (Pub-	1, 105, 075, 000 2, 000, C.J	\$2, 190, 000, 000
lic, No. 10) Home Owners' Loan Act, Federal Savings and Loan Associations (Public, No. 77): Federal land banks (Public, No. 77):	100, 000, 000 50, 000, 000	
Extension of loans	es 000 000	
Farm Credit Administration, revolving fund (Public, No. 77)	65, 000, 000 40, 000, 000	
No. 77). Gold Reserve Act, stabilization fund (Public, No. 87). Federal Relief and Civil Works Administrations (Public, No. 93).	150, 000, 000	2, 000, 000, 000 950, 000, 000
Crop Production Loans (Public Resolution No. 16).  Agricultural Adjustment Administration, cattle:  Finance surplus reductions (Public Resolution No. 27)		40, 000, 000
Resolution No. 27) 50,000,000  Deficiency and Supplemental Appropriation Act, 1934-35, (Public, No. 412): At disposal of President for relief,		150, 000, 000
industrial recovery, public works, and Tennessee Valley Authority. 899, 675, 000 Drought relief. 525, 000, 000 Roads. 119, 500, 000		
Petroleum Administration 1, 500, 000 Agricultural Adjustment Administration, cotton 100, 000, 000 Treasury Department:		
Public buildings 65, 000, 000 Land banks:  Capital stock subscription 75, 000, 000 Reduction interest, etc 7, 950, 000		
Other purposes14, 645, 000		1, 808, 270, 000
Total emergency appropriations	4, 812, 075, 000	7, 138, 270, 000
Other items: National Employment System (Public, No. 77) Farm Credit Administration, administrative (Public, No. 77)	1,500,000	
Agricultural Department, control of chinch bugs (Public Resolution No. 30)	2,000,000	1,000,000
Total other items	3, 500, 000	1,000,000
Permanent: Permanent and indefinite appropriations		0 204 704 450
(Budget message)	1, 397, 977, 695 6 878 308 385	2, 304, 784, 450
Total for both sessions (73d Cong.)	-	602, 703
Appropriations through the Reconstruction		
	SO IN BUILD	rd Congress
	First session	Second session
Farm Relief Act, 1933 (Public, No. 10):  Loans to—		
Vicental and salid (Public No. 15)	\$355, 000, 000 500, 000, 000	
Securities Act, 1933, Corporation of Foreign Security Holders (Public, No. 22). Loans to insurance companies (Public, No. 35) Home Owners' Loan Act, 1933, capital stock of cor-	75, 000 50, 000, 000	
poration (Public, No. 43)	200, 000, 000	\$850, 000, 000
No. 412): Public Works Administration \$500,000,000		V
No. 412):   Public Works Administration		
No. 412): Public Works Administration \$500, 000, 000 Purchase of securities held by Public		750, 000, 000 580, 000, 000 10, 000, 000

## Contingent obligations

## (Not included as appropriations)

Guaranty of farm-loan bonds (Public, No. 88)	\$2,000,000,000
***	(?)
Guaranty of home-loan bonds (Public, No. 178)	2,000,000,000
Guaranty of interest on home-loan bonds (Pub-	
lic, No. 178)	(?)
Repairs on mortgaged property covered by home-	
loan bonds (Public, No. 178)	200, 000, 000
Increase in authority of Home Owners' Loan Cor-	
poration to issue bonds (H.R. 9620), also guaranteed as to principal and interest	1, 500, 000, 000
National Housing Act (H.R. 9620):	1, 000, 000, 000
Insurance on present mortgages	1,000,000,000
Insurance on new mortgages to be issued	1,000,000,000
Guaranty of interest on these mortgages	(?)
Guaranty of National Mortgage Association	
bonds	(?)
Guaranty of interest on National Mortgage	(0)
Association bonds	100,000,000
Additional for repairs on mortgaged property	200, 000, 000
Replacement of P.W.A. funds for which authoriza-	200, 000, 000
tion has been given to divert to emergency pur-	
poses (Public, No. 412)	(?)
Total of definite contingent obligations	8,000,000,000

## GENERAL APPROPRIATIONS

Attention is called to the fact that approximately \$1,879,000,000 appropriated by the last session of the Seventy-second Congress for the fiscal year ending June 30, 1934, is not included in the above table, although these funds are at the disposal of the present administration and are included in a following tabulation. Merely those appropriations actually made since March 4, 1933, when the present administration came into power, are included above.

#### EMERGENCY APPROPRIATIONS

This group of items is more or less self-explanatory, except in the case of the Reconstruction Finance Corporation, where a separate table is attached. No effort is made to show the entire sums involved in R.F.C. appropriations, but, on the contrary, only those enacted by the Seventy-third Congress are to be found in the figures given.

## PERMANENT AND INDEFINITE APPROPRIATIONS

These items are not considered in balancing the Budget nor are they mentioned in public statements, although they must be met from current revenues. They include automatic appropriations which up to this time have not required congressional action, such as interest and principal charges in connection with our national debt. Naturally, these indefinite appropriations will increase greatly with the increase of our national debt and the resulting interest charges and amortization payments. For instance, the estimated permanent and indefinite appropriations for 1935 are nearly \$1,000,000,000 greater than those for 1934.

In the case of the Agricultural Adjustment Administration, the processing tax from which a sum is paid to the farmers for their vacant land and for other purposes does not appear. This is a permanent and indefinite appropriation which is expected to reach nearly \$1,000,000,000 in 1935 and which will be automatically at the disposal of the Secretary of Agriculture.

### CONTINGENT OBLIGATIONS

The contingent obligations amount to \$3,000,000,000, so far as those items are concerned where definite limitations were set by Congress. There is no estimating how much additional will result from the so-called "unlimited items."

In the National Housing Act, for instance, there is only an actual appropriation of \$10,000,000, while additional funds are made available for the National Mortgage Association authorized under this act in unlimited amounts for the corporations and associations authorized therein, and, in turn, the Reconstruction Finance Corporation is authorized to increase its bonded authority by an equal amount, at the present time entirely indefinite, but which may run into several billions.

It should be noted that the total appropriations of the Seventy-third Congress are approximately \$18,800,000,000, while the known contingent obligations amount to about \$8,000,000,000, a grand total of about \$27,000,000,000, to which must be added the amounts involved in all of the unlimited authorizations as such definite sums are provided. Such stupendous amounts are inconceivable. It is not possible to imagine just how much \$27,000,000,000 really means or the serious situation in which such a program is bound to place the country financially. Unless we call a halt immediately the people of the United States will certainly be face to face with the greatest financial problem ever known to the world.

Spending means taxation, and taxation increases in an amount nearly double the increase in the national debt, because to retire that debt we must not only pay the principal but interest charges.

## COMPARISON OF EXPENDITURES

There follows a series of tables which show comparative appropriations for the various governmental agencies for the years 1932, 1933, 1934, and 1935. There are set off in separate columns for 1934 and 1935 so-called "emergency" funds which have been made available to these governmental agencies, in a great many instances for purposes similar to those which prior to last year were included in the ordinary Budget. Some of the miscellaneous acts passed in the closing hours of the session just ended are not available for inclusion in the following tabulation. While the preceding tables deal with appropriations made during the first and second sessions of the Seventy-third Congress only, the following tabulation shows appropriations by fiscal years.

## Recapitulation for 1934 and 1935

	1934	1935
Regular, deficiency, and special	\$11, 251, 026, 826 1, 397, 977, 695	\$3, 704, 067, 433 2, 304, 784, 450 1, 808, 270, 000
Total	12, 649, 004, 521	7, 817, 121, 883
Grand total for 1934 and 1935	20, 466, 12	6, 404

## Summary-Regular, deficiency, and special appropriations

Department	Fiscal year 1932	Fiscal year 1933	Fiscal year 1934	Public Works allotments, 1934	Fiscal year 1935	Supplemental appropriations, 1935
Agriculture. Independent offices. New agencies	1, 823, 302, 504	\$305, 673, 730 1, 022, 834, 508	\$190, 229, 959 2, 630, 253, 987 4, 350, 000, 000	\$506, 040, 887 3, 376, 594 997, 286, 900	\$64, 081, 843 1, 920, 546, 714 110, 000, 000	\$644, 500, 000 999, 675, 000
District of Columbia	45, 672, 838 70, 030, 575 28, 901, 750	41, 245, 622 69, 387, 206 19, 227, 665	30, 718, 321 44, 930, 044 17, 215, 633	1, 759, 500 202, 341, 012 2, 800, 000	35, 421, 178 34, 618, 922 18, 406, 801	1, 500, 000
Navy. F Treasury F Post Office State	386, 819, 266 842, 928, 855 18, 809, 942	327, 589, 028 380, 576, 065 805, 966, 562 14, 164, 248	309, 296, 952 2, 509, 468, 454 713, 064, 676 12, 287, 117	277, 098, 924 94, 740, 653 532, 600 4, 761, 000	22, 935, 984	
Justice Commerce Labor War	54, 716, 601	46, 176, 340 45, 472, 798 13, 572, 478 457, 094, 257	41, 295, 713 37, 125, 890 14, 180, 648 350, 959, 432	785, 512 15, 652, 600 2, 268, 980 362, 352, 928	32, 267, 321	
Total regular, deficiency, and special	4, 436, 675, 913	3, 549, 980, 507	11, 251, 028, 826	2, 531, 798, 090	3, 704, 067, 433	1, 808, 270, 000

Summary-Regular, deficiency, and special appropriations-Continued

Department	Fiscal year 1932	Fiscal year 1933	Fiscal year 1934	Public Works allotments 1934	Fiscal year 1935	Supplemental appropriations 1935
Non-Federal and other Public Works Administration allot- ments (not carried in departmental analysis)				\$768, 201, 910		Plenake
Total				3, 300, 000, 000		
Permanent and indefinite	\$1, 213, 970, 669	\$1, 285, 191, 028	\$1,397,977,695		\$2, 304, 784, 450	
Grand total	5, 650, 646, 582	4, 835, 171, 535	12, 649, 004, 521		6, 008, 851, 883	\$1,808,270,000

	Fiscal year 1933	Fiscal year 1934	Public Works allotments 1934	Fiscal year 1935	Supplemental appropriations 1935
\$13, 414, 566	\$13, 076, 911	\$12, 754, 854	\$13, 443	\$11, 225, 567	
\$13, 414, 566 4, 497, 720 13, 041, 695	4, 164, 038 12, 283, 622	3, 731, 235	183, 840	3, 032, 292	
13, 041, 695	12, 283, 622	11, 358, 964	1, 611, 240	8, 802, 787	
796, 990	717, 448	655, 130		559, 862	
5, 825, 903	4, 930, 874				
16, 954, 620	12, 383, 304	11, 531, 039		8, 394, 323	
1, 947, 201	1, 825, 080	1, 670, 194	163, 919	1, 311, 698	
2, 803, 740	1 756 177	1 256 290	2, 350, 333	1,054,004	
125 170 040	100,000,000	35,000,000		8 000 000	2 \$119, 500, 000
12 500 000	8 905 000	4, 457, 400	- 112, 000, 000	0,000,000	- \$113, 300, 000
583, 840	518, 690	411, 810	281, 538	350, 318	
				4, 916, 031	
246, 700	233, 365	212,749	1, 200	178, 701	
3, 747, 930		2, 158, 514	(3)		
198, 980		200, 000		181, 498	
1, 810, 228	1, 716, 167	1, 589, 505	70,000	1, 557, 713	
	1, 330, 485	* 310, 034		4, 000, 200	
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Marie Control of the	100 001 000	100 000 001	500 C40 000	00 001 000	
215, 578, 862	175, 671, 965	100, 209, 091	566, 040, 887	62, 621, 673	644, 500, 000
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determine to	AVESTERS) S	HOUSE STATE	The state of the s	DATE SET ZIT	277
289, 935, 939	306, 673, 730	190, 229, 959	566, 040, 887 190, 229, 959	64, 081, 843	644, 500, 000 64, 081, 843
			756, 270, 846		708, 581, 843
11, 618, 436	11, 211, 571	10, 303, 116			
301, 554, 375	317, 885, 301	200, 533, 075		904, 362, 443	
	796, 990 5,825, 903 16, 954, 620 1, 947, 201 2, 863, 740 2, 229, 170 125, 179, 940 125, 179, 940 12, 500, 000 583, 840 7, 241, 136 246, 700 3, 747, 930 158, 980 1, 810, 228 42, 498, 500  215, 578, 862  85, 832 54, 260, 857 10, 388  200, 000, 000	796, 990 771, 448 5, 825, 903 4, 930, 874 16, 954, 620 12, 383, 304 1, 947, 201 1, 825, 080 2, 863, 740 2, 471, 700 2, 229, 170 1, 756, 177 125, 179, 940 100, 000, 000 122, 500, 000 8, 905, 900 7, 241, 136 6, 649, 841 246, 700 233, 365 3, 747, 930 2, 490, 125 198, 980 218, 838 1, 810, 228 1, 716, 167 42, 498, 500 41, 330, 485  215, 578, 862 175, 671, 665  85, 832 54, 260, 857 10, 388 1, 000, 173 1, 590 302  20, 000, 000  120, 000, 000 5, 000, 000 5, 000, 000	796, 990 5, 825, 903 5, 825, 903 1, 947, 201 1, 828, 080 1, 670, 194 2, 863, 740 2, 239, 170 1, 756, 177 1, 336, 280 125, 179, 940 100, 000 0, 8, 905, 000 122, 500, 000 583, 840 7, 241, 136 7, 241, 136 7, 241, 136 6, 649, 841 6, 005, 203 1, 810, 228 1, 747, 930 2, 490, 125 2, 138, 514 1, 810, 228 1, 716, 167 1, 1580, 505 1, 810, 228 1, 716, 167 1, 1580, 505 1, 810, 228 1, 716, 167 1, 580, 505 1, 810, 228 1, 716, 167 1, 580, 505 218, 838 200, 000 1, 810, 228 1, 716, 167 1, 580, 505 42, 498, 500 1, 810, 000 5, 000, 000 5, 000, 000 5, 000, 000	796, 990       717, 448       655, 130       222, 420         5, 825, 903       4, 930, 874       4, 496, 155       4, 822, 007         16, 954, 620       12, 383, 304       11, 531, 039       40, 967, 745         1, 947, 201       1, 825, 080       1, 670, 194       163, 919         2, 868, 374       2, 471, 700       2, 213, 968       2, 386, 535         2, 229, 170       1, 756, 177       1, 356, 280       976, 050         125, 179, 940       100, 000, 000       35, 000, 000       1412, 696, 000         583, 840       518, 690       411, 810       281, 538         7, 241, 136       6, 649, 841       6, 695, 260       213, 538         246, 700       233, 365       212, 749       1, 200         3, 747, 930       2, 490, 125       2, 158, 514       (3)         158, 950       218, 838       200, 000         42, 498, 500       11, 330, 485       4316, 034       4, 950         42, 498, 500       13, 330, 485       4316, 034       4, 950         10, 388       1, 000, 173       1, 590       566, 640, 887         20, 000, 000       5, 000, 000       50, 000, 000       50, 000, 000         50, 000, 000       50, 000, 000       50, 000, 000	796, 900 717, 448 655, 130 22, 420 559, 825 65, 825, 903 4, 930, 874 4, 496, 155 4, 822, 007 3, 476, 342 16, 947, 201 12, 383, 304 11, 531, 039 40, 967, 745 8, 394, 323 1, 947, 201 1, 825, 080 1, 670, 194 163, 919 1, 311, 698 2, 863, 740 2, 471, 700 2, 213, 968 2, 386, 535 3, 130, 536 2, 229, 170 1, 756, 177 1, 356, 280 976, 030 1, 084, 084 125, 179, 940 100, 000, 000 35, 000, 000 122, 500, 000 8, 905, 000 4, 457, 400 583, 840 518, 690 411, 810 221, 538 350, 318 7, 241, 136 6, 649, 841 6, 095, 260 4, 916, 031 246, 700 233, 355 212, 749 1, 200 178, 701 3, 747, 930 2, 490, 125 2, 158, 514 (7) 1, 200 178, 701 3, 747, 930 218, 838 200, 000 1, 810, 228 1, 716, 167 1, 589, 503 70, 000 1, 557, 713 42, 498, 500 13, 304, 485 316, 034 4, 950 101, 600, 000 2, 389, 665 215, 578, 862 175, 671, 665 100, 209, 091 566, 640, 887 62, 621, 673 302 20, 000, 000 55, 000, 000 55, 000, 000

In addition \$100,000,000 is appropriated for 1936, and \$100,000,000 for 1937, the latter amount to be matched by the States.

\*Bureaus of Entomology and Plant Quarantine have been consolidated.

\*Includes: Experiments in livestock (southern United States), \$43,500; farmers' seed-loan collection, \$125,000; soil-erosion investigations, \$330,000; loans to farmers, \$2,000,000.

\*Includes: Experiments in livestock (southern United States), \$41,325; Chicago World's Fair, \$1,000,000; soil-erosion investigations, \$289,160; reappropriations for Agricultural Credit Corporation and seed-loan collection.

\*Includes: Experiments in livestock (southern United States), \$39,560; soil-erosion investigations, \$276,474; reappropriation for seed-loan collection.

\*Includes: Experiments in livestock (southern United States), \$39,560; soil-erosion investigations, \$276,474; reappropriation for seed-loan collection.

\*Fiscal year, 1932 (H.R. 15256), Public, No. 717, 71st Cong., approved Feb. 23, 1931.

\*Fiscal year, 1933 (H.R. 7912), Public, No. 299, 72d Cong., approved July 7, 1932.

\*Fiscal year, 1933 (H.R. 8134), Public, No. 131, 73d Cong., approved Mar. 28, 1934.

\*Second deficiency, 1933 (H.R. 17163), Public, No. 869, 71st Cong., approved July 1, 1932.

\*First deficiency, 1933 (H.R. 14336), Public, No. 225, 72d Cong., approved July 1, 1932.

\*First deficiency, 1933 (H.R. 14436), Public, No. 235, 72d Cong., approved July 1, 1932.

\*First deficiency, 1933 (H.R. 14436), Public, No. 235, 72d Cong., approved July 1, 1932.

\*First deficiency, 1933 (H.R. 14436), Public, No. 235, 72d Cong., approved July 1, 1933.

\*Fourth deficiency, 1933 (H.R. 14436), Public, No. 77, 73d Cong., approved June 19, 1934.

\*Deficiency, 1934 and 1935 (H.R. 9830), Public, No. 77, 73d Cong., approved June 19, 1934.

Regular, deficiency, and special appropriations-Independent offices

Fiscal year 1932	Fiscal year 1933	Fiscal year 1934	Public Works allotments, 1934	Fiscal year 1935	Supplemental appropriations 1935
\$532, 380	\$392,000	\$369, 483	\$6,000	\$442,050	
1,000,000	340, 000	198, 000			
653, 640	560,000	490,000		502, 116	
200, 270 1, 658, 342	1, 312, 370	1, 050, 000			
9, 775 4, 730, 980	7, 800 4, 880, 000	4, 169, 000		4, 353, 410	
101, 900, 000	2, 864, 000 (³)				
260, 195	254, 000	210, 000	700, 000	277, 303	
1, 761, 766	1, 466, 500	920, 000		666, 885. 1, 742, 730	
4, 297, 620 800, 000	400,000	3, 290, 000 96, 650	4 506, 000	3, 461, 920	
338, 195 9, 412, 473	7, 148, 560	(¹) 5, 190, 000			
	25, 000 920, 000	10, 000 695, 000	247, 944		
218, 850 5, 541, 445	145, 116 4, 025, 933	(5) 3, 322, 500			
125, 000	100, 000 1, 074, 829	80, 000 820, 000			
3, 750, 000	1,000,000	3, 490, 000			
10, 678	9, 678	9,000		9, 440	
866, 012, 732	948, 699, 000	602, 838, 000	1, 916, 650	567, 598, 096	
	(8)	13, 110			
4,000,000	(9)				
		631, 802, 546	3, 376, 594	588 574 714	
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<sup>1</sup> Discontinued Bureau of Efficiency and George Washington Bicentennial Commission.

1 Transferred to Department of the Interior.

1 Functions taken over by Farm Credit Administration.

4 This sum was used for auditing expenditures of the new agencies.

1 Functions of Personnel Classification Board taken over by the Civil Service Commission.

3 Now the Shipping Bureau under the Department of Commerce.

<sup>7</sup> International Institute for Agriculture, appropriation of \$48,500 later transferred to Department of State. Black Bass Act, appropriation of \$13,110 later transferred to Department of Commerce.

1 Housing Corporation, appropriation of \$15,000 later transferred to Department of Labor.

1 Special appropriation of \$4,000,000 for Park and Planning Commission.

10 Emergency appropriation of \$1,000,000 for Puerto Rican relief.

Regular, deficiency, and special appropriations-Independent Offices-Continued

	Fiscal year 1932	Fiscal year 1933	Fiscal year 1934	Public Works allotments 1934	Fiscal year 1935	Supplemental appropriations 1935
Public, No. 22, approved May 27, 1933. Foreign Security Holders' Corporation. Insurance companies. (S. 1094), Public, No. 35, 73d Cong., approved June 10, 1933.			\$500, 000, 000 75, 000 50, 000, 000			
(S. 3487) Public, No. 417, approved June 19, 1934.			200, 000, 000		\$580, 000, 000	
Increased authorization to Reconstruction Finance Corporation, Public, No. 84, approved Jan. 20,1934			850, 000, 000			
Total regular, deficiency and special	\$1, 823, 302, 504	\$1,022,834,508	2, 630, 253, 987	\$3, 376, 594 2, 630, 253, 987	1, 920, 546, 714	\$1, 920, 546, 71
Regular appropriations plus Public Works Administration allotments and supplemental appropriations				2, 633, 630, 581		1, 920, 546, 71
Permanent and indefinite	91, 036, 621	81, 070, 850	79, 575, 443		68, 505, 695	
Grand total, independent offices	1, 914, 339, 125	1, 103, 905, 358	2, 709, 829, 430		1, 989, 052, 409	

Fiscal year 1932 (H.R. 16415), Public, No. 730, 71st Cong., approved Feb. 23, 1931.

Fiscal year 1933 (H.R. 10022), Public, No. 228, 72d Cong., approved June 30, 1932.

Fiscal year 1934 (H.R. 5889), Public, No. 78, 73d Cong., approved June 16, 1933.

Fiscal year 1935 (H.R. 6663), Public, No. 141, 73d Cong., approved Mar. 27, 1934.

Fiscal year 1932 (H.R. 6660), Public, No. 869, 71st Cong., approved Mar. 4, 1931.

First deficiency, 1932 (H.R. 12443), Public, No. 5, 72d Cong., approved Feb. 2, 1932.

Second deficiency, 1932 (H.R. 12443), Public, No. 325, 72d Cong., approved July 1, 1932.

First deficiency, 1933 (H.R. 14436), Public, No. 325, 72d Cong., approved July 1, 1933.

Second deficiency, 1933 (H.R. 14769), Public, No. 442, 72d Cong., approved Mar. 4, 1933.

Fourth deficiency, 1933 (H.R. 6034), Public, No. 77, 73d Cong. approved June 16, 1933.

Deficiency, 1934 and 1935 (H.R. 9830), Public, No. 412, 73d Cong. approved June 19, 1934.

Regular, deficiency, and special appropriations-New agencies

		Public Works allotments 1934	Fiscal year 1935	Supplemental appropria- tions 1935
Tennessee Valley Authority (created by act of May 18, 1933).  National Recovery Administration (created by act of June 16, 1933).  Civilian Conservation Corps (created by act of May 13, 1933).  Federal Emergency Relief Administration (created by act of May 12, 1933).  National Planning Board (Public Works Administration)  Civil Works Administration (created by Executive Order No. 6420-B, Nov. 9, 1933).  Public Works Administration (created by act of June 16, 1933).  Public Works Emergency Housing Corporation (created by Executive Order No. 6470, Nov. 29, 19  Public Works Administration (reserves).  Public Works Administration (special reserve).  Central Statistical Board (created by Executive Order No. 6225, July 27, 1933).  Executive Council (created by Executive Order No. 6206-A, July 11, 1933).  Executive Council (created by Executive Order No. 6433-A, Nov. 17, 1933).  Electric Home and Farm Authority (Executive Order No. 6514, Dec. 19, 1933).  Electric Home and Farm Corporation (incorporated Oct. 4, 1933).	933)	9, 665, 000 324, 362, 315 901, 880 351, 000 400, 005, 000 11, 412, 205 123, 671, 500 24, 934, 000 25, 000, 000 1 113, 000 2 500, 000 2 1100, 000 2 500, 000 2 1, 000, 000 2 1, 000, 000 2 1, 000, 000 2 1, 000, 000 2 1, 000, 000 2 1, 000, 000		
Agricultural Adjustment Administration (cotton) National Housing Act (H. R. 9620), Public, No. —, approved June —, 1934, National Mortgage Associ	iation from Recon-			\$100, 000, 000
struction Finance Corporation.  For relief, to be allotted by the President to Public Works Administration, Federal Emergency trator, Tennessee Valley Authority.	Relief Adminis-			899, 675, 000
struction Finance Corporation  For relief, to be allotted by the President to Public Works Administration, Federal Emergency	Relief Adminis-			899, 675, 000
struction Finance Corporation  For relief, to be allotted by the President to Public Works Administration, Federal Emergency trator, Tennessee Valley Authority	Relief Adminis-			899, 675, 000
Struction Finance Corporation For relief, to be allotted by the President to Public Works Administration, Federal Emergency trator, Tennessee Valley Authority  Total.  Deficiency appropriation: Fourth deficiency, 1933, Public Works Special acts: Agricultural Adjustment Administration (H.R. 3835) Public, No. 10, 73d Cong., approved May 12, 1933. Federal Emergency Relief and Civil Works Administration (H.R. 7527) Public, No. 93, 73d Cong., approved Feb. 15, 1934.	Fiscal year 1934 \$3, 300, 000, 000 100, 000, 000 950, 000, 000	997, 286, 900  Public Works allotments 1934	10,000,000 Fiscal year 1935	899, 675, 000 999, 675, 000 Supplemental ap- propriations 1935
Struction Finance Corporation. For relief, to be allotted by the President to Public Works Administration, Federal Emergency trator, Tennessee Valley Authority.  Total.  Deficiency appropriation: Fourth deficiency, 1933, Public Works.  Special acts: Agricultural Adjustment Administration. (H.R. 3835) Public, No. 10, 73d Cong., approved May 12, 1933. Federal Emergency Relief and Civil Works Administration. (H.R. 7527) Public, No. 93, 73d Cong., approved Feb. 15, 1934.	Fiscal year 1934 \$3, 300, 000, 000	997, 286, 900  Public Works allotments 1934	10,000,000 Fiscal year 1935	899, 675, 000 999, 675, 000 Supplemental ap- propriations 1935
Struction Finance Corporation. For relief, to be allotted by the President to Public Works Administration, Federal Emergency trator, Tennessee Valley Authority	Fiscal year 1934 \$3, 300, 000, 000 100, 000, 000 950, 000, 000	997, 286, 900  Public Works allotments 1934	10,000,000 Fiscal year 1935	899, 675, 000 999, 675, 000 Supplemental ap- propriations 1935
For relief, to be allotted by the President to Public Works Administration, Federal Emergency trator, Tennessee Valley Authority  Total.  Deficiency appropriation: Fourth deficiency, 1933, Public Works  Special acts:  Agricultural Adjustment Administration (H.R. 3835) Public, No. 10, 73d Cong., approved May 12, 1933.  Federal Emergency Relief and Civil Works Administration (H.R. 7527) Public, No. 93, 73d Cong., approved Feb. 15, 1934.  Agricultural Adjustment Administration (Cattle.) (H.J. Res. 345) Public Resolution No. 27, 73d Cong., approved May 25, 1934.  Total, regular, deficiency, and special.  Regular appropriations plus Public Works Administration allotments and supplemental appropriations.	Fiscal year 1934 \$3, 300, 000, 000 100, 000, 000 950, 000, 000 4, 350, 000, 000	997, 286, 900  Public Works allotments 1934  \$997, 286, 900 4, 350, 000, 000  5, 347, 286, 900	\$100,000,000 \$100,000,000	\$99, 675, 000  999, 675, 000  Supplemental appropriations 1933  \$999, 675, 000  11, 109, 675, 000
Deficiency appropriation: Fourth deficiency, 1933, Public Works  Agricultural Adjustment Administration  (H.R. 3835) Public, No. 10, 73d Cong., approved May 12, 1933.  Federal Emergency Relief and Civil Works Administration  (H.R. 7527) Public, No. 93, 73d Cong., approved Feb. 15, 1934.  Agricultural Adjustment Administration  (Cattle.) (H.J.Res. 345) Public Resolution No. 27, 73d Cong., approved May 25, 1934.  Total, regular, deficiency, and special	Fiscal year 1934 \$3, 300, 000, 000 100, 000, 000 950, 000, 000 4, 350, 000, 000	997, 286, 900  Public Works allotments 1934  \$997, 286, 900 4, 350, 000, 000  5, 347, 286, 900	10,000,000  Fiscal year 1935  \$100,000,000  110,000,000	\$99, 675, 000  998, 675, 000  Supplemental appropriations 1933  \$999, 675, 000  11, 109, 675, 000

<sup>1</sup> The sum of \$93,000 was added by Executive Order No. 6718 of May 25, 1934, to the \$20,000 item shown in Public Works Administration report of May 7, 1934.

<sup>2</sup> Carried as "special allotments" in Public Works Administration report of May 7, 1934.

Fourth deficiency, 1933 (H.R. 6034), Public, No. 77, 73d Cong., approved June 16, 1933. Deficiency appropriation, 1934 and 1935 (H.R. 9830), Public, No. 412, 73d Cong., approved June 19, 1934.

OTHER NEW AGENCIES RECEIVING APPROPRIATIONS AND PUBLIC WORKS ALLOTMENTS LISTED ELSEWHERE

Farm Credit Administration (fourth deficiency, 1933).

Farm Credit Administration (Public Works Administration allotments).

Export-import banks (Public Works Administration allotments).

Subsistence homesteads (Public Works Administration allotments). \$42, 000, 000 101, 600, 000 1, 250, 000 25, 000, 000 Regular, deficiency, and special appropriations-District of Columbia

	Fiscal year 1932	Fiscal year 1933	Fiscal year 1934	Public Works allotments 1934	Fiscal year 1935	Supplemental appropriations 1935
Total appropriation District of Columbia-Virginia Commission	\$45, 672, 838	\$41, 245, 622	\$30, 375, 834	1 \$1, 759, 500	\$35, 411, 178 2 10, 000	
Cumulative total Deficiency, 1934 and 1935	45, 672, 838	41, 245, 622	30, 375, 834 342, 487	1, 759, 500	35, 421, 178	
Total, regular, deficiency, and special	45, 672, 838	41, 245, 622	30, 718, 321	1, 759, 500 30, 718, 321	35, 421, 178	\$35, 421, 17
Regular appropriations, plus Public Works Administration allotments and supplemental appropriations.				32, 477, 821		35, 421, 17
Permanent and indefinite	3, 261, 000	8, 252, 000	2, 697, 500		2, 430, 000	
Grand total, District of Columbia.	48, 933, 838	44, 497, 622	33, 415, 821		37, 851, 178	

<sup>&</sup>lt;sup>1</sup> An allotment was made to the District of Columbia from Public Works Administration funds of \$1,759,500 for sewer construction. 
<sup>2</sup> Additional appropriation to legislative establishment for this purpose transferred to District of Columbia.

Fiscal year 1932 (H.R. 16738), Public, No. 721, 71st Cong., approved Feb. 23, 1931.
Fiscal year 1933 (H.R. 11361), Public, No. 208, 72d Cong., approved June 29, 1932.
Fiscal year 1934 (H.R. 4889), Public, No. 70, 73d Cong., approved June 16, 1933.
Fiscal year 1935 (H.R. 9061), Public, No. 228, 73d Cong., approved June 4, 1934.
Deficiency, 1934 and 1935 (H.R. 9830), Public, No. 412, 73d Cong., approved June 19, 1934.

Regular, deficiency, and special appropriations-Department of Interior

	Fiscal year 1932	Fiscal year 1933	Fiscal year 1934	Public Works allotments 1934	Fiscal year 1935	Supplemental appropriations 1935
Secretary's office General Land Office Indian Affairs Bureau Reclamation Geological Survey National Park Service Bureau Education Territories Hospitals and universities Petroleum Industry Administration Service division and special account Soil-erosion service Bureau of Mines Subsistence homesteads Commission of Fine Arts	2, 239, 400 24, 914, 497 222, 071, 000 3, 141, 740 9, 498, 250 510, 000 1, 242, 100 4, 851, 020			10, 000, 000	16, 275, 185 860, 750 1, 313, 500 6, 319, 640 1, 538, 000 1, 113, 168 2, 047, 711	\$1, 500, 000
Total	69, 247, 607	45, 533, 672	43, 753, 936	202, 341, 012	31, 474, 319	1, 500, 000
Deficiency appropriations: Second deficiency, 1931 First deficiency, 1932 Second deficiency, 1932 Second deficiency, 1932 First deficiency, 1933 Second deficiency, 1933 Second deficiency, 1933 Pourth deficiency, 1934 Deficiency, 1934 and 1934 Deficiency, 1934 and 1935 Special acts: National Park Service (rider in State, Justice, Commerce, and Labor appropriation bill, H.R. 16110, 71st Gong, Public, No. 719, approved Feb. 23, 1931)	442, 736 245, 233	7,155,702 1,246 463,499 233,087	1, 176, 108		3, 144, 603	
Emergency Relief and Construction Act, 1932 (H.R. 9642, 72d Cong., Public, No. 302, approved July 21, 1932):  National park roads Indian reservations Unappropriated lands Reclamation (Boulder Dam)		3, 000, 000 1, 000, 000 2, 000, 000				
Total regular, deficiency, and special	70, 030, 576	69, 387, 206	44, 930, 044	202, 341, 012 44, 930, 044	34, 618, 922	1, 500, 000 34, 618, 922
Regular appropriations plus Public Works Administration allotments and supplemental appropriations			04110	247, 271, 056		36, 118, 922
Permanent and indefinite	15, 952, 500	13, 921, 800	12, 122, 600		15, 503, 050	
Grand total, Department of Interior	85, 983, 076	83, 309, 006	57, 052, 644		50, 121, 972	

<sup>1</sup> Of this amount, \$14,731 was carried as a special allotment in Public Works Administration report of May 7, 1934. The balance of \$3,340 is listed in a table as of May 21, 1934, shown in the hearing before the Subcommittee of House Committee on Appropriations in charge of deficiency appropriations.

1 Includes \$1,00,000 for Colorado River work and \$15,000,000 for Boulder Dam project.

1 Includes \$7,002,306 for physical improvements and \$24,884,144 for roads and trails.

1 Includes \$1,981,508 for Alaska, and \$1,320,850 for Virgin Islands.

1 Carried as a special allotment in Public Works Administration report of May 7, 1934.

1 Transferred to Department of Commerce.

7 Transferred from independent offices.

<sup>&</sup>lt;sup>7</sup>Transferred from independent offices.

Fiscal year 1932 (H.R. 14675), Public, No. 666, 71st Cong., approved Feb. 14, 1931.

Fiscal year 1933 (H.R. 8397), Public, No. 95, 72d Cong., approved Apr. 22, 1932.

Fiscal year 1934 (H.R. 13710), Public, No. 361, 72d Cong., approved Feb. 17, 1933.

Fiscal year 1935 (H.R. 6951), Public, No. 109, 73d Cong., approved Mar. 2, 1934.

Second deficiency 1931 (H.R. 17163), Public, No. 869, 71st Cong., approved Mar. 4, 1931.

First deficiency 1932 (H.R. 6660), Public, No. 5, 72d Cong., approved Mar. 4, 1932.

Second deficiency 1932 (H.R. 12443), Public, No. 235, 72d Cong., approved July 1, 1932.

First deficiency 1933 (H.R. 14436), Public, No. 325, 72d Cong., approved July 1, 1932.

Second deficiency 1933 (H.R. 14436), Public, No. 325, 72d Cong., approved Mar. 4, 1933.

Fourth deficiency 1933 (H.R. 6034), Public, No. 77, 73d Cong., approved June 16, 1933.

Deficiency, 1934 and 1935 (H.R. 9830), Public, No. 412, 73d Cong., approved June 19, 1934.

Regular, deficiency, and special appropriations-Legislative

	Fiscal year 1932	Fiscal year 1933	Fiscal year 1934	Public Works allotments 1934	Fiscal year 1935	Supplemental appropriations 1935
nate	\$3, 249, 292	\$3, 095, 490 2, 178, 094	\$2,848,716		\$2, 945, 711	
puseputol Police	8, 181, 462 94, 430	8, 178, 924 95, 430	7, 415, 399 87, 940		100, 106	
int Committee on Printing	11, 620 75, 000	11, 620 75, 000	10, 785 70, 000		10, 618 70, 000	
gislative Counsel. atement of appropriations rehitect's Office	4,000	4,000	3, 330	\$2,800,000	2,000	
otanic Garden	173, 882	1, 900, 580 140, 000	1, 586, 355 113, 725	\$2, 800, 000	111, 595	
ibrary of Congress overnment Printing Office	2, 228, 077 3, 294, 000	2, 162, 147 3, 010, 800	2, 090, 235 2, 462, 800		2 091, 335	
int Committee on Library	3,000				0, 101, 012	
Total	26, 973, 185	18, 673, 991	16, 689, 285	2, 800, 000	1 17, 627, 995	VECETAL STATE
eficiency appropriations: First deficiency, 1931: House						74 LEEVES 1
First deficiency, 1931: House First deficiency, 1932:	2, 150					
Senate	207, 000					
House Architect's Office	126, 000 851, 202					
Second deficiency, 1932: Senate	35, 600					
House	65, 713	32, 150				
Architect's Office	14, 400					
Senate		\$94, 040				
HouseInaugural ceremonies		39, 000 35, 000				
Second deficiency, 1933: Senate		68, 000				
House		88, 560	\$2, 150			
Joint Committee on Printing  Architect's Office		800 93, 500				
Third deficiency, 1933: Senate					- Secretaria de la composición dela composición de la composición de la composición dela composición dela composición dela composición dela composición de la composición de la composición de la composición dela composici	
House		8, 500				
Architect's Office		35, 000				
Senate			100,000			
House Capitol Police			13, 340			
Architect's Office.  Deficiency, 1934 and 1935.			3, 960		778, 806	
pecial acts:						
Library of Congress (books for the blind)	100, 000					
approved Mar. 4, 1931.	00 500					
House of Representatives. (H.J.Res. 375) Public Resolution No. 17, 72d Cong.,	26, 500					
Approved Apr. 29, 1932.  Printing and binding  (H.J.Res. 382) Public Resolution No. 19, 72d Cong., approved May 16, 1932.	500,000					
(H.J.Res. 382) Public Resolution No. 19, 72d Cong.,	200,000					
		3, 720				
Senate and House pages (H.J. Res. 455) Public Resolution No. 34, 72d Cong.,						
approved July 7, 1932. Senate and House pages. (H.J.Res. 475) Public Resolution No. 41, 72d Cong.,		2, 480				
(H.J.Res. 475) Public Resolution No. 41, 72d Cong.,						
epproved July 16, 1932. Senate and House pages. (H.J.Res. 152) Public Resolution, No. 4, 73d Cong.,		12, 628				
approved Apr. 14, 1933.						
Total, regular, deficiency, and special.	28, 901, 750	19, 227, 665	17, 215, 633	2, 800, 000	18, 406, 801	Transfer and the
				17, 215, 633		\$18, 406, 8
Regular appropriations plus Public Works Administration						
allotments, and supplemental appropriations				20, 015, 633		18, 406, 8
ermanent and indefinite	10000 8000	109, 800	70, 800		62, 800	
Grand total, legislative	29, 135, 755	19, 337, 465	17, 286, 433		18, 469, 601	
Regular legislative appropriation						\$17,627,9
tiders on Legislative Appropriation Act:						
District of Columbia (Virginia Commission included un- Foreign pay adjustments, included under State Departm	nent	umbia)	· · · · · · · · · · · · · · · · · · ·			7, 438, 0
Total						25, 075, 9
Fiscal year 1932 (H.R. 16654), Public, No. 691, 71st Cong	., approved Feb. 2	20, 1931.				
Fiscal year 1933 (H.R. 11267), Public, No. 212, 72d Cong Fiscal year 1934 (H.R. 14562), Public, No. 381, 72d Cong	approved June 3	0, 1932. 8, 1933				
Fiscal year 1935 (H.R. 8617), Public, No. 268, 73d Cong.,	approved May 30	, 1934.				
First deficiency, 1931 (H.R. 15592), Public, No. 512, 71st First deficiency, 1932 (H.R. 6660), Public, No. 5, 72d Cor	ng., approved Feb	eb. 23, 1931. 2, 1932.				
Fiscal year 1934 (H. R. 14562), Public, No. 381, 72d Cong. Fiscal year 1935 (H. R. 8617), Public, No. 268, 73d Cong., First deficiency, 1931 (H. R. 15592), Public, No. 612, 71st First deficiency, 1932 (H. R. 6660), Public, No. 5, 72d Cong. Second deficiency, 1932 (H. R. 12443), Public, No. 235, 72d First deficiency, 1933 (H. R. 14486), Public, No. 325, 72d First deficiency, 1933 (H. R. 14486), Public, No. 325, 72d First deficiency, 1933 (H. R. 14486), Public, No. 325, 72d First deficiency, 1933 (H. R. 14486), Public, No. 325, 72d First deficiency, 1933 (H. R. 14486), Public, No. 325, 72d First deficiency, 1933 (H. R. 14486), Public, No. 325, 72d First deficiency, 1933 (H. R. 14486), Public, No. 325, 72d First deficiency, 1933 (H. R. 14486), Public, No. 325, 72d First deficiency, 1933 (H. R. 14486), Public, No. 325, 72d First deficiency, 1933 (H. R. 14486), Public, No. 325, 72d First deficiency, 1933 (H. R. 14486), Public, No. 325, 72d First deficiency, 1934 (H. R. 14486), Public, No. 325, 72d First deficiency, 1934 (H. R. 14486), Public, No. 325, 72d First deficiency, 1934 (H. R. 14486), Public, No. 325, 72d First deficiency, 1934 (H. R. 14486), Public, No. 325, 72d First deficiency, 1934 (H. R. 14486), Public, No. 325, 72d First deficiency, 1934 (H. R. 14486), Public, No. 325, 72d First deficiency, 1934 (H. R. 14486), Public, No. 325, 72d First deficiency, 1934 (H. R. 14486), Public, No. 325, 72d First deficiency, 1934 (H. R. 14486), Public, No. 325, 72d First deficiency, 1934 (H. R. 14486), Public, No. 325, 72d First deficiency, 1934 (H. R. 14486), Public, No. 325, 72d First deficiency, 1934 (H. R. 14486), Public, No. 325, 72d First deficiency, 1934 (H. R. 14486), Public, No. 325, 72d First deficiency, 1934 (H. R. 14486), Public, No. 325, 72d First deficiency, 1934 (H. R. 14486), Public, No. 325, 72d First deficiency, 1934 (H. R. 14486), Public, No. 325, 72d First deficiency, 1934 (H. R. 14486), Public, No. 325, 72d First deficiency, 1944 (H. R. 14486), Public, No. 325, 72d First deficiency, 1944 (H. R. 14486	d Cong., approved	July 1, 1932.				
dentitient, 1000 (11.11. 17100), I utilit, 180. 020, 720	d Cong., approved	Mar. 4, 1933.				
Second deficiency, 1933 (H.R. 14769), Public, No. 442, 72						
Third deficiency, 1933 (H.R. 5390), Public, No. 26, 73d C Fourth deficiency, 1933 (H.R. 6034), Public, No. 77, 73d	Cong., approved J	une 16, 1933.				
Second deficiency, 1933 (H.R. 14769), Public, No. 442, 72. Third deficiency, 1933 (H.R. 5390), Public, No. 26, 73d C Fourth deficiency, 1933 (H.R. 6034), Public, No. 77, 73d Deficiency, 1934 and 1935 (H.R. 9830), Public, No. 412, 73	Cong., approved J	une 16, 1933.				

	Fiscal year 1932	Fiscal year 1933	Fiscal year 1934	Public Works allotments 1934	Fiscal year 1935	Supplemental appropriations 1935
Secretary's office.  Naval records and library.  Judge Advocate General.  Naval Operations  Board of Inspection and Survey.  Naval Communications.   1 Machine tools, \$2,850,000.	\$3, 020, 965 39, 960 130, 240 73, 760 21, 280 136, 120	\$2, 887, 980 39, 240 130, 240 73, 760 20, 780 134, 980	\$2, 278, 504 35, 970 117, 087 69, 423 17, 454 123, 272	1 \$2, 850, 000	\$2, 111, 400 30, 672 104, 940 61, 830 15, 516 108, 720	

Regular, deficiency, and special appropriations-Navy Department-Continued

	Fiscal year 1932	Fiscal year 1933	Fiscal year 1934	Public Works allotments 1934	Fiscal year 1935	Supplemental appropriations 1935
Naval Intelligence	\$41,620	\$41,440	\$36, 978		\$32,760	A 100
Bureau Navigation	8, 527, 304	6, 530, 144	6, 304, 327		5, 372, 584	
Bureau Engineering	19, 576, 080	18, 363, 040	18, 248, 407	\$712,500	15, 810, 470	
Bureau Construction and Repair	18, 451, 400	16, 214, 900	15, 792, 674	238, 000, 000	13, 974, 870	
Bureau Ordnance	13, 096, 605	11, 436, 000	11, 000, 995	330, 225	10, 680, 303	
Bureau Supplies and Accounts	173, 880, 261	166, 978, 331	159, 188, 348	205, 662	152, 326, 320	
Bureau Medicine and Surgery	2, 242, 560	1, 995, 560	1, 934, 842		2, 031, 714	
Bureau Yards and Docks	21, 646, 116	11, 342, 320	10, 297, 129	27, 500, 537	6, 828, 335	
Bureau Aeronautics	31, 435, 400	25, 535, 820	22, 220, 879	7, 500, 000	18, 880, 398	
Naval Academy	2, 009, 154	1, 881, 217	1,741,237		1, 549, 786	
Marine Corps.	25, 375, 127	21, 914, 839	20, 349, 251		20, 648, 447	
Increase in Navy		18, 063, 000	33, 412, 785		33, 619, 334	
Modernizing ships		14, 000, 000	5, 500, 000		470, 400	
Total	358, 253, 952	317, 583, 591	308, 669, 562	277, 098, 924	284, 658, 799	
Deficiency appropriations:			PHILIP CALLS	The second second	Name of the last	CONTRACTOR OF THE PARTY OF THE
First deficiency, 1932	7, 701					
Second deficiency, 1932.						
		0.000				
Second deficiency 1933		1.634		NIO ELE		
First deficiency, 1933 Second deficiency, 1933 Deficiency, 1934 and 1935		2,001	627, 390		15, 126	
Special acts:	Small retrouvement and colored	Marie Control of the Control	021,000		13 13 11 12 12 12 12 12 12 12 12 12 12 12 12	
Marine Band expenses	8 171					COLUMN TO THE REAL PROPERTY.
(H.J.Res. 535) Public Resolution No. 139, 71st Cong.,	9,111					
appropriated Mar. 4, 1931.				The Real Property		
Emergency Relief and Construction Act, 1932 (Yards				THE REPORT OF	M 18 1 W 1 20 00	
and Docks)		10,000,000				
	000 001 000	BOT 100 000	000 000 000	DDD 000 004	004 000 007	
Total regular, deficiency, and special	358, 271, 937	327, 589, 028	309, 296, 952	277, 098, 924	284, 673, 925	A007 600 00
	1 8 8 6			309, 296, 952	Total Total	\$284, 673, 92
Regular appropriations plus Public Works Administration	Track Target	Paller Bullion	The State State of			
allotments and supplemental appropriations.				586, 395, 876		284, 673, 92
Permanent and indefinite.	1, 839, 470	1, 322, 550	997, 598		1, 698, 333	
	200 333 400	900 011 500	210 004 550		000 270 050	
Grand total, Navy Department.	360, 111, 407	328, 911, 578	310, 294, 550		286, 372, 258	

Fiscal year 1932 (H.R. 16969), Public, No. 745, 71st Cong., approved Feb. 28, 1931.
Fiscal year 1933 (H.R. 11452), Public, No. 216, 72d Cong., approved June 30, 1932.
Fiscal year 1934 (H.R. 14724), Public, No. 429, 72d Cong., approved Mar. 3, 1933.
Fiscal year 1935 (H.R. 7199), Public, No. 122, 73d Cong., approved Mar. 15, 1934.
First deficiency, 1932 (H.R. 16660), Public, No. 55, 72d Cong., approved Feb. 2, 1932.
Second deficiency, 1932 (H.R. 12443), Public, No. 235, 72d Cong., approved July 1, 1932.
First deficiency, 1933 (H.R. 14769), Public, No. 255, 72d Cong., approved Jan. 30, 1933.
Second deficiency, 1933 (H.R. 14769), Public, No. 442, 72d Cong., approved Mar. 4, 1933.
Deficiency, 1934 and 1935 (H.R. 9830), Public, No. 412, 73d Cong., approved June 19, 1934.

Regular, deficiency, and special appropriations-Treasury Department

	Fiscal year 1932	Fiscal year 1933	Fiscal year 1934	Public Works allotments 1934	Fiscal year 1935	Supplemental appropriations 1935
Secretary's office.	\$6, 371, 444	\$5, 886, 220	\$5, 255, 130		\$4, 641, 964	\$14, 645, 000
Customs Service	23, 983, 600	22, 000, 000	19, 900, 000			
Bureau of the Budget Farm Loan Bureau	191,000	190, 000 950, 000	177, 700 900, 000		171, 851	
Office of Treasurer	1, 560, 546	1, 601, 746	1, 478, 586	1 \$100,000	1, 374, 300	
Comptroller of Currency	317, 183	315, 340	291, 740			
Internal Revenue Service	59, 962, 560 4, 814, 420	33, 650, 000 4, 525, 000	*85, 800, 000 4, 000, 000		67, 450, 520 4, 086, 974	
Bureau of Narcotics.	1, 708, 528	1, 525, 000	1, 400, 000		1, 244, 899	
Coast GuardBureau of Engraving and Printing	32, 981, 082 6, 700, 000	28, 172, 220 6, 430, 000	25, 772, 950	25, 031, 872		
Secret Service	717, 559	703, 419	679, 238		4, 568, 060 695, 390	
Public Health Service	11, 915, 854	11, 021, 413	10, 386, 328	2, 207, 128	9, 155, 869	
Mints and Assay Offices Public Buildings	1, 631, 920 87, 924, 450	1, 387, 870 2 131, 884, 930	1, 296, 842 481, 919, 025	67, 401, 653	1, 108, 559 8 18, 425, 442	65, 000, 000
Printing House for Blind	65,000	65, 000		07, 101, 000		
Federal land banks						82, 950, 000
Total	241, 865, 146	250, 308, 158	244, 383, 219	94, 740, 653	150, 092, 430	162, 595, 000
Deficiency appropriations:					CONTRACTOR OF THE PARTY OF THE	
Second deficiency, 1931	1, 197, 187					
First deficiency, 1932 Second deficiency, 1932	114, 288					
First deficiency, 1933		1, 457				
Second deficiency, 1933						
Fourth deficiency, 1933		96				
Federal land bank, subscriptions			50, 000, 000			
Federal land bank, interest rates Federal savings-and-loan associations, subscriptions			50,000,000			
Federal Deposit Insurance Corporation, capital		- I was a second and a second		TALL CASALOGA CONSTRUCTION IN		
stock Deficiency, 1934 and 1935			150, 000, 000		96, 370	
Special acts:						
Federal land banks (capital stock) (H.J.Res. 261) Public Resolution No. 9, 72d Cong.,	125, 000, 000			***************************************		
(H.J.Res. 201) Fublic Resolution No. 9, 72d Cong., approved Feb. 2, 1932.		STEEL STEEL ST			213872	

Carried as a special allotment for relief (or adjustments) to contractors in Public Works Administration report of May 7, 1934.
 Includes \$55,000,000 for refund of taxes.
 Includes \$108,000,000 for construction.

*Piculate \$35,20,000 for construction.  *Public buildings has been made the procurement division, Public Works branch. This figure includes:	
Supply branch Public Works branch	\$225, 792
Public Works orange.  Repairs and equipment.	14, 064, 615 2, 065, 035
Operating expenses  Departmental salaries	1, 800, 009
Total	270, 000

Regular, deficiency, and special appropriations-Treasury Department-Continued

	Fiscal year 1932	Fiscal year 1933	Fiscal year 1934	Public Works allotments 1934	Fiscal year 1935	Supplemental appropriations 1935
Special acts—Continued.  Emergency Relief and Construction Act: Public buildings.  (H.R. 9642) Public, No. 302, 72d Cong., approved July 21, 1932.  Bank Conservation Act		\$100,000,000				
H. 1491) Public, No. 1, 73d Cong., approved Mar. 9, 1933. Gold reserve stabilization fund (H.R. 6976), Public Resolution No. 87, 73d Cong., approved Jan. 30, 1934.		2,000,000	\$2,000,000,000			
Total, regular, deficiency, and special	\$386, 819, 266	380, 576, 065	2, 509, 468, 454	\$94, 740, 653 2, 509, 468, 454	\$150, 188, 800	162, 595, 000 150, 188, 800
Regular appropriations plus Public Works Administration allotments and supplemental appropriations				2, 604, 209, 107		312, 783, 800
Permanent and indefinite	1, 075, 369, 989	1, 161, 522, 917	1, 278, 731, 138		1, 363, 494, 072	
Grand total, Treasury Department	1, 462, 189, 255	1, 542, 098, 982	3, 788, 199, 592		1, 513, 682, 872	

Fiscal year 1932 (H.R. 15877), Public, No. 716, 71st Cong., approved Feb. 23, 1931.
Fiscal year 1933 (H.R. 9699), Public, No. 263, 72d Cong., approved July 5, 1932.
Fiscal year 1934 (H.R. 13520), Public, No. 428, 72d Cong., approved Mar. 3, 1933.
Fiscal year 1935 (H.R. 7295), Public, No. 123, 73d Cong., approved Mar. 15, 1934.
Second deficiency, 1931 (H.R. 17163), Public, No. 869, 71st Cong., approved Mar. 4, 1931.
First deficiency, 1932 (H.R. 6660), Public, No. 5, 72d Cong., approved Feb. 2, 1932.
Second deficiency, 1932 (H.R. 14436), Public, No. 235, 72d Cong., approved July 1, 1932.
First deficiency, 1933 (H.R. 14436), Public, No. 255, 72d Cong., approved July 1, 1932.
First deficiency, 1933 (H.R. 14769), Public, No. 325, 72d Cong., approved Jun. 30, 1933.
Second deficiency, 1933 (H.R. 14769), Public, No. 442, 72d Cong., approved May 29, 1933.
Fourth deficiency, 1933 (H.R. 6034), Public, No. 77, 73d Cong., approved June 16, 1933.
Deficiency, 1934 and 1935 (H.R. 9830), Public, No. 412, 73d Cong., approved June 19, 1934.

Regular, deficiency, and special appropriations-Post Office Department

	Fiscal year 1932	Fiscal year 1933	Fiscal year 1934	Public Works allotments 1934	Fiscal year 1935	Supplemental appropriations 1935
Departmental (District of Columbia) Field service: Postmaster General First Assistant Second Assistant Third Assistant Fourth Assistant	\$4, 416, 615 3, 499, 312 514, 767, 900 265, 726, 200 7, 624, 750 45, 249, 000	\$4, 383, 275 3, 397, 450 497, 817, 900 254, 626, 800 6, 424, 750 39, 289, 500	\$3, 746, 557 3, 088, 450 443, 616, 995 221, 952, 867 5, 622, 775 35, 005, 734	\$532, 600	\$3, 287, 022 2, 633, 145 398, 046, 031 213, 640, 600 4, 145, 940 47, 876, 202	
Total	841, 283, 777	805, 939, 675	713, 033, 378	532, 600	669, 628, 940	
Deficiency appropriations: First deficiency, 1932 Second deficiency, 1932						
Second deficiency, 1932. First deficiency, 1933 Second deficiency, 1933. Third deficiency, 1933.						
Fourth deficiency 1933 Deficiency, 1934 and 1935		3, 931	31, 298			
Total regular, deficiency, and special	842, 928, 855	805, 966, 562	713, 064, 673	532, 600 713, 064, 676	669, 628, 940	\$669, 628, 940
Regular appropriations plus Public Works Administration allotments and supplemental appropriations				713, 597, 276		669, 628, 940
Permanent and indefinite	200, 000	165, 000	165, 000		165, 000	
Grand total, Post Office Department	843, 128, 855	806, 131, 562	713, 229, 676		669, 793, 940	

Fiscal year 1932 (H.R. 15877), Public, No. 716, 71st Cong., approved Feb. 23, 1931.

Fiscal year 1933 (H.R. 9699), Public, No. 263, 72d Cong., approved July 5, 1932.

Fiscal year 1934 (H.R. 13520), Public, No. 428, 72d Cong., approved Mar. 3, 1933.

Fiscal year 1935 (H.R. 7295), Public, No. 123, 73d Cong., approved Mar. 15, 1934.

First deficiency, 1932 (H.R. 6650), Public, No. 5, 72d Cong., approved Feb. 2, 1932.

Second deficiency, 1932 (H.R. 12443), Public, No. 235, 72d Cong., approved July 1, 1932.

First deficiency, 1933 (H.R. 14469), Public, No. 325, 72d Cong., approved Jul 30, 1933.

Second deficiency, 1933 (H.R. 14769), Public, No. 442, 72d Cong., approved Mar. 4, 1933.

Fourth deficiency, 1933 (H.R. 5390), Public, No. 26, 73d Cong., approved Mar 29, 1933.

Fourth deficiency, 1933 (H.R. 8084), Public, No. 77, 73d Cong., approved June 16, 1933.

Deficiency, 1934 and 1935 (H.R. 9830), Public, No. 412, 73d Cong., approved June 19, 1934.

Regular, deficiency, and special appropriations—Department of State

	Fiscal year 1932	Fiscal year 1933	Fiscal year 1934	Public Works allotments 1934	Fiscal year 1935	Supplemental appropriations 1935
Domestic. Foreign Foreign pay adjustment		\$2, 265, 540 11, 398, 253	\$2, 017, 312 10, 179, 207	\$4, 761, 000		
Total	17, 522, 323	13, 663, 793	12, 196, 519	4, 761, 000	21, 323, 618	
Deficiency appropriations: Second deficiency, 1931 First deficiency, 1932 Second deficiency, 1932	65, 500 79, 369					
First deficiency, 1933 Second deficiency, 1933 Fourth deficiency, 1933 Deficiency 1934 and 1935		185, 455 125, 000	35, 700			

Additional appropriation for this purpose to legislative establishment transferred to State Department,

Regular, deficiency, and special appropriations-Department of State-Continued

	Fiscal year 1932	Fiscal year 1933	Fiscal year 1934	Public Works allotments 1934	Fiscal year 1932	Supplemental appropriations 1935
Special acts: Geneva Conference (H.J.Res. 251) Public Resolution No. 8, 72d Cong., approved Feb. 2, 1932.	\$300,000					
Total, regular, deficiency, and special	18, 809, 942	\$14, 164, 248	\$12, 287, 117	\$4, 761, 000 12, 287, 117	\$22, 935, 981	\$22, 935, 98
Regular appropriations plus Public Works Administration allotments and supplemental appropriations				17, 048, 117		22, 935, 93
Permanent and indefinite	141, 233	31,000	31,000		31,000	
Grand total, Department of State	18, 951, 175	14, 195, 248	12, 318, 117		22, 966, 984	

Fiscal year 1932 (H.R. 16110), Public, No. 719, 71st Cong., approved Feb. 23, 1931.

Fiscal year 1933 (H.R. 9349), Public, No. 232, 72d Cong., approved July 1, 1932.

Fiscal year 1934 (H.R. 14363), Public, No. 387, 72d Cong., approved Mar. 1, 1933.

Fiscal year 1935 (H.R. 7513), Public, No. 143, 73d Cong., approved Apr. 7, 1934.

Fiscal deficiency, 1931 (H.R. 17163), Public, No. 869, 71st Cong., approved Mar. 4, 1931.

First deficiency, 1932 (H.R. 16600), Public, No. 5, 72d Cong., approved Feb. 2, 1932.

Second deficiency, 1932 (H.R. 12443), Public, No. 235, 72d Cong., approved July 1, 1932.

First deficiency, 1933 (H.R. 14436), Public, No. 325, 72d Cong., approved July 1, 1933.

Second deficiency, 1933 (H.R. 14789), Public, No. 442, 72d Cong., approved Mar. 4, 1933.

Fourth deficiency, 1933 (H.R. 6034), Public, No. 77, 73d Cong., approved June 16, 1933.

Deficiency, 1934 and 1935 (H.R. 9830), Public, No. 412, 73d Cong., approved June 19, 1934.

Regular, deficiency, and special appropriations-Department of Justice

	Fiscal year 1932	Fiscal year 1933	Fiscal year 1934	Public Works allotments 1934	Fiscal year 1935	Supplemental appropriations 1935
Department proper	\$17, 074, 658 20, 370, 288 13, 794, 255	\$15, 413, 500 18, 457, 000 12, 125, 500	\$13, 403, 133 17, 474, 374 10, 276, 543	\$785, 512	\$6, 285, 430 14, 940, 435 7, 474, 913	
Total	1 51, 239, 201	45, 996, 000	41, 154, 050	785, 512	100 1000 1000	
Deficiency appropriations: Second deficiency, 1931 First deficiency, 1932	240, 000					
Second deficiency, 1932. First deficiency, 1933. Second deficiency, 1933.	655	1.449				
Fourth deficiency, 1933		609	141, 663		2, 320, 431	
Total regular, deficiency, and special	51, 489, 856	46, 176, 340	41, 295, 713	785, 512 41, 295, 713	31, 021, 209	\$31, 021, 200
Regular appropriations plus Public Works Administration allotments and supplemental appropriations.				42, 081, 225		31, 021, 209
Permanent and indefinite			800, 000		785, 000	
Grand total, Department of Justice	51, 489, 856	46, 176, 340	42, 095, 713		31, 806, 209	

1 Not including \$20,000 for the National Park Service attached as a rider to title II, State, Justice, Commerce, and Labor appropriation bill for the fiscal year 1932.

<sup>1</sup> Not including \$20,000 for the National Park Service attached as a rider to title II, State, J. Fiscal year, 1932 (H.R. 16110), Public, No. 719, 71st Cong., approved Feb. 23, 1931. Fiscal year, 1933 (H.R. 9349), Public, No. 232, 72d Cong., approved July 1, 1932. Fiscal year, 1934 (H.R. 14365), Public, No. 387, 72d Cong., approved Mar. 1, 1933. Fiscal year, 1935 (H.R. 7513), Public, No. 143, 73d Cong., approved Apr. 7, 1934. Second deficiency, 1931 (H.R. 17163), Public, No. 869, 71st Cong., approved Mar. 4, 1931. First deficiency, 1932 (H.R. 16660), Public, No. 5, 72d Cong., approved Feb. 2, 1932. Second deficiency, 1932 (H.R. 12443), Public, No. 255, 72d Cong., approved July 1, 1932. First deficiency, 1933 (H.R. 14436), Public, No. 325, 72d Cong., approved Jun, 30, 1933. Second deficiency, 1933 (H.R. 14769), Public, No. 412, 72d Cong., approved Mar. 4, 1933. Fourth deficiency, 1933 (H.R. 6034), Public, No. 77, 73d Cong., approved June 16, 1933. Deficiency, 1934 and 1935 (H.R. 9830), Public, No. 412, 73d Cong., approved June 19, 1934.

Regular, deficiency, and special appropriations—Department of Commerce

	Fiscal year 1932	Fiscal year 1933	Fiscal year 1934	Public Works allotments 1934	Fiscal year 1935	Supplemental appropriations 1935
Secretary's Office. Bureau of Foreign and Domestic Commerce Bureau of Census. Bureau of Navigation and Steamboat Inspection. Bureau of Standards. Bureau of Lighthouses. Coast and Geodetic Survey. Bureau of Fisheries. Patent Office. Bureau of Mines. Bureau of Aeronautics. Shipping Bureau	5, 334, 122 6, 270, 580 1, 891, 400 2, 874, 570 12, 082, 410 3, 075, 933 2, 905, 540 5, 236, 750 2, 278, 765	\$10, 271, 700 3, 988, 900 862, 125 1, 476, 165 2, 137, 280 9, 849, 280 2, 399, 813 1, 976, 920 4, 890, 700 1, 860, 325	3, 514, 370 1, 903, 000 1, 405, 000 2, 056, 045 9, 114, 600 2, 205, 090 1, 765, 740 4, 424, 950 1, 514, 300	\$33, 043 100, 000 5, 620, 334 6, 503, 120 564, 500 272, 800 2, 558, 803	2, 164, 157 3, 863, 500 1, 337, 752 1, 436, 908 8, 517, 373 2, 126, 061 1, 291, 537 4, 070, 231 1, 197, 926 5, 205, 250	
Total	54, 332, 230	39, 711, 408	1 36, 588, 465	15, 652, 600	32, 267, 321	
Deficiency appropriations: First deficiency, 1932 Second deficiency, 1932 First deficiency, 1933 Second deficiency, 1933 Fourth deficiency, 1933 Fourth deficiency, 1933 Deficiency, 1934 and 1935	280, 018	1, 086 200, 284 20				

<sup>&</sup>lt;sup>1</sup> Does not include \$13,110 later transferred (Black Bass Act) from independent offices appropriation act.

Regular, deficiency, and special appropriations-Department of Commerce-Continued

	Fiscal year 1932	Fiscal year 1933	Fiscal year 1934	Public Works allotments 1934	Fiscal year 1935	Supplemental appropriations 1935
Special acts:  Emergency Relief and Construction Act, 1932 (H.R. 9642), Public, No. 302, 72d Cong., approved July 21, 1932:  Air navigation.  Lighthouse tenders, etc.  Navigation, improvements.  Coast and Geodetic Survey.		\$500,000 950,000 2,860,000 1,250,000				
Total regular, deficiency, and special	\$54, 716, 601	45, 472, 798	\$37, 125, 890	\$15, 652, 600 37, 125, 890 52, 778, 490	\$32, 267, 321	\$32, 267, 32 32, 267, 3
Permanent and indefinite	3,000	3,000	17,000	02, 110, 100	21,000	02, 201, 02
Grand total, Department of Commerce	54, 719, 601	45, 475, 798	37, 142, 890		32, 288, 321	

Fiscal year 1932 (H.R. 16110), Public, No. 719, 71st Cong., approved Feb. 23, 1931.

Fiscal year 1933 (H.R. 9349), Public, No. 232, 72d Cong., approved July 1, 1932.

Fiscal year 1934 (H.R. 14365), Public, No. 387, 72d Cong., approved Mar. 1, 1933.

Fiscal year 1935 (H.R. 7513), Public, No. 143, 73d Cong., approved Apr. 7, 1934.

First deficiency, 1932 (H.R. 6600), Public, No. 5, 72d Cong., approved Feb. 2, 1932.

Second deficiency, 1933 (H.R. 12443), Public, No. 235, 72d Cong., approved July 1, 1932.

First deficiency, 1933 (H.R. 14436), Public, No. 325, 72d Cong., approved Jan. 30, 1933.

Second deficiency, 1933 (H.R. 14769), Public, No. 42, 72d Cong., approved Mar. 4, 1933.

Fourth deficiency, 1933 (H.R. 6034), Public, No. 77, 73d Cong., approved June 16, 1933.

Deficiency, 1934 and 1935 (H.R. 9830), Public, No. 412, 73d Cong., approved June 19, 1934.

Regular, deficiency, and special appropriations-Department of Labor

	Fiscal year 1932	Fiscal year 1933	Fiscal year 1934	Public Works allotments 1934	Fiscal year 1935	Supplemental appropriations 1935
Secretary's office Bureau Labor Statistics Bureau Immigration Bureau Naturalization Children's Bureau	\$847, 360 440, 480 10, 934, 160 1, 149, 020 395, 500	\$700, 500 450, 000 9, 480, 000 975, 770 375, 500	\$645,000 414,000 9,494,000 890,000 344,000	\$26,000 10,000 1,422,980	\$691, 815 668, 720 (1) 8, 485, 000 337, 030	
Women's Bureau	179, 900	160,000	147, 000		139, 160	
Housing Corporation Employment Service Conciliation Service	<sup>(2)</sup> 383, 780	14, 000 765, 000	8, 500 734, 865	800, 000 3 10, 000	9, 080 3, 700, 000	
Total	14, 330, 200	12, 920, 770	12, 677, 365	2, 268, 980	14, 030, 805	
Deficiency appropriations: First deficiency, 1931. First deficiency, 1932.	640, 000 475, 000 201, 831					
Second deficiency, 1932 First deficiency, 1933		200,000				
Second deficiency, 1933		450, 208 1, 500				
Fourth deficiency, 1933 Deficiency, 1934 and 1935			1, 500, 000 3, 283			
Special acts: U.S. Employment Service, 1932 (H.J.Res. 142), Public Resolution No. 4, 72d Cong., approved Dec. 21, 1931	120,000					
Total regular, deficiency, and special	15, 767, 031	13, 572, 478	14, 180, 648	2, 268, 980 14, 180, 648	14, 030, 805	\$14, 030, 800
Regular appropriations plus Public Works Adminis- tration aliotments and supplemental appropriations.				16, 449, 628		14, 030, 805
Permanent and indefinite	9,000	4,000	4,000		4,000	
Grand total, Department of Labor	15, 776, 031	13, 576, 478	14, 184, 648		14, 034, 805	

1 Bureaus of Immigration and Naturalization consolidated into Bureau of Immigration and Naturalization.

3 Housing Corporation transferred from independent offices to Labor in 1932, appropriation, \$15,000.

4 Carried in Public Works Administration report of May 7, 1934, under Department of Labor.

4 Not including \$20,000 for National Park Service in a rider to the State, Justice, Commerce, and Labor appropriation bill for 1932.

Fiscal year 1932 (H. R. 16110), Public, No. 719, 71st Cong., approved Feb. 23, 1931.

Fiscal year 1934 (H. R. 9349), Public, No. 232, 72d Cong., approved July 1, 1932.

Fiscal year 1935 (H. R. 7513), Public, No. 387, 72d Cong., approved Mar. 1, 1933.

First approved July 1, 1932.

First deficiency, 1931 (H. R. 15592), Public, No. 612, 71st Cong., approved Feb. 6, 1931.

First deficiency, 1932 (H. R. 6660), Public, No. 55, 72d Cong., approved Feb. 2, 1932.

Second deficiency, 1932 (H. R. 1443), Public, No. 325, 72d Cong., approved July 1, 1932.

First deficiency, 1933 (H. R. 1443), Public, No. 325, 72d Cong., approved July 1, 1932.

First deficiency, 1933 (H. R. 1448), Public, No. 325, 72d Cong., approved July 1, 1932.

First deficiency, 1933 (H. R. 14769), Public, No. 325, 72d Cong., approved Mar. 4, 1933.

Third deficiency, 1933 (H. R. 5390), Public, No. 25, 73d Cong., approved May 29, 1933.

Fourth deficiency, 1933 (H. R. 6034), Public, No. 77, 73d Cong., approved June 16, 1933.

Deficiency, 1934 and 1935 (H. R. 9830), Public, No. 112, 73d Cong., approved June 19, 1934.

Regular, sejectency, and special appropriations—was Department							
	Fiscal year 1932	Fiscal year 1933	Fiscal year 1934	Public Works allotments 1934	Fiscal year 1935	Supplemental appropriations 1935	
Military: Secretary's office. General Staff. Adjutant General. Inspector General. Judge Advocate General. Finance. Ourtermaster General.	\$993, 907 371, 394 1, 827, 041 28, 345 114, 149 137, 111, 113 92, 161, 461	\$949, 310 349, 034 1, 821, 767 28, 345 113, 294 138, 346, 589 55, 263, 174	312, 621 1, 607, 753 24, 467 103, 542 130, 155, 611		\$256, 611 282, 012 4, 051, 570 24, 005 96, 095 123, 460, 365 44, 224, 268		

Regular, deficiency, and special appropriations-War Department-Continued

	Fiscal year 1932	Fiscal year 1933	Fiscal year 1934	Public Works allotments 1934	Fiscal year 1935	Supplemental appropriations 1935
Military—continued						
Seacoast defense	\$2,739,006	\$2, 338, 136	\$2, 035, 431	1 \$7, 000, 000		
Signal Corps	3, 195, 349 31, 715, 740	2, 650, 895 25, 673, 236	2, 499, 129 23, 537, 769	7, 500, 000		
Medical	1, 653, 462	1, 640, 489	1, 504, 189	1,000,000		
Insular affairs	85, 413	85, 413	77, 636	1, 500, 000	79 035	
Engineer Corps	661, 228	596, 036	540, 831		441, 284	
Ordnance	10, 816, 483 1, 304, 528	11, 209, 014 1, 274, 279	10, 641, 340 1, 303, 485	6, 000, 000	10, 153, 204	
Infantry	69, 853	67, 610	60, 583		59,805	
Cavalry	21, 310	21,000	19, 690		19, 432	
Field Artillery	26, 805	25, 000			23, 718	
Coast Artillery Military Academy	55, 165 2, 666, 683	53,720	50, 965 2, 344, 584		49,679	
Militia Burgan	22 052 048	31, 413, 369	35 621 498	2, 238, 624	2, 193, 200	
Organized Reserves. Citizens' military training camps. National Board for Rifle Practice.	33, 058, 946 6, 537, 785	6, 354, 348	35, 621, 498 6, 354, 348	2, 200, 022	4, 278, 859	
Citizens' military training camps	6, 758, 029	6, 692, 008	5, 975, 431		4, 117, 601	
National Board for Rifle Practice	732, 770	139, 150	159, 465		145, 178	
Motorization				1 10, 000, 000		
Total (military)	334, 705, 965	289, 500, 024	277, 050, 381	105, 248, 550	255, 526, 147	
onmilitary: Quartermaster Corps	1, 770, 934	1, 131, 049	1, 109, 675	(2)	715, 927	
Quartermaster Corps	298, 560	161, 285	160, 772 60, 413, 517	(2) 176, 170 2 255, 928, 208	140 OFE.	
Engineer Corps Panama Canal	97, 489, 090	94, 139, 494	60, 413, 517	<sup>‡</sup> 255, 928, 208	53, 307, 936	
Panama Canal	11, 493, 686	11, 146, 661	11, 106, 404	1, 000, 000	6, 532, 926	
Attendance Army Band, Confederate Veterans	7,500					
Total (nonmilitary)		106, 578, 489	72, 790, 368	257, 104, 378		
Total military and nonmilitary	445, 765, 735	396, 078, 513	349, 840, 749	362, 352, 928	316, 228, 991	
eficiency appropriations:  First deficiency, 1932.  Second deficiency, 1932.  First deficiency, 1933.  Second deficiency, 1933.	137 703					
Second deficiency, 1932	4, 117, 880					
First deficiency, 1933.		4, 198				
Second deficiency, 1933		326, 546				
Third deficiency, 1933. Deficiency, 1934 and 1935.		21,000	1 110 602		16, 000	
pecial acts:	Committee of the Commit	Commence of the same of the same of				
Attendance Army Band, G.A.R. reunion						
approved Mar. 4, 1931.			THE STATE OF THE S	STATE OF THE STATE	THE PARTY OF	STIS THE
Emergency relief and construction, 1932 (H.R. 9642),		7500	CAN PROPERTY	THE PERSON NAMED IN		
Public, No. 302, 72d Cong., approved July 21, 1932:	IN EXPERIENCE OF					
Military, Quartermaster General, military posts		15, 164, 000				
(H.J.Res. 536) Public Resolution No. 140, 71st Cong., approved Mar. 4, 1931.  Emergency relief and construction, 1932 (H.R. 9642), Public, No. 302, 72d Cong., approved July 21, 1932: Military, Quartermaster General, military posts  Nonmilitary, Engineer Corps: Rivers and harbors		30, 000, 000	La			
Flood control		15, 500, 000				
Total regular, deficiency, and special	450, 028, 818	457, 094, 257	350, 959, 432	362, 352, 928	316, 244, 991	
				350, 959, 432		\$316, 244, 9
egular appropriations plus P.W.A. allotments and sup- plemental appropriations		A PARTY OF THE PAR				
				713, 312, 360		316, 244, 9
rmanent and indefinite	14, 305, 415	12, 576, 540	12, 462, 500		11, 803, 900	
Grand total, War Department	464, 334, 233	469, 670, 797	363, 421, 932		328, 048, 891	
<sup>1</sup> Carried in Public Works Administration report of May	7, 1934, under War	r Department.	W. W. W.		Sales V	- Line College
* Engineer Corps: Flood control		B. B. B. B. B.				\$69, 187, 0
Rivers and harbors						
Seacoast defense						7,000,0
Total						955 099
Fiscal year 1932 (H.R. 15593), Public, No. 718, 71st Cong.	approved Feb 23	1021				200, 020, 1
Fiscal year 1934 (H.R. 14199), Public, No. 441, 72d Cong.,	approved Mar. 4,	1933.				*
Fiscal year 1935 (H. R. 8471), Public, No. 176, 73d Cong., a	approved Apr. 26,	1934.				
Second deficiency 1932 (H.R. 9660), Public, No. 5, 72d Con	Cong approved red.	2, 1952. Inly 1 1032				
Fiscal year 1933 (H. R. 1499), Public, No. 286, 72d Cong., Fiscal year 1934 (H. R. 14199), Public, No. 441, 72d Cong., Fiscal year 1935 (H. R. 8471), Public, No. 176, 73d Cong., First deficiency, 1932 (H. R. 6660), Public, No. 5, 72d Con Second deficiency, 1932 (H. R. 12443), Public, No. 235, 72d First deficiency, 1933 (H. R. 14436), Public, No. 325, 72d Cong., 1942 (H. 14436), Public, No. 422, 72d Third deficiency, 1933 (H. R. 14769), Public, No. 26, 73d Cong., 1942 (H. R. 14769), Public, No. 26, 73d Cong., 1942 (H. R. 14769), Public, No. 26, 73d Cong., 1942 (H. R. 14769), Public, No. 26, 73d Cong., 1942 (H. R. 14769), Public, No. 26, 73d Cong., 1942 (H. R. 14769), Public, No. 26, 73d Cong., 1942 (H. R. 14769), Public, No. 26, 73d Cong., 1942 (H. R. 14769), Public, No. 26, 73d Cong., 1942 (H. R. 14769), Public, No. 26, 73d Cong., 1942 (H. R. 14769), Public, No. 26, 73d Cong., 1942 (H. R. 14769), Public, No. 26, 73d Cong., 1942 (H. R. 14769), Public, No. 26, 73d Cong., 1942 (H. R. 14769), Public, No. 26, 73d Cong., 1942 (H. R. 14769), Public, No. 26, 73d Cong., 1942 (H. R. 14769), Public, No. 26, 73d Cong., 1942 (H. R. 14769), Public, No. 26, 73d Cong., 1942 (H. R. 14769), Public, No. 26, 73d Cong., 1942 (H. R. 14769), Public, No. 26, 73d Cong., 1942 (H. R. 14769), Public, No. 26, 73d Cong., 1942 (H. R. 14769), Public, No. 26, 73d Cong., 1942 (H. R. 14769), Public, No. 26, 73d Cong., 1942 (H. R. 14769), Public, No. 26, 73d Cong., 1942 (H. R. 14769), Public, No. 26, 73d Cong., 1942 (H. R. 14769), Public, No. 26, 73d Cong., 1942 (H. R. 14769), Public, No. 26, 73d Cong., 1942 (H. R. 14769), Public, No. 26, 73d Cong., 1942 (H. R. 14769), Public, No. 26, 73d Cong., 1942 (H. R. 14769), Public, No. 26, 73d Cong., 1942 (H. R. 14769), Public, No. 26, 73d Cong., 1942 (H. R. 14769), Public, No. 26, 73d Cong., 1942 (H. R. 14769), Public, No. 26, 73d Cong., 1942 (H. R. 14769), Public, No. 26, 73d Cong., 1942 (H. R. 14769), Public, No. 26, 73d Cong., 1942 (H. R. 14769), Public, No. 26, 73d Cong., 1942 (H. R. 14769), Public,	ong., approved Ja	n. 30, 1933.				
Second deficiency, 1933 (H.R. 14769), Public, No. 442, 72d	Cong., approved	Mar. 4, 1933.				
Third deficiency, 1933 (H.R. 5390), Public, No. 26, 73d Co	ong., approved Ma	y 29, 1933.				A PROPERTY.
Deficiency, 1934 and 1935 (H.R. 9830), Public, No. 412, 736	d Cong., approved	June 19, 1994.				
scal year 1934					91	2, 649, 004 5
scal year 1935					01	7, 817, 121, 8
Grand total, 1934 and 1935						
Grand total, 1934 and 1935					2	0, 466, 126, 4

# NATIONAL ECONOMY LEAGUE WANTS MORE ECONOMY AT THE EXPENSE OF WAR VETERANS

Mr. TRUAX. Mr. Speaker, recently, the Economy League flooded Members of the Senate with a multigraphed letter viewing with alarm the activities of Veterans of Foreign Wars officials and Gen. Smedley Butler in urging and demanding that the back salary long overdue the soldiers of the World War be paid at once.

In all its activities we have never heard of the Economy League's advocating any real economy. They want compensation taken away from disabled veterans. They want the Government to pay interest on its Treasury obligations at a price three or four times what money can

be obtained for in the open market. They want the Government to continue paying enormous interest on bonds held in Wall Street, and they want the National Bank Act, whereby a favored national bank can collect \$27,500,000 interest a year on an investment of \$300,000, continued in force. This seems to be their idea of economy.

During the recent Republican conclave in Chicago, we read in the newspapers that Phil Collins, chief king maker of the American Legion, was monkeying around with the Republican National Committee, and was even mentioned as a stalking horse for the Chicago utilities interests for the national chairmanship. Veterans interpret this as a move by Collins to make the American Legion a subsidiary of the

Republican National Committee with the idea in view of making Hanford MacNider the next Republican nominee

Veterans in general, and Legionnaires in particular, probably feel as deeply about the activities of the Legion king makers as they do about the Economy League. Therefore, I hail with pleasure the announcement by Victory Post No. 4 of the American Legion, Department of the District of Columbia, that it will hold a veterans' conference in Washington early in October, looking toward procuring a free and unfettered expression of the desires of veterans generally, as to what legislative program should be promulgated in their interests in the Seventy-fourth Congress.

We all know that the American Legion had a mandate from its Portland convention to work for the immediate payment of the balance due on the adjusted-service certificates. We know that that mandate was never rescinded in spite of the efforts of the Legion politicians to make us believe it was. Yet, in spite of this mandate, we find that certain high officials of the American Legion are secretly and openly working to prevent payment of adjusted-service certificates.

If Victory Post is successful in having a representative group of veterans from over all the United States present at its October conference, it will be able to obtain an expression of veterans' views which cannot be denied by all the Phil Collinses, the Hanford MacNiders, the John Thomas Taylors, and Edward Hayeses in the country. They can obtain a true and accurate expression of how the veterans really want Congress to vote, and will not be misled by professional politicians in high places in the American Legion working for special interests instead of for their

Victory Post, of the District of Columbia, is known far and wide as one of the most proveteran American Legion posts in the country. It often puts the fear of God into its own national officials by demanding their resignation when their actions do not meet with the approval of the Legion membership in general.

It was a drum and bugle corps of Victory Post that walked out on Pat Hurley when he had the crust to speak at the Tomb of the Unknown Soldier on the Armistice Day following the rape of the B.E.F., and the gassing of babies, women, and unarmed men by the Regular Army at Hurley's enthusiastic direction.

Mr. Speaker, under date of March 3, 1934, I received a letter from the National Economy League, self-styled as a "nonpartisan citizens' organization for public service", These economy fellows are all het up again about the taxridden people. They are having nightmares about the Bonus Act. They insist in utter horror and deep consternation that this act is nothing more nor less than instant printing-press inflation, and this procedure, they infer, will send the whole country straight to an economic hell, and nothing short of a miracle can head it off.

They do me honor when they address me as "My dear Congressman TRUAX." If these self-appointed and selfconstituted watchdogs of the Treasury really knew what I think of them, and how their letters arouse my resentment like a red flag waved at a bull, I feel sure they would delete the words "my dear" and that they would spell my name with an "e" appended to the last syllable, so that it would read thusly "True-axe", and it would not take them many moons to discover that the "axe" is plenty sharp to chop out their lying, scandalous, scurrilous, slanderous tongues used chiefly to crucify war veterans, debauch their widows, and rob their children.

This modern band of silk-stockinged freebooters, sailing under the black flag of John Pirate Morgan, with the skull and crossbones of Kuhn-Loeb & Co. and all the rest of the swashbuckling international brigands (bankers), human hyenas, and nickel-snatching jackals who would rob the graves of their own flesh and blood to accumulate more millions of their filthy lucre, proceed to tell me:

The National Economy League asks you to support the President's recovery program by refusing to pay—now in 1934—the veterans' bonus, which is not due until 1945.

The present demand for this sudden and gigantic payment, which would cost a tax-ridden people, overnight, some \$2,000,000,000 more than they have already generously given under the Bonus Act, does not come even from a representative group of veterans. It comes from a single organization whose membership represents only an insignificant percentage of the veterans of the World War.

represents only an insignificant percentage of the veterans of the World War.

Such premature payment means, by its own terms, instant printing-press infiation, the disastrous effect of which on all groups, but particularly on the wage earners—among whom are many veterans—is too well known to you to require mention. It threatens the financial stability of the recovery program. Indeed, it threatens the financial safety of the Nation—and this is well known to the very veterans who make the demand.

Let me, if you please, as a veteran myself, thank you for the changes you are molding into law in aid of veterans who suffer disabilities directly due to war. You have been generous to them, and that is right. The National Economy League has always asked and always will ask generous treatment for the truly war-disabled veteran. At the same time we ask that no gratuities be paid to those veterans who came out of the war hale, whole, and hearty. That principle is laid down by the President and it is thoroughly approved by the people.

How is it, then, that nearly 4,000,000 healthy veterans are put forward for a \$2,000,000,000 hand-out over and above ordinary citizens? These veterans already share in every form of relief. They are even preferred in relief over everybody else by both Federal and State laws. Why should they be still further preferred out of the pockets of all the rest of the people?

The President has, naturally enough, expressed his opposition to such a proposal.

to such a proposal.

It is our earnest hope that you will not countenance it. Yours very sincerely,

HENRY H. CURRAN.

Here is a list of the executive committee, better known to veterans as the "rogues' gallery":

reterans as the "rogues' gallery":

Barber, Thomas H., Woodbury, N.Y.
Beacom, Harold, Chicago, Ill.
Biddle, Alexander, Philadelphia, Pa.
Blaine, Graham B., Hewlett, N.Y.
Boggs, Lucien H., Jacksonville, Fla.
Bonnell, Robert O., Baltimore, Md.
Borders, Melville W., Jr., Kansas City, Mo.
Breckinridge, Henry, New York, N.Y.
Cardwell, Marion, Louisville, Ky.
Carter, Robert H., Richmond, Va.
Clark, Grenville, New York, N.Y.
Cobb, Lloyd, New Orleans, La.
Coggeshall, Murray, Morristown, N.J.
Cutchins, John A., Richmond, Va.
Dabney, William C., Louisville, Ky.
Davis, Dwight F., St. Louis, Mo.
Dennett, Carl P., Boston, Mass.
Dickinson, J. M., Nashville, Tenn.
Dresser, Robert B., Providence, R.I.
Evarts, Jeremiah M., Windsor, Vt.
Fairbanks, Joseph, Washington, D.C.
Fitz-Hugh, Alexander, Vicksburg, Miss.
Flinn, A. Rex, Pittsburgh, Pa.
Gardiner, William Tudor, Augusta, Maine,
Garrigues, John K., Willmington, Del. Flinn, A. Rex, Pittsburgh, Pa. Gardiner, William Tudor, Augusta, Mali Garrigues, John K., Wilmington, Del. Hannaford, Jule M., Jr., St. Paul, Minn. Harriman, E. Roland, New York, N.Y. Hollister, Evan, Buffalo, N.Y. Hopkins, Ernest M., Hanover, N.H. Huger, Alfred, Charleston. S.C. Hugus, Wright, Wheeling, W.Va. Jamison, Robert H., Cleveland, Ohio. Johnson, Royal C., Aberdeen, S.Dak, Johnston, Forney, Birmingham, Ala. Lehmann, John S., St. Louis, Mo. Logan, Richard D., Toledo, Ohio. Lowrey, Alan J., San Francisco, Calif. Lenmann, John S., St. Louis, Mo.
Logan, Richard D., Toledo, Ohio.
Lowrey, Alan J., San Francisco, Calif.
Maddox, Robert F., Atlanta, Ga.
McIlvaine, Tompkins, New York, N.Y.
Mills, Charles M., New York, N.Y.
Mills, Charles M., New York, N.Y.
Montague, Paul N., Winston-Salem, N.C.
Morrow, William I., Hartford, Conn.
Munn, John R., Princeton, N.J.
Nattzger, Roy E., Los Angeles, Calif.
Naumburg, George W., Croton, N.Y.
Newberry, Phelps, Detroit, Mich.
O'Brien, John J., Detroit, Mich.
O'Brien, John J., Detroit, Mich.
Polk, Charles M., St. Louis, Mo.
Poole, Grace Morrison, Washington, D.C.
Pratt, Thomas B., Darien, Conn.
Robertson, Walter S., Richmond, Va.
Robinson, Joseph W., Toledo, Ohio.
Roosevelt, Archibald B., New York, N.Y.
Russell, Richard S., Boston, Mass.
Stahlman, James G., Nashville, Tenn.
Starbuck, E. B., Santa Barbara, Calif.
Gilbert G. Browne, chairman managing of Gilbert G. Browne, chairman managing committee. Graham B. Blaine, treasurer. E. Roland Harrimann, chairman finance committee. George W. Naumburg, vice chairman finance committee. Henry H. Curran, director. George J. Dunbaugh, assistant director.

Mr. Speaker, you will note that in the first paragraph of the letter I am asked to support the President's recovery program "by refusing to pay now—in 1934—the veterans' bonus, which is not due until 1945." Out of 30 and more major legislative measures, Mr. Curran and his fellow leaguers are interested in only 2—the Economy Act and the so-called "soldiers' bonus." The reason is obvious. The pensions that are paid war veterans are financed by the revenue derived from income taxes. These millionaire income-tax dodgers are not content with defrauding the Government of billions of dollars. In addition, they would crucify the veteran, take away all his pension, regardless of his disability or of his dire financial distress, merely to wipe out the little income taxes that they, the millionaire crowd, are compelled to pay now.

In the case of the immediate payment of the bonus, no such question is involved. The Patman bill, commonly known as the "bonus bill", which passed the House of Representatives by an overwhelming majority, authorizes the issuance of new currency to pay off every certificate in full. The approximate amount required is \$2,400,000,000, backed by Government bonds, because that is all the certificates are-a promisory note or obligation of the Government of the United States of America to pay the soldier his adjusted compensation in 1945. Yet these rich economy leaguers say that would be fiat money; it would represent "instant printing-press inflation, the disastrous effect of which on all groups but particularly on the wage earners-among whom are many veterans-is too well known to require mention. Well, to Mr. Henry H. Curran, the bellwether of this flock of avatars of greed, I humbly doff my hat. For modern, up-to-the-minute superheterodyne and super-stream-lined gall, guts, and plain, low-down lying, you win the congressional leather medal.

In fact, you say that more money in circulation will hurt the fellow who has no money. You state that when we have a famine of money more money would only make the famine worse—the pestilence more devastating. In all contemporary history I only know of one simile, one comparison—that is the shocking spectacle of Henry A. Wallace, Secretary of Agriculture, plowing under and reducing crops in the midst of the worst drought the country has suffered in years.

Indeed-

Quoth Sir Henry Curran—

it threatens the financial safety of the Nation.

Let me ask you, where was your boasted financial safety on March 4, 1933? Half the banks in the Nation were closed down—flat broke—President Roosevelt's first act was to close down the rest to keep the bank racketeers, to which your crowd evidently belongs, from looting all the banks of the depositors' money.

The first act of Congress was legislation passed for the benefit of banks and the bankers. All of them participated in Government finances and doles.

Old John Pirate Morgan himself, under whose bloody flag you and your watchdogs of the Treasury sail, required help. Had he been given his just dues, Congress would have enacted legislation to confiscate \$39,900,000,000 of his reputed net worth of \$40,000,000,000, expatriated the old buccaneer, and deported him to his native country of England where he does pay taxes.

You, Comrade Curran, besmirch thousands of worthy war veterans by proclaiming that you yourself are a veteran. You thank me for molding into law in aid of veterans who suffered disabilities directly due to war. This "oily bull" of yours causes me to believe that you must have been disabled yourself either in eyesight or in memory; because if you have scanned the voting records of Congressmen as assiduously as you have slandered worthy veterans, you would have discovered long ago that I voted for the veterans 100 percent on each and every roll call and against you and your millionaire leaguers 100 percent.

You want "no gratuities be paid to those veterans who came out of the war hale, whole, and hearty. Well, just who, in the name of Mephistopheles, are you to act as a self-appointed judge, jury, prosecutor, and supreme court to discriminate between veterans who are disabled and those who came out of the war hale and whole and hearty?

Were you down in the mud- and blood-soaked trenches waiting for the zero hour while the shells cracked above and your comrade at the right or the left, or both, fell into that eternal sleep that knows no awakening? Did you traverse and go through the desolate, nerve and mind racking No Man's Land, besides which Dante's Inferno and the Stygian depths of the blackets hell ever painted by the hand or tongue of man were a flower-bedecked, moon-bathed, sunkissed paradise? Did you fight arm to arm and shoulder to shoulder with the World War heroes? Did you hear the roar and shriek of the bursting shells, the yells and cries of the dying and wounded, while we fought to make the war safe not for democracy but for the plutocracy of Wall Street?

If you can answer these questions in the affirmative, then you are qualified to answer the next, thou fiery dragon who watcheth the peoples' Treasury with such unwashed and unquashed zeal.

Could any mortal man, created in the image of Immortal God, go through that inferno, go through that man-made hell, and not exhibit the indelible marks of it 5 years thereafter, 10 years, 15 years—nay, even when he will reach his threescore and ten?

Your vituperation flows out like a million-barrel gusher. You ask:

How is it, then, that nearly 4,000,000 healthy veterans are put forward for a \$2,000,000,000 hand-out over and above ordinary citizens? These veterans already share in every form of relief. They are even preferred in relief over everybody else by both Federal and State laws. Why should they be still further preferred out of the pockets of all the rest of the people?

Here is your answer: That war was fought for the aristocracy of wealth for whom you seem to be the paid mouthpiece. Morgan and his fellow bandits bet on the wrong horse—England—they had lent \$10,000,000,000 of their illgotten gold to England and her allies. England and her allies had their backs to the wall and, without American intervention, were foredoomed to defeat. Defeat would have meant repudiation of Morgan's loans to the Allies.

The United States entered the war. Four million of the bravest, the finest, the most courageous of young American manhood went to the front. Half of them crossed the tossing, foaming billows of the Atlantic. Then the Allies won the war. The golden money bays of the superfiend—Morgan—were saved.

Every man who wore the uniform is entitled to and should receive preferment from the hands of the Government that he gave his all to save.

Contrary to your statement that they are "still further preferred out of the pockets of all the rest of the people", they are preferred and should always be preferred out of the pockets of the money kings of this country, whose poisonous and selfish propaganda squirts from your tongue and pen

But since "'tis a waste of lather to shave an ass", I shall take no more of my valuable time commenting on your letter. But to paraphrase the words of another, I have just discovered the shameful exility of the English language, its poverty of expression, its inadequacy as a mental exchange medium, its utter inability to describe what it were a crime to leave uncataloged. We have a great many vitriolic words, sesquipedalian words, even what the Germans are wont to call "thunder words"; but none of them, either singly or in combination, can by the grace of inflection or poetic license, be made to answer my purpose. I want a real nice word with which to signify something awfully nasty; but would, for this occasion only, dispense with euphemism were it sufficiently expressive. I must have a word woven or a warp of shame and woof of infamy by some foul Duessa plying her loom among the damned—a word that will signify a featherless two-legged animal who

is neither man nor ape; whose soul is but the suspiration | of a sick buzzard and his cerebral convolutions the writhing of malodorous maggots; who is a criminal and not confined, a lazar and not compelled to cry "unclean"; a creature so foul that were Doll Tearsheet his mother, Falstaff his father, and perdition his birthplace, he would shame his shameless dam, disgrace his graceless sire, and dishonor his honorless country.

ITALIAN CITIZENS IN OHIO, THAN WHOM THERE ARE NONE MORE PATRIOTIC, LOYAL, OR PROGRESSIVE, ARE GIVEN RECOGNITION BY APPOINTMENT OF ARTHUR DE LUCA AS A CADET TO WEST POINT

Mr. TRUAX. Mr. Speaker, among Ohio's citizenry there are thousands of patriotic loyal citizens of Italian descent. This is particularly true of the urban centers of population. It is noticeably true in the large cities of northeastern Ohio. Through experience, observation, and contacts made during 14 years in public life, I say, without hesitation, that these worthy citizens are always found in the front ranks of every progressive movement in our State. They are always found to be championing progressive legislation that is for the good of all the people instead of the favored few. They will always be found in the ranks of the common people, fighting for a common cause, instead of supinely following the money kings and the selfish policies of the silk-stockinged aristocracy and the idle rich.

Mr. Speaker, when I served as director of agriculture for the State of Ohio, 1923-29, and had charge of the enforcement of the pure food and drug laws, I found that little enforcement was needed against the Italian wholesalers and dealers in the varied lines of foods which they handle, as they are, in nearly every case, peaceful, lawabiding citizens.

The great majority of them have supported Democratic candidates for office in Ohio, because these candidates fulfill, usually, the Italian sense of honesty, justice, and fair play. Personally, I know that the vast majority of Italian voters in my State voted for Franklin D. Roosevelt and the new deal. We find them today supporting the policies of our great President and the new deal. They have gone to the front in business, in the professions, in the sciences, and in the arts, and did their part, and did it well, in the World War.

Mr. Speaker, it is a distinct pleasure and privilege to me to have enjoyed the honor to appoint an outstanding Italian youth of Steubenville, Ohio, a cadet to the United States Military Academy, at West Point, N.Y. I am herewith appending letters from the Honorable George H. Dern, Secretary of War, and Maj. Gen. James F. McKinley, The Adjutant General, confirming the appointment.

FEBRUARY 3, 1934.

Hon. CHARLES V. TRUAX,

House of Representatives.

Dear Mr. Truax: I am in receipt of your letter of February 2,

DEAR ME. TRUAX: I am in receipt of your letter of February 2, 1934, with which you transmit your nominations of Arthur De Luca, Richard King, and Verlin Eugene Henderson, as principal, first and second alternate candidates, respectively, for appointment to the United States Military Academy, at West Point, N.Y.

A letter of appointment has been issued to Mr. Arthur De Luca, the principal candidate, a copy of which letter is enclosed for your information and files. It is requested that you sign the nominations of the first and second alternate candidates and return them to the Department in order that letters of appointment may be to the Department in order that letters of appointment may be issued.

Sincerely yours,

GEO. H. DERN. Secretary of War.

WAR DEPARTMENT, THE ADJUTANT GENERAL'S OFFICE, Washington, February 3, 1934.

Mr. ARTHUR DE LUCA,

Mr. Arthur De Luca, 646 Slack Street, Steubenville, Ohio.

Dear Sir: I have the honor to inform you that you have been selected for appointment as a cadet of the United States Military Academy, at West Point, N.Y., and that you are, therefore, authorized by the Secretary of War to present yourself before a board of officers at Fort Benjamin Harrison, Ind., on March 6, 1934, before 9 o'clock a.m., for mental and physical examination.

Should the academic board in the meantime excuse you from the regular mental examination by accepting your educational certificate to be validated by special examination, under regulations recently adopted, you will be required to appear before the

examining board at the time and place above named for both physical and the special examination. If the academic board excuses you from all mental examinations in accordance with the new regulations, you will report as above authorized for physical examination only.

If it be found that you possess the requisite qualifications, you will be admitted to the academy, without further examination, upon reporting in person to the superintendent at West Point on July 2, 1934, and your warrant of appointment, which will entitle you to pay from the date of your admission, will be delivered to you. to you.

The laws and regulations governing the admission of cadets

are fully set forth in the accompanying pamphlet to which your attention is particularly directed.

You are requested to inform this office immediately of your acceptance or declination of the contemplated appointment. A blank form of acceptance is also enclosed.

Very truly yours,

JAMES F. MCKINLEY, Major General, The Adjutant General.

# LABOR AND THE DEMOCRATIC PARTY

Mr. KELLER. Mr. Speaker, every time the Democratic Party has gained control of the National Government labor has been rewarded. All the important causes labor has advocated have awaited the arrival of Democratic administrations for realization. Labor's struggle for economic justice and the aims and ideals of the Democratic Party have been fellow travelers across the pages of American history. Such claims would be ridiculous if they were not supportable by facts. But here are the facts:

Whence came the Secretary of Labor who now sits in the President's Cabinet? Woodrow Wilson appointed the first representative of the laboring people to sit in his Cabinet in 1913. This act was the culmination of a long struggle on the part of labor for such representation, and to Wilson, heading a Democratic administration, fell the honor of appointing the first Secretary of Labor. Under Wilson the Department rose to a position of real importance, only to become the least important under succeeding Republican administrations. A view of the appropriations is ample proof of the unimportance the Republican Party gave to the Labor Department. In 1919, the last year of the Wilson administration, more than \$11,000,000 was appropriated for the Labor Department. In 1920 the Republican Party making the appropriations, the Department of Labor received slightly more than \$4,000,000.

Another victory of utmost importance to American labor was gained in the administration of Wilson. For more than 30 years far-seeing men had advocated an 8-hour day for the workingman. Employers, backed by wealth and privilege, had forestalled every attempt to realize this ideal. Conservative judges had ruled against State laws that attempted to set maximum hours of work. Again the Democratic Party stepped to the side of labor. President Wilson sponsored a law that passed Congress making 8 hours the legal working day on the railroads of the Nation. The effects of this law were felt throughout the country. great majority of the industries of the Nation soon adopted the 8-hour day.

In the second term of Wilson's administration the Clayton Act was passed. Its intention was to modify those parts of the Sherman Antitrust Act which courts had used to curb labor-union activities. The intrepid Samuel Gompers led a gallant fight for labor in its efforts against this part of the Sherman Act. Two Republican Presidents had refused to sponsor the change, and one of them had vetoed a proposed change. Woodrow Wilson signed the Clayton Act, which exempted trade unions from the terms of the Sherman Act. Labor unions were no longer combinations in restraint of trade in the eyes of the law. Government by injunction was no longer the order of the day.

It should also be remembered that during the Wilson regime a child labor law was passed, which unfortunately, was later invalidated by the Supreme Court of the United States. Another Democratic President was to have the honor once more of abolishing that odious institution. Remarkable as it may seem, he did it with the consent of the employer class. All industries working under the terms of the N.R.A. codes do not employ child labor.

Still another step was taken by the Democratic Congress | which served the interests of the workingman in 1916. The Seaman's Act was passed. Under its provisions, strong hope was held that an American merchant marine could be built. Foreign ships had been carrying the bulk of American goods and foreign sailors and owners were receiving the wages and profits. By just regulations of the association between employer and seaman, the sailor benefited beyond anything ever known on American vessels. Safer working conditions and safer ships resulted from the regulations laid down by this act.

In our present situation, with strikes and industrial disputes before the public eye, it should be recalled that arbitration of industrial disputes received impetus during the Wilson era. The National War Labor Board's activity in settling labor disputes is memorable. Their services were invoked in more than 500 cases in 1918 alone. A part of the Newlands Act of 1913 provided for the arbitration of railway labor disputes. Peace, coupled with sanity, went far to harmonize conflicting interests.

Franklin Delano Roosevelt took office March 4, 1933, the first Democratic President since Woodrow Wilson. For 12 years labor had been the tail of the industrial kite. Never once in those 12 years were the ideals and aims of the laboring man given a front-rank position in the industrial parade. Wealth and privilege led the march to the chasm into which we fell in 1929. Franklin Roosevelt came into the Presidency at a time when 13,000,000 men walked the Nation's streets in enforced idleness. All banks and most of business was on the point of collapse. He realized that the prosperity of the Nation depended on the men and women who produce the wealth of the country. With that realization, the principal aim of his whole program became one of restoring old jobs and creating new ones. The National Industrial Recovery Act was passed. Under its terms labor received some of its greatest blessings. Child labor was abolished in all the codes. Shorter hours than had ever been known fell to the lot of thousands of workers. Minimum wages were set at a figure that was as much as 60 percent higher than some industries had ever paid. That old and heinous institution, the sweatshop, disappeared from the industrial scene under the provisions of the codes.

President Roosevelt determined, in writing the N.R.A. codes, to create more jobs and make life more livable for the workingman by shortening the length of the working day. More than 3,000,000 men have received jobs as a result of this N.R.A. activity. Not only did the length of the working day decrease but wages at the same time were increased. Now the Democratic President and the Democratic Congress hope to establish the 6-hour day and the 30-hour week for American industry as soon as workable adjustments can be made, and through that and other means provide a job for every man and woman who wants to work. That is the goal.

There were other tasks to be done. Some immediate jobs had to be furnished. The C.W.A. was created. Throughout the past winter the Federal Government kept men at work on C.W.A. projects paying standard wages and restoring the unemployed worker's self-respect by so doing. Four million men and their dependents were removed from the relief rolls by the C.W.A. program. Four million men became producers and consumers after years of humiliating experience on relief rolls. And notwithstanding the petty abuses and inefficiencies of the C.W.A. projects, the putting to work of 4,000,000 men in four weeks is the most notable economic achievement in all history. No other nation could have accomplished such a program. It is an undying testimony to the intelligence, resourcefulness, energy, and cooperative genius of the whole American people.

Far-seeing and wise, the President launched the P.W.A. Public projects of a self-liquidating nature were started. Carefully planned and wisely executed, these projects are intended primarily to put men to work. In March 1934 the year 1935 it is expected that 5,000,000 men will find work on P.W.A. financed jobs. It should be kept in mind that these projects are self-liquidating, that they will not cost the Government one cent. The money is loaned as safely as a bank would loan it.

Of more recent things that this Democratic administration has done for labor are three bills passed by the Seventythird Congress. First, the railroad pension bill passed in the closing hours of the session is the same bill in substance which I had the honor to introduce February 27, 1932, and, with the splendid help of many of my colleagues, to battle for 21/2 years before it was enacted into law. Its terms provide for pensions to protect the workers on the Nation's railways in their old age. Upon reaching the age of 65 the railroad worker is retired on a lifetime pension. No longer will the haunting fear of old age and its consequent inability to work make this class of American labor fear the time when they can no longer support themselves and their families. It will bring greater security to the traveling public. It will retire about a hundred and twelve thousand old men after 30 years of service; it will promote every man in line; give work to a hundred and twelve thousand idle men and not cost the American people a penny. This bill will stand as a monument in the realm of national social legislation. It foreshadows the day when all industry will extend the same security to its workers. It is certain to be succeeded by a national old-age pension law. The Democratic Party stands ready to do all these things.

The second measure that issued from the Seventy-third Congress to aid labor was the labor disputes bill. Adding strength to the famous section 7a of the Recovery Act, which gave labor the right to organize and bargain with its employers, this bill goes further and provides a national labor board to settle strikes where there is a disagreement between labor and its employer. This law intends to bring peace and sanity to American industry instead of strife and bloodshed.

The third measure of primary importance to labor is the amendment to the Railway Labor Act sponsored by Hon. ROBERT CROSSER of Ohio. It forever does away with company unions on any railway and prevents the many abuses which have so long flowed from their existence. It is fundamental labor legislation.

Long has labor struggled for those things it conceives to be right and just. The Seventy-third Congress and the present President of the United States did all in their power to secure these things to labor. Child labor has gone by the board by one blow from the codes; the sweatshop is on its way to oblivion; hours of labor have been greatly reduced; the right to collective bargaining is a recognized policy of the Government; higher wages are a part of the new deal; and arbitration of industrial disputes is to bring peace to all industry. America shall go forward to a more stable economic life, in which labor shall have security, a decent standard of living, and peaceful relations with its

On the basis of unadulterated facts of service rendered, the Democratic Party invites all men who labor, all men who actually produce wealth, to stand by Franklin D. Roosevelt and those legislators in the National Congress who have supported his program. A great work has been started; keen minds and strong hearts will be needed to see it through; where labor has always found its champion it will find it again. The Democratic Party invites all men to stand by and support the program that is to take us out of this depression and prevent future depressions; that is to provide and permanently maintain a job for every man and woman who wants to work.

### JUSTICE DEMANDS CRIMINAL PROSECUTION

Mr. SABATH. Mr. Speaker, I think we have done well in appointing a select committee of the House and providing it with the necessary funds to conduct a searching investigation into campaign expenditures. I have outlined the P.W.A. had 226,000 men at work on public projects. In the reasons why I think so in the following letter that I have

addressed to the Honorable Loring M. Black, Jr., the chairman of the committee:

JUNE 18, 1934.

Hon. LORING M. BLACK, Jr., Chairman,

Committee on Investigation of Campaign Expenditures,
House of Representatives, Washington, D.C.
My Dear Colleague: The law of every State provides that obtaining anything of value by false pretenses is a crime, and punishable by imprisonment. I feel that anybody or any group or

combination of men which tries to obtain votes by false and mis-leading statements should rigidly be subjected to that law.

The future of our Government depends upon the sanctity of the ballot box. That is axiomatic. The law wisely provides pun-ishment for votes illegally cast and prohibits the buying of votes. These illegal and reprehensible practices exist, happily, in only a few sections of our country. It is for the purpose of investigating any such violation that the House of Representatives has appropriated \$10,000 for a committee to investigate under the Corrupt Practices Act.

Therefore I call upon the committee of which you are the head Therefore I call upon the committee of which you are the head to use its power and authority and to proceed to investigate the vicious circle and conspiracy that is now on foot to undermine President Roosevelt in his efforts to further save the Nation from the clutches of the old gang that has succeeded in bringing to the public stage new names and new faces to carry out an antagonistic, obstructive, and destructive policy. I make this statement and urge action because, within the last 6 weeks, ever since we began the consideration of the stock-exchange control and labor bills, at least 12 new publicity bureaus have been established and the services of many men engaged for the purpose of disseminat-

bills, at least 12 new publicity bureaus have been established and the services of many men engaged for the purpose of disseminating the most misleading, false, insidious, and made-for-cash articles that warped and conniving brains can concoct.

I believe in the freedom of the press and in the freedom of speech, and, though I have recently read with disgust many articles in Republican-controlled newspapers, I feel that thoughtful and intelligent readers will ultimately clearly understand the

underlying reasons.

Nonetheless, when men of presumed standing in business—professional, educational, financial, industrial, agricultural, and other groups—are hired by selfish, nefarious, and lobbying interests to promote from the forum, through the press, and by the radio all manner of undesirable and inimical campaigns and propaganda against the public weal, it is time to thoroughly expose the origin

against the public weal, it is time to thoroughly expose the origin and purpose of this noxious and dastardly misinformation.

The Federal Trade Commission in its investigation of the shameful practices of the Power Trust, when it revealed regiments of highly paid propagandists, who went so far as to try to improperly influence public opinion by writing public-school textbooks, and to try to improperly influence public opinion by having puppets read over the radio speeches inspired and actually written by the Power Trust publicity agency, did a useful service.

Such investigations and wholesome exposures should be continued, in the hope that a calcium light of nonpartisan publicity will ultimately drive at least the major scoundrels to cover and into inaction and discourage any oncoming corruptionists.

into inaction and discourage any oncoming corruptionists.

Very respectfully,

A. J. SABATH, Member of Congress, Fifth Illinois District.

### PASSAGE OF THE MUSCLE SHOALS BILL

Mr. RANKIN. Mr. Speaker, there has been so much misunderstanding and so much misinformation given with reference to the passage of the Muscle Shoals bill creating the Tennessee Valley Authority that I deem it not inappropriate at this time to make a short statement for the RECORD setting out the facts.

When the Roosevelt administration came into power, it was well known that some measure would be passed providing for the operation of the Muscle Shoals project. The question was whether or not the Government, or the Authority created by it, would have the power to build transmission lines, or whether they would merely generate the power and then have the power companies monopolize it and use it for their own benefit.

The bill which finally became law was introduced in the Senate by Senator Norris, of Nebraska. I introduced it in the House, and it became known as the "Norris-Rankin

Muscle Shoals bill."

The Military Affairs Committee of the House refused to report that measure, but reported one which, if enacted into law, would in my opinion have paralyzed the Muscle Shoals project and rendered it practically useless from the power standpoint, so far as the ultimate consumers of electric light and power were concerned. I offered the Norris-Rankin bill as a substitute on a motion to recommit, but it was voted down. I was denied an opportunity to discuss properly the amendment, and it was therefore lost because the Membership of the House did not understand it.

The measure then went to the Senate, which promptly relegated it to the wastebasket and passed the Norris bill,

which was identical with the one which I had offered on the motion to recommit. It was messaged over to the House, but was not called up immediately.

I investigated and found that if the bill went to conference, of the five conferees to be appointed on the part of the House, every single one of them had voted against my motion to recommit and were therefore on record as against the Norris-Rankin bill; and that of the five conferees to be appointed from the Senate, Senator Norris alone had voted for his measure, as against the provisions of the House bill which had been offered as an amendment in the

I determined therefore to prevent the measure's going to conference, unless we could instruct the conferees to accept the Senate bill. I asked Hon. John Young Brown, of Kentucky to help me watch the situation and to object to the bill's going to conference if unanimous consent was requested in my absence. The measure was called up while I was not on the floor and unanimous consent was requested to send the bill to conference. Mr. Brown promptly objected, and I want to say right here that in doing so, he rendered a great service toward helping to save Muscle Shoals for the American people.

The Rules Committee was then asked for a rule to send the bill to conference. I appeared before the Rules Committee and opposed such a rule unless they would give me permission to offer a motion to instruct the conferees to accept the Senate bill and allow me ample time to debate the question. My request was granted, and we prepared for the battle on the floor of the House the next day.

Many Members of the House who had voted against my motion to recommit, seeing their mistake, came to me and asked for time to speak in favor of my motion to instruct

the conferees.

I called the White House early the next morning and informed the President's Secretary of the situation and asked permission to quote the President as being wholeheartedly in favor of the Senate bill. That permission was granted. I told the Secretary that Mr. Roosevelt could settle this question without any more controversy if he would call Senator Norris and the Chairman of the Military Affairs Committee down and make it clear to them as to just what his wishes were in the premises. This suggestion was communicated to the President, and he called Senator Norris and the Chairman of the House Military Affairs Committee to the White House, went over the bill with them, and let them know exactly what he wanted done; and that was to accept the provisions of the Senate bill with reference to the distribution of power and the construction of power lines-in other words, the provisions of the Norris-Rankin bill on that particular point-without which the passage of the Muscle Shoals bill would have been a nullity insofar as it affected the consumers of electric light and power.

Senator Norris called me from the White House and told me that this agreement had been reached and that I was authorized to make it public, which I did. When I announced this agreement to the House, it provoked a round of applause from the Members who had come to realize exactly what the Roosevelt power policies meant.

The bill was sent to conference, and the agreement entered into was carried out. The conference report was adopted by both Houses, and the bill was signed by the President.

The wonderful progress that has been made in the Muscle Shoals area has proved the wisdom of this legislation. The great reduction it has brought in light and power rates has aroused Nation-wide interest. The country has come to realize that the Roosevelt power policies are ushering in a new day that will revolutionize the economic, the industrial, and the domestic life of America.

REPRESENTATIVE TRUAX SAVES TAXPAYERS APPROXIMATELY \$20,000,000

Mr. TRUAX. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

The Clerk called the next bill, S. 3017, for the relief of Edwin C. Jenney, receiver of the First National Bank of Newton, Mass. Mr. Blanton and Mr. Truax objected.

Mr. Blanton. Mr. Speaker, at this juncture I ask unanimous consent to extend my remarks to give my reasons for objecting to a number of bills on the calendar.

The SPEAKER. Is there objection to the request of the gentleman

from Texas?

There was no objection.

Mr. TRUAX. Mr. Speaker, I make the same request.

The Speaker. Without objection, it is so ordered. There was no objection.

Mr. Speaker, I have made a survey, to June 11, 1934, of the private bills objected to on the Private Calendar, and find the following facts:

There have been objected to 129 bills carrying appropriations totaling \$18.822,455.85.

In addition there were 44 bills of a jurisdictional nature. At least some of these would have become judgments in all probability, resulting in cost to the Government. However, the amount saved by objecting to this class of bills is undeterminable.

This survey does not include the amount saved the Government by a reduction in appropriation of the private bills

Whereas the only definite sum that can be shown is the above amount of \$18,822,455.85, a conservative estimate would be a sum well in excess of \$19,000,000 saved the Government

In addition to the foregoing on the last day of the session, Monday, June 18, by my individual objection, I saved \$467,622.03 on the following bills:

8. 1800	_ \$10,000.00
S. 232	_ 22, 000.00
S. 826	_ 33, 337. 50
S. 1461	_ 100,000.00
S. 2431	_ 10,000.00
S. 250	_ 50, 000.00
S. 2972	20, 000. 00
S. 2357	_ 29,000.00
S. 1629	_ 13,000.00
S. 3366	15,000.00
S. 3017	165, 284. 53
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DOLE RELIEF DIMINISHES-REEMPLOYMENT INCREASES

·Mr. SNYDER. Mr. Speaker, my attention has been called to the article in the New York Times relative to Federal expenditures and the number of Federal jobs. This article is accredited to my fellow colleague Congressman Taber, of New York.

The set-up of the figures and phraseology of Mr. Taber's article are I suppose true, because he is a most capable and honorable gentleman. However, they do not convey the real facts, as the average reader interprets facts.

In his first statement he says that 800,000 more families are receiving Federal support. That does not correspond with the figures I got from Harry L. Hopkins' department today. But be that as it may, the fact is that there were more than 1,500,000 families receiving relief in March 1933; but up to that time the local organizations in the towns, townships, counties, and States were taking care of practically all relief expenses. In other words, the amount of money laid out for relief during the month of February 1933-I mean direct relief-was twice as great as the amount of money laid out for direct relief for February 1934.

The new-deal machinery had put millions of men back to work, many of them on Federal projects, thus taking Federal money, of course, but getting away from that most unwholesome practice of direct relief. Those receiving relief today as well as those that had been receiving relief want an opportunity to work and earn their living. The Seventythird Congress in its first session, at the suggestion of President Roosevelt, created a set-up by which we put some three or four million men to work on C.W.A. and P.W.A. projects. This was done to preserve the independence in the individual, as well as accomplish constructive rehabilitation work in every community and every State that was absolutely necessary because of the lack of doing such things in these communities for 3 or 4 years prior to 1933.

Mr. Speaker, I am rather disappointed in anyone's taking up a line of reasoning like this.

The article also states that the Federal Government now employs about 600,000 more people than it did in 1933. That also may be true. It is surprising to me if we do not employ a greater number, because this administration brought the Federal Government from Wall Street to Washington, where it belongs; it naturally takes more people to run the Gov-

When we think of the millions and millions of men, women, and children lined up in front of the souphouses and breadlines throughout the Nation during the latter months of 1932 and the early months of 1933, it is only reasonable to assume that when the Government set up machinery like the N.R.A. and the C.W.A. and the P.W.A. and other agencies, to put men to work and take them out of the breadlines and souphouses, that it would take a larger office force and managing force to do this than was necessary when these millions were in the breadlines.

The men themselves who were in the breadlines realize that the Government must have machinery and set-ups by which they can be taken care of until such time as industry opens up to absorb the unemployment through the regular industrial channels

The Honorable Mr. TABER also says in his article, that relief is now costing practically three times as much as it was costing in May 1933. That statement is the most misleading of all. The number of men, women, and children receiving food, shelter, and clothing on the basis of direct relief in May 1933 was twice as great as the number of men, women, and children receiving food, shelter, and clothing in May 1934. Therefore, the cost of direct relief in 1934 is only half as much as it was in 1933.

I grant you, Mr. Speaker, that if you are going to add to these sums all that we are now spending for the drought areas in the West, or Federal relief projects, and other avenues of employment to absorb the unemployed, the gentleman's figures may be correct. But to say the least, they are misleading. He does not include all of the facts involved in setting forth direct or dole relief as against the sum set aside for reemployment through the agencies such as P.W.A. and C.W.A. and C.C.C. camps, and like activities.

Further on in the article I notice he speaks of the Democratic pledge. The reason why the Literary Digest poll today shows 47 States of the Union favoring a new deal is that the Democratic Party kept their pledge. The Democratic Party platform or pledge has been kept in letter and in spirit, according to those who have made a study of the platforms and pledges of all parties for the last 50 years.

In this same newspaper article my colleague is quoted as saying that-

The reckless disregard of the Democratic pledge has so destroyed the confidence of the people in the Government that business does not move.

I shall have to classify my colleague as a Republican leader, because it is only the leadership and the dictatorship of the Republican Party that makes such statements.

The layman of the Democratic Party and the layman of the Republican Party are almost unanimous in their approval of the new-deal set-up. Ninety-seven percent of the laymen of both parties know just how business was moving in February and the 1st of March 1933, when all the banks of the Nation were closed because of the lack of management, or the bad management, of the same Republican leadership.

Ninety-nine percent of the American people today over 14 years of age know that confidence has been restored in the hearts and in the breasts of the citizenship of the United States. They know that business conditions in every field are better than they were a year ago. They know that there are fewer people on direct relief in every community than there were a year ago or 15 months ago. They know that the Seventy-third Congress gave the Nation a set-up that has already lifted the farmers and the laborers and the little business men up upon the first level of permanent social and economic prosperity. They further know and have confidence that the constructive measures of this session of Congress that is now about to close will raise them to another

level of prosperity as they are applied to our business institutions during the coming months.

In my own congressional district, where farming and mining are the chief industries, we find that the great percent of those doing business, whether it be on the farms, in the mines, or in the stores or factories, show you in actual figures that the unemployment numbers are only half as great and that their several businesses have picked up any place from 15 to 200 percent. I beg leave to quote from the Uniontown Morning Herald of yesterday a portion of the advertisement of the Cohen's Furniture Co., which says in

#### AMERICA IS GOING FORWARD

Manufacturing products up 50 percent.
Department-store sales up 46 percent.
General country store sales up 66 percent.
Iron and steel production increase 200 percent.
Automobile sales increase 184.8 percent.
Bituminous coal production increase 62½ percent.
Freight-car loading increase 53.3 percent.
Newspaper advertising increase 37.5 percent.
Exports increase 70.9 percent.
Imports increase 58.6 percent.

These increases were based on a year's business dating from June 16, 1933-June 16, 1934. They tell the story of the results of the work of the Seventy-third Congress of the United States.

It is encouraging and heartening to President Roosevelt and the Members of Congress to know that the laymen of this great country of ours now realize that we are on the road to prosperity.

Nothing gives me more satisfaction than to go back to my district and find that the miners and the laborers and the farmers and the little business men are buoyed up with a new hope and a new confidence in our Nation's industries. They speak with enthusiasm about the Democratic program that the Nation is now working out. They are more proud of the Constitution today than ever before, because the Democratic Congress demonstrated that the Constitution is broad enough and deep enough to feed and clothe and shelter all of the people all of the time.

In conclusion I wish to say that all the facts from all the departments of government prove beyond the shadow of a doubt that the new deal has not only brought relief for the farmers and the laborers of the Nation but it has restored confidence, Nation-wide and world-wide.

The SPEAKER laid before the House the following letter from the President of the United States:

> THE WHITE HOUSE Washington, June 16, 1934.

Hon. HENRY T. RAINEY,

Speaker, House of Representatives, Washington, D. C.
MY DEAR MR. SPEAKER: Before the final adjournment of the House of Representatives of the Seventy-third Congress, I want to send through you, to the Members thereof, my sincere compliments and good wishes.

This Congress will go down into history as one of large accomplishment for the national good. May I add to this my own feeling of deep satisfaction in the fine spirit of cooperation which has existed between the legislative and executive branches of the Government.

May you all have and enjoy a well-earned holiday. Very sincerely yours,

FRANKLIN D. ROOSEVELT.

### ADJOURNMENT SINE DIE

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn sine die.

The motion was agreed to; accordingly (at 11 o'clock and 45 minutes p.m.), pursuant to House Concurrent Resolution No. 47, the second session of the Seventy-third Congress adjourned sine die.

## BILLS APPROVED SUBSEQUENT TO SINE DIE ADJOURNMENT

The President of the United States, subsequent to the sine die adjournment of the second session of the Seventy-third Congress, on the following dates approved and signed bills and joint resolutions of the House of the following titles:

On June 19, 1934:

H.J.Res. 375. Joint resolution to effectuate further the policy of the National Industrial Recovery Act;

H.R. 194. An act to refund to Caroline M. Eagan income tax erroneously and illegally collected;

H.R. 387. An act donating bronze trophy guns to the Cohoes Historical Society, Cohoes, N.Y.;

H.R. 1503. An act to amend the act entitled "An act to create the California Debris Commission and regulate hydraulic mining in the State of California", approved March 1, 1893, as amended;

H.R. 1567. An act amending section 1 of the act of March 3, 1893 (27 Stat.L. 751), providing for the method of selling real estate under an order or decree of any United States

H.R. 1731. An act to make provision for suitable quarters for certain Government services at El Paso, Tex., and for other purposes;

H.R. 2418. An act for the relief of certain claimants at Leavenworth, Kans., occasioned through damage to property inflicted by escaping prisoners;

H.R. 3243. An act for the relief of Harry E. Good, administrator de bonis non of the estate of Ephraim N. Good, deceased:

H.R. 3357. An act to amend section 99 of the Judicial Code (U.S.C., title 28, sec. 180), as amended;

H.R. 5736. An act for the relief of Shelby J. Beene, Mrs. Shelby J. Beene, Leroy T. Waller, and Mrs. Leroy T. Waller; H.R. 5947. An act authorizing adjustment of the claim of the Western Union Telegraph Co.;

H.R. 6625. An act for the relief of Charles Farr;

H.R. 7348. An act to amend section 3937 of the Revised Statutes;

H.R. 7387. An act for the relief of Royce Wells;

H.R. 7816. An act for the relief of Oswald H. Halford, Hunter M. Henry, William C. Horne, Rupert R. Johnson, David L. Lacey, William Z. Lee, Fenton F. Rodgers, Henry Freeman Seale, Felix M. Smith, Edwin C. Smith, Robert S. Sutherland, and Charles G. Ventress;

H.R. 8514. An act authorizing the Secretary of the Treasury to convey a part of the post-office site in San Antonio, Tex., to the city of San Antonio, Tex., for street purposes, in exchange for land for the benefit of the Government property:

H.R. 8700. An act to establish a Code of Laws for the Canal Zone, and for other purposes;

H.R. 8910. An act to establish a National Archives of the United States Government, and for other purposes;

H.R. 8954. An act to amend an act approved June 14, 1932 (47 Stat. 306), entitled "An act granting the consent of Congress to the States of Montana and Wyoming to negotiate and enter into a compact or agreement for division of the waters of the Yellowstone River";

H.R. 9123. An act to authorize the Secretary of War to lend War Department equipment for use at the Sixteenth National Convention of the American Legion at Miami, Fla., during the month of October 1934;

H.R. 9143. An act providing educational opportunities for the children of soldiers, sailors, and marines who were killed in action or died during the World War;

H.R. 9178. An act to regulate the business of life insurance in the District of Columbia;

H.R. 9547. An act to amend section 766 of the Revised Statutes, as amended; and

H.R. 9745. An act to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes;

H.R. 9830. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes.

On June 21, 1934:

H.R. 541. An act for the relief of John P. Leonard;

H.R. 2414. An act for the relief of Frank Salisbury, executor of the estate of Emerson C. Salisbury, deceased;

H.R. 2439. An act for the relief of William G. Burress, deceased:

H.R. 3032. An act for the relief of Paul Jelna:

H.R. 3296. An act for the relief of Carl F. Castleberry;

H.R. 4579. An act for the relief of Dr. Charles T. Granger;

H.R. 4838. An act for the relief of the Massachusetts Bonding & Insurance Co., a corporation organized and existing under the laws of the State of Massachusetts;

H.R. 7922. An act authorizing the Secretary of Commerce to dispose of a portion of the Yaquina Bay Lighthouse Reservation, Oreg.;

H.R. 7953. An act for the relief of the Dallas County Chapter of the American Red Cross;

H.R. 7982. An act to establish a national military park at the battlefield of Monocacy, Md.;

H.R. 8833. An act to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the founding of the Colony of Connecticut;

H.R. 8930. An act to provide for the construction and operation of a vessel for use in research work with respect to ocean fisheries:

H.R. 9861. An act to amend the Railway Labor Act approved May 20, 1926, and to provide for the prompt disposition of disputes between carriers and their employees; and

H.R. 9904. An act to amend section 5 of Public Act No. 2 of the Seventy-second Congress, as amended.

On June 22, 1934:

H.R. 740. An act for the relief of Wade Dean;

H.R. 1354. An act for the relief of C. V. Mason;

H.R. 3705. An act for the relief of Julia E. Smith;

H.R. 3791. An act for the relief of Gustav Welhoelter:

H.R. 3793. An act for the relief of Anthony Hogue;

H.R. 4224. An act to authorize the Postmaster General to hire vehicles from postal employees;

H.R. 5031. An act for the relief of Edith L. Peeps;

H.R. 5606. An act for the relief of W. R. McLeod;

H.R. 6238. An act for the relief of M. R. Welty;

H.R. 6284. An act for the relief of John R. Novak;

H.R. 6366. An act making appropriation to restore water of high mineral content on land owned and controlled by the Federal Government;

H.R. 6497. An act for the relief of James Henry Green;

H.R. 7372. An act for the relief of Donald K. Warner;

H.R. 7428. An act providing for the transfer of certain lands from the United States to the city of Wilmington, Del., and from the city of Wilmington, Del., to the United States;

H.R. 7670. An act relating to conveyance of letters by private hands without compensation, or by special messenger employed for the particular occasion only;

H.R. 7893. An act for the relief of Ralph LaVern Walker; H.R. 8108. An act for the relief of Jeannette Weir;

H.R. 8460. An act to amend section 392 of title 5 of the United States Code:

H.R. 8909. An act to authorize the Secretary of the Treasury to amend the contract for sale of post-office building and site at Findley, Ohio; and

H.R. 9826. An act granting the consent of Congress to the State highway commission to construct, maintain, and operate a free highway bridge across Eleven Points River in the NW $\frac{1}{2}$  of sec. 31, T. 25 N., R. 3 W., 8 miles northeast of Alton, on route B in Oregon County, Mo.

On June 23, 1934:

H.R. 9404. An act to authorize the formation of a body corporate to insure the more effective diversification of prison industries, and for other purposes.

On June 24, 1934:

H.R. 7264. An act for the relief of M. N. Lipinski;

H.R. 7631. An act for the relief of Arthur A. Burn, Sr., and J. K. Ryland; and

H.R. 8328. An act for the relief of the heirs of C. K. Bowen, deceased.

On June 25, 1934:

H.R. 2416. An act for the relief of Mrs. George Logan and her minor children, Lewis and Barbara Logan;

H.R. 3084. An act authorizing the sale of portions of the Pueblo lands of San Diego to the city of San Diego, Calif.;

H.R. 3636. An act for the relief of Thelma Lucy Rounds;

H.R. 4952. An act for the relief of Theodore W. Beland;

H.R. 6622. An act authorizing the Secretary of Commerce to lease certain Government land at Woods Hole, Mass.;

H.R. 8919. An act to adjust the salaries of rural letter carriers, and for other purposes; and

H.R. 9233. An act authorizing associations of producers of aquatic products.

On June 26, 1934:

H.J.Res. 342. Joint resolution authorizing an appropriation to defray the expense of erecting the completed Navy and Marine Memorial Monument:

H.J.Res. 366. Joint resolution to simplify the administration of air-mail routes and contracts;

H.J.Res. 371. Joint resolution authorizing the creation of a Federal memorial commission to consider and formulate plans for the construction, on the apex block, Constitution and Pennsylvania Avenues, in the city of Washington, D.C., of a permanent memorial to the memory of Thomas Jefferson, third President of the United States and author of the Declaration of Independence;

H.J.Res. 376. Joint resolution to provide an appropriation to enable the United States Army to send certain units to participate in the International Celebration at Fort Niagara, N.Y.;

H.J.Res. 452. Joint resolution to provide an additional appropriation for expenses of special and select committees of the House of Representatives for the fiscal year 1935:

H.R. 1133. An act for the relief of Silas B. Lawrence;

H.R. 2419. An act for the relief of W. B. Ford;

H.R. 4666. An act for the relief of Jerry O'Shea;

H.R. 5122. An act for the relief of William S. Steward;

H.R. 7107. An act for the relief of Frank Baglione;

H.R. 7161. An act to provide for the refund or abatement of the customs duty on altar candlesticks and cross imported for the Church of the Good Shepherd, Memphis, Tenn.;

H.R. 7163. An act for the relief of the D. F. Tyler Corporation and the Norfolk Dredging Co.;

H.R. 7292. An act for the relief of the Boston Store Co., a corporation, Chicago, Ill.;

H.R. 8650. An act for the relief of B. J. Sample;

H.R. 8727. An act for the relief of the First State Bank & Trust Co., of Mission, Tex.;

H.R. 9410. An act providing that permanent appropriations be subject to annual consideration and appropriation by Congress, and for other purposes;

H.R. 9741. An act to provide for the taxation of manufacturers, importers, and dealers in certain firearms and machine guns, to tax the sale or other disposal of such weapons, and to restrict importation and regulate interstate transportation thereof:

H.R. 9769. An act to amend the act of June 19, 1930 (46 Stat. 788), entitled "An act providing for the sale of the remainder of the coal and asphalt deposits in the segregated mineral land in the Choctaw and Chickasaw Nations, Oklahoma, and for other purposes"; and

H.R. 9829. An act to amend the Agricultural Adjustment Act with respect to the processing tax on hogs.

On June 27, 1934:

H.J.Res. 330. Joint resolution authorizing certain retired officers or employees of the United States to accept such decorations, orders, medals, or presents as have been tendered them by foreign governments;

H.J.Res. 365. Joint resolution to amend the Settlement of War Claims Act of 1928, as amended;

H.R. 3295. An act for the relief of the estate of White B. Miller:

H.R. 5330. An act to amend the act of March 2, 1917, entitled "An act to provide a civil government for Puerto Rico, and for other purposes";

H.R. 5668. An act authorizing the relief of the McNeill-Allman Construction Co., Inc.; of W. E. McNeill, Lee Allman, and John Allman, stockholders of the McNeill-Allman Construction Co., Inc.; and W. E. McNeill, dissolution agent of McNeill-Allman Construction Co., to sue in the United States Court of Claims;

H.R. 8662. An act to modify the operation of the Indian liquor laws on lands which were formerly Indian lands;

H.R. 9620. An act to encourage improvement in housing standards and conditions, to provide a system of mutual mortgage insurance, and for other purposes; and

H.R. 9867. An act amending the Independent Offices Appropriation Act of 1935.

On June 28, 1934:

H.R. 6462. An act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes;

H.R. 9690. An act to place the tobacco-growing industry on a sound financial and economic basis, to prevent unfair competition and practices in the production and marketing of tobacco entering into the channels of interstate and foreign commerce, and for other purposes; and

H.R. 9936. An act to compensate widows and children of persons who died while receiving monetary benefits for disabilities directly incurred in or aggravated by active military or naval service in the World War.

# REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. Derouen: Committee on the Public Lands. S. 3705. An act to extend the boundaries of the Grand Teton National Park, in the State of Wyoming, and for other purposes; with amendment (Rept. No. 2065). Referred to the Committee of the Whole House on the state of the Union.

# REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. RAMSPECK: Committee on Claims. H.R. 9031. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Hampton & Branchville Railroad Co.; without amendment (Rept. No. 2064). Referred to the Committee of the Whole House.

# PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DIES: A bill (H.R. 9965) to authorize the Secretary of Labor to continue to suspend deportation in certain cases until July 1, 1935, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. DISNEY: A bill (H.R. 9966) relating to the tribal and individual affairs of the Osage Indians of Oklahoma; to the Committee on Indian Affairs.

By Mr. CARPENTER of Nebraska: A bill (H.R. 9967) to protect and aid tenants, sharecroppers, and operating owners of farms by insuring their continued possession of their farms and by providing for that abundance of agricultural crops and livestock which is essential to the well-being of farmers and industrial workers; to the Committee on Agriculture.

By Mr. SOMERS of New York: A bill (H.R. 9968) to create a National Bank of the United States and to provide an adequate and stable monetary system in order to regulate the price level and the purchasing power of money within the United States, and to regulate the activities of all banks; to the Committee on Banking and Currency.

By Mr. WHITE: Joint resolution (H.J.Res 377) to facilitate an advantageous payment of intergovernmental debts owed to the United States by the acceptance of indestructible metals to be stored as reserve for defense preparedness; to the Committee on Ways and Means.

### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. KRAMER: A bill (H.R. 9960) granting a pension to Laura C. Gipple; to the Committee on Pensions.

By Mr. PETTENGILL: A bill (H.R. 9961) for the relief of Charles J. Deitch; to the Committee on the Civil Service. Also, a bill (H.R. 9962) for the relief of James O. Kurtz;

to the Committee on Military Affairs.

Also, a bill (H.R. 9963) granting a pension to Katherine E. VanDorn; to the Committee on Invalid Pensions.

By Mr. HARTLEY (by request): A bill (H.R. 9964) authorizing the Secretary of War to bestow a gold medal of honor, of such design as he may approve, upon Nicholas Casale; to the Committee on Military Affairs.

### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5200. By Mr. JAMES: Resolution of the Iron River Mine Workers, No. 125, Iron River, Mich., through Alfred Kanaske, chairman, and George A. Miller, financial secretary, favoring the passage of House bill 7598; to the Committee on Labor.

5201. By Mr. CADY: Petition of H. Jordan, president Federal Union, No. 18,737, Lansing, Mich., on behalf of 7,000 organized men and women of that city, urging favorable action during the present session on the Wagner labor-disputes bill and the Connery 30-hour week bill; to the Committee on Labor.